

Charlotte Business Journal - June 16, 2008

<http://charlotte.bizjournals.com/charlotte/stories/2008/06/16/newscolumn2.html>

CHARLOTTE BUSINESS JOURNAL

Friday, June 13, 2008

TIAA-CREF financing N.C. Research Campus building

Charlotte Business Journal - by [Will Boye](#)

TIAA-CREF views the N.C. Research Campus as a good investment -- so good that it's putting money into the Kannapolis project.

The firm is financing the first building scheduled to open at the research complex and is in discussions to finance two more, TIAA-CREF executives say.

David Persky, who heads the investment organization's private placements group, says TIAA-CREF chooses deals based on return on investment first and foremost. But being able to play a part in the development of the research campus with the UNC System -- a TIAA-CREF client -- was another benefit.

"We're kind of putting our money where our mouth is," he says. "We're taking their money that they give to us and reinvesting it back into higher education. It comes full circle in a way for the right deal."

With \$420 billion in assets under management, TIAA-CREF is best known for providing retirement services to individuals working in academia, research, and the medical and cultural fields. But it is also one of the largest institutional real estate investors in the country, with more than \$69 billion invested in real estate assets, including about \$20 billion in commercial real estate.

In Kannapolis, TIAA-CREF is financing **UNC Chapel Hill's** four-story, 125,000-square-foot nutrition research institute, part of the university's school of public health.

Last year, the firm agreed to provide commercial mortgage and credit tenant-lease financing totaling \$30 million to \$40 million to a subsidiary of campus developer **Castle & Cooke Holdings Inc.** for construction of the building.

Rick Rogovin, director of fixed income and real estate at TIAA-CREF, says the firm is in discussions with Castle & Cooke to finance additional buildings on the 350-acre biotech campus under development by billionaire and **Dole Food Co.** owner David Murdock.

"If we offer something to them that they view to be positive and we think it makes good economic

sense, we are open to more financings on the campus," Rogovin says.

The nutrition research institute is scheduled to open next month, with a grand opening planned for October or November.

Jana Harrison, deputy director of the nutrition research institute, says UNC Chapel Hill will occupy just over 100,000 square feet, which will be devoted to the study of the interactions between nutrition and genetics, and nutrition and metabolism.

The tenant-lease financing TIAA-CREF provided to Castle & Cooke is based on the university's 20-year lease of the facility.

TIAA-CREF's commercial mortgage group has about six loan originators at the firm's University-area campus, and the private placements group has about a dozen employees there.

TIAA-CREF typically makes between \$2 billion and \$5 billion in commercial mortgage loans per year, and Rogovin says the firm is getting much more attention from commercial real estate developers now that several major lenders have left the market.

"I'm talking to people on the commercial mortgage side that two years ago never called me, and now all of a sudden I'm their best friend," he says.

QUICKINFO

TIAA-CREF

Business: Investment organization formally known as the Teachers Insurance and Annuity Association-College Retirement Equities Fund

Assets under management: \$420 billion

HQ: New York

Local operations: University-area office is the company's largest, with 2,852 employees.

All contents of this site © American City Business Journals Inc. All rights reserved.