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Along north I-25 corridor proves to be retail hot spot

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Shopping centers being built along metro Denver's Interstate 25 North continue to open new stores, and more projects are in the works.

Developers from local Jordon Perlmutter & Co. to national Forest City Enterprises Inc. have begun building retail centers in recent years at key access points along the highway because of strong residential growth — and the anticipation of even more.

Larkridge in Thornton, which will be Colorado's largest shopping center if all 2 million square feet of it get built, launches its Larkridge South component this month with the opening of a Costco store.

Westminster's The Orchard Town Center recently opened a JCPenney department store, and plans to complete a Macy's store and a 12-screen AMC movie theater this fall.

Northlands, located near Larkridge at the northwest corner of I-25 and Colorado Highway 7, has gotten necessary zoning and site approvals, installed most utilities and started grading land. The project expects to start construction this spring and to begin opening stores by year-end, according to project manager David Goldberg, a principal at Alberta Development Partners LLC.

Early Northlands tenants include a 20-screen American Screen Works movie theater.

Farther up the highway, the retail market in Dacono is heating up.

A new, 85,000-square-foot Furniture Row shopping center opened last year on the I-25 frontage road just north of County Road 8. The center includes Sofa Mart, Oak Express, Bedroom Expressions and Denver Mattress Co. stores.

Signs on land at the southeast corner of I-25 and Colorado Highway 52 proclaim the Dacono Gateway Centre mixed-use project is "coming soon." The project includes a shopping center.

Retail giant Wal-Mart Stores Inc. opened a huge, new Wal-Mart Supercenter at I-25 and West 136th Avenue in Westminster on Jan. 19.

The 209,349-square-foot store has 36 general-merchandise departments — from clothes to home electronics. It also includes a grocery store, Tire & Lube Express, McDonald's restaurant, Academy Bank branch, SmartStyle hair salon and SmartCare Family Medical Center. The store employs more than 400 people.

Even though the northern metro area is growing, the first retail developments in a new growth area need to be prepared for slow sales early on, according to retail experts.

"You've got people buying new homes, which means they're putting a lot of money into fencing and things like that, which makes them house rich but cash poor," said Tom Mathews, vice president and retail broker at CB Richard Ellis Inc. in Denver.

"The problem with being in an area early is you may suffer awhile," said Evergreen retail consultant Larry Black of Black Ink Results. "You need to be able to survive until business picks up."

Larkridge South's Costco store opens on Feb. 21. With more mixed-use tenants than the main Larkridge area, Larkridge South will include some kind of Kaiser Permanente health-care facility, which hasn't yet been determined.

"We have a lot of other things to look forward to — a lot of other things brewing we can't reveal yet," said Jonathan Perlmutter, a principal at Denver-based Jordon Perlmutter & Co.

Larkridge's 1 million-square-foot first phase started officially opening in October 2005 with Colorado's only Sears Grand store as well as Dick's Sporting Goods, Circuit City, Office Max and PetsMart. Home Depot had opened in July 2005.

Recent newcomers to Larkridge's pedestrian village, located off Highway 7, include Starbucks, Verizon Wireless and the Golden Jin Garden restaurant.

"Larkridge is meeting our expectations," Perlmutter said. "These things take time, but retailers like to be in position when things really kick in."



KATHLEEN LAVINE | BUSINESS JOURNAL

The Orchard Town Center in Westminster.

I-25 North's new retail

• Larkridge

— Located between 160th Avenue and Colorado Highway 7, Thornton; developed by Jordon Perlmutter & Co.

• Northlands

— Northwest corner of I-25 and Highway 7 in Broomfield; developed by Alberta Development Partners LLC.

• The Orchard Town Center

— On West 144th Avenue in Westminster; developed by Forest City Enterprises Inc.

• Wal-Mart

Supercenter — 200 W. 136th Ave. in Westminster; developed by Wal-Mart Stores Inc.

The Orchard Town Center, located at I-25 and West 144th Avenue in Westminster, also will have a cluster of smaller stores, but has not yet determined that retail mix, said project developer Brian Wynne of Forest City.

The 12-screen AMC movie theater scheduled to open in the fall will feature stadium seating, and can be expanded to 16 screens.

Forest City launched The Orchard in October 2006, with the opening of JCPenney and a SuperTarget. Forest City's California-based West Coast Division oversees the development.

"The Target and JCPenney stores are doing very well, according to them," Wynne said. "Construction is moving along extremely well; we're on schedule."

When completed, The Orchard will include roughly 1 million square feet of space and 100 retailers. It will also have housing and office space.

Broomfield's \$200 million, 120-acre Northlands development is slated to include 1 million square feet of mostly retail space. Some 50,000 square feet will be devoted to office space.

Northlands' first phase will include 350,000 to 400,000 feet, Goldberg said.