



\$6M industrial park fills space, jobs needs

By Jennifer DeWitt | Sunday, September 28, 2008

A new industrial park in Milan not only is increasing the village's inventory of new construction but also is helping to fill a void of new industrial space in the Illinois Quad-Cities.

Allied Business Park, located in the Milan Industrial Park, is being developed by Dave McAnally of Allied Investment Group, Davenport. The \$6 million project will include six new buildings, two of which are completed and occupied by companies new to Milan. A third building is nearly completed, but has not been leased.

Already located in the 10-acre park is Alliance Concrete, which relocated its 50 employees from Davenport, and LeFevre Trucking. The Two Rivers, Minn.-based trucking firm employs about 10 people here now, but is expected to expand to 50 employees, he said. The company hauls oversized loads such as bridge beams and columns, and wind generation propellers. Its customers include Renker Materials in Blue Grass, Iowa.

McAnally said when the park is completed next spring, its tenants will bring more than 200 new jobs to Milan. The third building, which could be ready in about 30 days, has attracted interest, he added.

"This is the first significant industrial spec activity in 10 years," said Charlie Armstrong, of NAI Ruhl & Ruhl Commercial Co., who is marketing the space along with Marge Stratton of Integra Real Estate Group, Davenport.

Armstrong said McAnally's 5000 Business Park, located at 5000 Tremont Ave., Davenport, was the last industrial park of its kind.

McAnally said the Davenport development has evolved as a hi-tech park with companies involved in broadcasting, data communication and engineering. But he envisions his Milan park catering to a more industrial type business, such as warehouse distribution or light manufacturing. "I expect it will be people coming out of incubators or second-stage companies," he said. "This is for those looking for growth from the \$3 million to \$5 million (in sales) range."

Chris Berglund, a Quad-City homebuilder, is the project manager for Allied Business Park.

Armstrong said there is a demand for small industrial space in the Quad-Cities although "the overall market in the whole country is a little off due to the financial situation we're seeing. Once it bounces back on track, this will be a viable market."

Stratton said the Illinois Quad-City market has lacked new small industrial space, while it has been in short supply in the Iowa Quad-Cities. But cities such as Des Moines have seen significant growth in this type of development, she said.

In fact, McAnally originally planned to build only one spec building until meeting with Annette Ernst, Milan's economic development director, about a year ago. "She was instrumental in helping us get into this ground ... and got us thinking about a business park," he said.

Ernst said the Allied Business Park will be an extension of the Milan Industrial Park. "This will help businesses that need that next expansion."

Proximity to the Quad-City International Airport and the interstates also will put the park at an advantage, she said. To attract industrial clients, the development was designed with flexible office and warehouse space as well as wider streets and driveways for truck traffic.

According to Ernst, the project was included in Milan's original tax increment financing, or TIF, district, which was just renewed through 2023. In a TIF, any new property tax revenue generated by the project can be rebated to the developer to help offset costs for infrastructure. About \$2.4 million will be rebated back to McAnally over the life of the TIF, she said.

Stratton said most of the companies inquiring about the park — including the trucking firm that has moved in — have been from outside the Quad-Cities, which translates to new jobs and not just relocated jobs. “New companies coming in just helps with the exposure of the overall area,” she added.

Jennifer DeWitt can be contacted at (563) 383-2318 or jdewitt@qctimes.com.

At a glance Allied Business Park

Address: 1200 11th St., Milan

Details: The park will have six buildings totaling 97,040 square feet. Two buildings are occupied, a third is near completion. Spaces range from 4,250 square feet to 9,093 square feet.

Developer: Dave McAnally, Allied Investment Group, Davenport.

Directions: Go east from Illinois 92 in Milan onto 78th Avenue West and turn north on 11th Street. Look for the Milan Industrial Park.

Leasing information: Charlie Armstrong, NAI Ruhl & Ruhl Commercial Co., (563) 355-4000 or carmstrong@ruhlcommercial.com; or Marge Stratton, Integra Real Estate Group, Davenport, (563) 323-7000 or marge@integraqc.com.

Pre-buying keeps lid on construction costs

When Dave McAnally was making plans to develop a six-building industrial park he saw “the writing on the wall” that the costs of construction materials were headed sky-high.

“A year and a half ago, we bought all the materials for all these buildings,” he said, adding that the move locked the project into prices of two years ago.

Since then, prices for everything from drywall to steel to shingles “have gone through the roof,” said Chris Berglund, the project manager of the new Allied Business Park. The economy as well as this year’s weather-related incidents has contributed to the rising prices, he said.

With an East Moline warehouse full of building materials, McAnally joked how Berglund “also runs a lumberyard.”

© Copyright 2008, The Quad-City Times, Davenport, IA