

Lauth planning 900,000-square-foot distribution center in Brownsburg

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Lauth Group Inc. plans to build a 900,000-square-foot distribution center at its mammoth Eaglepoint Business Park in Brownsburg, the latest in a spate of building projects in central Indiana's booming industrial sector.

Lauth began acquiring land in 1998 for the 400-acre business park south of Interstate 74 and East 56th Street and north of U.S. 136. It has attracted several drag-racing teams due to its proximity to Lucas Oil Raceway.

With available land in the park dwindling, the Indianapolis developer has decided to stake out 66 acres to build the massive distribution center. It hopes to attract a tenant while the project is in the works.

Lauth is in discussions with a few potential partners to help finance the project. Construction could start next summer, with completion in early 2016, company President Mike Jones said.

"In general, this has been a spec-to-suit market," he said. "You have to move forward with a speculative building because the time frame these users are in, most of them don't have time for a build-to-suit."

At least two other large, build-to-suit projects are in the works in the area.

The local Browning Investments/Duke Realty partnership has started construction on a facility at AllPoints Midwest industrial park in Plainfield that also will be 900,000 square feet. And suburban Kansas City, Missouri-based NorthPoint Development is building a 741,000-square-foot warehouse at State Road 32 and Interstate 65 near Lebanon Business Park.

"If [Lauth is] able to build this, those two and the NorthPoint building in Lebanon are the only alternatives," said Andrew Morris, a partner at Summit Realty Group and a member of its industrial team. "So there's a good play there."

Much of the building surge in the local industrial sector is driven by retailers that are stepping up e-commerce operations and opening facilities at a dizzying pace, as online shopping becomes more prevalent.

Lauth's plans for its building have cleared Brownsburg's board of zoning appeals and are set to be heard Monday by the town's plan commission before moving on to the full council, which will consider a tax abatement for the project.

Tied to the abatement is a commitment from Lauth that the project will bring at least 800 jobs to the town, said Gregory J. Anderson, Brownsburg's director of economic development.

"I think it's a matter of location," he said of Eaglepoint's attractiveness. "We've got transportation, with I-74. It's one of the most valuable assets that you can have."

Besides a smattering of parcels totaling 18 acres, all that remains in Eaglepoint is a 35-acre tract at the south end of the park that has access to a CSX rail line. It's proximity to the line is generating interest and makes it

more viable for a more traditional build-to-suit project, Jones said.

He expects the park to be full within a few years. Some of the bigger tenants are O'Reilly Auto Parts, Guitar Center, Snyder's of Hanover and TJX Home Goods. Racing teams include David Powers Motorsports, Don Prudhomme Racing, John Force Racing and Vance & Hines, a manufacturer of after-market motorcycle tailpipes.