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Why Legacy Partners Commercial changed its name to SteelWave

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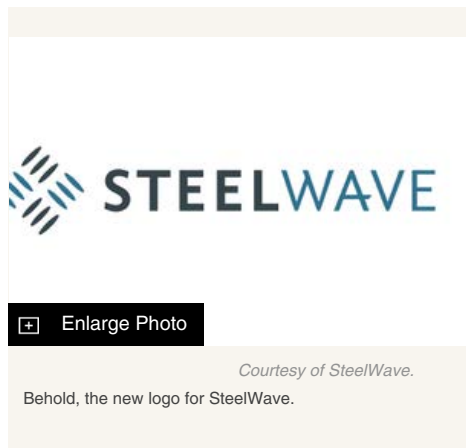
Sometimes a name change is just a name change. Other times, it indicates something a bit more significant.

So it is with SteelWave, née Legacy Partners Commercial.

On Wednesday, the Foster City-based real-estate firm revealed why it changed its name — something a **very observant Registry noted April 16**, based on a flurry of LinkedIn page edits.

In a news release, the company said it had reorganized its ownership structure, buying down the controlling interest of Preston Butcher — the legendary real estate player who started Legacy Partners Commercial and Legacy Partners Residential in 1998 after splitting off from Lincoln Property Co. and was, until recently, the majority owner of both entities.

Butcher is now a non-managing member in SteelWave, the release stated; the deal was completed last year, and does not affect Legacy Partners Residential, which retains its name and management structure. Investing in the recapitalization were **NorthStar Realty Finance** and SteelWave's senior management team. Executives declined to discuss the terms or value of the transaction. (Read our profile of Butcher, at the genesis of Legacy Partners, [here](#).)



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The change is not just cosmetic. While both SteelWave and Legacy Partners Residential currently share office space, they will no longer share back-office functions as they did previously, and SteelWave will also be freed up to compete in the multifamily space, Barry DiRaimondo, CEO of SteelWave, told me in a phone call. (Legacy Partners Residential will also be able to enter the commercial market.)

"We didn't think two groups operating under a similar flag with competing strategies was all that clear to the marketplace," he said, explaining the need for a new name.

Linking up with NorthStar also facilitated the raising of a series of \$250 million equity pools to acquire high-yielding assets, focusing on secondary locations rather than pricey core Silicon Valley submarkets, DiRaimondo said. He expects to assemble a portfolio worth somewhere in the range of \$750 million to \$1 billion.

Geography is also expanding, with recent deals done in Texas; SteelWave will also focus on Portland, Seattle, Southern California, Northern California and Denver. Since 1972, SteelWave or its predecessor companies has acquired and developed more than 400 properties worth about \$10 billion. SteelWave will continue to play in all sectors — including financing, development, renovation, leasing, and property management — but will now be doing more in mixed-use development than it had previously.

Locally, SteelWave says it is gearing up to start building the second phase of America Center, which will include about 400,000 square feet of office space in North San Jose, next to the Polycom and Flextronics headquarters. The project is being done in conjunction with USAA. DiRaimondo said early site work should start in the next few months.

"We're moving forward with both buildings and the parking structure," he said.

Legacy, in partnership with Principal, is also off and running on a 200,000-square-foot project at 2503 Orchard Parkway.

On the dispositions side, Legacy is currently selling SV Towers at 75 E. Santa Clara St. and 4 N. Second St. The downtown San Jose complex is home of the San Jose Mercury News and is about 50 percent leased. CBRE is marketing the project.

As for the name? DiRaimondo says he recognizes it's definitely unique. "We didn't want a name that sounded like an investment bank or even a real estate company," he said. "We wanted something a little younger and trendy."

SteelWave continues to operate out of the same Foster City location as before alongside Legacy Partners Residential, but DiRaimondo said SteelWave would likely seek its own office space in the future.

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Nathan Donato-Weinstein covers commercial real estate and transportation for the Silicon Valley Business Journal.

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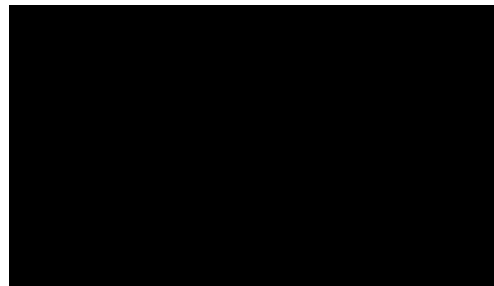
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