

# Little users make big news as SouthPark sites are developed

by Jill Jamieson-Nichols

Little users have been the big news at SouthPark.

Office and industrial developments catering to small users have been going gangbusters in the area over the last several years - to the point that only a couple of significant sites remain for development.

"This has all been happening the last five, six years, and it's huge," said Fuller Real Estate broker R.C. Myles. "There is just very little development ground southeast. This is zoned, ready-to-go development ground, and you just can't find that."

SouthPark, which stretches from Santa Fe Drive to South Broadway and County Line Road to West Mineral Avenue in Littleton, encompasses 176 acres of residential development and 322 acres of mixed-use land in four business parks: The Ridge at SouthPark, the Plaza, the Campus and Hilltop Business Centre.

"There really is a significant amount of activity in each of those subparks," said Myles.

Plenty of 1 1/2- to two-acre sites still can be found, but most of the larger sites are being, or already have been, developed, most recently with primarily for-sale office and light-industrial product. Office and office/warehouse condos, and small-user buildings have been snapped up by companies whose owners live in Littleton, Highlands Ranch and the surrounding area.

When South Denver Cardiology Associates opened a 68,000-square-foot heart center in SouthPark in 2003, it drove demand for medical office space that continues today, said Myles. There also is medical office demand affiliated with proximity to Littleton Adventist



Map courtesy of SouthPark Owner's Association

Hospital.

"People who live here want to own rather than lease," said Myles, adding that with most of the larger sites gone, the opportunities are becoming fewer and farther between.

CMC Group has sold three of four small-user buildings at Hilltop Business Centre, and Myles said the developer hopes to close on the last building this month.

MIE Properties, which has been developing 20 acres at the Ridge at SouthPark, has nearly sold out an office/industrial condominium development and has its last two office/flex condos under contract. It plans to break ground on its final project, a 24,900-sf office/condo development with storefront glass and drive-in loading, this spring.

MIE recently sold 3.6 acres at The Ridge at SouthPark for construction of one of the larger buildings at SouthPark, The Ice Ranch, a 12/3-sheet ice rink that will include a full-service restaurant and bar, and indoor weight-training and stretching area. The approximately \$7 million facility, which will be home to the Rocky Mountain Hockey League, has sold all of its ice time, said T.C. Oxley, president of DSP

Builders, which is developing and building the structure.

Finding land for the 54,000-sf facility, which owners wanted to locate north of Highlands Ranch, wasn't easy, said Oxley, one of the owners.

"There isn't much ground on that side of town. We looked and looked, and we just couldn't find any other ground," he said.

Also at the Ridge, Central Development is building Littleton Ridge at SouthPark, six freestanding office/medical buildings from 4,900 to 6,000 sf that are being offered for sale or for lease.

In addition, longtime SouthPark developer and SouthPark Owner's Association President Mike McKesson is building an 11,000-sf building for his company, Facilities Contracting, and an 18,000-sf speculative medical office building.

Also at SouthPark, developer Francis Stanisz is building three buildings totaling 65,000 sf. Another developer is proposing a 10,000-sf medical office building in the Campus.

Its focus on smaller spaces (typically 20,000 sf and under)

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to offer new product to users wanting to move from older buildings on the Santa Fe corridor, he said.

As the market has matured, resales are starting to occur, said Myles, who is marketing a 23,400-sf office building. Myles also is marketing several of the new small-user projects at SouthPark, as well as the largest remaining development site: a 19.9-acre mixed-use prop-

erty owned by Shea Commercial. Westcore Properties owns the only other large site, which totals 7.1 acres.

According to Myles, there has been "a ton" of small-user interest Shea's property, and two offers to buy the whole parcel.

"At this point, this is one of the only remaining development sites in that marketplace," he said.▲

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and product under \$2 million allowed SouthPark to weather the most recent downturn in the office and industrial markets well, said McKesson. "We were selling office/warehouse product at \$155 a square foot when other areas were in the low \$100s at best," he said. SouthPark also has been able