

 **WindStar**
Industrial Center



Abilene, Texas — Regional Logistics Gem

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Executive Summary
Prepared for WindStar Industrial Center
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Executive Summary

Abilene is located in central Texas, 180 miles west of Dallas, and 230 miles northwest of Austin. With a population of 117,000 people, it is the largest city in central Texas for more than 120 miles in any direction.

Figure 1: Abilene's Location¹



Abilene has much to offer as a regional distribution center to West and Central Texas and parts of Oklahoma and New Mexico.

Location: Its location in central Texas provides convenient access to the wind and oil industries. I-20 enables efficient east-west transportation while four other U.S. and state highways provide alternate routing options. Dyess Air Force base is in Abilene, which is centrally located to many of the other bases in the southwest. And as the largest city for over 120 miles in any direction, the area is used as a distribution center for local food and beverage distributors including Coca Cola, Anheuser Busch, and Coors.

Favorable Local Business Climate: Abilene has a diversified economic base. Its largest employers are in a diverse range of industries including Defense, Health Care, Education, and Government. Texas has no income

¹ Develop Abilene. (2009, January). *Abilene Industrial Foundation*.



tax, and generates all its money through a 6.25%-8.25% sales tax and property taxes which are 2.3195% in Abilene (which may sound high until you consider property values are low). Also, many businesses can secure state and local tax abatements.

Inexpensive Land, Labor, and Facilities: Land in Central Texas is plentiful and inexpensive. Lease rates in Abilene are below the national average and lower than comparable cities in the region. Wage rates are approximately 82% of average Texas wage rates and 70% of wage rates nationwide. This keeps operating costs low.

Economic Development Incentive Programs: Abilene offers numerous economic development incentive programs. Some of the most recent companies to come to Abilene received incentives ranging from \$25,333 to \$13,652 per job created. And similar job creation incentives are available for existing Abilene businesses as well.

Skilled Workforce: Abilene's workforce is well apportioned to the skills needed by logistics companies. It has a typical mix of high school and college graduates working white and blue collar jobs. Three universities, a Junior college, and two technical colleges provide an educated pool from which to draw new graduates already living in the area. In January 2009 the unemployment rate was a healthy 4.1% in Abilene, 2.3% lower than state average which is itself below the national average. At this healthy level, there are sufficient workers to fill new positions, while maintaining a healthy regional economy. Union penetration in Texas is low with only about 2% of workers unionized, many of those being government workers. And as we previously mentioned, wage rates are only roughly 70% of the national average.

High Quality of Life: The quality of life in Abilene should make it easy to recruit and retain workers. Forbes magazine, in its 2008 edition of the annual study of the best places for business and careers ranked Abilene 58th out of 200 mid sized cities. This ranking was the second highest in Texas (College Station at 49th placed higher). Abilene does so well because it has a sunny temperate climate and the lowest commute times of the 6 cities studied. It also has noteworthy financial and social strengths.

Among the city's financial strengths, the cost of living is 78% of the U.S. average and the lowest of the six cities studied in Texas. Homes in particular are very affordable and thus the city has high housing ownership levels. Abilene's population is more recession resistant since the median home price is only two times the median income and the lowest ratio of the six cities studied.



The public schools in Abilene are all rated academically acceptable or better by the Texas Education Agency in 2008 performance ratings and one of the school districts in town had all rated schools rated Exemplary, the highest possible rating. These schools maintain a teacher-to-pupil ratio of more than one to fourteen in both primary and secondary schools.

There are numerous religious institutions, recreational, and cultural facilities in the city. The population has access to quality medical care at two hospitals. And Abilene has below average crime for Texas.

Sufficient Transportation Infrastructure: The road, rail, and air transportation infrastructure in Abilene is sufficient to support most logistics businesses. FedEx and UPS offer small package delivery service and their ground delivery service can reach the entire U.S. in 4 days. There are 22 trucking companies that serve the area, all offering overnight delivery services. And due to the relatively smaller population, delays due to rush hour traffic are minimal. Abilene is served by the Union Pacific Railroad, which operates tracks from Chicago to Texas and the West Coast. The Abilene Regional Airport (ABI) facilities are excellent and currently at only 25% capacity. The airport has 3 runways one of which is a category 1 instrument runway with HIRL lighting.

Bargains in Commercial Real Estate: Abilene has ample commercial real estate options to accommodate new companies. This includes ready to lease space on I-20 at the Windstar Industrial Center for only \$2.25 / square foot, a speculative shell building at the 5 Points Business Park, and available acreage for build-to-suit.

Abilene, Texas offers substantial opportunities for establishing a regional logistics network, growing with the focus on energy, or reducing the cost of your existing regional logistics network. The city has strong supply routes servicing it from outside the region. It has a diversified economic base with industries dependent on the local resources such as oil, natural gas, and wind. Within these industries are substantial growth opportunities with America's focus on energy. Abilene should not be overlooked by any firm in the logistics business.





The full 47-page report is available for prospective WindStar Industrial tenants. For information or to schedule a tour of the facility, contact Paul Johnson & Associates at (325) 698-5661.

WindStar Industrial Center (www.windstarindustrialcenter.com) is a joint venture among entities formed by KBS Real Estate Investment Trust (KBS REIT) (www.kbsreality.com), Hackman Capital Partners, LLC (www.hackmancapital.com) and Calare Properties (www.calare.com). WindStar Industrial is currently leasing space at 1000 East Interstate 20 in Abilene, TX. For leasing information, visit www.WindStarIndustrialCenter.com or call **Paul Johnson & Associates at (325) 698-5661**