

BOULDER COUNTY BUSINESS REPORT

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Real Estate

By Michael Davidson

BOULDER — A Boulder-based real estate investment company with an eye toward building environmentally sustainable redevelopment projects has purchased four acres of land at the corner of 28th Street and Glenwood Drive in Boulder for \$4.259 million.

Conscience Bay Motors LLC, a company formed by Conscience Bay Company LLC, acquired the lots at 3150 28th St. and 3156 28th St., which currently are occupied by Gebhardt Saab. The auto dealer leases the properties from WME Family Investments LLLP.

Conscience Bay's long-term plan is to redevelop the site into a mixed-use infill development as the area along 28th Street transitions into an area with a more urban character, company president Eli Feldman said.

For the next few years, though, the property will remain an auto dealership. The major buildings on the property are a 13,052-square-foot building for the dealership's showroom and a 4,056-square-foot garage, according to Boulder County records. Those buildings were built in 1965.

For the nearly 50 years since the dealership was built, the area around it has been more like suburban sprawl than the dense, walkable neighborhoods Boulder has been trying to cultivate, Feldman said.

City policy calls for building denser projects along the main transportation corridors, and favorable zoning in the area means developers have greater options, Feldman said.

"28th Street is really the main north-south thoroughfare through the city, and the city wants to encourage the development of commercial and residential property along the corridor," Feldman said. "Given enough time and given investors like our group, we will increase the density in the transit corridors and create what looks more like a walkable city along the 28th Street corridor."

The character of the area could dramatically change in the next 15 to 20 years, depending on the redevelopment of Diagonal Plaza and other large parcels near the dealership that are for sale, Feldman said.

Conscience Bay does not have a timeline yet for when it will begin planning an infill project, and Feldman hopes it starts work when other redevelopment in the area gets going. The company will be able to start the project independently.

"It's large enough to be its own redevelopment," he said.

The deal closed March 12.

Dan Cohen, founder and principal of Urban Investment Group LLC, a Boulder-based real estate investment and development services firm, introduced the parties and helped Conscience Bay analyze the property's redevelopment potential. The property never was listed for sale.

The acquisition is Conscience Bay's first deal in Boulder County since the company was formed in January 2011. The company bought the Village at Legacy Ridge Apartments, a 221-unit development in Westminster, in October 2011. It also owns a property in Steamboat Springs.

"We are attempting to and intend to practice real estate investing with an eye toward goods stewardship and sustainability," Feldman said. The company recently added a large photovoltaic system to the Village at Legacy Ridge, he said.

LUMBER YARD MAKEOVER: After a makeover, the 24,000-square-foot former Sutherland Lumber Co. building on Valmont Road in Boulder is now fully leased, said Andy Bush, a principal at Morgan Creek Ventures.

Boulder Digital Works, a University of Colorado at Boulder program, is the latest new tenant to be announced at the site, Bush said. Boulder Digital Works is expected to move into the property at 3390 Valmont Road on April 1.

The new tenant will join solar lighting company Sundolier; resort real estate development company Meriwether Management Co.; senior rehabilitation and living company Azura Senior Living LLC; full service commercial cleaning and janitorial company Green Building Services Inc.; and office furniture company BcInteriors.

Morgan Creek Ventures partnered with owner Bob Sutherland and the Sutherland family to redevelop the property with "creative companies" in mind, Bush said. High ceilings and exposed duct work are found throughout the site. Rents are slightly less expensive than those in downtown Boulder, Bush said, declining to be specific.

"It's the kind of space that creative companies like, and we're offering shorter (lease) terms, which make it attractive," Bush said.

"They've done a complete rehabilitation of the interiors. It's very cool, and we feel very lucky to be here," said Garrett Simon, a partner at Meriwether Management Co.

The main building sits on a 5.6-acre site and is within the Boulder Junction area, which is bounded by Valmont and Pearl streets and 30th Street and Foothill Parkway. The project is independent of the transit-oriented development the Regional Transportation District is building, but Bush said the entire neighborhood will benefit from RTD's project. An underground bus station, a new hotel, an apartment complex, a parking structure and a restaurant or pub centered are planned along Pearl Street.

"This is a precursor of the future redevelopment of the whole facility," Bush said. "We're not sure what it will be composed of at this time, but it's in an area we hope will be redeveloped. It has been a very active area in the last two years."

NEW ROOM FOR 214: Social media agency Room 214 has set up shop in a 4,500-square-foot office space at the former Sutherlands Lumber Co. site at 3390 Valmont Road.

Growth led the agency to move from its former office in the Boulder Steelyards at 30th and Bluff streets in Boulder, said co-founder Jason Cormier. The company is expected to grow about 30 percent in revenue to \$3 million in 2012 from \$2.4 million in 2011, Cormier said.

Room 214 has been in business since 2004 and has 30 employees.

LAFAYETTE

CRMCULTURE: Customer relationship management services company CRMCulture LLC has moved to a bigger space in Lafayette from its previous location in Louisville.

The new 5,000-square-foot space at 1455 Dixon St., Suite 300, allows the growing software and training company to hold training at its offices rather than in rented hotel spaces, said Steve Roch, founder and owner. CRMCulture also will continue to train customers at conferences around the country, he said.

CRMCulture makes business management software for companies, which is compatible with Microsoft

programs such as Outlook and Office, Roch said.

Privately held CRMCulture currently has 15 employees. The company has about \$3 million in annual revenue. The company previously was located at 685 S. Arthur Ave. in Louisville.

Wade Arnold and Scot Smith of The Colorado Group brokered the lease.

WAL-MART SALE: Wal-Mart Stores Inc. has sold a 0.85-acre vacant lot near its Supercenter in Lafayette for \$350,000.

The property, at 1217 Diamond Circle, just off U.S. Highway 287, was purchased by Lafayette Covenant Group LLC. The company is based in Irvine, California, according to documents filed with the Colorado Secretary of State.

The lot is one of five vacant lots south of the 212,973-square foot Wal-Mart between Diamond Circle and the Wal-Mart's parking lot. The store was built in 2006 but the surrounding pad sites have yet to be developed.

LOUISVILLE

CARRABBA'S SOLD: A Phoenix-based real estate investment company has purchased the Carrabba's Italian Grill in Louisville for \$2.32 million, according to Boulder County property records.

Cole CA Portfolio LLC, an LLC created by Cole Real Estate Investments, acquired the property at 575 S. McCaslin Blvd. from the sister company of the owner of the Carrabba's, Outback Steakhouse and Bonefish Grill chains.

The chain is owned by OSI Restaurant Properties LLC, and Private Restaurant Properties LLC owns many of the buildings and lots occupied by the restaurants. Both companies are based in Tampa, Florida.

The Carrabba's is 6,896 square feet on 1.52 acres and was built in 2000, according to property records.

The purchase is part of a larger acquisition of a number of restaurant properties from Private Restaurant Properties, a representative of Cole said. He could not give further details at this time, citing a confidentiality agreement with OSI Restaurant Partners. The information will eventually become public when Cole updates its filings with the Securities and Exchange Commission.

The Cole group operates a number of real estate investment trusts, and its portfolio includes shopping centers, office buildings, gas stations and convenience stores.

Private Restaurant Properties did not return a request for additional information. The company also owns the Outback Steakhouse at 988 Dillon Road in Louisville. Records do not indicate that has sold.

Beth Potter contributed to this report.

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