

# Rocky Mountain News

To print this page, select **File** then **Print** from your browser

URL: [http://www.rockymountainnews.com/drmn/real\\_estate/article/0,1299,DRMN\\_414\\_5040582,00.html](http://www.rockymountainnews.com/drmn/real_estate/article/0,1299,DRMN_414_5040582,00.html)

## Redevelopment taking shape

Texas firm plans housing, retail for Denargo Market site

By John Rebchook, Rocky Mountain News

October 4, 2006

A Texas company has quietly taken control of the 29-acre Denargo Market in north downtown Denver, a site that is bigger than either the planned redevelopment of Denver Union Station or Children's Hospital.

"The completed redevelopment of Denargo Market has to be north of \$1 billion," said Adam Gates, a vice president of acquisitions for Austin-based Cypress Real Estate Advisors, which either owns or controls all of the 29-acre site at Brighton Boulevard and the South Platte River, about a third of a mile from Coors Field.

Eventually the site - currently a no-man's land of small industrial buildings that include loading docks for fresh produce, dirt and parking lots - is expected to be anchored by luxury apartments and possibly a grocery store, as well as other retail.

A preliminary artist's rendering of the redevelopment shows three large towers, one with 22 stories. A portion of the site that would have to be rezoned could accommodate 2,252 apartment units.

Denargo doesn't have huge environmental or floodplain issues, said Tim Swan, an investment broker who is marketing the site with fellow CB Richard Ellis brokers Eric and Martin Roth. In addition, he said, the city is encouraging the development of Denargo, which officials see as one of the gateways to Denver.

Cypress is looking for a joint venture partner on the site but plans to remain an active owner, Gates said.

"We already have about 80 requests for signed confidentiality packages" from potential investors, Swan said.

Cypress is a private firm that manages more than \$1 billion in real estate.

The site has a long history.

When it was an active fruit market in the 1940s, the Denargo Market was one of the inspirations in Jack Kerouac's novel *On the Road*, which helped launch the Beat generation. Kerouac's friend Neal Cassady worked there, and Kerouac himself toiled there one summer day in 1949, although he was asked not to return to work.

Cypress assembled the land from 11 owners. It owns about half the site outright and has control of the rest, Gates said.

"We're very bullish on the Denver market based on recent job growth, the lack of multifamily projects built over the past four or five years, and the projected rent growth," Gates said.

"You combine all of the market dynamics, and this is the next logical development play as far as infill dirt," he said.

He said it is impossible to determine the amount of the partners' investment, because there are so many different ways to structure it.

Jeff Hawks, principal of Apartment Realty Advisors, is selling a luxury apartment community, Jefferson at City Gate, across the street from the Denargo Market.

"A site that size could really create its own area," Hawks said about Denargo. "It could be its own mini-Cherry Creek. It would be great for a King Soopers or a Safeway, and a Whole Foods would be phenomenal on that site."

[rebchookj@RockyMountainNews.com](mailto:rebchookj@RockyMountainNews.com) or 303-954-5207

Copyright 2006, Rocky Mountain News. All Rights Reserved.