



OPPORTUNITY/CHALLENGE

20 Greenway Plaza was originally built as a furniture design center. A single-tenant user purchased the 500,000 square foot building in 1998 and installed extensive infrastructure including telecommunications wiring, PBX Phone Lines, redundant chillers to cool 24-hour computer server rooms, two generators, and three UPS banks for redundancy in power and an increase in building power capacity. The owner gradually subleased portions of the building to other tenants, but the single-user infrastructure remained in place. The single user sold the building in 2005 to the existing owner and Transwestern was retained to manage the building.

Challenges included the following:

- All cubicle furniture throughout the tenant-occupied spaces was owned and maintained by the landlord;
- Full-size cafeteria on the top floor was subsidized by the previous landlord;
- Landlord was responsible for the maintenance and repairs of three tenant UPS systems, four generators and two supplemental chillers, which served several tenants' computer rooms;
- Majority of the mechanical risers in the building were leased to the two main tenants with no vertical access to other tenants;
- Existing tenant had downsized, but there was considerable infrastructure dedicated to the single-user;
- As new tenant spaces were built out, the issue of redirecting all telecom and data lines had to be addressed, as did a central PBX room and shared generators, UPS systems and redundant chillers.

SOLUTION

Transwestern transitioned the building and tenants to operate more like a multi-tenant building. The responsibility for maintaining the cubicle furniture was turned over to the tenants, freeing up on-site staff to better address the mechanical and operational needs of the property. The under-utilized 16,000 square foot cafeteria was demolished and turned into leasable space. Food service was reduced to 1,500 square feet, moved to a difficult to lease area of the building and is no longer subsidized by the landlord. As leases have renewed, ownership of the cubicle furniture was transferred to the tenants, eliminating the landlord's moving and storage costs and reducing personal property taxes. An engineering study was performed and one main riser was created to accommodate multiple tenants' telecommunication and data wiring needs.

VALUE ADDED BY TRANSWESTERN

- Downsizing the food-service created leasable square footage and increased annual revenue by \$714,840;
- All renewals and new leases are now on full operating expense recovery;
- Two 650-ton energy-efficient chillers were installed to replace the existing units to achieve a reduction in electricity costs;
- Original central PBX phone system was decommissioned and space made available for additional tenants and telecom providers, creating another amenity for the building and additional revenue for the landlord.