



# DEALS & DEALMAKERS

A look at the transactions making the biggest impact on the commercial real estate landscape

## DEVELOPMENT

### ALAMO RANCH POWER CENTER READIES FOR OFFICIAL DEBUT

**San Antonio**—Officially opening later this month is the 950,000-sf Alamo Ranch power center here. The 114-acre project is currently 80% preleased to such tenants as Target, JC Penney, Lowe's Home Improvement, Best Buy, PetSmart, OfficeMax, Dick's Sporting Goods and an Olive Garden restaurant.

The developer, Archon Group LP, began work on the center approximately three years ago, when it bought the parcel on which the project sits from a Texas-based partnership. Dan Watson, Archon's Dallas/Ft. Worth-based director of retail investments in the Southwest, declined to reveal how much the firm paid for the land, but says the project cost was in excess of \$100 million. Construction commenced in February of last year.

Among the challenges encountered during the development was the re-zoning of a sliver of about 20 acres of the land parcel for commercial use. The land also had to be incorporated into the City of San Antonio, according to Archon executives. Other hurdles included adhering to the city's program to save existing trees as well as dealing with the various construction timetables of three major highways adjacent to Alamo Ranch.

"We set up relationships with the various agencies to get each of these pieces of road infrastructure completed by our grand opening," says Lance Taylor, a director with Archon.

The sheer size of the project also added another layer of difficulty, Watson says. "A more typical power center might be anywhere from 250,000 to 500,000 sf," he says. "This



Alamo Ranch

involved juggling an incredible amount of information and negotiations with all the different retailers that are coming into the project."

The center, Watson says, is in an area of the city that is undergoing a significant amount of residential development. "Retail follows residential growth, and the residential in the west part of San Antonio is really driven by the ability to provide infrastructure," he says. "The improvements that have been made to the roads surrounding the project, plus the distance from the retailers' existing

stores, made this area of strong interest to them. They see they are going to serve a new and underserved area."

In addition, the project is near Westover Hills, a 1,270-acre commercial development that is home to more than 8,200 workers. "The restaurants and shops are very convenient to those working in Westover Hills as well as the people living in close proximity," Watson says. —*Maria Wood*

## LEASING

### FOX INTERACTIVE MEDIA PICKS PLAYA VISTA FOR ITS NEW HQ

**Los Angeles**—For a town known for blockbuster summer movies, the signing of Fox Interactive Media for 421,000 sf earlier this month at Playa Vista could be considered a blockbuster lease deal.

According to David Binswanger, executive vice president at Lincoln Property Co., which owns the development with ASB Real Estate Investments, the 12-year headquarters lease has an aggregate value north of \$350 million. The tenant also has expansion rights for another 150,000 sf.

Beginning in June 2009, Fox will move more than 2,000 employees from various facilities around the city, occupying most of the first phase of Horizon at Playa Vista, comprised of a pair of five-story buildings. It is located in the eastern portion of the massive mixed-use Playa Vista development, where the Hughes Aircraft Co. once stood.

The owners bought the 15 acres on which the Johnson Fain-designed project sits in June 2006. Ground was broken on the 466,000-sf first phase a year later, and the marketing effort began almost immediately, Binswanger says. Targeted for occupancy were media firms; at one point, Google considered the buildings, he says.

Yet almost from the very start, the developers focused on Fox Interactive. "We knew from the chairman level on down that this was an incredibly important piece of the growth of their business and thought they would be a perfect tenant for our campus and the type of buildings that we develop,"

## Development: Did You Know?

**ProLogis** has agreed to develop a 600,000-sf distribution center for Bay Valley Foods at the firm's Park Rochelle in Rochelle, IL. Construction is expected to start in mid-summer. . .**Embassy Suites** has opened its first hotel in Alaska. Located in Anchorage, the 169-suite property was developed and is owned by **Stonebridge Cos.** . .**The Corky McMillin Cos.** has commenced construction on Building 902, the seventh office structure to rise at the 360-acre Liberty Station mixed-use development in San Diego. The three-story, 104,397-sf property will be built by Bycor General Contractors to meet LEED standards. An international defense contractor has preleased 80,000 sf of the building, which is set to be completed by next summer. . .Last month, a groundbreaking ceremony was held for the Shoppes at Cross Keys in Gloucester Township, NJ. The 120,000-sf lifestyle center is a project of **Stanbery Development**. Already signed on as tenants are Banana Republic, Ann Taylor Loft, White House Black Market and Bensi Italian Grill. Delivery is slated for spring 2009. . .**Alliance Residential Co.** is gearing up to construct a 240-unit luxury rental community in the Camelback Corridor of Phoenix. Set to open in fall 2009, the \$36-million project will offer loft-style residences with high-touch amenities. . .**Global Entertainment Corp.** has signed an agreement to develop a \$52-million, multi-purpose events center in Independence, MO. Slated to open in late 2009, the 5,800-seat arena will be home of a Central Hockey League franchise.



Embassy Suites Anchorage