

Hines Plans La Jolla High Rise

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By Daniel D. Williams

LA JOLLA, CA-Developers continue to maintain a bullish attitude that the office market is in full recovery throughout San Diego County. Two office towers have been in the works in Downtown San Diego and now the San Diego office of Houston-based Hines is making plans for an office tower locally.

The firm has agreed to acquire a three-acre site from Makar Properties LLC for an undisclosed amount. The property is entitled for a 20-story, 450,000-sf office tower, according to Paul Twardowski, Hines' lead manager in San Diego.

Twardowski tells Globest.com that Hines is "not sure if we're going to do that. Over the next few months, will be judging what's the right amount to build." Once an account of the market has been taken, Hines will finalize plans on a project that "will be at least 15 stories," according to Twardowski.

The site is in the University Town Center submarket and will see groundbreaking during the third quarter of 2006. The property is part of La Jolla Commons, a 12-acre mixed-use campus that will include condo units and a luxury hotel at buildout. Twardowski says the Hines project will be the first high-rise in the area since 1991.

Hines has had its eye on the site for years, according to Twardowski, who says the site had been entitled since around late 2000. "Makar won the bidding at that time," says Twardowski. "We didn't look at it as aggressively as they did at that time, but we continued to track it."

In the deal, Orange County-based Buchanan Street Partners served as an adviser for both the seller and buyer. Twardowski says Buchanan will provide capital structuring advice to Hines. He adds that Hines will get a third-party brokerage firm to market the space, but has not decided on a firm yet.

For Hines it's been an aggressive move into the area. The firm recently opened a San Diego office and has made two acquisitions of existing properties: Golden Eagle Plaza and Pacific Plaza. Twardowski says the firm will continue to aggressively pursue additional acquisitions and projects in the area.