

# Cash helps manufacturer expand

*North American Switchgear to take on 181K square feet at shuttered S&Z Tool & Die building on West Side*

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The lights are back on and the truck docks are bustling again at the former S&Z Tool and Die complex, which closed earlier this year in Cleveland. North American Switchgear Inc., a company in Lakewood that does business worldwide, has put the building at 3180 Berea Road back in service.

Bob Jordan, president of North American Switchgear, said he bought the building because the 125-employee company, which buys and refurbishes industrial circuit breakers and other electrical switchgear, needed more storage space. The company also will consolidate storage now at two rented warehouses into the 181,000-square-foot complex, which is a landmark at intersection of Triskett and Berea roads on the city's West Side.

"I'll be able to make payments for less than my rent would have been, although I'll have to pay property taxes," Mr. Jordan said. His rent for space at the nearby rental warehouses is \$3.50 a square foot; he paid \$5 a square foot to buy S&Z's complex, which dates to 1946.

Despite its name, North American Switchgear has customers around the globe because it can serve anyone with a U.S. electrical system. Mr. Jordan said the company has sold switchgear to concerns from China to Saudi Arabia.

"We're essentially a graveyard for circuit breakers," Mr. Jordan said of the company, which has bought, refurbished and resold switchgear as large as a garage.

North American Switchgear put the new property to immediate use as it took delivery of 10 truckloads of switchgear it bought from a refinery in the South that was updating its electrical equipment, Mr. Jordan said. Long term, the company will install a larger electrical-part rebuilding shop at the S&Z site, he said, although those plans are not yet set.

Because of its space needs, North American Switchgear will continue operating its existing, 90,000-square-foot shop and warehouse at 12502 Berea Road in Lakewood.

"We're doing well, knock on wood," said Mr. Jordan, who noted that the company's sales have doubled over the last four years and are now at a record. However, he declined to disclose specific figures.

Through a family-owned partnership, Mr. Jordan on Sept. 17 paid \$925,000 for the S&K property, which consists of a series of additions to an original building. Cuyahoga County assigns the property a



North American Switchgear president Bob Jordan says the company, "a graveyard for circuit breakers," is doing well these days.

*Photo credit: MARC GOLUB*

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value of \$2 million for tax purposes. The complex hit the market last spring after S&Z shut down Jan. 13 because of the downturn in the tool and die industry and an inability to secure more credit to continue operations.

Properties of similar size typically sell for upwards of \$8 a square foot, said Jeff Kennedy, an industrial specialist at Grubb & Ellis Co.'s Cleveland office who represented Mr. Jordan in the purchase. He said Mr. Jordan was the natural buyer for the property because his business is nearby and he was able to close a transaction, which many would-be buyers cannot do today due to the credit crunch.

Fred Christie, a principal of the Cresco real estate brokerage who represented the seller, said its triangular shape and the series of additions S&Z made over time hurt the property's marketability. Most industrial concerns prefer rectangular buildings, he said, because they are more efficient to operate.

"It's a unique building, a unique buyer and a unique situation," Mr. Christie said.