

Memorandum



CITY OF DALLAS

DATE **October 14, 2011**

TO **Members of the Economic Development Committee: Tennell Atkins (Chair), Ann Margolin (Vice Chair) Jerry R. Allen, Sheffie Kadane, Monica Alonzo**

SUBJECT **Inland Port Update**

On Monday, October 14, 2011, the Economic Development Committee will be briefed on the Inland Port Update.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3296.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans
Assistant City Manager

C: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Rosa Rios, Acting City Secretary
Tom Perkins, City Attorney
Craig Kinton, City Auditor
Judge C. Victor Lander, Administrative Judge Municipal Court
A.C. Gonzalez, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Forest Turner, Assistant City Manager
Joey Zapata, Interim Assistant City Manager
Jeanne Chipperfield, Director, Chief Financial Services
Karl Zavitkovsky, Director, Office of Economic Development
J. Hammond Perot, Assistant Director, Office of Economic Development
Helena Stevens-Thompson, Assistant to the City Manager

Inland Port Update

Economic Development Committee
October 17, 2011



The Vision

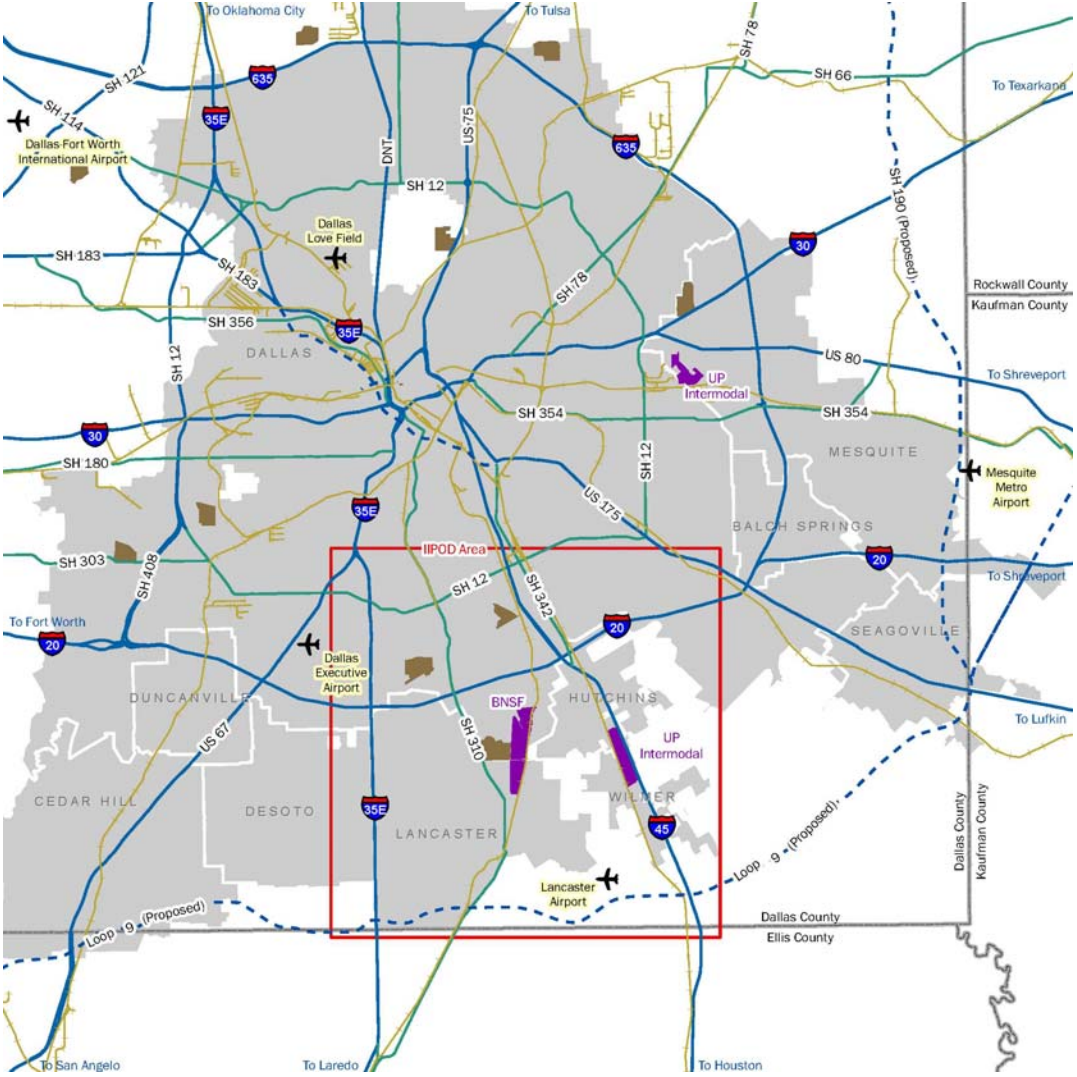
IIPOD was conceived to become:

- A successful **third phase** of **regional intermodal development** (leveraging DFW Airport and Alliance) and is a **key driver** in making Dallas the nation's premier logistics and distribution center
- A **catalyst for Southern Sector** investment, job growth and development of sustainable communities that increases city-wide tax base

IIPOD

International Inland
Port of Dallas

IIPOD Area



Dallas is Competitive

Despite the current economic conditions, Dallas remains a competitive regional distribution location

- **Transportation infrastructure** assets are excellent
 - Multiple interstate highways, future Loop 9, two Class One railroads and intermodal facilities
- **Transportation costs (low) and lease rates (competitive)** make Dallas an attractive destination

Logistical Strengths of the Region

The DFW region has the **third lowest distribution** costs of the top 50 U.S. consumer markets, trailing only Louisville and Memphis

More than **600 motor carriers** and almost **100 freight forwarders** operate out of the region

The **two largest FTZs** cover more than **9,600 acres**

- Southern Dallas currently has 2,470 acres

More than **700 million square feet of warehouse space**
2nd lowest price per square foot for warehouse space in major metropolitan cities

- Southern Dallas rates some of the lowest in the Metroplex

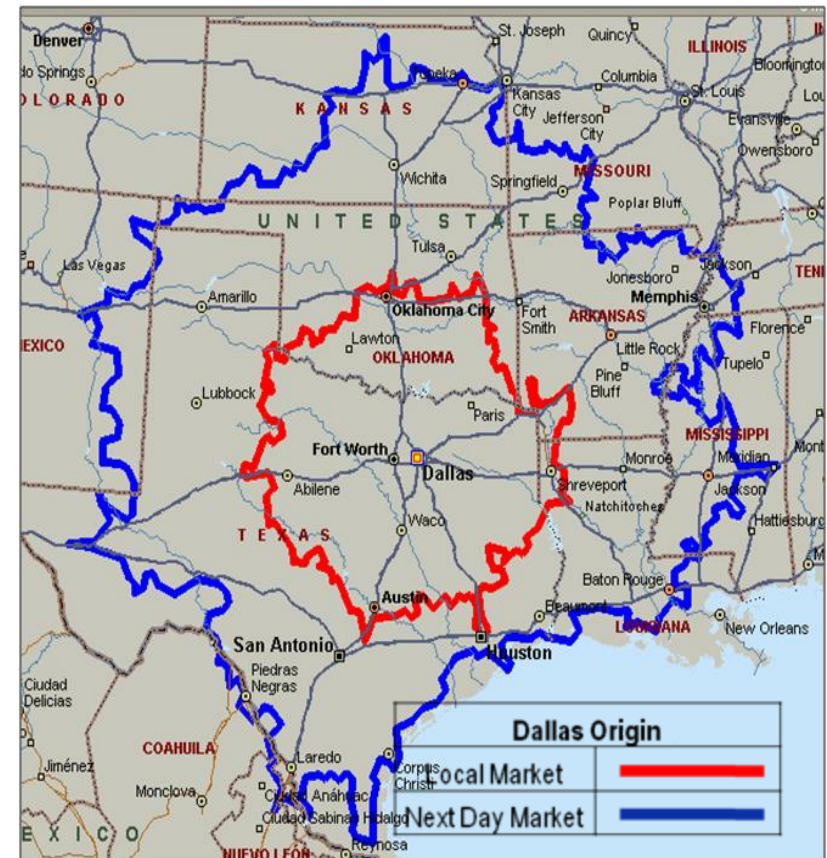
Good weather provides **year-round rail access**

Dallas Rates Highly as a Regional Distribution Hub

Large customer base within region and “next-day” window

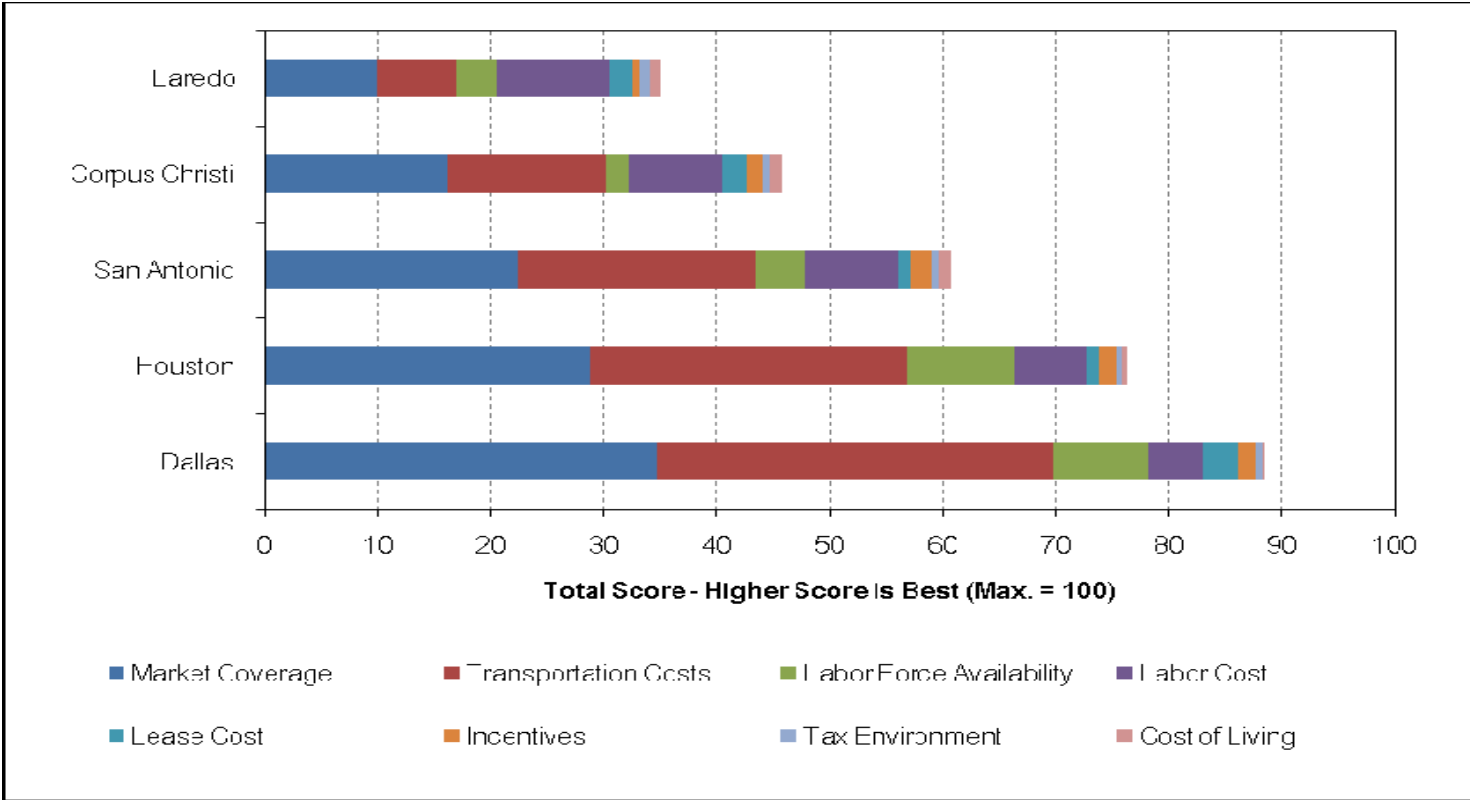
Transportation costs are lower than other locations

Labor force and lease rates are competitive



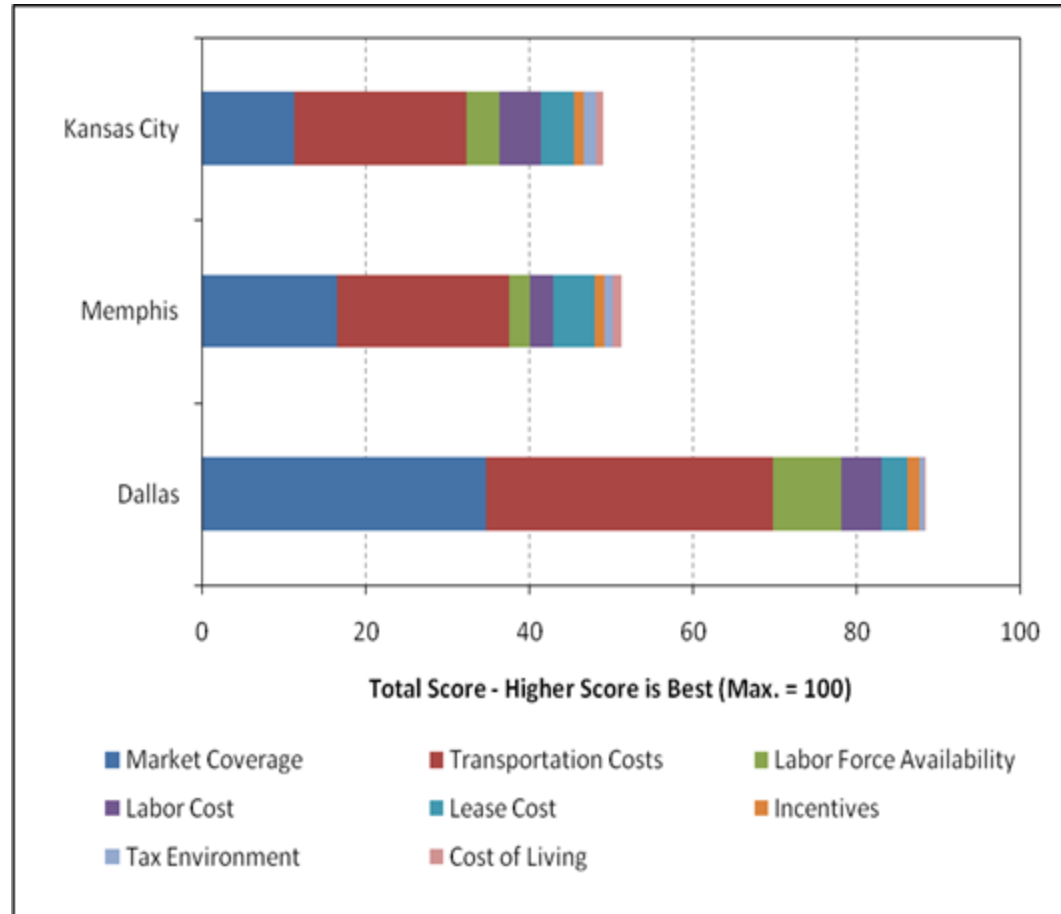
Dallas is Competitive State-wide

Dallas compared to Texas cities



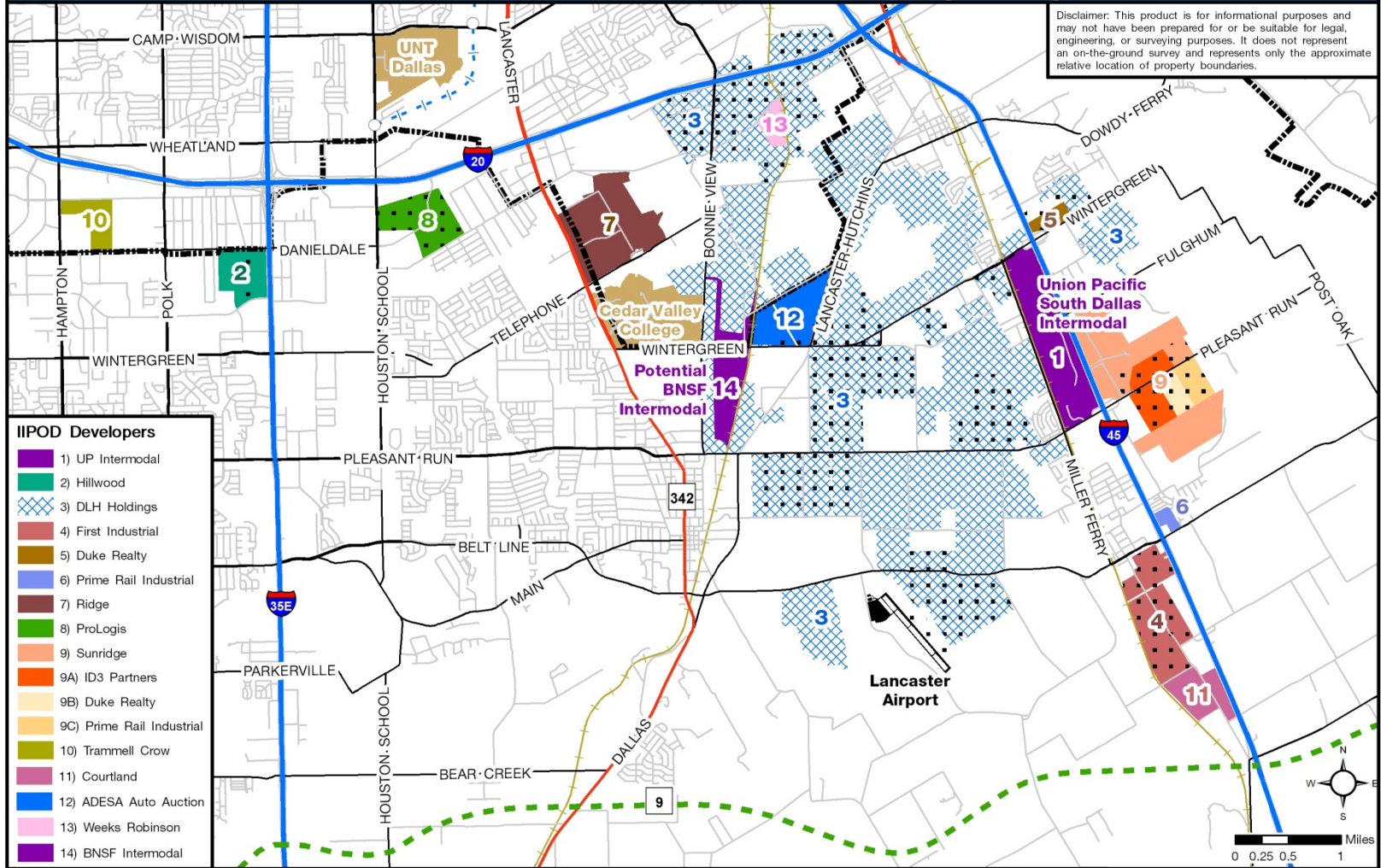
Dallas is Competitive Regionally

Dallas compared to regional cities



International Inland Port of Dallas (IIPOD)

Disclaimer: This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



- IIPOD Developers**
- 1) UP Intermodal
 - 2) Hillwood
 - 3) DLH Holdings
 - 4) First Industrial
 - 5) Duke Realty
 - 6) Prime Rail Industrial
 - 7) Ridge
 - 8) ProLogis
 - 9) Sunridge
 - 9A) ID3 Partners
 - 9B) Duke Realty
 - 9C) Prime Rail Industrial
 - 10) Trammell Crow
 - 11) Courtland
 - 12) ADESA Auto Auction
 - 13) Weeks Robinson
 - 14) BNSF Intermodal

DALLAS ECONOMIC DEVELOPMENT
 Research & Information Division
 214.670.1685
 dallas-ecodev.org
 Created 1.5.2010, Last Updated 10.11.2011 - IIPOD.TCG

- Legend**
- Future DART Rail Station
 - - - DART Blue Line South Extension (2018)
 - - - Proposed Tollway
 - Freeway
 - Tollway
 - Highway
 - Arterial
 - Local Road
 - Rail Lines
 - City of Dallas
 - Foreign Trade Zone #39
 - Lancaster Airport
 - Colleges

Development Status

National developers remain interested in IIPOD area

- Duke, First Industrial, Trammell Crow, Hillwood and Prologis are among the active developers.

National companies have facilities in the IIPOD area

- American Standard, Unilever, Home Depot, Cintas and Whirlpool (under construction) all have significant warehousing facilities

Over 7 million sq. ft. of warehouse space developed with 3.8 million sq ft currently leased. An additional ~2 million sq ft to be occupied within the next year

Largest landowner, The Allen Group, in Chapter 11 bankruptcy

- Restructuring plan submitted
- Final arguments completed and judge's ruling expected this month

Status of Public Investment

| Project | City Commitment | Partners | Total Cost | Status |
|---|------------------------------|-----------------|-------------------|--|
| Bonnie View Rd. (Langdon to Wintergreen) | \$7.9M (2006 Bond Program) | Dallas County | \$15.8M | In design phase |
| Regional Detention Pond | \$2.7M (2006 Bond Program) | N/A | \$2.7M | On Hold – Developer filed for Chap. 11 bankruptcy reorganization |
| Bonnie View Rd. (Langdon to Hutchins City Limit) | \$19.7M (2006 Bond money) | N/A | \$19.7M | On Hold – Roadway design completed; developer filed for Chap. 11 bankruptcy reorganization |
| Wintergreen Road Overpass | N/A | NCTCOG | \$4.5M | Completed |
| Pleasant Run Overpass | N/A | NCTCOG | \$8.0M | Completed |
| I-20 Frontage Roads (Bonnie View to JJ Lemmon) | \$4.7M (2006 Bond Program) | TxDOT | \$13.0M | Completed (8/10) |
| Telephone Rd. (Dallas / Lancaster to Bonnie View) | \$10.55M (2006 Bond program) | N/A | \$10.55M | On Hold – pending development activity along corridor |

Status of Public Investment (Continued)

WRDA Authorization - \$40M authorized for environmental infrastructure in Dallas County. Requires annual appropriation and 75/25 match. DWU proposed using money for Southern Dallas transmission line (upgrades to Lancaster, Wilmer and Hutchins water systems) to be built and operated by DWU for 30 year term (approval pending)

Infrastructure Analysis – study by Wilbur Smith & Associates to project infrastructure needs through 2035. Total cost is \$923K (City of Dallas participation is \$290K). Other partners: Dallas County, NCTCOG, Lancaster, Wilmer, Hutchins, Ferris

Current Initiatives

1) Environmental & Infrastructure Study

North Central Texas Council of Governments is coordinating

- Wilbur Smith is the consultant
- Involves the Cities of Dallas, Ferris, Hutchins, Lancaster, and Wilmer as well as Dallas County
- Analyzes anticipated needs for water, wastewater and roads in the inland port area.

Phase I of study has been completed, Phase II - needs assessment - is currently underway.

- Most recent public meeting was held in September to get input on future land use plans.
 - Consultants will use each community's future land use plans and modeled growth projections to determine infrastructure needs in Southern Dallas County study area.

Current Initiatives

2) Workforce Training Program

Working with **Cedar Valley College and Workforce Solutions of Greater Dallas** to offer entry level workforce training in logistics with funding from U.S. Department of Labor

- Eligible participants are Southern Dallas residents who are unemployed and do not have a college degree.
- Training is free and consists of two 40 hour classes at Cedar Valley
 - First is Certified Logistics Associate (CLA)
 - Second is Certified Logistics Technician (CLT)
- Interview/employment assistance will be provided with successful completion of the class(es)
- 80 Dallas residents have attended the CLA classes

Next Steps

- 1) Continue to monitor and support private sector development
- 2) Southern Dallas County Infrastructure Analysis is expected to be completed in 1Q of 2013. Will provide a framework for coordinated infrastructure development
- 3) Continuation of workforce training program until 130 people are trained

Questions?

