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Google at Hills Plaza

Best Office Lease / San Francisco

San Francisco Business Times - by [J.K. Dineen](#)

In the world of **Google** real estate, 200,000 square feet at Hills Plaza is small potatoes: after all, the company occupies a million square feet in Mountain View and is planning another million at Moffett Field.

But for those who care about San Francisco's economic development, the lease was an enormous coup.

After several years of rumors, Google in early 2007 quietly stepped up and snagged three floors of Gap sublease space at 345 Spear St., part of the historic Hills Plaza complex. Google's decision to establish a foothold in the south financial district accelerated the trend of talent-hungry Silicon Valley firms taking space in the city. In addition to the Google agreement, other tech heavyweights like **Yahoo**, **Microsoft**, **Cisco** and **MySpace** all opened or expanded offices in the city this year.

Hundreds of workers moved into the office at the end of February, and eventually about 1,200 Google workers, a mix of engineers and advertising and sales personnel, will move into the facility. Google is paying about \$35 a square foot for the three-year commitment, a deal worth about \$21 million. Cornish & Carey brokers Bart O'Connor and Donette Clarens represented Google in the deal.

The move was driven not just by San Francisco's talent pool -- thousands of Googlers live in the city -- but by environmental concerns. By opening an office that is close to BART and Muni stops, and within walking or biking distance for many employees, the new office helped Google toward its goal of becoming carbon neutral this year. Google will seek certification for the office under the Leadership in Energy and Environmental Design (LEED), the nonprofit that certifies green buildings. [Skyline Construction](#) was the contractor on the project.

San Francisco Center for Economic Development Director Dennis Conaghan said the deal would "further strengthen the importance of San Francisco as a place for cutting-edge technology" and lure other users looking to be near Google.

"It sends a signal to other businesses that compete with Google," said Conaghan. "Suddenly you have all these other companies in their industry asking, why did Google go to San Francisco?"

With a three-year commitment in place, Google is frequently mentioned as a possible anchor tenant for new office construction. The company could end up at the fourth Foundry Square building, or at one of the buildings **Alexandria Real Estate Equities** is building in Mission Bay. During a recent tour of the new Google office, Google project manager Jay Bechtel said the new office would accommodate Google's needs -- for now.

"Accurately projecting head count is an inexact science," he said.

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