

17 October 2006

BNSF names developer for Gardner hub; The Allen Group of San Diego will help attract tenants to a 1,000-acre development.

By RANDOLPH HEASTER and BRAD COOPER

BNSF Railway Co. has found a partner to develop a rail-truck freight center near Gardner.

The Allen Group, a San Diego-based industrial development firm, has an agreement with BNSF to develop the proposed 1,000-acre logistics hub, the railroad said Monday.

The railroad and the Allen Group will work to develop and draw tenants to the facility, which is expected to be operational by late 2008. BNSF said it had purchased nearly 800 acres for the hub and had options to buy the rest of the property.

Upon receiving approvals from public authorities, BNSF said it expected construction to begin next year.

The Allen Group specializes in developing rail-served industrial parks and office properties. The logistics hub envisioned by BNSF near Gardner is similar to hubs the railroad operates near Chicago and Fort Worth. The intermodal hub, in which goods are transported by truck and rail, is surrounded by warehouses and distribution centers.

"We believe the Allen Group has the development skills and experience to help a new BNSF Logistics Park put the Kansas City region on the international map," said Vann Cunningham, BNSF's assistant vice president of economic development, in a statement.

BNSF's rail-truck intermodal hub will occupy about 350 acres with the remaining 650 acres being developed by the Allen Group for warehouses and distribution centers.

Edward Romanov, the development firm's president and chief operating officer, said the hub will become a key component of freight movement from one U.S. coast to the other.

"As a result of the increase of trade with the Pacific Rim nations, rail movement and intermodal development has become a vital component of the international supply chain," he said in a statement.

Matt Rose, chairman and chief executive of BNSF Railway, said in Lawrence last month that the proposed hub is expected to create 7,000 jobs directly and as many as 12,000 new jobs overall in Johnson County. The project's total investment is expected to exceed \$1 billion, including about \$200 million by BNSF, according to Rose.

BNSF's project is the Kansas City area's second major freight hub proposal. The city of Kansas City last year sold the former Richards-Gebaur Airport to CenterPoint Realty Services Corp. to be redeveloped as an international inland port. That site, where Kansas City Southern has existing intermodal operations, also would try to attract manufacturing and retail tenants to establish warehouses and distribution centers.

BNSF's proposed freight center is just outside Gardner's western border. The project has drawn opposition from hundreds of area residents who fear that project would ruin the small-town atmosphere that they like about Gardner.

They forced the city to schedule an election Nov. 7 to decide whether it should be allowed to annex the hub. They hope that by rejecting annexation they can rely on the county to deny any zoning that BNSF needs.

www.allengroup.com

