

# 505 First/83 King is sold for \$125M to Spear Street

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Yesterday Starbucks sold a two-building office complex at First Avenue South and South King Street for slightly more than \$124.8 million.

Public records list the buyer of 505 First/83 King as a limited partnership affiliated with Spear Street Capital, a real estate investment company with offices in New York and San Francisco.

The property has almost 500,000 square feet, so the price works out to about \$251 per square foot.

According to [officespace.com](http://officespace.com), only about 6,500 square feet are vacant in the 83 King portion of the complex. During the last year, two companies leased a total of 226,000 square feet in 505 First, leaving 66,000 square feet vacant. One of the companies, the data-storage firm Isilon, said it may expand beyond 180,000 square feet if current growth continues.

Greg Inglin, a broker at Colliers International, called the deal “a good play for Spear Street. I think they’re betting on the long-term future of that area and what’s happening with the viaduct,” which is scheduled to be replaced by a tunnel.

He said the new owners get the efficiency of the new building at 505 First and the character of the older building at 83 King, which was built in 1904 and renovated four years ago.

The 505 First/83 King complex is near the mass transit hub at King Street Station and the freeways.

Spear Street officials were not available to comment. According to the firm’s website, it has bought, sold and developed office space across the country. In the Puget Sound area, it has sold two buildings in Seattle — 111 South Jackson and Waterfront Place — and Redmond Woods on the Eastside.

Inglin did not work on the sale. Jim Allison of Kinzer Real Estate Services marketed the property for Starbucks. He was unavailable.

Starbucks hired Kinzer to lease and



**Starbucks officials say they sold 505 First/83 King for just over \$124.8 million. The buyer is listed as Spear Street Capital.** Image courtesy of Sils & Bees Photography

sell the property three years ago when it laid off 550 non-store employees. A company spokesperson said Starbucks found ways to be more efficient with its space at Starbucks Center, where about 3,000 people work.

Construction of 505 First was completed last fall. The lobby was redesigned to accommodate multiple tenants rather than one. It has a 60-foot video wall.

Some connecting elements between 505 First and 83 King were deleted, but the integrated fire sprinklers, fire alarms, emergency power and building control system were kept in the new design.

Excavation for the 400-car garage extended 42 feet below grade, but the

water table is less than 7 feet below grade. After studying options, the team chose a cutter soil mix subterranean wall, which it called a new approach in Seattle. This was the least costly, and allowed for more precise drilling and vibration control that helped protect century-old sewer lines and structures around the site.

The Seneca Real Estate Group represented Starbucks. Other team members were NBBJ, architect; Lease Crutcher Lewis, general contractor; Coughlin Porter Lundeen, structural and civil engineering; Hart Crowser, geotech engineering; Condon-Johnson, shoring design; Holaday-Parks, mechanical and plumbing; and Nelson Electric.