

Boise Logistics Center sold to California real estate firm

By: Catie Clark | November 10, 2020 | 0

The sale of one of the largest Class A industrial spaces in the largest industrial market in the state, by the airport, involved nearly \$20 million in financing, but that's the small-potatoes aspect of this deal.

The big potatoes involves the buyer of the property, whose entry into the Boise market signals in a big way that Idaho is kicking down the door to big business, the way Atlanta did in the 1970s and the way the Colorado frontal-range region did two-to-three decades ago.

The property involved is the Boise Logistics Center on Gowen Road, the mammoth building that sported the Shopko sign on its side for years. The former Shopko warehouse and distribution center closed in 2019 when the former off-price discounter chain liquidated itself in bankruptcy, taking over a hundred warehouse and delivery jobs with it. A solar-panel equipment start-up called Solico arranged to lease the property in 2019 but that deal fell through and the property was back on the market this summer.

The Boise Logistics Center property includes a 370,000 square-foot behemoth warehouse with both a configuration allowing for both front and side loading, a connected 56-door truck terminal and an additional 16.2 acres of land available for future growth.

Started in 1992 and expanded in 2000, the property sports other desirable features including 39-foot and 42.5-foot clear-height ceilings, early-suppression fast-response sprinklers, spacious truck and trailer parking and an 5,000-square-foot truck wash and maintenance building. The Ada County Assessor's Office currently values the property at \$18,729,300.

LDK Ventures out of Sacramento announced that it purchased the Boise Logistics Center on Oct. 21. Devin Ogden and Michael McNeight of Colliers International represented the buyer and Gavin Phillips of TOK Commercial represented the seller on the transaction. LDK Ventures has picked Ogden and McNeight of Colliers as its leasing agent from the property.

PCCP LLC, a real estate investment and equity capital lending firm, financed the deal with a \$19.4 million loan. With offices in New York, San Francisco, Atlanta, and Los Angeles, PCCP has a 22-year track record of successful real estate funding, having raised or invested over \$23.9 billion of capital since it started business.

"This marks PCCP's fourth transaction with LDK Ventures, an experienced industrial developer and operator," said Dorian Farhang, vice president with PCCP. "This loan provides acquisition financing as well as funds to invest in the necessary renovations on the building in order to attract new tenants."

He added, "The growing Boise market continues to experience strong user demand for distribution facilities. This facility is one of the only large blocks of space within the market and is currently the only available, existing building over 150,000 square feet."

LDK already has a renovation plan in hand that includes a full roof replacement with skylights, new paving, repairs and repositioning of dock doors, prepping the building for multi-tenant electrical and adding exterior lighting and signage. Once complete, the facility will be able to accommodate from one to three users.

"LDK is an amazing firm," said John Starr of Colliers. "Devin Ogden and Michael McNeight have done a great job for this client. We've been doing business with LDK for 15 years and we're pleased to represent them here in the Treasure Valley."

IDAHO **BUSINESS** REVIEW

LDK Ventures' entry into the Boise market is a signal that the Treasure Valley has become the national magnet for business that all the Idahoan pundits claim it is. LDK is the company that repurposed the McClellan Air Force Base on the north side of Sacramento. Its portfolio includes the biggest urban redevelopment ever attempted in the heart of California's Central Valley: the transformation of the former Southern Pacific Sacramento Railyard from Superfund site to prime urban real estate in the middle of California's state capital, including a sports arena, a 900,000-square-foot hospital, 1,000-bed hotel, 10,000 units of housing and a 30-acre park, all along the Sacramento River.

Probably the best-known piece in its portfolio is the 4,000-acre Stanford Ranch project, the largest master-planned development in Northern California, involving building phases stretching over nearly three decades. The entry of this major player into the Boise market means something in terms of growth: not only do business experts and Idahoans take the state's growth seriously, but now some of the biggest developers in the country do too.