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ULI Selects Denver Project as Competition Finalist

After considering hundreds of entries in North and South America, the Urban Land Institute chose 21 finalists for its 2006 ULI's Award for Excellence. One of the finalists is the mixed-use Clayton Lane development in Denver's Cherry Creek North. The ULI jury will visit finalists, including Clayton Lane, and select 10 award winners in May. "I don't think a Denver project has ever been a finalist in this competition before," Randy Nichols, principal of Nichols Partnership, the developer of Clayton Lane tells GlobeSt.com. "It is quite an honor. We're very flattered." The development was designed by David Owen Tryba Architects of Denver. Clayton Lane is a redevelopment of 9.5 acres adjacent to the existing Sears Roebuck & Co. store, which remains on the site. The project includes the 171,000-sf world headquarters for the Janus mutual fund family, the only J.W. Marriott hotel in the state, and street-level retail such as Crate and Barrel. The Clayton Lane redevelopment also included 25 high-end residential lofts, two urban plazas, and four levels of underground parking. The redevelopment successfully rejuvenated the area, adding bustling day and evening activity to streets that used to be dormant, according to the ULI. The development spans three blocks and has two urban plazas. The \$70 million J.W. Marriott has 143,000 sf and 197 rooms. The first phase was completed in 2002 and the second phase in 2004. **(Globest.com)**

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Cherokee Selects Midwest Developer for \$750M Gates Project

Standing in what is known as the "Furniture Row" warehouses of the former Gates Rubber plant site at Interstate 25 and Santa Fe Drive, city councilwoman Rosemary Rodriguez says it reminds her of when she was standing in a field almost a decade ago before Cleveland-based Forest City Enterprises was going to transform it into a mixed-use development. It was a little hard to believe, she notes, but now the results speak for themselves. Now, it's another Midwestern firm's turn to undertake a giant Denver infill development. Late Tuesday afternoon, Ferdinand Belz, president of Cherokee Denver LLC, announced that Joseph Freed and Associates LLC of Palatine, IL, had been tapped to redevelop 24 acres on the west side of Gates. Cherokee is in charge of cleaning up the brownfield site and giving a clean site to Freed for the vertical development. When completed, the development, in today's dollars is expected to have a value of \$500 million to \$750 million. It could include 565,000 sf of retail, 1,500 high-density residential units, and 200,000 sf of office. Freed beat out seven other developers. "Freed's pioneering work in the Midwest shows that they understand transit-oriented development, successfully envisioning innovative methods in planning, design and construction," Belz says. "They bring an exciting new dimension to every development. The vision for this project will now be realized since the approval last month by city council of the project's public financing package." Hickenlooper, for his part, says that Cherokee made an excellent choice with Freed. "This project represents a tremendous opportunity--not only for the surrounding neighborhoods--but for the entire city as we set a high standard for

future mixed-use, transit-oriented development in Denver. We are excited that a high-caliber developer like Joseph Freed and Associates will be bringing their extensive experience to this important project." Larry Freed, president of the namesake firm that started by making shelves for retailers in the 1940s, says that it isn't often that a developer can find a 24-acre site minutes from the Central Business District. Dennis Harder, senior vice president of development services for Freed, tells GlobeSt.com that the redevelopment will have entertainment flair to it. Freed says that he wants to bring some anchor tenants to the development that are new to the area, as well as a mix of other tenants that might already have a presence in the metro area, but not that close to surrounding neighborhoods. It's also important to bring a strong mix of local retailers and restaurants to the project, he tells GlobeSt.com. In Chicago, Freed's holdings include the 1.1-million-sf Sullivan Office Center on State Street. Tenants in that 19th century building designed by Louis Sullivan include the Carson Pirie Scott department store and 420,000 sf of office users. It also owns the 630,000-sf Streets of Woodfield, adjacent to the Woodfield Mall in Schaumburg, IL. **(Globest.com)**

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Hotel to Raise Denver's Stature

Proving that Denver has an increasing international profile, the city has landed a luxury Ritz-Carlton hotel. The owners of the downtown Embassy Suites Hotel - Charlie Biederman, Steve Roitman and Jim Cobb - announced plans Wednesday to spend more than \$75 million converting the 367-room hotel at 1881 Curtis St. into a 202-room Ritz-Carlton. "We felt that if we really wanted to put ourselves in a unique position, nothing could be better than a Ritz-Carlton," said Biederman. "There is always a market for a Rolls-Royce." Biederman also developed the JW Marriott in Cherry Creek. The new hotel's top five stories will be revamped into 23 private Ritz-Carlton Residences that will range in size from 2,300 to 4,400 square feet and offer such hotel amenities as twice-daily maid service. Owners can choose to let the hotel rent their condos when they're not using them. Sales will begin this summer, and four people already have expressed interest, Biederman said. Tourism and city officials hailed the announcement, saying they expect the Ritz-Carlton Denver to attract a higher-end clientele to town when it opens in the spring of next year. "What we are seeing is the emergence of Denver as a top-flight tourism and business destination," said Mayor John Hickenlooper. Adding a Ritz-Carlton to the mix should help raise room rates across downtown, said Denver hotel consultant John Montgomery. "We're an undervalued lodging market," he said. "Having additional supply on the upper end will help us be positioned correctly for the future." Marcel Pitton, managing director of Denver's luxury Brown Palace Hotel & Spa, said he welcomes the competition. "Overall, I think it's going to be a good thing in that it will make Denver more of a high-end destination," he said. Christopher Rose, Ritz-Carlton's senior vice president of hotel development, said Denver was an attractive city because it draws a balance of business, group and leisure travelers. "This building is ideal because of its relative location to Denver's sports stadiums, LoDo and the 16th Street Mall," he said. Based in Chevy Chase, Md., Ritz-Carlton has 61 hotels worldwide, including two in Colorado mountain resorts. It also plans to open

hotels next year in Beijing, Moscow, Tokyo and Dallas. Downtown's 7,100-room hotel market is expected to grow by more than 1,000 rooms over the next five years. **(Denver Post)**

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Four Teams Still Vie to Redo Union Station

Four development teams are still vying for the job to redevelop Denver's historic Union Station after four bowed out and an out-of-state developer chose to team with local partners. Still in the running are: Cherokee Investment Partners LLC, New Boston Fund, Dakota Ridge Development LLC and Sage Hospitality Resources, which joined forces with Williams Jackson Ewing. Also on the team are Kohn Pederson Fox and Buchanan Yonushewski Group. Continuum Partners and East West Partners. Also on the team are DMJM Harris, AECOM, Kiewit Construction, and Skidmore, Owings & Merrill. Denver Crossroads Developers LLC (Phelps Development and Trammell Crow Co.) Forest City Development. **(Denver Post)**

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Shovels Fly Monday on \$140 Million One Lincoln Park

One Lincoln Park, the first downtown high-rise condominium development in about 25 years, breaks ground Monday. "In the central business district, this is the first one" in a generation, said Erik Osborn, who is developing the 32-story, 186-unit building on a triangular parking lot bordered by Lincoln Street, Broadway, 20th Street, East 20th Avenue and Welton Street. The most recent major condo skyscrapers downtown, including Larimer Place and Barclay Tower, were built in the early '80s, although others have been constructed in nearby neighborhoods, such as Golden Triangle and Uptown. "It also is the largest transit-oriented development to break ground," said Osborn, principal of the Osborn Development Corp. The \$140 million building is next to two light-rail stops. "That's one of the reasons why we chose this site," Osborn said. He noted that it will be a "green," or environmentally friendly and sustainable, building. Interest has been strong in One Lincoln Park, which is being designed by Denver firm Buchanan Yonushewski Group. More than 50 percent of the units are sold. Units range in price from about \$300,000 to \$3 million for penthouses with about 6,000 square feet. Several of the penthouse units already have been snapped up, Osborn said. Units are going for \$375 to \$545 a square foot, with a typical unit costing \$405 a square foot. "When we started out, the average price was \$375 per square foot," Osborn said. "We have had three price increases since we announced it last fall." A fourth increase is scheduled after Monday's groundbreaking. The development will include 14,000 square feet of retail on the first floor and seven floors of parking with 360 spaces. Instead of making 10 percent of the units "affordable," under a city ordinance, his group will make a payment to the city of almost \$1.5 million. Paying to "opt out" of the ordinance is permitted. "We believe it will be the largest payment of its kind ever made by a developer in Denver," Osborn said. "We believe strongly in affordable housing, and we hope to

work with the city in the future in developing at least 100 affordable-housing units in downtown." He said there's been an eclectic mix of buyers. "We've seen young couples with one or two kids, a number of people who live in the mountains and some empty-nesters who are tired of the commute from the suburbs." Osborn said he isn't worried about overbuilding. Ten years ago, there were about 6,500 people living in downtown San Diego, about the same as in Denver today, he said. Now, there are close to 22,000 in downtown San Diego, and he thinks Denver could achieve that kind of growth. Brad Buchanan, principal of the Buchanan Yonushewski Group, said One Lincoln Park will change Denver's skyline. "To me, a skyscraper is anything that helps define a city's skyline, and this will have one of the most distinctive tops of a tall Denver building," Buchanan said. Also, One Lincoln Park will "connect" the central business district to Uptown, he said. "That's important because with all of the parking lots in that area, it's been something of a no- man's land. "

(Rocky Mountain News)

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED FUNDS RATE	4.50	4.50	2.50
3 MONTH LIBOR	4.93	4.77	3.05
PRIME RATE	7.50	7.50	5.50
10 YEAR TREASURY	4.73	4.58	4.54
30 YEAR TREASURY	4.75	4.55	4.83

