

## Cox Oddo Commercial | Austin, Texas

# How Pearl Izumi's Headquarters Became The World's #1 Commercial Project

By Will Gary, M.B.A., M.I.M, Principal  
MacLaurin Williams / ITRA Global  
Denver/Boulder, Colorado USA

**Many things can happen to a company's office space over the years. For example, take what occurred during my 18-year relationship as a tenant/buyer's representative for Pearl Izumi.**



The company, a subsidiary of Shimano American Corporation, designs, manufactures, markets, and distributes high quality clothing and shoe products, primarily for cycling, as well as for other outdoor sports. The name Pearl Izumi is derived from the gem “pearl,” and an area of Japan known for its clear water, “Izumi.” Translated literally from Japanese, its name means “fountain of pearls.”

In 2000, Pearl Izumi still operated in a 50,000 square foot, Class C metal office/warehouse building in Broomfield, Colorado. That's when Lily Flores, Director of Human Resources for Pearl Izumi, contacted MacLaurin Williams to discuss offering

16,574 square feet of their facility for sublease to generate income from unused space.

Later, in April 2008, I helped Pearl Izumi upgrade to a Class A, 91,570 square foot office/warehouse in the Colorado Tech Center in nearby Louisville. The building had previously been developed and owned by Pearl Izumi's prior parent company, Nautilus.

Numerous consolidations of warehouse operations throughout the country wisely left Pearl Izumi's office and design functions in Colorado. Top management then began to conceive a plan for a new world headquarters nestled against Colorado's Rocky Mountains. We provided regular updates on what was

available in the surrounding submarkets, but none of the available buildings on the market seemed to spark Pearl Izumi's creative fires. Consequently, the company began to consider developing its own building.

### **Innovative Option**

From that point forward, MacLaurin Williams played a key role in changing Pearl Izumi's thinking. We advised our client that they could pursue a new headquarters without a developer, saving a considerable amount of time and money and giving them complete creative control of the ultimate design. In addition, there was no need for a developer to obtain financing, since Pearl Izumi's parent company was prepared to fund the project without a mortgage.

Pearl Izumi listened to our guidance. In early 2012, they marched ahead with plans to develop their own building and instructed us to proceed with site selection. After months of an exhaustive search within a seven-mile radius of Pearl Izumi's leased building in Louisville, we identified two eight-acre sites in Louisville and Lafayette as finalists, both with spectacular Front Range mountain views. MacLaurin Williams was instrumental in the process to hire the right people to achieve Pearl Izumi's vision. We carefully selected three highly experienced candidates for project manager and guided Pearl Izumi's management team in conducting the interviews. Our ultimate selection was Bill Mascarenaz of Mascarenaz & Associates in Denver.

MacLaurin Williams again played an important role by assisting Mascarenaz & Associates in the architect interviews and selection process. The step of selecting an architecture/design firm was crucial to the success of the project. Mascarenaz & Associates recommended three highly qualified architects, all of whom had active cyclists in their firms that used many of Pearl Izumi and Shimano's products. The clear winner was ZGF Architects, which brought a world-class engineering team, BuroHappold, from Los Angeles into the project as well as a smaller architectural firm, Arch 11, from Boulder, Colorado.

With the design team in place, the site selection process also moved forward. MacLaurin Williams

patiently negotiated generous economic development incentives from both the City of Louisville and City of Lafayette. Pearl Izumi chose a magnificent hillside site in Louisville's Colorado Tech Center and closed on the land purchase in October 2012.

Pearl Izumi and Bill Mascarenaz selected Haselden Construction as the general contractor, which built the new 55,000 square foot building, famously dubbed the "Modern Design Barn." Pearl Izumi took occupancy in October 2013. In December 2014, the project won four American Institute of Architects' awards: AIA Colorado Honor Award, AIA Denver Merit Award, AIA Portland Citation Award, and ENR Mountain States, Best of Office, Merit Award.

"We are very proud to see this building recognized for its merits," noted Cache Mundy, Pearl Izumi's Vice President of Product Merchandising and Development, "as it reflects the passion for outdoor performance products and the athletic lifestyle that Pearl Izumi champions. It truly serves as a purpose-built space for our employees to craft and deliver our products while reflecting our Colorado roots with access to the outdoor sports we love."

Then the unimaginable happened. In March 2015, World Architecture News in the United Kingdom named Pearl Izumi's headquarters as the #1 Completed Commercial Project in the World for 2014. From our viewpoint, the award was destined to happen: At the unique groundbreaking for the Pearl Izumi project, Lakota Sioux tribesmen respectfully drummed and waved their eagle feathers and sage smoke as the "Modern Design Barn" was blessed and born. It sounds unbelievable, but a giant cloud shaped like an eagle feather hung low over the Rockies during the ceremony.

Finally, this summer Metal Architecture Magazine bestowed yet another award for the design of the Pearl Izumi headquarters when it honored the structure with its 2015 Metal Architecture Design Award for Natural Metals.

*This article appeared in the Fall 2015 Issue of ITRA Global's Newsletter, Corporate Real Estate Strategies.*