

Success Story



Premium Waters Inc.

The Client

Premium Waters Inc., a wholly owned subsidiary of Chesterman Coca Cola-Bottling is considered to be the largest private label water bottler in the country. With seven locations, Premium Waters Inc. provides the private label water for Wal-Mart, Kmart, Winn Dixie and many more. Premium Waters Inc. has been growing at a 30 percent rate for each of the last five years.

The Challenge

Premium Waters Inc. is a company of acquisitions. In 2002, they acquired Glacier Clear and four bottling plants including Fort Worth. With the acquisition, they also acquired the lease. The original lease was not only well above market, but it was also poorly negotiated and had many negative business points including a very large letter of credit. Likewise, the cost of moving the equipment and lines was a huge number to overcome not to mention the downtime related with a move in a business that is predicated on just in time delivery. The other challenge was location: With shipping costs associated with moving away from their spring site that was near the existing location, the search radius was extremely limited.

The Solution

With more than two years left on the term of the lease, Premium Waters Inc. engaged NAI Robert Lynn to determine the best option for Premium Waters going forward in the Fort Worth market. By utilizing the developers that could deliver in a timely manner and in a location that was within the search radius, NAI Robert Lynn received several aggressive proposals for a new facility that would meet all of the special needs related to this plant. With that, the existing landlord did not want to lose Premium Waters Inc. as a tenant. While evaluating all of the options, it was decided that a move would be feasible but renewing at a reduced rate would make the most sense. After over a year of negotiation, the existing landlord accepted our offer at a much reduced rate with a significant tenant improvement package in order to avoid losing Premium Waters Inc. to a competing landlord. At the end of the day, the new deal was a "win-win" for all parties. The existing landlord was able to get a new commitment from a top notch tenant, and Premium Waters Inc. was able to save close to \$2 million dollars in rent concessions and the waiver of the letter of credit as well as being able to do many needed improvements at the landlord's expense within the facility.

Transaction Summary

- **Address**
5651 Alliance Gateway Freeway
- **Size**
183,423 SF
- **Submarket**
Alliance, North Fort Worth
- **Transaction Type**
Lease
- **Industry**
Bottled Water Manufacturing & Distribution