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Grocer Northgate Gonzalez Building Anaheim HQ, Warehouse

By Mark Mueller

Anaheim-based Northgate Gonzalez Market, Orange County's largest Hispanic grocer, is having a headquarters and warehouse built in its home town, on land Delphi Automotive Systems LLC previously used as a battery plant.

A 375,000-square-foot building is slated to go up at the now-vacant 21-acre Delphi site on Magnolia Avenue, following a \$20 million land deal and separate lease transaction.

Northgate Gonzales plans to consolidate operations from two local buildings into the new space.

The family-owned company is expected to sell its roughly 80,000-square-foot headquarters on East Vermont Avenue, which it owns. It leases another 120,000 square feet elsewhere in Anaheim.

The Business Journal estimates the company, OC's fourth-largest minority-owned business by revenue, employs more than 1,900 local workers. It has about 30 grocery stores in the Southland, with a dozen OC locations.

Hartford, Conn.-based Cornerstone Real Estate Advisors, in a venture with Irvine developer Birtcher Development & Investments, recently completed the acquisition of the former Delphi land through a bankruptcy court-overseen auction, once it landed Northgate Gonzalez as a tenant.

Delphi, a major parts supplier to former parent General Motors Corp., filed for bankruptcy in 2005.

The land, near the Santa Ana (I-5) and Riverside (91) freeways, sold for \$20 million, according to bankruptcy court documents. It's been vacant for several years.

Northgate Gonzalez signed a 15-year lease to occupy the entire building once it is constructed. The project is expected to break ground late this year and should be finished in 2010.

The grocer has an option to purchase the property in the first five years of the lease and intends to do so, according to Clyde Stauff, senior vice president for the Irvine office of Colliers International.

Stauff, Bret Hardy and Pat Remolacio, also with Colliers, worked on both the land sale to Cornerstone and the lease.

Daum Commercial Real Estate Services' Joe Tilton and Steve Pearson represented Northgate Gonzalez in the lease.

It'll be the largest industrial development under way in Orange County, and it is likely larger than any industrial project set to break ground in Los Angeles or the Inland Empire, according to Stauff.

Cornerstone is financing the construction of the build-to-suit project.