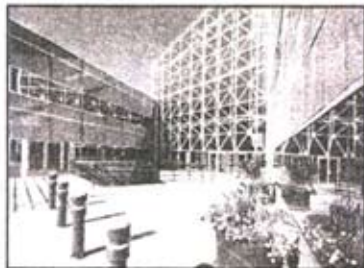


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## Bridgepoint deal done; Park Central is full

by Jill Jamieson-Nichols

Bridgepoint Education finalized a 10-year lease for 151,331 square feet of office space at Park Central, becoming the third big employer in a year to land in downtown Denver.

The deal is the largest office lease transaction to be signed in downtown Denver in at least three years. It will have a \$1 billion direct and indirect impact on the state of Colorado over the next five years, according to CB Richard Ellis Inc.

"A deal like this is on all fronts a great deal for Denver," said Cassidy Turley Fuller broker Doug Wulf, who represented building owners Walton Street Capital LLC and Means Knauss Partners LP. Bridgepoint will bring 500 new jobs to Denver.

The transaction comes at the same time that MarkWest Energy Partners, an existing tenant at Park Central, is expanding by 35,680 sf. The three-tower, 537,210-sf office complex at 1515 Arapahoe St. now is 100 percent leased.

Bridgepoint Education's choice of a downtown location is evidence of a trend going on not only in Denver, but also across the country, according to brokers involved in the deal.

"The new generation of



Park Central, a three-tower office complex at 1515 Arapahoe St. in downtown Denver, is fully leased.

workers that these companies are hiring is seeking out the vibrancy of urban areas," Wulf said. "It's certainly a trend we see today and probably for the foreseeable future."

Large employers traditionally have located in less costly suburban markets, but now are willing to pay higher rents to be in city centers with access to public transportation for their employees, said Wulf. DaVita Inc. just broke ground on a new 270,000-sf headquarters facil-

ity across from Union Station, a light-rail station and future transportation hub, and HealthGrades moved from the west metro area to 86,844 sf downtown last year.

CB Richard Ellis broker Lee Diamond, who represented Bridgepoint Education with CBRE broker Ty Ritchie, said Bridgepoint very seriously considered Atlanta and Houston and looked at office buildings across the metro area.

"They looked all over the

place and decided that downtown was a vibrant and dynamic setting for them. They chose downtown because they felt it was their best opportunity to attract the model employee they were looking for."

Access to light rail and other modes of transportation was a huge consideration for Bridgepoint, added Diamond, who noted that a lot of traditional office tenants – law, account-

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ing, and oil and gas firms, for instance – are willing to pay a \$4 to \$6 premium per sf to be in Lower Downtown, a location they might not have considered five years ago.

Opportunities for tenants to lease large blocks of office space in downtown Denver are shrinking. From Champa Street west to Union Station, there are only three to four spaces of 50,000 sf or more, said Wulf, adding that until rents justify new construction and new buildings are built, the market will continue to tighten.

"You are going to continue to

see a constrained market, certainly downtown and also in the suburbs. There's just a handful of buildings where you can find a block of 100,000 sf for those large users like Bridgepoint."

"Large blocks have certainly become scarce in downtown as well as in the suburban markets," agreed Diamond. "With so much pending demand in the next 36 months, you would think we would start building buildings. But the rental rates make it such that it doesn't make sense to start building," said Diamond. Rates for existing product are \$7 to \$10 per sf less compared with new product, he said.

Bridgepoint Education Inc., which will move into Park Central this summer, offers postsecondary degrees in business, education, health sciences and other disciplines. Park Central will support student services for its universities, Ashford University and University of the Rockies. The company will have an abundance of training and conferencing space.

"It's primarily an open-systems plan, but the amount of collaborative space dedicated to large-scale meetings is remarkable, even for a tenant of this size," said Tia Jenkins, principal of Kieding Office Architects, which is doing the interior design. "It'll definitely

have the same high-energy, high-tech characteristics of the company's San Diego headquarters."

The company is taking six floors in Park Central Tower 3 and two floors in Tower 2. The spaces connect on the sixth floor to create a 35,000-sf space.

Bridgepoint also leased 10,000 sf on the ground floor of the office complex, where Primebar was located. The lobby will be remodeled. Pending city approval, Bridgepoint will have its name on Tower 3, which sits on the 16th Street Mall.

Cassidy Turley Fuller broker Robert Knisely represented the owner with Wulf. Diamond

and Ritchie worked with Chris Hobson of Cassidy Turley in San Diego and CBRE's Phoenix-based labor analytics group to represent Bridgepoint.

MarkWest Energy, which occupies some of the space that Bridgepoint Education is taking, is growing into the top four floors of Tower 1 for a total of 72,000 sf. It also signed a 10-year lease.

Marc Lunde of UGL Equis represented MarkWest in transitioning to that space, whose larger floor plates work better for the company's long-term needs. UGL's John Hammett is the senior project manager for the new space. ▲