



Rocky Mountain News (CO)

July 3, 2002 Section: Business Edition: Final Page Number: 2B

### **NORTHSTAR'S TWINKLE GROWS**

In a major coup, tiny Denver-based Northstar Commercial Properties bought a five-building real estate portfolio from Benjamin Moore Co.



**John  
Rebchook**

The portfolio includes what many consider the finest remaining undeveloped building in the historic Ballpark neighborhood near Coors Field.

The price paid for the 500,518 square feet of properties in five states was not disclosed. The purchase also includes 45.72 acres. Northstar will be closing on a sixth Benjamin Moore property later this year, bringing the total square footage to 607,000 square feet.

Benjamin Moore, the paint company founded in 1881, was purchased about a year and a half ago by Berkshire Hathaway, the company run by legendary Omaha-based investor Warren Buffett.

Buffett blessed the purchase, but Northstar founders R. Brian Watson and Natasha Felten never met him.

The deal, initiated by Watson and Felten, is expected to put the year-old Northstar on the map when it comes to buying national real estate portfolios in the future.

“This is a great opportunity for Natasha and Brian to increase their visibility in the marketplace,” said Sherman Miller, their former boss at Cushman & Wakefield.

Companies such as Cushman & Wakefield and other brokerage houses now will add Northstar to the “universe” of potential buyers, “which theoretically means they should see more deals,” Miller added.

Felten noted that she and Watson already are working on two other national real estate deals.

Watson and Felten quit Cushman to form their own company in order to buy and develop real estate, in addition to acting as brokers.

Most big commercial brokerage companies prohibit brokers from buying investment properties - it's seen as a conflict with clients.

Northstar's partner in the Benjamin Moore deal is San Diego-based Steve Leonard, formerly of Pacifica Holdings in Colorado.

Leonard, on behalf of investors, began acquiring Denver-area offices, industrial and retail projects in the mid-1990s, and at the top of the market in the late '90s sold everything for more than \$425 million.

“I think their partnership with Steve Leonard is a testimony to their acumen,” Miller said.

Leonard said the Benjamin Moore deal was a good one.

“We just had a seller that was motivated to unload these properties,” Leonard said. “And we think we got them at a price that we can deal with them on a one-by-one basis and make a little money.”

The 72,018-square-foot warehouse is on 1.65 acres at 2500 Walnut St. in Ballpark. Other properties in the portfolio are in Commerce City, Calif.; Jacksonville, Fla.; Melrose Park, Ill.; and Colonial Heights, Va.

Benjamin Moore wasn't planning to sell the Denver warehouse or any of the other properties.

``Hands down, the Benjamin Moore building is the nicest building left in Ballpark," Watson said.

``We made an unsolicited offer for the Denver facility, and we flew back to meet with the company's CEO (in New Jersey.) We encouraged them to look at selling us all of their excess or non-strategic real estate."

Northstar is listing the Ballpark building for \$4.2 million. The paint company used it for storage until recently, and is moving its operation to an industrial park along Interstate 70, Watson said.

Architect and developer Brad Buchanan of Buchanan Yonushewski Group LLC agreed with Watson's assessment of the building.

``I think of it as being on the corner of High and Main Street in the Ballpark neighborhood," Buchanan said.

``It's the last building on those four corners not to be redeveloped," he said. ``To me, the clock tower building and the Benjamin Moore building are clearly the two shining stars in Ballpark. As we've been doing the Silver State Lofts across the street, we always kind of drooled over the Benjamin Moore building."

He said ``quite a few people have taken a run at that building over the years," but Benjamin Moore was never willing to sell.

Buchanan estimates 50 units could be built in the existing structure, and 70 to 100 units could be built on the surrounding land.

``We're really excited that it is for sale," he said.

## INFOBOX

### Art of the deal

Denver-based Northstar Commercial Properties is buying Benjamin Moore properties around the country.

Denver property: Northstar bought a 72,018-square-foot warehouse on 1.65 acres at 2500 Walnut St. in the Ballpark neighborhood.

Listing price: Northstar is offering the property for \$4.2 million.

Possible use: 50 lofts with up to 100 units on surrounding land.

