



assignment | challenge

Convergys Corporation

Convergys Corporation is the global leader in integrated billing and customer care services provided through outsourcing or licensing.

Convergys selected IRES to assist in the site selection and financing of its new approximately 750,000 square-foot corporate headquarters. The new corporate campus, including a state-of-the-art High-Tech Contact Center, Data Center and Corporate Offices was primarily driven by the consolidation and relocation of six locations throughout greater Cincinnati. Specific goals and objectives of the consolidation and relocation were as follows:

- Reduce the impact of real estate related operating costs on the Convergys financial statements
- Increase efficiency in core operations, via consolidation of operating groups
- Provide new facilities which allowed more scalability for future operations

outcome | results

IRES evaluated more than 80 sites in the Greater Cincinnati area and ultimately reduced the site selection to 20 potential sites in Ohio and Kentucky. Extensive due diligence was performed relative to permitting, regulatory requirements and potential corporate tax incentives. Specific services provided by IRES were as follows:

- Developed a comprehensive project cost analysis and schedules for final, short-listed sites
- Examined a full array of available financing structures including ownership, conventional mortgage financing, credit tenant lease financing, synthetic lease financing and joint venture financing, based upon Convergys' credit condition
- Assisted a third-party consulting firm in analyzing tax incentive programs proposed by the state and local municipalities
- Conducted sensitivity analyses evaluating the impact of each location, tax incentive package and available financing structures on corporate cash flow, earnings and balance sheet
- Developed a web-enabled database to store the information gathered on the 20 sites. The database provided Convergys with immediate access to site descriptions, market analysis, photography, maps, and zoning information for all sites
- Conducted meetings and negotiations with public officials on various site, infrastructure, and economic development issues

Convergys ultimately acquired two adjacent buildings in the Cincinnati CBD for redevelopment and occupancy in 2003. Financing was achieved via unsecured corporate debt and the company was able to save over \$100 million in operating expenses over 10 years.

QUICK FACTS

STRATEGIC ADVISORY Financial Advisory Services

750,000 square feet
\$156,000,000
Cincinnati, OH

IRES CONTACT

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CLIENT REFERENCE

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