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THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION **ALERT**

## Mesa West Inks San Diego Office Loan

**Mesa West Capital** has written a \$130 million floating-rate loan to refinance and complete the repositioning of a downtown San Diego office tower.

The five-year loan is backed by the 556,000-square-foot building known as One Columbia Place. **Eastdil Secured** brokered the financing for **Emmes Asset Management** of New York, which acquired the property in December 2012 for \$135 million and has been conducting a \$20 million renovation.

Some \$10 million of the loan from Los Angeles-based Mesa West will be drawn down over time to help pay the costs of completing the project and making tenant improvements, with the aim of raising the 80% occupancy rate.

Emmes used most of the proceeds to retire a \$98 million loan that was due to mature in October. **Deutsche Bank** originated that 10-year mortgage in 2005, when **Paramount Group** of New York bought the building for \$167 million. Deutsche securitized the \$65 million senior portion via a \$1.7 billion pooled offering (GMAC 2006-C1). That debt was assumed when Paramount sold the property to **GE Pension Trust** and local firm **Sentre Partners** for \$181 million in 2007, and again when Emmes acquired it.

Formerly known as First National Bank Center, the 27-story building is at 401 West A. Street, at Columbia Street. The glass-and-steel structure, with a distinctive stair-step shape to its upper floors, fills a city block. Built in 1983, it's been renovated several times and is designated LEED gold. The Class-A property is close to the Gaslamp Quarter, Balboa Park, Westfield Horton Plaza mall and the San Diego Convention Center. The ocean is four blocks west.

Major tenants include **Pacific Western Bank**, whose name is emblazoned across the top of the building. It occupies 31,000 sf until 2018. The **U.S. Department of State** leases 19,000 sf until 2019. There is a three-level underground garage for 500 vehicles.

Overall, San Diego's Class-A office space was 88.7% occupied at the end of the second quarter, according to CBRE.

