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Achenbach, Zucker team up for sustainable projects

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Chris Achenbach and David Zucker proved that having the right idea at the right time can pay big dividends while also benefiting the community.

Their idea seems simple enough: Sustainable building not only is good for the environment and the community, it's also good for the bottom line. But it took delivering a downtown Denver apartment complex that sold in the last year for a record price to prove it to the market.

Their company, Zócalo Community Development Inc., has three large-scale apartment projects going on simultaneously and has become the darling of Denver's multifamily developers. "The fact is, the real estate industry is recalcitrant to change," Zucker said. "It's not really nimble like, say, the technology industry. It's not typically open to new ideas."

But when the equity started flowing to Zócalo's business model, others in the industry not only paid attention, they also started to imitate the company's success.

Here's what Zócalo is doing:

- Building 2020 Lawrence, a 10-story, 231-apartment complex downtown that's preleasing now.
- It recently broke ground on a 219-apartment, 13-story tower called Cadence at 17th and Chestnut streets.

- It has a site on the northeast corner of East First and Steele streets under contract.

- It's proposed a mixed-use apartment building in Cherry Creek.

The common theme: Put up energy-efficient buildings delivering apartments in an urban setting where vacancy rates have been hovering near 5 percent, and the market will absorb them quickly.

Its first such major project, Solera, 1956 Lawrence St., Denver, sold for \$37 million in late 2011, at a record \$308,333 per unit for a Colorado apartment building. It was the first Denver apartment building to earn a Leadership in Energy and Environmental

Design (LEED) Gold certification of sustainability from the U.S. Green Building Council.

"That was really a validation of our view that sustainability is not just a box to check," Achenbach said. "We saw the market and the consumer react positively, and it validates our idea."

Now equity partners such as Principal Real Estate Investors — Cadence is the company's third with Zócalo — seek out Zócalo, and want Zucker and Achenbach to find sites and develop similar projects.

"They have been doing some of the most exciting projects I've seen since coming into public service," Denver Mayor Michael Hancock said at the Cadence groundbreaking ceremony in September.



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Chris Achenbach, principal (left), and David Zucker, development manager, of Zócalo, in front of variable refrigerant flow units. The units are expected to save residents of some new downtown Denver apartments 40 percent on their heating and cooling bills.

Zócalo understands the market is hungry for projects that blend higher density in an urban setting, are close to public transportation and employment hubs, incorporate sustainability and are built with public/private partnerships, Hancock said.

"They get it," Hancock said. "They get what makes a community great."

Achenbach, who's the Urban Land Institute Colorado's chairman, said they take their responsibility of being a developer beyond

just profit margins.

"Our business impacts a lot of people," he said. "We have a responsibility as a developer when our projects change the face of the city for years to come."

"We build with the goals of the neighborhood in mind," Zucker said, noting the company's name means a gathering place, town square or central plaza in Spanish. "We can't fix all the problems, but we are there to help and hope our projects improve these neighborhoods."