

Meeting with D.H. Friedman Properties

Regarding VillaRosso's Phase II

Tuesday, July 26, 2016 4:00pm
VillaRosso Lobby

By Rob Williams, Manager

The meeting started promptly at 4:00pm with Charles Kellogg introducing himself as president of the board, and presenting the other board members who were in attendance: Carl Sullivan, Bill Boyington, Susan K, and Susan Wirt. He then turned the floor over to the main guest, David Friedman.

Mr. Friedman began by reminiscing a little bit about when he built the building 16 years ago, mentioning that he hadn't seen the inside in at least 13 years. He complimented the owners on the high quality of the appearance and maintenance of the building.

Mr. Friedman continued by mentioning that he has recently put the wheels in motion to commence Phase II of the VillaRosso community. Design of the building is still in progress but he brought very tentative drawings to share with the members at the meeting. He displayed with a projector conceptual renderings indicating what the final building might look like. We saw several views from different directions showing a 3-story building of brick and stucco construction of similar materials and colors but without as many curved and rounded surfaces of the original building.

Mr. Friedman then introduced the architect for the project, Andy Olree, who was the architect on the original building. He turned the floor over to him for discussions related to the building's design and appearance:

Andy made the following points about the new building's design and appearance:

- The project was always planned as multi-phase project. As originally conceived, the main building would have 7 floors above ground with a smaller 4 story structure to comply with city of Denver's bulk plane constraints and DTC's Architectural Control Committee requirements.
- For various marketing and design reasons the second building was reduced to 3 floors. Additionally, speaking in general terms, the new building will:
 - Be a 3 story building standing in basically the same footprint as the initial Phase II building.
 - All resident parking is on one level below grade at a rate of one space per bedroom which exceeds Denver's requirements.
 - There will be an additional 12 spaces on the surface for guest parking.

- Access to the garage is on south end via the shared entry on S. Monaco, similar to the existing VillaRosso building.
- The retention pond on the north side of the property will remain.
- New building is designed with similar mix of materials of brick and stucco similar to VillaRosso main building so its appearance will be similar but they will not look like twins.
- Now early in schematic design for submittal to DTC Architectural review committee and things may change as the design process goes forward.

Mr. Olree then opened the meeting up to a question and answer period:

- Why aren't the buildings going to exactly match?
 - Because it is 16 years later and we're trying to achieve a more modern version of VillaRosso.
- What are the size of the units and will they be rentals?
 - The size of the units range from 790 square feet to just under 1,500 square feet. The condos will be for sale, they are not rentals.
- What is the price range?
 - It is expected the pricing will be in the range from \$300,000 to \$700,000.
- How many units?
 - 29.
- Are there any amenities?
 - No.
- Can we see inside?
 - Not at this time.
- How do you expect the additional units will impact the traffic going in and out?
 - Obviously there will be an increase the traffic but we don't anticipate the additional use will have a significant impact on the overall traffic pattern within the property.
- Why the difference in the number of units from the original plan and how does that impact the value of the units and building since they will be less expensive?
 - The market is dictating the number of units from a sales prospective. It was felt that a portion of the customer base was lost in the original sales because some people were moving from single family homes and units in Phase I were not large enough to accommodate them, so Phase II was designed with larger units to pick up that market. Unfortunately the pre-sales attempt failed to achieve the target sales quantity which prompted a change in marketing strategy. That is the main reason, plus market studies that have been done point to smaller unit sizes will be more in demand.
 - There is no design attempt to make the units less expensive, in fact they might be selling for more per square foot than the units in the original building are selling for now.

- Why are you building condos now when nobody else is?
 - Laws regarding construction of condos are starting to shift and insurance has become more sophisticated and more affordable. We will be taking additional precautions along the construction process for the expected round of lawsuits that are almost mandatory.
- When will you be breaking ground?
 - By the beginning of next year.
- Can the entrance be widened to accept more traffic?
 - Probably not since half of that property belongs to Brookdale. Also, although additional 50 cars sounds like a lot it is not really a significant number. VillaRosso will have a density of about 20 units per acre. Other similar projects that have 50 to 60 units per acre yet do very well with one entrance. You can find many communities of 300 to 400 units with only one entrance/exit.
- Will you be responsible for a traffic signal?
 - No.
- Will there be significant mechanical structures on the roof?
 - The new building has a different mechanical design with each unit having its own furnace and hot water heater, so there won't be more structures on the roof like this building has.
- How long will the project take?
 - Construction is expected to be about 12 to 14 months.
- Where will the workman park during construction?
 - We will have a logistic plan submitted to the Tech Center regarding that. As of now there is no plan in place although we might utilize the big lots nearby that are in use by the construction going on now. We will sit down with the board and go over any logistics plan that will be in place.
- Will we lose any guest parking?
 - No. All existing parking will be maintained.
- Concern raised about the smaller units with less value.
 - We will be selling at a per square foot that going to only add value to existing units at VillaRosso.
- Where does the 3rd floor of the building hit compared to the original building?
 - Details are not finalized yet but the new building will probably be a few feet lower than the original building and the height of the floors will be similar to VillaRosso, so the top of the new building will be close to matching the top of VillaRosso's 3rd floor.
- Will the new units have 10 foot ceilings?
 - Yes.
- Post-tensioned concrete construction?
 - The structural design of the new building is not yet determined.
- Who will manage the new building?
 - That is not yet known but as far as costs related with landscaping, irrigation, and snow removal we will work with you a cost sharing plan to help defray that cost between the 2 buildings.

- Is there a completion bond? What if the economy goes bad and you can't finish the project?
 - We will have significant pre-sales to defray that risk. We expect presales of half to a little less than half. The demand is very high but if there is not enough interest in the new building then it is possible the project will not go forward.
- VillaRosso is unique with an upscale appearance and all the apartments built nearby are boxy. Your proposed building doesn't have the luxurious curves that VillaRosso has. Why?
 - That's an interesting point. Architects like curves but straight lines give more useable space. We are interested in thoughts like that and when we are closer to designing. We are open to suggestions and comments along those lines.
- Will there be any amenities?
 - David answered with a joke that he is famous for his amenity-free projects. He explained that they are appealing to people who travel a lot, perhaps already belong to clubs, and the idea is to keep assessment dues down as compared to places like the Landmark which as costs 5x as much.
- What do you need from the Board and the HOA in order to go ahead with this project?
 - Nothing. The plan for Phase II is already included the Declaration and we have the go-ahead from the city.
- What do you anticipate the price per square foot for the new project to be?
 - About \$400/sq. ft. That is significantly above the resale value at VR now which should positively impact the resale value at VR now.
- Will Weitz do the construction?
 - No, it will not be Weitz. Although they were the contractor on the first building, they are not set up for smaller projects like the one we are proposing.

The meeting was concluded at 4:50 with an assurance by Mr. Friedman to keep in touch with the association as the new project progresses along its planning and construction path. Kim Tatsch, Mr. Friedman's assistant, handed out business cards (see below) and invited anyone with questions or comments to contact her by phone or email.



Contact Kim at the above phone numbers or by email with your questions or comments on the new building.



This is a conceptual rendering of the original 4 story building planned for the site. Because of the preliminary nature of the new design views of the 3 story version were not yet available for distribution at the time of this printing.

This plan view of the entire site is from the original “VillaRosso West” sales website. DH Friedman is in the process of updating their website to include new and more accurate drawings which will include site plans, floor plans of the individual units, and elevation drawings showing the final design of the new building exterior.



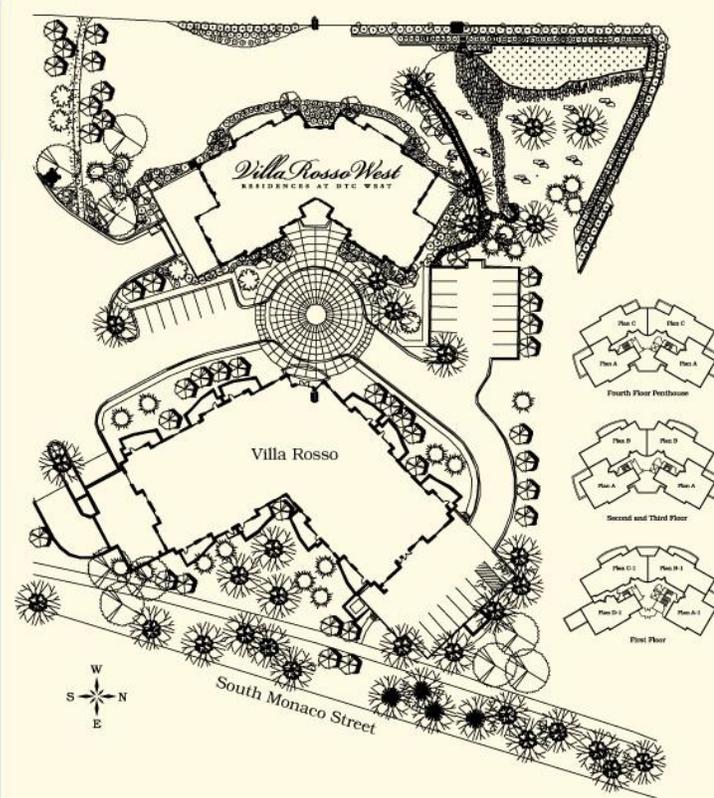
Villa Rosso West
RESIDENCES AT DTC WEST

Luxury Condominiums
\$500s-\$800s

Sales Center:
South of Belleview Ave.
on DTC Boulevard
303.771.2196

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Villa Rosso

South Monaco Street

W
N
S
E

Plan C-1 Plan C-1
Plan A Plan A
Fourth Floor Penthouse

Plan D Plan D
Plan A Plan A
Second and Third Floor

Plan C-1 Plan B-1
Plan D-1 Plan A-1
First Floor