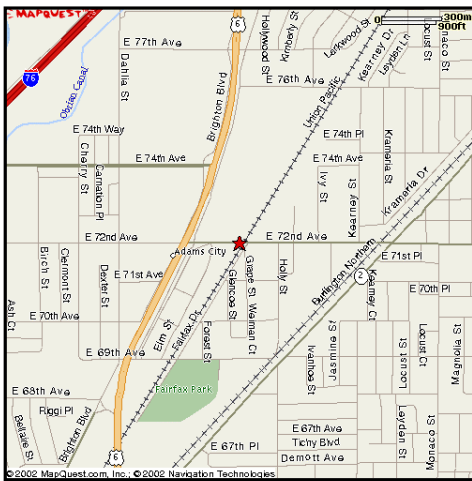


A Real Estate Investment Opportunity: Milt Adams, Inc./Approved Oil Services Property

The Milt Adams, Inc./Approved Oil Services Property (MAI/AOS) is a former a used oil recycling facility, the company now bankrupt and the property now vacant. Operations at the site began in the early 1970s and ended in 1998. Ownership representatives and responsible parties are removing miscellaneous buildings, machinery, and structures, eliminating environmental hazards, and bringing the site to grade. The site is being readied for reuse and the property is being positioned for sale.

- Location:** 5390 East 72nd Avenue, Commerce City, Colorado 80022
72nd Avenue and Brighton Boulevard
- Site Size:** 1.1 acres
- Site Shape:** Generally rectangular, with the west side of the property shorter than the east.



- Surrounding Market Area:**
- The immediate market area (East 72nd Avenue corridor) encompasses a mix of retail, service, storage and light industrial uses to the east and heavy industrial uses to the west.
 - The 72nd Avenue corridor is automobile-oriented in nature and is characterized by commercial/light industrial uses fronting 72nd Avenue and residential uses behind.
 - The nearby Derby business district provides a historic, established business center that acts as the eastern anchor for the corridor. New retail and commercial development has been occurring, extending westward from Derby along East 72nd Avenue.

- Off-site influences:**
- Adjacent Streets:**
- Elm Street – Local access
 - 72nd Avenue – Major collector
 - Fairfax Street – Local access
 - Brighton Boulevard – Regional arterial (Hwy 6/85),
2 blocks to the west

Pacific Railroad tracks adjacent to the site on the east

Visibility: Good visibility from Highway 6/85 in both directions and 72nd Avenue in both directions.

Frontage: Lot fronts 72nd Avenue on the north. The site is otherwise landlocked to the east by Union Pacific Railroad right-of-way, and to the south and west by other properties.

ANNUAL AVERAGE DAILY TRAFFIC (AADT)

| Location | AADT | % Trucks |
|--|-------------|-----------------|
| E. 72 nd Ave. @ Fairfax | 15,000 | NA |
| Hwy 2 @ E. 72 nd Ave. | 10,752 | 4% |
| Hwy 6 & 85 @ E. 72 nd Ave. ² | 31,042 | 8% |

Source: MPSI Systems, Inc./Data Metrix, Inc. 1998; CO Department of Transportation, 2000

Access/Egress:

- The long, narrow lot is accessed from the north on 72nd Avenue.
- There are two curb cuts onto the site from East 72nd Avenue.
- The Union Pacific Railroad runs adjacent to the site's eastern boundary with a rail spur coming onto the property from the south.
- 72nd Avenue and Brighton Boulevard is a full movement signalized intersection. This traffic light regulates traffic flow on 72nd Avenue, facilitating left turns to and from the site.
- Turns are unrestricted in both directions to and from 72nd Avenue.

Topography:

Generally flat.

Zoning

- Industrial, Commerce City.
- The East 72nd Avenue frontage, including MAI/AOS, is designated for commercial use in the City's comprehensive plan and the city has indicated a willingness to change zoning to accommodate commercial uses.

Utilities

- Water and sewer service to the site is provided by South Adams County Water and Sanitation District.
- Electric, gas and phone service is available to the site.
- A fiber-optic communications line runs in the East 72nd Avenue right-of-way along the north side of the site.

Owner of Record:

Approved Holding LLC

Tax Assessments:

- Parcel No. 0182306100001
- Assessed Value: Land \$2,090
Buildings \$2,660
Total \$4,750

Buildings:

2,100 SF metal service garage building in poor condition (YOC 1973) plus miscellaneous improvements.

Assemblage Opportunities:

Includes an adjacent 1.4 acre property (formerly a gas station site and now vacant). Additionally, there is about 2.5 acres along the north side of East 72nd Avenue (extending to the corner of Highway 6 & 85), directly across 72nd Avenue from MAI/AOS that could be collaboratively developed with MAI/AOS.

Assembling the site with the adjacent 1.4 acre property would provide a larger site, a corner location, improved site access, good visibility from Highway 6/85, and greater street frontage. Such an assemblage could possibly support commercial development as well as industrial uses.

MAI/AOS TRADE AREA CHARACTERISTICS

| | |
|---|--|
| Corner location | <i>no (yes if assembled)</i> |
| Major frontage | <i>½ block east of Brighton Boulevard</i> |
| Site access | <i>Good</i> |
| Distance from major chainretail/convenience | <i>1.5 miles to 60th & Highway 85</i> |
| Traffic volume, daily average (2000) | <i>31,000 on Hwy 6/85 at E. 72nd</i> |
| Visibility | <i>Good visibility from Brighton Boulevard</i> |
| Households | <i>4,534</i> |
| Median household income (2000)* | <i>\$37,605</i> |
| Average household income (2000)* | <i>13,022</i> |
| Population | <i>\$40,336</i> |
| Population density* | <i>1,970 per square mile</i> |
| Average age (2000)* | <i>35.5 years</i> |
| Retail Expenditures per household (2000)* | <i>\$13,966</i> |
| Food Service | <i>\$4,530</i> |
| Apparel & Services | <i>\$1,011</i> |
| Drug | <i>\$477</i> |
| Transportation | <i>\$4,065</i> |
| Leisure & Entertainment | <i>\$1,277</i> |
| Home Furnishings | <i>\$2,011</i> |
| Other Retail | <i>\$594</i> |

Source: ESRI BIS, CDOT, Development Research Partners
* one-mile radius of Ivanhoe and E. 72nd Avenue

Light Industrial Market

- There appears to be a strong demand in Adams County for smaller industrial sites such as the MAI/AOS site
- Recent economic development inquiries indicate active interest by industrial, manufacturing, office-warehouse, and warehouse users. Inquiries illustrate significant demand for sites 2 to 5 acres in size and buildings 5,000 SF or less.
- Nearby asking rents range from \$4.00 to \$9.73 per square foot NNN (tenant pays all expenses). Actual recent lease signed in the area range from \$5.75 to \$9.73 per square foot NNN. The \$5.75 lease is for a larger property with limited site exposure and indirect highway access. A rate of \$7.00 NNN is estimated for new industrial space at the MAI/AOS site.

Commercial Market

- The MAI/AOS location has advantages such as high daytime population (work force), good highway visibility, and good access.
- 3,000 persons per store is typically considered the saturation point of a convenience market. The 1-mile trade area has a saturation of about 3,250 persons and the 3-mile trade area has a saturation of about 4,800 persons per store. It appears that the trade area is under-served with convenience retailers and success at this location can happen with the right business mix and a willing pioneer retailer.
- While this location may not support speculative development, specific convenience-type businesses may find the site to be an ideal location. Modern independent or “hybrid” convenience development includes:
 - banks and ATMs
 - fast-food restaurants
 - dry cleaners
 - dairy products
 - Utility payment centers
 - deli counters
 - and internet kiosks (e-mail, road maps, etc.)
 - drugstores
- Nearby asking rents range from \$5.00 to \$14.00 NNN (tenant pays all expenses) per square foot. The \$14 rate is for an established neighborhood retail location in the 60th Avenue & Highway 85 commercial district. The small strip center located nearby at the northwest corner of East 72 Avenue and Highway 2 is asking \$7.85 NNN. Given a less established retail location, rents for the MAI/AOS are estimated at \$7.50 NNN.