

REAL ESTATE & DEVELOPMENT

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Special Report

'Shop till you drop' on its way

*Five major retail projects
promise seven million
square feet of new shopping*

By Steve Porter
The Business Report

The north Front Range Interstate 25 corridor is about to erupt with new shopping possibilities.

And while the jury is out as to whether all of the proposed projects — mostly so-called “lifestyle” open-air malls — will actually be built, the plans that have been announced over the last year are staggering.

More than 7 million square feet of shopping would be added to the corridor — extending from north Denver to Fort Collins — if all five projects are built.

While some talk of a “race” to see which projects will line up the best tenants and anchors and get under way first, the general consensus of developers and city officials pulling for their



STEVE PORTER • THE BUSINESS REPORT

INFRASTRUCTURE WORK — Site preparation is under way on The Shops at Centerra, a 665,000-square-foot lifestyle center located on the east side of Interstate 25 at U.S. Highway 34. The shopping center is one of five major malls either planned or under way in the north I-25 corridor between north Denver and Fort Collins.

local project is that each is going to be a reality regardless of whether there will initially be enough shoppers to support them.

Major mall intersection

In one instance, the competition will be literally facing off across I-25. Palisade Park, a 1.2 million-square-foot retail center, is set for development at the northwest corner of the I-25/Colorado Highway 7 intersection in Broomfield while work on the 240-acre, 2 million-square-foot Larkridge Regional Retail Center is under way at the southeast corner of that same intersection in Thornton.

Asked if it made any difference that another giant shopping development was proposed for the opposite side of the same intersection, Susan Connors, Thornton's planning director, was unfazed.

“I have no idea what Broomfield's proposing,” Connors said. “Certainly, in Thornton there's a need for more shopping on the city's north side, so for Thornton I think Larkridge is very appropriate.”

Scott Schroeder, spokesman for Beachwood, Ohio-based Developers Diversified Realty that's handling the retail portion of The Shops at Palisade

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Park, said his company is still exploring tenant interest in the project and could not yet release any names of potential tenants or anchors or say when site work would begin.

The project is projected to open in the fall of 2005. Schroeder said he's optimistic that The Shops at Palisade Park will come to fruition despite the competition expected just across the interstate.

"We'd like to see it happen," he said. "I think there's definitely room for a significant amount of shopping in that area. I think both projects can coexist."

Unnamed center planned to south

And just a few miles down the road to the south in Westminster — again in the I-25 corridor at the intersection with 144th Avenue — another huge, as-yet-unnamed shopping center is planned.

The project, which is being developed by Cleveland-based Forest City Enterprises, will feature 1.2 million square feet of shopping, office space, townhomes and apartments with an estimated 100 to 120 retail establishments within the 215-acre site.

"We think that there is a great opportunity here and we believe very much that this is a high-growth area and that our project will really benefit the community," said Nancy McCann, Forest City Enterprises' vice president.

The project will require an upgrade of the I-25 interchange, which was approved by the Colorado Department of Transportation in December based on an agreement between Westminster and Thornton — again located on the other side of I-25 — to share the cost of the upgrade.

While no specific project is proposed at this point for the Thornton side of the interchange, Planning Manager Connors said it made sense for her city to help out on the upgrade in anticipation of future development.

"The interchange will be a benefit for both communities," she said. "There is land on the Thornton side of the interchange that could be developed."

Meanwhile, up north in Larimer County, two shopping mall projects are vying for a leg up on the other.

Initial site preparation is under way at The Shops at Centerra, a 665,000-square-foot center at the northeast corner of the I-25/U.S. Highway 34 intersection in east Loveland. The project got the green light from the Loveland

Shopping by the numbers

Following are the major shopping mall projects now proposed or under way in Northern Colorado:

- Larkridge Regional Retail Center, Thornton—2 million square feet
- The Shops at Palisade Park, Broomfield—1.2 million square feet
- As-yet-unnamed project, Westminster—1.2 million square feet
- The Shops at Centerra, Loveland—665,000 square feet
- The Summit Front Range, Fort Collins—450,000 square feet in first phase; expansion possible to 750,000 square feet
- Thompson Crossing, Loveland — 500,000 square feet
- Promontory, Greeley — 500,000 square feet

SOURCE: DEVELOPER, CITY WEB SITES AND MARKETING COMPANIES

city council in February and is targeting an October 2005 opening. The development is a joint venture with Loveland-based McWhinney Enterprises — developers of the 3,000-acre mixed-use Centerra project across the interstate to the west — and Poag and McEwen Lifestyle Centers in Memphis, Tenn.

Terry McEwen, company president, said he's not concerned about malls being built in the north Denver area.

"The ones in north Denver don't affect us at all," he said. "That's a totally separate trade area. We believe that people south of Longmont probably won't drive to Centerra to shop."

Can two survive in Larimer?

But McEwen is sensitive to the competition posed by The Summit Front Range, a 750,000-square-foot, open-air retail center planned for East Harmony Road in Fort Collins. The Summit is in the final phases of approval by the city of Fort Collins.

"We're not sure if a second lifestyle center can be developed there, whether the market can support two," he said.

Both The Summit and The Shops at Centerra are scheduled to open in fall 2005. So far, The Shops at Centerra is in the lead when it comes to landing tenants, with Foley's, Galyan's, Barnes and Noble, a P.F. Chang's restaurant and a Metrolux Theater lined up.

McEwen said he feels The Shops at Centerra has a distinct advantage over The Summit.

"You get a leg up on the competition

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not by being first to break ground but by getting the tenants signed up," McEwen said.

But David Silverstein, principal with Birmingham, Ala.-based Bayer Properties Inc., the developer of The Summit Front Range, said his project has Dillard's and Wild Oats Market grocery signed and is lining up other tenants. Silverstein said his company remains committed to building the project.

"We remain resolved that, for the type of projects our Summit projects represent, we're convinced that the right location is the Harmony Road site in Fort Collins," he said. "Fort Collins remains the dominant hub in Northern Colorado for the residential base and retail. When you get off the airplane at Denver Inter-

national and see those signs on the highway, they say 'Denver and Fort Collins,' not 'Denver and Loveland.'"

One proposed regional shopping center dropped out of the race last summer after its hoped-for anchor, Dillard's, decided to sign with The Summit. CBL & Associates in Chattanooga, Tenn. was proposing to develop a site at the intersection of I-25 and Colorado 392 in west Windsor. The company even had Windsor on board to help pay for interchange improvements that would have been needed to move the project forward.

Contacted recently, a CBL & Associates spokeswoman hinted that the company may still have plans for the site.

"We have made no official announcement and do not have any additional information to pass along at this time," said Deborah Cary Gibb, director of corporate relations, in an e-mailed

response to questions about the future of the site.

Two other retail projects are on the horizon in the Larimer/Weld portion of the Northern Colorado I-25 corridor. Thompson's Crossing, located at the southeast corner of the I-25/U.S. Highway 34 intersection, will ultimately include "at least half a million square feet of retail," according to Nick Christensen, who is marketing the project through his company, Chrisland Companies. Christensen said the project could break ground within the next 12 to 18 months.

And in west Greeley, Promontory — now home to State Farm, Swift and Company and residential housing — will eventually include about 500,000 square feet of retail space, according to Mark Bradley, whose Greeley firm, Realtec Commercial Real Estate Services, is marketing the project.