

## **Builders Betting On Spec Office Space**

By Becky Hurley | December 16, 2005  
Staff Reporter

After more than four years of few new construction projects in the commercial office sector, developers and brokers are starting to break ground on a number of spec facilities.

The general attitude among some of the brokers is one of calculated confidence in the current job market and statewide economy.

Driven by a growing defense industry, some of the new construction reflects the need for new office buildings that meet the National Department of Homeland Defense's Unified Facilities Criteria.

Olive Real Estate Group brokers Jim DiBiase and Stan Kensinger, for example, are partnering with Summit Realty Group of St. Louis, Mo., on Aerospace Technology Center III, the final in a series of three buildings that together include more than 175,000 square feet.

The first building, at Fountain Boulevard and Aeroplaza Drive, was completed in 2002. It has been leased by Northrup Grumman. The second was a build-to-suit for Blair College.

Colarelli Construction has been selected as general contractor and Janitell-Childs has been named project architect for Aerospace III.

"The third facility will mirror the design and size of the first including features that meet all the latest DoD force protection requirements," DiBiase said.

Aerospace III will represent a \$14 million investment in land and building – up from the \$10 million cost for the first structure.

DiBiase said, although federal budget allocations for Homeland Defense contracts have been trickling in slowly, the military's ongoing satellite intelligence and surveillance focus will not change for the foreseeable future.

"That makes investing in buildings to serve DoD contractors a good bet," he said, adding that by 2009 the government will require companies that house 49 or more government employees to meet the latest force protection standards.

Michael Rader, CEO for The Rader Network, serves as Aerospace III's architectural security consultant. His company includes a consortium of specialists, each of whom is an expert in a specific security discipline. He sees Aerospace III as an opportunity to "do it right."

Rader said prior to 9/11, the Army, Air Force, Marines and Government Services Administration each had their own building specifications. Today, thanks to the Tri-Services Unified Criteria program, all government buildings must comply with the same standards.

Rader, who is a retired U.S. Air Force officer and former Boeing information security specialist, said his firm is careful to assess what level of security is required.

He admits that most small businesses do not need to retrofit their facilities to meet the government's standards, but notes that an increasing number of municipal and hospital facilities are beginning to seek help with force protection issues.

Most of the time, he said, it is cheaper to build security in from the ground up than to retrofit a building after the fact.

Because of the complexity and depth of the new requirements, firms like Rader's are charged with interpreting the intricate criteria for local markets.

His recommendations cover everything from placing parking lots the required distance from a building entrance to planning setbacks from the street that incorporate green spaces and aesthetically pleasing landscaping to overseeing a building's layout, physical construction and secured spaces.

"When you look around at what's available in the office market, there aren't a lot of buildings that currently meet the Unified Facilities Criteria," DiBiase said, noting that former DoD locations like the Town & Country Office Park off South Academy Boulevard have fallen into receivership since primary tenant, Honeywell, moved out several years ago.

"We think we are offering the right product at the right time," DiBiase said. "The market has stabilized and we see continued demand, especially for office space near Peterson and Schriever. So far we don't have a lease to announce but are in conversations with potential clients."

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