

Inside



8 Going for the green

Kew Realty is under way on the greening of Solaire Shoppes, its Westminster neighborhood retail center

36 Getting green light

Green construction and renovations are gaining steam as energy savings continue to grow



6AA Health & care

Medical buildings on and off the St. Anthony North Hospital campus sell in separate transactions

10AA Picking up

Current activity indicates Denver's apartment market should see better sales volume than 2010, when the market returned to normal

14AA Ready, set ...

Grad students get ready to state their cases for redevelopment of Nine Mile Station in Aurora

CONTENTS

Greater Denver.....	4	CDE.....	36
Boulder County.....	12	Who's News.....	1AA
Larimer & Weld Counties.....	16	Medical Office.....	6AA
Colorado Springs.....	18	Office.....	8AA
Finance.....	19	Industrial.....	8AA
Law & Accounting.....	24	Multifamily.....	10AA
Property Management.....	26	Retail.....	12AA

focus

See Page 1B

GREEN BUILDING

Downtown hotel sells for \$58.5 million

by Jill Jamieson-Nichols

A real estate investment trust bought the Hilton Garden Inn Downtown Denver for \$58.5 million, or \$264,705 per key.

The 221-room hotel across the street from the Colorado Convention Center sold to Apple Ten Hospitality Ownership Inc., part of a private REIT of Richmond, Va.-based Apple Real Estate Investment Trust Cos. Stonebridge Cos., which developed the hotel at 1400 Welton St., was the seller.

Apple is confident in the asset's investment potential and the growth potential of Denver, said Senior Vice President and Director of Acquisitions Sam Reynolds. Its REITs own five other hotels in the Denver metro area.

The 12-story Hilton Garden Inn was completed in 2006. Pi Kitchen + Bar and Daz-Bog Coffee occupy spaces on the street level of the hotel, which includes structured parking, meeting space, an indoor pool, and fitness and business facilities.

"There is a lot of investor interest, especially for hotels that are generating good cash flow," said Mike Cahill, chief executive officer and founder of HREC, which was not involved in the transaction. "I think it also shows significant investor interest in downtown Denver as a market. National hotel investors very much like

downtown Denver as a place to invest."

With downtown evolving as a "compact 24-7 destination," the hotel has the advantage of drawing not only business and convention travelers, but also leisure travelers, Cahill said. "It's a very well-balanced submarket within Denver, and investors like that," said Cahill.

The Hilton Garden Inn Downtown Denver was acquired by Apple REIT Ten, a \$2 billion offering formed earlier this year. Other Apple REITs own the Marriott hotel in Boulder, the Hilton Garden Inn in Highlands Ranch, a Hampton Inn in Lakewood, Hampton Inn & Suites in Cherry Creek and Residence Inn in Highlands Ranch.

Just prior to selling the Hilton Garden Inn, Englewood-based Stonebridge Cos. bought the former Xcel Energy building just across the street at 550 15th St. for \$9.4 million. It hasn't determined its plans for the 240,431-square-foot property, according to Tommy Nigro, development and portfolio manager.▲



Headquarters buildings trade

An investment group led by Northstar Commercial Partners purchased neighboring corporate headquarters buildings at Denver West in Golden. The buildings are occupied by Safeco Corp., above, and Boston Market. (See Page 8AA.)

Local investor acquires the Courtyard apts.

by Jennifer Hayes

A Denver apartment property with upside sold to a locally based buyer eager to acquire the community before another investor could.

R Investments RLLP paid \$9.1 million, or \$46,192 per unit, for the 197-unit Courtyard apartments at 5100 Leetsdale Drive.

The all-cash acquisition, which represents the highest-priced and largest-sized community in R Investments' local apartment portfolio, closed in 30 days.

"I am certain if we had gotten the opportunity to go to market with the asset, we would have procured around 20 to 30 offers," said Marcus & Millichap's Greg Price. Instead, Price and Marcus & Millichap's Brian Haggar found a buyer almost instantly after they were awarded the listing of the 1973-built community and another brokerage firm made an offer to purchase the asset.

The buyer saw a value-add



The 197-unit Courtyard apartments sold for \$9.1 million, or \$46,192 per unit.

opportunity there and the location just outside of Cherry Creek was attractive, added Price.

While the Courtyard features a "first-class" physical condition with new roofs and exterior improvements, only a portion of the apartments have been updated. R Investments plans to update the apartments at the Courtyard with new kitchens and baths, includ-

ing granite counter tops, for example, as well as do a full common-area renovation and add a computer room and a fitness facility, said Price.

The Courtyard comprises 141 one-bedroom, one-bath units and 56 two-bedroom, one-bath units in four four-story buildings. At the time of sale, the Courtyard was 95 percent occupied.

The community features a

laundry room, heated swimming pool, and covered and open parking.

Price and Haggar represented the seller, an out-of-state family corporation, in the deal. The buyer did not have representation.

Previously, Price represented the seller of the 69-unit Cinnamon Ridge apartment community, which R Investments purchased for \$2.78 million.▲



ONE BOULDER PLAZA

- FANTASTIC LOCATION
- UNDERGROUND PARKING
- FLATIRON VIEWS

CALL TODAY FOR A SHOWING!

CHAD HENRY
CHENRY@WVREYNOLDS.COM

NATE LITSEY
NATE@WVREYNOLDS.COM

BEAUTIFUL MIXED USE DEVELOPMENT COMPRISED OF CLASS A OFFICE BUILDINGS IN THE HEART OF DOWNTOWN BOULDER

1800 BROADWAY #105
2,810 SF \$22.95/SF NNN AVAILABLE 8/1/11

1800 BROADWAY #110
4,670 SF \$24.00/SF NNN AVAILABLE NOW

1801 13TH #170
1,467 SF \$19.95/SF NNN AVAILABLE NOW
6 MONTHS FREE RENT ON A 3 YEAR DEAL

1301 CANYON #228
1,220 SF \$19.95/SF NNN AVAILABLE NOW
6 MONTHS FREE RENT ON A 3 YEAR DEAL

303.442.8687
WVREYNOLDS.COM



THE W.W. REYNOLDS COMPANIES
HELPING PEOPLE BE SUCCESSFUL

Boulder County & U.S. 36 Corridor

Boulder office/warehouse park sells to 1031 exchange buyer

by Jill Jamieson-Nichols

A California 1031 exchange buyer paid \$4.68 million, or \$65.43 per square foot, for a small-tenant office/warehouse park in Boulder.

Twin Lakes Business Park, a 71,450-square-foot property at 4695, 4697 and 4699 Nautilus Court, sold to WLA Investments, a private equity investment company. The three-building business park was 90 percent occupied and sold at an 8.4 percent cap rate.

The asset generated 11 offers, according to Cushman & Wakefield of Colorado Inc. broker Patrick Devereaux.

"You don't see the opportunity to buy office/warehouse in the Boulder submarket very often," he said. Plus, Twin Lakes Business Park has approximately 25 tenants whose average square footage is less than 2,000 sf, making it somewhat rare for the Boulder market, said Devereaux. A lot of the single-story office/warehouse parks in that market are geared to larger users, he said.

"It's more of a small-tenant asset that provides good risk diversification in the rent roll," said Devereaux, who represented the seller, Northstar Commercial Partners, with Cushman & Wakefield broker Gene Pride. Twin Lakes Business Park was built in 1983 and occupies 5.2 acres. Asher Brewing Co., Servpro and Ground Water Pump Systems are a few of the tenants. Most tenants are on three-year leases, the majority of which had been renewed over the last couple of years, Devereaux said.

"The property was very well-maintained by the previous ownership group and managed very well," said Devereaux, adding the new ownership plans to continue to operate the park as is.



Twin Lakes Business Park was 90 percent occupied at the time of the sale.

era building at 1048 Pearl St. in Boulder and expects to submit a plan for concept review to the city early in May.

The site is considered a pivotal property that bridges the Pearl Street pedestrian mall with downtown's West End.

■ **Guy F. Atkinson Construction LLC** signed a lease for 6,785 sf of office space at Central Park Tower at 385 Interlocken Crescent in Broomfield.

■ **Newmark Knight Frank Fredrick Ross Co.** brokers **Ben Gilliam** and **Jon Treter** represented the tenant. **CB Richard Ellis** brokers **Chris Phenicie** and **David Hart** represented the owner, **Franklin Street Properties**.

■ **Peanut Properties** paid \$545,000 for a 5,600-sf property at 509 Main St. in Longmont. Crackpots, a pottery studio, will occupy the space, which was sold by **Free University**.

■ **Prudential Rocky Mountain Realtors** brokers **Keith Kanemoto** and **Ed Kanemoto** represented the buyer and seller.

■ An information technology company recently leased 2,700 sf of retail space in a downtown Boulder building where it will be joined by two other retail tenants.

■ **SupportU** opened at 1825 Pearl St., Unit A. **Cured**, which specializes in cheeses, meats and wines, and **Boxcar** will share Unit B, which comprises 3,400 sf. Boxcar is a new-concept retailer that roasts individual coffee blends for customers.

■ **Cured** and **Boxcar** are completing their tenant finish and hope to open June 1.

■ **Michael Ruiz** of **Coldwell Banker Commercial NRT** represented the landlord, **Libby Cook**, in the transactions.

■ **Terry Kruegel** of **Kruegel Commercial** represented **Cured**. **Kimberly Baldwin** of **Re/Max** of Boulder represented **Boxcar**, and **iSupportU** was represented by **Michael-Ryan McCarty** of **Gibbons-White Inc.**

■ **Earl's Saw Shop**, an outdoor power equipment sales and repair business, leased 5,200 sf of industrial space at 3695 Frontier Ave. in Boulder.

■ **W.W. Reynolds Cos.** is the owner.

■ **Chad Henry** of **W.W. Reynolds** represented the owner. **Doug Haffnietter** of **Flagstaff Proper-**

ties Inc. represented the tenant.

■ An upscale lunch restaurant is slated to open on the northeast side of 55th and Arapahoe streets in Boulder in June to cater to employees of Ball Aerospace and neighboring industrial developments.

■ **Minglewood** will occupy a 3,282-sf space that will incorporate a large south-side patio.

"There are several quick-stop sandwich sites for lunch, but this is the first to offer upscale, house-made items with a great price in this area of the city," said **Jim Howser** of **The Colorado Group**, who handled the lease transaction. **Minglewood** also will offer a happy-hour menu.

■ **Westland Development Services** is the landlord.

■ **Open Table Inc.**, an online restaurant-reservation service, signed a three-year lease for 2,654 sf of office space at 2700 Canyon Blvd. in Boulder.

■ **Kevin Hart** of **Coldwell Banker Commercial NRT** represented the tenant. The landlord is **DellaCava/Tebo Development Company LLC**.

■ **Vital Network Solutions** leased 2,161 sf of office space at 4760 Walnut St., No. 108, in Boulder.

■ **Chad Henry** of **W.W. Reynolds Cos.** represented **Reynolds**, which owns the building. **Todd Walsh** of **The Colorado Group** represented **Vital Network Solutions**, a computer network support company.

■ **Henry** also represented **W.W. Reynolds** in a 1,311-sf office lease at 1919 14th St., Suite 803, in Boulder.

■ **ReadyTalk**, an audio/Web conferencing services company, is the tenant. **Eric Brynestad** of **Jones Lang LaSalle** represented **ReadyTalk** in the transaction.

■ **Aspen Ion Place** purchased a 1,211-sf office condo at 2015 Ionosphere St., Unit 102, in Longmont for \$190,000. **Dr. Doug Brisson**, a chiropractor, will occupy the property.

■ **Ed Kanemoto** and **Keith Kanemoto** of **Prudential Rocky Mountain Realtors** represented the buyer. **Jim Ditzel**, **Dan Ferrick** and **Michael-Ryan McCarty** of **Gibbons-White Inc.** represented the seller, **Ion Properties Inc.**▲

Prudential

Rocky Mountain, REALTORS®

SERVING BOULDER COUNTY FOR OVER 35 YEARS

- Tenant and Landlord Representation
- Land Sales/Development
- Commercial Sales
- Asset/Property Management
- Market, Site and Financial Analysis

Rock Solid Since 1990

 Keith Kanemoto	 Bayne Gibson	 Don Rulle	 Mike McDonough
 Ken Kanemoto	 Ed Kanemoto	 John Marlin	 Aaron Grant
 Becky Lyall	 Jan Cernuda	 Jerry Schagel	

CALL FOR YOUR COMMERCIAL REAL ESTATE NEEDS!
275 S. Main St., Suite 100, Longmont, CO 80501
303-772-2222 • www.prudentialrm.com
An independently owned and operated member of Prudential Real Estate Affiliates, Inc.

IRWIN & HENDRICK

COMMERCIAL AND INVESTMENT REAL ESTATE

We know potential when we see it.

 1200 28th St. #205: 1,224 SF #302: 1,317 SF \$12.00 NNN	 3390 28th Street 5,902 SF \$16 NNN
 1815 Pearl St. 2,820 SF \$22 NNN	 4725 Nautilus Court 7,650 SF \$12.00 NNN

Dan Hendrick • Sallie Taylor, CCIM • Jon Bopp
Property Manager Linda Hammond, CPM

2299 Pearl Street, #400 | Boulder, CO 80302
T 303.444.9771 | F 303.442.6852
admin@irwinandhendrick.com | www.irwinandhendrick.com

Other News

■ A buyer paid \$1.58 million cash for a 22,016-square-foot industrial property at 4725 Nautilus Court in Boulder.

The investor recently relocated to Boulder from New York City and was looking for a "solid" income stream, said **Angela Topel** of **Gibbons-White Inc.**, who represented buyer **MacHeath Industries LLC** with **Gibbons-White** broker **Patrick Weeks**.

The building is leased to **Charles D. Jones**, **Bob's Oat Bar**, the U.S. General Services Administration and **FH Chase Inc.** The latter plans to vacate the 7,650-sf space it occupies in midsummer, and **Gibbons-White** will be marketing the space for lease.

The property sold on a 9.41 percent cap rate, but the actual cap was closer to 7.5 percent when deferred maintenance is taken into account, said **Topel**.

■ **Todd Walsh** of **The Colorado Group** represented the seller, **4725 Nautilus LLC**.

■ **The Eleventh and Pearl** project team has completed a series of community outreach meetings regarding redevelopment of the former **Daily Cam-**