

BONNIER

Corporation

Doug Works of CB Richard Ellis (CBRE) recently worked on our behalf to identify and negotiate a lease on a warehouse facility for TransWorld Skate and Create 3. Due to the short term nature of this requirement as well as the unconventional use, I expected that this would be a tough assignment. Transworld had run into facility related issues during both Skate and Create 1 and Skate and Create 2. During Skate and Create 1, a significant security deposit was required and subsequently forfeited. It was critical that we had a commercial real estate advisor in our corner that could appropriately convey our intended use to potential Landlords while still negotiating a fair deal without a large security deposit. Doug performed a tremendous job on both fronts.

Soon after the budget and requirement were provided to Doug, he went to work. Within a few days, he prepared a survey of viable alternatives in the areas that we determined, narrowed the search to several spaces that could accommodate the short term nature of the requirement as well as the use, and scheduled a tour with our local contact. Since Doug understood the use so well, he was able to determine which spaces and Landlords would accommodate the use prior to the tour. He even noticed during the initial tour that the warehouse floor on one of the alternatives would have been too rough for the skateboarders participating in the project. His industry knowledge, resourcefulness, creativity, and commercial real estate market knowledge were refreshing.

Doug identified a terrific option more than twice the size of most of the other options that we were considering, but still within our budget. This was our best alternative because it would not only accommodate the use but would allow plenty of extra space for constructing ramps and other obstacles, parking a 40' dumpster, and storing of production equipment. It even had a kitchen and two restrooms. The only problem with that option was that there was a longer term offer on it at the time. The company that made the offer seemed to be slow-moving. Doug did not want to leave anything to chance since we needed to finalize this quickly so he identified a second best alternative that was a little smaller but still suitable and negotiated on that as a back-up. He continued to follow-up with the agent of the best alternative and was able to convince them to not wait around for the other group. In many cases, Tenants are required to pay a small premium for shorter term leases, but Doug created leverage and struck a below market deal with them as we were just about to go to leases on the second best alternative. He even negotiated for the security deposit to be equal to just a single month of rent and to be returned within 15 days of the lease expiration.

Over the years, I have worked with many commercial real estate professionals around the country, but have never worked with a commercial real estate professional that understood our specific needs so well and acted so effectively in such a short time period. Doug is very good at what he does and is an excellent commercial real estate resource for the Action Sports community. We look forward to working with Doug and his CBRE counterparts as future needs arise.



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