

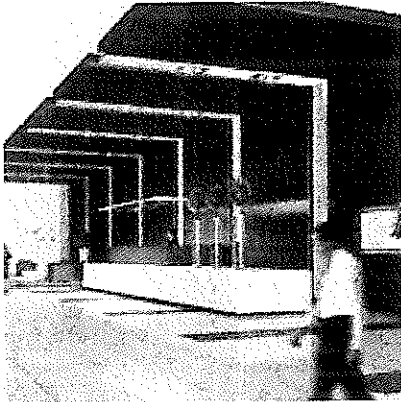
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110 Tower Undergoes \$30M Facelift

By: Hortense Leon

June 24, 2010



110 Tower lobby

FT. LAUDERDALE, FL-The 110 Tower in downtown Fort Lauderdale, formerly the AutoNation building, will be undergoing a \$30-million renovation over the next 24 months after losing its lead tenant, AutoNation, last fall. It is currently 70% occupied. Downtown Fort Lauderdale's office market had a 20.3% vacancy rate as of first quarter 2010, according to Marcus & Millichap research.

The first stage of the renovation of the 391,473-square-foot 110 Tower, built in 1988, involves the upgrade of the building's mechanical systems, which is almost finished. The next step is the largely cosmetic renovation, which began a few weeks ago.

The 110 Tower, owned by Dallas-based Genesis Capital Partners, LLC, a subsidiary of the GenCap Group, also of Dallas, will undergo a transformation of the lobby, the exterior of the building's main entrance, and tenant common areas as well as a make-over of restrooms on tenant floors. The lobby portion is scheduled for completion by the end of the year, says Laurel Oswald, vice president of Transwestern, the leasing agent for the building.

"We are modernizing the look (of the building) with granite, marble and new lighting," says Oswald. The architect for the renovation, AECOM, based in Ft. Lauderdale, will be able to see its plan carried out, thanks to the landlords' willingness to spend significant money for quality finishes in the building, she says.

During the renovation, the building will add 21,000-square feet of retail space in the lobby in addition to the 6,000-square feet currently occupied by Sabadell United Bank. "Our retail broker is in negotiations with several groups for restaurant and convenience store tenants, says Oswald.

When AutoNation departed the 110 Tower, it left a 150,000-square foot hole. So far, Transwestern has been able to rent out 50,000 square feet of that space and is now looking for more tenants.

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AutoNation relocated to a nearby building, the nearly 187,000-square-foot 200 Las Olas Circle building, a recently completed Stiles Corporation property. Auto Nation left a group of subtenants, some of which have been retained as direct tenants at the 110 Tower.

One of those tenants is the law firm Tripp Scott which has taken 5,000 square feet which was added to the 25,000-square feet it already occupied at the 110 Tower. It signed a new lease in the third quarter of last year for about 30,000 square feet.

There are a number of law firms at the 110 Tower, in addition to the American Arbitration Association, which moved into its 15,298-square-foot space on June 1st, because the building is across the street from the Broward County Courthouse.

Currently, the 110 Tower has about 100,000 square feet available, says Oswald. "We can offer building signage and naming rights for a large tenant," she says. Lease rates at the 110 Tower range from \$19 to \$22, plus operating expenses of \$11.98 per square foot, says Oswald.



110 Tower starts new renovations

June 23, 2010

FORT LAUDERDALE - GenCap Partners Inc. and Transwestern announced that 110 Tower has embarked upon the second phase of the multimillion capital improvements initiative, signified by a recent ribbon cutting ceremony in the lobby of the iconic office tower.

This phase of property's significant renovations and building rebranding consists of interior and exterior lobby upgrades to the 391,473sf, 30-story Class A office tower seeking LEED-EB certification.

The interior lobby and exterior of the building's main entrance will undergo a complete redesign consistent with architect AECOM's originally envisioned design concept. This phase of the renovations is expected to be completed by late 2010. In addition to new retail spaces being added to the ground floor, this phase will also consist of the renovation of several upper floor restrooms and common areas. 110 Tower has named City Construction as the construction team.



Transwestern closes 27,000sf at 110 Tower

Friday, May 21st, 2010

FORT LAUDERDALE - Transwestern's South Florida office announced 27,424sf of lease transactions at 110 Tower, the 391,473sf, 30-story Class A office tower at 110 SE 6th St. in downtown Fort Lauderdale. The team of Walter Robinson, senior vice president; Laurel Oswald, vice president; and Jennifer Lee, associate, brokered the transactions on behalf of the landlord, GenCap Partners Inc.

The recent leases at 110 Tower include:

- A 15,298sf new lease for American Arbitration Association, represented by Gavin Macphail and Mike Crissy of Jones Lang LaSalle.
- A 4,481sf new lease for Zerbersky & Payne LLP, represented by Keith Darby of ComReal.
- A 3,500sf renewal for McFann & Beavers, represented by Reese Stigliano of Berger Commercial.
- A 4,145sf renewal for Entin Della Fera, also represented by Reese Stigliano of Berger Commercial.



Florida Must Change, And More

Published January 26, 2010

As my e-mail inbox fills up almost as fast as I can read everything, there are some items that are too good to put aside. Here are a few examples:

- Sean Snaith's latest commentary in the University of Central Florida's latest state and metro forecast makes a point many of us might have missed during the ongoing recession: Florida has long depended on population growth to fuel our economy, and now that wellspring appears to be drying up.

"The state was succeeding despite itself," says Snaith, director of UCF's Institute for Economic Competitiveness. "Then the housing boom went bust and population not only stopped robustly growing, it actually started to decline."

Snaith notes that growing Florida's economy will require a combination of significant investment into infrastructure, research and education, as well as strong leadership to ensure that the state can compete in the new environment. "You see, a funny thing happened on the way to this recovery," he says. "Everything changed."

- Fort Lauderdale's iconic **110 Tower** has increased its operating efficiency by installing new cooling equipment. The Baltimore Aircoil Co. PT2 Cooling Tower is designed to control the 30-story building's climate more cost effectively and have less impact on the environment.

The installation is part of a multimillion-dollar capital improvement project by GenCap Partners Inc. and Transwestern to the building formerly known as AutoNation Tower. The building previously got a new LED system that will light its exterior from dusk to dawn, but the new coolers will be more appreciated by tenants this summer, or any month that isn't January.



- Encouragement for college students entering the commercial real estate field at one of its most discouraging times is coming from CREW-Miami and Florida International University. The program, called UCREW, allows industry veterans to connect with novices.

"The next generation of CRE professionals is going to have to enter the market on top of their game and as well-prepared as possible for the new reality of dealmaking in 2010," says Elizabeth Green, UCREW co-chair. At least 40 graduate and undergraduate students will participate in the inaugural event Tuesday evening at FIU's Chapman Graduate School of Business.

- Randy Smith, the Tampa Bay area's top commercial real estate tracker and one of the smartest guys I know, has joined the Tampa Hillsborough Economic Development Corp. as its new research director. Smith was previously with GVA Advantis and Cushman & Wakefield.

How smart, you may ask? Smith has a bachelor's degree in electrical engineering from Georgia Tech and an MBA from State University of New York. And yet for the past 15 years he has put up with dopes like me, asking for statistics and percentages. Amazing.

- Also on the career advancement front, Paul Sexton has joined Hospitality Real Estate Counselors as vice president in charge of its new Orlando office. Sexton is a 20-year veteran of the hotel industry and a graduate of Oregon State University with a bachelor's degree in hotel restaurant and tourism management

The Miami Herald

As the industry changes, law firms are updating office spaces

JANUARY 10, 2010

BY JULIE KAY

Law firms in South Florida are not raising any objections to a favorable climate for leasing large offices. Firms lucky enough to have their leases coming due soon can extract major concessions from landlords and use the opportunity to modernize their spaces to reflect changing national trends.

Many are opting for less secretarial space, smaller attorney offices, more common areas -- and no more law libraries.

"This is a generational opportunity for law firms, for those whose leases are up in the next couple years," said Jack Lowell of Flagler Real Estate Services. "We've been through this a few times before in Miami. These cycles last for two to three years."

These days, Hunton & Williams is feeling like the pretty girl at the dance, with suitors lined up at her feet.

With the lease on its Miami office at 1111 Brickell Ave. set to expire in a matter of months, the law firm is weighing offers from potential landlords and trying to decide where to lease some 75,000 square feet of space.

The question of where to call home for the next decade has been narrowed to three options: staying put; leasing at a brand new high-rise at 1450 Brickell; or leasing at an older building, The Miami Center. And all are vying ferociously for the 50-lawyer office.

"I've been working on this for three years," said Richard Schuchts of Jones Lang Lasalle, Hunton's broker. "With such a large tenant it's something you need a lot of lead time on. We suggested that Hunton sit for awhile and let the market come to them, and it has."

With three new Class A office buildings set for completion this year in downtown Miami and a glut of existing space, it's a buyer's market for tenants like Hunton & Williams. And few tenants are more desirable to landlords than law firms.

Law firms comprise the largest group of tenants in downtown Miami -- and, to a smaller extent, in Fort Lauderdale -- eating up millions of square feet of office space, real estate professionals say. The gems -- Akerman Senterfitt, Greenberg Trau-rig and Holland and Knight -- each lease in excess of 100,000 square feet in downtown Miami.

While the firms have not been untouched by the economy in the last year, and have suffered layoffs and cutbacks, they are still relatively stable businesses these days in comparison to financiers, banks and others.

The wooing of law firms by every commercial realtor in town illustrates their increasing clout in South Florida's economic landscape.

In the 80s, banks were king -- particularly in Miami -- occupying the choicest offices downtown, their names plastered on high-rises dotting Miami's skyline. But now, as the legal industry has seen a relative explosion over the past decade, it has become the dominant force in South Florida real estate.

What just a decade ago were small and medium-sized firms have grown into mega firms while law firms throughout the country have opened offices in South Florida to capitalize on the lucrative legal market. Among the newcomers to the area: Orlando-based GrayRobinson; Chicago-based Arnstein Lehr; Ohio-based Roetzel Andress; and Alabama-based The Cochran Firm.

Astute commercial brokers carefully monitor leases and start wooing law firms several years before their leases are up.

"As a leasing representative, you always want to keep track of what tenants are in the market and track their expiration," said Danet Linares, executive vice president of Blanca Commercial Real Estate. "Every landlord tries to get the big dogs, the Greenbergs and the Bilzins. You really have to be creative to land the biggest firms."

The Miami Herald

With an estimated 3 million square feet of real estate coming online in the next few months in Miami, the competition among brokers -- and landlords -- has never been fiercer, say real estate experts.

That's because three new office buildings are opening this year -- Met 2, a 46-story skyscraper that is part of a hotel-entertainment-condo-office project at 333 Avenue of the Americas; 1450 Brickell, an unnamed, 35-story office building; and Brickell Financial Centre, at 600 Brickell Ave.

As law firms move to the brand new buildings, space will become abundant at the older buildings, such as The Miami Center, Wachovia Financial Center, Bank of America Tower and the SunTrust International Center.

Add to the equation the fact that few new companies are moving into the area in this economy and it adds up to a tenants' market for law firms -- that is, the ones lucky enough to have leases coming up.

"Those who have space coming up in the next couple years are in an enviable position," said Bowman Brown, managing partner of Shutts and Bowen's Miami office.

Unfortunately, Shutts & Bowen's lease at The Miami Center was up five years ago and, with few other options, the firm re-signed for three floors and 80,000 square feet. But the firm -- which has 90 lawyers and 250 employees in Miami -- took the opportunity to reconfigure its space and is pleased with the result.

Like most other law firms, Shutts shrank its law library, now that most lawyers do their research online; added dividers to a large conference room so it can be sectioned off for smaller meetings; and consolidated secretarial spaces now that many lawyers are doing their own typing and the ratio of secretaries to lawyers jumps.

White & Case was also unlucky enough to have its lease expire two-and-a-half years ago. The firm searched downtown Miami, the Brickell corridor and Coral Gables, but found options limited for 90,000 square feet. The firm chose to stay put at the Wachovia Bank building, signing a 15-year lease for four floors.

Like Shutts, White & Case took the lease renewal as an opportunity to revamp its space, adding an employee café and lounge with a flat-screen television; a large multipurpose room wired for multimedia and used for mock trials, lectures and staff meetings; consolidating secretarial space; and freshening up the reception area.

"For us, it was attractive to be in an office tower rather than a mixed-use building," explained managing partner Victor Alvarez. "We've invested a lot of money here and we're pretty well entrenched and very happy."

ALL THE AMENITIES

Carlton Fields similarly re-signed its lease at the Bank of America Tower in 2008, a full two years before it was even up. Conscious that three new buildings would soon glut the market, the landlord aggressively pursued its biggest tenant years in advance, trumpeting such amenities as its fitness center, restaurants, coffee shop, 1,400 parking spaces and 150-seat auditorium for use by tenants.

The landlord also dropped its rates from \$38 to \$40 per square foot to \$34 to \$39 per square foot. Finally, the landlord learned that having its name on the building wasn't important to Carlton -- nor is it to many law firms -- but ensuring that no other law firm's name was there, either, was. They agreed to not grant any other law firm naming rights to the building, which is soon to lose its Bank of America moniker.

"In these times, we are reaching out a little farther out," said Tony Puente of Fairchild Partner in Miami, which represents the Bank of America Building. "In these kinds of markets, tenant retainage is important for landlords. You need to always be in communication with your tenant."

SO MANY OPTIONS

Bilzin Sumberg, faced with so many options when its lease came due at the Wachovia building, actually changed directions after signing a 10-year lease with the Brickell Financial Centre. After leasing with the building in April 2008, the 250-employee firm asked to be released from its contract after the developer did not meet construction deadlines and signed with 1450 Brickell in September.

The Miami Herald

For Bilzin, the move from Wachovia represents a shift from the downtown corridor to Brickell and into a brand new space it can design from scratch. Cost was not a factor, said managing partner John Sumberg, but the building gym, the 14th floor terrace, the nearby restaurants and the chance to escape the downtown traffic were.

"We had a lot of good choices," Sumberg said. "Cost wasn't really a factor, because when it came down to it, everyone was very competitive. It really came down to preference. There's a lot of excitement in the firm about the design and development of moving into a new space. People are energized about it."

Greenberg Traurig also chose a new building, but went in the opposite direction from Bilzin, choosing to move from Brickell to downtown at Met 2. In July 2008, the firm inked a 15-year deal to lease five floors and 128,000 square feet. The deal provided Greenberg with the use of the adjacent JW Marriott Marquis Hotel's dining rooms, allowing Greenberg to eliminate its current partner dining rooms and save nearly 20,000 square feet originally included, said Lowell, the broker on the deal.

The new offices will feature moveable walls, complete wireless technology, more collaborative conference rooms and less emphasis on snazzy lawyer offices.

"Gone are the days when attorneys had to be in a physical office all day long with the support of multiple business staff members to develop a contract or research a case," said firm president Matt Gorson. "The frequency of clients physically visiting lawyers has been reduced significantly in this era of connectivity."

To compete with the new skyscrapers, the older ones have to be creative. The Miami Center, owned by a subsidiary of the huge Japanese conglomerate Sumimoto Corp., is emphasizing its stable ownership to potential tenants.

"The wow of the new product has worn off a little bit and tenants are looking at who is our landlord, is the property going to be flipped and flipped and foreclosed on," said Eric Groffman, vice president at Transwestern, exclusive agent for The Miami Center.

"It's coming back around on us. We're having a high success of retention."

To drive home the point, the Miami Center is happy to share its financial information with potential tenants and, after losing two major tenants in the last year that dissolved -- law firm Ferrell Schultz and Stanford Financial Group -- hopes that tenants do the same.

In Fort Lauderdale, the situation is reversed. Large law firms have limited options, due to a shortage of Class A office space.

FORT LAUDERDALE

Tripp Scott found this out when its lease at the 110 Tower expired in November. Needing 31,000 square feet, "we were limited to two or three buildings in Fort Lauderdale," said managing partner Ed Pozzuoli. "The Fort Lauderdale market is very limited for our size."

One option the firm did not consider: moving into the former offices of Rothstein Rosenfeldt Adler, which became available when the firm imploded after the managing partner was arrested and charged with allegedly running a \$1 billion Ponzi scheme. "The landlord made an inquiry to us, but it is not consistent with our practice to have a private elevator and a secure back office with a buzzer," Pozzuoli said.

Tripp Scott's landlord aggressively sought to retain the firm, offering to fully renovate a new floor and its existing floors. Like other firms, Tripp Scott is also adding conference rooms to encourage lawyers to meet with clients outside of their offices, to ensure privacy of files kept in their offices.

Ruden McClosky, one of Broward's largest law firms, found a similar shortage when its lease was up at its offices in June 2009. The firm wound up renewing its lease at Fort Lauderdale's National City Center.

But in Miami, law firms that can afford it can pick their dream spaces. That's what K&L Gates did when its lease at the Miami Center expired 18 months ago. The firm was so intent on taking over the former executive headquarters for Southeast Bank at the Wachovia Center that it moved into temporary offices for eight months while the 35,000-square-foot space on the 38th and 39th floors was custom-designed for them.

The Miami Herald

After moving in last year, the firm threw a lavish cocktail party to show off the 10-foot windows, the free standing granite staircase, the glass-walled boardroom, the white marble floors and the colorful modern artwork hand-picked at Art Basel by the law firm's personal art curator.

"In the end, I think we got the best space in town," said Dan Casey, K&L Gates' administrative partner. "It provided us with a much bigger footprint than we had before."

THE BOTTOM LINE

But for other firms, the bottom line is the bottom line. Fowler White Burnett was looking to save costs when its lease expired five years ago at the Bank of America building, and it did just that by moving into 41,000 square feet at the Espirito Santo Building.

The firm took an egalitarian approach to offices, making a one-size-fits-all office for attorneys, whether they be equity partners, non-equity partners or new associates.

In the process, the firm added a number of war rooms to give litigators a place to spread out their papers far from the public eye.

At first, the partners balked at losing their fancy corner offices with the views -- a long-standing and treasured tradition among partners -- but ultimately were happy, said Pat Kelly, executive director of Fowler's Miami office.

"They weren't particularly interested in opulent," he said. "They wanted to go with something efficient. I think at the end of the day, they can live what they got. We're pretty satisfied here."