

# The Daily Transcript

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## Amazon acquires Otay Mesa parcel for \$29.7M

By Thor Kamban Biberman  
Daily Transcript Staff Writer

A 65-acre parcel in Otay Mesa has been sold to Amazon for \$29.69 million, according to CoStar and public records.

The seller of the property was a unit of New York City-based Fortress Investment Group, which has been known to acquire properties for Amazon facilities before.

While Amazon has been silent about the project, it was revealed earlier this year that the size of the proposed warehouse and distribution facility has been approved for as much as 3.4 million square feet.

On Jan. 9, the county's planning and development services director, Mark Wardlaw, made

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the approval for the five-story building. He is authorized to approve such a modification as long as the change doesn't conflict with the East Otay Mesa Community Plan.

It will be located at Otay Mesa Road and Enrico Fermi Drive.

Atlanta-based Seefried Properties was still the developer at last report. Seefried has developed Amazon fulfillment centers in Birmingham, Ala., Tucson, and Salt Lake City. Fortress has worked with Amazon in the upper Midwest.

The property will include 43,371 square feet of office space with the remainder reserved for the enormous warehouse. A total of 1,854 parking spaces are being planned to serve the facility, though few details have been offered about what the warehouse will look like.

Given concerns about the enormity of the project, the county is requiring some sort architectural treatment every 200 feet to break up what would otherwise be a continuous block wall. All proposed fencing is required to be wrought iron. Under the revised proposal, the building would be 95 feet tall, well within the 150-foot height designated due to the property's proximity to Brown Field.

The property has been fenced off, and CoStar reported that as of early March, work appeared to have started. Seefried is supposed to either provide 5.7 acres of Diego Coastal Sage Scrub habitat within a proscribed area, or 8.65 acres of such habitat outside the area.

To mitigate for traffic, Seefried is required to make improvements to La Media Road and

Otay Mesa Road, along with work to improve Enrico Fermi Drive, and eastbound State Route 11. SR 11 leads to the as-yet-built second border crossing.

What isn't known as well is how much work had been done before the project was frozen in place following Gov. Gavin Newsom's stay-at-home order earlier this month.

As for what happens to the project if the coronavirus pandemic is prolonged is uncertain.

Amazon has a number of other projects that could be affected by the outbreak. The giant e-retailer, which opened an 85,000-square-foot office complex in UTC in September 2018, is continuing to plan, develop and lease warehouses all over the country, even as uncertainty reigns.

The *Austin Business Journal* reported on Dec. 20 that plans have been unveiled for a proposed 3.8 million-square-foot Amazon warehouse distribution facility in the Austin suburb of Pflugerville. As is the case in San Diego, this would be the largest such facility in the community. Austin's stay-at-home orders went into effect on March 25.

The *Dallas Business Journal* reported that Amazon was expected to occupy a speculative 1 million-square-foot warehouse in the Dallas-Fort Worth area in the near future. That community came under a stay-at-home order earlier this month as well.

In Arizona, the Rose Law Group Reporter announced Amazon signed a lease for 553,500 square feet in the Phoenix area at the end of last year. Phoenix has had a stay at home order for approximately the past two weeks.

thor\_biberman@sdtranscript.com