

PRESS



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Topic Real Estate Deals of the Year 2012
Headline Finalist – Office Sale/San Francisco – 680 Folsom Street

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Finalist Location: 680 Folsom St., San Francisco
Size: 521,610 square feet
Price: \$335 million at completion
Buyer: Boston Properties
Seller: TMG Partners
Broker: Stephen Van Dusen of Eastdil Secured represented the seller
Contractor: Plant Construction
Architect: Skidmore Owings & Merrill
Engineer: Tipping Mar
Law firms: Allen Matkins Leck Gamble Mallory & Natsis represented the buyer. In-house counsel Scott Verges and Goodwin Proctor represented the seller.

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When selling a building in the heart of SoMa, it doesn't hurt to have lined up two high-profile, long-term tenants to make it even more attractive to potential buyers.

That's what TMG Partners and Rockwood Capital found out when they sold the vacant former Pacific Bell building on 680 Folsom St. to Boston Properties in August 2012 for \$335 million.

Before the sale, the partners had leased 85 percent of the 521,000-square-foot property — which also includes 50 Hawthorne St. and the corner site of 690 Folsom St. — to Riverbed Technology Inc. and Macys.com. Both companies were looking for new headquarters, and both were ready to agree to a lease of 10 years or more.

After the tenants were secured, the partners began extensive renovations designed by Skidmore, Owings & Merrill that will ultimately include an additional 100,000 square feet of space, a new glass curtain wall skin and a new public plaza.

[Chris Roeder](#), international director at Jones Lang LaSalle, helped TMG lease out 440,000 square feet of the property before putting it up for sale.

“They hadn't yet started construction,” Roeder said. “But already there was a tremendous amount of interest.”

The nearly 50-year-old building, Roeder said, will have huge floor plates that wouldn't get approved by the city of San Francisco today.

“Plus, it's an awesome location,” he said.

For TMG — which is still acting as development manager of the property and pursuing LEED Gold certification — tearing down the building wasn't an option.

“It's an ideal kind of project for us,” said [Matt Field](#), managing director of TMG Partners. “At the end of the day, transforming an older corporate asset and getting longer life out of it is the most sustainable thing you can do.”

By Mary Ann Azevedo