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Bustling Dallas Logistics Hub rising from farmland

Dan McAuliffe has a hand everywhere in the huge industrial park

By Sheryl Jean



Photos by COURTNEY PERRY/DMN

Dan McAuliffe is in charge of developing 6,000 acres in southern Dallas County into the Dallas Logistics Hub.

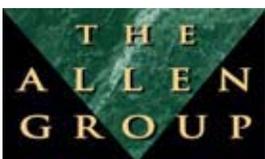
Dan McAuliffe stands in the middle of a vast dirt clearing, watching the foundations of two large buildings rise from the dust.

Like a king surveying his domain, he points to where a road will be widened, where a bridge will be built and where hotels and restaurants are planned. He takes in the view of the downtown Dallas skyline to the north.

Mr. McAuliffe isn't royalty, but he is in charge of a small province: developing 6,000 acres in southern Dallas County into more than 60 million square feet of industrial, office and retail space. The Dallas Logistics Hub is one of the nation's largest commercial projects.

"This will look completely different in a few years," said Mr. McAuliffe, 49. The site at Interstates 45 and 20 will have easy access for trucks and trains and

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could become the first development in North America with two major rail freight facilities.

The Dallas Logistics Hub is expected to create more than 60,000 jobs and have a total economic impact of \$5.4 billion when completed in about 30 years, according to a report conducted by Insight Research for the Allen Group, which owns the land. The first two warehouses are under construction and should be done by June.

Real estate in his blood

Although Mr. McAuliffe's family is deeply rooted in the real estate business, the Arkansas native who grew up in Houston wanted to work in the oil industry.

So after earning a finance degree from the University of Texas at Dallas in 1981, he found work as an oil landman, securing mineral leases for a small oil company. He moved into real estate after "interest rates hit 20 percent and the price of oil fell."

It was tough going at first. "I was trying to sell land in Frisco in the mid-1980s during the S&L crisis," Mr. McAuliffe said about his first real estate job as a land broker for Stone Lewis Realty in Dallas. It took him 13 months to make his first commission.

His mother, Patricia McAuliffe of Dallas, wasn't surprised by the career change. "Everyone in the family is a broker," she said. "I guess they heard a lot about it at the dinner table."

Mrs. McAuliffe started a residential real estate company in Houston in the 1970s. Her daughter is a real estate agent, another son is a real estate appraiser and a third son handles land acquisition for the city of College Station.

"I've never seen him so excited about a project," Mrs. McAuliffe said about Dan's current job.

The Allen Group hired Mr. McAuliffe as vice president of development in 2005 after an eight-month search for someone to lead its Dallas

operations. Last year, Mr. McAuliffe became the California-based company's Texas president.

The Allen Group liked Mr. McAuliffe's 25 years of real estate experience, but the clincher was his development of a similar project called RailPort, a 1,700-acre industrial park in Midlothian, chief executive Richard S. Allen said.

From 1998 to 2005, Mr. McAuliffe managed the construction of more than \$60 million of infrastructure and rail facilities at RailPort, which is served by the Burlington Northern Santa Fe and Union Pacific railroads. While working on the project, he learned about rural rail transportation districts and specialty financing such as tax increment financing.

"I get a real charge out of what you call ringing the bell," he said. "It's the thrill of the chase."

Multitasking

The Dallas Logistics Hub keeps Mr. McAuliffe busy.

In a typical day, he may market the project to potential tenants and real estate developers, check engineering plans, visit a construction site and meet with city officials and lawmakers.

"Look at the trucks stacked up here," Mr. McAuliffe said, pointing to a line of semi-tractor trailers 12 deep at Bonnie View Road and Interstate 20 at the northwestern edge of the site.

"The biggest challenge is getting the infrastructure for roads as quickly as possible and getting it funded."

He has already helped line up about \$90 million in public funds for roads, overpasses and a runway extension at nearby Lancaster Airport. Now he's preparing for some of that major site work to begin.

Mr. McAuliffe is also spending much of his time negotiating with BNSF to buy more than 300 acres for an intermodal terminal at the Dallas Logistics

Hub. Union Pacific already has a facility along Interstate 45 in Hutchins and Wilmer.

"He's got a good poker face," said Vann Cunningham, vice president for economic development at BNSF.

"We've had to put our cards on the table a couple of times and clear the air."

In addition to being a savvy dealmaker, Mr. McAuliffe must be diplomatic. The site is larger than either of the nearby towns of Hutchins or Wilmer.

"We're going to be here for a long time, and we need to make sure that what we're proposing makes sense for the whole area," he said.

Mr. McAuliffe has worked closely with officials in Dallas, Hutchins, Lancaster and Wilmer.

Mr. McAuliffe and Hutchins Mayor Artis Johnson have discussed annexation and rezoning for some of the Dallas Logistics Hub land that sits within city borders. Hutchins' population is expected to grow from about 3,000 today to 17,000 in 20 years, Mr. Johnson said.

"I'm trying to help him, and he's trying to help me," Mr. Johnson said. "He's always accessible. I know his direct line, and he answers it."

Jimmie McClure, chairwoman of the Midlothian Development Authority Board since 1998, said she was impressed by Mr. McAuliffe's sensitivity to RailPort's impact on the city.

"At different times, his goals were a little bit different from the city – mainly before the tax increment reinvestment zone started – and he was pretty aggressive in negotiations with City Hall," said Ms. McClure, who was also Midlothian's finance director during RailPort's development.

"I found Dan to be a very professional person, and we became friends at the end."

Dan McAuliffe

Age: 49

Born: Little Rock, Ark.; grew up in Houston

Education: Bachelor's degree in finance from the University of Texas at Dallas

First job: Assisting the milkman with home deliveries and collecting and selling red ear turtles to neighbors

Experience: President, Allen Group's Texas operations, 2005-07; vice president of real estate marketing, Texas Industries Inc., 1992-2005; executive positions in real estate organizations J.E. Robert Cos. and Brookhollow Corp.

Family: Wife Mary, two daughters, one son

Hobbies: Bird hunting and fishing