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Fleisher Smyth Brokaw to start medical office building in '11

by Jill Jamieson-Nichols

A Denver medical practice has agreed to lease the top floor of a planned \$28 million medical office building in Denver's Uptown hospital district.

Fleisher Smyth Brokaw will build the eight-story, 95,000-square-foot Class A building at the southeast corner of East 17th Avenue and Lafayette Street as part of its long-term strategy to acquire and develop a significant medical office building portfolio in the Denver metropolitan area.

Located in a growing neighborhood on a transportation corridor, the site is within a short walk of Exempla/St. Joseph's Hospital, the Kaiser Permanente Medical Campus, Presbyterian/St. Luke's Hospital, the Rocky Mountain Hospital for Children and the former Children's Hospital campus, where the Sisters of Charity of Leavenworth plans to build a new St. Joseph Hospital campus.

The first private medical office development in the area in more than a decade, the building will replace a 25,000-sf, 1960s medical building that Fleisher Smyth Brokaw owns.

"We believe there's a market for an off-campus medical office building that is adjacent to the campus and that is significant in size," said Glen Sibley, president of Fleisher Smyth Brokaw.

"This is the closest significant medical neighborhood to the center city. If you want to be central, this is the neighborhood that you want to be in," he said, adding most of the

existing space in the area is "'50s, '60s vintage" and "functionally obsolescent."

The developer hopes to be under construction by mid-2011 and open the building a year later. Saunders Construction is the contractor.

Plans include 20,000 sf of street-level retail space, including retail along 17th Avenue, a patient drop-off area, high-speed elevators and in-building parking for more than 300 cars. An atrium on the top floor will offer views of the downtown skyline and Front Range.

Fleisher Smyth Brokaw was in discussions with neighbors regarding zoning and building plans for many months. "We've probably arrived at something that the neighborhood wants, we want and the city wants all on one site," Sibley said.

The neighborhood provides a full array of housing options, from affordable housing to apartments and condominiums to high-priced single-family homes, Sibley said. "We think a lot of people that will work there will be able to live in the neighborhood and walk to work," he commented.

A design competition among "three great firms" resulted in architecture by the Mulhern Group that combines glass curtain walls of downtown office buildings with blond brick found in Denver foursquares and red brick reminiscent of commercial buildings in Lower Downtown.

"We picked the design that was the most functional, efficient and, from my perspective, felt the most like Denver,"



Fleisher Smyth Brokaw will develop a 95,000-square-foot medical office building at the southwest corner of East 17th Avenue and Lafayette Street.

said Sibley. "We really thought that this design spoke to the historic nature of the neighborhood, the importance of 17th Avenue and the eclectic nature of our city."

"This building is the next step in our plan to significantly increase our medical office holdings in the Denver and Front Range marketplace," said Michelle Brokaw, chief executive officer of Fleisher Smyth Brokaw.

The product type is one that lenders, with substantial pre-leasing and equity, are willing to consider, added Sibley.

Floor plates will be from 22,000 to 25,000 sf and will be divisible for tenants as small as 800 to 1,500 sf. "It's divisible in a variety of ways to get very small offices or significant size practices, and everything in between," Sibley commented. The building can accommodate an ambulatory surgery center, state-of-the-art imaging

services and variety of other medical services.

Asking lease rates are in the mid- to low \$20s per sf triple net.

Fleisher Smyth Brokaw plans to incorporate green building technology. "We're going to build an energy-efficient building that pays attention to the environment," Sibley said.

Fleisher Smyth Brokaw is a privately owned real estate firm that specializes in the acquisition, development and asset management of office, retail and industrial properties in the Denver-Boulder area. It has acquired or developed more than 40 properties, representing more than 2 million sf of office, medical office, mixed-use and residential space. The company developed and owns the 31,000-sf Parker Health Care Center and the 62,000-sf Arapahoe Medical Plaza III on the campus of Littleton Adventist Hospital.▲