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Tim Healy, senior vice president with South Bend-based Holladay Properties, stands in front of the McCormick Building on the AmeriPlex at the Port complex in Portage. The McCormick Building houses Walgreens, NM Products and Tri-State Hospital Supply.

AmeriPlexes flex muscle

Development company lures major firms, growing at Portage and Merrillville sites

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By LISA SHIDLER
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five years ago, Tim Healy presented grandiose plans for the AmeriPlex at the Port — predicting dozens of companies employing 2,000 to 3,000 workers on site within 10 years' time.

Now, at the halfway mark, Healy is right on target.

"It all starts with a vision," said Healy, senior vice presi-

dent with South Bend-based Holladay Properties, which is developing the AmeriPlex. "If you look at our plan, it's exactly what we said it would be."

Healy had crafted a 10-year plan to turn the Portage development into a high-end business park with a combination of warehouses, retail stores, restaurants, hotels and offices.

In its first five years, the AmeriPlex has drawn major corporations such as Daimler/Chrysler, Walgreens

and Hilton Hotels Corp., and has even managed to lure companies away from Chicago.

More than 500 people work at the 400-acre park.

But Holladay's investment in Northwest Indiana doesn't end here. It has already begun a second venture here — AmeriPlex at the Crossroads in Merrillville — which Healy predicts will grow even faster than the Portage park.

Where the jobs are

Number of jobs created at the AmeriPlex at the Port in Portage since opening in 2000.

Company	Number of jobs created	Year opened
Walgreens	40	2003
NM Products	30	2003
Tri-State Hosp. Supply	30	2001
KV Works	25	2002
Discovery Alliance	3	2002
Lyons & Bolek	4	2002
The Madison Center	18	2003
RMC	16	2003
Family Express	5	2001
Daimler/Chrysler	190	2000
Sheet Metal	12	2002
Holladay Properties	8	2000
Silvent Technologies	15	2005
Hilton Hotels Corp.	90	2005
Applied Industrial Tech.	15	2005
Calumite Corp.	3	2005
Diversified Res., Dvlp.	20	2005
Vendor Dvlp. Corp.	5	2005
Tempurpedic	20	2005
Total	549	

Future jobs expected in the next year or so:

County Inn and Suites	25
Bass Pro Shops	300
Fontanini	290

SOURCE: STAFF REPORTS

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Success in Portage

So far, nine brick-covered buildings totaling more than one million square feet have been constructed at the Portage park.

Construction is underway for the first hotel, a Country Inn and Suites, which will hire 25 employees. Plus, the AmeriPlex expects to gain two businesses that could double its employment in the next year: Fontanini Italian Meats and Sausages announced it is leaving Chicago to bring 270 to 290 jobs to AmeriPlex and Bass Pro Shops is considering building a giant retail center there that would bring up to 300 jobs.

"The master development on the commercial end is really taking shape," Healy said. "Everything we envisioned and talked about is coming true."

State and local officials attribute the park's success to the fact that Holladay Properties was willing to take a risk and build speculative buildings even without having companies committed to that space.

The company made risky decisions even during hard economic times in 2002 and 2003, but Healy and state officials say those risks paid off.

"A lot of people believe they have a great economic development site, and what they actually have is a corn field," said Tim Sanders, director of the Northwest Indiana office of Indiana Economic Development Corp. "There's nothing wrong with a corn field. But most companies want to see streets and sewer and water and they want to know about the access to energy. So, what AmeriPlex has done is make the investment to attract businesses."

Healy says it's much easier to lure businesses to the development when CEOs can walk into an already constructed building rather than having to wait months for construction to be completed.

The development struggled after 9/11 like many businesses across the country. A hotel deal in the works with Holiday Inn fell through. A deal with Wendy's to open a restaurant there also fell through.

But now the complex is getting its first hotel in the Country Inn and Suites and Healy expects two sit-down restaurants to begin construction in a year's time. He said retail and restaurants were always expected to come later, after manufacturing and office buildings.

John Shepherd, a consultant

for economic development for Portage, said a stumbling block to snaring more restaurants is that Portage has issued all of its 22 liquor licenses and most sit-down restaurants want to serve alcohol.

But Healy said that restaurants are the next logical step, now that the park has gained momentum by luring national-respected businesses.

Shepherd said city officials are pleased with what Holladay has done with the AmeriPlex.

He said the park, which is bordered by the National Dunes Lakeshore and just a short walk from Lake Michigan, has been designed from an environmental standpoint. Architects describe the spacious brick-covered buildings accented with dune grass and native vegetation as a prairie style.

Taking from Chicago

AmeriPlex has managed to land a number of well-known Chicago-based businesses, although Holladay Properties executives say it hasn't been an easy sell.

Larry Mudd, vice president of development for the AmeriPlex at the Crossroads park in Merrillville, says it's still difficult to convince Chicago brokers to bring their clients to Northwest Indiana.

"The hardest thing so far has been to get the real estate brokerage community to show their clients that our product is good, if not a better product, than in Chicago," Mudd said. "I'd argue that once we get them to the site and they see the activity, then we're a little more successful at hooking the fish."

While Holladay Properties has begun landing more Chicago businesses, executives say they still can't convince all companies to cross the state lines.

Recently, Andrew Corporation announced it was considering relocating its existing Orland Park, Ill., cable products manufacturing operations to Indiana. Healy said he attempted to lure Andrew Corporation, to no avail.

Andrew spokesman Rick Aspan would not confirm that the company was specifically considering AmeriPlex at the Port, but did say the Hoosier state was a contender.

The company chose a site along the Joliet-New Lenox border in Will County, Ill. for its operations.

"The state of Illinois did step up and offer an incentive package to make sure we stayed here," he said.

Andrew Corp. will snare up to \$8.3 million in incentives

over 10 years from Illinois. Healy said sometimes companies say they're interested in Indiana, but aren't sincere.

"I think Indiana has been used as a whipping boy for Illinois," he said. "We're often used as a stalking horse. The biggest problem is to bring credibility to the Northwest Indiana market among Chicago brokers."

Location, location

One of the biggest draws to the AmeriPlex at the Port is its location.

Larry Whiteley, spokesman with Springfield, Mo.-based Bass Pro Shops, said AmeriPlex has everything his company is looking for in its gigantic retail centers. He said each store employs up to 250 people on average.

"We like to be next to major highways and we like to be next to water," he said. "And that location hits about everything we want."

He said having the store at the AmeriPlex, right off of Interstate 94, would draw many people. The privately-held company, which began operations in 1970, opened its 30th store last week. Whiteley believes if Bass opens a retail store in Portage, it will draw more business to the area.

"The area around us grows because we're there," he said. "And they bring more jobs, and more jobs brings more taxes, more sales, more infrastructure and the whole area changes."

Carol Hively, corporate spokeswoman with Walgreens, said her company spends significant time deciding where to put locations. Walgreens employs about 40 people at an over-flow center for returns that it uses when its Valparaiso center is full. The center is located in the 70,000-square-foot McCormick building.

"It's a convenient location," Hively said. "And we consider it to be a high-quality space."

Meanwhile, Hilton Hotels Corp. uses more than 38,000 square feet of space at the AmeriPlex to wash linens shuttled from its Chicago locations.

The park was a natural fit for state agencies as well. Linda Woloshansky, president of the Center for Workforce Innovations, said KV Works decided to move its location there shortly after the park opened about five years ago.

"We thought we'd be right in the middle where there's a huge amount of traffic and activity and employers can use it for job traffic," she said. "It's really important for people to have a sense that jobs are being created and there is hope."

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Merrillville project

Healy believes Holladay's new development in Merrillville will grow even quicker than the one in Portage.

Called The AmeriPlex at the Crossroads, it will feature education and technology.

The buildings have a techno look with metal and glass on the outside compared with the prairie-style architecture in Portage.

Already, The Purdue Technology Center of Northwest Indiana and the Purdue Calumet Academic Learning Center are located at the site, and construction of a 60,000-square-foot, \$25 million hospital has begun.

Mudd said the nearly 400-acre park, which is east of Broadway and just north of 101st Avenue, is already about 25 percent developed, including pending deals.

"Clearly, we're ahead of schedule," he said of the 10-year plan for the park, which is in its first year. The AmeriPlex development will boast up to 3 million square feet of businesses.

Mudd said 31 acres are zoned for retail and they're also in discussions for a few restaurants.

The Merrillville project will feature smaller buildings than in Portage, and they'll be more hinged on technology, health and office space.

"We're really scouting the technology type tenants both in Northwest Indiana and trying to bring a couple of folks over from Chicago," Mudd said.

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