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A Denver Based Commercial Real Estate Investment and Management Company
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Clean-Energy Campus

Energy giant ConocoPhillips' purchase of a 432-acre corporate campus in Louisville boosts Colorado's status as a clean-energy hub. The Houston-based oil and gas company plans to rebuild the campus into a center to research hydrogen fuel cells, solar and wind power and clean diesel fuel made from renewable resources. It also plans to establish a learning center to train employees from more than 40 countries. "We believe this demonstrates what we've been saying about the new energy economy of Colorado," said Gov. Bill Ritter, announcing the deal Wednesday afternoon at a hastily called news conference at the Holiday Inn Denver International Airport. "The company recognizes that fossil fuels will be part of our energy future for decades to come. They are building a bridge to the future by investing in new, cleaner technologies and in renewable energy." ConocoPhillips paid \$58.5 million for the campus - among the largest in the world. It houses numerous buildings, warehouses and manufacturing facilities, most of which will be razed. The new campus is expected to be completed in three or four years. The Louisville campus won over other competitors because of its proximity to Colorado's major universities and the National Renewable Energy Laboratory in Golden, in addition to its accessibility to Denver International Airport, said ConocoPhillips spokesman Bill Tanner. That Louisville ranks No. 3 among Money magazine's top 100 places to live in the United States helped. "If talking to the employees is any indicator, they are excited about Louisville and there is a sense of optimism for the future," Tanner said. "We are looking forward to expanding our presence in Colorado." John Poate, vice president for research and technology transfer at the Colorado School of Mines, said Conoco has a research and education relationship with the school that goes back more than 50 years. "And many of our alum are in the company," Poate said. "It's a fine company, one of the super majors." ConocoPhillips has set up a team to determine how soon the existing buildings will be razed, how many new buildings will be built or how many employees will be hired, he said. The company has not sought economic incentives from the state, although it will be eligible for some. ConocoPhillips employs 600 in Colorado, mostly in the gas fields of Piceance Basin straddling Garfield and Rio Blanco counties. Lawmakers, environmentalists and businesses heralded ConocoPhillips' decision, saying it will bolster Colorado's efforts to advance clean- and renewable-energy technologies. "The location of this center in Colorado will bring great minds from across the country and the world to our state and will continue to make us a hub for renewable-energy research and development," U.S. Sen. Ken Salazar, D-Colo., said in an e-mailed statement. Professor Bryan Willson of Colorado State University said ConocoPhillips would be able to draw on the state's intellectual resources under one umbrella, "a sort of one-stop shop." "With Danish company Vestas building a wind turbines manufacturing plant near Windsor and now ConocoPhillips, it really emphasizes the critical role of Colorado in terms of being a leader in developing clean-energy technologies," Willson added. "It's rock and roll," said Tom Clark, executive vice president of the Metro Denver Economic Development Corp. Both Ritter and Clark said ConocoPhillips' global learning center would attract employees that are now trained in Norway or Beijing. ConocoPhillips bought the property last month from Sun Microsystems, but the buyer remained a mystery until Wednesday. Sun acquired the campus when it bought out StorageTek in 2005 for \$4.1 billion. The campus is mostly vacant. Most of the workers at the former StorageTek site have been relocated and integrated into Sun's operations across U.S. 36 in the Interlocken Business Park. ConocoPhillips is

the third-biggest oil and gas company in the U.S. after Exxon Mobil and Chevron. The company explores for oil and gas in more than 30 countries and has estimated proven reserves of 11.5 billion barrels of oil equivalent, excluding its Canadian oil sands investment. ConocoPhillips perhaps is best-known to consumers through its more than 10,000 Conoco, Phillips 66 and 76 gas stations. The company has six operating segments, including fuels technology, gas gathering, chemicals and power generation. In addition to conventional fields such as petroleum engineering, School of Mines' Poate said ConocoPhillips has worked with the school recently in the renewable-energy area. He also cited the company's participation in the Colorado Center for Biorefining and Biofuels, part of the 1-year-old Colorado Renewable Energy Collaboratory. The National Renewable Energy Laboratory in Golden likewise has worked with Conoco-Phillips in biofuels research, said George Douglas, NREL spokesman. "I don't think anyone knows enough detail" yet about Conoco's plans, Douglas said, "but we're always happy to see people pushing hard in the renewable-energy business." **(Rocky Mountain News)**

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Colorado Trust Sells HQ

The Colorado Trust has sold its historic Denver headquarters building to The Capitol Center LLC for \$21.5 million, according to Denver County real estate records. The trust's property, located at 1600 Sherman St. in downtown Denver, includes a 12-story office building and a two-story parking garage. The property encompasses 155,000 square feet of space. The Capitol Center LLC is an F&C Holdings LLC partnership. F&C is affiliated with Denver real estate brokerage firm Fuller Real Estate, and headed by Jeff Roemer, a Fuller senior vice president and industrial broker. The trust, which is a grant-making foundation, will continue to be located at the Sherman Street address via a long-term lease. Terms of the lease were not disclosed. "The sale of these properties offers us the best of both worlds -- the opportunity to maximize our investments, thereby increasing our grant-making capabilities, while remaining in our well-established and cherished offices," trust President and CEO Irene Ibarra said in a statement. The neoclassical Colorado Trust Building, built in 1924, formerly was home to the Capitol Life Insurance Co. Its base is made of marble from Marble, Colo. The Colorado Trust moved into the building in 1991, bought it in 1993 and remodeled it. The building was put on the National Register of Historic Places in 1997. **(Denver Business Journal)**

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Apartment Sales in Denver Down in 2007

Sales of Denver-area apartment properties fared relatively well in 2007, even with the turmoil in capital markets, according to a new report by CB Richard Ellis Inc. in Denver. Denver saw \$1.8 billion in apartment sales -- down from \$2.5 billion in 2006, but up from \$1.3 billion in '05. "Prior to 2005, a brisk year for multifamily sales activity was \$750 million," the report said. Some major deals from last year include the Greenwood Park and Greenwood Plaza apartments, which sold for \$148,115 per unit in July, and Environs, which sold in April for \$124,686 a unit. But sales cooled in the fourth quarter, with only \$300 million in sales of property with 50 or more units. One reason apartment investors like the Denver area is the high occupancy of apartment properties, which drives up rents. Not much new product is being built, so vacancies should continue to be tight. The metro area's apartment

vacancy rate was 6.1 percent in the fourth quarter, with an average rental rate of \$860.35. For the fourth quarter of 2006, apartment vacancies were at 7 percent, with an average rent of \$849.89. Only 2,262 new units were added to the local apartment market last year, according to the CBRE report. By comparison, 8591 units were added in 2002 and 3,584 in '03. Only 738 units were added in '06. For 2008, CBRE expects apartment demand, occupancies and rents to go up, and new supply to be flat. The firm also foresees concessions by landlords decreasing. However the apartment market performs will depend on more people moving into the market and creation of more jobs. "As we've said in the past, new job creation is the fuel for the multifamily engine," the report said. **(Denver Business Journal)**

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Corporex Starts Wave of Development

Corporex Colorado LLC will break ground on its "edgy" Class A office building in the second quarter, setting off a wave of activity that will include hotels and urban mixed-use development. The Edge, a 180,000-square-foot office building at 180 Inverness in Englewood, will get started in June. "We think that the timing of delivery of the building, which will be in mid-2009, will meet market demand at that point in time," said Corporex Colorado President Kim Koehn. If Colorado's economy takes a downturn late this year or in early 2009, the expectation is that it will rebound by the time The Edge opens its doors. **(Colorado Real Estate Journal)**

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Centennial Valley to Deliver New Round of Spec Office Construction

Centennial Valley is seeing its first speculative office development in seven years with construction of a 62,364-square-foot flex building aimed at high-tech users. The building at 282 Century Drive is a single-story configuration, enabling companies whose employees don't work 9 to 5 to control their own heating, air conditioning and building access. "I think it really suits the high-tech companies," said Jeff Sheets, vice president of Denver-based Koelbel & Co. "They work flexible hours. This allows them to control their own environment." Businesses in the building will have lower operating costs and more amenities within walking distance than they would elsewhere on the Boulder corridor, Sheets said. **(Colorado Real Estate Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	3.00	3.50	5.25
3 MONTH LIBOR	3.08	3.72	5.36
PRIME RATE	6.00	6.50	8.25
10 YEAR TREASURY	3.79	3.61	4.73
30 YEAR TREASURY	4.58	4.31	4.83