



*Midwest Distribution Center
Lease
150,000 Sq. Ft. Chicago land Area*

Objective

In order to create a competitive environment and to reduce overall real estate costs, WinCup hired the Taurus team to develop and implement a strategy with its current Midwest distribution facility.

The existing location was twenty-four foot clear height and approximately 150,000 sf. The existing manufacturing facilities were all located within close proximity to the current distribution center, and it was imperative that it remained close in order to minimize transportation costs. In addition, WinCup's landlord was adamant about renewing at the current escalated rental rate.

With the local market being considered mature and having a low vacancy rate, it created a difficult situation in order to identify opportunities for WinCup that could pose a challenge to the current landlord.

In addition, a site had to be located that could accommodate a minimum of 50 trailer drops, which created a challenge within a market of minimal new construction and existing product that was developed during the 1980's.

Solutions

Due to the limited geographic search radius, the market research required and detailed analysis into the local existing tenant roster in order to uncover hidden opportunities.

Through the Taurus team's local market expertise, a situation was identified where a local user was recently purchased by a larger national company and through consolidation was to relocate to a different facility. This opportunity opened the door for a viable option for WinCup near the current manufacturing sites.

The facility provided well over 150,000 sf of high-cube distribution space with sufficient loading, abundant trailer parking, and an economically attainable cost alternative for WinCup's operation.

After identifying a back-up location, the Taurus team initiated negotiation discussions with the incumbent landlord. This resulted in negotiating a cost-effective deal with multiple concessions, including tenant improvements that would eliminate current inefficiencies.

Results

The Taurus team provided WinCup the ability to eliminate substantial costs and avoided any additional costs to relocate the distribution component of WinCup's Midwest Operations.

Therefore, the Taurus team was able to accomplish:

- **\$307,500** of rental abatement
- **\$150,000** of tenant improvements
- **Approximately 20%** savings on the rental rate
- **Over \$800,000** of overall savings on this transaction

More importantly, these savings allowed WinCup to increase manufacturing output and to invest in their core business.

