



## Ground broken on major industrial project at port of entry east of Calexico in Imperial County

By **ERIK PISOR**, The Daily Transcript  
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As demand for industrial space increases around the commercial port of entry in Imperial County, **P3E LLC** recently broke ground on phase one of its Maggio Industrial Center project, located six miles east of Calexico. Maggio is the first of six phases in P3E's and **IPED's** plan to develop commercial, retail and industrial space on 640 acres of land at the Gateway to the Americas, located at the U.S./Mexico border. IPED, a San Diego-based development company, owns an interest in P3E and the remainder of the land slated for development.

When completed the Maggio portion will include 570,000 square feet of light industrial and distribution space. Of the total acreage, Warner Bonner, partner at P3E, said 70 percent to 80 percent of the land is slated to be industrial, with the rest being retail and other commercial. The second phase of the project also will be mostly industrial.

"The next few phases are going to be industrial in nature," Bonner said.

The property, which in the past was undeliverable, was purchased by P3E because the company noted the pent-up demand for industrial product from users on both sides of the border.

"Gateway to the Americas has become an ideal location for logistics firms, warehouses, light manufacturing and retailers, all of which will contribute to the continuing growth of the Imperial County economy," Bonner said.

Maggio is near more than 15 million square feet of industrial and commercial space in Mexicali. There is less than 600,000 square feet of industrial on the U.S. side of the port of entry.

According to Bonner, for every 1,000 square feet of industrial on the Mexican side of the border, there needs to be 300 square feet of industrial on the U.S. side. This ratio is followed at other border entries such as Otay Mesa and San Ysidro, where the supply of available industrial land is tight.

"Imperial County and this project in particular certainly benefit from the tight supply of industrial land available in San Diego," said Chris Pascale, senior vice president of **CB Richard Ellis**, who is helping to market the Maggio project.

According to CB Richard Ellis' market report for the second quarter of 2006, industrial vacancy in San Diego County dropped by about 0.2 percent to 5.4 percent and there was 741,000 square feet of net absorption in the quarter. Additionally, CBRE calculated that about 4.5 million square feet of industrial space is currently under construction.

"There is a real demand right now for industrial space in Imperial Valley," said Tim Kelley, chief executive officer of Imperial Valley Economic Development Corp.

For Maggio's first phase, 38 percent of the space already is occupied through the company's pre-commitments, according to Bonner, who thinks it will be completely occupied in 12 months.

Maggio will offer financial incentives to tenants. The center is located in a federally designated Foreign Trade Zone, and Gateway of the Americas is in the process of applying to be approved as a California enterprise zone.

Designation of this area as an enterprise zone would offer a variety of state sales tax credits to businesses located within its boundaries. The enterprise zone would be a joint venture between the Imperial County and the city of Calexico.

It will cost about \$15 million to rough grade the first phase of the project and complete the necessary infrastructure. The rough grading and infrastructure should be complete by the end of October. Currently P3E is taking bids from contractors, and **Smith Consulting Architects** is the architect on the project.

Bonner said the 640-acre project will not include residential development, as that is currently occurring within the city of Calexico.

According to the city of Calexico's Web site, there are 19 proposed residential/mixed-use developments within the city.

In a later phase IPED plans to build a retail center on 100 acres to serve the county. An additional 116 acres will be used for an entertainment and swap meet facility. The remaining land will be dedicated to commercial, retail and industrial uses and is available for sale and build-to-suit facilities.