



BRAND
Partners

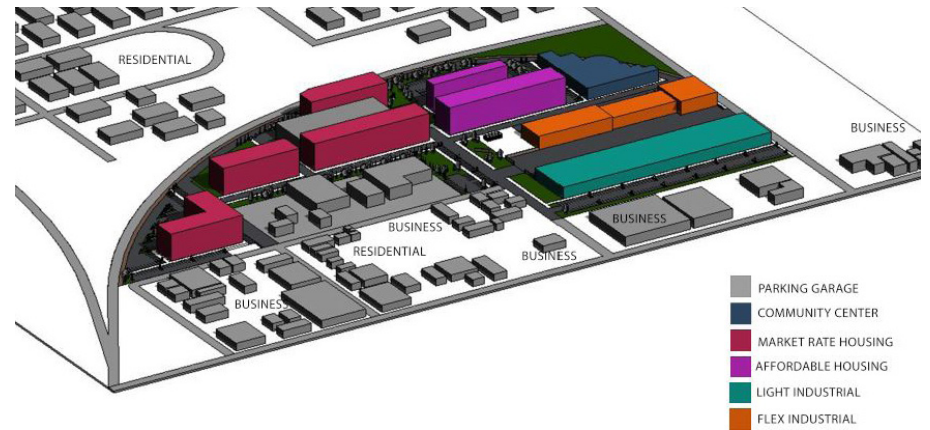
Executive Summary

Coalesce

In an area once synonymous with immigrant settlement, smelting, and meat packing, a strong community of people with a depth of civic pride have been faced with the challenges formed by decisions of the past. Today, opportunities are emerging from the ashes of a nearly forgotten part of Denver. Yet, as the red-hot real estate market continues to burn brightly and plans for the future begin to solidify, Globeville is faced with the reality of showing its identity to the metro area and, on a grander scale, the world.

In an effort to spark change in Globeville, JRL 51st Street LLC has hired BRAND Partners to realize the development potential of a nearly 20 acre assemblage of several sites located at 480 E 51st Ave, 510 E 51st Ave, 4871 Pearl St, 4877 Pearl St and 4801 Pearl St. While the parcels are currently industrial in context, they sit in a unique position within Denver, within a mile west of the planned revitalization of the city's National Western complex which has achieved an approved plan and financing strategy.

Additionally, through the Globeville Neighborhood Plan, adopted in December 2014, the site has been identified as a property that is prime for mixed use development, accommodating housing, employment, and an



overall higher density. Currently zoned C-MX-5, the site already allows for a future project to take advantage of the city's vision, accommodating for building heights as high as five stories.

BRAND Partners presents: Coalesce.

Coalesce celebrates the identity of this unique community, while seizing a tremendous opportunity to move the neighborhood forward as a place for people. Centered around health, happiness, and well being, Coalesce seeks to amplify the essential elements that contribute to the deep pride of Globeville's people. Together, we aim to re-imagine the everyday spaces by piloting a truly collaborative development that is community-driven, inclusive, and dynamic.

People are the core of Coalesce, which is why BRAND Partners has focused on housing, health, food, and jobs. Featured at the core of our development plan will be a community center called the Globeville Center for Health and Well Being, owned and operated by the Mental Health Center of Denver. In a proven model of strong collective impact, the center will provide preschool education, children's dental services, a primary

care clinic, family mental health services, community meeting space, and access to fresh food through a community garden and an aquaponics greenhouse.

BRAND Partners continues the focus on people by providing 142 units of affordable rental housing and 298 units of market-rate rental housing. By providing affordable housing, we aim to mitigate the pressure of housing displacement due to gentrification, giving lower income families an opportunity to stay or move to this rapidly changing part of the city.

In the spirit of the surrounding industry to the north of the site and for bringing jobs to the community, Coalesce will provide 118,306 square feet of industrial and office space. Industrial uses aren't often found nearby homes, however this is commonplace in Globeville. We aim to transition from heavier industrial uses into lighter, more customer-focused uses to create a softer edge between our industrial and apartment programming. Currently, the site has several existing buildings. The largest one will be renovated and converted into flex industrial space as well as a food and beverage anchored social gathering space. This concept has proven to be successful in different parts of Denver though the unique character of the businesses that occupy uncommonly special buildings.

Coalesce is the responsible spark that Globeville needs. Together, JRL and BRAND Partners will respect this prideful, but neglected neighborhood, while recognizing the immense potential of the area. The identity of Globeville will be strongly represented and renewed through this place for people.





SUMMARY OF PROJECTS	
Address:	510 E. 51st. Denver, Colorado
Total Land Area	865,934 sf
Total Building GSF	612,146 sf
Affordable Rental Residential NSF	113,600 sf
Community Center NSF	42,240 sf
Industrial/Flex NSF	118,306 sf
Market Rental Residential NSF	252,600 sf
Number of Affordable Rental Residential Unit	142
Number of Market Rental Residential Unit	298
Total Parking Stalls	736
Average Affordable Rental Resident Unit NSF	800
Average Affordable Rental Resident Rent per Unit	\$654
Average Affordable Rental Resident Rent per NSF	\$0.82
Average Market Rental Resident Unit NSF	848
Average Market Rental Resident Rent per Unit	\$1,770
Average Market Rental Resident Rent per NSF	\$2.09
Average Flex/SF	\$20.00
Average Office Rent/SF	\$15.00
Average Industrial Rent/SF	\$10.00

STABILIZED OPERATING BUDGET			
	Coalesce Industrial		Coalesce Multifamily
	7-Year	5-Year	7-Year
Effective Gross Income	\$ 1,791,624.00	\$ 7,464,012.00	\$ 8,214,562.00
Operating Expenses	\$ (285,052.00)	\$ (1,340,510.00)	\$ (1,477,906.00)
Operating Expenses per unit		4,498	4,959
Operating Expense Margin	15.9%	18.0%	18.0%
NET OPERATING INCOME	\$1,506,572	\$6,123,502	\$6,736,656
Return on Cost	7.15%	6.45%	7.10%
Perm Debt Service	(438,544)	(4,536,048)	(4,536,048)
Debt Coverage Ratio	3.44	1.35	1.49
NET CASH FLOW	\$1,068,028	\$1,587,454	\$2,200,608
Cash on Cash Return	21.02%	5.14%	7.13%
RESIDUAL VALUE			
	7-Year	5-Year	7-Year
Total Cost Per Unit		318,349	318,349
Terminal Cap Rate	7.00%	5.25%	5.25%
Gross Sales Proceeds	21,522,457	116,638,133	128,317,257
Per Unit Sales Price		391,403.13	430,594.82
Per SF Sales Price	190	462	508
Sale Proceeds	\$21,522,457	\$116,638,133	\$128,317,257
Less Fees 2%	(430,449)	(2,332,763)	(2,566,345)
Less: Debt Retirement	(11,910,061)	(60,949,899)	(58,187,752)
NET CASH FROM SALE	\$9,181,947	\$53,355,472	\$67,563,160

CAPITALIZATION					
Coalesce Industrial Investor					
Source	%	\$	Equity Contribution Coalesce Industrial		
Project 1 Developer Fee Contribution	2.37%	\$500,000	90.0%	\$4,573,523	LP
Equity	24.10%	\$5,081,692	10.0%	\$508,169	GP
Debt	26.09%	\$5,500,000	Total Equity		
New Market Tax Credits	47.43%	\$10,000,000			\$5,081,692
Total	100.00%	\$21,081,692			
Coalesce Multifamily Investor					
Source	%	\$	Equity Contribution Coalesce Multifamily		
Equity	32.54%	\$30,868,054	Provides Remaining Equity	\$19,201,574	LP
Debt	67.46%	\$64,000,000	Contributes Land	\$11,666,480	GP
			Total Equity		
Total	100%	\$94,868,054			\$30,868,054

INVESTMENT RETURNS					
Property Level		5 Year Equity Multiple	5 Year IRR	7 Year Equity Multiple	7 Year IRR
Industrial				1.85	10.90%
Market Rental Residential		5.12	40.77%	6.61	33.66%
Investor Returns		5 Year Equity Multiple	5 Year IRR	7 Year Equity Multiple	7 Year IRR
Industrial LP				2.74	20.07%
Market Rental Residential LP		2.06	16.22%	2.66	16.22%
Developer Returns	Developer Fee	5 Year Equity Multiple	5 Year IRR	7 Year Equity Multiple	7 Year IRR
Affordable Housing	\$2,907,000.00				
MHCD	\$752,203.00				
Industrial GP				6.42	34.37%
Market Rental Residential GP		2.21	17.37%	2.85	16.34%