

## Rebchook on Real Estate

### More on the latest hotel planned downtown

*by John Rebchook, Rocky Mountain News*

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Hotel would cost \$60 million and likely fly a national flag

The old Burger King site at 15th and Stout streets in downtown Denver should be demolished in the next 20 to 25 days to make way for a \$60 million, 17-story, 224-unit hotel and condominium project.

That's what Ranko Mocevic, the developer, told me this morning.

Mocevic also told me that he initially planned that the 207,145-square-foot, steel structure at 15th and Stout streets be a boutique operated under his Hotel Gold Crown name, but now he probably will get a national flag for it.

"We're negotiating with Wyndham, and there's a big possibility it may be a Wyndham, but I can't say that with certainty. My financial people tell me I would have to put less money down if I was part of a national chain, because it would have less risk. I agree with them," said Mocevic, a journalist in his native Serbia, who became a developer after moving to the U.S. from his war-torn country about 15 years ago, after being tortured in what he called a concentration camp.

He said his family had long been in the development business in Serbia.

"We go back five or six generations," he said.

Mocevic said that he agrees that the economy is not very good now, and it is especially difficult to get financing for a luxury, full-service hotel, such as he envisions.

However, he said he and his partners are willing to put down \$15 million or more in equity.

"We're using private funds, family funds," he said. "And we will sell other properties we have to raise money. The only way to build a property downtown, if you do not have a lot of cash sitting around, is to sell something and re-invest that money."

Although the hotel will have a national flag, he said that it will not be a typical franchise hotel.

"My goal is to give Denver high-class rooms that are much better than anything else in Denver," he said. "There's going to be wood trim, crown molding, wood shutters, built-in cabinets. There will be granite, marble, no ceramics."

I asked him if the rooms will be nicer than the ones planned in the Four Seasons under construction, a few blocks away.

"One hundred percent better," Mocevic said. (I don't Jeff Selby, who is co-developing the Four Seasons agrees with that.)

The furniture in the rooms will be "like your master bedroom at home; it's not going to be hotel furniture," said Mocevic, who also is president of Alfa Design & Construction. He said Alfa builds commercial projects, as well as homes with 10,000 to 20,000-square-foot homes in places such as Parker and Cherry Hills.

He said he is no hurry to sign with a national hotel operator, because they will want to dictate to him the type of hotel that fits their model.

Instead, he said he will get everything he wants in place first, and then offer it to hotel operators.

The hotel also will have 32,080 square feet of condominium units spread between three floors.

The number of condo units hasn't been written in stone.

He said buyers will have the option of buying an entire floor, or even two floors.

"I'm not going to quote a price," Mocevic told me. "I'm going to sell at whatever the market is. I'm going to meet the market."

He also owns the Tarantula building across the alley at 15th and Champa streets.

"I was originally going to build the hotel there, but tenants have some of the property leased for another two or three years, and I wanted to build the hotel now," he said.

"When the leases are up, I plan to tear down the Tarantula building and somehow connect it to the hotel," he added. "We'll have to see what downtown needs at that time. It's one thing what I want to do and it's another thing what the market wants me to do."

He said he has received interest from about 10 investors in New York City and elsewhere who want to partner with him on the hotel.

While he hasn't made any decisions, he isn't adverse to the idea.

"If you have a partner, it reduces your risk," he told me. "Why take so much risk if you don't have to? So we might do that, but for now, we are OK doing it ourselves. But we would be open to talk."

He also is looking to do a mixed-use, \$120 million development in Greenwood Village at Belleview Avenue and Quebec Street.

"It's across from the Landmark," he said. "I demolished old Ramada and I bought the Grease Monkey adjacent to it. It has about 170 units. It was rejected by Greenwood Village about six months ago, because they thought it was too big for the site, so I've down-sized it and I have additional land. I'll be resubmitting my request."

He said he plans to build a pedestrian bridge over Belleview to encourage people to take the light rail along T-Rex, rather than drive. He also will be running electric shuttles "like big golf carts," across the bridge, he said.

He also is doing a boutique hotel on the site of the former Southlands Mall, he said.

But his pride and joy is the proposed downtown hotel.

"I can tell you I would even trade a \$200 million Denver Tech Center project to do this one," he said.

"I want to tell you that absolutely the city will be proud of this," he said. "The design by OZ Architecture just makes you say "Wow!..Wow, it is very now. It is Denver."