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Commercial Real Estate

Developer of former Fenton Chrysler site wraps up industrial park, looks toward new retail center



The three latest warehouses built at the site, seen above, complete the project ahead of a new retail center that will soon be under construction.



By **Gloria Lloyd** – Reporter, St. Louis Business Journal
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With construction nearly finished on the final warehouses in the \$250 million conversion of the former Fenton Chrysler factory into an industrial park, the developer is looking toward the project's next phase with a hotel and restaurants.

Fenton Logistics Park from Clayton-based U.S. Capital Development is now a bustling 295-acre industrial site on Fenton Logistics Park Boulevard off Interstate 44 in Fenton, south of the city of St. Louis. The project a decade in the making has attracted to its dozen buildings major tenants such as Amazon and the relocation of corporate headquarters for the largest Anheuser-Busch distributorship in Missouri, **Grey Eagle Distributors**.

The developer is finishing up construction on the business park's final three warehouses, all of which are fully pre-leased, U.S. Capital said in a news release.

With the latest warehouses and the **opening last year** of the St. Louis area's first location of the mega gas station and convenience store Wally's, U.S. Capital Development has built nearly 2 million square feet of new facilities on the site, the developer said. Most of the projects have been build-to-suit.

The developer has approached the project by developing systematically in phases, and now that the warehouses at the site are approaching completion, U.S. Capital will look to take advantage of the prime location of 14 acres of the site in vacant interstate frontage by Wally's convenience store and its 72 gas pumps. Over the next year, the firm will focus on signing tenants for a retail project to be called Fenton Landings.

Like the huge gas station development, the retail would both cater to travelers on Interstate 44 and serve the employees who work inside the park, the developer said.

As envisioned, the project could include a hotel surrounded by retail that would include quick-service restaurants and service providers that would be able to capitalize on the employee base at the logistics park, said Scott Haley of U.S. Capital Development.



This drone photo shows the Interstate 44 frontage property that U.S. Capital Development will be developing into a retail center over the next year. Wally's can be seen at the top of the photo.

U.S. CAPITAL DEVELOPMENT

“We systematically, rather than this hodgepodge, developed the site like we did in parcels, knowing that we were ultimately going to be able to tell a very successful story of what has occurred there that would help strengthen the market and interest for this last part, our retail piece,” Haley said.

The developer plans to start construction on infrastructure for the future retail center in January, with the hope that tenants will be lined up soon and potentially open in about a year, Haley said. The earliest a tenant could build would be next summer, and he anticipates that the project will be “fully committed and built out within 12 months.”

The infrastructure project will finish in the first quarter of 2024, he said. Zoning for the project is already approved, and was largely in place as part of the initial site plan for the whole complex, Haley said.

Retail at the site would be anchored by Wally’s, which has proven to be a popular draw for tourists off the interstate since it opened in March 2022. It marked the Houston-based gas station chain’s second location, following the first built south of Chicago in Pontiac, Illinois. A third Wally’s has since been proposed near Indianapolis.

The future retail site was previously part of the parking lot for the Chrysler factory, but was reseeded into a vacant lot to prime it for future development, Haley said.

John Shuff and Kate Grewe of Pace Properties are the leasing brokers for Fenton Landings.

Three new warehouses are fully pre-leased

The new trio of warehouse facilities, known as Building 6A, 6B and 6C, combine for 416,000 square feet.

Global communications company CTDI has leased all 125,000 square feet of Building 6A in an expansion and relocation from another site, while St. Louis-based supplement company 1st Phorm is expanding its space in the park with leases for both Building 6B, 158,000 square feet, and Building 6C, 133,000 square feet. That adds to an existing 182,000 square feet the company already leased at the logistics site.

With those leases, Fenton Logistics Park is 100% leased across 12 warehouses that support about 3,000 permanent jobs inside the park, U.S. Capital said. Other tenants operating out of the logistics center are Amazon, Grey Eagle Distributors, BASF and Killark Electric, which moved in 2018 from its longtime facility in north St. Louis.

The two massive Chrysler plants that operated at the site closed in 2008 and 2009. The factory site was abandoned for years until U.S. Capital acquired it in 2014 for \$16.4 million and secured approval for the industrial park, assisted by about \$51 million in state and local tax-increment financing.

U.S. Capital's project to overhaul the site required a comprehensive upgrade of all the utilities and roads inside the site, the developer said.

"We're extremely proud of how quickly the development went from being an albatross to something that's generating thousands of jobs. That didn't happen overnight, but over a five- or six-year period, it's a complete transformation and rebirth of that area," Haley said.

U.S. Capital's primary lender throughout the project has been Associated Bank, based in Green Bay, Wisconsin, a spokesman said.

The developer has worked with a series of developers on the construction of the dozen warehouses. Most recently, Impact Strategies and Kadean Construction worked on the last three buildings, and before that, contractors such as Brinkmann Constructors, ARCO Construction, PARIC Corp. built warehouses at the site, U.S. Capital said. Crane company Budrovich and Kolb Grading have also worked on the site, with grading and infrastructure.

