

Location Summary

The River Mile is a 62-acre tract of land located at the southeast quadrant of the intersection of I-25 and Speer Boulevard. The site has been home to the Elitch Gardens Theme Park since 1994. The River Mile boasts excellent multimodal transportation, with immediate access to I-25; two RTD light rail stations; and direct connectivity to the South Platte River Trail, the Cherry Creek Trail, and the newly planned 5280 Trail. In the future, planned pedestrian bridges will directly connect the site to Ball Arena, the Downtown Aquarium, and the Denver Children's Museum.

The Opportunity

The River Mile's proximity to Union Station, adjacency to Ball Arena, and connectivity to Riverfront Park make it one of the most attractive urban infill opportunities in the United States. In spite of this, the site has been vastly underutilized and neglected for the past century. Cottonwood Development has been selected to kick off the first phase of planning and development, which follows a multi-year \$200M river restoration and infrastructure project led by Revesco Properties and Kroenke Sports & Entertainment.

Development Objectives

Cottonwood Development (the "Sponsor") has been informed that a 500,000 SF build to suit corporate office user (the "Corporate User") is evaluating The River Mile for their new offices. The Sponsor has been tasked with developing new offices for the Corporate User and developing several of the surrounding parcels. The Corporate User's space must be commercially available by 2028, and all other development activity must be completed by 2033. Key development objectives include placement of the Corporate User, placemaking initiatives, mass timber incorporation (20% minimum), and compliance with the River Mile Zone District and Affordable Housing Plan.



The River Mile: Denver's Premier Destination

The River Mile presents a unique opportunity to create a premier destination for locals and tourists alike. The River Mile's proximity to Denver's CBD and its immediate river access will allow Cottonwood Development to create a self-activating community that is capable of commanding market-setting rents. To its full-time residents, River Mile will be an ideal place for their childcare needs, grocery trips, coffee runs, annual check-ups, picnic lunches, and end-of-day happy hours. To tourists, River Mile will be the place to live like a local, while also serving as a hub for sporting events, concerts, festivals, upscale dining, evening entertainment, and river recreation.

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|--------------|-----------------|
| 2.1M | Net Rentable SF |
| 1.1M | Residential SF |
| 686K | Office SF |
| 106K | Retail SF |
| 103K | Municipal SF |
| 210 | Hotel Keys |
| 1,193 | Units |

Selected Phase 1 Development Area

Cottonwood development has elected to develop 6 parcels (9.4 acres) and a total of 9 buildings. The selected development area was chosen to for the following reasons:

- Connectivity to CBD/Union Station
- Access to the Ball Arena Light Rail Station
- Centennial Park improvements and activation of the South Platte River
- Visibility from Speer Boulevard and I-25
- Pedestrian and cyclist access
- Establishment of Little Raven Street as the "main street" for restaurants and pedestrian activity

Phase 1.A (Buildings 1-4) will set the precedent for future development at The River Mile by delivering a 500,000 SF build to suit office building, an activated retail pavilion, a hotel, and a mix of residences providing both serviced luxury apartments and an entry point for more budget focused renters. The inclusion of the Corporate User's space in Phase 1.A will spearhead the activation and placemaking opportunities in this phase.



Phase 1.B (Buildings 5-8) will build on the placemaking of Phase 1.A. High end multifamily and condo projects were included in this phase to capitalize on the placemaking of prior phases and improvements to Centennial Park. Cottonwood Development included the spec office in this phase to capitalize on the follow-on demand from the 500,000 SF Corporate User. The timing of this phase allows for flexibility to change uses and design if the current market headwinds persist.

Phase 1.C (Building 9) will rely on metro district bonding capacity from sales tax, lodging tax, and district mill levies to finance construction of The River Mile Education Center (R.E.C.). This building will anchor the community providing river recreation, education, healthcare services, and childcare.

PHASING SUMMARY

PHASE 1.A BUILDINGS 1-4

Entitlements: 2023 to 2026
Land Purchase: 2024
Construction: 2024 to 2027

PHASE 1.B BUILDINGS 5-8

Entitlements: 2025 to 2027
Land Purchase: 2027
Construction: 2027 to 2030

PHASE 1.C BUILDING 9

Entitlements: 2028 to 2030
Land Purchase: 2030
Construction: 2030 to 2031

Financial Summary

The Project is expected to achieve a 20.4% levered IRR and a 3.2x multiple on cost. The total capitalization of \$1.4B will be funded through a variety of capital sources including private equity, senior debt, metro district bond proceeds, gap financing, C-Pace financing, and impact financing. Cottonwood Development has entered into several public-private partnerships to meet the Project's economic, sustainability, and affordability goals. Each component of the Project was underwritten independently to ensure feasibility.



Equity Financing

Cottonwood Development is seeking an institutional equity partner or an ultra-high net worth (UHNW) family office to participate in the equity capitalization of the Project. The enclosed underwriting assumes a 95% Limited Partner / 5% General Partner split of all equity costs. Capital partners will have an opportunity to participate in one or multiple phases of the Project and will have a right of first offer on the capitalization of all Phase 1 development projects. Detailed investment returns and waterfall distributions can be found in the Financing section.

Land Value

The land basis was set at \$50 per rentable SF. The minimum land price that Revesco will accept is \$200 per land SF. The enclosed underwriting assumes a total land value of \$103.9M (\$254 per land SF), exceeding the \$200 per SF threshold set by Revesco. The completion of Phase 1 will set market rents and create a unique sense of place at The River Mile, making it the premier urban neighborhood in the Mountain West. Revesco will be able to capitalize on higher valuations for future land sales.

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| \$1.4B | Total Capitalization |
| \$329M | Peak Equity |
| 20.4% | Project IRR |
| 3.2X | Project MoC |
| 17.7% | LP IRR |
| 49.7% | GP IRR |
| 12 YR | Development Timeline |

