Finance Administration
215 N. Mason
2nd Floor
PO Box 580
Fort Collins, CO 80522
970.221.6788
970.221.6782 - fax
fcgov.com

AGENDA
Council Finance & Audit Committee
September 1, 2021
2:30 - 5:30 pm

222 Laporte - Colorado River Community Room
Zoom Meeting https://zoom.us/j/8140111859

Approval of Minutes from the August 11, 2021 Council Finance Committee meeting.

1. Council Priority: Equity in Taxation of Menstrual Products	30 mins.	J. Poznanovic
2. Civic Center Parking Structure – Real Estate Opportunity	30 mins.	N. Bodenhamer K. Mannon
3. 2021 Annual Adjustment Ordinance	30 mins.	L. Pollack
4. East Parks District Maintenance Facility	30 mins.	K. Friesen
5. Utilities Water Supply Requirements Cash-in-lieu Rate Increase	45 mins.	D. Dustin L. Smith L. Hans

Other Business

Council Finance Committee

Agenda Planning Calendar 2021

RVSD 08/19/21 ck

Sept. 1st	2021		
	Council Priority: Equity in Taxation of Menstrual Products	30 min	J. Poznanovic
	Civic Center Parking Structure – Real Estate Opportunity	30 min	N. Bodenhamer K. Mannon
	2021 Annual Adjustment Ordinance	30 min	L. Pollack
	East Parks District Maintenance Facility	30 min	V. Shaw K. Friesen
	Utilities Water Supply Requirements Cash-in-lieu Rate Increase	45 min	D. Dustin L. Smith L. Hans

Oct. 6th	2021		
	Community Capital Improvement Plan - (CCIP) Status Update	45 min	B. Dunn
	GERP Review	30 min	B. Dunn

Nov. 3rd	2021		
	Utility Long-term Financial and Capital Improvement Plan (part 1/2)	60 min	L. Smith
	Financial Policy Updates	30 min	B. Dunn

Dec. 1st	2021		
	Utility Long-term Financial Plan and Capital Improvement Plan (part 2/2)	60 min	L. Smith
	Front Range Financial Comparison	30 min	B. Dunn

Future Council Finance Committee Topics:

- 2022 Development Review and Capital Expansion Fee Updates
- Golf Debt Issuance
- Revenue Diversification

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Finance Committee Meeting Minutes
August 11, 2021
3:00 - 5:00 pm
Hybrid Meeting - 222 Colorado River Community Room / Zoom

Council Attendees:	Julie Pignataro, Kelly Ohlson, Emily Gorgol, Shiley Peel, Susan Gutowsky
Staff:	Kelly DiMartino, Travis Storin, John Duval, Tyler Marr, Seve Ghose, Jim McDonald, Ken Mannon, Nina Bodenhamer, Brad Buckman, Dean Klingner, Tim Sellers, Dan Woodard, Blane Dunn, Victoria Shaw, Cody Forst, Ginny Sawyer, Teresa Roche, Nikki Daniels, Carolyn Koontz

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Meeting called to order at 3:00 pm

Julie Pignataro; I conferred with the City Manager and the City Attorney and have determined that the Committee should conduct this meeting as a hybrid meeting allowing both in person and remote participation because meeting in person may not be prudent for some or all persons due to the current public health situation.

Approval of minutes from the July 7, 2021, Council Finance Committee Meeting. Kelly Ohlson moved for approval of the minutes as presented. Emily Gorgol seconded the motion. Minutes were approved unanimously via roll call by; Julie Pignataro, Kelly Ohlson and Emily Gorgol.

A. Carnegie Center Renovation

Jim McDonald, Cultural Services Director
Ken Mannon, Operations Services Director

SUBJECT FOR DISCUSSION
Appropriate Community Capital Improvement Program Funds (CCIP) of $2,218,000 for the renovation of the historic Carnegie Library (Carnegie Center for Creativity).

EXECUTIVE SUMMARY
With the passing of the 2015 Community Capital Improvement Program Ballot Measure (Building on the Basic 2), the Carnegie Center for Creativity was scheduled for renovation beginning in 2024. With projected inflation per the ballot materials, the approved total allotment is $2,218,000. The ballot measure also included five years of Operations and Maintenance support of $25,000 per year.

Currently, the building is closed to the community due to budget reductions. Additionally, the elevator in the building is to be upgraded to meet ADA standards beginning this year. With the building closure and the elevator construction currently underway, staff recommends commencing the renovation work in 2021 to leverage the current situation and minimize future closure time.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee support bringing forward an appropriation to Council to renovate the historic Carnegie Library (Carnegie Center for Creativity) beginning in 2021 instead of 2024?

BACKGROUND/DISCUSSION

In April 2015, the voters of Fort Collins passed a 10-year quarter-cent tax renewal dedicated to community improvements (Building on the Basics 2). Improvements included ongoing funds to support affordable housing, intersection improvements, bicycle infrastructure, implementation of Nature in the City and the renovation of the historic Carnegie Library. Authorizing Ordinance No. 013, 2015 stated "This project will renovate the historic 1904 Carnegie library building to enhance its use as a Community Center. The Center will host special events, community meetings, art exhibits and symposiums in the heart of Downtown."

The historic 1904 Carnegie building is one of the oldest, continuously operating public buildings in Fort Collins, designated a local Historic Landmark District by Resolution in 1978. The building is also a contributing structure to the Laurel School Historic District, National Register 10/3/1980, 5LR.463. The building is now the Carnegie Center for Creativity and offers an affordable community-focused cultural space for gallery exhibitions, performances, classes and special events. It also serves as the home and studio of Fort Collins Public Media and the Fort Collins Downtown Creative District on the lower level.

The project focuses on infrastructure and historic restoration to ensure the building will continue to function as a public resource into the future. Some of the work to be completed includes:

- Uncover and restore windows
- Add a main staircase to connect floors
- Renovate and add restrooms
- Upgrade electrical and fiber
- Rehabilitate and improve mechanical systems
- Restore interior floors and finishes
- Restore and repair exterior masonry, eaves and cornice
- Address Americans with Disability Act (ADA) needs
- Address drainage issues

DISCUSSION / NEXT STEPS:

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee support bringing forward an appropriation to Council to renovate the historic Carnegie Library (Carnegie Center for Creativity) beginning in 2021 instead of 2024?

City of Fort Collins

CCIP Background

Project	2015 Project Cost (000's)	Project Cost + Inflation + O&M (000's)
1 - Affordable Housing Fund	$ 4,000	$ 4,000
2 - Arterial Intersection Improvements	$ 6,000	$ 6,000
3 - Bicycle Infrastructure Improvements	$ 5,000	$ 5,000
4 - Bike/Ped Grade Seperated Crossing Fund	$ 6,000	$ 6,100
5 - Bus Stop Improvements	$ 1,000	$ 1,000
6 - Carnegie Bldg Renovation	$ 1,700	$ 2,343
7 - City Park Train	$ 350	$ 350
8 - Club Tico Renovation	$ 250	$ 250
9 - Downtown Poudre River - Kayak Park	$ 4,000	$ 4,494
10 - Gardens on Spring Creek Visitor's Center	$ 2,000	$ 2,385
11 - Lincoln Ave. Bridge	$ 5,300	$ 5,721
12 - Linden St. Renovation	$ 3,000	$ 3,521
13 - Nature in the City	$ 3,000	$ 3,500
14 - Pedestrian Sidewalk / ADA-Compliance	$ 14,000	$ 14,000
15 - SE Community Center with Pool	$ 14,000	$ 18,811
16 - Transfort Bus Fleet Replacement	$ 2,000	$ 2,000
17 - Willow Street Improvements	$ 3,070	$ 3,487
Total	$ 74,670	$ 82,962

- Voter-approved taxes for capital projects date back to 1973
- Current 0.25% tax, Community Capital Improvement Program (CCIP) runs from 2016-2025
- Composed of 17 different projects or initiatives
- **For 2016-2020, City has collected $42.1M actual vs. $35.7M projected**

Julie Pignataro: where is the $2.2M coming from?

Travis Storin; the CCIP tax collections are set aside in a dedicated fund

Julie Pignataro; a risk is that it is possible we wouldn't collect what we project by 2025. Is it correct to say that using this excess at this point is a risk?

Travis Storin; it is a risk if revenues went down dramatically 2021 – 2025 we could potentially have a shortfall for the other projects, however, we anticipate meeting or exceeding based on history.

Julie Pignataro; City Park Train cost - chart shows $350K – isn't there a different amount?

Kelly DiMartino; increased costs for the train itself and increased costs to locate the train in a place that would require us to move the tennis / pickleball courts - you will hear more about this in your 2x2 meetings - this is a bigger conversation we need to have

Julie Pignataro; it would be helpful for us to see where all of the CCIP projects in the list are in the process. Would this be taking funding away from something else? With building materials cost fluctuations - Are current conditions volatile to determine those costs during the pandemic and now?

Jim McDonald; this was done before 2015 - we know that certain building materials are more expensive right now – what does that mean? costs fluctuations

Jim McDonald; City Give $300K needed to be raised – we are still projecting that, but we don't have a number yet until we see the new cost estimates – we were already discussing this as a high priority – a really attractive project to raise funds for – community based historical building - Nina felt comfortable with some possible individual donors in the community

Julie Pignataro; I don't feel like I have enough information to make a decision - would like to see more information on all of the projects in general. Great project and I understand why you are bringing it forward at this time.

Emily Gorgol; CCIP - were these allocated this way based on when the tax was passed, or did we allocate to the 17 different categories?

Travis Storin; the project list on slide 3 (included above)- those dollars were allocated when the ballot was approved and cannot be changed - this is the guaranteed minimum for each project – by appropriating $2.2M now instead of 2024 over the 10 years it doesn't deprive any of the other projects, they get the same dollar amount - it would just happen sooner- the dollars are set in stone by virtue of the ballot.

Emily Gorgol; why do some have inflation, and some do not?

Travis Storin; when the projects for inclusion on a given ballot measure are being considered - the staff looks at whether there needs to be an O&M or inflation component – will we own and operate it - so we are going to include - For affordable housing – we don't retain an asset. Plenty of high-level estimates of what might be O&M. The inflation assumption for that which we own – with the cost of housing going up over 10 years - it would appear that we only layered in inflation for that which we own 3%

Kelly DiMartino; we could dig back more but I think it is specific project versus general contribution to affordable housing versus it being a specific project – that is a policy or an approach that was taken that we could revisit

Emily Gorgol; for clarification - that wasn't adopted ballot language, it was a city decision after the CCIP passed for the inflation part of it

John Duval; the adopted ordinance language states that the estimated capital costs would be in 2015 dollars – to the extent that inflation effects what is costs later – no wording that included any factor for inflation. You could change this – factor in Inflation and additional costs. You are kind of balancing and looking at all of these making a decision now – are you going to have the money at the end to have the 2015 funds to fund each of these projects for minimum needs?

Emily Gorgol; I don't have enough information about what else is in the works and what we are not doing - what does that mean that we won't be doing critical bicycle improvements, etc. What is in the pipeline and what are we moving off to update Carnegie? That is the piece of information that I feel is missing.

Because we know the costs of building materials are so inflated right now, would it be possible to do that piece with an architect to get those cost estimates?

Jim McDonald; re: Carnegie specifically - we worked with Finance and Operations Services to find the money ($30K) to engage the architect - we are trying to get that number as soon as possible

Ken Mannon; not sure where we are with engaging them

Emily Gorgol; I support this coming back to Council Finance with that number and more information about the status of the other projects.

Travis Storin; hearing more on the way - opportunity for a dedicated agenda item for all 17 projects
All things CCIP - we will present that at a future meeting

Kelly Ohlson; I would say yes - If you are in there working already, it is easier to do the work while you are in there. By prioritization - most things on this list would be more important to me than the Carnegie - such as affordable housing and safety but that is not the way the ballot language reads.
We do need to have a corresponding chart with the status of all other projects. When you have projected, it would be helpful to include actual - ¼ cent post Covid – projection is between $8-9M in sales tax. Part of it - you could seize on part of the Covid funds to help in the restoration
That may be part of the equation - nothing else suffers as far as I can see because we have more than projected $7 - 8M more dollars - nothing else is going to suffer. I am comfortable and have the information I need but 2 out of 3 do not have the information. Have you looked at the asbestos issue?

Ken Mannon; yes -we always look into that as we do the buildings

Kelly Ohlson; sustainability – this is a historical building – assuming we are going to do that to the A level

Ken Mannon; we will look at everything we can for sustainability – a lot of the work we are doing is more upgrades than a true full renovation - some of that work would have to be additional -

Kelly Ohlson; I believe we will have significant funds at the end of this ($5-15M range) at the end of this – whenever the end is – these things have to be completed – those funds could go to affordable housing if Council so chose – a lot of these will be done and some are completed– there are only a few that are general like affordable housing that could go on forever - we make sure the 5 years of O&M is taken care of – that is easy to predict and not wait until the 5 year period is over to put money to Affordable Housing – you could easily put more money into the fund for O&M

Travis Storin; the Vine and Lemay that is happening right now was in large part funded from the residual from the last ¼ cent

Kelly Ohlson; when a $350K project becomes a $5M project – it damages credibility of the city and the council – (more about tennis and pickleball). That is not right

Kelly DiMartino; we need to have more conversation - how do we approach this because the scope has far surpassed what the original intent was.

Julie Pignataro; if you could provide where the projects are also include when they are projected to be completed over the next 3-4 years. Do we have a roadmap for that?

Travis Storin; to recap;
We are going to do a dedicated agenda item on CCIP including the status of each of the 17 projects / status / actual revenue to track against projected

Julie Pignataro; it would be ok if a sub discussion after the full CCIP discussion to bring this back in the same session

Kelly Ohlson; we could get more of the information if it were preceded by the architectural thing – get comfortable with this - because Carnegie is closed right now
If we are comfortable with them moving forward - how old is that estimate before we move to the architectural?

Jim McDonald; 2014 is when the estimate was done

Ken Mannon; we could have an answer from the architectural firm within the next couple months

Kelly Ohlson; would it be ok if they move forward with this part because then you would have better numbers? $25-$30k to get more information that way we are not losing a couple months as we move forward

Committee agreed to move forward with architectural assessment which will provide more detailed information ($25 – 30k)

Jim McDonald; we engaged the firm a year ago and we can immediately go to them and start working with them

Travis Storin; would it be ok to calendar a first reading on this for shortly after the next Council Finance Committee reading? Would it be acceptable if First Readings were scheduled for subsequent to the next Council Finance?

The Finance Committee agreed that it is fine to go ahead and put it on the schedule for First Reading.

B. Laporte Multimodal / Siphon Ped/Bike Overpass

Brad Buckman, Interim City Engineer
Tim Sellers, Civil Engineer II
Dan Woodward, Interim Capital Projects Manager

SUBJECT
Appropriation of the Multimodal Options Fund Grant, the Transportation Alternatives Program Grant, the Revitalizing Mainstreet Grant, and Transportation Capital Expansion Fee funds for the Laporte Avenue Multi-Modal Improvement Project. Additionally, appropriation of Transportation Capital Expansion Fee funds and Multimodal Options Fund Grant to the Siphon Pedestrian Overpass Project.

EXECUTIVE SUMMARY
The purpose of this item is to seek support from the Council Finance Committee to in order to bring a full appropriation to Council to receive federal funds for the Laporte Avenue Multi-Modal Improvement Project (Laporte Project). This item will also appropriate $390,000 from the Transportation Capital Expansion Fee (TCEF) into the Capital Projects fund for the Laporte Avenue Multi-Modal Improvement Project. The City was awarded a Multimodal Options Fund (MMOF), as well as a Transportation Alternatives Program (TAP) grant for the Laporte Project. These funds will be used for design, any necessary property acquisition, and construction of roadway improvements along Laporte Avenue from Fishback Avenue to Sunset Street, excluding the bridges and roadway crossing the New Mercer Canal north of Grandview Cemetery. The bridges and roadway north of Grandview Cemetery are being replaced as part of a separate capital project using local Bridge Program funding.

In addition, this item will enable the city to receive federal funds for the Siphon Pedestrian Overpass Project (Siphon Project) by appropriating $500,000 from the TCEF as local matching funds for the project's MMOF grant.

STAFF RECOMMENDATION
Staff supports bringing forward an appropriation to Council.

BACKGROUND/DISCUSSION
Laporte Avenue between Fishback Avenue and Sunset Street is a two-lane arterial roadway. Most of the roadway within the Project limits lacks adequate bicycle and pedestrian facilities including sidewalk, bike lanes, curb and gutter. The roadway experiences heavy bicycle and pedestrian traffic especially with Poudre High School, and many residential neighborhoods and businesses being located adjacent to the Project limits. Several near misses and at least one serious vehicle-pedestrian accident have occurred within the Project limits. The corridor currently experiences a higher-than-expected volume of traffic accidents due to the lack of adequate infrastructure. Laporte Avenue is master planned to be on the City's low-stress bicycle network.

The Project will address the safety concerns and lack of multi-modal infrastructure. In 2019, the City applied for two grants: a federal Transportation Alternatives Program (TAP) grant and a state Multi-Modal Options Fund (MMOF) grant. In early 2021 the City applied for the Revitalizing Mainstreet (RMS) Grant, and anticipates award of this grant in fall of 2021. In 2020 the TAP and MMOF funds were awarded to the City through the North Front Range Metropolitan Planning Organization (NFRMPO) and CDOT for the design, right-of-way acquisition, and construction of the Project. The MMOF, TAP funds are available immediately. Local funds from TCEF will be used for grant matching funds for the TAP grant and the MMOF grant.

Funds from all three grants are ineligible for use toward public art. Community Capital Improvement Program (CCIP) local funds are eligible for Art in Public Places (APP), and have been appropriated for APP.

It's not currently anticipated, but if right-of-way acquisition will be required for construction of the Project, Staff will bring authorization for acquisition to City Council.

The Siphon Project is a connecting trail to the Power Trail, which is a multi-use recreational and commuter trail connecting the Spring Creek Trail at the north end to the Fossil Creek Trail at the south end. Between Harmony Road and Trilby Road, there is no safe or legal way to get from east of the Union Pacific Railroad tracks to the Power Trail. Users must travel either to Harmony Road or Trilby Road and cross the tracks at the roadway crossing. There is evidence of trail users crossing the railroad tracks at unauthorized locations between Harmony and Trilby. The need for a grade separated crossing between Harmony and Trilby is amplified with the number of schools and residential subdivisions on both sides of the railroad tracks.

The Siphon Project will design, acquire right-of-way, and construct a pedestrian overpass for the Power Trail crossing the Union Pacific Railroad Tracks as well as a trail east of the railroad tracks to connect the Power Trail to the residential road network.

The City submitted applications for two grants in 2019: The Multi-Modal Options Fund (MMOF) and Transportation Alternatives Program (TAP). The City was not awarded TAP funds for the Project but was awarded MMOF funds through the North Front Range Metropolitan Planning Organization (NFRMPO) for design, right-of-way acquisition, and construction of the Project.

Staff anticipates bringing future items to City Council, as needed which may include; authorization to acquire right-of-way and Union Pacific Railroad easement.

CITY FINANCIAL IMPACTS
The following is a summary of the funding anticipated for design, right-of-way acquisition, and construction for both of these Projects:

Laporte – we should receive word on the grant any day now
Design is 30% - bring that to 100% by spring – construction next summer

Emily Gorgol; all happening at the same time

Kelly Ohlson; you don't anticipate you don't anticipate any right of way

Brad Buckman; we think we can get what we want with existing right of way
I don't want some parts of town getting quality landscaping – trees
Is there any landscaping as part of this?

Brad Buckman; no medians - somewhat of a constrained but we will have parkway landscaping with the same standards as anywhere else in the city

Julie Pignataro; will construction be done before school gets back in session?

Brad Buckman; we wouldn't be able to do the whole project before school starts – would have to go through the winter months too

Julie Pignataro; is this almost like a median type of structure – between – tree lawn

Brad Buckman; a typical parkway -separates the road from the sidewalk – smaller form a typical median

Emily Gorgol; have we worked with Safe Routes to School? school back in session
Encourage traffic to go in west direction – designed to be used either way

Brad Buckman; you can go both ways -working closely with FC Moves and Safet Routes to School – lock step on design – they have reviewed this

Emily Gorgol; can be confusing – city park - multi walk – one thing we can do –

Brad Buckman; we can delineate the bike and ped users – divide the 10 feet into two 5-foot sections to delineate those - FC Moves - feedback has been positive - we would encourage bicycles to be as safe as possible

Emily Gorgol; CSU has done a great job on campus with having them side by side – 2 separate – are we doing the multi walk to accommodate the tree lawn?

Brad Buckman; yes, that 10-foot walk did work better for tree line and roadway

Kelly Ohlson; how hard is it to get an extra 4 feet?

Brad Buckman; that would require right of way acquisition

Kelly Ohlson; might be worth spending a little time in case we could get the full amount of space
get the land necessary without doing bad things to make it less confusing -

Funding Summary			
Laporte Avenue Multi-Modal Improvement Project	**Funds to be Appropriated for Laporte**		
	TAP Grant	$ 750,000	To be appropriated
	MMOF Grant	$ 250,000	To be appropriated
	TCEF	$ 390,000	To be appropriated
	Revitalizing Mainstreet Grant (RMS)	$ 1,437,500	To be appropriated
	Total funds to be Appropriated for Laporte	**$ 2,827,000**	To be appropriated
	Other Local Funds		
	Community Capital Improvement Program (CCIP)	$ 300,000	Previously appropriated
	Total Current Project Budget	$ 3,127,000	
	Transfer to Art in Public Places	$ 6,900	1% of total from local funds
Siphon Pedestrian Overpass Project	**Funds to be Appropriated for Siphon**		
	TCEF	$ 500,000	To be appropriated
	MMOF	$ 500,000	To be appropriated
	Total funds to be Appropriated for Siphon	**$ 1,000,000**	To be appropriated
	Other Local funds		
	Community Capital Improvement Program (CCIP)	$ 2,200,000	Previously appropriated
	Park Planning and Development	$ 850,000	Previously appropriated
	Total Current Project Budget	$ 4,050,000	
	Transfer to Art in Public Places	$ 35,500	1% of total from local funds
	Total Funds Appropriated	**$ 3,827,000**	To be appropriated

BOARD OR COMMISSION RECOMMENDATION
Staff have not yet presented to any boards or commissions for the Siphon Project specifically. However, the Siphon Pedestrian Overpass Project was identified as a high priority bicycle and pedestrian grade separated crossing through a Bicycle/Pedestrian Grade Separated Prioritization Study (Study). The Study was presented to various boards and commissions.

Staff plans to present information on the Siphon Project to various boards and commissions including the Transportation Board, Bicycle Advisory Committee, and Commission on Disabilities.

The Laporte Project was presented to the Transportation Board as well as the Bicycle Advisory Committee in 2019.

PUBLIC OUTREACH
Staff have discussed these Projects and presented concept drawings at a high level with interested citizens at several public outreach events in the past. As these Projects moves forward, a website will be available to the public and Staff will develop a comprehensive communication plan.

Siphon Overpass Project – Between Trilby and Harmony just west of Timberline

Current situation is that there is a 2-mile stretch between Harmony and Trilby with no safe or legal way to cross the railroad track
This project provides a safe way to connect the Power Trail to Timberline Road - create a trail along the mill creek ditch - Parks plans to extend the Mill Creek Ditch trail going east

Julie Pignataro; no question of the need - Do we have something else in town that you could compare to this? Hoping it won't be as zig zaggy as the bike overpass behind Whole Foods - How high will it be?

Dean Klingner; that is probably the best example of a bicycle / pedestrian overpass
Power trail – the railroad is significantly lower in grade / actually kind of down in a hole – single ramp up
Great idea to work on a better drawing / rendering

Travis Storin; is it structurally similar to the Poudre Trail – area of Lamay / Mulberry bridges over the Poudre River?

Dean Klingner; it may need to be enclosed due to the railroad requirements - Will mainly be a ramp (as opposed to steps)

Julie Pignataro; I am supportive of funding for both projects. We hope these grants come through.

Emily Gorgol; the overpass behind Whole Foods is so difficult to navigate / use
I have some design concerns about what that will look like and about ease of use- same concerns as Julie -
We aren't doing an underpass because it is below grade - concerns about having kids going up and over – so close to the school – a more detailed picture would be helpful. What does it connect to Mill Creek Ditch trail on the other side?

Dean Klingner; the west side connects to the north / south Power Trail and the east side connects to a future trail that is not built yet along Mill Creek Ditch and will connect out to Timberline Road with a future underpass.

Emily Gorgol; when is that future trail going to be built?

Brad Buckman; Mill Creek Ditch from the overpass to Timberline will be built as part of this project.
East of there - Park Planning has that in their future 2022 or 2023 planning and development timeline
We can find that out exactly - more of a follow-on project

Dean Klingner; This project together connects it all the way to Timberline which makes the connection to Bacon Elementary which is a critical piece then it would be a part of the continuing system – Timberline is the main connection – future planning would be east of Timberline
Will be building the trail out in the future later this year - Working with Parks Planning on a pedestrian underpass in conjunction in 2022 - will follow the Mill Creek Ditch on the south side of the ditch then go under Timberline

Emily Gorgol; If I lived in Willow Springs which is north of the ditch, could I access the pedestrian bridge?

Dean Klingner; you would need to use the sidewalk on Timberline to cross the ditch and then you would be able to go down and under Timberline

Emily Gorgol; how are these projects that are coming to us prioritized? I know we have a sidewalk prioritization process and wondered if these go through something similar-

Dean Klingner; hard to answer that question for all of the projects that have come forward – there has been some work to prioritize the community capital program funding for underpasses – projects in this space that are active are the underpass we are discussing and a future underpass under Harmony. They are coming forward based on the timing of the grants and the need for matching funds. In terms of Laporte, this project was prioritized overall in our capital plans and the timing is around completing the funding package for the grant opportunity.

Emily Gorgol; CCIP funds and grants - you can go after grants once a project is prioritized - I would really like to see something developed similar to the sidewalk prioritization where we are really looking at what areas in town really need multimodal improvements, where they are missing connections and that we prioritize spending our CCIP where we can – where we are going after grants to complete those projects - I think sidewalk prioritization has helped us focus on those areas and would like to see a similar process for this.

Dean Klingner: I would add that there is great news coming - we are starting to update our Active Modes Plan – which will combine an update to the Bicycle Master Plan and the Pedestrian Plan - the goal is to put all those things in one place – so we can understand how they are the prioritized for different parts of town, different needs – that work is underway starting the second half of this year.

Emily Gorgol; when is that scheduled to come to Council?

Dean Klingner; that I don't know but the work is scheduled to start this fall so I would anticipate the middle of next year.

Emily Gorgol; I do support the Laporte Project, and I would support the other if we had a way for folks to get over the ditch.

Kelly Ohlson; are we gearing up to leverage any federal money as well as looking at the possibility of getting infrastructure funding?

Brad Buckman; we are definitely looking at that – the infrastructure bill will be an opportunity – there might be some funding for bridge programing

Kelly Ohlson; multimodal?

Brad Buckman; we have multimodal projects to be ready should this happen –

Kelly Ohlson; if this a normal railroad route - light rail potential - some considerations - on how high and how enclosed

Dean Klingner; the requirements for the railroad are so conservative around height, protection etc. that they would be consistent in any future…

Kelly Ohlson; these two are different kind of projects are the reality of multi modal. Do we touch any sensitive environmental areas?

Brad Buckman; we do have environmental considerations / issues to look at

Dean Klingner; our own environmental standards are higher - both having federal funding – wetlands mitigation might be the thing along the ditch – there is development going in on the south of this
consistent with setbacks ditch crossing - underpass - we are more typically putting in a wildlife corridor - in this case we are going over the railroad

Travis Storin; to summarize
Emily Gorgol's question around access from NE quadrant
Design concerns
Impacts to natural environment and wildlife

C. Future Capital Projects & Financing Options

Blaine Dunn, Accounting Director

SUBJECT FOR DISCUSSION

Future capital projects and financing options

EXECUTIVE SUMMARY

There are several large projects being considered in the next five to ten years that will likely need debt financing. In an ideal world new debt service would perfectly dovetail with completion of other debt service. Ongoing money is freed up when debt service discontinues. The information provided shows the current debt position of the governmental funds and discusses different scenarios around financing the civic center masterplan.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

1. Inform and educate the Council Finance Committee on current debt balances and annual debt service
2. Gather feedback on potential projects and scenarios presented

DISCUSSION / NEXT STEPS;

Kelly Ohlson; a big miss on the SE Recreation Center

Travis Storin; the ballot specified an outside leisure pool
$14M on the CCIP and additional $10M

Travis Storin; we are in a very preliminary phase of design – an illustration of our uncertainly – very much still a TBD - a very worthwhile conversation

Kelly Ohlson; It looks like the rest of this presentation is focused the Civic Center
But I don't see any update on the SE Recreation Center or the timing of the Hughes Land Acquisition

Blaine Dunn; this is focused on the Civic Center Master Plan because we don't have any finality or firm numbers

on the other two.   We may decide to bond for 1 or 2 or 3 of these all at the same time.
Debt service capacity - We don't have more information on the Hughes Land Acquisition at this time.

Travis Storin; whether it would make sense to use debt service or cash finance for Hughes Land Acquisition.

Kelly Ohlson; those on Council and management that is not Natural Areas funds primarily - would be more of a General Fund liability

Travis Storin; I am aware that is a topic that needs to be explored as we get closer to a final purchase price we will surface that with Council perhaps in Executive Session perhaps by Committee. I am not presuming any source fund when I say cash financing - across the span of candidate funds, I would say that there is the ability to cash finance through some configuration of multiple funds including the General Fund. It might make economic sense for us to debt finance Hughes, but it depends on rates – that is the kind of arbitrage type calculation we do when we decide how to make a large purchase like that.

Travis Storin; total debt service line – salient take away
$4.5M up to a temporary bubble of $6.5M then settling in around $5.5M annual debt service

City of Fort Collins

Civic Center Scenario 1

10

in 000s

Debt	Project	Funding Souce	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	. . .*	2056
Current Debt																							
2012 COP's	Police Building	General Fund	1,564	1,561	1,554	1,551	1,552	1,547															
	Police Building	Capital Exp. Fund	375	375	375	375	375	375															
	Streets Storage Building	Transptn. Fund	134	136	144	141																	
2017 COP's	Firehouse Alley	General Fund	661	661	661	660	658	661	658														
	Firehouse Alley	DDA	300	300	300	300	300	300	300														
2019 COP's	Police Training	General Fund	547	547	547	547	546	546	547	547	546	547	547	561	532	547	547	547	547	547			
	Prospect / I-25	General Fund	1,141	1,141	1,142	1,142	1,140	1,140	1,142	1,142	1,140	1,141	1,141	1,170	1,111	1,141	1,142	1,141	1,142	1,141			
		Existing Debt Service Obligations	4,722	4,721	4,722	4,715	4,571	4,570	2,648	1,689	1,687	1,688	1,688	1,730	1,643	1,688	1,689	1,688	1,690	1,688			
New Debt	Civic Center Redesign	General Fund							3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396	3,396
	Civic Center Redesign	General Gov CEF							500	500	500	500	500	500	500	500	500	500	500	500	500	500	500
		New Debt Service							3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896	3,896
		Total Debt Service	**4,722**	**4,721**	**4,722**	**4,715**	**4,571**	**4,570**	**6,544**	**5,586**	**5,583**	**5,584**	**5,584**	**5,627**	**5,540**	**5,584**	**5,585**	**5,584**	**5,586**	**5,584**	**3,896**	**3,896**	**3,896**

*All debt service between 2039 and 2056 remains the same

- Could pay off 2012 and 2017 COPs early with reserves to move forward construction

Will need $1M of GF reserves/one-time in 2027
Will need $1M additional on-going GF Revenue 2028 and beyond (over current levels)

Julie Pignataro; interest rates are currently low across the board - Why would you only refinance the General Fund?

Blaine Dunn; we would refinance everything – the example of a mortgage that is amortized and has the same payment throughout the life of the loan – because these are bonds, we can pay more upfront etc. and structure payments differently. We would have the other funds continue to pay the same amount for the same number of years. They would get to stay on the same amortization schedule they are on now and their payments would not be going toward the debt service – it would just be the General Fund that would continue to pay that into the future.

Kelly Ohlson; I don't agree with any of your assumptions or your recommendation
Are the different departments of one mind?

Travis Storin; one of the reasons you don't see a staff recommendation -
You are not hearing the spectrum of different perspectives – it's that we haven't settled on what is right for the city as a staff - For staff it hasn't been argumentative -sort of a decision on if we did nothing, we could initiate the financing and construction for the Civic Center master plan as soon as 2027. If there is energy among the Council to do something on a more accelerated basis, there are some options on how to do this.
Darin is encouraging us to think ambitiously about the timing of this meaning sooner.

Kelly DiMartino; a desire to potentially move before 2027 – but I do think talking about next year would be overly ambitious.

Blaine Dunn; we have been in discussion with Ken Mannon and team and Tyler about this project, about how we finance it - we wanted to come get feedback from this committee so they could get some direction around what the timeline might look like –

Kelly Ohlson; there might be a number between 2022 and 2027 that is a general statement of consideration.
Julie's comment about the interest rates is relevant to me about moving it up.
We should be proud of our public buildings - Don't know if our citizens are aware of what we are thinking of doing this.
To Ken; Why do you think that every time I have renovated a building, it runs over more than new construction.
Why would you want to use the lower range of cost to renovate existing buildings?

Ken Mannon; when we look at the average is right now – looking at other buildings we have renovated on a square foot cost – depends on the magnitude of the work being done.

Kelly Ohlson; we own the building at 281 (PDT). I am not even convinced of the need yet
Can someone give me 20 bullets of why we need all of this space? I need to be able to say why we need this.
I am not quite there on when to pull the trigger.

Kelly DiMartino; when we did the Work Session, we talked about bringing the Civic Center Master plan back
For adoption and in between do some meetings with Council to answer some additional questions.
Sit down and spend some additional time. For me the short version is longer term space planning needs that we know current facilities are not meeting those demands. You will see some things in the upcoming budget regarding where we have significant gaps. Not wanting to continue to sink money into maintenance in a way that is not a smart investment. More welcoming public spaces

Kelly Ohlson; I am open to all scenarios - I don't want us to lose the window on the interest rate.
I don't know what the long-term view is on interest rates.

Travis Storin; from a financial standpoint, we aim to stress test - we are not putting a shovel in the ground in 2022

Kelly Ohlson; I don't want the Hughes Land Acquisition lost in the discussion.

Emily Gorgol; 2022 sounds very ambitious - What are the options between 2022 and 2027 for a timeline?
I would be hesitant to start renovations when we don't know what we are designing for, and we don't have an end game goal – Looking forward to the other projects being included to provide a more complete picture – It was great to get a snapshot. I appreciate you taking the time and walking us through this and building this out slowly over time.

Travis Storin; to summarize;
There needs to be a stronger story on the Civic Center Master Plan on the why and when including the top reasons we would want to do this.
Clearly heard feedback received regarding 2022 being too quick– we are at the big end of the funnel right now on the debt scenario. Looking to step that in and bring more information around optionality. The next time we will be clearer on the design elements within the facility and what we are looking to debt finance

Kelly Ohlson; we are open - no decision yet but open to shovels in the ground in 2023 2024 2025 or 2026 depending on interest rates and what you bring to us. Don't necessarily just bring this in the bonding package – it might be the Recreation Center and the Hughes Land Acquisition - that might be the smart play. We did that with Soapstone, the Police Station and the Streets Deicing facility- even though they were using different funding.

Other Business

Teresa Roche; We changed our record keeper to Nationwide in September 2021- everything came forward to Council. The Retirement Governance committee met yesterday and there are 2 changes for your consideration which involve no cost to the city.

1) Allow SA Directors and above - if they contribute to the 457 up to 3% that the company match would go into the 401A instead of the 457 to give them more flexibility in support of a certain population (20 employees are involved in the matching) A way for these employees to put more of their own money into the 457 - they city matches up to 3% for this group. We consolidated plans when we went to Nationwide

   457 is specially used in the public sector - many municipalities use it
   Cap is age related – if you are under 50 you can put in $19.5K - if over 50 it is $26K
   annual cap established by the IRS

   401A the city makes a contribution for all classified employees
   Allow employees to put more money of their own into the 457 Plan
   $55K is the cap per the IRS

2) Teresa Roche; also, one language clean-up item for clarity in the 401A regarding the continuation of disability period of 1 year. We plan to bring this forward on Resolution under Consent for you to approve these two changes.

Julie Pignataro; I am supportive
Emily Gorgol; I support
Kelly Ohlson; this is a good thing, and it is not costing citizens one extra penny

Julie Pignataro; depending on what is happening with the Delta variant - I hope that everyone was given the option of participating virtually if they didn't feel comfortable or in person. My main concern is that everyone on staff felt welcome not coming in. People are masking up a lot more again. We need to be very careful, and we don't want to jump back in too quickly.

Meeting adjourned at 5:30 pm

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff:
Jennifer Poznanovic, Sr. Sales Tax & Revenue Manager

Date:
September 1, 2021

SUBJECT FOR DISCUSSION
Sales & Use Tax Exemption of Menstrual Care Products

EXECUTIVE SUMMARY
The purpose of this item is to discuss one of the 2021-2023 Council priorities - establishing a Sales and Use Tax Exemption of Menstrual Care Products.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- Does Council Finance Committee support the proposed sales and use tax exemption for menstrual care products?
- Does Council Finance Committee support the proposed engagement plan?

BACKGROUND/DISCUSSION
In July 2021, City Council formally adopted the 2021-2023 City Council Priorities. Within the High Performing Government Strategic Outcome, City Council aims to advance gender equity in City Sales Tax Code by establishing a sales and use tax exemption for menstrual care products.

Effective January 2018 the State of Colorado provides a sales and use tax exemption for feminine hygiene products. Below are several examples of how these products are defined:

State of Colorado:
"Feminine hygiene products" means tampons, menstrual pads and sanitary napkins, pantiliners, menstrual sponges, and menstrual cups.

Denver:
"Feminine hygiene products" as "products that are designed to absorb or contain menstrual flow." Feminine hygiene products include, but are not limited to, tampons, menstrual pads and sanitary napkins, pantiliners, menstrual sponges and menstrual cups. Menstrual discs and menstrual underwear designed to hold menstrual flow are examples of new products on the market designed specifically for this purpose and would be included in the exempt details.

Products designed for incontinence and urine flow protection like diapers are not exempt from sales/use tax as feminine hygiene products, nor are grooming and general hygiene products, such as soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions.

Aurora:
“Menstrual care products” as “tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for hygiene in connection with the human menstrual cycle, but does not include "grooming and hygiene products".

“Grooming and hygiene products” as “soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, regardless of whether the items meet the definition of "over-the-counter-drugs."

Proposed Fort Collins Exemption:
“Menstrual care products” shall mean tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for hygiene in connection with the human menstrual cycle, but does not include “grooming and hygiene products”.

“Grooming and hygiene products” shall mean soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens.

Financial Impacts:
According to House Bill 17-1127 Final Fiscal Note, an estimated 27% of the state population are menstruating. In Fort Collins that would be an estimated menstruating population of 47,479 (based on 2020 population). On Average $60 is spent on menstrual care products per menstruating person per year, which is an estimate revenue loss of $110,000 per year.

Proposed Engagement:
Staff recommends upstream notification and outreach after adoption of a sales and use tax exemption on menstrual care products.

- Council discussion and first ordinance reading on October 5th
- Send letters to notify convenience stores, grocery stores, big box stores and online retailers that typically sell menstrual care products
- Effective 60 days from second reading to give businesses time to update their point of sales systems
- Press Release to notify residents

ATTACHMENTS (numbered Attachment 1, 2, 3,…)
1. PPT Sales & Use Tax Exemption of Menstrual Care Products
2. House Bill 17-1127 Sales Tax Exemption for Feminine Hygiene Products

City of Fort Collins

Sales & Use Tax Exemption of Menstrual Care Products

Council Finance Committee Meeting

Jennifer Poznanovic, Sr. Manager Sales Tax & Revenue

09-01-2021

High Performing Government

- Advance gender equity in City Sales Tax Code
    - *Establish a Pink Tax or Menstrual Equity Ordinance for the City of Fort Collins to exempt certain products from sales tax*

House Bill 17-1127

The bill creates a state sales tax exemption, commencing January 1, 2018, for all sales, storage, and use of ***feminine hygiene products****.*

"Feminine hygiene products" means tampons, menstrual pads and sanitary napkins, pantiliners, menstrual sponges, and menstrual cups.

Denver

- Added a new definition & further explanation in Tax Guide:
  - ***"Feminine Hygiene Products"*** *as "products that are designed to absorb or contain menstrual flow." Feminine hygiene products include, but are not limited to, tampons, menstrual pads and sanitary napkins, pantiliners, menstrual sponges and menstrual cups. Menstrual discs and menstrual underwear designed to hold menstrual flow are examples of new products on the market designed specifically for this purpose and would be included in the exempt details.*
  - *Products designed for incontinence and urine flow protection like diapers are not exempt from sales/use tax as feminine hygiene products, nor are grooming and general hygiene products, such as soaps, cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions.*

Aurora

- Added two definitions:
    - ***"Menstrual care products"*** *as "tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for hygiene in connection with the human menstrual cycle, but does not include "grooming and hygiene products".*
    - ***"Grooming and hygiene products"*** *as "soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens, regardless of whether the items meet the definition of "over-the-counter-drugs."*

Fort Collins

- Sales & Use Tax Exemption for Menstrual Care Products:

  - ***Menstrual care products*** *shall mean tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for hygiene in connection with the human menstrual cycle, but does not include "grooming and hygiene products.*

  - ***Grooming and hygiene products*** *shall mean soaps and cleaning solutions, shampoo, toothpaste, mouthwash, antiperspirants, and sun tan lotions and screens.*

Estimated Revenue Loss of $110,000 in Fort Collins

- 27% of population menstruating
- 174,871 Fort Collins population in 2020
- 47,479 Fort Collins menstruating population
- $60 average spent per menstruating person per year on menstrual care products

*Based on estimates from HB17-1127 Final Fiscal Note

Upstream notification & outreach after adoption:

- Council discussion and 1st reading on October 5th
- Send letters to notify convenience stores, grocery stores, big box stores and online retailers that typically sell menstrual care products
- Effective 60 days from 2nd reading to give businesses time to update point of sales systems
- Press Release to notify residents

Questions and suggestions from Council Finance Committee?

City of Fort Collins

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0023.01 Kate Meyer x4348 **HOUSE BILL 17-1127**

HOUSE SPONSORSHIP

Lontine, Danielson, Esgar, Arndt, Hooton, Mitsch Bush, Winter, Ginal, Michaelson Jenet, Kraft-Tharp, Jackson, Herod, Pettersen

SENATE SPONSORSHIP

Martinez Humenik,

House Committees	**Senate Committees**
Finance	
Appropriations	

A BILL FOR AN ACT

CONCERNING A SALES TAX EXEMPTION FOR FEMININE HYGIENE PRODUCTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

The bill creates a state sales tax exemption, commencing January 1, 2018, for all sales, storage, and use of feminine hygiene products. The bill further specifies that local statutory taxing jurisdictions may choose to adopt the same exemption by express inclusion in their sales and use tax ordinance or resolution.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. The general assembly hereby finds and declares that the intended purpose of the tax expenditure in this act is to increase the affordability of feminine hygiene products and to redress the inequitable burden that such tax places on the millions of women in Colorado for whom such products are medically essential.

SECTION 2. In Colorado Revised Statutes, 39-26-717, **amend** (1) introductory portion, (1)(k), and (1)(l); and **add** (1)(m) and (2)(a.5) as follows:

39-26-717. Drugs and medical and therapeutic devices - definitions. (1) The following ~~shall be~~ ARE exempt from taxation under ~~the provisions of~~ part 1 of this ~~article~~ ARTICLE 26:

(k) All sales of nonprescription drugs or materials when furnished by a licensed provider as part of professional services provided to a patient; ~~and~~

(l) All sales of corrective eyeglasses, contact lenses, or hearing aids; AND

(m) ALL SALES OF FEMININE HYGIENE PRODUCTS PURCHASED ON AND AFTER JANUARY 1, 2018.

(2) As used in this section, unless the context otherwise requires:

(a.5) "FEMININE HYGIENE PRODUCTS" MEANS TAMPONS, MENSTRUAL PADS AND SANITARY NAPKINS, PANTILINERS, MENSTRUAL SPONGES, AND MENSTRUAL CUPS.

SECTION 3. In Colorado Revised Statutes, 29-2-105, **amend** (1) introductory portion and (1)(d)(I) introductory portion; and **add** (1)(d)(I)(O) as follows:

29-2-105. Contents of sales tax ordinances and proposals - repeal. (1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article ~~shall~~ MUST be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in ~~paragraph (d) of this subsection (1)~~ SUBSECTION (1)(d) OF THIS SECTION. Any countywide or incorporated town or city sales tax ordinance or proposal ~~shall~~ MUST include the following provisions:

(d) (I) A provision that the sale of tangible personal property and services taxable pursuant to this article ~~shall be~~ IS the same as the sale of tangible personal property and services taxable pursuant to section 39-26-104 ~~C.R.S.,~~ except as otherwise provided in this ~~paragraph (d)~~ SUBSECTION (1)(d). The sale of tangible personal property and services taxable pursuant to this article ~~shall be~~ IS subject to the same sales tax exemptions as those specified in part 7 of article 26 of title 39; ~~C.R.S.;~~ except that the sale of the following may be exempted from a town, city, or county sales tax only by the express inclusion of the exemption either at the time of adoption of the initial sales tax ordinance or resolution or by amendment thereto:

(O) THE EXEMPTION FOR SALES OF FEMININE HYGIENE PRODUCTS AS SPECIFIED IN SECTION 39-26-717 (1)(m).

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Colorado Legislative Council Staff

HB17-1127

FINAL FISCAL NOTE

FISCAL IMPACT: ☒ State ☒ Local ☐ Statutory Public Entity ☐ Conditional ☐ No Fiscal Impact

Drafting Number:	LLS 17-0023	**Date:**	May 16, 2017
Prime Sponsor(s):	Rep. Lontine Sen. Martinez Humenik	**Bill Status:**	Postponed Indefinitely
		Fiscal Analyst:	Greg Sobetski (303-866-4105)

BILL TOPIC: EXEMPT FEMININE HYGIENE PRODUCTS FROM SALES TAX

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	**($1.2 million)**	**($2.4 million)**
General Fund	(1.2 million)	(2.4 million)
State Expenditures		
TABOR Impact	($1.2 million)	($2.4 million)
Appropriation Required: None.		
Future Year Impacts: Ongoing state revenue decrease.		

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Beginning January 1, 2018, this bill creates a state sales and use tax exemption for feminine hygiene products, including tampons, menstrual pads, pantiliners, menstrual sponges, and menstrual cups. The exemption is not extended by default to counties or municipalities that levy sales taxes, though these local governments may choose to incorporate the exemption at any time.

State Revenue

The bill is expected to reduce General Fund sales and use tax revenue by **$1.2 million in FY 2017-18** and **$2.4 million in FY 2018-19**, and by similar amounts in subsequent years. The revenue reduction for FY 2017-18 represents a half-year impact based on the January 1, 2018, effective date for the sales and use tax exemption in the bill.

Assumptions. According to the National Institute of Health, girls experience menarche, or first menstruation, at age 12 on average, and women experience menopause at age 51 on average. The State Demographer estimates that Colorado's population of women and girls between ages 12 and 51 will average 1,523,000 in 2018 and 1,551,000 in 2019. These forecasts were reduced to reflect the population of women expected to stop menstruating while pregnant or nursing, but not to accommodate other factors that halt menstruation, including medical procedures, health conditions, or voluntary menstrual suppression. To the extent that these factors reduce consumption of feminine hygiene products, the revenue reduction will be less than estimated.

Based on estimates from the Centers for Disease Control and Prevention, this fiscal note assumes that 59.6 percent of feminine hygiene product use is attributable to menstrual pads and pantiliners, and that 40.4 percent of product use is attributable to tampons. Menstrual sponges and menstrual cups are also exempted from sales tax in the bill but were not considered separately in this fiscal analysis. It is assumed that women who menstruate for an average of 13 cycles annually use about 235 menstrual pads or tampons, or some combination of these. Based on current retail prices, pre-tax spending on the products exempted in the bill averages $60 per woman annually, generating $1.71 in state sales tax after netting out the state's 3.33 percent vendor fee.

TABOR Impact

This bill reduces state revenue from sales and use taxes, which will reduce the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund. Since the bill reduces both revenue to the General Fund and the refund obligation by equal amounts, there is no net impact on the amount of money available in the General Fund for the budget. However, the bill will reduce money available for the General Fund budget in the future during years when the state does not collect money above the TABOR limit.

Local Government Impact

The sales tax exemption for feminine hygiene products is not by default extended to counties or municipalities. However, the bill is expected to reduce revenue to special districts collecting sales taxes on the same tax base as the state. Regional Transportation District (RTD) sales tax revenue is expected to decrease by $240,000 in FY 2017-18 and $495,000 in FY 2018-19. Scientific and Cultural Facilities District (SCFD) sales tax revenue is expected to decrease by $24,000 in FY 2017-18 and $50,000 in FY 2018-19.

To the extent that other local governments choose to authorize the exemption at a local level, sales tax revenue collected by these jurisdictions will be reduced. These impacts are not estimated.

Effective Date

The bill was postponed indefinitely by the House Appropriations Committee on May 5, 2017.

State and Local Government Contacts

Counties	Information Technology	Municipalities
Regional Transportation District	Revenue	Special Districts

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: Ken Mannon, Director, Operation Services
Nina Bodenhamer, Director, City Give

Date: September 1, 2021

SUBJECT FOR DISCUSSION Tentative Purchase & Charitable Donation of Civic Center Condominiums

EXECUTIVE SUMMARY The purpose of this items is to discuss the tentative purchase by the City of the real property and improvements located at 144 N. Mason St., Units 1 through 8, Fort Collins, Colorado, 80524.

The City has negotiated a cash sale price for the property of $975,000, substantially below the property's appraised market value of $3,300,000.

The $2,325,000 difference between the estimated market value in the Appraisal and the $975,000 purchase price will be awarded as a charitable donation to the City.

The seller, Civic Center, LLC, provided the City with a written appraisal performed by CBRE, Inc. in July, 2018 which estimates the market value of the property at $3,300,000. An updated Appraisal is currently being performed as the Seller's responsibility and expense per IRS regulation.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED
Does Council Finance Committee support an Appropriation of $975,000 from the General Government Capital Expansion Fund for the tentative purchase of the real property located at 144 N. Mason St., Units 1 through 8, Fort Collins, Colorado, 80524?

BACKGROUND/DISCUSSION
Since its inception in 2018, City Give has facilitated a range of donations of real property: from 26 acres of property toward the expansion of Two Trees Natural Areas to water shares; from mineral rights to five (5) acres adjacent Southridge Greens golf course.

The donation of real property is a tangible investment in the City's mission, values and service to our residents. Asset-based giving requires strict adherence to IRS guidelines, and depends on the staff determination if any potential donation is in the long-term best interests of tax-payers.

Civic Center Condominiums is a 15,629-square foot, urban office condominium building located at 144 North Mason, in Fort Collins, Colorado. Constructed in 2001, and renovated in 2014, the building consists of eight (8) individual commercial condominium units attached to the Civic Center Parking Garage. Units I and 2 are combined for occupancy by the Fort Collins Police Department. Units 4, 5, and 6 were combined and operated as an executive office suite facility with private offices and shared conference and reception areas.

Ownership of the Civic Center Condominiums provides the City with potential revenue sources as well as options for the expansion of City offices.

Per IRS requirements for the donation of real property above $5,000, an Appraisal must be performed by the Seller within 60 days of the signed Purchase and Sale Agreement in order to substantiate the charitable gift.

At this time, a Purchase & Sale Agreement has not been finalized. However, if the final terms and current Appraisal satisfy staff's decision points, a closing date must be met no later than 10/15/2021. Hence, the need an Appropriation of $975K from the General Government Capital Expansion for the tentative purchase.

Capital expansion fees are paid by new development to underwrite a proportionate share of infrastructure costs to "buy-in" to the level of service the City of Fort Collins provides for Fire, Police, General Government facilities, Neighborhood Parks and Community Parks.

The current General Government Capital Expansion Fund has a current balance of $12M. Authorized expenditures include, but are not limited to, the cost of purchasing or leasing real property; construction, acquisition or expansion of capital improvements or assets.

ATTACHMENTS

1. CBRE Appraisal of 144 N. Mason St., Units 1 through 8, Fort Collins, Colorado, 80524, July, 2018

CBRE VALUATION & ADVISORY SERVICES

APPRAISAL REPORT

CIVIC CENTER CONDOMINIUMS
144 NORTH MASON,
FORT COLLINS, COLORADO 80524
CBRE GROUP, INC. FILE NO. 18-271PH-1382-1

VERUS BANK OF COMMERCE

CBRE

CBRE

2850 McClelland Drive Suite 3500
Fort Collins, CO 80525

T 970-223-4347
F 970-223-4393

www.cbre.com

July 23, 2018

Mr. Matt Vesgaard

VERUS BANK OF COMMERCE
3700 South College Avenue, Unit 102
Fort Collins, Colorado 80525

RE: Appraisal of: Civic Center Condominiums
144 North Mason,
Fort Collins, Larimer County, Colorado 80524
CBRE, Inc. File No. 18-271PH-1382-1

Dear Mr. Vesgaard:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject is a 15,629-square foot, urban office condominium building located at 144 North Mason, in Fort Collins, Colorado. The improvements were constructed in 2001, and renovated in 2014. The subject consists of 8 individual office condominium units attached to the Civic Center Parking Garage. Units 1 and 2 were combined for occupancy by the Fort Collins Police Department. Units 4, 5, and 6 were combined and operated as an executive office suite facility with private offices and shared conference and reception areas.

The Ramen Master restaurant in Unit 8 recently closed, but the tenant continues to make the lease payments while searching for a sub-tenant to occupy the space.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

MARKET VALUE CONCLUSION

Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	July 16, 2018	$3,300,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Jon Vaughan, MAI, SR/WA
Director
CG# 100000631
www.cbre.com/jon.vaughan

Phone: 970 223 4378
Mobile: 970 310 1339
Email: jon.vaughan@cbre.com

Certification

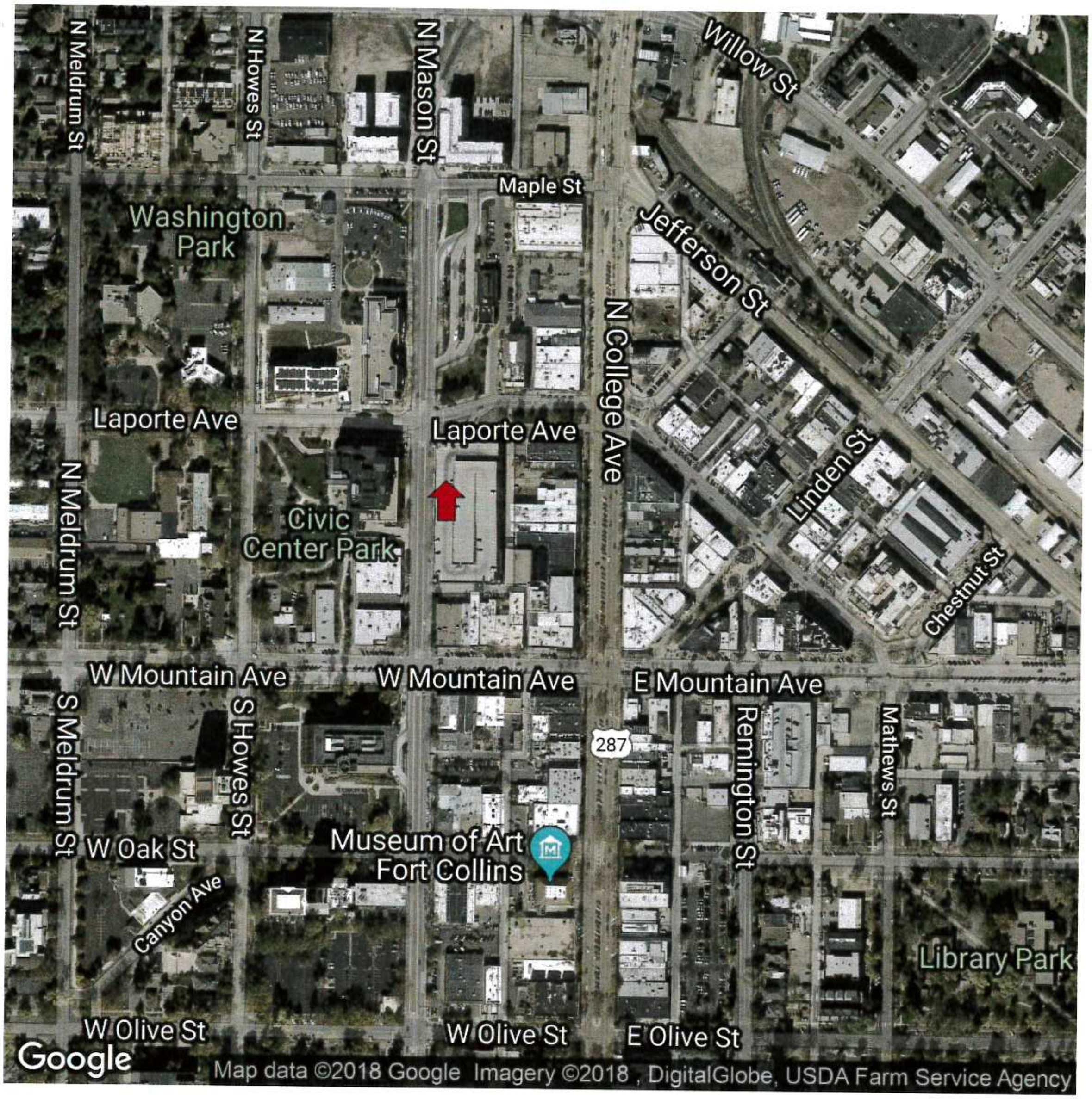
We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Colorado.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Jon Vaughan has completed the continuing education program for Designated Members of the Appraisal Institute.
11. Jon Vaughan has made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Jon Vaughan has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Jon Vaughan

Jon Vaughan, MAI, SR/WA
CO CG#100000631_

Subject Photographs



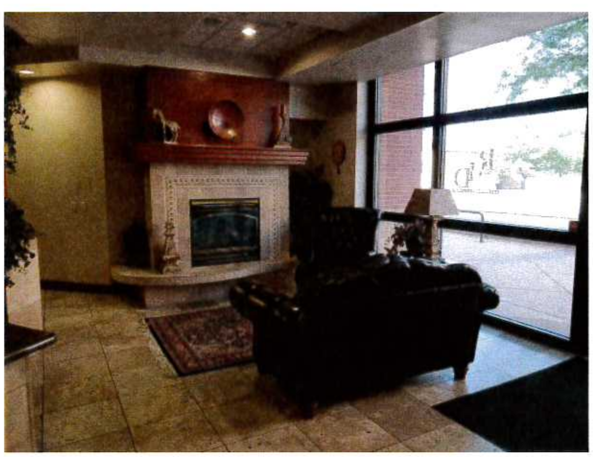
Aerial View

Corner of Laporte Avenue and Mason Street

Southerly view of the west elevation

Easterly view across Mason Street

Northerly view along Mason Street



Reception area in Units 4-5

Conference room in Units 4-5

Typical Office in Unit 5

Workroom and exit to parking garage

Break room

Restroom

Unit 3 – Currently Vacant

Restroom in Unit 3

Conference room in Unit 7

Office in Unit 7

Dining area in Unit 8

Bar in Unit 8

Kitchen in Unit 8

Dishwashing area in Unit 8

Executive Summary

Property Name	Civic Center Condominiums	
Location	144 North Mason, Fort Collins, Larimer County, CO 80524	
Client	Verus Bank of Commerce	
Highest and Best Use		
As If Vacant	Office	
As Improved	Office	
Property Rights Appraised	Leased Fee Interest	
Date of Report	July 26, 2018	
Date of Inspection	July 16, 2018	
Estimated Exposure Time	6 - 12 Months	
Estimated Marketing Time	6 - 12 Months	
Land Area	0.38 AC	16,466 SF
Zoning	D (Downtown District) by the City of Fort Collins	
Improvements		
Property Type	Office	(Office Condominium)
Number of Buildings	1	
Number of Stories	1	
Gross Building Area	15,629 SF	
Net Rentable Area	15,629 SF	
Year Built	2001	Renovated: 2014
Effective Age	15 Years	
Remaining Economic Life	35 Years	
Condition	Good	
Buyer Profile	Investor-Local	
Financial Indicators		
Current Occupancy	74.2%	
Stabilized Occupancy	95.0%	
Overall Capitalization Rate	6.50%	

Pro Forma Operating Data	***Total***	***Per SF***
Effective Gross Income	$286,888	$18.36
Operating Expenses	$74,345	$4.76
Expense Ratio	25.91%	
Net Operating Income	$212,543	$13.60

VALUATION	Total	Per SF
Sales Comparison Approach	$3,300,000	$211.15
Income Capitalization Approach	$3,300,000	$211.15

CONCLUDED MARKET VALUE			
Appraisal Premise	**Interest Appraised**	**Date of Value**	**Value**
As Is	Leased Fee Interest	July 16, 2018	$3,300,000
Compiled by CBRE			

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

Strengths/ Opportunities

- The subject property is attached to the Civic Center Parking Garage
- The subject is across Laporte Avenue to the south of the Downtown Transit Center
- The subject is located on City-owned land, which substantially reduces property taxes

Weaknesses/ Threats

- The subject property is situated behind the Larimer Courthouse, which reduces foot traffic on this block

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as "an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions." [1]

- None noted

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis." [2]

- None noted

[1] The Appraisal Foundation, *USPAP, 2018-2019*

[2] The Appraisal Foundation, *USPAP, 2018-2019*

OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY	
	Current
Owner:	Civic Center LLC
Date Purchased:	Dec 8, 2003
Purchase Price:	$1,088,647
Legal Reference	20030156652
County/Locality Name:	Larimer County
Pending Sale:	No
Change of Ownership - Past 3 Years	No
Compiled by CBRE	

The property was purchased in core-and-shell condition, and all interior finishes were completed subsequent to the 2003 purchase of the property.

EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA		
	Exposure/Mktg. (Months)	
Investment Type	Range	Average
Comparable Sales Data	0.0 - 18.0	5.7
PwC Suburban Office National Data	1.0 - 12.0	6.5
Local Market Professionals	6.0 - 12.0	9.0
CBRE Exposure Time Estimate	**6 - 12 Months**	
CBRE Marketing Period Estimate	**6 - 12 Months**	
Source: CBRE National Investor Survey & PwC Real Estate Survey		

Table of Contents

Scope of Work

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used for financing and no other use is permitted.

CLIENT

The client is Verus Bank of Commerce.

INTENDED USER OF REPORT

This appraisal is to be used by Verus Bank of Commerce, and no other user may rely on our report unless as specifically indicated in the report.

> Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report. [3]

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the subject property.

DEFINITION OF VALUE

The current economic definition of market value agreed upon by agencies that regulate federal financial institutions in the U.S. (and used herein) is as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;

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[3] Appraisal Institute, The Appraisal of Real Estate, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. [4]

INTEREST APPRAISED

The value estimated represents the Leasehold Interest in the land and the Leased Fee Interest in the improvements as defined below:

> *Leased Fee Interest* - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. [5]
>
> *Leasehold Interest* - The tenant's possessory interest created by a lease. [6]

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Extent to Which the Property is Inspected

The appraiser inspected the property on July 16, 2018, with Don Chilen, an employee of the property owner. Units 1-2, which are occupied by the Fort Collins Police Department, were not open for interior inspection, so the interior is assumed to be average.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- zoning requirements
- flood zone status
- demographics
- income and expense data
- comparable data

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[4] Interagency Appraisal and Evaluation Guidelines; December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472.

[5] *Dictionary of Real Estate Appraisal*, 128.

[6] *Dictionary of Real Estate Appraisal*, 128.

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. The steps required to complete each approach are discussed in the methodology section.

Data Resources Utilized in the Analysis

DATA SOURCES	
Item:	*Source(s):*
Site Data	
Size	Land Lease
Improved Data	
Building Area	Existing Leases, County Assessor Records
Area Breakdown/Use	Inspection
Year Built/Developed	County Assessor Records
Economic Data	
Deferred Maintenance:	Inspection, none noted
Income Data:	Rent Roll, Operating Statements
Expense Data:	Operating Statements
Compiled by CBRE	

APPRAISAL METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available.

Cost Approach

The cost approach is based on the proposition that the informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements that represent the highest and best use of the land, or when it is improved with relatively unique or specialized improvements for which there exist few sales or leases of comparable properties.

Sales Comparison Approach

The sales comparison approach utilizes sales of comparable properties, adjusted for differences, to indicate a value for the subject. Valuation is typically accomplished using physical units of comparison such as price per square foot, price per unit, price per floor, etc., or economic units of comparison such as gross rent multiplier. Adjustments are applied to the physical units of comparison derived from the comparable sale. The unit of comparison chosen for the subject is then used to yield a total value.

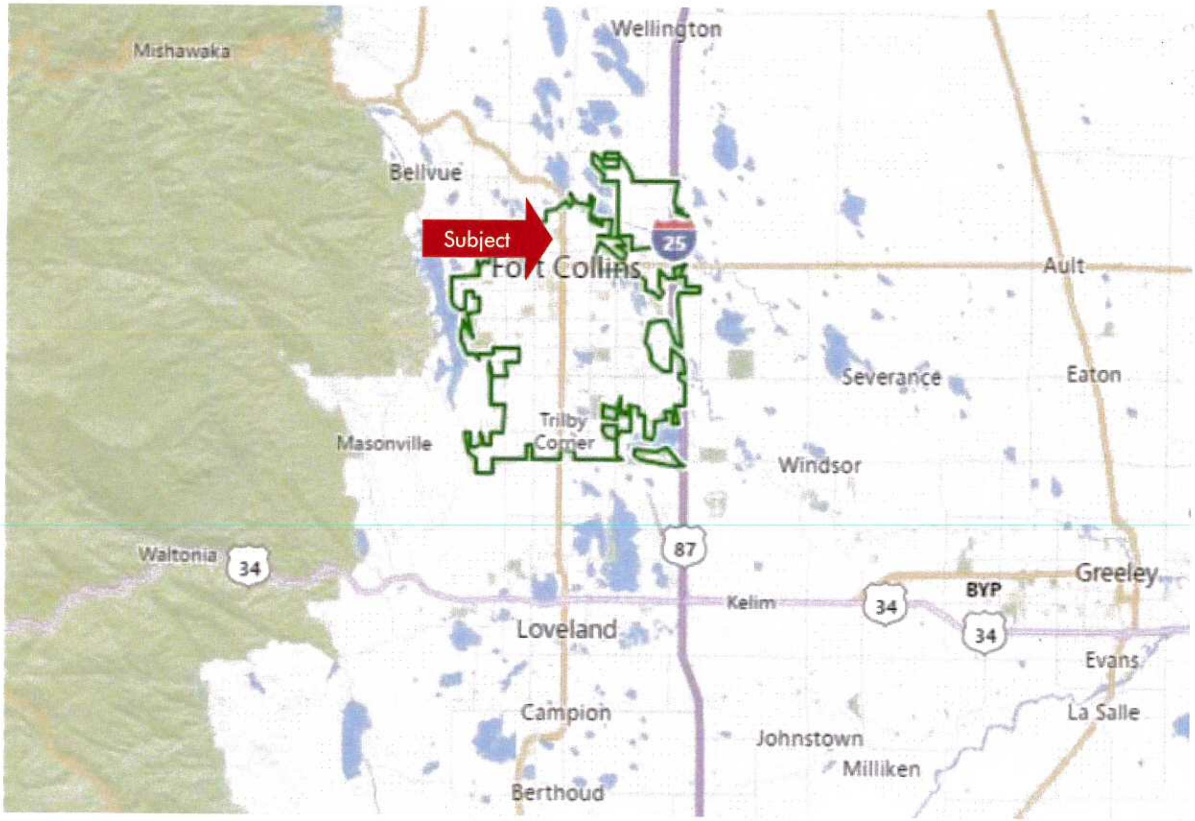
Income Capitalization Approach

The income capitalization approach reflects the subject's income-producing capabilities. This approach is based on the assumption that value is created by the expectation of benefits to be derived in the future. Specifically estimated is the amount an investor would be willing to pay to receive an income stream plus reversion value from a property over a period of time. The two common valuation techniques associated with the income capitalization approach are direct capitalization and the discounted cash flow (DCF) analysis.

Methodology Applicable to the Subject

In valuing the subject, only the sales comparison and income capitalization approaches are applicable and have been used. The cost approach is not applicable in the estimation of market value because the subject condominium units are a portion of a parking garage structure owned and operated by the City of Fort Collins, which substantially distorts the construction cost of the existing improvements when compared to competing properties. The exclusion of said approach does not compromise the credibility of the results rendered herein.

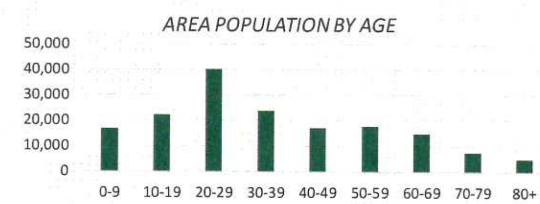
Area Analysis



The subject is located in the Fort Collins city. Key information about the area is provided in the following tables.

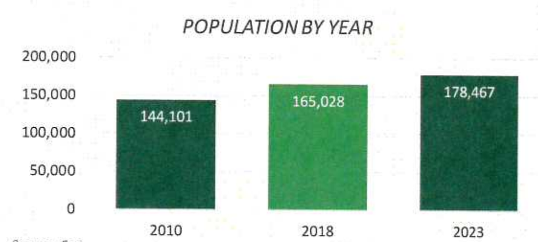
POPULATION

The area has a population of 165,028 and a median age of 31, with the largest population group in the 20-29 age range and the smallest population in 80+ age range.



Source: Esri

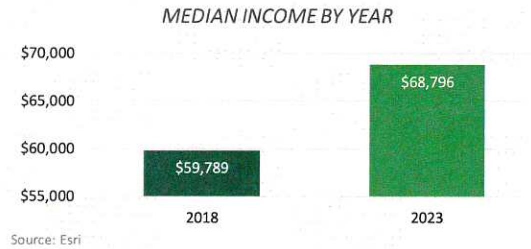
Population has increased by 20,927 since 2010, reflecting an annual increase of 1.7%. Population is projected to increase by 13,439 by 2023, reflecting 1.6% annual population growth.



Source: Esri

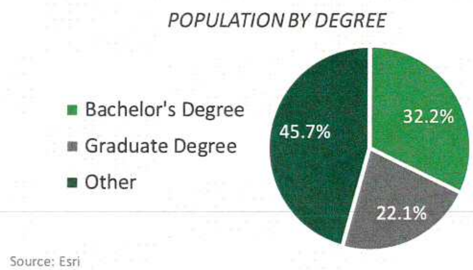
INCOME

The area features an average household income of $83,729 and a median household income of $59,789. Over the next five years, median household income is expected to increase by 15.1%, or $1,801 per annum.

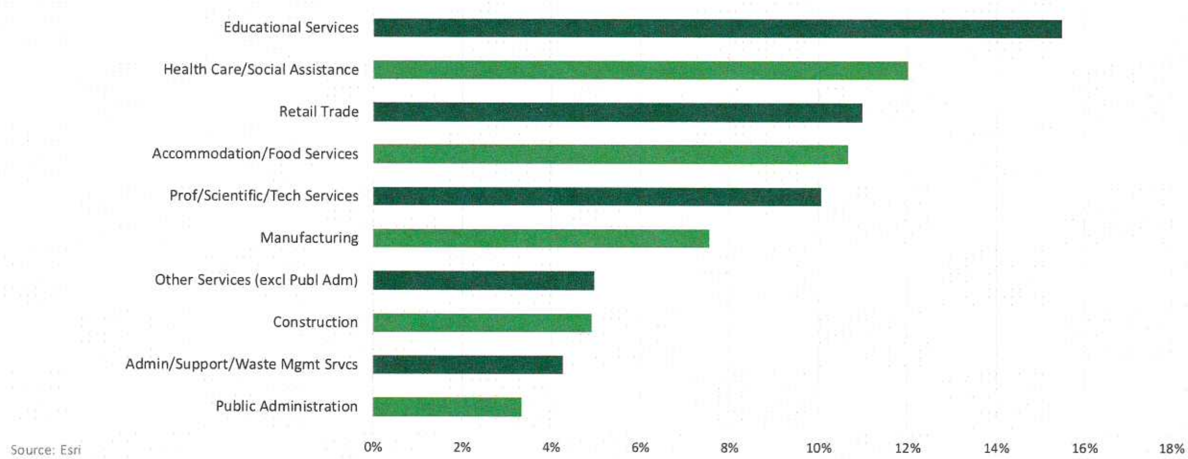


EDUCATION

A total of 54.3% of individuals over the age of 24 have a college degree, with 32.2% holding a bachelor's degree and 22.1% holding a graduate degree.



EMPLOYMENT

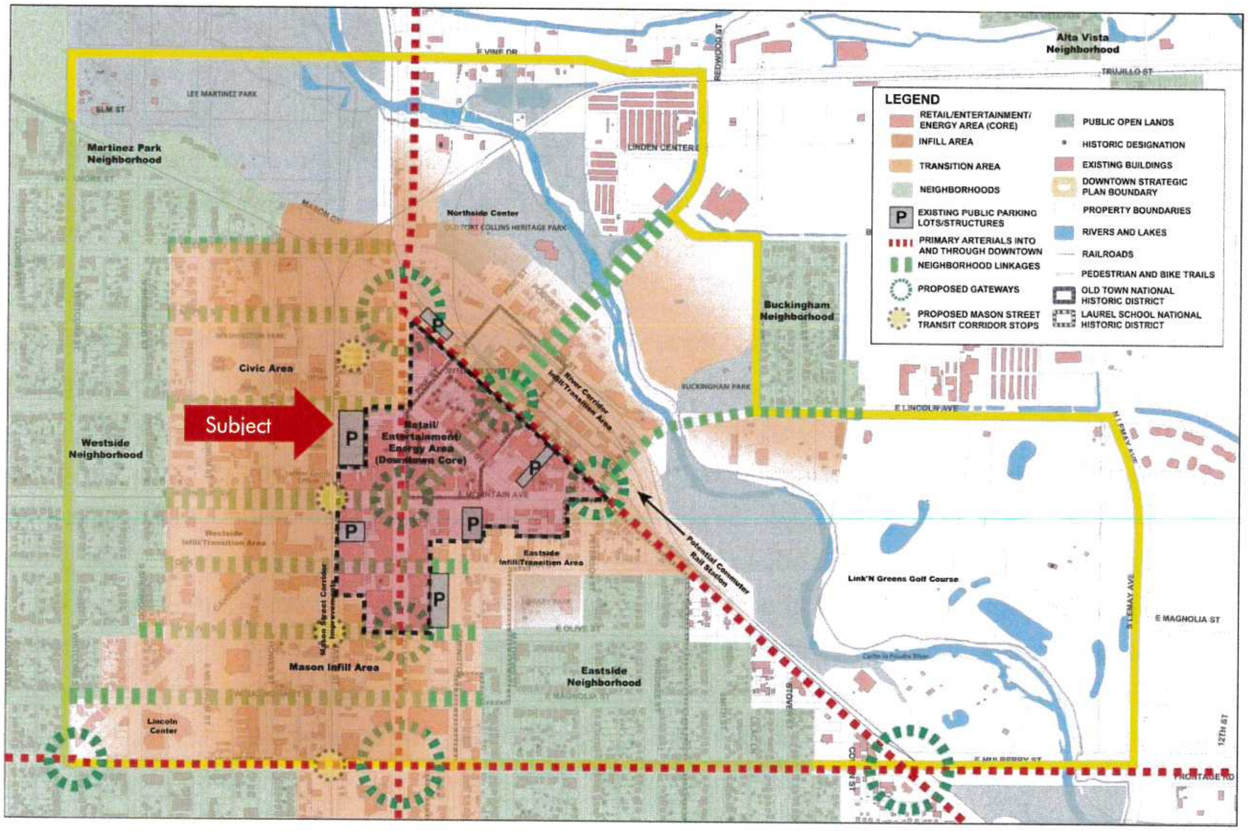


The area includes a total of 94,365 employees and has a 3.5% unemployment rate. The top three industries within the area are Educational Services, Health Care/Social Assistance and Retail Trade, which represent a combined total of 38% of the population.

CONCLUSION

The City of Fort Collins has experienced steady population growth, due to an expanding employment base and high quality of lifestyle. Colorado State University's presence in the city provides stable employment, bolsters retail and restaurant demand, and spawns new, innovative companies with its research investments. Overall, the City is thriving, which has a positive influence on real estate in the city, and the subject property.

Neighborhood Analysis



Framework Diagram

July 2003

Downtown Strategic Plan

Source: City of Fort Collins Advance Planning Department

FORT COLLINS Downtown STRATEGIC PLAN

LOCATION

The subject neighborhood consists of the Downtown Central Core Area of Fort Collins. Mountain Avenue and College Avenue represents the original "Main and Main" intersection, though the path of the city's growth was predominately to the south from this location.

BOUNDARIES

The neighborhood boundaries are detailed as follows:

North:	Cache la Poudre River
South:	Mulberry Street
East:	Peterson Street
West:	Sherwood Street

LAND USE

The neighborhood contains an eclectic mix of historic buildings, low- and mid-rise office buildings, and newer mixed-use buildings that feature retail and office space on the ground floor with residential uses above. The Old Town district features a large cluster of historic buildings surrounding the intersection of College and Mountain Avenues. This area is dominated by retail, restaurant, and entertainment uses, with some office and residential uses occupying spaces above the ground floor. A cluster of municipal buildings, including the Larimer County Administrative Building and Justice Center, as well as the Fort Collins City Hall and administrative offices are situated to the northwest of Old Town. In the southern portion of the neighborhood are the First National Bank and Key Bank towers and other mid-rise professional offices.

GROWTH PATTERNS

The neighborhood is in a renaissance stage, with numerous redevelopment projects underway or recently completed. One of the most prominent completed projects is the Elizabeth Hotel at the corner of Walnut and Chestnut Streets. This 164-room boutique hotel features conference space, a restaurant, and a rooftop bar adjacent to a new 323-space parking garage. To the north of the Elizabeth Hotel, across Jefferson Street, is the River District, which features the Feeders Supply redevelopment project, the Confluence development and the Union restaurant. The Feeders Supply redevelopment includes the Millhouse apartments and the Ginger and Baker restaurant on the southwest corner of Willow and Linden Streets. The Confluence project will add 26 condominium units and ground-level retail on the north side of Willow Street at Linden Street. Finally, The Exchange is an innovative project on College Avenue that is nearing completion. This redevelopment combines traditional retail spaces with smaller, shipping container food stands clustered around a central courtyard.

Development projects to the west are primarily focused on residential uses. These projects include the Browns on Howes, and Penny Flats North. The Browns on Howes is a 6-unit luxury townhome project on the west side of Howes Street between Maple and Cherry Streets. Five of the six units have been sold since January of 2017 at prices in the range from $905,000 to $1,250,000. Penny Flats North will include a five-story, 71-unit apartment building, which is the final building in the development.

Development projects to the south of Mountain Avenue include Elevations Credit Union, Poudre Garages, Townhomes at Library Park, and Uncommon. Elevations Credit Union project entails redeveloping a former tire shop into a branch for the credit union on the south side of Mountain Avenue at Matthews Street. The recently completed Poudre Garage project, in the northeast corner of Oak and Remington Streets, includes six luxury lofts and ground level retail space. The Townhomes at Library Park development includes ten luxury townhomes in the northwest corner of Mathews and Olive Streets. Six of the ten units have sold since construction was completed, in 2017, at prices ranging from $1,373,000 to $1,614,000. Finally, the Uncommon project includes 120 luxury apartment units and 7,000 square feet of ground-level retail in the southeast corner of College Avenue and Olive Street. Rental rates range from $1,300 to $2,500 for the units, and the apartment units were leased up shortly after construction was complete. A Potbelly Sandwich Shop occupies one of the ground-floor retail units.

ACCESS

College Avenue is the principal north-south traffic artery and carries the traffic of U.S. Highway 287 through the city. The primary east-west route is Mulberry Street, which becomes Colorado State Highway 14 to the east. To ease congestion on College Avenue, the City recently completed the Mason Corridor Project, which included the Max Bus Rapid Transit (BRT) system, bicycle and pedestrian trails, and opened Mason Street to two-way traffic in downtown. The corridor links the downtown area, Colorado State University, and South College Avenue retail areas.

DEMOGRAPHICS

Selected neighborhood demographics in from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS

144 North Mason, Fort Collins, CO 80524	1 Mile Radius	3 Mile Radius	5 Mile Radius	80524 - Fort Collins
Population				
2023 Total Population	14,168	89,149	167,136	41,892
2018 Total Population	13,263	83,823	155,057	37,861
2010 Total Population	11,436	75,150	137,376	31,683
2000 Total Population	12,032	75,281	128,295	26,418
Annual Growth 2018 - 2023	*1.33%*	*1.24%*	*1.51%*	*2.04%*
Annual Growth 2010 - 2018	*1.87%*	*1.37%*	*1.52%*	*2.25%*
Annual Growth 2000 - 2010	*-0.51%*	*-0.02%*	*0.69%*	*1.83%*
Households				
2023 Total Households	6,006	36,507	67,765	16,809
2018 Total Households	5,578	34,282	62,855	15,254
2010 Total Households	4,826	30,956	56,157	12,962
2000 Total Households	4,724	29,656	50,003	10,845
Annual Growth 2018 - 2023	*1.49%*	*1.27%*	*1.52%*	*1.96%*
Annual Growth 2010 - 2018	*1.83%*	*1.28%*	*1.42%*	*2.06%*
Annual Growth 2000 - 2010	*0.21%*	*0.43%*	*1.17%*	*1.80%*
Income				
2018 Median Household Income	$43,658	$45,055	$55,816	$62,952
2018 Average Household Income	$65,256	$64,807	$77,898	$87,391
2018 Per Capita Income	$28,927	$27,441	$32,197	$35,633
2018 Pop 25+ College Graduates	4,151	23,717	49,588	11,821
Age 25+ Percent College Graduates - 2018	56.5%	49.8%	51.6%	45.9%

Source: ESRI

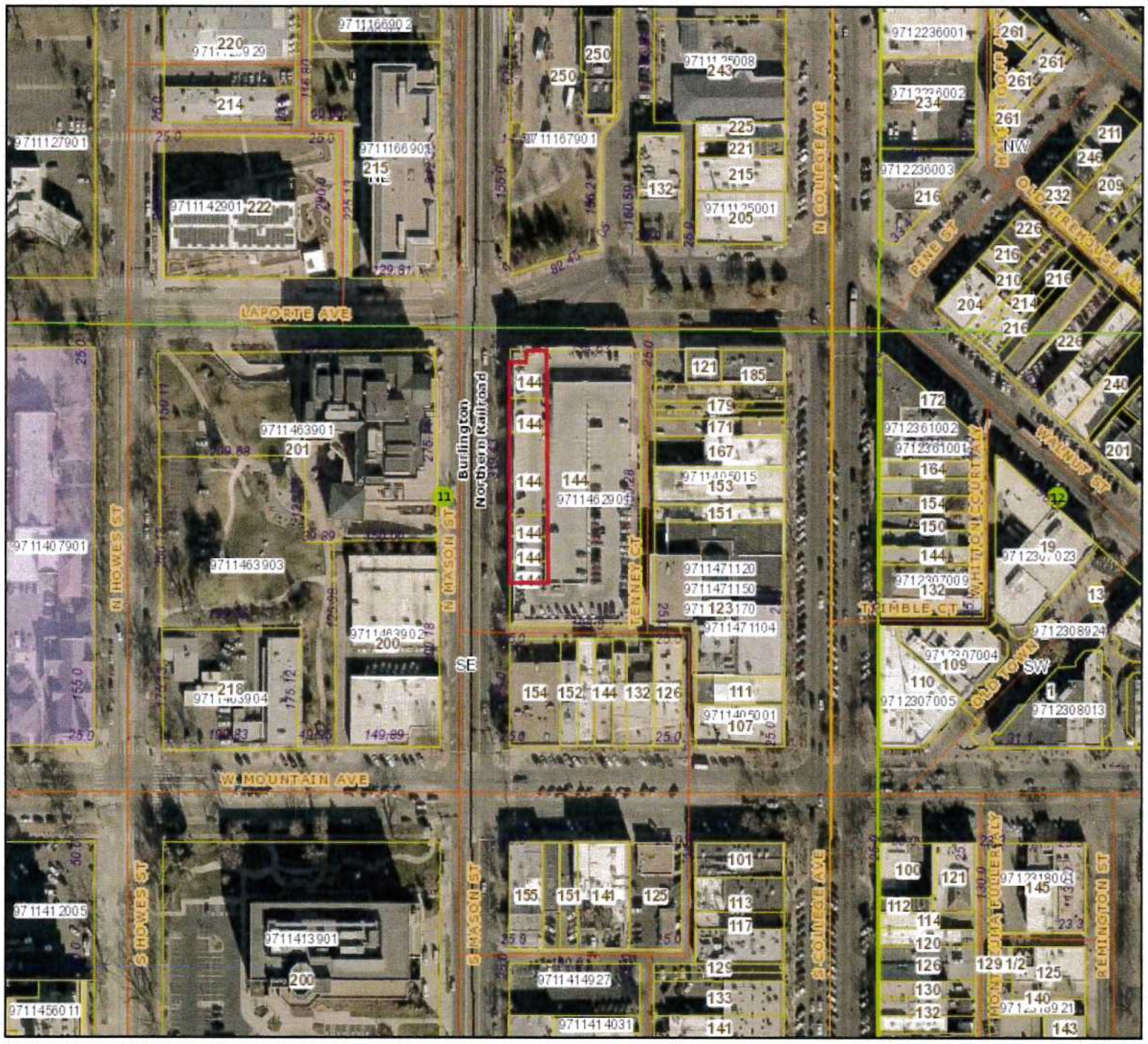
CONCLUSION

The downtown neighborhood holds a prominent position in the Fort Collins area and is an integral part of the community's culture. The location of the main campus of Colorado State University, situated south of Laurel Street and west of College Avenue energizes the downtown neighborhood, while businesses and residents provide long-term stability. Recent development projects, both public and private, help ensure the neighborhood's economic vitality and longevity. In conclusion, the neighborhood exerts a strong positive influence on the subject property.

PLAT MAP

LARIMER COUNTY
COMMITTED TO EXCELLENCE
ENTERPRISE GIS

Larimer County Web Map



Legend	
Addresses	Lakes and Ponds
Tax Parcels	Major Rivers and Streams
Recorded Dimensions	Rivers and Streams
PLSS Township and Range	County Boundary
PLSS Sections	Rocky Mountain National Park

Notes

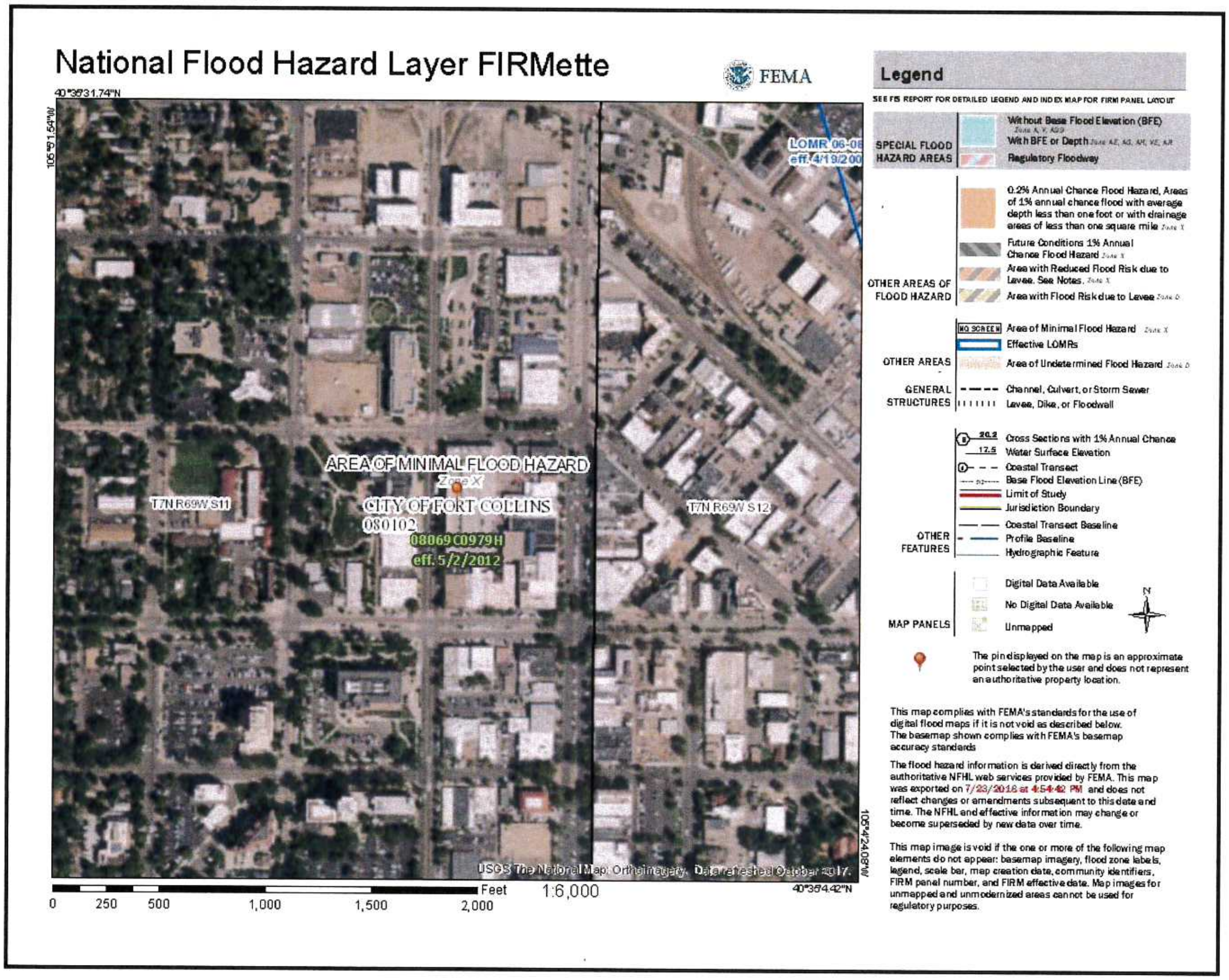
0.0 0 0.0 Miles

Scale 1: 2,400

Date Prepared: 7/13/2018 4:14:38 PM

This map was created by Larimer County GIS using data from multiple sources for informal purposes only. This map may not reflect recent updates prior to the date of printing. Larimer County makes no warranty or guarantee concerning the completeness, accuracy, or reliability of the content represented.

FLOOD PLAIN MAP



CBRE

Site Analysis

The subject site is owned by the City of Fort Collins, and long-term leased to the owner of the subject units. The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS

Physical Description			
Net Site Area	0.38 Acres		16,466 Sq. Ft.
Primary Road Frontage	Mason Street		317 Feet
Secondary Road Frontage	LaPorte Avenue		29 Feet
Shape	Rectangular		
Topography	Generally Level		
Zoning District	D (Downtown District) by the City of Fort C		
Flood Map Panel No. & Date	08069C0979H		2-May-12
Flood Zone	Zone X (Unshaded)		
Adjacent Land Uses	Commercial and government uses		
Earthquake Zone	N/A		
Comparative Analysis	**Rating**		
Visibility	Average		
Functional Utility	Average		
Traffic Volume	Average		
Adequacy of Utilities	Assumed adequate		
Landscaping	Average		
Drainage	Assumed adequate		
Utilities	**Provider**		**Availability**
Water	City of Fort Collins		Yes
Sewer	City of Fort Collins		Yes
Natural Gas	Xcel		Yes
Electricity	City of Fort Collins		Yes
Telephone	CenturyLink		Yes
Mass Transit	TransFort		Yes
Other	**Yes**	**No**	**Unknown**
Detrimental Easements		x	
Encroachments		x	
Deed Restrictions		x	
Reciprocal Parking Rights		x	

Source: Various sources compiled by CBRE

INGRESS/EGRESS

Primary access to the site is via Mason Street, though there is no parking along the east side of the road in front of the subject site. Parking is available in the attached Civic Center Parking Garage, which is accessed from Laporte Avenue.

EASEMENTS AND ENCROACHMENTS

There are no known easements or encroachments impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a current title policy outlining all easements and encroachments on the property, if any, prior to making a business decision.

COVENANTS, CONDITIONS AND RESTRICTIONS

There are no known covenants, conditions or restrictions impacting the site that are considered to affect the marketability or highest and best use. It is recommended that the client/reader obtain a copy of the current covenants, conditions and restrictions, if any, prior to making a business decision.

ENVIRONMENTAL ISSUES

The appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. The existence of hazardous materials or underground storage tanks may affect the value of the property. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

ADJACENT PROPERTIES

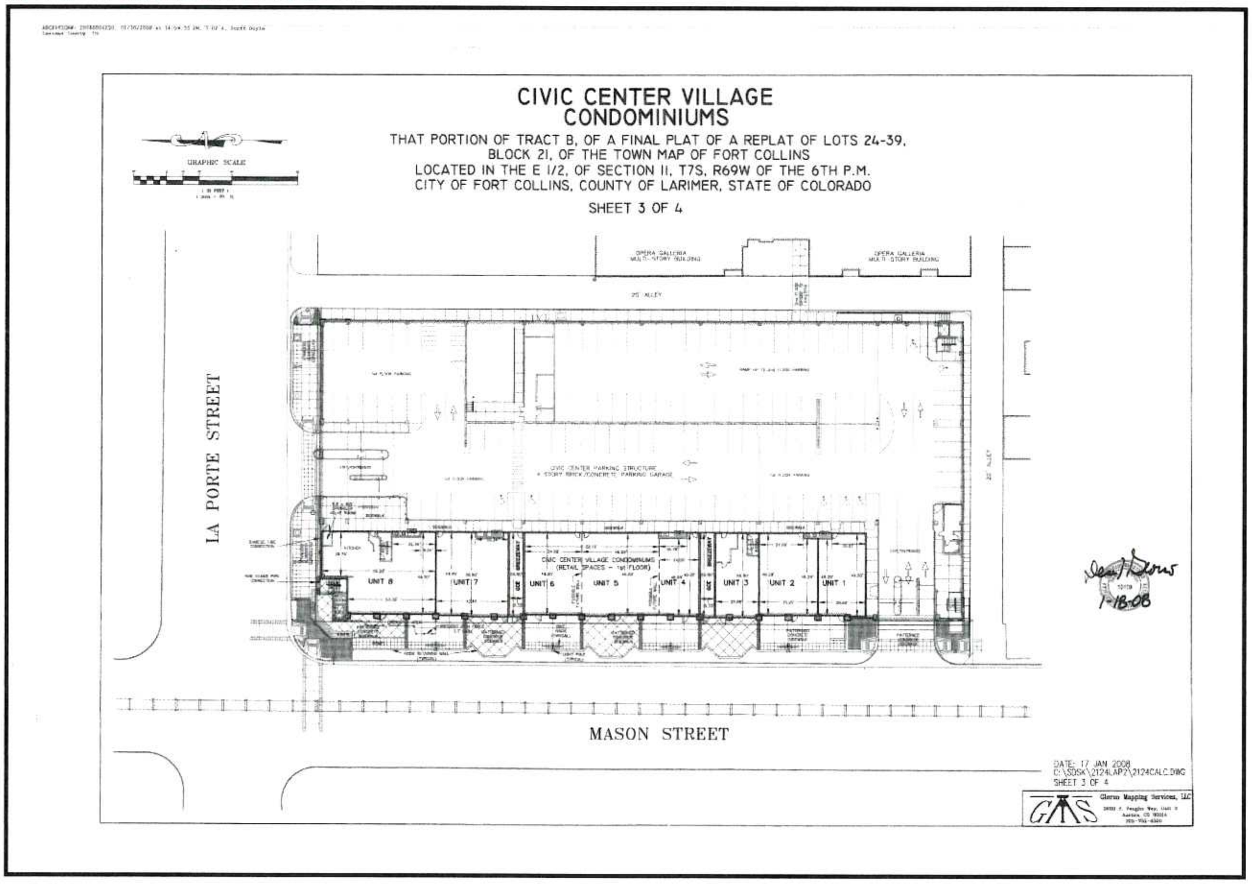
The adjacent land uses are summarized as follows:

North:	Downtown Transit Center
South:	Multi-tenant office building
East:	Civic Center Parking Garage
West:	Larimer County Justice Center

CONCLUSION

Although the site features a narrow shape, it features a convenient location in Downtown Fort Collins and is well suited to a variety of uses.

IMPROVEMENTS LAYOUT



CBRE

Improvements Analysis

The following chart shows a summary of the improvements.

IMPROVEMENTS SUMMARY AND ANALYSIS				
Property Type	Office	(Office Condominium)		
Number of Stories	1			
Gross Building Area	15,629 SF			
Net Rentable Area	15,620 SF			
Site Coverage	94.9%			
Land-to-Building Ratio	1.05 : 1			
Floor Area Ratio (FAR)	0.95			
Component	**GBA (SF)**	**NRA (SF)**	**Usable Area (SF)**	**Load Factor**
Restaurant	3,126	3,126	3,067	1.9%
Office	12,503	12,494	11,767	6.2%
Total	15,629	15,620	14,834	5.3%
Year Built	2001	Renovated: 2014		
Actual Age	17 Years			
Effective Age	15 Years			
Total Economic Life	50 Years			
Remaining Economic Life	35 Years			
Age/Life Depreciation	30.0%			
Functional Utility	Typical			

Improvement Summary	Description	Comparative Rating: Good	Avg.	Fair	Poor
Foundation	Reinforced concrete		X		
Frame	Reinforced concrete		X		
Exterior Walls	Masonry		X		
Interior Walls	Textured and painted drywall		X		
Roof	N/A (Parking Garage Above)		X		
Ceiling	Suspended acoustical tile		X		
HVAC System	Individual HVAC units		X		
Exterior Lighting	Mercury vapor fixtures		X		
Interior Lighting	Recessed fluorescent fixtures		X		
Flooring	Carpet and tile		X		
Plumbing	Assumed adequate		X		
Life Safety and Fire Protection	Sprinklered and smoke detectors		X		
Furnishings	Personal property excluded		N/A		

Source: Various sources compiled by CBRE

CONSTRUCTION CLASS

Building construction class is as follows:

B - Reinforced concrete frames and concrete or masonry floors and roofs

The construction components are assumed to be in working condition and adequate for the building. The overall quality of the facility is considered to be average for the neighborhood and age. However, CBRE, Inc. is not qualified to determine structural integrity and it is recommended that the client/reader retain the services of a qualified, independent engineer or contractor to determine the structural integrity of the improvements prior to making a business decision.

INTERIOR FINISHES - OFFICE AREAS

The interior office areas feature above-average finishes in Units 4-6 and 7. Units 1-2 are occupied by the Fort Collins Police Department, and were not open for inspection, but are assumed to include average government office finishes. Unit 3 features average office finish, and is commensurate with competitors in the area. The occupied space office finish is in good condition, while vacant spaces will likely require some tenant retrofit prior to occupancy.

INTERIOR FINISHES – RESTAURANT AREA

The restaurant features average quality finishes, including tile floors, textured, taped, and painted sheetrock interior walls, and typical kitchen finishes. Although the finishes are in reasonably good condition, some tenant retrofit will be warranted prior to occupancy.

HVAC

Each unit features a residential-style forced air HVAC system with a central air conditioning unit. It is assumed to be in good working order and adequate for the building.

ELECTRICAL

The electrical system is assumed to be in good working order and adequate for the building.

PLUMBING

The plumbing system is appropriate for office and restaurant uses. Each unit features adequate restroom facilities. Plumbing in the restaurant space is functional, with appropriate grease traps. It is assumed to be in good working order and adequate for the building.

LIFE SAFETY AND FIRE PROTECTION

The units feature fire suppression sprinklers. It is assumed the improvements have adequate fire alarm systems, fire exits, fire extinguishers, fire escapes and/or other fire protection measures to meet local fire marshal requirements. CBRE, Inc. is not qualified to determine adequate levels of safety & fire protection, whereby it is recommended that the client/reader review available permits, etc. prior to making a business decision.

PARKING AND DRIVES

There is ample parking in the adjacent garage, but no parking spaces are included in the subject ownership. Parking permits for employees range in price from $20 to $30 per month for rooftop parking and $40 to $50 per month for covered parking, depending on the payment schedule. Parking in the garage is free for the first hour for customer and client parking.

FUNCTIONAL UTILITY

The overall layout of the property is commensurate with the market and is functionally adequate to meet existing and prospective tenant space requirements.

ADA COMPLIANCE

All common areas of the property appear to have handicap accessibility. The client/reader's attention is directed to the specific limiting conditions regarding ADA compliance.

FURNITURE, FIXTURES AND EQUIPMENT

Any personal property items contained in the property are not considered to contribute significantly to the overall value of the real estate.

ENVIRONMENTAL ISSUES

The appraiser is not qualified to detect the existence of any potentially hazardous materials such as lead paint, asbestos, urea formaldehyde foam insulation, or other potentially hazardous construction materials on or in the improvements. The existence of such substances may affect the value of the property. For the purpose of this assignment, we have specifically assumed there are no hazardous materials that would cause a loss in value to the subject.

DEFERRED MAINTENANCE

No deferred maintenance was evident upon inspection of the property.

ECONOMIC AGE AND LIFE

CBRE, Inc.'s estimate of the subject improvements effective age and remaining economic life is depicted in the following chart:

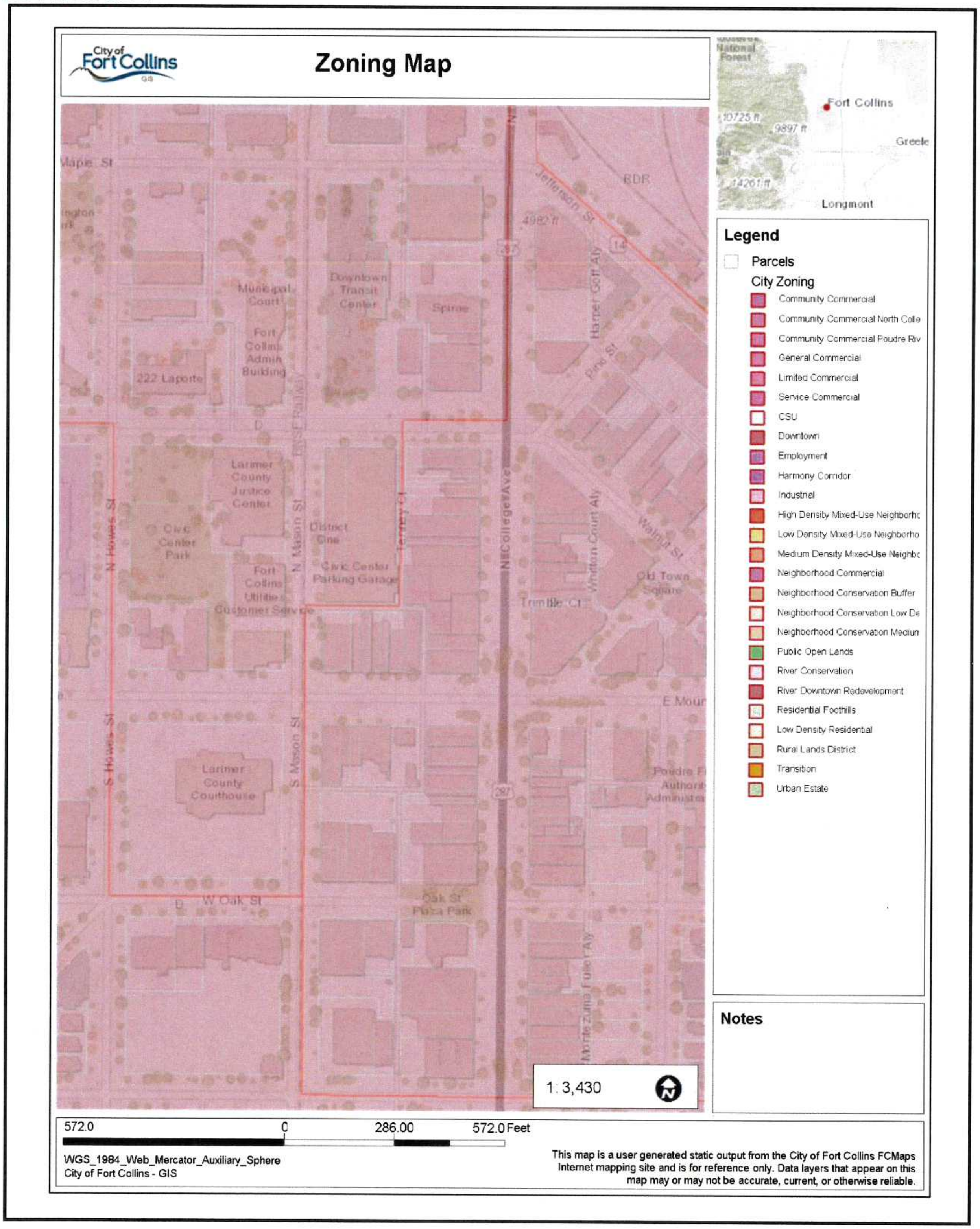
ECONOMIC AGE AND LIFE	
Actual Age	17 Years
Effective Age	15 Years
MVS Expected Life	50 Years
Remaining Economic Life	35 Years
Accrued Physical Incurable Depreciation	30.0%
Compiled by CBRE	

The remaining economic life is based upon our on-site observations and a comparative analysis of typical life expectancies as published by Marshall and Swift, LLC, in the Marshall Valuation Service cost guide. While CBRE, Inc. did not observe anything to suggest a different economic life, a capital improvement program could extend the life expectancy.

CONCLUSION

The improvements are in good condition. Overall, there are no known factors that adversely impact the marketability of the improvements.

ZONING MAP



City of Fort Collins GIS
Zoning Map
Fort Collins
Greeley
Longmont
Legend
Parcels
City Zoning
Community Commercial
Community Commercial North Colle
Community Commercial Poudre Riv
General Commercial
Limited Commercial
Service Commercial
CSU
Downtown
Employment
Harmony Corridor
Industrial
High Density Mixed-Use Neighborhc
Low Density Mixed-Use Neighborho
Medium Density Mixed-Use Neighbc
Neighborhood Commercial
Neighborhood Conservation Buffer
Neighborhood Conservation Low De
Neighborhood Conservation Mediun
Public Open Lands
River Conservation
River Downtown Redevelopment
Residential Foothills
Low Density Residential
Rural Lands District
Transition
Urban Estate
Notes
1: 3,430
572.0 0 286.00 572.0 Feet
WGS_1984_Web_Mercator_Auxiliary_Sphere
City of Fort Collins - GIS
This map is a user generated static output from the City of Fort Collins FCMaps Internet mapping site and is for reference only. Data layers that appear on this map may or may not be accurate, current, or otherwise reliable.

Zoning

The following chart summarizes the subject's zoning requirements.

ZONING SUMMARY	
Current Zoning	D (Downtown District) by the City of Fort Collins
Legally Conforming	Yes
Uses Permitted	Offices, retail, entertainment, hospitality, and residential uses are permitted, subject to varying degrees of review by City officials
Zoning Change	Not likely
Source: Planning & Zoning Dept.	

ANALYSIS AND CONCLUSION

The improvements represent a legally-conforming use and, if damaged, may be restored without special permit application. Additional information may be obtained from the appropriate governmental authority. For purposes of this appraisal, CBRE has assumed the information obtained is correct.

Tax and Assessment Data

The following summarizes the local assessor's estimate of the subject's market value, assessed value, and taxes, and does not include any furniture, fixtures or equipment. The CBRE estimated tax obligation is also shown.

AD VALOREM TAX INFORMATION				
Parcel	Assessor's Parcel No.	Parcel Description	2017	2018
1	9711469901	Tax Exempt - Police		
2	9711469902	Tax Exempt - Police		
3	9711469003	Office Condo Unit 3	$34,800	$34,800
4	9711469004	Office Condo Unit 4	$81,600	$81,600
5	9711469005	Office Condo Unit 5	$156,400	$156,400
6	9711469006	Office Condo Unit 6	$134,800	$134,800
7	9711469007	Office Condo Unit 7	$156,400	$156,400
8	9711469008	Restaurant Condo Unit 8	$212,400	$212,400
Subtotal			$776,400	$776,400
Assessed Value @			29%	29%
			$225,156	$225,156
General Tax Rate (per $1,000 A.V.)			100.752	100.752
Total Taxes			**$22,685**	**$22,685**

Source: Assessor's Office

As shown in the preceding table, the unit occupied by the Fort Collins Police Department is exempt from property taxation. The units that are subject to taxation area assessed at 29% of the assessor's appraised value. The next re-assessment of the subject is scheduled for 2019. The treasurer's records indicate that there are no delinquent property taxes encumbering the subject.

CONCLUSION

Taxes for competing properties in this area are typically in the range from $3.50 to $6.00 per square foot, which provides a competitive advantage for the subject property, which is taxed at $1.92 per square foot (excluding tax-exempt space).

Market Analysis

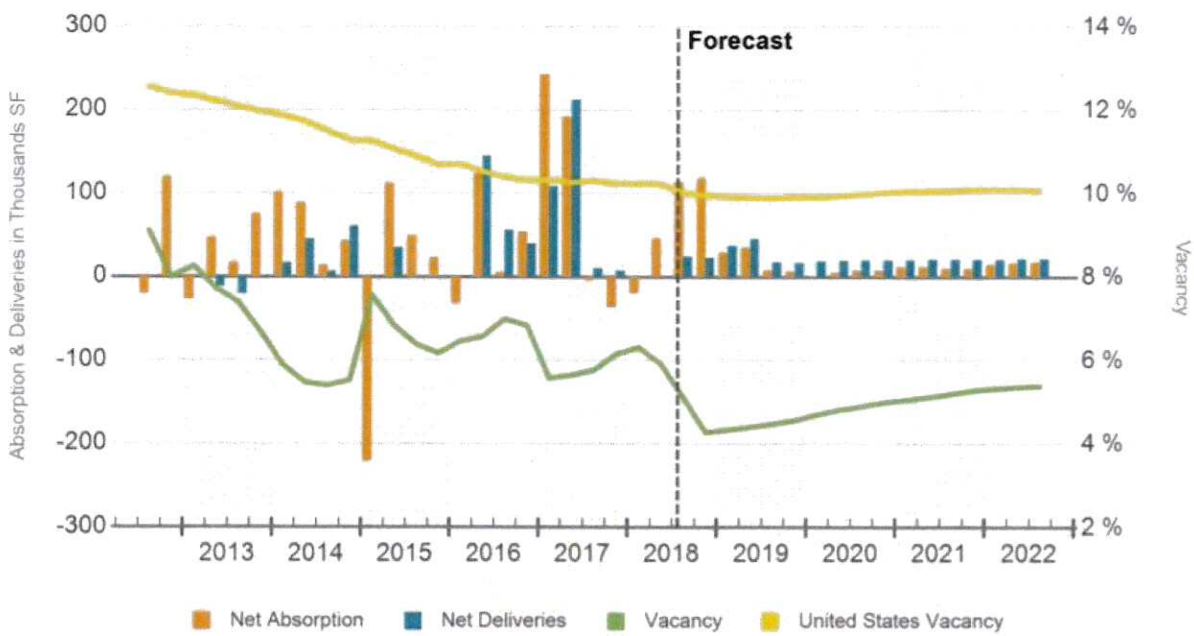
The market analysis forms a basis for assessing market area boundaries, supply and demand factors, and indications of financial feasibility. Primary data sources utilized for this analysis include CoStar and other local MLS, and the IBISWorld Industry Report.

The subject is in the Fort Collins market and is a Class B office and retail condominium building. The Fort Collins area features a dynamic office market that is influenced by Colorado State University, as both the largest employer and an incubator for tech firms, in terms of both research and talented graduates. Several prominent companies have established a presence here, including Woodward, Hewlett-Packard, Broadcom, and Intel.

MARKET OVERVIEW

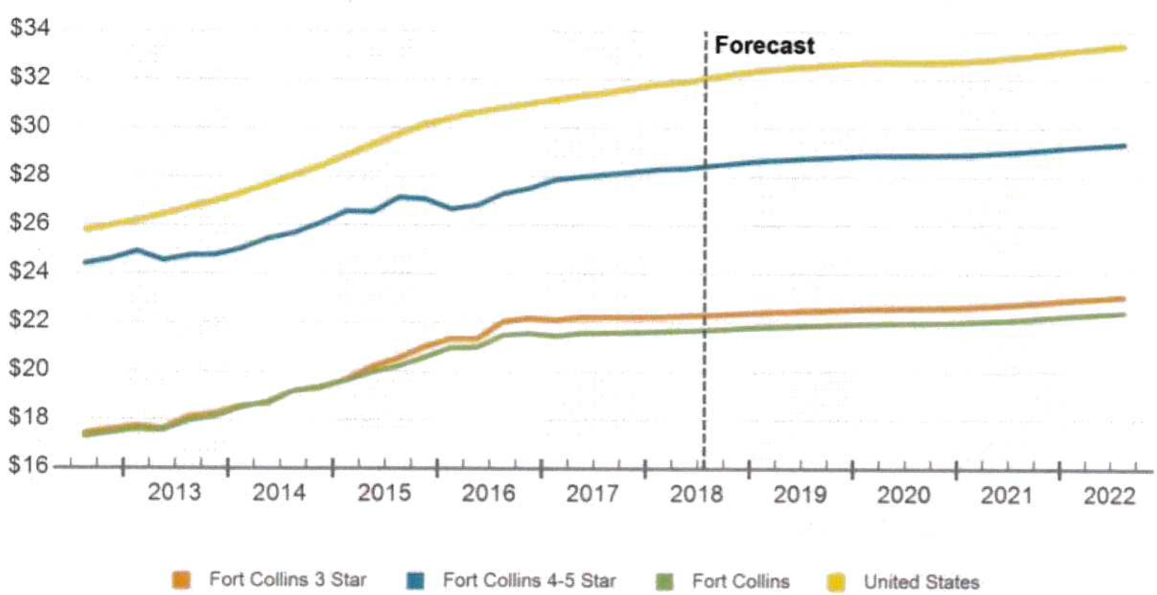
The following discussion illustrates some general observations in the surrounding office market.

Net Absorption, Deliveries, & Vacancy



Vacancies are largely drum tight in Fort Collins and sit at less than half of the national average. Sublet space is virtually nonexistent, and available space averages less than a year on the market, a trend that has persisted over the last five years. Tenants in need of larger floorplates have spread out in Fort Collins and Loveland along I-25, with few finding properties between the two cities that can accommodate a large user.

Rent Per Square Foot



Tight vacancies and healthy demand over the last several years drove strong rent growth, pushing rents north by almost 25% between 2012 and 2016. In 2017, rents across all asset classes have slowed considerably from the dynamic growth of the last few years as speculative development has ramped up. This follows similar slowdowns in both the Boulder and Denver metros.

Expenses Per Square Foot

4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Fort Collins	$0.45	$0.96	$0.15	$4.14	$4.87	**$10.57**
Fort Collins/Loveland	$0.46	$0.97	$0.15	$4.15	$4.88	**$10.61**
Outlying Larimer County	$0.43	$0.92	$0.14	$4.07	$4.69	**$10.25**

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Fort Collins	$0.40	$0.78	$0.10	$3.83	$2.53	**$7.64**
Fort Collins/Loveland	$0.40	$0.78	$0.10	$3.82	$2.49	**$7.59**
Outlying Larimer County	$0.42	$0.83	$0.11	$4.23	$3.29	**$8.88**

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Fort Collins	$0.38	$0.49	$0.10	$3.23	$1.92	**$6.12**
Fort Collins/Loveland	$0.38	$0.49	$0.10	$3.26	$1.91	**$6.14**
Outlying Larimer County	$0.38	$0.50	$0.10	$2.63	$2.25	**$5.86**

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Office Market Statistics

Office	Fort Collins/ Loveland 2-4 Star	Fort Collins/ Loveland
Buildings	844	908
Existing SF	10,653,794	10,824,270
Average Building SF	12,622	11,921
Under Construction	62,250	62,250
Leasing		
Gross Rent Per SF	$23.14	$23.03
Vacancy Rate	5.9%	5.8%
Available Spaces	201	204
Available SF	751,441	754,552
12 Mo. Absorption SF	179,455	182,119
12 Mo. Leasing SF	542,769	548,053
Sales Past Year		
Properties	41	43
Sales Volume (Mil.)	$56	$57
Avg Sale Price (Mil.)	$1.7	$1.6
Sale Price Per SF	$199	$198
Cap Rate	7.0%	7.0%

As shown above, rental rates in the area have been rising and vacancy rates have been declining for several years. Indications of a market approaching the peak of the market cycle abound. Nevertheless, continued employment growth and the energy injected into the local market by Colorado State University generally support growth into the future, though likely at a slower rate than the past few years.

SUBJECT ANALYSIS

Tenant Analysis

The subject property is partly owner occupied, with the City of Fort Collins Police Department and the Larimer County Health District as additional long-term tenants. Conversely, the restaurant in Unit 8 has seen two tenants close their doors in the past ten years, and the 910-square-foot Unit 3 has experienced significant turnover, as well. Nevertheless, with an occupancy rate of 94%, the subject property is typical for the neighborhood.

CONCLUSION

As discussed in the foregoing, US macroeconomic conditions, although moderating, remain strong. With continued wage growth and low unemployment, further bolstered by fiscal stimulus, the expectation for 2018 is more of the same, with CBRE's baseline GDP forecast for this year matching 2017's at 2.6%. Fears of higher inflation will likely lead to a further rise in interest rates however, dragging on economic activity, resulting in a mild recession characterized by higher overall capitalization rates and weaker NOI growth, translating to slow or negative asset value appreciation.

In the Fort Collins-Loveland MSA however, the impact is expected to be relatively minor, with CoStar forecasting stable cap rates (less than 25 bps change) for both retail and office sectors over the next three years, and only a 50-basis point increase in retail vacancy, while office vacancy remains essentially flat over the period. While value appreciation will moderate locally as well, the expectation for no overall decline or a modest increase in per square foot sale prices belies the strength of the local market area's economy, and suggests that tenant demand will continue to support the upward trajectory of lease rates in the subject's market area. Still, although local asset values may not be impacted to the extent that they will be elsewhere in the county, we would still expect a decline in activity (i.e. demand/sales volume).

Highest and Best Use

In appraisal practice, the concept of highest and best use represents the premise upon which value is based. The four criteria the highest and best use must meet are:

- legally permissible;
- physically possible;
- financially feasible; and
- maximally productive.

The highest and best use analysis of the subject is discussed below.

AS VACANT

Legal Permissibility

The legally permissible uses include a broad array of commercial and high-density residential uses, as discussed in the Site Analysis and Zoning Sections.

Physical Possibility

The subject is adequately served by utilities, and has an adequate shape and size, as well as sufficient access to be functional for a variety of uses. However, the subject site is limited to a single story by the Civic Center Parking Garage. Furthermore, nearly all of the frontage for the site is on Mason Street, which is not a primary retail corridor because of its low traffic counts when compared to College and Mountain Avenues.

Financial Feasibility

Potential uses of the site include office and retail. The determination of financial feasibility is dependent primarily on the relationship of supply and demand for the legally probable land uses versus the cost to create the uses. The subject office and retail markets are relatively strong, and vacancy rates are generally low. Although retail construction is occurring, there has been limited office development in the downtown neighborhood because office rental rates remain slightly below levels to support new construction. As a result, only build-to-suit and owner-occupied office development would be immediately feasible.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. The highest and best use of the subject as if vacant would be the development of a commercial property with office and retail components.

AS IMPROVED

Legal Permissibility

The site has been improved with an 8-unit office and retail condominium development that is a legal, conforming use.

Physical Possibility

The layout and positioning of the improvements are considered functional for office, which restaurant finishes on the end unit. The restaurant unit is situated on the corner of Laporte Avenue and Mason Street, which maximizes the visibility of the unit. Overall, the continued use of the property for office and restaurant uses would be the most functional use.

Financial Feasibility

The financial feasibility of a mixed-use office and restaurant property is based on the amount of rent which can be generated, less operating expenses required to generate that income; if a residual amount exists, then the land is being put to a productive use. Based upon the income capitalization approach conclusion, the subject is producing a positive net cash flow and continued utilization of the improvements for office restaurant purposes is considered financially feasible.

Maximum Productivity - Conclusion

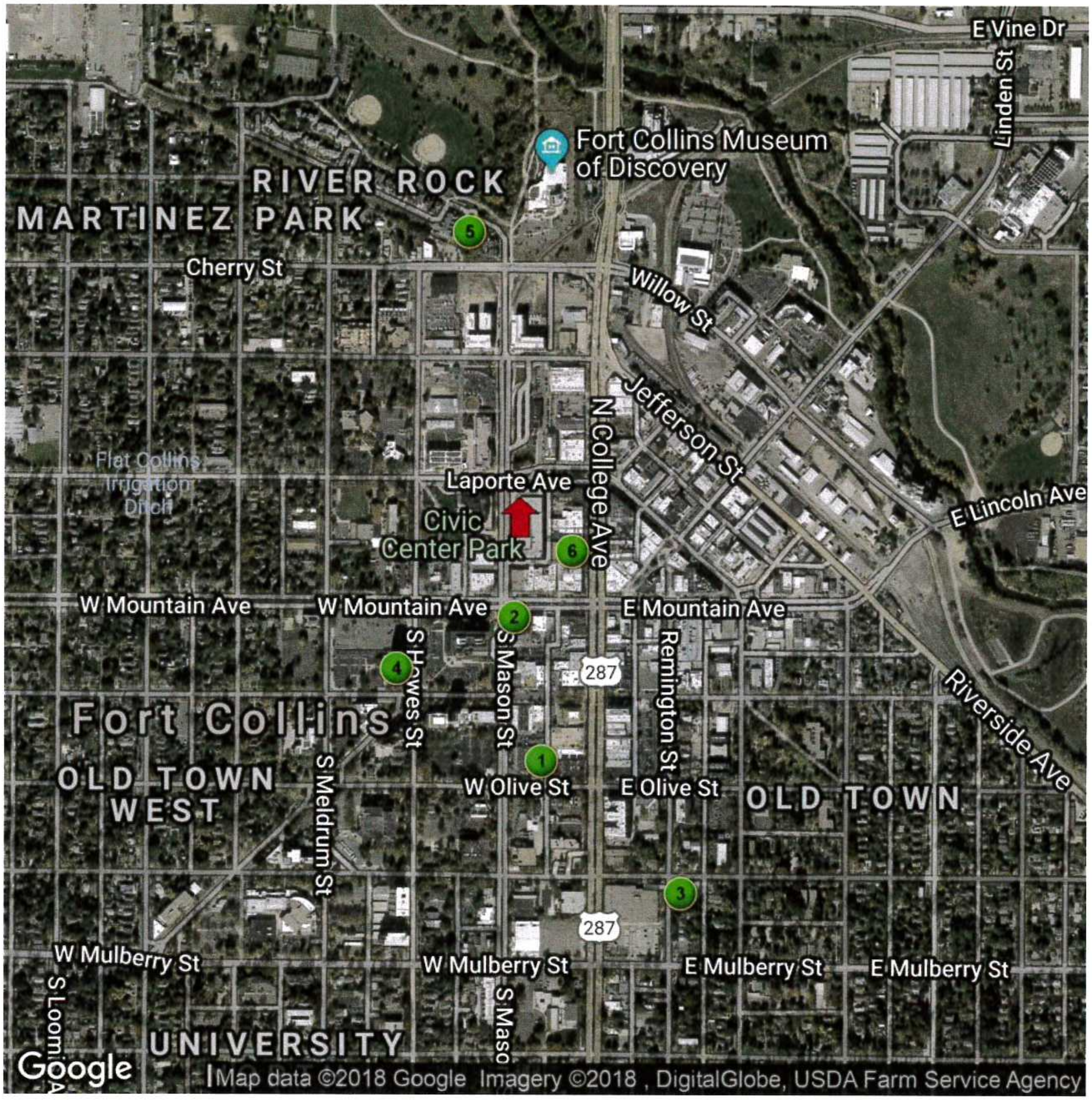
As shown in the applicable valuation sections, buildings that are similar to the subject have been acquired or continue to be used by office and restaurant owners/tenants. None of the comparable buildings have been acquired for conversion to an alternative use. The most likely buyer for the subject property is as follows:

- Investor-Local

Based on the foregoing, the highest and best use of the property, as improved, is consistent with the existing use as a mixed-use office and restaurant condominium development.

Sales Comparison Approach

The following map and table summarize the comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



		SUMMARY OF COMPARABLE OFFICE SALES												
No.	Property Name	Transaction Type	Transaction Date	YOC / Reno'd	Property Type	Distance from Subj	NRA (SF)	Actual Sale Price	Adjusted Sale Price [1]	Price Per SF [1]	Occ.	NOI Per SF	OAR
1	120 West Olive Street, 120 W Olive St Fort Collins, CO 80524	Sale	Dec-15	1958 / 2012	Retail	0.3 Miles	10,260	$1,600,000	$1,600,000	$155.95	88%	$9.36	6.00%
2	Indigo Gallery, 155-163 West Mountain Avenue Fort Collins, CO 80524	Sale	Mar-16	1890 / 2010	Retail	0.1 Miles	17,375	$4,500,000	$4,400,000	$253.24	98%	$18.23	7.20%
3	Opera Galleria Office Condo, 123 North College Avenue Suite 112 Fort Collins, CO 80524	Sale	Mar-17	1900 / 2017	Office	0.1 Miles	1,261	$200,000	$200,000	$158.60	0%	n/a	n/a
4	Old Town Media, 400 Remington Street Fort Collins, CO 80524	Sale	Feb-18	0	Office	0.4 Miles	4,255	$1,050,000	$1,050,000	$246.77	0%	n/a	n/a
5	Key Bank Office Condo, 125 South Howes Street Suite 1E Fort Collins, CO 80524	Sale	Apr-18	1970 / 2011	Office	0.2 Miles	2,442	$420,000	$420,000	$171.99	0%	$10.80	6.28%
6	Opera Galleria Office Condos, 123 North College Avenue Suites 120 & 130 Fort Collins, CO 80524	Availabl e/Listing	May-18	1900 / 2015	Office	0.1 Miles	8,011	$1,460,000	$1,460,000	$182.25	0%	n/a	n/a
Subj. Pro Forma	Civic Center Condominiums, 144 North Mason, Fort Collins, CO 80524	---	---	2001 / 2014	Office	---	0	---	---	---	95%	#DIV/0!	---

[1] Adjusted sale price for cash equivalency, lease-up and/or deferred maintenance (where applicable)
Compiled by CBRE

The sales utilized represent the best data available for comparison with the subject. They were selected from our research of comparable improved sales within the downtown Fort Collins area within a ½-mile radius of the subject.

DISCUSSION/ANALYSIS OF IMPROVED SALES

Elements of Comparison

The sales have been compared to the subject and, where necessary, have been adjusted for transactional elements, such as expenditures made immediately after purchase, property rights conveyed, financing terms, conditions of sale, and market conditions. The following discussion focuses exclusively on the elements that require adjustment.

SITE CHARACTERISTICS

The subject property is situated on a parcel of land owned by the City of Fort Collins and leased to the owner of the subject improvements under a long-term lease agreement that escalates with the Consumer Price Index.

- All of the comparable transactions included some degree of land ownership, either in an owners' association or an underlying site. To quantify the negative adjustments being made, the lease rate, which is $21,688.72 for 2018, is capitalized at six percent, which appears to be appropriate based on land leased site sales with similar risk characteristics. This calculates to a leased fee value of the land of $361,483. Overall, this calculates to a value of $23.13 per square foot of gross building area ($361,483 ÷ 15,629 square feet), which is being deducted from the sale prices of the comparable transactions.

PROPERTY RIGHTS CONVEYED

Real estate carries with it a bundle of property rights, which can be transferred in whole or in part. Examples of some of the most common property rights are the fee simple estate, leased fee interest, leasehold interest, and partial interests. The fee simple estate is the most all-encompassing property right, and includes all rights to use the property. The leased fee interest is characterized by a property that is encumbered by one or more leases. The leasehold interest represents the lessee's rights to use a property on which there is a lease. Partial interests result when property rights are divided among two or more parties, and may involve controlling or non-controlling interests.

Selling prices may be impacted by the specific property rights included in the transfer. Thus, any differences in property rights among the comparable sales must be identified, and may require adjustment to account for differences in property rights compared with the property rights appraised for the subject. In addition, adjustments may be necessary to reflect the difference between properties leased at market rent and those leased at a rental rate that is either below or above market levels.

- Comparable One featured a below-market lease rate, which resulted in a discounted purchase price. This is inferior to the subject, and a positive adjustment is appropriate.

CONDITIONS OF SALE

Conditions of sale refer to buyer and seller motivations. In order to be instructive to the analysis, sale prices should be representative of arm's length transactions with no unusual buyer or seller motivations. Examples of unusual motivations include related parties, assemblage (plottage) value, forced sale, tax considerations, and lack of sufficient exposure on the market. These circumstances may result in the following: manipulation of the price by buyer or seller, distressed prices that do not reflect typical exposure or marketing time, or premiums (or discounts) associated with unusual motivations. In these cases, it is necessary to consider any unusual conditions of sale, and to make adjustments, if possible.

Another example of a circumstance which is analyzed within the conditions of sale category is the situation of asking prices. Asking prices are often higher than the amount ultimately negotiated once an arm's length transaction has been consummated. Hence, it may be necessary to adjust down for asking prices.

- Comparable Five is an active listing. A downward adjustment has been applied to this comparable to reflect probable negotiations between the seller and presumed buyer.

MARKET CONDITIONS

Economic conditions may change between the sale date of the comparables and the effective date of value provided. Examples of changes in the market include changes in the economy, tax laws, supply, population growth, employment growth, inflation rates and buyer and seller perceptions. These forces may result in appreciation or depreciation, or may have no impact on real estate prices. Changes may impact real estate in general, or may have different impacts on different real estate segments. The adjustment for this factor is not a function of time, but of differences, if any, between time periods. Thus, it is possible a period of time could elapse with no material change in market conditions having occurred.

- In general, property values have appreciated over the past few years; therefore, an adjustment has been applied to the comparables, in order to reflect appreciation over the time period between when each sale cleared the market and the effective date of this report. The adjustment considers appreciation of 3.0% per annum, which is supported by market participant comments and the general trend in property values.

LOCATION

An analysis of location takes into account differences in the comparables relative to their surrounding environs. Within the broad category of location, considerations such as time-distance relationships or linkage between a property or neighborhood and all other possible origins and destinations of people going to or coming from the property or neighborhood, typically represent the basis for this adjustment. Additional factors such as population density, household income, and demographics in general provide additional support for this adjustment.

- Comparable Two is situated on the northeast corner of Mountain Avenue and Mason Street, which is a primary hub for restaurants in Old Town Fort Collins. This is superior to the subject, and a negative adjustment is appropriate.

SIZE

An adjustment for size typically recognizes the concept of economies of scale, in that all other things being equal, a larger property will sell for less per measurable unit than a smaller property, and vice versa.

- Negative adjustments have been made to Comparables Three, Four, and Five for their smaller sizes.

AGE/CONDITION

An adjustment for age/condition typically considers the ratio between the effective age of a property and is total economic life, i.e. the amount of depreciation present.

- Comparables Two and Six are historic facilities that were in good condition, but require careful maintenance, which is inferior to the subject. Therefore, positive adjustments are being applied.
- Comparable Four is situated in the Key Bank building, which features dated architecture and will reportedly require a significant capital investment in upgrading the elevators in the next few years. This is inferior to the subject property, and a positive adjustment is necessary.

- Comparable Five is newer than the subject property, and a negative adjustment is appropriate.

PARKING

The subject property is adjacent to the Civic Center Parking Garage, but lacks any free employee parking, and client parking in the garage is limited to one hour for free. Nevertheless, parking fees are relatively modest, at $1 per hour.

- Comparables Three, Four, and Five feature superior free parking availability, which is superior to the subject property. Therefore, negative adjustments are being applied.

FUNCTIONAL UTILITY

The subject property features efficient floor plans that function reasonably well for their intended use.

- Comparables Four and Six are situated in buildings that feature large interior common areas that are included in the rentable areas of the units, but feature limited utility to the tenants. These are inferior to the subject, and positive adjustments are being applied.

SUMMARY OF ADJUSTMENTS

Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

OFFICE SALES ADJUSTMENT GRID							
Comparable Number	1	2	3	4	5	6	Subj. Pro Forma
Transaction Type	Sale	Sale	Sale	Sale	Sale	Available/Listing	---
Transaction Date	Dec-15	Mar-16	Feb-18	Apr-18	Jul-18	May-18	---
Year Built/Renovated	1958 / 2012	1890 / 2010	1980 / 2003	1970 / 2011	2005 / 2012	1900 / 2015	2001
Property Type	Retail	Retail	Office	Office	Office	Office	Office
NRA (SF)	10,260	17,375	4,255	2,442	2,154	8,011	0
Actual Sale Price	$1,600,000	$4,500,000	$1,050,000	$420,000	$665,000	$1,460,000	---
Adjusted Sale Price [1]	$1,600,000	$4,400,000	$1,050,000	$420,000	$665,000	$1,460,000	---
Price Per SF [1]	$155.95	$253.24	$246.77	$171.99	$308.73	$182.25	---
Occupancy	88%	98%	100%	0%	50%	25%	95%
NOI Per SF	$9.36	$18.23	n/a	$10.80	n/a	n/a	#DIV/0!
OAR	6.00%	7.20%	n/a	6.28%	n/a	n/a	---
Adj. Price Per SF	$155.95	$253.24	$246.77	$171.99	$308.73	$182.25	
Site Characteristics	-15%	-9%	-9%	-13%	-7%	-13%	
Property Rights Conveyed	20%	0%	0%	0%	0%	0%	
Financing Terms [1]	0%	0%	0%	0%	0%	0%	
Conditions of Sale	0%	0%	0%	0%	0%	0%	
Market Conditions (Time)	8%	7%	1%	1%	0%	0%	
Subtotal - Price Per SF	$172.14	$246.22	$225.88	$150.35	$285.60	$159.12	
Location	0%	-10%	0%	0%	0%	0%	
Size	0%	0%	-10%	-10%	-10%	0%	
Age/Condition	0%	10%	0%	25%	-5%	10%	
Quality of Construction	0%	0%	0%	0%	0%	0%	
Parking	0%	0%	-5%	-5%	-5%	0%	
Functional Utility	0%	0%	0%	10%	0%	10%	
Total Other Adjustments	0%	0%	-15%	20%	-20%	20%	
Indicated Value Per SF	**$172.14**	**$246.22**	**$192.00**	**$180.42**	**$228.48**	**$190.95**	
Absolute Adjustment	*28%*	*27%*	*16%*	*51%*	*20%*	*20%*	

[1] Adjusted for cash equivalency, lease-up and/or deferred maintenance (where applicable)

Compiled by CBRE

Overall, Comparables Three and Five, which indicated values of $192 and $228 per square foot, respectively, required the least amount of overall adjustment, and are given greatest consideration.

SALE PRICE PER SQUARE FOOT CONCLUSION

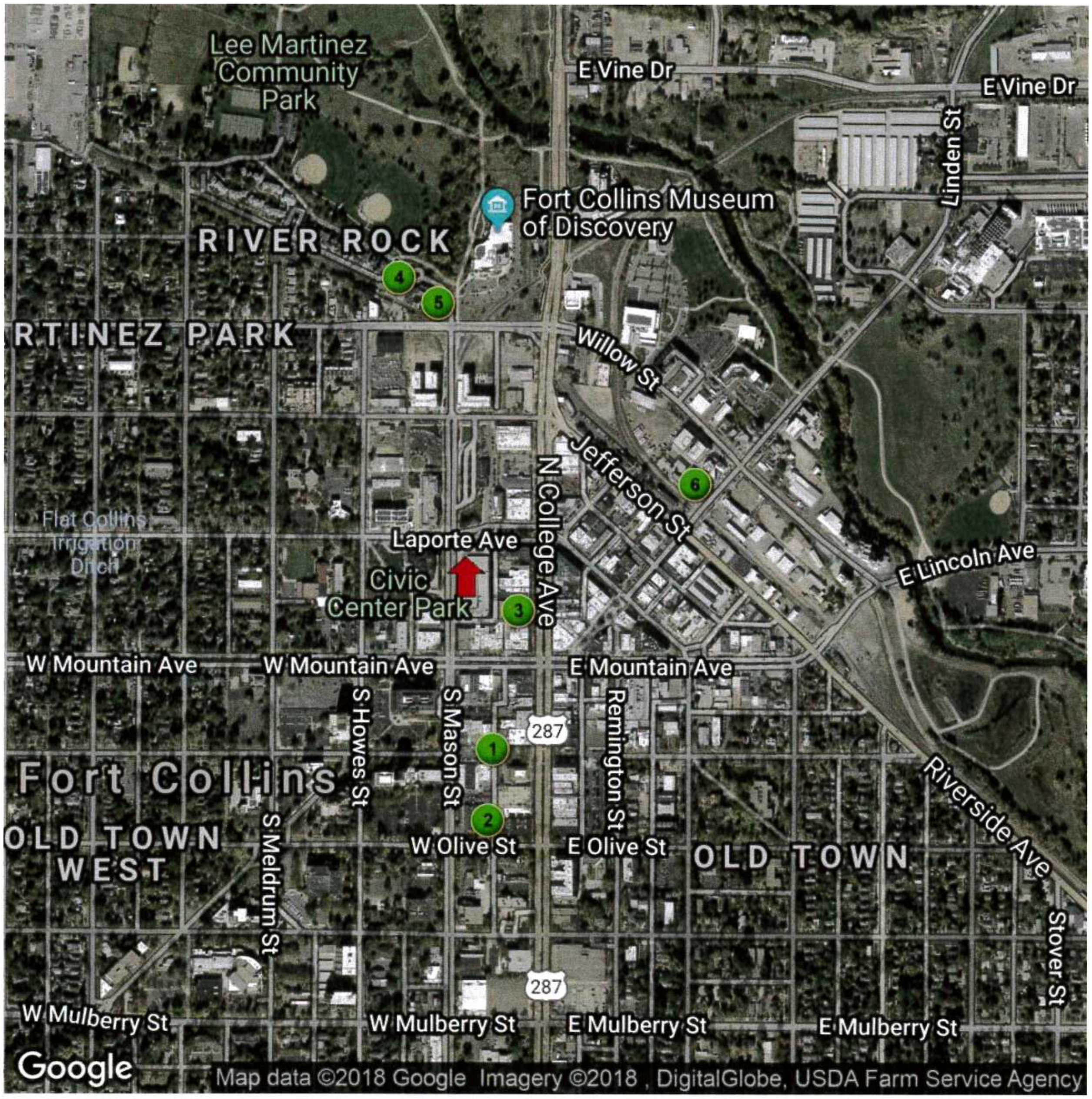
SALES COMPARISON APPROACH				
NRA (SF)	**X**	**Value Per SF**	**=**	**Value**
15,629	X	$210.00	=	$3,282,090

VALUE CONCLUSION	
Indicated Stabilized Value	**$3,280,000**
Rounded	**$3,300,000**
Value Per SF	**$211.15**

Compiled by CBRE

Income Capitalization Approach

The following map and table summarize the primary comparable data used in the valuation of the subject. A detailed description of each transaction is included in the addenda.



SUMMARY OF COMPARABLE OFFICE RENTALS

No.	Property Name and Location	YOC / Reno'd	Property Type	Occ.	Distance from Subj	NRA (SF)	Tenant Name	Lease Area (SF)	Lease Date	Lease Term	Base Rent	Tenant Improvements	Reimbursements	Escalations
1	Tasty Harmony 160 West Oak Street, Fort Collins, CO	1925 / 2013	Retail	100%	0.2 Miles	3,300	Tasty Harmony	3,300	Jan-16	5.0 Yrs.	$27.00 PSF	$0.00 PSF	NNN	3%/Yr.
2	120 West Olive Street 120 W Olive St, Fort Collins, CO	1958 / 2012	Retail	100%	0.3 Miles	10,260	Dae Gee	2,690	Apr-18	0.0 Yrs.	$30.00 PSF	$44.61 PSF	NNN	3%/Yr.
3	Opera Galleria Office Condo 123 North College Avenue, Fort Collins, CO	1900 / 2011	Office	93%	0.1 Miles	2,856	Cloud Coach	2,856	Oct-16	5.0 Yrs.	$15.50 PSF	$0.00 PSF	NNN	3%/Yr.
4	Mason Street North 409 Mason Court, #129, Fort Collins, CO	2005	Office	100%	0.3 Miles	1,118	WMG	1,118	Feb-17	5.0 Yrs.	$18.00 PSF	$0.00 PSF	NNN	3%/Yr.
5	Mason Street North 401 Mason Court, Unit 101, Fort Collins, CO	2005	Office	100%	0.3 Miles	1,238	White & Elm	1,238	Aug-17	3.0 Yrs.	$18.00 PSF	$10.00 PSF	NNN	3%/Yr.
6	359, LLC 351 Linden Street, Fort Collins, CO	1931 / 2006	Office	100%	0.3 Miles	21,697	359, LLC	4,480	Sep-17	5.0 Yrs.	$14.81 PSF	$0.00 PSF	NNN	3%/Yr. in yrs 3-5
Subj.	Civic Center Condominiums 144 North Mason,, Fort Collins, Colorado	2001 / 2014	Office	74%	---	15,629					---		---	

Compiled by CBRE

The rentals utilized represent the best data available for comparison with the subject. They were selected from Downtown Fort Collins area within a ½-mile radius of the subject. The following table shows a summary of the space allocation for the subject.

MARKET RENT CATEGORIES

Space Allocation	Size
Office Space	12,503 SF
Ground Floor Retail	3,126 SF

Compiled by CBRE

DISCUSSION/ANALYSIS OF RENT COMPARABLES

Restaurant Rent Comparable One

This comparable is a 3,300-square-foot, Class B restaurant at 160 West Oak Street. According to a representative for this property, base rent is $27.00 per square foot annually, based upon a typical lease term of 60 months. Expenses are based upon a triple net structure. Upon commencement of this lease, the property is 100% occupied. The tenant, Tasty Harmony, previously occupied a location on Mason Street in Fort Collins, and reportedly moved to this location because of the need for additional space. The owner of the property reported that the tenant intended to spend roughly $100,000 on some basic renovations and improvements, as there were no fixtures remaining from the last tenancy due to a Sales Tax Lien. Tasty Harmony received 4 months of free rent to allow them to finish renovations. The contract lease rate increases on a yearly basis until it reaches "$30 after a few years", according to the confirming party, from which we have approximated 3% per year.

In comparison to the subject, this property was generally similar with respect to construction quality and income characteristics, while it was superior with respect to location on a more heavily trafficked retail street. Overall, this comparable is superior in comparison to the subject and a negative adjustment is required.

Restaurant Rent Comparable Two

This comparable is situated on the first floor of the mixed-use office and retail building at 120 W Olive St. The base rent is $30.00 per square foot annually, based upon a typical lease term, the precise duration of which was not disclosed. Expenses are based upon a triple net structure with a pass-thru amount of $5.26 per square foot in 2017. The landlord provided a tenant improvement allowance of $44.60 per square foot. In addition to interior seating, the space features a 480-square-foot patio on the front of the building, which enhances the seating capacity significantly. This unit was previously occupied by Vintages Wine Store, and had to be converted to restaurant space.

In comparison to the subject, this property features a superior location, surrounded by complementary retail uses, which provides superior synergy. Further the patio enhances the utility of the restaurant space, which is superior to the subject property. Overall, this comparable is superior to the subject and a negative adjustment is required.

Office Rent Comparable Three

This comparable is a 2,856-square-foot office condominium in the Opera Galleria building at 123 North College Avenue. The 3-story improvements were originally constructed in 1900 and renovated in 2011. The base rent is $15.50 per square foot annually, based upon a typical lease term of 60 months. Expenses are based upon a triple net structure with a pass-thru amount of $10.50 per square foot. This property features a 12% load factor due to the extensive interior common areas.

In comparison to the subject, this property is inferior with respect to age and functional utility. Overall, this comparable was inferior in comparison to the subject and a positive adjustment is required.

Office Rent Comparable Four

This comparable represents a 1,118-square-foot, Class B office condominium property at 409 Mason Court. The mixed-use improvements were originally constructed in 2005 with residential condominium units on the second floor and office spaces on the first floor. Each unit includes a dedicated space in the attached parking structure, and there is also free surface parking. The base rent is $18.00 per square foot annually, based upon a typical lease term of 60 months. Expenses are based on a NNN structure with a pass-thru amount of $9.34 per square foot. No tenant improvement allowance was provided, but the space was finished for professional office use, which was sufficient for the tenant.

In comparison to the subject, this property is superior with respect to age/condition, and parking availability. Overall, this comparable was superior in comparison to the subject and a negative adjustment is required.

Office Rent Comparable Five

This comparable represents a 1,238-square-foot, Class B office condominium property at 401 Mason Court. The mixed-use improvements were originally constructed in 2005 with residential condominium units on the second floor and office spaces on the first floor. Each unit includes a dedicated space in the attached parking structure, and there is also free surface parking. The base rent is $18.00 per square foot annually, based upon a typical lease term of 60 months. Expenses are based on a NNN structure with a pass-thru amount of $9.34 per square foot. A tenant improvement allowance of $10.00 per square foot was provided.

In comparison to the subject, this property is superior with respect to age/condition, and parking availability. Overall, this comparable was superior in comparison to the subject and a negative adjustment is required.

Office Rent Comparable Six

This unit is situated in the 21,697-square-foot mixed-use building at 351 Linden Street. The Old Town Athletic Club occupies most of the building. The 1-story improvements were originally constructed in 1931 and substantially renovated in 2006. The base rent is $14.81 per square foot annually, based upon a typical lease term of 60 months. No free rent or tenant improvement allowance were provided. The property is currently 100% leased. This unit was previously occupied by a fitness-focused night club, but this tenant intends to use the space for management offices for the restaurant facility to the north. In addition to the interior space, this unit included parking behind the building, which the tenant intends to use for their restaurant's valet service.

In comparison to the subject, this property has an inferior location that is slightly further removed from complementary office and retail uses. Furthermore, the tenant was responsible for all interior finish, which is inferior to the subject property. However, the property features similar parking amenities. Overall, this comparable was inferior in comparison to the subject and a positive adjustment is required.

SUBJECT RENTAL INFORMATION

The following chart shows the subject's most recent contract rates plus quoted rates by management representatives.

SUMMARY OF RECENT LEASES

Tenant	Tenant Type	New/ Renewal	Term (Mo.)	Commence Date	Size (SF)	Rental Rate $/SF/Yr.	Escalations	Free Rent	Expense Basis	TIs $/SF
Asking Rates										
Restaurant End Cap	Restaurant	New	60	---	3,126	$17.50	Yes	No	NNN	$0.00
Interior Office	Office	New	60	---	910	$15.50	Yes	No	NNN	$0.00
Actual Leases										
Larimer Health District	Office	Renewal	24	Feb-17	2,300	$15.00	Yes	No	NNN	$0.00
Presence of IT	Office	New	60	Jul-16	4,000	$15.00	Yes	No	NNN	$0.00
Subtotal Actual Leases					6,300	$15.00				$0.00

Compiled by CBRE

Although the restaurant tenant continues to pay, the restaurant is closed and the space is listed for sublease. The property owner reports that they have nearly finalized a lease on this space, but no additional details are available. Current asking rate for the office space is approximately $0.50 per square foot above the most recently signed leases, which appears common in the local market due to negotiations by the lessee. The spaces are being offered "as is" with no tenant improvement allowances. Lease terms ranged from two to five years, which appear consistent with market terms.

MARKET RENT ESTIMATE

The subject's ground floor retail space currently has an asking rent of $17.50 per square foot, which is above the most recent lease, but well below recent restaurant leases in the downtown area (Comparables One and Two featured starting rates of $27.00 to $30.00 per square foot). The asking rate appears to be well supported by the market, considering the superior locations of the comparable facilities and the interest at the current asking rate.

With respect to the office units, all of the spaces except for the owner's space (Post Modern Development) appear to be well reasonably supported by the comparable rental data from competing properties in Downtown Fort Collins ($14.81 - $18.00 per square foot). Overall, a market rental rate for the office space of $15.50 per square foot is well supported.

MARKET RENT CONCLUSIONS

The following chart shows the market rent conclusions for the subject:

MARKET RENT CONCLUSIONS

Category	Office Space	Ground Floor Retail
NRA (SF)	12,503	3,126
Percent of Total SF	80.0%	20.0%
Market Rent ($/SF/Yr.)	$15.50	$17.50
Concessions	None	None
Reimbursements	NNN	NNN
Annual Escalation	3.0%	3.0%
Average Lease Term	5 Years	5 Years
Leasing Commissions (New Tenants)	4.0%	4.0%
Leasing Commissions (Renewals)	2.0%	2.0%

Compiled by CBRE

RENT ROLL ANALYSIS

The subject's rent roll is illustrated as follows:

RENT ROLL ANALYSIS

Suite No.	Tenant	Tenant Type	Lease Start	Lease Expiration	Term (Mos.)	Size (NRA) SF	% Total	Mkt Rent $/SF/Yr.	Expense Basis	Contract Rent $/SF/Yr.	Contract Rent $/Yr.
1&2	Fort Collins Police	In-line	May-10	Aug-20	124	3,802	24.3%	$15.50	NNN	$14.71	$55,927
4	Post Modern Development	In-line	Jan-02	N/A		1,491	9.5%	$15.50	NNN	$13.00	$19,383
6	Presence of IT	In-line	Jul-16	Sep-21	63	4,000	25.6%	$15.50	NNN	$15.00	$60,000
7	Health District of Larimer County	In-line	Aug-10	Jan-19	102	2,300	14.7%	$15.50	NNN	$16.00	$36,800
8	Ramen Masters	In-line	Nov-14	Oct-21	84	3,126	20.0%	$17.50	NNN	$15.53	$48,547
Occupied Subtotals						14,719	94.2%	$15.92		$14.99	$220,657
3	Vacant	In-line	---	---	---	910	5.8%	$15.50	NNN	---	$14,105
Vacant Subtotals						910	5.8%	$15.50		$15.50	$14,105
Property Totals - Contract Rent						15,629	100.0%			$15.02	$234,762
Property Totals - Market Rent						15,629	100.0%	$15.90			

Compiled by CBRE

Specific Anticipated Changes to Rent Roll

As previously noted, Suite 8, which is the end-cap restaurant, is currently listed for sublease, though the existing tenant continues to pay rent on the space.

POTENTIAL RENTAL INCOME CONCLUSION

Within this analysis, potential rental income is estimated based upon the actual income in-place plus vacant space at market rates.

OPERATING HISTORY

The following table presents available operating data for the subject.

OPERATING HISTORY

Year-Occupancy	2016	90.0%	2017	90.0%	2018 Annualized	94.0%
	Total	$/SF	Total	$/SF	Total	$/SF
Income						
Net Rental Income	$156,326	$10.00	$156,326	$10.00	$223,639	$14.31
Expense Reimbursements	67,395	4.31	67,395	4.31	66,971	4.29
Effective Gross Income	$223,721	$14.31	$223,721	$14.31	$290,610	$18.59
Expenses						
Real Estate Taxes	$22,789	$1.46	$22,685	$1.45	$22,685	$1.45
Property Insurance	6,571	0.42	3,700	0.24	3,933	0.25
Utilities	4,683	0.30	6,263	0.40	6,526	0.42
Common Area Maintenance	9,438	0.60	4,015	0.26	4,129	0.26
Management Fee [1]	-	-	12,858	0.82	12,858	0.82
Ground Lease	21,098	1.35	21,689	1.39	21,689	1.39
Operating Expenses	$64,579	$4.13	$71,210	$4.56	$71,821	$4.60
Net Operating Income	**$159,142**	**$10.18**	**$152,511**	**$9.76**	**$218,790**	**$14.00**
[1] *(Mgmt. typically analyzed as a % of EGI)*	0.0%		5.7%		4.4%	

Source: Operating statements

VACANCY

The subject's estimated stabilized occupancy rate was previously discussed in the market analysis. The subject's vacancy is detailed as follows:

VACANCY		
Year	Total	% PGI
2016	$17,370	10%
2017	$17,370	10%
2018 Annualized	$14,275	6%
CBRE Estimate	**$11,738**	**5%**
Compiled by CBRE		

EXPENSE REIMBURSEMENTS

The subject's leases are typically based on a NNN structure whereby the tenant reimburses the owner for a pro rata share of common area maintenance, real estate taxes, and property insurance expenses. Those expenses considered to be eligible for reimbursement are as follows:

EXPENSES ELIGIBLE FOR REIMBURSEMENT
Real Estate Taxes
Property Insurance
Utilities
Common Area Maintenance
Management Fee
Land Lease
Compiled by: CBRE

The subject's expense reimbursements are detailed as follows:

EXPENSE REIMBURSEMENTS		
Year	Total	$/SF
2016	$67,395	$4.31
2017	$67,395	$4.31
2018 Annualized	$71,521	$4.58
CBRE Estimate	**$70,438**	**$4.51**
Compiled by CBRE		

EFFECTIVE GROSS INCOME

The subject's effective gross income is detailed as follows:

EFFECTIVE GROSS INCOME		
Year	Total	% Change
2016	$223,721	---
2017	$223,721	0%
2018 Annualized	$290,610	30%
CBRE Estimate	**$286,888**	**---**
Compiled by CBRE		

Our pro forma estimate is approximately 4% higher than the most recent full year due to recently implemented new leases at the subject, which are not reflected in the historical data. Further, the pro forma estimate is within 1% of the budgeted figures for the coming year and therefore appears reasonable.

OPERATING EXPENSE ANALYSIS

Reserves for Replacement

Reserves for replacement have been estimated based on market parameters. The comparable data and projections for the subject are summarized as follows:

RESERVES FOR REPLACEMENT		
Year	Total	$/SF
CBRE Estimate	**$3,907**	**$0.25**
Compiled by CBRE		

OPERATING EXPENSE CONCLUSION

The comparable data and projections for the subject are summarized as follows:

OPERATING EXPENSES		
Year	Total	$/SF
2016	$64,579	$4.13
2017	$71,210	$4.56
2018 Annualized	$71,821	$4.60
CBRE Estimate	**$74,345**	**$4.76**
Compiled by CBRE		

The subject's per square foot operating expense pro forma is generally supported by the actual operating history trend indicated above.

NET OPERATING INCOME CONCLUSION

The comparable data and projections for the subject are summarized as follows:

NET OPERATING INCOME		
Year	Total	$/SF
2016	$159,142	$10.18
2017	$152,511	$9.76
2018 Annualized	$218,790	$14.00
CBRE Estimate	**$212,543**	**$13.60**
Compiled by CBRE		

The pro forma estimate is approximately 3% less than the budgeted figures for the coming year, which is reasonable considering the vacancy in Unit 3 and the dark (but still paying) restaurant unit.

DIRECT CAPITALIZATION

Direct capitalization is a method used to convert a single year's estimated stabilized net operating income into a value indication. The following subsections represent different techniques for deriving an overall capitalization rate.

Comparable Sales

The overall capitalization rates (OARs) confirmed for the comparable sales analyzed in the sales comparison approach are as follows:

COMPARABLE CAPITALIZATION RATES					
Sale	Sale Date	Sale Price $/SF	Occupancy	Buyer's Primary Analysis	OAR
1	Dec-15	$155.95	88%	atic and Yield Capitalization Analys	6.00%
2	Mar-16	$253.24	98%	Static Capitalization Analysis	7.20%
4	Apr-18	$171.99	0%	Static Capitalization Analysis	6.28%
Indicated OAR:			94%		**6.00%-7.20%**
Compiled by: CBRE					

The overall capitalization rates for these sales were derived based upon the actual or pro-forma income characteristics of the property. Sale Nos. One and Four were leased at slightly below-market rates, similar to the subject property. Therefore, primary emphasis has been placed upon these sales.

Published Investor Surveys

The results of the most recent investor surveys are summarized in the following chart.

Table 5
NATIONAL SUBURBAN OFFICE MARKET
First Quarter 2018

	CURRENT	LAST QUARTER	1 YEAR AGO	3 YEARS AGO	5 YEARS AGO
DISCOUNT RATE (IRR)[a]					
Range	6.00% – 12.00%	6.00% – 12.00%	6.00% – 10.50%	6.00% – 10.00%	6.00% – 12.50%
Average	8.32%	8.34%	7.88%	7.78%	8.70%
Change (Basis Points)		– 2	+ 44	+ 54	– 38
OVERALL CAP RATE (OAR)[a]					
Range	4.35% – 10.00%	4.20% – 10.00%	5.00% – 9.50%	5.00% – 9.00%	5.00% – 10.50%
Average	6.61%	6.72%	6.61%	6.64%	7.50%
Change (Basis Points)		– 11	0	– 3	– 89
RESIDUAL CAP RATE					
Range	6.00% – 11.50%	6.00% – 11.50%	6.00% – 10.50%	5.75% – 9.50%	6.00% – 11.00%
Average	7.59%	7.61%	7.39%	7.33%	8.03%
Change (Basis Points)		– 2	+ 20	+ 26	– 44
MARKET RENT CHANGE[b]					
Range	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	0.00% – 5.00%	(3.00%) – 4.00%
Average	1.86%	1.86%	2.03%	2.56%	1.40%
Change (Basis Points)		0	– 17	– 70	+ 46
EXPENSE CHANGE[b]					
Range	0.00% – 4.00%	0.00% – 4.00%	0.00% – 4.00%	1.00% – 3.50%	2.00% – 4.00%
Average	2.68%	2.68%	2.75%	2.75%	2.70%
Change (Basis Points)		0	– 7	– 7	– 2
MARKETING TIME[c]					
Range	1 – 12	1 – 12	1 – 12	3 – 12	2 – 18
Average	6.5	6.5	6.0	6.5	8.8
Change (▼, ▲, =)		=	▲	=	▼

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months

According to the First Quarter 2018, National Suburban Office Market Survey (the "Survey"), overall capitalization rates for, what is typically regarded as investment grade institutional assets, edged lower from 6.72% to 6.61% on average, with a range of 4.35% to 10.00% in the most recent quarter reported. Fort Collins has experienced strong investor demand, especially for downtown assets in recent years.

Market Participants

Market participants interviewed for this assignment have indicated that overall capitalization rates for Class A properties in Fort Collins currently range from 5.25% to 6.75%, although the low end of the range is typically reserved for properties in Old Town or with visibility along the Harmony Corridor.

Capitalization Rate Conclusion

The following chart summarizes the OAR conclusions.

OVERALL CAPITALIZATION RATE - CONCLUSION	
Source	Indicated OAR
Comparable Sales	6.00%-7.20%
Published Surveys	4.35%-10.00%
Market Participants	5.25%-6.75%
CBRE Estimate	**6.50%**
Compiled by: CBRE	

The overall capitalization rates for the sales were derived based upon the actual or pro-forma income characteristics of the property, and were used to estimate an appropriate OAR for the subject property, which is bracketed and supported by the OARs demonstrated by the national Survey response. For this reason, we are inclined to adopt an estimate of 6.50% as to the OAR for which to capitalize the subject's net operating income into a value conclusion by.

Direct Capitalization Summary

A summary of the direct capitalization is illustrated in the following chart.

DIRECT CAPITALIZATION SUMMARY			
Income		$/SF/Yr	Total
Potential Rental Income		$15.02	$234,762
Vacancy	5.00%	(0.75)	(11,738)
Credit Loss	1.00%	(0.15)	(2,348)
Net Rental Income		$14.12	$220,676
Expense Reimbursements		4.51	70,438
Vacancy & Credit Loss	6.00%	(0.27)	(4,226)
Effective Gross Income		$18.36	$286,888
Expenses			
Real Estate Taxes		$1.45	$22,685
Property Insurance		0.25	3,933
Utilities		0.42	6,526
Common Area Maintenance		0.26	4,129
Management Fee	4.00%	0.73	11,476
Land Lease		1.39	21,689
Reserves for Replacement		0.25	3,907
Operating Expenses		**$4.76**	**$74,345**
Operating Expense Ratio			25.91%
Net Operating Income		**$13.60**	**$212,543**
OAR		÷	**6.50%**
Indicated Stabilized Value			**$3,269,892**
Rounded			**$3,300,000**
Value Per SF			**$211.15**
Compiled by CBRE			

Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS	
Sales Comparison Approach	$3,300,000
Income Capitalization Approach	$3,300,000
Reconciled Value	$3,300,000
Compiled by CBRE	

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered generally comparable to the subject, and the required adjustments were based on reasonably-supported rationale. Therefore, the sales comparison approach is considered to provide a reliable value indication, but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it is an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

Based on the foregoing, the market value of the subject has been concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
As Is	Leased Fee Interest	July 16, 2018	$3,300,000
Compiled by CBRE			

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:

   (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.

   (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.

   (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.

   (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.

   (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.

   (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.

   (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.

   (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.

   (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.

   (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

(xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

ADDENDA

Addendum A

IMPROVED SALE DATA SHEETS

Sale — Retail - Misc. Freestanding Retail — No. 1

Property Name	Dae Gee
Address	120 West Olive Street Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	97114-15-018

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.164	7,125
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All to site
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	1.44
Frontage Distance/Street	N/A Olive Street
Zoning	D - Downtown
General Plan	Approved

Improvements

Building Area	N/A	Floor Count	2
Status	Existing	Parking Type	On-Street
Occupancy Type	Multi-tenant	Parking Ratio	0.00/1,000 sf
Year Built	1958	Condition	Good
Year Renovated	2012	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	120 W Olive LLC	Marketing Time	N/A
True Buyer	120 W Olive LLC	Buyer Type	Private Investor
Recorded Seller	120 Olive LLC	Seller Type	Private Investor
True Seller	Jim & Stephanie Mokler	Primary Verification	County Records, Deed
Interest Transferred	Leased Fee	Type	Sale
Current Use	Mixed Use	Date	12/19/2015
Proposed Use	Continuation of current use	Sale Price	$1,600,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$1,600,000
Doc #	20150009986	Capital Adjustment	$0
		Adjusted Price	$1,600,000

Sale	Retail - Misc. Freestanding Retail	No. 1

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
12/2015	Sale	120 W Olive LLC	120 Olive LLC	$1,600,000	$155.95

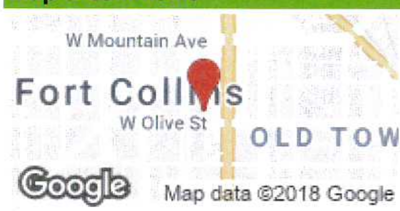
Units of Comparison

Static Analysis Method	Trailing Actuals	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Static and Yield Capitalization Analyses	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	6.00%	Adjusted Price / sf	$155.95
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	88%		

Financial

Revenue Type	Trailing Actuals
Period Ending	N/A
Source	N/A
Price	$1,600,000
Potential Gross Income	N/A
Economic Occupancy	N/A
Economic Loss	N/A
Effective Gross Income	N/A
Expenses	N/A
Net Operating Income	$96,000
NOI / sf	$9.36
NOI / Unit	N/A
EGIM	N/A
OER	N/A
Net Initial Yield/Cap. Rate	6.00%

Map & Comments



This comparable is for the sale of a multi-tenant mixed use property located on the north side of Olive Street in Old Town Fort Collins, Colorado. The property sold in December 2015 at a price of $1,600,000 approximately 155.95 per square foot to an out of state buyer (California); the transaction was reportedly an all cash deal. The property consists of two main level restaurant spaces and nine upper level office spaces. At the time of this survey, only two of the office units (suites 203 & 205) were vacant. These units collectively comprise 1,217 square feet of space for an estimated vacancy rate of 11.86%. The units are leasing at $650/month modified gross for 203 (542 sq. ft.) and $715 per month modified gross for 205 (675 sq. ft.).

The sale price reportedly related to approximately a 6.00% OAR based on income in place at the time of sale.

CBRE

Sale — Retail - Neighborhood/Community — No. 2

Property Name	Indigo Gallery
Address	155-163 West Mountain Avenue Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	97114-14-025

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.178	7,750
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All to site

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	2.24

Zoning	D - Downtown
General Plan	Approved

Improvements

Gross Leasable Area (GLA)	17,375 sf	Floor Count	2
Status	Existing	Parking Type	On-Street
Occupancy Type	Multi-tenant	Parking Ratio	0.29/1,000 sf
Year Built	1890	Condition	Average
Year Renovated	2010	Exterior Finish	Brick
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	12,675 sf		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Sale Summary

Recorded Buyer	4321 Partners, LLC	Marketing Time	3 Month(s)
True Buyer	4321 Partners, LLC	Buyer Type	Private Investor
Recorded Seller	Astride A Starship, LLC	Seller Type	Private Investor
True Seller	Astride A Starship, LLC	Primary Verification	Grantor by Holiday Watson, CBRE
Interest Transferred	Leased Fee	Type	Sale
Current Use	Multi-tenant retail & residential (mixed-use)	Date	3/22/2016
Proposed Use	Continuation of current use	Sale Price	$4,500,000
Listing Broker	Michael Jensen	Financing	Market Rate Financing
Selling Broker	Unique Properties (various)	Cash Equivalent	$4,500,000
Doc #	20160017989	Capital Adjustment	$-100,000
		Adjusted Price	$4,400,000

Sale — Retail - Neighborhood/Community — No. 2

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
03/2016	Sale	4321 Partners, LLC	Astride A Starship, LLC	$4,500,000	$258.99

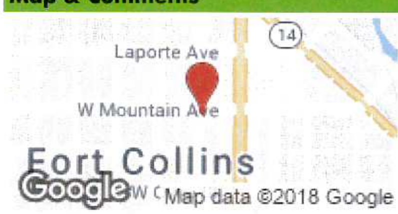
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	9.96
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	28.33%
Net Initial Yield/Cap. Rate	7.20%	Adjusted Price / sf	$253.24
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	98%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	Broker
Price	$4,400,000
Potential Gross Income	$465,171
Economic Occupancy	95%
Economic Loss	$23,259
Effective Gross Income	$441,912
Expenses	$125,189
Net Operating Income	$316,723
NOI / sf	$18.23
NOI / Unit	$16,670
EGIM	9.96
OER	28.33%
Net Initial Yield/Cap. Rate	7.20%

Map & Comments



This comparable consists of a single uniquely identified parcel of land situated at the southeast corner of Mountain Avenue and Mason Street in the historic Old Town Fort Collins, Colorado. The parcel of land comprises 7,750 square feet of land area, or approximately 0.18 acres. At this comparable's location, Mountain Avenue is a four-lane, east-west running, major arterial road. Mason Street is, similarly, considered a north-south running major arterial road, despite having only two lanes, partially due to the presence of the MAX Bus Rapid Transit system.

The property has been improved with a 17,375 square foot brick building which was originally constructed in 1901. As it is demised, the property accommodates four retail tenants, all of which have street-grade store fronts, and fifteen residential units located either below-grade or above street-grade. Additionally, the retail tenants lease a portion of the basement space for storage. The improvements have seen limited semi-regular updating over the years, with the most recent renovation consisting of tenant improvements in 2010. The existing owner, who purchased the property in 2006, has also completed several minor renovations and upgrades over the past decade such as replacing boilers and upgrading electrical service to the property. The exterior of the improvements feature tan brick walls which are characteristic of the original 1901 construction. The interior of the retail portion of the improvements exudes more current finishes due to the semi-regular updating for tenants, typical of what a buyer or tenant would expect in a building with more recent construction date. The interior of the residential portion of the property exudes more dated finishes, with the flooring and walls being largely original, but cabinets, showers, and kitchens have been updated to various degrees. The interior, together with the exterior of the subject property, is considered to be in average condition for its age.

The contemplated contract price is $4.5m; however, it was determined that the property "benefits" from approximately $100,000 of "value" owing to excess rent attributable to below grade areas being leased by the retail tenants (which we have deducted under the category of Capital Adjustments). The implied OAR to the adjusted value of $4.4m, which ignores the contributory value of the excess rent is 7.20%, which is what we have used here. At the time of contract, all four of the retail units were occupied and expected to remain that way for the foreseeable future, though there is some near-term rollover risk from one of the tenants. Fourteen of the fifteen residential units were occupied, which is generally considered to be stabilized as it relates to the residential component.

CBRE

Sale — Office - Office Condominium — No. 3

Property Name	Old Town Media	
Address	400 Remington Street Fort Collins, CO 80524 United States	
Government Tax Agency	Larimer	
Govt./Tax ID	9712349001	

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.161	7,000
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All typical municipal utilities are in service at the site
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.61
Frontage Distance/Street	N/A Remington Street
Frontage Distance/Street	N/A Magnolia Street
Zoning	NCB (Neighborhood Conservation Buffer) by the City of Fort Collins
General Plan	N/A

Improvements

Gross Building Area	N/A	Floor Count	N/A
Net Rentable Area (NRA)	4,255 sf	Parking Type	Open Asphalt
Usable Area	4,088 sf	Parking Ratio	2.35/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Fiber Cement Board
Occupancy Type	Owner/User	Investment Class	B
Year Built	1980	Number of Buildings	1
Year Renovated	2003		
Amenities	N/A		

Sale Summary

Recorded Buyer	400 Unicorns LLC	Marketing Time	13 Month(s)
True Buyer	Old Town Media, Inc.	Buyer Type	End User
Recorded Seller	LAM Properties, LLC	Seller Type	End User
True Seller	Mark Rosario	Primary Verification	Public Records, MLS, Listing Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Office	Date	2/15/2018
Proposed Use	N/A	Sale Price	$1,050,000
Listing Broker	Patty Spencer	Financing	Market Rate Financing
Selling Broker	Jake Hallauer	Cash Equivalent	$1,050,000
Doc #	20180009646	Capital Adjustment	$0
		Adjusted Price	$1,050,000

CBRE

Sale — Office - Office Condominium — No. 3

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
02/2018	Sale	400 Unicorns LLC	LAM Properties, LLC	$1,050,000	$246.77

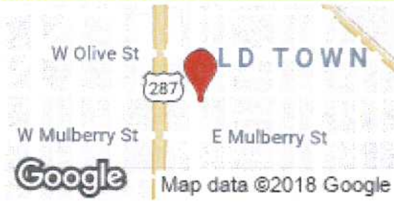
Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	$246.77
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	100%		

Financial

No information recorded

Map & Comments



This building is situated on the southeast corner of Remington and Magnolia Streets. The building features two individual condominium units: one on the garden level and one main level. This transaction involved the main level condominium unit, which is approximately 4 feet above street grade. The purchaser occupied half of the unit to start, with plans to eventually occupy the entire unit. The seller had occupied the space prior to the sale.

Approximately half of the unit was leased at a rate of $21.00 per square foot, on a gross basis, with property expenses of approximately $9.00 per square foot included in the rate. This calculates to a NNN-equivalent rate of $12.00 per square foot, which is significantly below market rates for the unit.

CBRE

Sale — Office - Office Condominium — No. 4

Property Name	Key Bank Office Condo	
Address	125 South Howes Street Suite 1E Fort Collins, CO 80524 United States	
Government Tax Agency	Larimer	
Govt./Tax ID	9711454005	

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.088	3,815
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	N/A
Topography	N/A
Utilities	All to site

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.64

Zoning	D - Downtown
General Plan	Approved

Improvements

Gross Building Area	2,442 sf	Floor Count	11
Net Rentable Area (NRA)	2,442 sf	Parking Type	Open Asphalt
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	N/A
Year Built	1970	Number of Buildings	1
Year Renovated	2011		
Amenities	N/A		

Sale Summary

Recorded Buyer	NOCO Growth, LLC	Marketing Time	18 Month(s)
True Buyer	NOCO Growth, LLC	Buyer Type	Private Investor
Recorded Seller	GWE, LLC	Seller Type	End User
True Seller	GWE, LLC	Primary Verification	Broker by Holiday Watson, CBRE
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	Office use	Date	4/6/2018
Proposed Use	Continuation of current use	Sale Price	$420,000
Listing Broker	N/A	Financing	Cash to Seller
Selling Broker	Anna Moore, CBRE (970.372.3007)	Cash Equivalent	$420,000
Doc #	20180020450	Capital Adjustment	$0
		Adjusted Price	$420,000

Sale — Office - Office Condominium — No. 4

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
04/2018	Sale	NOCO Growth, LLC	GWE, LLC	$420,000	$171.99

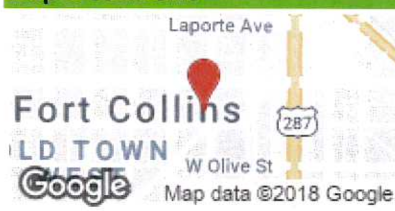
Units of Comparison

Static Analysis Method	Pro Forma (Stabilized)	Eff Gross Inc Mult (EGIM)	15.93
Buyer's Primary Analysis	Static Capitalization Analysis	Op Exp Ratio (OER)	0.00%
Net Initial Yield/Cap. Rate	6.28%	Adjusted Price / sf	$171.99
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	0%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	N/A
Price	$420,000
Potential Gross Income	$29,304
Economic Occupancy	90%
Economic Loss	$2,930
Effective Gross Income	$26,374
Expenses	$0
Net Operating Income	$26,374
NOI / sf	$10.80
NOI / Unit	$26,374
EGIM	15.93
OER	0.00%
Net Initial Yield/Cap. Rate	6.28%

Map & Comments



This comparable represents the recent sale of a main-level office condo in the Key Bank Tower in Old Town, Fort Collins. The overall property was built in 1970 and is composed of various condo units. Notably, the building is the second largest in the city. The suite considered here - 1E - sold at the above referenced price (which appears to have been the list price) after being marketed for approximately 18 months and was subsequently re-listed for lease at $12 psf NNN. Nets for the property were reportedly $11.64 psf, inclusive of utilities.

Financials included here consider the $12 psf asking rate and a 10% vacancy allocation which is consistent with the property's history, despite being slightly above the balance of the market in general.

Sale | Office - Office Condominium | No. 5

Property Name	Mason Street North
Address	405 Mason Court, Suite 115 Fort Collins, CO 80521 United States
Government Tax Agency	Larimer
Govt./Tax ID	9711185115

No image to display.

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.105	4,565
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All typical municipal utilities are in service at the site
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.47
Frontage Distance/Street	N/A Mason Court
Zoning	LMN (Low Density Mixed-Use Neighborhood) by the City of Fort Collins
General Plan	N/A

Improvements

Gross Building Area	N/A	Floor Count	1
Net Rentable Area (NRA)	2,154 sf	Parking Type	Subterranean Structure
Usable Area	N/A	Parking Ratio	0.46/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Owner/User	Investment Class	B
Year Built	2005	Number of Buildings	1
Year Renovated	2012		
Amenities	N/A		

Sale Summary

Recorded Buyer	Leier Properties, LLC	Marketing Time	N/A
True Buyer	N/A	Buyer Type	End User
Recorded Seller	Mason Street North, LLC	Seller Type	N/A
True Seller	James Leach, Wonderland Hill Development	Primary Verification	Public Records, Listing Broker
Interest Transferred	Fee Simple/Freehold	Type	Sale
Current Use	N/A	Date	7/10/2018
Proposed Use	N/A	Sale Price	$665,000
Listing Broker	Chrisland, Jake Hallauer	Financing	Cash to Seller
Selling Broker	N/A	Cash Equivalent	$665,000
Doc #	20180042341	Capital Adjustment	$0
		Adjusted Price	$665,000

Sale — Office - Office Condominium — No. 5

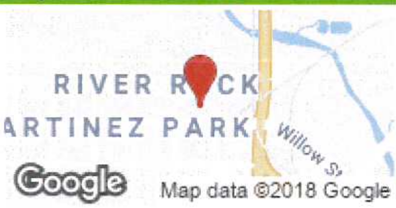
Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
07/2018	Sale	Leier Properties, LLC	Mason Street North, LLC	$665,000	$308.73

Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	Owner/Occupier	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	$308.73
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	50%		

Map & Comments

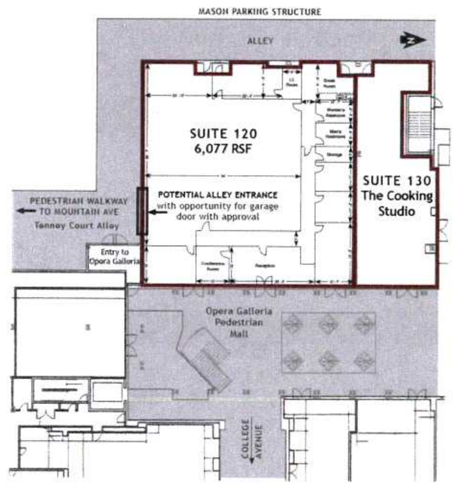


This unit includes 1 dedicated parking space in an attached parking structure, as well as free on-street parking throughout the development. The purchaser intends to occupy half of the space to start, with the potential to occupy the whole unit in the future. Approximately half of the unit was leased on a full-service gross basis, at a lease rate roughly equivalent to a NNN rate of $11.50-$12/sf, which is $4.00 - $6.00 below a market lease rate for the space.

CBRE

Available/Listing — Office - Office Condominium — No. 6

Property Name	Opera Galleria Office Condos
Address	123 North College Avenue Suites 120 & 130 Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	9711471120 & 9711471130



Site/Government Regulations

	Acres	Square feet
Land Area Net	0.079	3,428
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	N/A
Topography	Level, At Street Grade
Utilities	All to site
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	2.34
Zoning	D - Downtown
General Plan	Approved

Improvements

Gross Building Area	N/A	Floor Count	3
Net Internal Area (NIA)	8,011 sf	Parking Type	Garage
Usable Area	7,241 sf	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	N/A
Year Built	1900	Number of Buildings	1
Year Renovated	2015		
Amenities	N/A		

Sale Summary

Recorded Buyer	TBD	Marketing Time	N/A
True Buyer	N/A	Buyer Type	N/A
Recorded Seller	Circle A, LLC	Seller Type	Private Investor
True Seller	Circle A, LLC	Primary Verification	Broker by Holiday Watson, CBRE
Interest Transferred	Leased Fee	Type	Available/Listing
Current Use	Office use	Date	5/17/2018
Proposed Use	Office and/or retail use	Sale Price	$1,460,000
Listing Broker	Patty Spencer, Commercial Real Estate Brokers (970.407.9900)	Financing	N/A
Selling Broker	N/A	Cash Equivalent	$1,460,000
Doc #	TBD	Capital Adjustment	$0
		Adjusted Price	$1,460,000

CBRE

Available/Listing — Office - Office Condominium — No. 6

Transaction Summary plus Five-Year CBRE View History

Transaction Date	Transaction Type	Buyer	Seller	Price	Cash Equivalent Price/sf
05/2018	Available/Listing	TBD	Circle A, LLC	$1,460,000	$182.25

Units of Comparison

Static Analysis Method	N/A	Eff Gross Inc Mult (EGIM)	N/A
Buyer's Primary Analysis	N/A	Op Exp Ratio (OER)	N/A
Net Initial Yield/Cap. Rate	N/A	Adjusted Price / sf	$182.25
Projected IRR	N/A	Wtd. Avg. Lease Expiry	N/A
Actual Occupancy at Sale	25%		

Financial

Revenue Type	Pro Forma Stabilized
Period Ending	N/A
Source	N/A
Price	$1,460,000
Potential Gross Income	$108,149
Economic Occupancy	90%
Economic Loss	$10,815
Effective Gross Income	$97,334
Expenses	$0
Net Operating Income	$97,334
NOI / sf	$12.15
NOI / Unit	$48,667
EGIM	15.00
OER	0.00%
Net Initial Yield/Cap. Rate	6.67%

Map & Comments

This comparable represents the listing for of space two adjacent retail/office condos within the Opera Galleria in Old Town, Fort Collins. The Opera Galleria is located along the west side of College Avenue, slightly north of its intersection with Mountain Avenue (intersection historically known as "Main & Main" in the city), and is afforded parking via the Civic Center Parking Garage.

Suite 120 is currently built out as office but could be renovated for retail use. As is, the space has high ceilings, a open floor plan, and two private restrooms. Additionally, there is reportedly the potential to add a storefront to the south side of the building along Tenney Court, which provides access between Mountain Avenue and the Parking Garage (which is on Mason Street). This space comprises 6,077 square feet and is being listed at $180 psf.

Suite 130 is an interior unit, adjacent north of Suite 130 and is currently occupied by the Cooking Studio (essentially a culinary school) through February 2020. Their rate began at $12.75 psf and has increased to approximately $13.50 psf as of the date of this survey, which considering the list price of approx. $180 psf, reflects a 7.50% cap rate - although it should be noted that the seller wanted to list both units at the same price psf so, while the confirming party believes the rate is reasonable for the space, particularly considering the tenant's remaining term, it does not reflect cap rates throughout the Opera Galleria.

Reportedly, NRA considers a 12% load factor although the actual load for the building seems much higher. However, the confirming party does a great deal of the leasing within the building - and throughout Old Town - so if there is a discrepancy, it is likely pervasive, and so common to the most other units in the Galleria.

CBRE

Addendum B

RENT COMPARABLE DATA SHEETS

Comparable Retail - Restaurant No. 1

Property Name	Tasty Harmony
Address	160 West Oak Street Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	97114-14-030

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.080	3,485
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Level, At Street Grade
Utilities	All to site
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.95
Zoning	D - Downtown District
General Plan	Approved

Improvements

Net Rentable Area (NRA)	3,300 sf	Floor Count	1
Status	Existing	Parking Type	On-Street
Occupancy Type	Single Tenant	Parking Ratio	N/A
Year Built	1925	Condition	Average
Year Renovated	2013	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	3,300 sf		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	PA Partners LLC	Leasing Agent	David Pedigrew
True Owner	Dave Pedigrew	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	3,300 sf
In Line Retail Occupancy	N/A	Lease Term	60 Mo(s).
Reimbursements	NNN	Annual Base Rent	$27.00 per sf
Rent Changes/Steps	3%/Yr.	Free Rent	4 Mo(s).
Survey Date	01/2016	TI Allowance	N/A
Survey Notes	N/A	Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

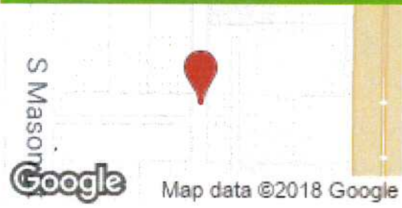
CBRE

Comparable Retail - Restaurant No. 1

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Tasty Harmony	Retail	3,300	60	New	1/1/2016	$27.00	NNN	3%/Yr.	4	N/A

Map & Comments



This comparable is for the lease of the former Dempsey's Restaurant at 160 West Oak Street in Old Town Fort Collins to Tasty Harmony. Tasty Harmony currently occupies a location on Mason Street in Fort Collins, and is reportedly moving to this location because of the need for additional space. The property was most recently occupied by d'Vine Bistro. The owner of the property reported that the tenant plans to spend roughly $100,000 on some basic renovations and improvements, as there were no fixtures remaining from the last tenancy due to a Sales Tax Lien. Tasty Harmony currently has control of the property (08/15) but is being granted free rent for the the remainder of the year until the start of the lease in January 2016 to allow them to finish renovations. The contract lease rate is to be $27 per sq. ft. NNN and increases on a yearly basis until it reaches "$30 after a few years", according to the confirming party, from which we have approximated 3% per year.

CBRE

Comparable — Retail - Misc. Freestanding Retail — No. 2

Property Name	Dae Gee
Address	120 West Olive Street Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	97114-15-018

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.164	7,125
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All to site

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	1.44

Frontage Distance/Street	N/A	Olive Street

Zoning	D - Downtown
General Plan	Approved

Property Name	Dae Gee
Address	120 West Olive Street Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	97114-15-018

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.164	7,125
Land Area Gross	N/A	N/A
Excess Land Area	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	Generally Level
Utilities	All to site

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	1.44

Frontage Distance/Street	N/A	Olive Street

Zoning	D - Downtown
General Plan	Approved

Improvements

Building Area	N/A	Floor Count	2
Status	Existing	Parking Type	On-Street
Occupancy Type	Multi-tenant	Parking Ratio	0.00/1,000 sf
Year Built	1958	Condition	Good
Year Renovated	2012	Exterior Finish	Masonry
Total Anchor Rentable Area	N/A	Number of Buildings	1
Total In Line Rentable Area	N/A		
Anchor	N/A		
Junior Anchor	N/A		
National	N/A		

Contact

Recorded Owner	120 W OLIVE LLC	Leasing Agent	N/A
True Owner	120 W OLIVE LLC	Company	N/A

Rental Survey

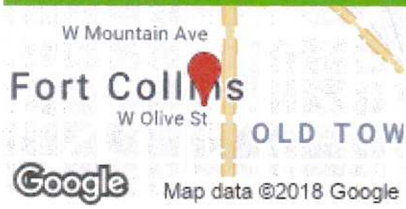
Occupancy	100%	**Tenant Size**	**2,690 sf**
In Line Retail Occupancy	N/A	**Lease Term**	**N/A**
Reimbursements	NNN	**Annual Base Rent**	**$30.00 per sf**
Rent Changes/Steps	3%/Yr.	**Free Rent**	**N/A**
Survey Date	07/2018	**TI Allowance**	**$44.60 per sf**
Survey Notes	N/A	**Reimbursement Amount**	**N/A**
		Total Oper. & Fixed Exp.	**N/A**

Comparable — Retail - Misc. Freestanding Retail — No. 2

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Dae Gee	Retail	2,690	N/A	New	4/1/2018	$30.00	NNN	3%/Yr.	3	$44.61

Map & Comments



This unit fronts onto Olive Street, just west of College Avenue. In addition to interior seating, the space features a patio on the front of the building, which enhances the seating capacity significantly. This unit was previously occupied by Vintages Wine Store, and had to be converted to restaurant space. The landlord provided $120,000 in interior improvements to convert the space to restaurant use.

CBRE

Comparable — Office - Office Condominium — No. 3

Property Name	Opera Galleria Office Condo		
Address	123 North College Avenue Suite 310 Fort Collins, CO 80524 United States		
Government Tax Agency	Lariner		
Govt./Tax ID	9711471310		

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.028	1,207
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	Rectangular
Topography	N/A
Utilities	All to site

Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	2.37

Zoning	D - Downtown
General Plan	Approved

Improvements

Primary Building Area	2,856 sf	Floor Count	3
Net Rentable Area (NRA)	2,856 sf	Parking Type	N/A
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Single Tenant	Investment Class	N/A
Year Built	1900	Number of Buildings	N/A
Year Renovated	2011		
Amenities	N/A		

Contact

Recorded Owner	SCS Investments, LLC	Leasing Agent	N/A
True Owner	SCS Investments, LLC	Company	N/A

Rental Survey

Occupancy	85%	Tenant Size	2,856 sf
Reimbursements	NNN	Lease Term	60 Mo(s).
Rent Changes/Steps	3%/Yr.	Annual Base Rent	$15.50 per sf
Survey Date	10/2016	Free Rent	N/A
Survey Notes	N/A	TI Allowance	N/A
		Reimbursement Amount	$10.50 per sf
		Total Oper. & Fixed Exp.	$10.50 per sf

Comparable Office - Office Condominium No. 3

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
Cloud Coach	Office	2,856	60	New	10/1/2016	$15.50	NNN	3%/Yr.	N/A	N/A

Map & Comments

This comparable represents the leasing of an office condo in the Opera Galleria in Old Town, Fort Collins. The Opera Galleria is located along the west side of College Avenue, slightly north of its intersection with Mountain Avenue (intersection historically known as "Main & Main" in the city), and is afforded parking via the Civic Center Parking Garage.

This space was leased on a five-year term at $15.50 psf NNN, although the tenant only personally guarantees the first three years.

CBRE

Comparable Office - Office Condominium No. 4

Property Name	Mason Street North	
Address	409 Mason Court, #129 Fort Collins, CO 80524 United States	
Government Tax Agency	Larimer	
Govt./Tax ID	9711178129	

Site/Government Regulations

	Acres	Square feet
Land Area Net	N/A	N/A
Land Area Gross	N/A	N/A

Site Development Status	**Finished**
Shape	**N/A**
Topography	**Level, At Street Grade**
Utilities	**N/A**
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	N/A
Frontage Distance/Street	**N/A Mason Court**
Zoning	N/A
General Plan	N/A

Improvements

Primary Building Area	N/A	Floor Count	N/A
Net Rentable Area (NRA)	1,118 sf	Parking Type	N/A
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	N/A
Occupancy Type	Multi-tenant	Investment Class	B
Year Built	2005	Number of Buildings	N/A
Year Renovated	N/A		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	**Tenant Size**	**N/A**
Reimbursements	N/A	**Lease Term**	**N/A**
Rent Changes/Steps	N/A	**Annual Base Rent**	**per sf**
Survey Date	08/2017	**Free Rent**	**N/A**
Survey Notes	N/A	**TI Allowance**	**N/A**
		Reimbursement Amount	**N/A**
		Total Oper. & Fixed Exp.	**N/A**

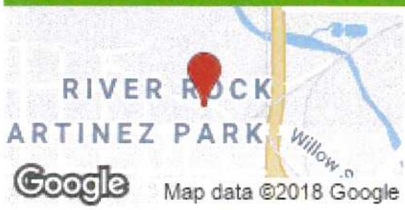
CBRE

Comparable Office - Office Condominium No. 4

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
WMG	Office	1,118	60	New	2/1/2017	$18.00	NNN	3%/Yr.	0	$0.00

Map & Comments



CBRE

Comparable Office - Office Condominium No. 5

Property Name	Mason Street North	
Address	401 Mason Court, Unit 101 Fort Collins, CO 80524 United States	
Government Tax Agency	Larimer	
Govt./Tax ID	9711178101	

Site/Government Regulations

	Acres	Square feet
Land Area Net	N/A	N/A
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	N/A
Topography	Level, At Street Grade
Utilities	N/A
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	N/A
Frontage Distance/Street	N/A Mason Court
Zoning	N/A
General Plan	N/A

Improvements

Primary Building Area	1,238 sf	Floor Count	2
Net Rentable Area (NRA)	1,238 sf	Parking Type	On-Street
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Brick Veneer
Occupancy Type	Multi-tenant	Investment Class	B
Year Built	2005	Number of Buildings	N/A
Year Renovated	N/A		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

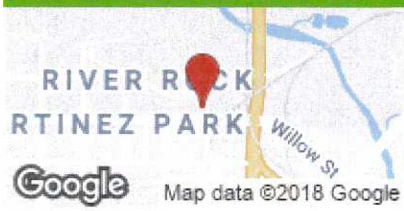
Occupancy	100%	Tenant Size	N/A
Reimbursements	N/A	Lease Term	N/A
Rent Changes/Steps	N/A	Annual Base Rent	per sf
Survey Date	09/2017	Free Rent	N/A
Survey Notes	N/A	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

Comparable — Office - Office Condominium — No. 5

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
White & Elm	Office	1,238	36	New	8/1/2017	$18.00	NNN	3%/Yr.	0	$10.00

Map & Comments



Comparable — Office - Other — No. 6

Property Name	359, LLC
Address	351 Linden Street Fort Collins, CO 80524 United States
Government Tax Agency	Larimer
Govt./Tax ID	9712210007

Site/Government Regulations

	Acres	Square feet
Land Area Net	0.989	43,085
Land Area Gross	N/A	N/A

Site Development Status	Finished
Shape	N/A
Topography	Level, At Street Grade
Utilities	N/A
Maximum Floor Area	N/A
Maximum FAR	N/A
Actual FAR	0.50
Frontage Distance/Street	N/A Linden Street
Zoning	N/A
General Plan	N/A

Improvements

Primary Building Area	21,697 sf	Floor Count	1
Net Rentable Area (NRA)	21,697 sf	Parking Type	Open Concrete
Usable Area	N/A	Parking Ratio	0.00/1,000 sf
Load Factor	N/A	Condition	Good
Status	Existing	Exterior Finish	Masonry
Occupancy Type	Multi-tenant	Investment Class	N/A
Year Built	1931	Number of Buildings	1
Year Renovated	2006		
Amenities	N/A		

Contact

Recorded Owner	N/A	Leasing Agent	N/A
True Owner	N/A	Company	N/A

Rental Survey

Occupancy	100%	Tenant Size	N/A
Reimbursements	N/A	Lease Term	N/A
Rent Changes/Steps	N/A	Annual Base Rent	per sf
Survey Date	07/2018	Free Rent	N/A
Survey Notes	N/A	TI Allowance	N/A
		Reimbursement Amount	N/A
		Total Oper. & Fixed Exp.	N/A

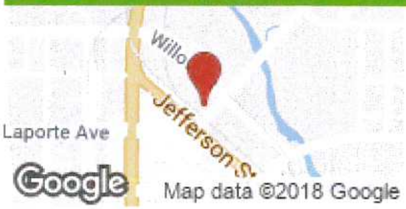
CBRE

Comparable Office - Other No. 6

Actual Leases

Tenant Name	Tenancy Use Type	Size (sf)	Term (Mo.)	Type of Lease	Start Date	Annual Base Rate per sf	Reimbs.	Rent Changes / Steps	Free Rent (Mo.)	TI Allowance per sf
359, LLC	Office	4,480	60	New	9/1/2017	$14.81	NNN	3%/Yr. in yrs 3-5	N/A	$0.00

Map & Comments



CBRE

Addendum C

OPERATING DATA

Current Building Rent Roll
Current Rent Roll

CIVIC CENTER LLC

Tenant Name	Sq..	% of NRA	Lease Start	Lease Expires	Base Rent Amount Monthly	Base Rent Amount Annual	Base Rent Amount PSF/Yr.	nnn Monthly	nnn PSF/Yr.	Rent Escalations		Reimbursement Method Comments/Options
City of Ft Collins-Police** Suite: 1 & 2	3,802	24.33%	05/01/10	08/31/20	4,660.62	55,927.44	14.71	977.44	3.085	$4,777.85 $4,898.24	9/1/2018 9/1/2019	Exempt from property taxes**
VACANT Suite 3	910	5.82%			1,175.42	14,105.00	15.50	379.17	5.00			
Post Modern Development Suite 4,5 & 6	1,491	9.54%	01/15/02	month/month	1,863.75	22,365.00	15.00	636.16	5.12			
Presence of IT Suite 4,5 & 6	4,000	25.59%	07/01/16	09/30/21	5,100.00	60,000.00	15.00	1,705.73	5.12	$5,202.00 $5,306.40 $5,412.16	10/1/2018 10/1/2019 10/1/2020	one (1) 5 year option, market rent
Health District of Northern Larimer County Suite [illegible]	2,300	14.72%	06/01/10	01/31/19	3,066.66	36,799.92	16.00	959.11	5.00			
Ra[illegible] Masters **Manna Trading Foods** Suite [illegible]	3,126	20.00%	11/01/14	10/31/21	4,045.57	48,546.84	15.53	1,302.50	5.00	$4,186.24 $4,332.12 $4,483.21	11/1/2018 11/1/2019 11/1/2020	one (1) 5 year option, market rent
Totals Occupied	**15,629**	**100.00%**			**19,912.02**	**237,744.20**	**15.21**	**5,960.11**	**4.58**			
Totals Vacant	**0**	**0.00%**			**0.00**	**0.00**	**0.00**	**0.00**	**0.00**			
Overall Totals	**15,629**	**100.00%**			**19,912.02**	**237,744.20**	**15.21**	**5,960.11**	**4.58**			

** City exempt from property taxes, not assessed

S:\PMD SHARED - MASTER\PMD ACCOUNTING\All Companies Rent Roll\ALL COMPANIES RENT ROLL 07-09-18

Civic Center, LLC
Profit & Loss
January through December 2017

		Jan - Dec 17
Ordinary Income/Expense		
Income		
Rental Income		
Base rents	156,326.04	
CAM Income	67,395.00	
Total Rental Income		223,721.04
Total Income		223,721.04
Cost of Goods Sold		
CAM COGS		
Alarm Services COGS	0.00	
Back Flow & Fire Inspection COG	252.00	
Breezeway Cleaning COGS	900.00	
Building Maintenance COGS	1,130.32	
Ground Lease COGS	21,688.72	
Insurance COGS	3,700.17	
Property Mgmt Fees COGS	12,858.48	
Property Taxes COGS	22,684.93	
Security Telephone COGS	798.91	
Snow Removal COGS	794.00	
Trash Removal COGS	2,759.54	
Utilities Electric COGS	107.38	
Utilities Water/Sewer COGS	3,395.62	
Window Cleaning COGS	140.00	
Total CAM COGS		71,210.07
Total COGS		71,210.07
Gross Profit		152,510.97
Expense		
Bank Service Charges		30.00
Insurance		0.00
Interest Expense		
Loan Interest Verus Bank	47,682.15	
Total Interest Expense		47,682.15
Office Supplies		74.71
Printing and Reproduction		30.00
Professional Fees		
Legal Fees	275.00	
Total Professional Fees		275.00
Repairs		
Building Repairs	0.00	
Total Repairs		0.00
Telephone		0.00
Total Expense		48,091.86
Net Ordinary Income		104,419.11
Other Income/Expense		
Other Expense		
Expense 2016-2017 adjustments		-6,747.79
Total Other Expense		-6,747.79
Net Other Income		6,747.79
Net Income		**111,166.90**

OPERATING COST PROJECTIONS *
CIVIC CENTER , LLC
For the Year 2018

Description	2018 Budget	Police Station 3,802	All Other Tenants 11,827
Fire Alarm	$ 264	$ 64	$ 200
Telephone-alarm system	798.91	194.35	605
Back Flow/Poudre Fire test	252.00	61.30	191
Sidewalk/Breezeway Cleaning	975.00	237.18	738
Window Cleaning	140.00	34.06	106
Building Maintenance (PMD/Presence of IT only)	905.32	-	-
Trash removal	2,759.54	671.30	2,088
Snow removal	794.00	193.15	601
Building insurance	3,933.00	956.76	2,976
Property taxes	22,684.93	-	22,685
Utilities-Electric	371.27	90.32	281
Utilities-Water	3,395.62	826.04	2,570
Property Management fee	12,858.48	3,128.03	9,730
Land Lease-City of Fort Collins	21,688.72	5,276.12	16,413
TOTAL	$ 71,821	$ 11,733	$ 59,183
		3.09	5.00

* Based on 2017 Actual Expenses

Addendum D

LAND LEASE

SECOND AMENDMENT TO GROUND LEASE

This Second Amendment to Ground Lease (the "Second Amendment") is entered into by and between the CITY OF FORT COLLINS, COLORADO, a Colorado home rule city (the "**Landlord**") whose address is 300 LaPorte Avenue, Fort Collins, Colorado 80522-0580, and CIVIC CENTER LLC, a Colorado limited liability company (the "**Tenant**") whose address is 144 North Mason Street, Suite 4, Fort Collins, Colorado 80524.

RECITALS

WHEREAS, Landlord and Phelps Program Management, LLC, a Delaware Limited Liability Company ("PPM") entered into that certain ground lease dated as of September 14, 1998, as amended by the First Amendment to Ground Lease by and between them and dated November 7, 2000 (together referred to as the "**Ground Lease**"), for the lease to PPM of a portion of that certain property owned by and located in the City of Fort Collins more specifically described in Exhibit "A" attached to the Ground Lease (the "**City Property**"), the leased portion of which is more specifically described on Exhibit "B" attached to the Ground Lease (the "**Demised Premises**"); and

WHEREAS, on December 1, 2003, PPM assigned to Tenant PPM's leasehold interest in the Demised Premises, and all PPM's rights and obligations set forth in the Ground Lease, pursuant to that certain Assignment of Interest in Ground Lease and General Warranty Deed to Improvements and Assumption by Grantee", by and between PPM and Tenant; and

WHEREAS, the parties desire to amend the Ground Lease for the purpose of providing a specific parking benefit to Tenant in connection with Tenant's use of the Demised Premises; and

WHEREAS, the parties further desire to amend the Ground Lease to clarify their respective rights and responsibilities related to the awnings that were previously installed by PPM along the western face of the City Property, above the Demised Premises; and

WHEREAS, the parties further desire to amend the Ground Lease to confirm their understanding regarding responsibility for maintenance and repair of certain utility service lines installed by Tenant on the City Property.

NOW, THEREFORE, in consideration of the Demised Premises and the covenants, agreements and consideration set forth in the Ground Lease and as provided herein, the parties hereto agree as follows:

1. **Ground Lease Terminology**. The capitalized terms used and not defined herein shall have the meaning as set forth in the Ground Lease

2. **Maintenance of Awnings**. The parties acknowledge and agree that Section 7.03 of the Ground Lease, relating to Maintenance Work, is hereby amended to add the following new language after the existing language:

Tenant shall be responsible for the maintenance, repair or replacement of the awnings on the western face of the City Property, above the windows along the western face of the Demised Premises, which consist of six straight canvas awnings and two arched metal awnings. The parties acknowledge that said awnings are and shall continue to be the property of Landlord. Tenant shall be entitled to a credit on the next successive payment of Base Rent in an amount equal to fifty percent (50%) of the costs reasonably and actually incurred by Tenant to maintain and repair said awnings. Landlord shall be entitled to make any such repairs promptly upon a failure of Tenant to complete the same in a timely manner, and shall in such event be entitled to reimbursement by Tenant within thirty (30) days of mailing of a written invoice for any costs incurred by Landlord in carrying out said maintenance, repair or replacement. Tenant shall be solely responsible for costs associated with the replacement or modification of the awnings, and any such replacement or modification shall be subject to advance written approval by the Landlord, in its sole discretion. Any approval by the Landlord hereunder shall be in addition to and shall not in any way affect regulatory review or permit requirements applicable to the replacement or modification of the awning and work related thereto.

3. **Maintenance of Utility Service Lines Serving the Demised Premises**. The Ground Lease shall be amended to add a new Section 7.17, as follows:

Section 7.17. The parties acknowledge that Landlord has installed certain sewer service-related improvements on the City Property to facilitate Landlord's operation and maintenance of the City Property, and that Tenant has also installed certain utility service lines, including but not limited to sewer service lines, on and under the City Property in the areas set forth in the REA, which service lines provide utility service to the Demised Premises. The parties expressly acknowledge and agree that Tenant's rights to maintain said utility service lines pursuant to the REA are conditioned upon Tenant's maintenance and repair of the same, and failure by Tenant to properly operate and adequately maintain its improvements on the Demised Premises and in said easement areas shall constitute a default of this Ground Lease and the REA. Tenant further acknowledges that Tenant shall be responsible for any and all damage to the City Property or to other property owned by Landlord, or other damage or injury, resulting from Tenant's operation and maintenance of said utility service lines or Tenant's negligent acts or omissions in connection therewith.

4. **Parking Permit**. The Ground Lease shall be amended to add a new Article XIV, and a new Section 14.01 therein, as follows:

ARTICLE XIV
PARKING

Section 14.01. Beginning as of the effective date of this Second Amendment, set forth in Paragraph 8, below, Tenant shall be entitled, for so long as Tenant continues to exercise its rights under this Article without interruption and to timely pay to Landlord all amounts due hereunder, to purchase two (2) monthly full-time parking permits in the City's Civic Center Parking Structure (the "Parking Permits"). Tenant shall be obligated to pay: 1) an initial charge, payable prior to issuance of the Parking Permits, for Landlord's costs in establishing the

Designated Parking Spaces, as said Spaces are hereinafter defined, in the amount of Three Hundred Dollars ($300.00); and 2) a monthly charge for each of the Parking Permits equal to one and one-half (1½)times the market rate for a standard monthly parking permit for the Parking Structure, to be received by Landlord prior to issuance of the Parking Permits and no later than the first day of each subsequent month. Tenant may pay for said Parking Permits for up to one (1) calendar year at a time. The Parking Permits shall entitle the Tenant to at all times, except as otherwise provided herein, park two (2) vehicles in the Parking Structure, in two spaces designated by Landlord's Parking Services Office in accordance with this Section. Said designated parking spaces shall be clearly marked as reserved and unavailable for general public parking, and shall, as of the effective date of this Amendment, be those certain parking spaces located on the first level, next to the north wall in the far northeast and far northwest corners of the section of spaces immediately east of the LaPorte entrance and exit lanes, as shown on Exhibit C attached hereto and incorporated herein by this reference (the "Designated Parking Spaces"). Landlord may, from time to time when necessary for Landlord's operation and management of the Parking Structure, in Landlord's reasonable discretion, change the location of the Designated Parking Spaces to other locations on the ground floor level of the Parking Structure at Landlord's sole cost and expense, with advance written notice to Tenant no less than sixty (60) days in advance of any such change. Tenant's use of the Designated Parking Spaces shall be contingent upon compliance with such procedures as may be required, in Landlord's discretion, to enable Landlord to enforce improper use of the parking spaces, such as, for example, the display of a rear-view mirror hang tag to be provided. The Parking Permits shall not permit or entitle Tenant to parking in the Parking Structure except in the Designated Parking Spaces. Landlord may, from time to time, temporarily prohibit use of the Parking Structure, or the Designated Parking Spaces, in order to allow Landlord to carry out such operational or maintenance activities as Landlord deems necessary or appropriate, such as, for example, restriping of spaces, pressure washing, snow removal, and repairs. Tenant shall not be entitled to take direct action to prevent or enforce against unauthorized use of the Designated Parking Spaces, and Landlord's enforcement of the restriction on use of the Designated Parking Spaces shall be conducted consistent with, and as part of, Landlord's routine enforcement of general restrictions on use of the Parking Structure. By agreeing to allow Tenant to purchase the Parking Permits and use the Designated Parking Spaces, Landlord does not confer to Tenant any property interest in the Parking Structure, or any representations or warranties as to the safety or security of the Parking Structure or fitness of the Parking Structure for any particular use or need of Tenant. Landlord shall be entitled to the benefit of all limitations, restrictions and procedural protections set forth in the Colorado Governmental Immunity Act in connection with Tenant's use or occupation of the Parking Structure. Landlord further notes, and Tenant acknowledges, that the Parking Structure is open to the public and may be unattended, and that Tenant's exercise of any rights under a Parking Permit purchased by Tenant shall be at Tenant's own risk.

5. **Notice of Amendment**. Landlord shall, upon fulfillment of the conditions precedent set forth in Paragraph 6, below, cause a notice of this Second Amendment to Ground Lease to be recorded in the real property records of the Clerk and Recorder of Larimer County, Colorado, and shall provide evidence of such recording to Tenant promptly upon completion.

6. **Reaffirmation**. Except as amended and modified by this Second Amendment, the Ground Lease shall be and remain in full force and effect.

7. **Miscellaneous**. This Amendment shall be governed by Colorado Law and shall be construed in accordance with the miscellaneous provisions set forth in Article XIII of the Ground Lease to the same extent and as if such terms and provisions were set forth in this Amendment.

8. **Conditions Precedent; Effective Date of Second Amendment**. This Second Amendment shall not be effective until Landlord has submitted the same for recordation pursuant to Paragraph 5, above, which submission shall be completed promptly after each of the following events have occurred:

a. The City Council of the City of Fort Collins (herein after "the Council") approving the Second Amendment by the Council's final adoption of a related ordinance, in its discretion, on or before January 16, 2007. If Council does not pass such an ordinance on second reading on or before January 16, 2007, then this Second Amendment shall be automatically terminated. If, however, Council does pass such an ordinance on or before January 16, 2007, but within ten (10) days of the passage of the ordinance a notice of protest against the ordinance has been filed with the City Clerk of the City of Fort Collins Pursuant to Section 2(b) of Article X of the Charter of the City of Fort Collins, then the time for fulfillment of this condition precedent shall be stayed until either the Council repeals the ordinance or the electors vote to repeal or approve the ordinance in accordance with Section 2(c) of Article X of the Charter of the City of Fort Collins. In the event the ordinance is repealed by Council or by the electors, then this Second Amendment shall be automatically terminated. If the Council does not repeal the ordinance and if the electors approve the ordinance, then this condition precedent shall as be effective as of the date of elector approval.

b. The parties shall properly execute and deliver to one another the general release forms as described in and attached to that certain letter from Carrie M. Daggett, Senior Assistant City Attorney to Timothy L. Goddard, legal counsel for Landlord and Tenant, respectively, dated November 10, 2005.

c. Tenant shall have paid to Landlord the amount of Two Thousand Eight Hundred Dollars ($2,800.00) in good funds.

IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to be executed as of the day and year first above written.

TENANT:

CIVIC CENTER, LLC

By: ______________________________
Name:
Title:

[SEAL]

LANDLORD:

THE CITY OF FORT COLLINS:

By: ______________________________
Name: Darin A. Atteberry
Title: City Manager

ATTEST:

____
City Clerk

CITY OF FORT COLLINS SEAL COLORADO

APPROVED AS TO FORM:

____
Assistant City Attorney

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The undersigned, a notary public in and for the above said County and State, does hereby acknowledge that on the day and year set forth below, personally appeared ____________, in his capacity as ________________ for Civic Center, LLC, a Colorado limited liability company, being duly sworn by and personally known to the undersigned to be the person who executed the foregoing instrument in the capacity set forth above, acknowledged to the undersigned that he voluntarily executed the same for the purposes therein stated.

WITNESS my hand and official seal, this ____ day of ________________, 2006.

[SEAL]

____
Notary Public for the State of Colorado

My Commission Expires: ________________

STATE OF COLORADO)
) ss.
COUNTY OF LARIMER)

The undersigned, a notary public in and for the above-said County and State, does hereby acknowledge that on the day and year set forth below, personally appeared Darin A. Atteberry, in his capacity as City Manager of the City of Fort Collins, Colorado, a Colorado municipality, being duly sworn by and personally known to the undersigned to be the person who executed the foregoing instrument in the capacity set forth above, acknowledged to the undersigned that he voluntarily executed the same for the purposes therein stated.

WITNESS my hand and official seal, this 27th day of October, 2006.

[SEAL]

SARA GONZALES
NOTARY PUBLIC
STATE OF COLORADO

Sara Gonzales
Notary Public for the State of Colorado

My Commission Expires: 7-16-09

24

EXHIBIT B

Demised Premises

THAT PORTION OF TRACT B, OF A FINAL PLAT OF A REPLAT OF LOTS 24 THROUGH 39, BLOCK 21, OF THE TOWN OF FT. COLLINS, LARIMER COUNTY, COLORADO DESCRIBED AS FOLLOWS:

CONSIDERING THE WEST LINE OF SAID TRACT B AS BEARING SOUTH 00°06'30" EAST AND WITH ALL BEARINGS CONTAINED HEREIN RELATIVE THERETO.

COMMENCING AT THE NORTHWEST CORNER OF TRACT C OF SAID FINAL PLAT OF A REPLAT OF LOTS 24 THROUGH 39, BLOCK 21, OF THE MAP OF THE TOWN OF FT. COLLINS, LARIMER COUNTY, COLORADO, THENCE SOUTH 15°32'49" EAST 19.48' TO THE TRUE POINT OF BEGINNING, THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 1.94 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.45 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 53.78 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 17.93 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 32.64 FEET; THENCE NORTH 89°45'22" EAST, A DISTANCE OF 1.33 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 39.07 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 14.71 FEET; THENCE NORTH 89°45'22" EAST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 39.07 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 17.93 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 32.64 FEET; THENCE NORTH 89°45'22" EAST, A DISTANCE OF 1.33 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 57.00 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 0.66 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 9.89 FEET; THENCE NORTH 89°45'22" EAST, A DISTANCE OF 50.80 FEET; THENCE NORTH 00°14'38" WEST, A DISTANCE OF 332.75 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 28.80 FEET; THENCE SOUTH 00°14'38" EAST, A DISTANCE OF 16.14 FEET; THENCE SOUTH 89°45'22" WEST, A DISTANCE OF 20.88 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 0.378 ACRES, MORE OR LESS.

AND INCLUDING IMPROVEMENTS THEREON COMPRISING THE FIRST FLOOR OF THE BUILDING EXTENDING FROM THE BOTTOM FLOOR SLAB TO THE CEILING SLAB OF SUCH FIRST FLOOR WHICH IS ESTIMATED TO BE APPROXIMATELY 14'7" TALL.

COUNTY OF LARIMER, STATE OF COLORADO.

RECEPTION#: 20150035695, 06/09/2015 at 03:13:36 PM,1 OF 2, R $16.00 TD Pgs: 0
Angela Myers, Clerk & Recorder, Larimer County, CO

No Doc Fee

REC'D JUN 24 2015

THIRD AMENDMENT TO GROUND LEASE

This Third Amendment to Ground Lease (the "Third Amendment") is entered into by and between the CITY OF FORT COLLINS, COLORADO, a Colorado home rule city ("**Landlord**"), whose address is 300 LaPorte Avenue, Fort Collins, Colorado 80522-0580, and CIVIC CENTER LLC, a Colorado limited liability company ("**Tenant**"), whose address is 144 North Mason Street, Suite 4, Fort Collins, Colorado 80524.

RECITALS

WHEREAS, Landlord and Phelps Program Management, LLC, a Delaware Limited Liability Company ("PPM") entered into that certain ground lease dated as of September 14, 1998, as amended by the First Amendment to Ground Lease by and between them and dated November 7, 2000 (together referred to as the "**Ground Lease**"), for the lease to PPM of a portion of that certain property owned by and located in the City of Fort Collins more specifically described in Exhibit "A" attached to the Ground Lease (the "**City Property**"), the leased portion of which is more specifically described on Exhibit "B" attached to the Ground Lease (the "**Demised Premises**"); and

WHEREAS, on December 1, 2003, PPM assigned to Tenant PPM's leasehold interest in the Demised Premises, and all PPM's rights and obligations set forth in the Ground Lease, pursuant to that certain Assignment of Interest in Ground Lease and General Warranty Deed to Improvements and Assumption by Grantee, by and between PPM and Tenant; and

WHEREAS, on November 20, 2006, Landlord and Tenant entered into a Second Amendment to Ground Lease; and

WHEREAS, the parties desire to further amend the Ground Lease to create a financial penalty for late payment of rent.

NOW, THEREFORE, in consideration of the Demised Premises and the covenants, agreements and consideration set forth in the Ground Lease and as provided herein, the parties hereto agree as follows:

1. **Ground Lease Terminology**. The capitalized terms used and not defined herein shall have the meaning set forth in the Ground Lease.

2. **Late Payment Fee**. Article III of the Ground Lease shall be amended by the addition of a new Section 3.04, not to be retroactively applied, to read as follows:

> **Section 3.04. Fee for Late Payment of Rent**. Should Tenant default in the timely payment of rent, then, beginning on the fifth business day following the date that Base Rent is due pursuant to Section 3.01, Tenant shall pay a late payment fee of $25 per day until the date that Landlord receives payment in full for all amounts due including late fees accrued to date. The calculation of

Return to:
City of Fort Collins
Real Estate Services
PO Box 580 [illegible] CO 80522

late fees shall not include the date payment is received by Landlord. Tenant shall be obligated to pay the late fee described herein regardless of whether or when Landlord has notified Tenant of the default in the payment of Base Rent as described in Section 12.01(a). Failure to include any accrued late fees in the payment of rent shall constitute a default in the payment of rent under Section 12.01(a), and Landlord reserves the right to refuse any tender of late payment of rent that does not include the correct amount of late fees.

3. **Tenant's Address for Giving Notices**. Tenant's address for giving notices in Section 13.02 shall be amended to read as follows:

Civic Center LLC
144 North Mason Street, Suite 4
Fort Collins, Colorado 80524

4. **Ratification.** Except as set forth herein, all of the remaining terms and provisions of the Ground Lease remain unchanged and are hereby ratified and reaffirmed.

IN WITNESS WHEREOF, the parties hereto have caused this Third Amendment to be executed as of the date last signed below

TENANT:

CIVIC CENTER, LLC

By: J.D. Padilla
J.D. Padilla, Manager

DATE: 6/1/15

LANDLORD:

THE CITY OF FORT COLLINS

By: ____________________
Darin A. Atteberry, City Manager

DATE: 6/4/15

CITY OF FORT COLLINS
SEAL
COLORADO

ATTEST:

Wanda Nelson
City Clerk

APPROVED AS TO FORM:

____
Senior Assistant City Attorney

Addendum E

LEGAL DESCRIPTION

LEGAL DESCRIPTION

Units 1 through 8, Civic Center Village Condominiums, City of Fort Collins, Larimer County, Colorado.

Addendum F

CLIENT CONTRACT INFORMATION

VERUS Bank of Commerce

May 22, 2018

Jon Vaughan
CBRE
P: 970-310-1339

Re: Appraisal: 144 N. Mason, Fort Collins, CO 80524

Contact: Owner: J.D. Padilla 970-407-7808

Dear Mr. Vaughan:

This letter requests your professional appraisal services and represents your authorization to prepare an independent as-is leased fee appraisal report for the property located as referenced above. You shall prepare the appraisal for Verus Bank of Commerce solely, as an independent contractor and not as an employee, partner, principal, or agent.

This appraisal is to be prepared in conformity with Title XI of the Federal Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) as amended June 7, 1994.

The five (5) minimum appraisal standards which must be met are:

1. Conform to generally accepted appraisal standards as evidenced by USPAP;
2. Be written and contain sufficient information and analysis to support the institution's decision to engage in the transaction;
3. Analyze and report appropriate deductions and discounts for proposed construction or renovation, partially leased buildings, non-market lease terms, and tract developments with unsold units;
4. Be based upon the definition of market value as set forth in the regulation; and
5. Be performed by a State licensed or certified appraiser.

The scope of this USPAP appraisal assignment is:

<u>Appraisal</u>		<u>Report</u>	
Complete Appraisal	(X)	Appraisal Report	(X)
Limited Appraisal	( )	Restricted Appraisal Report	( )

For your review, the following information is provided:

( ) ALTA Survey	( ) Cash Flow Projections
( ) Plans and Specs	( ) Budget
( ) Environmental Report	(X) Operating Statements
( ) Feasibility Study	(X) Copy of Rent Roll
( ) Legal Description	( ) Contract

All documents furnished to the appraiser from this bank are to be considered confidential information. Any interim information or preliminary value conclusions are to be provided to this bank exclusively.

Your appraisal report will be reviewed upon receipt by the bank. An outside professional appraisal review firm may be utilized. The assignment is not considered complete until these reviews reveal that the report is in compliance with the requirements of this bank's appraisal policies. Any information that we may request as part of this review process will be provided to us in a timely manner.

The fee for the appraisal services rendered shall be not more than [redacted]. Please provide two copies of the report. The completed appraisal reports shall be delivered on or before July 27, 2018.

You agree to contact the undersigned immediately if completion of this assignment is delayed for any reason or if you encounter unusual problems in obtaining access or necessary information.

Sincerely,

Matthew H. Vesgaard

Matt Vesgaard
Chief Credit Officer
Verus Bank of Commerce

Accepted by: ______________________ Date: 5/22/18
Jon Vaughan

Addendum G

QUALIFICATIONS

Jon Vaughan

Director, Fort Collins, CO

CBRE

T + 970 223 4378
M +970 310 1339
Jon.Vaughan@cbre.com

2850 McClelland Drive
Suite 3500
Fort Collins, CO 80525

Clients Represented

- City of Fort Collins
- City of Greeley
- City of Loveland
- City of Aurora
- Weld County
- Xcel Energy
- Western States Land Services
- Tri-State Generation and Transmission
- Atkins Global
- CDOT
- Guaranty Bank & Trust
- First National Bank
- Farmers and Merchants Bank

Experience

Jon brings 15 years of experience preparing real estate appraisals, feasibility studies and consulting. His expertise covers a broad spectrum of property types, including commercial and residential development land, mixed-use projects, as well as farm and ranch properties. His background in improved properties includes office, retail and industrial facilities, as well as special purpose facilities, such as automobile dealerships, breweries, churches and schools.

Prior to joining CBRE, Mr. Vaughan worked as an appraiser with Foster Valuation in Greeley, where he honed his focus on eminent domain. He has worked on property valuations related to some of Colorado's most-notable infrastructure projects including the I-25 widening and the addition of express lanes from north Denver to Northern Colorado.

Professional Affiliations / Accreditations

- Appraisal Institute: Designated Member (MAI)
  - 2017 Colorado Chapter President
  - 2015-2016 Colorado Chapter Officer
  - 2013-2014 Colorado Chapter Board of Directors
- International Right of Way Association: Senior Right of Way Professional (SR/WA)
  - 2014-Present IR/WA Instructor – Appraisal Courses
  - 2015-2018 Colorado Chapter Education Chair
- Certified General Real Estate Appraiser: State of Colorado, #CG100000631
- Accepted Expert Witness, District Courts in Larimer and Weld Counties

Education

- Colorado State University, Bachelor of Science; Business Administration
- Appraisal Institute
  - General Courses Covering Highest and Best Use, Market Analysis, Quantitative Analysis, Income Capitalization, Sales Comparison, and Cost Approach, Business Practices and Ethics
  - Valuation of Conservation Easements
  - Uniform Appraisal Standards for Federal Land Acquisitions
- International Right of Way Association
  - General: Principles, Uniform Relocation Act, Ethics and the Right of Way Profession
  - Negotiations: Principles, Bargaining Negotiations, and Conflict Management
  - Appraisal: Principles, Easement Valuation, Appraisal Review, and Valuation of Environmentally Contaminated Real Estate
  - Environmental: Understanding Environmental Contamination in Real Estate
  - Property Management: Leasing
  - Real Estate Law: Principles, Legal Aspects of Easements, Eminent Domain Law Basics
  - Engineering: Engineering Plan Development, Property Descriptions
- American Society of Farm Managers and Rural Appraisers
  - Appraising Conservation Easements and Case Studies
- Colorado Division of Real Estate: Conservation Easement Appraiser Update Course

CBRE VALUATION & ADVISORY SERVICES

JON VAUGHAN
Valuation & Advisory Services
+1 9702234378
Jon.Vaughan@cbre.com

September 1, 2021

Tentative Purchase & Charitable Donation of Civic Center Condominiums

NINA BODENHAMER

Director, City Give

KEN MANNON

Director, Operation Services

City of Fort Collins

Civic Center Condominiums

Civic Center Condominiums, 144 North Mason, Fort Collins, CO

- Eight (8) individual commercial units attached to the Civic Center Parking Garage
- A total of 15,629-square feet
- Constructed in 2001, and renovated in 2014

Owned by Civic Center, LLC

- Estimated market value of $3,300,000 per a July 2018 Appraisal
- A current Appraisal the Seller's responsibility and expense per IRS regulation

Tentative Purchase Details

Civic Center Condominiums

- Negotiated cash price of $975,000
- Substantially below the property's appraised market value of $3,300,000

The $2,325,000 Difference

- Between the estimated market value and the $975,000 purchase price will be awarded as a charitable donation to the City.

General Government Capital Expansion Fund

Capital expansion fees are paid by new development to "buy-in" to infrastructure and services provided by the City:

- Fire, Police, General Government Facilities, Neighborhood Parks and Community Parks

General Government, Capital Expansion Fund

- Fund Balance: Approximately $12MM
- Authorized expenditures include the cost of purchasing or leasing real property; construction, acquisition or expansion of capital improvements or assets.

Next Steps & Discussion

CITY Give | City of Fort Collins

A Purchase & Sale Agreement Has Not Been Finalized

- Per IRS, an Appraisal is to be performed within 60 days of the signed Purchase & Sale Agreement
- Places tentative closing date no later than 10/15/2021

Q. Does Council Finance Committee support the Appropriation of $975,000 from the General Government Capital Expansion Fund for the tentative purchase of the Civic Center Condominiums?

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: Lawrence Pollack, Budget Director
Travis Storin, Chief Financial Officer

Date: September 1, 2021

SUBJECT FOR DISCUSSION

First Reading of Ordinance No. , 2021, Appropriating Unanticipated Revenue in Various City Funds.

First Reading of Ordinance No. , 2021, Appropriating Prior Year Reserves in Various City Funds.

EXECUTIVE SUMMARY

The purpose of these Annual Adjustment Ordinances is to combine dedicated and unanticipated revenues or reserves that need to be appropriated before the end of the year to cover the related expenses that were not anticipated and therefore, not included in the 2021 annual budget appropriation. The unanticipated revenue is primarily from fees, charges, rents, contributions, donations, and grants that have been paid to City departments to offset specific expenses.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

- What questions or feedback does the Council Finance Committee have on the 2021 Annual Adjustment Ordinance?
- Does the Council Finance Committee support moving forward with bringing the 2021 Annual Adjustment Ordinance to the full City Council?

BACKGROUND/DISCUSSION

These Ordinances appropriate unanticipated revenue and prior year reserves in various City funds and authorizes the transfer of appropriated amounts between funds and/or projects. The City Charter permits the City Council to appropriate unanticipated revenue received as a result of rate or fee increases or new revenue sources, such as grants and reimbursements. The City Charter also permits the City Council to provide, by ordinance, for payment of any expense from prior year reserves. Additionally, it authorizes the City Council to transfer any unexpended appropriated amounts from one fund to another upon recommendation of the City Manager, provided that the purpose for which the transferred funds are to be expended remains unchanged; the purpose for which they were initially appropriated no longer exists; or the proposed transfer is from a fund or capital project account in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

If these appropriations are not approved, the City will have to reduce expenditures even though revenue and reimbursements have been received to cover those expenditures.

The table below is a summary of the expenses in each fund that make up the increase in requested appropriations. Also included are transfers between funds and/or projects which do not increase net appropriations, but per the City Charter, require City Council approval to make the transfer. A table with the specific use of prior year reserves appears at the end of the AIS.

Funding	Unanticipated Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	$484,673	$1,040,259	$0	$1,524,932
Capital Projects Fund	0	0	100,000	100,000
Transportation Services Fund	0	0	70,000	70,000
Self Insurance Fund	0	673,857	0	673,857
Golf Fund	350	0	0	350
Recreation Fund	2,000	0	0	2,000
GRAND TOTAL	**$487,023**	**$1,714,116**	**$170,000**	**$2,371,139**

A. GENERAL FUND

1. Emergency Management Performance Grant (EMPG) administrative transfer (to Non-lapsing)
Transfers the existing appropriations within the General Fund of $130,000 to the Emergency Management Performance Grant (EMPG) business unit per City policy regarding accounting for grants.

FROM:	Previously appropriated expenses (lapsing business unit)	$130,000
FOR:	Transfer to Non-lapsing Grant business unit in the same Fund	$130,000

2. City Give, responsible for managing philanthropic activity benefitting City programs and services, has received philanthropic revenue from various sources for City programs and services within the General Fund. A listing of these items follows:

a. $20,000 – The Gardens on Spring Creek - Urban Agriculture Grant: The Friends of the Gardens on Spring Creek has received an Urban Agriculture grant award of $20,000 from the American Public Gardens Association and the United States Botanic Garden. These funds are in support of the Community Garden Outreach Program developed and managed by The Gardens on Spring Creek, specifically for staffing and tools/supplies for the program.

b. $177 – Police Services - Police Explorers Program Support: The City Give program has received a donation in support of the Police Services Community & Special Services Department's Police Explorers program. Appropriating these funds will allow them to be spent to support the program, per the donor's request.

c. $3,253 – Neighborhood Services - Restorative Justice Services Program Support: The City Give program has received a donation in support of the Neighborhood Services Department's Restorative Justice Services program. Appropriating these funds will allow them to be spent on general program support, per the donor's request.

d. $2,000 – Parks, Forestry Division - Living Tree Memorial Program: The City Give program has received multiple donations in support of the Parks Department / Forestry Division's 'Living Tribute' tree planting program. Appropriating these funds will allow them to be spent on new tree plantings, per the donors' requests.

e. $2,700 – The Gardens on Spring Creek - Garden Bed Program Support: The City Give program has received multiple donations in support of the Gardens on Spring Creek 'Garden Bed' program. Appropriating these funds will allow them to be spent on that program, per the donors' request.

TOTAL APPROPRIATION

FROM:	Unanticipated Philanthropic Revenue (Urban Ag Grant)	$20,000
FROM:	Unanticipated Philanthropic Revenue (Various Donations)	$8,130
		$28,130
FOR:	Community Garden Outreach Program	$20,000
FOR:	Police Explorers Program	$177

FOR:	Restorative Justice Services Program	$3,253
FOR:	Living Tree Memorial Program	$2,000
FOR:	Garden Bed Program Support	$2,700
		$28,130

3. Land Bank Operational Expenses
This request is intended to cover expenses related to the land bank property maintenance needs for 2021. Since expenses vary from year to year, funding is requested annually mid-year to cover these costs. Expenses in 2021 include general maintenance of properties, raw water and sewer expenses, electricity, repairs, and other as applicable.

FROM:	Prior Year Reserves (Land Bank reserve)	$11,500
FOR:	Land Bank Expenses	$11,500

4. Poudre Fire Authority Contribution to Emergency Operations Center Remodel
This item requests appropriation of Poudre Fire Authority's $100,000 contribution towards the Emergency Operations Center (EOC) remodel. This is a requested use of reserves since the funds were deposited into City accounts late in 2020. The EOC is located in the municipal building at 215 North Mason St.

FROM:	Prior Year Reserves	$100,000
FOR:	EOC remodel	$100,000

5. Fort Collins Police Services (FCPS) has received revenue from various sources. A listing of these items follows:

a. $65,366 – 2021-22 BATTLE (Beat Auto Theft Through Law Enforcement) Grant: The BATTLE Grant is a state funded grant for overtime for officers to reduce auto theft and bring those who steal automobiles to justice. This grant pays for overtime on a reimbursable basis along with the purchase of two ALPR (Automatic License Plate Recognition) cameras systems.

b. $600,000 – Collective Bargaining Unit (CBU) - 2021 Salary & Benefit Increases: 2021 is the 3rd year of the City's current agreement with the Police Services Collective Bargaining Unit and the Fraternal Order of Police. Due to the timing of the negotiated calculation for these increases each year, the amount of the increase was not known when the 2021 Annual Budget was adopted. These prior year reserves in the General Fund will help fund these increases in 2021.

c. $8,370 – 2020-21 Click It or Ticket Grant: In October of 2020, Fort Collins Police Services was awarded a 'Click It of Ticket' grant from the Colorado Department of Transportation and the National Highway Traffic Safety Administration to pay for officers to work overtime to conduct enforcement activities.

d. $32,092 - Edward Byrne Memorial Justice Assistant Grant (JAG): The Edward Byrne Memorial Justice Assistance Grant (JAG) has been awarded to the City of Fort Collins to be used to fund overtime costs for officers who work at the Northern Colorado Drug Task Force. These funds are not shared with our partners and are exclusive to the City of Fort Collins, as City of Loveland and Larimer County have received their own respective grant awards.

e. $7,035 - 2020 Law Enforcement Assistance Fund (LEAF) Grant: In 2020, Fort Collins Police Services was awarded a grant from the Law Enforcement Assistance Fund (LEAF) to pay for overtime for DUI enforcement and the purchase of a Police Laser (LIDAR) Speed Gun.

f. $7,650 - 2021 Law Enforcement Assistance Fund (LEAF) Grant: In 2021, Fort Collins Police Services was awarded a grant from the Law Enforcement Assistance Fund (LEAF) to pay for overtime for DUI enforcement.

g. $58,658 – Peace Officer Mental Health (POMH) Support Program Grant: Colorado's Department of Local Affairs (DOLA) has awarded Fort Collins Police Services a Peace Officer Mental Health

Support Program grant. The grant will be spent in line with the program purpose, to hire a contractual Mental Health Specialist who will assist with mental health programming to staff and serving in an advisory capacity to our mental health co-response team.

h. $66,543 – Police Records Request Fees and Other Miscellaneous Police Revenue: Fort Collins Police Services receives fee revenue from requests for Police reports and records. This request also includes other miscellaneous Police revenues.

i. $198,971 – Reimbursements for Police Overtime Worked at Events: Police Services help schedule security and traffic control for large events. Since these events are staffed by officers outside of their normal duties', officers are paid overtime. The organizations who requested officer presence and then billed for the costs of the officers' overtime. FCPS partners with Larimer County to staff events at The Ranch. Police receives reimbursement from Larimer County for officers' hours worked at Ranch events.

j. $8,556 – Contribution to Northern Colorado Drug Taskforce: As a part of the City of Fort Collins contribution to the Northern Colorado Drug Taskforce, any Drug Offender Surcharge or Court Ordered Restitution that is remitted from Larimer County Court to Fort Collins Police, is then passed along to the NCDTF. Any additional restitution that is collected by FCPS is additionally passed along to the NCDTF.

k. $4,664 - 2020-2021 State of Colorado Peace Officer Standards and Training (COPOST) Grant: COPOST provides funding to agencies for various Police trainings on a reimbursement basis. This is reimbursement for classes taken by officers within Fort Collins Police Services.

TOTAL APPROPRIATION		
FROM:	Unanticipated Revenue (2021-22 BATTLE Grant)	$65,366
FROM:	Prior Year Reserves (2021 CBU Assignment)	$600,000
FROM:	Unanticipated Revenue (2020-21 Click It or Ticket Grant)	$8,370
FROM:	Unanticipated Revenue ('JAG' Grant)	$32,092
FROM:	Prior Year Reserves (2020 LEAF Grant)	$837
FROM:	Unanticipated Revenue (2020 LEAF Grant)	$6,198
FROM:	Unanticipated Revenue (2021 LEAF Grant)	$7,650
FROM:	Unanticipated Revenue (POMH Grant)	$58,658
FROM:	Unanticipated Revenue (Records Fees & Miscellaneous Revenues)	$66,543
FROM:	Unanticipated Revenue (Overtime Reimbursement)	$198,971
FROM:	Unanticipated Revenue (LarCo Restitution & DOS Remittances)	$8,556
FROM:	Prior Year Reserves (2020-21 COPOST Grant)	$2,085
FROM:	Unanticipated Revenue (2020-21 COPOST Grant)	$2,579
		$1,057,905
FOR:	Overtime pay and two (2) ALPRs	$65,366
FOR:	2021 Collective Bargaining Unit salary & benefit increases	$600,000
FOR:	Overtime for additional seat belt enforcement	$8,370
FOR:	Overtime for Drug Task Force officers	$32,092
FOR:	Overtime for DUI enforcement and a LIDAR Speed Gun	$14,685
FOR:	Contractual Mental Health Specialist	$58,658
FOR:	Police Administration	$66,543
FOR:	Police Services Overtime Costs	$198,971
FOR:	Contribution to Northern Colorado Drug Task Force	$8,556
FOR:	Officer Training Classes	$4,664
		$1,057,905

6. Radon Kits

Environmental Services sells radon test kits at cost as part of its program to reduce lung-cancer risk from in-home radon exposure. This appropriation would recover kit-sales for the purpose of restocking radon test kits.

FROM:	Unanticipated Revenue (radon kit sales)	$1,560
FOR:	Radon test kit purchase	$1,560

7. Manufacturing Equipment Use Tax Rebate
Finance requests the appropriation of $154,528 to cover the amount due for the 2020 Manufacturing Equipment Use Tax Rebate program as established in Chapter 25, Article II, Division 5, of the Municipal Code. The rebate program was established to encourage investment in new manufacturing equipment by local firms. Vendors have until December 31st of the following year to file for the rebate. This item appropriates the use tax funds to cover the payment of the rebates.

FROM:	Prior Year Reserves (Manufacturing Use Tax Rebate Assignment)	$154,528
FOR:	Manufacturing Use Tax Rebates	$154,528

8. Transfer to Transportation Services Fund for Sweeping Landfill Fees (refer to item D1)
Historically, the City did not pay tipping fees to Larimer County. Instead, a fee was paid through the Innovation Fund at the rate of $5.27 per square yard for rubble and was not increased over time to match the fee increases changed at the landfill. By 2021, the tipping fee at the landfill for rubble had increased to $20.35 per square yard. Streets is now paying the increased tipping fee and does not have the budget to offset the cost. The sweeping budget was already reduced by $128K due to a reduction offer and is unable to absorb the higher fee.

FROM:	Prior Year Reserves	$70,000
FOR:	Transfer to Transportation Services Fund	$70,000

9. Transfer to Transportation Services Fund for Interest Rate Savings on 2019 COP
As part of the 2019-20 BFO cycle, the City budgeted for the principal & interest debt service payments to be made related to the Certificate of Participation (COP) issuance for the Interstate 25 & Prospect Road interchange and the Police Training Center. Once the COP issuance was eventually completed, the interest rates had moved in a favorable direction compared to the City's projections, resulting in savings compared to the budgeted debt service payments. These savings were accounted for in the 2020 Revision process, but the budget savings were recorded entirely within the General Fund. Since the City's Transportation Services Fund was also funding a portion of these debt service payments, that Fund should also have received a portion of the interest rate savings. This transfer will pass those savings to the Transportation Services Fund.

FROM: Prior Year Reserves	$101,309
FOR: Transfer to Transportation Services Fund	$101,309

B. COMMUNITY CAPITAL IMPROVEMENT PROJECTS FUND

1. Southeast Community Innovation Center & Pool administrative transfer (refer to item C1)
Administrative transfer of amount appropriated in the 2021 Ordinance #75. The amount should have been transferred from the Community Capital Improvement Program Fund to the Capital Projects Fund for this project. This step was inadvertently omitted in the Ordinance language, the purpose of the amount remains the same.

FROM:	Existing Appropriations	$100,000
FOR:	Transfer to Capital Projects Fund	$100,000

C. CAPITAL PROJECTS FUND

1. Southeast Community Innovation Center & Pool administrative transfer (refer to item B1)
Administrative transfer of amount appropriated in the 2021 Ordinance #75. The amount should have been transferred from the Community Capital Improvement Program Fund to the Capital Projects Fund

for this project. This step was inadvertently omitted in the Ordinance language, the purpose of the amount remains the same.

FROM:	Transfer from Community Capital Improvement Projects Fund	$100,000
FOR:	Southeast Community Innovation Center & Pool project	$100,000

D. TRANSPORTATION SERVICES FUND

1. Sweeping Landfill Fees (refer to item A9)
Historically, the City did not pay tipping fees to Larimer County. Instead, a fee was paid through the Innovation Fund at the rate of $5.27 per square yard for rubble and was not increased over time to match the fee increases changed at the landfill. By 2021, the tipping fee at the landfill for rubble had increased to $20.35 per square yard. Streets is now paying the increased tipping fee and does not have the budget to offset the cost. The sweeping budget was already reduced by $128K due to a reduction offer and is unable to absorb the higher fee.

FROM:	Transfer from General Fund Prior Year Reserves	$70,000
FOR:	Sweeping Landfill Fees	$70,000

E. SELF-INSURANCE FUND

1. Self Insurance Fund Insurance Premiums
Subsequent to the development of 2021 budget assumptions in spring 2020, the City's insurance premiums were dramatically increased for the 2020 and 2021 premium years. The drivers were conveyed to the Council Finance Committee in December 2020 as part of a 2020 supplemental appropriation, and the same conditions exist within the 2021 budget. Starting in 2022 the increase is fully realized within the 2022 Recommended Budget.

FROM:	Prior Year Reserves	$673,857
FOR:	2021 Insurance Premiums Increase	$673,857

F. GOLF FUND

1. City Give: Parks, Golf Division - Youth Golf Scholarship Fund
The City Give program, responsible for managing philanthropic activity benefitting City programs and services, has received a donation in support of the Parks Department / Golf Division's 'Youth Golf Scholarship Fund'. Appropriating these funds will allow them to be spent per the Scholarship Fund's objectives, and per the donor's request.

FROM: Unanticipated Philanthropic Revenue (Donations)	$350
FOR: Youth Golf Scholarship Fund	$350

G. RECREATION FUND

1. City Give: Recreation - Adaptive Recreation Opportunities Program Support and Equipment
The City Give program, responsible for managing philanthropic activity benefitting City programs and services, has received a donation in support of the Recreation Department's Adaptive Recreation Opportunities program. Appropriating these funds will allow them to be spent on program support and new equipment, per the donor's request.

FROM: Unanticipated Philanthropic Revenue (Donations)	$2,000
FOR: Adaptive Recreations Opportunities Program Support and Equipment	$2,000

FINANCIAL / ECONOMIC IMPACTS

This Ordinance increases total City 2021 appropriations by $2,371,139. Of that amount, this Ordinance increases General Fund 2021 appropriations by $1,524,932, including use of $1,040,259 in prior year reserves. Funding for the total increase to City appropriations is $487,023 from unanticipated revenue, $1,714,116 from prior year reserves, and $170,000 from transfers between Funds.

The following is a summary of the items requesting prior year reserves:

Item #	Fund	Use	Amount
A3	General	Land Bank Operational Expenses	11,500
A5	General	PFA Contribution to Emergency Operation Center Remodel	100,000
A6b	General	Collective Bargaining Unit - 2021 Salary & Benefit Increases	600,000
A6f	General	2020 Law Enforcement Assistance Fund (LEAF) Grant	837
A6l	General	2020-21 State of Colorado Peace Officer Standards and Training (COPOST) Grant	2,085
A8	General	Manufacturing Equipment Use Tax Rebate	154,528
A9	General	Transfer to Transportation Fund for Sweeping Landfill Fees (refer to item D1)	70,000
A10	General	Transfer to Transportation Services Fund for Interest Rate Savings on 2019 COP	101,309
E1	Self Insurance	Total Self Insurance Fund	673,857
		Total Use of Prior Year Reserves:	**1,714,116**

ATTACHMENTS

Attachment #1 – Presentation to City Council Finance Committee

Attachment #1

City of Fort Collins

2021 Annual Adjustment Ordinance

Council Finance Committee – September 1, 2021

The recommended 2021 Annual Adjustment Ordinance is intended to address:

- 2021 unanticipated revenues (e.g., grants & donations)
- Appropriation of unassigned reserves to fund unanticipated expenditures associated with approved 2021 appropriations
- Should be routine and non-controversial
- Items approved by the ordinance need to be spent within fiscal / calendar year 2021, unless non-lapsing in nature

City-wide Ordinance No. , 2021 increases total City 2021 appropriations by $2,371k

- This Ordinance increases General Fund 2021 appropriations by $1,525k, including the use of $1,040k in prior year reserves. Those reserves are primarily for:
  - $600k for Police Collective Bargaining Unit Salary & Benefit Increases
  - $155k for Manufacturing Equipment Use Tax Rebate
  - $100k for Emergency Operations Center Remodel
  - $101k for Transfer to Transportations Services Fund for Interest Rate Savings
- Funding for the total City appropriation of $2,371k is:
  - $487k from Unanticipated Revenue
  - $1,714k from Prior Year Reserves
  - $170k from Transfers Between Funds

Summary of 2021 Adjustments by Fund

Funding (all values in $k)	Unanticipated Revenue	Prior Year Reserves	Transfers	TOTAL
General Fund	$485	$1,040	$0	$1,525
Capital Projects Fund	0	0	100	100
Transportation Services Fund	0	0	70	70
Self Insurance Fund	0	674	0	674
Golf Fund	0	0	0	0
Recreation Fund	2	0	0	2
GRAND TOTAL	**$487**	**$1,714**	**$170**	**$2,371**

Item (in $k)	General Fund	Self Insurance Fund	Other	TOTAL
Collective Bargaining Unit - 2021 Salary & Benefit Increases	$600.0			$600.0
Reimbursements for Police Overtime Worked at Events	$199.0			$199.0
Manufacturing Equipment Use Tax Rebate	$154.5			$154.5
Self Insurance Fund Insurance Premiums		$673.9		$673.9
Sub-Total	**$953.5**	**$673.9**	**$0.0**	**$1,627.4**
All Other Recommended Items	571.4	-	172.4	743.8
TOTAL	**$1,524.9**	**$673.9**	**$172.4**	**$2,371.1**

Guidance Requested:

- What questions or feedback does the Council Finance Committee have on the 2021 Annual Adjustment Ordinance?
- Does the Council Finance Committee support moving forward with bringing the 2021 Annual Adjustment Ordinance to the full City Council?

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

Staff: Kurt Friesen, Park Planning & Development Director
Mike Calhoon, Director of Parks
Victoria Shaw, Community Services FP&A Manager
Matt Schaefer, Senior Facilities Project Manager

Date: 09/01/2021

SUBJECT FOR DISCUSSION East District Maintenance Facility

EXECUTIVE SUMMARY

An additional appropriation of $1.2M is needed for the East District Maintenance Facility, proposed near the intersection of Drake & Ziegler. The maintenance facility will house equipment and staff for the east park district, which includes multiple parks on the east side of the city. The additional appropriation is needed to fund necessary elements of the project, as well as to account for material cost escalations which are largely the result of COVID. Additional appropriations will come from dedicated park impact fees.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does Council Finance Committee support an additional appropriation request to Council for the East Park District Maintenance Facility project?

BACKGROUND/DISCUSSION

Facility Location & Need

A new East District Maintenance Facility (EDMF) is proposed near the intersection of Drake & Ziegler. The facility will house Parks maintenance staff and equipment to serve a total of 8 parks located within the east park district. Parks within the district include Twin Silo, Stew Case, English Ranch, Harmony, Radiant, and the Archery Range. In addition, new parks including Bucking Horse Park, scheduled for completion in 2022 and East Community Park, will also be served by this facility.

Currently, maintenance staff and equipment for these parks is being housed in temporary facilities adjacent to the Fossil Creek Park maintenance facility, located in Fossil Creek Park. City staff are moving equipment and staff daily from this shop location to the east side of the city to provide maintenance in the east district. There is an immediate need for the new maintenance facility to relieve pressure on the facilities in Fossil Creek Park that was designed to accommodate only two crews. The Forestry Division has seen significant growth with an average of 1,500 trees per year being added to the existing 57,000 public tree inventory. One of the Forestry teams will also work out of the EDMF to enhance the level of service and operational efficiencies gained by a precinct model.

In 2019, the City purchased the triangular shaped 3.1 acre parcel for the maintenance facility, located south of the Drake Water Reclamation Facility. This site was selected for the maintenance facility as it is conveniently located near the proposed East Community Park site and provides direct access to the other neighborhood parks and trails in the area, including Bucking Horse Park, a new neighborhood park planned for construction in 2022.

Community Outreach

Two neighborhood meetings have been conducted to date for the project. The first was held November 20, 2019, and the second on May 27, 2021. At both meetings, community members were provided opportunity to provide feedback on both the maintenance facility and a new neighborhood park proposed in the Bucking Horse neighborhood. Support for both projects was positive. The maintenance facility project was also reviewed and approved by the Planning & Zoning Board on April 20, 2021.

Appropriation History

A total of $5.8M has been appropriated for the project to date. This includes $0.75M from the Neighborhood Parkland Fund, and $5.05M from the Community Parkland Fund. As outlined in Ordinance 58, approved in 2000, maintenance facilities are essential to the health and longevity of parks and must be included as part of the overall park building plan, with 20% of the cost being associated with neighborhood parks and 80% with community parks.

Budget Shortfall

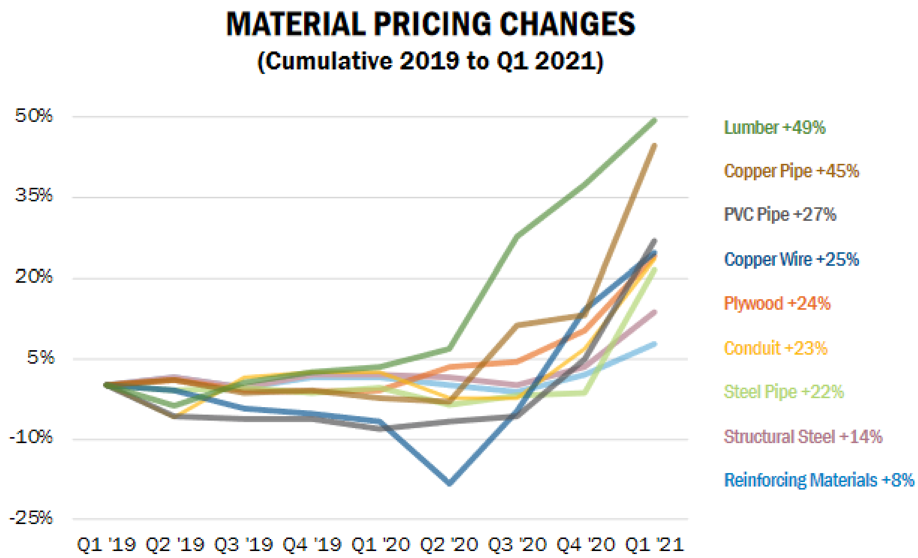
Design of the facility has been underway for approximately one year. 100% construction documents and multiple cost estimates for the project have been prepared. An initial Guaranteed Maximum Price (GMP) was prepared in May 2021, which aligned with the available budget, but identified many necessary project elements as unfunded alternates. Additionally, significant cost escalations have taken place because of COVID. To deliver a complete project, an additional appropriation of $1.2M is needed, as outlined:

East District Maintenance Facility Project Cost Summary

Maintenance Facility Costs ($M)	Original Budget	Current Projection	$ Increase
Construction	$ 4.00	$ 4.77	$ 0.77
Fees/Utilities/Furnishings	$ 1.80	$ 1.80	$ 0.00
Land *(previously billed to East Community Park Project)*	$ -	$ 0.43	$ 0.43
TOTAL	**$ 5.80**	**$ 7.00**	**$ 1.20**

Of the $1.2M total appropriation request, approximately $800,000 is for construction, and the remaining amount is for reimbursement of the East Community Park account, from which funding was drawn to cover the cost of the land purchase ($431,000), as the maintenance facility was originally planned to be on the park site. This appropriation will backfill the park account accordingly.

The total project cost represents a 20% increase over the 2020 estimate. This is in line with material pricing changes which have occurred since 2020. Raw material shortages and manufacturing issues contributed to sharp increases in building materials over the past year. The chart below illustrates the commodity level pricing changes for non-residential projects in the Denver Metro Area from 2019 through Q1 of 2021. *Source: M.A. Mortenson*



This summary suggests an overall average material cost escalation of approximately 26%. Cost escalations of this magnitude are common in the market today and align with both Northern Colorado and Denver construction cost indices, where a 5% increase was observed in the first quarter of 2021. Primary drivers for these cost escalations include material shortages, skilled labor shortages, and an increase in transportation related expenses.

Financial Impacts

Staff proposes the additional funding be split between neighborhood and community park sources. $640,000 is proposed to be added from the Neighborhood Parkland Fund and $520,000 added from the Community Parkland/Capital Expansion fund. These funds are comprised of dedicated impact fees that can only be used for new park development, including new park maintenance facilities.

Typically, each fund is forecasted to generate approximately $1.5M annually. Actual revenues vary and are driven by the pace and quantity of residential development occurring throughout the city. Based on normally forecasted revenue levels, the proposed additional appropriations could delay the development of both the next new neighborhood and community park by approximately 6 months.

Maintenance Facility Funding ($M)	Original	Proposed	$ Increase
Neighborhood Parkland	$ 0.75	$ 1.39	$ 0.64
Community Parks Capital Impact	$ 5.05	$ 5.57	$ 0.52
Total	**$ 5.80**	**$ 6.96**	**$ 1.16**

Next Steps
City staff recommends bringing forward an appropriation request of an additional $1.2M for the East District Maintenance Facility for City Council approval. Construction of the maintenance facility is anticipated to begin fall 2021 with the facility open in summer/fall 2022.

ATTACHMENTS (numbered Attachment 1, 2, 3,…)
Attachment 1 – EDMF Project Presentation

09-01-2021

East District Maintenance Facility

Presented by:

Kurt Friesen

Director, Park Planning & Development

City of Fort Collins

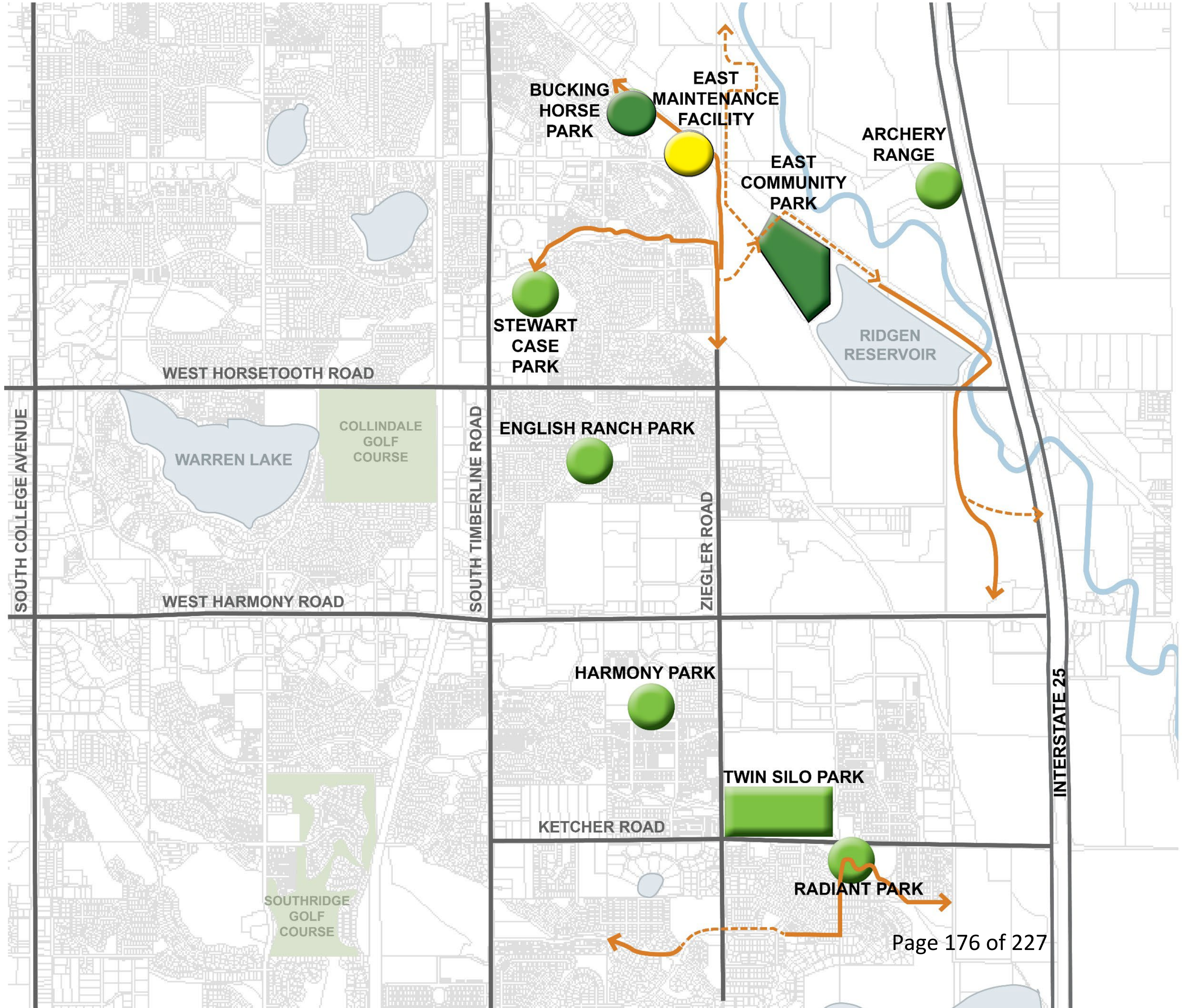
Does Council Finance Committee support an additional appropriation request to Council for the East District Maintenance Facility Project?

- Typically located on or near a Community Park
- Provides localized equipment to perform daily maintenance tasks
- Provides office space for district park crews
- Strategically located for efficiencies
- Dispersed facility locations help to improve customer service

Spring Canyon Community Park Maintenance Facility

Precinct Maintenance Facility System Benefits

- Resilient model for the continuity of operations
- Provides for the efficient delivery of high-quality services with lower GHG emissions
- Increased safety with less equipment transportation. Average drive time across Fort Collins is 20 minutes
- Opportunities for permanent/temporary co-location of operations between departments
- Equitable service throughout the community



EXISTING NEIGHBORHOOD PARK

EXISTING COMMUNITY PARK

FUTURE NEIGHBORHOOD PARK

FUTURE COMMUNITY PARK

FUTURE EAST MAINTENANCE FACILITY

FUTURE TRAIL

EXISTING TRAIL


DRAKE WATER RECLAMATION FACILITY
CSU ENVIRONMENTAL LEARNING CENTER
P
FUTURE TRAIL
SHARP POINT DRIVE
MILES HOUSE AVENUE
BUCKING HORSE PARK
BUCKING HORSE NEIGHBORHOOD
EARLY LEARN
DETENTION
AGGREGATE INDUSTRIES
East District Maintenance Facility Location
EAST DRAKE ROAD
ENVIRONMENTAL DRIVE
LIBERTY COMMON HIGH SCHOOL
ZIEGLER ROAD
RIGDEN FARM NEIGHBORHOOD
GREAT WESTERN RAILWAY
SOUTH TIMBERLINE ROAD
RENDEZVOUS TRAIL
POTENTIAL FUTURE TRAIL
FUTURE EAST COMMUNITY PARK
POTENTIAL FUTURE DEVELOPMENT
STEWART CASE PARK
DAKOTA RIDGE NEIGHBORHOOD
RIGDEN RESERVOIR

Temporary Facilities at Fossil Creek Park

Maintenance Facility Renderings

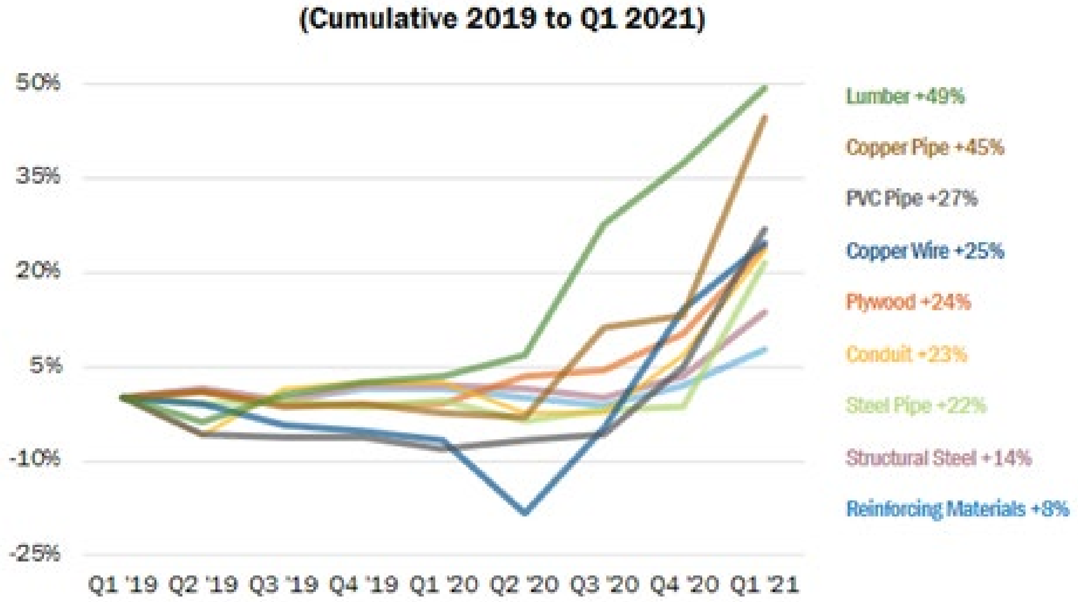
2 Community Meetings:

Meeting 1 - November 20, 2019

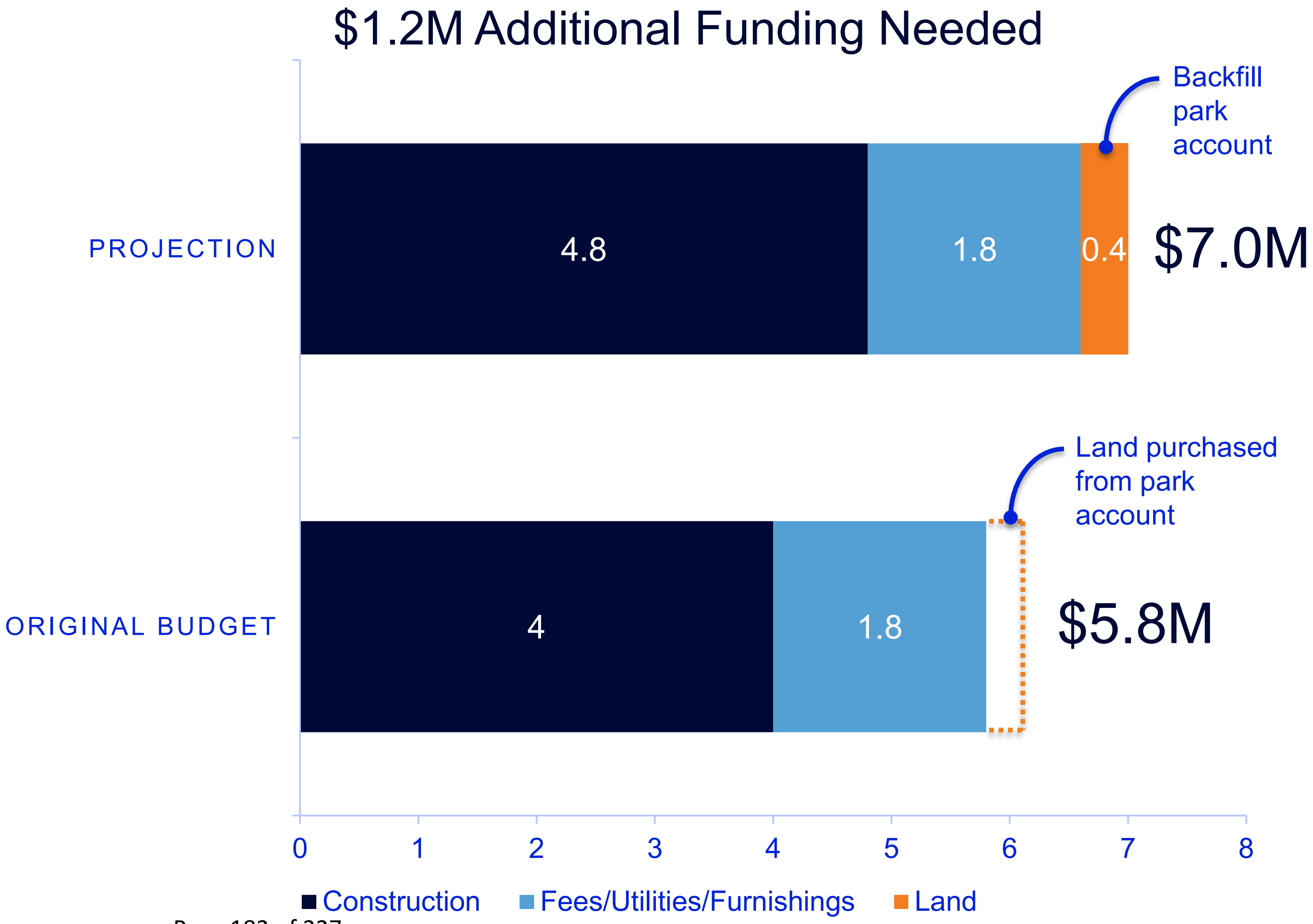
Meeting 2 - May 27, 2021

Planning & Zoning Approval:

April 20, 2021


(Cumulative 2019 to Q1 2021)
50%
35%
20%
5%
-10%
-25%
Q1 '19 Q2 '19 Q3 '19 Q4 '19 Q1 '20 Q2 '20 Q3 '20 Q4 '20 Q1 '21
Lumber +49%
Copper Pipe +45%
PVC Pipe +27%
Copper Wire +25%
Plywood +24%
Conduit +23%
Steel Pipe +22%
Structural Steel +14%
Reinforcing Materials +8%

Additional Appropriation Request



Maintenance Facility Funding ($M)	Original	Proposed	$ Increase
Neighborhood Parkland	$ 0.75	$ 1.40	$ 0.65
Community Parks Capital Impact	$ 5.05	$ 1.60	$ 0.55
Total	**$ 5.80**	**$ 7.00**	**$ 1.20**

Construction begins: **Fall 2021**

Estimated completion: **Summer/Fall 2022**

Question for Council Finance Committee

Does Council Finance Committee support an additional appropriation request to Council for the East District Maintenance Facility Project?

Utilities
electric · stormwater · wastewater · water
PO Box 580
Fort Collins, CO 80522
970.212.2900
V/TDD: 711
utilities@fcgov.com
fcgov.com/utilities

COUNCIL FINANCE COMMITTEE
AGENDA ITEM SUMMARY

STAFF: Donnie Dustin, Water Resources Manager
Lance Smith, Director of Finance, Planning & Administration
Dr. Liesel Hans, Interim Deputy Director of Water Resources & Treatment

DATE: August 24, 2021

SUBJECT: Proposed Changes to the Water Supply Requirements Cash-in-Lieu Fee

EXECUTIVE SUMMARY:

The Water Supply Requirements ("WSR") and its associated Cash-in-Lieu ("CIL") Fee generate the revenue used to ensure that adequate water supplies and associated infrastructure are available to reliably serve the water needs of development within the City of Fort Collins Utilities ("Utilities") water service area. Starting in 2017, the CIL is being reviewed at least every 2 years. Staff is proposing significant changes to the WSR volume calculations to improve the precision of how we estimate the water demand of development, which were presented at the May 11 City Council work session and will be considered for adoption on September 21. In addition, there have been significant cost increases to the Halligan Water Supply Project and other water rights required for providing reliable water supplies as growth continues. Unlike most other fees, the CIL fee increase is a function of unprecedented inflation in costs. Staff proposes the CIL fee be increased approximately 60% to $68,200 per acre-foot of use at the tap to reflect these changes.

GENERAL DIRECTION SOUGHT:

- What questions or feedback does the Council Finance Committee have regarding the proposed CIL fee change?
- What additional information is needed for City Council's consideration of the proposed change?

BACKGROUND:

Developing water supplies in Northern Colorado is complex, dynamic, and full of uncertainty. Climate change, increased competition, permitting issues, and changing growth make developing these supplies and assessing the cost to do so quite complex. The Utilities' Water Supply and Demand Management Policy provides guidance for addressing these uncertainties through multiple means like developing additional supplies (e.g., Halligan Water Supply Project, etc.), continued water conservation efforts, and adjusting the WSR and associated CIL fee as needed to reflect changes in costs. The purpose of this agenda item is to describe the proposed changes to the CIL fee.

Water Service Providers in Fort Collins:
Utilities water service area covers the central portion of Fort Collins. Utilities supplies water to approximately 75% of residents and businesses within the Fort Collins city limits. Water service in the surrounding areas is provided by other water providers, mainly the East Larimer County (ECLO) and Fort Collins-Loveland (FCLWD) water districts (see **Attachment 1).** Each water service provider has their own drivers (source of supply, development patterns) that determine their WSR calculations and CIL fee. The proposed CIL fee changes only apply to the Utilities water service area.

Water Development Fees:
There are three water-related development fees assessed on development in the Utilities water service area. The first is the WSR and associated CIL fee which assesses the cost to provide reliable water resources for the new water demand. The second is the water plant investment fee ("PIF") which assesses the cost of the treatment and distribution infrastructure required to process and transport the treated water. Lastly is the tap fee, which assesses the cost of the meter and connection to the new development. The focus of this agenda item is on the WSR and CIL fee.

Key Terms and Definitions:
The following are definitions of the WSR and CIL fee. A complete list of terms and definitions can be found in **Attachment 2**.

Developers, including greenfield development and redevelopment, must meet a Water Supply Requirement:

- **Water Supply Requirements ("WSR"):** A requirement for water service from Utilities. A WSR accounts for the additional water demand, defined in gallons or acre-feet of water, brought into the Utilities water service area by a new development or redevelopment. The developer satisfies a WSR by dedicating water rights or paying cash-in-lieu of water rights to Utilities. This provides the revenue to develop reliable water resources for the development, including water rights and associated infrastructure. WSRs are in line with the City's approach that development pays for itself.
- **Cash-in-lieu ("CIL") Fee:** A developer can meet a WSR by paying cash, instead of providing water rights. The CIL fee is based on the cost to meet future water needs and includes the expected cost to acquire water rights and associated infrastructure. The current cost is $42,518 per 325,851 gallons (1 acre-foot) of use at the tap and the CIL fee is updated at least every two years.

Goals, Outcomes and Drivers:
The WSR and CIL fee help Utilities follow the City's strategic plan object ENV 4.4: Provide a reliable, high-quality water supply, as well as guidance from the City's Water Supply and Demand Management Policy, by assuring cash is collected to pay for additional infrastructure or water rights needed to increase the reliable yield of the Utilities' water supply system. Utilities is responsible for ensuring our customers have enough water today and into the future, while upholding the City approach that development and redevelopment pay their own way. As the

costs of acquiring and developing water resources have increased, the cost to secure water for the additional demand have increased too. Since 2018, there has been a significant increase in the costs to develop water supplies. This is not unique to Utilities – all water providers across the Front Range are facing a significant increase in costs. Most water providers are shifting to plan for populations much larger than previously expected, and at the same time, climate change is dramatically increasing the variability in water availability from year to year. Responsible water management is essential to meet the needs of Fort Collins today, and to maintain our quality of life into the future.

Water Supply Requirements ("WSR"):

Although not part of this agenda item, Staff is proposing significant changes to the WSR calculations to reflect water demands more granularly across varied types of development and to encourage efficient water use in new development. The key WSR changes include:

- Commercial WSR being based on business type and size versus just tap size
    - Better reflects actual use (higher use pays more; lower use pays less)
- Separating indoor and outdoor water needs
    - Incentivizes low water use landscapes
- Elimination of the Water Supply Factor from the WSR calculations
    - Recognizes that elements of the factor are represented in updated yield modeling
    - Reduces confusion for customers who increase their water allotment

The proposed WSR changes mentioned above were described in detail for the May 11, 2021 City Council Work Session (see link below for materials) and will be presented for action at the September 21, 2021 City Council regular meeting.
https://citydocs.fcgov.com/?cmd=convert&vid=72&docid=3524135&dt=AGENDA+ITEM&doc_download_date=MAY-11-2021&ITEM_NUMBER=03

Cash-in-Lieu ("CIL") Fee:

Once the amount of water needed for a development is determined via the WSR calculations, the total cost can be calculated via the CIL fee (if the developer does not provide "wet" water rights, which most do not). In 2017, City Council adopted significant changes to the CIL fee methodology that became effective in 2018. Prior to that, the CIL fee had not been updated since 2001. With guidance from BBC Research & Consulting (specializing in utility fees and rates), the methodology adopted was a hybrid between incremental cost and equity buy-in approaches.

An incremental cost approach only considers the additional costs needed to increase its water supply system capacity to serve new development. An equity buy-in approach places an overall value on both the existing and future water supply system to determine the CIL fee. A hybrid combination of both these methods was used since adding capacity to the water supply system depends on the addition of storage (incremental costs) and use of the existing portfolio of water supplies (buy-in portion) to make the additional capacity. Each utility determines its approach based on its own unique factors. For example, East Larimer County Water District's (ELCO) has more of an incremental approach, Fort Collins-Loveland Water District (FCLWD) has a hybrid approach, and the City of Greeley has a full equity buy-in approach.

The current CIL fee method calculates the cost to increase reliable yield as the sum of:
1. Cost of future infrastructure (e.g., Halligan Water Supply Project, etc.)
2. Cost of future water rights (e.g., local ditch shares)
3. Buy-in to existing water supplies

Using this methodology, the CIL fee was increased by 166% in 2017 (effective in 2018) after having not been updated since 2001. Staff committed to reviewing and updating the CIL at least every two years. A 24% increase was adopted in 2019 (effective in 2020). A standard inflationary 3% increase was adopted (with other Utility fees) in 2020 (effective in 2021).

Over the last few years, there have been significant increases to the expected costs of the Halligan Water Supply Project ("Halligan") and the cost of local water rights. Halligan costs have increased due to permitting length and complexity, rising construction costs, mitigation needs and access issues. Also, the cost of water rights has increased as much as 22 percent *per year* due to competition for these dwindling resources and booming development across the Front Range. The following presents the three components that go into the CIL fee methodology.

<u>1. Cost of future infrastructure ($201.8M):</u>
Adding storage to the Utilities water supply system (via the Halligan project) will help meet a majority of the projected future needs by storing existing and future water rights at times of surplus (e.g., wet years) for use in drought years when other water supplies are diminished. The Halligan cost used in the 2019 CIL fee update was $74.1M. A Halligan cost update completed in late 2019 (after outreach on the updated CIL fee) projected a range of costs between $100M and $150M. A 30 percent design analysis of Halligan is currently being conducted (due for completion in early 2022). Early indications are that the costs will increase. Therefore, staff recommends using the upper portion of the 2019 cost analysis range ($150M). For comparison, alternatives described in the permitting for the Halligan Water Supply Project are up to 4.5 times more expensive. In addition to Halligan, there are about $5.2M of additional long-term infrastructure needs. Applying a standard 30% engineering contingency to these needs, the total estimated future infrastructure costs are $201.8M.

<u>2. Cost of future water rights ($53.4M):</u>
Although the Halligan project is expected to address most of the Utilities water supply needs, additional water rights are required to meet projected future demands. Utilities currently plans to acquire about 150-200 additional shares in the North Poudre Irrigation Company ("NPIC") and about 300 acre-feet of shares in other local ditch companies (referred to as the Southside Ditches or "SSD"). Costs for these shares have increased between 11-22% per year in recent years, roughly doubling their projected costs over the past five years. For example, North Poudre Irrigation Company shares have gone from $88,000 to $200,000 per share from 2017 to the present. Applying these market increases and a 30% contingency results in a total estimated future water right costs of $53.4M.

<u>3. Buy-in to Existing Water Supplies ($264.7M):</u>
New development will be buying into and benefitting from the existing water supply portfolio that includes valuable and reliable senior direct Poudre flow rights, Colorado-Big Thompson

Project units and other Horsetooth Reservoir sources. Utilities' plan for generating new water supplies requires two main components: infrastructure and wet water. Building a new or larger "bucket" isn't valuable without water to store in that bucket. In some years our water rights yield more water than we use and therefore without storage we underutilize our portfolio. The majority of the 'wet water' used to generate additional supply to meet future demands will come from using the existing customers' water supply portfolio in conjunction with the additional storage. We currently model and estimate the amount to be about 2,645 acre-feet. BBC Research & Consulting estimated that the Utilities' water supply portfolio is worth about $3.17B, or about $100,100 per acre-foot of reliable yield. Applying this amount to the to 2,645 acre-feet of water used from existing customers water supply portfolio, the value of use of the existing portfolio is estimated to be $264.7M.

Factor of Safety (20%):
There are many uncertainties in developing water supplies and assessing future growth within the Utilities service area, including potential impacts of climate change, uncertainty in the ultimate costs of developing water supplies, the amount and type of development, etc. The current WSR calculations include a 1.92 water supply factor that among other things, included a 20 percent factor of safety that recognized these uncertainties. The 1.92 factor will be removed from the WSR calculations due to updated modeling that more accurately captures other variables included in the factor. This simplifies the calculation and makes it more transparent. Staff recommends the continuation of the 20 percent factor of safety by incorporating it into the CIL fee calculation instead of the WSR volume calculation. The continuation of this factor is justified considering the results of the 2019 Water Supply Vulnerability Study ("Study") conducted by Utilities, which identified numerous risks and uncertainties that have not yet been incorporated into our water supply planning. For example, the Study indicated a 20-35 percent reduction in water supply reliability from projected temperature increases alone, which suggests this factor could even be higher than 20 %

Proposed CIL fee:
Combining the components of the CIL fee methodology mentioned above, the following is the calculation for the proposed CIL fee:

$201.8M: Cost of future infrastructure
$53.4M: Cost of future water rights
$264.7M: Buy-in to existing water supplies
$519.9M: Total cost to increase reliability

$$\frac{\text{Cost to Increase Reliability}}{\text{Increased Reliability}} \text{ x Factor of Safety}$$

$$= \frac{\$519.9M}{9{,}150\ AF}\ x\ 1.2$$

$$= \mathbf{\$68{,}200\ /acre - foot}$$

This results in about a 60 percent increase to the current cost per acre-foot of use (at the tap) of $42,518. The following table shows a comparison of the values used in the current and proposed CIL fee that briefly explains what is in the separate components and the rationale for the changes.

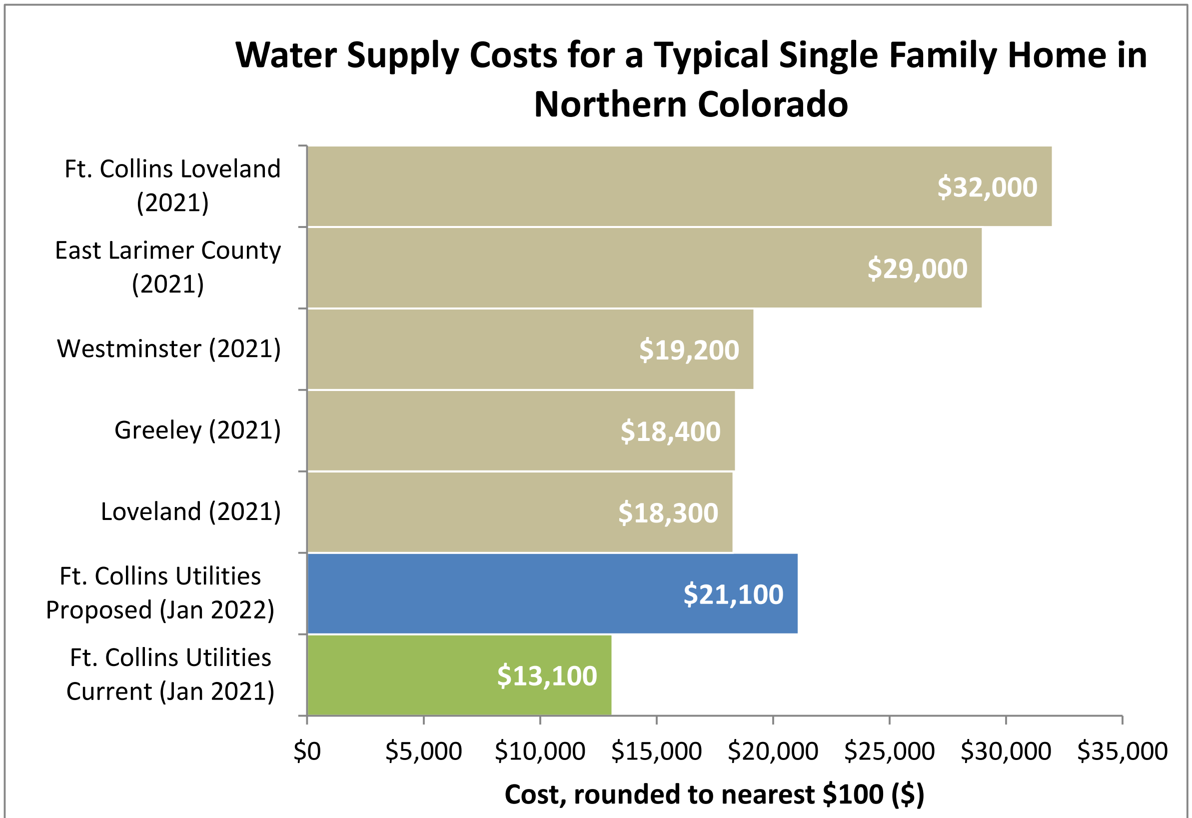
Component	**Includes**	**Current**	**Proposed**	**Rationale**
1. Cost of future infrastructure	Halligan estimate + other minor needs	$98.9M	$201.8M	Uses upper cost estimate for Halligan and increases contingency to correctly match the design phase
2. Cost of future water rights	NPIC and SSD shares needed in addition to Halligan	$28.2M	$53.4M	Reflect current market prices. NPIC shares have increased about 22% *per year* in recent years
3. Buy-in to existing portfolio	Estimate of portfolio value, and how much future demand will utilize	$40.5M	$264.7M	Corrects approach of basing value on least valuable water rights, and previous CIL fees. Total portfolio conservatively valued at $3.17B.
Total		**$167.6M**	**$519.9M**	
Factor of Safety	Considers the uncertainty in water supply planning	1.2 (in WSR calculation)	1.2 (in CIL fee calcuation)	New modeling captures much of what used to be in the 1.92 factor in the WSR calculation. Retains the longstanding 20% "factor of safety".
Cost per acre-foot of use		**~$42,500***	**~$68,200**	
* - The current CIL fee includes a standard inflationary 3% increase that was adopted in 2020 (effective in 2021) without adjustments to the CIL fee components.				

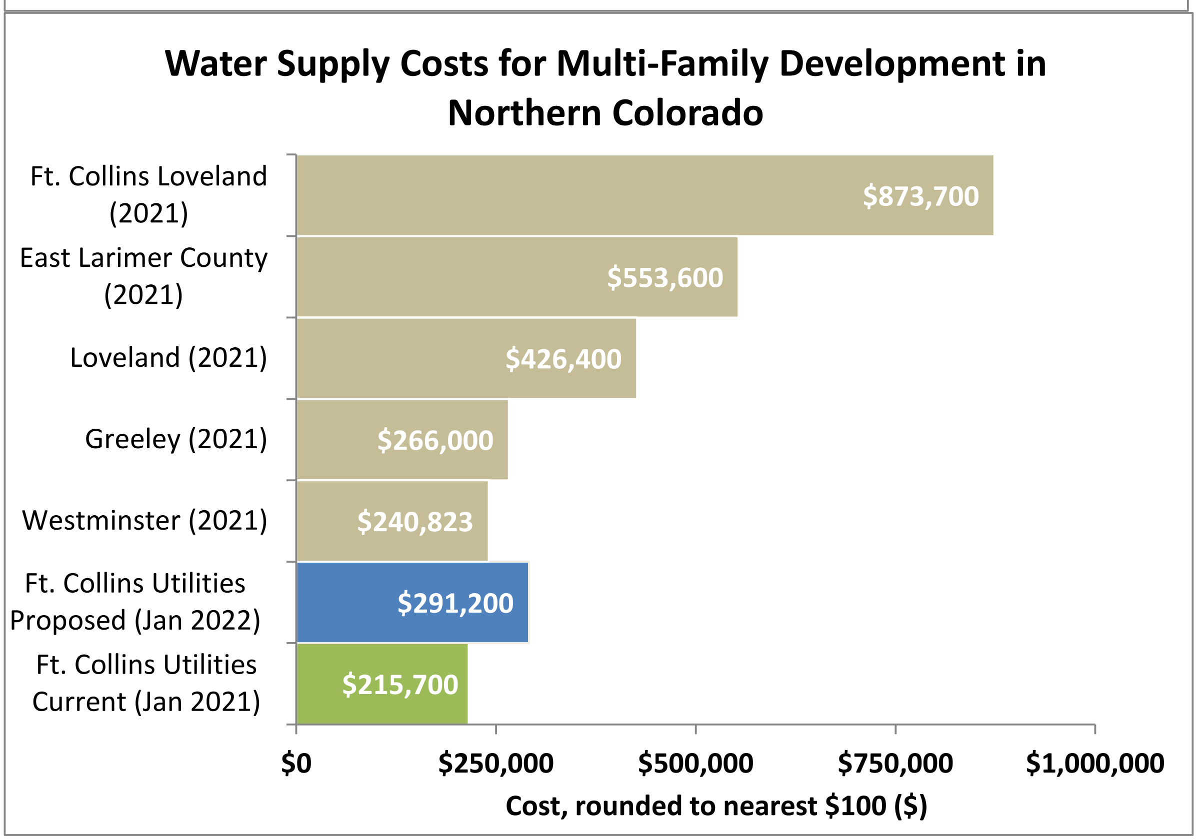
Excess Water Use ("EWU") Surcharge Rate:

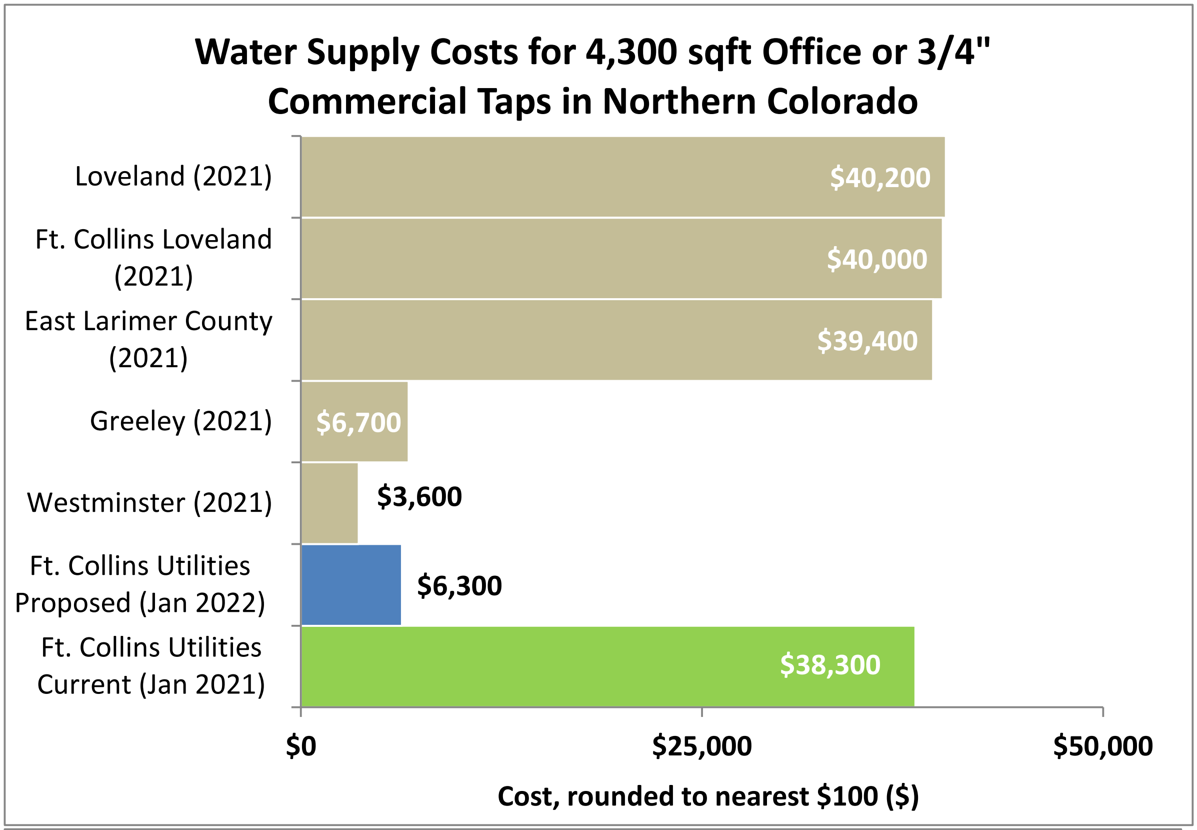
Some non-residential taps (only some commercial businesses and irrigation taps), specifically those installed after March 1984, have an allotment (annual volume of water in gallons) that is based upon the WSR that was satisfied at the time of development or redevelopment. Non-residential taps with allotments face the EWU surcharge if their annual water use exceeds their allotment, which is in addition to the standard water use rates. Customers can satisfy additional

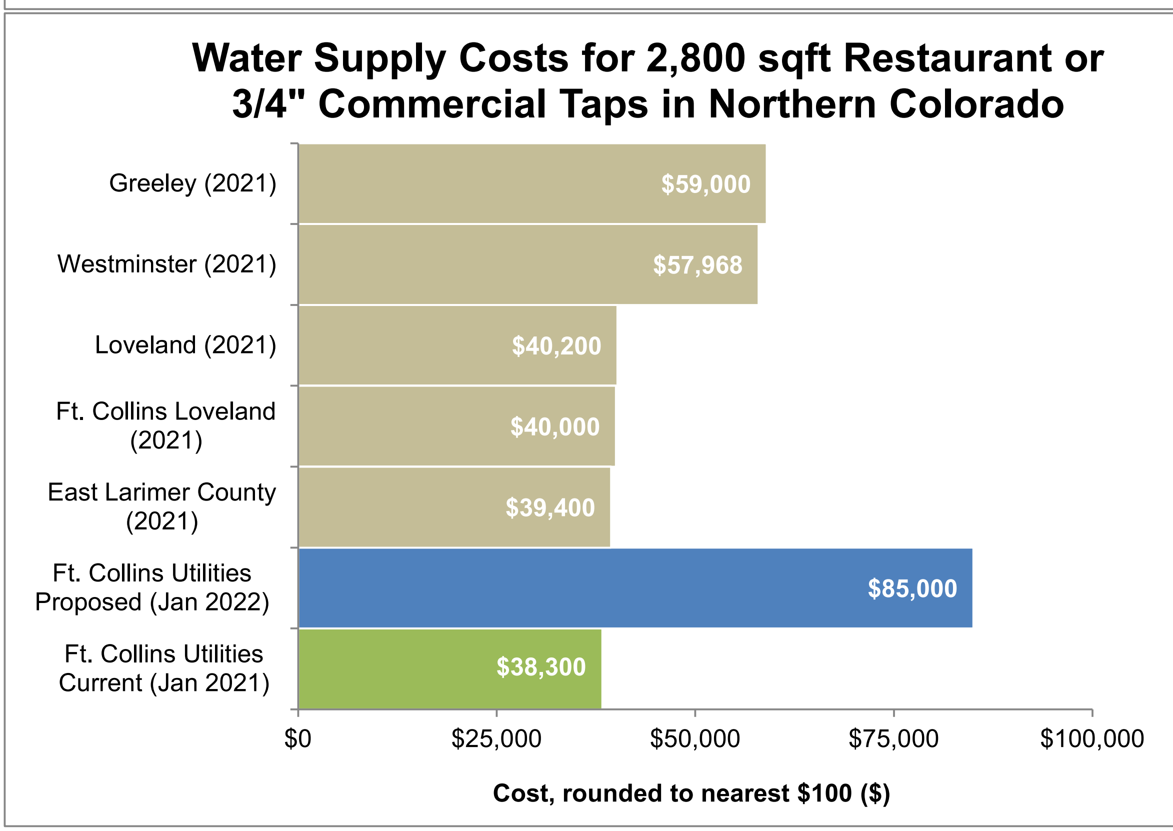
WSR to increase their allotments. The EWU surcharge provides revenue to purchase additional water supplies to account for the additional water demand over the allotment and therefore over the WSR satisfied for the property. As the EWU surcharge rate is based on the CIL fee, the EWU surcharge rate will also increase by about 60 percent from a rate of $10.39 to $16.67 per 1,000 gallons over the allotment. Utilities has programs to help customers mitigate the impact of these costs including facility audits, fixture rebates, the Landscape Water Budget program, the Xeriscape Incentive Program, and the Utilities' Allotment Management Program, which provides eligible customers a temporary waiver from the EWU surcharges if they meet certain qualifications and submit an application detailing a project that demonstrates a long-term water reduction. Customers potentially impacted by the proposed CIL change have already been notified through outreach earlier this year.

Development Impacts:
The following graphs show a comparison of the current (in green) and proposed (in blue) costs for different types of development, along with a comparison with other regional water providers. Note that the other water provider amounts are only estimates and are based on 2021 rates, not any expected increases for 2022. The first two graphs compare costs for typical single-family homes and typical multifamily developments, respectively. The last two graphs compare costs for use from a ¾-inch tap for a low water use entity (office space) and a high water use commercial entity (restaurant). Under the current system, both ¾-inch tap customers would pay the same amount even though there are large differences in water use. The updated WSR calculations provide more accurate assessment of the different water uses. Although future higher water use development (like restaurants) will see a significant cost increase from the proposed changes, these changes should result in allotments that are correctly sized and avoid those future customers from being charged EWU surcharge fees each year because of an undersized tap.


Water Supply Costs for a Typical Single Family Home in Northern Colorado
Ft. Collins Loveland (2021)
East Larimer County (2021)
Westminster (2021)
Greeley (2021)
Loveland (2021)
Ft. Collins Utilities Proposed (Jan 2022)
Ft. Collins Utilities Current (Jan 2021)
$32,000
$29,000
$19,200
$18,400
$18,300
$21,100
$13,100
$0
$5,000
$10,000
$15,000
$20,000
$25,000
$30,000
$35,000
Cost, rounded to nearest $100 ($)


Water Supply Costs for Multi-Family Development in Northern Colorado
Ft. Collins Loveland (2021)
East Larimer County (2021)
Loveland (2021)
Greeley (2021)
Westminster (2021)
Ft. Collins Utilities Proposed (Jan 2022)
Ft. Collins Utilities Current (Jan 2021)
$873,700
$553,600
$426,400
$266,000
$240,823
$291,200
$215,700
$0
$250,000
$500,000
$750,000
$1,000,000
Cost, rounded to nearest $100 ($)


Water Supply Costs for 4,300 sqft Office or 3/4" Commercial Taps in Northern Colorado
Loveland (2021)
$40,200
Ft. Collins Loveland (2021)
$40,000
East Larimer County (2021)
$39,400
Greeley (2021)
$6,700
Westminster (2021)
$3,600
Ft. Collins Utilities Proposed (Jan 2022)
$6,300
Ft. Collins Utilities Current (Jan 2021)
$38,300
$0
$25,000
$50,000
Cost, rounded to nearest $100 ($)


Water Supply Costs for 2,800 sqft Restaurant or 3/4" Commercial Taps in Northern Colorado
Greeley (2021)
$59,000
Westminster (2021)
$57,968
Loveland (2021)
$40,200
Ft. Collins Loveland (2021)
$40,000
East Larimer County (2021)
$39,400
Ft. Collins Utilities Proposed (Jan 2022)
$85,000
Ft. Collins Utilities Current (Jan 2021)
$38,300
$0
$25,000
$50,000
$75,000
$100,000
Cost, rounded to nearest $100 ($)

Summary:
The proposed changes to the CIL fee reflect the unprecedented increasing costs of developing water supplies, while also addressing the uncertainty in doing so. This obtains the goal of generating adequate revenue to pay for developing reliable supplies for new development into the future, while assuring development pays its own way and avoids impacts to current customers. Although the CIL fee increase is significant, the WSR changes will help balance that out by being more reflective of actual water use and other changes will enable more opportunities for future development to lower their water use to minimize costs.

NEXT STEPS:
Staff will be conducting outreach to boards and commissions and stakeholders through October. Input from these entities will be shared when changes are proposed for adoption by City Council on November 2 and 16, 2021.

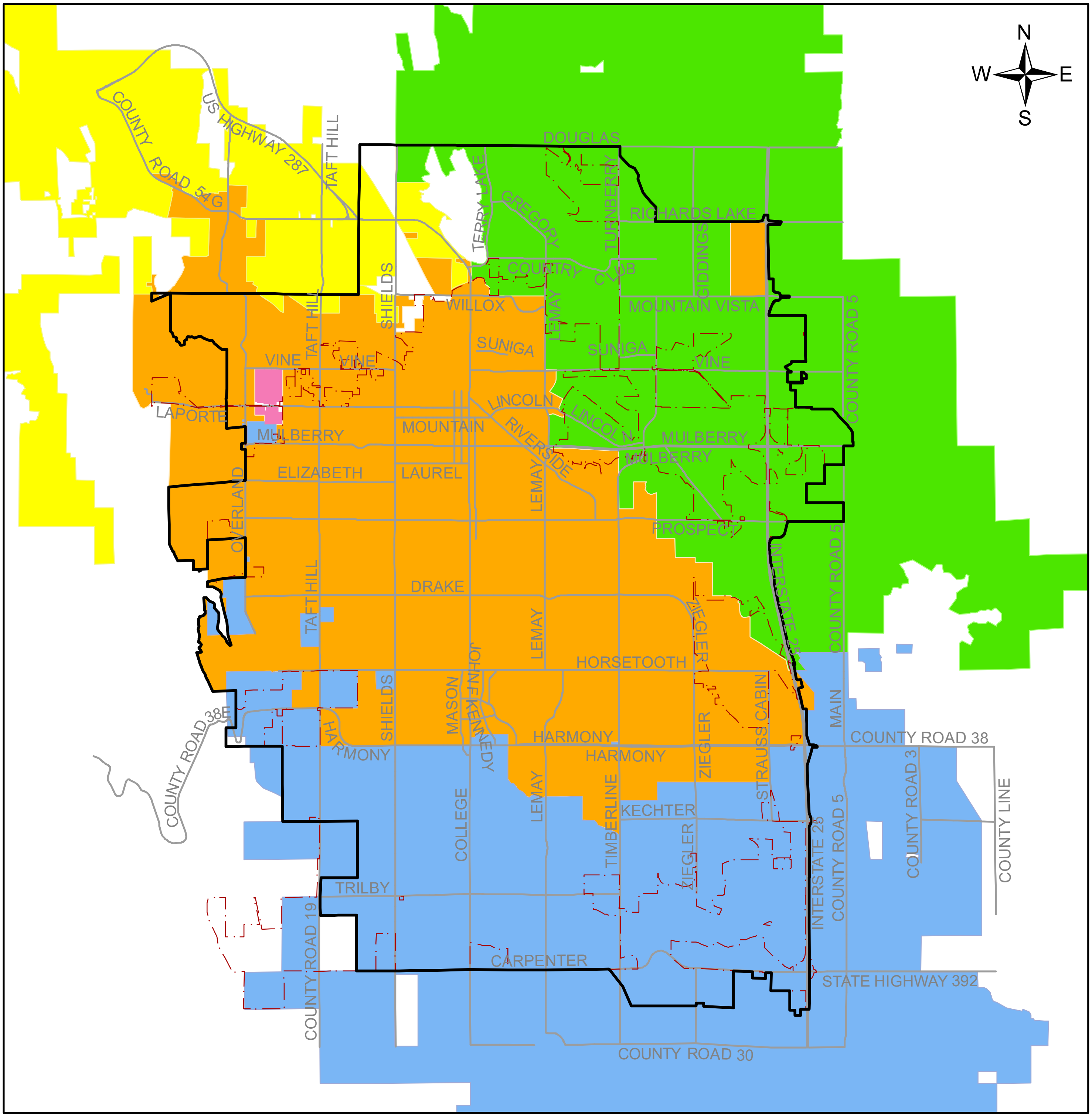
Staff will continue to review and adjust the CIL fee as part of the City's 2-year rates and fees adjustment cycle. Although the next update would be in 2023 (effective in 2024), staff may propose a mid-cycle adjustment depending on the outcome of the Halligan Water Supply Project 30 percent design analysis being conducted (due for completion in early 2022).

Staff is planning to update the Water Supply and Demand Management Policy ("Policy") in 2023-2024. This effort will integrate the potential impacts of climate change and other vulnerabilities (per the 2019 Water Supply Vulnerability Study) to determine new planning criteria around our water supply reliability (e.g., frequency of water restrictions, etc.). The Policy update will need to consider future water supply and conservation needs, which will likely result in revisions to the WSR and CIL fee.

ATTACHMENTS:

1. Fort Collins Area Water Districts Map (PDF)
2. Definitions and Terms (PDF)

Fort Collins Area Water Districts



Water Districts

- East Larimer County Water District
- Fort Collins Loveland Water District
- Fort Collins Utilities (Water)
- Sunset Water District
- West Fort Collins Water District

- GMA
- City Limits
- Major Streets

All boundaries are approximate

0 0.5 1 2 3 4 5 Miles

City of Fort Collins

Figure Updated: 10/23/2018

Definitions and Terms related to Water Supply Requirements Update

- **Acre-foot:** An acre-foot is equivalent to 325,851 gallons. One acre-foot can supply around three to four single family homes in Fort Collins per year. For comparison, the maximum volume of Horsetooth Reservoir is about 157,000 acre-feet.

- **Allotment:** The volume of water a given tap can use per year before incurring Excess Water Use surcharges. Only non-residential taps installed after 1984 have water allotments. The allotment volume is based on the amount of Water Supply Requirement satisfied at the time of development plus any increases to the allotment paid for after development. A customer may increase their allotment at any time by paying cash or providing additional water rights.

- **Allotment Management Program:** Provides eligible Utilities water customers with a temporary waiver from their Excess Water Use surcharges if they meet certain qualifications and submit an application detailing a project that demonstrates long-term water reductions.

- **Cash-in-lieu:** The cash equivalent of the water supply required to meet the needs of development. The cash-in-lieu fee is based off the cost to meet future water needs and includes the expected cost to acquire water rights and associated infrastructure. The current cost is $42,518 per 325,851 gallons and is updated every two years.

- **Duplex:** Residential buildings of two dwelling units.

- **Dwelling Unit:** One or more rooms and a single kitchen designed for or occupied as a unit by one family for living and cooking purposes, located in a single-family or multifamily dwelling.

- **ELCO:** East Larimer County Water District. Water district that generally serves the northeastern portion of the Fort Collins Growth Management Area. Map found here.

- **Excess Water Use (EWU) surcharge:** A volumetric charge assessed on all water used through the remainder of the calendar year once a non-residential customer has exceeded their annual allotment. The EWU is applied in addition to the regular utility rates. This surcharge is tied to the cash-in-lieu fee for the Water Supply Requirements and is evaluated every two years. Revenue from the EWU surcharge goes toward acquiring, developing and improving Utilities' water supplies to address the impact of customers exceeding their planned allotment. The current EWU surcharge is $10.39 per 1,000 gallons over the allotment.

- **FCLWD:** Fort Collins-Loveland Water District. Water district that generally serves all areas south of Harmony Road in the Fort Collins Growth Management Area. Map found here.

- **Multifamily:** Residential development with three or more dwelling units

- **Non-residential:** All commercial, industrial, public entity, group housing, nursing homes, fraternities, hotels, motels, commonly owned areas, club houses, and pools, including HOA common spaces and irrigation accounts.

- **Plant Investment Fees:** Water Impact Fee paid by the developer to cover the cost of transmission, treatment, and distribution of water to a new development.

- **Residential:** Single-family, duplex, mobile / manufactured homes, and multi-family dwelling units, including fraternity and sorority multifamily housing.

Information current as of May 2021

- **Water Impact Fees:** Fees met by developers to cover the costs of acquiring water supply, the transmission, treatment, and distribution of water, as well as installation of cost of the water meter.

- **Water Supply Factor (1.92):** Factor historically included in Water Supply Requirement calculations to account for annual variation in water right yields, different sources of supplies, losses between water sources and the taps, and annual variations in water demands.

- **Water Supply Requirements (WSR):** Water Supply Requirements (WSRs) are part of the Water Impact Fees met by developers to account for the additional demand created from new development. WSR is a requirement for water service from Utilities. A WSR accounts for the additional water demand, defined in gallons or acre-feet of water, brought into the Utilities water service area by a new development or redevelopment. The developer satisfies a WSR by dedicating water rights or paying cash-in-lieu to Utilities. This provides the revenue to develop reliable water resources for the development, including water rights and associated infrastructure. WSRs are in line with the approach that development pays for itself.

Utilities Cash-in-Lieu Fee Changes

Council Finance Committee

Donnie Dustin, P.E., Utilities Water Resources Manager

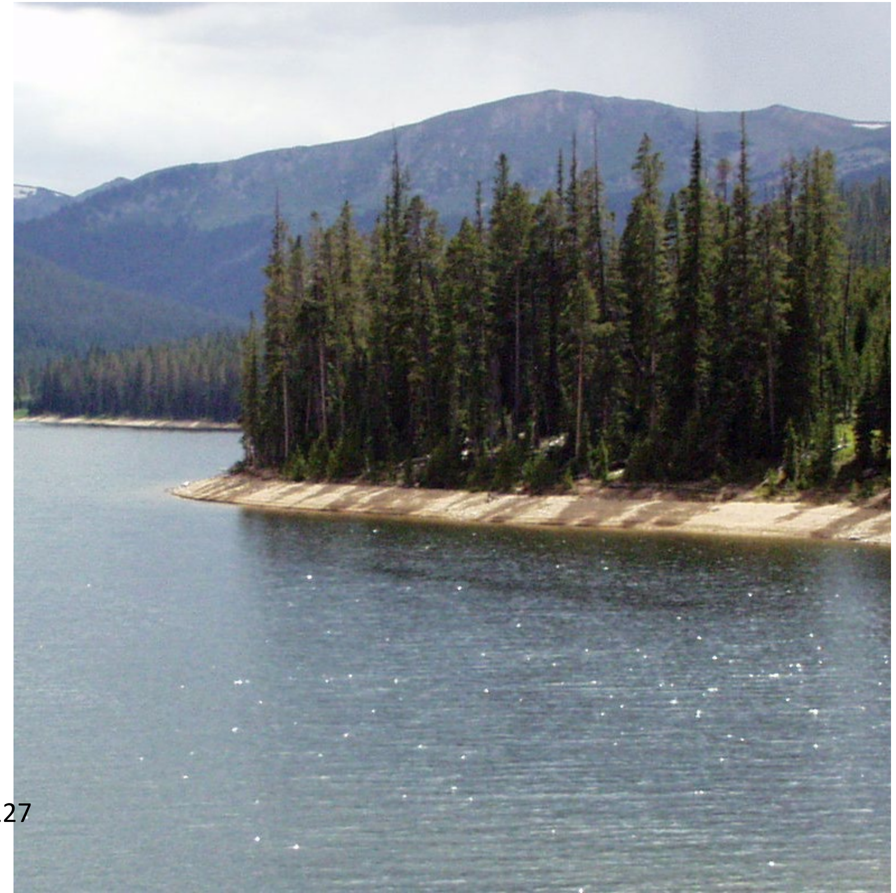
City of Fort Collins

09-01-2021

Proposed changes to the Cash-in-Lieu Fee

- What questions or feedback does the Council Finance Committee have regarding these changes?

- What additional information is needed for City Council's consideration of the proposed changes?



Proposal

- Increase Cash-in-Lieu (CIL) fee to $68,200 per acre-foot
- Current fee is ~$42,500 per acre-foot

Reasons

- Significant water supply cost increases
- Consider uncertainties in developing water

Uncertainty in water supply development

- Increased competition; permitting issues; changing growth; climate change

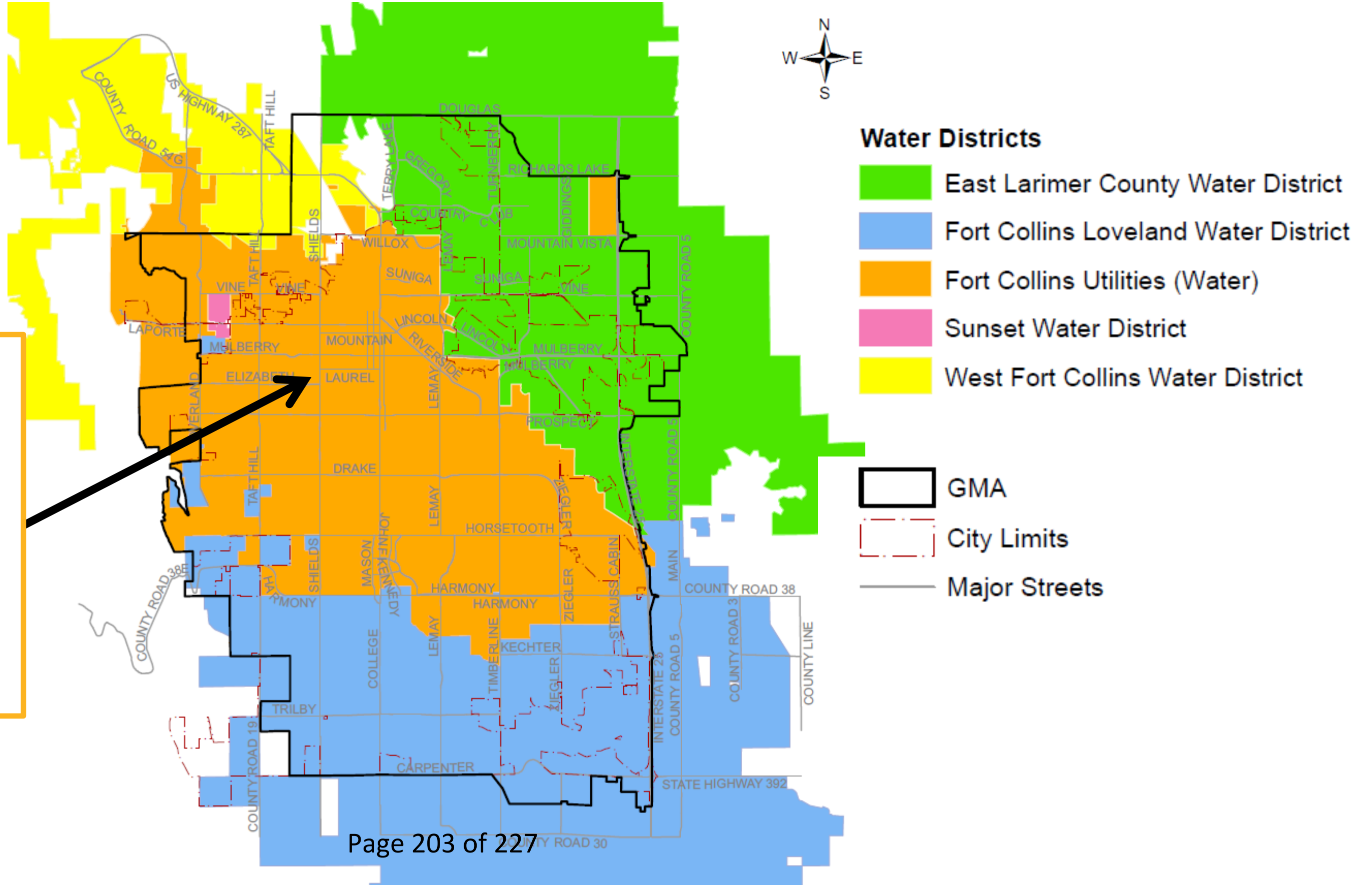
Utilities plans for these uncertainties

- Additional supplies (e.g., Halligan Water Supply Project)
- Continued water conservation

Proposed fee change address needs and changing conditions/information

- Captures the cost to plan and manage our water

Proposed changes would apply **only** to **new development** and **re-development** within Fort Collins Utilities water service area.

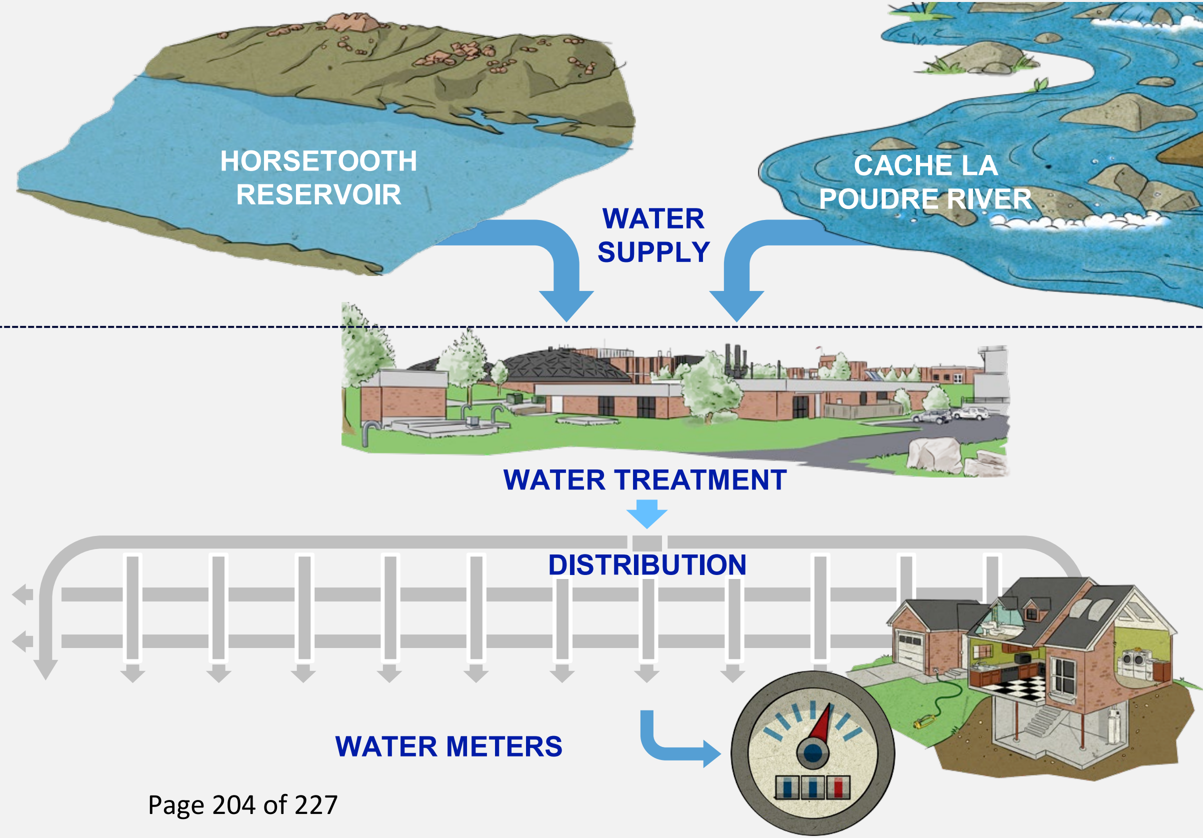


WATER SUPPLY REQUIREMENTS (WSR)

Source of Supply, which includes water rights, storage and transmission

PLANT INVESTMENT FEES (PIF)

TAP FEES (Water Meters)



Development → **Additional Water Demand**

Water Supply Requirements (WSR)

Volume of water needed to meet additional demand × Cost of water supplies (cash-in-lieu) = **Total WSR Cost**

Development → **Additional Water Demand**

Water Supply Requirements (WSR)

Translated to **water allotments** for commercial and irrigation customers

GOAL: assess development the cost of providing reliable water supplies

"Development pays its own way"

Why?

- Ensure adequate water supply for future customers
- Avoid impacts to existing customers

What has changed?

- Significant water supply cost increases
- Consider uncertainties in developing water

Volume of Water Required

Significant outreach in 2020-21 to developers/other stakeholders

Changes include:

- Tap size-based to business type-based
- Separate irrigation taps

Elimination of water supply factor

- Elements better represented in modeling
- Avoids customer confusion

Cost of the Water

How much will it cost to increase reliability?

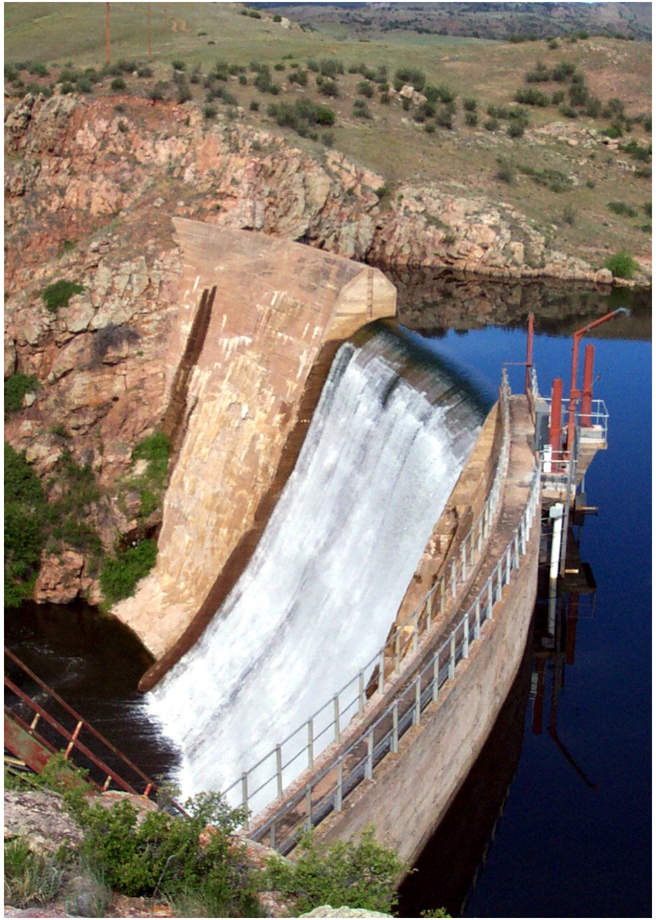
$XXXM: Cost of **future infrastructure**

$XXXM: Cost of **future water rights**

\+ $XXXM: Buy-in to **existing water supplies**

$XXXM: Total cost to increase reliability

Future supplies do not provide adequate reliability without the existing portfolio.



$150M: Halligan Water Supply Project costs

\+ $5.2M: Costs of additional infrastructure needs

\+ $46.6M: 30% standard engineering contingency

$201.8M: Total cost of future infrastructure

$35.6M: North Poudre Irrigation Co. shares
+ $5.5M: Southside Ditch shares
+ $12.3M: 30% contingency

$53.4M: Total cost of future water rights

New development benefits from use of existing portfolio

- Valuable senior rights and Horsetooth Reservoir sources
- Existing rights fill Halligan project

Previously based on historic/long-term CIL fee (lesser value rights)

Revised to include value of all existing water sources

- Only a portion of a portfolio worth about $3.17B

2,645: use of existing water supplies (acre-feet)

x $100,100: per acre-foot value of existing portfolio

$264.7M: Buy-in to existing water supplies

How much will it cost to increase reliability?

$201.8M: Cost of **future infrastructure**

$53.4M: Cost of **future water rights**

\+ $264.7M: Buy-in to **existing water supplies**

$519.9M: Total cost to increase reliability

Factor of Safety = 1.2

Historic WSR included a 20% factor of safety in amount requested

- Recognized uncertainties in water supply development

Propose inclusion of this factor in the CIL fee

- 2019 Water Supply Vulnerability Study
- Identified many uncertainties not in planning yet

$$\frac{\text{Cost to Increase Reliability}}{\text{Increased Reliability}} \text{ x Factor of Safety}$$

$$= \frac{\$519.9M}{9{,}150\ AF}\ x\ 1.2$$

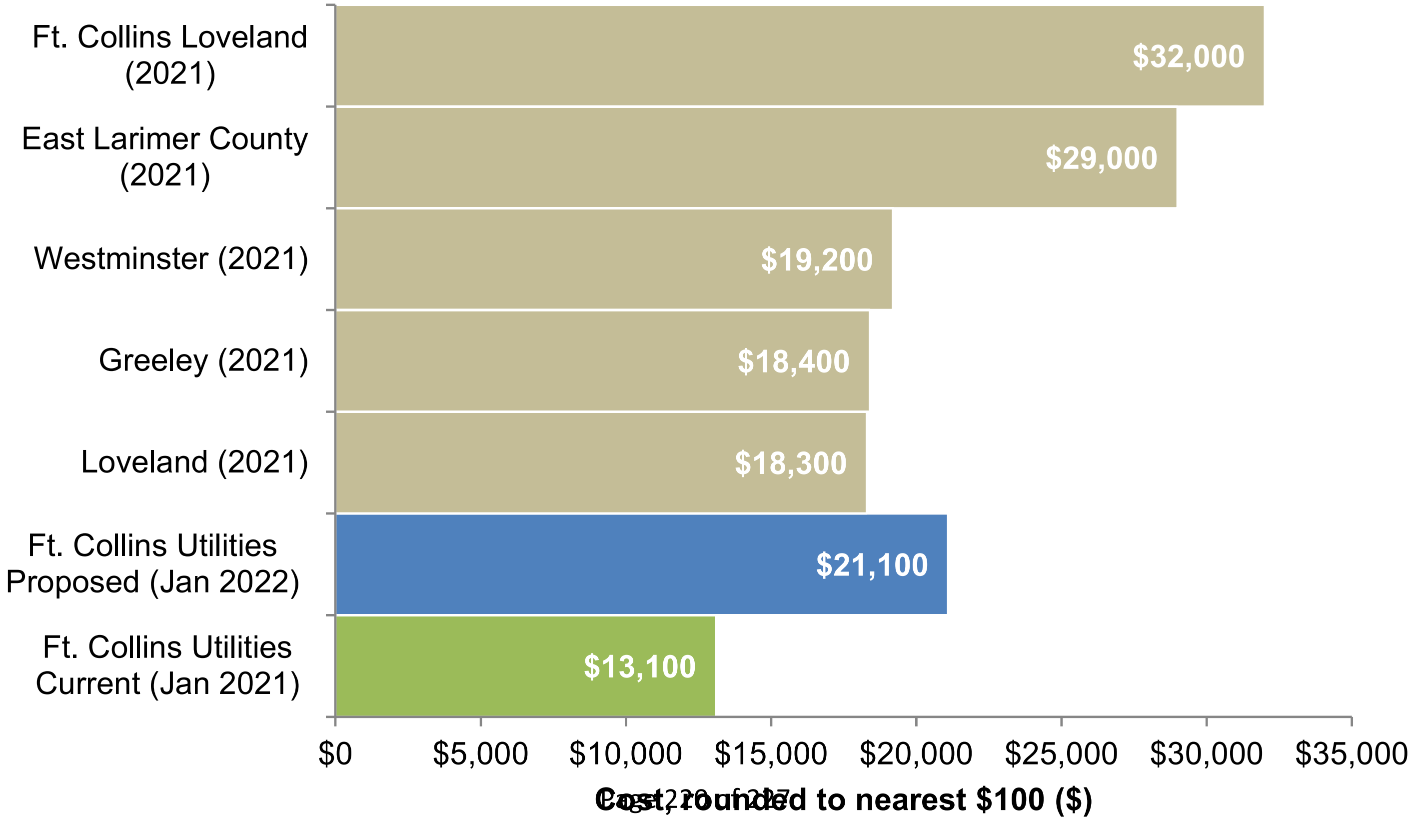
$$= \ \boldsymbol{\$68,200\ /acre - foot}$$

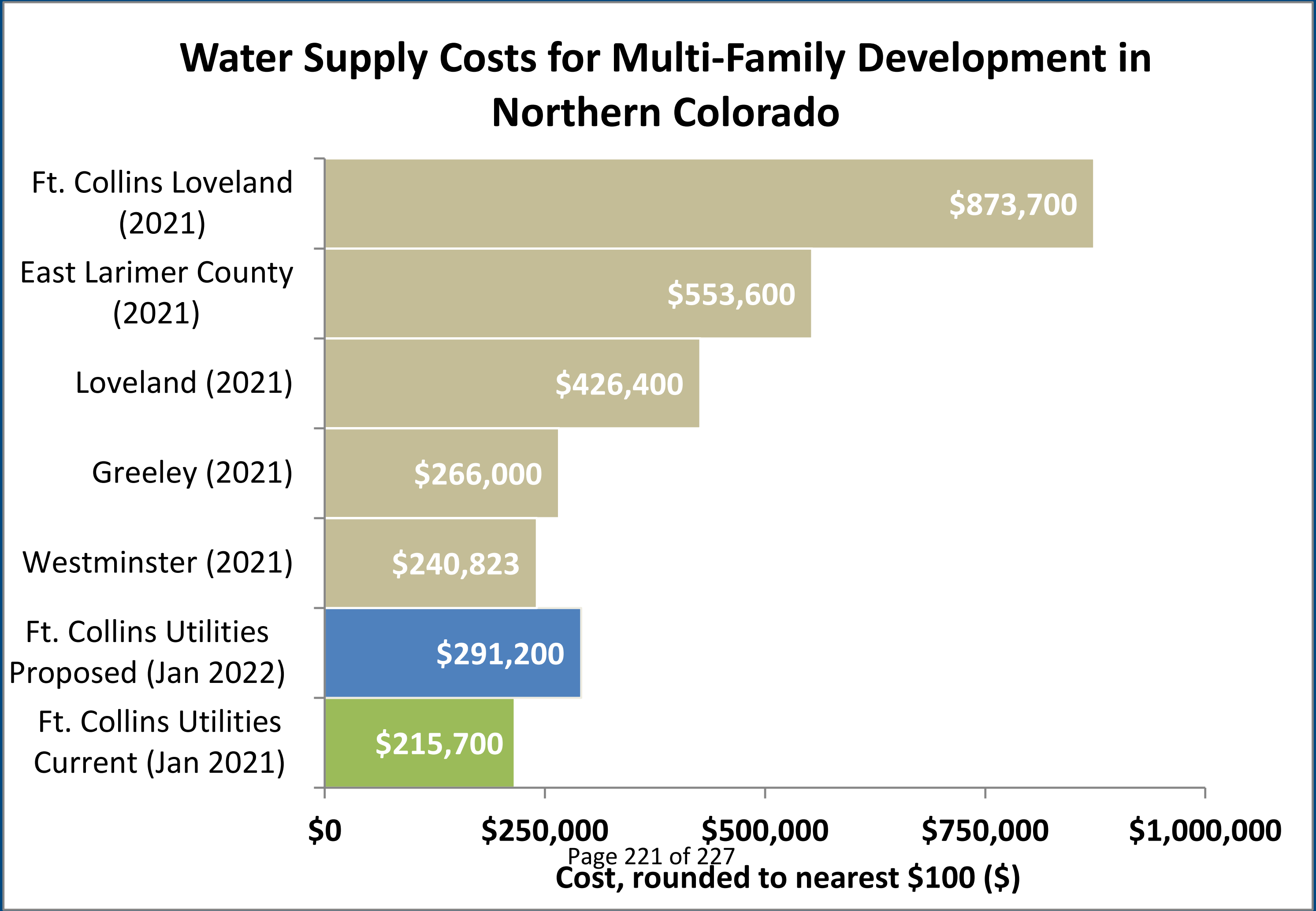
Current cost per acre-foot of use: $42,518

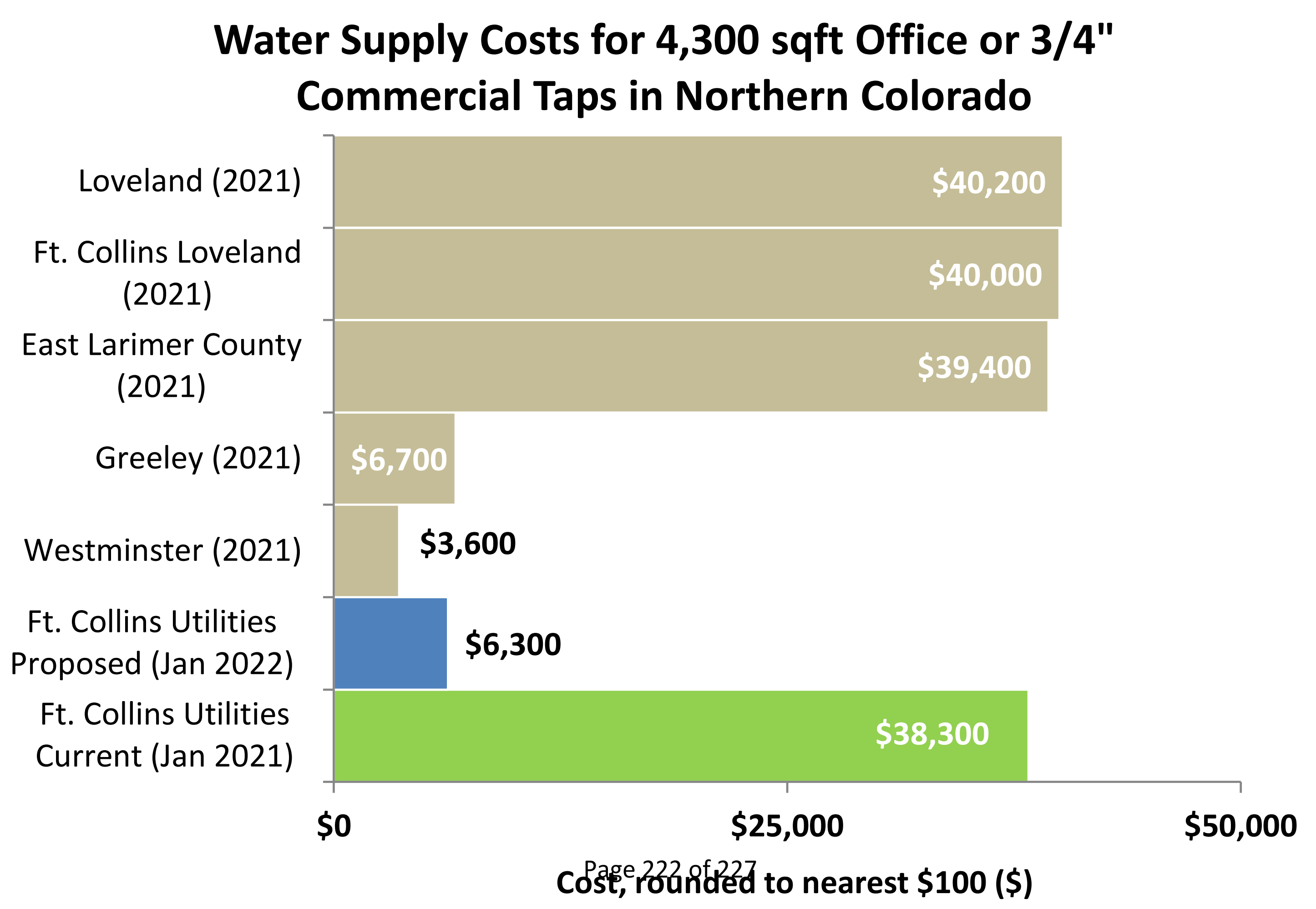
$16.67: Proposed Excess Water Use Surcharge per 1,000 gallons over allotment (current = $10.39)

Development Impacts

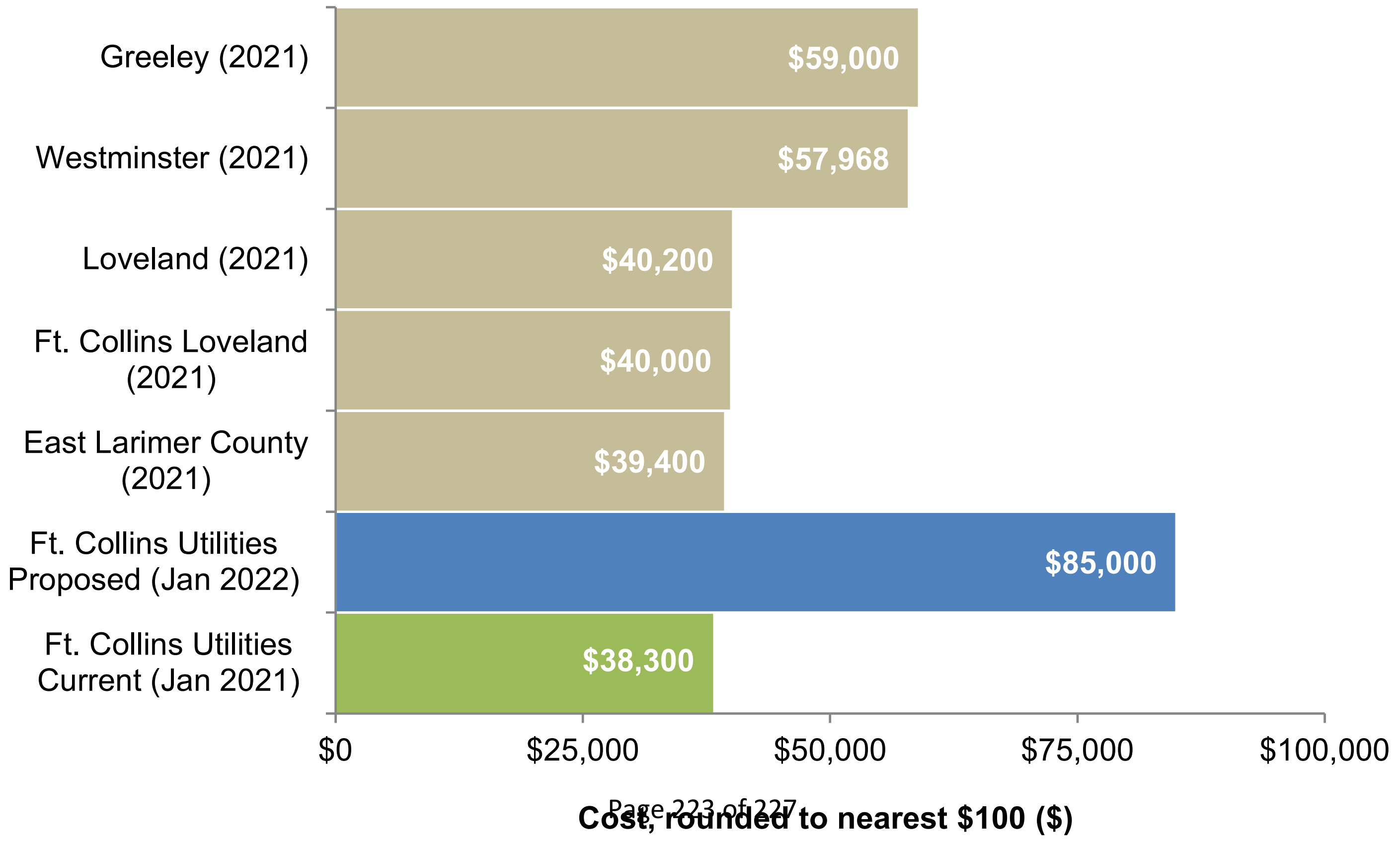
Water Supply Costs for a Typical Single Family Home in Northern Colorado




Water Supply Costs for Multi-Family Development in Northern Colorado
Ft. Collins Loveland (2021)
East Larimer County (2021)
Loveland (2021)
Greeley (2021)
Westminster (2021)
Ft. Collins Utilities Proposed (Jan 2022)
Ft. Collins Utilities Current (Jan 2021)
$873,700
$553,600
$426,400
$266,000
$240,823
$291,200
$215,700
$0
$250,000
$500,000
$750,000
$1,000,000
Cost, rounded to nearest $100 ($)


Water Supply Costs for 4,300 sqft Office or 3/4" Commercial Taps in Northern Colorado
Loveland (2021)
$40,200
Ft. Collins Loveland (2021)
$40,000
East Larimer County (2021)
$39,400
Greeley (2021)
$6,700
Westminster (2021)
$3,600
Ft. Collins Utilities Proposed (Jan 2022)
$6,300
Ft. Collins Utilities Current (Jan 2021)
$38,300
$0
$25,000
$50,000
Cost, rounded to nearest $100 ($)

Water Supply Costs for 2,800 sqft Restaurant or 3/4" Commercial Taps in Northern Colorado



Proposed CIL fee reflects cost to provide reliable supplies

- Assures development pays its own way
- Considers various uncertainties

Revised WSR calculations reflect use more accurately

- Data-driven approach
- Higher use pays more; lower use pays less
- Flexibility to lower use/costs (e.g., lower water use landscapes)

Timeline

September 21

WSR changes to City Council

September-October

Stakeholder Outreach

October 21

Water Commission

November 2 and 16

City Council

Continue 2-year rate/fee change cycle

- Consider increase after Halligan design milestone in 2022 (effective 2023)

Water Supply & Demand Management Policy Update (Anticipated launch - 2023)

- Integrate potential impacts of climate change
- Determine planning criteria (e.g., reliability, frequency of water restrictions, etc.)
- Consider future water supply and/or conservation needs
- Revise WSR and CIL fee as needed

THANK YOU!

For Questions or Comments, Please Contact:

Donnie Dustin

ddustin@fcgov.com, 970-416-2053

City of Fort Collins