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Adesa moving to Hutchins

By Sheryl Jean

Dallas County's giant inland port has landed its first major tenant: an Adesa auto auction on 175 acres in Hutchins.

Indiana-based Adesa Inc., one of the nation's largest auto auction companies, said the project is valued at more than \$40 million and will employ about 350 people.

Adesa has signed a 20-year lease for about 200,000 square feet in three buildings that developer Allen Group will build at the Dallas Logistics Hub, said Dan McAuliffe, president of Allen Group's Texas operations.

Construction will begin within 30 days, with the auction house scheduled to open in summer 2009 on the northwest corner of Wintergreen and Lancaster-Hutchins roads.

The Hutchins auto auction will replace a smaller, 250-employee center in Mesquite that Adesa has operated for 12 years. Adesa plans to offer job transfers to those employees.

"The Dallas market is one of the largest car markets in the country," said Warren Byrd, Adesa's executive vice president of corporate development.

He said he liked the proximity to the metro area and its easy access to Interstate 45.

It's part of Adesa's expansion plans to better compete with a larger rival, Mr. Byrd said.

This year, the company opened an auction near Raleigh, N.C., and it plans to relocate to larger sites in Kansas City, Mo., and Phoenix.

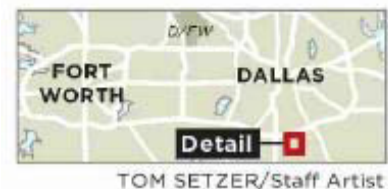
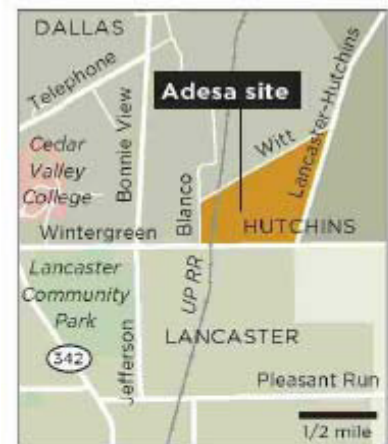
Adesa operates 60 used-car auction centers in North America, including sites in Austin and Houston, salvage auctions and loan offices. In Hutchins, Adesa plans to sell 2,300 vehicles to auto dealers at two to three auctions a week, Mr. Byrd said.

Hutchins Mayor Artis Johnson said he was impressed with a visit this year to an Adesa auction center in Georgia.

He said Adesa will attract more businesses and jobs to the city of 3,500 people.

"I was there during an auction, and I talked to some of the businesses nearby," Mr. Johnson said. "They said it brought hotels and retail all of the things Hutchins really needs."

"Adesa is a great project to kick off our development," Mr. McAuliffe said.



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Allen Group hopes to announce tenants in two speculative industrial buildings totaling 828,000 square feet by the end of the summer, he said.

"There's no doubt in my mind that South Dallas will be a bulk distribution corridor in the Dallas-Fort Worth region, and this [Adesa] is just a small sign of what's to come," said Josh McArtor, an industrial broker for CB Richard Ellis in Dallas.

The hub, 6,000 acres near Interstates 20 and 45 in southern Dallas County, says it will be the only development in North America with two major rail freight facilities.

Last month, Burlington Northern Santa Fe bought 198 acres to develop an intermodal facility. Union Pacific Railroad already has an operation near the hub."