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## **City and Port Authority close Richards-Gebaur sale to CenterPoint**

A series of redevelopment and sale agreements was finalized June 27 among the City of Kansas City, Mo.; the Port Authority of Kansas City, Mo.; and CenterPoint Properties on nearly 1,400 acres at the former Richards-Gebaur Air Force base.

"This is an important day for the Port Authority and the City of Kansas City," said Linda Ward, Port Authority chairwoman. "Real estate experts involved in the transaction have noted this is the most complex real estate deal they have ever seen. In addition to the parties of the agreement, the negotiations included eight federal agencies, several state agencies, a railroad company and the numerous existing tenants at Richards-Gebaur. We are grateful to everyone, including city staff, City Manager Wayne Cauthen, former and current elected officials and Port Authority staff and commissioners for their hard work and diligence."

The Port Authority of Kansas City is charged with economic development throughout the Kansas City area, including the conversion of the 1,400-acre former Richards-Gebaur Air Force base into an international trade-processing center. In 2004, the Port Authority selected CenterPoint Properties, a seasoned intermodal developer, to plan and manage redevelopment efforts. In April 2007, the City of Kansas City and the Port Authority approved a development and sale agreement with CenterPoint Properties.

"Having this facility in place will take advantage of Kansas City's natural location as a rail and highway distribution center," said Mayor Mark Funkhouser. "Since the city's founding, whether for settlers moving west or cattle being shipped east, we've been a transportation hub, and this initiative helps secure that role for us into the future."

"This closing today will set into motion a flurry of activity that will establish the property as an intermodal trucking and rail port," said City Manager Wayne A. Cauthen. "CenterPoint had 12 months to conduct due diligence before closing on this deal, yet they barely took three months. CenterPoint is now able to transform this South Kansas City asset into an economic engine that will create good paying jobs and significantly strengthen the community's tax base."

CenterPoint Properties will plan and manage the redevelopment of the former Richards-Gebaur Air Force base into an intermodal facility that will feature a rail facility and adjacent light manufacturing, distribution and warehousing facilities.

"Currently, South Kansas City communities see little return from the Richards-Gebaur property," said Sandy Kauffman, Port Authority vice chairwoman. "Today's announcement has been a long time in the making, but we couldn't have selected a more qualified and eager redevelopment partner. We are very fortunate to have the strong partnerships with the surrounding communities of Grandview and Belton."

Redeveloping the property will strengthen the local tax base and spur economic development in the South Kansas City corridor. The Port Authority will oversee lease agreements with a select number of existing tenants, including Kingston Environmental and Midwest Research Institute. Also, The Kansas City Southern Railway Company operates a sophisticated rail distribution hub on the property. With 70,000 cars a year passing through The Kansas City Southern Railway Company's International Freight Gateway, Mazda North America is the development's first success story. The International Freight Gateway helped the company lower transportation costs and secured the future of the Claycomo manufacturing plant and local employees.

"The redevelopment plan will capitalize on Kansas City's status as the second largest rail hub and the third largest trucking hub in the country," said Vincent Gauthier, Port Authority executive director. "Transportation and logistics companies will find Richards-Gebaur to be an ideal location for future investment."

Founded in 1984, CenterPoint Properties is the largest and leading industrial property company in North America's largest and most diverse industrial property market: greater Chicago. CenterPoint will model efforts after its successful redevelopment of the former Joliet Arsenal outside of Chicago. A true example of public-private partnership, the 2,200-acre development, known as CenterPoint Intermodal Center was one of the largest private redevelopments ever undertaken in the United States and brought together virtually all levels of government.

"CenterPoint, working in lock-step with The Kansas City Southern Railway Company, has formed an incredibly effective public/private partnership with Kansas City and the Port Authority," said Fred Reynolds, senior vice president of development at CenterPoint Properties. "We are truly grateful to our partners for their dedication over the past three years. Now that we've achieved this critical step, the redevelopment of the Richards-Gebaur Air Force base will move forward toward success, turning the vision of new jobs and economic development into reality."

"Kansas City Southern is pleased to be in partnership with CenterPoint and the City of Kansas City in the development of this very unique transportation logistics center," said Warren Erdman, senior vice president corporate affairs for Kansas City Southern.

Negotiations on behalf of the Port Authority were managed by Marty Schach and Mike Burke of King Hershey.