



Case Study

Fortune 200 Food Service and Facilities Service Firm

Project:

Colocation of Two Sites:
309,000 SF Industrial
62,000 SF Class A Office

Services:

Eminent domain consulting,
site selection, lease restructure



OPPORTUNITY

Client is the premier facility services provider in the U.S. Its healthcare facilities service division operates the largest healthcare laundry service in the country, processing 75 million pounds per year.

Fifteen miles away, another facilities services division of the company leases 62,000 SF of Class A office space employing over 100 executives and support personnel.

The 62,000 SF office received a 90 days' notice to vacate, a taking by eminent domain from the local town government. As a tenant, only \$100,000 compensation was offered. Despite annual tax revenues in the millions, the local government took the site to become a parking lot for a supermarket. Disruption of client's business operation was not an option.



SOLUTION

Surveying the company's real estate portfolio, excess space was located in the 309,000 SF healthcare laundry building. A study determined that sufficient space existed and if renovated, it could serve as a co-located facility for the two divisions. The existing industrial lease had 6 years' remaining term. Lease restructure negotiations commenced with a goal of achieving landlord funding of the renovation.

BENEFITS

- **\$10.5 million in savings**
- **22% rent reduction** for the existing industrial lease, substantial free rent in the new term.
- **\$2 million** in landlord funding of tenant improvements
- Addition of 9 years' term for a total of 15 years.