

Feb 4, 2013, 6:50am MST

Nichols cements deal for \$82M mixed-use project



Dennis Huspeni
Reporter- *Denver Business Journal*

After trying to make the deal work for almost six years, [Randy Nichols](#) sold the land and the apartment side of a proposed 312-apartment, multi-use building development at 20th Street and Chestnut Place in Denver.

Denver real estate developer Nichols, president of **The Nichols Partnership Inc.**, confirmed late Friday Greystar Real Estate would become "the partner in charge of the development" and will own the 140,000-square foot plot of land under the proposed \$82 million development.

"We're going to stay involved as a co-developer and specifically focus on the retail side of it," Nichols said.

That retail side came into clear focus last month [when King Soopers confirmed](#) it had inked a deal to build a full-service grocery store on the ground floor. Nichols had been trying to land a grocer for that 40,000-square foot space for almost two years. The company [originally bought the land](#) in 2007.

"Greystar is the managing partner of the project now," Nichols said. "It was their equity partner Goldman Sachs that put up the money."

Nichols said the company couldn't continue to pour money into the project.

"We've been working on it for longer than I'd care to think about," he said. "We've got so much capital tied up in this deal. It took so long and carrying the costs for the land is so great, we couldn't just continue to have millions tied up in equity options."

Getting the longtime Colorado grocery chain **King Soopers**, a unit of Cincinnati-based **Kroger Co.** (NYSE: KR), to sign a contract to build an urban-format store at the complex was the key to the whole deal.

Greystar, with headquarters in Charleston, South Carolina, is a multifamily real estate business. A Greystar official did not return a call late Friday.

"They came in with a capital source we could rely on," Nichols said. "This allows us to pay off our debt and own the 40,000-square foot [retail] real estate site free and clear. This just seemed to be the path of least resistance to accomplish our goals."

Nichols declined to provide terms of the deal.

Dennis Huspeni covers real estate and retail for the Denver Business Journal and writes for the "Real Deals" blog. Phone: 303-803-9232.

NICHOLS  PARTNERSHIP



Denver developer Randy Nichols