

CASE STUDY:
CORPORATE CAPITAL DEVELOPMENT/COOPER TIRE
Build to Suit Bulk Warehouse



THE CHALLENGE

CBRE was engaged by Corporate Capital Development (“CCD”) to identify the appropriate site for a new Midwest distribution center for their client, Cooper Tire. The site was to be located in a community with a good labor force with immediate access to a major interstate. Reducing the high cost of shipping was the key focus of the selection process. Interstate access to major Midwest and South Central communities was critical to CCD’s site selection for the 800,000 square foot build to suit warehouse facility.

THE STRATEGY

Create a competitive environment to reduce occupancy costs for a new build to suit facility. CBRE solicited a customized Request for Proposal to nearly a dozen communities and economic development groups in Indiana along I-65, I-70, and I-69 to locate an appropriate site for the Cooper Tire build to suit. CBRE worked with local land owners, economic development leaders, local mayors, and utility contractors to identify sites, land costs, utility costs, labor costs, and available incentives. CBRE put CCD and Cooper Tire in a competitive situation with several local Indiana communities along with Ohio and Kentucky to provide competitive incentives in a new facility.

THE SOLUTION

The CBRE team, in collaboration with CCD, provided the best solution for Cooper Tire. The CBRE team helped formulate a relocation plan of an obsolete warehouse facility in Ohio. CBRE reduced the high cost of transportation with improved interstate access to major communities and an affordable local workforce. After an extensive property search of 26 sites in Central Indiana and Western Ohio, it was determined that Franklin, Indiana was the most central city for accommodating Cooper Tire’s distribution needs. Franklin offered close proximity to their customer base and proximity to two critical manufacturing facilities in Arkansas and Mississippi. A site was selected and a contractor was chosen to complete the build to suit project after a competitive bid process for the state of the art distribution facility.

THE BENEFIT

CCD was able to realize savings from tax abatements granted to the site for the end user. The tenant reduced transportation costs by locating on the site along I-65 South. They improved their operating efficiency by operating in one large facility and saved multiple steps for product handling charges. This new facility is able to house inventory of over \$150 million in tire product. The CBRE Team Build to Suit RFP process drove down occupancy costs through the competitive best and final bid process, saving Cooper Tire hundreds of thousands of dollars. CBRE, with multiple state and multiple site searches, put CCD and their customer, Cooper Tire, in a very competitive market to ensure a low cost basis for their new facility. CBRE negotiated tax abatement, job creation incentives, and other operating cost related incentives from the Town of Franklin and the State of Indiana. Working with the town of Franklin, CCD and the developer were able to design and build the largest Gold rated LEED in the United States at the time of construction.

QUICK FACTS:

- ✓ Johnson County, IN
- ✓ Site Selection
- ✓ Build to Suit
- ✓ 800,000 SF

SERVICES:

- ✓ Tenant Representation
- ✓ Site & Land Acquisition
- ✓ Demographic Preparation
- ✓ Prepare & Solicit BTS RFP
- ✓ Competitive Construction Bids
- ✓ Contractor Selection
- ✓ Purchase Contract Negotiation
- ✓ Incentive Negotiations

CBRE CONTACT:

Mark Witt
Senior Vice President
T: 317.269.1029
mark.writt@cbre.com

