

BLOCK 176

DEVELOPMENT OPPORTUNITY IN THE HEART OF DOWNTOWN DENVER

CONFIDENTIALITY AGREEMENT

This Offering Memorandum was prepared by Lee & Associates Denver ("Broker") solely for the use of prospective purchasers of Block 176, Denver, Colorado 80202 (the "Property"). Neither the Broker nor the owner of the Property ("Owner") makes any representation or warranty, expressed or implied, as to the completeness or the accuracy of the material contained in the Offering Memorandum.

Prospective purchasers of the Property are advised that changes may have occurred in the physical or financial condition of the Property since the time this Offering Memorandum or the financial statements therein were made by Broker and are based upon assumptions or events beyond the control of Broker and Owner, and therefore may be subject to variation. Other than historical revenue and operating expense figures for the Property, Owner has not, provided Broke with any projections regarding the Property. Prospective purchasers of the Property are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

The Offering Memorandum is a solicitation of interest only and is not an offer to sell the Property. Owner and Broker expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and expressly reserve the right, at their sole discretion, to terminate discussions with any entity at any time with or without notice. Owner shall have no legal commitment or obligation to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless and until such offer for the Property is approved by owner and the signature of Owner is affixed to a Real Estate Purchase Agreement prepared by Owner.

By accepting the Offering Memorandum, you agree (i) that you will hold and treat the Offering Memorandum and its contents in the strictest confidence, (ii) that you will not photocopy or duplicate any part of the Offering Memorandum, (iii) that you will not disclose the Offering Memorandum or any of its contents to any other entity or person without the prior written authorization of Owner, and (iv) that you will not use the Offering Memorandum in any fashion or manner detrimental to Owner or Broker.

We obtained the information contained in this Offering Memorandum from sources we believe to be reliable. However, we have not verified its accuracy and make no guarantee, warranty or representation about it. It is submitted subject to the possibility of errors, omissions, changes in price, rental or other conditions, prior sale, lease or financing, or withdrawal without notice. We include any projections, opinions, assumptions or estimates for example only, and they may not represent current or future performance of the property. You and your tax and legal advisors should conduct your own investigation of the Property and transaction.

All information furnished regarding the Property is from sources we believe to be reliable, but no warranty or representation is made to the accuracy thereof and such information is submitted subject to the possibility of errors, omissions, change of price, rental or other conditions prior to sale or to withdrawal without notice. No liability of any kind is to be imposed on the broker herein.

Lee & Associates Denver works solely on behalf of Owner as the seller's agent. A seller's agent (or listing agent) works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the Property.



EXCLUSIVELY OFFERED BY:

Steve Suechting
Principal
303-501-8779
ssuechting@lee-associates.com

John Bitzer
Managing Principal
303-501-8770
jbitzer@lee-associates.com

Lee & Associates Denver
999 18th Street, Suite 901
Denver, Colorado 80202

EXISTING TENANTS & OPPORTUNITY

THE OPPORTUNITY

Block 176 is a 29,966 SF multi-use development site in the heart of downtown Denver. The property is located across the street from a light rail stop and next to the downtown circulator bus lines (MetroRide). The site has street access from all three streets that border it and a sixteen foot wide alley that separates it from the adjacent 7-11 parcel.

Price:

\$10,000,000 (\$333 / SF)

Site Size:

29,966 SF

Property Taxes (5 Parcels):

\$153,748

Current Net Operating Income:

Approximately \$150,000

Tenancy:

Central Parking operates a 110 space surface parking lot, and Shelby's, a local restaurant and bar, is located on the 18th Street side of the parcel. Both tenants can be terminated with 90 days or less notice.





UNPARALLELED ACCESS

Block 176 is located on two major one-way arterials, ensuring maximum convenience for the end user. Broadway, the southbound arterial, links directly to I-25, and 18th Street, the northbound arterial, provides access to Lower Downtown and Union Station.

CENTRAL LOCATION

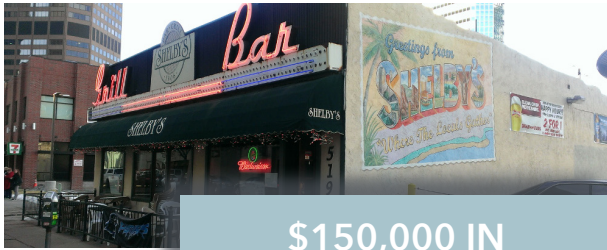
The location of Block 176 makes it an appealing site for potential office, retail, hotel, or residential development. The strength of the market within a three block radius of the site speaks for itself:

- The three largest office buildings in downtown Denver are within three blocks.
- Nearly 1.4 million SF of federal buildings are located within three blocks of the site.
- The Brown Palace and Grand Hyatt hotels are within two blocks.
- The 16th Street pedestrian mall is two blocks away.
- Numerous apartment complexes are nearby, including SkyHouse by Simpson Housing and 1776 Curtis by Shea Properties (currently under construction).
- A freestanding 7-11 was built on an adjacent parcel in 2015.

DENVER'S DESIRABLE, HIGH-GROWTH URBAN CORE

Denver's emergence as one of the hottest economies in the country has fueled a real estate frenzy benefiting all product types. The desirability of downtown Denver will help make any development successful, whatever the end use, because of growing demand for office, hotel, and multifamily products.

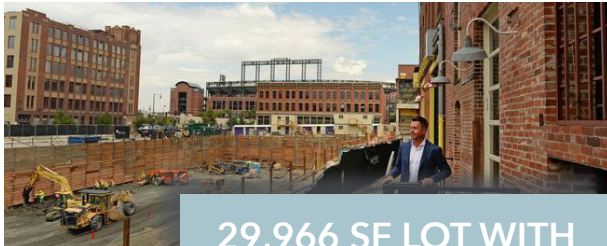
PROPERTY SUMMARY



\$150,000 IN ANNUAL NET INCOME



DEVELOPMENT CAN START IMMEDIATELY



29,966 SF LOT WITH EXISTING ALLEY



CENTRAL LOCATION WITH SUPERIOR ACCESS

Tax Parcel

ADDRESS	PARCEL NUMBER	SIZE	STATUS
519 18th Street	02346-02-002-000	2,037 SF	3,898 SF Bar & Restaurant *
1801 Glenarm Place	02346-02-010-000	10,490 SF	Vacant, Parking
1817 Glenarm Place	02346-02-005-000	6,246 SF	Vacant, Parking
1901 Broadway	02346-02-006-000	6,063 SF	Vacant, Parking
1917 Broadway	02346-02-007-000	5,531 SF	Vacant, Parking
30,367 SF **			

* Building square footage is based on tax assessor

** This square footage varies slightly from the survey square footage of 29,966 SF

County

Denver

Zoning

D-C, UO-1 (Downtown Core District)

Includes a Wide Variety of Uses Including: Office, Retail, Hotel and Residential

Existing Use

Restaurant & Bar Tenant, Surface Parking Lot

Minimum Height

30'

Maximum Height

400'

Building FAR

10:1

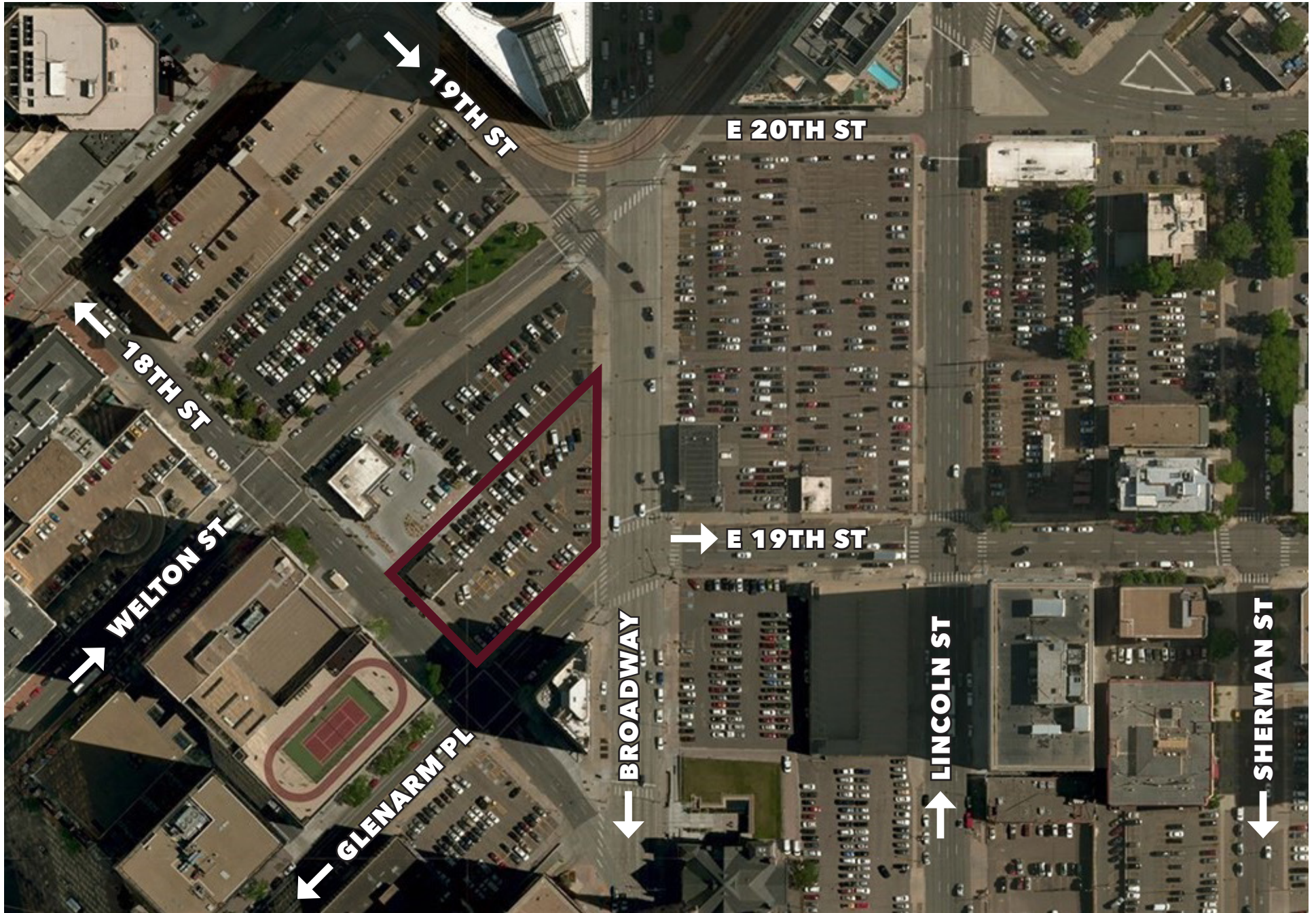
(Additional FAR premiums for parking, residential, and other uses, [click here](#) for additional information)

Topography

Level at Street Grade

Property Taxes

2016 Payable in 2017, \$153,748, Five Parcels



MOBILITY, TRANSIT AND ACCESS



19.4 MILES OF BIKE LANES AND TRAILS



60 BUS ROUTES



8 COMMUTER RAIL LINES



5 CAR SHARE COMPANIES



DOWNTOWN MOBILITY

Downtown Denver employees, visitors, and residents have access to high quality mobility options and a robust network that connects to the surrounding neighborhoods. In the past year, Downtown Denver saw the opening of two RTD rail corridors, the University of Colorado A line serving Denver International Airport and the B line serving Westminster, expanded service hours on RTD's Free MetroRide and the addition of three on-street bike corrals, and 0.7 miles of added bike facilities.



CIVIC CENTER STATION REHABILITATION PROJECT

Civic Center Station serves as one of RTD's busiest regional bus transit centers with eighteen routes serving an average of 15,000 passengers a day. It provides a turnaround point for the 16th Street Free Mall Ride and is also the location of the Civic Center Plaza. A part of the downtown landscape for more than three decades, the transit hub is currently undergoing a much-needed face-lift. The new state-of-the-art design will be complete by the end of 2017.



DENVER UNION STATION

In 2014, the new underground 22-gate Union Station Bus Concourse opened, marking the commencement of a major transformation to lower Downtown Denver. This historical hub serves as a bus terminal, light rail station and is the centerpiece of transit-oriented mixed-use community. Union Station offers restaurants, nightlife and cultural amenities in addition to the Union Station Light Rail and Commuter Rail platforms. The station serves upwards of 16,000 passengers per day and that number is only expected to rise as additional lines open throughout the Denver metro area in the next few years.

SITE ACCESS



WALK SCORE: 97
WALKER'S PARADISE



TRANSIT SCORE: 90
RIDER'S PARADISE



BIKE SCORE: 96
BIKER'S PARADISE



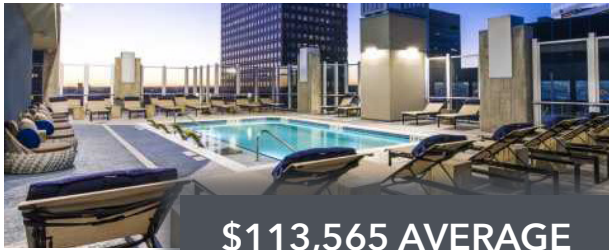
OUTSTANDING
ACCESS





**20TH & WELTON
LIGHT RAIL STOP**

RESIDENTIAL DEMOGRAPHICS



**\$113,565 AVERAGE
HOUSEHOLD INCOME**



**34.3 YEARS
AVERAGE AGE**



**66% WITH BACHELOR'S
DEGREE OR HIGHER**



**82% NON-FAMILY
HOUSEHOLDS**



RESIDENTIAL MARKET

There are currently 5,341 residential units under construction or planned for development in Downtown Denver. Attracted to vibrant walkable districts and high-quality residential amenities, more and more people are choosing to live in Downtown Denver and its neighborhoods. The average rent for a one-bedroom apartment in Downtown Denver is \$1,574; the average rent for a studio is \$1,285. In 2016 over 553 homes were sold with an average price of \$497,000, that equates to \$427/SF.



THE RESIDENTS

The City of Denver is one of the fastest growing large cities in the United States with a population of 696,060. Over the past five years, Denver has been adding an average of 15,000 residents per year. Nearly 80,000 people live in Downtown Denver, that equates to a growth rate of 188% since 2000. Downtown Denver attracts a young well-educated population. The average age in the Downtown Denver neighborhood is 34.3 years with 56.2% male and 43.8% female. The average household income is \$113,565, with 66% with a bachelor's degree or higher. 82% of the Downtown Denver residents are single, 13% are married with no children and only 5% of the population are families with children.



STUDENTS & UNIVERSITIES

Over 48,000 students attend public, not-for-profit institutions of higher education in Downtown Denver. More than 10,000 students attend various trade and private for-profit institutions that have classroom space in Downtown Denver. The Auraria Campus is a unique higher-education community located in Downtown Denver. The 150-acre campus is home to three distinct academic institutions: University of Colorado Denver, Metropolitan State University of Denver, and the Community College of Denver.

DENVER DEVELOPMENT





BUILDING FOR THE FUTURE

With a vision for the future, developers are responding to increased demand for residential, office, and hotel product propelled by strong population and job growth.

In 2016 and early 2017, seven development projects were completed in Downtown Denver, representing:

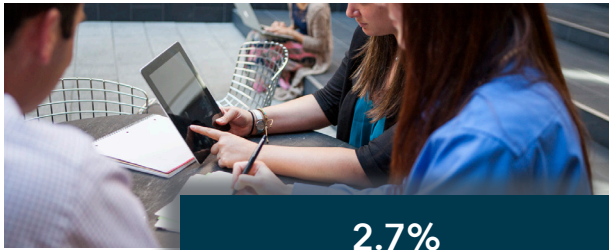
- \$512,800,000 of Investment
- 350 Additional Hotel Rooms
- 650 Additional Residential Units
- 870,000 Additional Square Feet of Office Space

As of mid-2017, there are thirty-one projects under construction and eleven projects planned for development in Downtown Denver, representing:

- \$2,765,040,000 of Investment
- 1,181 Additional Hotel Rooms
- 5,341 Additional Residential Units
- 2,509,300 Additional Square Feet of Office Space

Since 2014 forty-two development projects have been completed, including 3,817 residential units, 1,644,000 square feet of office space and 1,343 hotel rooms. This equates to nearly 4,499 new downtown residents, 5,768 new downtown employees and 351,866 new annual downtown visitors. When the projects in the pipeline are completed there will be an additional estimated 6,295 new downtown residents, 8,805 new downtown employees and 309,422 new annual downtown visitors.

EMPLOYMENT & OFFICE MARKET



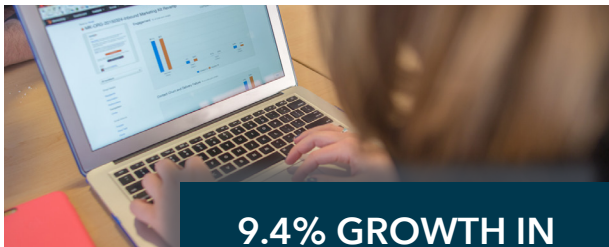
2.7%
UNEMPLOYMENT RATE



1,644,000 SF OF NEW OFFICE SPACE



664 TECH STARTUPS



9.4% GROWTH IN SOFTWARE INDUSTRY

1ST Best place for business and careers - Forbes

2ND Best place to live - U.S. News and World Report

2ND Best city for job seekers in 2017 - NerdWallet

2ND Best city to start a career - WalletHub

3RD Best city to start a tech career - ComputerTrainingSchools.com

3RD Hottest food city - Zagat

4TH Largest increase in workers - LinkedIn

4TH Best city for millennials - SmartAsset

4TH Fastest growing large city - WalletHub



4th Most popular relocation city for Bay Area talent - LinkedIn



3rd Happiest homeowners - HomeAdvisor



5th Best city for first-time homebuyers - WalletHub



9th Best U.S. destination 2017 - Lonely Planet



6th Most increased millennial job interest - WalletHub



3rd Most appealing city to hipsters - Infogroup



4th Best airport-to-city rail connection - MileCards.com



4th Most bike-friendly downtown - Forbes



8TH Best market in the Americas for commercial real estate investment - CBRE • **3RD** Best market for real estate agents - Wallet Hub • **5TH** Best city to live - Timeout • **1ST** Best place for pets to live - Trulia • **3RD** Best place to live - Outside Magazine • **6TH** Best city to celebrate Oktoberfest - WalletHub • **7TH** Best place for development and construction of green buildings - CBRE Inc. • **2ND** Best city for beer lovers - Infogroup • **3RD** Most millennials moving from another city - Mayflower • **5TH** Best place for business travel - On Call International • **9TH** Best metro area for retirees - ValuePenguin.com • **1ST** Best place for New Year's Eve celebrations - WalletHub • **7TH** Fastest apartment inventory growth - MPF Research • **8TH** Best holiday destination - Allianz Global Assistance



EMPLOYMENT

Employment in Downtown Denver is growing at a faster rate than employment nationally. From 2010 to 2016, employment in Downtown Denver has increased 17%, while employment nation-wide has only increased by 11%. Downtown Denver's employment growth has been led by new and growing private-sector businesses. Since 2010, private-sector employment is up 21%. As of the end of 2016, the unemployment rate in the City and County of Denver was 2.8% and the unemployment rate in Metro Denver was 2.7%, compared to 4.5% nationwide. Downtown Denver is home to many of the region's leading coding schools and bootcamps, including Galvanize, General Assembly, SecureSet, Skill Distillery, and Turing School of Software and Design.



OFFICE MARKET

Downtown Denver has a total of 37,155,879 square feet of office space. Since 2014, Downtown Denver has added 1,644,000 square feet of office space. Despite a slight increase in vacancy rates over the past year, average lease rates have remained relatively flat at around \$33/SF Gross. As of mid-2017, there is a total of 1,579,800 square feet of office space under construction in Downtown Denver, and an additional 929,500 square feet of office space planned for development.



A GROWING HUB OF TECHNOLOGY

Denver is a growing and thriving tech hub, with 664 tech startups employing over 4,500 people and over 160 technology businesses founded in just the past year. Denver Startup Week, the largest free entrepreneurial event in North America with over 13,000 participants, and The Commons on Champa, a public campus for entrepreneurship where businesses, nonprofits, and individuals can assemble, collaborate and gain access to resources and education content are just a few of the things that are attracting technology businesses. The mix of a robust existing startup community, one of the most highly-educated and fastest-growing workforces in the country, and dedicated resources to support innovators at all stages make Downtown Denver the best place to start and grow a business.

EMPLOYMENT & OFFICE MARKET





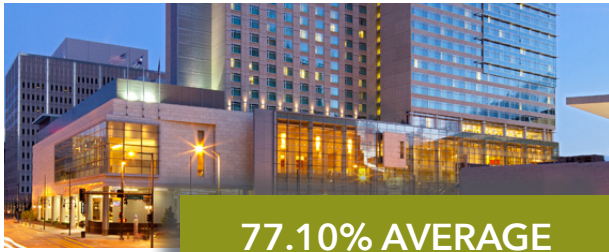
TOP 20 DOWNTOWN DENVER PRIVATE EMPLOYERS

- Accenture
- ALPs Fund Services
- Anadarko Petroleum
- Anthem Blue Cross Blue Shield
- Century Link
- Comcast
- DaVita HealthCare Partners, Inc.
- Deloitte, LLp
- Denver Post
- Encana
- Gates Corporation
- Hyatt Regency Hotel
- KPMG, LLp
- Mortenson Construction
- Sheraton
- TIAA
- Transamerica Investments & Retirement
- US Bank
- Wells Fargo
- Xcel Energy

MAJOR INDUSTRY CLUSTERS IN THE METRO DENVER ECONOMY

- Aerospace
- Aviation
- Beverage Production
- Bioscience
- Broadcasting & Telecommunications
- Consulting
- Energy
- Financial Services
- Healthcare & Wellness
- Hospitality
- Information Technology
- Legal
- Software

RETAIL & ATTRACTIONS



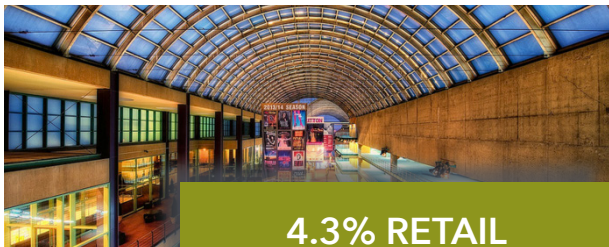
**77.10% AVERAGE
HOTEL OCCUPANCY**



**\$52M RETAIL SALES
TAX GENERATED**



**16.4 MILLION ANNUAL
OVERNIGHT VISITORS**



**4.3% RETAIL
VACANCY RATE**



DOWNTOWN DENVER AS A TOURISM DESTINATION

Denver’s city center has emerged as a premier visitor destination. With its concentrated amenities including award-winning restaurants, a diverse retail scene, impressive museums and cultural offerings, exciting sporting venues, and family-friendly events, Downtown Denver is a must-visit destination.

Downtown Denver’s hotel market has experienced strong growth, offering 35 hotels with a total of 9,500 hotel rooms and over 500,000 square feet of meeting space. In the past five years, revenue per available room is up 26%, average daily room rate is up 20% and occupancy is up 5%. Developers are taking note and adding a variety of new hotel options; in the past five years, nine hotels with a total of 1,800 rooms were added and four hotels are currently under construction.



A strong visitor base contributes to the center city’s strong economy and is a vital component of the vibrancy that comes when employees, residents, and visitors share in the unique experience and amenities that can only be found in Downtown Denver. Denver tourism has been setting records for 10 consecutive years. In 2016, Denver welcomed 16.4 million overnight visitors who spent approximately \$5 billion. The Colorado Convention Center welcomed nearly 1 million people at over 210 events in 2016.

Downtown Denver is home to many of the most popular Denver-area attractions for visitors and residents, including award-winning museums, and three major league sports team venues. Denver has become an art and cultural center, The Denver Performing Arts Complex is the second-largest performing arts complex in the U.S. with 10 performance spaces.



RETAIL MARKET

Downtown Denver’s residential renaissance is encouraging retail development, including, first to market and new to downtown options creating a diverse retail scene with something for everyone. Downtown Denver has 4,184,342 square feet of retail space with a 4.3% vacancy rate and a direct average lease rate of \$23.80. Retail sales collections in Downtown Denver have increased almost 60% since 2010. Local, independent boutiques and chef-driven restaurants find success in Downtown Denver alongside well-known international brands. Over 50% of the retail businesses along the 16th Street Mall are local or local chains, and retail destinations like Larimer Square and Union Station are filled with unique, independent options.

BLOCK 176

