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213,392-SF Simmons' Pact Lets TCC Add More Spec

By *Connie Gore*



Upcoming Spec Project

DALLAS-Simmons Bedding Co. has signed to become the first tenant for a 279,200-sf spec distribution center at Dallas/Fort Worth International Airport. The long-term lease has pulled another spec, the 243,500-sf Trade Center IV off the drawing board, with ground set to break in two weeks.

Simmons, looking for expansion space since late 2006, will turn on lights in 213,392 sf of Trade Center V at 2580 Esters Blvd. in mid-March. Locally based Trammell Crow Co. has the spec project slated for completion by the middle of this month.

The particularly brisk leasing activity at [DFW International Airport](#) and the industrial market's overall absorption last year are underwriting the developer's plan to start construction on the fifth distribution center in the 2.4-million-sf Trade Center development, owned by Seattle-based Kennedy Associates Real Estate Counsel LP. "There is excellent activity. We're still in the sweet spot of the marker," Steve Trese, vice president for CB Richard Ellis in Dallas explains to GlobeSt.com. "Simmons was not the firing pin, but it was a contributing factor."

Damian Rivera, vice president for Dallas-based Stream Realty Partners LP, says Atlanta-based Simmons had narrowed the decision to a build-to-suit or Trade Center V. "Trammell Crow took a chance. They built a great spec building that met a lot of our requirements right out of the gate," he says, "and flexible enough to meet other requirements so we put the build-to-suit option aside and moved forward with theirs."



Simmons' New Spot

Rivera says Simmons' biggest requirement was 100 trailer positions. Company leaders also required a heavier parking ratio due to a two-shift workforce, a 250-employee team now operating in 140,000 sf at 4255 Patriot Dr. in nearby Grapevine. The 10-year lease with Denver-based DCT Industrial Trust will expire in May, according to Simmons' tenant rep.

Rivera says Simmons has matched Stream's \$3 per sf tenant-improvement allowance--and added some more to outfit the shell to meet its operating needs, which includes mattress assembly. The regional distribution center will have 60 dock doors and a 13,000-sf office.

Trese credits Trade Center V's gateway location at the northern end of the airport and visibility from Texas 114 for capturing Simmons' attention early in the game. "The incubation period of the deal was close to 10 months. Although visibility wasn't critical, it was a plus," he says, adding the final nod came because of "our ability to deliver the product they were looking for in the timeframe they were looking for."

The fine details of the lease are unavailable, but the brokers did confirm it's a stair-stepped rate. As a barometer, Trade Center V's remaining space is being marketed for \$3.50 per sf with a \$3 per sf TI allowance.

With the lion's share of Trade Center V now sealed off, TCC plans to break ground in two weeks on Trade Center IV. Trese says TCC has enough land under option with the airport authority to build another 500,000 sf of Trade Center space.

From a leasing perspective, Trese says negotiations are under way for an 89,000-sf prelease for Trade Center IV. Like its predecessors, it has been designed by GSR Andrade of Dallas and will be built by the El Paso-based CF Jordan LP's Dallas division.

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