

BUILDING **BEYOND**

DENVER

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Spotlight

Message from **Mark**



Mark Rauenhorst
President & CEO
The Opus Group

As we enter the new year, Opus recognizes the resurgence in office development as a dominant industry trend. With nearly 55 years of experience in this sector and a proven design-build approach, our goal is to help clients achieve quality with the greatest value.

The office sector is poised for growth because of increased job opportunities, reduced vacancy rates and strong absorption in most markets. Increasingly corporations are investing in facilities that go beyond functionality to incorporate elements that offer optimum comfort to employees, in turn helping meet organizations' business goals, including productivity and employee retention.

With a greater demand than existing supply for office, Opus is being tapped to respond. In fact, we're seeing more highly customized build-to-suit projects and a greater interest in sustainable building techniques.

In Minneapolis, we signed office development projects with Cargill and UnitedHealth Group, 450,000 square feet and 350,000 square feet, respectively. In the Chicago area, Opus is developing more than 650,000 square feet of office space. On the East Coast, Opus has more than 1 million square feet of build-to-suit and speculative office space under development.

Our office portfolio totals nearly 600 completed projects. We've achieved this breadth of experience because our design-build approach focuses on collaborating with clients. For example, Northwestern Mutual surveyed its employees to identify what amenities were important to them. Opus is incorporating many of the ideas into the corporate campus that is projected to total 1.9 million square feet.

We look forward to another great year ahead and opportunities to partner with clients and communities to bring high-quality and customized projects to fruition.

Opus Northwest **Perspective**

Considerable efforts and dedication resulted in a very successful year for the Opus Northwest team. Record revenues were generated from a diverse mix of projects. A balance of third-party design-build retail, multifamily, mixed-use, industrial, and office projects made 2006 strong, and that success will carry into 2007.

Opus Northwest is experiencing an increased demand for office. Currently, we're developing office facilities for quality organizations such as Medtronic, Select Comfort, Cargill, Comcast, Capital One Financial, Farmers Insurance and the Environmental Protection Agency.

I am very proud of the people at Opus Northwest who, in addition to giving their time to charities, identified more than \$900,000 of worthy causes to which Opus Northwest contributed. Making the communities where we do business better places to live, work, and play is part of Opus' culture.

We look forward to working with you and striving for continued success in 2007.



John Solberg
President & CEO
Opus Northwest, L.L.C.

N A L

› Project Spotlight



Northwestern Mutual Franklin Campus
Franklin, Wis.

It all started with a request from Northwestern Mutual for Opus' Milwaukee office to find land suitable for the rapidly growing company's new corporate campus. A relationship that was built on trust quickly grew into a full-fledged partnership, with Opus playing a lead role in developing the first two phases of the 1.9-million-square-foot corporate campus in Franklin, Wis.

Working with Northwestern Mutual and local architectural firm Eppstein Uhen, Opus transformed the site of a former drive-in theater into a place where employees are proud to work.

The campus fosters collaboration and flexibility through large floor plates, open work stations, and many conference rooms – from large meeting areas to mini conference rooms that can be used for things such as manager/employee conversations.

The facility includes an on-site, fully staffed health clinic, a fitness center, credit union, print-to-mail operation, full-service cafeteria, company store, 15-foot exterior waterfall and



Employee cafeteria
Northwestern Mutual Franklin Campus
Franklin, Wis.

walking trails throughout the 84-acre campus. One of the most popular aspects of campus life in Franklin is Northwestern Mutual's business lunch program, which includes a wide array of healthy menu selections offered at no cost to employees.

"At first, the idea of a satellite campus 12 miles from our main headquarters in downtown Milwaukee represented what amounted to a big change for the employees who would be moving to a new location," said Mike Skorstad, assistant facilities director for Northwestern Mutual. "But now that everyone has settled in, there's general agreement that Franklin is a great working environment."

In addition, Opus worked carefully to ensure the data center had reliable power, superior humidity and temperature controls, plus low static and high-end water detection systems.

Currently, approximately 1,100 people work in the first building, which was completed in 2004. Phase II is scheduled to be complete in the fall of 2008 and will house approximately the same number of employees.

› The Latest

Happy new year from the Denver office of Opus Northwest, L.L.C. We're excited to welcome 2007 because it promises to be an exceptional time for us as we continue to deliver high-quality projects inside and outside the Denver metropolitan area.

In 2006, we celebrated a number of successes, including our move into the multifamily market with the launch of The Pinnacle at City Park South, the completion of the new Environmental Protection Agency (EPA) Region 8 Headquarters in Lower Downtown Denver – one of the greenest buildings in the state – and the completion of the Cambium Learning Center warehouse in Frederick, Colo.

And 2007 won't be any less productive. With the launch of our new mixed-use project at 1400 Wewatta in Lower Downtown Denver and our expansion to the Western Slope, the new year is already filled with outstanding opportunities to create great new projects, both for our business and our community.



Marshall M. Burton

Vice President &
General Manager
Opus Northwest, L.L.C. –
Denver

Marshall

› Meet the Team: **Amy Smith**

Position: Senior Property Manager

Education: Bachelor's degree in journalism from Indiana University

Business Focus: Amy's recent focus has been on understanding and managing green buildings to their highest performance levels. Amy was named Property Manager of the Year for 2006 by Opus Northwest.

Previous Work: Amy has more than 23 years experience managing office, industrial, retail and residential properties.

Family: Amy lives with her husband Jim and their two cats Punky and Buddy.

Home: Amy is a Colorado native, who grew up in Indiana and returned to settle down in Denver.

Hobbies: Classical piano and spending time in the mountains

Contact: amy.smith@opusnw.com or 303.383.4253



Amy Smith

Senior Property Manager
Opus Northwest, L.L.C. –
Denver

› Industry News

Recently Andy Deckas, senior vice president and chief investment officer for Opus, had an opportunity to ask questions of industry economist Peter Linneman, Ph.D. concerning his perception of the real estate industry as we enter 2007.

Q: Is now a good time for new development? If so, what type and what geographical area(s)?

A: For office, most markets are nearing balance after excess supply for almost six years. Absorption will continue to occur. Corporate profits are high and corporations are feeling good about making investments. I project the next two years to be an excellent time for development, especially for smaller projects that can be delivered in a two- to three-year window. My concern is that within a year after the next election we'll have a bit of a recession – nothing drastic – so the faster you can get product stabilized and turned around, the better from the office perspective.

In terms of industrial space, it took a long time for it to resurge because of a discrepancy with inventory, but now it's in balance in most markets, making this the best time for development in this sector in the past seven to 10 years. The dotcom period made it look like a good time for development but so much was driven by an industry that didn't have cash flow.

Q: Is there a question that we, as real estate developers and brokers, should be asking?

A: Truthfully, we're in an extremely good development period; yet, the history of the United States and all developing economies demonstrates that hiccups occur. The best question to ask from a risk management and strategic planning point of view is **when will the next hiccup occur?**

With gridlock in Washington, D.C., and plenty of capital, companies will not be inhibited to expand during the next couple of years. I do anticipate the next inhibitor to accompany the 2008 national elections. Political affiliation aside, a change of leadership means that there is uncertainty in direction. Imagine a company that makes up 20 percent of the economy having a new CEO and corporate strategy and you don't know what it is. This scenario would cause everyone who interfaces with the company to be cautious. Until then, this is the unanswered question the industry should be asking.



Peter Linneman, Ph.D.

Principal of Linneman Associates



Andy Deckas

Senior Vice President & Chief Investment Officer
The Opus Group

› Profile: Peter Coakley

It's "back in the saddle again" for Peter Coakley at Inverness Properties, LLC. Coakley started his real estate career at Inverness in 1981, as an in-house broker, working with John O'Meara. Through the years, he has held key marketing positions with Premisys Real Estate Services, Grubb & Ellis, Transwestern Commercial Services and McWhinney Enterprises.

Nearly a year ago, Coakley rejoined Inverness Properties as a principal. In this role, Peter heads up the firm's brokerage activities and is involved with new development activities, dispositions and acquisitions.

Coakley is an avid outdoor enthusiast, involved in cycling, skiing and fishing and enjoys traveling with his wife, Pam, and their children, Kate and Chris. Peter has been active in a number of civic organizations and currently serves on the Board of Directors for Special Olympics Colorado.

Inverness Properties and Opus Northwest, L.L.C. have collaborated on more than \$100 million of real estate development and sales during the past 10 years and are jointly seeking new opportunities, particularly in the southeast suburban Denver marketplace.



Peter Coakley

Principal
Inverness Properties, LLC

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Local Projects

- **Compark Industrial Complex – Lot 3 (Building B)** – This 64,800-square-foot single-story building is located in the Compark Business Campus along E-470 in Englewood, Colo., just one mile east of Interstate 25, between the Peoria and Potomac/Chambers interchanges. This front-park, rear-load warehouse at Lot 3 includes Early Suppression Fast Response (ESFR) sprinklers, 24-foot clear storage, a dock ratio of two per 1,000, and above-standard electrical availability. The industrial building sits on 8.5 acres. The distinctive business culture on the Compark campus is supported by a network of bike and jogging trails and corporate and neighborhood retail services.

Opus Contact: James Mansfield at 303.383.4226 or james.mansfield@opusnw.com



Compark Industrial Complex
Englewood, Colo.

- **1400 Wewatta** – Located adjacent to Cherry Creek at the gateway to Lower Downtown, 1400 Wewatta will be the first Central Business District Class AA office project constructed since 2001. The mixed-use project will feature more than 300,000 square feet of premium office space and is located a block from the Union Station transportation hub and the Pepsi Center, Denver's premier event and entertainment venue.

Available office spaces for rent include 21,000- and 26,000-square-foot floor plans. Luxury residential units comprise the top three floors for individuals who enjoy the amenities and conveniences that Lower Downtown living has to offer. A 515-space underground parking garage will be dedicated to the office portion of the development and includes in-building visitor parking. Secured parking for the luxury residences is segregated from the office parking.

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1400 Wewatta
Denver



EPA Region 8 Headquarters
Denver



The Shoppes at Arapahoe Commons
Aurora, Colo.

- **Environmental Protection Agency Region 8 Headquarters** – Opus recently put the finishing touches on a new home for the Environmental Protection Agency’s Region 8 Headquarters. The highly-sustainable 292,000-square-foot building designed and built by Opus, in partnership with the Government Services Administration, has set the standard for green design in the Denver region with the building expected to achieve a LEED® Gold certification. Water efficiency was a key project goal given Denver’s scarce water resources. The use of high-efficiency and waterless plumbing elements throughout the building will bring an estimated 49 percent savings in water use.

The building, which offers employees panoramic views of the Rockies to the west and downtown Denver to the east, also boasts Denver’s first green roof and energy-saving features, such as external shading devices, Energy Star® HVAC equipment, occupancy sensors and occupant-controlled, under-floor air distribution. This combination of smart design enables the building’s overall energy to outperform the ASHRAE baseline by 39 percent.

Opus Contact: Marshall Burton at 303.383.4221 or marshall.burton@opusnw.com

- **The Shoppes at Arapahoe Commons** – The Shoppes at Arapahoe Commons, located on the northeast corner of Arapahoe Road and Jordan Road in southeast Denver, will feature 15,000 square feet of retail space plus six pad sites available for lease or sale. The 10-acre site sits on a high traffic corner with 72,000 cars using the intersection on a daily basis. Additionally, nearly 200,000 people live, 10,000 businesses are located and more than 125,000 employees work within a 5-mile radius. The project is slated to begin construction this spring.

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› Denver Project Spotlight



The Pinnacle at City Park South Denver, Colorado

Work on The Pinnacle at City Park South, the crown jewel of the City Park South redevelopment, is speeding along with a topping out of the first 27-story tower planned for April and the first residents scheduled to begin occupying in October.

The project features two 20-plus-story condominium towers and 18 ParkHomes designed and built with quality and elegance. Led by the Denver office of Opus Northwest, L.L.C. and Boulder-based Income Property Specialists, The Pinnacle is perfectly located at the center of all Denver has to offer.

Sales reflect this reality. The first tower is 75 percent sold, the ParkHomes are 50 percent sold and sales of the second tower already started.

With amenities including a state-of-the-art workout facility, rooftop pool, media room, wine room and door attendant, The Pinnacle is attracting everyone from young professionals to empty nesters longing for convenience, location and comfort.

The Pinnacle's 271 homes will offer stunning views with floor plans suited to every buyer. Tower One will have 142 units with one-, two- and three-bedroom floor plans available and unit square footage ranging from 940 square feet to 3,461 square feet.

Tower One will be wrapped on two sides with four-story structures offering 18, two-story ParkHomes. These two-story units, ranging from 1,596 square feet to 2,209 square feet, feature nine-foot ceilings. Upper units have the option of a private rooftop deck while lower units have private garden-level outdoor terraces. Corner ParkHomes have two-story vaulted ceilings. This design along the perimeter of the high-rises will help the buildings blend into the fabric of the neighborhood and will create a pedestrian-friendly street experience.

Much like its sister tower, Tower Two will be a 22-story structure with 111 units available with one-, two- and three-bedroom floor plans. The second tower also will be capped with two elegant penthouses.

› Denver Contacts

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