

Kearny Closes \$18M in Acquisition, Sale

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By *Bob Howard*



15330 Avenue of Science

SAN DIEGO-Kearny Real Estate Co. of Los Angeles has acquired a 74,000-square-foot flex research facility in the Rancho Bernardo submarket in a short sale and has sold 50 acres of land in Otay Mesa in a separate, unrelated transaction. Kearny acquired the flex research facility, which is at 15330 Avenue of Science, in a joint venture with TriGate Capital of Dallas.

Kearny partner John Bragg notes that the 74,000-square-foot R&D building had been sold in 2006 for \$11 million. The buying entity, Kearny-TriGate Ave of Sci LLC, acquired the property for \$6.8 million, or 68% of the loan balance. Kearny plans to immediately invest \$1.8 million to renovate and reposition property. Plans call for the new owners to enhance the parking lots, landscaping and existing facade with reserves for future tenant improvements.

Existing improvements at the R&D project include a 70-seat theater, a fully equipped kitchen and a gym with shower and changing rooms. Built in 1984 the building has undergone several renovations and now includes such green features as automated lighting, super insulation and waterless urinals.

Kearny vice president Jason Rosin says that the property represented "an opportunity to acquire a well-located quality asset at a very attractive price." He adds that Kearny believes that the I-15 corridor where the property is located "has bottomed out and should be one of the first to recover when the economy begins to improve." Both the buyer and seller were represented by Mickey Morera and James Duncan of Cushman & Wakefield of San Diego.

In the Otay Mesa transaction, a partnership of Kearny and Pacific Coast Capital Partners sold the 50 acres of land to Dart Container Corp. for \$11.3 million. The Kearny-led partnership acquired the property in 2005 and was in the final stages of completing the process of subdividing the property into 18 individual parcels when the sale closed.



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The property included 40 industrial-zoned acres and 10 acres classified as Multiple Habitat Protection Area. Kearny was represented by Darren Mullins and Erik Parker of Cassidy Turley/BRE. Dart Container was represented by Rob Hixson of CB Richard Ellis.