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BUSINESS COURIER

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Fast-growing Intelligrated on hunt for more space

Material handler needs up to 80K additional square feet

Business Courier of Cincinnati - by [Jon Newberry](#) Staff Reporter

Intelligrated Inc. is in the market for a new facility in Butler or Warren county to house a customer service and parts fulfillment business that it's relocating from various other sites.

The Mason-based supplier of material handling systems needs a building of between 70,000 and 80,000 square feet, said Mark Tefend, general counsel and vice president of legal and human resources. It has four or five sites under consideration and expects to make a decision within weeks. It will likely be in or near West Chester, where Intelligrated operates an existing 300,000-square-foot manufacturing plant, but that's not certain yet, he said. It will employ about 20 people initially, growing to maybe 30 within a few years. The functions to be transferred are now being performed mostly in West Chester, Mason and St. Louis.

Doug Armbruster, vice president of leasing with **Industrial Developments International**, said availability has begun to tighten up a bit, but there still are plenty of spaces on the market. Rental rates have bottomed out and are beginning to rise.

"It's good time to be looking, that's for sure," he said.

The new facility is a follow-up to Intelligrated's expansion plans announced last fall when it accepted a \$24 million incentive package from the state and local governments in Butler, Warren and Madison counties. The package incorporates expansion of the company's operations in Mason, West Chester and London (southwest of Columbus) that are projected to create at least 267 jobs over three years in addition to the 537 jobs it already had in Ohio.

Barring some unforeseen disaster, it should hit that target easily, Tefend said. And more growth is on the way.

"There are some other expansions planned. We ain't done," he said, declining for now to elaborate. "We're talking about a year or two down the road."

The company already has created about 160 jobs since last fall.

Intelligrated has about 1,500 employees in total following its acquisition last year of the North American operations of **FKI Logistex** from U.K.-based **Melrose PLC**. It now has operations in the United States, Canada and Mexico. The FKI transaction made it the second-largest company in the North American material-handling automation industry behind German-owned **Dematic**. A Logistex facility in West Chester that once employed 400 people was part of the deal.

By the time the deal closed last year, FKI was already transferring work from West Chester to another non-union plant it owned in Danville, Ky., Tefend said. But Intelligrated reversed that decision after it analyzed the situation following its acquisition. With the Ohio incentives in place, it's now expanding manufacturing in West Chester, shifting some other operations both to and from its Mason headquarters and to the new customer service and fulfillment facility it intends to open nearby.

Danville operation winding down

The Danville plant, meanwhile, is gradually being closed. The company is looking at options for that site, which it owns. It expects to add about 100 manufacturing jobs in West Chester and London this year as operations in Danville wind down. It's not yet clear how the jobs will be split between the two plants.



Courtesy of Intelligrated

Mason-based Intelligrated Inc. is looking at several sites, likely in or near West Chester.

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"A lot depends on the type of product mix that our booked business requires us to produce," Tefend said.

The **Material Handling Association of America** recently raised its 2010 forecast and is now expecting 6 percent to 7 percent growth after a double-digit decline in 2009.

"We are looking for 2010 to be an up year. Last year was off substantially," said spokesman Gary Forger.

Intelligrated's fourth quarter was "very strong" and business in the first quarter of 2010 exceeded plans, Tefend said.

The company is also adding jobs at its headquarters in Mason where it's building out space that previously wasn't being used. That space will house project management, engineering, sales and sales support, human resources and a training facility. The build-out should be completed within 30 days, Tefend said.

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