

Suppliers park themselves in Subtropolis

Auto-related companies find homes in the caves

BY JAMES DORNBROOK | STAFF WRITER

Ford Motor Co.'s plans to invest \$1.1 billion in its Kansas City Assembly Plant are proving to be a big driver of business for Hunt Midwest Subtropolis.

The underground industrial development, roughly four miles south of the Ford plant in Claycomo, has four tenants doing work for the auto industry, and Subtropolis officials are working to add to that group.

Clore Automotive Inc. has leased slightly more than 100,000 square feet of space in Subtropolis since 2006 for its battery pack and charger operations. AER Manufacturing Inc., which acts as a warranty engine and transmission distributor and remanufacturer for Ford, leased 38,000 square feet in 2007.

But Subtropolis officials started seeing renewed interest from automotive companies in the fall after Ford said it would retool its Kansas City Assembly Plant to produce the new Transit Van.

Knapheide Manufacturing Co. signed a lease in mid-March for 103,100 square feet, where it will install aftermarket accessories on commercial work trucks and vans. Knapheide General Manager Robbie Harris said the company continues to use its nearby truck service center at 7200 N.E. 45th St. in Kansas City.

Knapheide handles "ship through" business from Ford. It receives F-150 trucks and Escape SUVs directly from



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Ora Reynolds and Mike Bell of Hunt Midwest Real Estate Development Inc. stand in front of new pickups inside the Subtropolis.

the assembly plant and applies decals and other accessories that commercial clients, such as Progressive Insurance, want on their company-owned vehicles.

Knapheide needs temperatures of at least 60 degrees for decal work, and Subtropolis' underground space is a constant 70 degrees year-round.

But the company's expansion really has the new Ford Transit in mind. Knapheide officials see a huge opportunity being near a Ford plant that produces trucks and vans, the types of vehicles service companies often use.

"If your hot water heater goes out, you don't plan on just taking a cold shower — you get it fixed," Harris said. "That type of business keeps going,

while the installation business from new construction is going away. So the service business is the place to be right now."

Harris said the new Transit will have the Eco-Boost engine, making it more fuel efficient and much more attractive to companies with large fleets.

"If you're going to put a commercial vehicle on the road, you want it to get the best miles per gallon possible, last a long time and have all the compartments in it to store the equipment necessary to make service calls," he said. "Imagine a fleet with 6,000 vehicles. If they can go from 12 mpg to 18 mpg, think of the savings. It's huge."

Harris said Knapheide rented space at Subtropolis to position itself to

CAVES: Short-term leases add pull



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A worker with Ground Effects Ltd. sprays a bed liner onto a new Ford F-150 truck at the company's facility in the Hunt Midwest Subtropolis.

TRAFFIC PATTERNS

Hunt Midwest Subtropolis has become a hub for automotive industry-related tenants:

KNAPHEIDE MANUFACTURING CO.

Description: Customizes commercial vehicle fleets, adding aftermarket accessories and decals with company logos.

Tenant since: March 2012

Lease size: 103,100 square feet

GROUND EFFECTS LTD.

Description: A provider of spray-on bed liners and other automotive customization.

Tenant since: October 2011

Lease size: 36,000-square-foot underground

facility; 97,000-square-foot interior parking lot; 136,000-square-foot surface parking lot.

AER MANUFACTURING INC.

Description: A Ford Motor Co.-authorized engine and transmission remanufacturer and distributor. It handles all of Ford's warranty work.

Tenant since: 2007

Lease size: 38,000 square feet

CLORE AUTOMOTIVE INC.

Description: An aftermarket supplier of battery packs and chargers.

Tenant since: 2006

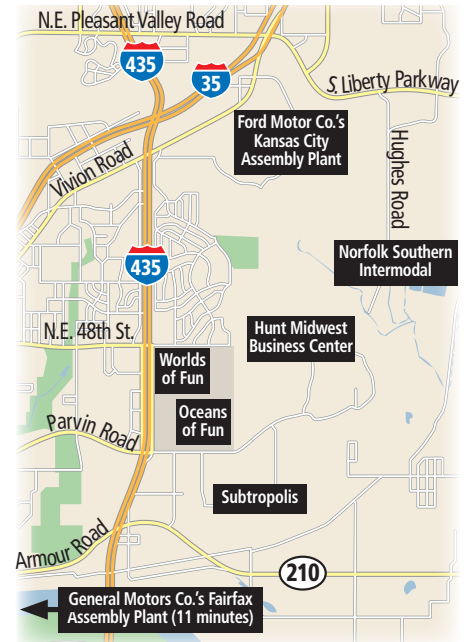
Lease size: 100,262 square feet

go along with that trend. It also has partnered with Sortimo International In-Vehicle Equipment, which already is doing interior accessory work on Ford's Transit Connect Van, the smaller European model.

Ground Effects Ltd., which applies spray-on bed liners for F-150 trucks, signed a lease in Subtropolis in October for 36,000 square feet in the underground, a 97,000-square-foot underground parking lot and a 136,000-square-foot lot on the surface.

"What our operation doesn't like is water," Ground Effects President James Scott said. "Our liner material can't be sprayed on anything that is wet. We've got the parking lot above ground and one underground. As the vehicles are dropped off, we take them into the Subtropolis to dry while we're prepping the vehicles that are already in our facility."

Scott said the business is growing so fast that he's considering adding space. He also has an eye toward adding some Transit Van customization work.



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Expansion in Subtropolis is cost-effective, he said.

Ora Reynolds, president of Hunt Midwest Real Estate Development Inc., said an existing space can be finished for a tenant in less than 30 days. New space can be constructed in about 90 days.

"What makes the underground great is that when you have these contracts with companies like Ford, they may only be a three- to five-year contract," she said. "So someone isn't necessarily wanting to go construct a building that they will own. And if you look at our competition, they're going to want a 10-year lease if they're going to spend the kinds of dollars necessary to build something on the surface."

To accommodate new automotive-related tenants, Subtropolis is about to open a new entrance at the north end of the facility near Parvin Road. This will allow tenants to acquire surface parking lots near the new entrance without having to drive to existing entrances at the south side of the complex.

The road leading to the new entrance is called Derrough Drive, named for Lee Derrough, the former president and CEO of Hunt Midwest Enterprises who retired at the end of 2009.