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Tech companies help Talon turn around huge Bellevue office complex

Nov 11, 2014, 12:32pm PST Updated: Nov 11, 2014, 3:44pm PST



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A Seattle company that last week sunk a big chunk of change into a sprawling Bellevue office property is banking on the continued strength of the tech market.

The 15-building Bellefield Office Park southeast of the central business park was sold last week for \$120.2 million. Public documents listed only a private Houston company called Lionstone as the buyer. Lionstone, it turns out, has a local partner, Talon Private Capital, in the deal.

"We are a significant equity partner with [Lionstone]," said [Bill Pollard](#), co-founder of Talon, which invests in commercial real estate on behalf of high-net individuals and families with ties to the Puget Sound region.

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Talon is no stranger to Bellefield at 1203 114th Ave. S.E. For the last several years the company led the repositioning of the once-struggling property for **Walton Street Capital**, which sold the office park to Lionstone and Talon.

Bellefield has undergone significant capital improvements which have [attracted tech companies, such as health care software firm Edifecs and Glu Mobile](#), an international company that makes games for smartphones and tablets. Over the last several years, Bellefield has gone from 48 percent to 87 percent leased, Pollard said.

In an attempt to continue this momentum, the new owners will make more upgrades to the property, where Pollard said \$15 million has been spent upgrading the buildings, with JPC Architects of Bellevue doing most of the design work. In addition, a fitness center has been added, and hydrologists have tackled the chronic flooding of parking lots at the property that is

surrounded by [Mercer Slough](#), Pollard said.

It's not solely cosmetic upgrades for Bellefield. Unlike downtown Bellevue, which has a cornucopia of eating spots for office workers, Bellefield was a dining desert until Walton and Talon [started bringing in food](#) trucks. Now, Pollard said, the new owners are building a tenant gathering spot, where a restaurant could operate during the day and a craft beer and wine bar might operate in the evening.

In addition, Talon and Lionstone are starting a bicycle-sharing program; and a health-and-wellness program, including a jogging club and outdoor fitness classes.

"It's a whole different environment than it had been before," Pollard said.

Tenants are willing to pay higher rents for an improved property, though office parks on the edge of the central business district remain a lower-cost alternative to space in downtown high-rises. Pollard said annual rents at Bellefield are around \$32 to \$34 a square foot versus \$42 to \$48 a foot downtown.

Marc Stiles covers commercial real estate and government for the Puget Sound Business Journal.