

Collin County Business Press

Transit hub considered for Wylie

October 21, 2009 -

By Stewart James

sjames@bizpress.net

Collin County Commissioner Jerry Hoagland is working on a project he says could be the biggest thing to hit Collin County, potentially creating 30,000 to 50,000 jobs.

The project involves an intermodal facility, a transportation hub where ground, rail and air components converge to handle foreign shipments of goods, on the eastern side of the county in Wylie. The facility would be similar to Alliance Airport in Tarrant County.

"As the Metroplex continues to grow, we will need something like this in our county to provide for our everyday existence," Hoagland said.

Hoagland said he believes the project will be best developed through a public/private partnership and has had informal talks with foreign investors who are interested in financing the deal.

"We have undertaken an evaluation with the North Central Texas Council of Governments and are trying to determine the financial feasibility of this project," Hoagland said. "What we are attempting to do is to figure out whether or not, given the demographic of the county, does it make economic sense for an investor or company to come in and make these infrastructure improvements? In other words, are they going to get a payback on their investments?"

Hoagland wants a proposal to be attached to an economic feasibility study that can be presented to the investment community.

"They can respond back to us and tell us what they are willing to do to bring this into reality," he said. "Then we can make an evaluation about how we are going to proceed with this and who with."

The study started a couple of weeks ago and is expected to take between six and eight months to complete.

Since the 1980s, railroad fuel efficiency has improved 80 percent and a single intermodal train takes 280 trucks off the highways and is three times more efficient than trucks, according to a presentation about the facility on the Collin County Web site. The major benefit of building an intermodal facility is the cost effectiveness of transporting containers by rail rather than by truck, and the facility relieves highway congestion, according to the presentation.

The growth of the Dallas-Fort Worth area is driving the need for an additional facility in North Texas, Hoagland said.

"The Dallas-Fort Worth marketplace today is the fourth largest populated area in the United States behind New York, L.A. and Chicago," Hoagland said. "Dallas-Fort Worth is going to replace Chicago in a few years so we will actually be the third largest metropolitan area in the nation."

Hoagland said when he became a county commissioner in 1980 there were 144,000 people living in Collin County.

"Today, there are 800,000 people living in Collin County, but the important factor here is that there are another 1.2 million people coming to Collin County," he said. "Sometime between now and 2042 Collin County will be as large as Dallas County is today."

There are three other intermodal facilities in North Texas: the Union Pacific Railroad Intermodal in Mesquite, the Dallas Logistic Hub just south of Dallas and the Alliance Global Logistics Hub in Tarrant County.

"Alliance is 17,000 acres in size and [has] created so far 30,000 jobs," Hoagland said. "The South Dallas operation is 6,000 acres and created 35,000 jobs. I'm hoping this is one of those things this study will determine – how big do we need to make ours? This could be a very good thing to happen to Collin County from an economic view."

Talks about applying for an inland port and foreign trade zone have taken place, Hoagland said, which makes merchandise arriving in containers from China and other countries bypass the port of entry and come directly to the intermodal facility unopened.

"We are going to be applying for all the necessary clearances with the federal government in order for that to occur," Hoagland said. Based on the latest annual report of the Foreign-Trade Zone Board to the U.S.

Congress, the value of foreign merchandise that comes into to the Alliance Foreign-Trade Zone No. 196 continues to rank highest among all Foreign-Trade Zones in the country. In fiscal year 2007, the latest year that data was available, the Alliance Foreign-Trade Zone admitted \$7.46 billion in foreign products, an increase of more than 85 percent over the fiscal year 2006 total of about \$4 billion. In fiscal year 2005, \$300 million in foreign products passed through the Alliance Foreign-Trade Zone.

Major users of Foreign-Trade Zone No. 196 at the Alliance Global Logistics Hub include ATC Logistics & Electronics, Hyundai, Trans-Trade, KFS, LEGO and Motorola.

"Not only is Foreign-Trade Zone No. 196 at the Alliance Global Logistics Hub handling more foreign goods from Asia through the West Coast ports, but shipments by truck and rail from Mexico are also increasing," said Steve Boecking, vice president of Hillwood Properties, the developer of AllianceTexas, in a prepared statement. "As more of our existing customers activate [Foreign-Trade Zone] at their facilities and as we attract new companies seeking the FTZ benefits and the other advantages of the Alliance Global Logistics Hub, we expect the value of goods flowing through Foreign-Trade Zone No. 196 to continue the phenomenal growth of the past few years."

From 1990 to 2008, Alliance has had a \$36.4 billion economic impact on the area surrounding the hub, and in 2008 alone the development's economic impact was \$2.53 billion, according to Hillwood Properties.

Hoagland said the facility in Collin County would be comparable to Alliance.

"The suggestion can be made that there is a need for an additional intermodal facility in the Dallas-Fort Worth area, and we think it needs to be in southeastern Collin County," Hoagland said.

