

Hager Pacific Hot on Stater's Freezer Space in Colton

September 5, 2005

By Mathew Padilla

REAL ESTATE COMMERCIAL

Newport Beach's **Hager Pacific Properties** recently paid \$30 million for the Stater Bros. Holdings Inc. campus in Colton.

Hager Pacific took on the grocery chain's lease, which ends in 2008.

Robert Neal, an executive vice president with Hager, said Stater Bros. has broken ground on a 1.6-million-square-foot campus at the former Norton Air Force base in San Bernardino County. The supermarket chain likely will move before its lease ends, he said.

The Colton property totals 50 acres and contains six buildings, including 245,000 square feet of cooler space, 500,000 square feet of industrial space and 55,000 square feet of offices.

The freezer space is the most valuable of the existing buildings, according to Hager's Neal.

He said it can cost up to \$150 per square foot to put up a building with refrigeration. Special steps have to be taken, such as ground level heating to keep the foundation from freezing.

"It's more than just an air-conditioned building," Neal said. "If land freezes it expands, and when it expands it pushes up the floor."

The refrigerated buildings are staying, but the rest of the buildings could be leased as is or demolished, he said.

The site also has about 12 acres of other land for more buildings.

Hager Pacific is open to leasing or selling buildings on the campus, he said.

Chuck Belden and Barry Gail of Cushman & Wakefield Inc., and Janine Padia of JP Realty Services represented the buyer and seller.

Hager Pacific has three leading partners: David Hager, Adam Milstein and Neal.

They put their own money into deals, not working with pension funds, insurance companies or investment funds as some other developers do, Neal said.

Copyright (c) 2005 Bell & Howell Information and Learning Company. All rights reserved.