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REAL Estate

North Valley in midst of transformation

'Dinosaur' shopping mall being renovated to accommodate office, industrial use

By John Rebchook
Rocky Mountain News Real Estate Editor

A mural of a stagecoach being chased by Indians on horseback was disappearing under a spray of white paint as Kyle Cascioli entered the huge room.

Cascioli, a commercial real estate consultant, briefly left the room to show where a deck will be built for a future tenant. When he returned, the mural was gone.

"There's an allegory for development," said Cascioli, in charge of redeveloping the former North Valley Mall in Thornton.

The aging mall is as out-of-date as cowboys and Indians fighting.

"This is a dinosaur mall," said Cascioli, displaying demographic data on his laptop computer.

Even the name had changed to North Valley Center -- a one-word change that speaks volumes.

The 230,000 square feet of empty space at the complex at Interstate 25 and 84th Avenue is being renovated to accommodate office users, not retailers. Stores occupy about 222,000 square feet, but as tenants leave, the space will be used for offices.

If all goes as expected, the redevelopment would have a completed value of at least \$8 million.

It would be a hybrid of stores and office tenants -- the only one in the region and perhaps the only one in the country, Cascioli said.

"This is a unique development. I call it a commercial mall," said Cascioli,

president of Barrett Associates Inc.

Cascioli represents the center's owner, Cleveland-based First Union Real Estate Investments, a real estate investment trust with about \$500 million in assets.

The room with the mural was an old May D&F. Cascioli expects to land an "elephant" (a huge tenant, in real estate parlance) to lease the May space.

It would be ideal for an organization that doesn't need high-profile space, but has a large work force, he said.

Potential tenants for that floor and other large blocks of space include telemarketing firms and collection agencies.

A small portion of the space could serve industrial tenants, including research and development companies

and office-showrooms.

Shopping patterns and other developments have changed the retail landscape since the North Valley Mall opened in 1967, Cascioli said. The May D&F closed years ago, but Burlington Coat Factory leases about 73,000 square feet.

"Ground zero for retail is now 104th and I-25... The Westminster Mall is clearly the retail mecca of the north. And I have no doubt the Northglenn Mall will be renovated."

Across the street from the North Valley Center is an American Furniture Warehouse superstore. Ultimate Electronics is building a large Soundtrack and its corporate headquarters there, too.

The North Valley site is not large enough for a power center, the

increasingly popular shopping centers with large discounters.

"I would love to, and the trust would love to build the next Cherry Creek mall here, but that's not realistic," Cascioli said.

At the same time, he's not asking any of the retail tenants to leave. The center also includes a Walgreen, a Montgomery Ward and a Firestone auto repair center on a separate pad. *The Rocky Mountain News* also has an 8,000-square-foot distribution center.

When the office space is filled, there will be about 1,500 workers.

Dan Burke, a broker with CB Commercial, said the plan has a lot of merit. "I think if it's ever going to work, their timing is right."



Kyle Cascioli, a commercial real estate consultant, stands outside the old North Valley Mall, which is being remodeled to house offices and has been renamed the North Valley Center.

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Business

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TeleTech anchors Thornton's ex-mall

Growing 'tele-service'
firm to bring 700 jobs
to converted center

By John Rebchook

Rocky Mountain News Real Estate Editor

Fast-growing TeleTech, Inc., a leader in the new breed of "tele-servicing" companies, will create as many as 700 jobs in a new operations center in Thornton.

The Denver company signed a 58,000 square-foot lease in the North Valley Center, a former shopping mall being converted into an office and light-industrial complex. The deal will make TeleTech, whose employees answer consumer questions for giant clients such as AT&T and Apple Computer, one of the largest private employers in Thornton.

It also confirms that the owner of the 450,000-square-foot center at Interstate 25 and 84th Avenue was wise to convert the building.

"Prior to commencement of redevelopment efforts, North Valley Center had little value beyond its land," said James C. Mastandrea, chairman of First Union Real Estate Investments, a real estate investment trust in Cleveland that owns the center.

"Our new tenants signal a rebirth of the center toward a first class commercial campus."

Kyle Cascioli, who consulted on the redevelopment and is marketing it, targeted TeleTech early on.

"I called them virtually every week for seven months," said Cascioli, president of Barrett Associates Inc. in Denver. He said TeleTech is just the kind of company he is trying to attract.



Marketing consultant Kyle Cascioli helped land TeleTech in 58,000 square feet of space in North Valley Center, a former shopping mall in Thornton.

"When we evaluated the facility attributes, site characteristics, and the labor market, we essentially identified, low profile office users, telemarketing, teleservicing, collection/billing services, credit card processing, direct mail and information processing companies as our redevelopment's targeted tenant mix," Cascioli said.

The lease, he said, is worth about \$6 million.

Barry Dorfman, a broker with Grubb & Ellis, said the building is well-suited for companies such as TeleTech: "It's an excellent opportunity for large, open-space users. Suburban space is drying up. There aren't very many blocks of large space available, and telemarketing companies don't like to pay the prices they are asking, when they are available."

Cascioli said the deal is a cooperative venture with Thornton, First Union and TeleTech.

"We more or less tried to facilitate the deal," said Gary Gaglia, economic director for Thornton. "We've also agreed to participate in some landscaping on rights of way. We're going to plant some trees and

spruce it up."

He said North Suburban Medical Center, with about 600 employees, is now the largest private employer in Thornton. TeleTech eventually could surpass it.

"We've heard that they'll probably start hiring 600 to 650 and grow from there," Gaglia said. "These are all new jobs, which is what is exciting about it."

But they're not high-paying jobs. Most workers will be paid from \$7 to \$9 per hour, with managers getting more.

"We toured their downtown office, and it is not a sweatshop," Gaglia said. "They're not telemarketers. It's more of a call center. The company is real concerned about its employees. They're looking at the possibility of a day-care center and are concerned about parking and restaurants in the area."

Gaglia says he's glad the former mall is becoming an employment center for the city: "It was a premier mall here 25 years ago, and then it was going down the tubes. This is a good approach."