You Want to Bring What to Work? Dealing with Unique Demands and Needs of High Tech Tenants

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PRESENTED BY

ANTON N. NATSIS

ALLEN MATKINS LECK GAMBLE MALLORY & NATSIS

AND

MICHAEL E. MEYER

DLA PIPER LLP (US)

Dominant Tech Tenant Markets

Seattle/Bellevue

New York City (TAMI)

- West Los Angeles (Silicon Beach)
- Silicon Valley/Bay Area/San Francisco/SOMA

Types of Tenants

- Start-ups Cash and no operating history
- IPO Tenants Cash, Operating History, No Earnings, Pre or Post-IPO
- Mature Brand Recognition, Earnings, Post-IPO
- Co-Work Space Regus, WeWork, Neuehouse

General Tech Tenant Characteristics

- Creative Space Usage
- High Growth Rate
- High Density Usage
- Sensitivity to Amenities/Space Utilization
- 24/7 Environment Is Necessary
 - "Live/Work" actually means "Work/Work"
- Credit Issues Due to Operating History





New Lease Issues

- Space Usage
 - Many of these vary based upon type of Tech
 Tenant
 - Dogs/Specific Issues/Paths of Travel/Other Animals
 - Fitness Centers/Location
 - Cafes/Location

New Lease Issues

- Space Usage
 - Roof Decks/Shared Usage
 - Bikes/Storage/Showers/Security
 - Density Issues Electrical/HVAC/Elevator
 Speed/Size of Exit Stairs/Number of Restroom
 Fixtures



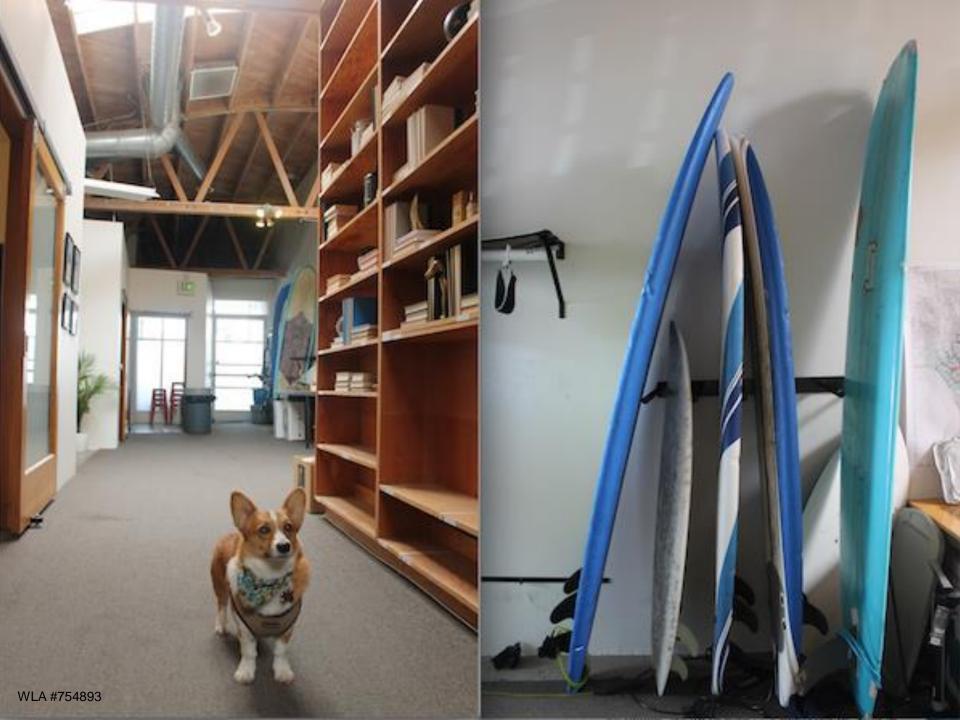






New Lease Issues

- Dog Clauses
 - Number/Service Animals
 - Path of Travel/Leashes
 - Aggressive Breeds/Aggressive Behavior
 - Repeat Offenders
 - Personal Nature of Right











Traditional Issues

Credit Enhancement

- Difference Among Types of Tech Companies
- Amount of Credit Enhancement
 - Range Dependent on Type of Tech Tenant
 - Burn-Off/Financial Triggers and IPO
- Posting Date
- Large L-C/Identity of Banks/Investment Bank
 Issues

Non-Real Estate Lease Issues

- IP Issues re Name, Logo, Signage, and Branding
 - New Issues

• De-branding

- Protect IP Rights
- Promote Project Mark
- Landlord's Required Use
 - Signage
 - Media
 - Publicity
 - Swag

Non-Real Estate Lease Issues

- Competitor Issues for Tenant and Prospects
 - Finite List
 - Affiliates of Competitors
 - Changing the List
 - M&A/Sublease or Assignment Transactions
 - Personal Nature/Occupancy Requirements