



Case Study

EPSON AMERICA INC.

EPSON

Challenge

Epson America Inc., a leading supplier of state-of-the-art computer printers and related products, decided their business required a larger and more functional Distribution Center in the Indianapolis area. They enlisted the services of their real estate advisor of over thirty (30) years, Grubb & Ellis, to develop and implement an optimum logistics and real estate solution.

Solution

Grubb & Ellis analyzed Epson's objectives and prepared a thorough assessment of their requirement relative to costs, growth projections, functionality, location, employment, state and local economic incentives and transportation. Grubb & Ellis assembled an experienced team of professionals including architects, project managers, economic development incentive negotiators, attorneys, construction managers and local market specialists for the project. A detailed Build-to-Suit Request for Proposal was prepared and submitted to a select group of owners and developers. A short list of respondents were selected and interviewed by Epson and the Grubb & Ellis team. Best and final proposals were solicited followed by extensive negotiations conducted by Grubb & Ellis. A comprehensive financial analysis was prepared comparing the total occupancy costs including real estate costs, transportation costs, labor rates, taxes and utility costs on an actual and net present value basis. Concurrent with the developer selection process, Grubb & Ellis arranged meetings with state and local economic development officials to negotiate various tax and employment incentives in order to reduce Epson's overall costs. Upon selection of the winning developer Grubb & Ellis and Epson's attorneys negotiated the terms of a ten year lease.

Results

Epson successfully moved from a 350,000 square foot Class B warehouse to a 750,000 square foot state-of-the-art build-to-suit distribution facility at below-market economics. Additionally Epson, through the assistance of Grubb & Ellis, was able to obtain close to \$4,000,000 of tax and employment incentive benefits as well as a \$1,200,000 bonus payment once the facility was sold. Operational efficiencies were accomplished along with facility flexibility through multiple lease renewal and expansion options resulting in a facility which will meet Epson's distribution/logistics needs for the next twenty five years.



**750,000 SF Distribution Facility
Indianapolis, IN**

**70 acres
36' clearance
115 dock positions
Expansion land**

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