

April 22, 2004

Unico Properties celebrates 50 years of staying on tract

By [MARC STILES](#)
Journal Staff Reporter

It was 143 years ago that Arthur Denny and Daniel Bagley tromped through the woods and up the hill from the waterfront to inspect Denny's 10 acres of land.

The Seattle pioneers, who shared what Bagley described as "go-aheaditiveness," were scouting for a site for the Territorial University of Washington. They found it on Denny's knoll, which offered views of Elliott Bay and the Olympic Mountains.

Today, the Territorial University of Washington is simply the University of Washington. It no longer occupies Denny's knoll, but still owns the property now known as the Metropolitan Tract. Today, 1.7 million square feet of offices and retail cover the tract.



Photo by Marc Stiles

Unico President and CEO Dale Sperling (left) and Senior Vice President of Development Quentin Kuhrau are preparing to lead another wave of development on the Metropolitan Tract.

Unico Properties, a real estate investment company, has managed the property for 50 years. Company officials say they have generated \$350 million in revenue for the UW.

Unico, which was formed to managed the tract, is celebrating its golden anniversary with a gala this weekend.

Company officials also are laying plans to build on their accomplishments by channeling some of Bagley and Denny's "go-aheaditiveness" for another wave of development.

Unico President and CEO Dale Sperling and Senior Vice President of Development Quentin Kuhrau say \$100 million already has been earmarked for this wave and significantly more will be spent if all phases are built.

Unico is redeveloping the early 20th-century Cobb Building, the West's

first medical-dental building, at Fourth and University into about 90 high-end apartments. GGLO is designing the conversion, and Lease Crutcher Lewis is the contractor. The project will break ground in the first quarter of 2005.

One block to the east on Fifth Avenue, Unico plans a 6,000-square-foot retail project as part of a cluster of upscale retail outlets the company has named "Upper Fifth," on what is now the IBM Plaza.

"We actually have that building permitted," says Kuhrau, who says construction could begin next year.

The most ambitious plan is redeveloping the north half of the Rainier Square block. Unico envisions a 500,000-square-foot office building, with retail and a restaurant on the ground floor. Kuhrau says the project would be shorter than Rainier Tower, the iconic tower on the south half of the block, but have larger floor plates.

Unico has proposed to officials of Four Seasons Hotels that they be part of the project.

"Basically, we'd put the hotel on top of the office building," says Kuhrau, who added the sorry state of the office market means this project is a long way off.

Unico can't wait forever. Its Metropolitan Tract lease runs until 2014. While Sperling jokes that the terms runs for another 10 years, six months and however many days, he insists his company is not obsessed by the deadline.

"We don't turn the calendar over every day," Sperling says. "We are more concerned about doing the job before us to the best of our ability, so when the time comes maybe the university will say, 'We'd like to see Act II.'"

Unico has been diversifying its portfolio beyond the tract and will continue to do so. In the late 1990s, the company made acquisitions in the Puget Sound region, and in 2000 bought property in Portland, San Francisco and Boise.

Among the different product types Unico is pursuing is multi-family. The company already is getting a start with the Cobb. Unico is looking in other markets, too, but is focused primarily on Seattle.

Medical-office buildings also are of interest to Unico. "Basically, we are looking at properties that are tied in with major medical facilities," says Sperling, who declined to say whether his company will make a run at Swedish Medical Center's offering of five medical-office buildings in Seattle.

Sperling and Kuhrau want to focus their 100 employees' attention away from the 2014 deadline so they'll stick around and concentrate on the opportunity to grow personally and help Unico grow, too.

Marc Stiles can be reached by [email](#) or by phone at (206) 622-8272.

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