



October 8, 2007

Logistics real estate: Allen Group kicks off construction at the Dallas Logistics Hub

By Jeff Berman

DALLAS—Commercial real estate developer The Allen Group recently said that it has begun construction on the first two industrial park buildings at the Dallas Logistics Hub (DLH), which, Allen says, is the largest new logistics park being developed in North America.

The 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, which are scheduled to open in April 2008.

The DLH is a 6,000-acre multi-modal logistics park that will offer more than 60 million square-feet of industrial space for lease. It is master-planned for the development of 60 million square feet of vertical logistics and manufacturing space, according to the Allen Group. And it is adjacent to Class I railroad carrier Union Pacific's Southern Dallas Intermodal Terminal, the Burlington Northern Santa Fe (BNSF) rail line and a proposed BNSF intermodal facility, major highway connectors—I-20, I-35, I-45 and Loop 9, and Lancaster Airport, which is in the master-planning stage to facilitate air-cargo distribution.

Allen added that the DLH is a major component of the NAFTA infrastructure and will act as a major inland port bringing products from rail from the Gulf of Mexico and Pacific-based ports such as the Ports of Los Angeles, Long Beach, and Houston, and the Western deep water ports in Mexico for national and regional distribution.

Earlier this year, Dan McAuliffe, vice president for The Allen Group's Texas management team, told *Logistics Management* that this first phase of development at the DLH will open up more than 750 acres of land. He added that the DLH's development is part of four different cities in Texas: Dallas, Lancaster, Wilmer, and Hitchins.

McAuliffe also said that the main benefit of the DLH for shippers is that it will provide them with several options for importing and exporting freight, as well as close proximity to an intermodal facility.

"Once a container is unloaded from a train to a trailer chassis, the haul to the warehouse [drayage] can in some case be more than \$2.75 per mile," he said. "When you evaluate the additional operating cost of a facility which is located 20 miles from the intermodal facility, the annual drayage costs could be equal to the rent paid on the warehouse."

Other shipper benefits cited by McAuliffe were the DLH's close proximity to major highways in Texas, and dual Class I railroad carriers, which he said would make the DLH the only industrial park in North America with dual Class I intermodal facilities that would give shippers greater flexibility and a higher level of service.

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