

# THE JOURNAL RECORD

## A BIG DEAL: California group buys Boeing OKC campus for \$125 million

By: Janice Francis-Smith The Journal Record January 8, 2020 0



Richard Tanenbaum, CEO of Gardner Tanenbaum Holdings, announced that GTH sold the 33-acre Boeing Oklahoma City campus for nearly \$125 million to California investors. Photo by Mark Hancock

OKLAHOMA CITY – The Boeing Oklahoma City campus has been sold for \$124.7 million to a group of California investors doing business under the name OKC Aerospace 1 LLC.

Boeing officials expect business to continue as usual under the new landlord – though they have not yet been introduced to the new owners.

The seller was Oklahoma City-based Gardner Tanenbaum Holdings, which owned property and leased it to Boeing. The

Boeing campus consists of three office buildings on more than 30 acres directly west of Tinker Air Force Base at 6001 S. Air Depot Blvd. in Oklahoma City. GTH built the buildings, with a total square footage of about 530,000 square feet, to suit Boeing's specifications in 2007, 2011 and 2012.

"It's at the south entrance to Tinker Air Force Base, it's the only truck entrance, it's where the new hospital is," said GTH Chief Executive Officer Richard Tanenbaum.

GTH has developed more than 1 million square feet of aerospace real estate in Oklahoma, much of it on a 160-acre tract of land Tanenbaum purchased in 2001 that now includes the Boeing campus and facilities custom-built for Northrup Grumman and L-3 Communications.

The transaction was conducted by Oklahoma City firm Newmark Grubb Levy Strange Beffort, which represented both the buyer and the seller. Tanenbaum told *The Journal Record* he hadn't been looking for a buyer, but the California investor group offered the right price.

"We never put it out for sale, but you can do things through brokers," said Tanenbaum. "I do a lot of business with Newmark, Brett Price and Mark Bedford in particular, and we were talking about it and they had some investors that had some money to invest. They believe in aerospace, they understand aerospace, they totally believe in Oklahoma and Oklahoma City. You can make some appreciation and the return is an excellent return for them and I'm cashing out huge."

Tanenbaum said his firm is busier than ever with other projects in Oklahoma City.

"We have \$120-130 million under construction right now," said Tanenbaum. "The taxes, the way everything worked out, it's a phenomenal deal for the investors that bought it and for me that sold it. Everyone's happy."

Neither the seller nor the brokerage firm would offer much information about the buyer, OKC Aerospace 1 LLC.

"It's some California investors that like to buy in the Midwest and Oklahoma City in particular because of the price," said Tanenbaum. "Out there you can't afford to buy anything, it's too expensive. They've bought other stuff from me and they're terrific people. They do what they say they're going to do, and that's who you want to do business with. You work with people you've worked with before. It makes it a lot easier."

OKC Aerospace I Industrial LLC was filed with the Oklahoma secretary of state's office on Dec. 17, 2019 as a foreign limited liability company with an address in Camden, Delaware, though a search of the address lists six different business names. The registered agent on the company's Oklahoma filing is listed as Paracorp Inc., with an address at 1833 S. Morgan Rd., a space in a strip mall in south Oklahoma City. A search of that address shows 250 companies share that same address, all filed with the secretary of state during 2019.

In the announcement of the sale released to the media, the seller and broker highlighted the investment being made in Oklahoma's aerospace industry.

"Substantial investments from the West Coast, such as this transaction, show that the nation is taking notice of the aerospace industry's dynamic growth in our state," said Tanenbaum in the statement.

"The Boeing OKC campus is the fastest-growing Boeing site in the United States throughout the past five years," said Newmark Senior Vice President Brett Price in the statement announcing the sale. "With the \$14.3 billion contract awarded by the Department of Defense for Boeing to service U.S. Air Force aircraft and the first of 14 maintenance hangars for Boeing's KC-46 Pegasus nearing completion, Boeing's Oklahoma City workforce will continue to rise."

Business is progressing as usual at the Boeing campus, said Nancy Anderson, vice president of aircraft modernization and modification, who oversees operations at the Oklahoma City campus.

"For us, the sale is really transparent," said Anderson. "We've been in those buildings leasing them now for quite some time, so it changing owners really doesn't have any impact on us and our business. It's like when your mortgage is sold to someone else – now you just send a check to someplace different. ... We weren't informed that it was happening, but again, not concerned with it at all."

The reasons Boeing came to Oklahoma City have not changed, said Anderson.

"Oklahoma City is a growing vibrant place to be," said Anderson. "We're there for all the right reasons: close to our customer, great workforce." The facilities are in good shape, she said. "All of the facilities meet our high standards and it's actually a wonderful work environment for our employees. We're really happy with our location and our landlord and see just great growth potential for us right there in those facilities."

Anderson has not yet had the opportunity to meet the new investors, she said.

"But way back when we were first leasing the building from Tanenbaum, we had a relationship with him, so I'm sure I'll have the same with the new owners," said Anderson.

In April 2019, the Department of Defense designated Tinker AFB as the site for research and evaluation of the B-1 Lancer and B-52 Stratofortress bomber fleets through a contract awarded to Boeing for a project that could take \$14 billion and 10 years to complete.

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