

ZUPANCIC RATHBONE LAW GROUP / STAFFORD HILLS

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An \$18 million tennis-centered health club at the intersection of Tualatin, Tigard, Lake Oswego and West Linn is the brainchild not of a developer, but a law firm.

Zupancic Rathbone Law Group, P.C. a five-attorney firm in Lake Oswego, is using its real estate expertise to develop Stafford Hills Club, a 93,000-square-foot facility catering to well-heeled westsiders with a blend of fun and fitness.

The club will offer seven professional-grade tennis courts, a swimming pool that invites lingering and other health club amenities. The two-building project is tied up in a sustainable, high-tech package.

Site work has started. It's slated to open in mid-2012.

Stafford Hills is a high-profile debut for Zupancic Rathbone Law Group. Attorneys Jim Zupancic and Coni Rathbone formed the firm in 2010 when Rathbone left Davis Wright Tremaine LLP to join her old partner in Lake Oswego. The resulting firm combines a full-service legal practice with a business development mission.

The approach is serving the firm well. It was Oregon's 16th fastest growing private company in 2010 with about \$2 million in revenue, marking the first time a law firm appeared on the annual list compiled by the Portland Business Journal.

It will move to a new 7,060-square-foot suite at 4949 Meadows Road this fall. Developing real estate and launching businesses is nothing new for Zupancic, who has married entrepreneurship and law his entire career. Rathbone is a new comer to the entrepreneurial law model.

Stafford Hills marks her debut as a developer and investor and sets the stage for the firm to recruit like-minded attorneys to the firm.

Zupancic began working on the Stafford Hills project more than three years ago when he secured the 16-acre site near Legacy Meridian Park Hospital. He initially contemplated building condominiums and jokes that, it was better to be lucky than smart, a reference to the collapse in demand for condominiums.

The inspiration for a tennis-centered project struck when his wife returned from a tennis match complaining about the "lousy" facility.

Avid tennis players, the Zupancics confirmed a shortage of high-quality courts in Portland. There have been no new indoor facilities constructed in 35 years with the exception of courts added at Sunset Athletic Club prior to the recession.

"It's just a fabulous idea for a facility. As physical therapists, it's near and dear to our hearts."

Steve Anderson
Therapeutic Associates president and a Stafford Hills Club investor

TennisPortland.com lists 14 public and private tennis clubs offering a total of 110 courts in the metro area. Zupancic's research identifies about 70 indoor club courts.

While supply stalled, demand soared as baby boomers discovered the fitness and social aspects of tennis.

The number of active tennis players in the U.S. increased 25 percent to 3.1 million between 2003 and 2009, according to Taylor Research and Consulting Group Inc., a Portsmouth, N.H., firm that conducts an annual survey for the United States Tennis Association and the Tennis Industry Association. Despite growing demand for court

time, Zupancic and Rathbone said the club needed other features to attract dues-paying members.

The club will include a 25-yard pool, fitness facilities, conference rooms, a pool-side cafe and social groups catering to member interests.

Therapeutic Associates, a Seattle-based physical therapy firm with numerous clinics in Portland, will move its Tualatin clinic to the club.

Steve Anderson, president of Therapeutic Associates, also is an equity investor. Anderson said the club's marriage of health and wellness aligned with his own mission.

"It's just a fabulous idea for a facility. As physical therapists, it's near and dear to our hearts," he said. The market research paid off when Zupancic approached lenders, said Ken Griggs, president of Norris, Beggs & Simpson Financial Services.

Griggs, who arranged the permanent financing with Portland-based Standard Insurance Co., said Stafford Hills offered a compelling case.

"Outside of the Multnomah Athletic Club, there really isn't an upscale tennis-aquatics facility in Portland. Jim has been very thorough

about his research," Griggs said.

The project is fully permitted and is financed with 40 percent equity from Zupancic, Rathbone and a small group of supporters.

Stafford Hills Club

Location: 5916 S.W. Nyberg Lane, Tualatin

Project Manager: Maggie Crepps

Budget: \$18 million

Employees when completed: 80

Expected members: About 5,000

Reservations: (<http://staffordhills.com>)

Fees for a full family membership: \$270 monthly, plus initiation

Umpqua Bank is providing the construction loan and Standard Insurance Co. will provide a \$6.5 million permanent loan when the club opens. Other partners include Myhre Group Architects, Fabiano Designs, and contractor Todd Construction.

The project aims to earn a LEED Silver or higher designation from the U.S. Green Building Council. Green elements include restoring degraded wet lands, a rooftop solar system and electric vehicle charging stations.

