

Friday, October 19, 2007

Cotton co-op brings new operation to Texas

Dallas Business Journal - by [Holli L. Estridge](#) Staff Writer

A cotton marketing and denim manufacturing cooperative will distribute refined cotton from a huge distribution site in Flower Mound.

Lubbock-based Plains Cotton Cooperative Association has leased a 650,000-square-foot distribution center in Cornerstone Park, developed by Flaherty Development and **Cornerstone Flower Mound Industrial LP**.

The farmer-owned cooperative, formed in 1953, markets 3 million to 5 million bales of cotton each year on behalf of its 25,000 members, who are based in Oklahoma, Kansas and Texas.

The cooperative also operates a denim mill in Littlefield, and cotton warehouse operations in Sweetwater, Altus, Okla.; and Liberal, Kan.

Plains Cotton's lease comes on the heels of Cornerstone's sale of the distribution site to Prologis in mid-October. Prologis, which brought Plains Cotton to the site, paid \$26 million for the facility, which was built on a speculative basis.

Scott Voelkel and Gordon Foster of Foster & Co., who had been searching for warehouse space on behalf of Plains Cotton, co-brokered Prologis' building purchase and represented the co-op in lease negotiations. Dave Anderson of **CB Richard Ellis** represented Cornerstone, and Rob Huthnance of Prologis represented the buyer.

The lease will allow Plains Cotton to expand its warehouse operations, expediting shipments of cotton to customers throughout the world. The co-op handles about 25% of the U.S. cotton crop annually.

"Last year we sold a record number of bales of our members' cotton to direct export customers in 14 countries," said Wally Darneille, co-op president and CEO. "The increasing volume of export sales and the prospects for a bumper cotton crop in the rolling plains of Texas this year will make it very important for PCCA to have a warehouse in a major transportation hub such as the Dallas-Fort Worth Metroplex, which offers two intermodal facilities."

Total Transportation Services of Plano, a transportation and supply chain management service provider, will oversee daily operations at the facility, where Plains Cotton took occupancy Oct. 15.

Tax abatement

Plains Cotton will receive a five-year, 50% real and personal property tax abatement from the town of Flower Mound. Melissa Glasgow, Flower Mound's economic development director, said the value of the incentives has not yet been determined.

According to Glasgow, about 1.5 million square feet of industrial space are under construction in the business district.

With so much new product coming online in Flower Mound's Lakeside Business District, it's great to see more space getting absorbed and taken off the market, said Bob Rice of Seefried Properties Inc.

"The demand has been keeping up pretty well with the supply, but again, we're about to deliver a bunch of new space on the market," he said. "The good news is when you have 300,000- to 600,000-square-foot deals, you can absorb a couple of million square feet in three deals."

Seefried Properties and **Cousins Properties Inc.** (NYSE: CUZ) are developing a 650,000-square-foot bulk site in the 226-acre Lakeside Ranch Business Park, another component of the Lakeside Business District. Developers such as Hillwood Investment Properties and **Granite Properties** also are involved in developing distribution space in the 1,500-acre district.

Rice said the Plains Cotton lease is one of the largest industrial transactions in the Dallas-Fort Worth market this year.

But once the next wave of development wraps up, he added, available sites within the park for large-scale distributors -- such as the Cornerstone site -- will diminish.

hestridge@bizjournals.com | 817-693-0025

All contents of this site © American City Business Journals Inc. All rights reserved.