

PALMER CENTER



Offering Memorandum

90 S. Cascade & 2 N. Cascade Ave
Colorado Springs, CO





© 2025 Jones Lang LaSalle IP, Inc. All rights reserved.

Jones Lang LaSalle Americas, Inc. or its state-licensed affiliate ("JLL") has been engaged by the owner of the properties to market them for sale. Information concerning the properties described herein has been obtained from sources other than JLL, and neither Owner nor JLL, nor their respective equity holders, officers, directors, employees and agents makes any representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all reference to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a purchaser. JLL and owner disclaim any liability that may be based upon or related to the information contained herein. Prospective purchasers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change. The Property may be withdrawn without notice. If the recipient of this information has signed a confidentiality agreement regarding this matter, this information is subject to the terms of that agreement. ©2025 Jones Lang LaSalle IP, Inc. All rights reserved.

For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500® company with annual revenue of \$20.8 billion and operations in over 80 countries around the world, our more than 110,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAYSM. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit [jll.com](https://www.jll.com).

Executive Summary



The Offering

Palmer Center represents the Best-in-Class office complex in Downtown Colorado Springs, a single digit vacancy Central Business District, and has served as the city's premier office destination for tenants. The offering is a generational opportunity to own the top asset in a market that has a 92% return-to-office metric and an expanding population base that is forecasted to outpace Denver by 2050. Palmer Center also is the only office asset in the Downtown market to offer on-site servicing retail and a dedicated covered parking garage (1,647 spaces offering a ratio of 3:1,000 SF).

Colorado Springs is a top 5 performing large city according to Milken Institute given its high-growth industries, such as aerospace, defense, cyber-security, chip manufacturing, and tech.

Palmer Center's 459,500 SF anchors the Colorado Springs Central Business District, representing 9% of the total office space. This market is fundamentally strong with current vacancy at 7.9% and average asking lease rates at \$25.21 with Class A rents averaging \$29.71 Full-Service Gross. At 80.5% leased, Palmer Center is dislocated to its historical occupancy as well as the broader CBD market indicating an opportunity to capture value-add returns in a core asset.

Leasing demand comes from a wide range of industries. The city is anchored by five military installations in a state that boasts the 2nd largest space economy in the United States. Colorado Springs has and will continue to attract new companies and high performing talent.



Investment Highlights

**BEST-IN-CLASS OFFICE COMPLEX
IN COLORADO SPRINGS**

**ON-SITE RETAIL AND FULL SERVICE HOTEL
WITHIN PALMER CENTER COMPLEX**

SUB 8% VACANCY MARKET

**COLORADO SPRINGS LEADS THE
NATION IN RETURN TO WORK AT 92%**

**SUBTERRANEAN PARKING AT A MARKET
LEADING 3 PER 1,000 SF RATIO**

**HIGH GROWTH RESIDENTIAL MARKET
WITH 2,800 UNITS DELIVERED IN CBD
SINCE 2016**

**THRIVING CBD WITH ONLY 7%
RETAIL VACANCY**

**COLORADO SPRINGS IS AMONG THE
HIGHEST RATED MARKETS WITH
STRONG ECONOMIC FUNDAMENTALS**



Best-in-Class Assets

Palmer Center is the premier mixed-use development in Colorado Springs’ Central Business District. Prominently aligned with the iconic backdrop of Pikes Peak, Palmer Center is comprised of three office buildings: the Wells Fargo Tower, the First Bank Building and the Atrium. Palmer Center also includes a retail area, a four-level subterranean parking garage and The Antlers Hotel, which is separately owned. The complex’s layout has the buildings arranged in a U-shape with the two office towers facing each other across a landscaped plaza. This urban mixed-use asset brings together on-site retail, an interior Arcade that acts the primary connector of the various structures of the Palmer center and an open air Plaza for tenants and guests to gather and socialize.

TOTAL SF: 459,500 SF											
WELLS FARGO TOWER			RETAIL			ATRIUM BUILDING			FIRST BANK BUILDING		
Address	90 S Cascade Ave		Address	30-70 S Cascade Ave		Address	2 S Cascade Ave		Address	2 N Cascade Ave	
GLA	220,830 SF		GLA	5,811 SF		GLA	83,433 SF		GLA	149,426 SF	
% Leased	78.3%		% Leased	23.8%		% Leased	100%		% Leased	75.2%	
Number of Tenants	27		Number of Tenants	1		Number of Tenants	2		Number of Tenants	36	
Year of Construction	1989		Year of Construction	1990		Year of Construction	1966		Year of Construction	1966	
Number of Stories	15		Number of Stories	1		Number of Stories	2		Number of Stories	14	



Best-in-Class CBD Underground Parking

Palmer Center's expansive 4 level underground parking garage is the largest subterranean parking garage in the Colorado Springs CBD. The garage, which can be accessed on the north, south and west sides of Palmer Center, boasts an impressive 1,647 parking spaces which offers a significant competitive advantage over the rest of the office stock in the CBD. With limited parking options in the city center, this garage provides an ample number of spaces, ensuring convenience and accessibility for employees, visitors, and tenants.



Palmer Center's Current Market Dislocation

With the class A CBD vacancy rate of 13.19% and a “Return-to-Office” market of 92% (best in the nation), the path to increased occupancy and net operating income rivals the best investment opportunities available today. As the premiere, best-in-class asset in the CBD, Palmer Center has distinct competitive advantages for an investor to achieve an outsized near-term yield.

13.19%

Colorado Springs CBD Class A
Office Vacancy Rate YE2023

6.15%

Average 10-year Historical CBD
Office Vacancy Rate

8.93%

Palmer Center's 453,689 Office SF comprises 8.93% of
the total office inventory in the Colorado Springs CBD

PALMER CENTER CURRENT OCCUPANCY:

Wells Fargo
Tower **78.3%**

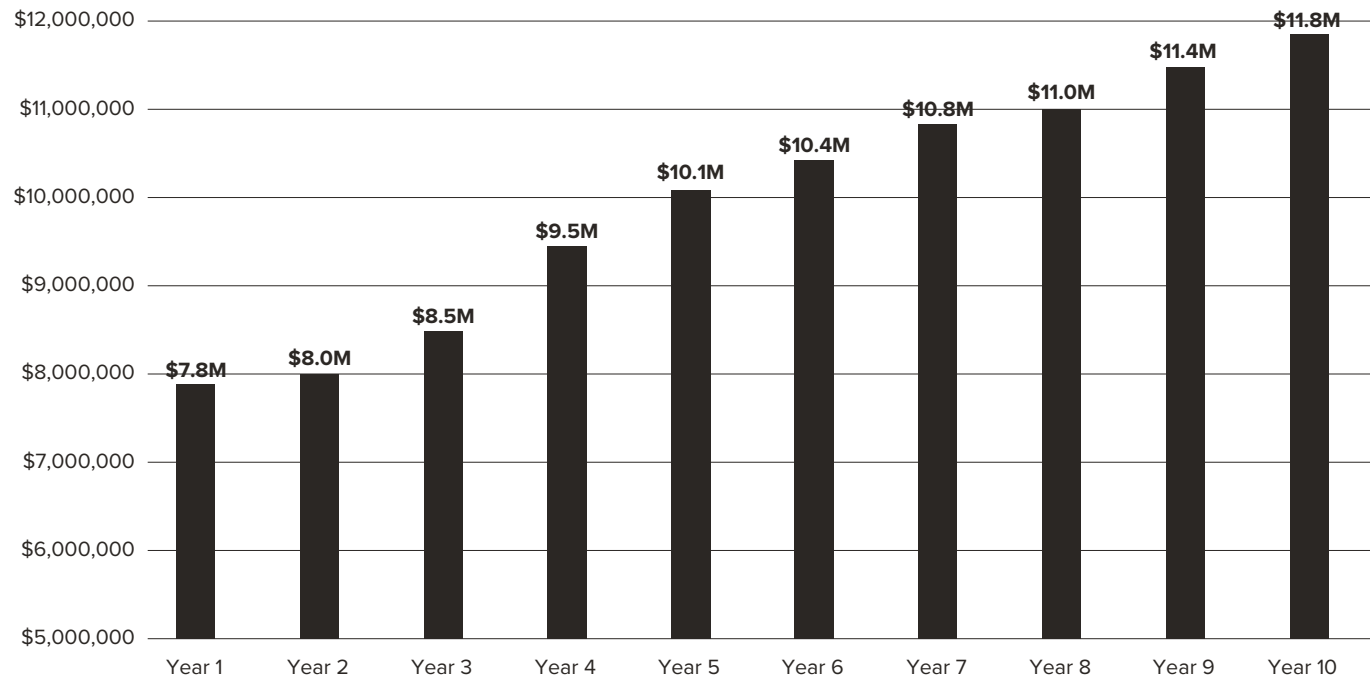
First Bank
Building **75.2%**

Atrium
Building **100%**

Retail **23.8%**

Palmer
Center Total: **80.5%**

PROJECTED NOI GROWTH

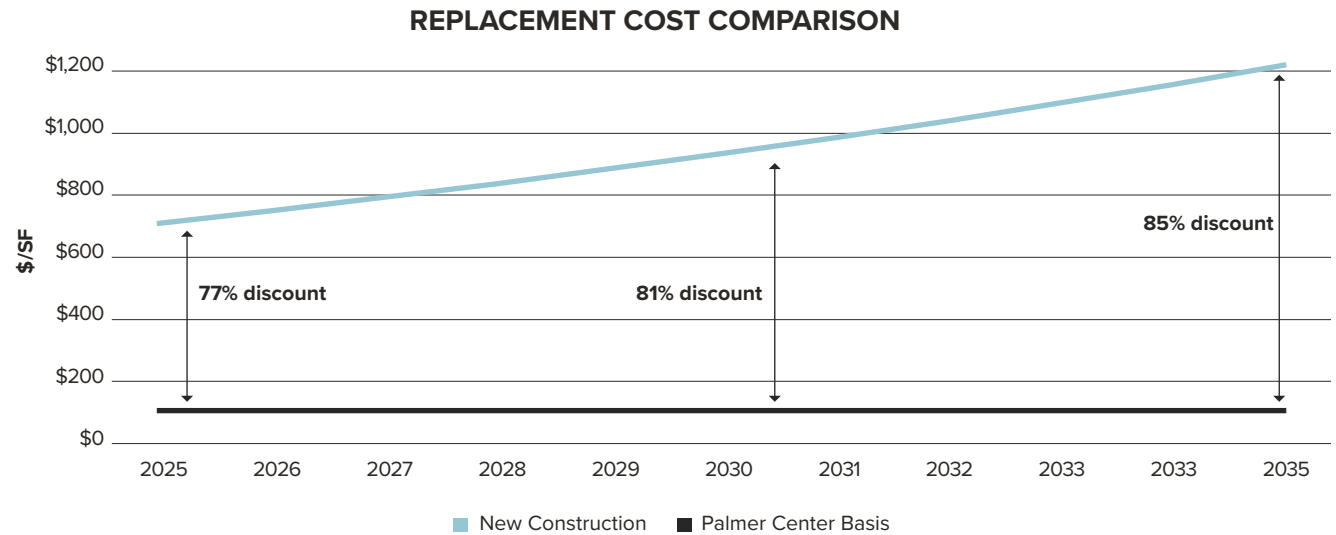


Discount to Replacement Cost

Palmer Center presents an exceptional investment opportunity to acquire an irreplaceable piece of Colorado Springs' CBD at a basis that is already a 77% discount to replacement cost.

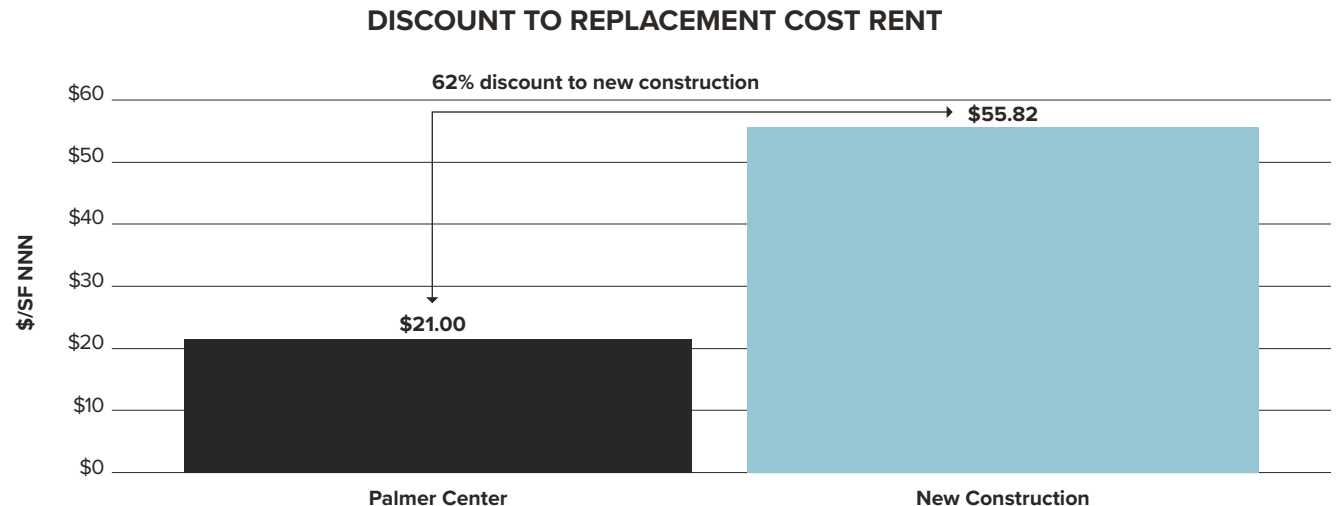
Replacement Cost Comparison

The As-Is basis of Palmer Center is a substantial value to today's replacement cost and will grow over time as construction costs annually escalate.



Discount to Replacement Cost Rent

Based on today's replacement cost and an 8% return on cost to the developer, a new trophy tower would require net rents of \$55.82/SF to start, presenting a strong value proposition for Palmer Center.



Colorado Springs

A City Rising Above it All

- **#1** Metro Area for Highest Density of College-Educated Veterans in Leadership Positions (*LinkedIn*)
- **#2** Most Innovative School: Colorado College (*U.S. News & World Report*)
- **#9** Best Large City to Start a Business (*WalletHub*)
- **Top 10** Most Desirable Cities that College Students Want to Live Post Graduation (*Axios and Generation Lab*)
- **400+** Veteran Separations per Month
- **#3** Emerging Tech Talent Market (*CBRE Scoring Tech Talent Report*)
- **#17** Best City for Tech Jobs (*Comptia Tech Town*)
- Forecasted to become the **largest city** in the state of Colorado by 2050
- **#13** Most Educated City in America

#2

Best Place to Live
(*U.S. News & World Report*)

#2

Colorado has the
2nd largest space
economy in the nation

\$7B

in Economic Impact
Annually from
Aerospace & Defense

250
PLUS

Aerospace Companies
in Colorado Springs

#2

Most Resilient Tech Hub
(*LinkedIn*)

5TH

Best Performing
Large City
(*Milken Institute*)

5

Military installations
in Colorado Springs

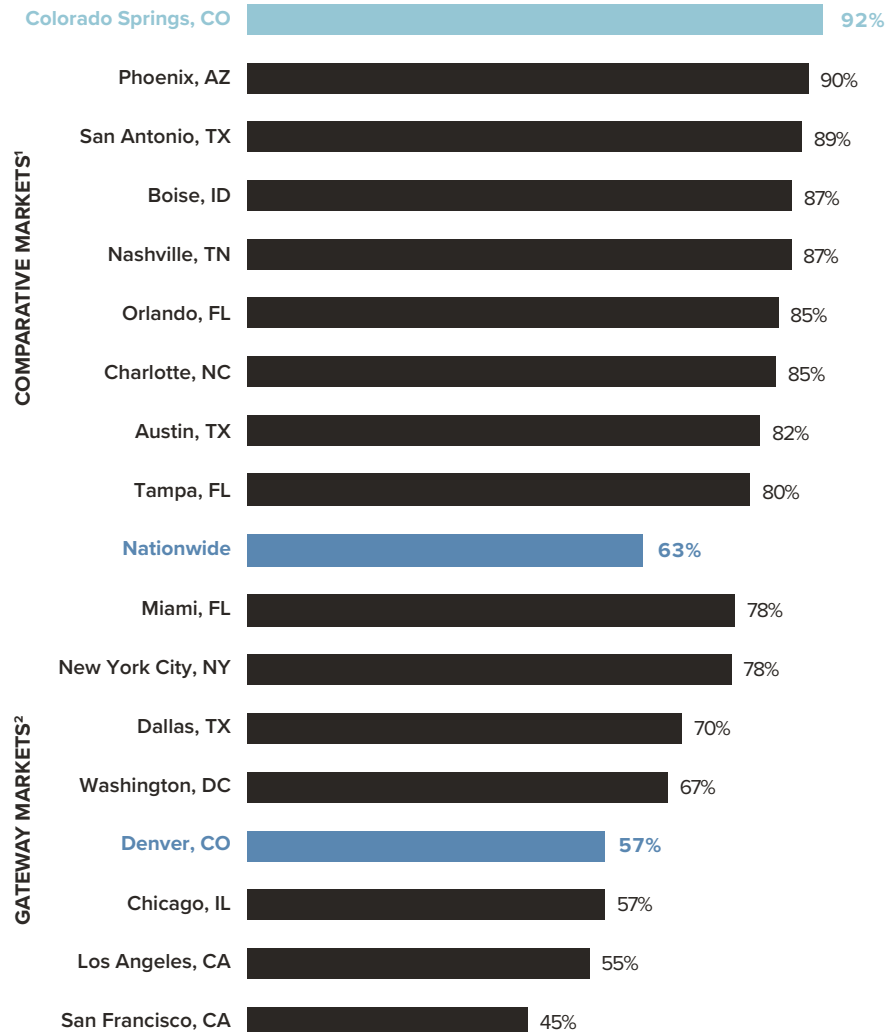
13TH

Best Downtown
in the USA
(*Attractions of America*)

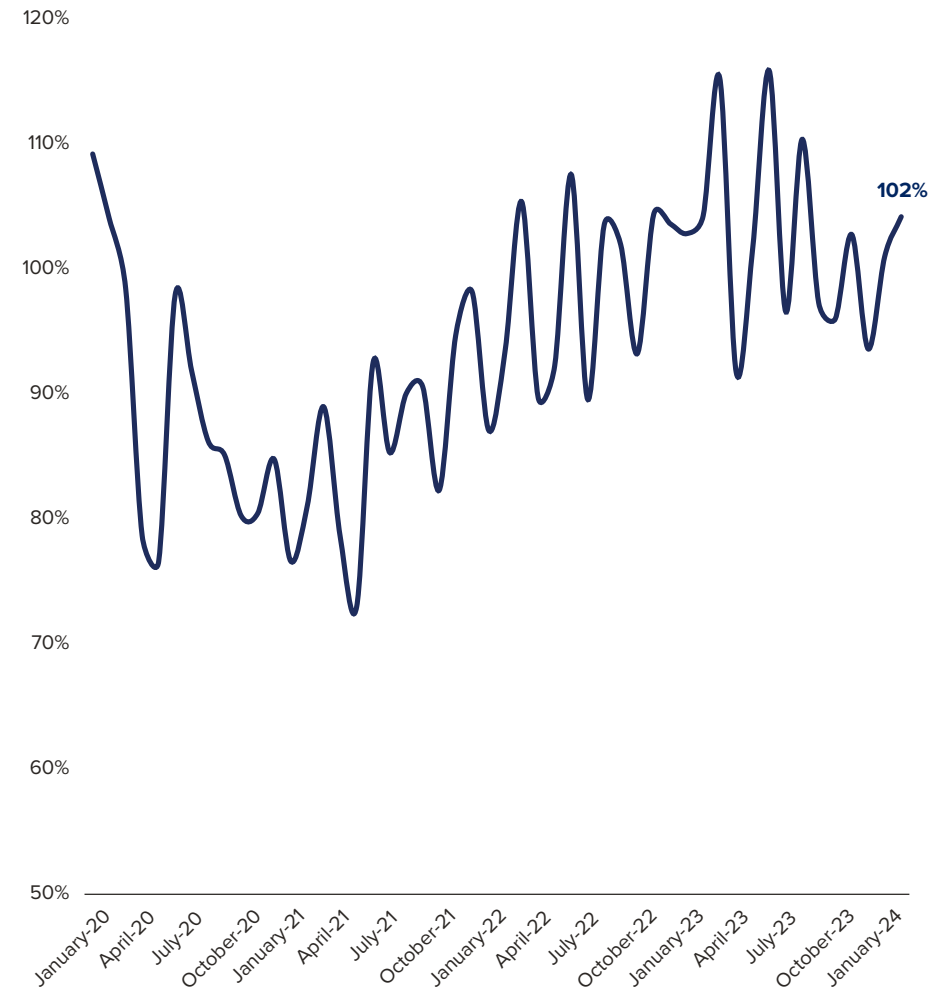
Colorado Springs Return to Office Rate is Best in Nation

Colorado Springs Returned to Pre-Pandemic Office Attendance 2 Years Ago, While Traditional Office Gateway Markets Remain Well Below 2019 Levels

RETURN-TO-OFFICE (% 2019) AS OF YE 2023



DOWNTOWN VISITORS



Source: JLL Research, Placer.ai

Note: ¹Measures visitors and employees, Mon-Fri, 8am-6pm | ²RTO numbers used from <https://go.placer.ai/library/the-return-to-office>.

Downtown Visitors Have Returned

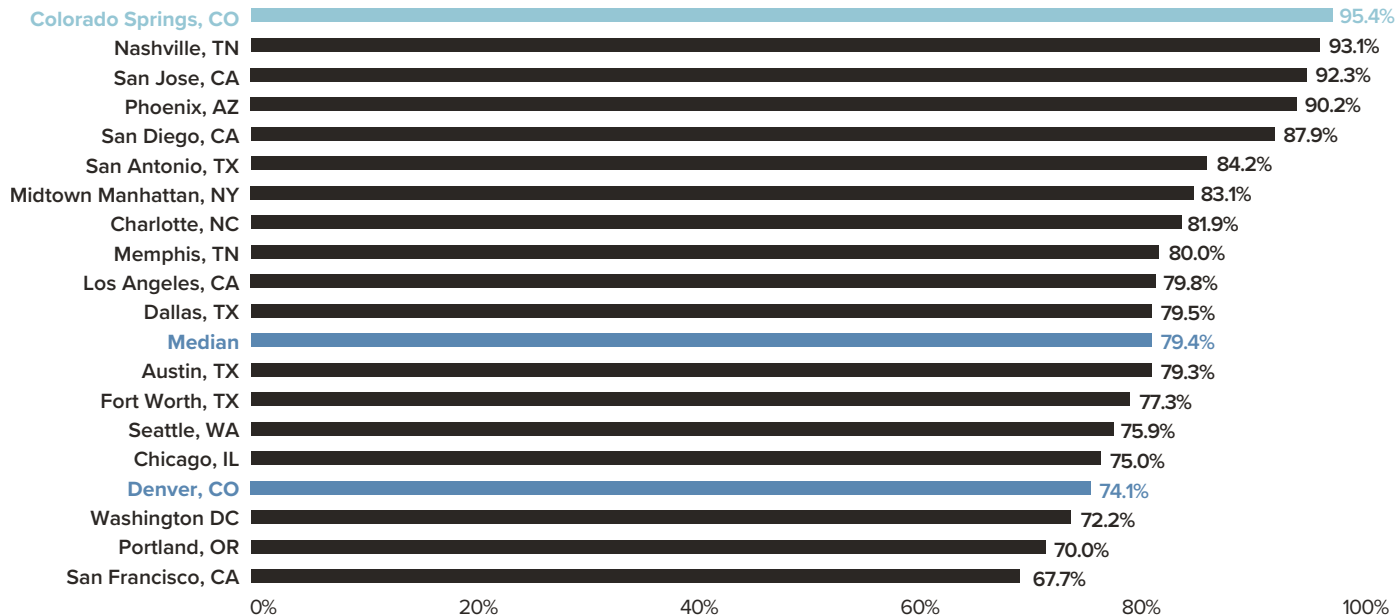
Boasting the greatest employee density in the Pikes Peak region, Downtown has a workforce of nearly 27,000 people, with roughly 24,000 of those workers representing a consistent presence in their place of business. While many urban areas are still seeing a substantial lack of in-office employees, the physical presence of workers in Downtown Colorado Springs has been much more robust, with an annual return-to-work rate of about 92% — far outpacing many urban centers across the country.

Recent trends bode well for Downtown as a talent magnet, with one-third of jobs in the central district considered “knowledge jobs.” Key drivers such as Catalyst Campus boost Downtown as the location of choice for early-stage aerospace and defense companies, and Downtown’s status as a certified creative district is bolstered by strong employment in areas such as architecture, graphic design, culinary arts and more.

More than two-thirds of Downtown workers experience a commute of 25 minutes or less — lower than national averages; about 18 percent of Downtown workers bike or walk to work.

The 18,000-plus Downtown employees of private firms represent roughly \$1.2 billion in payroll that contributes to the region’s economy through tax payments, consumer spending, philanthropy and rents/mortgages.

COMPARATIVE LOOK AT DOWNTOWNS RESIDENT, WORKER, AND VISITOR RECOVERY RATE (Q4 2023)



Content courtesy of the Downtown Colorado Springs 2024 Economic Snapshot and Performance Indicators, STATE OF DOWNTOWN COLORADO SPRINGS document - Downtown Development Authority

NOTABLE DOWNTOWN HEADQUARTERS

Acorn Petroleum (energy)
 Altia (software)
 Bluestaq (aerospace)
 Colorado College (education)
 The Gazette (media)
 GE Johnson (construction)
 Hexure (software)
 U.S. Olympic & Paralympic Committee (sports)

TOP PROFESSIONAL OCCUPATION GROUPS DOWNTOWN

Architecture & engineering
 Business & financial operations
 Computer & mathematical
 Management
 Health care practitioners & medical
 Life, physical & social science

TALENT HIGHLIGHTS

Downtown is home to about 7% percent of jobs county-wide.

Demand Drivers

and Innovative Tenancy



THE CATALYST CAMPUS EFFECT

The Catalyst Campus is a three-building campus and has become a thriving environment for technological advancement and the delivery of capability to the Air Force and Space Force. The office park acts as an incubator for smaller firms and start-ups.

- 2,593 jobs were attributable to Catalyst Campus in 2021
- These jobs generated \$220 million in labor income for workers
- The contribution to the local economy was \$312 million
- The total revenue generated was \$540 million

CATALYST CAMPUS IMPACT ON PALMER CENTER

Palmer Center has benefited from the success of the Catalyst Campus, as the fast paced growth of incubated companies has resulted in tenants outgrowing their spaces. Palmer Center provides large block tenants with one of the only opportunities to expand in the Central Business District.

BLUESTAQ MIGRATION TO PALMER CENTER

Bluestaq is a technology firm that launched at Catalyst Campus in 2018. After experiencing huge growth, Bluestaq outgrew their space and moved operations to Palmer Center. Their recent expansion into the 43,006 SF of available Atrium space has brought their overall occupancy to 64,444 SF, which makes up 14% of Palmer Center's RBA.

The effect is not isolated to Catalyst Campus, as the Colorado Springs economy continues to grow, the need for large block office space will drive occupancy at Palmer Center and continue to increase rental rates.



BLUESTAQ

**64,444 SF
RELOCATION**

Offering Guidelines

PRICE

Unpriced. Qualified investors are invited to submit all cash offers for Palmer Center.

TIMELINE

A firm bid date will be established at a later date. Finalists will be selected based on a combination of purchase price and structure, sources of capital for the transaction, level of underwriting, and other relevant factors determined by the Seller.

PROPERTY TOURS

Property tours are available upon request. To schedule a Property tour or for any additional information, please contact:

LARRY THIEL

Managing Director

+1 303 515 8032 | larry.thiel@jll.com

SEAN WHITNEY

Senior Director

+1 303 515 8036 | sean.whitney@jll.com

FINANCING

The Property can be delivered free and clear of existing debt. For debt information, please contact:

WILL HAASS

Director

+1 303 525 3794 | william.haass@jll.com

LEASING

For additional market and leasing information, please contact:

GREG PHANEUF

Principal

Colorado Springs Commercial

+1 719 418 4064

gphaneuf@coscommercial.com

PETER SCOVILLE

Principal

Colorado Springs Commercial

+1 719 418 4063

pscoville@coscommercial.com





OFFICE INVESTMENT SALES

Larry Thiel

Managing Director

larry.thiel@jll.com

+1 303 515 8032

JLL Capital Markets, Denver

Sean Whitney

Senior Director

sean.whitney@jll.com

+1 303 515 8036

JLL Capital Markets, Denver

Mark Katz

Co-Head National Investment Sales,

Senior Managing Director

mark.katz@jll.com | +1 303 515 8093

JLL Capital Markets, Denver

Hilary Barnett

Senior Director

hilary.barnett@jll.com

+1 303 515 8037

JLL Capital Markets, Denver

FINANCING EXPERTS

Jeff Sause

Senior Managing Director

jeff.sause@jll.com

+1 310 407 2133

JLL Capital Markets, Los Angeles

Will Haass

Director

william.haass@jll.com

+1 303 525 3794

JLL Capital Markets, Denver

Greg Phaneuf

Principal -

Colorado Springs Commercial

gphaneuf@coscommercial.com

Cushman & Wakefield

Peter Scoville

Principal -

Colorado Springs Commercial

pscoville@coscommercial.com

Cushman & Wakefield

ANALYTICAL & PRODUCTION SUPPORT

Lane Bohman

Analyst

lane.bohman@jll.com

+1 303 515 8034

JLL Capital Markets, Denver

David Mega

Analyst

david.mega@jll.com

+1 339 224 3887

JLL Capital Markets, Denver

Carter Brown

Analyst

carter.brown@jll.com

+1 410 952 6616

JLL Capital Markets, Denver

Jessy Chulick

Production Associate

jessy.chulick@jll.com

+1 303 515 8004

JLL Capital Markets, Denver

Amy Noble

Graphic Designer

amy.noble@jll.com

+1 303 515 8087

JLL Capital Markets, Denver



© 2025 Jones Lang LaSalle IP, Inc. All rights reserved.

This presentation has been prepared solely for informational purposes. The presentation is confidential and may not be reproduced. The contents of this presentation are not to be construed as legal, accounting, business or tax advice. About JLL: For over 200 years, JLL (NYSE: JLL), a leading global commercial real estate and investment management company, has helped clients buy, build, occupy, manage and invest in a variety of commercial, industrial, hotel, residential and retail properties. A Fortune 500® company with annual revenue of \$20.8 billion and operations in over 80 countries around the world, our more than 110,000 employees bring the power of a global platform combined with local expertise. Driven by our purpose to shape the future of real estate for a better world, we help our clients, people and communities SEE A BRIGHTER WAYSM. JLL is the brand name, and a registered trademark, of Jones Lang LaSalle Incorporated. For further information, visit jll.com. The information contained herein is proprietary and confidential and may contain commercial or financial information, trade secrets and/or intellectual property of JLL and/or its affiliates. Although the information used in this presentation was taken from sources believed to be reliable, there is no representation, warranty or endorsement (expressed or implied) made as to the accuracy, reliability, adequacy or completeness of any information or analysis contained herein. JLL expressly disclaims any and all liability that may be based on such information, errors therein or omissions there from. Certain information in this presentation constitutes forward-looking statements. Due to various risks, uncertainties and assumptions made in our analysis, actual events or results or the actual performance of the types of financing and values covered by this presentation may differ materially from those described. The information herein reflects our current views only, are subject to change, and are not intended to be promissory or relied upon. Any opinion or estimate of value of any asset in this presentation is based upon the high-level preliminary review by JLL. It is not the same as the opinion of value in an appraisal developed by a licensed appraiser under the Uniform Standards of Professional Appraisal Practice. JLL expressly disclaims any liability for any reliance on any opinion or estimate of value in this presentation by any party.

Real estate brokerage services are provided through Jones Lang LaSalle Americas, Inc. or Jones Lang LaSalle Americas (Illinois) LP. Jones Lang LaSalle Americas, Inc. is a licensed real estate broker in 49 states. CA RE license #01223413 and NV RE license #B:1001002.CORP. Jones Lang LaSalle Americas (Illinois) LP is a licensed real estate broker in Illinois. Corporate headquarters are located at 200 East Randolph Drive, Chicago, IL 60601.