

## **Centex, Shea Moving Ahead With Plans for Tustin Base**

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R.D. Olson Building Burbank Hotel; Fullerton Food Storage Warehouse Sells for \$22 Million

### REAL ESTATE

#### RESIDENTIAL

One of the largest pieces of the 1,500-acre development puzzle at the former Tustin Marine base is taking shape.

Tustin Legacy Community Partners, the master developer for about 740 acres of land at the former base, is preparing its final plan, set to go before Tustin's City Council in the next few weeks. Officials hope to gain city approval by the end of April.

The development team is made up of Dallas-based Centex Corp. and Shea Properties and Shea Homes, both part of Walnut's J.F. Shea Co.

Early peeks at the plan suggest Centex and Shea are planning about 2,100 homes, including detached houses and condominiums.

Also in the works are about 6.7 million square feet for other uses, according to Christine Shingleton, assistant city manager for Tustin.

Shea and Centex are expected to be responsible for about \$200 million in improvements for the project, including the building of roads and parks.

Officials for Aliso Viejo-based Shea Properties declined to comment.

The developers are looking upward for parts of the project-but nothing like the high-rises being planned in Anaheim, Shingleton noted.

Miami's Lennar Corp. is planning a number of high-rise condo towers in Anaheim's Platinum Triangle. One tower is expected to be 38 stories.

High-rises are being planned elsewhere in the county, including Santa Ana and Costa Mesa, and are under construction in Irvine near John Wayne Airport.

Some housing at Tustin could go as high as three or four stories with stores on the ground level. Some office buildings planned for the site could be six to eight stories.

Tustin officials, including Mayor Tracy Worley Hagen, have cited traffic concerns as to why they are bypassing high-rises at the former base, opting instead for a more suburban feel.

The city also is pushing affordability. About 880 affordable units are being built among the planned 4,200 homes and townhomes.

Other parts of Tustin Legacy are making more visible progress.

Lennar and partner William Lyon Homes Inc. of Newport Beach are working on grading and demolition work for their own houses at Tustin, where about 2,000 units are approved. Models now are being built.

John Laing Homes, part of Newport Beach-based WL Homes LLC, is finishing about 560 homes at Tustin Legacy, built in two phases.

Also, Phoenix-based Vestar Development Co. is moving ahead with the county's next big shopping center, the 1 million-square-foot District at Tustin Legacy. Expect an early 2007 opening for the first phase of the open-air mall.

#### COMMERCIAL

Irvine's **R.D. Olson Development** just got approval to build a \$35 million hotel in Burbank.

The company plans to build a Residence Inn on 1.7 acres in downtown Burbank, which is undergoing redevelopment.

The area is home to operations of a number of TV networks, including NBC, Warner Bros, and Nickelodeon.

The development and construction company, led by Chief Executive Robert Olson, bought the land in late 2005 for \$4 million.

Work is set to start in April with completion a year later. PK Architects of Phoenix is handling the project's design.

The plan is for R.D. Olson to own the hotel. Marriott International Inc. is set to manage it.

R.D. Olson develops hotels, offices, restaurants and some housing.

Local projects include a Residence Inn in Irvine and a \$62 million resort in Anaheim.

#### Cool Fuller-ton Deal for Bay West

San Francisco-based real estate investor Bay West Equities bought a 209,250-square-foot cold storage warehouse complex in Fullerton for \$22 million.

The complex, at 700 S. Raymond Ave., consists of three buildings on 9.25 acres. The property is fully leased to Atlantabased AmeriCold Logistics Corp., a food distributor.

Bay West Equities bought the property from TA Associates Realty of Boston, which sold the buildings to change the mix of its portfolio. The capitalization rate for the deal is 8.1%.

Darla Longo, Barbara Emmons, Art Rasmussen and Stephen Batcheller of CB Richard EIHs Group Inc. represented the seller. Bay West Equities represented itself.

Bay West Equities' latest deal puts its Southern California portfolio at about 1.2 million square feet, including warehouse, distribution and light manufacturing space. The company, a unit of Bay West Properties, invests in Northern and Southern California and Hawaii.

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