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## Intermodal makes suppliers look to rack up big sales to distributors

Kansas City Business Journal - by James Dornbrook Staff Writer

As plans for a handful of large intermodal projects in the Kansas City area chug forward, they carry with them prospects of more business for companies selling shelving units, conveyor systems and other equipment used in distribution facilities.

Eric McDonald, leader of **Storage Solutions Inc.**'s Mission office, said that small distributors already are starting to come to the area and that if full development of the various intermodal sites goes as planned, he expects to receive a trainload of new business.

"The big-box distribution sites get most of the press, but really, we're seeing a lot of growth already in the medium-sized distribution centers," McDonald said. "The 100,000- to 200,000-square-foot facilities don't have as much glitz to them, but they are certainly a growth area out there contributing to our business."

Just the cost of the racks and shelves that Storage Solutions sells can add up quickly. A standard 3-foot-by-7-foot shelving unit can cost from \$140 to \$300, and a heavy-duty pallet racking shelf can go for upward of \$150. A typical project for a facility in the 80,000- to 200,000-square foot range can go from \$50,000 to \$750,000.

McDonald said Storage Solutions' headquarters city of Indianapolis is 10 to 15 years ahead of Kansas City in its development as a distribution and logistics center. He said Kansas City is making progress, however.

"We feel that Kansas City, over the next 10 to 15 years, has the potential to allow our business to get to the same level (as our Indianapolis business), which is 15 times the size of where we're at now," McDonald said.

Driving that potential is the development of **CenterPoint-KCS Intermodal Center** in south Kansas City and the KCI Intermodal BusinessCentre on the city's north side. Although work has yet to begin on a proposed **BNSF Railway Co.** intermodal facility in Gardner, the promise of the project already is attracting distributors to nearby Olathe.

**Systems Material Handling Co.**, which sells forklift parts and maintenance services, bought 160 acres in southern Olathe as part of plans for a new headquarters building, General Manager Frank Carter said. The company is looking for a partner to start developing 100 acres of that property next year to capitalize on interest in the area.

The area already attracted **Pacific Sunwear of California Inc.** and a 600,000-square-foot warehouse built on a speculative basis, without prior commitment by tenants.

Carter said the growth may not have a huge effect on Systems Material Handling's national results but will bring benefits locally.

"Having all this going on validates our site selection," he said. "It also will help our work force. When you have a critical mass of distribution jobs and more skilled people drawn to those jobs, rather than seeing these companies compete with our work force, I think they will add to it."

Julie Duvall, president of **Atlas Handling Systems LLC**, said she expects the development particularly to add new business to the Kansas City-based storage products company.

Duvall said that she hasn't seen a huge increase in business from intermodal development yet but that she's optimistic because Kansas City is one of the nation's best shipping points, with one-day shipment by rail to cities such as Dallas, Chicago, St. Louis and Denver.

"I get really frustrated when I hear distribution centers move to Peoria, Ill., which doesn't have the same access we do," she said. "If you compare our assets to other cities, our cost of living and quality of life is excellent. We're not New York, but we have a lot of amenities here, like a fantastic art museum, major-league sports and opera.

"I'd rather live in Kansas City than Peoria, wouldn't you?"

Duvall said that while she waits for more intermodal work to develop, the company is benefiting from work with existing manufacturers and distributors on improving their processes to bring efficiency and cost savings. She said the downturn in the economy has only increased interest in distribution efficiency.

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