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New Santa Monica Medical Office Building Underway with \$147 Mil Tenant in Tow

In major office market news from LA's Westside, The Regents of the University of California has taken 50k sf of medical office space in a three-story, build-to-suit medical building, due to break ground the first quarter of 2010. The new medical facility is located at 1223 16th St, directly across the street from the Santa Monica-UCLA Medical Center and Orthopedic Hospital in Santa Monica. We're told that the lease has a value of \$147 mil.



The UCLA lease, which was negotiated a year ago and was contingent upon the completion of the entitlements and building design, is scheduled to commence in 2011, when construction of the facility is slated for completion. The building is being developed by Randall Miller, principal of Nautilus Group Inc, who acquired the land two years ago. The project is being financed with a \$28.5 mil construction loan arranged by George Smith Partners and funded by U.S. Bank.

Gary Weiss of Madison Partners was the sole broker in the transaction, having represented the landlord/developer, Sixteenth Street Medical Center LP. Brad Erickson, UCLA's Director of Campus Services Enterprises, assisted in-house with the negotiations, and attorney Brian Kang of the Los Angeles law firm Greenberg Glusker also was instrumental in the negotiation process.

Designed by the award-winning Santa Monica firm of Michael W. Folonis, Architects, the elegant, almost transparent modern building is naturally lighted by expansive exterior planes of glass. The facility has been registered for LEED Gold certification for its environmentally responsible design.

Inside, the state-of-the-art facility will have medical office, surgery, imaging, outpatient, clinical, and laboratory capabilities. The facility also features a state-of-the-art automated parking system that will be the first of its kind on the West Coast. The automated parking system fits twice as many cars into the subterranean garage as would be possible with conventional parking.