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Warehouses Nibble on Edge of Giant California Ranch



J. Emilio Flores for The New York Times

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LEBEC, Calif. — Anyone who has traveled between [Los Angeles](#) and San Francisco along Interstate 5 has driven along the western flank of Tejon Ranch, a vast expanse of luminous oak-studded hills that divides the southern and central portions of the state.

Occupying about 270,000 acres, or 426 square miles, Tejon Ranch, named for the Spanish word for badger, is the largest contiguous parcel of privately owned land in California. More than a century and a half after it was consolidated from four ranches created through Mexican land grants, Tejon is still a working farm and ranch, where cattle graze and wine grapes, almonds, pistachios and walnuts are grown.



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Barry G. Hibbard, left, and Joseph E. Drew in a new warehouse at Tejon Ranch's industrial area. Critics of the ranch's development want a conservation master plan that covers the entire 270,000 acres.

In recent years, however, as executives of the publicly held Tejon Ranch Company have sought to diversify the ranch's economic activity, three giant warehouses have sprouted near the freeway. The largest, with 1.7 million square feet, serves all of Ikea's furniture stores from [San Diego](#) to Vancouver.

The warehouses are part of an industrial complex intended to compete with the distribution centers in Riverside and San Bernardino Counties, east of Los Angeles, where foreign-made goods are trucked in from California ports and stored until they are delivered to retailers.

The latest addition is a 606,000-square-foot warehouse built in partnership with the Rockefeller Group Development Corporation of New York, a subsidiary of the Mitsubishi Estate Company. Completed last week, the warehouse is being marketed to permanent tenants.

Two residential projects are also in the pipeline. Tejon Mountain Village, a resort with a [golf](#) course and 3,400 luxury homes, is to be developed with DMB Associates of Scottsdale, Ariz.

Farther to the south, in Los Angeles County, where one-fifth of the ranch is situated (the rest is in Kern County), the company is working with a group of home builders to develop a much larger residential project, called Centennial, which will eventually have 23,000 homes. Environmental impact reports on both projects will be submitted this year, ranch executives said.

The executives say they have no further plans to carve up the ranch for development. And in 2003, they agreed to set aside 100,000 acres of wilderness, an area a little larger than Yosemite Valley, for preservation. “That was our effort to say, ‘We care, we’ve been good stewards, and we are prepared to make a commitment to conservation,’ ” said Joseph E. Drew, a senior vice president.

But many environmentalists say the agreement does not go far enough to protect a fragile landscape, where several distinct ecological regions converge. They have also raised concerns about air quality, the availability of water and the prospect that Centennial will turn into a bedroom community, extending Los Angeles’s unmanageable sprawl to the Tehachapi [Mountains](#).

According to the Center for Biological Diversity, a Tucson-based group that unsuccessfully tried to block the planned expansion of the industrial park, the ranch is home to about 80 rare or endangered species, including the bald eagle, the California spotted owl and the California condor. Since the mid-1980s, when the condor was on the verge of extinction, the federal government has spent about \$40 million to increase its population.

The [Sierra Club](#) has made conserving as much of Tejon Ranch as possible its top priority for the state, said Bill Corcoran, a senior regional representative. “There is no other place like this in California,” he said. “It offers an unparalleled and irreplaceable

connection between the Sierra Nevada and the Coast Ranges and the high desert.”

What is needed is a conservation plan for the entire ranch, Mr. Corcoran said. “We don’t want to preserve a part of it without understanding the fate of all of it,” he said.

Mr. Drew said it would be too costly to develop a master plan that would satisfy everyone. “We trying to find a balance as best we can, for a publicly traded private company, to understand and accommodate some of those divergent views about what the future of the ranch should be,” he said.

The ranch’s management has the support of the [Trust for Public Land](#), the national environmental group that worked on the 2003 agreement to preserve the 100,000 acres, including a 37,000-acre condor habitat and a 39-mile hiking trail. “They take their resources seriously,” said Reed Holderman, executive director of the California office.

The trust will buy the land from Tejon Ranch for a price not disclosed yet and will subsequently convey it to government agencies and private donors. “This will be one of the most significant acquisitions in the history of California,” he said.

By the time the conservation agreement was struck, the Tejon Industrial Complex was already well under way. In developing the industrial park, Tejon executives sought to take advantage of the ranch’s location. It is about 110 miles north of the Port of Los Angeles and 277 miles south of the Port of Oakland, and not adjacent to a residential community, where homeowners might complain about around-the-clock operations, as they do in the so-called Inland Empire, east of Los Angeles.

Each day, ranch executives say, 20,000 trucks and 79,000 other vehicles pass the ranch. Appropriately enough, one of the first occupants of the complex, in 1999, was a Petro Travel Plaza, where a

truck driver can get his laundry done, visit a chiropractor, see a second-run movie, buy clothes or get an oil change.

In the years since, about 2.3 million square feet of warehouse space has been developed, giving the ranch a foothold in a growing industry. As manufacturing jobs have disappeared, the United States has become increasingly dependent on imported goods, particularly from Asia, raising demand for huge warehouses.

Driving this business is the need that retailers feel to keep their inventory current, said Barry G. Hibbard, a ranch vice president. "Most of us take for granted that any product we want is always available," he said.

Ranch officials say that Bakersfield, 38 miles to the northeast, provides a ready source of labor for distribution jobs, which are surprisingly well paying.

John Husing, a Redlands, Calif., economist who specializes in industries that move goods, said the pay was roughly comparable to manufacturing wages because of the sophisticated technology used to distribute merchandise. "Sectors that become quite efficient tend to be sectors that pay better," Dr. Husing said. "It's not a sector that people are dying to get into, you have to pay a little more to get people to do the work."

Yet when Ikea opened its warehouse in 2002, 13 people applied for every job, ranch officials said. The furniture retailer has since added 350,000 square feet in another warehouse that it shares with Oneida, a flatware and dish manufacturer, and will temporarily lease 400,000 feet in the new warehouse, Mr. Drew said.

About one-third of the industrial park is expected to be designated a foreign trade zone. The designation allows manufacturers and distributors to defer duty payment and, in some cases, move the goods directly from the ports to the warehouses, avoiding long and costly delays.

Mr. Hibbard said Tejon rents are a little cheaper than they are in the Inland Empire, and the road from the Port of Los Angeles is less congested, though the distance is greater. And there is another selling point, too. “The reality is,” Mr. Hibbard said, “if you’re trying to put up a one-million-square-foot building, there aren’t that many places to do that in California.”