

Old Honeywell facility sells for \$12 million

by Jennifer Hayes

The old Honeywell facility in Centennial was picked up by a buyer pumping new life into the property.

Lift Time Fitness paid \$12 million for the property, which comprises a 265,000-square-foot office/manufacturing building on 34 acres at 4800 E. Dry Creek Road.

Minnesota-based Life Time Fitness plans to raze the building, whose first phase was constructed in 1957 with two subsequent phases built until the early 1980s, along with the Honeywell water tower, which originally supplied all the water for the site.

“It’s a really neat opportunity,” DPC Development Co. President Chris King said of the chance to redevelop the infill site, which is surrounded by several affluent residential neighborhoods.

An entity of DPC Development acquired the property a decade ago, which at the time was around 50 percent occupied by Lockheed Martin, with plans to reinvent the building into space suited to tech users. However, with the tech market downturn and Lockheed Martin’s vacating the building, DPC Development sought other potential uses, noted King.

Over the years, retailers such as Wal-Mart, Kohl’s and Target all expressed an interest in the site yet the neighborhood objected to such uses. Homebuilders and apartment developers also eyed the site – to the tune of 15 offers on the property – but with the housing market’s decline, DPC Development sought the best use for the property.

“Life Time Fitness stepped in and they are the highest, best use for the site. Manufacturing no longer fits there,” said King, adding the first-class fitness center offers a high profile image. “The city of Centennial embraced the use and the neighborhood really supported it.”

“We’re very excited about the property,” said SullivanHayes Brokerage’s Robin Nicholson, who represented Life Time Fitness in the acquisition. “Life Time Fitness liked the site for its surrounding density and affluence. We think it will be a great amenity to the neighborhood and will be extremely successful.”

Life Time Fitness will develop an approximately 112,000-sf facility on the site, which is anticipated to open in the third or fourth quarter of 2009. The fitness center will incorporate “beefed-up” landscaping and limited lighting during the evening.

Typical amenities include 24-hour access, sport courts and rock climbing caverns, indoor/outdoor water parks, state-of-the-art cardiovascular and weight machines, free lockers and towels, classes, and child care center.

The balance of the site – around 20 acres – is being sold by Life Time Fitness and marketed by Nicholson for office and retail development. Jim Bolt of CB Richard Ellis represented DPC in the sale.

Life Time Fitness, which recently opened in Parker, its first Colorado location, also closed on a pair of other locations along the Front Range – one in Colorado Springs and at the Orchard Town Center in Westminster. Currently, it is looking for additional sites in the southwest trade area and central market, according to Nicholson.

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