

Refined Elegance

PARRON HALL BLENDS OLD WITH NEW AND CREATES THE DREAM SHOWROOM

Few dealers would give up prime, historic real estate in downtown San Diego just a few blocks from the Bay. Then again, few dealers would have the foresight to move the dealership to an up-and-coming area and create the opportunity to build a dream showroom and office space. This is exactly what Parron Hall Office Interiors did, and the gamble is paying off.

Jim Herr, president of Parron Hall, had 12 years remaining on his current lease for the same office space the company had called home for 40 years. But when the building was purchased by developers and he was offered a handsome sum of money to be bought out of his lease, it was too much for his entrepreneurial spirit. He took the money and used it to help fund a build-to-suite deal across town. One year later, April 1, 2005, Herr had himself a completely customized building that incorporated the old historic feel with the design elements he always wanted.

The deal required impeccable timing and a will to succeed. The termination of the old lease and the agreement in principal

for the new lease had to happen simultaneously. The funding for the build-out proved difficult. And the construction crew battled the third wettest winter in San Diego in the last 150 years. It may sound like a recipe for disaster, but the end result is nothing shy of spectacular.

The building is a total of 25,000 square feet and the design reflects the company itself: solid, creative, elegant, and transparent. It is a light-filled building with glass walls and two open atriums that offers natural light and the ability to see through the building. From one storefront window on the second floor, a customer can look all the way into the warehouse and from the same spot look across the open atrium to the president's office.

"It is like walking into a jewelry store," said Herr. "The merchandise never looks better than it does in that lighting and in that context. The same is true for our facility and how the design affects the furniture and our showroom. The open design and the light that comes into the building as well as the color pallet of the interior gives us a refined elegance."

Tips from the Trenches


After the experience, what advice does Herr have for the dealer community?

What is the best thing you did in the process?

"Hire a professional project manager. In total, our manager put in over 900 hours on the project," said Herr. "Those were 900 hours that were not on my shoulders, but rather on the shoulders of someone that knew what they were doing. That is why we finished within two weeks of our estimated deadline. It is the best money you will spend."



What was the biggest surprise?

"The bank we had worked with for almost 40 years was unable to accommodate our financing needs. I mistakenly assumed that because we had worked with them so long that they would be willing to provide the bridge financing needed. The project required that we constantly advance money into it. I had to put in a tremendous amount of work to find another bank in a short time to support the project's financing requirements. Fortunately, I was successful because by the time we were done, we had spent over \$1.5 million. Although the lease cancellation agreement was structured to provide several progress payments, the majority of the funds were not released until we had moved." 

snapshot



- Company: Parron Hall Office Interiors
- Founded: 1947
- Employees: 50
- Website: www.parronhall.com
- Target Customers: corporate, financial, biotechnology, federal government, healthcare
- Services: New Furniture, CAD Services, Delivery, Installation and Move Management
- Best-selling Lines: Knoll, Kimball and National