



## In The Pipeline: CoStar Development and Construction News for Nov. 29-Dec. 5

CoStar News Spotlights Trends, New Projects and Construction Entering (Or Leaving) the Commercial Real Estate Development Pipeline

By [Randyl Drummer](#)  
November 30, 2009

U.S. Drug Enforcement Administration in Miami; a decision by New York's highest court [clears the way for the \\$5 billion Atlantic Yards project](#) to move forward in Brooklyn; Griffin

National Archives center in St. Louis, MO; and South Carolina officials announced of Galveston-Houston has chosen Turner Construction

development. This, plus

from around the U.S.

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### Cambridge to Build \$47M Facility for U.S. Drug Enforcement Agency

Virginia-based Cambridge Development Group will build a \$47 million regional testing laboratory for the U.S. Drug Enforcement Administration in Miami, FL.

DEA South Fl. LLC, a joint venture of Galaxy Investments and Halle Enterprises, closed on its purchase of 9 acres in the Beacon Lakes Business Park and construction financing for the 57,055-square-foot facility. The JV hired Herndon-VA based Cambridge Development to provide development services for the project.

Cambridge previously built the special testing laboratory for the DEA near Washington Dulles International Airport in 2001. Cambridge has completed six special-purpose build-to-suit facilities in the last eight years for the General Services Administration, which oversees and manages thousands of buildings for the federal government.

Following 17 months of negotiations, design and permitting, Cambridge plans to break ground in February, with completion expected in mid-2011. The building, held by the GSA under a 20-year lease, will be an analytical testing laboratory, one of nine regional labs operated by the DEA around the country.

With a high-grade and long-term tenant in tow and an "extremely attractive" unlevered yield, the project meets all of the joint venture's investment criteria, said Andrew J. Czekaj, manager of DEA South Fl. LLC.

"Our focus is on deals that provide attractive cash on cash unleveraged yields and that do not depend on future rental rate run up to justify residual value," Czekaj said.

"The U.S. is not in need of yet another office building, so our development focus continues to be more complex facilities serving a specific and perpetual need," adds T. Michael Scott, vice chairman and president of Cambridge. "DEA Miami will truly be a sophisticated 'CSI' facility supporting our enforcement against the illegal drug trade."

### NY Court: \$5 Bil. Atlantic Yards Project Can Proceed

In a major step forward for the Atlantic Yards project, the New York Court of Appeal on Tuesday ruled that the state can use eminent domain to force landowners to sell their properties for the \$4.9 billion development in Brooklyn by Forest City Ratner.

According to the 6-1 ruling by the state's highest court, a finding by the Empire State Development Corp., which oversees economic development in New York, that the 22-acre area met the legal definition of blighted was sufficient to take the land. Opponents, including residents and landowners, argued that the state can legally only take land for public use, and the Atlantic Yards seizure is unconstitutional because it benefits private interests.

The proposed development includes apartments, office towers and Barclays Arena, a new venue for the NBA's New Jersey Nets. Much of the project is on hold because of weak market conditions and the state must sell bonds for construction of the arena by the

end of next month to qualify for federal tax exemptions

"We're gratified that today's ruling has once again affirmed the significant public benefit of the Atlantic Yards project," said Forest City Enterprises Inc. President and Chief Executive Officer Charles A. Ratner in a statement. "Brooklyn and the entire City of New York will benefit from the substantial job creation, tax revenues and revitalization that this project will generate."

"This is an important day for Atlantic Yards," Ratner added. "While the economic outlook remains challenging and there are still hurdles to overcome, we are moving ahead with confidence and are fully committed to this great project."

### **Griffin to Acquire Undeveloped Land Near Philadelphia**

Griffin Land & Nurseries, Inc. has agreed to acquire a 120,000-square-foot industrial building and a 51-acre parcel of undeveloped land north of central Philadelphia for a combined \$8.2 million.

The properties were auctioned separately by the trustee of the bankruptcy estate of the sole owner of the entities that own these assets. The building and the undeveloped land to be acquired are located in two of the major industrial areas in the Lehigh Valley.

The building in Breinigsville, PA, was built in 2007 and is fully leased to a tenant for the next six and a half years. Griffin Land expects to develop two industrial buildings totaling about 530,000 square feet on the 51 acres to be acquired in Lower Nazareth.

The two transactions would be Griffin's first real estate acquisitions outside its core Hartford, CT market. The closings are anticipated to take place in late December or January 2010.

Griffin operates a real estate business, Griffin Land, and Imperial Nurseries, Inc., its landscape nursery business, in addition to other investments.

### **New National Archives Facility in St. Louis Moves Closer to Groundbreaking**

Developers have secured financing for construction of the \$100 million National Archives and Records Administration federal personnel records center in St. Louis, MO. The 474,690-square-foot records center, which will retain 800 jobs in the region, "is just months away" from breaking ground, with the first phase slated for completion in May 2011.

The U.S. General Services Administration (GSA) 15 months ago awarded the contract to secure 23.5 acres of land at 1829 Dunn Road for the construction of the National Personnel Records Center, which will be the largest national archives facility outside of greater Washington, D.C., with a central repository of personnel-related records for both military and civil service employees.

Despite the tight environment for commercial lending for large-scale projects, Barry Real Estate Cos. was able to bring in Las Vegas-based Molasky Group to secure the project financing, according to the St. Louis County Economic Council. The project will be built by a joint venture of Hardin Construction Company of Atlanta, GA and St. Louis-based Tarlton Corporation and designed by HKS of Dallas, TX.

Most National Archives operations will relocate from the Federal Records Center at 9700 Page Ave. to the new building, which will be located on land previously owned by North County automotive dealer Johnny Londoff. Other local National Archives facilities also will move to the facility.

The facility contains military records of millions of Americans, including Elvis Presley, Presidents John F. Kennedy and Dwight D. Eisenhower, and sports legends Roberto Clemente and Jackie Robinson. It's a repository of records for military veterans, former civilian federal employees, family members, as well as researchers and historians. It handles more than 1 million record requests annually.

### **South Carolina Lands Manufacturers**

The South Carolina Department of Commerce announced two manufacturing operations that will generate jobs in two counties. Four Star Industries LLC is building its new \$2.75 million pipe manufacturing plant in Allendale County, bringing 50 new jobs.

State officials also said The Truss Company, an engineered wood manufacturer, is coming to Williamsburg County in a \$1.25 million on a facility in Salters. That facility will also create 50 jobs. Construction of the plant is scheduled to begin this month and operations are expected to start in March or April.

Four Star Industries will open a conduit pipe manufacturing plant in the former Kodiak Plant in Allendale. The company will market its products to the telecommunications, electrical and cable television industries. The company hopes to begin production sometime in the first quarter of 2010.

### **Turner Tapped to Build Catholic Church in Houston**

The Archdiocese of Galveston-Houston has chosen Turner Construction Co.'s Houston office to construct the 18,000-square-foot Our Lady of Lourdes Catholic Church on 20 acres at Highway 290 and Fairbanks North Houston Road in northwest Houston.

The church will be able to accommodate more than 1,200 worshipers upon completion in May 2010. Houston-based Jackson & Ryan Architects has been selected as the project architect.

The church exterior will consist of king-sized brick and a cast-iron trim and will be topped off with three copper shingle spires at the entry towers. The interior finishes will include vaulted ceilings with acoustical soundproofing, glass-fiber reinforced gypsum columns, marble stone and stained red oak wood trim.

Our Lady of Lourdes Catholic Church was established in 1994 and currently serves more than 850 families. It is part of the Archdiocese of Galveston-Houston, the largest Catholic Archdiocese in the state of Texas and the 11th largest in the United States.

### **More New Development and Land Sales**

#### **Investment Firm Buys Houston Property**

OCB Properties Ltd., a Houston-based property investment firm, acquired 23.2517 acres in Houston from Robert McDonald and Jean Slay for \$1.27 million, or \$50,642 per acre.

The buyer plans to develop the site into an industrial and distribution center. The property is in the South submarket.

Chris Wadley of Grubb & Ellis represented the seller. Tom Alexander with Texas Land represented the buyer. (By Nathan Collins, CoStar COMPS #1817768)

#### **CPM Buys 7 Acres in Madison for \$1.8M**

CPM Marketing Group acquired seven acres in Madison, WI, for future development. Emerson sold the vacant land for approximately \$1.8 million, or about \$260,000 per acre.

The parcel is located in the Old Sauk Trail Office Park. The purchase was made in conjunction with the sale of the office building at 8310 Excelsior Drive, which CPM Marketing Group plans to occupy. Craig Stanley of Siegel-Gallagher ONCOR International represented the seller. (By Fran Koerner, CoStar COMPS #1799929)

#### **Land for Future Development Acquired in St. Louis**

MSGold LLC acquired two land parcels totaling 15.2 acres for a future senior and family development, consisting of 108 units. The land, which sold for \$1.3 million, is located between Tom Ginnever Avenue and Homefield Boulevard in O'Fallon, MO.

Darrell Mueller of Cissell Mueller represented the seller, 6900 Clayton Co. in the land sale. The buyer was self-represented. (By Dina Thomas, CoStar COMPS #1823845)