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Deals Updates

Office

[Google signs lease for 715,500 square feet in Sunnyvale with space for 2,900 workers](#)

San Jose Mercury News - Aug 11

In the midst of an unprecedented growth spurt, Google (GOOG) said Wednesday it has struck a deal to lease four Sunnyvale buildings that could accommodate as many as 2,900 employees. The Sunnyvale campus would mark Google's largest presence in Silicon Valley outside of Mountain View.

Combined with other property deals the company has confirmed, Google this year alone has committed to adding at least 1.9 million square feet in Mountain View and Sunnyvale -- the equivalent of a major regional shopping mall.

Google intends to make 2011 its biggest hiring year ever, planning to add 6,000 employees worldwide.

[Shorenstein, Worthe Acquire Former 20-acre Postal Service Site in Playa Vista](#)

CoStar - Aug 8

Shorenstein Properties and joint venture partner Worthe Real Estate Group, have acquired a 20-acre property at 13031 Jefferson Blvd. near Marina del Rey, CA. The property includes two existing office/warehouse buildings totaling 380,000 square feet, including 330,000-square-foot building constructed in 1971. Until 2005, the now vacant buildings were used as a distribution center by the U.S. Postal Service.

Terms of the transaction were not disclosed. Shorenstein and Santa Monica-based Worthe plan to redevelop the 20-acre site, which is pre-entitled for up to 380,000 square feet of commercial office space, as an office campus with appeal to creative companies such as technology firms and digital, arts and media tenants, said Charlie Malet, Shorenstein executive vice president, investments. The partnership expects to begin construction of the new campus through a major core-and-shell remodeling before the end of the year. Plans in place call for buildings with 20- to 30-foot clear height, along with underground and surface parking.

[3 MacArthur Latest Tower to Change Hands for \\$52 million](#)

Orange County Business Journal - July 31

Boston-based TA Associates Realty has snapped up a Santa Ana office building for about \$52 million, the latest in a string of big-dollar office sales closing in Orange County over the past month. TA Associates is a privately held real estate investor with an office in Newport Beach. It recently closed on 3 MacArthur Place, an 11-story office building just off the Costa Mesa (55) Freeway, according to brokers with CB Richard Ellis Group Inc. who worked on the deal.

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Allen Matkins is a full-service law firm with more than 220 attorneys practicing in seven offices throughout California. Some of the areas of focus at

The 246,819-square-foot building, located in the South Coast Metro area of Santa Ana, traded hands for about \$210 per square foot. 3 MacArthur is about 85% leased. Tenants include Edison Mission Energy, a unit of Edison International; Englewood, Colo.-based apartment investor Archstone-Smith; and Bellevue, Wash.-based T-Mobile USA Inc., a unit of Deutsche Telekom AG. El Segundo-based Highridge Partners sold the building, which it had owned for less than two years.

Highridge, a self-described contrarian investor, made a quick profit on its investment. It paid about \$31 million, or about \$125 per square foot, for the building in late 2009. That deal came near the low point of Orange County's office market in terms of prices. The building was in danger of losing a few large tenants at the time. At the height of the market, in mid-2007, the same building sold for \$83 million to New York-based Tishman Speyer Properties LP. The building is said to bring in close to \$3.6 million in rents annually. The recent sale of 3 MacArthur to TA Associates is the latest sign that the local office sales market is on the upswing in terms of pricing on buildings that are in good shape and have a stable tenant base, according to Kevin Shannon, vice chairman for the Torrance office of CB Richard Ellis.

[Kilroy Realty buys 2 office buildings for \\$248 million](#)

Los Angeles Business Journal - June 7

Kilroy Realty Corp. has bought two office buildings in Bellevue, Wash., and San Diego for \$247.7 million. In Bellevue, the company bought the 488,000 square-foot Key Center for \$215 million. The building, built in 2001, is subject to a long-term ground lease and is 88 percent occupied.

In San Diego, Kilroy bought 10770 Wateridge Circle, a 174,000 square-foot office building in the Sorrento Mesa area for \$32.7 million. The building, built in 1989, is close to several other Kilroy Realty properties and is 98 percent occupied.

Including these two buildings, Los Angeles-based Kilroy Realty so far this year has bought four office projects in the West Coast totaling \$380.8 million and encompassing 1 million square feet.

The company said it is in various stages of negotiations on six additional properties -- four in Northern California and two in Southern California -- that would total \$414 million. Kilroy said it expects the deals to close in the second half this year, subject to customary closing conditions. As of March 31, Kilroy owned 10.5 million rentable square feet of commercial office space and 3.6 million rentable square feet of industrial space.

[Hudson Pacific Properties, Inc. Announces Completion of Acquisition of Rincon Center](#)

Reuters - May 4

Hudson Pacific Properties, Inc. (the "Company") (NYSE: HPP) today announced it acquired the remaining 49% interest in One and Two Rincon Center, a landmark, 581,000-square-foot office complex in San Francisco's South Financial District, for \$38.7 million (before closing costs and prorations).

In conjunction with the acquisition, the Company closed a seven-year, secured, non-recourse loan in the amount of \$110.0 million from JPMorgan Chase Bank, National Association. Interest under the new loan is payable monthly at a fixed annual rate of 5.134%. The purpose of the loan is to fully refinance an existing \$106.0 million project loan on the property that was scheduled to mature on July 1, 2011. The Company's operating partnership has provided a customary non-recourse carve-out guaranty and environmental indemnity. In addition, the loan agreement includes events of default the Company believes are usual for loans and transactions of this type.

Allen Matkins include green and sustainable construction, construction, corporate, real estate, project finance, business litigation, taxation, land use, environmental, bankruptcy, creditors' rights, intellectual property and employment and labor law. [More...](#)

"We are pleased to acquire the complete ownership of Rincon Center, our fourth office property in San Francisco," said Victor J. Coleman, Chairman and Chief Executive Officer of Hudson Pacific Properties, Inc. "This transaction is part of our investment strategy to acquire desirable properties in highly sought-after Northern California commercial office markets. It follows on our acquisitions of 1455 Market Street in San Francisco's Civic Center submarket and 222 Kearny Street in the city's North Financial District in the last six months."

One and Two Rincon Center is comprised of 482,000 square feet of office and 99,000 square feet of retail. The five-story One Rincon Center and six-story Two Rincon Center, built in 1989, are part of the dynamic, mixed-use Rincon Center complex that is bounded by Mission, Howard, Spear and Steuart streets in the South Financial District.

[Investment bank Houlihan Lokey to move into former MGM Tower in Century City in a \\$60 million lease transaction](#)

Los Angeles Times - April 28

In one of the largest new leases in Century City since the recession, investment bank Houlihan Lokey has agreed to move its headquarters into three floors in the former MGM Tower in a \$60-million lease transaction.

Houlihan Lokey will move into 80,808 square feet last rented by entertainment studio Metro-Goldwyn-Mayer Inc. on the fourth, fifth and sixth floors of the building at 10250 Constellation Blvd., said property broker Hunt Barnett of L.A. Realty Partners.

[PIMCO to build 380,000 square foot office building in Newport Center](#)

Daily Pilot - March 13

After looking at properties throughout Orange County, financial services giant PIMCO has agreed in principle to stay in Newport Beach and build its new corporate headquarters in Newport Center, according to a Sunday announcement by the Irvine Co. The Pacific Investment Management Co. plans to build a 380,000-square-foot, 20-story office building at 650 Newport Center Drive. The Irvine Co., which owns and operates Newport Center and adjacent Fashion Island, plans to lease the space.

PIMCO's existing headquarters are at 800 and 840 Newport Center Drive, in the Pacific Financial Plaza. Construction is set to begin in late summer and be completed in mid-2013. PIMCO is one of Newport's top employers and providers of professional-level jobs. The global investment company employs 1,500 people worldwide, 850 of them here.

"We are honored to be selected as the builder and long-term landlord," Doug Holte, president of office properties for Newport Beach-based Irvine Co., said in a prepared statement. "Additionally, we are pleased PIMCO has decided to maintain their headquarters in Newport Beach and occupy a new state-of-the-art facility that accommodates the firm's highly sophisticated technology needs and investment management activities."

EQUITY & DEBT UPDATES

[\\$108+ Million Dollar Refinance Concluded Between Red Mountain Retail Group & John Hancock Life Insurance Company \(U.S.A.\)](#)

Yahoo Finance - July 28

Red Mountain Retail Group, Inc. announced today that one of its partnerships, Red Mountain Asset Fund I, LLC, closed a \$108,612,000 loan funded by John Hancock Life Insurance Company (U.S.A.). This transaction provided for 15 year permanent financing on a 34 retail shopping center property portfolio located in 5 states, with an emphasis on the Phoenix, Arizona and Southern California areas.

Pacific Southwest Realty Services acted as the exclusive correspondent to John Hancock in the structuring and implementation of this large financing transaction. Red Mountain Retail Group's legal representation was facilitated by Elkins Kalt Weintraub Reuben & Gartside, LLP and by Allen Matkins Leck Gamble Mallory & Natsis, LLP for John Hancock Life Insurance (U.S.A.).

Red Mountain Retail Group has a long standing relationship with John Hancock Life Insurance (U.S.A.) that goes back over a decade. "It was truly a collaborative effort between John Hancock and Red Mountain that required teamwork from many individuals to get this multi-state, multi-property transaction complete. Thanks to Scott Clark and his team from Pacific Southwest Realty Services as they were absolutely instrumental to this process" says Michelle Bell, CFO of Red Mountain Retail Group.

Government Action & Analysis Updates

None to report

SPECIAL FEATURES

None to report

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