



*I think this is a unique opportunity for Austin.” Mayor Lee Leffingwell said. “Not only does the deal make money for the city of Austin and taxpayers over the life of the contract, but it also will help Austin diversify its economy by targeting an industry that we very much want to promote.”*

*- City of Austin Mayor Lee Leffingwell*

## OPPORTUNITY/CHALLENGE

In 2010, Hanger Orthopedic Group, Inc. initiated a multi-city search for its new headquarters location. The company narrowed its search to three cities – Austin, Texas; Raleigh-Durham, North Carolina, and their existing location at the time, Bethesda, Maryland. The company approached each city’s Chamber of Commerce to determine if the city’s incentives, employee base, lifestyle and overall economic climate was conducive to Hanger’s employment and headquarters goals and objectives. The relocation of Hanger’s headquarters would initially create 140 new jobs, and ultimately 300 new jobs for the city that was ultimately selected for their headquarters, so competition was intense.

## SOLUTION

The Austin Chamber of Commerce worked closely with Transwestern to create a solution for Hanger that met all of their needs and requirements. Even though Hanger was initially considering flex or service center space, Transwestern proposed the Offices at the Domain II, a 75,509 square foot office project that sits atop a 1st floor retail space in the center of Austin’s Domain project, the largest urban-lifestyle center in Austin. The Domain was developed by Simon Properties and contains over 1 million square feet of retail, restaurants, theater, multi-tenant housing and office space concentrated in the heart of north Austin. The uniqueness of this office project and the environment it provided to Hanger’s employees was a major factor in Hanger’s decision. As a result of an “out of the box” office solution by Transwestern and an aggressive campaign, City Officials approved a \$500,000 incentive package for the company, and the State of Texas approved an additional \$1.5 million grant through the state’s Enterprise Fund – and that, combined with the lifestyle appeal of The Domain and Transwestern’s available, and truly unique, office space – won over Hanger and they chose Austin as their new headquarters location in 2010. Hanger leased the entire Offices at the Domain II building as their new headquarters and signed a 13 year lease at the property. The transaction was a team effort involving multiple parties, and could only succeed with the close cooperation of Transwestern, The City of Austin, The Austin Chamber of Commerce and The Texas Enterprise Fund. In return for the investment that Transwestern, the City of Austin and Texas have made in Hanger Orthopedic, the company has promised to invest \$7.65 million and create 300 jobs in Austin over the next 6 years. According to city documents, Hanger’s jobs will pay a median of \$65,290.

## VALUE ADDED BY TRANSWESTERN

Without Transwestern’s direct involvement with the City of Austin, the Chamber and the Texas Enterprise Fund, this opportunity for a headquarters location could have been lumped into the multitude of “maybes” in the Chamber of Commerce’s leads bin. Aggressively pursuing this client, providing a unique office solution and encouraging the City to reach out to Hanger helped Transwestern solve Hanger’s headquarters relocation needs, and also brought a \$28.3 million deal to Simon Property Group at their newly constructed Offices at the Domain II, exceeding their profoma lease up schedule by 2 years.