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A Denver Based Commercial Real Estate Investment and Management Company  
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### **\$150M Village Lifestyle Center Under Way in Broomfield**

A \$150-million village lifestyle center will bring 1.1 million sf of retail space to a corner of Interstate 25 and Highway 7 in the next two years when Alberta Development Partners, LLC wraps up construction on a Colorado-inspired shopping center known as Northlands. The Greenwood Village, CO-based developer, which broke ground on the project this week, has already signed several national retail giants to be part of the tenant mix and expects full lease-up by 2008, when work on the lifestyle center nears completion, David Goldberg, a principal with ADP tells GlobeSt.com. "We've been very pleased with our leasing efforts so far," says Goldberg, who would only say that the complex will include a good mix of national fashion and restaurant chains. Designed by Seattle-based Callison Architects in conjunction with Communication Arts, a Boulder-based architectural firm, the project will blend native stone architecture with waterfall bedecked open-air plazas to create a destination site for area shoppers, Goldberg says. Pedestrian-friendly walkways and bike paths linked to the Broomfield Trail will skirt the property, making it easily accessible to nearby neighborhoods, including a master planned community by Del Webb, which is expected to eventually be home to more than 10,000 residents, he adds. "We want this to be the center of the community," notes Goldberg. In addition to shopping and dining, Goldberg says ADP may add some second story office space to the project but a decision on that is still pending. The development firm selected the site because of its high-growth location and upscale demographics that will assure the project's success, he notes. "It really validates that this is a strong retail corridor," Goldberg says. The project's first phase will open in the late summer of 2007 followed about a year later by the opening of center's remaining space. **(Globest.com)**

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### **Council Approves \$85M Package for Gates Rubber Site**

In the city's most significant redevelopment effort since the Stapleton project, Denver City Council has approved an \$85-million funding package to subsidize the cleanup and infrastructure construction at a contaminated rubber plant, paving the way for a \$1 billion redevelopment project that will put housing retail and a transit facility on the site. The project, which will be developed by Cherokee Denver LLC at Interstate 25 and South Broadway, will transform the abandoned 50-acre Gates Rubber plant site into at least 1,500 condominiums, 1,000 rental units and six million sf of retail space. Kiewit Building Group of Omaha, NE, the contractor responsible for much of the work on for the Transportation Expansion Project, or T-REX, on Interstates 25 and 225, won the first major contract of the development when it was awarded a \$126 million contract to develop the site's infrastructure last month. Neither Cherokee Denver nor Kiewit Building Group returned calls for comment in time for GlobeSt.com's deadline. **(Globest.com)**

## Super Liquidity, Part 2

If you thought 2005 was a banner year for investment sales, brace yourself for the eleven-digit sequel. Atlanta-based real estate consulting firm Kingsley & Associates projects that U.S. pension funds will invest roughly \$59 billion into commercial real estate this year to fulfill their elevated real estate allocations. Meanwhile, foreign investors — bent on parking their capital in U.S. real estate — will pour roughly half that amount into the market. As usual, the lure of high single digit returns and the lack of obvious alternatives are proving hard to resist. “There are so many sources of investment capital, and all of them will continue to seek deals this year,” said Ray Torto, principal and chief strategist at Boston-based real estate consulting and analysis firm Torto-Wheaton Research, addressing this week’s Mortgage Bankers Association (MBA) conference in Orlando. This cumulative demand spurred a flipper’s paradise in 2005. Torto Wheaton Research finds that 7% of all investment-grade real estate traded hands in 2005. While the \$24 trillion bond market turns over 300% to 400% every year, this high single digit milestone represents record turnover for the \$4.7 trillion institutional real estate market. What’s more, said Torto, there’s room for that 7% turnover to grow this year as the weight of capital lures more sellers into the market. The catch, however, is capitalization rates, or the initial yield on a property. Unlike some analysts calling for further cap rate compression this year, Torto believes that the cap squeeze has run its course — after all, the Federal Reserve is determined to fight inflation by raising rates. Higher long-term rates should ultimately bring cap rates up as well. Torto is skeptical about the Fed retreating from this mission, and he believes that the Federal Funds rate, the overnight interest rate at which banks lend to each other, will hover near 6.16% at midyear 2007. He also noted that the 20-year average on the Federal Funds rate is 6.4%, or roughly 2.2% above its current level. “This wouldn’t destroy your business by any means,” he said. Torto’s optimism was tempered by concerns that an apartment glut may be forming in many markets. Torto also worries that a flood of condo units could impact the multifamily market if condo converters pull back from their eye-popping acquisitions binge. Not only could multifamily liquidity take a hit, but many high-end apartment owners could find themselves competing with condo projects that have reverted back to rental units. “This is all good news,” said Torto. “Other than events which we cannot predict, we really cannot see many things going wrong in the markets.” **(National Real Estate Investor/Parke Chapman)**

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## AmeriVest Liquidating Itself

AmeriVest Properties Inc. has approved a plan to liquidate the company. The Denver-based self-administered and self-managed real estate investment trust (AMEX: AMV) said the plan is subject to approval by stockholders holding a majority of the company's outstanding shares of common stock. The company expects to present the liquidation plan "as soon as reasonably practicable," according to a news release. AmeriVest Properties, with offices at 1780 S. Bellaire St., at one time had about 60 employees and \$45 million in sales. Its market capitalization is about \$108.5 million. The company has primarily invested in and operated commercial office buildings in select markets. It has about a dozen core properties in Denver,

Dallas and Phoenix, and has also had properties in Indianapolis. Under the liquidation plan, AmeriVest Properties intends to sell its assets on an orderly basis, to pay or provide for its liabilities, and to distribute its remaining cash to stockholders. Company officials estimate that liquidating distributions will be paid over a period of between 6 months and two years, and that stockholders could receive between \$4.20 and \$4.80 per share in total distributions over the liquidation period. In the news release, Charles Knight, president and CEO, said the company's board of directors believes the plan will "maximize stockholder value," and that the decision came after a "long and thoughtful process" by the board. In November 2004, the board authorized and retained the investment banking firm Bear Stearns to advise the company on various strategic, financial and business alternatives, including the potential sale or merger and other possible transactions. In September 2005, AmeriVest Properties announced a strategic asset sale and operational restructuring plan to dispose of five properties, repay and restructure outstanding bank debt and transition property management to other firms. AmeriVest Properties has had discussions with prospective companies to buy the company, but no binding offer has been made. The company retained Trammell Crow Co. to serve as real estate adviser and broker in connection with the execution of the liquidation plan and sales of the properties in all markets. **(Denver Business Journal)**

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### **Office Building Changes Hands**

The owner of a Denver office building has sold it for a \$10 million profit after holding onto it for slightly more than a year. Equastone, a real estate fund based in La Jolla, Calif., sold the Class A office space The Quad at Lowry IV for \$22.7 million. The company purchased the 130,000-square-foot property in Denver 2004 when the building was 48 percent occupied. The Quad at Lowry IV is now fully occupied. The buyer was The Schomac Group of Tucson, Ariz. Carter Faber of CT Properties represented the buyer. Mary Sullivan, Timothy Swan and Ron Urgitus of CB Richard Ellis represented the seller. **(Denver Business Journal)**

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### **Colorado Economy Lauded**

Colorado's improving economy made the honor roll of a national organization in a recently released report card. The nonprofit Corporation for Enterprise Development said Colorado earned two As and a B. Only seven states made the Washington, D.C.-based group's honor roll: Massachusetts, Minnesota, Connecticut, New Jersey, Virginia, Wisconsin and Colorado. The CFED's Report Card for the States measures the health of a state's economy and the economic development efforts under way in each state. The organization gave Colorado an A for business vitality, a category that includes business competitiveness and entrepreneurial energy; and another A for development capacity, or how the state is positioned for future economic growth. The state was given a B for performance, a measure of how well the economy is

performing for its citizens. CFED said Colorado showed room for improvement. "Colorado is still dealing with the legacy of past years as unemployment remains stubbornly high," David Buchholz, research director for CFED, said in a statement. "Additionally, while having one of the high **(Denver Business Journal)**

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	<b>CURRENT</b>	<b>1 MONTH PRIOR</b>	<b>1 YEAR PRIOR</b>
<b>FED FUNDS RATE</b>	4.50	4.25	2.50
<b>3 MONTH LIBOR</b>	4.74	4.57	2.79
<b>PRIME RATE</b>	7.50	7.25	5.50
<b>10 YEAR TREASURY</b>	4.50	4.46	4.08
<b>30 YEAR TREASURY</b>	4.65	4.63	4.47

