

## Project to begin near Pepsi Center

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Developer Jim Neenan is teaming up with Kroenke Sports Enterprises to develop two office buildings southwest of the Pepsi Center at the light-rail station.

The development will include two 150,000-square-foot buildings developed in two phases. Neenan, president of NS West, said he expects to break ground on the first building in the third quarter of 2007. It is expected to cost more than \$30 million.

"We can see that the market would really embrace a project that had ample parking (and) was on the perimeter of downtown but not in the heart of downtown," Neenan said.

Several years ago, Kroenke Sports and Landric Corp. planned to take advantage of the site's proximity to the Invesco Field light-rail station by building retail, entertainment and housing there. They purchased the property from the Regional Transportation District.

The current project, designed by Oz Architecture, will be built by M.A. Mortenson Co.

Lease rates for the buildings are expected to be in the low \$20-per-square-foot range on a triple net basis. That's about \$2 to \$4 a square foot lower than the projected lease rates for the other buildings being developed in Lower Downtown, Neenan said.

RTD may close the Invesco Field Station except for special events if it opens an Auraria Campus light-rail station a few blocks away. Neenan said both stations are close enough to serve his new office buildings.

Nearly 2 million square feet of office-space development has been announced for Lower Downtown. Two have already broken ground: Hines' building, 1515 Wynkoop St., and Opus Northwest's building, 1400 Wewatta St.

"We don't see ourselves competing for the Lower Downtown tenants," said Darrin Revious, managing director of Frederick Ross Co., who with Tom Lee and Todd Silverman is handling leasing for Neenan's development. "We're looking for users that want close proximity to downtown with great parking and light-rail service."

Two other downtown projects will add another 1.1 million square feet to the market.

"I think there's enough demand to warrant the new development," said Rob Link, executive vice president of Studley, a tenant-representation firm. "If you're in downtown Denver and looking at 20,000 square feet or more, you have dwindling options.

"And if you're looking for 50,000 square feet or more, you only have a handful of options outside of the new product."

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