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Transportation Business Moves Into South Bay

REAL ESTATE: MV Transportation signs \$5.5 million deal for Carson industrial space.

By [Daniel Miller](#)

MV Transportation Inc., a Bay Area passenger transportation services company, was awarded a contract of up to \$86 million to service Los Angeles Metropolitan Transit Authority buses in late June.

After that, all MV Transportation needed was a service location, but finding one wasn't easy. The Fairfield company finally settled on a 5.5-acre parcel at 21222 S. Wilmington Ave. in Carson after looking at several sites. The company leased the property July 1 for 10 years from owners Hager Pacific Properties and SoCal Industrial Partners LLC.

The \$5.5 million deal will start Oct. 1, and the company will begin servicing buses at the end of that month. The property includes a 22,000-square-foot maintenance and office building, and a 5-acre secured and paved yard.

Broker Jeff Smart of Grubb & Ellis Co., who represented the tenant, said MV Transportation was in a bind because there were few properties large enough to meet the company's needs while also offering a modest amount of office space.

"We were extremely lucky, it's a good deal and everybody wins," Smart said.

He said that MV Transportation is known as a "surface user": an industrial tenant that needs a large land parcel and some office space.

"You can't just have land," Smart said.

Rob Neal, a managing partner with Newport Beach-based Hager Pacific, said that the current tenant, industrial services firm Harsco Corp., would vacate the property by Oct. 1.

Patent Construction Systems, a Harsco subsidiary, uses the site to assemble scaffolding systems for construction projects.

Neal's company and SoCal Industrial Partners purchased the property from Harsco in March for an undisclosed sum and leased it back to the company while seeking another tenant.

Frank Hillebrand and John Lassiter of Lee & Associates represented Hager Pacific. Kyle Degener of Grubb & Ellis also represented MV Transportation.



Hollywood Residential

High-end apartment developer JPI Partners LLC has leased 33 units of its newly opened 270-unit project in Hollywood. The complex at 1724 N. Highland Ave., called Jefferson at Hollywood, opened in late June.

It joins a field of other large apartment buildings that have opened in Hollywood this year, including 1600 Vine and Sunset Vine Tower.

Jefferson at Hollywood includes one- and two-bedroom units, and eight live-work lofts. Prices range from about \$1,900 to about \$3,800 per month, including a \$300 per-month discount.

The prices are about 20 percent below what Irving, Texas-based JPI had planned when it began construction on the \$130 million project in 2007, said Heidi Mather, the company's senior area vice president.

“Many of the projects that have opened recently – none of us are performing as we thought we would have three years ago,” Mather said. “But rents are holding steady and we are all getting our share of the market.”

The project includes 8,500 square feet of ground-floor retail space – large enough for four tenants – that has yet to be leased.

“We are looking at a wide range of tenants,” Mather said. “We are exploring all avenues at this point.”

Guitar Lease

Guitar manufacturer Line 6 Inc. has renewed its headquarters lease at a Calabasas property owned by commercial real estate developer Hines Interests LP. The six-year deal for the building at 26580 Agoura Road is valued at about \$8 million.

The transaction includes two parts: a three-year extension of Line 6's existing lease of 45,143 square feet and a new six-year lease for the remaining 12,012 square feet of the property, according to broker Matt Heyn of CB Richard Ellis Group Inc., who represented the Houston-based landlord.

The single-story office building is part of Hines' seven-building, 300,000-square-foot Calabasas Tech Center project.

The transaction includes a few months of free rent and a tenant improvement allowance that is valued in the \$5-\$10-per-square-foot range.

“In this market, it's imperative to retain all your tenants, but especially good, solid companies that are growing,” Heyn said. “It was a priority for us to accommodate them.”

Broker Andrew Lustgarten of Studley, who represented the tenant, said the lease, all provisions considered, starts at about \$1.20 per square foot per month, triple net. He said Line 6's three-year extension was lower than the original lease rate.

"I would consider this a better than market rate deal for my client because they were provided with significant rental relief on their existing 45,000 square feet and (were) able to take on expansion space at bottom of the market pricing," said Lustgarten in an e-mail interview.

The deal will start Sept. 1, with both parts of the lease ending concurrently.

David Solomon and Troy Pollet of CB Richard Ellis also represented the landlord.