



“FamilyCare doubled their size and secured contiguous space in a complex four-party transaction that was viewed by the Landlord’s representative, at its inception, as impossible.”

SUCCESS STORY

FAMILYCARE, INC.



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TEAM

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SERVICES PROVIDED

Tenant Representation
Transaction Management

www.colliers.com

CHALLENGE

FamilyCare Health Plans (“FamilyCare”), the first Coordinated Care Organization in the tri-county area under the Oregon Health Plan, anticipated significant growth in their membership that potentially required them to double the space of their Lloyd Tower facilities to accommodate this notable growth in both membership and staff.

FamilyCare’s preference was to move into space on the 13th and 14th floors and give back the space they occupied on the 4th floor. Mr. Heatherington, CEO for FamilyCare, saw the move from 13 to 14 as an opportunity to increase morale and operational efficiency by moving to a floor with existing inter-floor connectivity. This goal faced a number of significant obstacles, including a full floor four-year lease obligation, Integra Telecom’s remaining lease term on the 13th floor, and the recent lease of the 14th floor by PacifiCorp. PacifiCorp had established a tight timeline to shift their staff from multiple buildings to consolidate into the Lloyd Center Tower – their headquarters location. Furthermore, an early lease termination was required by Integra Telecom as it would be relocating to temporary space to free up space for the phased build-out of FamilyCare.

STRATEGY AND SERVICES

At the time of FamilyCare’s need, no spaces were available in the entire building to meet the FamilyCare space needs. The team’s strategy focused upon the following steps:

- Engage in early termination discussions with Integra Telecom to provide a floor for the immediate commencement of tenant improvement construction.
- Engage in negotiations with the goal of redirecting PacifiCorp’s spatial need by providing sufficient financial incentive for PacifiCorp to “flip” from the 14th to 4th floor (the premise occupied by FamilyCare) and extending the date of PacifiCorp’s occupancy of the 4th floor to allow FamilyCare to complete improvements on the 13th floor (Integra Telecom’s premises).
- Strategically align and coordinate timeframes of relocations of three parties (Integra, PacifiCorp and FamilyCare) and the phased tenant improvement construction for two parties (FamilyCare and PacifiCorp).
- Create a temporary expansion/staging area to accommodate expanded staff until the entire consolidated space completed.



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The Colliers team successfully navigated the four-party transaction enabling a “win-win-win-win” scenario. Using the senior members of Colliers’ tenant representation team matched with its preferred interior design firm, the team designed, bid and negotiated the improvement package as well as negotiated the three lease addendums and related temporary occupancy agreements.

RESULTS

FamilyCare achieved its cultural, operational and financial goals in a low vacancy building. FamilyCare secured a favorable transaction that enabled long-term occupancy and growth within the Lloyd Center Tower. FamilyCare was able to connect their floors by deploying an unused stairwell that their tenant representation team was aware of due to its relocation, years ago, of a previous occupant of the 13th and 14th floors. The Integra early lease termination was absorbed by the landlord. Rent concessions for PacifiCorp were amortized by the landlord into the FamilyCare’s long-term lease. Presently, FamilyCare is using our team’s services to expand into a third contiguous floor which will ensure that their staff will continuously remain in contiguous space.