



REAL ESTATE SERVICES

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**VOIT REAL ESTATE SERVICES COMPLETES \$148 MILLION LEASE
TO BRING NEW STATE-OF-THE-ART VETERANS ADMINISTRATION
OUTPATIENT CLINIC TO SAN DIEGO**

- **New 140,000 SF facility will enable the VA to expand its current care in the region**
- **Transaction marks one of the largest medical leases in San Diego history**

San Diego, Calif., (March 26, 2019) – [Voit Real Estate Services](#) has announced the completion of one of San Diego's largest-ever medical leases. **Brandon Keith** and **Kipp Gstettenbauer**, both Senior Vice Presidents in Voit's San Diego office, along with Voit's Private Client Group directed the 20-year, \$148 million lease of an existing approximate 100,000 square-foot facility that will be transformed into a state-of-the-art Veterans' Administration (VA) outpatient clinic – the only one of its kind in Southern California.

"This is a milestone transaction for the City of San Diego, and for our Congressional leaders who are fighting for better, more accessible healthcare for veterans," says Keith, who explains that the property has an interesting history.



“This asset was once used as a money vault for Bank of America, guarding up to \$1 billion dollars in cash and coin at peak operation,” explains Keith. “The property is built like a bunker, complete with bulletproof guard tower, bulletproof interior holding rooms (which were once used to unload cash from armored trucks), and of course, highly secure money vaults.”

The Voit team was originally retained to manage the property’s sale or lease while in receivership through Trigild in February of 2015, several years after Bank of America vacated the property. Voit continued to handle the property following foreclosure by CW Capital Asset Management in early 2016.

“In May of 2015 we received notice of a Veterans Administration Outpatient Clinic requirement, and quickly recognized that this property’s unique features were an excellent match for this particular requirement,” says Keith, who notes that Voit brought in VA officials to tour the property that month.

“Government transactions of this type and size take a number of years to develop,” Keith continues. “Our team understood the tremendous opportunity for the right owner to transform this property into a profitable long-term asset, while also supporting the nation’s promise to improve healthcare for veterans.”

By early 2017, LNR Partners had taken over administration of the asset, with Voit continuing to represent the property for sale or lease.

“The VA was becoming more serious about selecting a site, and while LNR recognized the interest coming from developers who track these government

requirements, LNR's expedited transaction requirements could not be met by any of these public or private parties without an assurance that the Veterans Administration would formally select and enter into a lease for the property," Keith says.

Kipp Gstettenbauer and the Voit Private Client Group believed they had the right buyer in Protea Properties, who was willing to accept the risk of buying the property without any assurance the VA lease would come to fruition. The Voit team then supported Protea Properties in the \$18.5 million acquisition of the property in August 2017.

"As a prolific and well-known developer and property owner, the Protea team proved to be the right buyer and trusted Voit to complete the detailed work necessary to meet each of the VA's requirements to lease the facility," says Gstettenbauer. "Through perseverance over 18 months and a savvy knowledge of real estate, Protea Properties now owns a fully leased property that is being completely renovated to deliver state-of-the-art healthcare to the region's veterans."

The new VA Outpatient Clinic will allow the VA to increase its current primary care, mental health, specialty care, and ancillary services to veterans in a right-sized, energy-efficient healthcare facility. The property will be expanded by approximately 40,000 square feet, including significant interior and exterior upgrades, as well as a new multi-level parking structure.

Situated on 7.74 acres along Aero Drive, the property is located in San Diego's sought-after Kearny Mesa submarket, in close proximity to six major freeways and interstates. As the second largest suburban office submarket in San Diego County,

Kearny Mesa is fast becoming a medical hub. The market is currently home to Sharp Memorial Hospital, Rady Children's Hospital, the newly constructed \$900 million Kaiser Permanente hospital at Clairemont Mesa Boulevard and Ruffin Road, and a new Kaiser medical office which broke ground in January 2019 and is adjacent to an existing Kaiser facility on Convoy Court.

The property is located at 8875 Aero Drive in San Diego, California.

About Voit Real Estate Services

Voit Real Estate Services is a privately held, broker owned Southern California commercial real estate firm that provides strategic property solutions tailored to clients' needs. Throughout its 45+ year history, the firm has developed, managed and acquired more than 64 million square feet, managed \$1.4 billion in construction projects and completed in excess of \$50 billion in brokerage transactions encompassing more than 47,500 brokerage deals. Voit's unmatched expertise in Southern California brokerage, investment advisory, financial analysis, and market research enable the firm to provide clients with forward looking strategies that create value for a wide range of assets and portfolios. Further information is available at www.voitco.com.

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