

PneumaticScaleAngelus California Facility Relocates

Executive Summary – PneumaticScaleAngelus 2811 East Philadelphia Street, Unit B, Ontario, CA 91761

In 2007, Pneumatic Scale Corporation acquired Angelus to become PneumaticScaleAngelus, a major global supplier of can closing and seaming machines for food, beverage and non-food processors.

Challenge

Following the acquisition PneumaticScaleAngelus made several strategic business decisions, including moving a significant portion of the California business to their Stowe, Ohio facility. This resulted in decreased utilization of their Rancho Cucamonga facility despite sharing this space with Accraply, another Barry-Wehmiller business. They no longer required 26,500 square feet of space and the current lease was set to expire in November 2018. Their goal was to find a new location that was more consistent with their current needs and to negotiate the best possible deal.

Strategy

Go to market with intent to relocate as the current building could not be demised. Identify alternative sites in alignment with the business needs and move PSA into a more functional space with minimal disruption. Negotiate better cost of space to meet the financial goals of the business.

Results

In October 2018 PneumaticScaleAngelus moved into their new Ontario, California facility. Total square footage was reduced by approximately 11,510 square feet or 43% resulting in a savings of \$396,000 in base rent for FY 2019-23 (based on a hypothetical 62-month lease renewal). Due to its close proximity to the previous facility, it minimized disruption for team members.

Site Selection (Total Estimated Savings based on 7 year term = \$69,292):

- *Colliers began the site selection process in October 2018 and a lease was signed in June 2018. The team occupied the space October 2018. Cost savings were achieved through the following negotiated deal terms:*



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- B\$12.89 Avg Rent (reduction of \$1.40 PSF from initial offer).
- 2 months of rent abatement w/ a value of \$29,992
- Turn-Key deal with Landlord funding all costs associated with the scope of work.
- Negotiated a reduction in term from 120 months to 86 months while still reducing base rent and maintaining a turn-key deal.
- All brokerage fees were covered by the Landlord.

“Teddy Chapman and Weston Bayes found a building in Ontario that met all the criteria, and reduced our costs beyond our company goal of \$75K per year. It’s in a great location that improved the commutes for most of our team members.”

~ Brandon Brook, VP
Administration,
PneumaticScaleAngelus