CURRENT LAND DEVELOPMENT OPPORTUNITY:

RETAIL & CONVENIENCE PARCEL

56TH & TELLURIDE

OFFERING MEMORANDUM

CBRE RETAIL | CBRE LAND
DENVER’S GLOBAL GATEWAY.

A NEW VISION FOR BUSINESS IN THE MODERN WEST.

Denver’s Global Gateway is an expansive and visionary development surrounding Denver International Airport (DEN), one of the most iconic airports in the world. Encompassing nearly 16,000 acres, this is the largest commercial land opportunity connected to any airport in the United States. Denver’s Global Gateway features a series of linked districts that appeal to a broad range of industry sectors and business categories.

The Strategic Development Plan leverages connections to the airport, the Denver metro region and nature, with best practices in sustainability and placemaking. Transportation infrastructure, including commuter rail and regional interstate access, is already in place with plans for transit connectivity throughout the commercial community.

For companies locating here, DEN offers nonstop connections to major US business markets in five hours or less and nonstop flights to more than 25 international cities. Now is the time to leverage the strength of Denver’s economy, the success of DEN and the vast amount of available land poised for development.
THE DISTRICTS AT DEN.

Denver's Global Gateway is comprised of a series of commercial districts that appeal to various industry sectors and business categories. Retail, hospitality, restaurants, entertainment, professional services, technology, agribusiness, research & development, light industrial and advanced manufacturing can find an ideal home here.

Each District has been designed with a unique character and thoughtful relationship to its surroundings, featuring urban amenities, a connection to nature, and a commitment to renewable energy and sustainability. Commuter rail, direct highway access and circulator transit connect the Districts and provide multi-modal access to DEN. Workers, travelers and visitors will enjoy shopping, dining, trails, an art walk, bison viewing, plane spotting and expansive views of the Rocky Mountains.

Business-ready Districts include a Smart City TOD at Peña Station Promenade, a 360-acre Innovation Campus designed for emerging sectors and R&D, a high-visibility Entertainment District at 72nd Ave. and Himalaya St., an Airport Lifestyle District at West Approach (the threshold to the Airport), and a Global Business Hub with immediate access to DEN terminals. More than 20 million square feet of prime commercial space is available.
LOCAL ENERGY. A REGIONAL ASSET. A GLOBAL CONNECTION.

Denver's Global Gateway is an unrivaled regional asset with significant benefits and amenities for multiple sectors of business, municipalities, counties, neighboring residents and travelers. It is positioned to leverage the metro area’s status as Forbes’ fourth-best place for business and careers. It’s also enhanced by neighboring cities and counties, including Commerce City, Aurora, Brighton, and Adams County. The DEN Real Estate team is working in partnership with all stakeholders to be thoughtful stewards of this opportunity and resource.

In fact, adjacent communities that are investing in and expanding housing will benefit from the workforce here. The people who live in northeast Denver will be able to work nearby, as well as enjoy the added recreational and entertainment amenities. With 16,000 acres of available land, this is a clean slate that is highly adaptable, viable and visionary. It’s an opportunity for seamless, managed growth that can flex and respond effectively to regional market demands.
REGIONAL BENEFITS

2ND MOST EDUCATED WORKFORCE
Metro Denver Economic Development Corp.

#1 BEST STATE ECONOMY

4TH BEST FOR BUSINESS & CAREERS
Forbes, 2019

#5 FASTEST POPULATION GROWTH IN THE UNITED STATES SINCE 2009
RETAIL & CONVENIENCE PARCEL

This site, referred to as the Retail & Convenience Parcel, is currently being offered as a ground lease with a negotiable term. The Parcel is located on the northwest corner of 56th Ave. and the future Telluride St. Once completed, Telluride St. will be the major connection to the Peña Station Promenade development with retail and hospitality amenities surrounding the commuter rail station already in existence. The Retail and Convenience Parcel is visible from 56th Ave. and from Peña Blvd. with strong residential commuter traffic counts and household demographics. A modern retail convenience oasis in a prime high-traffic location, the Retail & Convenience Parcel provides immediate access to the commercial Districts at Denver’s Global Gateway.

ENVIRONMENT:

Just south of the Smart City TOD, Peña Station Promenade 56th Ave. & Peña Blvd. (See map page 9)

PARCEL SIZE:

Up to 3.8 acres

ON-SITE HORIZONTAL PREP:

DEN will participate financially to provide a developable site by bringing all utilities and on-property roadway access to the site.

TAXES:

City and County of Denver property taxes will be levied on the possessory interest of the ground lease, private improvements upon the land and business personal property owned by any land lessee on the Retail & Convenience Parcel.

GROUND RENTAL RATES:

See the Request for Offer documents for details.

ACCESS & ROADWAY IMPROVEMENTS:

A Technical Engineering Plan (TEP) showing the improvements to 56th Ave., has been submitted by DEN to the City and County of Denver. The respondent will be responsible for implementing the approved TEP (anticipated Q1 2020) with financial participation from DEN. Development of the intersection at Telluride St. and site access from Telluride St. will be determined by TEP.
LOCATION HIGHLIGHTS:

• A highly visible location on a busy thoroughfare for commuting NE Denver region residents.

• Daily auto traffic estimated at 135,000.

• Over 40,000 nearby planned and existing single and multi-family residential units.

• Proximity to the Smart City TOD, Peña Station Promenade, providing commuter rail and access to DEN and downtown Denver.

AMENITIES:

• Designed with sustainability and walkability in mind, with sidewalks and multimodal access to First Creek.

• Adjacent to the existing trail providing direct access to the Rocky Mountain Arsenal Wildlife Refuge.

• Part of a world-class commercial community underway at DEN.

POTENTIAL PROGRAMMING:

The Retail & Convenience Parcel provides flexibility for a variety of development programming and site configurations. DEN Real Estate will consider program and site layout suggestions based on the needs of the market and the user.

The market suggests a fueling station and possibly a car wash as the anchor tenant. This area has land available for healthy quick-serve food options or a coffee shop.

DESIGN STANDARDS:

Subject to DEN Design Guidelines and Peña Station NEXT Design Guidelines.
RETAIL & CONVENIENCE PARCEL
Denver International Airport
SHOWCASING BEST PRACTICES IN DESIGN, MOBILITY AND SUSTAINABILITY.

The Retail & Convenience Parcel is on the main collector roadway to Peña Station Promenade, a 60-acre commercial neighborhood within the 382-acre Peña Station NEXT District. This District is the southern threshold to Denver’s Global Gateway.

This District is a living laboratory for smart city technology, sustainability and innovation, stretching across seven walkable blocks and offering 1.5 million square feet of commercial development. Panasonic has its net-zero energy campus here. The District is also ideal for other progressive companies, hospitality, retail and education. Workers and guests can access nearby trails connecting to the Rocky Mountain Arsenal National Wildlife Refuge, and vibrant open civic spaces.

Peña Station Promenade is strategically located along the A-line commuter rail, connecting DEN with downtown Denver. By rail, DEN is just 11 minutes to the east, and downtown Denver’s Union Station is 27 minutes to the southwest.
Development at Retail & Convenience Parcel will incorporate the multi-modal connections envisioned for Denver's Global Gateway, while providing convenient services for the community, and active retail uses for the neighboring communities. As part of an emerging commercial corridor along 56th Ave., development should provide for a pedestrian-friendly site layout and should address 56th Ave. in an urban form. The market suggests a fueling station and possibly a car wash as the anchor tenant. This area has land available for healthy quick-serve food options or a coffee shop.
As DEN’s first development within Peña Station Promenade Smart City TOD, site and building design will be important components of establishing the character of the future neighborhood and representing the DEN brand. The City of Denver recently completed the Far Northeast Area Plan (the “Plan”), which identified a lack of healthy food and beverage options in the market area. Consideration should be given the Plan, which has been approved by Denver City Council. Additionally, there is a desire to incorporate sustainability into the project to help to meet the City’s sustainability standards. For more guidance on DEN’s design and development standards for the Retail & Convenience Parcel, see the Request for Offer documents.
DESIGN REVIEW & APPROVAL

Design and Development plans will be reviewed and approved by DEN's RFO Evaluation Panel. Upon selection of a ground lessee, and up until submission for building permit, the proposed development will be reviewed for compliance with the criteria set forth in the Request for Offer documents.

UTILITIES

DEN will provide wet (water and sewer) and dry (natural gas, electrical power, and telecom) utilities to the site. These will be adequate to service a proposed retail development. The site is serviced by Xcel Energy (gas and electric) and the City of Denver (water and sewer).

TAXES

City and County of Denver property taxes will be levied on the possessory interest of the ground lease, private improvements upon the land and business personal property owned by any land lessee on the Retail & Convenience Parcel.

OWNERSHIP INFORMATION

The City and County of Denver, through its Department of Aviation (DEN) is the owner of the Retail & Convenience Parcel. The use is also subject to oversight by the FAA. DEN has determined that within FAA guidelines, the Retail & Convenience Parcel will be for non-aviation purposes. The primary uses will be for commercial development. Ownership requires ground lease.
MARKET OVERVIEW

NORTHEAST DENVER & THE RETAIL & CONVENIENCE PARCEL

With easy access to DEN and Denver via Peña Blvd. and close proximity to Interstate 70 and E-470, this submarket and Retail & Convenience Parcel is a convenient location for retailers and consumers alike.

The immediate area benefits from residential density totaling 39,268 dwelling units (DU’s).

The majority of the retail development in the immediate area has occurred to the south along Tower Rd. near Interstate 70. King Soopers (Kroger), Walmart and The Home Depot are all located to the south of Retail & Convenience Parcel.

A small-shop development was completed in 2018 along Tower Rd. just north of 56th Ave. and many hotels, including the high-capacity Gaylord Resort & Convention Center, are experiencing strong performance.

DEN is the workplace to approximately 30,000 employees who commute to and from work, while 64.5 million passengers travel in and out of DEN annually (2018).
MARKET OVERVIEW

DEMOGRAPHICS

RETAIL & CONVENIENCE PARCEL

2019 POPULATION
3 MILES 73,083
5 MILES 125,123

2024 POPULATION
3 MILES 81,336
5 MILES 137,121

3 MILES 5 MILES

3 Miles 5 Miles

2019 DAYTIME POPULATION
3 MILES 56,866
5 MILES 149,615

HOUSEHOLDS

2019 Households - Current Year Estimate 21,301
36,884

2019 AVERAGE HOUSEHOLD INCOME
$81,179
$77,053

2019-2024 ANNUAL POPULATION GROWTH RATE

3 MILES
2.16%
1.85%

5 MILES

Source: CBRE Fast Report Powered by ESRI
MARKET OVERVIEW MAP

COMPETITIVE GAS SITES

RETAIL & CONVENIENCE PARCEL
±3.8 ACRES
<table>
<thead>
<tr>
<th><strong>LEASED PREMISES</strong></th>
<th>DEN seeks entities to lease all or a portion of the parcel.</th>
</tr>
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<tbody>
<tr>
<td><strong>DESIGN GUIDELINES AND APPROVAL</strong></td>
<td>The property is zoned DIA under Section 9.5 of the Denver Zoning Code. DEN will require that all respondents’ development plans conform to the design standards identified in the Request for Offer documents.</td>
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<tr>
<td><strong>GROUND LEASE TERM</strong></td>
<td>Term to be proposed by respondent (minimum term of 10 years)</td>
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<td><strong>GROUND RENTAL RATE</strong></td>
<td>Further defined in the Request for Offer documents.</td>
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<tr>
<td><strong>INFRASTRUCTURE CHARGE</strong></td>
<td>The Gateway Regional Impact Fee and a DEN Peña Station Infrastructure surcharge will be assessed as fee based on actual use and square footage, for its use of existing regional infrastructure and infrastructure within the PEÑA Station NEXT, respectively. See the Request for Offer documents for additional information.</td>
</tr>
<tr>
<td><strong>SITE IMPROVEMENTS AND ACCESS</strong></td>
<td>DEN will participate financially to provide a develop-able site by bringing utilities and off-property roadway access to the site. A Technical Engineering Plan “TEP”, showing the improvements to 56th Ave., was submitted by DEN to the City and County of Denver. The respondent will be responsible for implementing the approved TEP with financial participation from DEN. Development of the intersection at Telluride St. and site access from Telluride St. will be determined in cooperation with the City and County of Denver and agreed upon between DEN, and the respondent during lease negotiations. Respondent may also be required to participate in the siting and placement of an existing gas pipeline adjacent to the site.</td>
</tr>
</tbody>
</table>
DEN will accept and review offers as set forth in the Request for Offer documents. To access the RFO, visit http://business.flydenver.com/bizops/denrealestate.asp.

The offering opportunity is for any development of the parcel, up to 3.8 acres. The parcel can be used for a variety of uses. The offers should articulate the type of development project the respondent believes has the greatest viability.

The City reserves the right to revise the Offering Memorandum documents (including, but not limited to the Request for Offer documents) at any time up to the time set for submission of the offers. Any such revision(s) shall be described in addenda to the Request for Offer documents which shall be posted on the DEN Real Estate Website at:

PARCEL CONDITIONS

1. All property will be leased in “as-is” condition, without representation or warranty as to physical or environmental condition of the land or any existing structure.

2. DEN makes no representations or warranties regarding the character or extent of soil or subsurface conditions or the conditions and existence of utilities that may be encountered during the course of any work, development, construction, or occupancy of the site.

3. Any selected lessee will be responsible for undertaking an independent analysis of the site conditions including any environmental, health, and safety issues and will not be able to rely on any reports or information related to such issues provided to the selected lessee or purchaser.

OFFER, PRE-DEVELOPMENT AND DEVELOPMENT COSTS

1. Respondents should draw independent conclusions concerning conditions that may affect the methods or cost of development.

2. Respondents bear the risks of all submittal costs and expenses. DEN has no obligation to reimburse any parties at any time for submission costs.

3. Any due diligence that respondents wish to perform will be included in the ground lease to be negotiated with the successful respondent. Respondents shall be solely responsible for all pre-development (including due diligence studies such as traffic, geotechnical, storm water management and other site preparations) and costs.

4. Respondents shall be solely responsible for all costs related to obtaining necessary permits, approvals, clearances and licenses.

5. DEN makes no representations or warranties of any kind regarding any information provided or made available to respondents as part of this RFO, including in that limitation, any documents identified in, or included on, the DEN Contract Procurement Website.
Respondents acknowledge that the City is subject to the provisions of the Colorado Open Records Act, Colorado Revised Statutes §§24-72-201 et seq., and all documents prepared or provided by a prospective respondent to the City may be subject to the provisions of the Colorado Open Records Act. Accordingly, all Confidential Information transmitted in writing during the procurement should be labeled as such.

**AFFILIATED BUSINESS DISCLOSURE**

CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in the property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgement of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

**DISCLAIMER**

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all-inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward-looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs. ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner. PMStudio_December2019