North Texas by the Numbers

- **165,000** – Annual increase of population maintained for past three years
- **1 Million** – Amount of people that North Texas adds every six years
- **$387.3 Billion** – Revenue generated from foreign-based sales by North Texas companies in 2008

Dallas Morning News

*Article – Other cities’ struggle highlight North Texas’ appeal*

March 15, 2010
Freight Movement Statistics for the Dallas-Fort Worth Region

- 9th highest export value of any US metropolitan area
- Home to the largest foreign trade zone in terms of value of foreign imports
- 5th highest GDP of all metropolitan areas
- One of the largest inland ports in the nation
- 19th out of 50 US ports in value of total shipments

Source: North Central Council of Governments
Buffett bets on growth in container traffic

Dallas Morning News
Headline - November 04, 2009
What is a Logistics Park?

- Business park with logistics focus
- Efficient handling of rail shipments
  - Trailers/containers
  - Truck to rail/rail to truck
- Multimodal facility
  - Rail-served distribution
  - Non-rail-served distribution
- Wide range of shipping options
- It is NOT...
  - A typical rail switching yard
Alliance
Logistics Park - Chicago
Logistics Park - Kansas City

- Approximately 1,000 Acres
- Near Interstate 35 & U.S. Highway 56
- Located 25 Miles from Kansas City
- Allen Group Development
  - 7 MM sq. ft. of Distribution Space
- BNSF Intermodal Facility
  - State-of-the-art design/technology
  - Initial capacity of 500,000 lifts
  - Scalable to 1.5 million lifts
- Operational 2010
Why Do We Need a Logistics Park?

Amount of Containers

15,000

300

1
Motor Carrier Challenges

- **Fuel Prices**
- **Driver Issues**
  - Retention – Quality of Life
  - Rising Pay
- **Legislative**
  - Hours of Service Rules Impact
- **Environmental**
  - New Emission Engines (Capital, Fuel Efficiency, Maintenance)
- **Competitive Environment**
  - Market Fragmentation – Further consolidations/acquisitions
- **Capacity Growth**
  - 14.9% in ’90’s - averaging less than 3% in 2000s
- **Rising Insurance Costs** - $2mm deductible per occurrence
- **Historic Pricing Environment** - 8-10% opportunity. Highest since deregulation
- **Reduce Capital Cost** – Tractors/Trailers
What is Driving Rail Demand?

- Coal Production
- Agricultural Trade Growth
- Capacity Investments
- Highway Congestion
- Fuel
- Transpacific Trade
Transpacific Growth Outlook

2008 – 2020 Estimated US West Coast Asia Pacific Imports (Millions)

2008: 9.3
2009: 10.0
2010: 10.8
2011: 11.7
2012: 12.5
2013: 13.4
2014: 14.4
2015: 15.3
2016: 16.4
2017: 17.4
2018: 18.6
2019: 19.7
2020: 21.0

12 Yr. CAGR: 7.02%

Source: Chart 1: Drewry, Clarkson, Morgan Stanley Research, E=Morgan Stanley Research Estimates; Chart 2: Global Insights
Questions?

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