

# Warehouse on Broadway is filling up again

One of those older warehouses in Downtown, mostly empty just one year ago, has come back to life.

The 137,450-square-foot warehouse at 1301 Broadway NE has attracted three new tenants and kept a fourth in a turnaround after the departure of Merillat Industries, the Adrian, Mich.-based cabinetmaker that moved to its own facility in Los Lunas in early 2007.

One key to the turnaround is the building's asking lease rate, which recently increased from \$5.45 a square foot to \$5.75, said Erick Johnson of Real Estate Advisors. The asking rate is roughly \$1 a square foot lower than the metro average.

Another key is the fact that 36-year-old building has a clear ceiling height of 19 feet, which is at the low end of the acceptable range for many of today's warehouse users. Buildings with higher ceilings, which enable higher stacking of stored material, typically cost more to rent.

"Any of the older buildings with minimal amounts of functional obsolescence that can be overcome have a competitive advantage," Johnson said. "Newer buildings can't compete on lease rates."

Johnson and REA associates Terry Johnson and Christine Sebesta are leasing agents for building owner Red Mountain Joint Venture, a family-owned investment company based in Austin.

"(The building) is in a niche market well located off the two interstates," said Red Mountain managing partner Max Smith, who has been involved in the ownership of the building for about 20 years.

About \$3 million has recently been spent to refurbish the building, including a new roof, repaved lot with wrought-iron fence, upgraded sprinkler system and individual utility meters for each tenant. Smith joked, "It's more than just lipstick on a pig."

The biggest tenant is a locally owned startup, Cross Country Auto Parts, which opened in 40,363 square feet in early October. The company is separate from Albuquerque-based Cross

## Commercial Real Estate



**RICHARD METCALF**  
Of the Journal

Country Auto Sales, but shares some of the same owners, including Randy Eastburg.

Cross Country Auto Parts opened in a toughening business climate, admitted manager Joe Vallejos. "But in this economy, we think people will hold onto their vehicle and fix it rather than buy new," he said.

At this stage, the company supplies independent repair shops and five independent auto parts stores in New Mexico and southern Colorado. The next step is to promote retail sales to walk-in customers, Vallejos said.

With more than 40,000 square feet of space, Cross Country stocks "everything but body sheet metal, tires and rims," he said.

The 1301 Broadway building also became home to Cottonwood Sales and Distributing after the heavy-duty packaging and shipping company's 16,000-square-foot warehouse at 4019 Edith NE burned to the ground in October 2007.

The fire devastated the company, which lost nearly all of its inventory, said Bill Dennis, vice president of sales. Cottonwood was able to get back in operation within 48 hours of the fire, using a nearby 5,000-square-foot auxiliary warehouse it had leased, he said.

Founded in 1989 and currently employing seven, the company survived to move to 24,181 square feet at 1301 Broadway in May for several reasons.

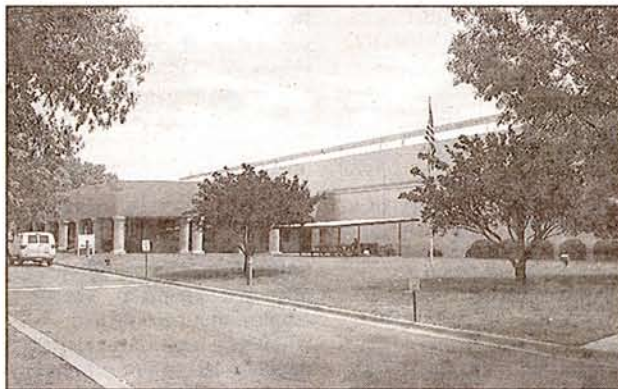
"One was the ability for us to rely on our suppliers to back us up, even some of our competitors helped us out," he said. "We're (also) a family-run company, so there's minimal red tape in making decisions on the fly."

In another move, TMM Business Record Storage plans to consolidate from five locations around the metro



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Locally owned startup Cross Country Auto Parts recently opened a more than 40,000-square-foot warehouse, shown here, at 1301 Broadway NE.



COURTESY THE VAUGHAN CO.

The 165,000-square-foot Solo Cup manufacturing plant in Belen, scheduled to close by next April, is on the market priced at \$5.9 million.

to 32,544 square feet at 1301 Broadway around the end of the year.

"The main thing we do is manage records," said President Sarah Quisenberry. "Everything we have is on the computer and we track all records coming in and out of the system."

Launched in 1990, TMM's hub is currently at 2105 Aztec NE, with the four other locations gradually added over the years. The consolidation will enable upgrades of the inventory and security systems, as well as the doubling in size of its storage vault to 700 square feet, she said.

After Merillat left, Factory Motor Parts was at one point the only tenant remaining and there was a chance it was

leaving as well. But in the past month, the auto parts supplier relocated within the building to a 16,000-square-foot space.

Eagan, Minn.-based Factory Motor Parts has been in Albuquerque for 10 years. The company operates about 60 locations serving dealerships and repair shops around the country.

The 1301 Broadway building still has 24,363 square feet available to lease through REA.

## Solo Cup site for sale

Solo Cup's 165,000-square-foot manufacturing plant in Belen is for sale at an asking price of \$5.9 million, or \$35.76 a square foot.

The Highland Park, Ill.-based company announced

in August that it was closing the plant with the loss of about 215 jobs. The Belen operation is gradually being shifted to a much larger facility in Dallas and is expected to close by April.

A maker of disposable paper, plastic and foam products to serve food and drinks, Solo Cup is in the process of downsizing its operations. The company is also closing a manufacturing facility in Highland Park, eliminating 420 jobs, and selling three office buildings that now house its headquarters. The headquarters will consolidate into leased space.

The Belen plant, at 1951 Hwy. 304 in the Rio Grande Industrial Park, is being marketed by Rich Diller and Rose Cabezut of Vaughan Co. Commercial Real Estate Services.

Built in 1990, the plant is zoned for heavy industry and served by rail. The building has 25-foot-high ceilings, 10 dock-high loading doors and two drive-in doors. The 25-acre site has room for a 100,000-square-foot expansion.

"It's a perfect manufacturing facility," Diller said. "It's seven miles from the interstate, so its potential as a distribution center is pretty limited."

Richard Metcalf covers commercial real estate for the Journal. You may reach him at 823-3972 or [rmetcalf@abqjournal.com](mailto:rmetcalf@abqjournal.com).