

September 3, 2009

KZ DevCo Converts Office to Drugstore

By Bob Howard



LOS ALAMITOS, CA-Irvine-based development firm KZ DevCo has acquired a 10,100-square-foot office building on behalf of CVS/pharmacy and will redevelop it into a new pharmacy for CVS. The development firm, which paid \$4.25 million for the property at 3401 Katella Ave., says that it will work with the City of Los Alamitos to redevelop the freestanding, two-story office building to blend into the neighborhoods existing architecture.

Mark Zimmerman, KZ DevCo's general partner, says that the new CVS store "will complement the other projects surrounding the building," will enhance the overall traffic flow and will "eliminate the obsolescence which has occurred over the past several years. Construction on the retail project, which includes a drive-through pharmacy pick-up window, was slated to begin Sept. 1, with an anticipated opening date in May 2010.

KZ DevCo and CVS were represented by Vincent Roche of the Bakersfield office of CB Richard Ellis in the acquisition of the property. The seller, the Tipton Family Trust, was represented by David Cox of Cox Commercial.

The acquisition of the Los Alamitos property occurs as KZ DevCo nears completion on another Orange County project for CVS, a \$4 million pharmacy at 15520 Golden West St. in Huntington Beach. The project is a ground-up development of a 12,900-square-foot CVS/pharmacy on a site ground-leased from the Coast Community College District in Feb. 19, 2009. The location, at the corner of Golden West Street and McFadden Avenue, will facilitate the relocation of an existing CVS/pharmacy store at 7542 Edinger Ave. in Huntington Beach and will open in January 2010.

KZ DevCo says that it encountered a unique challenge in the development of the Huntington Beach site, which it overcame with the cooperation of the City of Huntington Beach. The challenge was to preserve and relocate several mature 70-to-90-foot-tall pine trees existing on the property while also adding additional landscaping to compensate for any tree removal.