

# IBM sells land near RTP, developer planning \$60M industrial park

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**IBM** has sold a tract of nearly 102 acres of wooded, undeveloped land near its campus in Research Triangle Park, and the new owner of the site is making immediate plans to break ground on the first phase of buildings for a new \$60 million industrial park.

Rich Horn, president of Indianapolis-based **Strategic Capital Partners**, says he and his partners have been working for more than a year with **IBM** and Durham city officials to secure the entitlements needed to construct up to 1 million square feet of new industrial warehouse space, a project they're calling Patriot Park. Phase one will include two buildings with a total 322,800 square feet of space that's expected to break ground soon with completion by second quarter 2018.



C/O STRATEGIC CAPITAL PARTNERS

*The accompanying gallery features renderings of Patriot Park and a map of the site.*

The new business park will be near the intersection of Miami Boulevard and Patriot Drive in Durham and is surrounded on all sides by either Cree's headquarters to the south, Toshiba Global Commerce Solutions to the west, TBC Industrial Park and GE Aviation's Durham manufacturing plant to the north and tributaries of Stirrup Iron Creek to the west.

"There were a lot of issues with this site," Horn admits. "There were road and site cost issues, infrastructure and utility issues, ... but the seller gave us time to work through those issues, and we're very excited about it."

Within a mile of the Patriot Park site, two more industrial parks are under construction and over the past two years have added eight new warehouse buildings with a combined 990,000 square feet of new distribution, storage and manufacturing space to the region's Research Triangle Park/Interstate 40 submarket. Nearly all of the new buildings at Liberty Ridge and TBC Industrial have either sold to new industries coming into the market, like the India-based pharmaceutical firm Lifestar Pharma, or opened fully leased. **PowerSecure**, Peter Millar and Implus are among the major tenants expanding into the new warehouses at Liberty Ridge and TBC Industrial.

The vacancy rate for the RTP/I-40 submarket's warehouse sector was under 6 percent in the second quarter, according to Triangle Business Journal's quarterly Space survey.

"Generally speaking, the lion share of the interest in industrial space in the region is in the areas around the airport and RTP, and those areas of land for new development are diminishing," Horn says. "This is one

of the last pieces.”

At Patriot Drive, **Strategic Capital Partners** paid **IBM** \$3.8 million, or about \$37,400 per acre, according to Durham County deed records.

Other partners in the deal include **Westminster Capital** and **Berkshire Group** with First Tennessee Bank providing construction financing. Future phases will build out the remaining 81 acres for a total estimated investment of nearly \$60 million, Horn says.

**IBM** was represented by Barry Bowling of CBRE-Raleigh in the sale of the property, and Foundry Commercial will be in charge of leasing Patriot Park’s new industrial space. The construction team also includes Paul Woody Architecture on the designs and DCInsight LLC as the construction management firm.

**Amanda Hoyle**

Staff Writer

*Triangle Business Journal*

