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Logistics Park Kansas City will become crucial U.S. hub

By Rob Roberts

DESCRIPTION: Logistics Park Kansas City will be home to several large distribution and warehouse facilities surrounding BNSF Railway's rail-truck intermodal facility near 191st Street and U.S. Highway 56 in Gardner.

ACRES: The Park covers 1,000 acres. It is long enough to handle mile-and-a-half-long trains carrying 250 to 280 double-stacked containers, which are loaded and unloaded by crane at the intermodal facility.

DEVELOPER: The Allen Group, a San Diego-based industrial developer, was selected by BNSF to develop the logistics park.

WAREHOUSE SPACE: More than 7 million square feet **COST:** \$735 million

PUBLIC ASSISTANCE: Gardner approved a 65 percent property tax abatement for the project. However, tenants of the logistics park will be charged a 15 percent origination fee, meaning a net 50 percent abatement for the tenants. The 15 percent origination fee will be used to help retire city bonds for infrastructure improvements required by the project. In addition, Johnson County recently agreed to finance the \$14 million cost of improving 191st Street near the project, and Gardner has agreed to cover the remaining \$31 million in road and bridge improvements. The city-financed improvements, which include improvements to Waverly Road and a connection to a future state-financed interchange with Interstate 35, will be completed in three phases based on development milestones: commencement of construction, completion of 1.5 million square feet and completion of 3 million square feet.

ALMOST DERAILED: The logistics park faced a potential construction delay earlier this year, when a bill calling for the state to back \$60 million in city- and county-issued bonds for the infrastructure improvements got attached to unrelated legislation authorizing construction of two coal-fired power plants in Western Kansas. Gov. Kathleen Sebelius vetoed the legislation, threatening progress on the intermodal project. But Bill Crandall, president of The Allen Group-Kansas City, said the threat was avoided by reducing the scope of the infrastructure projects to a total of \$45 million and getting the city and county to finance those projects. Debt for the city-financed projects will be repaid through the tenant origination fees plus utility, franchise and excise tax revenue generated by the development.

TIMELINE: Target date for completion of the BNSF Railway intermodal facility is the fourth quarter of 2010. But Skip Kalb, BNSF's director of strategic development and project manager for the Gardner project, said that assumes the U.S. Army Corps of Engineers quickly approves the railroad's request for a Section 404 permit to move a stream on the site. The target date for the first pad-ready building sites in the logistics park is mid-2009. Total buildout of the park is expected in 12 to 14 years.

RAIL LINE: The BNSF intermodal facility will be located along the railroad's southern transcontinental main line between Los Angeles/Long Beach and Chicago. U.S. Highway 56 and I-35 will offer access to the intermodal facility for trucks picking up or delivering freight.

SPECIALIZATION: With the rapid growth of international trade and continuous east-west rail

freight transit, Logistics Park Kansas City will be a key hub for distribution to population centers throughout the central United States.

INTERMODAL VOLUME EXPECTED: The intermodal facility will have initial capacity to handle 400,000 containers a year. Plans call for ultimate expansion of capacity to 1.5 million containers a year.

JOBS: More than 7,700 new jobs

ECONOMIC IMPACT: \$1 billion annually