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Blackstone Group buys Solana Business Park out of foreclosure

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New York-based Blackstone Group, a \$273 billion global asset management firm, has bought the Solana Business Park out of foreclosure.

A Blackstone Real Estate Partners fund paid \$180 million to buy the property Aug. 13 from Five Village Circle Holdings L.P., the U.S. Bank unit that foreclosed and held the property, according to deed records.

The deal comes about six months after a sale to a Houston investment group fell through. That group had offered \$195 million for the 14-building campus-style development on both sides of Texas 114 in Westlake and Southlake.

The deal also includes a Marriott hotel, a fitness club and some retail space, as well as 78 acres of undeveloped land, deed records show. In all, the buildings totaled about 1.8 million square feet of space, which were only about 50 percent occupied at the time of the sale. Tenants include Verizon, Wells Fargo, CoreLogic and First American.

A person with knowledge of the deal said Blackstone is expected to invest about \$110 million in property upgrades and improvements, and leasing costs.

The once-thriving 900-acre business park, known for its brightly colored architectural accents, was developed in 1989 by Los Angeles-based Maguire Partners and IBM Corp. It was held under three partnerships.

In December 2006, Maguire Partners borrowed \$395 million from the New York branch of German bank Eurohypo AG. U.S. Bank was a trustee for lenders Banc of America Commercial Mortgage and JPMorgan Chase Commercial Mortgage.

In 2010, U.S. Bank began posting the office buildings for foreclosure after Maguire fell more than a year in arrears and told the bank it was having trouble paying its bills. Instead of foreclosing, the bank sought a court-appointed receiver in November 2011 to handle the disposition of the property.

In February, a state district judge in Tarrant County allowed U.S. Bank to foreclose, paving the way for a sale.

Two other developers have bought property in Solana out of foreclosure from other lenders, with plans for residential and commercial projects.

A year ago, a real estate company owned by Farris and Dan Wilks, the West Texas billionaire founders of Frac-Tech Services, now known as FTS International, bought 112 undeveloped acres in the Southlake portion out of foreclosure.

In 2012, Mehrdad Moayedi, owner of Centurion American Development Group in Carrollton, took control of 285 undeveloped acres on the northwest corner of Texas 114 and Dove Road from Maguire Partners.

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