

- Client:** North American Pipe Corporation
- Project:** Site selection and real estate acquisition for a PVC pipe extrusion operation
- Location:** Yucca, AZ
- Objective:** Identify a rail-served site or existing building large enough to accommodate a 300,000 sq. ft. PVC pipe plant to serve markets in the western United States. Site selection requirements included labor union avoidance, low electricity costs, excellent labor quality and availability, and a location where major rail carriers would make daily delivery of raw materials.
- Challenges:** PVC pipe has very low profit margins with extraordinarily high shipping costs. Achieving the company's profitability goals hinged on locating in a community close to the large customer base in southern California, but with low operating costs and excellent rail service. California's high-operating costs forced Walker to focus on Arizona, Nevada and Utah.
- Solution:** Three viable alternatives were identified, two of which were greenfield sites and one existing building. The existing building offered a fast track solution, but was encumbered by a complicated ownership and lease structure. Walker negotiated a sublease with the existing tenant, and a purchase option from the owner.
- Value Added:** The real estate deal structure allowed North American to take quick occupancy of the building, with minimal upfront cost. The company's large capital investment in the building was protected by the purchase option, which allowed North American to make significant improvements to the property with minimal risk.



The Walker Way works best