

Greater Denver

Huge marijuana portfolio with room to grow is for sale

by Jill Jamieson-Nichols

A local brokerage team is charting new territory with the sale of a huge marijuana portfolio.

One of Denver's largest producers of medical and recreational marijuana is exploring the sale of its business, along with two warehouses, a dispensary and 320 acres of land zoned and licensed for growing marijuana.

"It's pioneering new territory as a broker," said Tom Welsh of Welsh Commercial LLC, who co-listed the portfolio with Tonie Krosky of Golden Buff Realty Inc.

"The business is highly profitable, and we've had some interesting inquiries in the first few days of marketing," said Welsh. Initial conversations with potential buyers are in process.

"I think it's a good time to see what our options are with the investors that are out there trying to get into the business," said one of the owners, who did not want the company identified for the reasons including security issues surrounding the all-cash industry.

The deal includes a 60,000-square-foot grow facility and dispensary with estimated annual revenue of \$25 million, a similar building with 40,000 sf and estimated revenue of \$15 million a year, a 3,000-sf dispensary and the acreage, which is located in Southern Colorado and has water and utilities to the site. The land, 15 acres of which are being cultivated, is believed to be the largest tract of its kind in Colorado.

"If you're going to ask me what



Tonie Krosky of Golden Buff Realty and Tom Welsh of Welsh Commercial are marketing this Denver warehouse as part of a marijuana portfolio.

it's worth, none of us has any idea," said Welsh, noting there are no comparable sales to bring to the table. It's estimated that in full production, the land could yield a crop worth \$8 million to \$10 million an acre annually.

Potential buyers are required

to furnish financial information before touring the properties to make sure they're qualified. "It's a little different than selling a shopping center. We have an aggressive screening process for buyers that we put into place," said Welsh, adding the owner



A drying room in one of the warehouses that are being offered for sale.

would consider various scenarios for selling the business and/or the real estate components.

While the two warehouses are fully built out for marijuana production, with separate rooms for different stages of plant growth, drying space, trimming, etc., "There's definitely room for

growth," according to the owner. Each of the buildings has extra capacity, including water, heating and cooling.

"The potential for the buyer is to increase production, increase revenue," said Welsh. "It depends on how far they want to take it."▲




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