

By Eugene Tong, Staff Writer

Thursday, February 17, 2005 - LEBEC -- The company that developed New York's famed Rockefeller Center is teaming with the Tejon Ranch Co. to build a warehouse and distribution center on 500 acres just north of the Grapevine, a site the partners intend to designate a Foreign Trade Zone, officials said Wednesday.

The project planned within the Tejon Industrial Complex about 50 miles north of Santa Clarita along Interstate 5 -- the state's prime north-south route -- is a joint venture between Tejon Ranch and the Rockefeller Group Development Corp.

It's the New York-based firm's first major project on the West Coast.

"The Rockefeller Group is one of the largest and most successful developers of FTZs in the United States," Robert A. Stine, Tejon Ranch's president and chief executive, said in a statement. "We're very pleased to be working with a company whose reputation and expertise are second to none."

Each side will contribute \$65 million toward the project. Rockefeller will contribute cash while Tejon will contribute land.

The Rockefeller Group has been involved in the development and management of several marquee properties in the United States, including New York City's Rockefeller Center. It's been a leader in foreign trade zone development and management for the past 20 years.

U.S. companies in the trade zones benefit from fewer federal government fees when they import foreign materials for domestic manufacturing or assembly and export. These zones also reduce or eliminate quotas on goods and companies within them are not required to repack exports for foreign sale.

"The Tejon Industrial Complex has all the elements that make it the right location for us," said Tom McCormick, Rockefeller's senior vice president of development. "It's a master-planned industrial center in the heart of California, and it's one of the few places in the state that has enough land assembled to create the critical mass necessary for a successful FTZ."

They expect to obtain foreign trade designation by the end of the year.

Jack Kyser, chief economist for the Los Angeles Economic Development Corp., said the development makes sense -- it's located on one of the few large tracts of land in the region and close to the state's major shipping lane and to Los Angeles' major airports and seaports.

"We're running out of land in Southern California, and you have the location question of how far you are from the ports and the airport," he said. "Add the Foreign Trade Zone status, it's the icing on the cake. (It's) a great amenity to have for any company in international trade and logistics."

The location also eases shipping to Central and Northern California, Kyser said.

"Once you're over the mountains, you can serve the Central Valley and much of Northern California," he said.

The Tejon Industrial Complex, a total 1,450-acre center at the junction of the I-5 and state Highway 99, is at the southern end of the San Joaquin Valley about 70 minutes north of Los Angeles. It's home to furniture chain IKEA's Western North American Distribution Center, which serves California and the western United States and Canada.

Tejon Ranch, a real estate and agribusiness company, has been actively developing its 270,000-acre land holdings, property that straddles the line between Los Angeles and Kern counties. Plans include the warehouse project south of Bakersfield, a mountain resort of about 4,000 homes in Kern County, and 23,000 homes and 14 million square feet of commercial space in Centennial in Los Angeles County near the town of Gorman.

Rockefeller Group Development Corp. is a subsidiary of The Rockefeller Group, based in New York.

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