

**Client:** Macy's, Inc.

**Project:** Distribution center acquisition

**Location:** Chicago, IL

**Objective:** Procure a modern  $\pm$  650,000 square foot distribution facility to replace an aging multi-story, inner-city building that had become functionally obsolete and economically unfeasible to operate. Key criteria for the new facility included:

- Location within a prescribed travel time of the company's downtown Chicago flagship store
- Onsite parking for 250 trailers
- Building design suitable for highly automated MHE installation
- Expansion capability to  $\pm$  1 million square feet
- Strong preference to own vs. lease

**Challenges:** Fast-track project designed to eliminate significant cost penalty of operating an obsolete facility. Non-disclosure of client's identity until deal fully negotiated to avoid disruption of existing operation. Candidate buildings in various stages of completion required careful analysis of design criteria to ensure valid comparison.

**Solution:** Recognizing the client's need to act quickly, and to ensure efficiency in evaluating numerous options across several submarkets, Walker engaged a local market resource to assist in screening candidate properties and coordinating site visits. Six properties were identified that fit the client's key criteria and due diligence was undertaken on all. Top 3 finalists were determined with pricing and terms established for each. Fully negotiated letter of intent was executed on first choice property within 90 days of project launch.

**Value Added:** Due diligence and real estate negotiations managed by Walker ensured back-up options remained in play during contract negotiations on the preferred property. When seller terminated negotiations to accept a higher offer from another party, Walker was positioned to move quickly to an alternative property and successfully acquired the second option on very favorable terms. Walker's discipline with respect to acquisition strategy and contingency planning, allowed for a seamless transition to a back-up property with no impairment to the project schedule or budget.

*The Walker Way works best*