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Logistics sites for every need

CenterPoint KCS Intermodal Center

Among the largest of industrial developments in the Midwest, CenterPoint Properties is partnering with Kansas City Southern Rail to create CenterPoint KCS Intermodal Center, a 370-acre intermodal facility and 970-acre industrial park.

The industrial park, opened in March 2008, already has \$30 million invested, which is set to rise to \$300 million. At build-out there will be up to 7 million square feet of warehousing. Mark C. Long, senior vice president and principal of Zimmer Real Estate Services, L.C, is leading CenterPoint's marketing efforts. "About 350 acres have utilities and roads in place," he said. "As a former airport, the site is level and large, capable of accommodating a 3 million-square-foot, rail-served industrial center." KCS has 11,340 feet of main-line track bordering the site.

Joining established resident business Mazda North America is Schneider Trucking, the first new tenant. One of the most important attributes at CenterPoint is KCS itself, a Class I railroad. Regional drays—costing upwards of \$230 per container, Long said—are averted. Add to that KCS's recent acquisition of rail infrastructure in Mexico—with service to the cost-effective, deep-water, high-capacity port of Lazaro Cardenas—and customers will be well served at this site.

In its current phase, KCS will increase its lift capacity from 10,000 to 0.5 million, with an eventual goal of 1 million.

BNSF Intermodal and Logistics Park Kansas City

Logistics Park Kansas City is a 600-acre intermodal-served logistics park located in Gardner, Kan., 25 miles southwest of Kansas City. It will have up to 7 million square feet of vertical development, including spec buildings.

LPKC is located alongside BNSF Railway's 400-acre intermodal yard, soon to be under construction. BNSF handles more units annually than all other railroads in the Kansas City area combined, said F.E. "Skip" Kalb, Jr., BNSF's director of strategic development.

"There are three major industrial sites going up in the region," said William "Bill" F. Crandall, president of The Allen Group's Kansas City operations and developer of the new Logistics Park. "None of this infrastructure existed in the past, but we aren't just expanding the pie, we're creating a whole new appetite for it—a whole new set of market opportunities. There is a lot of pent-up demand." As one of state's largest economic development projects in history, the LPKC project is expected to create 7,000 new jobs and have a \$1 billion economic impact at full build-out.

Crandall spoke about sustainable attributes being integrated into LPKC's planning, including best practices in landscaping; controlling construction waste and managing storm water; and possible Leadership in Energy and Environmental Design certification. "The greatest environmental benefit of the project is that we are taking trucks off the road, reducing drayage to blocks—not miles—and reducing fuel consumption and air emissions," Kalb said. "A mile-and-a-half-long unit train takes 250 trucks off the road." This will be the first "greenfield," intermodal facility to install all-electric

wide-span cranes that will load and offload trains in a quiet and fuel-efficient manner, he said.

Steven E. Forsberg, BNSF's general director of public affairs, said the new half-million-lift facility will be open at the end of 2010. At full build-out it will accommodate up to 1.5 million lifts.

KCI Intermodal Business Centre

Kansas City International Airport is surrounded by thousands of acres that are now providing an excellent opportunity for businesses. Three years in the making, the Kansas City Aviation Department and its partners broke ground on the 800-acre KCI Intermodal Business Centre on October 14, 2008. It is expected to open in 2009. Civil site work is underway by the McAninch Corporation.

Developer Steven D. Bradford, managing director for Trammell Crow Co., said that the first phase—with 183 acres, four buildings and 1.8 million square feet of commercial space—will help airlines realize their full potential. KCI's current all-cargo airline tenants include BAX Global, DHL, FedEx, Kitty Hawk and UPS.

"We intend to create an airport city," Bradford said. "Air service is exceptional; you can be anywhere in the country by 8:30 a.m. Convenience, speed and cost savings will give tenants of the new center a competitive advantage." Outlining the potential, he said, "We offer an excellent location for everyone—large distribution centers, high-profile headquarters or facilities with immediate proximity to air freight logistics providers. There is exceptional ground access, an educated workforce, a great quality of life and a low cost of living. These will drive the success of the KCI Intermodal Business Centre."

Kessinger/Hunter Jensen Project

Less than 15 miles from Kansas City Southern Intermodal and six miles from BNSF Intermodal, in Olathe, Kan., is a vast speculative warehouse and distribution center. Answering the call for bigger facilities, the 40-acre, 600,000-square-foot warehouse—developed by Kessinger/ Hunter Jensen and built by one of the nation's top builders, Walton

Construction—has up-to-36-foot ceiling clearance, 136 dock-high doors, two drive-in doors, parking for 98 trailers and interior column spacing designed to accommodate 80,000 different racked pallet positions.

Indicative of a new breed of spec building, this project is the region's first to market. Designed with flexibility in mind and situated on 40 acres, the facility is foreign-trade-zone eligible, 1 mile from major interstates and essentially complete.

Daniel B. Jensen, principal of the KH Jensen project, said, "We are anticipating a user from outside the area—a company that is trying to decrease truck miles in their supply chain to save on fuel costs. Our project will appeal to retailers and high-end, high-velocity distribution centers with high-cube goods. We are not the building for cargo that stacks 16-feet high; we will appeal to lightweight cargo, such as consumer goods."

New Century AirCenter

Originally a naval air station that functioned in part as a logistics hub, the New Century AirCenter inherited an excellent multimodal center foundation. It is located along Interstate 35—approximately 25 miles southwest of downtown Kansas City; has an active commercial airport with 60,000 flights per year; and boasts its own rail system with spurs to customers and connections to the BNSF Railway main line. Eight of the 45 resident businesses regularly use rail. With air, rail and road it is a truly multimodal center.

Robert L. "Lee" Metcalfe, Johnson County Airport Commission executive director, described the 4.2 million square feet of office, warehouse, distribution and manufacturing space that is situated on 280 acres (out of more than 1,000 market-ready acres). Although the AirCenter offers leases only, Metcalfe said, they appeal to investor-savvy customers trying to minimize their asset numbers and improve their return on investment.

The AirCenter is located in a suburban area that can draw on rural and urban labor pools with a dependable work force. Companies in air-related

businesses find the location particularly attractive. "One of our greatest strengths is that we are committed to speeding the process along, putting business in place here quickly," said Tom Riederer, president of Southwest Johnson County Economic Development Corp.

Midwest Commerce Center

For 20 years, LS Commercial Real Estate has developed industrial real estate in the Kansas City area. The company's latest project is 155 acres with 2.2 million square feet of buildings. Infrastructure is currently being put in the ground. There is good

access to Interstate 35 and the park is just north of BNSF Railway's forthcoming intermodal facility.

Describing the company's approach, President Paul Licausi said, "We wanted to have the capacity to capture momentum, to build later on the initial phase. At full build-out there will be five buildings." Essentially a distribution center equipped with cross-dock facilities, its buildings will range in size from 442,000 to 750,000 square feet. "Our strategy is to put product in the ground—our first speculation building is 520,000 square feet. There are more inbound prospects needing product within 60 to 90 days than there are prospects for one-year build-to-suits," Licausi said.

