

McCarthy Cook expanding space for life sciences at China Basin



INDUSTRY WRAPUPS

From the August 12, 2005 print edition
Real estate

Expansion plans are taking shape at China Basin Landing.

Owners scored city approval to add 150,000 square feet of lab and office space in two floors atop the Berry Street building across the street from the new stem cell headquarters in Mission Bay.

Current tenants include University of California, San Francisco, Catholic Health Care West and Sirna Therapeutics -- tenants that are on the short list for filling the fresh space.

"This validates the direction we're taking China Basin," said Jay Edwards of McCarthy Cook, which has owned the complex with Stockbridge Capital Partners since 1998. "We're responding to the need for life science space in Mission Bay that is currently not available."

Edwards, who said principals are in discussions with Hathaway Dinwiddie to serve as the general contractor, expects construction to start in the spring and wrap in late 2007.

That's about the same time Joel Marcus, the CEO of Alexandria Real Estate Equities, will be finalizing the first of what will be a dozen or so life science buildings in Mission Bay, and some 1,500 new housing units will become available at a handful of projects by Avalon Bay, Opus West, Bosa, IntraCorp San Francisco and others in the same neighborhood. Whether Stockbridge will be there to see it, however, is uncertain.

The San Mateo-based real estate investment fund is considering selling its equity stake in the China Basin complex along with its stake in a few properties in Southern California, according to industry sources familiar with the talks. Stockbridge is in advanced discussions with one group and a deal could materialize by month's end, according to those same sources.

The interest is not being openly marketed.

When the \$100 million or so China Basin addition is completed, the complex will total 900,000 square feet.

HOK did the design work for space which will feature high ceilings, souped up HVAC systems, power backups and other biotech-specific requirements.

Reuben & Junius LLP served as legal counsel, securing land use approval from the city.