

Business Record

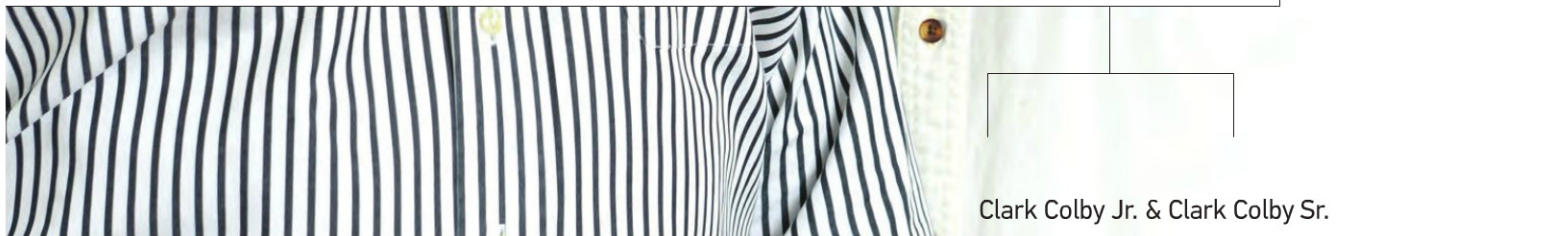
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The Colby family carries on



Clark Colby Jr. & Clark Colby Sr.

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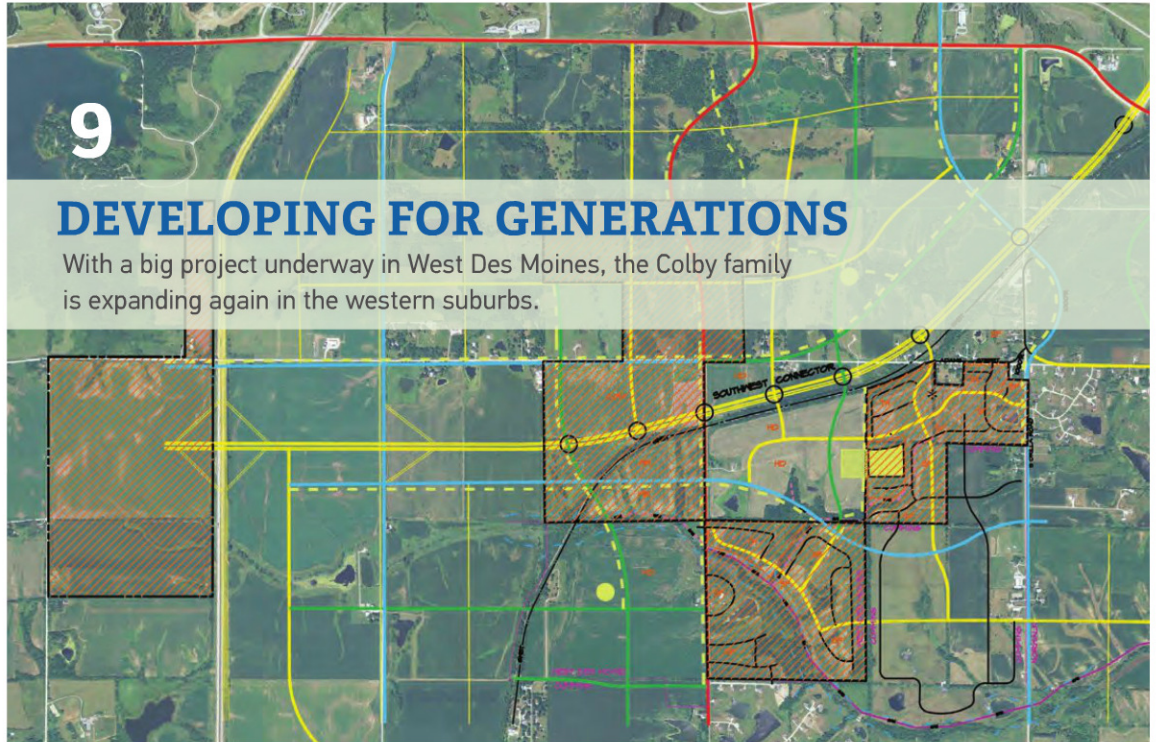
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The Colby family carries on

Driving all this developer family's decisions has been a desire to build and protect wealth for current and future generations

BY KENT DARR



PHOTO BY DUANE THURKEY

A family meeting (left to right): Mike Colby, Charles I. Colby III, Cary Claiborne, Clark Colby Jr., Clark Colby Sr. and Tom Colby.

It is a warm and sunny afternoon, and there is little doubt that Clark Colby Sr. would rather be on a golf course, or maybe studying a piece of farm ground, than be talking to a reporter about his family business.

He is darn proud of his family, no doubt about that. And he is sitting in an office on University Avenue in Windsor Heights that was the first commercial property his family developed.

But here's the rub: Clark Colby Sr. likes to keep the family business pretty close to the vest, and he makes no bones about that.

"We've managed just fine without a lot of publicity," he said.

He is absolutely correct. Still, he has a story to tell, and he's as much a storyteller as he is a developer, the son of a developer and the father of developers. And although he may not like the idea of publicity, he clearly enjoys leading a discussion of Colby history during a meeting with his son Clark Colby Jr., and nephews Mike Colby and Cary Claiborne.

Many observers of the Colby family, long an institution in Greater Des Moines, believe their story is taking another turn, with development once again moving to the front burner after what some say was a period when the family seemed more interested in bidding time by managing assets rather than developing new ones.

From Clark Colby Sr.'s point of view, the story begins in the 17th century, and it spans an ocean and the North American continent. For the purposes of this story, we'll stick to the turn of the 20th century in Iowa and move forward.

The Colbys have left landmarks in their wake. They have enjoyed business success and, by family lore, at least one notable failure. But driving all of their decisions, at least for the direct descendants of Charles Iowa Colby and his wife, Ruth, has been a desire to build and protect wealth for current and future generations.

In fact, it is difficult to drive far in the western suburbs without passing a landmark or development that carries the Colby name. Where Charles I. Colby laid the foundation for developments by building streets, acquiring land and preparing other land for development, his sons and their sons carried on the tradition. Colby Acres made up much of what is today called Windsor Heights. More than half of the residences in that city were built by the Colby family. Colby Woods, the sprawling 320-acre development in Urbandale comes to mind. Fox Valley, a new development in the southeast part of West Des Moines, is another.

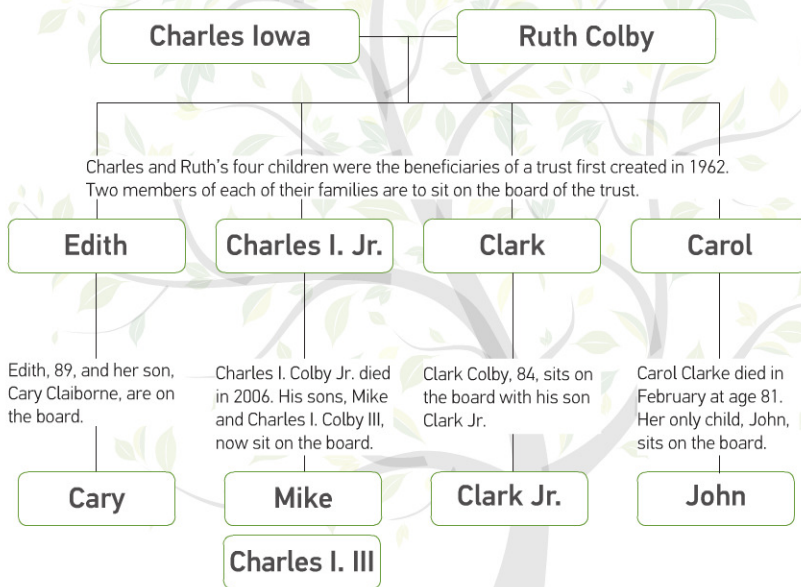
Any conversation with family members returns to this point: they are carrying on a family tradition by creating wealth for their descendants.

COVER STORY



A FEW BRANCHES OF THE COLBY FAMILY TREE

The descendants of Charles Iowa and Ruth Colby have carried on the land development story of their parents. It is a tradition the family can trace to the late 19th century in Iowa.



A drawing by Charles I. Colby Jr. serves as something of a family crest. It is a bundle of sticks bound with a rope. The message: The family is stronger when it works together.

The starting point is a trust established in 1962 by Charles and Ruth Colby. Their four children – Edith, Charles Jr., Clark and Carol – were named trustees. As the trust was structured, two members from each child's family made up the board of directors. Any lineal descendant of Charles and Ruth can participate in trust meetings once they reach age 21.

Today, there are seven family trusts whose real estate holdings are

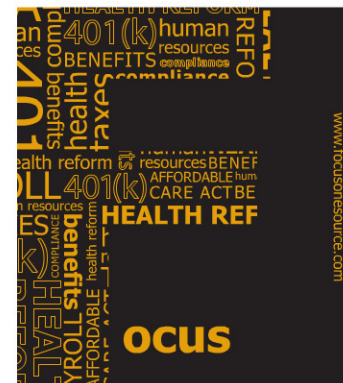
managed by Colby Interests. Family members cannot be employed by the operating company, which is led by Theresa Greenfield.

At the time the first trust was established, Charles I. Colby had played a key role in the development of Windsor Heights.

University Avenue, from 49th to 73rd streets was paved to ease the delivery of coal from the ill-fated West Side Coal Mine, an operation that zapped much of wealth of his father, Charles H. Colby. The experience left an impression on his son, who strove to build a family fortune that would survive for his descendants.

DES MOINES HAS SO MUCH TO BRAG ABOUT.
AND WE'RE NOT AFRAID TO SHARE IT!

Look for the latest edition of the **Greater Des Moines Brag Book** to publish on September 26, 2014 - showcasing our many national awards, rankings and recognitions.



A FORAY INTO WINDSOR HEIGHTS

In 1915, Charles H. Colby bought 160 acres of land at \$300 an acre. It extended south from University Avenue to what is now Interstate 235 and east from 63rd Street to 73rd Street. Two years later, he bought the West Side Coal Mine on roughly 50 acres in the southwest corner of that 160-acre tract.

"Papa got in the coal mining business in a rather strange way," Charles I. Colby wrote for "Windsor Heights: 50th Anniversary History." "A Des Moines real estate dealer named Harry Northrop for many years used to bring land deals to my father, and one spring day in 1914, I drove Papa and Mr. Northrop in our Allen automobile way out west on University Avenue, almost to Dallas County, to look at the Mott farm. ... The paving stopped at 49th Street; we stopped there and put on the tire chains and plowed into the nearly impassable yellow clay mud road."

According to his account, Charles I. and his father paid to pave University Avenue from 49th to 63rd streets, and later to 70th Street. The pavement eased the delivery of coal, but did not turn the operation into a moneymaker. Charles I. wrote that the family had to sell farms to pay operating expenses.

"The bad part of this sorry mine investment ... was the necessity of sacrificing Iowa farms to get quick cash to put in this losing venture," he wrote.

The use of Portland cement to pour concrete slabs for the road was so unique that the paving operation made National Geographic magazine, Clark Colby Sr. said.



Clark Colby Jr.

"We are not interested in lining our pockets, but we are interested in **planning for the future** ... I'm hopeful that 15 years from now our **substantial holdings** can spin to the next generation."

Charles H. Colby and his father Gideon had accumulated much of their wealth by buying farmland from railroads that were forging their way across the state. The railroads would purchase large tracts of land, then sell it and use the proceeds for rail line rights of way.

The two Colbys mortgaged some of that farmland. Some of what was not sold to pay expenses at the West Side Mine was lost to banks during the recession that followed World War I.

It was a combination of losing the mine and losing the farmland that left an impression on Charles I. Colby, his grandson, Clark Colby Jr., said.

Another grandson, Cary Claiborne, said the family has a habit of "rolling up their sleeves and getting to work."

That is what their grandfather set about doing. He acquired more land with his personal savings, prepared it for development and preserved his earnings. It was best to sell and use the proceeds for additional purchases rather than encumbering the purchases with mortgages.

The land that was preserved includes the old West Side Mine, the present-day location of the Walmart Supercenter and Sam's Club and Apple Valley Mall, Colby Park and the Windsor Heights City Hall.

"Our family history is all about land development," Clark Colby Jr. said.

Charles I. Colby continued to accumulate land north of University to Hickman Road. His sons, Charles I. Jr. and Clark, went into the construction and development business too. Together, they built more than half of the homes in Windsor Heights.

Clark Colby Jr. was born in a house on Colby Avenue. The family later moved farther west in Windsor Heights to Plaza Hills, another Colby development.

The Colbys developed Indian Hills, just north of Valley West Mall, in Clive, Colby Woods in Urbandale and Sherwood Forest in Windsor Heights, to name a few tracts. Clark Colby Jr. and his brother, Tom, built out Cobblestone and Deer Creek in Urbandale and Bay Hill in Clive.

Colby Interests, which was founded in 1947 by Charles I. Colby and now manages the holdings of the Charles I. and Ruth Colby Trust and the



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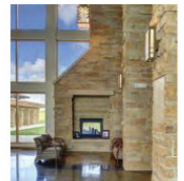


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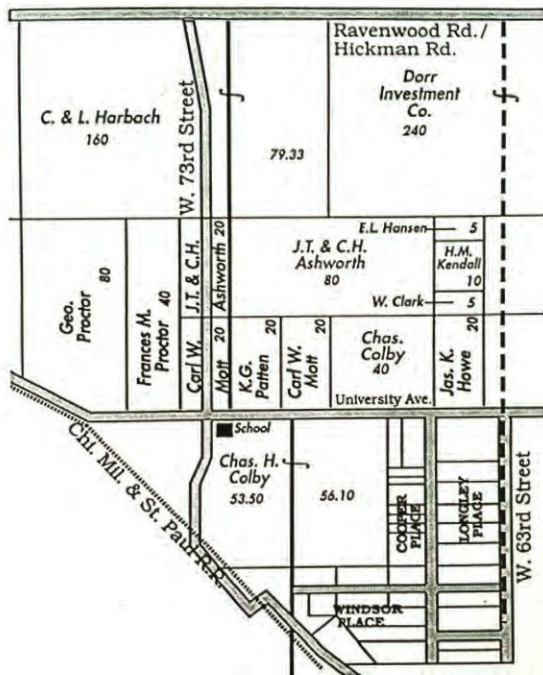
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COVER STORY



Clark Colby Sr.

Charles H. Colby and his son, Charles Iowa Colby, sold land in the **cool of the evening**, “when the birds would sing.”

The Colby family took its first foothold in Greater Des Moines with the purchase in 1915 of nearly 160 acres in what would become Windsor Heights.

six additional trusts that have spun off of it, is located in a commercial building that was built in 1937 on University Avenue in Windsor Heights.

“My grandfather worked his whole life to acquire and hold onto land in order to gift it to his family,” Clark Colby Jr. said.

Has the family ever considered building a grander office building in which to base its operations?

“We did talk briefly about buying new chairs about a year ago. ... We’ve been conservative. We have little debt and we keep a low profile,” he said.

That profile has served the family well.

Greater Des Moines commercial real estate broker Doug Siedenburgh noted that the family’s business practices have been straightforward and honest. They want projects carried out their way, sometimes to the frustration of tenants, buyer and other developers.

“That kind of conservative steadfast position has served them well over the years,” he said. Siedenburgh pointed out that the Colbys might well be the only landowners in America who extracted a land lease from Wal-Mart, which typically builds only on property it owns.

[CARRYING ON]

Charles I. Colby died in 1975.

It took several years for the family to adjust to his death, but family members understood his vision: Maintain and add to the family holdings.

“He would tell you stories and make you laugh for a while, but it wasn’t long before it got down to business and his vision for things,” Clark Colby Jr. said. “He was a hardworking guy.”

Over the last four decades, beginning late in the 1980s, the family again began acquiring properties, both farmland and commercial and retail buildings.

Proceeds from the sale of farmland and the condemnation of one block of oceanfront property in Deerfield Beach, Fla., was used to pay for the initial round of purchases.

The sale of additional farmland in the 1990s provided funds for the purchase of nearly 1,000 acres in the Warren County segment of West Des Moines.

It was the initial platting two years ago of Fox Valley on the Warren County farmland that set tongues wagging within commercial real estate circles that the Colby family was back in the game. Prior to that, Clark Colby Jr. said he had worked for several years with the city of West Des Moines to prepare the area with utilities that would support development.

THE WINDSOR MALL?

If not for a spring flood of Walnut Creek in 1969, there might not be a Valley West Mall.

Clark Colby had secured a commitment from J.C. Penney Co. Inc. to anchor a one-million-square-foot mall that would have taken up all of the land where the Windsor Heights Wal-Mart Supercenter and Sam’s Club now stand, not to mention the Apple Valley Mall on University Avenue.

Clark was out of town when he received a telephone call from his brother, Charles I. Colby Jr., saying that 10 inches of rain had fallen in the Des Moines area and Walnut Creek was out of its banks.

J.C. Penney officials received the same information. In May 1969, they signed an agreement that led to the development of Valley West Mall in West Des Moines.

COVER STORY

The project is the first in the southeast section of West Des Moines, where city officials have hoped that the development of rooftops would lead to commercial development.

"Long-term, it's giving people housing options and will help with our build out along Highway 5," said Clyde Evans, director of community and economic development for the city of West Des Moines.

Theresa Greenfield commented that when she was hired to lead Colby Interests in March 2012, her marching orders were to prepare development plans to present to the city of West Des Moines for Fox Valley. She came to Colby Interests and its parent company, Colby Management Co., with a background in construction and land development.

The family had been accumulating farm ground in the area since the late 1990s, when plans for a highway called the Southwest Connector were being discussed in development circles. The road, now called Veterans Parkway, will end at Interstate 35, and under an anticipated federal interstate highway designation for the Highway 5/65 bypass connect with Interstate 80.

For the Colby family, it was a way to invest for future generations.

"I kind of see us on a similar path that our grandfather took in that he accumulated ground for future development," Clark Colby Jr. said. "We are not interested in lining our pockets, but we are interested in planning for the future. Time marches on. But I'm hopeful that 15 years from now our substantial holdings can spin to the next generation."

In addition to Fox Valley, where rooftops are being added and the anticipation is for additional municipal services and commercial centers, Colby Interests now manages 26 retail and office properties in Altoona, Clive, Grimes, Urbandale, West Des Moines and Windsor Heights.

A recent addition is Bridgewood shopping center on Jordan Creek Parkway in West Des Moines.

Each new decision to buy, hold or develop land is made after what Mike

Colby, son of Charles I. Colby Jr., said can be vigorous debate among the family members of the trust.

There now are 75 descendants of Charles I. and Ruth Colby, and they are invited to participate in the meetings of the trustees. Even if they do not have a vote, they are welcome to express their opinion, Clark Colby Sr. said. Relatives who cannot attend meetings in person can join via video conference.

Max Colby, a broker with CBRE|Hubbell Commercial, is among that younger generation. He is the son of Charles I. Colby III, and recalls accompanying his father and grandfather as they would walk through properties and "drive the market," noting areas of future development.

"In the last three to four years, the younger generation tries to attend the meetings; we get together and discuss the business," he said.

The discussions no doubt include the legacy of approaching each deal with a high degree of integrity and always keeping in mind how each business decision will affect later generations.

"Within my family we spend a lot of time discussing business," Max Colby said.

The family does not leave a meeting of the trustees without reaching a unanimous vote. The seven Colby trusts will operate for several more decades, and the family wants to make certain that wealth continues to flow for the future generations.

"We see it as our fiduciary responsibility for the next 75 years," Mike Colby said. ■



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