

LEGAL: BOARDWALK GETS TOP FLOOR TENANT

Law Firm Rutan & Tucker to Irvine

By Mark Mueller

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Rutan & Tucker LLP, Orange County's second-largest law firm by local attorney count, has inked a deal to move its headquarters to The Boardwalk office development along Jamboree Road in Irvine, about a mile from John Wayne Airport.

The firm is taking the entire top floor at each of the two interconnected nine-story buildings at The Boardwalk complex, which opened early last year and totals about 545,000 square feet. It is also taking some space on the eighth floor of the complex.

Rutan's new headquarters is nearly 72,000 square feet; it's among the largest reported office leases of the year so far.

It's also likely among the priciest area office deals of the year. The Boardwalk's developer, Trammell Crow Co., has been pushing for monthly rents in the \$4 per square foot and higher range for much of its high-end space.

Financial terms of the 12-year lease were not immediately disclosed.

Class A office space in the area around John Wayne Airport runs about \$3.36 per square foot per month, according to data from CBRE Group Inc.

Rutan's current headquarters in Costa Mesa's Pacific Arts Plaza office complex near South Coast Plaza is owned by Newport Beach's Irvine Co.

The law firm had been at Pacific Arts Plaza since the early 1980s, and signed its last reported lease there in 2006—a time when it was courted by a number of local developers, including Irvine Co., to take space at some of the area's newest buildings.

The complex was owned at the time by Los Angeles-based Maguire Properties Inc. Irvine Co. bought Pacific Arts Plaza in 2010 and subsequently overhauled the property.

"This is a significant venture for us having been in our current space for nearly 40 years," said William Meehan, Rutan & Tucker's managing partner and chairperson of the firm's executive committee.

"We are excited to provide our attorneys and staff with an updated, modern workspace to accommodate the changing needs of our firm and our clients."

Office Efficiency

Rutan does a variety of corporate, litigation, real estate, government and other work. It employs nearly 140 OC attorneys and 260 local employees.

Its attorney and employee count has largely stayed the same since its last lease extension at Pacific Arts Plaza, but its space needs have decreased: The Boardwalk lease is roughly two-thirds the square footage of what it has been leasing in Costa Mesa.

That's partly down to efficiencies in The Boardwalk's layout. Its floor plates are among the largest offerings in the area's office market, when connected via the building's bridges, said Bob Thagard, executive managing director for the Irvine office of Cushman & Wakefield, who was part of the team that represented Rutan in the new lease.

The 7.5-acre Boardwalk's two buildings are connected by a series of indoor and outdoor bridges, which allows the 30,000-square-foot floors to expand to about 65,000 square feet of connected space, much larger than a typical office floor.

Another reason for the downsizing: high-end law firms like Rutan are increasingly going digital and employing more efficient uses of their offices, according to Thagard.

For most firms, that has meant the elimination of storage areas and ceremonial spaces such as large lobbies in individual offices.

Top national law firms that lease more than 50,000 square feet have cut their space needs by about 25% or so this decade, according recent to trade reports.

"We were able to take them from 112,000 square feet down to 72,000 square feet based on modern layout and space efficiencies," Thagard said.

Also this month, Rutan & Tucker, which bills itself as OC's oldest and largest full-service law firm, opened an office in the downtown business district of San Francisco, its third office overall. It's the second Northern California office for Rutan, which already has a presence in Palo Alto.

Rutan's Litigation and Government Relations and Regulatory attorneys in the Northern California offices represent area public entities, as well as contractors, subcontractors and real estate developers and owners, according to the company's website.

Big Win

Landing one of the county's largest professional services firms marks the most prominent lease yet at The Boardwalk for Dallas-based Trammell Crow, whose Newport Beach office headed the development. It is estimated to have spent close to \$200 million on the Irvine project; amenities include outdoor meeting spaces with televisions, extensive landscaping, an on-site Sterling Service hospitality team of 10 and valet service at the property's entrance.

The Boardwalk is the largest office project built in the John Wayne Airport area during the current market cycle.

Other tenants at the complex include financial firm Pathway Capital Management, accountancy Holthouse Carlin & Van Trigt LLP, WeWork Inc. and Propel Media Inc.

The property's close to 75% leased following the Rutan & Tucker lease.

Rutan & Tucker was able to secure "prominent building top signage" as a result of the relocation deal, according to Cushman, whose team included Christopher Bosley, Ali Anderson, and Jason Ward from the Irvine office, as well as Sherry Cushman from the Washington, D.C. office and the firm's Legal Sector Advisory Group.

Trammell Crow was represented by CBRE's Dean Chandler, Justin Hill and Weston Chandler, who served as leasing agents for The Boardwalk.