



December 15<sup>th</sup>, 2010

Dear Urban Land Conservancy (ULC) partners,

As you know, on September 30, 2010 there was an accident at the Phillips Center, a property owned by ULC. The Phillips Center sits on a City block, comprised of several buildings totally 95,000 sq. ft. The oldest portion of the Phillips Center was built in the 1890s and the newest 70 years ago. The Phillips Center is located in the Cole neighborhood and is a multi-tenant nonprofit facility that has served northeast Denver for over three years via a variety of educational services provided by several nonprofit organizations, many of who you partner with.

These organizations include:

cityWILD / SOS Outreach (sublease to cityWild)  
Civic Canopy  
Early Excellence Program of Denver  
Focus Points Family Resource Center  
Front Range Earth Force  
Mi Casa Green Jobs Training Center

The accident occurred during the installation of a new exterior roof membrane for six roofs at the Center; an interior ceiling tile became dislodged and fell through the drop ceiling and into a classroom grazing an adult student (the roof **did not** collapse). Thankfully, the adult student was not seriously injured. Upon further investigation, we discovered that other ceiling tiles were at risk of becoming dislodged as a result of the new roofs being installed. This required us to evacuate the buildings and close it down for repairs. Consequently, we needed to relocate the seven nonprofit organizations that occupy space at the Phillips Center.

We immediately reached out to over 40 property owners in the neighborhood. Several community partners were quick to respond and we negotiated temporary space agreements with Denver Public Schools, Inner City Health, and YouthBiz, helping us relocate 5 of the 7 tenants into neighborhood space at minimal cost. Much thanks to these three organizations for quickly stepping up and helping the nonprofit community. Civic Canopy found temporary space at the Piton Foundation and Focus Points elected to find their own office space, rather than move into temp space we had found for them. Focus Points and SOS have decided not to return to the PhillipsCenter. ULC also negotiated the use of 5 class rooms for cityWILD and Focus Points at Wyatt Edison School (across the street from the Phillips Center) for their after school and evening adult educational programs at no charge, much thanks to Wyatt!

ULC covered rent expenses for up to three months for the nonprofits while we finished the roofs and made repairs to the Center. Most relocation costs and technology hookups were also paid by ULC to ensure that everyone has communication access. We also covered other expenses to help minimize the financial burden and inconvenience to the tenants, although we were not legally required to do so. Additionally, the seven nonprofits have not been obligated to pay rent or utilities during the three months they have been out of the Phillips Center.

As you can imagine, this situation has caused major disruption to everyone involved. The seven nonprofits in the building were "homeless" for over a week while

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we identified temporary space, signed agreements, and got systems installed so they could continue operations.

As a result, these nonprofits lost staff time that otherwise could have been devoted to programs and some have encountered significant challenges and suffered direct losses in program delivery. **Therefore, we ask that you give special consideration to these seven nonprofit groups you partner with in terms of the impact this situation may have caused their program goals over the last three months.**

The new roofs at the Phillips Center were originally anticipated to be completed during the summer 2010 (during school break, when fewer people were in the building), however, we experienced delays related to Federal ARRA (American Recovery and Reinvestment Act) grant regulations. We are now pleased to report that during the past month the new roofs are finished and the interior ceiling tile work is complete allowing nonprofits to start moving back in this month.

Since the buildings were acquired from Mr. Phillips in 2007, significant capital investment has been made (much thanks to the City of Denver and the Federal Government for their support). Approximately \$200,000 was initially invested on basic safety improvements at time of our purchase. Over the last 18 months, environmental assessments were completed, energy efficient windows added; two weatherization projects finished, including the installation of insulation, HVAC upgrades, new lighting, a full set of structural examinations and other safety assessments. With the completion of the new roofs and the expenses incurred to cover the repairs and upgrades, ULC's capital investments in the Phillips Center over the last 3+ years exceeds \$700,000. In turn, this work should lower the operating costs for all the nonprofits in the building. In addition, a new 50 person conference room will open in 2011 for all the tenants to share.

ULC is working closely with the Denver Building Department and Fire Department to ensure that the buildings are safe for tenants when they return. Both city departments have been great to work with and have been very complimentary in our efforts to act quickly. We appreciate your consideration and understanding during this difficult time, and look forward to the re-opening of the Phillips Center as a more sustainable property that will better serve the community.

Please feel free to contact us with any questions you might have. We look forward to a fresh start in 2011. Have a Happy and safe Holidays.

Regards,

Urban Land Conservancy

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