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Builders and Financiers Partner on Environmentally Responsible Buildings

by Peter L. Mosca

Tough economic times call for new solutions and it appears a major asset manager and builder may have an answer to the credit crunch problem in today's marketplace. The Thompson National Properties/ Shangri-La Construction's (TNP/SLI) Green Building Fund recently announced the acquisition of a 45 percent interest in an 11-story office building and adjacent four-story parking structure in the heart of downtown Las Vegas. Focused on achieving a Silver certification under the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) Rating System™, it will become only the second LEED certified building in downtown Las Vegas further contributing to the area's revitalization.

Located at 302 E. Carson, the building consists of ground floor retail and office space totaling approximately 160,200 square feet and is currently 39 percent occupied. Major tenants include Fitzgerald's Hotel & Casino, the Office of the Chapter 13 Standing Bankruptcy Trustee, ViaWest and Mzima. Via West and Mzima, both national data centers, are currently negotiating expansions at the building due to the high capacity "OC 192" data infrastructure and redundant fiber optic cabling serving 302 E. Carson, which position the property as a prime strategic location for data based businesses.

"We have been buying and selling real estate in Las Vegas for a decade and the Carson property represents a great opportunity to set a new standard for property redevelopment in converting a 1960's vintage, functionally obsolete, energy-wasting building, with a great floor plate and superior location, into a state of the art LEED rated facility," said Anthony W. "Tony" Thompson, Chairman and CEO of Thompson National Properties.

The fund's partners identified the vintage 1965 building as an attractive investment due to its substantial potential for increased occupancy, operating efficiencies, superior location and appreciation in value in the best performing submarket in Las Vegas. These factors and the property's extensive fiber optic data infrastructure are expected to significantly increase tenant occupancy and drive rental rates.

"Upon completion, 302 E. Carson will be the first LEED Certified retrofit in the downtown Las Vegas submarket," said Shangri-La Construction CEO Andy Meyers.

The \$100 million fund focuses on assets that can be retrofitted, repositioned or redeveloped for greater energy efficiency and environmental sustainability. Plans for the renovation illustrate that any building can be retrofitted to be both economically and environmentally sound.

"Currently, the downtown Las Vegas submarket is home to only one new LEED Certified office building. The one existing LEED Certified property is maintaining the highest rental rates in the submarket," added Meyers.

In addition to comprehensive structural and cosmetic changes, renovations and upgrades at 302 E.

Carson extend from a wide array of energy efficiency and water reduction measures to complete modernization of the existing lighting and heating, ventilating and air conditioning system.

The partnership has retained Gensler of Nevada, a global design firm recognized as a leader in sustainable design, as design architect.

"Improvements to 302 E. Carson will not only take this Class C building to Class A office space, but incorporating sustainable design features will significantly reduce utility costs, increase building operational efficiency, command higher rental rates and tenant demand and above all, provide for the improved health and quality of life for future occupants," said J.F. Finn, Managing Director of Gensler of Nevada, who added that the building is slated for completion mid-year 2009.

Innovative solutions like the one mentioned here could serve as a catalyst to help this country to pull itself out of this current recession.

Note: Thompson National Properties, LLC provides real estate investment opportunities and asset management to high net worth domestic, foreign, individual and institutional investors. Shangri-La Construction creates efficient, environmentally conscious structures and opens the door for sustainable development in the commercial world while maintaining fiscal responsibility.

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