

MOB GOES FROM BRUTAL TO BEAUTIFUL

First Hill Medical Pavilion, *Seattle*

Other parties struggled with how to effectively convert a building with obsolete mechanical infrastructure and no onsite parking into a next-generation healthcare project. Add to that long-term tenants at the base of building and you had an adaptive reuse project that confounded almost everyone—except **Trammell Crow Co.**

At acquisition, the building was 9% occupied with leases longer than 15 months. The property, located at 1124 Columbia St. in Seattle's First Hill submarket, occupied a city block and consisted of three interconnected structures: the life-sciences building, a 186,288-square-foot, seven-story-plus basement lab built in the mid-1970s with a reinforced concrete structure, designed in the "brutalist" style with exposed-concrete exterior; Eklind Hall, a 43,740-square-foot, six-story-plus basement lab building, originally designed and built in the 1940s as a nurses' dormitory; and Vivarium Annex, a 44,540-square-foot, three-level, below-grade concrete animal facility built in 1982, with eight parking stalls and an entry turnaround. To complicate matters further, the life-sciences building connected to Swedish Hospital via a basement tunnel, and ventilation intake and exhaust structures in Vivarium Annex extended above the parking level.

In addition to developer TCC, the project team consisted of equity partner **Washington Capital Management**, construction lender **Wells Fargo Bank**, architect **Collins Woerman**, general contractor **Crutcher Lewis**, property manager and leasing broker **CBRE**, structural/civil engineer **DCI Engineers**, mechanical engineer/subcontractor **McKinstry** and electrical subcontractor **Prime Electric**.

The team found a design that optimized the shell and core improvements, added 60,000 square feet, provided a new direct-access elevator core from all levels of the garage to the



existing and new portions of the building and determined a construction plan that allowed 70,000 feet of existing tenancy to remain in place during the 18-month renovation.

The finished product was a 225,000-square-foot

class A MOB with 411 parking stalls and 45 bicycle spaces—nearly all in subterranean garage. The building is 100% leased, with average expiration of 9.2 years. The results exceeded the team's expectations by reducing operating costs over 21% and achieving rents that were 20% greater than competing assets. The building was leased up 12 months faster than planned and sold two years ahead of pro forma at a market setting price of \$884 a foot (a 35% premium to the highest healthcare building in the market).

SKY BRIDGE SOLVES CROSS-BORDER DILEMMA

Cross Border Xpress, *San Diego/Tijuana*

For decades, leaders in the San Diego/Baja California region had discussed concepts to leverage Tijuana International Airport—including a cross-border runway and developing a twin airport—to no avail. **Otay Tijuana Venture LLC** realized that with Tijuana's airport a few steps from the international line and with undeveloped land in a barren, industrial part of San Diego just across the other side of the border, the geographic situation presented an opportunity for a unique solution like CBX. With few shared routes between TIJ and San Diego's airport, they realized an opportunity to strengthen the travel industry on both sides of the border without creating competition between the airports.

This 55-acre parcel immediately north of the US/Mexico border in Otay Mesa, CA, was entitled for industrial use but had languished without a project because of low market demand. In 2007, a bi-national group of investors, Otay Tijuana Venture, bought the land directly north of TIJ with the vision of solving an age-old challenge facing San Diego: better utilizing TIJ to serve the transportation needs of the entire region.

Otay Tijuana Ventures' vision was to create the Cross Border Xpress, a pedestrian toll sky bridge that could serve the two million annual TIJ passengers who already cross the US/Mexico border as

part of their travels. CBX, which opened in December 2015, is unique in that it directly connects two countries across an international border into an airport terminal. It operates 24/7 and allows only ticketed passengers to check in on the US side, walk across a 390-foot pedestrian bridge across the border directly into TIJ and then check luggage and board flights.



Along with owners Otay Tijuana Venture, the project team for CBX includes architect of record **Stantec**; architects **Legorreta + Legorreta**; civil engineer **Fuscoe Engineering**; **Latitude 33**, which handled land entitlements, construction documents and related services; **Turner Construction**; **Harrison Co.**, construction management; and the **Clay Co.**, public affairs.

As a one-of-a-kind project, CBX had to create the path forward through numerous local, state and Federal approvals and permits in the US and Mexico, including a US presidential permit from

HISTORIC REHAB TRANSFORMS LIFE-SCIENCES FACILITY

Allen Institute, Seattle

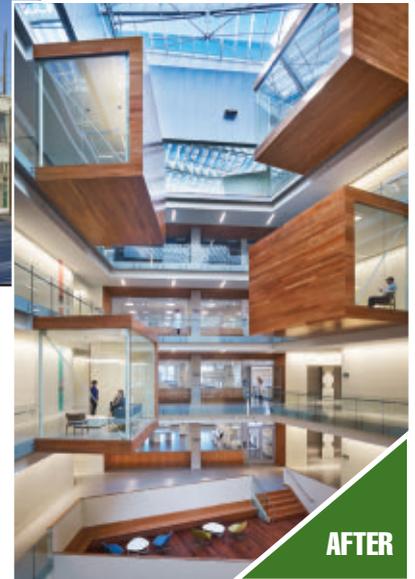
The **Allen Institute** was once housed in multiple buildings in several neighborhoods in Seattle. After considering a number of options for its new headquarters, the organization selected a site in Seattle's South Lake Union neighborhood. Today, the Allen Institute is a modern life-sciences research facility built on land that once housed vacant warehouses and a surface parking lot.

The 1.2-acre site had been home to a 70,000-square-foot automobile dealership. The historic buildings that had formerly occupied the southeast corner of the parcel had been removed and what remained was a one-story concrete building with no fenestration—an eyesore at a major intersection where 80,000 vehicles per day drive by.

The development includes the historic rehab of the 1900s-era Ford and Pacific McKay Buildings, which had been in the path of a road-improvement project. As a result, developer **Vulcan Inc.** painstakingly disassembled the buildings and catalogued and stored the pieces for five years.

In addition to Vulcan and Allen Institute, the project team consists of architects **Perkins + Will**, **BOLA Architecture + Planning** and **Walker Macy**; general contractor **GLY**

Construction; engineers **Secant Shoring Design**, **Coughlin Porter Lundeen**, **McKinstry**, **AEI** and **GeoEngineers**; and consultants **Environmental Economics Inc.**, **Farallon Consulting**, **Glumac** and **Middour Consulting LLC**.



The team recognized that greater success for the Allen Institute research team would be borne out of locating all scientists in a single facility. The single high-performance life science research facility will

allow the organization

to grow in staff and also expand its scientific research programs. The team also saw the opportunity to create a 21st-century research facility while honoring the past with the renovation of historic structures on site, creating a hub of activity where formerly there was none.

The result is a seven-story, 271,000-square-foot life-sciences building with four levels of subterranean parking, a ground floor with 9,000 feet of retail space and a 241-seat auditorium and five stories of office and research space. The seventh level houses the mechanical penthouse. At the southeast corner of the site sit the completely restored historic Ford and Pacific McKay Buildings, incorporated into the overall project.

The end result has exceeded expectations of the tenant and the community at large. According to Allan Jones, Ph.D., CEO of the Allen Institute, "Having everyone in one place will greatly facilitate and enhance the kind of close collaboration across disciplines, projects and departments that's essential to the success of the large-scale research initiatives we undertake." Further, many are thrilled to see the historic structures that they assumed had been demolished, standing again at this prominent intersection.



the Department of State. In addition, CBX worked closely with US Customs and Border Protection from the inception of the project on building design requirements and equipment, operations and staffing agreements, and construction protocols.

Patronage of CBX is steadily building, and operations are running smoothly. The recent unveiling was a "soft opening," but the CBX parking lot is consistently full. Given the tremendous challenges and 25-plus year evolution of this concept and the positive reception by the public, CBX is already a success.