



Colliers
Site Selection Services

SUCCESS STORY

WOLVERINE WORLDWIDE



PROJECT

Consolidation of three Midwest distribution centers into a single west coast facility for footwear distribution and D2C fulfillment. Colliers led pre-development planning, performed all site selection, labor and operating cost analyses, and handled real estate and incentive negotiations.

LOCATION

Beaumont, CA



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OBJECTIVE

Identify locations and real estate options that:

- Minimized inbound freight costs
- Permitted development of a 720,000 SF distribution center, with expansion room to grow to 1.4 million SF.
- Offered low operating costs
- Possessed excellent labor resources

CHALLENGES

Analysis of freight lanes and transportation costs showed Los Angeles/Long Beach and Seattle/ Tacoma to be equally desirable ports of entry. But when the total cost of operations was examined, Phoenix and Las Vegas were viable options as well. High development costs and the challenging development environment in southern California offset its transportation advantages.

Developers were unwilling to encumber expansion land without a firm commitment from Wolverine as to the timing and scope of the expansion.

Simultaneous development of four Amazon distribution centers in the Inland Empire severely stressed this labor market.

SOLUTION

Colliers identified a suitable site in Beaumont, CA, on the eastern edge of the Inland Empire.

The site offered:

- Excellent access to the ports in Los Angeles and Long Beach with only a modest drayage penalty relative to locations closer to the ports
- Land costs and permit/impact fees more than 50% below other southern California options
- Superior flexibility for growth, with the developer offering a free, multi-year option on facility expansion, but with no obligation by Wolverine to do so.
- Far superior labor resources, with lower labor turnover and less wage inflation than other sub-markets within the Inland Empire

VALUE ADDED



Produced a lease rate 18% below competing properties across the four-state study area.



Occupancy costs were cut by more than \$3.5 million over the ten-year lease term, and the annual rental escalation rate was 40% below market.



Negotiated an incentive package exceeding \$1.5 million that lowered impact fees and provided a 10-year sales tax rebate to Wolverine on its e-commerce business.



Wolverine can expand the building with a free option on its own timeline, reducing risk and minimizing relocation costs.

Accelerating success.