

Jones Day signs deal at Pershing Park Plaza

By Jarred Schenke

Staff Writer

It was the deal that almost didn't happen. Atlanta law firm **Jones Day** has finally signed to take most of Midtown landmark building Pershing Park Plaza at 1420 Peachtree St., officials said. Jones Day is leasing 120,000 square feet for 17 years, said David Tennery, chief financial officer of **Urbana Realty Advisors**, the firm that owns Pershing Park Plaza.

"Law firm deals are never easy by any standard," Tennery said.

Jones Day is scheduled to move out of SunTrust Tower and is building out floors five through eight of the building.

Jones Day likely will take the new space by the first half of 2004. John Shlesinger and Sam Holmes of **CB Richard Ellis Inc.** brokered the deal.

The deal, announced in March, was stalled for several weeks – and almost derailed – because of ownership and management changes surrounding the building's signature tenant, **National Service Industries Inc.** NSI sold Pershing Park Plaza in 2002 to Urbana Realty Advisors, and it still occupies nearly half of the building – or about 75,000 square feet. Because of Jones Day's considerable space requirements, NSI's presence in the building was preventing the law firm from inking a deal to move in.

NSI was able to refocus on its real estate issue at the office building after the company underwent a buyout with NS Acquisition Corp., an affiliate of California Investment Fund LLC, in June. The deal meant upper management changes for NSI's Atlanta office, the same management that originally negotiated the deal.

Per the agreement, NSI is staying at Pershing Park Plaza, but with only 35,000 square feet, Tennery said.

That makes the building fully leased with two long-term leases. In a market where investment money is hungry for such buildings, Tennery said there is a chance Urbana would consider selling Pershing Park Plaza for the right price.

Tennery said the issue with NSI was if it would give up the space by the time Jones Day needed to move in.

"When you're building that much space ... it's a good six month build-out," he said.

Tennery said the parties had nearly given up on the deal earlier this month. Then Urbana came back with a new offer.

"I think when you get down the road as far as we had ... everyone seemed to be of the same spirit," Tennery said. "If it's going to die, let's make sure it does with absolutely no stone unturned."

Officials wouldn't elaborate, but Tennery said after the new owners of NSI agreed to move, Urbana was able to offer more "economic risk" to Jones Day to consummate the deal.

Still Specht insisted Jones Day's plans to move to Pershing Park Plaza never died.

"There's a lot of points during a negotiation where the parties feel it may not go forward, but eventually does," he said.

The only other option being considered by Jones Day was a renewal at its Sun-Trust space, Specht said.

He said the visibility of the building was an "allure."