



US Bank Plaza 45,000 SQUARE FOOT RENEGOTIATION & EXTENSION

Challenge

The client was the original building tenant in 1977, and whose tenancy and signage had become a recognized symbol in downtown Bellevue. The building was located in the downtown core surrounded by all the downtown amenities, but because of its age could not demand premium rents. The client's main employment from this office was traditional "back-office" work, so the ability to offer a downtown address for its employment base, yet at reduced economics to the client was a key motivator to extend the lease long-term. The client had five (5) independent leases with only two (2) being coterminous- all with over-market rents. The challenge was four-fold: 1. Re-trade the current economics 2. Negotiate a tenant improvement allowance to refurbish the premises, 3. Reduce the client's total square footage, and 4. Extend the remaining square footage out several years.

Strategy

The landlord had been recently engaged in re-trading leases in its portfolio but only those which had proper circumstances: good credit tenant, stability of tenancy, and sizable square footage. The strategy was to engage the landlord into understanding the client would be a suitable and preferred tenant for either: new construction in the downtown core, or an anchor tenant in a suburban building, with the goal being for the landlord to recognize the competitive environment and thereby drive the best long term lease transaction to retain the client.

Result

A new ten (10) year term on one (1) lease document, a reduction of the client's total square footage by more than 20%, a healthy tenant improvement allowance that had an extended sunset period, expansion rights, and an economic savings in the first year over the former lease of more than half a million dollars.



"Jason not only recognized and leveraged the prevailing market forces to secure the best overall value for the Bank, but also took the time to understand our internal space needs which really yielded significant dividends. Jason also is extremely familiar with the legal documentation. Our internal counsel was delighted to work with someone truly concerned with the detail of the transaction which can be so easily overlooked."