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A pickleball court in downtown San Francisco? The Reserve on Battery Street is thinking about it.

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In 2019, New York real estate titan and art collector Aby Rosen was on the hunt for a long-term investment in San Francisco that would not only stand out, but also stand the test of time.

Rosen, through his real estate development firm RFR Holdings LLC, threw his hat in the ring to purchase the city's iconic Transamerica Pyramid, which in August of that year hit the market for the first time since its construction. That sale ultimately went to another New York real estate magnate, Michael Shvo.

But Rosen had been eyeing another San Francisco gem located just two blocks away: the former home of the San Francisco branch of



JLE

New York-based real estate investment company RFR Holding LLC purchased the landmark office building at 301 Battery St. in a sale that closed in early 2020.

the Federal Reserve Bank at 301 Battery St. He described the building, completed in 1924, as "irreplaceable."

"It has exactly the right bones," said Rosen, gushing about the 128,000-square-foot Beaux Art and Moderne landmark designed by prominent local architect George Kelham. Inside, soaring 25-foot marble columns that line a former banking hall-turned-event-space and murals hand-painted by Jules Guerin give the eight-story office building a chic and majestic feel.

"We were intrigued by the architecture, by the classical and historic background of it, and the ability to change it into a really modern and very 21st century building."

RFR paid \$145 million for the building in 2020 five months after it was listed. The building, then known as the Bently Reserve, was 94% leased in an excruciatingly tight office market that benefitted from significant demand from the tech sector. But roughly a month after the deal closed, Rosen, like all other San Francisco building owners, was thrown a major curveball: the Covid-19 pandemic. Downtown isn't quite the same: Nearly 25% of the city's office inventory sits vacant as a mass return-to-the-office remains elusive.

The plan for the Reserve at 301 Battery St.

Rosen admits that he was "slightly disappointed" about the unexpected turn of events but is not one to dwell. He is confident that San Francisco will surpass its pre-pandemic levels of office activity as a result of highly amenitized office buildings — a solution he plans to put to the test by repositioning 301 Battery.

"Amenities have always been put in by landlords to check the box," he said — but no more. "In big, important cities like San Francisco, New York and Chicago, we need to reinvent ourselves."

The building at 301 Battery has been rebranded as the Reserve, and Rosen said his team plans to invest in technology and HVAC system upgrades, as well external improvements. He declined to say how much his team will shell out to spruce up the property.

The building's previous owners, the Bently family, bought it for \$46.8 million in 2005 and invested some \$35 million into renovations.

"We want to obviously do some more work on the facade with a great lighting designer we have hired, to give it the right glow and attraction," he said. "We have a lobby that can be entered on two sides. So we're going to make this a multitenant situation. We have green space that we're going to be adding to it with gardens wrapping around the building."

Rosen said his team has "emptied the floors, opened up ceilings, and whitewashed some of the spaces," and real estate services firm JLL has been hired to market the space. He sees the building's 15- to 35-foot ceiling heights, a rarity in the local market, as well as its outdoor terraces as highly desirable.

Will another bank fill the building's ground-floor space? Probably not. Rosen said the space was imagined as being filled by a tenant who would use it to showcase a product when RFR purchased the building.

"Maybe if it's a TikTok or a car dealership, or an electric car [company], they can put a showroom downstairs and take a few floors of offices — that's the way it was originally thought about," Rosen said.

A pivot away from ground-floor retail

RFR, which owns signature properties such as the Seagram and Chrysler buildings in New York City, is "deliberately vacating the classic retail" from some of its buildings, instead "creating experiences for the tenants that they can use." That includes food and beverage concepts, event spaces, conference centers and fitness and wellness spaces.

At the Seagram Building, RFR converted half of the property's garage and a space underneath its plaza on Park Avenue into a 35,000-square-foot amenity space equipped with a basketball court, a racetrack, conference centers and a mediation room.

"Since we announced it and opened it up, the building has been completely transformed. There's been a return to the space because the younger partners in the some of the firms have a different lifestyle. They're coming in early, or they're coming late. They come in on the weekend. They kickbox, they shower, and then

they work for six, seven hours," said Rosen. "I still believe in smart space that is curated correctly."

At 301 Battery, Rosen said his team has been toying with the idea of creating a pickleball court in the in the building's ground-floor space, given the sport's soaring popularity — and noted that the Major Pickleball League is on an expansion course, with NBA superstar LeBron James recently joining the ranks of high-profile pickleball investors. Rosen said he has also been "dreaming" about cryptocurrency stabilizing.

"Just imagine how cool it would have been for a great crypto exchange or crypto company to come into the Reserve," he said.

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