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## Higgins veterans launch their own firm

By [Andrew Schroedter](#), June 18, 2009

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(Crain's) — Financed by a University of California pension fund, two former executives with Higgins Development Partners are developing a speculative distribution center in west suburban McCook amid a tough local industrial real estate market.

The \$28-million, two-building business park in west suburban McCook is the first local assignment for Kevin Matzke and H. Steven Duncan, who in February started their own firm Clarius Partners LLC.

"Everyone wants their own shop at some point in their career," Mr. Duncan says.

Construction is set to begin this month on the development's first phase, a 201,431-square-foot building near 9200 W. 55th St. Clarius will wait to start construction of the project's second, 167,000-square-foot building until a tenant is found.

The firm is handling all aspects of the project. Clarius declined to identify the capital partner, but a spokesman for the University of California confirms that it's a university-controlled retirement fund.

Clarius aims to complete and lease the entire development by next year, an ambitious schedule in a local industrial real estate market where vacancy rate jumped in the first quarter to its the highest level since 1992 as leasing activity plummeted.

But Jack Durburg, executive managing director of CB Richard Ellis Inc.'s Chicago office, who's known Mr. Matzke for a decade, says: "When Kevin makes a move, you can be sure it was well-planned. He's somebody you just bet on."



**Kevin Matzke**



**H. Steven Duncan**

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Mr. Matzke thinks Clarius will benefit from a growing demand for modern space at affordable prices and its proximity to the nearby McCook Business Center, a 244-acre business park near Interstate 55 and First Avenue.

"It's extremely difficult (for a new building) to come online now," says Tom Condon, a senior vice-president at Colliers Bennett & Kahnweiler, which is leasing the McCook Business Center for Oak Brook-based CenterPoint properties. "But if I had to put up a new building, that's where I'd like to be."

The retirement fund paid \$6.35 million in October for the 20-acre site, according to property records, buying it from LaGrange-based locomotive manufacturer Electro-Motive Diesel Inc.

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In addition to the McCook project, the six-person Clarius firm is managing seven other projects totaling roughly \$500 million for different capital partners. The projects include a 300,000-square-foot office building in Burbank, Calif., and the redevelopment of a 600,000-square-foot former Caterpillar Inc. plant in Joliet.

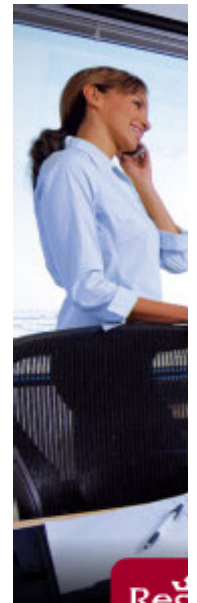
Until the credit markets improve, Clarius, a six-person firm, will focus on development management, which doesn't require the company to contribute equity. Eventually, Mr. Matzke says, the firm will look to shift into a traditional developer role.

Mr. Matzke, 42, earned an architecture degree from the University of Colorado, and a graduate degree in civil engineering from the University of Michigan. Before joining Higgins in 2006, he was a senior vice-president from 2000 to 2006 at Catellus Development Corp. and a construction manager at Hines Interest L.P. from 1997 to 2000.

At Hines, Mr. Matzke met Mr. Duncan, 54, who was vice-president in the Chicago office of the Houston-based firm. Mr. Duncan studied finance at the University of Georgia, and later earned an MBA from Purdue University. His experience includes three years as business development director at Milwaukee-based Johnson Controls Inc., and a 10-year stint with Hines.

Messrs. Matzke and Duncan eventually left Hines to join other firms but in 2006 they reunited when they separately became senior vice-presidents at Higgins, with Mr. Matzke overseeing the firm's Midwest operation and Mr. Duncan focusing on the West Coast.

The two executives have similar personalities, making them a good team, says Greg Van Schaack, a senior vice-president in the Chicago office of Hines,



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"They both come from a business school mentality," he says.  
"Neither of them is a gunslinger."

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