

New Owners Have Rehab Plans for the Empty Siemens Plant by I-40

By Richard Metcalf

Journal Staff Writer

The 35-year-old former Siemens Stromberg-Carlson plant, empty and desolate for more than a decade, has been bought and a major resurrection as a mixed-used commercial building is planned.

The 192,000-square-foot structure on the south side of Interstate 40, just east of the Eubank interchange, was purchased early this month by an investment group led by local developers Ted and Rhett Waterman, who are father and son.

"What we have there is a true flex property in a great location," said Rhett Waterman. "It could serve a great use for basic employment in that area."

The Siemens building is Albuquerque's last obsolete manufacturing plant with interstate frontage to be purchased for redevelopment.

In the late 1990s, the 300,000-square-foot Digital Equipment Corp. plant was transformed into !25, an award-winning mixed-use center at Interstate 25 and Jefferson NE.

In May, plans were announced by new owners to redevelop the 502,000-square-foot former Philips Semiconductor plant on I-25, north of Alameda NE, into a mixed-use center.

Raising the roof

Preliminary plans for the Siemens plant call for raising the clear height of the building's ceiling from the present 19 feet to 26 feet, thus opening it up to potential industrial, office and retail uses.

"We're looking at being able to do three-palette-high distribution," Waterman said. "We could do two-story office or we could do showroom."

The core of the existing building, which has 11/2-foot-thick reinforced walls, will undergo an extensive face-lift. Dekker Perich Sabatini, an Albuquerque-based architecture and planning firm, is still working on its design.

"We don't have a full game plan ready yet," Waterman said.

Construction is expected to start in the next six to eight months, he said.

The plant's 18.5-acre site will have more than 1,100 parking spaces, said

John Davidson of Metro Commercial Realty, who represented the buyers. Three retail pad sites, most likely restaurants, are under consideration bordering I-40, he said.

Built in 1971 by Connecticut-based GTE Corp., the plant made telecommunications equipment. The plant's work force grew to 1,850 at its height in the 1970s, making it New Mexico's largest industrial employer, according to a Journal report.

Siemens, based in Germany, bought a majority interest in the operation in 1986. By the time the plant was closed in 1993, the work force had shrunk to about 350 employees.

The plant, which originally had close to 50 acres, has been unused ever since. Onsite pollution, which has since been cleaned up, discouraged use of the plant for years.

In 1999, Texas-based Cinemark USA Inc. bought about 24 vacant acres of the site south of the plant and announced plans for a 16-screen cineplex and IMAX theater. Those plans were later scrapped.

Centex Homes now has preliminary plans to develop the 24 acres with about 250 condominiums and townhouses in a gated project to be called Presidio, said Ashley Cook, vice president of marketing.

Centex, which is one of the metro's largest home builders, has not yet closed on its purchase of the property. Tentative plans are to open Presidio in late 2007, Cook said.

Visibility a plus

Interstate visibility and the size of the plant site were its appeal to prospective buyers, said Karen Hudson of Maestas & Ward Commercial Real Estate, who marketed the property for the out-of-state sellers.

"Highway visibility is becoming highly valuable," she said. "Right now, finding 18 acres of industrial land that's well located is hard."

Retail did not appear suitable because of access issues, she said. The plant, which has an address of 501 Morris NE, is obscurely located behind the retail center on Eubank that includes Karl Malone Toyota-Scion, Wal-Mart and Sam's Club.

But for research and development, general office and industrial uses such as light manufacturing or warehouse and distribution, the location has great potential, both Hudson and Davidson said.

"It's got better access to an interstate than most places in the North I-25 (corridor)," Davidson said, drawing a comparison to one of Albuquerque's hottest commercial submarkets.

The Watermans are the managing partners of MW Development LLC, which was formed to buy the plant site. The list price was \$5.3 million.

Through their company, Waterman Inc., and various partnerships, they have been active in primarily industrial projects in the metro area.

Waterman Inc. is currently building a 52,000-square-foot manufacturing and assembly plant for Eclipse Aviation—its second project for the jetmaker.

In 1999, the Watermans resurrected the former Rainbow Gardens Roller Dome at 200 San Mateo SE into an office and retail center after extensive renovations.