

Business park in the works

Dunn Field to be developed north of Memphis Depot site

By Amos Maki

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A Detroit-based developer is launching a \$20 million distribution park near the Memphis Depot Business Park.

Stuart Frankel Development Co. is launching Dunn Field Business Park, a four-building, 575,000-square-foot distribution center just north of Memphis Depot park, after buying a 40-acre site from the Pentagon for \$880,000.

"Were excited about it," said Richard Cohen, a principal with Stuart Frankel Development. "What we saw was location to the airport, excellent freeway access and a strong neighborhood that could use economic investment."

Meanwhile, the redevelopment of the nearby Memphis Depot that began in earnest a decade ago has come full circle, with officials saying the park is almost completely occupied.

Stuart Frankel Development's entrance into Memphis and its purchase of the 40-acre site happened almost by chance.

Although the company had been evaluating Memphis for some time, Cohen happened across a U.S. General Services Administration Web site that was marketing the site for the Department of the Army and Defense Logistics Agency.

"I just happened to stumble across the Web site for auction properties and I kind of raised my eyebrows because I saw something really interesting in Memphis," Cohen said.

After poring over 1,000 pages of environmental and site reports, Cohen knew he had found a winner.

Dunn Field, located across Dunn Road from the main base, had long been considered the most contaminated part of the facility because it served as a disposal area during the 1940s, '50s and '60s. In 2001, cleanup crews removed the remnants of chemical warfare material, including parts of old mustard gas bombs, buried there shortly after World War II.

In 2006, crews excavated 4,400 tons of waste from Dunn Field, a 68-acre tract on the northwest corner of the South Memphis facility. The material included crushed metal drums and 3,000 bottles of a compound used to test water for the presence of chlorine.

But absent from the recovered wastes were some potentially dangerous substances listed in military records as having been buried at the site: 1,700 bottles of fuming nitric acid, thousands of gallons of insecticide and dozens of drums of oil, grease and thinner.

"If you took the time to read it, you found out what they were selling was really nice," Cohen said.

In fact, less than 10 percent of the excavated waste was classified as hazardous. And that portion was made up mostly of a chlorine-detecting compound that was sent to an out-of-state hazardous-waste incinerator.

With a clean bill of health, local real estate officials say the new, state-of-the-art distribution park -- the only one of its kind in the southwest real estate market -- will breathe new life into the area.

"In terms of new Class A product, it simply doesn't exist now," said Mark Jenkins, senior vice president of Memphis-based Commercial Alliance Management LLC, which is representing Stuart Frankel Development. "They found a diamond in the rough."

Stuart Frankel Development officials decided to market the property to smaller users, those seeking 40,000 square feet to 80,000 square feet, and forgo battling huge industrial developers like ProLogis, Panattoni Development Co. and Industrial Developments International for the larger tenants.

"We can't compete with those folks because they do that across the country," said Darren Frankel, whose father, Stuart, started the company. "What we're trying to do is target the smaller user that can't be accommodated by the bigger developers."

The company also plans on extending its roots in Memphis and is already looking for more opportunities in the city.

"Our goal is not to develop, lease, sell and move on," said Cohen. "We're not locusts. We want to build a long-lasting relationship with the local community."

The Dunn Field project comes as Memphis Depot Business Park nears full occupancy a decade after the Defense Depot was shut down after 55 years in operation. Memphis Depot Business Park, a 4.25 million-square-foot park, is 97 percent occupied.

"When I look back on it, I say that is really an accomplishment," said Jim Covington, president of the Depot Redevelopment Corp. "You just chip away at it."

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Dunn Field

Stuart Frankel Development Co. is launching Dunn Field Business Park, a four-building, 575,000-square-foot distribution center near Memphis Depot Business Park.

Investment: \$20 million

Construction start date: Fourth quarter, 2007

Company headquarters: Detroit

Principals: Richard Cohen and Darren Frankel

Web site: sfdco.com



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