

Re-Employing Urban Manufacturing Zones for the 21st Century

From Blue Island to Bolingbrook: How and Why Did G&W Make The Move?



Why We Needed A New Building

- Outdated Facility
- Logistics Challenge
- Company Growth
- Customer Service
- Employee Recruiting/Retention

G&W Electric Overview

- Leading custom manufacturer of medium voltage (up to 38kv) switchgear and cable accessories for the utility and power industry
- Founded in 1905 and owned by Mueller family since 1977
- Employees-600 globally
- World HQ and 70%+ of manufacturing



Blue Island – Built 1955



Old Building - Blue Island

- 160,000 sq. ft.
- Built in 1955
- Four loading docks
- Two conference rooms
- No product demo area
- No A/C in factory, no production segregation
- Minimal sustainability



Goals for Relocation Project

- Project will be transparent to our customers
- Impact on employees will be minimized
- Manage to schedule and cost targets

Planning, Incentives & Acquisition

- Strategic planning confirmed need for new facility in 2009
- Site selection limited to Illinois, Indiana and Wisconsin
- Epstein was chosen early to develop project master plan
 - Building criteria and square footage
 - Project budget and schedule
 - Site and expansion evaluations
- Investigated state and local incentives and financing programs
- Property negotiations / incentive discussions for Bolingbrook site in 2010
- Bolingbrook property purchased in February 2011

Project Incentives - Received

- State of Illinois Edge Income Tax Credits
 - Based on jobs created (over 100)
 - Offsets State income tax
- Waiver of permit fees by local government

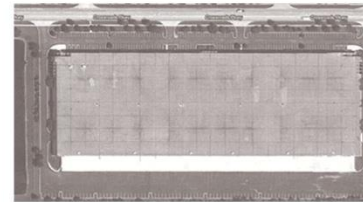
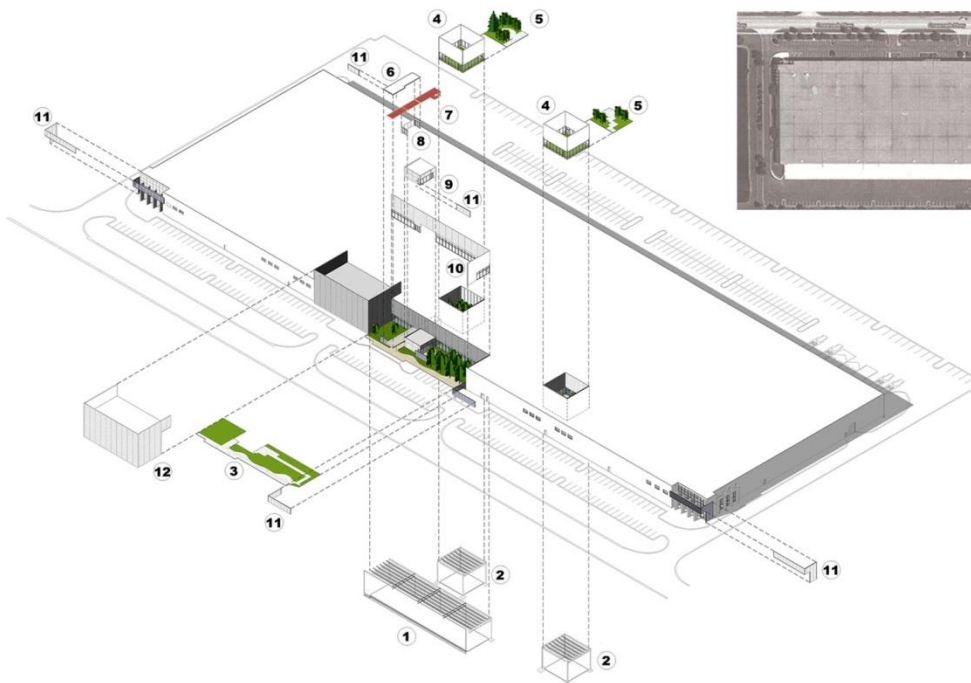
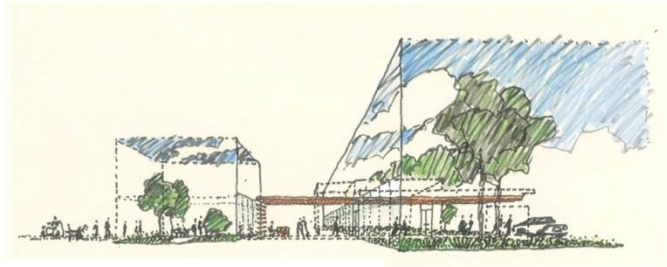
Project Financing - Bonds

- Financing – Recovery Zone Facility Bonds - \$24.0M (15 year Term)
 - County-Level Approval (County Board)
 - Building must be vacant for at least 1 year
 - Fees – Approximately \$350k in upfront fees (lawyers) rolled into principal
 - Interest is Tax Exempt
- Permitted Uses of Funds
 - Purchase of Building (Not Land) and Build Out / Refurbishment
 - Future Capital Expenditures (Going Forward 3 Years)
- Timing – Bonds needed to be ISSUED by December 31, 2010.
 - Expiring Program
 - Bonds Actually Issued Before the Closing on the Building
 - Proceeds issued to an escrow account
 - Unused portion must be repaid after 3 years
- Conventional Project Financing Not Needed

Design & Construction Timeline

- Project master plan completed - March 2011
- Detailed design phase / Relocation planning began - April 2011
- Design and permitting broken into 3 phases
 - Minimize impact on operations
 - Accommodate fast-track schedule
 - Phases: Exterior Wall, Office, Manufacturing
- Construction Management used to minimize costs for phased approach
- First permit received /Demolition began on façade and atrium-July 2011
- Manufacturing began - December 2011 (cable accessory cell)
- Substantial completion - Spring 2012

Design Concept . . .



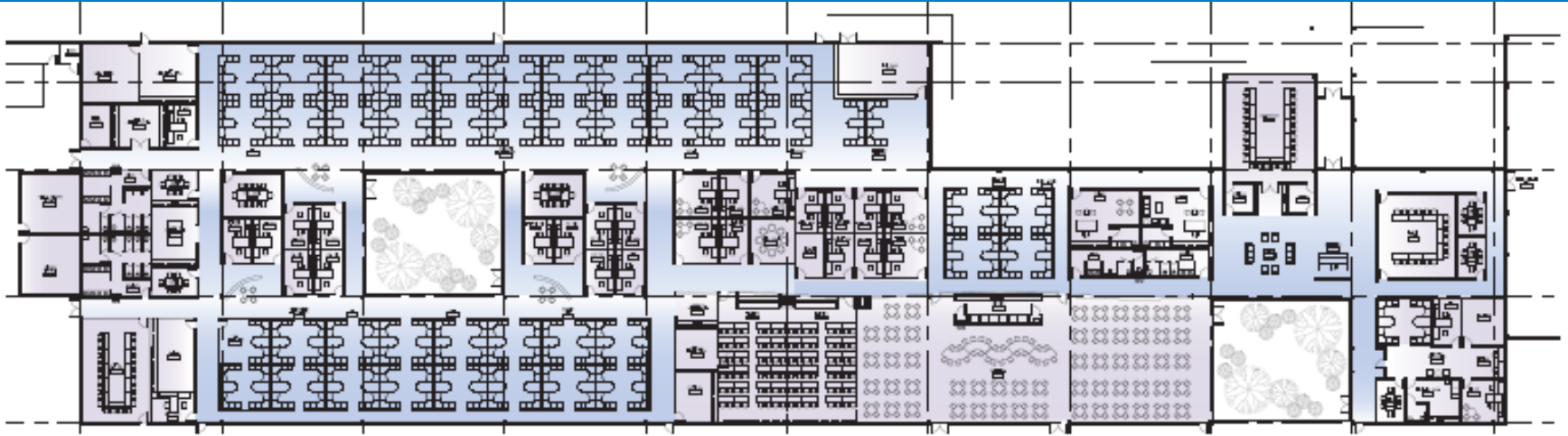
KEY

- 1 4 DEMOLISHED STRUCTURAL BAYS + NORTH WALL
- 2 INTERIOR DEMOLISHED STRUCTURAL BAY
- 3 NEW LANDSCAPED ENTRY COURT
- 4 NEW GLAZED INTERIOR COURTYARD ENCLOSURE WALLS
- 5 NEW LANDSCAPED INTERNAL COURTYARD
- 6 NEW ENTRY CANOPY
- 7 NEW INDOOR - OUTDOOR WOOD SOFFIT
- 8 NEW GLASS VESTIBULE
- 9 NEW BOARDROOM
- 10 NEW SOUTH AND WEST GLAZED FACADE AT ENTRY COURT
- 11 NEW PERFORATED METAL PANEL SCREEN WALLS
- 12 NEW HIGH VOLTAGE BAY

Construction . . .



Project Scope - Office

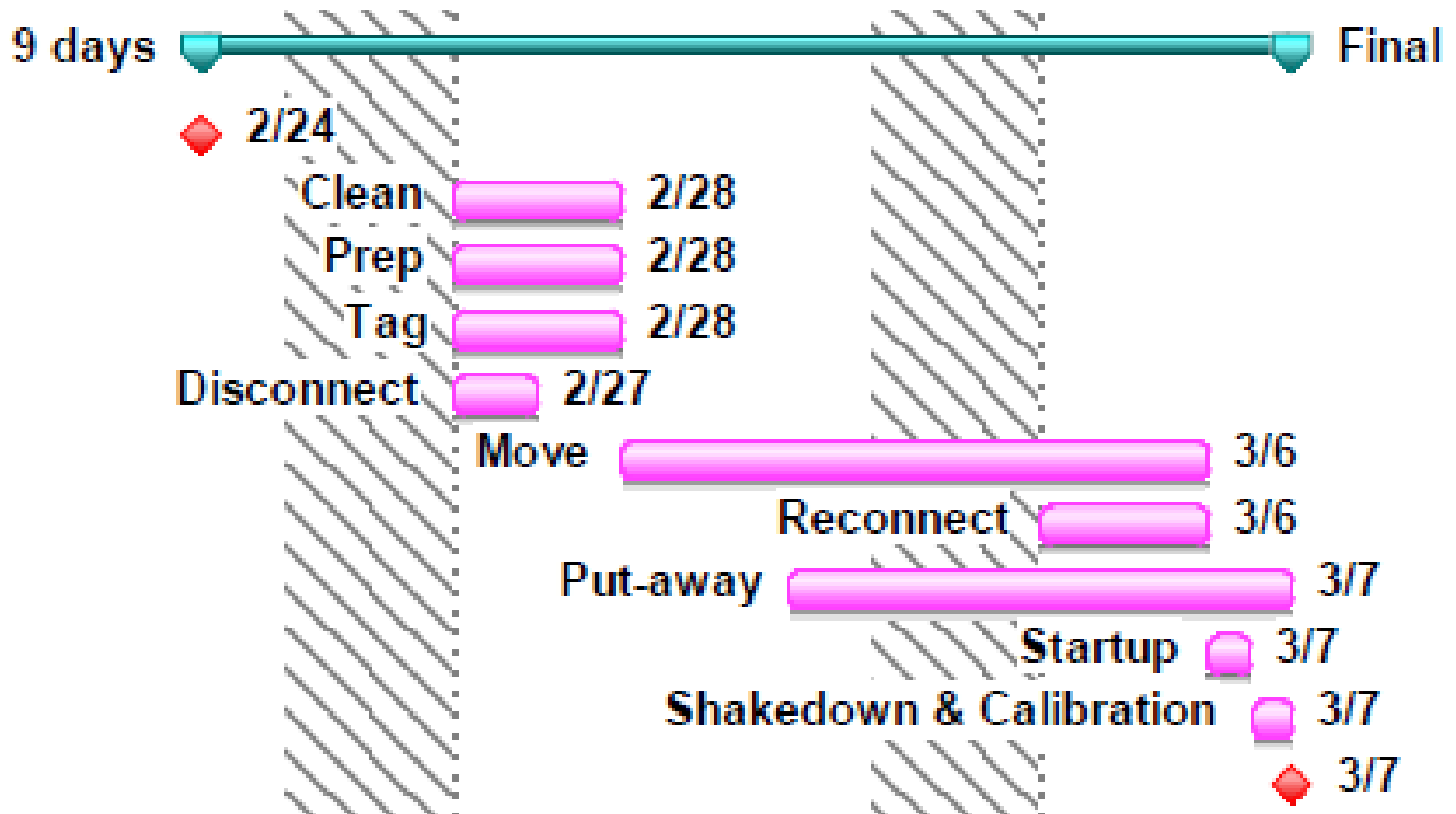


- 51,155 square foot modern corporate HQ office
- 182 employees
- Two interior landscaped courtyards accessible from the office area
- Ten conference rooms with a total seating capacity of 112 people
- Cafeteria to seat 250 at tables
- Divisible Training rooms to seat 100 at tables

Relocation Planning

- Included the Following G&W 'Move Teams':
- Manufacturing
- Office/IT
- Business Continuity/MRB
- Change Management
- Green Initiatives
- New Policies
- Safety
- Customer Impact

How We Moved - Planning



Results . . .





Bolingbrook - 2012

- 371,000 sq. ft.
- Eight docks, two drive-in ramps
- 20+ meeting spaces, training room, boardroom
- World class Customer Solution Center
- Facility 100% A/C and segmented/pressurized
- LEED Gold-Certified





Lessons Learned...

Select site selection, design and construction team early

Integrate External Team with Owner's team

- Align Owner objectives with tactical implementation (facility, operations, logistics)
- Employer retention
- Customer service
- Phased approach
- Smooth transition to new facility and operations

Verify community public utilities meet demand, reliability and schedule requirements

Engage up front and communicate with employees throughout project

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