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A Denver Based Commercial Real Estate Investment and Management Company
Contact Ken Gillis at 303-407-8715

Conoco Shooting for 7,000 Workers

ConocoPhillips could bring more than 7,000 jobs to the area when it builds out the 432-acre Louisville campus it purchased in January. While the company doesn't know exactly how many people will work on the campus, it plans to seek approval from Louisville to accommodate at least 7,000 over the next 20 years, said Mary Manning, general manager for global real estate and facilities services for ConocoPhillips. She said she expects the first phase of the project to be completed in 2011, rather than in June 2012 as previously announced. The company plans to locate a new global technology center and corporate learning center on the site. It will bring a core group of people from its Houston headquarters, but the bulk of the employees will be hired locally. The jobs will be high-level and include scientists, researchers, trainers and managers. "The advanced research lab will draw people from all over the world," said Manning, who spoke Wednesday at a luncheon at the Boulder Country Club. "There are not many employees who will be relocated because these are new business units. This will be where we grow, because we're out of space in Houston." The thrust of the research will be in renewable energy, such as wind and solar power, Manning said. "That's what we need as part of the national energy policy," she said. "We want to be a leader in that. Petro research will stay where it is." ConocoPhillips also will build an incubator to create space for small businesses with niche technologies. The company will help launch and partner with the businesses. Manning said the company works hard to be a good corporate citizen, matching employee contributions in time and money to nonprofit organizations. "This is a company that is accustomed to being a large employer in a town like Houston and Bartlesville (Okla.) and fully understands its role in terms of civic leadership and philanthropy," said Tom Clark, executive vice president of the Metro Denver Economic Development Corp. "That was one of the really attractive parts of the conversation we had with them when we finally met them." ConocoPhillips' identity was a closely guarded secret for months after the property went under contract. The company paid Sun Microsystems \$58.5 million for the former StorageTek campus. Sun Microsystems, based in Santa Clara, Calif., bought Storage Tek for \$4.1 billion in 2005 and put the property on the market last year. Manning said it had not been determined how much the campus will cost to redevelop or how much space the company will build. "I'm not going to tell you I've been given a blank check, but I have not been given a budget yet," she said. "The chairman wants this campus to be a destination point within ConocoPhillips." Among the concerns ConocoPhillips has is congestion along U.S. 36, which needs more lanes and exits. The Colorado Department of Transportation has a \$2 billion plan for the corridor but just \$700 million in funding for the next 30 years. "Our biggest concern is the infrastructure," Manning said. "We will have to put our money in." Louisville Mayor Chuck Sisk said he doesn't expect the community will have a shortage of housing as the campus grows. "We just approved 700 (housing) units in Louisville in the last year, and 350 more are coming downtown," he said. If the average salary for the high-level jobs is \$75,000 a year, that means the company could pay up to \$500 million in wages annually, Clark said. "It just gives you an idea of what an incredible economic shot in the arm that announcement is going to give the region for years and years to come." ConocoPhillips is the fifth-largest company in the U.S. and the ninth-largest internationally, with annual revenues of \$170.5 billion. It operates in 40 countries, employs about 33,000 workers and has worldwide oil and natural-gas reserves. **(Denver Post)**

Jones Lang LaSalle Acquires Staubach Co., Boosts Tenant Rep Platform

Long after Monday's closing bell — just after 8 p.m. EST — Chicago-based Jones Lang LaSalle (JLL) and Dallas-based The Staubach Co. formally announced their long-anticipated merger. The \$613 million deal caps weeks of intense speculation and makes the combination the second-largest brokerage firm globally, with a combined \$184.7 billion in investment sales and leasing transactions in 2007, according to National Real Estate Investor's top annual brokerage survey. Los Angeles-based CB Richard Ellis remains the No. 1 brokerage with \$264.2 billion in sales and leasing volume in 2007. With the Staubach purchase, Jones Lang LaSalle substantially beefs up its tenant representation business overnight. The combined firm will operate under the Jones Lang LaSalle brand, which means the end of The Staubach Co. name, founded by chairman Roger Staubach 31 years ago. "The proposed deal sounds pretty good for Jones Lang LaSalle," says Brandon Dobell, an analyst with William Blair & Co. "Staubach's tenant rep business aligns well with JLL's strengths and brings a solid brand into JLL's company." The merger is expected to close in the third quarter, but does not include Staubach Retail Services or Cypress, Staubach's investment development business, both of which will continue to operate under license agreements. Under terms of the deal, Jones Lang LaSalle is paying \$123 million in cash, \$100 million in stock at the transaction close and the balance in cash over five years, for all of the outstanding capital stock of Staubach Holdings Inc. The agreement also calls for potential earn-out payments of up to \$114 million that are subject to the achievement of certain performance metrics measured over a period of up to approximately four and a half years after the closing. The transaction is expected to be accretive to earnings per share in 2009 and beyond, on the basis of generally accepted accounting principles (GAAP) as integration costs are fully expensed and debt and associated financing costs are reduced. "The Staubach Company is recognized for exceptional tenant representation expertise and is a leading presence in markets throughout the United States. We are delighted that they have decided to join our company," says Colin Dyer, Jones Lang LaSalle's CEO. "Merging our businesses reinforces two of our global growth priorities, building our position in key U.S. local markets and strengthening our corporate services business by introducing Staubach clients to our global corporate solutions capabilities." According to the announcement, Staubach leadership will hold key positions within the combined organization. Roger Staubach will join Jones Lang LaSalle's board of directors and will serve in the new role of executive chairman of the Americas. He will be actively involved in the firm, focusing on client relationships, new business development and strategy. Greg O'Brien, currently Staubach's CEO, will be the CEO of brokerage in the Americas, leading the newly created business that will set strategic direction in tenant rep and agency leasing. John Gates, Staubach's president and COO, will serve as president of brokerage for the Americas. Both O'Brien and Gates will join the firm's Americas executive committee, which is headed by Peter Roberts, Jones Lang LaSalle's CEO of the Americas. "This merger is all about working to be the best. We want to bring the value of what we've built at The Staubach Company to the next level and have chosen to do this with Jones Lang LaSalle because of its global platform, commitment to service and exceptional reputation," said Staubach. "In today's global economy when so many of our clients want an international platform, this merger gives us the opportunity to provide those services seamlessly as one team working together." With the addition of more than 1,000 Staubach employees, the combined firm will include 33,700 employees around the world and 11,500 in the Americas. The transaction also will add 14 new

corporate offices to Jones Lang LaSalle's 54 in the Americas, bringing the total corporate offices in the Americas to 68 and 184 globally. "It's not about being bigger, it's about being the best for our clients and our people," said O'Brien. "By joining forces, we will gain increased scale in strategic areas such as industrial brokerage, facilities management and capital markets. We will be a dominant player in both tenant representation and agency leasing services across the Americas. Our team will have the resources to provide a higher level of service to our clients through in-depth delivery systems and service offerings." Morgan Stanley & Co. Inc., Skadden, Arps, Slate, Meagher & Flom LLP and DLA Piper advised Jones Lang LaSalle. JP Morgan and Gardere Wynne Sewell LLP advised The Staubach Co.

(National Real Estate Investor/Ben Johnson)

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Unilev Acquires Briargate Assets for \$37 Million

A privately held real estate organization recently added to its holdings in Colorado Springs with its acquisition of the Briargate Office Building and Briargate Research Center. California-based Unilev Capital Corp. paid \$37 million for the three properties, which comprise 260,046 square feet. "It's a phenomenal asset and one of the high-quality properties in Colorado Springs," said Cushman & Wakefield of Colorado Inc.'s Chad Flynn, who, with Cushman & Wakefield's Mike Winn and Tim Richey, and Michael Palmer and Greg Phaneuf of Cushman & Wakefield's Colorado Springs office, represented seller MS Crescent Two SPV LLC. **(Colorado Real Estate Journal)**

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Colorado Adds 8,100 Jobs in May

Colorado businesses added 8,100 nonfarm payroll jobs in May, a typical gain for the month, the state Department of Labor and Employment said Friday. But the state's seasonally adjusted unemployment rate rose to 4.9 percent, from 4.4 percent in April. "While this marks the state's largest monthly increase in the unemployment rate since late 2001, it is in line with changes seen nationally," Colorado Department of Labor and Employment Executive Director Donald Mares said in a statement. "Despite the increase in May's jobless rate, the number of wage and salary workers continued to show modest growth." After adjusting for normal seasonal movements, the estimated number of employed Colorado residents fell 14,600 in May, to 2,631,200. This is 36,600 higher than in May 2007. May is generally a month of rising unemployment in Colorado, as tourism activity ebbs and more seasonal jobseekers enter the market, the state labor department said. The national unemployment rate was 5.5 percent in May, according to the U.S. Bureau of Labor Statistics. **(Denver Business Journal)**

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Brookfield Properties to Buy Seventeenth Street Plaza

Brookfield Properties Corp. has downtown Denver's Seventeenth Street Plaza high-rise office building under contract for roughly \$225 million, according to real estate professionals familiar with the deal. JP Morgan Chase & Co. owns the building, which is one of Denver's largest office properties at 666,653 square feet in 33 stories.

Seventeenth Street Plaza is located at 1225 17th St., across from the Tabor Center. Brookfield of New York already owns one of the Denver business district's trophy office buildings -- the 1.2 million-square-foot, 56-story Republic Plaza -- and hopes to develop an office building behind the Denver Pavilions mall. The new project, currently called 425 15th Street, could include 833,000 square feet of space, and is in the planning phase, according to Brookfield. JP Morgan quietly put Seventeenth Street Plaza up for sale earlier this year. The asking price is \$385 per square foot, or roughly \$250 million, according to Denver investment brokers. Calls to Bill Lucas, a Brookfield vice president in Denver, weren't returned this week. Investment brokers Mike Winn and Tim Richey at Cushman & Wakefield of Colorado Inc. represent Morgan in the sale. Winn didn't return a call for comment. Tenants in Seventeenth Street Plaza include the U.S. headquarters of Molson Coors Brewing Co. and Xcel Energy Inc.'s regional headquarters. Xcel recently decided to leave the building for 330,000 square feet of space at the \$192 million, 500,000-square-foot 1800 Larimer office building under construction on Larimer Street between 18th and 19th streets. The new building is scheduled for completion in mid-2010, and Xcel hopes to move in by 2011. Brookfield (NYSE: BPO) is a publicly traded real estate investment trust (REIT) and one of North America's largest commercial real estate companies. The company, as of late April, owned interests in more than 100 properties, including 76 million square feet of space. Signature assets include the World Financial Center in New York and Brookfield Place in Toronto, Canada. Brookfield reported net income of \$23 million and revenue of \$665 million in the first quarter. Seventeenth Street Plaza was developed by what's now Jones Lang LaSalle Inc. of Chicago, and completed in 1982. Previous owners include Equitable Real Estate Investment Management Inc. (ERE), part of the Equitable insurance company. Australian real estate giant Lend Lease Corp. Ltd. took over the building in the 1990s, after it acquired ERE. **(Denver Business Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	2.00	2.00	5.25
3 MONTH LIBOR	2.80	2.66	5.36
PRIME RATE	5.00	5.00	8.25
10 YEAR TREASURY	4.16	3.80	5.18
30 YEAR TREASURY	4.71	4.53	5.30