

Gateway Office Tower Trades for \$28M

By [Bob Howard](#)



PASADENA, CA - Locally based private investment group Pacific Starr Pasadena LLC has acquired the 121,462-sf Gateway Tower office building at 3452 E. Foothill Blvd. for \$28.35 million. Pacific Starr bought the 11-story property from Gateway Tower LLC, with Carole Walker and Dan Alle of the John Alle Co. representing the seller.

The Gateway Tower property occupies a site that "is very well located in the heart of the Foothill commercial corridor and immediately adjacent to retail and residential development as well as a light rail station," notes John Pipia, managing member of Pacific Starr. The rail station is the Gold Line Metro Link, which was recently completed at the corner of Sierra Madre Villa and the 210 Freeway, about a block from the Gateway Tower.

Pipia notes that the new Pacific Starr asset is the only high rise on Foothill Boulevard, has freeway visibility and offers mountain views. Built in 1969, the office project is situated in the midst of an area that "has undergone a dramatic transformation in retail, housing and new commercial growth" in the past 10 years, Pipia says.

Another Pacific Starr executive, SVP Betty Ma, comments to GlobeSt.com that the East Pasadena market surrounding the Gateway Towers building "has matured handsomely over the last decade and has become a mature business address in an amenity-rich environment." Ma notes that the East Pasadena market is the corporate headquarters for ATI Systems International Inc., Tetra Tech Engineering, Optical Research Associates and major employers such as IndyMac Bank, Avery Dennison and others.

Other signs of the improvement in the market are the rising prices of office buildings. A building at 3280 East Foothill is on the market, and early indications are that offers of \$300 per sf are being considered. Another building on the market, at 2947 Bradley St., is said to be drawing offers of \$250 per sf. Tenants at the Bradley Street property include Earthlink, which earlier this year renewed its lease for 110,497 sf at the building, helping Pasadena's vacancy at the end of the third quarter to reach an all-time low of 3.7%.

The Gateway Tower purchase is the first investment in Pasadena for Pacific Starr Group, which was founded more than 10 years ago. Its holdings have included the Hyatt Regency Hotel in Sacramento and several commercial projects in San Diego.

Financing for the Gateway Tower acquisition was arranged by Thomas Dudley Jr. of Newmark Realty Capital Inc. The financing was through Allstate Investments LLC, which Newmark represents as a correspondent.