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## Memphis Business Journal

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### Manufacturer inks Deltapoint park lease

Solae upgrades distribution operations in Memphis market

Memphis Business Journal - by [Andy Ashby](#)

**Solae LLC** is taking advantage of market conditions to improve its distribution position in the Memphis market.

The company, which manufactures soy-based proteins for various food and beverage products, signed a long-term, 472,000-square-foot lease at Deltapoint Business Park in Memphis.

**Bunge Limited** and **DuPont** formed Solae LLC as a joint venture in 2003. It operates a manufacturing plant at 4272 S. Mendenhall and was leasing 629,000 square feet at 5000 E. Raines for distribution in a building with 18-foot clear ceilings.

5605 Deltapoint has 32-foot clear roofs, insulated doors and other more modern amenities for distribution. Solae's operation has to be especially sanitary since it handles products used in food.

The former space served the Solae well for years, but it wanted to move to a more modern building.

"In today's distribution world, operations are more efficient and the inventories are less," says Tracy Speake, managing partner with **Paradigm Realty Advisors LLC**. The building at 5605 Holmescrest Lane will serve as a regional distribution center for Solae.

Solae looked at 12 buildings across the market before picking Deltapoint Business Park, according to Speake.

In addition to a newer facility, Solae got to take advantage of depressed lease rates and other market conditions.

For a lease this size, Speake says there are several good choices in DeSoto and Shelby counties.

"Because of the number of facilities and because of the economic conditions, I think that's why you've seen Memphis be pretty fortunate on the demand side," he says.

The listed lease rate for this property was \$2.50 a square foot. That rate is double net, where the tenant is responsible for property taxes and insurance.

The lease brings the 885,000-square-foot building at Holmes and Getwell to 100% occupancy.

**DCT Holmescrest Lane LP**, a subsidiary of **DCT Industrial Trust Inc.**, owns the building, which was built in 2006.

**The Crump Firm** was tapped for the building's design while **Linkous Construction Co.** Inc. is the general contractor. **Liles Engineering Design Consultants LLC** is handling electrical and mechanical engineering; plumbing work is by **Watson Consulting Engineers LLC**.

**Commercial Alliance Management LLC** senior vice president Mark Jenkins and senior leasing associate Phil Dagastino Jr. represented DCT Industrial Trust, while Speake represented Solae in lease negotiations.

"The gap between rents for Class A and Class B spaces have diminished, so companies like this can move to newer, more efficient space," Jenkins says.

DCT Industrial Trust owns, leases or manages 75.4 million square feet nationwide. It owns 5.2 million square feet of industrial space in Southeast Memphis.

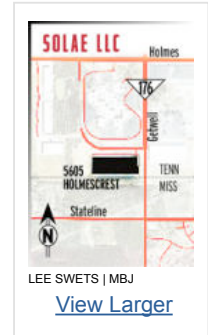
John Tugman, vice president and regional market representative with DCT, says the company has been pleased with the leasing its been able to do in Memphis and attributes it to developing local relationships.

Negotiations for industrial deals are taking longer as landlords are being more aggressive to keep existing tenants and because many tenants don't have to move.

"Time kills deals," Tugman says. "If you can't respond quickly, then someone else will."

#### Solae LLC

Soy-based products



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**HQ:** St. Louis

**Chairman:** Craig F. Binetti

**Employees:** 2,400

**Local employees:** 315

**Local address:** 4272 S. Mendenhall

**Local phone:** (901) 365-6340

**Web site:** [www.solae.com](http://www.solae.com)

*[aashby@bizjournals.com](mailto:aashby@bizjournals.com) | (901) 259-1732*

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