

Uploaded: Wed, Feb 4, 2015, 11:36 am

Menlo Business Park to gain life sciences facilities

by **Sandy Brundage / Almanac**

A former warehouse distribution facility that was one of Menlo Park's top sales-tax producers will be redeveloped into a life sciences hub by its new owners.

In November, Office Depot Max shut down the 217,000-square-foot warehouse, located within the Menlo Business Park at 1315 O'Brien Drive, to consolidate operations with a larger Fremont facility, the company said.

The site's acquisition by Tarlton Properties Inc. and Principal Real Estate Investors was announced Jan. 27. The commercial property investment firms paid \$36 million for the 11.2-acre property, according to the press release. Its value had been estimated at \$25 million to \$30 million prior to the sale by city staff.



Tarlton Properties will redevelop the former Office Depot Max warehouse on O'Brien Drive in Menlo Park. (Photo courtesy of Chase Communications.)

Tarlton plans to redevelop the property into a 140,000-square-foot life science facility, which will include a rooftop terrace and a conference center, and a 70,000-square-foot distribution facility.

"This opportunity allows us to continue the growth of what (we) believe is a truly innovative research park that is centrally located near the venture capital community, nearby housing options and Stanford University," said John Tarlton, president and CEO, in a press release.

The two-story structure was built in 1987 by and for Boise Cascade Office Products. That company was subsequently sold to OfficeMax, which then merged with Office Depot.

Tarlton holds other properties within the business park, including Menlo Labs, two buildings that offer leases on lab space as small as 250 square feet on a month-to-month basis.

According to Jim Cogan, Menlo Park's economic development manager, Tarlton wants to accommodate the expansion of existing sales tax generators. "Due to FDA regulations, there is a lot of inertia for biotech companies to overcome in order to change locations," he said. "Allowing opportunities for them to expand in close proximity with property owners who understand their needs means continued and reliable tax revenue growth for Menlo Park."