

## Presidio Bay Ventures, Newmark Knight Frank tapped as developer, broker for big Menlo Park project



A rendering shows Greenheart Land Co.'s Station 1300 development at 1300 El Camino Real in Menlo Park, which was approved by the Menlo Park City Council in January 2017. This rendering is not part of the newest set of renderings for the project, as it is now being developed by Presidio Bay Ventures.



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Sep 15, 2020, 8:06am PDT **Updated** Sep 16, 2020, 5:53am PDT

Menlo Park's largest downtown project in at least a decade has swapped developers. The development is now being overseen by San Francisco-based Presidio Bay Ventures, which has taken over the project from Menlo Park-based Greenheart Land Co.

The shake-up adds a new wrinkle to a development that broke ground three years ago after years of false starts and failed attempts by others to get a project to rise on a 6.4-acre site at 1300-1302 El Camino Real and 550 Oak Grove Ave. Greenheart took about four years to get the final green light to start construction after facing pushback from some Menlo Park residents, including a ballot measure that eventually failed to shrink the project's size.

"It's a rather unique project, certainly for the Bay Area, to combine that kind of scale of office — 200,000 square feet of office space — and then a couple of hundred residential units, and then having that significant public domain at play as well, with all of the amenities from the dog park to the plaza and so on," Cyrus Sanandaji, founder and managing director of Presidio Bay, told the Business Journal.

Dubbed "Station 1300" by Greenheart, the Palo Alto-based developer's project plans called for two new three-story buildings to house a combined total of more than 200,000 square feet of office space, a separate four-story building with 183 apartment units, 20 of which would be affordable, and up to 29,000 square feet of ground-floor restaurant, retail and "community-serving" space. The project, if completed, would also include about 1,000 parking spaces in a parking garage and small surface lot and an outdoor plaza offering space for events and gatherings.

But by mid-June, more than two years after breaking ground, no leases had been signed for either Station 1300's office or retail space, Sanandaji said. What's more, the project was missing a crucial element: a sense of "dynamic energy that the project is going to bring to downtown Menlo Park, if executed clearly," he said.

"That energy that you are able to curate and bring together really then sets the tone for the interactions that the office tenants and the residents are going to have with the project as well, and then you compound that with what the neighborhood is going to have," Sanandaji said. "None of that was conveyed to the market because it didn't exist ... There was no cohesive strategy to curate the tenancy in this building."

Bob Burke, principal at Greenheart, said in a Monday email that he had no comment for this story.

Since taking over the project in mid-June with construction well underway, Presidio Bay has changed its name from Station 1300 to "Springline," replaced CBRE with Newmark Knight Frank to market its office space for lease, and plans to roll out a brand for an overall identity of the project in the coming months that "is reflective of this holistic approach to placemaking," Sanandaji said. CBRE did not respond to a request for comment in time for this story's publication.

The new name for the project draws from the point or line at which an arch or vault begins to curve, but a springline also is a callback to the history of Menlo

Park. The city received its initial name in 1854 when two Irishmen, Dennis Oliver and D. C. McGlynn, purchased 1,700 acres bordering what's now El Camino Real on which they built two houses. They built an archway as an entry to their estate on which its name, "Menlo Park," was printed in foot-high letters, according to the city's website. Presidio Bay's project has an archway between its two office buildings to tie back to Menlo Park's history.

Another aspect of overhauling the Springline project was responding to the needs of office users in a post-Covid environment, which has involved adding new, relatively larger stairs to both office buildings so employees that don't feel comfortable riding an elevator now have another way to get to their desired floor. It's also involved deploying touchless access control and upgrading the heating, ventilation and air conditioning from a filtration standpoint. Sanandaji said the project team is working on deploying an extensive "building app" that will be accessible to all tenant residents and will provide access to its two-level underground parking garage as well as its apartment and office structures.

The overall size of Springline's office portion and residential portion hasn't changed and original project architect and general contractor BAR Architects and W.L. Butler have stayed on the project. The overall size of Springline's office and residential portions hasn't changed, and original project architect and general contractor BAR Architects and W.L. Butler have stayed on the project. That said, Presidio Bay has brought in some new players to assist in its development and leasing, such as:

- Huntsman Architectural Group, a San Francisco-based firm that's been tasked with refreshing the common areas, restaurant finishes and amenities in Springline's two commercial buildings.
- Brand Bureau, a hospitality strategy and design studio that's a division of AvroKO, an international hospitality design firm. Brand Bureau is assisting in a rebrand of the apartment building's amenity offering and is also re-analyzing the look and feel of its apartment units.
- Newmark Knight Frank, which has been brought on to spearhead Springline's office leasing efforts.

Greenheart in 2017 brought on Todd Husak, Jonathan Moeller, Douglas Beck and C. David Wright of CBRE's Palo Alto and Burlingame offices to market Springline's office space for lease. Moeller earlier this summer joined commercial real estate brokerage HelloOffice to oversee its new Silicon Valley office. That disruption to the CBRE team, combined with Presidio Bay's prior

experience working with Newmark in the South Bay and in San Francisco, made the firm a "logical fit" to take over office leasing efforts, Sanandaji said.

CBRE said in a Tuesday morning email that it had nothing to add to this story.

"As Springline becomes a focal meeting place for those in nearby communities, its live/work/play amenities base will score highly from tenants seeking to bolster their recruitment and retention by means of health and wellness, sustainability, and lifestyle convenience," said Christian Prella, an executive vice president at Newmark's Palo Alto office, in a Monday news release. Prella, Mike Courson, a vice chairman at Newmark's Palo Alto office, Clayton Jones, a director at Newmark's Palo Alto office, and Cassidy Zerrer, a senior managing director at Newmark's San Francisco office, are the new office listing brokers for Springline.

The project's two commercial buildings are slated for delivery in the fourth quarter. Residential leasing is expected to begin in the second quarter of 2021.