

Dow Chemical

Freeport, TX & Plaquemine, LA

A project that quadrupled in size and scope, and grew to two build-to-suit warehouses



Client Objectives

The MRO build-to-suit (“BTS”) warehouses support Dow’s major gulf coast plant facilities in Freeport, TX and Plaquemine, LA. These mission critical sites provide all maintenance and shipping support to their respective plants. The existing facilities were spread out over dozens of old, antiquated warehouses within the fence-lines of each plant. Dow’s goal was to consolidate the functions into new warehouses outside of the fence-lines to streamline operations, improve safety/security, and bring in-house some of the MRO functions that had been managed by 3rd parties.

Results

The project kicked off in late 2015 as a single, 100K square foot warehouse to be constructed on surplus land owned by Dow. By 2017, the project had quadrupled in size and scope and grown to two BTS warehouses totaling nearly 450K square feet, to be built simultaneously in two different states (TX and LA), at a total project cost of almost \$60 million.

The Core TM team managed the developer bidding and selection process, and Cresa PM managed the complex design/build process. With the assistance of Cresa’s Investment Banking/Dallas, Cresa completed a variety of complex financial analyses and advised the client through a maze of unconventional financing options. The Cresa team then managed the Financing RFP process, bidding out the \$60 million financing package to multiple lenders and assisting Dow and the selected lender with due diligence all the way through the funding phase. Dow ultimately selected a synthetic lease structure for both facilities with long term ground leases to the financing partner.

Additionally, the Cresa team helped to navigate through unconventional project concerns around Gulf Coast flooding risks. The client required an analysis of potential flooding scenarios to give Dow’s executive leadership comfort that the Freeport, TX site would continue to operate in a catastrophic flood event. Cresa worked with the developer, Panattoni, to bring in the local drainage authority to present the risks to Dow and the project was approved on the spot. Two weeks later, the flood risk assumptions were put to the test when Hurricane Harvey slammed into the Gulf Coast. We are proud to report that at no time did the site, nor the highway it sits on, flood, during this historic storm.

Cresa Team

Transaction & Account Management

Cloteen Jasmin (Atlanta)
Ryan Mollen (Detroit)
Liz Roberts (Chicago)

Project Management

Dennis Compton (Atlanta)

Investment Banking

Brant Bryan (Investment Banking/Dallas)



Industry

Chemical/Manufacturing



Space

450,000 SF

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