

COMMON GROUND



Food & Beverage

After a slow but steady climb, the outlook for the food and beverage industry stands at its most positive level since 2008. Capital expenditures are on the rise supported by growing budgets that forecast spending increases in the high single or double digit levels.

Food processing professionals are upbeat about increased asset utilization yielding greater throughput and production within their existing facilities. In fact, many plants are on track to reach double-digit production increases this year. Capacity constraints are frequently mentioned by food and beverage processors as a critical manufacturing issue in 2014, together with governmental regulations, equipment reliability and the need to upgrade and continue improvements in warehousing and logistics.

Project teams at McShane Construction and Cadence

Common Goals – Are Condos Making a Comeback?

As the housing recovery continues to advance across the country, there are signs of returning interest in the for-sale condo market. With apartment rentals consistently rising and the single-family market still in recovery, CoStar recently reported that the condo share of total home sales is approaching pre-recession levels for the first time since the market downturn.

While sales are still 30% short of where they were during the condo peak, large developers have resumed construction in major metropolitan cities following the positive uptick in the recovery and several promising trends. Boston, Washington D.C., New York, South Florida, Chicago and Southern California have major condo projects underway, most oriented toward mass transit accessibility. These developments are typically geared toward young

workers who are increasingly interested in ownership and desire closer proximity to both work and urban core areas.



**Ed Ledger – VP Southwest
McShane Construction**

In addition to young professionals, forecasts for the U.S. condo market suggest that Baby Boomers seeking to downsize will also contribute toward a renewed condo upswing. Ironically, this trend has been most apparent in markets hardest hit by the housing crash such as

South Florida and Phoenix, both popular destinations prior to the economic recession for retirees and those seeking a second vacation home.

With the number of former condo developments that have been converted into apartment complexes over the past few years, current inventory of available condos is very low. The recession also reduced the number of for-sale condominium developers resulting in far fewer

new project starts. Those who remain have gravitated toward apartment developments as they offer more rapid start-ups and faster completions. Interest in the condo market throughout the U.S., particularly in highly desirable coastal and 24/7 cities, is rising both domestically and internationally as entry prices are generally more affordable than single-family properties, require less maintenance and pose fewer security concerns.

McShane Construction's extensive for-sale condominium experience complements our growing portfolio of multi-family apartment complexes, affordable and supportive housing residences, independent, assisted-living and memory care senior living environments and student housing rental developments. We are strategically positioned to address the needs of local, regional and national clients and are eager to learn more about your next multi-family project and how we can add value to your property's short- and long-term success. □

McShane have been engaged in new facility construction or renovation assignments in five food grade plants over the past 12 months. From the production of desserts to beverage distribution, the McShane organization has successfully partnered with a wide range of food and beverage processors

and distributors to satisfy our client's strategic objectives.

In a recent survey conducted by *Food Processing* magazine, food safety concerns are 2014's most important manufacturing issue, while cost control ranked second followed by labor,

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Ribbon-Cutting Ceremony Celebrates On-Time Completion of New 71,259 S.F. Southeast VA Clinic in Gilbert, Arizona

The dedication and ribbon-cutting for the U.S. Department of Veterans Affairs' new Southeast VA Clinic at 3285 South Val Vista Drive in Gilbert, Arizona, was celebrated at a formal ceremony on Thursday, April 24, 2014. Local politicians, VA healthcare personnel, and members of the development, design and construction teams together with numerous area veterans and guests took part in the ceremony that officially welcomed the new 71,259 square foot clinic to this growing part of the community. The two-story, LEED for Healthcare facility will serve nearly 19,000 area veterans while expanding the VA's available healthcare services to include audiology, radiology, dental care, mental health and physical therapy, among others. Interior spaces include a spacious waiting area and lobby, treatment rooms, staff support areas, diagnostic testing, and laboratories. The clinic was constructed to wrap around a center exterior courtyard providing a wellness garden for patients and staff. The project's turnkey developer selected McShane Construction Company to serve as design/builder while REES Architects, Inc. provided the architectural services for the fast-track construction of this new clinic completed on-schedule and within budget. □



Continental Properties Selects McShane for 260-Unit Apartment Complex in Iowa

McShane Construction's Auburn, Alabama office was recently selected by Continental Properties Company, Inc. to provide construction services for its new 260-unit luxury residential complex, Springs at Waukee. Located at 500 NE Horizon Drive in Waukee, Iowa, the new 14-building development will include 28 studios, 92 one-, 102 two- and 38 three-bedroom residences accessed through private, ground-level entries. Each unit will incorporate an open kitchen concept complete with modern appliances, an island and breakfast bar. Residences will also include in-unit washers and dryers, walk-in closets, hardwood-style flooring and crown molding. Select units will offer attached or detached parking garages, patios or balconies and granite countertops. Tenants will enjoy community amenities such as a gated entry, community clubhouse with a fitness center, swimming pool, outdoor cooking and entertainment areas, a dog park and car wash center. McShane Construction will deliver the project in phases with the initial residential building and clubhouse slated for completion in Fourth Quarter 2014 with project completion scheduled in Fourth Quarter 2015. BSB Design is serving as project architect for this multi-family assignment. □

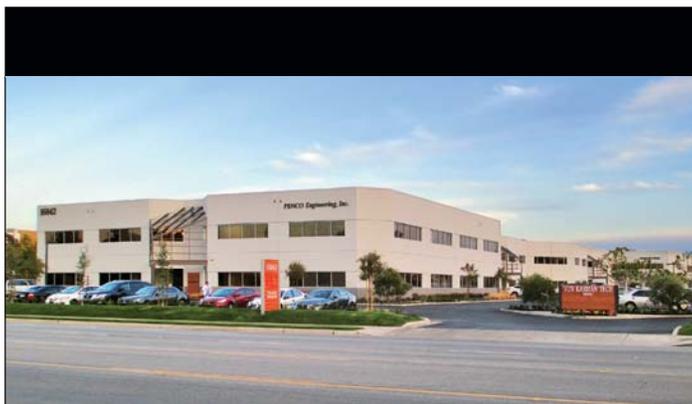


Continental Properties Company, Inc. recently selected McShane Construction to complete Springs at Waukee, a new 260-unit luxury apartment development located near Des Moines in Waukee, Iowa that will be comprised of 14 residential buildings and a fully-appointed clubhouse.

McShane Completes Von Karman Tech Office Renovation in Irvine, California

McShane Construction has completed the comprehensive renovation and construction assignment on the Von Karman Tech office building for owner, HighBrook Investment Management. Located at 16842 Von Karman Avenue in Irvine, California and originally constructed in 1980, the two-story, 100,603 square foot building underwent extensive

interior and exterior improvements transforming the property into a contemporary office environment meeting the needs of today's users. The project encompassed the renovation of the building's four interior lobbies that included enhancements to flooring, walls and color palette providing greater aesthetic appeal. McShane installed new all-glass entrances and Herculite doors, accented with decorative concrete framing, together with new staircases, flooring, wall finishes and a mezzanine expansion. The office building's restrooms and elevator system were also refreshed and improved. The exterior of Von



The extensive exterior and interior renovation and upgrade assignment for the two-story, 100,603 square foot Von Karman Tech office building located in Irvine, California, was recently completed for owner, HighBrook Investment Management.

Karman Tech underwent a refresh through the application of a smooth plaster façade applied over the existing exposed tiltwall aggregate panels, a new color scheme and updated landscaping and directional and monument signs. McShane also enhanced the existing surface parking lot and completed the necessary exterior and interior upgrades to satisfy current ADA requirements. Shlemmer Algaze Associates provided the comprehensive architectural services for the renovation assignment. □

Greenleaf Manor Provides Housing Options in Glenview, Illinois

Greenleaf Manor, a new affordable housing townhome-style complex, was recently completed by McShane Construction on behalf of developer, Daveri Development Group, LLC. The new residential property is located at 3345 Sanders Road between Milwaukee Avenue and Willow Road in Glenview, Illinois, a north suburban community of Chicago. The complex was designed and constructed to support 20 residences artfully arranged within three townhome-style buildings configured in two- and three-story formats. The affordable housing complex provides 10 two-bedroom, five three-bedroom and five four-bedroom floor plan options. Each residence is equipped with an in-unit washer and dryer, integrated parking garage on the ground floor and contemporary, energy-efficient finishes, fixtures and appliances. McShane Construction also completed the sitework for the assignment including sidewalks, community garden areas and additional surface parking. Cordogan, Clark & Associates

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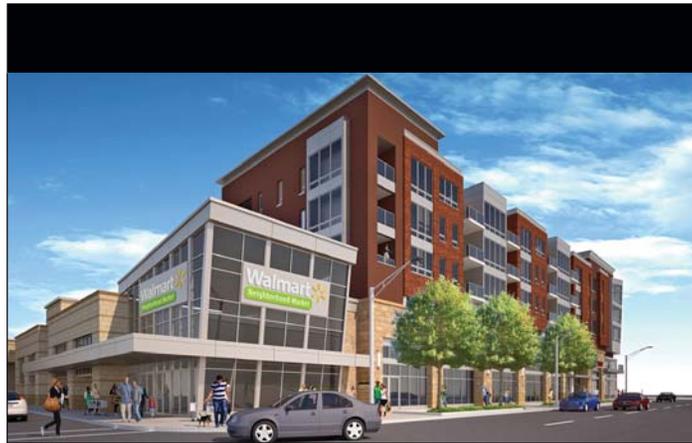
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provided the comprehensive architectural design services for this multi-family assignment. Greenleaf Manor represents McShane's second construction project completed for Daveri Development Group within a 12-month period. In May 2013, McShane Construction completed Myers Place, a 39-unit permanent supportive housing development located in Mount Prospect, Illinois, for this active developer. □



The development team of The Community Builders, Inc., Skilken and Troy Enterprises has selected McShane Construction to complete the tenant improvements for its 41,000 square foot ground floor anchor tenant, Walmart Neighborhood Market.

McShane to Construct Walmart Neighborhood Market in Chicago

As McShane Construction continues to further its progress at The Shops and Lofts at 47, a mixed-use multi-family and retail complex being developed by The Community Builders, Inc., Skilken and Troy Enterprises, the firm was recently selected to complete the construction of the development's ground floor anchor tenant, Walmart Neighborhood Market. Located at the corner of E. 47th Street and S. Cottage Grove Avenue in Chicago, Illinois, the 41,000 square foot Walmart Neighborhood Market will feature a full grocery

component including organic and natural selections, prepared food options, a self-serve deli, bakery and frozen food section together with a full-service pharmacy. The 18' clear retail space will incorporate two truck docks and generous back storage space. As part of The Shops and Lofts at 47 original assignment, McShane Construction is completing the property's sitework and an 85-car parking lot for Walmart Neighborhood Market and other retail customers. When completed in August 2014, the development will include 72 mixed-income apartments, an integrated parking garage for 72 vehicles and 54,000 square

feet of ground-level retail space. BRR Architecture, Inc. is providing the architectural services for the Walmart Neighborhood Market while Pappageorge Haymes Partners is serving as architect for the mixed-use portion of the development. □

McShane Awarded 290-Unit Tapestry Glenview for Lennar Multifamily Communities

McShane Construction has been selected to provide the construction services for

Tapestry Glenview, a 290-unit luxury apartment residence on behalf of developer, Lennar Multifamily Communities. The 341,571 square foot apartment complex is being constructed on a 5.5-acre site within a newly redeveloped land parcel at 2550 Waterview Drive in Glenview, Illinois. The project will consist of a four-story apartment complex artfully constructed around a five-story, 151,779 square foot precast parking structure that will provide 482 parking spaces. The 290 rental units will consist of 177 one-bedroom and 113 two-bedroom residences available in a wide variety of configurations. Each interior living space will incorporate modern finishes including in-unit washers and dryers and a private outdoor balcony. The complex will also feature an 8,286 square foot community clubhouse and outdoor swimming pool. McShane Construction broke ground on the project in October 2013 with scheduled completion in early 2015. JHP Architecture/Urban Design is providing the comprehensive architectural services for the assignment. □



The new 76,600 square foot build-to-suit distribution facility for NFI Real Estate, a division of NFI Industries, was recently completed by McShane Construction within the Internationale Centre South industrial park in Minooka, Illinois.

McShane Construction Completes 76,600 S.F. Build-to-Suit for NFI Real Estate in Minooka, Illinois

McShane Construction recently completed the 76,600 square foot build-to-suit beverage distribution center for NFI Real Estate, a division of NFI Industries. The new facility is situated on a premier 7.42-acre parcel within the Internationale Centre South industrial park located near Ridge Road and East Minooka Road in Minooka, Illinois. The site provides easy access to the I-80 and Ridge Road Interchange and the I-80 and I-55 transportation corridors significantly benefiting distribution operations. The facility will optimize regional beverage distribution logistics and warehousing services on behalf of a national client base. Designed for future expansion, the building includes a 73,500 square foot warehouse and 3,100 square feet of office space, 32' clear height, 10 truck docks, one drive-in door and an ESFR sprinkler system. Exterior finishes incorporate steel and precast panels and an EPDM roof. McShane also completed sitework including landscaping, sidewalks, a truck cargo court and parking for 30 vehicles and 30 on-site trailers. Harris Architects, Inc. provided the architectural services for this build-to-suit assignment. □

Projects in Progress



UNIV. OF CHICAGO FACILITY SERVICES BLDG. – CHICAGO, IL



WOODVIEW APARTMENTS – DEERFIELD, IL



HEDGCOXE ELEMENTARY SCHOOL – PLANO, TX



RIATA VISTA PHASE II – AUSTIN, TX

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MIDTOWN SQUARE – GLENVIEW, IL



THE LODGE OF NORTHBROOK PHASE II – NORTHBROOK, IL



FALLBROOK DISTRIBUTION CENTER II – HOUSTON, TX



LEGACY AT CRYSTAL FALLS – LEANDER, TX

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inspections and certifications, sourcing issues and the Food Safety Modernization Act (FSMA).

Capital spending is expected to continue. Over 37% of food processing companies surveyed anticipate increased capital spending this year, half even budgeting double-digit increases. The investments are necessary given the number of new products being launched that require retooled production lines or separate processing

facilities to accommodate volume or create the environment to produce the food product safely, efficiently and with the highest level of technology. The need for increased automation within food grade plants varies from adding robotic palletizers that automate entire process lines to the upgrade of computer technology and other equipment.

Capital spending will also be utilized to meet sustainability objectives. Producers are engaging in more green manufacturing techniques that will continue to become increasing-

ly important such as energy efficiency, lighting upgrades, minimizing carbon impact, reducing the cost of waste that erodes a company's bottom line and a greater overall corporate responsibility. For example, McShane Construction recently completed the new 165,230 square foot, LEED-Gold freezer/cooler facility for a valued client in McCook, Illinois.

Maximize your investment in a new or upgraded food processing facility by contacting the professionals at McShane Construction and Cadence McShane. Our demonstrated

expertise can produce greater returns throughout the pre-construction, construction and post-construction phases of your next project. □

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