

TACOMA

Daily Index



Published Since 1890

OFFICIAL
NEWSPAPER
OF THE CITY
OF TACOMA

*Devoted to the Courts,
Real Estate, Finance,
Industrial Activities,
and Publication of
Legal Notices*

Visit our Web site at
www.tacomadailyindex.com

INSIDE:
LEGAL NOTICES
BANKRUPTCIES
LIENS
ORDERS
FEDERAL COURT
AUDITORS OFFICE
NEW BUSINESSES

editor@tacomadailyindex.com



New tenant, lobby renovation for downtown Washington Building

On the 13th floor of the 82-year-old Washington Building, contractors are busy building what will soon be home to downtown Tacoma's newest tenant: a branch office of Spokane, Wash.-based Sterling Financial Corp.

According to bank spokesperson Jennifer Lutz, 15 employees from the bank's commercial and private-banking operations at Tacoma Mall and in Fircrest will relocate to the new office in March, and occupy the entire floor.

It's the latest development for one of downtown Tacoma's handful of high-rise office towers since Seattle-based Stratford Company LLC purchased the 17-story, 125,000-square-foot building at 1019 Pacific Avenue for \$9.6 million in August 2005. Last October, the company began a \$200,000 renovation to the building's lobby.

Sterling's full-floor occupancy is in line with the company's overall goal for the building, according to Stratford Company asset director Mark Isner. In a tight downtown commercial real estate market, where the vacancy rate on Class A space hovers around one percent (with no immediate plans to build a new high-rise), the Stratford Company is hoping larger companies looking to headquarter or locating a large branch office will find the building's 7,500-square-foot floor plates appealing.

"We really feel like that is a tremendous opportunity, and something that doesn't exist anywhere in the downtown core," says Isner. "We think that's a great selling advantage to the right users. I get calls all the time from people who want 500 to 1,000 square feet. There's a great market for that. But as tempting as it is, I think there's a real opportunity here for us to just be patient."

Considered by many historians and architects to be a signature downtown Tacoma property, the building boasts terra cotta trim, a grand marble

staircase in the lobby, and a penthouse suite with wrap-around views of downtown, the tide flats, and Commencement Bay

It also has a colorful history dating back to the early Twentieth Century.

Construction of the building was originally started in 1919 by the Scandinavian-American Bank, but was halted when the bank failed, according to information from the Tacoma Public Library's Northwest Room. The Washington-California Company took over construction. The building was dedicated by the city on June 30, 1925, and officially opened on July 2, 1925.

The structure was touted as the "second tallest building in the Pacific Northwest" (behind Seattle's Smith Tower). Over the years, the Washington Building was home to Brotherhood Cooperative National Bank, Tacoma Oriental Steamship, Blyth & Company, Washington Minor Hospital, Tacoma Club, American Savings & Loan, Tacoma Merchants Credit Union, Great Northern Realty, and United Mutual Savings Bank.

Today, one of its biggest tenants is the State Attorney General's office (full disclosure: the *Index*'s office is located on the 12th floor).

The *Index* recently met Isner to discuss the building, its renovations, and a new, major tenant that will move in by spring.

TACOMA DAILY INDEX: Let's talk about Sterling Savings Bank opening an office in the building. What is the status of the project?

MARK ISNER: Sterling Savings Bank is currently building it out. The renovation is scheduled to be done at the end of March, and it will be a complete rebuild of the floor. They essentially

Stratford Company asset director Mark Isner hopes that 7,500-square-foot, full-floor plates in the Washington Building will appeal mid-sized businesses looking to headquarter or open a branch office in Tacoma's tight downtown, Class A office space market. "We really feel like that is a tremendous opportunity, and something that doesn't exist anywhere in the downtown core," says Isner.

just demolished it and rebuilt. It is going to be gorgeous. I've seen the plans. I've been in the construction meetings. I have a pretty good understanding of what's going on up there, and what it's going to look like when they are done. It's going to be gorgeous.

INDEX: The Stratford Company advertises the space in the building as 'Historic Class A.' How do you define that?

ISNER: The building is obviously historic. But it's been renovated and updated. It has a lot of the modern features and amenities you would expect in an office building. To call it simply 'Class B' really doesn't do it justice. Certainly, if you are a real estate professional looking at an office sheet, and see it's a Class B building, that really isn't an accurate picture. The Washington Building is a stately, historic, and pretty building with terra cotta finishes. That's why we call it 'Historic Class A.'

INDEX: You're finishing up a renovation to the lobby. What improvements have you made?

ISNER: We did a lot of demolition. There were these big boxes over the lobby columns that really closed down an already long and narrow lobby. We

CONTINUED ON
PAGE 2

CONTINUED FROM PAGE 1 hired an interior designer, and the first thing they suggested was to take the push-outs on the elevator off, strip the columns down, narrow the lobby's profile, and lighten up the colors. We've done all of that. I think everyone agrees that it really opens up the lobby tremendously. We're very pleased with that. We're also going to be relocating the building directory so that it is in an intuitive place. Right now, you walk in this building, look around, and wonder where the heck is the directory. I think it will help people find where they need to go a little bit quicker. Also, we have re-skinned the elevator doors with a brushed aluminum, bronze-tinted finish. We're also going to be repainting the anteroom foyer area, and redoing the rug. We're going to find something that actually has the Washington Building logo. We're just down to minor touches at this point.

INDEX: When you were completing the renovation, did you find any hidden features that revealed some of the building's character?

ISNER: Everyone really wanted to try and retain as much of the historical aspect as possible, which we were all for. We pulled off the glue-down carpet, scraped off the glue, and found a terrazzo floor -- typically beautiful -- but it was kind of a mint ice cream green mixed with a vanilla butter cream yellow. It was the oddest color combination. I don't know who came up with it or why. It was arranged in a "W" pattern that went across the floor. Everybody scratched their heads: 'We can't do that.' So then we pulled off the big boxes around the columns and got down to the original finish that was done when the building was constructed. What we found were these little square-inch tiles in turquoise. That's what they had covered the columns with, and it went with this mint green and butter yellow floor. [Laughing] All I could figure is that this must have been Timothy Leary's grandfather's building or some-

thing.

INDEX: Does the building's age present a challenge in maintaining and marketing it?



ISNER: This is a building that was dedicated in 1925. It's had a fair amount of work done. The entire HV/AC system was retro-fitted in the early-1970s. The electrical systems have been updated a couple times. The elevators, because the law requires it, are in great shape. Beyond that, there are a couple issues. The building doesn't have the original windows, but they were prob-

ably replaced in the early 1960s. They are single-paned windows. But they are operable. And the terra cotta -- you have to take care of that. The terra cotta tiles are held up on the building by angle wires embedded in concrete. When water gets behind there and metal rusts, it expands to many times its original size, and pops them out. They're clay. It's like your dishes. They break. You have to get those replaced. There's actually a guy down in San Francisco whose family apparently made all the terra cotta facades on the West Coast going back into the 1800s, and they kept all the architectural drawings. You can call them, and they will cast the terra cotta for you if they have it on file.

INDEX: What other activities are going on in the building?

ISNER: We have purposely positioned the building in order to offer large, full-floor contiguous space to the market. Starting now with the first of the year, we are out in the market offering up to 35,000 contiguous square footage on 7,500-square-foot floor plates. We can offer up to four full floors for single usage. We really feel like that is a tremendous opportunity, and something that doesn't exist anywhere in the downtown core. The advantage of that is that, certainly as you get into larger office buildings in downtown Seattle, or even the Wells Fargo Building down the street here, it's roughly 20,000-square-foot for a full floor. For anyone to have a single, full floor, they have to sign a pretty big lease. Here at the Washington Building, 7,500-square-foot is a lot more affordable. That is a great selling advantage to the right users.