

Puget Sound Energy

Lease Negotiation

Assignment

Puget Sound Energy had been located in the same Bellevue office buildings for more than 20 years. The facilities included a leased downtown high-rise, an owned 50 year old midrise and an owned suburban office building. The location and condition of the properties varied greatly and contributed to operational inefficiencies. Senior Management believed that consolidating and upgrading these corporate headquarters facilities would improve operations and enhance employee morale. The scope of the assignment included working with PSE's Corporate Real Estate Department to determine whether the company should consolidate into one facility or two; purchase, build, or lease new facilities; and to implement the preferred alternative.

Challenges

PSE is a regulated utility with unique financial, regulatory and image constraints. MetPartners was required to work within these constraints and an approaching lease expiration deadline to develop a strategic plan, complete a detailed analysis, achieve corporate consensus and execute the preferred alternative.



Results

In partnership with PSE's Corporate Real Estate Department MetPartners developed a facilities recommendation responsive to PSE's needs and objectives and current market conditions. The first phase of the plan was the relocation of the Corporate Headquarters requirement to one of several new buildings being proposed for downtown Bellevue. An number of alternatives were analyzed and scored based on a set of criteria and weighting that had been developed with PSE. MetPartners negotiated a lease for 115,000 square feet in the first building at the Summit that included a variety of concessions and special features.

Phase two addressed the occupancy needs of operating units then located in two different facilities. After considerable study it was determined that these departments should be located with the corporate staff. MetPartners negotiated an expansion of the premises at The Summit that included the construction of a new 225,000 square foot building which was substantially leased by PSE.