

CASE STUDY: Commercial Real Estate Loan — Multi-Unit Development

Tech CU Partnership Gives Developer an Edge in Competitive Commercial Real Estate Market

“Bob Sherrard and his team made it a point to understand not only the real estate at hand, but our business and investment strategy. They structured each loan by taking into consideration what was best for the asset and what was best for our fund and its investors,” said Rubicon Point Partners’ President and Managing Partner Ani Vartanian Boladian. “Tech CU was flexible in their approach, creative in their structuring and expedient in their execution. Honestly, we couldn’t have had a better lending partner and we are looking forward to working with them again in the near future.”



San Francisco-based Rubicon Point Partners (Rubicon) invests in and manages unique properties throughout the Bay Area. The development group focuses on projects in unused or underutilized areas within urban communities that benefit from a close proximity to mass transit, employment centers, amenities and services.

Tech CU (Technology Credit Union) and Rubicon first partnered in 2012. The credit union funded a commercial real estate (CRE) loan that supported the group’s refinancing of a multi-tenant property in downtown Mountain View (in which Google was the major tenant), as well as a loan to support the purchase of an historic SOMA-located office building in San Francisco.

To learn more, call a Commercial Banker at: (800) 448-1467



COMMERCIAL
BANKING GROUP

THE NEED: FINANCING FOR THE PURCHASE AND REPOSITIONING OF A MULTI-TENANT COMMERCIAL BUILDING

Rubicon realized there was an opportunity to acquire a multi-tenant building in San Francisco. The city's highly competitive real estate market meant they needed to move quickly. In addition, the property required some construction in order to reposition it within the market. This needed to be accounted for within the structure of the loan.

THE CHALLENGE

- **Construction on the property delayed full tenancy for two years.** The property required some remodeling to reposition it, which Rubicon expected to take approximately two years to complete. The loan, therefore, required repayment terms that were flexible in consideration of those improvements.

WHY TECH CU?

- **A successful partnership.** Tech CU initially partnered with Rubicon in 2012, providing financing for two very successful projects. Tech CU's commercial banking team knew the principals and understood the group's business philosophy and expertise.
- **Expediting loan approval.** The commercial banking team was able to quickly secure approval for Rubicon due to its history with the principals and the fact that Tech CU makes decisions on all loan approvals locally, allowing for quick responsiveness.
- **Willing to work with Rubicon's business model.** Tech CU was flexible when it came to meeting the needs of the borrower. This included structuring a loan with a transition period necessary to stabilize occupancy.

A CRE acquisition and renovation loan for a multi-tenant building in San Francisco.

BENEFITS TO THE BORROWER

- **By expediting financing for Rubicon,** Tech CU helped the group meet their purchase contract deadline and secure the property in a highly competitive market.
- **Tech CU structured the loan** in a way that provided Rubicon the ability to focus on improving the property and procuring new tenants — all without worrying about unreasonable performance hurdles.
- **By supporting another successful project,** Tech CU helped ensure Rubicon's credibility for future development projects in San Francisco and beyond. The credit union also now serves as a reference and future partner for the group.



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