

Dallas Business Journal

February 24, 2006

Dallas Logistics Hub

By Margaret Allen

At build-out, several decades from now, the planned Dallas Logistics Hub will accommodate 60 million square feet of industrial space worth nearly \$2 billion at today's valuation, according to the project's developer, The Allen Group.

The project is one of the largest of its kind now under way in the United States, according to Richard Allen, managing partner and CEO of the California-based company. It likely will generate 35,000 to 40,000 jobs in an area of southern Dallas that is hungry for economic development, he said.

"Obviously, the impact of jobs is going to be huge," Allen said. "It's going to be a huge driver of economic development in the region. And it's a significant project not only for southern Dallas, but for the country. It's really driven by the trade routes."

The inspiration for The Allen Group's project was Ross Perot Jr.'s sprawling 17,000-acre AllianceTexas development around Alliance Airport in Fort Worth. Richard Allen became familiar with that project during the 1990s.

It was an image the California entrepreneur couldn't forget: An inland industrial and residential development wrapped around an airport and a railroad intermodal yard, all sitting adjacent to major highways.

Earlier this decade, Allen returned to the Dallas-Fort Worth area, lured this time by the prospect

of a new \$100 million, 360-acre intermodal yard overlapping the small cities of Wilmer and Hutchins in southern Dallas County.

The yard, which opened in September, is the largest built in half a decade by Omaha-based railroad giant Union Pacific Railroad Co. (NYSE: UNP).

Allen saw in the UP yard his own vision for a major D-FW logistics hub. The Allen Group jumped at the opportunity, working under the radar over the past two years assembling some 5,000 acres in as many as 50 parcels.

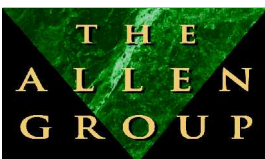
With the goal of being a major player in southern Dallas County, The Allen Group's Dallas Logistics Hub now spans Interstate 45 and the small, but growing, cities of Wilmer, Hutchins and Lancaster in Dallas County.

The Allen Group has been closing on various parcels of land over the past few months. The remaining tracts are set to close by mid-March, according to Dan McAuliffe, a long-time commercial real estate professional in North Texas who was named by The Allen Group in January to manage the Dallas operation.

"We expect to announce a build-to-suit before the end of the year," he said. "We're entertaining several users right now."

The Allen Group specializes in what the company describes as high-end office and industrial real estate. The Dallas Logistics Hub

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will house major distribution centers, warehouses and rail-served facilities, as well as a hotel and truck stop with amenities.

Edward Romanov, president of The Allen Group, has said the southern Dallas region is an

"exceptionally good" opportunity to site a park, given the massive movement of ocean freight into Houston and up Interstate 45 through Dallas-Fort Worth for distribution throughout the rest of the country.