July 18, 2016

Exclusive: Details of Alberta's 25-acre Greenwood Village Transit-Oriented Project

A 25-acre transit-oriented development in Greenwood Village planned by Alberta Development Partners will include office space, retail and for-sale and for-rent housing built around RTD's Orchard light-rail station near the intersection of Interstate 25 and East Orchard Road. Greenwood Village-based Alberta plans to submit its master development plan to the city on Tuesday, said Don Provost, founding principal of Alberta Development Partners. The company has spent two years assembling the land and will demolish existing buildings on the site to make way for new development. The centerpiece of the development is a 7.5-acre, $20 million park that will make Orchard Station unique among developments in the Denver Tech Center, which are predominantly office buildings, Provost said. The park will serve as a gathering and events space with a pedestrian walkway that will connect the various buildings in the development. Tallies of how much space will be dedicated to each use and details on density are still being worked out, Provost said. Orchard Station is currently serviced by the E and F light rail lines, and will be a stop along the R line when it opens this fall. "Orchard Station will be a walkable, mixed-use neighborhood that will function as the heartbeat of Greenwood Village," Provost said. "It will be a vibrant destination for young professionals as well as families." Orchard Station is one of two developments currently in the planning stages at Alberta. The other is a retail project called The Yard at Lone Tree. Alberta is also busy with its Promenade at Castle Rock retail project. "Alberta has made its home in Greenwood Village since the company was founded 24 years ago," Provost said. "We are committed to making Orchard Station a place our community can be proud of. With sustainability, community and wellness at the forefront of our design and development, we look forward to refreshing the community of Greenwood Village." **(Denver Business Journal)**

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Crayons

Monday the Wall Street Journal blew the top off of the shopping mall story; department stores are yesterday’s news. The Journal reported that in Orlando, Florida, a Nordstrom was torn down and replaced with a Dick’s Sporting Goods store and a crayon-based family attraction called the Crayola Experience, while a Saks Fifth Avenue was demolished, as well, to make way for a dining pavilion with 23 restaurants, and let’s not forget that a Lord & Taylor was carved into space for American Girl, H&M, Forever 21 and Zara. The dependence on anchor tenants such as Macy’s, Saks, or Nordstrom’s was the life-line of the Mall owner. This is no longer the case. Since 2011 General Growth has taken back real estate from 65 department stores, and the takebacks are accelerating. This is actually a good deal for the mall owners as anchor tenant rents, once priced at $2.00 a square foot, are replaced by $15 – $20 per square foot tenants such as Dick’s Sporting Goods, 24 Hour Fitness and other higher-margin tenants, and who thought Crayola’s would be in! **(GlobeSt.com)**

What's Denver's 'Coolest' Street? It's One of the Nation's Hippest, says Report

What's the "coolest" street in Denver? And how is "cool" defined? If you're looking for one of the "coolest" and hippest streets in Denver, you don't have to look any further than the River North (RiNo) neighborhood. That's according to a real estate report released by Cushman & Wakefield, which detailed the "coolest" streets in the country. What defines "cool?" According to the report, "cool" is very important because it defines what's "hot" in retail. And "cool" is what appeals to the country's millennial generation. So why is RiNo "cool?" "RiNo has also increasingly become a focal point of Denver's music and nightlife scene through a mix of live venues. Yet even with this recent prosperity, RiNo stands as one of the few areas remaining in Denver's urban core with available land and vacant buildings. Because of this, development is skyrocketing," according to the Cushman and Wakefield report. Another Denver area denoted as "cool" by the report, which listed the country's 100 "coolest" areas, included the Lower Highland (LoHi) neighborhood. **(Denver Business Journal)**

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How Does Colorado Rank Nationally for Commercial Real Estate Development?

When it comes to creating jobs and contributing to the state's economy, Colorado's commercial real estate development market ranks pretty high nationally. According to a new report by the National Association of Industrial and Office Properties (NAIOP) Research Foundation, Colorado ranks No. 8 nationally when it comes to economic impacts of commercial real estate development. According to the NAIOP, commercial real estate development in the state supported 52,529 related jobs and contributed $3.08 billion to the state's economy in 2015. Colorado wasn't even ranked in the nation's top ten a year earlier. New York led the nation in commercial real estate economic impact in 2015, followed by Texas, California, Iowa, and Illinois, according to the NAIOP."Commercial real estate continues to bring new jobs, improve infrastructure, and create places to live, work and play," said Thomas Bisacquino, NAIOP president and CEO, in a statement. In March, the Denver Business Journal reported that investors invested a record $10.3 billion in commercial real estate in Denver in 2015. **(Denver Business Journal)**

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Colorado's Economy Outperforming the Rest of the Country, Says CU/Leeds Report

At the halfway point in the year, Colorado's economy continues to outperform the rest of the country, a new report says. The Centennial State has had faster growth in employment, home prices and personal income than the rest of the nation. It's having a knockout year in leisure and hospitality with a 5 percent increase in jobs, lost some jobs in mining and natural resources — which includes the oil and gas sector — and maintained its steady growth in the financial services sector. That's according to an analysis from the University of Colorado Boulder's Leeds School of Business, which released its Midyear Economic Update on Friday. The report paints a picture of a healthy Colorado economy. More than 75,000 people have moved to Colorado in the last year pushing the state's population up to 5.5

million and making Colorado the second fastest-growing state in terms of percent change, at 1.9 percent, and seventh in total growth in 2015. Those newcomers may have been attracted to the job scene across the state. Total covered employment in Colorado rose 2.4 percent year-over-year in May 2016. "There has been more growth in leisure and hospitality than we had anticipated," said Richard Wobbekind, executive director of business research division and senior associate dean for academic programs at CU/Leeds. “There has been more growth in government jobs than we anticipated. We certainly see significant flows into venture capital, particularly in software and applications areas. We remain a more desirable, more rapid growth state that is able to bring in workforce as needed." The good news, according to the Bureau of Labor Statistics, is that all of the Colorado Metropolitan Statistical Areas, saw employment growth year-over-year in May 2016. Metro Denver had the biggest increase with 3.1 percent, followed by Fort Collins at 3 percent and Boulder at 2.7 percent. Colorado Springs also saw job growth of 2.5 percent. And that helped keep Colorado’s seasonally adjusted unemployment rate in May 2016 at 3.4 percent — below the national average of 4.7 percent — and a civilian labor force of 2.9 million. That’s a 2.4 percent year-over-year increase. Part of the economy’s positive review is based on 2015 GDP estimates, among other data, released in June that show Colorado’s real GDP had grown 3.6 percent — outpacing the U.S. GDP growth of 2.4 percent. That makes Colorado the fourth fastest-growing state in terms of real GDP in 2015, behind California, Oregon and Texas. Real GDP is adjusted for inflation while nominal GDP is not. Colorado’s total nominal GDP ranks 18th among all states. The 2015 numbers led to a forecast that the state would increase jobs by 65,000, or 2.6 percent, in 2016. The forecasts from December estimated an employment increase in every sector except natural resources and mining, which was forecast to decrease slightly. As of midyear, that forecast was reaffirmed, the report says. The number of seasonally adjusted jobs in the natural resources and mining sector — which includes oil and gas jobs -— has been decreasing since January 2015. The latest statistics, from May 2016, show that there were 26,300 jobs in the industry, down 16.8 percent from May 2015. The decline is attributed to the continued low prices of oil, natural gas, and coal, as well as the recent idling of the Bowie No. 2 Mine. Meanwhile, the total number of coal miners as of April 2016 also decreased 16.1 percent year-over-year, from 1,506 in 2015 to 1,263 in 2016, according to the Colorado Department of Natural Resources. Agriculture also saw a decline. Low commodity prices and a decline in exports contributed to an 11.1 percent decrease – from $2.8 billion in 2014 to $2.5 billion in 2015 – in the industry’s contribution to the state nominal GDP. But Mexicans and Canadians like beef — the two countries that account for most Colorado beef exports — and beef exports accounted for 5.3 percent of Colorado’s total exports. "We went into the year not expecting a good year for agriculture and that is holding true in terms of agriculture exports, sales, and prices of commodities," Wobbekind said. "This will not be a good year for the agriculture sector." One area that saw increase in jobs was Colorado’s construction industry, which grew to 158,300 jobs as of May 2016. That still does not match pre-recession levels, and today's jobs are down 6.9 percent from the peak construction employment in July 2007. However, the forecast is that the construction sector will grow the rest of this year. One indicator is that in 2015, nominal GDP totaled $14.5 billion, or 4.6 percent of total GDP in Colorado. Real GDP grew 3.9 percent year-over- year, making construction the sixth fastest-growing industry in the state. Data from Dodge Construction Analytics suggest the value of total construction rose 15 percent in 2015, driven by building construction. And work on several major multiyear projects in Colorado, such as the Gaylord Rockies hotel in Aurora, roadwork on C-470 and commercial facilities for Panasonic and Amazon, will contribute substantially to the value of construction this year. In manufacturing, employment continued to make gains, increasing 3.5 percent in 2015 and 1.8 percent year-over-year in May 2016 for a total of 143,300 manufacturing employees in the state. Manufacturing employment surpassed the forecast by 1,100 jobs in 2015 and the sector has made gains for five-consecutive years following a decade of employment losses. Despite sector growth, Colorado has a relatively low concentration of industry employment; it is 35 percent below the national concentration as of May 2016. Manufacturing nominal GDP totaled $23 billion in 2015, making up 7.3 percent of total GDP in the state. Real GDP grew by 3 percent year-over-year in 2015, making it the eighth fastest-growing industry in Colorado. The state posted modest gains of 3.6 percent in its financial services sector adding 3,500 jobs year-over- year as of May 2016. And the sector's value to the economy continues to grow as well. According to the Bureau of Economic Analysis, in 2015, Financial Activities nominal GDP totaled $62 billion, or 19.7 percent of GDP making it the fifth fastest-growing industry in the state. And topping of the state's economic outlook is growth in leisure and hospitality jobs, up by 5 percent year over year, representing 15,500 jobs. Thanks to 16.4 million visitors, the state had a record year and overnight visitors spent $5 billion on hotels and lodging in 2015. "We will wind up being, at this rate, a top 10 growth state in the country," Wobbekind said. "You have to feel pretty good about where the state is positioned and that it continues to attract a very talented workforce." **(Denver Business Journal)**

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	CURRENT	1 MONTH PRIOR	1 YEAR PRIOR
FED TARGET RATE	.50	.50	.25
3 MONTH LIBOR	.67	.65	.29
PRIME RATE	3.50	3.50	3.25
10 YEAR TREASURY	1.60	1.56	2.35
30 YEAR TREASURY	2.30	2.39	3.10