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JOHN C. LINCOLN HEALTH NETWORK EXPANDING IN DEER VALLEY AREA . . . BUYS OFFICES

Phoenix – **John C. Lincoln Health Network** in Phoenix (**Dan Coleman**, pres.) is expanding its operations in the Deer Valley area of North Phoenix with the acquisition of a 270,320-square-foot office project. The non-profit organization paid \$14.2 million (\$52.53 per foot) to purchase the three-building complex, located at 2500 W. Utopia Road. The seller was **AG Communication Systems Corp.** in Murray Hill, N.J. **Mike Sayre**, **Steve Sayre** and **Pat Harlan** of **Cushman & Wakefield of Arizona Inc.** in Phoenix represented the seller. **Beth Jo Zeitzer** of **R.O.I. Properties** in Phoenix worked on behalf of the buyer. **John C. Lincoln** will occupy a portion of the project, including an area that has been used for a data center. Coleman says the health network will relocate its existing data center from the **John C. Lincoln North Mountain Hospital**. That facility, which includes 255 hospital beds, is located at 250 E. Dunlap Avenue (roughly 10 miles south and east of the Utopia offices). **John C. Lincoln's** plans also include using some of the space in the newly acquired Utopia buildings for administrative personnel, medical offices, nurse training and community outreach. The project is composed of structures totaling 208,090 sq. ft., 47,279 sq. ft. and 14,951 sq. ft. The health network hopes to begin occupying the Utopia complex by fourth quarter. Ultimately, **John C. Lincoln** expects to use about 100,000 sq. ft. of the main building. The purchase also included undeveloped land that will be used for future development down the road. **AG Communication Systems**, a subsidiary of France-based **Alcatel Lucent**, will remain as a tenant in the complex and occupy the ground floor of the 47,279-square-foot annex building. The balance of the space will be leased to other companies, preferably ones that support the hospital. The **John C. Lincoln** health system includes two hospitals, physician practices, community outreach programs and the **John C. Lincoln Health Foundation**. The 174-bed **John C. Lincoln Deer Valley** hospital is at 19829 N. 27th Avenue. That medical facility is about one mile north and west of the Utopia office complex. Coleman says the health network intends to expand that hospital by adding another 31 beds. Plans are also in the works to expand **John C. Lincoln North Mountain Hospital**. By moving the data center and some other personnel to the Utopia project, Coleman says it will allow **John C. Lincoln** to add another 120 to 150 beds in a new patient tower at **North Mountain Hospital**. **Sheila Gerry** is the contact at **John C. Lincoln Health Network** . . . (602) 870-6060. Talk to the **Cushman & Wakefield** agents at (602) 253-7900. Call **Zeitzer** at (602) 319-1326.

BPG PROPERTIES BUYING SCOTTSDALE OFFICE PROJECT FROM KBS REALTY ADVISORS

Scottsdale – A company formed by **BPG Properties Ltd.** in Yardley, Pa. (**Daniel DiLella**, pres.) is working to buy a 104,949-square-foot office project at 4110 N. Scottsdale Road in Scottsdale. The three-story office, called **Scottsdale Financial Center I**, is owned by a company formed by **KBS Realty Advisors** in Newport Beach, Calif. The property sale, slated to close by the end of the week, is expected to total about \$19 million (\$181 per foot). The deal is being brokered through **Jim Fijan** and **Jerry Roberts** of **CB Richard Ellis** in Phoenix. The building is 91 percent occupied. The Scottsdale Road asset will be the second office investment in the Valley for **BPG Properties**, a private equity real estate fund manager. In July 2007, **BREW** reported **BPG Properties** paying \$57.75 million (\$186.30 per foot) to buy a 309,983-square-foot office property at 1201 S. Alma School Road in Mesa. Sources say the company is interested in additional office investment opportunities in the Valley. Until the Mesa office acquisition last year, **BPG Properties** had been known for its multi-family investments in Arizona. Over the past five years, **BREW** has reported **BPG Properties** (then called **Berwind Property Group**) buying a portfolio of apartments in Arizona and selling two rental communities in Tucson and Phoenix. The firm's portfolio consists of more than 20 million sq. ft. of office, retail, industrial and student housing properties and more than 25,000 apartment units in 100+ communities located across the United States. In April, **BREW** reported **KBS** working to sell five remaining assets from a portfolio of Valley office properties the company acquired 10 years ago. As reported by **BREW** in August 1998, **KBS** paid \$123 million to purchase the 1.3 million-square-foot portfolio from **Denali National Trust Inc.** The value assigned to **Scottsdale Financial Center I** was \$9.98 million (\$95 per foot). Two weeks ago, **BREW** reported **KBS Realty** completing the sales of two of the office assets acquired in the **Denali** portfolio. As reported, a company formed by **Fenway Properties** in San Diego (**Larry Jackel**, principal) paid \$9.5 million (\$54.79 per foot) to acquire a 173,388-square-foot office project at 1951-2001 W. Camelback Road in Phoenix. In the other deal, a company formed by **Wilson Property Services**

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