

# CASE STUDY



## CLIENT CONTACT

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## LOCATION

Lebanon, IN

## SIZE

306,397 square feet

## SERVICES

National Office/Distribution

Facility Renewal/Restructure

## AURORA PARTS & SERVICE NETWORK

### Challenge

Aurora Parts & Accessories, LLC (Aurora Parts), one of the companies of Aurora Trailer Holdings, LLC, is an OES provider of semi-trailer parts and operates its National Distribution Center in Lebanon, Indiana. Aurora Parts hired Mike Cook and his team to guide them through the process of a renewal/restructure of their existing lease for this location that they have occupied since 2004. Given the overall weakness in the Central Indiana real estate market, balancing the concerns of their current landlord to maintain stability within this investment grade building consisting of 689,000 SF, and knowing that Aurora Parts was looking to the team to secure for them the greatest reduction in their overall rental obligations, the goal was to leverage all of these conditions to secure the most economic advantage for Aurora Parts.

The team's 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 and his team began working with Aurora Parts 24 months prior to the lease expiration of this site. After an extensive negotiation process with the property's Ownership, they were able to secure a 14-month restructuring of the remaining term, 2011-2012, along with a 63-month extension of the lease.

### Results

- Secured a total savings of \$491,919.00 within the entire 77 months renewal/restructure lease term.
- Inside the 14 months of restructured lease term, secured \$200,000 in real estate savings for Aurora Parts.
- Negotiated and received a \$200,000 Tenant Improvement Allowance to be used at Aurora Parts discretion for any real estate specific improvements within the facility. Any unused portion of these Tenant Improvement funds will be recognized as an additional reduction in the net rental structure of the extension lease for when the rental schedule begins in April 2012.
- Secured a new 2011 and 2012 Base Year Operating Stop to properly insulate future expense pass-throughs for the entire renewal lease term.
- Secured one month of fully abated rent in the extension term which equated to \$91,919 in additional savings.