



May 10, 2004

McDonald eyes expansion, sets sights on Southeast

In recent years, McDonald Development Co. has expanded beyond its Atlanta roots, with large-scale projects now under way in Savannah, Waycross and Orlando, Fla. More geographical diversification lies ahead, said owner and president John McDonald.

"We'll go where the opportunities take us," said McDonald, adding that markets in other Southeastern states are on the radar but declining to go into specifics until individual projects are announced.

McDonald described the industrial development company he founded in 1989 as "doing exceptionally well considering market conditions." "The market has been in recession for three years, but we not only have 759,200 square feet of build-to-suits going up, but also two spec buildings under construction in Atlanta," he said.



Precision: A client calls McDonald Development Co. a "tight ship". From left, owner John McDonald and his team: J. Austin McDonald, Tracy White and J. Lathan Allen.

SETTING THE BAR

Then again, McDonald Development has never been the sluggish sort. Since 1993, the company has developed more than 7.3 million square feet of new distribution space (valued at more than \$250 million) and currently has 1.4 million square feet under construction, 750,000 of which is leased. At present, McDonald is developing 10 industrial parks in the Atlanta, Orlando and Savannah markets -- a total of more than 1,500 acres.

Through the years, Atlanta projects have included Peachtree North, Horizon Ridge, SouthChase, SouthPark, Windward Chase, Windward Ridge, Westlake and Southmeadow. In Orlando, it is developing Crowne Point Commerce Park, which is suitable for about 1 million square feet of development.

McDonald recently began development of the Georgia Commerce Center, a 41-acre, two-building logistics/distribution center at the Georgia Ports Authority's Garden City Terminal near Savannah. More than 3,000 railroad cars a year will be brought into the state-of-the-art facility, where product will be unloaded and put into containers for transport on ships.

Phase One is a 315,500-square-foot, rail-served bulk distribution building that is preleased to Capital Cargo International Airlines Inc., which is adding 100 jobs to the Chatham County economy. Phase II will be a 200,000-square-foot distribution center.



Florida commerce: A rendering of McDonald's development at CrownPointe Commerce Park in Orlando.

NEWS



May 10, 2004

Capital Cargo owner Kenny Meyer said he started the project on his own seven years ago and "banged my head against the wall" for six years until he brought in McDonald. "I just didn't have the expertise to do it," he said. "John does. He knows exactly what it takes for a project like this to be successful."

Meyer had been impressed with the design and functionality of McDonald buildings he saw in metro Atlanta. "They were well-adapted to fit customer needs," he said. "One thing we did here was to bring the railroad inside the building so that we won't have to unload cars in inclement weather. That feature alone will gain us a better share of the customer base."



Rail-to-ship: A rendering of the 41-acre Georgia Commerce Center, a logistics and distribution center McDonald is developing at the Georgia Ports Authority near Savannah.

One soon-to-be-completed McDonald project is a nearly \$6 million, 217,500-square-foot factory for Simmons Co. in Waycross. The mattress manufacturer is creating 225 jobs in the southeast Georgia city. Simmons considered five companies before choosing McDonald for the project. "John runs a very precise organization," said Simmons' Allen Podratsky, senior vice president of product development and supply-chain management. "It's a tight ship. They're very meticulous in their planning and do a bang-up job of managing the details."

McDonald said his company's "land position" has enabled it to do well in Atlanta despite the economic downturn, from which the market is only slowly emerging. The company, for instance, owns four parks near Hartsfield-Jackson Atlanta International Airport, including 358-acre SouthPark, 354-acre Southmeadow and 400-acre Westlake. McDonald also is building a 354,000-square-foot cross-dock spec facility in Southmeadow and a 121,600-square-foot rear-load spec building in Westlake.

MAKING OF A VETERAN

At age 60, McDonald is a 32-year veteran of Atlanta real estate. His career has included stints as a land/leasing/investment broker, a partner at Trammell Crow Co. and a partner at Taylor & Mathis Inc.. He ventured out on his own in 1989. For the past 15 years, McDonald has served as the honorary Norwegian consul in Georgia. Several years ago, King Harold V of Norway knighted McDonald for his contributions to that country.

About venturing out on his own, McDonald said, "I had learned what I needed to know. I wanted to make my own decisions and take my own risks, at whatever level I wanted that to be. And I've been very happy with that decision. We now own 4 million square feet of buildings and are adding 700,000 to 1 million square feet a year." McDonald expects the latter number to accelerate "through diversification in other markets."

The Buckhead resident said he enjoys vying for business. "I like the challenge of going to the marketplace every day and competing," he said. Development is a matter of being creative and going out and finding the business. We've always been able to find it because we know what we're doing."

McDonald Development Company
3715 Northside Parkway NW, Building 200, Suite 700
Atlanta, Georgia 30327
404.239.0885
mcdco.com