Sears Building Fact Sheet

Location:
524 NE Grand Avenue in the Lloyd District

History:
Built in 1931, expanded and remodeled in the 1950s

Current owner:
Pacific Development, Inc. (PDI)

Project cost:
$18.5 million total - $2,550,000 building purchase, $10.5 million renovation cost, $3.3 million financing cost, $1.2 million FF&E (office furnishings, cleaning equipment, phone system), $100,000 One Percent For Art program, $850,000 Metro project management (due diligence, broker fees, taxes, etc.)

Estimated completion:
Mid-January, 1993

Size:
Three floors and a basement totalling 183,000 square feet. Adjacent parking garage not included in sale. Basement and first level would be converted into approximately 220 parking spaces. Upper two levels (approx. 76,000 square feet) would be renovated for Metro offices, with 5,000 square feet expansion space.

Expansion option:
First level (Grand Ave.) would be converted into office space in two blocks of 30,000 square-feet as needed. Lost parking could be replaced with parking in the adjacent garage, which Metro will also have an option to purchase.

Design/build team selection:
Metro has reviewed statements of qualifications submitted by nine design/build teams. From those, three teams were selected to participate in the RFP stage of competition. They are Hoffman Construction and TVA/Cole, BOOR/A and Anderson Construction, and H. Naito, SERA and P&C Construction. Upon Council approval, these teams will be asked to submit proposals, which will be due on November 15, 1991. Each of the three proposers will be paid a $25,000 honorarium to assist in covering proposal costs.

Hazardous material remediation:
PDI will assume all costs of hazardous material abatement, including removal of underground storage tanks in loading area and asbestos, within the demolition period, not to exceed one year, beginning with closing of the sale agreement. Abatement costs are expected to be approximately $250,000. Metro will fund corresponding demolition costs that are part of the renovation process. (Note: Recent tests conducted on the building facade for PDI indicate there are no appreciable levels of asbestos present.)

Repurchase clause:
In the event of unforeseen hazardous material abatement costs after closing, PDI has an option to repurchase the building. Repurchase includes full refund of Metro's purchase price plus interest, reimbursement for Metro's project expenses up to $500,000, and 50 percent of Metro expenses thereafter. However, it is anticipated that any additional environmental hazards would be discovered during the demolition period, early in the project before major Metro costs had been incurred. Metro has the option to waive PDI's repurchase rights and proceed with the project.