

September 5, 2006

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### **Forbes Ranks Colorado as the No. Five Best State for Business**

Over the past ten years, the United States has seen corporations move job after job overseas in search of cheaper labor. An equally large problem has been the corporate tax rate. Five years ago, the U.S. corporate tax rate of 39% was the sixth highest among Organization for Economic Co-operation and Development countries, according to the Tax Foundation. While other countries have lowered taxes, the U.S. rate hasn't budged, and today it has the highest rate among OECD countries, eclipsing former tax gougers such as Germany and Canada. And when you start factoring in litigation costs, \$250 billion per year or 2% of gross domestic product, it's amazing that any companies stay in the U.S. So, what is a company to do in this high-cost, anti-business environment? Maybe minimize the damage by moving to a more business-friendly state. To compile the listing of the best states for business, *Forbes* ranked all 50 states on 30 metrics in six main categories: business costs, economic climate, growth prospects, labor, quality of life and regulatory environment. The data revealed that Colorado ranked fifth out of the 50 states. Of these rankings, Colorado ranked number one in growth prospects and number two in labor. The growth prospect ranking reflects projected job, income and gross state product growth as well as business openings/closings and venture capital investments. Colorado is a highly entrepreneurial friendly climate and venture capital abounds allowing an ease into the market. Labor is measured through educational attainment, net migration and projected population growth, meaning Colorado has the fourth highest concentration of degreed individuals, a high net migration to the state, and a positive projected population growth. **(Metro Denver Economic Development)**

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### **Office Condo Project Underway in Littleton**

Arizona-based Shea Commercial, which bills itself as the largest developer of office condos, today said it broke ground on its Park Ridge Office Suites. The 92,943-square-foot, six building office condo projects is being built on eight acres on the northwest corner of Interstate 25 and Lincoln Avenue at Park Ridge Corporate Center in Littleton. The \$12 million project is nearly 25 percent pre-sold and is scheduled for occupancy in the second quarter of 2007. "We strategically selected this first-class location for Park Ridge Office Suites because it provides ultimate visibility and accessibility from major freeways as well as quick and easy access to SkyRidge Medical Center, RTD's new Lincoln Light Rail Station, the Lone Tree Entertainment District, Park Meadows Regional Mall and the Highlands Ranch, Lone Tree and RidgeGate residential neighborhoods," said Jim Riggs, president of Shea Commercial, based in Scottsdale. Buyers include small to mid-size medical and professional service companies that can completely customize their office condos, which range in size from 2,000 to 32,000 square feet. Krahl Construction of Denver is the contractor. The project architect is DFD Cornoyer Hedrick of Phoenix. "We feel the proximity to the southern end-point of the Light Rail and the prime residential and commercial developments make this a smart move for the growth and expansion of our practice," said Steve Law, who has purchased Office #4 within Park Ridge

Office Suites along with fellow dentists Mike Golinvaux and Dawn White. Other Shea Commercial Denver projects include: Crown Point Office Suites, at E-470 and Parker Road next to Parker Adventist Hospital in Parker, is a six-acre, 62,000-square-foot project scheduled to break ground this fall; Lone Tree, located on Park Meadows Drive, east of Yosemite Street in Lone Tree, is a seven-acre, 80,000-square-foot project.; Ridge at South Park, on the northwest corner of Countyline Road and South Park Terrace in Littleton. This 28-acre office, retail and industrial site features 325,000 square feet of mixed use parcels for sale or lease. **(Rocky Mountain News)**

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### **Boulder Mall Gearing up for October Opening**

Construction has stepped up on Boulder's new Twenty Ninth Street retail district so the project meets its Oct. 13 opening date. Fifty-nine tenants -- including stores, restaurants and office-space users -- have committed to the district's principal area called the Main Court. That's 85 percent of the court's capacity, said Lain Adams, Twenty Ninth Street's senior property manager. The site will include some 3,700 parking spaces including a parking structure. Twenty Ninth Street is the redevelopment of Boulder's old, outdated Crossroads Mall. The mall's remaining anchor tenant is a Foley's department store, now Macy's. Colorado's 12 Foley's stores already have Macy's signage, but officially adopt their new name on Sept. 9. In honor of the new store, Twenty Ninth Street's Main Court will be renamed Macy's Court. Mall demolition started in September 2004, and construction began the following January. Fifty-one of Twenty Ninth Streets occupants will open in October, including Ann Taylor Loft, Puma sports apparel, Victoria's Secret and White House/Black Market. Other stores range from a Muttropolis pet store and Borders Books & Music to Colorado Baggage Co., M.A.C. Cosmetics and Lululemon Athletica. Restaurants will include Panera Bread, Pei Wei Asian Diner (P.F. Chang's fast-casual concept), Rumbi Island Grill and Bara Sushi & Grill. Many restaurants will feature outdoor patios. "We're bringing in retailers new to the city and the region," Adams said. "We want to raise Boulder's identity as a retail destination." Twenty Ninth Street's 16-screen Century movie theater will begin construction in September. Adams expects the theater to change its name to Cinemark, because of Cinemark USA Inc.'s recent purchase of Century Theatres Inc. of San Rafael, Calif. Cinemark's headquarters is in the Dallas-area city of Plano, Texas. Century has two 16-screen theaters in Colorado, one in Aurora and another in Lakewood. Wild Oats Markets Inc. (NYSE: OATS) of Boulder expects to complete its new headquarters at the retail center in the first quarter of 2007. The grocery retailer also will have a 35,000-square-foot prototype store at Twenty Ninth Street. **(Denver Business Journal)**

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### **Construction Costs Continue to Heat Up**

According to the DataDIGest from Associated General Contractors, the PPI (producer price index) for construction materials and components has risen 8.3 percent, double the rate of growth of the finished-goods PPI. Major materials-price increases over the past 12 months include: pipe, wiring, faucets, and flashing, up 88 percent; wallboard

and other gypsum products, 23 percent; PVC pipe, fittings and membranes, 20 percent; steel mill products, 18 percent; aluminum mill shapes, 15 percent; and concrete products, 11 percent. The PPI for diesel fuel—which affects the cost of running off-road equipment, construction vehicles and fuel surcharges for delivering materials to job sites—soared 26 percent over 12 months. That means the delivered costs of many materials have gone up even more than their prices at the producer's point of sale, which is what the PPI measures. **(Data DIGest)**

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### **Vacancy Rate up for Area Rentals**

After hitting its lowest level since 2001 during the first quarter, metro Denver's apartment-vacancy rate is climbing again. The second-quarter rate increased to 7.1 percent, from 4.9 percent during the first quarter, according to statistics released Thursday by the Apartment Association of Metro Denver. All metro-area counties included in the survey, except Douglas County, showed an increase in vacancy. Renters may be contributing to the increase by rushing to buy in an effort to lock in lower interest rates, said Gordon Von Stroh, a University of Denver management professor who compiles the quarterly report for the association. With home sales slumping, people also are putting their houses into the rental pool, said Bob Alldredge, a broker and owner of Jericho Properties Real ty, which manages about 200 units in the metro area. "When people can't sell their property, it's an automatic solution to rent it," Alldredge said. "They become a landlord by default." Meanwhile, the median rent has increased to its highest level since 2004, when the association started gathering rent data. Median rent was \$895 in the second quarter, up from \$880 during the first quarter. **(Denver Post)**

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### **Economy Grows at 2.9% Rate**

The economy grew at a 2.9 percent annual rate in the spring - better than first estimated but nowhere near the brisk pace logged in the winter, another sign of slowing business growth. Inflation marched higher. The latest snapshot of economic activity, released by the Commerce Department on Wednesday, showed that gross domestic product in the April- to-June quarter increased slightly more than the 2.5 percent pace first reported a month ago. That upgrade mostly reflected an improvement in the country's trade picture and stronger inventory-building by businesses. The upward revision, though, didn't change the big picture of the economy: In the spring, it slowed sharply from the first quarter's 5.6 percent pace, the strongest growth spurt in 2 1/2 years, as consumers and businesses tightened the belt. Gross domestic product measures the value of all goods and services produced within the United States and is considered the best barometer of the country's economic standing. The second quarter's showing was slightly less than the 3 percent pace that analysts were expecting. An inflation gauge closely watched by the Federal Reserve showed that core prices - excluding food and energy - advanced at a rate of 2.8 percent in the second quarter, up from a 2.1 percent pace in the first quarter. High energy prices forced consumers and businesses alike to tighten their belts in the second quarter, a big reason why the economy slowed so

sharply from the prior quarter. Consumer spending increased at a rate of 2.6 percent. **(Rocky Mountain News)**

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	<b>CURRENT</b>	<b>1 MONTH PRIOR</b>	<b>1 YEAR PRIOR</b>
<b>FED FUNDS RATE</b>	5.25	5.25	3.50
<b>3 MONTH LIBOR</b>	5.39	5.47	3.86
<b>PRIME RATE</b>	8.25	8.25	6.50
<b>10 YEAR TREASURY</b>	4.80	5.05	4.18
<b>30 YEAR TREASURY</b>	4.94	5.10	4.38