

OFFERING MEMORANDUM



TAILWATER APARTMENTS

1350-1372 SHERIDAN BOULEVARD, DENVER, CO 80204

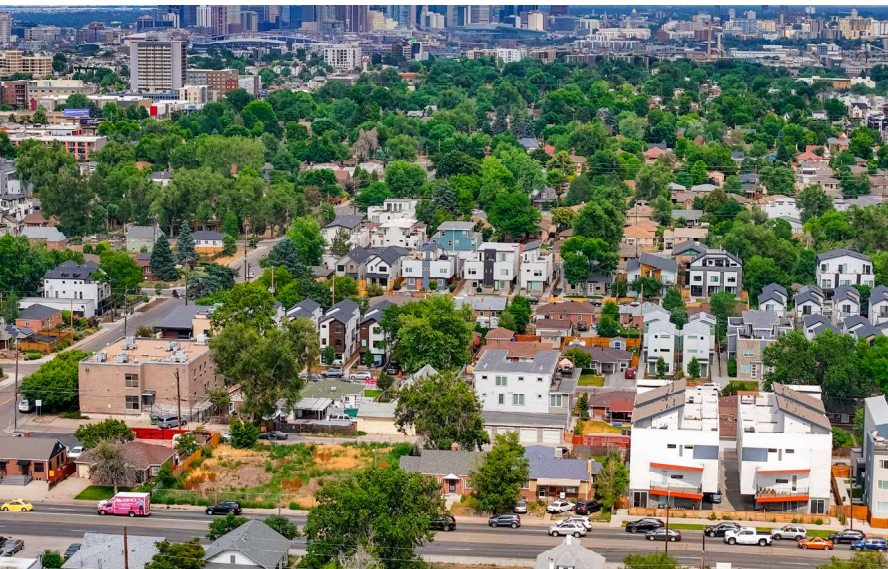
Marcus & Millichap

TAILWATER APARTMENTS

BROKER OF RECORD

ADAM LEWIS

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Marcus & Millichap

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SECTION 1

01

INVESTMENT SUMMARY

Offering Summary
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Local Map
Aerial Map
Retailer Map

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OFFERING SUMMARY

TAILWATER APARTMENTS

Purchase Price: \$4,800,000



Number of Units
128



Lot Size
0.54 AC



Number of Buildings
1

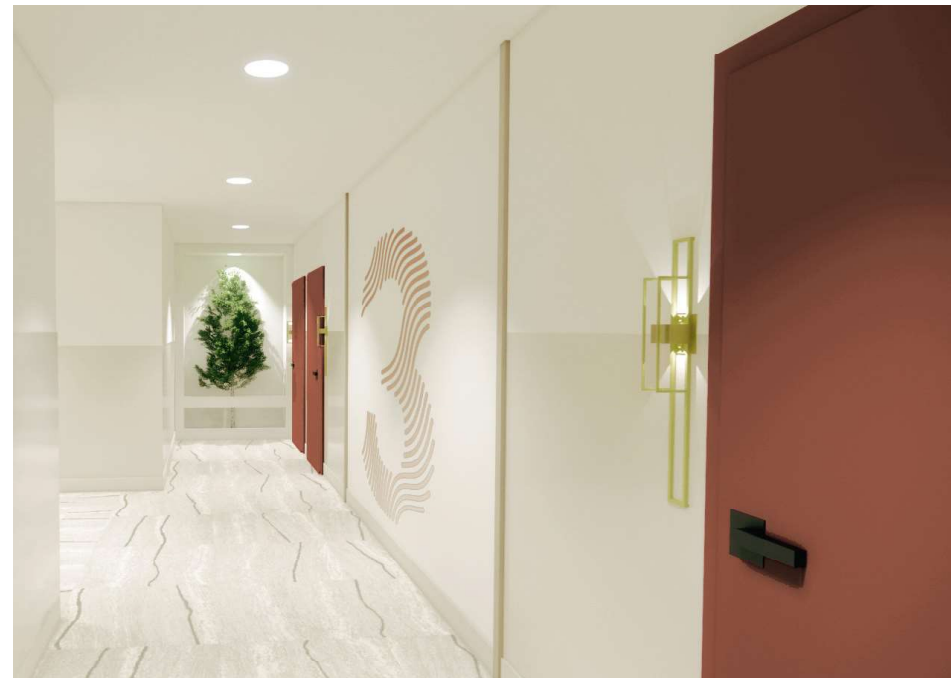
Number of Units 128

Lot Size .54 Acres

Stories 7

Parking Spaces 43

Number of Buildings 1



INVESTMENT SUMMARY

TAILWATER APARTMENTS

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the Tailwater Apartments, a near permit ready 128-unit multifamily building located in the West Colfax neighborhood and walking distance to Sloan's Lake, Sheridan Station light rail station and Colfax retail. This neighborhood is sought after by young working professionals for its easy access to bars, restaurants, breweries, retail, and some of Denver's most sought-after neighborhoods.

Tailwater is a seven-story podium building consisting of parking at grade level via alley access, a ground floor lobby and lounge area. On the second floor there is a fitness center, a co-working space and patio area. The remaining four levels will be apartment units consisting of 100 studios averaging 486 sqft and 28 one-bedrooms averaging 520 sqft. The interior finishes will be modern and high end with designer style cabinets, large islands with waterfall granite, vinyl plank flooring, kitchen backsplash, gold fixtures, a neutral paint scheme and stainless-steel appliance packages. To see interior unit finishes, please review page 30 in the OM. The interior common spaces will be open and airy with large windows that provide lots of natural light, the floor will be polished concrete, there will be a coffee bar and ample seating, the overall design will be one of a kind and unique. To see interior hallway, lounge area, and common area designs please review pages 31 and 32 of the OM.

Tailwater is a strong opportunity for an investor to step into a near permit ready multifamily development project in one of Denver's most popular neighborhoods. But unlike most project this will allow a new owner to tweak and change some aspects of the project prior to final approval and plans.

PROPERTY HIGHLIGHTS (As Planned)

- Highly Desirable West Colfax Neighborhood
- Walkable to Restaurants, Bars, Breweries, Sloan's Lake
- One Block to Sheridan Light Rail Station
- Easy Access to Downtown Denver and I25
- Co-Working Space and Unique Resident Lounge
- Fitness Center, Dog Wash and Large Patio for Residents
- Bike and Toy Storage
- Dog Wash and Dog Run

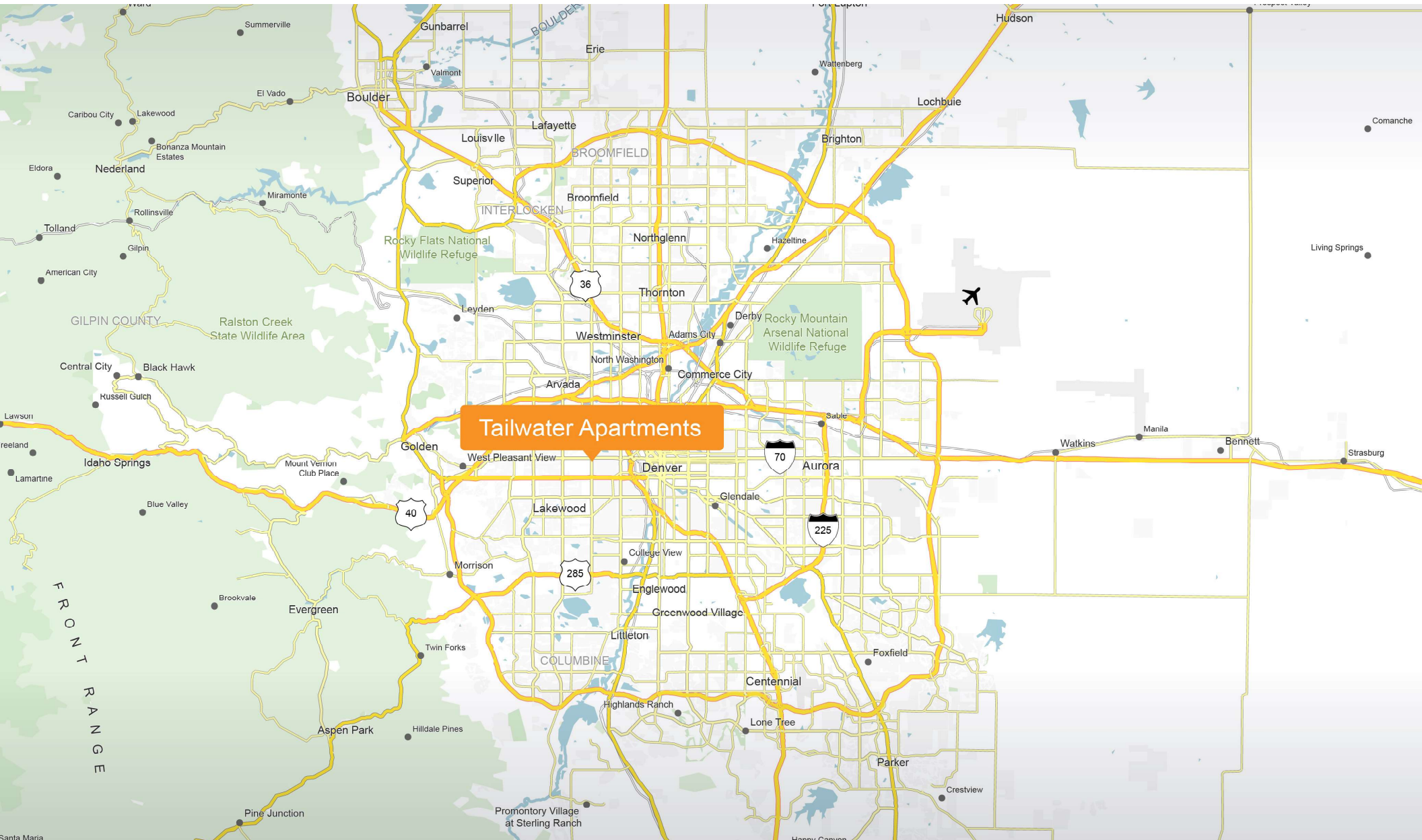
UNIT HIGHLIGHTS (As Planned)

- Open Floorplans with Large Windows
- LVT Plank Flooring
- Large Islands with Waterfall Granite
- Modern Fixtures and Lighting
- Designer Style Cabinets
- High-End Stainless-Steel Appliance Package
- Walk-in Showers
- In-Unit Washer and Dryer
- City and Mountain Views



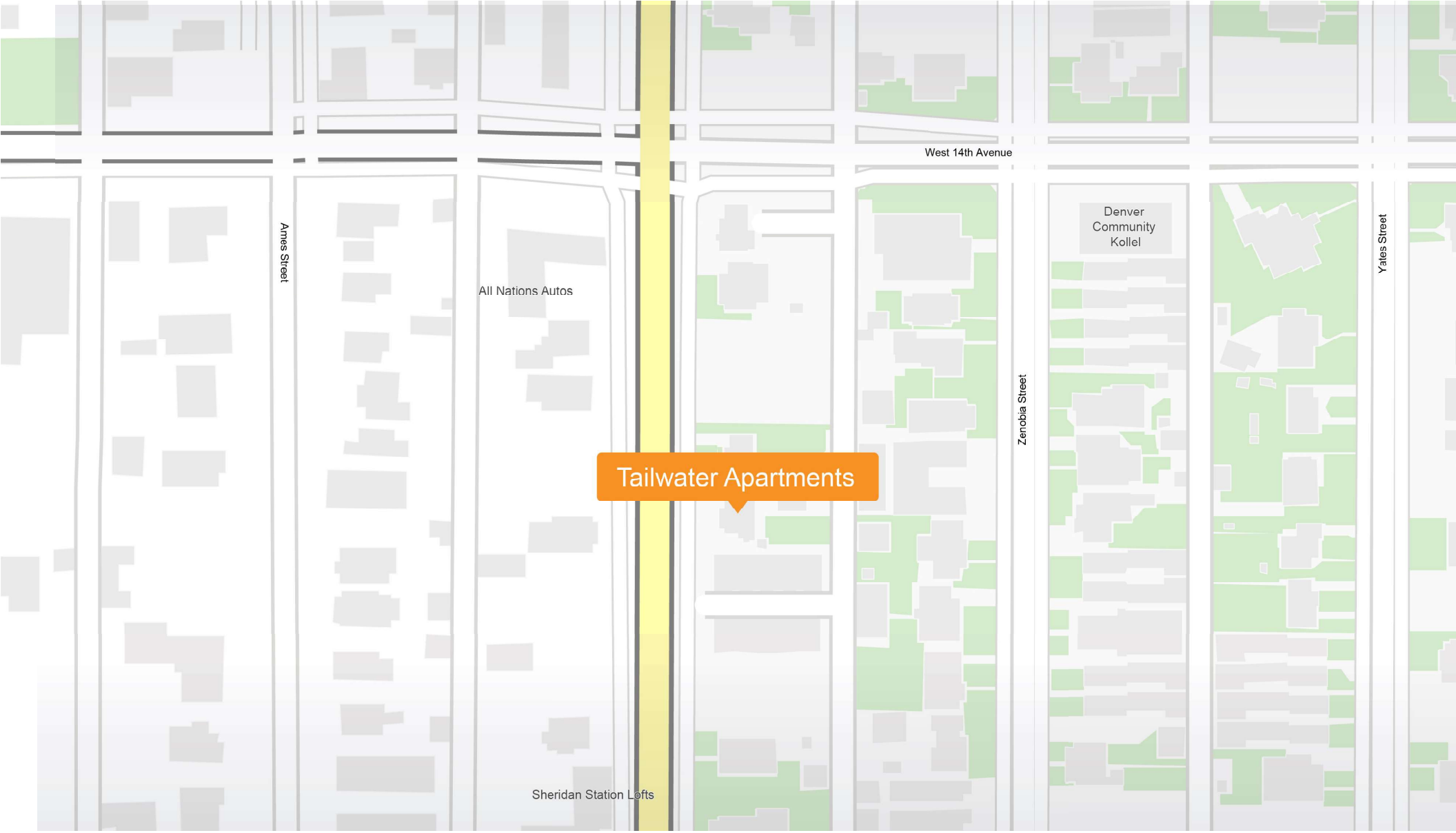
DENVER, COLORADO

REGIONAL MAP



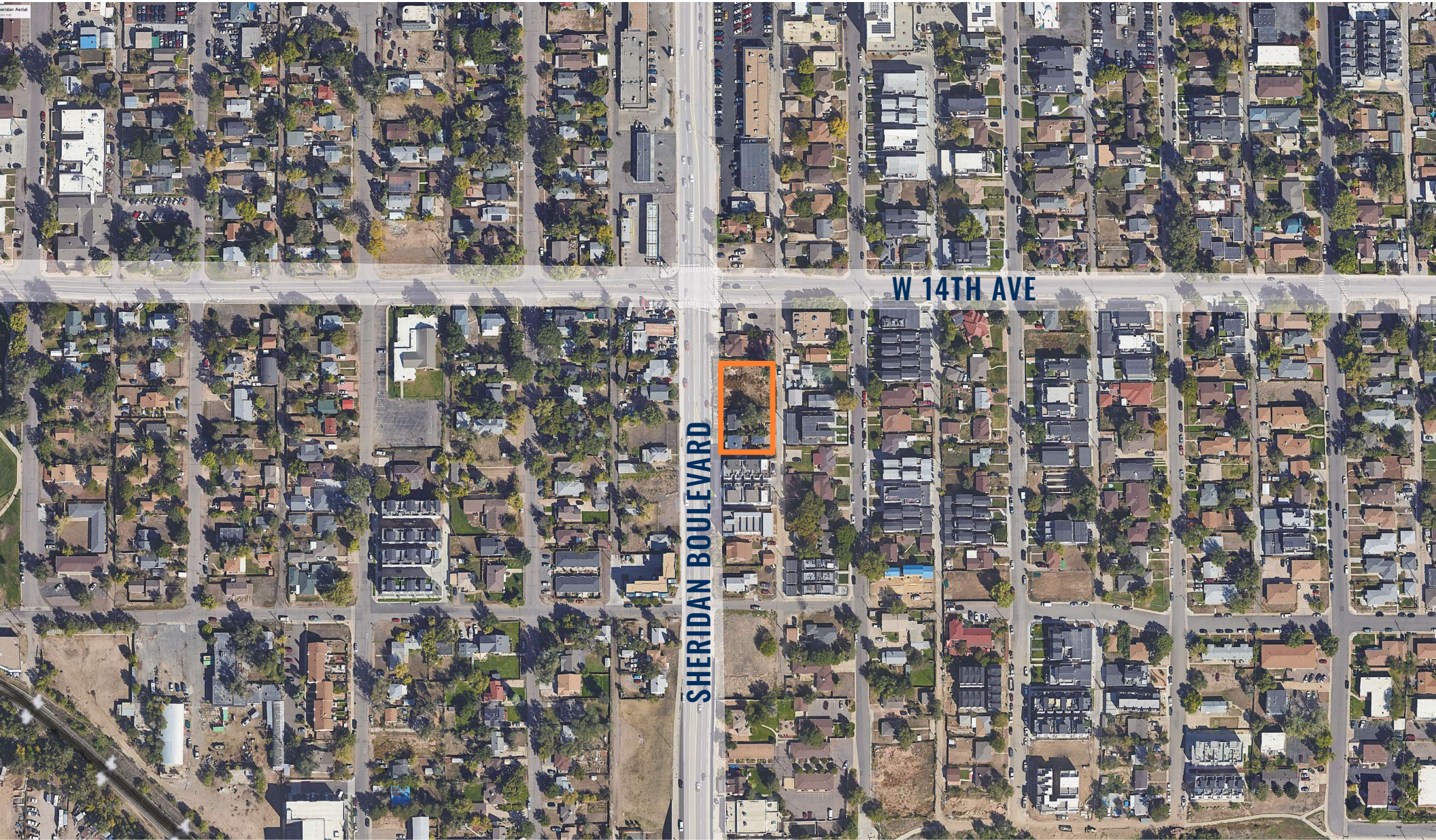
DENVER, COLORADO

TAILWATER APARTMENTS



LOCATION AERIAL

TAILWATER APARTMENTS



LOCAL AREA AND RETAIL

TAILWATER APARTMENTS



SECTION 2

02

FINANCIAL SUMMARY

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FINANCIAL SUMMARY

TAILWATER APARTMENTS

Analysis	
Growth Rates- Rental Income/Expenses	3.00% / 3.00%
Effective Rent - PSF/Per Unit	3.53 / 1,173
General Vacancy & Credit Loss	5.50%
Operating Expense Ratio	31.30%
Breakeven Occupancy (Untrended)	77.86%
Reversion net Proceeds (After Selling Costs)	\$ 51,510,266.00
Construction Loan Payoff	\$ 21,913,550.00
Equity Proceeds from Sale	\$ 29,596,716.00

Development Returns	Untrended	Trended	Sale
Yield-on-Cost	6.01%	6.05%	7.66%
Market Cap Rate	5.00%	4.97%	4.75%
Development Spread	101.2	107.9	281.2

Pro Forma	Untrended	Trended	Sale
Effective Gross Revenue	\$ 2,882,279	\$ 2,907,292	\$ 3,682,871
Operating Expenses	\$ (902,200)	\$ (915,232)	\$ (1,159,388)
Net Operating Income	\$ 1,980,079	\$ 1,992,060	\$ 2,523,483
Capital Expenditures	\$ (19,200)	\$ (19,488)	\$ (24,687)
Cash Flow From Operations	\$ 1,960,879	\$ 1,972,572	\$ 2,498,796
Cap Rate	5%	4.97%	4.85%
Valuation	\$ 39,601,580	\$ 40,081,690	\$ 52,030,577
% of Total Project Cost	120.20%	121.70%	158.00%
Valuation/Unit	\$ 309,387	\$ 313,138	\$ 406,489

Uses	%	/Buildable SF	/Unit	Amount
Land Costs	14.60%	\$ 51.10	\$ 37,500	\$ 4,800,000
Hard Costs	76.90%	\$ 269.61	\$ 197,854	\$ 25,325,330
Soft Costs	6%	\$ 20.99	\$ 15,402	\$ 1,971,479
Carry Costs	2.50%	\$ 8.91	\$ 6,539	\$ 836,983
Total Uses	100.00%	\$ 350.61	\$ 257,295	\$ 32,933,792

Sources	%	/Unit	Amount
Construction Loan	60%	\$ 154,377	\$ 19,760,279
Equity	40%	\$ 102,918	\$ 13,173,513
Total Sources	100%	\$ 257,295	\$ 32,933,792

FINANCIAL SUMMARY

TAILWATER APARTMENTS

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ANNUAL OPERATING CASH FLOWS											
Rental Income	-	-	892,480	2,658,571	2,738,328	2,820,478	2,905,092	2,992,245	3,082,012	3,174,472	3,269,707
Other Income	-	-	141,830	425,554	438,321	451,470	465,014	478,965	493,334	508,134	523,378
Retail Income (Net of Expenses)	-	-	-	-	-	-	-	-	-	-	-
TOTAL POTENTIAL INCOME	-	-	1,034,310	3,084,125	3,176,648	3,271,948	3,370,106	3,471,210	3,575,346	3,682,606	3,793,084
- General Vacancy and Credit Loss	-	-	(56,887)	(169,627)	(174,716)	(179,957)	(185,356)	(190,917)	(196,644)	(202,543)	(208,620)
EFFECTIVE GROSS REVENUE	-	-	977,423	2,914,498	3,001,933	3,091,991	3,184,751	3,280,293	3,378,702	3,480,063	3,584,465
OPERATING EXPENSES											
Repairs and Maintenance	-	-	24,267	42,328	43,598	44,906	46,253	47,641	49,070	50,542	52,058
Payroll	-	-	103,712	180,903	186,330	191,920	197,678	203,608	209,717	216,008	222,488
General & Administrative	-	-	16,512	32,169	33,134	34,128	35,152	36,207	37,293	38,412	39,564
Marketing	-	-	22,176	38,681	39,842	41,037	42,268	43,536	44,842	46,187	47,573
Utilities	-	-	70,844	156,288	160,977	165,806	170,780	175,904	181,181	186,616	192,215
Contract Services	-	-	23,398	45,584	46,952	48,360	49,811	51,305	52,844	54,430	56,063
Make Ready Cost	-	-	16,800	29,304	30,183	31,089	32,021	32,982	33,971	34,991	36,040
Management Fee	-	-	26,879	80,149	82,553	85,030	87,581	90,208	92,914	95,702	98,573
Insurance	-	-	54,423	94,930	97,778	100,711	103,732	106,844	110,050	113,351	116,752
Property Taxes	-	-	62,246	140,632	200,768	230,375	237,287	244,405	251,737	259,289	267,068
TOTAL OPERATING EXPENSES	-	-	421,258	840,969	922,114	973,362	1,002,563	1,032,640	1,063,619	1,095,528	1,128,393
NET OPERATING INCOME	-	-	556,165	2,073,529	2,079,819	2,118,629	2,182,188	2,247,653	2,315,083	2,384,535	2,456,071
CAPITAL EXPENDITURES	-	-	6,511	19,536	20,122	20,726	21,348	21,988	22,648	23,327	24,027
CASH FLOW FROM OPERATIONS	-	-	549,654	2,053,993	2,059,697	2,097,903	2,160,840	2,225,665	2,292,435	2,361,208	2,432,045
ANNUAL PROPERTY-LEVEL CASH FLOWS											
Net Unlevered Cash Flow	(4,800,000)	(18,076,624)	(8,670,530)	2,053,993	2,059,697	2,097,903	2,160,840	2,225,665	2,292,435	2,361,208	53,942,311
Net Levered Cash Flow	(4,800,000)	(8,373,513)	76,884	743,363	749,066	787,272	850,209	915,035	981,805	1,050,578	32,468,131

SECTION 3

03

RENT COMPARABLES

Rent Comps Map
Rent Comps Detail

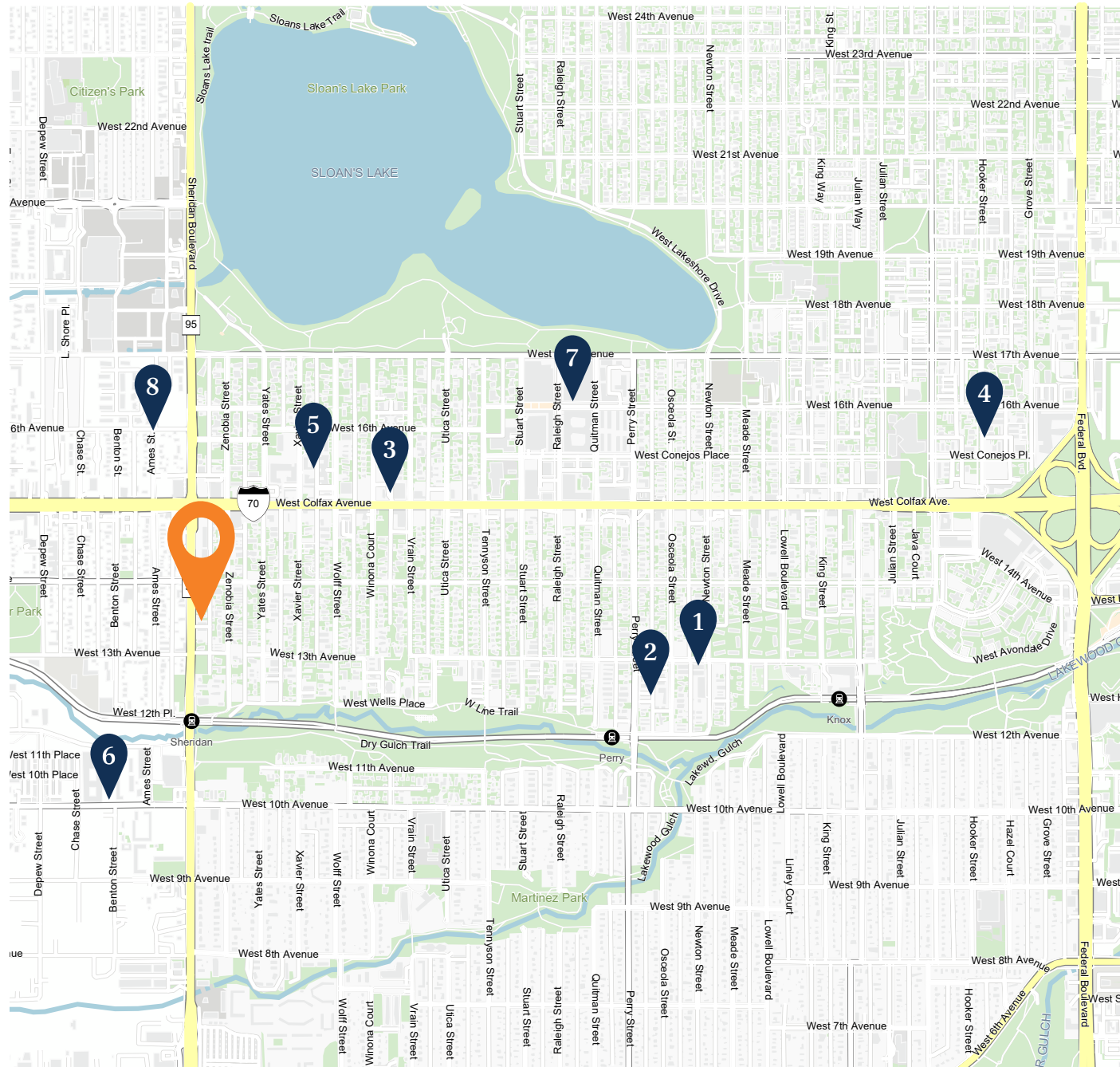
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RENT COMPS MAP

TAILWATER APARTMENTS

 Tailwater Apartments, Denver, CO

-  Singleman
-  The Proto
-  1515 Flats
-  Mile High Place
-  X at Sloan's Lake
-  Traverse
-  Regatta at Sloan's Lake
-  Alta Sloan's Lake



--- RENT COMPARABLES // 16

RENT COMPS

TAILWATER APARTMENTS



Tailwater Apartments

1530-1570 Sheridan Blvd, Denver CO 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	100	460 SF	\$1,564	\$3.40
1 Bed	28	573 SF	\$1,815	\$3.17
AVG		516 SF	\$1,689	\$3.28



1 Singleman

1259 Newton Street Denver CO 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	25	403 SF	\$1,513	\$3.75
1 Bed	20	460 SF	\$1,562	\$3.40
2 Bed	7	783 SF	\$2,248	\$2.87
AVG		548 SF	\$1,774	\$3.34

RENT COMPS

TAILWATER APARTMENTS



2 The Proto
1255 Osceola Street, Denver CO 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	20	352 SF	\$1,248	\$3.55
1 Bed	22	485 SF	\$1,423	\$2.93
AVG		418 SF	\$1,335	\$3.24



3 1515 Flats
1515 Vrain Street, Denver CO 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	82	449 SF	\$1,534	\$3.42
AVG		449 SF	\$1,534	\$3.42

RENT COMPS

TAILWATER APARTMENTS



4

Mile High Place

1586 Hooker Street, Denver Co 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	12	365 SF	\$1,404	\$3.85
1 Bed	44	420 SF	\$1,431	\$3.41
2 Bed	4	805 SF	\$2,303	\$2.86
AVG		530 SF	\$1,712	\$3.73



5

X at Sloan's Lake

1552 Xavier Street, Denver CO 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	37	452 SF	\$1,530	\$3.38
1 Bed	60	606 SF	\$1,910	\$3.15
AVG		529 SF	\$1,720	\$3.26

RENT COMPS

TAILWATER APARTMENTS



6

Traverse

5495 W 10th Ave, Lakewood CO 80214

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	47	432 SF	\$1,641	\$3.81
1 Bed	169	646 SF	\$1,903	\$2.95
AVG		539 SF	\$1,772	\$3.38



7

Regatta at Sloan's Lake

1550 Raleigh Street, Denver CO 80204

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	108	544 SF	\$1,619	\$2.98
1 Bed	176	692 SF	\$2,018	\$2.92
AVG		618 SF	\$1,818	\$2.95

RENT COMPS

TAILWATER APARTMENTS



8

Alta Sloan's Lake

1605 Sheridan Blvd, Lakewood CO 80214

UNIT MIX	UNIT COUNT	AVG. SIZE	AVG. RENT	\$/SQFT
Studio	66	549 SF	\$1,486	\$2.71
1 Bed	134	720 SF	\$2,221	\$3.08
AVG		634 SF	\$1,853	\$2.89

SECTION 4

04

CONSTRUCTION BUDGET

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CONSTRUCTION BUDGET

TAILWATER APARTMENTS

General Conditions	\$990,683
Temp Utilities	\$70,810
Construction Facilities	\$63,535
Winter Conditions	\$68,500
Construction Hoisting and Aids	\$503,554
Vehicular Access and Parking	\$0
Security Controls	\$122,466
Project Identification	\$1,900
Mobilization and Jobsite Setup	\$17,715
Daily and Final Cleaning	\$164,625
Protection of Finished Construction	\$31,803
Cast-in-Place Concrete	\$2,266,966
Architectural Concrete Finishes	\$16,066
Grouting	\$7,425
Concrete Saw Cutting and Coring	\$40,800
Unit Masonry	\$291,794
Structural Metal Framing	\$1,019,708
Steel Deck	\$65,556
Cold Formed Structural Metal Framing	\$1,890,000
Misc Metal Fabrications	\$99,175
Metal Railings	\$54,000
Decorative Metal	\$94,296
Misc Carpentry & General Labor	\$448,037

Architectural Woodwork & Trim	\$217,399
Damp proofing & Waterproofing	\$11,728
Thermal Protection	\$103,871
Roof & Deck Insulation	\$0
Exterior Insulation & Finish System (EIFS) / STUCCO	\$442,313
Weather Barriers	\$41,283
Roofing	\$331,922
Flashing & Sheet Metal	\$22,310
Roof Specialties	\$23,768
Roof Accessories	\$3,700
Roof Pavers	\$62,814
Firestopping	\$67,500
Joint Sealants	\$69,297
Doors & Frames	\$523,000
Overhead Doors	\$5,500
Storefronts & Curtain Walls	\$182,320
Windows	\$321,200
Fixed Skylights	\$12,500
Glass & Gazing	\$32,101
Metal Stud & Drywall Facilities	\$2,079,482
Tiling	\$350,482
Suspended Acoustical Ceilings	\$33,795
Storefronts & Curtain Walls	\$182,320

CONSTRUCTION BUDGET

TAILWATER APARTMENTS

Windows	\$321,200
Fixed Skylights	\$12,500
Glass & Gazing	\$32,101
Metal Stud & Drywall Facilities	\$2,079,482
Tiling	\$350,482
Suspended Acoustical Ceilings	\$33,795
Floor Systems	\$437,818
Wall Finishes	\$38,042
Painting & Coatings	\$486,350
Signage	\$73,293
Toilet Partitions & Accessories	\$103,474
Emergency Access Cabinets	\$825
Fire Protection Specialties	\$35,914
Lockers	\$10,600
Postal Specialties	\$26,079
Closet Specialties	\$31,432
Exterior Specialties	\$459,113
Vehicle Service Equipment	\$40,000
Parking Control Equipment	\$116,755
Residential Equipment & Appliances	\$645,378
Commercial Foodservice Equipment	\$24,869
Window Treatments	\$186,200
Manufactured Casework	\$437,150

Countertops	\$161,210
Other Furnishings	\$276,577
Special Construction	\$30,700
Elevators	\$359,900
Facility Chutes	\$100,560
Fire Sprinkler Systems	\$543,000
Plumbing Systems	\$2,856,031
Mechanical Systems	\$1,678,978
Electrical Systems	\$1,980,638
Communication	\$119,943
Electronic Safety and Security	\$283,502
Survey & Staking	\$55,000
Earthwork & Excavation	\$153,316
Erosion & Sediment Control	\$55,628
Caissons / Drilled Piers	\$94,362
Asphalt Paving	\$10,343
Modular Unit Paver Systems	\$12,800
Site Concrete	\$95,170
Paving Specialties	\$9,815
Fences & Gates	\$68,600
Site Steel Bollards	\$5,200
Landscaping	\$159,705
Utility Services	\$334,316

SECTION 5

05

FLOOR PLANS & DESIGNS

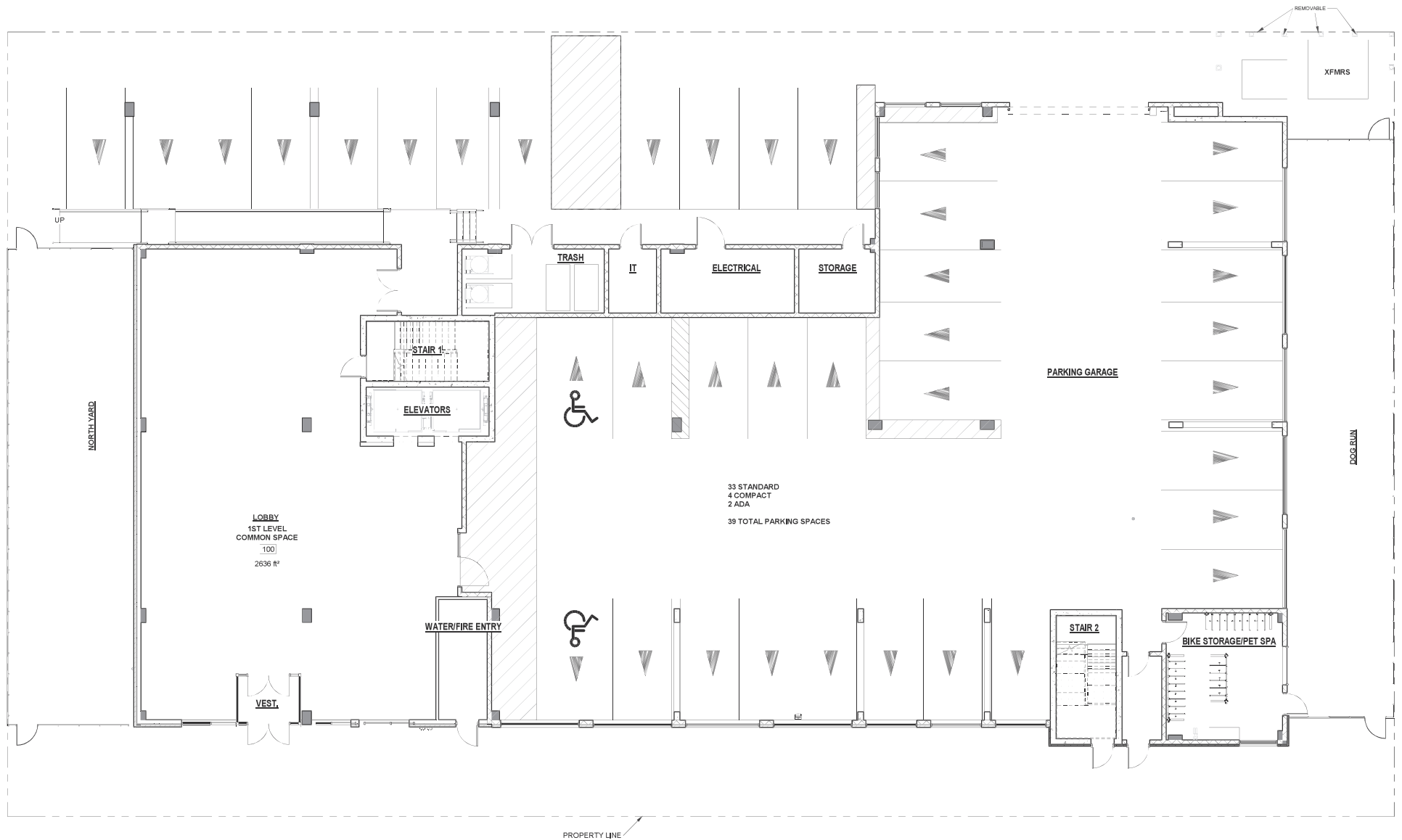
Floor Plans
Interior Renderings

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FLOOR PLANS

TAILWATER APARTMENTS

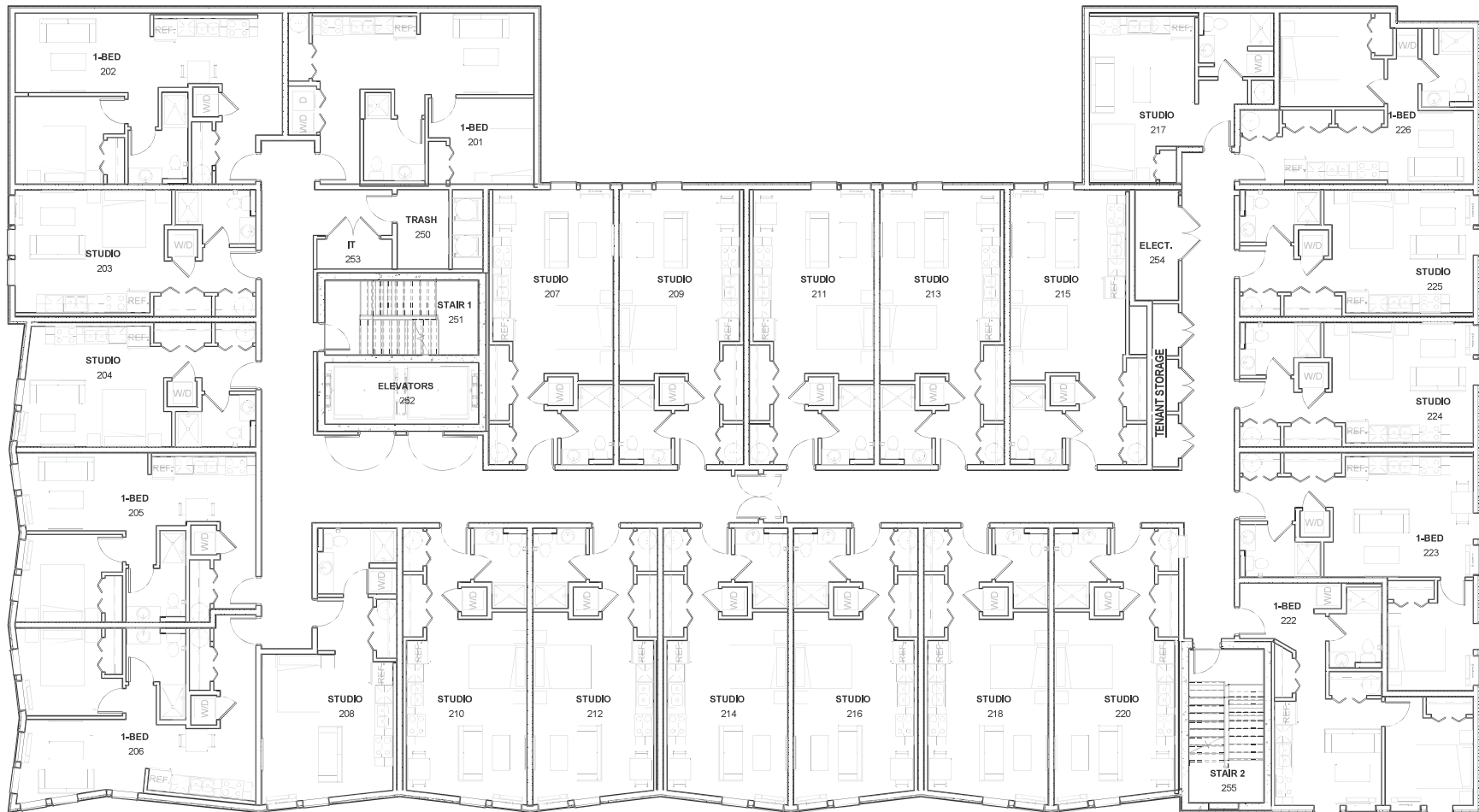
FIRST FLOOR



FLOOR PLANS

TAILWATER APARTMENTS

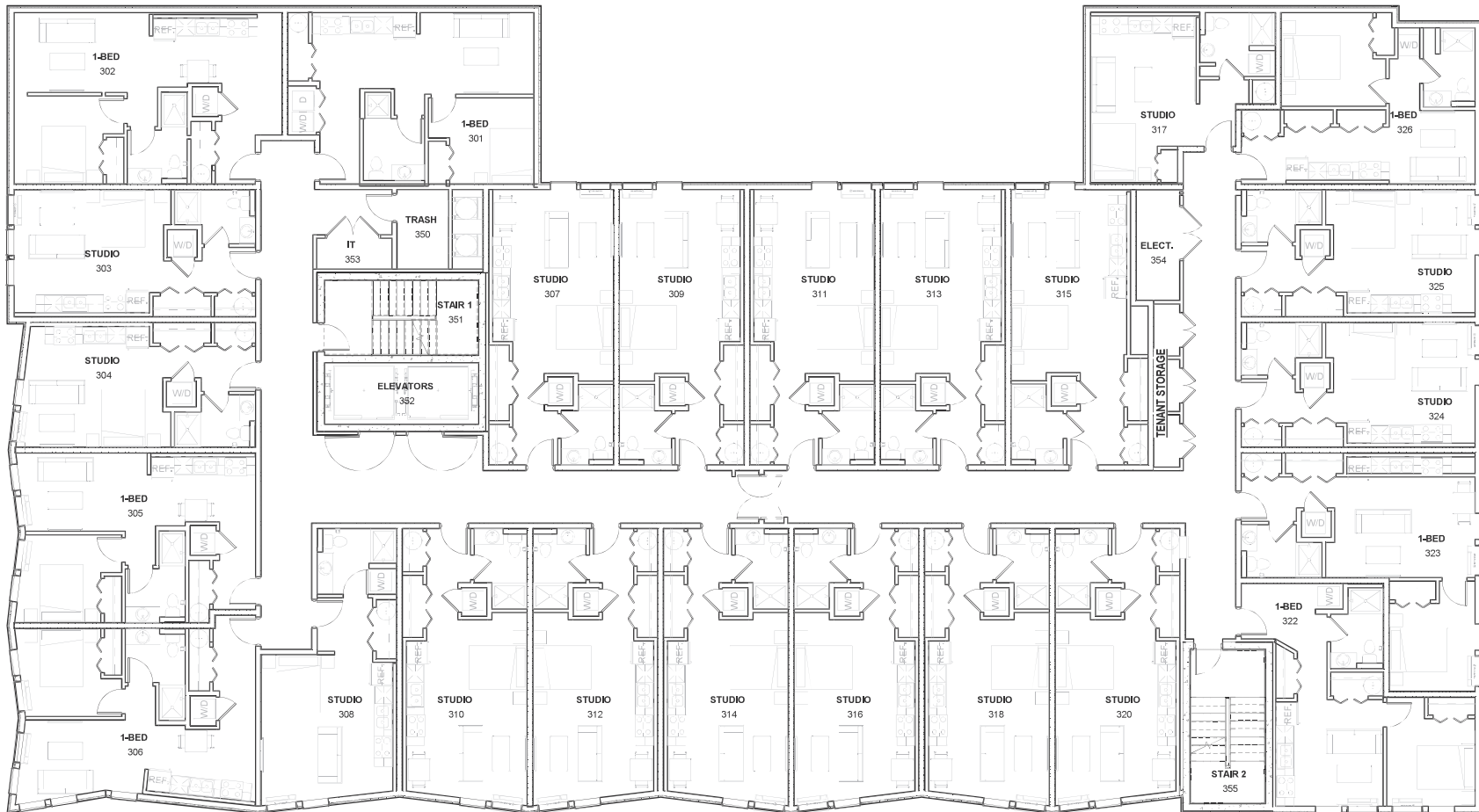
SECOND FLOOR



FLOOR PLANS

TAILWATER APARTMENTS

THIRD FLOOR



FLOOR PLANS

TAILWATER APARTMENTS

FOURTH FLOOR



FLOOR PLANS

TAILWATER APARTMENTS

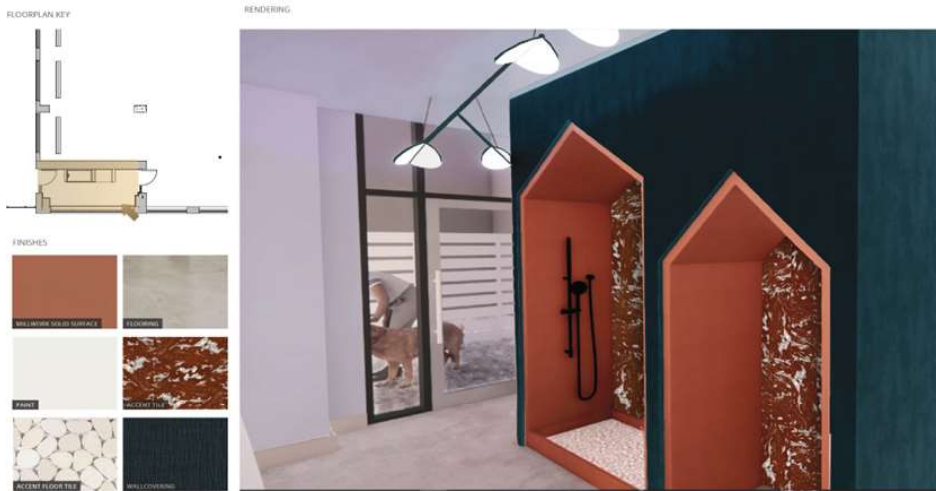


INTERIOR RENDERINGS

TAILWATER APARTMENTS

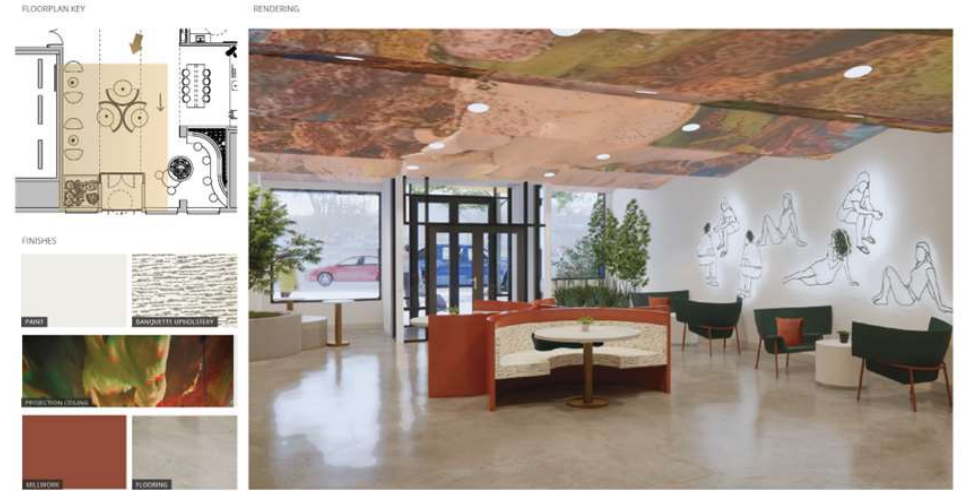
Level I Dog Wash

13TH & SHERIDAN



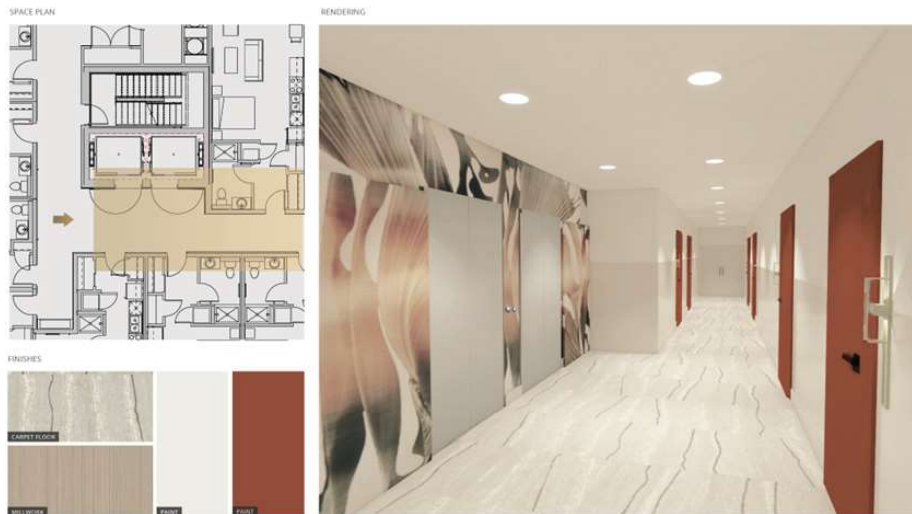
Level I Community

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Corridors

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Corridors

13TH & SHERIDAN



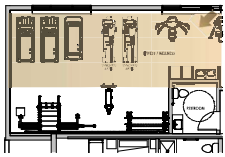
INTERIOR RENDERINGS

TAILWATER APARTMENTS

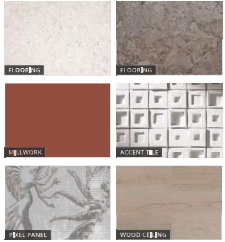
Level II Fitness

13TH & SHERIDAN

FLOORPLAN KEY RENDERING



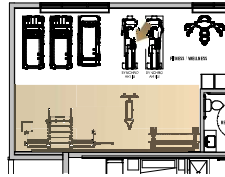
FINISHES



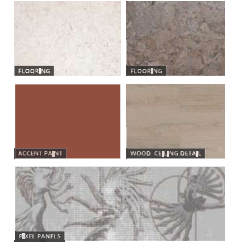
Level II Fitness

13TH & SHERIDAN

FLOORPLAN KEY RENDERING



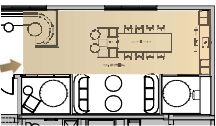
FINISHES



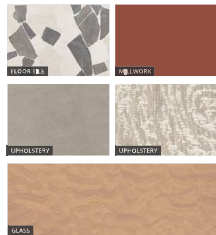
Level II Co-Working

13TH & SHERIDAN

FLOORPLAN KEY RENDERING



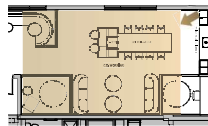
FINISHES



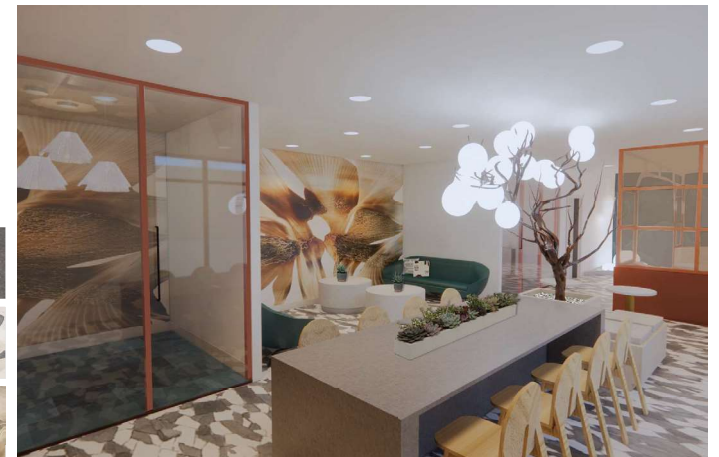
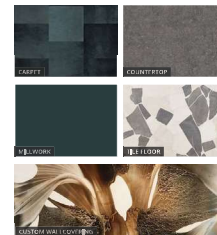
Level II Makers Space

13TH & SHERIDAN

FLOORPLAN KEY RENDERING



FINISHES



DIFFERENT BROKERAGE RELATIONSHIPS ARE AVAILABLE WHICH INCLUDE SELLER AGENCY, BUYER AGENCY OR TRANSACTION-BROKERAGE.

BROKERAGE DISCLOSURE TO BUYER DEFINITIONS OF WORKING RELATIONSHIPS

Seller's Agent: A seller's agent works solely on behalf of the seller to promote the interests of the seller with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the seller. The seller's agent must disclose to potential buyers all adverse material facts actually known by the seller's agent about the property. A separate written listing agreement is required which sets forth the duties and obligations of the broker and the seller.

Buyer's Agent: A buyer's agent works solely on behalf of the buyer to promote the interests of the buyer with the utmost good faith, loyalty and fidelity. The agent negotiates on behalf of and acts as an advocate for the buyer. The buyer's agent must disclose to potential sellers all adverse material facts actually known by the buyer's agent, including the buyer's financial ability to perform the terms of the transaction and, if a residential property, whether the buyer intends to occupy the property. A separate written buyer agency agreement is required which sets forth the duties and obligations of the broker and the buyer.

Transaction-Broker: A transaction-broker assists the buyer or seller or both throughout a real estate transaction by performing terms of any written or oral agreement, fully informing the parties, presenting all offers and assisting the parties with any contracts, including the closing of the transaction, without being an agent or advocate for any of the parties. A transaction-broker must use reasonable skill and care in the performance of any oral or written agreement, and must make the same disclosures as agents about all adverse material facts actually known by the transaction-broker concerning a property or a buyer's financial ability to perform the terms of a transaction and, if a residential property, whether the buyer intends to occupy the property. No written agreement is required.

Customer: A customer is a party to a real estate transaction with whom the broker has no brokerage relationship because such party has not engaged or employed the broker, either as the party's agent or as the party's transaction-broker.

RELATIONSHIP BETWEEN BROKER AND BUYER

Broker and Buyer referenced below have NOT entered into a buyer agency agreement. The working relationship specified below is for a specific property described as:

1350 Sheridan Boulevard Denver, CO 80204

or real estate which substantially meets the following requirements:

Buyer understands that Buyer is not liable for Broker's acts or omissions that have not been approved, directed, or ratified by Buyer.

CHECK ONE BOX ONLY:

Multiple-Person Firm. Broker, referenced below, is designated by Brokerage Firm to serve as Broker. If more than one individual is so designated, then references in this document to Broker shall include all persons so designated, including substitute or additional brokers. The brokerage relationship exists only with Broker and does not extend to the employing broker, Brokerage Firm or to any other brokers employed or engaged by Brokerage Firm who are not so designated.

One-Person Firm. If Broker is a real estate brokerage firm with only one licensed natural person, then any references to Broker or Brokerage Firm mean both the licensed natural person and brokerage firm who shall serve as Broker.

CHECK ONE BOX ONLY:

Customer. Broker is the seller's agent seller's transaction-broker and Buyer is a customer. Broker intends to perform the following list of tasks: Show a property Prepare and Convey written offers, counteroffers and agreements to amend or extend the contract. Broker is not the agent or transaction-broker of Buyer.

Customer for Broker's Listings – Transaction-Brokerage for Other Properties. When Broker is the seller's agent or seller's transaction-broker, Buyer is a customer. When Broker is not the seller's agent or seller's transaction-broker, Broker is a transaction-broker assisting Buyer in the transaction. Broker is not the agent of Buyer.

Transaction-Brokerage Only. Broker is a transaction-broker assisting the Buyer in the transaction. Broker is not the agent of Buyer.

Buyer consents to Broker's disclosure of Buyer's confidential information to the supervising broker or designee for the purpose of proper supervision, provided such supervising broker or designee does not further disclose such information without consent of Buyer, or use such information to the detriment of Buyer.

DISCLOSURE OF SETTLEMENT SERVICE COSTS. Buyer acknowledges that costs, quality, and extent of service vary between different settlement service providers (e.g., attorneys, lenders, inspectors and title companies).

THIS IS NOT A CONTRACT. IT IS BROKER'S DISCLOSURE OF BROKER'S WORKING RELATIONSHIP.

If this is a residential transaction, the following provision applies:

MEGAN'S LAW. If the presence of a registered sex offender is a matter of concern to Buyer, Buyer understands that Buyer must contact local law enforcement officials regarding obtaining such information.

BUYER ACKNOWLEDGMENT:

Buyer acknowledges receipt of this document on _____.

Buyer

Buyer

BROKER ACKNOWLEDGMENT:

On _____, Broker provided _____ (Buyer) with this document via _____ and retained a copy for Broker's records.

Brokerage Firm's Name: Marcus & Millichap Real Estate Investment Services of Atlanta, Inc.

Broker

TAILWATER APARTMENTS

Broker of Record

ADAM LEWIS

Broker of Record

1144 15th St., Suite 2150

Denver, CO 80202

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Marcus & Millichap

