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Joint venture buys industrial complex in Southeast Austin

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Two California companies have formed a joint venture to buy an industrial complex in Austin.

Mission Hills-based [Asset Management Consultants Inc.](#) and Irvine-based [RLA Real Estate LLC](#) worked together to buy the 80,476-square-foot property at Todd Lane in Southeast Austin.

RLA had been facing a maturing loan on the property, and AMC furnished about \$2 million in equity to form the joint venture and facilitate a new loan. Under that structure, RLA retains an ownership stake in the two-building, multitenant property, which is 92 percent occupied. The joint venture formed a new ownership entity, AIP Todd Lane LLC, in which an affiliate of AMC is the managing member.

“The crisis in the real estate and credit markets is placing a wealth of high-quality, well-located assets on the market and in immediate need of recapitalization,” said Jim Hopper, president and CEO of AMC. “By forming strategic joint ventures and acquiring these properties, we allow the current owner to continue to participate in the ownership and upside profit of the property, while adding quality assets with strong cash flow and high returns to the AMC portfolio.”

Earlier this year, AMC announced plans to expand its portfolio by acquiring more than \$150 million in commercial real estate investments in 2009. Its executives said the company would acquire about \$30 million to \$50 million worth of property in Austin as part of that expansion.

Hopper said AMC will continue to pursue “win-win” strategic partnerships and structure transactions with mitigated risk and positive cash flow.

“We view these properties as ‘nonstressed’ real estate owned by ‘distressed’ sellers,” he said.

“AMC provided a sound strategic alternative that enabled us to retain an ownership position in an already strong investment,” said Rich Lee, founder of RLA. “AMC not only provided peace of mind with a seamless transaction, but prevented us from having to deal with an unfavorable solution, such as a sale or foreclosure.”

AMC Investments and RLA each represented themselves in the transaction.