

Fernley Victory Logistics District to develop 4,300 acres of industrial land

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Plans to develop a 4,300-acre premier distribution, manufacturing and commercial center east of Fernley were announced Tuesday at a press conference by Mark IV Capital, a privately held real estate company based in Newport Beach, Calif.

Mark IV Capital acquired the Crossroads Commerce Center and rebranded it as the Victory Logistics District. The \$45 million purchase consists of more than 4,100 acres of industrial land

including about 4,000 acres in the Crossroads Commerce Center and additional industrial-zoned land on the west end of Fernley owned by the Logan Family Trust. CEO Paul Cate said the process to acquire the property took about eight months, and the project is exciting because it's unique. The entire project is within an Opportunity Zone that offers tax incentives to both tenants and investors through deferrals and exemptions of capital gains taxes.

What makes the development strategic is that it sits between two major transcontinental highways, U.S. 50 Alternate to the south and Interstate 80 to the north. Eventually, Nevada Pacific Parkway will link the major highways. Two major rail lines, BNSF and Union Pacific, will provide access for the center's users. Black Gold Terminals is partnering with Mark IV Capital to construct a full service transload rail facility for the first phase of development.

A study from The Boyd Company, Inc., considers Fernley an ideal location for warehousing and distribution because of low costs, location and business climate. The analysis of comparative distribution warehousing costs in port and intermodal-proximate cities cites Fernley as one of the top 25 "logistics-friendly" cities in the country.

Cate said they're looking forward to working with the businesses that may want to relocate to the center. According to Mark IV Capital, the district will be developed in phases. Approximately 7.5 million feet of industrial space constitutes the first phase, and should be built out within 7 to 10 years. The first building will be a speculative cross-dock distribution building consisting of about 800,000 square feet with 40-foot clear heights.

"We're creating a first-class business park that's well branded, well recognized and those in the community can be proud of," Cate said, adding Mark IV Capital is anticipating the "Victory Logistics District will deliver robust and well-planned growth that will contribute to a thriving local economy with a larger employment base."

Cate and other speakers said the district will eventually employ thousands of workers from around the region in good-paying jobs. Fernley Mayor Roy Edgington said Fernley offers opportunity for development and growth in the area's job base.

Evan Slavik, president of real estate for Mark IV Capital, said the last eight months have been busy in working with engineers and consultants as well as with Fernley and the Economic Development Authority of Western Nevada.

"We're on our way to bringing commerce and job growth to Fernley," he said.

During the past 10 years, though, no development has occurred except for one business. Polaris broke ground for a distribution center in August and recently finished the center.

EDAWN President and CEO Mike Kazmierski said the region is expanding, and Fernley is a 30-minute drive from the Reno-Sparks area. He touted Tuesday's announcement as a huge win for

not only Fernley but also for Nevada. He reiterated the addition of thousands of jobs primarily in manufacturing and logistics, but said “Fernley will feel the lion’s share of this growth.”

“The addition of a business park with a rail connection is something this region desperately needs, and now we have an additional piece to our puzzle to make us even more attractive to some of the great companies looking at the area,” he said.

Kazmierski said Fallon will benefit for this new development because of the rail park at Hazen. Black Gold Terminals located west of Hazen will serve both new and existing rail customers in the Victory Logistics District as well as customers throughout the region.

“Certainly, there’s a rail demand in this area, and the rail growth is responding to that demand,” Kazmierski pointed out. “Fallon is a community that can take advantage of the growth in this area and become a partner with that growth.”

Nathan Strong, CEDA’s executive director, agrees.

“Black Gold Terminals recently relocated here, and they will pick up new business,” he added

Strong also said Mark IV Capital will be aggressive in sales and working with EDawn.

A selling point to the Fernley area is the abundance of land for large-scale projects. Kazmierski said available land at the Tahoe Reno Industrial Center east of Fernley is running out. He said water is not an issue at this time in northern Lyon County, but future housing and crowded schools could be.

“Housing is a big deal, and we’ve talked about it for five years now,” he said.

Kazmierski suggested developers could set aside some land for affordable housing.

Daphne Hooper, Fernley’s city manager, addressed the water availability and the potential increase in school enrollment.

“Water is already assigned to the site already,” she said.

Hooper, however, said thousands of Fernley residents commute outside the area, and if they’re successful in obtaining jobs at the Victory Logistics District, then it may not tremendously impact local schools. Likewise, she said commuters from Fallon and Silver Springs, for example, have children currently attending schools in those communities, and that shouldn’t affect Fernley.

Strong said U.S. government figures show about 3,000 Churchill County residents, except military, commute daily to jobs around the region.