

RENOVATION OF WIRE ROPE SITE MAKES WAY FOR SMALLER FIRMS

The site of a former wire rope manufacturer is getting a new lease on life as home to a small cabinet-maker, machine shop and other manufacturers.

Located near interstate 435 and 23rd Street in Kansas City's Blue Valley industrial district, Manchester Business Center is undergoing a physical conversion from a single-use site to a multitenant facility targeting manufacturing, assembly and distribution companies.

LS Commercial Real Estate Inc. is the redeveloper, marketing agent and property manager for the project. The company bought the 640,000 –square-foot site in 2003, when it was vacated by its former tenant, Union Wire Rope Corp., said Paul Licausi, president of LS Commercial.

“The character of the area is heavily manufacturing and service-oriented,” Licausi said. “What has changed the most is the players.”

He said the site has all of the key ingredients for manufacturing: a heavy infrastructure, proximity to highways, rail service and an affordable labor base. The site is also part of a district approved by the Planned Industrial Expansion Authority for benefits, including tax credits for job training and tax abatements on new equipment purchases.

There are currently eight tenants leasing space totaling about 100,000 square feet. The ability to divvy the facility into a smaller space that fits their needs is one attraction to these companies.

“I think it's an excellent fit for that area,” said Joe Gonzales, business development specialist for the Economic Development Corp. of Kansas City. “It allows startups to move in and establish a business and either grow in the facility or be able to spin themselves off into another location.”

Construction on the site began in the 1030s by Armco Steel Corp. Because the facility was constructed in phases, it stands as about 40 buildings grouped as one large complex and five smaller free-standing buildings. Licausi said the buildings' structure is unmatched in the area mainly because Armco wanted the site to have crane capacity throughout.

In lieu of using self-supporting cranes, the company welded tracks for the cranes to the roofs and built the facility to withstand heavy loads.

Russ Merwin, president of 2M Manufacturing LLC, said the structure is one of the reasons he leases space at the business center. His company is a computer numerical-controlled machine shop that machines goods made from metal. He said that there are two substations on the premises and that the “tremendous amount of electricity available” is important for his work.

Merwin said the centralized location, easy highway access and reasonable pricing were also primary reasons to locate in center.

Gary Glenn, owner of G2 Custom Cabinets LLC, said that he was growing out of his home-based business and that his wife “was tired of the dust,” so he began looking for new space almost two years ago. Glenn first looked for a site near his home in Lee's Summit but said he was priced out of the area.

He heard about the Manchester Business Center through networking and inquired about the space. He said that once he found out the price of the space, “we could not afford to pass it up.”

John Smith, leasing agent at LS Commercial, said the building is leased at about \$2 a square foot. Average asking rents for industrial space in the area were \$4.27 a square foot at the end of 2005, according to Grubb & Ellis/ The Winbury Group.

Although many old manufacturing plants are being demolished and rebuilt, Licausi said the flexibility of space and sturdy structure are two reasons the Armco site was perfect for renovating.

He said the company plans to revamp the facility by painting the buildings' exterior, increasing parking, landscaping the grounds and renovating the roof. He estimated it will take five years to complete the restoration.

“Our plan is to ... take an asset that was dead and turn it back to life,” Licausi said.

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