

## Related Provides \$130M Construction Loan on Malibu Mixed-Use Retail Project

BY [MACK BURKE](#) MARCH 5, 2021



A RENDERING OF PACIFIC EQUITY'S CROSS CREEK RANCH MIXED-USE DEVELOPMENT. IMAGE: MARMOL RADZINER

Santa Monica, Calif.-based **Pacific Equity Properties** has nabbed \$130 million in construction debt from **Related Fund Management**, a subsidiary of **Stephen Ross' Related Companies**, to build a 112,000-square-foot, retail and office, mixed-use project in Malibu, Calif., according to information from **Integrated Capital Management (ICM)**.

The debt will help build-out **Cross Creek Ranch Malibu**, one of the largest projects approved in Malibu since the town was incorporated in 1991, as per ICM, which sourced and arranged the construction financing and also made an equity investment in the development.

Designed by Los Angeles-based architecture firm **Marmol Radziner**, Cross Creek Ranch will feature 70,000 square feet of retail and restaurant space — 10,000 square feet of which will be interior dining — as well as 42,000 square feet of office space. There will also be surface and subterranean parking on-site.

Landscape architecture is a big component of the speculative development, as more than 80 percent of the 12.9-acre site will be dedicated to it in order to “enhance the consumer experience,” per ICM.

“We are thrilled to secure this financing for Cross Creek Ranch, which enables us to advance our vision to create a local gathering spot where individuals and families alike can work, shop, mingle, dine, and socialize,” Pacific Equity CEO **Bryan Gordon** said in a statement, adding that his firm has put an onus on the “communal aspect” of the development, “as opposed to focusing exclusively on the shopping experience of the center ... Our aim is to create an intimate, rural village atmosphere.”

The approvals process and securing financing for the development hit a snag in March last year, due to COVID-19, not long after the city’s planning commission unanimously approved the development.

“Each [of our] investments start with exceptional real estate,” ICM Co-Founder and Managing Principal **John Carrick** said in a statement. “[This project] combines a coastal location with global appeal, an accomplished sponsor with deep development experience, a marquee and thoughtfully conceived project, progressive architectural design, and a lender that shares our conviction.”

“This is the definition of ‘forever’ real estate,” Carrick added.

Cross Creek Ranch is situated in a main commercial and shopping area of Malibu, near a collection of shopping and dining locations that include the **Malibu Country Mart**, **Malibu Village** and **Malibu Lumber Yard**, all of which sit in a dense area straddled by **Legacy Park** and the **Malibu Lagoon**.

The project will be located next to the new, roughly \$25 million **Santa Monica College** extension campus in Malibu — at **23555 Civic Center Way** — that’s currently being built and is scheduled to open for the start of the 2022 school year, according to information published by the city of Malibu. Cross Creek will also be adjacent to **The Park at Cross Creek**, a new development that sports a **Whole Foods Market**.

“This \$130 million loan is emblematic of our confidence in the Cross Creek Ranch team’s conception and execution of this exceptional project,” Related Fund Management Managing Director **Alfred Trivilino** said in a statement. “While on a site tour during the pandemic, we witnessed first-hand how well positioned this project is to meet the needs of modern consumers.”

**Newmark** and **CBRE** are handling retail and office leasing at the development, respectively, and the project is slated to open in 2023, according to a report by Commercial Property Executive.

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