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60M-SF Logistics Hub Reaches Starting Gate

By *Connie Gore*

DALLAS-In a crowning achievement, the Allen Group and BNSF Railway Co. are one step closer to a final agreement to create the only dual intermodal logistics park in North America. The clock is now ticking on a 90-day due-diligence period.

In line with the ground-breaking pact for the 6,027-acre Dallas Logistics Hub, the Allen Group has unveiled plans to start construction in 60 days on the first spec buildings--636,500 sf and 207,755 sf on a 50-acre tract. The \$35-million first phase will deliver by year's end.

Just as the park's being designed with the future in mind so are the buildings: hub-and-spoke distribution centers with 36-foot clear heights and larger than yesteryear. "There is a new generation of buildings that is occurring. That's one of the reasons we built this park," Richard S. Allen, CEO of the San Diego-based Allen Group, tells GlobeSt.com. "Those are the buildings of the future."

Nearly 800 North Texans plus state and federal officials were on hand at Friday's official unveiling of the park, which has come together in just 3.5 years on the doorstep of Union Pacific Railroad's 360-acre, \$100-million intermodal hub at the crossroads of Interstates 20, 35E South and 45 or as Allen likes to call it, "the golden box." If the Trans-Texas Corridor become reality, there will be a fourth freeway, Loop 9, bordering the

developer's largest logistics park in its portfolio. The park also has Foreign Trade Zone-designated dirt. It's projected that \$350 million will be spent on infrastructure in and around the park, but the return is a projected \$2 billion being added to the tax bases of the cities of Dallas, Hutchins, Lancaster and Wilmer.

The Fort Worth-based BNSF has a major intermodal at Hillwood's AllianceTexas in Tarrant County and three more in its US network with the Allen Group. In November 2006, BNSF optioned a minimum of 387 acres and maximum of 530 in the Dallas Logistics Hub. It's since adjusted the max to 490 acres. Allen says the Friday morning signing nudged the deal from 60% done to 90%, triggering due diligence and a seven-digit check when the earnest money goes hard.

"It's not the final step in the process, but it's a significant step," says Edward B. Romanov Jr., the Allen Group's president and COO. "We've got all the major ingredients and a stellar infrastructure that's unmatched in the US. Truly this is at the crossroads of the international trade center."

Dallas Logistics Park is projected to create 30,000 direct jobs and another 30,000 indirect jobs over a 20-year period. "We will not see this kind of development again for a very long time. It is as significant, in my opinion, as the

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Dallas/Fort Worth International Airport was 30 years ago," Dallas Mayor Laura Miller told the crowd at the unveiling, held at Lancaster Airport, which is transitioning into a primary cargo facility with the extension of its runways. The 5,000-foot runway will be lengthened by 3,000 feet in two phases.

At build-out, Dallas Logistics Hub will have 60 million sf. Although logistics space tops the list, the plan also includes retail, office, hospitality and single-family and multifamily components.

Daniel J. McAuliffe, the developer's point man in Dallas, has been promoted to president of the Allen Development of Texas from vice president of development. Still to be decided will be construction contracts for the upcoming spec buildings--and the leasing assignment.