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First Stamford Place, L.L.C.

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\$22,800,000
 CLASS A MEMBER UNITS
 OFFERED IN 152 UNITS OF \$150,000 EACH
 (PARTIAL UNITS AVAILABLE)



PLACEMENT AGENT:
 WIEN & MALKIN SECURITIES CORP.
 60 EAST 42ND STREET
 NEW YORK, NY 10165
 ATTENTION: THOMAS N. KELTNER, JR.
 212-687-8700

DECEMBER 4, 2000

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FIRST STAMFORD PLACE L.L.C.

(the "Company") Investor Summary

Investment Opportunity:

a 763,992 square feet, three building Class A office complex, including structured and street level parking for 1,822 cars, in a leading suburban office market with excellent access to the whole of the Greater New York City tri-state area.

FSP is situated on 15 acres and was developed between 1984 and 1986. Each of the three buildings has 50,000 square feet floor plates with two sets of elevators, fire stairs, and bathrooms. This "dual core" design facilitates tenant subdivisions as small as 1,500 square feet, allowing the Property to lease to large and small tenants.

The Property is within walking distance of Stamford's Transportation Center which is served by Metro North's New Haven-Grand Central Terminal commuter and Amtrak Metroliner rail, bus, and taxi service. With immediate access to major highways, there is easy commutation from executive and support housing and to New York City.

FSP is 98.6% occupied, largely by national credit tenants. Average in-place rents are 30% below current market, giving projected Property revenues strong upside potential and protection against economic downturn. Occupancy for competitive Class A multi-tenant office buildings in Stamford exceeds 98%.

In their just released "Emerging Trends in Real Estate 2001," PricewaterhouseCoopers and Lend Lease Real Estate Investments state, "Real estate isn't overpriced compared to other assets - yield expectations stand an extremely comfortable 562 basis points above 10-year Treasuries." The Sponsors believe the acquisition will provide investors a favorable after-tax current return, capital appreciation potential and inflation protection and a stable, defensive investment alternative to other financial instruments.

The Sponsors are expert owner operators with a record of success in this market, property type, and strategy. Please see "Co-Tenancy" below for a description of the acquiring entity.

Advisor/Sponsor for Offering:

Peter L. Malkin and Anthony E. Malkin
Wien & Malkin Securities Corp.
W&M Properties

The Property:

First Stamford Place is a 763,992 square feet, three building Class A suburban office complex with a full amenity package, situated on 15 acres, developed between 1984 and 1986. Each of the three buildings has 50,000 square feet floor plates with two sets of elevators, fire stairs, and bathrooms. This "dual core" design facilitates tenant subdivisions as small as 1,500 square feet, allowing the Property to lease to large and small tenants.

The Property is within walking distance of Stamford's Transportation Center which is served by Metro North's New Haven-Grand Central Terminal commuter and Amtrak Metroliner rail, bus, and taxi service. Combined with immediate access to major highways, there is excellent commutation from executive and support housing and to New York City.

Adjacent to the Property is the recently renovated Westin Stamford Hotel, a 500 room luxury hotel and conference center with a gourmet restaurant and the largest banquet facilities in Stamford.

First Stamford Place Occupancy:	98.6%.
Competitive Property Occupancy in Stamford:	98+%.
Projected Cash Flow Distributions:	Monthly, at a rate of 8.0% annual cash-on-cash return commencing the month following acquisition (of which 80% to 90% will be tax sheltered in years one and two). Distributions are expected to increase in future years (please see Exhibit A for projected returns, after-tax and pre-tax, and taxable yield equivalents).
Offering:	\$22,800,000 in Class A Member interests, offered in 152 units of \$150,000 each, with partial units of \$25,000 available.
Co-Tenancy:	The Property will be acquired in a co-tenancy with Fairfax First Stamford L.L.C. ("Fairfax") which is supervised by Wien & Malkin LLP and is owned by a pre-existing partnership in which Peter L. Malkin is a general partner. Company will own an undivided interest of approximately 37.64% of the entire Property with Fairfax owning the balance. All economic benefits and responsibilities of ownership, debt, and taxes will be allocated in proportion to each co-tenant's investment.
Purchase Price:	\$152,510,000.
Mortgage:	<p>An acquisition loan application for an eight year \$110,000,000 first mortgage has been executed by Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) and New York State Teachers' Retirement System (NYSTERS), as co-lenders.</p> <p>The proposed loan is for an eight year term, with interest only payments at 7.69% for the first two years and payments thereafter to include amortization on a 26 year self-liquidating schedule. The Manager believes the acquisition financing terms from TIAA-CREF to be advantageous.</p>
Projected Closing Date:	January 19, 2001.
Manager's Analysis:	Peter L. Malkin and Anthony E. Malkin, sole members of the Manager, believe that the Property (i) is favorably priced at a discount to reproduction cost, (ii) will maximize revenue and profit potential through the approximately \$14,000,000 of comprehensive upgrading and re-tenanting, (iii) will maintain high occupancy because of its excellent location, access, ability to lease to large and small tenants, and amenities, as well as the strong market demand for multi-tenantable Class A space, (iv) has potential for enhanced revenue and long term capital gain, (v) is a good hedge against inflation, and (vi) will benefit from the sophistication and real estate operating experience of Messrs. Malkin and their affiliates.
Management of the Property:	The Property will be managed and marketed by Peter L. Malkin's and Anthony E. Malkin's wholly owned W&M Properties which currently markets and manages, at approximately 97% occupancy, a portfolio of 1.5 million square feet of complementary suburban Connecticut and New York Class A office buildings.

Note:

THE ABBREVIATED INFORMATION ABOVE IS NECESSARILY INCOMPLETE IN MANY IMPORTANT RESPECTS AND IS QUALIFIED BY THE PRIVATE PLACEMENT MEMORANDUM, WHICH MUST BE CAREFULLY REVIEWED IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

THIS IS NOT AN OFFER. THIS OFFERING MATERIAL IS SUBJECT TO AMENDMENT. NO OFFER MAY BE MADE, AND NO DEPOSIT OR SUBSCRIPTION AGREEMENT MAY BE ACCEPTED, EXCEPT IN ACCORD WITH THE PRIVATE PLACEMENT MEMORANDUM.

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FIRST STAMFORD PLACE L.L.C.
(the "Company")

Introduction:

On or about January 19, 2001, the Company will join with another Malkin-led entity, Fairfax First Stamford L.L.C. ("Fairfax") in acquiring First Stamford Place from TrizecHahn, a public company pursuing a program of selective disposition of assets in its portfolio to create liquidity for corporate purposes.

The Property was offered for sale in March 2000. Since Spring of 2000, real estate capital markets have experienced a period of reduced capital availability in general, and for large, suburban office transactions specifically. Published reports in the Stamford Advocate (the market's leading newspaper) at the time quoted real estate experts who predicted a sales price in the \$175 million range.

Company's ready access to capital and excellent relationships with lenders allowed it to move forward on a favorable basis. Company's purchase price of \$152,510,000 is approximately \$200 per square foot. The Sponsors' affiliate W&M Construction Corp. estimates reproduction cost for this Property to be not less than \$250 per square foot.

From inception, the after-tax return is projected to exceed substantially that of well-rated, long-term United States Treasury, tax exempt, and corporate bonds. After investors achieve an 8.0% annual cumulative "priority" return on their outstanding investment, they will receive 50.5% of any increase in return and capital appreciation. Expert owner-controlled marketing and management, together with favorable market factors and major capital upgrade and improvements, should result in higher income and profit for distribution.

Distributions are projected to be 80% to 90% sheltered from current federal income tax in years one and two and partially sheltered thereafter. The taxable income will be "passive income" which may be sheltered by an investor's "passive losses", if any, from other sources. Utilizing the combined federal and New York State tax rate of 44%, the average taxable equivalent return over eight years is projected to be in excess of 12.5% per annum (please see Exhibit A for projected returns, after-tax and pre-tax, and taxable yield equivalents).

If for any reason the purchase does not proceed, the Company will notify investors that the offering has been terminated and will return all investor funds with interest.

Offering:

\$22,800,000 in Class A Member interests, offered in 152 units of \$150,000 each. The Manager may accept subscriptions for partial units with a minimum of \$25,000. Messrs. Malkin as principals of the Manager will invest \$230,300 for an approximately 1% interest in the Company. Through Fairfax, they and their family are committing more than \$10.5 million to the acquisition.

Investment Strategy:

The Manager is authorized to admit subscribers who purchase more than \$2,000,000 of units in a separate member Class on different terms or to purchase the Property with additional co-tenant owners, as long as there is no adverse effect on Class A Members or on their cash distribution or tax shelter.

The investment is an opportunity to participate in the ownership of quality commercial office real estate in a leading suburban office market with excellent access to the whole of the Greater New York City tri-state area.

The Property is presently approximately 98.6% occupied, largely by credit tenants, at average in-place rents approximately 30% below current market. Occupancy of competitive Class A properties within walking distance of the Stamford Transportation Center exceeds 98%.

Rent graduations in existing leases provide income increases in future years. With 38% of the Property's leases expiring by 2005, there is significant potential to increase rents. In addition, as leases expire, the Property's rentable area may be increased by 5% (40,000 sq. ft.) through re-measurement in accord with the standards of the Real Estate Board of New York. The REBNY standard is accepted by the market, used by most competitive landlords, and employed successfully throughout the current W&M Properties managed portfolio. The benefits of re-measurement are not included in the income projections of the Property.

This Property is complementary to a portfolio of 1.5 million square feet of Class A office properties in Fairfield County, Connecticut and Westchester County, New York suburban markets which are owned by Malkin-led investment entities and managed by the Sponsors' affiliate, W&M Properties. This portfolio provides significant marketing synergies and operating efficiencies from which First Stamford Place will benefit. The Sponsor's W&M Properties affiliate is widely recognized as operating the finest portfolio of Class A office buildings in its competitive market.

First Stamford Place will be upgraded in an approximately \$8 million post-acquisition program including: new common corridors, restrooms, and elevator cabs, upgraded and expanded dining facility, upgraded fitness facility, new landscaping and signage, and a new building energy management system. The acquisition will also be capitalized to include \$6.25 million for tenant installations and commissions relating to projected new and renewal leasing. The program will enhance the Property's quality and appearance consistent with its superior location, amenities, and access, solidifying its advantage over competing properties to attain premium tenants and rents.

In their just released "Emerging Trends in Real Estate 2001," PricewaterhouseCoopers and Lend Lease Real Estate Investments state, "Real estate isn't overpriced compared to other assets - yield expectations stand an extremely comfortable 562 basis points above 10-year Treasuries." The Sponsors believe the acquisition will provide investors a favorable after-tax current return, capital appreciation potential and inflation protection and offers a stable, and defensive, investment alternative to other financial instruments.

Co-Tenant Investor:

Fairfax First Stamford L.L.C. ("Fairfax"), which is supervised by Wien & Malkin LLP and is owned by a pre-existing partnership in which Peter L. Malkin is a general partner, will invest approximately \$36,480,000 of equity funds to acquire the Property with the Company (please see Proceeds of the Offering). The Company and Fairfax as co-tenants will share Property revenues and expenses pro rata in accord with their original equity contributions to acquire the Property, will jointly designate W&M Properties to manage the Property, and will require joint action for any major decision regarding the Property. The Company is contributing approximately 37.64%

of the equity to purchase the Property and will receive the same percentage of the Property's economic benefits and responsibilities.

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The Property:

The Property contains 763,992 square feet in three Class A buildings on 15 acres in Stamford, Fairfield County, Connecticut. It is bounded by Fairfield Avenue and the Westin Stamford Hotel to the west, Greenwich Avenue to the east, the Connecticut Turnpike (I-95) to the north, and the railroad to the south, within walking distance of Stamford's Transportation Center (Amtrak and Metro-North stations). Construction of the Property began in 1983 with the first building completed in 1984, the second in 1985 and the third in 1986. The buildings are constructed of a fireproofed steel frame and concrete floor slabs with a mirrored glass, curtain wall façade.

Each floor contains approximately 50,000 square feet. The central atrium, dual core design of the buildings facilitates tenant spaces as small as 1,500 square feet. The windowed, skylight atrium interior of each building provides an open, airy, and dramatic atmosphere. Column spacing is 30 feet by 30 feet.



The Property is built on a three-level, below grade structured parking facility containing 1,541 covered parking spaces as well as lobby level, above grade parking (covered and uncovered) for 281 vehicles. Total on-site parking of 1,822 spaces provides a gross parking ratio of 2.4 spaces per 1,000 square feet of office space. Pursuant to an easement agreement, First Stamford Place permits parking in 500 spaces by guests of the neighboring Westin Hotel. The hotel use, primarily night time and weekends, is complementary with the primarily day time and weekday office use.

Cooling is provided by two Carrier electrically driven chillers with a total capacity of 2,000 tons. Heating is provided by combination oil/gas fired hot water boilers. Heat is thermostatically controlled on the perimeter. The buildings are served by 16 elevators and the parking area is served by eight elevators, each providing 3,500 lb. capacity. The Property is fully sprinklered with a Simplex smoke detection system. There is also an emergency generator to power elevators, emergency lighting, fire, life safety, and domestic water pumps.

First Stamford Place features an exceptional array of amenities for tenants, their employees and visitors, including: an on-site child care center; a tenants-only fitness center with full locker room and shower facilities; a

travel center; a lobby newsstand; an Elizabeth Arden retail store; an automated teller machine; a barber shop; an auto "spa" offering basic car wash to full detail servicing; limousine service to the major area airports; the First Stamford Cafe deli/cafe/terteria, which offers full catering services and delivery throughout the Property; and a diverse range of telecommunications services, fiber optic high-speed internet access, and cable TV connection. There is also regular, weekday shuttle service to the Stamford Transportation Center and area restaurants and shopping.

Adjacent to the Property is the Westin Stamford Hotel, a 500 room luxury hotel and conference center and a gourmet restaurant with a private dining room. The Westin recently completed an \$18 million renovation of rooms, lobby, meeting space and restaurant. The hotel offers 40,000 sq. ft. of flexible meeting and banquet space, the most of any hotel in Fairfield County. It provides convenient shuttle service to over 30 Fortune 500 company headquarters in the area.

The Property has 24-hour, 7 days a week security attendance with surveillance monitors for cameras located on the building exteriors. Security personnel monitor all buildings and garages and there is card access to all garage entrances.

The Property is currently 98.6% leased and occupied, approximately 68% to national credit and regional tenants indicated as follows:

Tenant	Size SF	% of Property	Current Rent PSF	Expiration
TIG Reinsurance	145,769	19.1	\$20.00	9/07*
Citigroup	80,534	10.5	32.00	9/09
Elizabeth Arden	65,811	8.6	35.00	10/01
Int'l Masters Publisher	64,491	8.4	28.95	7/01
Phillip Morris Mgmt.	52,692	6.9	24.00	1/07
The Pittson Company	47,796	6.3	28.00	6/01**
Northstar Holdings	31,736	4.2	30.00	9/04
Weekly Reader	29,028	3.8	24.00	5/07
Total	517,857	67.8%		

* 40,224 sq. ft. expires 12/02, and Citigroup has signed a lease to expand into this space at an average rent of \$36 per square foot to 9/09.

** Citigroup has signed a lease to expand into this space at an average rent of \$36 per square foot to 9/09.

The Sponsors conservatively project an average of \$38.50 per square foot for new leases at First Stamford Place, \$1.50 per square foot below the most recent lease executed by the Seller. The average rental rate under existing leases of \$27.25 per square foot at the Property is approximately 30% below prevailing Class A property rates averaging \$40 to \$42 per square foot.

Leases representing approximately 38% of the Property's net rentable area expire within the first three years after acquisition, affording the Company significant upside potential to adjust rates to market in circumstances of strong tenant demand and 98+% occupancy of competitive Class A properties.

The Manager has been very successful in other complementary properties in proactively managing lease roll-overs, negotiating early renewals, pursuing

tenant buyouts, and exercising landlord recapture clauses to achieve higher rents from stronger tenants. W&M Properties has an excellent track record of negotiating lease exit payments from tenants vacating spaces before the end of their terms as contributions towards the cost of re-tenanting, thereby enhancing property cash flow.

Under current leases, the tenants receive six watts of electricity per square foot included in the base rent. Electricity is metered and tenants pay for consumption exceeding this. The Manager intends that in future leases the landlord will bill tenants additional rent for basic electricity and charge for added consumption as measured by survey.



**Building
Measurements:**

Building	Floors	Total RSF	Office RSF	Retail RSF	Storage RSF
100	7	297,219	283,578	8,270	5,371
200	4	162,435	162,435	0	0
300	7	304,338	299,613	0	4,725
Total		763,992	745,626	8,270	10,096

The Property is currently measured at 763,992 rentable square feet. The 1.5 million square feet Fairfield County, Connecticut and Westchester County, New York office portfolio managed by W&M Properties is measured to the guidelines of the Real Estate Board of New York (REBNY). The Sponsor plans to utilize REBNY standards as leases expire to increase the rentable area of the Property by 5% (40,000 sq. ft.) to approximately 800,000 rentable square feet. The potential benefits of this re-measurement are not included in the acquisition underwriting.

**Location:**

First Stamford Place is located in the City of Stamford in southern Fairfield County, Connecticut, at Exit 7 of Interstate 95 (Connecticut Turnpike), the major highway connecting New York City with the New England States. The city of Stamford is the 24-hour office, retail, dining and entertainment heart of Fairfield County, a "sub-city" of New York City, with the largest downtown concentration of rental residential of New York City's northern and eastern suburbs.

The Property is approximately five miles from the Merritt Parkway, which offers an alternate inland route connecting to the Hutchinson River Parkway in New York State, within eight miles of the intersection of I-287, a major east-west artery, connecting Westchester County with Northern New Jersey, Rockland County, New York, Connecticut, I-87 (New York State Thruway) and I-684. I-87 and I-684, major north-south interstates, link Westchester County with Putnam County, New York and other upstate New York destinations.

The Property is ideally set in the Stamford Central Business District, a short walk from Stamford's Transportation Center. The Transportation Center is the Fairfield County hub for the New Haven Line of Metro North Commuter Railroad, which originates in New York City's Grand Central Terminal and serves Westchester County, New York and Fairfield and New Haven Counties in Connecticut. The trip from Stamford to Grand Central is approximately 45 minutes. Also available at the Transportation Center is Amtrak rail service to the entire eastern seaboard, including high speed Metroliner service to Boston and Washington, D.C., Connecticut transit buses with local and inter-county service to Westchester County, New York, taxis and van pool transportation options.

Distances from major commercial areas are as noted below:

<u>City</u>	<u>Approximate Distance (Miles)</u>
New York City (Midtown)	36
White Plains, NY (Downtown)	15
Greenwich, CT	5
New Haven, CT	43
Hartford, CT	81

The Property is within 20 minutes of Westchester County Airport, home to several major carriers and serving more corporate fleets than any airport in the U.S. New York's JFK International and LaGuardia airports are within a 45 minute drive, and Newark International is within 90 minutes.

Stamford Town Center, located downtown about 1/2 mile from First Stamford Place, is an 868,000 square foot regional shopping mall offering a mix of upscale specialty retailers and anchored by Saks Fifth Avenue, Macy's, and Filene's. Downtown Stamford features banks, restaurants, hotels, the Stamford Center for the Arts, cinemas and retail. This unique urban center serves many of the wealthiest suburban communities in the nation, including Greenwich, Darien, Westport, and New Canaan.



Market:

Stamford benefits from convenience to New York City and diverse business growth. Medium sized businesses and smaller local divisions of larger companies give Stamford's office tenant base diversity with less reliance on very large corporate users. Over the last ten years, downtown Stamford has transformed into a thriving 24 hour city, with more than 1,100 new rental residential units built, 1,000 under construction, and 1,000 announced and pending. The new Performing Arts Center, restaurants, movie theaters, and night clubs appeal to a broad perspective of consumers, residents, and entertainment seekers. A new Downtown Special Services District provides special cleaning, security, and capital improvements.

According to data published by CB Richard Ellis, one of the leading commercial real estate brokerage firms in Fairfield County, there are approximately 43 million square feet of office space in Fairfield County, of which 68% (29,170,000 square feet) is considered Class A, and 32% (13,930,000 square feet), Class B. First Stamford Place is located in Fairfield County's Stamford submarket that consists of 15.5 million square feet of office space of which 78% (12,100,000 square feet) is considered Class A, and 22% (3,400,000 square feet), Class B.

The Sponsors believe that First Stamford Place directly competes with only six properties having comparable proximity to the Transportation Center, highway accessibility, superior amenities, and building design quality.

<u>Building</u>	<u>Size</u>	<u>Leased %</u>
300 Atlantic Street	272,368 sq. ft.	100%

One Stamford Plaza	209,220 sq. ft.	100%
Two Stamford Plaza	253,020 sq. ft.	100%
Three Stamford Plaza	241,575 sq. ft.	100%
Four Stamford Plaza	260,581 sq. ft.	100%
177 Broad St.	187,573 sq. ft.	100%

First Stamford Place, while a superior location in terms of highway accessibility and proximity to the Transportation Center, may also compete on price, amenities and design quality with the following properties:

<u>Building</u>	<u>Size</u>	<u>Leased %</u>
9 West Broad St.	201,285 sq. ft.	96%
333 Ludlow Street	393,360 sq. ft.	100%
One Landmark Square	300,000 sq. ft.	98%
181 Harbor Drive	103,500 sq. ft.	100%
208 Harbor Drive	171,234 sq. ft.	100%
250 Harbor Drive	181,873 sq. ft.	100%
262 Harbor Drive	111,861 sq. ft.	100%
290 Harbor Drive	169,732 sq. ft.	100%

Other Class A buildings which may periodically compete with First Stamford Place are Metro Center (280,000 square feet, 100% leased), located directly across from the Stamford Transportation Center, and Financial Centre (490,000 square feet, 97% leased) at 695 East Main Street which is the corporate headquarters for General Reinsurance Corp. Both properties attract tenants which seek the highest quality and are willing to pay higher rents.

There are two office developments under discussion that could potentially compete with First Stamford Place. Hines Interests and Louis Dreyfus Property Group both have offered to build 500,000 square foot buildings which could be available for occupancy within twenty-four months of commencement of construction. Both have publicly stated that construction will not proceed without pre-leasing.

Average asking rents for competitive Class A properties in Stamford range from \$40 to \$42 per square foot, substantially below neighboring Greenwich, Connecticut and Manhattan Class A rents. In the most recent lease concluded by the Seller, a 5,000 square feet space for five years, the \$40 per square foot average rate exceeds the Sponsors' conservative projection of an average \$38.50 per square foot rent for new leases at First Stamford Place. The Sponsors estimate that, given the costs of construction, in order to achieve a 10% return on investment, new development would have to achieve average rents over 10 years of \$45 per square foot, 17% higher than rents projected for FSP over the same time period.

According to the most recent market data released by the Connecticut Department of Labor & the Connecticut Department of Economic and Community Development, total employment in Fairfield County for 2000 was 466,626, an increase of 46,473 jobs (10.0%) from year-end 1998.

Stamford in 2000 accounted for 15% of the Fairfield County total labor force. Its unemployment rate was 1.2%, compared to 1.7% for Fairfield County, and 2.1% for the State, significantly less than the national average of 3.9%. A significant portion of the Stamford work force commutes from New York State.

Major corporations in the Stamford market include GE Capital, UBS Warburg, Philip Morris, Westvaco Corp., Clairol, International Paper, and Pitney Bowes. UBS Warburg is expanding its headquarters to increase the

firm's trading floor to make it the largest in the world totaling 103,000 square feet when completed in 2002.

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Manager:

Peter L. Malkin and Anthony E. Malkin will be the principals of the Manager.

Peter L. Malkin is 66 years old and is the Chairman of W&M Properties, Wien & Malkin LLP, and their affiliates. He was associated with the late Lawrence A. Wien for 30 years in the acquisition, ownership, and operation of real estate, until Mr. Wien's death in 1988. He has had interests in more than 100 property investment entities throughout the United States and is general partner or manager in investment entities that own and operate approximately 12,000,000 square feet of office, showroom and retail space, and 3,500 apartment units.

Anthony E. Malkin is 38 years old and is the President of W&M Properties and its affiliates and senior director of Supervisory Services of Wien & Malkin LLP. He has been associated with Peter L. Malkin in the acquisition, ownership, and operation of real estate for more than 11 years. During that time, transactions structured by W&M Properties for existing and newly formed ownership entities have included over \$400,000,000 of purchases, over \$450,000,000 of mortgages, over \$200,000,000 of mortgage restructurings, and over \$240,000,000 of sales.

The members of the Manager are real estate experts who focus on creating value through intensive management of investments and pursuit of value-added investment opportunities. The Manager believes that this investment will meet its projected results and that the Company will be in excellent position to achieve additional returns through enhancement, repositioning, and superior management and marketing of the Property.

Messrs. Malkin as principals of the Manager will invest \$230,300 for an approximately 1% interest in the Company. Through Fairfax, they and their family are committing more than \$10.5 million to the acquisition.

**Sponsor's
Track Record:**

The Sponsor has a track record of success in the acquisition, restructuring, and upgrade of property for improved current return and long term hold. The Sponsor's experience spans residential, center city retail, and suburban office. In Fairfield and Westchester County alone, Malkin-led investor groups have been successful with seven complementary properties totaling approximately 1.5 million square feet.

The three most recent acquisitions include:

- In August 1999, a Malkin-led company acquired 10 Bank Street, a 220,000 square foot Class A office building located in the resurgent White Plains, Westchester County, New York central business district at its Transportation Center. The improvement program presently underway includes: upgrade of common area hallways, expansion and upgrade of sundry shop and food service, and garage restorative maintenance. This property is 100% leased to a variety of national and local credit tenants with recent leases concluded well above acquisition projections.
- In April 1999, a Malkin-led co-tenancy acquired 500 Mamaroneck Avenue, a 285,000 square foot Class A office building in Harrison, Westchester County, New York, half-way between I-95 and the Hutchinson River Parkway. The improvement program presently nearing completion includes: upgrade of dining facility, common area hallways, bathrooms, and elevator cabs, new fitness facility and multi-media conference facility, and improved landscaping and signage. 500 Mamaroneck Avenue is currently 95% leased with the rate of leasing and lease terms well ahead of acquisition projections.

- In July 1996, a Malkin-led partnership acquired 711 Westchester Avenue, a 120,000 square feet, 100% vacant, Class B office building in White Plains, Westchester County, New York, on the Platinum Mile off I-287. The completed improvement program included: full upgrade of all building common areas and facilities, creation of corridors for multi-tenanting, new fitness facility and multi-media conference facility, and improved landscaping and signage. 711 Westchester is currently 100% leased and performing well above acquisition projections.

Mortgage:

An acquisition loan application for a \$110,000,000 first mortgage has been executed by Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF) and New York State Teachers' Retirement System (NYSTERS) as co-lenders.

The proposed loan is for an eight year term, with interest only payments at 7.69% for the first two years and payments thereafter to include amortization on a 26 year self-liquidating schedule. The Manager believes the acquisition financing terms from TIAA-CREF to be advantageous.

At the expiration of the mortgage, the Manager projects a refinancing with excess proceeds to make a tax free distribution to investors of a portion of their original investment, while increasing the rate of return on any remaining investment.

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**Cash Flow
Distributions:**

All economic benefits and responsibilities of ownership, debt, and taxes will be allocated to Company and its co-tenant Fairfax in proportion to their investments.

For Company, its Class A Members will invest 99% of its equity and will receive 99% of its distributions until they achieve an 8.0% annual cumulative "priority" return on their outstanding investment. Its Manager will invest 1% of the equity and receive 1% of distributions until it achieves the same return on its investment.

All remaining cash available for distribution to Company will be distributed 49.5% to its Class A Members, 1% to its Manager, and 49.5% to its Class B Member. Its Class B Member will be comprised of affiliates and designees of members of its Manager and members of Wien & Malkin LLP. Capital Transaction Distributions: All economic benefits and responsibilities of ownership, debt, and taxes will be allocated to Company and its co-tenant Fairfax in proportion to their investments.

Company's net proceeds of a sale or refinancing will be distributed first 99% to its Class A Members and 1% to its Manager in proportion to their cash investments in an amount equal to any deficiency in the 8.0% annual cumulative "priority" return and next 99% to its Class A Members and 1% to its Manager in an amount equal to their outstanding cash investments. All Company's additional net sale or refinancing proceeds will be distributed 49.5% to its Class A Members, 1% to its Manager, and 49.5% to its Class B Member.

**Investment
Supervision:**

Wien & Malkin LLP or its designee will supervise the Company, Fairfax and the investment and will receive annual supervisory fees initially at the rate of \$40,000 per annum which may be increased annually in the discretion of the Manager, not to exceed the annual increase in the consumer price index. As well as the initial payments for services described under Proceeds of the Offering, Wien & Malkin LLP will also provide or obtain appropriate legal and other special services at market rates. Wien & Malkin LLP performs a similar role for other investment entities led by Messrs. Malkin.

Management of the Property:

W&M Properties will manage and market the Property for Company and Fairfax and will receive a management fee equal to 3.25% of the actual collections, leasing commissions at market rates, a 1% brokerage commission from the Property seller, and the initial payments for services described under Proceeds of Offering.

Various other affiliated companies sharing the W&M Properties name manage and market complementary properties including four Class A office buildings in Fairfield County, Connecticut: Metro Center, 280,000 square feet in Stamford; MerrittView, 250,000 square feet in Norwalk; Soundview Plaza, 180,000 square feet in Stamford; Darien Green, 85,000 square feet in Darien; and three Class A office buildings in neighboring Westchester County, New York: 711 Westchester Avenue, 120,000 square feet in suburban White Plains; 500 Mamaroneck Avenue, 285,000 square feet in Harrison; and 10 Bank Street, 220,000 square feet in downtown White Plains.

Peter L. Malkin and Anthony E. Malkin are the sole owners of the general partner or manager in the ownership of all these properties, and the Malkins' wholly owned affiliates provide all management, marketing and construction services for the properties at similar rates.

The Sponsors believe that controlling all aspects of management, marketing, and construction in one affiliated group will give the Property a competitive advantage in the First Stamford Place marketplace.

Proceeds of the Offering:

The Manager projects the Company's sources and uses of funds to be approximately as follows:

Company Sources of Funds

Class A Member's Investment	\$22,800,000
Manager's Investment	230,303
Class B Member's Investment	<u>500</u>
<i>Total Company Sources</i>	<u>\$23,030,803</u>

Company Specific Uses of Funds

Company Acquisition Contribution	\$22,017,803
Company Reserves	215,000
Wien & Malkin Securities Corp.	
Placement Fee (3.5% of offering)	<u>798,000</u>
<i>Total Company Uses</i>	<u>\$23,030,803</u>

Acquisition Sources & Uses:

The Manager projects the Acquisition sources and uses of funds to be approximately as follows:

Acquisition Sources of Funds

Company Contribution	\$22,017,803
Fairfax Co-tenant Contribution	36,479,702
Acquisition Loan	<u>110,000,000</u>
<i>Total Transaction Sources</i>	<u>\$168,497,505</u>

Acquisition Uses of Funds

Purchase Price	\$152,510,000
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Engineering & Environmental Reports	92,000
Appraisal, Survey, Title & Transfer Fees	162,500
Lender Due Diligence	30,000
Acquisition Expense Allowance of W&M Properties	75,000
Legal Fee to Wien & Malkin LLP and Special Counsel	130,000
Legal Fee to Lender's Counsel	35,000
Tax Consulting Fee	10,000
Property Improvements	7,618,800
Leasing Expenses	6,250,000
Initial Start-up Expense	134,205
Working Capital	350,000
W&M Properties Financing Fee (1.0% of Acquisition Loan)	<u>1,100,000</u>
<i>Total Transaction Uses</i>	<u>168,497,505</u>

**Investor
Suitability
Standards:**

The Units are being offered and will be sold only to Accredited Investors as defined in Rule 501 of Regulation D under the Securities Act of 1933. Accredited Investors include (1) an individual whose net worth, together with that of his or her spouse, exceeds \$1,000,000; (2) an individual who had annual income in the two most recent years in excess of \$200,000 individually (or \$300,000 with spouse) and reasonably expects income at that level in the current year; (3) an individual who is serving as a director or executive officer of the issuer or its management entity; (4) a corporation, partnership, company or similar entity all of whose owners (shareholders, partners, members) are Accredited Investors; (5) a corporation, partnership, company, trust or similar entity which has \$5 million of gross assets and other investment activities; (6) a grantor trust created by and for Accredited Investor(s); (7) a trust with an institutional trustee such as a bank which signs the subscription documents; and (8) an institution such as a bank.

There are additional persons and entities that may qualify as Accredited Investors. Please contact Wien & Malkin Securities Corp. for further information.

Placement Agent:

Wien & Malkin Securities Corp., 60 East 42nd Street, New York, New York 10165, (212) 687-8700, is a SEC registered broker-dealer and a NASD member, wholly owned by Peter L. Malkin and Anthony E. Malkin. It is the exclusive placement agent for the Offering.

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**Investment
Strengths:**

1. **Product Quality:** Upon completion of the upgrade program, First Stamford Place will be among the preeminent Class A, multi-tenant office buildings in Stamford and Fairfield County. The Property's flexible design, construction quality, and amenities will make it one of the most competitive Class A properties in its marketplace.
2. **Market:** Fairfield County, and especially Stamford, is a healthy market with good occupancy at market rates which still do not justify new construction. There is no speculative construction underway. The only new Class A construction possibilities on the horizon are contingent upon pre-leasing. The tight market conditions for multi-tenantable, Class A office space will benefit the Property through steady rental rate increases and limited or no tenant concessions. The resulting net income will afford

opportunities for enhanced cash distributions, refinancing, and capital appreciation.

3. **Location:** First Stamford Place is within walking distance of the Stamford Transportation Center in the Central Business District of Stamford with easy commutation to housing and other businesses throughout greater Fairfield County and southern Connecticut and Westchester, Putnam and Rockland Counties, New York, and New York City. In addition to the Property's own fine amenities, it is convenient to retail, restaurant, lodging, and recreational facilities. The Property is approximately 45 minutes from New York City by commuter rail.

4. **Access:** The Property has excellent proximity to all major roadways serving Fairfield and Westchester Counties. Located at Exit 7 of I-95 (Connecticut Turnpike), it has quick access to the Merritt Parkway (which becomes the Hutchinson River Parkway in New York State). The Property is within eight miles of the intersection of I-287, the major east-west artery connecting Westchester County with I-87 (New York State Thruway) and I-684 which provides access to other upstate New York destinations. The Stamford Transportation Center offers commuter and long distance rail service and regional bus transportation. White Plains airport is within a 20 minute drive, New York City's airports are within a 45 minute drive, and Newark International Airport is within a 90 minute drive.

5. **Discount to Market Rent:** Asking rents for competitive Class A properties in Stamford range from \$40 to 42 per square foot, which are substantially below Class A rents of neighboring Greenwich, Connecticut and Manhattan. Sponsor has conservatively projected an average \$38.50 per square foot market rent for First Stamford Place whose current average rent of \$27.25 per square foot is approximately 30% below market rents.

The most recent lease concluded by Seller was for a term of five years at an average of \$40 per square foot, \$1.50 per square foot more than Sponsors' projections.

6. **Transaction Timing:** Due to recent capital market instability, liquidity and financing for acquisitions by opportunistic investors has been momentarily disrupted. This has created a value enhancing buying opportunity for Company.

7. **Management and Marketing:** W&M Properties is recognized for top institutional quality management, marketing, and construction management, has an excellent track record in the management and marketing of office properties in Fairfield County, Connecticut and Westchester County, New York, and has excellent relations with the brokerage community. W&M's market reach and image will enhance the visibility and credibility of the Property.

8. **Favorable Projected Return:** The Company will provide a fixed annual return distributed monthly which from inception will substantially exceed that of long-term United States Treasury, well-rated tax exempt, and corporate bonds. Distributions are projected to be 80% to 90% sheltered from current federal income tax in years one and two and partially sheltered thereafter, and the taxable income will be "passive income" which may be sheltered by an investor's "passive losses", if any, from other sources.

9. **Credit Tenancy:** The Property is currently 99% leased and occupied, of which approximately 68% is leased to national and regional credit tenants. A significant opportunity exists to take advantage of rising market rental rates and increase net income as existing below-market leases expire.

10. **Defensive Investment:** In their just released "Emerging Trends in Real Estate 2001," PricewaterhouseCoopers and Lend Lease Real Estate Investments state, "Real estate isn't overpriced compared to other assets - yield expectations stand an extremely comfortable 562 basis points above

10-year Treasuries" and identify 24 hour "subcities" such as Stamford as having excellent prospects. The Sponsors believe the acquisition will provide investors a favorable after-tax current return, capital appreciation potential and inflation protection and offers a stable, defensive investment alternative to other financial instruments.

**Investment
Risks:**

1. **Economic Climate:** The national and Fairfield County economies continue to experience growth. There can be no assurance that such growth will be sustained. The excellent location, upgrade plans, below market projected rents, and the tight marketplace should benefit First Stamford Place.

2. **Refinancing Risk:** The Company's ability to refinance its debt at the maturity of its acquisition mortgage will be dependent upon the financial position of the Company, the value of the Property, general economic and real estate market conditions and other factors which may be beyond the Company's control. To mitigate this risk, conservative leverage has been utilized for the acquisition allowing for a profitable operation even with a significant interest rate increase in the future.

3. **Real Estate Taxes:** The projections herein have assumed adjustments in real estate taxes in each year based upon estimates by local expert real estate tax counsel, but the actual amounts could be more or less than such estimates.

4. **Real Estate Industry:** Numerous other developers, managers and owners of office properties compete with the Company in seeking tenants. There also may be changes in ownership of properties that compete against First Stamford Place, permitting other properties to be offered at more competitive rents. However, the product quality, upgrade plans, amenities, location, convenient accessibility, and easy subdivision of space at First Stamford Place should in any case be advantageous in comparison to other properties.

5. **Leasing Risk:** Upon expiration of leases for space in the Property, leases may not be renewed by existing tenants, the space may not be re-leased to new tenants or the terms of renewal or re-leasing may not be as favorable as the terms projected by the Company. Therefore, no assurance can be given that the lease-up and re-leasing will occur as projected to fund operating expenses, debt service, and distributions. The Manager believes that the projections are reasonable, that the Company's reserves provide adequate funding for contingencies, and that the Company's low debt level will protect against poor leasing.

6. **Building Upgrade:** The program for improving the Property might encounter delay or cost overruns. The Malkins have extensive experience in taking over the management and operation of properties requiring improvements and upgrades. The Malkins believe that the reserves for completion of the improvements and other reserves of the Partnership will be adequate to perform all planned upgrades.

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**Cash Flow
Analysis:**

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