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Shell Renews 656,000 SF in New Orleans

By Connie Gore

NEW ORLEANS-Shell Oil Co., an original tenant in the 34-year-old One Shell Square, has re-upped a 656,000-sf lease, pledging to stay another 10 years. The deal keeps the 1.25-million-sf high rise at 91.15% occupancy.

Dealmakers weren't immediately available for comment on the deal for the 51-story, class A landmark at 701 Poydras St., which did sustain damage last year when the levees broke in New Orleans. "Shell has shown its commitment to New Orleans through its many humanitarian efforts in the aftermath of Hurricane Katrina," Kurt Day, director of MetLife's Dallas regional office, says in a press release about the transaction. "The execution of this lease renewal further demonstrates Shell's extraordinary commitment to the region."

All major divisions for the Houston-based Shell, an affiliate of the Royal Dutch Shell plc, have a presence in Louisiana. In addition to the One Shell Square corporate footprint, the company and Motiva Enterprises LLC have offshore drilling rigs, two refineries and a pair of chemical plants in South Louisiana. "We will continue to maintain a visible presence in New Orleans as long as the Gulf of Mexico is an important exploration and production province," Frank Glaviano, vice president for Shell Exploration & Production for the Americas, says in the release.

Keith Probyn with Shell Real Estate and Tim Relyea and Joe Peddie with Cushman & Wakefield of Texas Inc. in Houston negotiated the renewal. The building owner, MetLife, had Day and Elliot Prieur with Dallas-based Lincoln Property Co. as its bargaining team.

"We hope this will be a positive signal to businesses of all sizes who are here or thinking about a presence in New Orleans," Glaviano adds.

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