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## Baceline buys medical office building in Lone Tree for \$6m

by Jill Jamieson-Nichols

Baceline Investments LLC has acquired Renewal Medical Center, a 38,600-square-foot medical office building in Lone Tree, for \$6 million.

Built in 1984 and renovated in 2005, the two-story building at 9777 S. Yosemite St. is 65 percent occupied and includes 11 suites. Baceline intends to complete a new round of physical improvements to the property over the next year to include parking lot and landscaping upgrades.

"The interior is in really great shape," said David Puchi, Baceline Investments principal. It includes a spa, gym and coffee shop that Puchi said are better suited for traditional medical office use. The space will be converted and offered for lease at "competitive" rates, said Puchi.

"Renewal Medical Center offers us an opportunity to reinvigorate tenant interest in great medical space that has previously not been on the market and add a synergistic group of new medical tenants," said Puchi. "This is a high-quality property that has suffered from ownership neglect in recent years, but our plan is to reverse that trend so we create value for our tenants and partners. By leveraging the



The price Baceline Investments paid for Renewal Medical Center is about 55 percent of the property's original loan value.

great location, quality of the building and the solid foundation of current medical tenants, we are confident we will do just that."

Baceline purchased the property from a lender following a foreclosure. The purchase price was approximately 55 percent of the property's original loan value.

Renewal Medical Center is Baceline's fifth distressed property acquisition in the last 18 months. The company's "Distressed Property Initiative" is designed to acquire valuable commercial properties or loans that are suffering from the credit crunch and financial market instability. Purchasing properties at highly discounted values allows Baceline to invest significantly into redevelopment

of the assets, the company said.

Renewal Medical Center is anchored by Bod:evolve, a cosmetic surgery practice, and Peak Orthopedics & Spine.

Denver-based Baceline's investment strategy targets commercial real estate in stable metropolitan areas with a history of growth in the Rocky Mountains, Southwest and Midwest. In addition to the five properties in its distressed portfolio, it owns 14 properties in its No Debt Fund portfolio.

A private equity real estate investment management company, Baceline has been focusing on medical office properties over the last several months. It acquired two dated retail centers in Indiana and Texas for conversion to medical office space.▲