

Sumner Distribution Center

SUMNER DISTRIBUTION CENTER

Gamble in Kent Valley Pays Off



Client Need

In mid-2012 Industrial Income Trust made a significant gamble on the Kent Valley market. They, along with their marketing team from NAI Puget Sound Properties, were convinced that the first new generation Class A industrial building to the market would be the first to lease as we came out of the economic downturn. At the time, there had been a 5-year hold on any new industrial development in the Puget Sound region. We entitled, designed, permitted and began site work on the first industrial project to come out of the ground after that five year dearth of new product.

Solution

IIT chose The Benaroya Company as the build-to-suit developer. A unique feature of this transaction is that the buyer Industrial Income Trust (IIT) was also a developer with significant development capability but elected to have us develop the project on a pre-sale. They chose our 25-acre site that had we recently acquired because it was the most ready to build site in the market with all entitlements in place. We proudly delivered an exceptional finished product.

Challenges

Being ahead of the demand with impeccable timing is always dependent on having a highly skilled development team and the financial ability to take risk. In an effort to get new product to market, construction commenced in August 2012 and ran through one of the wettest winters on record. The Benaroya Company delivered the project to the high standards of IIT on time and on budget.

Results

The 441,358 SF LEED certified, state-of-the art Sumner Distribution Center is located above the 100-year floodplain and has excellent access to major transportation arterials to both the Port of Seattle and the Port of Tacoma. It was the first of what would be an avalanche of new industrial construction. Benaroya sold the property to Industrial Income Trust of Denver upon completion. IIT's gamble paid off as the United States Government acting on behalf of the General Services Administration leased the entire facility. It was the largest industrial lease in the market in 2013.