Napa Valley Register

IKEA warehouse space in American Canyon sold for $91M

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IKEA announced this week that it is opening a customer fulfillment center in American Canyon, following last week's story that Napa Logistics Park was leasing space to the home furnishings retailer.

The warehouse operation in American Canyon is one of two new centers that IKEA decided to establish in the United States, according to a company press release.

The other customer fulfillment center opened earlier this year in Baytown, Texas, located 30 miles east of Houston. The American Canyon fulfillment center is expected to be operational in early 2018. It will represent the tenth IKEA location in California, which already has eight stores and a regional distribution center.

The fulfillment centers in American Canyon and Baytown will deliver items to online customers as well as those who purchase larger items at an IKEA store. Each warehouse will employ approximately 200 people, according to the announcement. The American Canyon Eagle reported on Nov. 1 that Napa Logistics Park had signed a lease with IKEA, and was modifying its first building covering 646,000 square feet to meet the needs and specifications of the company, according to Community Development Director Brent Cooper. IKEA spokespersons did not return calls seeking a comment for last week's story.

Tuesday's announcement said the new fulfillment centers would complement its network of five regional distribution centers that support 45 IKEA stores in the U.S. There are currently more than 400 IKEA stores worldwide.

"As we expand across the country and grow our online presence, we want to ensure we have sufficient warehouse capacity to support the efficient and timely delivery and shipment of products to our customers," said Lars Petersson, IKEA's U.S. president. "Our goal is to increase accessibility to the IKEA product selection, and these two fulfillment centers will help us meet the home furnishing needs of many American customers."

On Oct. 26, Cooper informed the American Canyon Planning Commission that IKEA had submitted plans to the city for modifying both the interior and parking lot of Napa Logistics Park's first building, which has sat vacant since it was completed a year ago.

"IKEA is working on improvement plans to occupy the interior" of Building 1 at Napa Logistics Park, Cooper told the commissioners.

"They're also going to make some changes outside to the parking lot because their needs are a little different than what was expected" when the building was constructed, he added.

Cooper said he expects the parking lot modifications to start soon. Plans for the interior changes are still being considered by Planning Commission staff.

"It's gone through two reviews so we're close to finishing all the details," according to Cooper.

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