

# 1900 SIXTEENTH



**EXECUTIVE SUMMARY**  
DENVER, CO



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# EXECUTIVE SUMMARY

# THE OFFERING

Jones Lang LaSalle Americas, Inc. (“JLL”), has been exclusively retained to present the rare investment opportunity to acquire 1900 Sixteenth (the “Building” or “Property”), an iconic and irreplaceable trophy office asset located adjacent to Union Station in the Lower Downtown (“LoDo”) neighborhood of Denver.

Developed in 2009 with sustainability and ESG as a focus of the design, the 17-story, 406,367 square foot (“SF”) tower has attained a globally unique achievement as the only multi-tenanted building to hold three simultaneous certifications of LEED Platinum (EB), LEED Gold CS (Core and Shell), and LEED A (Commercial Interiors) of 100% tenanted space.

Ideally located in LoDo, the most sought-after and activated location in the city, 1900 Sixteenth is unmistakable and defines the skyline as one of the tallest office buildings in the neighborhood. Situated adjacent to Union Station, 1900 Sixteenth is just steps away from every form of public transportation Denver has to offer. Additionally, nearby developments including new hotels, restaurants, and high-end apartments make 1900 Sixteenth one of the most walkable and desirable office locations in the Western U.S.

**Currently 87% leased to a desirable roster of tenants including Meta, PricewaterhouseCoopers, and Dynatrace, 1900 Sixteenth remains one of the most in-demand buildings in the entire market. The Building boasts continued leasing demand and significant rental rate growth year after year, exemplified by over 346,000 SF of new leases, renewals and expansions signed since 2021 alone, repeatedly setting new high-water mark rental rates for the Building.**

# THE OFFERING

The two-story lobby at 1900 Sixteenth was completely renovated in 2021 and has established a new benchmark in the market for quality and experience. Additionally, the Property includes 1.3:1,000 SF parking across one-level of executive under-building parking and within a 6-story parking garage. The garage, located at 1515 Delgany St (“Garage”) also provides the unique opportunity to potentially develop approximately  $\pm 150$  units of residential or  $\pm 150,000$  SF of office on top of the existing parking structure.\*

**1900 Sixteenth is an exceptional investment opportunity to acquire a trophy asset with an irreplaceable location, at a discounted basis of 33% below replacement cost, along with a stable revenue stream, and future mark-to-market upside. 1900 Sixteenth has never been available for sale since it was built and is a one of a kind opportunity in downtown Denver’s best neighborhood.**

# SELLER FINANCING

**The Seller has owned and invested in the Building since it was constructed, and will provide Seller financing at compelling terms.**

\*Subject to due diligence by the investor.

# INVESTMENT HIGHLIGHTS



## CONFLUENCE OF LODO, UNION STATION & LOHI

1900 Sixteenth is ideally located in LoDo, Denver's most coveted mixed-use submarket, with proximity to public transportation, walkable amenities, and is also just 0.6 miles from the ideal resident and employee concentration found in LoHi.



## IN-DEMAND & SUPPLY-CONSTRAINED SUBMARKET

With a current vacancy rate of 9.6% LoDo is the most sought-after submarket in downtown Denver for investors and tenants. It has no significant remaining office development sites, and Class A buildings have consistently experienced positive absorption since 2008.



## ICONIC, IRREPLACEABLE & BELOW REPLACEMENT COST

1900 Sixteenth features state-of-the-art construction, prominent skyline identity, abundant parking, and tremendous views at a reduced basis significantly below replacement cost.



## CREDIT TENANTS & GLOBAL BRANDS

1900 Sixteenth's irreplaceable location and ability to scale has attracted a diverse tenant base who value the location's importance in attracting and retaining an engaged and educated workforce.



## TENANT DEMAND

Over 346,000 SF of new leases, renewals and expansions signed since 2021 alone solidifies 1900 Sixteenth as one of the most resilient and desirable buildings in the Denver metro.



## A LEADER IN THE MARKET

1900 Sixteenth competes with newer vintage buildings and out-captures tenant demand as a result of the sought-after amenities, continued investment by Ownership, and irreplaceable location.



## ESG CENTRIC DESIGN & OPERATION

1900 Sixteenth is the only multi-tenanted building holding three simultaneous certifications: LEED Platinum (EB), LEED Gold CS (Core & Shell), LEED Certified for Commercial Interiors.



## LIMITED CAPEX REQUIRED

1900 Sixteenth has been impeccably managed and consistently improved since delivery, including a complete renovation of the lobby in 2021, and limited near-term capital investment required.



## SELLER FINANCING AVAILABLE

Seller is offering fixed financing with defined terms for a period of 5 years.



# PROPERTY SUMMARY

**OFFICE BUILDING ADDRESS:** 1900 16th Street, Denver, CO 80202

**PARKING GARAGE ADDRESS:** 1515 Delgany Street, Denver, CO 80202

**BUILDING SIZE:** 406,367 SF<sup>1</sup>

**YEAR OF CONSTRUCTION:** 2009 (with \$3.7M invested since 2021)

**STORIES:** 17

**AVERAGE FLOOR PLATE:** 23,561 SF

**PARKING RATIO:** 1.3:1,000 SF

**CEILING HEIGHT:** Slab-to-slab: 14' | Finished ceilings: 9'4"

**% LEASED:** 87%, adjusting to 82% in March 2025 after Meta right-sizes and extends

**WALT:** 7.7 years

**YEAR 1 IN-PLACE VS. MARKET RENT:** \$36.26 vs. \$40.00 NNN (10% below market)

## AWARDS & CERTIFICATIONS:

Only multi-tenanted building holding three simultaneous certifications:

- LEED Platinum (EB)
- LEED Gold CS (Core & Shell)
- LEED Certified for Commercial Interiors

## DEVELOPMENT OPTIONALITY:

Approximately 150 residential units or 150,000 SF office<sup>2</sup>

<sup>1</sup>The Building's last two leases were updated to BOMA 2017 standards, presenting the Investor an opportunity to continue this trend and grow the Building from 406,367 SF to 415,225 SF.

<sup>2</sup>Subject to due diligence by the investor.



# IDEAL LODO LOCATION

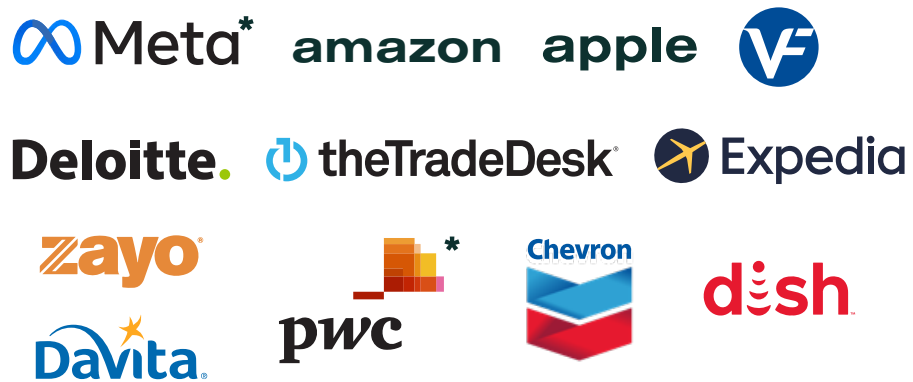
1900 Sixteenth is in the heart of LoDo and is next-door to Union Station, the city's flagship transit hub. With its ideal location, 1900 Sixteenth has emerged as a major hub for its tenants whose employees have the ability to fly into DIA, take the train to Union Station, and arrive at the Building within a 4-minute walk. LoDo is a thriving mixed-use destination within Denver's CBD and is undeniably the preferred location for new in-migration tenants, existing Colorado companies, and the employees they want to hire.

Differentiated by its European feel, LoDo is walkable, pedestrian-friendly, and provides immediate access to public transportation. LoDo is a bustling neighborhood with a variety of restaurants, bars, and shops, which makes it an attractive location for businesses that want to be in a lively and dynamic area.

**LoDo is the most in-demand location in the Metro and is supply constrained with no remaining office development within 5 blocks of Union Station. 1900 Sixteenth's scale, location, and appeal to nationally and globally recognized tenants cannot be replicated and will not be threatened as the opportunity to develop similarly located office product with these key features does not exist.**

## CORPORATE HUB

LoDo is known for its talented workforce and is the preferred location for the world's best companies.



\*Tenants at 1900 Sixteenth



# TENANTS IN THE MARKET CHOOSE LODO

JLL IS CURRENTLY TRACKING **1.84M SF** OF ACTIVE TENANT DEMAND IN THE DENVER CBD FROM 100 REQUIREMENTS

**75%** OF THOSE TENANTS HAVE LODO AT THE TOP OF THEIR DESIRED CBD SUBMARKETS, REPRESENTING NEARLY **1.4M SF** OF DEMAND

LODO HAS **6.9M SF** OF INVENTORY WITH ONLY **867K SF** OF VACANCY. TENANT DEMAND EXCEEDS AVAILABLE SPACE, WITH TENANTS SEEKING NEARLY **DOUBLE** THE AVAILABLE SQUARE FOOTAGE IN THE SUBMARKET

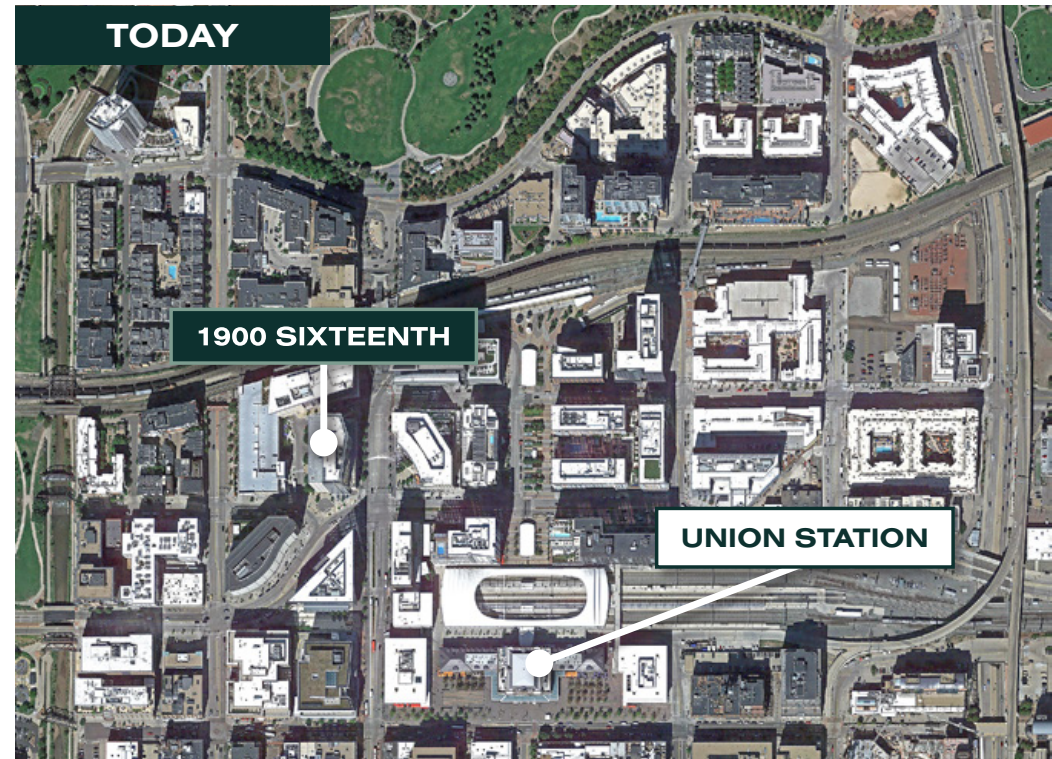
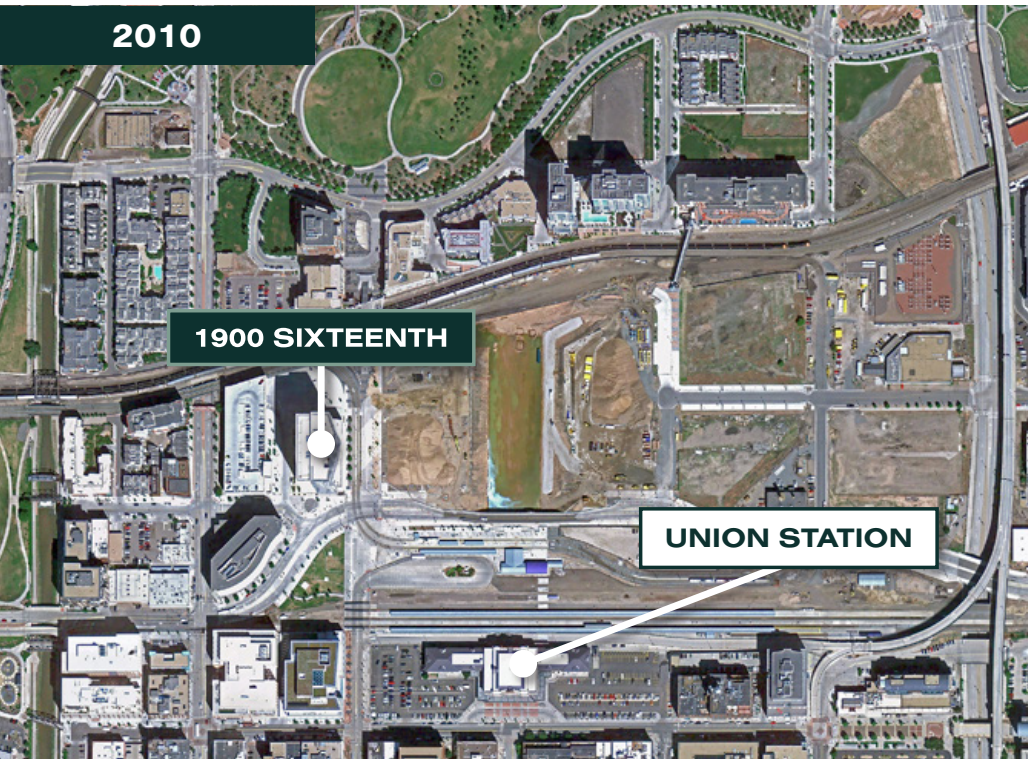
## TENANTS CLEARLY PREFER LODO

1900 SIXTEENTH HAS SEEN THE BENEFITS OF THIS CLEAR PREFERENCE FOR LODO THROUGH THE **120K SF** IN TENANT RENEWALS IT HAS CAPTURED IN THE LAST 6 MONTHS ALONE AND **53K SF** OF NEW LEASES SINCE 2022, FURTHER PROVING TENANTS' STEADFAST DESIRE TO OFFICE IN LODO



# LODO BEFORE AND AFTER

From 2010 to today, Denver's LoDo neighborhood witnessed a remarkable wave of commercial and multifamily development. With the notable Union Station redevelopment project as a catalyst, the area experienced a surge in office, luxury residential, and boutique hotel developments. This revitalization transformed LoDo into a bustling urban hub, attracting businesses and residents alike to its vibrant and connected community.



1900 SIXTEENTH IS STRATEGICALLY LOCATED AT THE EPICENTER OF THIS DEVELOPMENT BOOM SURROUNDING UNION STATION

**2.5M SF**

OFFICE BUILT SINCE  
2010 - 98% LEASED

**250k SF**

RETAIL

**3.8k**

RESIDENTIAL UNITS

**750**

HOTEL ROOMS

# DENVER'S MOST COVETED NEIGHBORHOOD

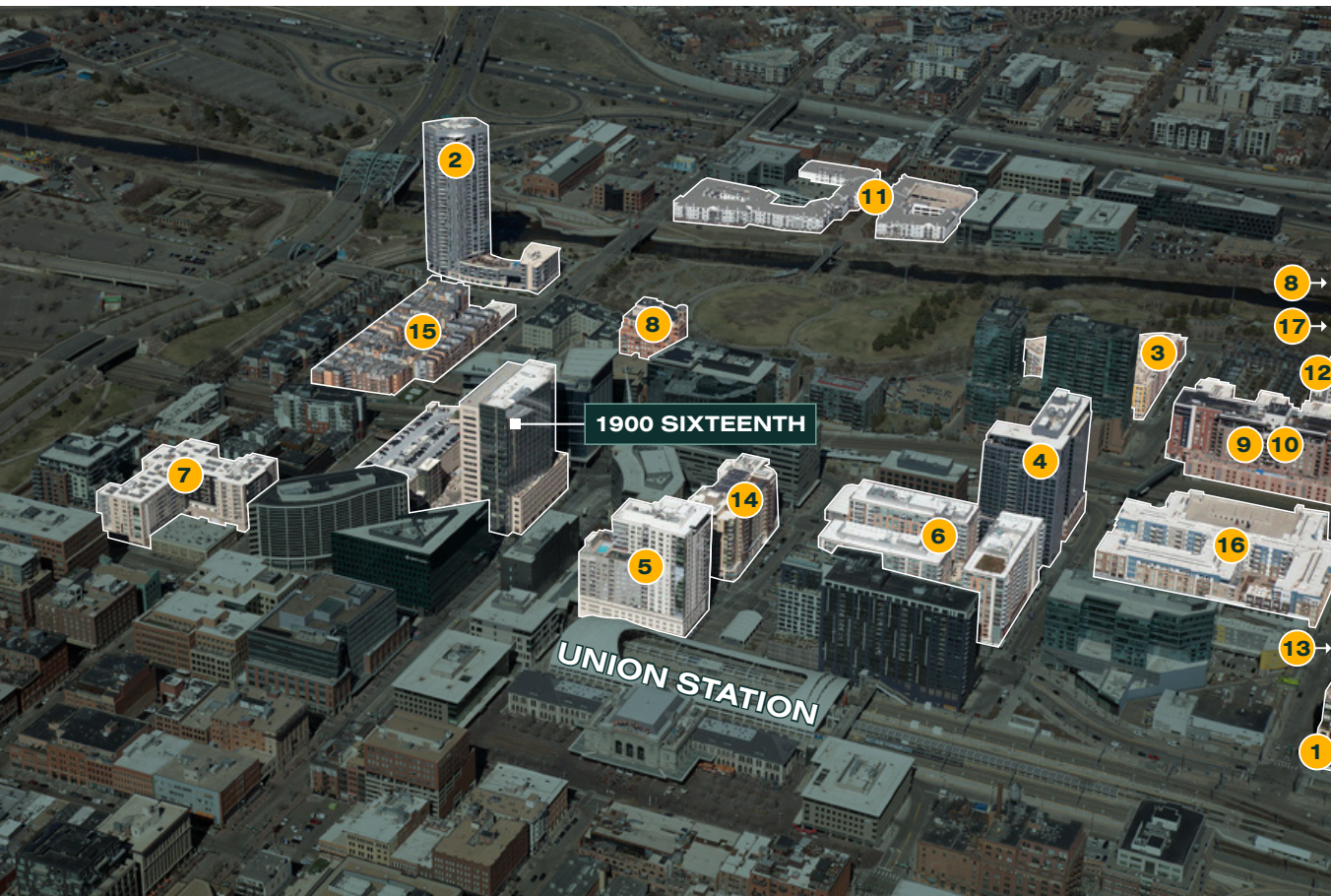
1900 Sixteenth sits in LoDo, an urban node with incredible access to all things Denver, including the metro area's best live-work-play environment that caters to young professionals and affluent executives alike. The population of LoDo has more than doubled in the past decade as it remains the top destination for residential living in Downtown Denver. 1900 Sixteenth's location allows tenants to leverage the walkability of beautifully constructed apartments with vibrant urban amenities.

1900 SIXTEENTH IS WITHIN WALKING DISTANCE TO NEARLY

# 5,000 MULTIFAMILY UNITS

# 3,613 UNITS

DELIVERED IN THE LAST 10 YEARS ALONE



Property	Address	Units
1 The Pullman	1959 Wewatta St	167
2 The Confluence	1441 Little Raven St	287
3 AMLI Riverfront Green	1750 Little Raven St	304
4 Jasper Towers	1777 Chestnut Pl	508
5 Griffis Platform Union Station	1650 Wewatta St	287
6 Sentral Union Station	1770 Chestnut Pl	579
7 Griffis LoDo	1490 Delgany St	285
8 AMLI Riverfront Park	1900 Little Raven st	242
9 The Manhattan Tower	1801 Bassett St	254
10 Manhattan Lofts	1801 Bassett St	134
11 Commons Park West	1550 Platte St	340
12 1880 Little Raven	1880 Little Raven St	161
13 Alara Union Station	1975 19th St	314
14 Cadence at Union Station	1920 17th St	219
15 The Station at Riverfront Park	1460 Little Raven St	273
16 City House	1801 Chestnut Pl	281
17 Mercer Union Station	2059 19th St	198
<b>Total Units</b>		<b>4,833</b>

# INFILL LOCATION WITH UNPARALLELED ACCESS TO TRANSIT

## CONVENIENT ACCESS TO SPEER BLVD & I-25

Providing immediate connectivity to every suburban community and the employee base that resides there

## 1900 SIXTEENTH

## BUS SERVICE

Just one block away and provides access to 20 different bus routes throughout the city

## TRAIN TO AIRPORT & COMMUTER RAIL

A-Line provides direct access to DIA in just 37 minutes and the train hall at Union Station provides service to four commuter rail lines

## RIDESHARE & INGRESS/EGRESS

Designated rideshare drop-off/pickup and two-way directional traffic lanes via Delgany and Chestnut

## LIGHT RAIL

Direct service to 113 miles of track throughout the Denver area across six lines

## AMTRAK STATION

The California Zephyr line runs between Chicago and San Francisco with stops at Denver's Union Station, Omaha, Salt Lake City, Sacramento, and Oakland





# 1900 SIXTEENTH SETS THE STANDARD FOR LEASING DEMAND

## A DESTINATION FOR NEW AND RENEWING TENANTS

1900 Sixteenth is universally regarded by tenants and their brokers as the ideal office building which is well reflected in the occupancy and leasing data since its development. **The Building has been 90% leased on average since stabilization, and since 2021 the building has signed over 346,000 SF of deals including 53,000 SF of new leases and 293,000 SF of renewals**, solidifying 1900 Sixteenth's position in the market as one of the most in-demand buildings, year after year.

## FOCUS ON TODAY'S TREND-LINES, NOT YESTERDAY'S HEADLINES

Since delivery, during, and post-pandemic, 1900 Sixteenth has seen consistent deal flow and leasing momentum from a diverse set of users.

Even with the availability of new construction, the Building has signed some of the most competed-for new leases and renewed established tenants, all at rates comparable to newly built properties.

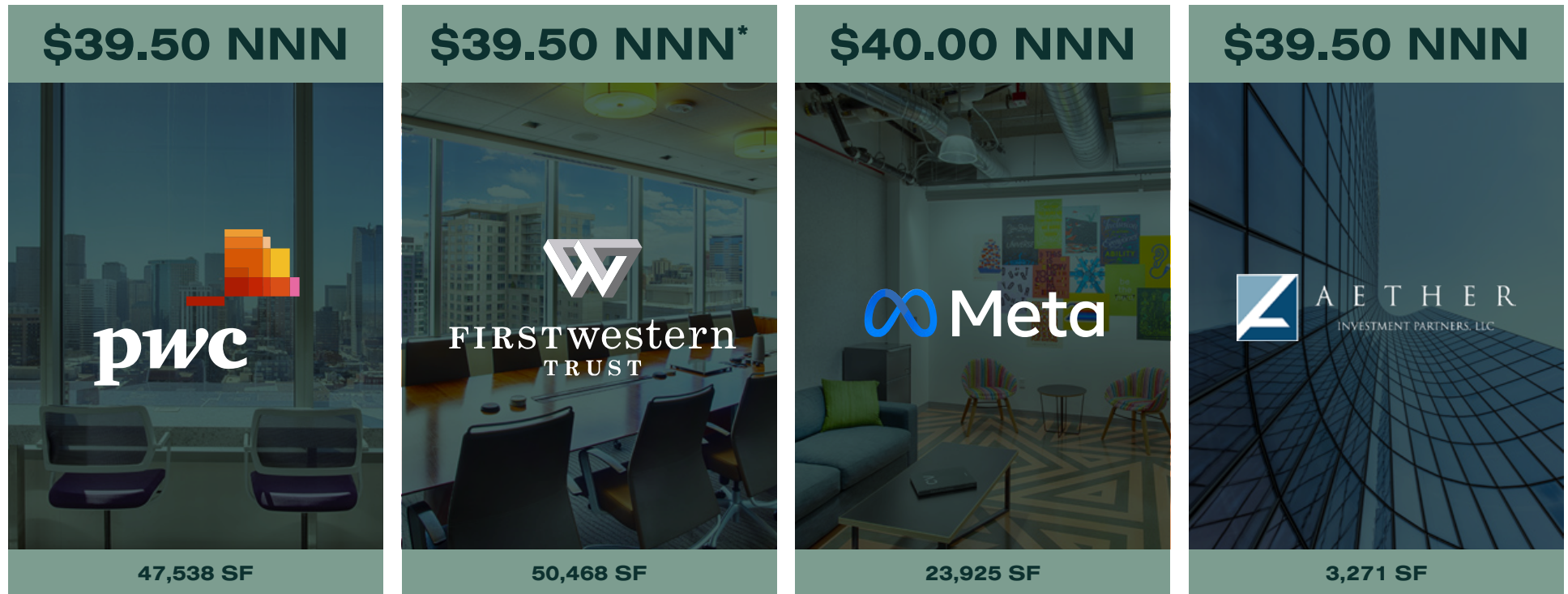
**346k SF**      **90%**  
OF LEASING SINCE 2021      LEASED ON AVERAGE

**MARKET LEADING  
RENTS**

# SUCCESS OF RECENT RENEWALS

Over the last six months alone, 1900 Sixteenth has captured over 125,000 SF of tenant renewals at market leading rents, including three of the building's largest tenants. After surveying the market, all of these prominent tenants showed a strong dedication to 1900 Sixteenth through renewals and expansions, and are even willing to pay a premium to stay rather than having to relocate.

## RATES ACHIEVED THROUGH RECENT RENEWALS:



\*\$39.50 for the 12th floor; \$38.50 for the 5th floor

OVER 125,000 SF OF RENEWALS IN THE LAST 6 MONTHS ALONE

# 1900 SIXTEENTH BENEFITS FROM CONSISTENT DEAL FLOW AND UTILIZATION FROM A DIVERSE SET OF COMPANIES



<b>RSF</b>	52,886
<b>% OF RBA</b>	13.0%

<b>RSF</b>	31,729
<b>% OF RBA</b>	7.8%

<b>RSF</b>	36,312
<b>% OF RBA</b>	8.9%

**HEADLINE:**

“US tech companies are shedding their office leases”

**REALITY:**

**Dynatrace believes being in the office elevates company culture, as evidenced by their new lease signed in March 2022 taking all of the 3rd and 4th floors.**

Dynatrace evaluated 50 cities before selecting Denver and plans to hire 400 employees.

**HEADLINE:**

“Perkins Coie Says Lawyers, Staff Can Stay Home Rest of Year”

**REALITY:**

**Perkins Coie renewed their lease for an additional 11-year term and expanded by 7,929 SF, commencing December 2021.**

**HEADLINE:**

“Three in five consulting firms expect to reduce office footprint”

**REALITY:**

**Not only did Analysis Group extend their term for an additional 11 years, they also expanded their footprint significantly by taking the entire 10th floor in August 2022.**

“Collaborating in real life and “bumping into each other” at the office is part of the Dynatrace DNA”

Rick McDonnell, CEO, Dynatrace

“As we celebrate our 25th anniversary in the Mile High City... We look forward to continuing our service to the business community and offering our full spectrum of legal services for many years to come.”

David St. John-Larkin, Partner - Denver

“[We] believe that it’s best for us to be together in the office most of the time, and that our collective presence in the office is vitally important for the collaboration, mentorship, networking, and cultural cohesion that make AG such a special place.”

Analysis Group



# UNLOCKING VALUE

## MARK-TO-MARKET

1900 Sixteenth's average in-place rents in Year 1 are 10% below market and are expected to widen as market rates continue to grow, offering tremendous value appreciation from lease-up and upcoming roll.

1900 Sixteenth has consistently renewed tenants at higher market rates, confirming tenant's preference for the Building, and offering the Investor upside with future mark-to-market opportunities.

## RENTAL INCREASE OVER PREVIOUS RENT



# A LEADER IN THE MARKET

1900 Sixteenth demands a quality and scarcity premium in the market due to its preferred building features, amenities, and Union Station location. **1900 Sixteenth competes with 2015+ vintage buildings and consistently out-captures tenant demand at top-of-market rates.**







## REIMAGINED LOBBY & AMENITIES

The two-story lobby at 1900 Sixteenth was completely renovated in 2021 and has established a new benchmark in the market for quality and experience. The inviting and refined lobby is anchored by a reception area to welcome guests and tenants to the building, which is flanked by elevator access to the executive below-building parking and by the in-building entrance to Starbucks, providing a seamless experience for tenants, guests, and patrons.

With an emphasis on scale and connection with the streetscape, the lobby renovation includes Japanese textured black clay tile, plants and greenery, warm wood finishes, and luxurious seating areas, surrounding the space's focal point—A spherical installation of local cottonwood sticks designed by Denver-based artist Theresa Clowes.

On the 2nd floor of the Building, tenants enjoy access to the **5,600 SF light-filled gym, featuring spa-quality lockers and showers, a high-tech yoga and functional fitness room**, and all the equipment desired by those embracing Colorado's active lifestyle.

This **transit-oriented Building is complete with a secure bike storage room**, conveniently located off the freight elevator and adjacent to the showers and lockers, providing Denver's bike-focused community with a seamless commute.

Additionally, recent building improvements include a new **state-of-the-art conference center**, providing tenants with the ability to easily host internal meetings, critical trainings, and special professional events. The main conference room is fully wired with A/V, has movable furniture, and capacity for 116 people with lecture-style seating. The conference center also features pre- and post-function space, complete with a wet bar and service island for attendees to enjoy light refreshments and catered meals.

### 2021 Lobby & Amenity Renovation:

- \$3.7M capital investment
- Market-leading lobby renovation
- 5,600 SF gym
- Spa-quality lockers & showers
- Conference center
- Secure bike storage





# VALUE ENHANCEMENT



## ACTIONABLE STRATEGIES THAT INCREASE OPERATING INCOME

In addition to servicing tenants of the Building, the Garage is highly utilized by tenants and visitors of surrounding buildings. The Garage is also utilized by those visiting Ball Arena, Coors Field, The Museum of Contemporary Art, and LoDo's retail and restaurants. As a result, the Garage sees tremendous demand from multiple customers which allows the Investor to explore a value-maximizing parking strategy.

The Seller has engaged Parking Advisors to provide insights into opportunities for value enhancement and actionable strategies that increase operating income and sustain value.

- Right-size operator contract costs
- Right-size insurance
- Adjust for a fixed monthly parking management fee
- Tighten enforcement of access, validation, and billing processes

1900 Sixteenth has a total of 997 on-site parking spaces, with 339 spaces in the below-grade level directly beneath the office tower and 658 spaces in the 1515 Delgany Garage.



# DEVELOPMENT UPSIDE

The Investor has the unique opportunity to potentially develop multi-family or office on top of the Garage located at 1515 Delgany St. This opportunity to control and monetize one of the only remaining development sites in all of LoDo is pure upside beyond the fee simple acquisition of 1900 Sixteenth.

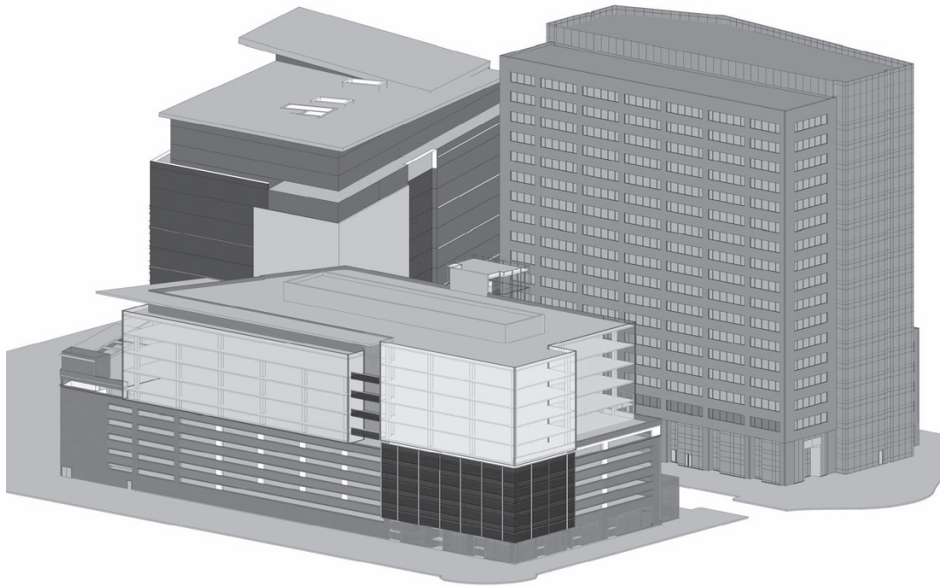
The opportunity of future development affords the Investor the time to explore their preferred development strategy and product type.

A high-level overview of the potential development optionality is outlined below:

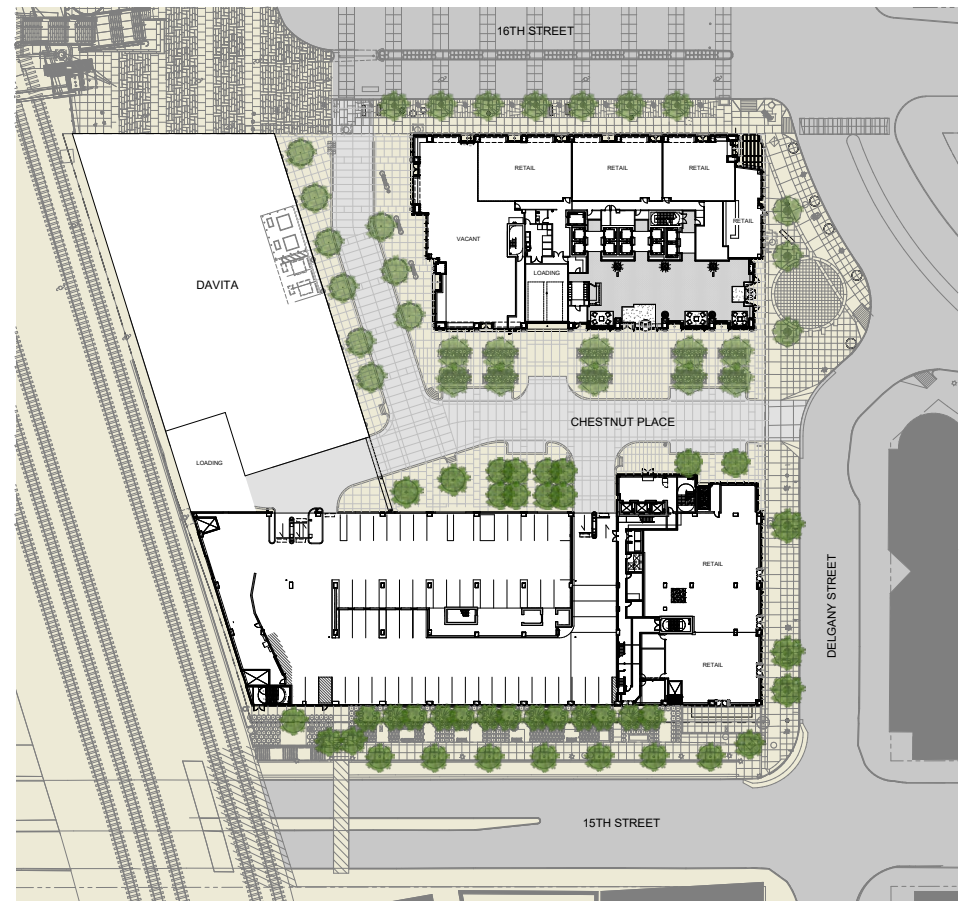
## DEVELOPMENT ASSUMPTIONS\*

Zoning:	PUD
Max Building Height:	155 feet
Implied Multi-Family Units:	±150 units
Average Size Unit:	±780 SF
Implied Office RSF:	±150,000 RSF

## HYPOTHETICAL 3D MASSING\*



## EXISTING SITE PLAN\*



\*Development assumptions are for reference purposes only and should be verified by Investors. Office development may include potential additional FAR costs.

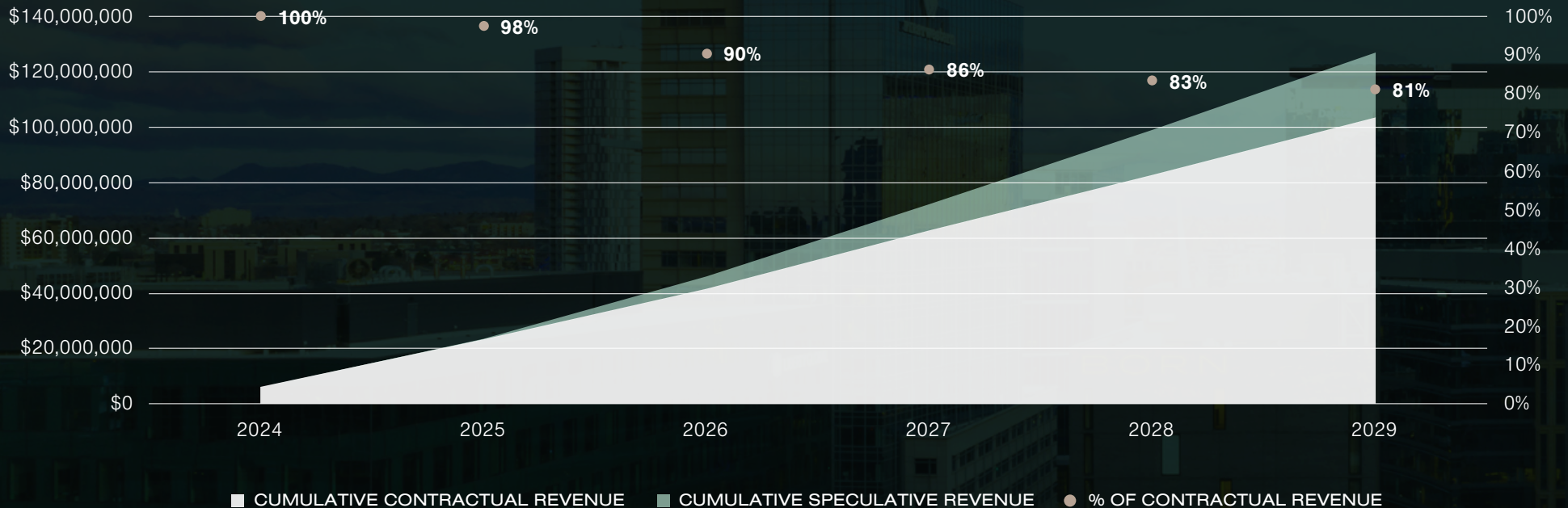




# DURABLE CASH FLOW OFFERING ATTRACTIVE CONTRACTUAL YIELD

- The combination of contractual income with significant weighted-average lease term and strong leasing velocity offers investors stability with additional upside through leasing the remaining vacancy.
- Over the next 5 years, **81%** of revenue will be contractual based on in-place leases.
- The attractive basis below replacement cost will generate a strong risk-free return with virtually no downside, along with the potential to significantly outperform the pro forma as market conditions improve.
- The property's vintage, coupled with the institutional maintenance, negates the necessity for additional deferred maintenance and provides a total return derived primarily through cash flow.

## RENTAL REVENUE - CONTRACTUAL VS SPECULATIVE - 5 YEARS



# 1900 SIXTEENTH

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