

GlobeSt.com EXCLUSIVE: Two California Divisions Packing Bags for Texas

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By Connie Gore

FLOWER MOUND, TX-The Kalamazoo, MI-based Stryker Corp., pulling a plan off the backburner, will bring more than 200 jobs to North Texas in a relocation of its endoscopy and communications divisions from Southern California.

The leading medical device maker is planning a March 1 move into 75,000 sf of class A flex industrial space at 1410 Lakeside Parkway, a three-month-old, 85,000-sf building in Dallas-based Granite Properties' 195,000-sf first phase of the \$30-million Lakeside Commerce Center. The five-year lease is teamed with several expansion options, including dibs on new construction, whether it's spec or build-to-suit, in the 43.8-acre park with a 750,000-sf build-out plan, according to Greg Fuller, Granite's managing director.

Bo Bond with the Staubach Co. in Dallas tells GlobeSt.com that Stryker is moving on a plan that slid to the backburner several times as corporate chiefs weighed the pros and cons of moving the endoscopy division from San Jose and the communications group from Poway. The swing to Dallas, bringing 200-plus jobs to the region, was based largely on the lower cost of doing business in Texas versus the West Coast, according to Bond, who partnered with Staubach's Steve Thelen to help Stryker with the decision.

Bond says Stryker had several reasons for choosing Granite's development: economics, a positioning near the Dallas/Fort Worth International Airport and the expansion capability. The airport location, he says, was key since Stryker will finish out part of the space with a fully functioning hospital room as a demo site for an international customer roster of hospitals and physicians.

"There are a lot of reasons why they chose the specific location in Flower Mound, the state of Texas and the Dallas/Fort Worth metroplex," Bond says, adding Stryker has yet to decide what, if anything, will remain in California. In fact, he confides, Stryker's "still tweaking the number" as to the final amount of space that will be needed for labs, administration and sales functions. The just-signed lease includes some extra time to decide if the 10,000-sf balance of 1410 Lakeside Parkway is needed.

Fuller says the lease was inked within three weeks of Stryker honing in on Granite, which was "one of several choices" in the Lewisville area. He credits the win to the expansion capability and a high finish-out, shallow-bay design that's an alternative to the submarket's traditional industrial product.

Dave Anderson and Michael Chiocca with CB Richard Ellis Inc.'s Dallas office are steering the Granite leasing campaign, using \$5.50 per sf and a \$5 per sf tenant improvement allowance as the opening point for talks. "But, this was a heavy finish deal," Fuller adds.

Stryker's interior space design is about three-fourths complete. Fuller predicts finish-out will get underway in early December.

Lakeside Commerce Center's occupancy jumped to 60% with the Stryker lease. "We've had lots of interest," Fuller says about a two-building project that delivered as pure spec in August.

The 58-year-old Stryker's incoming communications division develops systems to link operating rooms with facilities worldwide. The systems are supported with integrated surgical equipment, lights and booms for real-time information exchanges of MRIs, X-rays and live pictures to connect the operating room to doctors' offices and teaching institutions. The endoscopy division has developed a series of integrated video products and specialty surgical equipment for arthroscopy, laparoscopy, urology and sports medicine.