

## Ridge Plans \$1B, 18M-SF Industrial Park

*GlobeSt.com – By Cari Brokamp*

DIAMOND, IL-Ridge Property Trust and Champion Realty Advisors LLC are planning an 18-million-square-foot industrial park in the suburbs about 40 miles southwest of Chicago. Ridge has spent the past three years assembling various parcels totaling 1,500 acres from more than 10 land owners. To be known as the RidgePort Logistics Center, the park is expected to be valued around \$1 billion at completion and will be owned and developed by Ridge and marketed by Champion.

J.D. Salazar, managing principal of Champion, says Ridge hired his firm to scout locations for the project and that his company searched throughout northwest Indiana and the Interstate 80 corridor.

"We were looking specifically for a location that provided multiple methods of connectivity and transportation options, and access points to multiple markets through highway and rail," Salazar tells *GlobeSt.com*. "Supply chain providers today are trying to squeeze costs down as much as possible, and transportation is a huge part of the cost of getting the product from the manufacturer to the consumer. The beauty of this park is that it allows residents of the park to bring bulk shipments into the park using our own locomotive to be delivered to each resident's building, and they can then take the raw material and repackage it, and transload the product."

The property offers access to more than three miles of frontage along Interstate 55, as well as more than a mile of frontage along the Burlington North Santa Fe transcontinental rail line. Salazar says the property is capable of bringing a full trainload of around 100 cars into the park. The park's build-out is expected to take around 15 years in total. When completed, RidgePort will offer about 20 buildings, which could range in size anywhere between 250,000 and two million square feet based on demand.

Located at the interchange of Lorenzo Road and Interstate 55, the property is in the process of being annexed into Diamond, IL, a neighboring community of Coal City and Wilmington. Salazar says there are opportunities to acquire an additional 500 acres in the near future as well. The companies expect to finish the entitlement process within the next few months and hope to begin work this summer on infrastructure, including installation of roads and water and sewer plants. Salazar says the park will bring thousands of new construction and permanent jobs, and millions of dollars in new tax revenues to the area.

Despite its proximity to Interstate 55, the property is actually considered part of the Interstate 80 corridor, where Salazar says occupancy rates are below 70% for class A buildings.

"Vacancy is extensive and it's ugly, but I have argued for years that it's common to have a very high vacancy when you have an emerging market situation," Salazar says, citing the Interstate 55 market's low occupancy in the 1990s. "Typically space is created before demand catches up."

Ridge has plans to break ground on the park's first building, a one-million-square-foot spec facility, in the spring of 2010. The building is planned to offer 38-foot clear ceilings, 244 trailer parking spots, and somewhere between 196 and 209 exterior truck docks. Asking lease rates for space in the Interstate 80 corridor range from \$3 to \$7 per square foot, according to Cushman & Wakefield's year-end industrial market report. Ridge and Champion are also actively pursuing build-to-suit opportunities for the park.