

Terrace Point, former SPX Corp. headquarters, readied for new tenant

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Muskegon's most prominent office building — and one of the most unique commercial buildings in West Michigan — is preparing for its first occupant in nearly a decade

The former SPX Corp. headquarters building at Terrace Point on Muskegon Lake will be divided into leasable spaces for multiple businesses, according to its owners at the Kalamazoo-based Hinman Co.

The first tenant is Raymond James Financial Services Inc. — a growing international office of financial advisors and stock brokers. Raymond James will take over most of the Terrace Point's top floor.

Work already is under way to increase office space by expanding the second, third and fourth floors into the building's open atrium, Hinman officials said. The expanded space



Chronicle/Kendra Stanley-Mills

Kirk Driesenga, regional director of leasing with the Kalamazoo-based Hinman Co., stands outside of the former headquarters of the SPX Corp.

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makes the Terrace Point building more economically viable for multi-tenant leasing, they said.

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The bronze “pyramid” was built in 1989 by SPX and was its headquarters until the Muskegon company moved to Charlotte, N.C. in 2001. Hinman purchased the 70,700-square-foot building with stunning views of Muskegon Lake in 2006 for an investment company in Bloomfield Hills.

Hinman was looking for a single tenant or to sell the property. There have been plenty of opportunities behind the scenes over the years to get the building occupied but none ever panned out, according to Kirt Ojala, regional leasing director for Hinman in Grand Rapids.

The Muskegon Museum of Art looked to expand into the building as others explored potential residential condominiums and a night club. Talk of a downtown casino by an Upper Peninsula Indian tribe had Hinman looking at putting gambling into the building but the tribe never moved forward on its Muskegon plans.

Others wanted to buy the building.

“We were not going to hand it off at a discount price, but we didn’t know what we were going to do with it,” Ojala said. “We even discussed knocking the building down and starting over.”



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A view from the elevator inside the former SPX building on the Muskegon Lake shoreline. The building is for sale. Chronicle file photo by Ken Stevens (photo available for sale)

[Terrace Point gallery](#) (7 photos)



As Hinman struggled with the Terrace Point’s future, the economic crisis struck the financial and housing markets with the nation sinking into recession. Raymond James remained a conservative, Main Street financial services company, said Paul Price, Raymond James branch manager.

As Wall Street brokerage firms began to slash operations, the St. Petersburg, Fla.-based Raymond James took on their former advisers and clients. The Muskegon office went from five advisers to nine.

Room at its 820 Terrace office became so tight that a temporary trailer was put up beside its building earlier this year for more office space.

“It’s always been intriguing to me,” Price said of Terrace Point, which he looked at four years ago when Hinman wanted a single tenant.

“And it was our group’s decision to stay downtown.”

Raymond James used Capstone Realty’s Mike

Teeter as its agent. The financial service company's interest motivated Hinman to explore dividing up the Terrace Point space, Ojala said.

"We see Terrace Point as the premier office building in Muskegon," company principal Roger Hinman said. "Now we want to make it available to multiple users. This will be a location that will be sought out and a key building for the Hinman Co."

The expansion of offices by extending floors over the building's atrium will bring the available lease space to about 50,000 square feet, Hinman leasing agent Kirk Driesenga said. Offices are available from 1,200 square feet to a full floor at 18,000 square feet, he said.

The Terrace Point first level provides Hinman some options. SPX had a large conference room, fitness center with locker rooms and 36-space indoor parking garage. Ojala said final plans for the first floor are still being developed.

But it is the upper floors with stunning views of the lake and downtown Muskegon that make Terrace Point such a special location, company officials said. The views are as spectacular as the exterior of the building, they said.

"The building is unique, one of a kind and unlike anything else in West Michigan," Driesenga said, adding that the decision to make Terrace Point multi-tenant is Hinman's vote of confidence in the Muskegon market.

Hinman also purchased the nearby Terrace Plaza office building, a seven-story structure on Morris Avenue that also offers Muskegon Lake views. Occupancy at Terrace Plaza is down to about 50 percent as Hinman has cleared the sixth floor for renovation of 19,000 square feet for a single office tenant, Driesenga said.

Hinman has been quietly showing off its Terrace Point plans for the past two months. Ojala said Hinman has about a half dozen parties interested in locating in the water-front office building.

"The building is such a marquee fixture in Muskegon," Ojala said of leasing the former SPX building adjacent to the Shoreline Inn & Suites. "This building is a key part of our portfolio and a key part of Muskegon."

Larger regional companies from Grand Rapids, Chicago and Lansing which are looking to expand



Paul Price



Kirk Driesenga



Chronicle file photo/Ken Stevens

The former SPX Corp. headquarters in this Muskegon Chronicle photo from 2004.

might be interested in having a satellite office at Terrace Point, Hinman officials said.

"It's a perfect place for some company needing a 'wow' presence," Driesenga said.

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