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Benaroya turns Puyallup chip plant into tech park

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Seattle-based **Benaroya Cos.** has become something of an expert in finding new purposes for the vacant microchip manufacturing plants sprinkled across the Northwest.

After selling plants in Idaho and Oregon to a school district and a German solar panel maker, Benaroya is now sprucing up a Puyallup plant that's been vacant for nearly a decade. The project is of keen interest to the city of Puyallup, which is hoping Benaroya will be able to bring in new businesses that will provide the city with more jobs and tax revenue.

The Seattle developer purchased the property for \$30 million last October from publicly traded **Microchip Technology Inc.**, which never ramped up production at the facility after buying it in 2000 for \$80 million.

The Seattle real estate developer has been on a shopping spree since selling an office portfolio in downtown Seattle for \$345 million back in the fall of 2005. The chip plant is just one of a number of projects that the company led by developer Larry Benaroya has in the works. Prompted by robust demand, the firm is also developing industrial property and selling office park buildings to smaller companies that want to own their own space.

Benaroya is hoping to leverage the former chip plant's abundant power and heavy duty mechanical systems to woo clean tech, data centers, and biotech and medical device makers to its Puyallup campus.

The Puyallup property is also suited to serve as a corporate office campus, Larry Benaroya said. The former chip plant is the only site in the Puget Sound area that can accommodate a company needing 300,000 square feet of office space immediately, Benaroya said.

Renamed South Hill Business & Technology Center, the 92-acre site is located on 39th Avenue Southeast adjacent to Bradley Lake Park. The campus is located near South Hill Mall and Pierce College, which can provide specialized training programs for area employers. South Hill tech park includes 10 buildings with 336,500 square feet of office space and 298,000 square feet of data center space, along with an on-site power station and waste-water treatment facilities.

"Not many of these facilities exist and they are great for clean tech," said Benaroya Marketing Director Lisa Goodman. "Clean tech is the No. 1 (type of) venture backed company."

The Seattle real estate firm plans to help sponsor an investors conference as part of marketing the Puyallup property to tech firms, Goodman said.

While the previous owners had made considerable investment in the buildings' electrical, mechanical and waste water treatment facilities, "they did not make them particularly attractive or inviting," Benaroya said. His firm has added new covered entries and landscaping and is refurbishing a roughly 15,000-square-foot space to show prospective tenants what can be done with building interiors.

"When you walk into it today it is tired," Benaroya said. "There's still the old carpeting and ceiling tiles."

About 21 acres of the site are available either for a prospective tenant wanting space for future expansion or for sale to a company wanting its own campus.

While Benaroya solicits tech companies for its refurbished Puyallup chip plant, the firm is also juggling projects in both north and south Sound cities.

In Fife, Benaroya currently is seeking permits to construct Benaroya Business Park on 134 acres at 74th Avenue East and 28th Street East, property it purchased last year. Also, it is constructing a 264,000-square-foot speculative industrial building on 32nd Street East at West Valley Highway in Sumner. It expects to complete that project in September.

Earlier this month, Benaroya and joint venture partner Mike McKernan of **Real Property Investors** paid \$4.45 million for an Everett business park with plans to sell the property's seven buildings to individual investors. Benaroya and McKernan have partnered on more than

a dozen deals, including the Oregon chip plant.

Park Place Plaza is located at 111 S.E. Everett Mall Way. Benaroya expects medical practitioners will have strong interest in purchasing the buildings, which are approximately 5,000 square feet in size.

The firm undertook a similar effort in Bellevue, successfully selling the five buildings in Northup North office park to a variety of businesses and individual investors.

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