

THE FRONTIER CENTER

PRESENTED BY:

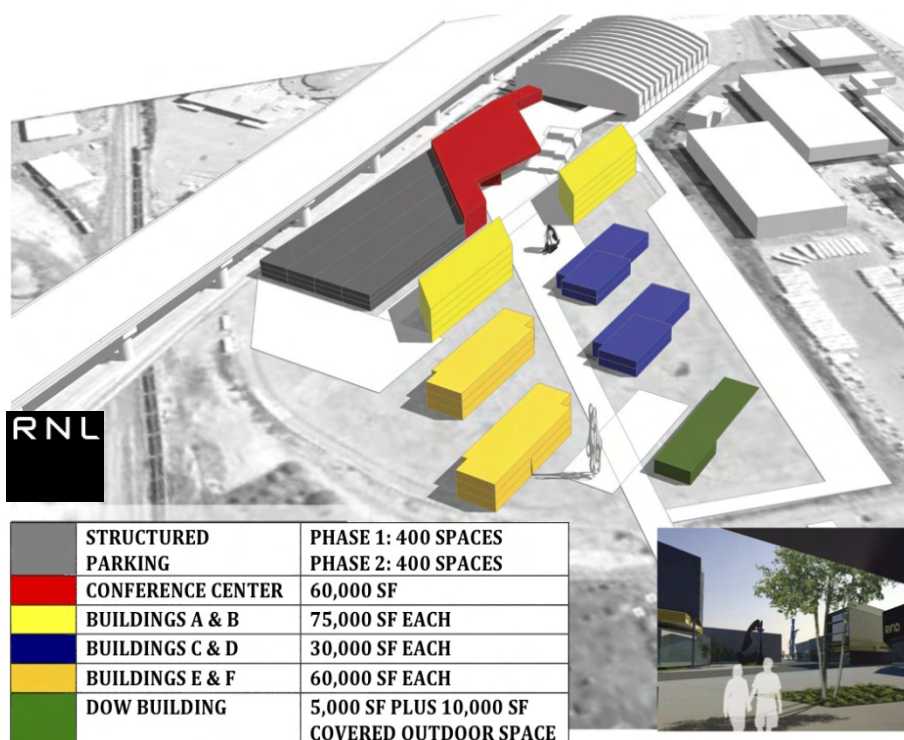
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Catalyst Development from the University of Denver

EXECUTIVE SUMMARY

Development Plan

To build upon the City and County of Denver's vision and bring new life to a site rich with culture, heritage and possibilities, Catalyst Development (Catalyst) presents the Frontier Center, a redevelopment rooted in tradition, with a focus on the future. The redevelopment will create new jobs for the community, and generate alternative uses that extend beyond the site. On the 45.8-acre development site, the Denver Coliseum structure will remain in its current location with new development occurring on the existing surface parking lot. Catalyst's proposed redevelopment is an agriculture-technology (agri-tech) center that will drive knowledge, innovation, and spur sustainable job growth, a use that builds upon the existing relationship with the National Western Stock Show (NWSS).

- **Coliseum** - Expand existing operations by updating mechanical systems, allowing for year-round usage.
- **Conference Center and Plaza** - Construct 60,000 SF conference center and 20,000 SF plaza to improve event facilities for the NWSS and attract new users and events to the site.
- **Parking** - 800 space, three-story parking garage constructed in two phases. Located on the northwest portion of the site. Additional 1,000 surface parking spaces at final build-out.
- **Globeville Landing Park** - Expand existing 14.42 acre park by integrating an additional 2 acres of existing parking lot. The Greenway Foundation and the Division of Wildlife (DOW) will build a 5,000 SF river education center.



- **Frontier Center** - A phased campus of office, flex-tech and lab space will provide for the expansion of existing and growing companies in sectors complementary to the NWSS, such as agriculture, bio-science, veterinary, and renewable energy, all of which require more advanced, non-traditional office space. Partnerships have been formed with the technology transfer offices from the following research institutions: Colorado State University, University of Colorado, School of Mines, and National Renewable Energy Lab (NREL). The site will include new state-of-the-art facilities built over three phases: the business development phase, the implementation phase, and the expansion phase.
 - *Phase I* - Two 75,000 SF buildings containing flex-tech office, incubation pods and shared lab space
 - *Phase II* - Development of two 30,000 SF flex-tech buildings with options for office, research and development space, light assembly, and distribution
 - *Phase III* - Includes two build-to-suit facilities with the focus of providing additional on-site expansion for current or future tenants

Business Model

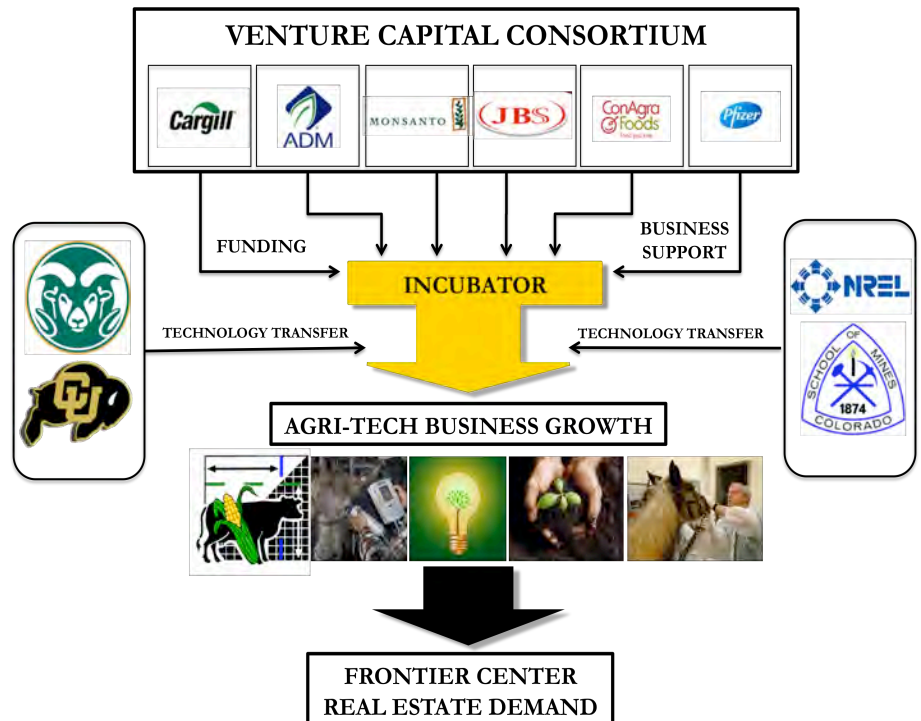
The Frontier Center will connect multinational agricultural corporations to the technology transfer offices at leading research institutions including Colorado State University, University of Colorado, and Colorado School of Mines. These research institutions have existing incubation facilities that provide seed stage business support, which allows for prototype product development and business growth.

Colorado State University has stated that they have an interest in partnering with Catalyst and CCD to assist with the commercialization of their graduating incubation companies. The Frontier Center, through Catalyst's partnership with the Venture Capital Consortium, has created an atmosphere where the next level business and financial support can be made available to these graduating companies. In the past 10 years, companies coming out of Colorado State University's technology transfer office and incubation facility have:

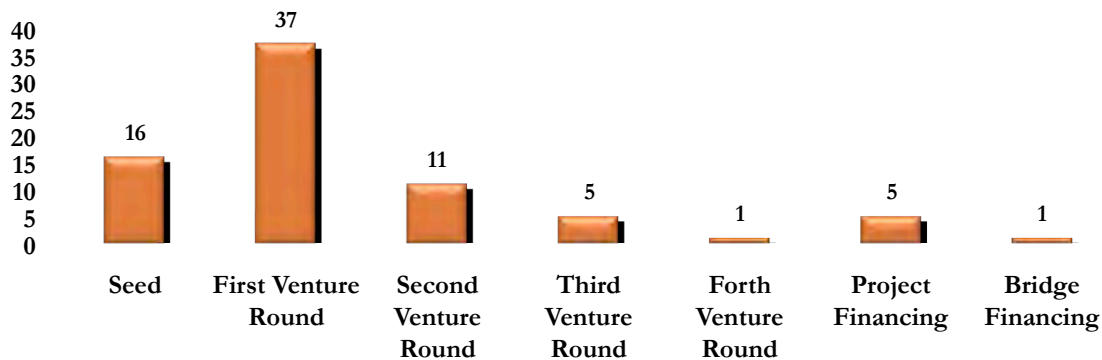
- Received over \$250 million in private funding, and \$100 million in federal grants
- Produced 18 startup companies
- Created over 900 new jobs for the citizens of this state

To complement the agricultural business development center, a second building will be constructed that focuses on attracting venture capitalists and entrepreneurial companies that invest in and commercialize renewable energy products. According to the National Renewable Energy Laboratory (NREL), there is currently a race between Denver and Austin, Texas, to become the central hub for what NREL calls "Clean-Tech", including: solar, wind, biomass, bio-fuel, and bio-energy.

The Frontier Center development provides space for emerging companies that are completing prototypes, establishing pilot facilities, and developing initial products.

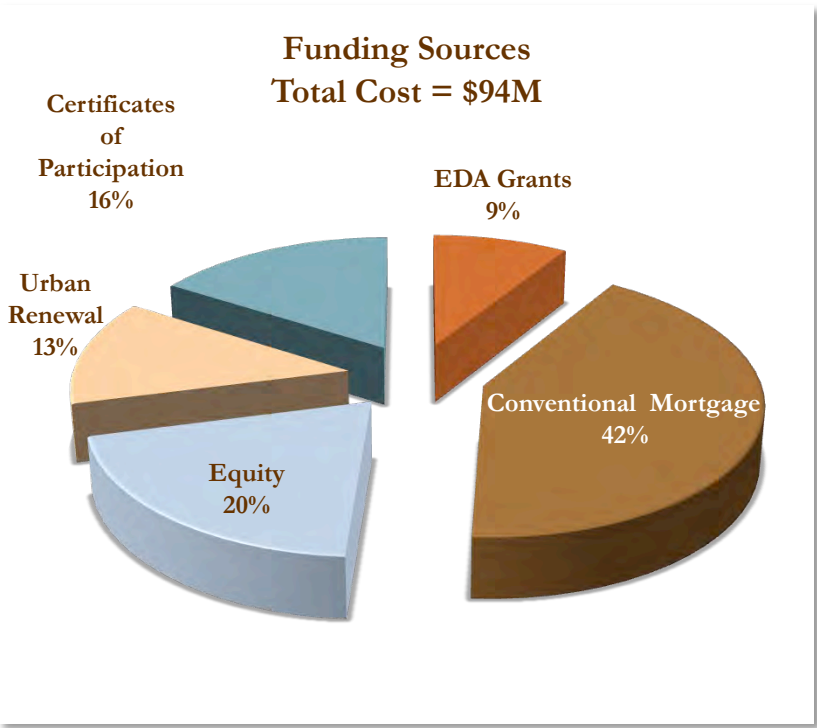


Colorado Renewable Energy Companies in Approved Financing Stages (2009)



Financials

Catalyst Development proposes a combination of public and private funding to construct the Frontier Center, including certificates of participation, the creation of an urban renewal authority, private equity investment, and conventional mortgage financing. Catalyst recommends that the City and County of Denver pursue the issuance of \$15 million in Certificates of Participation backed by an annual appropriation promise, to construct the proposed conference facility, prepare the site for vertical development, and maintain/upgrade the Coliseum. Additional public financing totaling \$16 million will be obtained through a new urban renewal authority with property tax increment financing, and parking fees will provide ample revenue to facilitate the repayment of this debt. Catalyst has identified \$8.63 million in financing that can be obtained from the Economic Development Administration, specifically oriented to development that attracts and retains high-technology employers in economically distressed areas. Finally, private equity investment from a consortium of venture capital firms, paired with conventional mortgage debt will fund the remainder of all private development on the site.



The Frontier Center will utilize an innovative phased ground-leasing scenario for the construction of all vertical development. Catalyst, as the master developer, will obtain an individual 99-year ground lease from the City of Denver for each of the individual developable lots. As the owner of the leasehold position, Catalyst will sublease each lot as phased vertical development occurs. By entering into an additional ground lease for each vertical building, Catalyst creates a “sandwich” leasehold position. Catalyst will then have the ability to finance its “sandwich” leasehold position with an unsubordinated lease. Each building in the Frontier Center functions in a separate leasehold position, enabling more advantageous financing terms and maximizing the flexibility of the proposed phasing scheme. At completion of the proposed buildings, Catalyst estimates an equity return of 18.7% over 10 years for all private construction at the Frontier Center.

