Oceanside's Eastern Edge Sees Major Growth

BY JULIE HARBIN POUCHER

Oceanside is directing much of its new retail and industrial investors to large parcels of land still available east of Interstate 5.

"If you go to the eastern part of town, businesses are thriving out there, just thriving," Oceanside Mayor Terry Johnson said.

The industrial market was "extremely strong" this year according to Oceanside's director of economic development and redevelopment, Jane McVey.

The trend was led by Idec Pharmaceuticals Corp., which was the first buyer, in 2000, in the newly developed Ocean Ranch Corporate Center industrial park. Warehouse and lab-office buildings have already been completed on the 60-acre manufacturing campus that is expected to cost Idec $1.25 billion. Construction of the manufacturing building is expected to be finished by mid-2005, said Coldwell Banker Commercial broker David Onosco.

Onosco said Idec, which merged with Cambridge, Mass.-based Biogen Inc. to form Biogen Idec Inc. in November, opened the floodgates for other buyers in the 350-acre industrial park.

He added that companies from Orange and San Diego counties were attracted to the site's quality and location between Los Angeles and San Diego.

OneSource Distributors has its corporate headquarters in the park and is fully functional. Companies with buildings under construction include Gilroy-based Robert Mann Packaging, Ashworth Inc., Rayo Wholesale, and Santa Margarita-based Paolone Brothers LLC.

The Good Fight

"It was a battle to get people to Oceanside early on," Onosco said. "Companies looking at North County expansion were looking at Carlsbad, then Vista. This has completely changed with Ocean Ranch."

He said Vista had "run out of (large parcel) space" and that Carlsbad will have about 300 acres of industrial land coming on line in the next two years, but Onosco estimated that land would be in the $15- to $20-plus per square foot price range vs. the $9 to $12 range of Ocean Ranch.

McVey attributed industrial growth throughout eastern Oceanside to low land prices, low SBA 504 loan rates and greater availability of large land parcels — 10 acres or more — than in other areas of the county.

Onosco, who has 15 years of real estate experience in North County, also believes companies are coming to Oceanside because of affordable housing and to avoid traffic congestion. The Sprinter, the commuter train connecting Oceanside and Escondido that's scheduled to begin operation in 2005, will also make a stop at the foot of the corporate center.

Residential development has been particularly strong in recent years. The city's planning department estimates Oceanside is adding about 1,000 houses a year — almost half of which are in the eastern part of the city.

Retail growth was strong last year, McVey said, as the city remodeled several shopping centers east of Interstate 5 and built new centers that attracted big-box retailers and smaller chain stores and restaurants.

While Starbucks is still scouting around for an appropriate location and has no immediate plans to open a store downtown, a corporate spokesperson said the coffee chain plans to open two more stores in eastern Oceanside this spring.

Oceanside At-a-Glance

Population: 171,909

Camp Pendleton base population: 35,000

Median household income: $50,691

Estimated median home price: $358,000 (resale); $441,000 (new)

Annual budget (unaudited): $80,873,834

Franchise fees (unaudited): $2,869,643

Sales tax revenue (unaudited): $14,377,600

Transient occupancy tax rate: 10 percent

Transient occupancy tax revenue (unaudited): $1,607,596

Source: City of Oceanside