

DOWNTOWN PHOENIX TRANSIT DEVELOPMENT SITE

FOR SALE



1505 NORTH CENTRAL AVE.

SOUTH OF THE SOUTHEAST CORNER OF CENTRAL AVE & MCDOWELL RD.

EXCLUSIVELY MARKETING BY:

CHEROKEE DEVELOPMENT

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CENTRAL AVE. & McDOWELL RD.

View looking north at the Central Phoenix Business District



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FEATURES

SITE SIZE ±1.58 ACRES (±68,771 SF)*
 BUILDING SIZE ±19,000 SF
 PURCHASE PRICE \$7,908,769 (\$115/SF)
 ZONING C-2 HRI
 ADDRESS 1505 NORTH CENTRAL AVENUE, PHOENIX, AZ 85004

OPPORTUNITIES FOR DEVELOPMENT

Michael Lieb has been retained as the exclusive representative for the sale of this transit-oriented development site. With 1.58 acres this property provides an investor and/or developer the opportunity to acquire a very rare development site located in the heart of the Downtown/ Central Business District with adjacent accessibility to the future METRO Light Rail line on Central Avenue. The Rail station will be located on Central Avenue just south of McDowell Road, with the station platform immediately across from this site. The property's prime location with its surrounding business amenities and residential developments, both planned, new and existing, make the site an ideal location for any number of development concepts.

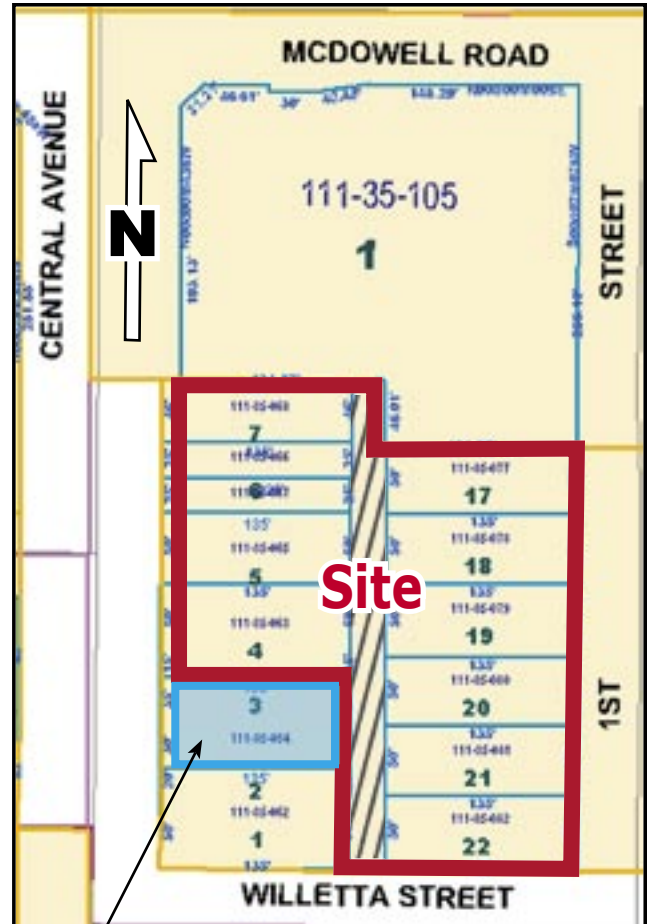
The C-2 HIGH RISE zoning currently allows for 250 feet of height. While no representations can be made other landowners in the area have achieved additional height approvals through the re-zoning process. High-rise office, residential condos/rentals, hotel or mixed use are examples of the flexibility and variety offered by this site.

INVESTMENT OPPORTUNITIES WITH EXISTING TENANT

The Suns-Diamondback Education Academy is located on the southeast corner of the property. Opened in 2002, the school offers specialized education and training for high school students in grades 10-12. The property provides a stable net operating income of over \$210,000.

* Site size includes alley which needs to be abandoned

Parcel Map



Additional vacant land acquired by the City of Phoenix for Light Rail. According to the City Real Estate Department, it will be declared excess land and sold.



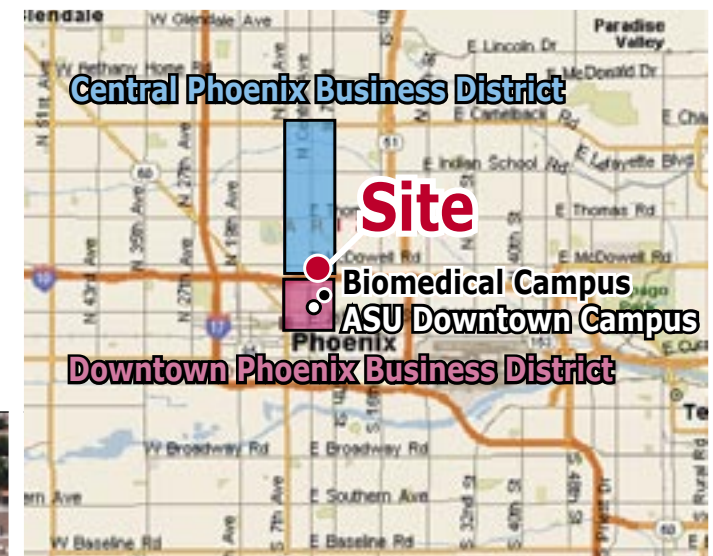
Site Map Showing Light Rail Station Alignment



TRANSPORTATION HIGHLIGHTS

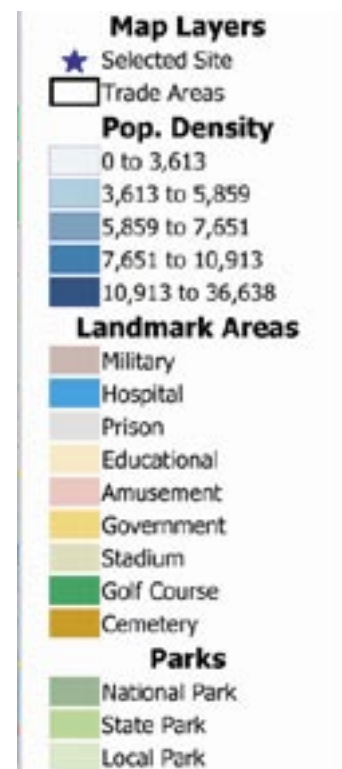
This site is well situated in the core of the freeway and public transportation network. Virtually any area in Greater Phoenix can be reached from this location on central Avenue. The future METRO Light Rail will be adjacent to the property. A Light Rail station platform will be located steps from the northwest corner of the site, just south of McDowell Road on Central Avenue.

Located in the central corridor between Central Phoenix and the Downtown Business Districts, the intersection of McDowell Road and Central Avenue is one of the most accessible destinations in the Phoenix Metro Area. The site is surrounded by freeways such as SR- 51, I-10, Loop 101, Loop 202 and I-17 that allow access to all Valley cities. Phoenix Sky Harbor International Airport is less than 5 miles away.



DEMOGRAPHICS

Population	1 Mile	%	3 Mile	%	5 Mile	%
Population (1990)	14,432		123,318		307,198	
Population (2000)	14,797		146,745		388,017	
Population (2005)	15,317		153,080		404,085	
Population (2010)	16,071		163,168		430,786	
Gender (2005)						
Male (2005)	8,417	55.0%	82,827	54.1%	214,755	53.1%
Female (2005)	6,900	45.0%	70,252	45.9%	189,331	46.9%
Age (2005)						
Age 0-4	1,183	7.7%	15,125	9.9%	39,986	9.9%
Age 5-9	1,001	6.5%	13,360	8.7%	35,165	8.7%
Age 10-13	676	4.4%	8,996	5.9%	23,937	5.9%
Age 14-17	607	4.0%	8,539	5.6%	22,784	5.6%
Age 18-24	1,431	9.3%	17,996	11.8%	48,012	11.9%
Age 25-34	2,812	18.4%	26,762	17.5%	69,827	17.3%
Age 35-44	2,534	16.5%	21,951	14.3%	56,487	14.0%
Age 45-54	2,159	14.1%	17,116	11.2%	43,986	10.9%
Age 55-64	1,303	8.5%	10,334	6.8%	27,846	6.9%
Age 65-74	756	4.9%	6,170	4.0%	17,316	4.3%
Age 75-84	527	3.4%	4,481	2.9%	12,574	3.1%
Age 85+	269	1.8%	2,052	1.3%	5,720	1.4%
Households						
Households (1990)	6,106		45,592		118,543	
Households (2000)	6,390		49,118		130,161	
Households (2005)	6,541		50,795		133,661	
Households (2010)	6,784		53,709		140,760	
Avg HH Income (2005)	53,163		42,162		45,749	
Income (2005)						
HH Inc. \$ 0 - \$ 15k	1,578	24.1%	12,430	24.5%	29,295	21.9%
HH Inc. \$15 - \$ 25k	994	15.2%	9,225	18.2%	23,237	17.4%
HH Inc. \$25 - \$ 35k	823	12.6%	7,457	14.7%	19,744	14.8%
HH Inc. \$35 - \$ 50k	860	13.1%	8,490	16.7%	23,205	17.4%
HH Inc. \$50 - \$ 75k	918	14.0%	7,028	13.8%	19,422	14.5%
HH Inc. \$75 - \$100k	555	8.5%	2,931	5.8%	8,635	6.5%
HH Inc. \$100 - \$150k	469	7.2%	2,097	4.1%	6,208	4.6%
HH Inc. \$150 - \$200k	143	2.2%	336	0.7%	1,244	0.9%
HH Inc. \$200k+	202	3.1%	801	1.6%	2,671	2.0%



AREA NEWS...

Site in Central Corridor of Phoenix sells for \$25.6 mil

Buyer is partnership of Vegas, Israel firms

By Andrew Johnson
THE ARIZONA REPUBLIC

A Las Vegas developer has paid \$25.6 million for six acres in Phoenix's Central Corridor with possible plans for residential units and retail space.

Central Phoenix Development LLC, a partnership between AnLand Development LLC in Las Vegas and ESR Group in Tel Aviv, Israel, is the new owner of the vacant land at the northwestern corner of Central Avenue and McDowell Road.

The company paid nearly

"We love the possibility for revitalization of downtown Phoenix and specifically that corridor."

Chet Nichols
AnLand Development

double what the seller, Boise, Idaho-based KML Development, spent for the property last year, according to state Department of Revenue records.

Although Central Phoenix Development has no specific plans for the site, Chet Nichols, executive vice president of AnLand Development, said, "We think that the site might be appropriate for a combination of residential units and/or retail and/or a hotel. If we did a residential project, it would certainly be a for-sale project."

The company plans to consult with community members, area homeowners groups and city planners before submitting an official proposal for the property.

"We love the property. We love the possibility for revitalization of downtown Phoenix



Central Corridor parcel sells

PARCEL
Continued from D1

and specifically that corridor," Nichols said. "But we are in the process of figuring out what works and talking to neighbors and city officials and doing our own feasibility study to see what would be appropriate for that site."

Members of the Willo Neighborhood Association, which deals with the historic district that borders the land to the west, are "anxiously awaiting" a presentation by Central Phoenix Development, association President Robert Cannon said.

The group wants to ensure that whatever is built "has the proper mixed-use development, complements the neighborhood" and takes into consideration traffic and parking, Cannon said.

Central Phoenix Development hopes to have firmer plans for the land within the next four to six weeks, Nichols said.

AnLand Development's portfolio includes mixed-use developments that combine high-rise condominiums with retail and entertainment space. The company is developing a

19.5-acre project called One Las Vegas that includes five 18- to 21-story condo towers, a boutique hotel, retail and restaurants, according to Director of Marketing Kenna Julian.

"We like to put our properties in very urban areas that are convenient but make them a convenient center within themselves," Julian said.

AnLand Development's Web site, www.anlanddevelopment.com, includes a listing for "One Phoenix," but Nichols said the final project most likely would have a different name.

The land is zoned as an urban residential property in a multifamily residential district, according to Sina Mathes, a spokeswoman for Phoenix.

KML Development, which bought the land last summer for \$12.83 million, had intended to build high-rise condos on the property but decided to sell because of other projects it is working on in the Valley, said Charlie LaMar, a principal and president of KML Development.

"Most definitely we think it's one of the best sites in the entire downtown Phoenix area for high-rise development," he said.



METRO Light Rail (2008)



Phoenix Art Museum



VIAD Tower



Artisan Haus (Under Construction)



Bowne



CVS Pharmacy



Burton Barr Library



Artisan Lofts

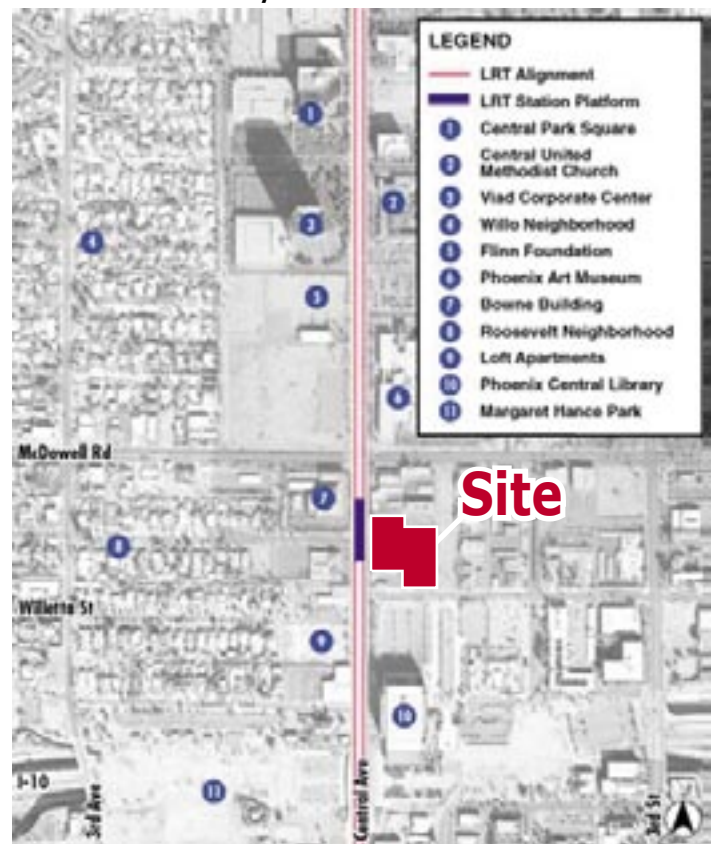


Photo facing south towards downtown along Light Rail Alignment.





STRATEGIC VISION AND BLUEPRINT FOR THE FUTURE

Downtown Phoenix is the heart of the Phoenix metropolitan area. Since 1987, approximately \$3 billion of private and public capital has been invested in Downtown. In addition to the 43,000 workers who make Downtown their daytime home, more than 8 million people visit the area's many cultural, sports, and entertainment venues each year. Downtown Phoenix is also home to the Copper Square district, the 90-block heart of the city. Copper Square provides a uniquely cosmopolitan, walkable, safe, and accessible round-the-clock center for business, culture, entertainment, learning, and living for all people. The Downtown Phoenix Partnership, a non-profit organization funded by private and public property owners within the district, markets and manages Copper Square.

In December 2004, the Phoenix City Council adopted a plan entitled, "Downtown Phoenix: A Strategic Vision and Blueprint for the Future" to establish a road map for the next 10 years of downtown development. The Strategic Vision and Blueprint builds off of the significant public and private initiatives currently underway in Downtown Phoenix, including the Phoenix Biomedical Campus at Copper Square, Valley Metro Rail transit system, the new 1,000 room Sheraton hotel, the development of the new 15,000 student Arizona State University Downtown Phoenix campus, the establishment of the University of Arizona medical school, and the development of approximately 2,000 student housing units. The new plan also calls for 10,000 new housing units, more than 600,000 square feet of retail and entertainment space, 10,000 new jobs, urban-oriented academic and biomedical campuses, continued focus on the arts and historic preservation, and strong pedestrian environments.



DOWNTOWN PLANNING AREAS

Be sure to check out the full-page aerial map of "The Heart of Greater Downtown Phoenix" located in the back page supplement of this brochure.

*Courtesy of The City of Phoenix,
Downtown Development Office*



RESIDENTIAL DEVELOPMENT

RESIDENTIAL DEVELOPMENT

Residential interest in Downtown/Midtown has increased tremendously in the past decade. Since 1996, more than 2,000 units have been added to the Downtown area with many more units nearing construction. The new housing developments cater to residents looking for a dynamic urban environment, shorter commutes, and easy access to nearby cultural, sports and entertainment amenities. The area has experienced a revival that includes the restoration of historic homes and development of multi-family urban apartments, condominiums, lofts, and town homes. The variety of housing options contributes to Downtown's diverse residential base.



The Willo Historic District is located just a few blocks northwest

CONDO ACTIVITY

PHOENIX REAL ESTATE BOOMING

With the ever-growing population in Phoenix, the real estate market is booming. There has been an amazing increase in interest in Phoenix real estate over the past decade, both because of it's weather, as well as the fact that Metropolitan Phoenix's economy has been thriving for over twenty years. With growth brings new and exciting luxury urban residential real estate development projects to Phoenix. These luxury dwellings are in condominium towers, elegant residences, townhomes, two-storey lofts and other exclusive homes in the surrounding Historic Districts like *Willo*, *Roosevelt*, *Palm Croft* and *Encanto*.

As you can see below there isn't a shortage of luxury condo and urban loft developments springing up in Phoenix.

Urban Loft and Condo Residences in the Downtown/Central Phoenix Area:

- **Orpheum Lofts** - *Completed*
- **Stadium Lofts** - *Completed*
- **ZLofts** - *Luxury Condos -Planned*
- **44 Monroe Residences** – *Luxury Condos -Under Construction*
- **Optima Biltmore Towers** – *High-Rise Condos -Completed*
- **2211 Camelback** -*Luxury Condos- -Completed*
- **Chateaux on Central** – *Townhomes -Under Construction*
- **Century Plaza** - *Luxury Condo Tower -Under Construction*
- **The Summit at Copper Square** – *High Rise Condos -Under Construction*
- **Two Biltmore Estates** – *Luxury Residences -Under Construction*
- **The Fairway Lodge at the Biltmore** –*Luxury Estates -Under Construction*
- **Cosmopolitan Tower** - *Lofts -Planned*
- **The W Phoenix Hotel and Residence** -*Planned*
- **Tapestry Lofts** -*Midtown -Final Stage*



Chateau on Central



Tapestry Lofts

LIGHT RAIL



The new \$1.3 billion 20-mile METRO light rail line will soon connect central Phoenix with Tempe and west Mesa. Major METRO light rail construction has begun along the corridor with a planned opening date of December 2008. A general schedule of construction activities has recently been finalized.

Light rail operates along a set pathway on steel rails. The METRO system will operate at street level in a lane separated from traffic. This dedicated guideway, along with a traffic prioritization system, will allow METRO to travel faster than local buses even though it will travel at the same posted speeds as cars.

The system will be powered by electricity from overhead wires, and will generate about as much noise as a new-model passenger truck. METRO light rail vehicles have a capacity of 200 people, and can be linked together in sets of three. Light rail trains will operate 18 to 20 hours per day, seven days a week. Trains will arrive at stations every 10 minutes during peak hours and every 20 minutes off-peak.

Initially, the system will carry 3,000-5,000 passengers per hour. The system will ultimately have the capacity to transport the same number of people as a six-lane freeway, up to 15,000 people per hour.

METRO light rail will connect many of the Valley's premier destinations, including Copper Square—a hub of major valley entertainment and sports facilities, Central Avenue, Phoenix Sky Harbor Airport, universities and colleges, museums, medical and research centers, parks, charming historic neighborhoods to new mixed-urban living projects and the region's largest employment centers.

The City of Phoenix, Downtown Development Office is working to maximize the investment in light rail transit by promoting and attracting high quality mixed-use transit-oriented development (TOD) near light rail

stations. TOD is a pattern of development characterized by a mix of uses surrounding a transit station where streets have a high level of connectivity, blocks are small, and buildings and uses cater to the pedestrian. TOD increases access to transit stations by creating an environment that is human-scaled, providing a mix of compatible and complementary land uses that facilitate transit ridership.

The purpose is to make access to and from the transit station walk-able and accessible in an environment that is human-scaled and provide for a mix of compatible and complementary land uses which facilitate transit ridership.



METRO LIGHT RAIL INITIAL 20-MILE LINE

VALLEY METRO BUS



CENTRAL STATION

Located at Van Buren Street and Central Avenue, the Central Station Bus Terminal is the major transit hub for the Valley Metro Bus service. The station consists of a 4,000 square foot building with a police office, two evaporative cooled open air colonnades totalling 500 lineal feet, shade trees, children's play area, information kiosk, public restrooms, drinking fountains, bicycle racks, telephones, and a gated display area for vintage transit vehicles. Services provided at Central Station include ticket and pass sales, transit information, lost and found, and push cart vending.

BUS ROUTES SERVED BY THE METRO LIGHT RAIL

Routes 0, 3, 7, 8, 10, 12, 15, Red Line, Blue Line, Grand Avenue Limited, 560 Express, RAPID

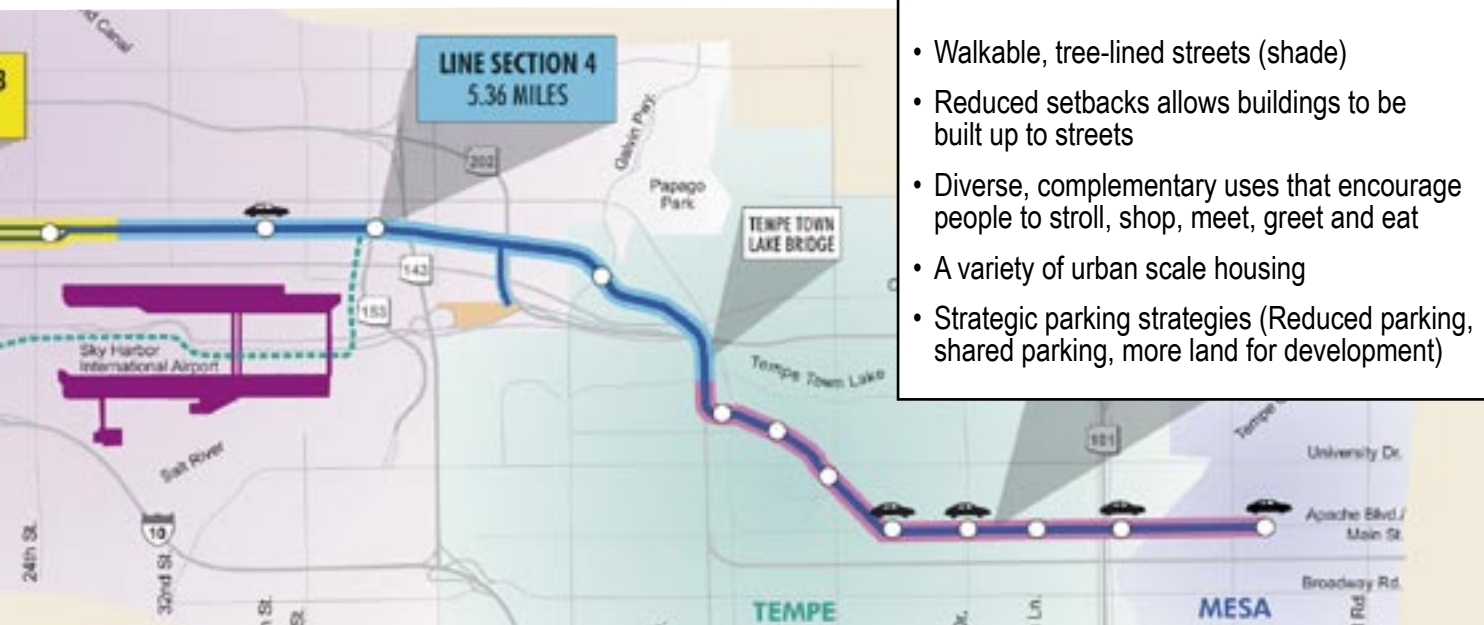


TOD BENEFITS:

- Improved accessibility to jobs
- Generate sales tax revenues
- High-level of mobility to and from streets
- Increase values of nearby properties
- Improved foot traffic for retailers
- Decrease in transportation costs for residents and employees
- Access to a more diverse workforce
- Escalating fuel costs encourages transit use

TOD CHARACTERISTICS:

- Walkable, tree-lined streets (shade)
- Reduced setbacks allows buildings to be built up to streets
- Diverse, complementary uses that encourage people to stroll, shop, meet, greet and eat
- A variety of urban scale housing
- Strategic parking strategies (Reduced parking, shared parking, more land for development)





ASU DOWNTOWN CAMPUS

Arizona State University is partnering with the city of Phoenix to develop the ASU Downtown Phoenix Campus. The campus will be home to 15,000 students and thousands more faculty and staff. The campus will offer a wide range of undergraduate and graduate degree programs from the College of Nursing, College of Public Programs, Cronkite School of Journalism and Mass Communication, the School of Global Health, and the University College. Phase I of the campus opened in the fall of 2006 for approximately 4,000 students. Phase II will bring an additional 5,000 students and nearly 500,000 sq. feet of development in the fall of 2008. The campus will bring tremendous synergy to downtown Phoenix, as well as expand educational opportunities.

PHOENIX BIOMEDICAL CAMPUS

Downtown Phoenix is becoming a significant location for biomedical research and education in the Southwest with the establishment of the Phoenix Biomedical Campus at Copper Square, a 28-acre urban research park planned for two million square feet of biomedical related research, laboratory, and academic facilities. The Phoenix Biomedical Campus is anchored by the headquarters of the Translational Genomics Research Institute (TGen) and the International Genomics Consortium (IGC), a \$46 million, six-story, 170,000 square foot research facility that opened in the winter of 2004. The University of Arizona College of Medicine is scheduled to begin its operations in the restored historic former Phoenix Union High School buildings. In addition, the Arizona Biomedical Collaborative is developing a new research facility at the Campus, with completion scheduled for early 2007.

OFFICE AND COMMERCIAL

Downtown Phoenix is a great place to work and conduct business. With more than 43,000 employees, Copper Square and Downtown boasts the highest geographic concentration of employment in the Valley. Over the past 15 years, nearly 4 million square feet of office space has been added within Copper Square. This new inventory includes Phase I of the Collier Center, a mixed-use project that features the 23-story, 520,000 square foot Bank of America building. The first phase, completed in 2000, also incorporates 90,000 square feet of retail and entertainment space. The 20-story, 460,000 square foot Phelps Dodge Tower was completed in 2001 and is the headquarters of the Fortune 500 corporation.

Downtown and Central Phoenix Office Report (2nd Quarter 2006)

Class	Bldgs	Total Inventory	Direct Vacancy	Sublease Vacancy
A	26	8,826,173 sf	704,043 sf 8.0%	78,956 sf 0.9%
B	135	9,411,891 sf	1,231,382 sf 13.1%	36,909 sf 0.4%
C	95	2,027,138 sf	185,736 sf 9.2%	6,240 sf 0.3%
Total	256	20,265,202 sf	2,121,161 sf 10.5%	122,105 sf 0.6%

Class	Bldgs	Total Vacancy	Net Absorption SF	Avg Rent/SF
A	26	782,999 8.9%	192,616	\$21.36
B	135	1,268,291 13.5%	309,720	\$16.48
C	95	951,919 9.5%	(23,002)	\$14.02
Total	256	2,243,266 11.1%	479,334	\$17.54

Be sure to check out the full-page 3D map of Downtown Phoenix located in the back page supplement of this brochure.



Courtesy of The City of Phoenix, Copper Square Downtown Phoenix Partnership



ASU Downtown Campus



Phoenix Biomedical Campus

THE PHOENIX CONVENTION CENTER

The Phoenix Convention Center is the premier location for conventions and trade shows in the Southwest. This facility hosts an average of 540 annual events including more than 45 conventions each year with more than one million total visitors annually. The Convention Center is undergoing an expansion to triple the current amount of exhibition and meeting space. The expanded facility will feature a new convention meeting hall tower with a below-grade exhibition hall, a street-level ballroom with meeting facilities and two smaller exhibition halls, all totaling 880,000 rentable square feet.

PHOENIX CONVENTION CENTER EXPANSION QUICK FACTS:

- The \$600 million expansion of the Phoenix Convention Center will triple in size, offering nearly 890,000 square feet of rentable space and more than 2 million square feet total.
- The expansion is taking place in phases so that the Phoenix Convention Center remains open for convention business throughout the project.
- Phase One is ready for groups as of July 2006. Phase Two opens in late 2008 and is ready for business in early 2009.



Be sure to read the article titled "Lack of hotel rooms challenges downtown" recently published and located in the back page supplement of this brochure.

*Courtesy of Arizona Republic,
November 20 2006*

ARTS & CULTURAL AMENITIES

The Downtown area is the cultural heart of Greater Phoenix. Home to many cultural attractions such as the Phoenix Museum of History, the Arizona Science Center, Phoenix Symphony Hall, Herberger Theater, the historic Orpheum Theater and the 5,000-seat Dodge Theatre. In addition, the surrounding Downtown area features the Burton Barr Central Library, the Phoenix Art Museum, Phoenix Theater, and the Heard Museum. In recent years, a grassroots visual arts movement has added tremendous vitality to the Downtown area, as thousands of residents and visitors regularly participate in activities such as First Fridays and Art Detour.

SPORTS, LEISURE & WAREHOUSE DISTRICT

More than 5 million sports fans have much to love about Downtown Phoenix. U.S. Airways Arena, which recently underwent a \$67 million renovation, is home to the NBA's Phoenix Suns, WNBA's Phoenix Mercury, and the Arena Football League's Arizona Rattlers. Chase Field is the 48,500 seat home to Major League Baseball's Arizona Diamondbacks. Visitors also have nearly 100 restaurant and entertainment businesses to choose from, as well as an AMC 24 Theater at the Arizona Center. Additionally, Downtown's Warehouse District has been the focus for lively bar and restaurant establishments to meet the demand of sports fans and patrons seeking exciting nightlife. Recently, residential developments such as Stadium Lofts and Campaigne Place have added 24-hour vitality to the warehouse district.



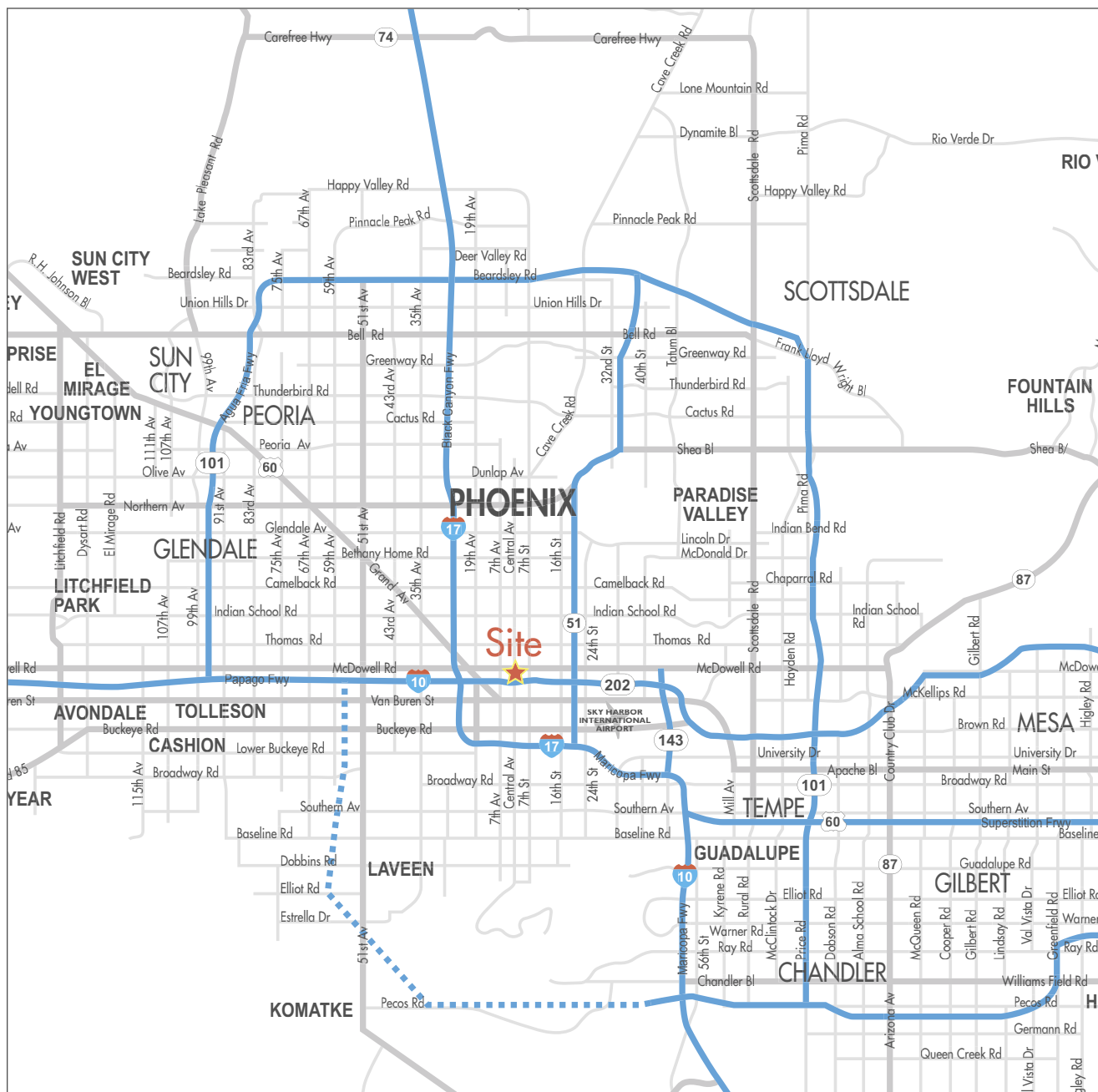
The Phoenix Convention Center



Chase Field home to Arizona Diamondbacks

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