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McShane, MetLife JV Buys 85 Acres in Redlands Business Center for \$45M

By: Gail Kalinoski, Contributing Editor

A joint venture of the McShane Corp. and MetLife Real Estate Investments has acquired 85 acres of land from the Bixby Land Company at its Redlands Business Center in California's Inland Empire for \$45 million. The alliance plans to build over 1.5 million square feet of industrial and office space on the site.

"The Redlands Business Center is one of the most desirable land sites in the Inland Empire and situated in a first-class business park community," John Dobrott, vice president of McShane Corp., said in a release. "Its proximity to the ports and central location along Interstate 10 makes it a highly strategic location for our team and the development we plan to build in our joint venture with MetLife Real Estate Investments. We estimate the property to accommodate multiple free-standing industrial buildings with the first phase breaking ground in the third quarter of 2008."

The property is part of the original 227-acre master planned business center in Redlands acquired by Bixby in 2000. The center is bordered by California Street, San Bernardino Avenue, Mountain View Avenue and Lugonia Avenue, just north of I-10. Current tenants include United States Postal Service, Ashley Furniture and Salton Inc.

"We have realized significant appreciation in this land since our initial acquisition which allows us to move this investment into a cash generating asset," noted Bill Halford, Bixby president and CEO. "Our current portfolio includes over 1 million square feet of industrial space throughout the Inland Empire." Halford added that the company would stay active in the area. Colliers Seeley represented Bixby in the deal.

A private REIT that acquires and develops commercial real estate in California, Bixby has a portfolio of more than 50 assets. Last week, the firm announced it had partnered with the New York-based real estate company Investcorp to acquire a portfolio of office and R&D facilities in Silicon Valley. Its first deal was the \$85.4 million recapitalization of Airport Technology Park, a five-structure office property with 300,000 square feet of space on 17 acres in Santa Clara, according to a Dec. 12 *CPN* report. Bixby had bought the site three months ago for the same amount. Earlier this month, Bixby bought a two-building, 118,400-square-foot office and R&D property, also in Santa Clara, for \$36.4 million. Applied Materials Inc. occupies both buildings under a triple net lease.

McShane Corp. is the real estate development and investment arm of The McShane Companies, a Chicago-based firm that builds master-planned industrial and office parks, medical offices, speculative industrial and office developments and build-to-suit properties. McShane and MetLife have teamed up before on at least one project. *CPN* reported Sept. 27 that the two companies were developing the Eagle Valley Industrial Center in Storey County, Nevada. The 1.2 million-square-foot, two-building industrial development is located within the 6,000-acre Tahoe-Reno Industrial Center. Construction of the first building is expected to be finished by June 2008.