

## **OneBeacon gets lease in former SmithKline site The insurer will move to the fifth floor of the 1500 Spring Garden Street building, ending fears it might leave Philadelphia. \$14.5 million in improvements are planned.**

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OneBeacon Insurance Group has leased 73,000 square feet at the former headquarters of what is now called GlaxoSmithKline P.L.C., ending fears that the insurer might leave Philadelphia.

The Boston-based property and casualty insurer will occupy the fifth floor of the building at 1500 Spring Garden St., at the edge of Center City, by the end of the year, said Gerald Marshall, president of Amerimar Enterprises Inc., the building owner.

The lease will trigger \$14.5 million worth of improvements to the exterior of the building and a new rush-hour shuttle-bus service between the site and the SEPTA and PATCO commuter rail lines.

The back of the building, facing Center City, has already been given a major face-lift. The next phase will upgrade the facade on the remaining three sides of the building and add larger windows.

This work will bring to \$80 million the total spent since Amerimar purchased the building from GlaxoSmithKline in 2000. Further renovations worth \$20 million are planned as additional space is leased, Marshall said.

Worries that OneBeacon might leave the city surfaced when it sold its two-building complex at 436 Walnut St. last August to Metro Development Real Estate Fund L.P., headed by David Grasso. Six months later, Grasso sold the buildings to Ace INA Holdings Inc., the U.S. unit of Ace Ltd., a major casualty insurance carrier. Ace plans to renovate the space and move from Two Liberty Place in late 2005.

OneBeacon's entire Philadelphia operation, the former General Accident Insurance Co., will move to the Spring Garden building. This includes information technology, claims and special projects teams now at the Walnut facility. It will also move a data center to the site from an undis-

closed location outside the area. A OneBeacon vice president in charge of the project was traveling and could not be reached for comment yesterday.

It will become the second tenant in the million-square-foot building, largely vacant since SmithKline phased out its operations there in the late 1980s.

The first tenant, Independence Blue Cross of Philadelphia, leased 50,000 square feet on the first floor last fall, which the health insurer has since occupied.

The first five floors, where SmithKline once manufactured pharmaceutical products, range from 117,000 to 122,300 square feet. These floors can support up to 400 pounds per square foot, compared with 60 pounds per square foot on a typical office floor.

The upper floors, which once housed the SmithKline headquarters, each have nearly 43,000 square feet. Marshall's firm is seeking restaurants and other retailers for about 10,000 square feet on the street level.

Amerimar bought the building in 2000, thinking it would become a center for telecom and Internet switching gear and high-tech companies. When the dot-com bubble burst in 2001, the company changed plans, and it now markets the building as office space for companies that want to be in Center City at lower rent.

The building is near the city's major fiber-optic-cable routes, and the owners have invested heavily in beefing up its ability to handle operations that require large amounts of reliable electric power.

OneBeacon's 4,000-square-foot data center will take advantage of that. It will require as much electric power as a 75,000-square-foot building, Marshall said.