

# Logistics MANAGEMENT

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## Dallas Logistics Hub set to hold official groundbreaking

*By Jeff Berman*

DALLAS—Commercial real estate developer The Allen Group is holding a ceremonial groundbreaking ceremony tomorrow for the first two industrial buildings at the Dallas Logistics Hub, which Allen says is the largest new logistics park currently under development in North America.

These new buildings include DLH Building 1, a 635,000 square-foot cross-dock distribution facility, and DLH Building 2, a 192,850 square-foot warehouse facility. Construction began on both buildings last month.

The DLH is comprised of 6,000 acres that are master-planned for the potential development of 60 million square feet of vertical logistics and manufacturing space, according to the Allen Group. The facility is adjacent to Class I railroad carrier Union Pacific's intermodal facility, the BNSF rail line, major highway connectors—I-20, I-35, and the proposed Loop 9—and Lancaster Executive Airport, which is in the master plan stages to facilitate cargo distribution.

And the Allen Group said that the DLH is a major component of the NAFTA infrastructure and will serve as a major inland port, bringing products by rail from the Gulf of Mexico and the Pacific, including the Ports of Los Angeles/Long Beach and Houston and the western deep water ports in Mexico for regional and national distribution.

Jon Cross, director of marketing for The Allen Group, told Logistics Management in an interview earlier today that there is a "laundry list" of

companies interested in the DLH Building 1 and DLH Building 2, but he would not disclose what types of companies they were.

But regardless of the types of companies that move in, Cross said that they way these buildings are designed, a tenant could occupy the whole facility or it could be broken up into smaller units, if needed.

"Larger developers like The Allen Group are building larger facilities—like spec buildings in the 600,000-to-800,000 square-foot area—as well as smaller ones to meet the needs of various types of customers and fit certain markets," said Cross.

It's all about location: Along with prospective customers being interested in these two buildings, Cross explained that their location in the Southern Dallas County area is also attractive.

"They really like the infrastructure that is down there," said Cross. "It is a very attractive area for a shipper, broker, or site selector that is looking to relocate or set something up [as a transportation hub] in the southwestern United States."

He added that the DLH's proximity to the Union Pacific intermodal facility is a major boon to prospective tenants, and he said that BNSF Railway is under option agreement on 300-to-500 acres on the western side of the DLH.

"The big box users want to relocate near these intermodal parks to save millions of dollars on drayage costs," said Cross. "And in return they can

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take that drayage costs and pass it off to consumers [in the form of savings].”

The location and infrastructure advantages, said Cross, have also prompted Allen Group competitors like ProLogis and First Industrial to get things going in Dallas, too.

Taking the LEED: The Allen Group said that DLH Building 1 and DLH Building 2 are scheduled to be the first LEED (The Leadership in Energy and

Environmental Design Green Building Rating System)-certified industrial buildings in North Texas.

“As all industries are making meaningful efforts to become more environmentally friendly, I think users are trying to take advantage of buildings that are more environmentally friendly. And it is reflective of what is going on in transportation and logistics. Being LEED-certified is the industrial building part of that.”