

LEADING THE WAY THROUGH THE 21ST CENTURY

SHOPPING CENTER BUSINESS™

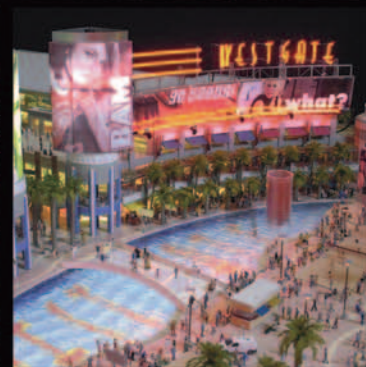
MAY 2006

BEST IN THE WEST

WESTGATE

CITY CENTER

— GLENDALE, ARIZONA —



Best In The West

The Ellman Companies is developing Westgate City Center in Glendale, Arizona. Big plans and big signage have led the 6.5 million-square-foot project to be dubbed “Times Square In The Desert.”

— *Brianne Gloski*

The future inhabitants of residential units in Westgate City Center in Glendale, Arizona, will have a tricky dilemma once the 6.5 million-square-foot urban village is complete. Since the development has it all, why ever leave its boundaries? Featuring office, hotel, convention center, two sporting venues (NHL and NFL), retail, residential condos, lofts, and flats, and entertainment components, the project — bordered by Loop 101 and Glendale, 91st and Maryland avenues — measures 1 mile long and 0.5 miles deep and is expecting to attract more than 22 million visitors annually.

“Essentially, we’re building an urban city center,” says Steve Ellman, chairman and CEO of Phoenix-based The Ellman Companies, the master developer of Westgate. “To imagine the scope of its size, it’s 20 square blocks of New York.”

“TIMES SQUARE IN THE DESERT”

Like New York City, Westgate will feature spectacular outdoor signage that makes Time Square such a hot spot



When completed Westgate City Center is expected to host more than 22 million visitors annually.

more than 2,500 miles away. The city of Glendale, Ellman’s municipal partner, gave the developer permission to

make the Times Square signage district higher and larger than the billboard restriction allows in Arizona. Some of the billboards will be 100 feet tall, helping Westgate live up to its nickname: “Times Square in the desert.” Ellman will look to its media partner ClearChannel Spectacolor to handle the outdoor advertising for Westgate.

Along with a bit of New York style comes a touch of Las Vegas glitz. The Ellman Companies is recreating a Bellagio-like water feature that sits in front of the world-famous hotel and casino in Las Vegas.

Both the water feature and the signage district are two factors that add to Westgate’s uniqueness, compared to other centers of its type. But, then again, the sheer size of Westgate puts it in a class of its own. It’s gearing up to be one of the largest mixed-use urban developments in North America, accord-



Westgate’s tall billboards — believed to be some of the largest in the West — have led the project to be dubbed “Times Square In The Desert.”



The 510,000-square-foot phase I of the project, scheduled to open in October, includes the entertainment core of the project. A 20-screen, 4,000-seat AMC Theatre —the largest theater in Arizona — is under construction as well.

Ellman was looking to combine the new arena with an urban village to create an all-encompassing city center to serve the booming Glendale community. In order to accommodate a project of Westgate's size, the company needed the right land parcel. Ellman worked with the city of Glendale to locate a parcel of property in the county for the development and eventually bought and optioned 450 acres right on the freeway in the fastest growing part of the city. As a further boost to the success of the

House, Doc Green's, Qwest retail store, Cold Stone Creamery, Moe's Southwest Grill, Mama Fu's Asian House, Coffee Plantation, and other tenants one usually finds at similar urban villages, says Ellman. The McGarey Group is handling the retail leasing, and as of the first of April, the first phase is 65 percent leased.

Along with some retail and entertainment space, Phase I will also include office, hotel and residential development. John Q. Hammons Hotels is developing a 320-room Renaissance Hotel featuring an 80,000-square-foot convention center. It is slated to open in mid-2007. Warnick & Co. is the hotel consultant on the project.

Also on the site, residential development partner Trammell Crow Residential is developing Alexan Westgate, consisting of 251 for-lease apartments, and The Quarter at Westgate, which comprises 171 for-sale townhouse units.

Opening this spring are the Village Office Lofts, containing 220,000 square feet of office space. CB Richard Ellis is handling the office leasing.

SOURCES OF INSPIRATION

For a development of this size, inspiration must be pulled from several different places. Ellman and an eight-person team traveled all around the country to visit several mixed-use centers to see what works and what does not.

"As we spoke to many of the developers, we started to figure out what they liked that they did, what they wished they hadn't done, and what they wished they had done more of," says Ellman. "We visited all of these markets and borrowed the best ideas that we could."

Some of the projects the Ellman team visited were Easton Town Center

ing to Ellman.

Assisting The Ellman Companies on the immense project are Baltimore-based Development Design Group, the primary architect; Scottsdale, Arizona-based Kurt D. Reed Associates, the local land planners; and Bethesda, Maryland-based Brix & Company, which is handling the strategic planning and marketing. Also on the development and leasing team is ClearChannel Spectacular, who are joint venturing the development and marketing of the spectacular signage throughout the project.

HOME FIELD ADVANTAGE

Two of the biggest draws for the \$1.5 billion project are the \$213 million Glendale Arena and the \$450 million Arizona Cardinals football stadium, which is scheduled to open this fall. The arena opened in December 2003 and in its first year of operation was named the best new venue in North America. Last year, the 17,799-seat Glendale Arena hosted 57 concerts and ranked 18th in the world for concert sales. In addition, the neighboring Cardinals NFL stadium will host the Super Bowl in 2008, the annual Tostitos Fiesta Bowl, and the BCS College Football Championship Game every fourth year, starting in 2007.

The Glendale Arena is the home of the Phoenix Coyotes NHL franchise and the Arizona Sting National Lacrosse League (NLL) franchise. The Ellman Companies serves as the managing partner for both teams.

Trying to find a new home for the two teams was the catalyst for Westgate.

location, the Glendale Municipal Airport is less than 2 miles away.

"A lot of arenas are built in the outskirts of the city; we're built in the hub, in the heart of where all the development is going," says Ellman.

Maricopa County, the county seat of Glendale, is one of the fastest growing markets in the country. In 2003-2004, the county added more residents than any other county in the United States, according to the U.S. Census Bureau. The site where Westgate is located used to be a cotton field, as is most of the land still surrounding the development. However, that could soon change as more and more people are scrambling to move into the West Valley.

According to Ellman, the property values have skyrocketed in most cases in the surrounding area. "When we first bought the property, we paid \$1.78 a foot for the land," says Ellman. "The land today is worth about \$17.50 to \$20 a foot."

PHASE I

The arena was the first component of the project to be built by Perini Building Companies, and in September 2005, Perini broke ground on the remainder of the first phase. This 510,000-square-foot phase, scheduled to open in the fourth quarter, includes the entertainment core of the project. A 20-screen, 4,000-seat AMC Theatre, the state's largest theater, is under construction as well as Yard



The Ellman Companies is developing Westgate City Center in Glendale, Arizona.

in Columbus, Ohio; Reston Town Center in Reston, Virginia; Atlantic Station in Atlanta; The Irvine Spectrum and The Grove in Los Angeles; City Place in West Palm Beach, Florida; The Block at Orange in Orange, California; Santana Row in San Jose, California; and the Baltimore waterfront.

PHASE II AND BEYOND

The second phase of the development will break ground next year and is aiming for a 2008 completion date. Included in this phase are a 463,000-square-foot destination retail center, a 105,000-square-foot neighborhood retail development, at least one garden-style office building and a 440-unit residential district. Future phases will also feature entertainment, retail and loft residential space.

"The full build-out depends on the build-out of the market," says Ellman.

"If the economy stays strong, we

should be able to complete it within 7 years." Eventually, the development will include four more hotels, plazas and parks, and a 285,000-square-foot health and wellness center, on top of all the development in the first two phases.

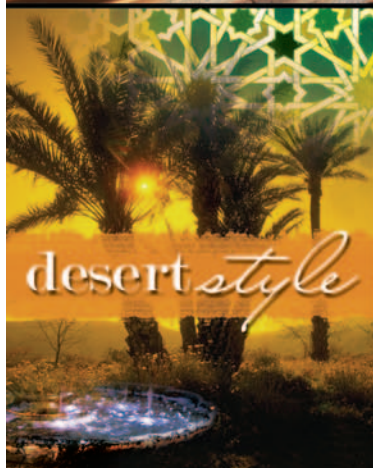
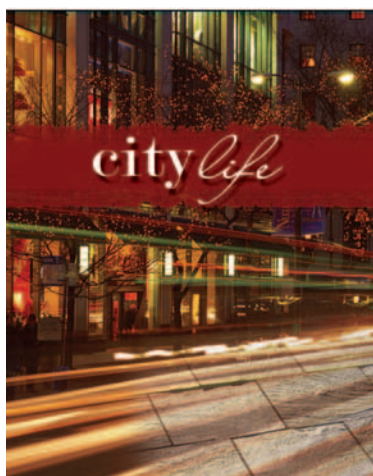
LOOKING TOWARD THE FUTURE

Along with the rapid growth in the West Valley of metro Phoenix, elected officials have committed to creating at Westgate and the immediate area a focal point for the West Valley. The project claims about \$600 million of public money, with the football stadium, Glendale Arena, Cabela's, and the convention center receiving major financial concessions from the city and state, according to Ellman.

"The vision of our elected officials to make Westgate and the surrounding areas into the newest and most exciting part of the Valley has been the catalyst," states Ellman. "The commitment

made by our leaders has allowed us to partner and develop the most dynamic and innovative project in the Valley, and with the growth currently occurring and expected to continue for the next two decades, we envision Westgate becoming the geographic and demographic center of the Valley in the next few years.

"Although the Arena has been open for over 2 years already, Westgate is a work in progress," Ellman says. "It's a painting right now. We started with a clean palette that we've been able to design [from the start]...I'm excited that our arena won best new arena in North America, and hopefully the rest of the project will win a similar award as being one of the most creative and innovative real estate developments ever built." **SCB**



The city skyline takes shape and breathes life in 2006, at the Westgate City Center in Glendale, Arizona.

The Village debuts this fall, with over 500,000 square feet of retail and office, anchored by a 20-screen, 4,000-seat AMC multiplex, Yard House and other special dining and shopping options. A second phase readies for a 2007 start, with more lifestyle retail and a stunning urban residential district.

Open your eyes and you'll see the emerging new Four Star 320-room Renaissance Hotel and 80,000 sf Convention Center, Cabela's and Trammell Crow's "The Quarter" residential neighborhood.

The Glendale Arena offers the best sports and entertainment events in America, alongside its newest sibling, the Arizona Cardinals NFL Stadium.

All around you, in every direction, there is dramatic population growth, high incomes, new corporate campuses and the great quality of living that is the West Valley.



www.westgateaz.com

RETAIL LEASING:

F. Denver McGarey
The McGarey Group
888.8WESTGATE

OFFICE LEASING:

Charles Miscio &
Ashley Brooks
CBRE
602.735.5555

OUTDOOR ADVERTISING:

Dan Jasper
Clear Channel Spectacolor
212.221.3100

POWER CENTER, NEIGHBORHOOD CENTER & PADS:

Bill Wayland
The Ellman Companies
602.840.3000

WESTGATE
CITY CENTER
— GLENDALE, ARIZONA —