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Developer returns to Sacramento and targets industrial sector

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Developer [Tom Schaal](#) laughs when it's pointed out he's returning to Sacramento projects just as the region hits another downturn.

Nearly a decade ago, Schaal focused his attention elsewhere when the Great Recession savaged any chance for a ground-up spec project to make financial sense, he said. But the kind of project he's working on now is going to benefit from the Covid-19 pandemic, he added.

"I think essential industries like medical, food, they're actually expanding right now," said Schaal, of [Schaal Realty Advisors](#). "There's definitely a need for more space to store more inventory, because the supply chain has been disrupted."

Those factors make industrial an attractive sector for new investment. Schaal is teaming with [Reno-based Dermody Properties](#) on [LogistiCenter at Southport](#), a 380,000-square-foot distribution center starting work within the next few weeks on Carlin Drive in West Sacramento's Southport area.

By the first quarter of 2021, the \$16 million construction project should be completed, bearing all the newest bells and whistles for anywhere from one to three tenants, Schaal said.

Sacramento is a better market for industrial overall than it was in decades past, when it was too far from the Bay Area to be a logistics hub for that region. The local population base is now big enough for logistics companies to set up and serve people here, he said.

[CBRE](#) Sacramento is marketing the building, which could be done by year's end if weather cooperates, Schaal said. Beyond that, he thinks he'll look for more industrial opportunities, he said.

"I would love to do more projects like this, but it's hard to find land that's entitled and ready to go," he said. Instead of new projects, repurposing existing industrial buildings and other properties for logistics and e-commerce uses might be an option, he added.

Before he formed his own firm, Schaal was a vice president with Opus West Corp., where he oversaw more than 1.5 million square feet of office and retail development from 2004 to 2009. Schaal also played a lead role in the original development of the Port of West Sacramento as well as Southport.

More recently, he co-developed with Dermody a 252,000-square-foot distribution center recently completed in Vacaville. [Mark Heavey](#) is working with Schaal on the West Sacramento project.

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COURTESY SCHAAL PROPERTY ADVISORS

Developer Tom Schaal has returned to the Sacramento market as a co-developer on an industrial project with Dermody Properties, in West Sacramento's Southport area on Carlin Drive.