

Triangle Business Journal - August 1, 2005
<http://triangle.bizjournals.com/triangle/stories/2005/08/01/story5.html>

TRIANGLE BUSINESS JOURNAL

EXCLUSIVE REPORTS

From the July 29, 2005 print edition

Pineapple king puts \$54M in Triangle real estate on block

[Amanda Jones](#)

RALEIGH - As [Dole Food Co.](#) owner David Murdock courts state lawmakers for incentives to build a fruit and vegetable processing plant in Gaston County, he's putting tens of millions in North Carolina real estate on the market.

Murdock's real estate company, [Castle & Cooke](#), owns six office buildings in Raleigh and two in Charlotte. They are part of a \$700 million package of 19 properties in six states the pineapple king is selling to free up cash to undertake new development projects.

The six Raleigh properties have a combined tax value of \$54.8 million, according to Wake County records, and could sell for more than \$60 million.

Rick Toppe, president of Castle & Cooke's North American commercial division, would not specify what new projects are planned, but the company has said it probably will demolish a 5.9 million-square-foot textile plant in downtown Kannapolis. Castle & Cooke, which purchased the 300-acre site for \$6.4 million in December, wants to build a mixed-use project valued at more than \$500 million.

About 45 miles southwest of Kannapolis, in Gaston County, Murdoch and his staff at Dole Food are negotiating to build a fruit and vegetable processing plant that could employ up to 3,000 people. Dole also is considering sites in Tennessee, Illinois and elsewhere, according to reports.

North Carolina lawmakers are crafting an incentives package that would include tax credits and grants, though details haven't been released.

Toppe, who works out of Raleigh, says the Castle & Cooke portfolio sale should not impact any of Dole Food's plans because the two companies split their operations in 1995. Murdock, a Los Angeles billionaire, bought the outstanding shares of Castle & Cooke in 2000 and took the company private. He did the same with Dole Food in 2003.

Los Angeles-based Castle & Cooke deals mostly in the development and ownership of commercial real estate and high-end residential communities. It holds, for example, a 98 percent ownership of the island of Lanai in Hawaii.

In Raleigh, Castle & Cooke purchased the Landmark Center and three Horizon office park buildings along Six Forks Road in 1993. It built a fourth Horizon building in 1996 and built the 4700 Falls office building in 2000.

Toppe says the Raleigh buildings are 90 percent leased.

Two properties in Charlotte's SouthPark area also are for sale.

[CB Richard Ellis](#) was hired in mid-July to market the portfolio nationally. Locally, CBRE Senior Vice President Ben Kilgore is leading the effort. Other buildings are in Tempe, Ariz., Bakersfield, Calif., Hawaii,

Atlanta and Baltimore. They have a total of 1.6 million square feet of space.

The properties could be sold to one investor or individually, Toppe says. "We realize this is not an inconsequential sum of money, and we are interested in seeing where the market establishes (the portfolio's) value," says Toppe.

Toppe says the company wants to take advantage of what's viewed as a vibrant investment market.

"In our perspective, this is the most opportune time to be a seller of stabilized income properties in the last 30 years," Toppe says. "There's an enormous amount of capital (that) people want to invest in commercial real estate. Pricing structures have moved to historic proportions."

Toppe says Castle & Cooke plans to recycle the proceeds from the sales into development programs on both the East and West coasts. "We are seeing better returns in new development activity," he says. "Now it's time - in our judgment - to prune back the holdings."

The first round of offers for Castle & Cooke's portfolio are due in mid-August. Toppe estimates a deal will be closed by early November.

"It depends on the market," he says. "We're not going to give them away."

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