

Stadium Crossings – Value Add Office/ Retail

Location:	2005 – 2105 E. Katella Ave	Acquisition Cost:	\$46,000,000 \$278 PSF
City:	Anaheim, CA	Exit Value:	\$66,368,560 \$401 PSF
Rentable Area:	165,579 SF	Profit:	\$10,702,871
Investment Date:	December 2017	Project LIRR:	15.23%
JV Equity Partner:	Long Wharf Capital	Levered Equity Multiple:	1.55x (4-year hold)

PROPERTY OVERVIEW

Stadium Crossings is a mixed-use office/retail property located in Anaheim, CA. The property totals 165,579 sf and consists of one four-story, multi-tenant office building, one multi-tenant food court, two stand-alone restaurants on ground leases, a two-story retail building occupied by a megachurch and a former bank branch building. The property also includes a parking structure and ample surface parking. Situated within the highly visible Platinum Triangle area, a mixed-use zone providing retail, office and special purpose uses such as the city of Anaheim’s two major sports venues – the Honda Center and Angel Stadium. The property benefits from easy access to four major freeways as well as Anaheim’s Regional Transportation Intermodal Center.



INVESTMENT SUMMARY

Pendulum acquired the property through an online auction process run by a special servicer. Prior ownership was precluded from entering into new ground leases, selling off individual parcels and reinvesting funds into deferred maintenance given the nature of its ownership structure. Pendulum saw an opportunity to sell individual retail pieces to exchange buyers at a premium thereby reducing the overall cost basis in a largely stabilized office property in a premier location.

OVERALL VALUE CREATED

- Renewed both Denny’s and Carl’s Jr ground leases for an additional 20 years and sold both pad sites for \$9.00MM in July of 2018.
- Negotiated the removal of Saddleback Church’s termination right in exchange for minor capital improvements. Sold for \$13.85MM in December 2019.
- Renewed Starbucks for an additional 5-year term. Sold food court for \$8.62MM in March of 2020.
- Signed a new 20-year ground lease for the vacant bank building with Panera Bread. Sold for \$3.90MM in March of 2021.
- De-risked the office portion of the premises by renewing an existing tenant (11,978 SF) and leasing 12,108 SF to a new tenant prior to closing. Signed a 10-year, 20,828 SF GSA lease and exited the fully stabilized office building for \$31.00MM in March of 2022. Signed a property management fee agreement with buyer post closing.

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Office Exterior
Facade



Courtyard facing
Parking Structure



Lobby Elevators



Office Suites



Restaurant Pad



Food Court