



DPC completes mission with Cherry Creek Corporate Center

by Jill Jamieson-Nichols

DPC Development Co. accomplished its mission at Cherry Creek Corporate Center and sold the office tower for \$32.55 million.

"This is probably one of the best repositionings of an asset we have seen in quite some time," said HFF Senior Managing Director Mary Sullivan.



Chris King

Cherry Creek Corporate Center is a 238,429-square-foot, 12-story office building at 4500 Cherry Creek South Drive in Glendale. Lakewood-based Alliance Commercial Partners bought it from DPC and The ROC Fund, which steered the property's turnaround over the last two years.

"When we bought Cherry Creek Corporate Center, our vision was to take an asset that hadn't been focused on for several years and update the condition of the tower, build a parking deck and attempt to extend the state of Colorado lease (in the neighboring Campus at Cherry Creek)," said DPC President Chris King. That fit DPC's turnaround profile well, but the property turned out to be more of a development project.

DPC doubled the size of the planned parking deck from 500 to 997 stalls and realigned Birch Street through the site per city request. It also rezoned the property and sold a four-acre multifamily piece where MKS

is developing the Solana Cherry Creek apartments.

More than \$5 million was spent repositioning the office tower, which has gone from 58 to approximately 88 percent occupancy. Work included improving common areas and base building components, as well as tenant improvements. A workout facility, common area conference room and video center were added to the building, which was constructed in 1978, and an on-site café was upgraded.

The tower houses 34 tenants. "One of the assets of the building was the amount of parking it offered, however, it was all surface and much of it far from the building entry," said King. DPC wanted to build a parking deck to provide close-in, covered and controlled parking. It expanded the size because the city wanted public parking for city events and, ultimately, overflow parking for the Glendale Riverwalk project. The \$10 million parking structure also provides overflow parking for city events at Infinity Park.

As part of the \$1.4 million Birch Street extension, DPC Development added pedestrian walkways, crosswalks and landscaping for more controlled circulation.

"By doing all this work, we were able to lease over 120,000 square feet to a quality group of businesses over the past 18 months. We were able to increase the rents, and the new owner is now positioned to lead the recovering real estate market with a first-class property in excellent condition," said King.

Cherry Creek Corporate



Occupancy at Cherry Creek Corporate Center has gone from 58 percent when DPC Development and The ROC Fund bought it in 2011 to about 88 percent today.

Center is adjacent to CitySet, a Stonebridge Cos. development that includes two hotels and a collection of restaurants. For Cherry Creek Corporate Center, "It was kind of like winning the lottery when Stonebridge put in CitySet," said Sullivan, adding there are few suburban locations where employees can walk outside their office to so many restaurants and amenities.

"It's a fantastic location, and it sits right on Cherry Creek, right on the bike path," said HFF

Senior Managing Director John Jugl, who, along with Sullivan, handled the sale.

"It's just a really phenomenal asset that I think the seller did a great job of repositioning, and I think the buyer will do a really good job to improve on its income," Sullivan added, noting Alliance Capital Partners has the opportunity to lease up the vacancy "and be able to enjoy the uplift in the market, which we are seeing across the board."▲