Chris Wagget, CEO – D4
NAIOP Breakfast Series – 3/8/11
Transit-Oriented Development
INTRODUCTION

- CW background
  - UK/Continental Europe/Australia/US
  - Brokerage/Funds Management/Development
  - Formerly President – Lend Lease Communities, (9/06-1/11)
  - New role – CEO, D4 Development LLC, (2/11 – retirement!)

  *The establishment of D4, its strategic growth and its initial project focus, the development of the iconic Denver Design District, over time and subject to market, development finance, existing leases and risk-adjusted returns.*

- D4 Development LLC
  - Established February 2011 with Warren Cohen and Jim Frank
  - Denver-based development company that will focus on sustainable, mixed use, transport-oriented, urban development

- Denver Design District
  - Initial Project - transformation of DDD, over time
  - Initial Phase - Alameda Station Pilot Project
...VISIBILITY, ACCESSIBILITY AND PROXIMITY TO THE CITY, I-25 & BROADWAY WITH TWO LIGHT RAIL STATIONS SERVING THE SITE...
WHAT IS THE DDD?

- Highly strategic site ~1.5 miles from downtown Denver
- >900,000sf of existing improvements
- ~95% leased
- Served by 2 existing light rail stations, ~5mins walk from anywhere on the site
- Significant arterial road frontage to I-25 (~156,000 cars/day) and Broadway (~97,000 cars/day)
- Has iconic Denver Design Center as the regional-draw with Broadway Market Place tenants (Albertsons, K-Mart, Sam’s Club, Office Max etc) as local-draw
- The project has an approval for ~10M sf of mixed use space with a General Development Plan (GDP), approved in November 2008.
- D4 intends that the project will become a model for sustainable, mixed use, urban development in Denver and the USA *(over time & subject to market conditions)*.
...AND AT FULL BUILD-OUT, A COMPLETE COMMUNITY, REPRESENTING A BENCHMARK FOR DENVER, CO AND THE USA
...ACHIEVED THRU A POTENTIAL 10X INCREASE IN DENSITY BY VIRTUE OF THE GDP, APPROVED MAY 2009

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Low S.F.</th>
<th>% of Total</th>
<th>High S.F.</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design Center</td>
<td>400,000</td>
<td>4.9%</td>
<td>500,000</td>
<td>5.0%</td>
</tr>
<tr>
<td>Other Retail</td>
<td>500,000</td>
<td>6.1%</td>
<td>750,000</td>
<td>7.5%</td>
</tr>
<tr>
<td>Total Retail</td>
<td>900,000</td>
<td>11.0%</td>
<td>1,250,000</td>
<td>12.5%</td>
</tr>
<tr>
<td>Office</td>
<td>2,200,000</td>
<td>26.8%</td>
<td>2,600,000</td>
<td>26.0%</td>
</tr>
<tr>
<td>Education</td>
<td>150,000</td>
<td>1.8%</td>
<td>200,000</td>
<td>2.0%</td>
</tr>
<tr>
<td>Multifamily Units*</td>
<td>3,000</td>
<td></td>
<td>3,600</td>
<td></td>
</tr>
<tr>
<td>Multifamily S.F.</td>
<td>4,800,000</td>
<td>58.5%</td>
<td>5,760,000</td>
<td>57.5%</td>
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<tr>
<td>Limited Service Rooms**</td>
<td>150</td>
<td></td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Boutique Rooms**</td>
<td>200</td>
<td></td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Hospitality</td>
<td>150,000</td>
<td>1.8%</td>
<td>200,000</td>
<td>2.0%</td>
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<tr>
<td>Total S.F.</td>
<td>8,200,000</td>
<td>10,010,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FAR:</td>
<td>3.16</td>
<td>3.86</td>
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</tbody>
</table>

* Total S.F based on an average gross unit size of 1,600 S.F. (including common area and building core)
** Total S.F. based on an average room size of 425 to 575 (including common area and building core)
*** FAR assumes all parcels included in the plan are included for a total of 74.5 gross acres
THE CHALLENGE: TRANSFORMING THE CURRENT STATUS -> FUTURE VISION
...but scale creates the opportunity for a new and diverse city neighborhood
...COMPRISING DISTINCT AND COMPATIBLE PRECINCTS THAT LEVERAGE THE EXISTING ASSETS AND CHARACTER OF THE PLACE

**Retail Anchors**
- Retail with residential & commercial uses above
- Access & Visibility
- Mercado as amenity

**Transportation**
- Alameda Station as Phase 1 catalyst for the broader project
- Potential for mixed use

**Main Street & Residential**
- Bannock as vibrant “Main Street”
- Highest density of residential units
- Potential limited service hotel
- Design District spillover space

**Design Center & Education**
- Cultural heart of development
- Potentially expanded Design Center
- Potential boutique hotel with meeting space

**Office Campus**
- “Mid-Urban” corporate office
- Access to I-25 and Broadway Station
- Visibility and signage opportunities
...TO TRANSFORM THE DDD
PHASE 1: ALAMEDA STATION PRECINCT PRESENTS THE OPPORTUNITY TO TRIGGER THE INITIAL PHASE OF DEVELOPMENT

Current Analysis:
High-, low-density resi schemes Or
High-density Resi/Commercial Office Mix to achieve economic viability?
...AND IS BASED ON CRITICAL STAKEHOLDER ENGAGEMENT IE. PUBLIC/PRIVATE PARTNERSHIP “FINDING A COMMON INTEREST”
NEXT STEPS...

• **For D4 at DDD:**
  • Securing Phase 1/Alameda Station project in FY11
  • Determining subsequent Phasing Strategy
  • Successfully execute on Strategy *(subject to market, development finance, existing leases & risk-adjusted returns!)*

• **For D4 ex-DDD:**
  • Securing other TOD/Urban development opportunities during this phase in the property cycle
FURTHER INFORMATION

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