



Caterpillar Logistics Services

Knowing first-hand the value of maintaining operational flexibility, this top global logistics company took advantage of an innovative real estate arrangement to keep a potentially costly situation fluid — and its options open.

The Challenge

When Caterpillar Logistics Services found itself with a potential surplus property — a 550,000 sf. facility whose continued use as a parts distribution center for a client was uncertain — the supply chain management provider turned to First Industrial Realty Trust for a practical real estate solution.

Our Approach

Exploring how to best resolve the issue CLS faced, First Industrial's team began hammering out several options designed to shield the company from the impact of holding the vacant space should its customer elect to alter an ongoing material-handling contract that was up for renewal.

In short order, First Industrial provided CLS with a very attractive solution: a 3-year sale leaseback that took the Joliet, Ill., property off the company's hands and offered an additional two 3-year lease terms to cover use should its client choose to renew. A second, 868,000 sf. facility in Wisconsin that had become extraneous in CLS's long-term distribution plan was also acquired.

The Outcome

Given the option to monetize a surplus asset while continuing to put it to use in the short-term, Caterpillar Logistics resolved a potentially costly problem at a time of uncertainty — and took advantage of the opportunity to dispose of a second superfluous property in another market at the same time.

Development
Acquisition
Multi-Market
Sale Leaseback



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