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Duke Realty developing build-to-suit distribution center for Weber-Stephen Products LLC

Posted By [Staff Writer](#) On July 11, 2014 @ 6:42 pm | [No Comments](#)

The Chicago office of [Duke Realty Corporation](#), a leading nationwide REIT (Real Estate Investment Trust) specializing in the ownership, management and development of bulk industrial facilities, as well as medical and suburban office buildings, is developing a 757,120-square-foot, build-to-suit bulk industrial building for Weber-Stephen Products, LLC (Weber), a manufacturer of charcoal, gas and electric grills and grilling accessories.



Weber's new facility is being constructed on 73 acres adjacent to its manufacturing facility in Huntley, Illinois, in the I-90/Elgin submarket. Weber will consolidate its existing U.S. warehouse operations into its new national distribution center which will serve customers in North America, Asia Pacific, South America, Europe and Africa.

"We are pleased to be selected by Weber-Stephen Products as the developer for its new, consolidated national distribution center," said Steve Schnur, Senior Vice President of Duke Realty's Midwest Region. "Our experience in constructing large, modern bulk warehouses will serve us well as we deliver a state-of-the-art building designed specifically for Weber's inventory and pick and ship operations."

"Duke Realty offered the expertise we needed to not only construct our new distribution center, but also to complete due diligence on the land and negotiate its annexation with the Village of Huntley," said Dean Duffy, Executive Vice President, Global Supply Chain, with Weber. "All preliminary work has been successfully completed, and we are ready to begin construction."

Weber's build-to-suit distribution center will include 32' clear heights, except in the perimeter bays, 52' x 50' bay spacing and a 7,000-square-foot office. Three drive-in doors and 149, 6' x 8' dock doors with 35,000 lb. hydraulic levelers will be incorporated into the structural precast panel building. Spaces for 157 cars and 193 trailer spaces will be on-site, as well as two truck courts on the east and west sides of the building. The building and remaining land can accommodate Weber's future growth through a 405,600-square-foot expansion which would bring the building's total size to 1,162,720 square feet.

"Weber's national distribution center will provide them with the space they need today, as well as the flexibility to grow their operations in the future," said Ryan O'Leary, Vice President of Leasing and Development for Duke Realty. "It has been a pleasure to partner with Weber on a custom warehouse designed to enhance their distribution operations."

Noel Liston with Darwin Realty represented Weber in the transaction while Duke Realty was represented by Ryan O'Leary.



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RECENTLY COMPLETED
Weber-Stephen Products Build-to-Suit Project
757,000 Square Feet
Huntley, Illinois



Darwin Realty & Development Corporation has advised and completed a number of lease transactions as Weber-Stephen Products' tenant broker over the past several years.

Problem:

- In October 2013, at the direction of the client, we began an extensive search for a comprehensive real estate solution for Weber-Stephen Products Distribution Network. At the time of project commencement, our client was distributing their product out of four locations as well as utilizing third party logistic services.

Darwin Action / Solutions:

- Our goal was to identify and evaluate all options that could satisfy the combination of multiple existing distribution facilities.
- The initial due diligence we conducted with our client led us to a desired building size of 700,000 to 800,000 square feet with the potential for future expansion.
- We exhausted the existing inventory of industrial facilities in the desired geographic area and began due diligence on build-to-suit and build-to-suit for lease options that could satisfy their requirement.
- In December 2013, we had identified several land sites that could physically accommodate a building of the desired square footage. At that time, Darwin Realty & Development Corporation engaged an architect and civil engineer utilizing our strategic alliances. We conducted some preliminary due diligence on the sites and began to focus on one site in particular that could accommodate the client's current and future space needs. That site was ±120 acres of land located in Huntley, Illinois, immediately off of I-90 at Route 47.

- In working with our architect and engineer, we were able to determine the ideal land site size was ± 75 acres. This would allow us to construct a 757,000 square foot building with expansion capabilities up to 1,150,000 square feet. We commenced negotiations for the purchase of the land site in late December 2013.
- Due to the time constraints for this project, specifically, our client's requirement to be in the facility and operational by the first quarter of 2015, collectively, we were able to:

January 2014

- Finalize a Purchase/Sale Agreement between the land owner and Weber-Stephen Products.
- Conduct an extensive interview of the top industrial development groups in the country who could work with us on this project and ultimately own the facility.
- Execute a 12-year lease agreement between Weber-Stephen Products and Duke Realty.
- Execute an assignment of the land Purchase/Sale Agreement that was entered into between Weber and the land owner to the chosen developer, Duke Realty.
- Take the property through the annexation and development process with the Village of Huntley. (The land was not zoned or annexed at the time we had contracted to purchase.)
- Negotiate and relocate AT&T fiber optic lines that ran across a good portion of the site.
- Fully design and engineer the facility of 757,000 square feet with future expansion up to 1,150,000 square feet.
- Obtain much-needed economic support from the Village of Huntley through concessions we were able to structure with respect to capital development and annexation fee reductions, as well as participation at the state level through an IDOT grant program.

May 2014

- Close on the purchase of the land and commence site work effective May 20, 2014.

WHAT CAN DARWIN DO FOR YOU?

For further information or an initial consultation, please contact:

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