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Urdang JV Closes \$81M Refi

By Jennifer Duell Popovec

HOUSTON-A joint venture partnership between an Urdang investment fund and Griffin Partners has obtained an \$81 million fixed-rate loan from MassMutual Financial Group with a term of seven years for an 800,000-square-foot office building that includes a data center. The refinance takes out an \$80.8-million securitized loan.

"The refinancing of the Houston building at 1301 Fannin St. was particularly significant for our Urdang Value Added Fund II LP in that this is one of the larger refinancings that have been completed in the current business climate, where lenders have been highly selective," says David Spoont, senior vice president of finance and dispositions for Urdang Capital Management, which manages the fund.

An Urdang spokesman tells GlobeSt. that it took several months to refinance the property. Both CMBS originators and portfolio lenders were interested in the deal. Paul House with CBRE Capital Markets and Tom Melody with Jones Lang LaSalle arranged the financing.

Edward Griffin, president of Griffin Partners, says the refinancing was notable because buildings with data centers typically are more challenging to finance because of the complexity of their operations.

Located in the Central Business District, 1301 Fannin St. is just one block from the city's light rail system. The class A building has a diverse roster of credit tenants including global energy firms, banking and financial services companies, and consulting and technology firms. The partnership upgraded the building with a multi-million dollar lobby renovation, a new dining operator and enhanced back-up power sources for our data center tenants, according to Griffin.

The Urdang Value Added Fund II and Griffin Partners acquired the property in March 2007.



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