



*Manufacturing Facility
Lease
212,256 Sq. Ft. Chicago land Area*

Objective

Liquid Container, a top merchant blow molder of high-density plastic bottles and containers in the United States, hired the Taurus team to assist with its evaluation of one of its major manufacturing facilities in the Chicago land region.

With this plant located in close proximity to three other warehouse and manufacturing facilities and with 24 months remaining on the existing lease, the Taurus team investigated a consolidation. Due to Liquid Container's competitive industry, this logical study would help determine efficiency and economic benefits, if any, compared to a simple relocation or restructure.

In addition, with a savvy local landlord and minimal options, Liquid Container needed to maximize its leverage in order to convince current ownership that relocating the facility was possible.

Due to the local submarket's limited options, the search radius was expanded through a larger region in order to uncover all opportunities, including land sites for a build-to-suit.

Solutions

Utilizing Taurus' extensive knowledge of the market, an in-depth analysis uncovered all feasible alternatives. The build-to-suit route seemed to be the most viable and cost-effective.

Upon review of multiple sites throughout the submarket, Taurus identified a single site that would give Liquid Container an ideal situation to efficiently layout its production, manufacturing, distribution and office operations into one facility that flowed properly and provided continuity.

A comprehensive bid process was completed by three construction/developers, with Liquid Container's approval. Upon the completion of the bid process, each group prepared a site plan with a proposal for evaluation.

After identifying an alternative build-to-suit location and quantifying the benefits and setbacks of a relocation, Taurus allowed the current landlord an opportunity to retain Liquid Container's tenancy after creating the leverage needed. Upon receipt of more favorable terms from current ownership, the results proved that a relocation of all equipment and infrastructure would be cost prohibitive.

Results

By creating leverage and uncovering a realistic potential alternative, the Taurus team secured a cost efficient solution without having Liquid Container incur any additional moving costs.

Working with the Taurus team, Liquid Container received the following benefits:

- Ability to effectively initiate the new rate immediately rather than waiting over six months for original lease to expire
- Secure an option to purchase the facility for future flexibility
- Multiple concessions that included rental abatement, tenant improvement allowance and reduction of annual escalations
- **Approximately 15%** savings on rental rate
- **Over \$500,000** of overall quantifiable savings over a the term in a challenging Landlord's market with limited opportunities

