

# CASE STUDY



## CLIENT CONTACT

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## LOCATION

Orlando, FL

## SIZE

500,000 square feet

## SERVICES

Build-to-Suit Auto Parts  
Distribution Facility

## CHRYSLER

### Challenge

In November 1999, the Mopar aftermarket auto parts division of Chrysler Group LLC (Chrysler) determined that it needed a new Regional Parts Distribution Center in the Orlando area.

The facility needed to be large enough to consolidate the existing Mercedes-Jacksonville operations with Mopar's Orlando locations. To support this requirement, Mopar requested assistance in identifying options within a 50-mile radius of Orlando.

The challenge was to fully understand this location's overall function in terms of personnel, product, product flow, operational savings, profitability goals, and to incorporate those business needs into the overall savings plan for their real estate.

### Solutions

Mike Cook and his team reviewed, analyzed and ranked 26 sites culled from a list of 100 feasible alternatives.

The team analyzed demographic, economic and topographic details to determine whether the sites fit 90% of the criteria outlined by Chrysler facility engineers. Two finalist sites were chosen for negotiations: a highly visible Florida Greenway site and a site in the heart of Orlando's industrial corridor. Cook's analysis of public investment and municipal infrastructure possibilities led the team to select the Orlando corridor site as the best option.

Chrysler and team proceeded to purchase the site via a special purpose entity to protect the client's confidentiality during negotiations. Mike's team also negotiated final lease terms between the LLC as landlord and Mopar as tenant.

In July 2001, the LLC sold the property and assigned the leasehold interest to a third party, thereby extinguishing the interim LLC and giving Chrysler's business units full strategic control of the asset.

### Results

- 44 acres of land with capacity for the distribution center and 1,000 employee parking spaces.
- 500,000 sq ft of state-of-the-art distribution space constructed according to the standard project template developed for all Mopar facilities.
- Long-term facility security gained from a 15-year lease.
- Construction financing obtained to limit Chrysler's out of pocket costs post-merger.
- \$4,000,000 annual savings achieved versus pre-consolidation costs.
- \$350,000 obtained in incentives from the City of Orlando.
- Purchase of the site via a special purpose entity, enabling Chrysler to maintain a low profile after the merger.