San Francisco Business Times - June 15, 2007 by J.K. Dineen

The new China Basin is taking shape. With the last of 3,150 tons of structural steel scheduled to be hoisted to the top of 185 Berry St. on June 19, China Basin owners McCarthy Cook and RREEF are on schedule to complete the exterior of their 175,000-square-foot expansion by December.

The addition, being built atop the existing 230,000-square-foot structure, will represent the first new speculative biotech space coming to market since Alexandria Real Estate Equities completed 1700 Owens St. in December 2006. And with Alexandria just starting construction on four more biotech buildings, China Basin will likely have the city's only new biotech space available before early 2009.



Richard Hayes, a former Equity Office Properties executive recently hired to head up leasing at China Basin, said the space will be flexible enough to accommodate both life sciences and more traditional offices.

"The good news is we can hunt from both camps," said Hayes. "We could go all office, or all lab. It will likely be a 50-50 mix."

A feat of engineering and construction, the expansion includes a seismic isolation system like those in place at San Francisco

City Hall and the Golden Gate Bridge. The isolation system, designed by structural engineer Simpson Grumpertz, will reduce ground motions transmitted into the structure by allowing the two-story addition to move up to three feet in any direction, independent of the lower part of the building, according to Mike Freeman,

executive vice president at McCarthy Cook & Co.

In the event of an earthquake, the addition would "float around rigid building cores" where the stairwells, elevators, plumbing and electrical systems that run vertically through the building are located. The project marks the first time the isolation system has been built "mid-structure."

The two-floor rooftop addition will bring the Berry Street building to 405,000 square feet, making China Basin the largest development at Mission Bay with over 925,000 square feet.



Another challenge has been building around sensitive tenants. UCSF, which has its department of radiology and other clinics and labs in the building, has operating systems supported by rooftop refrigeration units, pumps and boilers. To keep these going, the developer had to build a complete back-up system in the existing courtyard. Hathaway Dinwiddie Construction Co. is the contractor on the project.

"We've bought a lot of flowers and a lot of pizza," said Freeman.

The project has just 2 percent vacancy, with Cisco, iCrossing, Level 3, and LoopNet all growing there. The owner had agreed to terms with a tenant for the entire addition, but the company -- a South San Francisco biotech -- backed out after an unsuccessful clinical trial. Rents for the new space, which will have 15-foot ceilings and a bronze glass curtain wall exterior, will be about \$48 a square foot, triple net.



"It was disappointing," said Freeman. "They felt they had a 90 percent likelihood their trials would be successful, but they weren't."

Kidder Mathews' James Bennett said the project benefits from being in an area that is already built out. While thousands of housing units have been built along King and Berry streets north of the channel, the southern portion of Mission Bay faces five to 10 years of heavy construction as the UCSF hospital and biotech cluster are constructed.

"The whole log jam on King Street is finally cleared up," he said. "The retail is in place. It's an established location with excellent transportation links on two Muni light rail lines."

Source: <u>San Francisco Business Times</u> Photos Credit : Spencer Brown