



# DEALS & DEALMAKERS

A look at the transactions making the biggest impact on the commercial real estate landscape

## **D**EVELOPMENT

### **DARDEN SHEDS CURRENT DIGS, PLANS NEW HQ IN ORLANDO**

**Orlando, FL**—Darden Restaurants Inc. and Trammell Crow Co. are at work on the design of the casual dining company's new corporate headquarters here.

After running out of space in its current digs, the firm, the parent company of such brands as Red Lobster and Olive Garden, made the decision to invest in a new 400,000-sf campus on a 48-acre parcel it purchased at the intersection of John Young and Central Florida Parkways. While the companies are

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WOODY COLEY  
TRAMMELL CROW CO.



now in the process of choosing an architect, they expect to break ground by midyear 2007.

According to Woody Coley, senior managing director of corporate solutions for TCC, Darden currently occupies a cluster of 12 local buildings it acquired over the past 20 years. However, the space was extremely inefficient, states the locally based executive, who is part of the development team along with Bob Abberger, Stephen Aldridge, Chase Brackett and Tony Zivalich. "The current buildings are around the corner from each other, and the footprint was very awkward," he explains. "Meetings were difficult to coordinate because people had to go from one building to another."

Darden asked TCC to help it identify a site that would meet their needs in terms of proximity to their employee base and major roadways. "As that work was being refined, we suggested that if the company were going to leave its present space, it would be better served to sell its properties with some term remaining on its occupancy, rather than empty," relates Coley.

Trammell Crow assisted the firm in the sale-leaseback of its existing facilities to

Wayne, PA-based Patriot Equities this summer. The lease expiration is scheduled to coincide with the completion of the new headquarters at the end of 2009.

According to local reports, the development should cost around \$100 million. However, contends Coley, "the programming work is being done and construction prices are moving around a fair amount, so it's very early to project that figure."

On top of escalating construction costs, obtaining a large enough parcel of land for a corporate campus in a market where the residential boom has driven up land prices can be expensive, says Coley, but the long-term benefits are worth it. "Darden wanted enough land to create a campus feel, and it wanted its real estate to propel the business instead of constraining or hindering it," he says. "It had to make the decision that this was not going to be underwritten on a five-year investment horizon. It's a long-term commitment and Darden believes the site will provide it with longevity in terms of expansion opportunities. I think the company paid a modest premium for a site it thought would be a springboard for its objectives."

In addition to office space, the new complex will likely include space for training, dining, conference facilities and the

like, Coley relates. Some 1,200 current employees will move to the new campus, and Darden plans on adding another 900 jobs.—*Sule Aygoren Carranza*