



OVERTON MOORE

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2020

KEY PLAYERS**OWNER**

Timur Tecimer, CEO and principal

YEAR FOUNDED

1972

HEADQUARTERS

Torrance, California

PORTFOLIO

Manages more than 9.8 million square feet of industrial, office and industrial properties

IN THE PIPELINE OR UNDERWAY

Entitling 1.35 million square feet of commercial space in the Bay Area slated and an additional 477,000 square feet of space under construction

OVERTON MOORE'S \$300 MILLION INDUSTRIAL BET PAYS OFF — BIG TIME

Rob Shannon, executive vice president at CBRE's San Jose office, still remembers when he first met Timur Tecimer, CEO of Overton Moore Properties. ¶ The pair met in 2008 while Overton Moore was working on its first foray into the Northern California commercial real estate market: the purchase of a 506,490-square-foot industrial building at 901 Page Ave. in Fremont that was completed in the 1980s and owned at the time by Hewlett-Packard Co.

With Shannon's help, the Torrance, California-based commercial real estate company purchased the property for \$14 million, or more than \$27 a square foot, in 2008. In late 2009, cleantech startup and solar panel manufacturer Solyndra Inc. signed a 12-year, \$45 million lease for 901 Page Ave., and a year later, Shannon and two other CBRE brokers represented Overton Moore in its sale of the building to Stockbridge Capital Group for \$42.5 million, or more than \$83 a square foot, netting the seller a 203% profit.

What Shannon took away from the experience was that Overton Moore could quickly adapt to the constantly changing real estate market and respond to opportunities within 24 hours — “a rarity in our business due to the institutional environment we operate in,” he said.

“Having been fortunate to work with some of Silicon Valley's top office/industrial development firms, public and private, for over 30 years, I can readily say that Timur and his entire Overton Moore organization are definitely one of the best,” Shannon said in an email.

That assessment is supported by Overton Moore's track record of developing and leasing up projects in the Bay Area. Since working with Shannon and CBRE on 901 Page Ave., the company has built and fully leased three other projects in the East Bay cities of Fremont, Newark and San Leandro, establishing a reputation as one of the region's most successful industrial developers.

But one of the main reasons Overton Moore is our Developer of the Year for 2020 is the success of a \$300 million industrial gamble: the massive Pacific Commons South development in Fremont, the product of a joint venture between it and Invesco Real Estate, the project's equity partner.

While it may be premature to say that the more-than-1.7-million-square-foot spec project is an overarching triumph considering that six of its 10 building sites are available for lease, Overton Moore and CBRE brokers Shannon, Chip Sutherland and Robert Ferraro have already gotten e-commerce giant Amazon Inc. to make a big commitment at Pacific

Commons South.

The company during the first quarter of this year agreed to lease more than 743,000 square feet at the complex bounded by Cushing Parkway to the west, Bunche Drive to the north and Christy Street to the east, according to a first-quarter report by Colliers International. Amazon plans to use a 369,180-square-foot warehouse building at the center of Pacific Commons South as a delivery center and the nearby site of two entitled buildings as an indoor-outdoor fleet yard with 1,080 parking spaces for delivery vans and employee vehicles.

Combine Amazon's lease with an undisclosed tenant leasing a 104,399-square-foot advanced manufacturing building at Pacific Commons South's southwest corner, according to a first-quarter report by Cushman & Wakefield, and that means Overton Moore and CBRE have leased or pre-leased more than 62% of the development, totaling 1.036 million square feet.

Shannon couldn't share details on any specific lease transactions for Pacific Commons South because of existing non-disclosure agreements, but he praised Fremont's planning staff and Deputy City Manager and Economic Development Director Christina Briggs for being “extremely helpful in getting these deals done.”

He added that one of their key determinants was Tecimer's creative

deal structuring and problem-solving: “[Tecimer] focuses on thoroughly understanding the tenant’s needs, and putting its brokers in a position to be successful for their clients.”

The project’s first phase – five buildings totaling 981,000 square feet – was completed in the fourth quarter of 2019. These first buildings are slated to open in the fall. Construction has begun on the second phase representing 477,000 square feet of space and a 10-acre parking lot that will be completed from December 2020 through May 2021, Tecimer said.

Several things make Pacific Commons South unlike any Bay Area industrial project that’s come before it. One is just how massive an undertaking it is to build: Tecimer said the project’s construction includes 8.5 miles of piping beneath the 110-acre development site, 3.7 million pounds of rebar, and 140,000 cubic yards of imported soil. The site sees a projected average of more than 200 construction workers a day, with 86 different contractors performing work on the project.

The second is the development site’s rich backstory. Many uses have been eyed over the years for the huge swath of land where Pacific Commons South is now taking shape and an adjacent roughly 41-acre parcel on the other side of Cushing Parkway, including an Oakland Athletics ballpark, a Cisco corporate campus and a mixed-use village.

Strong opposition and delays ended up scuttling the Athletics’ plans in 2009, and Cisco decided to scrap the idea of using the property for corporate expansion in favor of shrinking its landholdings. Integral Communities envisioned a mixed-use residential concept for the 151-acre chunk of land, but the city wasn’t receptive to changing its existing zoning, which does not allow housing.

Integral ended up selling the roughly 41-acre portion to Conor Commercial Real Estate for \$58.1 million in 2016 and selling the 110-acre property to Overton Moore and Invesco for \$123.33 million in 2017. The San Francisco Business Times, one of the Business Journal’s sister publications, honored the latter deal as one of its real estate deals of the year for 2018.

Because the city of Fremont requested a single development application for both the 41-acre and the 110-acre parcels, Shannon said Overton Moore entitled both sites as part of a large, complex re-entitlement of a previously proposed



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Timur Tecimer, CEO of Overton Moore.

office project that was led by Tecimer and Michael Johnson, the company’s vice president of development.

Conor Commercial and American Realty Advisors developed a nearly 815,000-square-foot industrial building that was completed early last year on the smaller of the two sites. The project was 100% leased to shipping giant United Parcel Service Inc. in September 2019, the largest speculative industrial building deal in Bay Area history. (Note: Shannon, Sutherland and CBRE broker Doug Norton represented the landlord during the lease negotiation process).

The third thing that makes Pacific Commons South unique is it offers all the comforts of a suburban office campus – a park-like setting, proximity to a sprawling retail and restaurant center, electric vehicle charging stations – with all of the features expected in a Class A industrial complex.

The project was designed with extensive indoor-outdoor meeting space for tenants and bike and walking trails throughout as part of Overton Moore’s and Invesco’s vision of an industrial megacampus with amenities rivaling tech headquarters. It also has direct access to Interstates 680 and 880, is a short walk from the Pacific Commons retail power center, borders the Don Edwards National Wildlife Refuge, and is about three miles west of the Warm Springs BART station.

All of that gives Pacific Commons South a competitive advantage in the

Fremont/Newark industrial submarket, which has experienced strong leasing activity relative to other industrial submarkets in Silicon Valley due to it having “a significant amount of available inventory for both advanced manufacturing and warehouse/distribution,” Edward Hofer, executive vice president at Colliers International’s San Jose office and an expert in the Valley’s industrial market, said in an email. This includes both newly constructed shell buildings as well as second-generation space, he said.

Even amid the Covid-19 pandemic, Tecimer said Overton Moore continues to see robust activity in last-mile e-commerce facilities and is seeing new retailers enter the last-mile space.

“E-commerce demand will fuel continued industrial absorption,” he said. “These uses have fueled job growth in an economy that needs jobs.” Tecimer added that food-related companies that have benefited from online ordering are also expanding within the industrial market, but that he and Overton Moore have yet to see much demand for advanced manufacturers.

All of that activity and expansion overall bodes well for the company, which continues to expand its Northern California presence. It is constructing a three-story, 140,000-square-foot self-storage building in Newark that is expected to be completed by November. Upon completion, it will be turned over to real estate investment trust Extra Space Storage for the leasing and management of the project.

Overton Moore and Invesco also recently bought a value-add property in Lathrop totaling 115,000 square with an additional 80,000 square feet of expansion space. The industrial building is fully leased to major Tesla Inc. supplier Simwon America Corp.

As for goals for 2020 and beyond, Overton Moore hopes to continue positive leasing momentum at Pacific Commons South and Morton Commerce Center, a four-building, 605,000-square-foot, Class A industrial complex in Newark that was completed earlier this year and is 37% pre-leased to Facebook Inc. It’s also currently entitling 1.35 million square feet of space in the Bay Area and identifying new acquisition opportunities to close on by the end of this year.

Among the Bay Area cities where Overton Moore has projects include Hayward, Oakland, San Leandro, Livermore and Milpitas, Tecimer said, adding that the firm owns other ones that are positioned for change of use in Sunnyvale, San Bruno and South San Francisco.

Getting city approvals for developments is “always a heavy lift” in the current Bay Area environment, Shannon said. But the broker who’s worked with Overton Moore for over a decade has learned that whenever the developer makes bets, they tend to pay off.

“There is a difference between making quick decisions and making the right decision quickly,” Shannon said. “Timur has been right in most of his decisions.”

– Matthew Niksa, @SVBizCRE



2020

PROJECTS

PACIFIC COMMONS SOUTH
5567 Cushing Parkway
and 44408 Pacific
Commons Blvd., Fremont

1.71M sq. ft.

Of that, 1.04 million square feet of space has been leased/pre-leased. Phase II under construction

MORTON COMMERCE CENTER
7355-7395
Morton Ave., Newark

605K sq. ft.

This square footage includes four completed buildings; 37% pre-leased to Facebook Inc.

MARINA GATEWAY INDUSTRIAL CENTER
2000 Marina Blvd.,
San Leandro

327K sq. ft.

of completed space. Fully leased to syrup maker Torani Inc. for its corporate headquarters and manufacturing facility

OMP SELF-STORAGE
6784 Clark Ave., Newark

140K sq. ft.

Amount of space in the three-story self-storage building, which is slated for completion in November 2020. The project will be turned over to Extra Space Storage for leasing and management upon completion.

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Rob Shannon

ROB SHANNON, executive vice president at CBRE’s San Jose office, about Timur Tecimer