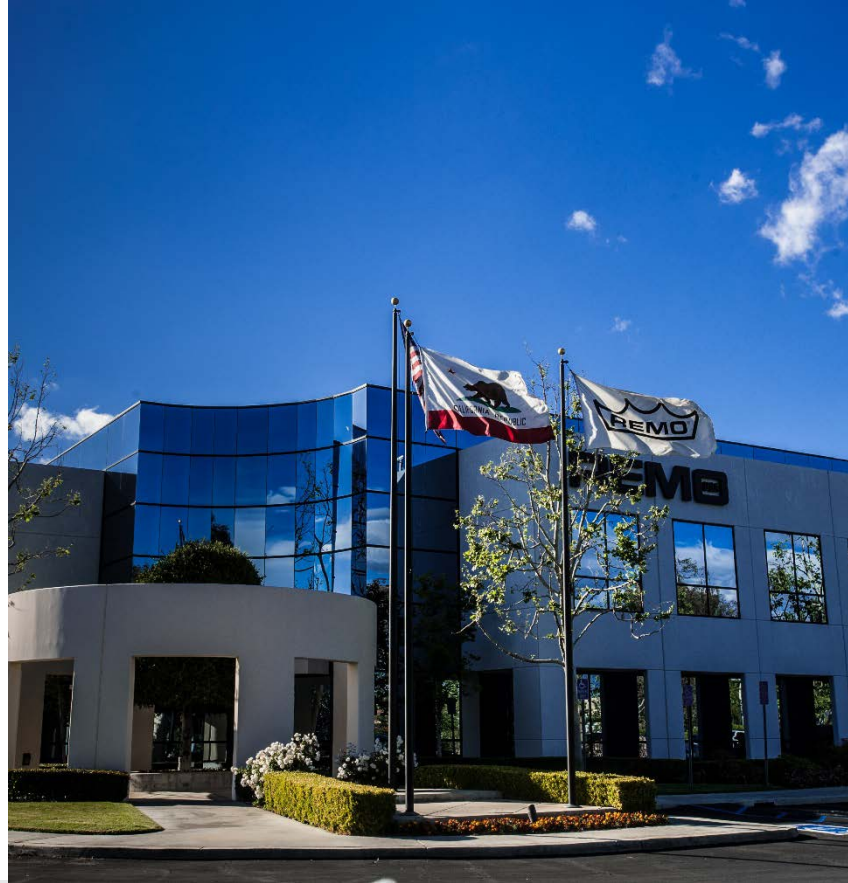


BUSINESS ATTRACTION

Case Study



Remo Drums, the largest manufacturer of drum heads in the world, decided to relocate their headquarters to the Santa Clarita Valley from North Hollywood, California which not only expanded their space, but also streamlined operations and increased productivity and profitability.



COMPANY NEED

In its 39 years of operations, Remo Drum had expanded to seven buildings in North Hollywood and was experiencing inefficiencies due to not having operations under one roof. Remo hired an independent planning and efficiency engineer who confirmed their concerns. Executives at Remo Drum decided to begin a search for a location that could house their entire drum manufacturing operation and HQ in one location.



SOLUTION

Remo Drum was concerned that a move out of state would mean a loss of their existing employees, and a scatter map analysis indicated that 8-15% of their workforce was already living in the SCV. A labor market analysis also suggested that the SCV had a highly skilled workforce that they could use to backfill potential lost employees. Another important factor considered by Remo was the SCV's business-friendly reputation and high quality of life. Remo Drum decided to relocate their entire operation into a 216K SF, state-of-the-art building in Valencia Commerce Center.



COMPETITION

Remo Drum was considering leaving California due to the high cost of doing business, especially in the greater San Fernando Valley. Not only did the SFV have high operating costs, much of their industrial properties were functionally obsolete, had low clear heights, minimal parking and insufficient loading. Their brokerage team suggested they consider the Santa Clarita Valley (SCV) as an alternative.



RESULTS

Though Remo Drum financed a portion of their tenant improvements, they were able to pay off the loan after only 15 months in the new facility. Their operational and production efficiency of the new building allowed them to save approximately \$1M in operating costs the very first year. Remo was also able to maintain most of their existing workforce – less than 1% decided not to make the move. Remo continues to thrive in the SCV!