

Hoff & Leigh's Weekend Market Report

Hoff & Leigh, Inc.

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All Market Average Office Building Sale Price PSF = \$102.51 (DOWN \$0.52 from last week)

We are currently tracking 87 office buildings for sale.
This is 789,356 square feet, which represents a total market value of \$80,914,436.

All Market Average Industrial Building Sale Price PSF = \$92.77 (DOWN \$0.43 from last week)

We are currently tracking 74 industrial buildings for sale.
This is 903,582 square feet, which represents a total market value of \$83,828,406.

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Tim's Market Report

FROM THE CAMPAIGN:

Q: Any news from the campaign?

A: Yes, – a 2nd North Dakotan threw his hat into the fray last week, which I guess proves that folks from North Dakota must either be gluttons for punishment or not that bright. Dave Munger announced his candidacy and with an eye for irony, it should be noted that Dave graduated from my high school (Grand Forks Central) 10 years ahead of me. So, apparently, the daisy walk's over; the challenging volley has been fired, and unlike the 1st real-shot of the Revolutionary war which was a misfire by an outraged civilian colonist, (when his musket misfired - it was called a flash-in-the-pan), Mr. Munger will be formidable challenger.

Q: Could you expand?

A: Yes. I'm a conservative republican. Mr. Munger's (who is a good guy) is a self admitted "left leaning" democrat. I saw him at an EDC function last week, and after we congratulated and patted each other on the back, we agreed that he "leans left" and I "lean right" and we therefore established the basic differences in our candidacies and philosophy to government. I follow the grand Regan tradition that believes less government is more; folks who lean left generally believe more government is less. People who govern from the left generally believe folks need a big brother and frankly, I believe that left to their own devices, most folks can take care of themselves. And while we are called by charter to run a non-partisan election, this is shaping up to be anything but.

Q: From what I read in the Gazette, Mr. Munger has a lot of support for his candidacy; care to comment?

A: Yes, Jan Martin told me, that while she thinks I have a lot of enthusiasm, she'll support the Munger candidacy because of his proven track record of "being on a lot of committees". I've also been told that Mary Lou Makepeace supports him; she's the Executive Director of the GIL Foundation and I understand the CONO organizations support him; and, I would guess that he'll get the support of the democrat machine.

Q: Come-on, aren't you being a little bit cynical when you use words like "machine" in Colorado?

A: Whose being naïve. Look, we will turn over 7 council seats in the next election. In fact, I could argue that the next election may be one of the most important municipal elections we'll have in the next 50 years. Don't delude yourself by thinking that the state level democrat machine is not drooling at the possibility of coming into our city and taking control. And if you want to see what that looks like, call some of your friends who own real estate or run a business in Boulder and ask about intrusive municipal regulation that drive-up the cost of ownership and kill free market incentives.

Q: You're all fired up today. What's up?

A: Look, we've been engaged in a battle for the very soul of our nation; we spend more than we earn; we've become so politically correct that we've lost our common sense; we've become a band of moral relativists and I'm afraid that that national disease is beginning to infect us.

Here's a couple of anecdotes that could help you get your arms around what I'm talking about; last month, there were 450,000 new jobs created in the national economy. It takes 150,000 new jobs each month just to keep up with demand. Unfortunately, of those 450,000 new jobs, 400,000 were new government jobs and many think that is OK. You see, there are 2 philosophies - one says that it's OK for the government to be the employer of last resort; the other says jobs must be created by the private sector. I ascribe to the 2nd philosophy.

And, if diminishing Medicare reimbursements for docs wasn't discouraging enough (for the uninitiated, that's a pay-cut), here's a little more fuel for the fire; Karen Harbert (US Chamber of Commerce director for 21st Century Energy Policy) said, starting January 1, 2011, each business entity will have to provide a carbon footprint report; and I've been told that if you want to sell your house you'll have to provide proof that it meets certain energy efficiency standards.

Q: Wow!

A: I know. It takes your breath away if you think about the implications.

Q: I'll bet you had some interesting meetings last week. Care to tell me about them?

A: Sure. Actually, I've been meeting with civic leaders for many months as part of my mission to discover how we're connected and how we can parlay that connectivity to promoting the region.

I met with Eric Phillips. Eric is working on a program to take-over the community centers that were to be shut-down because of budget limitations. He has a program in discussion where impacted neighborhoods are working together as "newly inspired communities" to keep their respective community centers open. And I think that's terrific.

Look, budgets have moral implications. In fat-budget situations, where we spend & subsidize, folks lose their incentive to care for themselves or their neighbors. And so you don't brand me as hard-hearted, I realize we need to take care of those who truly can't care for themselves. But, I guarantee that those folks working with Eric will have more pride in their centers because "they are theirs" and not something provided by government. And, by the way, that is one of the ways we can start re-building a sense of community - by involving folks at the grassroots level in solving their problems and getting rid of their reliance on government.

I also met with Brady Boyd, the Senior Pastor at New Life Church. Brady is very interested in helping create community wherever he can. In fact, he told me a story that is somewhat upsetting; said he tried to connect his parishioners with the parks department. He said his volunteers could take over maintaining several area parks "for free" and they would be dependable and show up every Saturday. That sounds like a great idea to me, but apparently the parks folks couldn't get their arms around that scale of volunteerism and the idea died on the vine.

And I met with the folks at the Henderson and Climax mines. The Henderson & Climax mining operations are subsidiary operations of McMoRan Company, (the world's largest publicly traded copper company) and are located near the top of the continental divide; Henderson near Empire and Climax near Leadville.

McMoRan mines geographically diverse, long-lived reserves of copper, gold and molybdenum. Their stock symbol is FCX and in case you're curious, it could be a good play at \$65 per share with its \$.60 dividend. The story is that we're about to see another bull-run in commodities and this would be an easy way to play that game.

I toured the mines and processing plants to learn about their financial impact on the state and potentially, our city. I learned about their very significant power consumption. (The Henderson is the 2nd largest consumer of power behind the Pueblo Iron Mill); and that they are preparing for the future with expansion at the Climax mine. (And for trivia buffs – the site of the 1st ski lift in Colorado was at the Climax Mine Ski Area!)

As a claustrophobic, the tour caused tremendous personal anxiety. Our tour took us down Shaft number 2 for about 7 minutes – that would be straight down into a dark hole, in a metal cage about the size of an average executive office, to about 5,000 feet below the mountaintop, into the mine where it felt like the main source of light was our hard-hat-lamp. For the non-initiated, it was pretty dang scary.

My purpose was fact finding, meeting & greeting, building relationships and investigating opportunities where we could possibly ride their international business coat-tails, searching for opportunities. My biggest take-away was that their team operated like a "TEAM". They have a real passion for what they do; they understand their role in the global marketplace, they have fun, are committed to the environment and safety, and are very conscious of their bottom line. Wow, I thought; if we could recharge our city's bureaucratic attitude to be like that, we'd be in great shape! Hmm . . . There's that leadership thing, again.

Q: Do you have any parting comments?

A: Yes. These would be the same comments I made last week, which I'm reiterating because they're so important. I've concluded that our community's conversation has been miscast. Beating the embedded bureaucracy is beating a dead horse and it's beating ourselves - "we are them". We need to recapture our can-do inner-arrogance; that we can accomplish great things; we need to recognize our community assets & promote them; we need to realize that it's "us vs. them" and the "us" is the entire city, (constituents & bureaucracy, working as partners), and the "them" is the global marketplace. We have to make this a city worthy of consideration; a *World Class Destination*.

When we get the conversation right, we'll realize that we have no limiting factors; there'll be no mountain we can't climb; no river we can't cross; no gap we can't bridge . . .

IT'S TIME.