

Northern Colorado BUSINESS REPORT

Two restaurateurs raise their stakes in Old Town

By Tom Hacker

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FORT COLLINS - Two restaurant owners who have long leased space in buildings that are among Fort Collins' historic gems have purchased the properties, furthering a trend of operator ownership that has led to stability in the city's Old Town district.

Ed and SeonAh Kendall, owners of the popular Suehiro Japanese Restaurant and Sushi Bar, bought the Reed-Dauth building at 223 Linden St. for \$1.74 million. Almost simultaneously, La Luz Mexican Grill owner Peter Schultz, who launched his business 10 years ago, purchased the main floor and lower level of the Forrester Block Building for \$1.4 million. Both properties had been owned by Dave Veldman, partner in the brokerage and development firm Veldman Morgan Commercial LLC.

Not only have the Kendalls solidified their presence in Old Town, but they have announced their intent to open a second location in the proposed Presidio Fort Collins project that local developer Les Kaplan is pursuing on east Harmony Road near Interstate 25.

The building that houses Suehiro and three other businesses was built in 1901 and remodeled in 1988 to encompass 8,500 square feet of space.

The La Luz property, which is also home to adjacent restaurant Rasta Pasta, was built in 1907 and remodeled in 1932. In 1996 owner Veldman and partners Mitch Morgan and Gary Graves converted the second floor of the building into office condominiums. The portion of the building that Schultz bought comprises 3,600 square feet.

Kendall said he and his wife had explored the purchase of the Reed-Dauth building from Veldman for five or six years.

"We've talked a few years to Dave about our interest in buying this building, but the timing was just never right until now," he said. "We're very happy with the outcome."

Significant expansion

Suehiro, with restaurant and sushi bar seating for 120 guests, will also expand into additional space in the basement of the building where Kendall said a bar area would be added.

But a more significant expansion for Suehiro is the move southward to Presidio, where Kaplan and his marketing agent, David Miller of Brinkman Partners Inc., say they're drawing increasing interest from successful restaurants and retailers looking for second locations.

"We've got a wonderful Harmony Road frontage location for Suehiro," Kaplan said. "His intent to locate here is an indicator of evolving interest by businesses who are doing very well downtown in expanding to the southeast Fort Collins market."

Kendall said he had considered a location in Front Range Village, the 900,000-square-foot retail and office development being built by Alabama-based Bayer Properties on Harmony Road.

"It just wasn't as good a fit for us," he said. "I think the Presidio project suits what we want to do much better.

Veldman said the sale of the two downtown buildings to tenants portends good things for the future of Old Town.

"This is a great opportunity for two very good restaurant operators to own their own buildings," he said. "Owner-operators are always a big asset to the community. This shows their long-term, strong commitment to downtown."