

Orange County Business Journal

Western Realco Gets Beckman-Coulter Site in Fullerton

REAL ESTATE: Business park would boost city's industrial base [Mark Mueller](#) Monday, October 19, 2015

Western Realco is planning to build a multibuilding business park on land in Fullerton that previously held the headquarters of Beckman Coulter Inc.

The Newport Beach-based developer, one of the most active on industrial properties in Orange County over the past five years, recently closed on a large portion of the former Beckman campus, which runs about 44 acres on Harbor Boulevard near Imperial Highway.

The land, one of the largest remaining commercial development sites in North OC, has been unused since 2009, when Beckman, a maker of medical testing and research equipment, moved its headquarters to Brea.

Beckman had about 900 workers in Fullerton and was the largest public company based in the city prior to the move.

The company, which was acquired in 2011 for \$6.8 billion by Washington, D.C.-based conglomerate Danaher Corp., still has about 1,100 workers locally.

Privately held Western Realco is working with Fullerton city officials on final details of a development plan for the vacant site, where most of the buildings have been razed. The developer expects to submit a formal plan for the project in the next two months, said Gary Edwards, principal at Western Realco.

"We're expecting to build a business-park-type environment" featuring a mix of industrial and office buildings, Edwards said.

It is expected that construction could begin by the end of next year or early 2017, he said.

The project "is a great opportunity to bring a job-generating, high-quality business campus to North Orange County," Edwards said.

A development running close to 900,000 square feet or so appears likely, based on the acreage that Western Realco is buying.

A project of that size would be the largest industrial development in OC over the past decade, other than the nearly 1.4-million-square-foot Anaheim Concourse project overseen by Newport Beach-based Panattoni Development Co. that is nearing completion (see story, page 3).

Western Realco closed on a 30-acre portion of the Beckman land site in Fullerton this month and will buy the remaining 14 acres for the project in the early part of 2016, according to Edwards.

The developer partnered with Hartford, Conn.-based Penwood Real Estate Investment Management, a frequent co-investor in its projects, for the Fullerton buy.

Financial terms of the sale were not disclosed.

A deal in the vicinity of \$65 million appears likely for the entire 44-acre site, based on other area sales of land slated for industrial development.

Similar land sites in the region have been trading hands at \$35 per square foot—or roughly \$1.5 million per acre—and higher, according to Mitch Zehner, executive vice president for the Anaheim office of Newport Beach-based Voit Real Estate Services, who worked on the Fullerton sale.

Long Process

The deal with Western Realco ends one of the longer-running commercial property sales recently seen in the area.

Beckman initially listed the Fullerton campus for sale in 2010. The campus previously held eight buildings that totaled about 600,000 square feet built in the 1950s.

Early ideas for the redevelopment of the campus that were embraced by the city included turning the site into a mix of homes and shops, among other uses.

Irvine-based City Ventures Inc., a homebuilder that specializes in infill residential projects, was initially selected to redevelop the project and had been heading up efforts to re-entitle the site, where most of the buildings were demolished a few years ago.

City officials changed their thinking for the site a few years later and “decided they wanted to maintain their industrial base,” said Craig Atkins, chairman of City Ventures.

Fullerton’s industrial buildings total about 17 million square feet, and those buildings had vacancy rates of just 4.2% at the end of the third quarter, according to Voit Real Estate’s data.

“The city wanted the jobs” that will come with the new business park, said Voit’s Zehner, who worked on the sale with colleagues Mike Hefner and Seth Davenport.

Edwards said his company had been pursuing the property for about six months.

Western Realco technically bought the property from City Ventures, which in turn bought the land from Beckman.

“We made a little bit of money” on the deal, Atkins said.

Despite taking on infill projects that often carry a fair amount of entitlement risks, the Fullerton deal is one of only a handful of sites that City Ventures has bought but was unable to get home development moving ahead, he said.

The upside for the protracted time spent settling on a developer and development plan is in the pricing for the Fullerton land, according to Voit’s Zehner.

“Time helped us,” Zehner said.

When the property was first listed for sale in 2010, coming on the heels of the last real estate downturn, a price roughly in the \$35 million range would have been expected from an industrial developer.

Edwards said Western Realco expects the current upswing for real estate to continue for the time being, but is hopeful to get the Fullerton project started sooner rather than later to take advantage of the cycle.

Brea Project

The developer also has a 216,000-square-foot project under way in Brea that is near a handful of other industrial buildings that Western Realco has built over the past three years.

The Brea site, located at 3300 E. Birch St., is a little more than a mile east of the Orange (57) Freeway.

That 10-acre site previously held a data center built in 1980 by Beckman Coulter to support its Brea operations. The center was demolished earlier this year.

Construction for that project is expected to break ground by early 2016, Edwards said.