



The Andersons  
1380 Ford St., Maumee, Ohio

### Quick Facts

- 245,000 SF
- 10 Year Lease

### Challenge

The Andersons (ANDE; NASDAQ) was preparing for lease expiration on their 245,000 square-foot retail distribution center. Approximately 36 months prior to the expiration, the team undertook a process of educating themselves on the market and evaluating their long term requirement for the center. At this time, the economy was in the throes of a recession and the client anticipated if they could take advantage of the market conditions. It was thought there would be an abundance of building options and discounts aplenty for tenants of their scale and profile. The initial request to Reichle Klein Group was to bring to their attention any and all buildings that might remotely meet their needs. As it turned out, there were in fact very few buildings that fit their needs. As the end of the lease term grew nearer, The Andersons expanded its criteria to include build- to-suits as well as a closer examination of a possible new lease in its current space. They made several attempts to begin a dialogue with the landlord, however he was unresponsive and appeared uninterested in negotiating any terms.

### Solution

There were a handful of possible alternatives, so RKG's Lynette Reichle suggested a bid process to create some competition among the landlords and vet out the best arrangement. Andersons agreed and engaged RKG to manage the process for them. A request for proposals was issued to multiple building owners, which included a new construction project, existing buildings as well as the current landlord, asking for their best terms. Even at this time, the existing landlord remained quiet and unwilling to engage in any real dialogue. Based on some assumptions for their current space and the other landlord responses, a comparative analysis of each of the options was provided to The Andersons. This included all occupancy costs, renovations, moving costs, cost variations in supply chain as well as any fees associated with the transaction. The objective was to provide the client with the actual costs of occupancy to offer a true comparison.

### Results

In the end, this method provided the pressure necessary to bring their current Landlord to the table with a proposal. For the Landlord, the reality of losing the largest tenant prompted a dialogue and the Landlord soon provided some competitive numbers that caught The Andersons' attention. With the Tenant's leverage established, the negotiations produced an equitable deal for The Andersons. They were able to secure a long-term solution without the disruption of a move while reducing their occupancy costs.

### Client Testimonial

"Your years of experience and expertise provided the launching pad for a successful transaction."

Cathy Redford, Senior Manager, Real Estate