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Big Napa Valley commercial property deals: Wine warehouse, cowork offices



This 336,000-square-foot distribution warehouse at 400 Boone Drive in the 218-acre Napa Logistics Park industrial development in American Canyon is set for completion in 2020. Napa-based Biagi Bros. Transportation & Warehousing has leased the whole building. (Albert Law / Pork Belly Studio photo)

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JEFF QUACKENBUSH, THE NORTH BAY BUSINESS JOURNAL

Deals fill Napa Valley's largest building and cowork facility

Napa Valley is known internationally as a wine region, so it's no surprise that the business of making its world-renowned libation would dominate the local commercial real estate market.

Indeed, the largest existing buildings in the county and those under construction are specially designed distribution warehouses, fitted with insulation and cooling systems to keep the high-priced beverages in prime condition in tank, barrel or bottle.

The Business Journal asked local real estate experts what recent deals revealed the direction of commercial activity and demand for property to support business plans. One such top deal involves new buildings large enough to house multiple jumbo jets and football fields. Another highlights Napa as a city has become not just a center tasting, shopping and dining for the millions of visitors to Wine Country annually but also an emerging hub for corporate office activity.

Napa Logistics Park

400 Boone Drive, American Canyon

Deal size: 336,960 square feet

Lessor: DivcoWest and Orchard Partners

Listing agents: Brooks Pedder, Jeff Starkovich of Cushman & Wakefield

Lessee: Biagi Bros. Inc.

Procuring agents: Glen Dowling, Matt Bracco and Chris Neeb of JLL

Transaction: July 1, 2019

Napa-based Biagi Bros. Transportation and Warehousing leased roughly half the 702,000-square-foot distribution facility on 37 of the 218 acres in the business park, located in the industrial area around Napa County Airport at the southern end of the valley. The wine logistics company moved into the sprawling building earlier this year just after it was completed.

This concrete tilt-up warehouse is the second of five planned for the project and is the largest warehouse in Napa County so far. With an internal clear height of 40 feet, it's among the next generation of high-cube warehouses in the region.

The first building in the project was 1 Middleton Way, a 644,000-square-foot distribution warehouse that was leased entirely to Ikea in 2017 as one of its growing list of direct-to-consumer fulfillment hubs. It rivaled the size of Jackson Family Wines and Biagi's distribution center nearby in American Canyon, which when it was completed in 2009 was the county's largest building.

Also planned for Napa Logistics Park is a 362,000-square-foot warehouse at 500 Boone. A 1 million-square-foot final structure has been planned at 300 Boone, which would be the North Bay's largest commercial building, topping the 800,000-square-foot North Bay Logistics Center in Vacaville. "Serious activity" is underway to secure a deal for 300 Boone, and construction of 500 Boone is planned to follow lease-up of 400 Boone, according to listing agent Brooks Pedder.

1300 First St., Suites 368 and 460, Napa

Deal size: 18,000 square feet

Lessor: First Street Napa

Listing agent: Joe Fischer of Strong & Hayden

Lessee: Regus PLC

Transaction: Fourth quarter 2019

Temporary-space global giant Regus has 30,000 locations in 120 counties, including North Bay facilities in Santa Rosa, Petaluma, Novato, San Rafael and Sausalito. Now it is bound for Napa Valley this fall.

Regus first secured 10,000 square feet of the former McCaulou's department store building in downtown Napa for its Spaces coworking centers division. That commitment was later expanded to 18,000 square feet on two floors. When it opens, set for September, this Spaces site would be Napa County's largest cowork facility.

The building is part of the First Street Napa redevelopment, which now includes the Archer Napa high-end hotel and surrounding restaurants and retail.

With the Spaces deal and a corporate trend in the Bay Area during the coronavirus pandemic toward more remote and dispersed back-office locations, First Street Napa is positioning the 10,000-square-foot space in the recently renovated historic Gordon Building for companies looking to relocate from nearby dense urban centers.

Vineyard Townhomes

1600-1624 Pueblo Ave., Napa

Seller: Takumi Nomoto

Buyer: Undisclosed

Listing and procuring agent: John Garrett and Jon A. Holmquist of Marcus & Millichap

Price: $18.25 million

Transaction: April 1, 2020

Formerly called Casa de Vallecita Townhomes, this 66-unit complex more than doubled in value in the eight-plus years since it last sold. In an off-market deal, it sold this year for $337 a square foot, at a gross rent multiple of 11.45 and capitalization rate of nearly 5%.

It previously sold in December 2012 for $8.65 million, or $160 a square foot.

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