

**Mission Bay to Get More Research Space
Backer of stem cell bid plans \$100M expansion of lab building**



EXCLUSIVE REPORTS

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Biotech is booming and China Basin Landing is bursting.

With the low-slung buildings located across the street from the new stem cell headquarters now 97 percent occupied, owners McCarthy Cook & Co. are planning a \$100 million expansion.

They hope to add 145,000 square feet of lab space atop the Berry Street building, bumping the project's total rentable square feet to 895,000 and adding bulk to the rapidly expanding biotech cluster around Mission Bay.

"The neighborhood is still only in the fifth inning or so. There's still so much more potential," said Edward Cook, a principal with McCarthy Cook. His company, along with financial backer Stockbridge Capital Partners, has owned China Basin Landing since 1998 when the area was mainly landfills and rotting sections of the Embarcadero freeway. Built in 1992, the Berry Street building was initially slated for another 182,000 square feet -- space owners now believe would be a smart addition.

Today the neighborhood boasts SBC ballpark, shops and restaurants, water views, immediate access to Highway 280, and is the nexus of most public transportation options including MUNI, Caltrain and private shuttles which run to BART.

Almost all the parcels at the 303-acre Mission Bay have been purchased and plans are under way to build 1,500 residential units and at least 2.1 million square feet of life science space, complementing existing science facilities by UCSF, QB3 and the Gladstone Institutes.

Added Cook: "In a historical context, it's very exciting for the city to compete for attracting a new generation of intellectuals."

The expansion of China Basin Landing is still in the early stages, but if city approvals and other project details go smoothly, crews could start work next year and the digs could be ready for tenants in late 2007. With high ceilings, souped-up HVAC, power backups and other biotech-specific systems, company execs will aggressively court life-science tenants.

Cook confirmed there are "tenant prospects," but said McCarthy Cook may also build the project on a speculative basis.

Current building tenants include UCSF, Catholic Health Care West and Sirna Therapeutics -- to name a few.

Led by Terry Fancher, Stockbridge Capital Partners is the same group that ponied up \$7 million to help San Francisco win the contest for the stem cell headquarters by agreeing to purchase office space for the institute at the neighboring Beacon.

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