

Grocery stores hungry for sites

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Grocery-store deals are feeding the starving Denver-area commercial real estate market.

In late June, an affiliate of Miller Weingarten Realty LLC paid \$8.7 million for Westminster Plaza, a strip center that includes a Safeway grocery store.

The deal is the seventh major multimillion-dollar grocery-store deal along the Front Range this year and one of the few areas of strength in a stalling commercial real estate market. Grocery-store sales account for nearly one-third of this year's deals.

A Miller Weingarten affiliate, WRI/Miller Westminster I LLC, bought the 97,042-square-foot strip center from Hunt Properties Inc., a Dallas-based developer that built it in 1999.

"The bottom line is that grocery-anchored retail has a vacancy rate below 10 percent," said Patrick Devereaux, senior director with Cushman & Wakefield of Colorado Inc.

Mike Winn of Cushman & Wakefield also handled the transaction. Last month, Winn and colleague Tim Richey helped close a \$14.7 million deal for a Fort Collins grocery-anchored center.

In that deal, GDA Real Estate Services LLC paid the full asking price for a renovated center sold by Winn and Richey's client, **DPC** Development Co. of Denver.

Westminster Plaza, at the northwest corner of West 72nd Avenue and Federal Boulevard, replaced a shopping center that suffered hard times when Westminster Mall hit its stride in the 1970s.

The city of Westminster condemned the site and paid \$7 million to buy the land in 1998, said Tony Chacon, senior project manager for the city. Hunt paid \$1.7 million for the portion of land where it built the center; the city owns about 6 acres where it plans to construct a library and a park.

The new center is generating more tax revenue than the city had expected and is spawning interest in rebuilding other nearby sites.

"This project has rejuvenated the economic sustainability of that area of town," Chacon said.