

# PARK IT

**In business parks, commercial users are finding convenience and versatility that standalone sites lack.**

Kevin Jeselnik



**Heartland Real Estate Business takes a look at the evolving business park concept, and explores three new Midwest parks. See page 50 for more.**

When companies in the Midwest are looking to secure new space for their business, master-planned business parks are garnering increased attention for their ability to offer services and amenities that are not available or uneconomical when developing or locating in an existing standalone facility. The most significant advantage a business park can offer over a freestanding location is flexibility, a vital wrinkle for countless industries, especially manufacturing and distribution users.

Though most master-planned business parks begin with speculative construction, the space can often be quickly built out to suit a newly signed tenant, providing efficient speed to occupancy for users that need to expand or move rapidly. Also, new parks often have plenty of available land for tenants that need to expand. Park developers have the space to either expand a facility, construct a new building to accommodate the tenant or locate additional space in another of the park's existing buildings to fill the additional space requirements.

"Time and time again, users need to expand," says Aaron Paris, executive vice president and chief operating officer for Reno, Nevada-based industrial developer DP Partners. "[The tenant] may need temporary trailer parking or temporary space. There are always emergencies, and more often than not, when our parks are built out, we have the ability to meet tenants' needs."

To meet these short-term demands in a timely fashion, owner/ developers such as DP Partners can often deliver the space needed by contacting other tenants in the park and temporarily contracting unused square footage. "A key advantage to business parks is being able to solve all the 'positive' emergencies our clients have like the need to expand, the need for temporary space, or needing trailer or car parking," Paris explains.

To explore the trend in the Midwest, *Heartland Real Estate Business* takes a look at three significant new business park developments currently underway.

## **LOGISTI CENTER @ SAUK VILLAGE AND ROCHELLE, ILLINOIS**

Paris' firm, DP Partners is currently busy developing two expansive industrial parks in Illinois. Just 20 miles south of Chicago in Sauk Village, the company is creating LogistiCenter @ Sauk Village, an intermodal business park on 325 acres. The park is served by rail, and has immediate access to State Highway 394 and close prox-

imity to interstates 80 and 94. The first speculative building, which totaled approximately 412,000 square feet, has been completed and already been expanded by 364,000 square feet. Warehouse Specialists Inc. has leased 308,000 square feet in the first facility. In September, the second building broke ground, and will eventually measure 258,950 square feet in size when it is complete first-quarter 2007.

The dual-rail-served LogistiCenter @ Rochelle spans 300 acres in the southwest quadrant of the interchange of interstates 88 and 39 approximately 60 miles west of Chicago in the heart of the emerging I-39 logistics corridor. DP Partners completed the first 579,575-square-foot building in Rochelle in 2004; it is 100 percent leased. The company is developing the second spec project in two phases. The first phase will total 307,500 square feet for a single or multiple users. The second phase will expand the building to 594,000 square feet for large-space users. Paris wanted to begin construction of the second building this year, but decided to wait until spring, which he hopes will bring better construction conditions and a break in material prices. "I decided to wait until April or May," he explains. "It is very hard now to tell what is going on with construction costs. We may see a leveling in material pricing. I believe you will see the construction margin, the fee margin, shrinking a little bit, and our costs will come down just a little bit next year."

Both parks are part of DP Partners LogistiCenter brand, which is a network of large intermodal industrial parks in various distribution markets across the nation. The parks are designed for distribution, warehouse, R&D and manufacturing uses, employing features such as extra-wide roads to handle heavy trailer traffic and ESFR provided with two sources of power for cost savings and redundancy.

The parks are speculative developments, with quick and efficient build outs for newly signed tenants. **Deerfield, Illinois-based Meridian Design Build has provided construction services for both parks,** while Palatine, Illinois-based Harris Architects has provided design services. DP Partners' development team includes Dennis Shaw, director of development, Midwest region; Thomas Brown, development manager; and T.J. O'Brien, construction manager. Both parks will total approximately 4 million square feet upon final build out.

"I think demand will stay strong," Paris says of tenant desire for business park space. "I think that we are going to have a terrific 2007, and the fundamentals in our industry — occupancy, demand for space from the shipping world — will keep improving." □