

STATE FARM REGIONAL CENTER

Tacoma, Washington



February 4, 2015

LOCATION

- Tacoma 34 miles south of Seattle
- Project in CBD adjacent to I-705



CONTEXT

- 1936 Frank Russell started brokerage in Tacoma
- 1999 Northwestern Mutual acquired Russell Investments
- 2010 Russell relocated to Downtown Seattle

IMPACTS

- One of Downtown Tacoma's largest employers moved (nearly 1,000 jobs)
- Class A office vacancy rate skyrocketed to ~25%
- Downtown office rental rates declined
- Other Downtown office tenants relocated and retail stores closed

Against the backdrop of The Great Recession

OPPORTUNITY

- RFP for 300,000 sf from Seattle tenant representative firm
- Un-named company
- 5:1 parking ratio
- Cost competitive rates



CHALLENGES

- Russell Investments lease was still in effect for 226,000 sf
- HVAC system in building needed to be upgraded
- Sufficient parking proximate to proposed office locations essential
- Complex, multi-party negotiations required

PROCESS

- Provided demographic and other information requested
- Strategized to develop the precise resources necessary to win
- Negotiated parking leases with internal and external stakeholders
- Acted as central point of contact from negotiation through Grand Opening and beyond

PARTNERS

- City of Tacoma – CMO, CED, Public Works, Legal
- Tacoma-Pierce County EDB
- Tacoma-Pierce County Chamber of Commerce
- Port of Tacoma
- Neil Walter Company
- Ilahie Holdings, Inc.
- Republic Parking

OUTCOME

- Company leased:
226,000 sf – 909 A St.
80,000 sf – 1301 A St.
- Invested \$30 million into TI's
- Hired 1,350 customer service professionals from region
- Largest employer in Tacoma's CBD



BEST PRACTICES

- Solutions driven
- Timely provision of information requested
- Clear communication
- Confidentiality protected
- Adaptable during negotiations
- Resolute approach
- Unwavering support

SIGNIFICANCE

- Reinvigorated Downtown Tacoma's core
 - Catalyzed new small business development in CBD
 - Spurred new apartment construction along Foss Waterway
- Strengthened local philanthropic efforts
 - Invested \$1 million into LeMay Museum
 - Donated \$200,000 to revitalize neighborhoods

TACOMA POISED FOR FUTURE GROWTH

