

# Allianz

## News

A QUARTERLY PUBLICATION FOR OUR BUSINESS

3RD QUARTER 1999

### MORTGAGE DEALS CLOSED:

**Repeat Borrower      Omaha, Nebraska      \$10.8 Million      Closed in 33 Days**



Miracle Hills Office Park  
Omaha, NE

Steve Ruff, President of Daisley Ruff Financial assisted Magnum Resources in securing permanent financing for the acquisition of two Class A, suburban office properties. This deal represents Allianz's seventh transaction with Magnum involving suburban office in five Midwestern states. **Sponsorship:** Magnum Resources Inc. is a privately held real estate corporation whose objectives include the acquisition of "A" quality office to hold for long term cash flow and appreciation. Allianz and Magnum have teamed up to close over \$50 million in the past 4 years. **Real Estate:** These Class A, five-story office buildings comprise a total of 131,000 SFNRA. Constructed in 1990, they are situated in Omaha's Miracle Hills Office Park. **Tenancy:** The buildings are 100% leased with no more than 20% of the space rolling in any one year. Since its development, the Miracle Hills Office Park has enjoyed occupancy levels consistently above 90%. **Features of the Transaction:** In order to secure a better interest rate, reduce legal fees and minimize the lease rollover effect, both buildings secure the note. This loan represents 69% of the acquisition price.

**Pension Fund      Orange County, CA      \$16 Million      Closed in 30 days**

Tom Kenny of Dwyer-Curllett arranged the financing for this 229,000 sf, campus setting office complex located adjacent to the John Wayne Airport. **Sponsorship:** The ownership entity is a joint venture between Kennedy Associates on behalf of its discretionary client, the Dallas Police and Fire Pension Fund, and Investment Development Services, Inc.(IDS). Kennedy Associates is a \$2.7 billion pension fund advisor who has acquired over \$380 million of real estate in California. Based in Los Angeles, IDS is a real estate firm specializing in leasing, management and development services. The firm's principals have developed over 20 million square feet of property in Southern California and the firm currently manages and operates a portfolio of over 16 million square feet of industrial, office and retail projects. **Real Estate:** Constructed in 1984, the three, two-story, steel frame buildings have metal and glass curtain wall exterior and a parking ratio of 4/1000. **Tenancy:** The buildings are 100% leased with over 80% leased to New York Stock Exchange listed tenants (Canon, Inc. and MacNeal-Schwendler Corporation). **Features of the Transaction:** Most the space is leased below market rents with significant upside to be realized as leases renew. Allianz committed to advance an additional \$2 million in loan proceeds for future TI costs and leasing commissions. This loan represents a loan-to-purchase price of 50%.



Scripps Business Center  
Costa Mesa, CA

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## Deals Closed! Continued from Page 1:

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**Insurance Company**

**Portland, OR**

**\$7.5 Million**

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Mike Glanville, President of National Mortgage coordinated this transaction with another one of National's correspondent lenders. **Sponsorship:** StanCorp Financial Group, Inc. is the holding company for Standard Insurance Company. Standard provides group life and disability products as well as products to fund retirement plans and other insurance products. **Real Estate:** Situated in the Stonemill Office Park, the two office buildings comprise a total NRA of 117,000 square feet. The office buildings are constructed of steel frame with brick and glass exterior and a parking ration of 4/1000. **Tenancy:** The two buildings are 100% leased to credit quality tenants at rental rates well below market. **Features of the Transaction:** This loan represents a 58% loan-to-purchase price.



Stonemill Corporate Center  
Vancouver (Portland), WA

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**Repeat Borrower**

**Ontario, CA**

**\$8.15 Million**

**6-month forward**

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**Ontario, California:** Rowin Jacobs, Vice president of Dwyer-Curlett assisted Vogel Properties Inc. in securing permanent financing for the construction of a build-to-suit office warehouse for Biagi Brothers, Inc. Totaling over \$21 million of financing on warehouse product in the Ontario market, this deal represents Allianz's third transaction with Vogel Properties. **Sponsorship:** A joint venture between Vogel Properties Inc., a privately held real estate company, and Fred and Greg Biagi, owners of Biagi Brothers, Inc., a privately held logistics company. **Real Estate:** This recently completed tilt-up office/warehouse totals 291,000 square feet of NRA and boasts of 30-foot clear height, 20 dock doors, rail service, and an ESFR sprinkler system. **Tenancy/owners:** The building is 100% leased to Biagi Brothers, Inc. for 10 years. Biagi is using the facility for the distribution of Corona beer and related products for the state of California. **Features of the Transaction:** This transaction was committed in March 1999 and funded in September 1999. Taking advantage of technology, Vogel Properties updated their web page daily to insure all parties involved in the construction of this building had the latest information.



Visit their web site at [www.vogelproperties.com/bvairport](http://www.vogelproperties.com/bvairport).

BV Airport Distribution Building  
Ontario (Los Angeles), CA

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**Additional Advance**

**Portland, OR**

**\$15 Million**

**Closed in 35 days**

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Sourced by Rick Brooke of National Mortgage, this transaction represents an additional advance under an existing loan with Harsch Investments. The original loan \$3.8 million is secured by a 125,000 sf industrial building with 30-foot clear height, ESFR located in the Rivergate Industrial Park. **Sponsorship:** Harsch Investment Corporation is one of the leading real estate investors/developers in the Pacific Northwest and California. **Real Estate:** Developed by Harsch, the four new industrial buildings are 24' to 30' clear height, tilt-up concrete, rail served with an ESFR sprinkler system. **Tenancy:** The buildings are 87% leased to 10 national and regional credit quality tenants with varying lease expirations. **Features of the Transaction:** Allianz advanced an additional \$15,000,000 for the four recently developed buildings by modifying the existing loan documents. One of the four buildings was nearing completion. Rather than extend the closing, \$2.6 million was placed in escrow until completion of construction. Additionally, Harsch provided a master-lease on the available space until acceptable tenants are secured.

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## Correspondents of the Year

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This year we were pleased to honor **National Mortgage**, Portland, Oregon as **Allianz's Correspondent of the Year for Production**. This year National has produced a number of outstanding loan transactions. Two transactions described in this newsletter are representative of Allianz's target and National's understanding of that target.

Factors which made National the obvious recipient of this award include the following: **1)** The National production team understands the Allianz program, finds the deals and submits a detailed submission package for consideration. **2)** Each transaction hit the Allianz target in terms of Class A real estate, experienced/repeat quality borrowers, and sound underwriting with credit quality tenants. **3)** The National production and closing staff are experienced professionals, creating a seamless transition from production to closing. During closing, every third party report arrives with a cover letter from the production officer highlighting key items and providing a recommendation. Nice job Mike Glanville, Rick Brooke and all members of the National Team!

Allianz of America Investments, Inc. is proud to announce **Daisley Ruff Financial** of Omaha, Nebraska has earned the distinction of **Correspondent of the Year for Servicing**. Daisley Ruff Financial was selected as the top servicer of commercial loans for the past year based upon their outstanding focus on quality, timely service and attention to detail.

Daisley Ruff Financial, a commercial mortgage banking company with offices in Omaha and Des Moines, is currently celebrating their 10<sup>th</sup> year in business and was ranked by the Mortgage Bankers Association of America one of the top 100 largest correspondent mortgage bankers in the country at the end of June 1999. Daisley Ruff Financial specializes in the placement of long term permanent financing on office, industrial, retail, and apartments throughout the Midwest.

In accepting the award, Stephen W. Ruff, CMB and President of Daisley Ruff Financial, acknowledged the award recognizes the outstanding service provided by Ed Steffa, Senior Vice President – Loan Closing and Servicing, Donna Taylor, Loan Servicing Coordinator, and Beth Bornhoft, Cash Management. “We were pleased to receive this award and know this reflects on our ongoing effort within the company to continue to provide the very best service possible to both our borrowers and lenders in the mortgage banking business.”

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## NAIOP Annual Conference

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The National Association of Industrial and Office Parks (NAIOP) held their annual conference in Seattle, WA, October 5-8. Highlights from those meetings include the following:



### *Capital Markets*

- Key words – “Caution and Selectivity”
- 2000 will be slower than 1999 (1999 is slower than 1998)
- Most \$\$ allocations for 2000 will be equal to or less than 1999
- Fundamentals in economy still look good (...but not great...)
- Most real estate markets are in balance
- Real estate demand is more “shallow”, wind no longer at our back
- Emphasis on being “intimate” with your market, know your business

### *Office Trends*

- Larger footprints with more stairwells
  - “Business casual” buildings (not pretentious) are office of choice for tenants and investors
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**Allianz Investment Target-**

- **Investment Size-** \$5 to \$30 Million, immediates (30 day closings) and forwards
- **Markets-** major markets with long-term growth potential and strong local real estate conditions
- **Rates/ Yields-** competitive with market (par lender)
- **Property Types-** general purpose, multi-tenanted, **office/warehouse buildings** in established business parks, credit anchored community **shopping centers**, and well tenanted, first class **suburban office** properties.

**Allianz Real Estate Contacts**

<u>Team Member</u>	<u>Position</u>	<u>Direct Line</u>	<u>E-Mail Address</u>
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**VISIT  
OUR WEBSITE**  
  
**WWW.AZOA.COM**

**Allianz Commercial Mortgage Loan Correspondents**

Please contact the correspondent in your area with any transactions that hit the Allianz investment target:

<u>City</u>	<u>Correspondent</u>	<u>Phone Number</u>	<u>Fax Number</u>	<u>Contact Person</u>	<u>Email</u>
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