

Industrial park plotted by MWC

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OKLAHOMA CITY – General Motors closed its Oklahoma City plant in 2006, and manufacturing throughout the U.S. has packed up and moved to Mexico, Indonesia, China and other cheap-labor venues.

Nevertheless, Midwest City is willing to gamble \$2 million in public funds that many industries and companies are seeking sites in middle America where they can relocate. The city has designated 160 acres between Air Depot Boulevard and Midwest Boulevard, in the 7400-7500 block of NE 23rd Street, for a proposed Soldier Creek Business and Industrial Park – nicknamed SCIP.

Some of that acreage is in a flood zone; the property needs a rail spur; and project promoters have no pending tenants. Even so, project backers are optimistic and undeterred.

"We're looking at a facility that could be used for manufacturing, warehousing and value-added processing," said David Burnett, economic development director at the Midwest City Chamber of Commerce.

The park might be attractive to companies that want to expand their operations or move away from high-tax areas such as California and manufacturers that would like to be closer to their markets, he said.

"We could give them that opportunity," Burnett said.

Prospective occupants would include solar panel manufacturers, wind energy companies, and certain types of food processors. Another possibility is German companies.

"Germans are known for their expertise in manufacturing machines, and we're a central location," Burnett said.

Midwest City has an industrial park off Ocala between Douglas and Midwest Boulevard, north of the Tinker Air Force Base clear zone. Occupants include Chromalloy and Century Martial Arts.

"The largest industrial-zoned building we have now is 6,000 to 7,000 square feet," Burnett said.

The city also has some space at 23rd and Douglas.

"But we do not want to zone it for industrial," he said. "We'd like to see additional retail go in there."

Consultant Alan Cox of Austin, Texas, who has been working for and with Oklahoma City-area officials, said preliminary research indicates central Oklahoma has relatively little land that can be used for industrial development.

The Arkansas Oklahoma Railroad estimates that a spur rail line to SCIP could be the catalyst for creation of 300 or more new jobs. That's not pie-in-the-sky math, said Chad Donoley, AOK's vice president of marketing and government affairs; it's based on past experience.

In other communities such as McAlester, rail-dependent companies that have moved into industrial parks typically have occupied 10 to 80 acres and their companies have created 15 to 150 jobs, Donoley said.

AOK, based in Wilburton, is a family-owned short-line railroad that operates along a 118-mile corridor between Howe (near Poteau) and McAlester and from Shawnee to Midwest City.

Union Pacific Railroad owns, and AOK leases, the track that extends along the south side of the proposed Soldier Creek Business and Industrial Park to a site at 10th and Sooner Road

where automobiles are offloaded and dispersed to dealerships throughout the Oklahoma City area. In 2011, the company transported 10,000 train cars carrying an average of 10 automobiles apiece into the Midwest City automobile logistics plant, Donoley said.

Union Pacific representatives invited Midwest City officials to the company's headquarters in St. Louis, where they discussed potential developments on the 160 acres to increase rail traffic, Burnett said.

Although purse strings are still tight, foreign direct investment is happening in the United States, Burnett said. The U.S. has experienced recent fluctuations in its economy and troubles in its banking industry, but has a more stable economy than many countries, including those in Europe.

Billy Harless, director of development services for Midwest City, said sanitary sewers and electric lines have been constructed in the proposed industrial park, and water lines have been installed in one sector of the property.

"We are not yet paving roads nor building a railroad spur because we don't know whether we'd get several small companies or a few medium-sized entities or one or two large entities," Burnett said.

The city wants to have the site ready for development if an application for federal funding is approved.

Midwest City officials have been mulling the proposed business and industrial park for about four years. This year there are indications the Austin, Texas, regional office of the Economic Development Administration might be receptive toward the project, Burnett said.

Midwest City applied for an EDA grant, and the regional office recently requested supplemental data about the project. Cost proposals and engineering designs and schematics have been submitted to the EDA, he said.

The \$1 million grant would be matched with \$1 million in local cash on hand. Harless said the revenue came from municipal water and sewer bills, downtown redevelopment funds, a hospital authority discretionary fund, and leftover revenue from an industrial fund arising from a partnership with the U.S. Chamber of Commerce.

Burnett said the \$2 million would underwrite the first phase of a multiphase program. Initially Midwest City officials would focus on 40 of the 160 acres in the proposed park, and the remainder of the property would be developed in subsequent stages. The first phase would include dirt work, additional water and sewer lines and storm drainage, and construction of a railroad switch to the industrial park.

Donoley said AOK Railroad envisions a railroad spur line in SCIP of about 4,500 feet. The construction cost, which he estimated at \$475,000 to \$500,000, would have to be financed publicly via some vehicle such as a community development block grant, Donoley said.

Although a portion of the proposed industrial park lies in a flood-prone area, Burnett said that is an asset. The flood zone could be set aside for a wildlife wetland and a walking trail for pedestrians, he said, creating an opportunity to blend environmental and aesthetic features with economic and industrial considerations.