

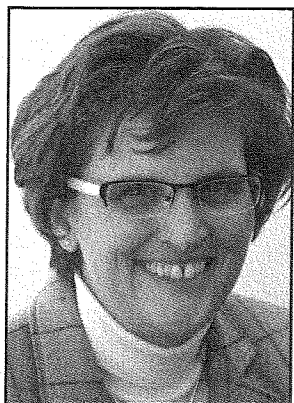


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Site Selectors Have I-39 Logistics Corridor Business Parks on Their Radar Screens

In this economy, many companies' distribution strategies are in flux, putting supply-chain logistics under continual corporate scrutiny. Some centralize and go for fewer but larger facilities. Some decentralize and go for more but smaller facilities. Others consolidate, while others expand. Yet some are acquiring companies with redundant real estate assets, while others will go out of business altogether.

With all of this geographical monopoly being played at the corporate level, professional site selectors are constantly updating their databases of strategic locations across the country. One thing they know: once their corporate clients determine a real estate strategy, they want to move on it quickly. Therefore, being aware of established business parks in major distribution hubs like the Chicago metropolitan area can be a tremendous advantage.

Our affordable business parks, low-cost available land, and highly accessible location are among the significant benefits of the I-39 Logistics Corridor that site selectors are aware of, which is why the 165-mile corridor has booked approximately 8,200,000 SF of new commercial development and leasing activity in recent years. Corporations already located in the corridor include Lowe's, Staples, Del Monte, 3M Corporation, Mitsubishi, Pets-Mart, RC2, FedEx, UPS, Wal-Mart, Target, Chrysler, Sara Lee, ConAgra, Kerry, and Danfoss to name a few.

The following are among the I-39 business parks:

- **Cherry Valley** - The 323-acre Rock 39 Industrial Park (www.v1realestate.com)
- **DeKalb** - The 565-acre Park 88 (www.v1realestate.com)
- **La Salle** - The 300-acre THEpark@39 & 80 (www.dukerealty.com)
- **Loves Park** - The 47-acre Loves Park Corporate Center (www.v1realestate.com)
- **Ottawa** - The 150+-acre Ottawa Industrial Park (www.ottawaindustrialpark.com)
- **Rochelle** - The 366-acre CenterPoint Intermodal Center-Rochelle (www.centerpoint-prop.com)
- **Rockford** - The 300-acre ProLogis Park Rochelle (www.prologis.com)

- **Rockford** - The 40+-acre Rockford Logistics Park (www.rockfordil.gov)
- **Utica** - The 215-acre I-80/I-39 Logistics Park (www.idi.com)

Knowing where corporations want to locate is the best research available. Site selectors searching for the ideal location to expand, contract, consolidate or retool the supply-chains facilities of corporations, distribution companies and third-party logistics firms have long recognized the benefits of a business-park location. In today's highly competitive economic global environment, the following benefits have become even more critical in both the short and long term:

Flexibility

The greatest advantage of locating within a business-park setting is flexibility. At the heart of a tenant's quest for flexibility is protecting over the long term its sizable investment in its logistics facilities, positioning the company for future change, and cutting its losses if it must move.

Speed to Occupancy

A company must be able to react quickly to the

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constant pressure to improve efficiency, making "speed to occupancy" significantly important in the decision criteria. Business-park developers are more likely to build facilities on a speculative basis than owners of single sites, making immediate occupancy a real option.

First-Class Environment

Long-term owners of industrial parks are selective when it comes to tenant mix. At most parks, there are restrictive covenants in place to protect the investment of owners and tenants. Besides the physical requirements of the park, the long-term owner wants a contamination-free park. Food companies, for example, are especially concerned about whom their neighbors are.

Long-Term Relationship

Developers design "long-term leasability" into each facility. And it is for this reason that a long-term business-park owner can be a tremendous partner for a logistics operator. Although build-to-suits may be more customized than existing facilities, developers must look at what tenants will want at least 10 years down the road and pay close attention to column spacing, ceiling heights, dock positions, bay sizes, trailer parking, and other specifications to meet the

needs of logistics operators today and the anticipated needs of tomorrow.

Lease Term

Because logistics strategies change so often and so fast, many companies like to negotiate shorter-term leases. For them, an existing building is a much better option than a build-to-suit, which typically requires a long-term commitment. Developers can be very flexible on lease terms at the spec buildings within their parks, especially if tenants can keep improvements to a minimum.

Changing Space Requirements

To the company that needs to expand operations to serve its growing customer base, the ability to add space in the most expeditious and least expensive way is extremely important. A stand-alone location often provides few options. In a business park, the owner can accommodate growth requirements by building an addition to the current facility or moving a portion of the operation into an existing building next door or across the street while they develop a custom-designed build-to-suit. If that facility is occupied, the owner may be able to offer that tenant a relocation incentive package.

Supplier Options

We are all familiar with the "lead dog" strategy wherein a large tenant, such as Wal-Mart or an auto manufac-

turer, moves into a park, then encourages their suppliers to move within close proximity. Suppliers being close to their clients is not new, but is taking on new importance even for smaller companies due to escalating transportation costs and increasing speed-to-market pressure. In a park setting, the tenant can work with the developer to bring suppliers into the park when it makes sense.

Business-Friendly Communities

The I-39 Logistics Corridor can boast of another advantage: business-friendly communities. Our association members include many municipalities and economic development entities that are prepared and ready to help corporations, their site selectors and brokers with a wide spectrum of assistance programs. Some communities even offer their own business parks. Among our members are the following entities:

- Bureau County Economic Development (www.bureaucounty.us)
- City of Dixon (www.dixonil.com)
- City of Mendota (www.mendota.il.us)
- City of Ottawa (www.cityofottawa.org)
- City of Princeton (www.princeton-il.com)
- City of Rockford (www.rockfordil.gov)
- City of Spring Valley (www.spring-valley.il.us)
- DeKalb County Economic Development Corporation (www.dcedc.org)
- Dixon Area Chamber of Commerce

and Industry/LCIDA

(www.dixonillinoischamber.com)

- EDC of the Bloomington-Normal Area (www.bnbiz.org)
- Greater Rochelle Economic Development Corp (www.gredco.rochelle.net)
- Illinois Valley Area Chamber of Commerce & Economic Development (www.ivaced.org)
- LaSalle County Development Connection (www.lcdconline.org)
- Northwest Illinois Development Alliance (www.freeport-il-econ-dev.com)
- Rock County Economic Development Alliance (www.rockcounty.org)
- Rockford Area Economic Development Council (www.rockfordil.com)
- Streator Area Chamber of Commerce & Industry (www.streatorchamber.com)
- Village of Monroe Center (815-393-3773)
- Village of Stillman Valley (www.stillmanvalley.us)

Janyce Fadden is the Executive Director of the I-39 Logistics Corridor Association, headquartered in Rockford, IL, an economic development organization, founded in 2002 and dedicated to promoting the benefits of the corridor in order to attract businesses and jobs to the area. To learn more, visit www.i-39logisticscorridor.com or call Janyce at (877) 390-3939.

