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Allen's HQ move part of hub strategy

By Bill Hethcock

Many say real estate all boils down to “location, location, location,” but Richard Allen, CEO of The Allen Group, believes in four L’s instead of three.

He’s convinced that the Dallas Logistics Hub, the giant inland port the company is developing near Interstate 45 in southern Dallas County, has the four ingredients he seeks in an ideal industrial site: location, logistics, labor and love.

“We believe this (southern Dallas County) area is going to be the future of industrial growth for the Jake Dean Dallas-Fort Worth Metroplex, because of the highway system, the availability of labor, the intermodals and because of the support of the communities in the region that are very motivated to see jobs created,” he says. “That was part of what prompted us to increase from a small amount of land to a massive amount of land.”

The Allen Group in January relocated its corporate headquarters from San Diego to Dallas to focus on developing the Logistics Hub, the company’s largest investment. The company says it is focusing its efforts in North Texas because of the opportunities in the region.

With 6,000 acres master planned for more than 60 million square feet of distribution and manufacturing space, the Dallas Logistics Hub will be one of the largest logistics park in North America. The hub is next to four major highways, two rail lines, intermodal facilities and a future air-cargo airport in Lancaster. The park lies in parts of South Dallas, Lancaster, Hutchins and Wilmer.



NEW TO TOWN: The Allen Group's corporate team includes, from left, Jon Cross, director of leasing and marketing; Richard Allen, CEO; David Hernandez, director of construction services; and Ken Howell, chief financial officer.

The logistics park will position Dallas as the top trade hub in the Southwest and the gateway for distribution to major cities in the Central and Eastern United States, Allen said.

The Allen Group’s corporate team has temporarily relocated to Chase Tower in downtown Dallas, where it will share offices with the company’s Texas development division. Corporate team members who made the move from San Diego include Allen, Ken Howell, CFO; David Hernandez, director of construction services; and Jon Cross, director of leasing and marketing.

The corporate headquarters eventually will move to the Dallas Logistics Hub, which is 12 miles south of downtown. The relocation will happen when The Allen Group builds its first office building in the hub, said Dan McAuliffe, president of Allen Development of Texas.

The Allen Group also has offices in Kansas City, Dallas Logistics Hub now and has several prospects San Diego, and Visalia, Calif. for leases, build-to-suits and land sales to end users,

McAuliffe said. He said he expects to fill the The developer has had several recent successes at available spec space by the end of the summer. the Logistics Hub.

“We have a healthy pipeline of prospects that we’re In January, Mercer Island, Wash.-based water bottler working with that we’ve made the short list on, with Advanced H2O LLC leased 313,000 square feet in space requirements ranging from 40,000 all the way the Logistics Hub at 4800 Langdon Road in South up to 320,000 square feet,” he said. “The companies Dallas, where it plans to create more than 100 jobs. we’re seeing interest from are financially sound, Advanced H2O went into a 635,000-square-foot household names with a serious need for space.” industrial building, which is one of two speculative industrial buildings completed at the logistics park. Because of the economy, though, McAuliffe doesn’t The other is 192,000 square feet. expect to start more speculative industrial or office

construction for at least 18 months. For now, the In February, the Allen Group sold 9.3 acres in the focus is on land sales and attracting build-to-suit hub to Oncor Electric Delivery Co. LLC for a new users, he said. electric substation. Construction is scheduled to begin in May on the facility, which will serve the Despite a softening market overall, the Dallas hub’s future power needs. Logistics Hub is experiencing more interest than

ever, Allen said. Last year, the developer signed a deal with Indiana-based auto auction company Adesa Inc. to build “I think the activity that we are enjoying shows that three buildings totaling 175,000- square-foot at the the few people that are able to move forward with hub, near Interstates 20 and 45, in Hutchins. projects (in a worsening economy) understand the McAuliffe said he expects more major logistics and the importance of being in this region, announcements soon. and they understand the importance of the

availability of labor,” he said. “I believe that’s a The Allen Group has about 500,000 square feet of validation of the decision we’ve made in making a speculative industrial space available for lease at the major commitment (in South Dallas County).”

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