THEREGISTRY
BAY AREA REAL ESTATE

Orchard Partners and DivcoWest Take 218 Acres for Industrial Development in American Canyon

POSTED ON APRIL 27, 2014 BY PUBLISHER IN COMMERCIAL, FINANCE, INDUSTRY NEWS

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Lafayette-based Orchard Partners and San Francisco-based DivcoWest Properties have acquired 218 acres in American Canyon in Napa County for a future industrial development project. The purchase price was in the neighborhood of $13.8 million to $15 million, according to sources with direct knowledge of the transaction. The two buyers did not want to comment on the purchase of this property at this time.

The seller of the land was a venture with Los Angeles-based Canyon Capital Realty Advisors and the California Public Employees Retirement System. Canyon declined to comment when contacted for this story, other than to confirm that they were the seller of the parcel.

The land could be used for the development of logistic industrial properties. “There is a first phase of this development that has been approved. This calls for the construction of around 650,000 square feet of product. This would be distribution space. I would think that wine companies would be a logical targeted audience. Most of the existing space in our town for this kind of tenant is full,” says Brent Cooper, community development director for the city of American Canyon.

Based on what has been approved, this first part of the development could commence this summer. The initial phase of the development covers around 39 acres of land. There is a chance that this could be changed, however. “We are going to have a meeting with Orchard on Wednesday. They have been talking about making some changes to the first phase. This would be to have less parking and adding more square footage to the initial phase,” said Cooper.

The rest of the developments have not been approved yet and will take longer for this part of the project to be started. The specific timing and goals for that have not been communicated.

Canyon Capital had been involved in the ownership of the parcel since April of 2011. This is when the real estate manager was hired by CalPERS to take over ownership of the asset along with other properties as part of the pension fund’s partnership called Cal Smart. The previous manager of the partnership was New York City based RREEF, now known as Deutsche Asset & Wealth Management. The American Canyon land is one of the last remaining assets in the partnership.