

Trinity Lutheran College

Real Estate Evaluation and Organizational Strategy Disposition Strategy and Implementation

Background

Trinity Lutheran College (TLC), founded in 1944, was located in Issaquah on a beautiful 40 acre campus on the Sammamish Plateau. In recent years, declining enrollment had a negative impact on TLC's operating revenues. In addition to declining revenues, TLC was operating a facility that was significantly larger than it needed and the facility costs were a drain on resources. While studying these operating issues, TLC also determined that the College's mission would be better served in an urban facility.

Assignment

After working closely with TLC to identify the existing facility issues, MetPartners presented a range of potential solutions. TLC determined that the schools objective would be best achieved by selling their existing campus and relocating to an urban facility somewhere in the greater Puget Sound Region. MetPartners was engaged in a two phase project to:

- Sell the existing campus and
- Identify and acquire an alternative facility

Challenges

The assignment's most significant challenges were:

- Maximizing the value of the existing facility, and
- Implementing the sales and acquisition strategy in a manner that enabled TLC to continue operations

While a number of parties had expressed interest in the existing campus as a residential development site, MetPartners determined that it would be more valuable if a purchaser could be identified that would utilize the existing improvements. MetPartners developed a marketing plan that identified 250 businesses and institutions that could utilize the facilities, and a public relations strategy to support the disposition plan was implemented, leading to several newspaper articles which communicated the availability of the facility.

Because the existing campus represented the vast majority of TLC's assets, it was critical that the



campus be sold prior to engaging in an acquisition process for TLC to have credibility. This prevented TLC from identifying and acquiring a facility prior to selling the existing campus. The situation was further complicated by the fact that any facility was going to require significant modifications to meet TLC's needs. This construction process added additional time to the relocation process.

Results

MetPartners was successful in assisting TLC with the relocation. The campus was sold to a user that paid a significant premium to the offers that had been received from buyers that valued it as a development site. MetPartners was also able to secure a co-location agreement with the Purchaser for up to five years. This provided TLC the opportunity to locate a new campus in a planned and orderly fashion.

Through a process that involved directly contacting institutions that might have or know of potential sites (government agencies, school districts, religious organizations, etc.) and canvassing specific target areas for potential opportunities, MetPartners identified approximately 50 potential sites. TLC acquired a building in the Everett Central Business District that satisfied its initial needs and provides future expansion capabilities. TLC remodeled the building and relocated to the new facility for the 2008–2009 academic year, one year ahead of its original schedule.