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Retail

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## **Smaller — not bigger — better for local development firm**

*By Jennifer Francone*

*Editor*

*Colorado Real Estate Journal* Bigger isn't better for one local development company, which recently started work on its latest small retail project.

Bush Development has broken ground on Grant Court, a 12,600-square-foot inline retail center with a 75,000-sf pad site at 98th Avenue and Grant Street in Thornton.

Grant Court is across the street from the Thornton Town Center, anchored by a Wal-Mart Supercenter slated to open later this year or in early 2005, and is near the Thornton Justice Center, Sam's Club, Home Depot as well as a host of other retailers.

"With super Wal-Mart opening across the street, leasing activity has increased substantially," said Eric Bush, president of Bush Development. The surge in leasing activity boosted the center to 50 percent leased prior to groundbreaking at an average rate of \$24 per sf, a rate driven by the area's retailers, according to Bush. Without their presence, Grant Court could achieve rates of around \$17 to 18 per sf, he added.

"We're currently in lease negotiations with several coffee shops and fast-casual users for the remaining end cap spaces. Super Wal-Mart, Sam's Club and Home Depot generate average combined sales of \$160 million annually, with 23,000 daily trips generated. With this lineup of retailers, growth in this area is red-hot and there has been steady increase in interest," said Bush.

Fantastic Sam's, Ace Cash Express, a nail salon and a national sub sandwich and pasta franchise have already signed on to Grant Court. Bush Development also is under contract with a freestanding retail user, which is planning to acquire the pad site.

Tim Waner of Waner Construction Co. is the contractor for Grant Court, which features wide cornices, colored concrete and cloth awnings. Dauer Haswell Architecture Group designed the retail center, which also features 17 feet of patio space, a place where "people can hang out."

Todd Rosen of AmCap Properties Inc. is marketing Grant Court.

Aside from Grant Court, Bush Development is actively involved in several other projects.

Bush Development is working on several infill retail projects in Lakewood, Evergreen and Thornton and a self-storage project in Denver, and is using a conservation easement to develop hunting/fishing home sites on a 1,707-acre ranch in Hotchkiss, complete with a 4,000-linear-foot landing strip.

In 2003, Bush Development capitalized on its focus on smaller infill sites, selling retail centers Ulster Terrace in the Denver Tech Center for \$322 per sf and Union Court in Lakewood for \$311 per sf. This year the company sold Mini Storage USA along East Arapahoe Road in Centennial for \$6.7 million, setting a new record price in the Denver metropolitan area.

"Many people I talk to seem to have the philosophy that bigger is better. I certainly don't subscribe to that philosophy," said Bush. "We have found that on smaller developments, we still dictate our market rates on infill/satellite retail sites as opposed to a big box dictating what the final market rate is going to be. I have less contingent liability on smaller infill sites and our margins usually aren't much less than our vertical borrowing costs."

## Other News

n Sheridan Family Partnership LLC recently purchased a newly constructed retail property in Commerce City for \$1 million.

Sheridan Family acquired the Family Dollar discount store at 6071 E. 72nd Ave. from Excell 72nd LLC.

The 7,864-square-foot store is situated on a 33,671-sf parcel. Marc S. Lippitt and Scott L. Shwayder of Unique Properties LLC represented the buyer.

Virgil Shouse of Excell Fund LLC represented the seller.

n Veech Holdings LLC purchased a 3,430-sf retail building in Littleton for \$335,000.

Veech purchased the building at 5241 S. Santa Fe Drive from Richard B. Eslick.

Jim Capecelatro and Craig Myles of Fuller and Co. represented the seller.s◆◆