LAND BANK FEASIBILITY STUDY

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December 2000

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LAND BANK FEASIBILITY STUDY

EXECUTIVE SUMMARY

The purpose of this study is to evaluate the feasibility of establishing an Affordable Housing Land Bank Program in Fort Collins. The primary objectives for the Land Bank program include establishing a program that will facilitate the production of affordable housing by providing land that affordable housing developers can feasibly purchase, and helping to ensure that appropriate sites will be available in the future for the development of affordable housing within the City of Fort Collins.

The study was structured to answer a series of questions regarding the feasibility of implementing a Land Bank program in Fort Collins. Those questions, and summary conclusions from the study are presented below. The main body of the report contains detailed explanations of the research, assumptions, and analysis that lead to these conclusions.

A. Is there an adequate supply of sites that could be considered for acquisition for land banking purposes at present?

Yes. The study identified over 5,000 acres of vacant land that could be considered for acquisition by a land banking program. This represents sites that would potentially be suitable for eventual development of affordable housing, based on proximity to either existing or planned amenities such as schools, parks, commercial centers, employment centers, and transit. These sites are distributed throughout Fort Collins, so that Land Bank sites could be selected to avoid undue concentrations in any particular neighborhood.

B. What, if any, potential impact would a Land Bank program have on the residential land market in Fort Collins?

The likely scale of the Land Bank program in relation to the existing supply of vacant land is sufficiently small that the program should not have a significant impact on the private residential land market in Fort Collins. The Land Bank program itself would not create demand for housing; rather, it would act as an intermediary for affordable housing developers who would otherwise have to purchase the same land in the private marketplace.

C. Are there mechanisms available to successfully implement a Land Bank program, including mechanisms to acquire property, to finance the purchase and "banking" of property, and to ultimately convey the property to developers of affordable housing?

Yes. There are a number of examples of land banking programs in other communities in Colorado, California, and elsewhere in the U.S that can serve as models for Fort Collins. In addition to operational strategies employed by existing land banks, there are numerous other mechanisms to acquire land, raise capital, obtain debt, and dispose of land that are potentially applicable to a Land Bank in Fort Collins.

D. Can the Land Bank program acquire and ultimately dispose of enough land to facilitate the production of a significant number of housing units each year?

With an initial commitment of approximately \$925,000 in seed money, plus the possibility of using idle City funds as a source of debt financing, the Land Bank program has the potential to

acquire a modest amount of land each year, which could ultimately support the production of a substantial number of housing units over an extended period of time. Using a baseline assumption that calls for acquiring an average of about 3.5 acres of land each year, which would be targeted to yield at least 12 affordable housing units per acre, the program could support production of over 600 affordable housing units over a 15-year period.

E. Can the program be structured so that it is not dependent on the City General Fund for financial support, to the detriment of other Citywide needs?

Under a conservative baseline set of assumptions, the Land Bank program can achieve its objectives with an initial General Fund investment of \$925,000 and annual investments to support cash flow that would begin in Year one at \$0 and gradually increase over a 15-year time period to approximately \$76,000 per year (2000 \$). In addition the Land Bank would require the ability to borrow money to finance land purchases and holding the land until it is sold to affordable housing developers. If the City chooses to amend its investment policies to allow loans to and investments in the Land Bank program, these funds would come from non-General Fund sources. The Land Bank would pay the City interest on its loans and the City could likely recoup the principal on its loans as well as its annual investments if the program was shut down and all land assets sold. During the operation of the program, it is expected that the annual investments would appreciate in value through the increasing value of the Land Bank's land assets.

Relying solely on City financing sources, with no injection of outside funding, the net program cost to the City over a 15-year period is approximately \$169,000. This means that the economic benefits of the program are approximately \$169,000 less than the costs; however, over a 15-year operating period, it is likely that the program would be successful in attracting outside funding or achieving cost savings in the acquisition of land that could eliminate the net City cost. In other words, there is good potential for the program to generate local benefits greater than its costs to the City. Even without any outside funding, a strong argument can be made that the non-economic benefits of the program, such as helping to ensure a steady supply of sites for affordable housing development, assisting affordable housing projects, and providing greater community awareness of affordable housing projects (by identifying sites well in advance of their planned development) can justify the baseline net program cost.

INTRODUCTION

The City of Fort Collins and surrounding Larimer County, like many Front Range communities, have experienced rapid growth during the last decade. Fort Collins itself grew 26 percent between 1990 and 2000. It is not surprising that this rapid population growth has put pressure on the local real estate market, resulting in rising costs for unimproved land to support new residential development.

Rising land costs have made it more difficult for developers to feasibly build affordable housing to meet demand from lower-income households. According to the City's Priority Affordable Housing Needs and Strategies Study, 43 percent of households include workers in lower paying service-related and retail jobs and that, furthermore, these sectors are the most rapidly growing in the local economy. As a result of these factors, the City has identified the need to facilitate the development of affordable housing for households earning between \$12,000 and \$25,000 per year. The same study identified the linkage between the ability to provide service and retail sector workers with affordable housing and the health of the local economy, which is dependent on a continued ability to draw these types of workers from among the local resident labor pool.

Another issue relating to the local production of affordable housing is the diminishing supply of vacant land available to prospective developers. Anecdotal information from local affordable housing developers indicates that it is becoming increasingly difficult to secure sites for new affordable housing projects. In addition, a local ballot initiative that would prevent new land annexations to the City of Fort Collins without a vote of the people will come before the voters this fall. The potential approval of this measure raises the possibility that the supply of vacant developable land will become even more constrained while demand is anticipated to remain strong.

Based on additional follow-up to the Priority Affordable Housing Needs and Strategies Study, including work completed by a City team that participated in the National League of Cities' Strengthening Partnerships for Housing Opportunities project workshop in June 1998, the City Council endorsed a concept paper on a housing land banking program intended to address the need for affordable housing, and allocated resources to study the feasibility of establishing such a program in Fort Collins. In response to this Council direction, the Advance Planning Department circulated a request for proposals and subsequently retained Bay Area Economics (BAE) to prepare this feasibility study for the establishment of a land banking program in Fort Collins.

Land Bank Program Objectives

The feasibility of a Land Bank program must be considered in light of the objectives for the Land Bank program. The primary objectives for the Land Bank program include:

Establish a program that will facilitate the production of affordable housing by providing land that affordable housing developers can feasibly purchase.

A. Establish a program that can help to ensure that appropriate sites will be available in the future for the development of affordable housing within the City.

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Feasibility Criteria

For the purposes of this analysis, we have utilized the following criteria to evaluate the feasibility of the Land Bank program:

- A. Is there an adequate supply of sites that could be considered for acquisition for land banking purposes at present?
- B. What, if any, potential impact would a Land Bank program have on the residential land market in Fort Collins?
- C. Are there mechanisms available to successfully implement a Land Bank program, including mechanisms to acquire property, to finance the purchase and "banking" of property, and to ultimately convey the property to developers of affordable housing?
- D. Can the Land Bank program acquire and ultimately dispose of enough land to facilitate the production of a significant number of housing units each year?
- E. Can the program be structured so that it is not dependent on the City General Fund for financial support, to the detriment of other Citywide needs?

Land Bank Feasibility Study Process

This Draft Report represents the second work product from the Land Bank Feasibility Study. In August, BAE prepared and submitted to City staff a preliminary memorandum of findings, to serve as an interim analysis and give City staff the opportunity to comment on the basic structure of the analysis and key assumptions. In response to the preliminary memorandum, City staff provided BAE with comments and suggestions, which were into a Draft Report, which was circulated to the City staff and the Land Banking Committee, for review and comment. City staff compiled the comments and forwarded them to BAE. BAE then addressed those comments and prepared this Final Report. BAE will next coordinate with City staff to present this Study to the City Council. January 9th, 2001 is the targeted date for this presentation.

Report Contents

This report is organized in the following sections, which document the assumptions, research and analysis, findings, and recommendations of the Land Bank Feasibility Study:

- Land Bank Site Availability and Potential Market Impacts
- Economic Feasibility Analysis and Sensitivity Analysis
- Operational Options
- Implementation Recommendations
- Appendices

LAND BANK SITE AVAILABILITY AND POTENTIAL MARKET IMPACTS

An important consideration in evaluating the feasibility of a local Land Bank program is the availability of suitable sites. Key issues identified for this study included a need to determine whether there are an adequate number of potential sites to make the pursuit of a Land Bank program worthwhile; a need to evaluate the potential impact of Land Bank activity on the market for residential land in Fort Collins, and; a need to determine whether a Land Bank program could successfully disperse sites for future affordable housing development so that affordable housing is not unduly concentrated in a limited number of neighborhoods.

Vacant Land Availability

GIS Screening. There are numerous vacant properties that could be targeted for land banking. A broad-brush GIS analysis has identified a total of approximately 700 parcels of vacant residentially zoned land that are within ¹/₂ mile of existing or planned transit, schools, parks, employment centers and commercial centers. These are considered important amenities for neighborhoods that could support housing for lower-income households, particularly multifamily housing. These sites amount to approximately 5,150 acres of vacant land within the urban growth area. Restricting the search to properties within ¹/₄ mile of these amenities (existing or planned) the total drops to 239 sites and 1,430 acres of land.

It would be possible to relax the screening criteria to consider sites within $\frac{3}{4}$ or 1 mile of the various amenities; however, we do not believe this is necessary at this time. The analysis shows that there are adequate sites within $\frac{1}{4}$ to $\frac{1}{2}$ mile of important neighborhood amenities to consider for acquisition by a Land Bank program. If the criteria were relaxed, additional sites would be identified, reinforcing this conclusion. As discussed below, these screening criteria are for feasibility study purposes only, and they are not intended to restrict the range of sites that could actually be acquired if a Land Bank program is implemented.

Staff-Identified Sites. We believe the City's GIS system has provided an extremely useful screening tool for this analysis, and that this part of the exercise has shown that although the perception is that Fort Collins is rapidly building out, there are still a substantial number of sites that could be considered for a land banking program. The screening criteria alone are not sufficient to determine suitability for land banking. Other unique factors such as site configuration, adjacent land uses, location in relation to flood plains, and potential interest on the part of owners in selling the property are also important. City staff have assisted in this regard by identifying a more limited number of sites based on professional knowledge of potential residential development sites within Fort Collins. Staff identified 22 potential sites, totaling almost 650 acres of land within ½ mile of existing or planned parks, schools, transit facilities, employment centers commercial centers. Of this land, and approximately 350 acres lie within ¹/₄ mile of these existing or planned amenities.

Exhibit 1 is a map that shows the GIS- and staff-identified and staff-identified sites within $\frac{1}{4}$ -mile of existing amenities. Exhibit 2 is a map that shows the GIS- and staff-identified sites within $\frac{1}{2}$ mile of existing or planned amenities.

Conclusions Regarding Site Availability

Considering the results of the GIS analysis as well as the results of the Staff evaluation of potential sites, we have concluded the following:

- a. There are sufficient vacant sites in Fort Collins to make land banking a program worthy of continued consideration. Furthermore, potential sites are reasonably well scattered throughout the City, indicating an opportunity to disperse Land Bank sites and avoid over-concentrating affordable housing. At the same time, it must be acknowledged that the most obvious opportunities are located in those parts of the City that are newly developing (i.e., the northern part of the City), where remaining vacant sites are more likely.
- b. While many of the approximately 5,150 acres identified in the GIS analysis may prove to have development constraints that make them unsuitable for land banking, the staff analysis of potential sites provides reassurance that there are a significant number of potential residential development sites that are known to have good potential. When one considers that the Land Bank program would most likely acquire land gradually over time, it is likely that additional sites that are not attractive today would become more attractive within five, ten, or fifteen years.
- c. While we have identified a set of site selection criteria for the purposes of this analysis, these criteria do not suggest that the City should adopt them as a rigid or determinant view of what sites should actually be acquired for land banking purposes. Criteria such as these can be useful as a means to evaluate the relative attractiveness of sites that may be available; however, other tangible and intangible factors that could affect the suitability of a given piece of property for land banking purposes must also be considered. Principal considerations will also be the cost at which land is available and the willingness of the owner to sell at a particular point in time.

Potential Land Market Impacts

Given the relatively large amount of vacant residential land, and assuming that the Land Bank would likely acquire relatively modest amounts of land in relation to the total number of sites available, we can preliminarily conclude that there is little potential for the Land Bank activity to have a significant affect on the local land market. It is important also to consider the fact that while the Land Bank would compete in the marketplace to purchase land, the creation of the Land Bank would take land off of the private market, it would also sell land to affordable housing developers, who would otherwise have to seek land in the private market. In our opinion, other factors could have a much more significant affect on the Fort Collins residential land market than the operation of a modest Land Banking program. One example is the possible adoption of a growth management measure that would limit the City's ability to expand the supply of residential land as existing vacant land is absorbed.









ECONOMIC FEASIBILITY ANALYSIS

A second critical consideration for the Land Bank feasibility analysis is whether the concept is economically viable, given the objective to make the program financially self-supporting so that it is not an ongoing drain on General Fund revenues that the City needs for other municipal purposes that may be equally as pressing as the need to promote affordable housing. This program parameter makes the Fort Collins Land Bank program unique among the other similar programs that BAE has identified and researched in conjunction with this study. It appears that all the other programs we examined incorporated either direct or indirect subsidies in order to achieve the other "financial" objective, which is to eventually dispose of Land Bank property at a cost to the affordable housing developer that will enhance project feasibility. Appendix A provides a listing of a number of other land bank programs. The matrix includes information regarding primary funding sources and the programs shown rely on various combinations of local, state, federal, and private funding to subsidize their land bank programs.

In order for the Fort Collins Land Bank program to be financially self-supporting, it must operate in an entrepreneurial way, purchasing property at low prices and then selling the property at a future time for a price that is adequate to cover the Land Bank's initial purchase costs and the carrying costs for the interim period. At the same time, the Land Bank must try to limit the amount of this "spread" so that it can sell the property to affordable housing developers at prices that will help keep development costs low and limit the amount of other subsidies that the development will require in order to produce affordable housing units.

To test the economic feasibility of this Land Bank concept, we have developed a refined version of the land bank program cash flow model example that we shared with the Land Bank Committee and City staff at our project start-up meetings in early July. This model incorporates a series of key assumptions regarding how the Land Bank program would operate and then models the flow of cash into and out of the program over a 15-year period. While this model is a simplification of how a Land Bank program would actually work, it is a useful tool to test the financial feasibility of the concept.

Key Modeling Assumptions

To explain the cash flow model, we first begin with an explanation of the key assumptions for the modeling effort. These assumptions are shown in Table 1 of the Land Bank Cash Flow Model. To assist in evaluating the sensitivity of the conclusions of the analysis to variations in these assumptions, a Sensitivity Analysis section is included below.

Acres Acquired Per Year. For the purposes of this analysis, it is assumed that the Land Bank would acquire, on average, one 3.5-acre site each year. Table 2 in the Cash Flow Model tracks these acquisitions over time. With respect to potential impacts on the private land market, in relation to the 5,150 acres of vacant land within ½ mile of key existing or planned amenities in Fort Collins at this time, this level of acquisition activity does not appear to be significant. At the same time, over an extended period of time, the production of new affordable units could be significant.

Density of Land Bank Projects. The density of residential projects developed on Land Bank sites will have a significant impact on the perceived program benefits. According to City staff,

typical densities for multifamily projects recently constructed in Fort Collins have been approximately 12 units per acre. This assumption is used in Table 5 to estimate the estimated subsidy provided to each unit constructed with the assistance of the Land Bank program. If Land Bank projects produce similar yields of 12 units per acre, a 3.5-acre site could support approximately 42 new multifamily units. If affordable housing projects using Land Bank sites can achieve higher densities, the benefits of the land banking program can be magnified. On the other hand, if Land Bank projects yield lower densities, the benefits would be reduced. For example, if land bank sites are developed at only six units per acre instead of 12 units per acre, the program costs would be similar; however, the number of affordable housing units assisted would be cut in half.

Land Purchase Price. This is a difficult assumption to establish, because the actual cost of land to be acquired will depend on many factors including timing of buying opportunities, level of improvement of available sites, site size, configuration, locational amenities, and a host of other factors. For the purposes of this analysis, it is assumed that the purchase price (in 2000 \$) would be approximately \$2.25 per square foot. This is based on staff analysis of the approximate price of vacant residential land in the "MMN" zones in the southeast and southwest parts of the City. Based on a review of Exhibit 1, such sites that are likely to be in close proximity to necessary infrastructure, established neighborhoods, and therefore likely developable in the near to mid term. Table 2 calculates the cost of land purchases over time. The Land Bank may be able to purchase greater quantities of land for a given dollar amount in the northern part of the City; however, these sites are likely to be more costly to develop, because infrastructure is typically less readily available. The Land Bank should seek strategic opportunities to purchase inexpensive land that will benefit from planned infrastructure improvements.

Number of Years Held Before Sale. Consistent with the characteristics of sites that are assumed for purchase above, the baseline analysis assumes that the Land Bank will sell sites that it acquires after an approximately five-year holding period. The upper part of Table 3 shows the holding period for each property that the Land Bank purchases.

Land Value Appreciation Rate. This is another difficult assumption to establish with precision. In preparation to set this value for modeling purposes, BAE has consulted with City staff responsible for acquiring real estate for right-of-way projects, and with a representative of a local real estate brokerage firm who is knowledgeable about land price trends for multifamily housing. Information gathered from these sources indicates that land price appreciation has fluctuated significantly between 1984 and 2000. For the entire time period, information provided by Steve Phister of Realtec (a local real estate brokerage firm) indicates that the price for a typical multifamily parcel has increased an average of about 3.4 percent per year, including a period of price declines between 1984 and 1992. However, considering the post-recession period of 1992 to 2000, the average rate of increase was 13.9 percent per year, while average increase during the last three years was about 15.6 percent per year.

Based on the information above, it appears that the trend in Fort Collins is toward accelerating price increases for multifamily land; however, over time, we should also expect some moderation of the rate of increase or even temporary declines in prices due to changes in regional and national economic cycles. In addition, the value of a given piece of land may change independent of prevailing market conditions due to changes in site-specific conditions such as public infrastructure improvements, development on adjacent properties, etc. As a baseline assumption, we have chosen a long-term land value appreciation rate of 6.0 percent per year. This reflects the

general trend for land prices to increase at a rate that is faster than inflation. We believe that this figure represents a reasonable balance between the rapid price appreciation that has occurred during the economic boom of the last seven to eight years and the fact that the real estate industry is also likely to go through down-cycles in the years ahead. The upper part of Table 3 tracks the appreciation of land during the 15-year period modeled in the Cash Flow Model.

Land Transaction Costs. This analysis assumes that transaction costs for either buying or selling land will average approximately \$5,000. This is a modest figure, which allows for some due diligence, escrow and closing costs. In practice, it may be possible for the Land Bank program to obtain reduced cost or donated services, given the nature of the project; however, the overall program feasibility is not especially sensitive to this assumption. Table 2 shows how these costs combine with land sale price to produce the total cost to acquire land. These transaction costs are assumed to increase at the general rate of inflation, described below.

General Inflation Rate. For costs other than land, this analysis assumes a general inflation rate of 3.5 percent per year. This approximates historic trends.

Interest Rate for Program Borrowing. Because the trend in land prices tends to be upward, it is most beneficial if the Land Bank can purchase land as early as possible. While the City has committed \$925,000 to fund the Land Bank program initially, and the Land Bank could likely obtain additional funds from various sources on an ongoing basis, it is assumed that the Land Bank would also borrow money in order to purchase sites. For this analysis, it is assumed that the Land Bank would have access to debt from internal City sources and that the interest rate for these loans would be equal to the City's normal investment returns. In other words, the loans to the Land Bank would be targeted to pay the City the same return as if the City invested the funds in more conventional ways. The City Finance Department has provided information indicating that this interest rate would be approximately 6.25 percent per year. It should be noted that this is but one of many ways for the Land Bank to obtain debt; however it is one of the most simple and cost effective methods to finance relatively small projects. Additional options to finance land bank purchases are discussed in the portion of this memo that discusses operational options. Table 3 tracks the Land Bank's outstanding debt during the 15-year period shown. This table assumes that the Land Bank would use available cash, either from land sales or other sources, to pay down debt each year.

The debt interest rate is a critical assumption for the Land Bank Feasibility analysis, because it assumes that most of the money to purchase property will come from debt. Because interest accrues during the time properties are held, the interest rate establishes a minimum annual return that the Land Bank must earn on the sale of its properties in order to be financially viable. Considering the debt interest rate in addition to property maintenance costs, it is clear that it will be difficult for the Land Bank program to achieve total self-sufficiency. This is particularly true if the Land Bank also wishes to limit the increase in the cost of land that it sells to affordable housing developers. An alternative would be to acquire land on a pay-as-you go basis, but this would limit the ability of the Land Bank to acquire properties in the near term. Debt service costs are shown on Table 4. It is assumed that interest is paid annually, so that it does not compound during the time period the Land Bank holds property. As discussed in the operational options section of this memo, other debt mechanisms could allow the Land Bank to defer payment of interest until the point in time that it sells land.

Interim Use/Income Assumptions. At this time, no additional revenues are assumed from interim use. Because it is assumed that acquired sites will be relatively small, it is likely that arranging for interim uses would generate relatively little income in most cases. The feasibility analysis is not very sensitive to this assumption.

Interim Maintenance Cost Assumption. During the time that the Land Bank holds land, it will be liable for certain property maintenance expenses, such as weed abatement, special assessments, snow/ice removal, etc. Based on information provided by the City Finance Department, it is estimated that these additional costs will average approximately \$275 per acre per year. Interim maintenance costs are calculated on Table 4.

Program Staffing Costs. It is assumed that this program will require dedicated staffing in order to make a significant impact on affordable housing in Fort Collins. BAE's experience with other programs in other communities has shown that a particularly important ingredient for the success of a new program is to assign competent, motivated staff to champion and implement the program. Because the number of transactions is anticipated to be relatively small and because the program would likely own a relatively small portfolio of properties at any given time, it is assumed that a program manager would be assigned to the Land Bank program on a one-fourth time basis, and this person would be assisted by a program assistant on a .15 FTE basis. It is assumed that these staff would have other assignments within the organization to achieve fulltime status. The FTE costs for these positions, including salary and benefits, are assumed to be \$65,000 and \$36,400 per year, respectively. It is assumed that whether the Land Bank program resides within the City or in an outside organization, it would not be a stand-alone program and there would be additional in-kind support provided to the program for functions such as executive administration, accounting, legal services, etc. The cash flow model assumes that the Land Bank would be a City program, and that the City would absorb the program administration costs as part of its overall community development activities. Annual program administration costs are not included in the operations costs shown in Table 4.

Sales Price Discount. This assumption was established with the RFP for the Land Bank Feasibility Study. The baseline assumption is that that the Land Bank would sell its properties at a price equal to 90 percent of market value at the time of sale. This assumption is reflected in the net land sales proceeds calculated at the bottom of Table 5. The bottom of Table 5 also contains calculations showing the cost savings for each affordable housing unit is made possible by the discounted Land Bank sale price.

Baseline Conclusions Regarding Economic Feasibility

The Annual Expenditures Summary at the top of Table 6 tracks the annual outflows of money from the Land Bank program. As shown, annual expenditures would begin in Year 1 at about \$370,000, increasing to approximately \$950,000 by Year 15, primarily due to the increasing cost of land and increased debt interest.

The Annual Revenues Summary is shown in the middle portion of Table 6. This includes an assumed initial investment of \$925,000 of City funds to seed the program, which would be set aside for the program over the years 2000 (\$425,000) and 2001 (\$500,000). Other than excess cash retained from prior years, the primary sources of funds flowing into the land bank program include debt proceeds and the proceeds from the sale of Land Bank property.

The line in Table 6 labeled "Net Land Bank Cash Flow" represents the estimated amount of additional funding that would need to be provided to the Land Bank program each year in addition to the assumed initial General Fund seed money and loans for land bank property purchases. This need for additional annual funding support begins in Year 5, at approximately \$24,000 and gradually increases over time to approximately \$123,000 per year by Year 15. This money is needed each year for cash flow purposes, due primarily to the assumption that the Land Bank would make debt service payments each year. One can view these payments as investments of City money that could likely be repaid (with interest) if the Land Bank program was closed and all was property sold. In the interim period; however, they represent a diversion of funds that the City could otherwise invest in other ways that may entail less risk and/or be capable of generating greater rates of financial return. If it chose to do so, the City could actually "fund" most or all of these annual cash flow requirements by deferring the Land Bank's debt interest payments each year.

The method that we suggest to evaluate the ultimate feasibility of the land bank program is to evaluate the economic benefits versus the economic costs of operating the program. The box at the bottom of Table 6 assists in this regard. The upper part of the box shows the net present value of the land value program, considering not only the value of the annual subsidies provided when Land Bank properties are sold at less than market value, but also the discounted value of the land assets owned by the Land Bank at year 15. The latter represents the net proceeds to the City if it were to close the Land Bank program and sell all of the property. The lower part of the box calculates the net present value of the annual cash flow payments that would be required over the 15-year period that is modeled.

Subtracting the total net present value of program investments from the estimate of total financial returns yields a net cost of about \$170,000. This means that under the baseline assumptions stated above, the City would spend about \$170,000 more on the Land Bank program than the financial benefits that would be created. However, it should be noted that this analysis has thus far assumed that all of the investments in the Land Bank program would come from the City of Fort Collins. In reality, the establishment of a Land Bank program should create opportunities for the City of Fort Collins to attract additional funds from outside sources. The analysis of Operational Options that follows includes the identification of numerous sources of outside funds as well as other mechanisms, such as private donations or purchases of property at discounted prices, which can serve to reduce or eliminate the net City cost identified above, or even produce excess economic benefits.

In addition to the financial returns, it is also important to consider the potential programmatic benefits from a Land Bank program. This includes the beneficial effect of providing affordable housing developers with a supply of land for future development projects; pre-identifying sites for affordable housing development so that adjacent property owners are aware of the plans for the sites; systematically securing affordable housing sites so that the developments can be dispersed throughout the community; and introducing strategic site selection to the affordable housing development process, so that future residents benefit from housing developed in good locations.

Considering the economic as well as the non-economic factors, we believe that this analysis shows that the Land Bank program holds promise and should be given favorable consideration.

Initial City Investments (spread over Years O and 1)	\$925,000			
Additional Annual City Investments	50	per year, for 10 y	ears	
Average Acres Acquired Per Year	3.5	acres		
Average Parcel Size	3.5	acres		
Average Purchase Transactions Per Year	1	transaction per y	ear	
	At Purchase		At Sale	
Land Value	\$2.25	per square foot	\$3.01	per square foot
Interest Rate for Land Bank Borrowing (a)	6.25%	per year		
Number of Years Land Held Before Sale	5	years		
Land Value Appreciation Rate	6.00%	per year		
Land Purchase/Sale Transaction Costs	\$5,000	per transaction		
General Inflation Rate	3.5%	per year		
Interim Use/Income Assumptions	\$0.00	per acre, per yee	r	
Interim Maintenance Cost Assumptions (b)	\$275	per acre, per yea	R.	
Program Administration Costs				
Program Manager				
Salary & Benefits	\$65,000	per year	neo-aram	
FTE Description	0.25	FIE assigned to	program	
Program Assistant Salary & Bonofite	\$36,400	per year		
FTE	0.15	FTE assigned to	program	
Sales Price Discount: Sales Price as Pct. of Market Value	90%	of future market	value	

Table 1: Land Bank Feasibility Study Key Assumptions

Notes:

(a) Assumes capital is obtained through internal borrowing. Interest rate is equal to City's normal return on investments, which was approximately 6.25 percent as of 9/27/00.

(b) Interim land maintenance cost is based on information from Finance Department indicating that maintenance costs are usually approximately 0.25 percent of property value each year. This assumes an approximately \$2.50 per square foot land value.

Sources: City of Fort Collins; BAE, 2000.

Table 2: Land Acquisition																	
Mission of Transmittees	Pitquan Vo	or 3000 = 0	-	0-	+ -	- m			-	0-	5 -			g -	p -	ą -	3 -
Acres of Land Acquired	115	-			2.5	61 10	1	3.5	3.5	35	12	. 11	- 49	1	8 <u>1</u>	1	315
Land Purchase Price	119,0862	\$385,454	\$406,990	1 8430.0	11 1419	014 100	22 110	15,738	240.746	0011108	\$614,323	\$651.18	0 \$660.1	14	21/009 \$	111,508	103
Other Acquisition Costs	\$5,075	25,250	445,32	1	10	538 BE	146	100.04	\$4,504	58,314	\$77,063	\$7.30	0 87.	299	87,830	100,042	100,62
Total Acquisition Costs	\$568,790	\$296,790	2414,104	TIDS 1	11 3404	201 1400	56 BHJ	651/22	1027 2558	100'9925	\$421,375	1000	1.000	600	20,489 \$	100,063	009/0026
Assumptions																	1
Type of Lend Vacant Residential Land, No Waler		Carrent Ve Sa6,010	Trans.		Anticip Price in Mear	ated common											
Estimated "Other" Costs		Per Trimus \$5,001	editeri		Cost in	fation/year											
Table 3: Acquisition Financing	Assumption	80															
Starting Capital	Program Van	12 - 0000 - 51	100.000	3165.416	* 93	" R "	a		- 8		• 8	# 9.	= <u>a</u>	28	₽a	*8	8 G
New City Gurners Revenues	\$425,000	2020 000	a	8	8	8	8		8	8	2	8	a	8	8	8	8
Nat Proteoth from Balest Sath-time Analistics Capital	100 E425,000	5423,000	102'922	\$1420/410	88	88	102.1248	8-12-1 8-12-1 8-12-1	ST BHEAA	87 8514,	781 1040	828 151 158 151	11.705 B	613,673	2000,000	010,000	2012'1613
Lines Acquisition Costs	8	14/1003	041/0828	\$414,104	\$438.911	\$464.997	\$400,748	1,5522,1	C1058 05	30. \$598,	365 \$821.	126 561	4 187'E	100,335	807'8028	1002000	04510538
Sab-total Amount Assisting for Debt Paydown	\$425,000	107 M25	\$105,410 \$105,410	105	(5428,011) 30	12864.007) 100	1200.055	C 19951 11	001 (\$57.8	121 (19	1412 1412 1913	101	10,710	00. Yes	100(102)	(500,764)	05 (1996/3012)
Starting Date Instrume Date Relevan Celet Prophone Ending Date	8888	2222	8888	04 05 05 05 05 05	\$249,000 \$438,011 \$0 \$00 \$00	1017-101 1017-101 1017-101	81,152,499 800,850 52 51,212,1447	81.213.4 864.3 864.3	6702.11 14 6708 00 6708 00 6708 00	40 11.346. 15 11.346. 15 11.412. 15 11.412.	502 81,417 504 51,412 116 51,412	100 81.4 100 81.4 100000000000000000000000000000000000	115 2242 25 24216 25 24216 242	1005/2011 1006/2011 1006/2011	5257 SP4215 035 0307 S88 0307 S88 0307 S88 0307 S88 0307 S88 0307 S88 0307 S88 0307 S88 0307 S84 2115 2115 2115 2115 2115 2115 2115 211	817,465,075 868,744 02 51,4524,115	01,955,12 06,061 51,538,002
End of Year Capital	1425,000	1017.0025	8166/418	0	8	8	*		9		10	2	=	8	8	8	8
End of Year Land Assets Volue	12	110,000	12 101-0712	109 207	11,722,285	107 207 20	21 411.005	12,578,04	1012/05 00	200'22 10	14111 254	517 212	12 1102	101/101	SHE 332 11	944/1013	24,010,517

lew Korse Acquired 35 3 Amaldere Acquired 35 Across Sold 0 Active Sold 0 at Acres Const Sold 35 Across Maintonarce Costs (taxes, assessment), weed control, smoother Versul Lare Const Lare Costs (taxes, assessment), weed control, smoother Varian Lare Costs (taxes, assessment), weed control, smoother Varian Lare Costs (taxes, assessment), weed control, smoother	į			•			•		10	E	10	1	=	1
Jamulative Acres Acquired 25 Acres Sold 0 Acres Sold 0 Acres Acres Sold 0 Acres Acres Sold 35 Acres Acres Cools (Jaares, assessments, weed control, smanfice Acres Maintenance Cools (Jaares, assessments), weed control, smanfice Acres Lares Control (Jaares, assessments), weed control, smanfice	2	3.6	3.5	32	12.0	3.6	3.6	3.5	3.6	3.5	120	11	51	33
Acres Sold 0 centralitie Acres Sold 0 bit Acres Connect 33 Arrest Maintenance Costs (taxes, assessments, weed control, anowhore Variant Lates Overed 8396 30.06	*	10.5	11	17.5	=	24.6	11	11.5	18	1015	4	45.5	8	2
Lentulation Acries Sold 0 at Acres Connect 3:3 Arrival Maintenance Costs (taxee, assessmentis, weed control, snowfice Variant Lates Overed 8396 \$2066	0	0	0		Ņ	212	12	197	417	-95	3.5	中の	3.6	3
3.5 Arrival Maintonasce Costs (taxes, assessmentis, weed control, smanficer Variant Lates Owned			0	0	ş	£.	-10.5	114	47.5	12	24.5	10	115	17
urrusi Maintenarce Goots (taxes, assessments, weed control, unowfice / Vacant Land Owned 80451	े इ.	10.5	1	511	911	17,8	17.6	17.5	17.5	17.5	521	17.4	121	17.8
	NITE OF	ete.) 201 54.0	12	7ie	818'2	\$6,123	107,107	425705	86.789	827,026	\$7,272	122,122	061/18	290'02
trruid Debt Service	and a		101.10	10.10					THE SEC OF				1000 000	and the second
rd os (paak Joyd up paasus) smooy zevenik proav	1	1000 000			Intra-	272,040	trainer.	001. MOR	100'000 H	960'048	\$66,277	8103,536	8100,066	6114,945
046 Annual Operating Conta (a) \$2.060	113	201 \$19.5	8t 848	80	7947	\$91,993	868.196	\$50,658	236,362	120,0018	\$100,540	\$111,062	\$116,876	8123,039
Speesing Costs as N of Land Assets 2.21	8	1 50	N.	ť.	5	i,	127	112	5112	3/12	3,135	3.0%	3.0%	3.0%
MARTER CONS														
Maintenance Coats for Vecent Level Owned S275 [c]	5		Indiation	, si										
lack interest Rate 6.25%														

Table 5: Land Disposition															
	Program	Yase		-	le l		-	8	•	40	Ħ	12	12	14	12
Estimated Land Value Por Acre	166'001\$	\$110.124	\$116,731	\$123,725	\$121,153	\$139,023	120'271\$	\$156,213	\$166.596	\$175,521	\$186,052	\$197,215	8209,048	165,1558	\$234,887
VALUE OF LAND ASSETS Purchased Year 1 Purchased Year 2 Purchased Year 3 Purchased Year 5 Purchased Year 1 Purchased Year 11 Purchased Year 11 Purchased Year 11 Purchased Year 13 Purchased Year 15 Purchased Year 15	110,000	8386.434 \$386.434	5404,560 \$4090,500 \$4090,500 \$4090,500	6450,074 5430,074 5430,074 5430,074	\$450, 008 \$455, 009 \$455, 009 \$450, 009 \$450, 009	\$406,002 \$466,002 \$460,002 \$466,002 \$466,002	8611,708 8615,798 8615,798 8615,788 8615,788	\$546,746 \$546,746 \$546,746 \$546,746 \$546,746	5879, 560 5678, 560 5879, 560 5879, 560	5614.323 5614.323 5614.323 5614.323 5614.323 5614.323	221,125 281,1268 281,1268 281,1268	6601.254 6601.254 6601.254 8601.254 8601.254	696, 1172 696, 1572 696, 1572	605,560 605,575,560 5775,560 5775,560 \$775,560	5823, 103 5822, 103 5822, 103 5822, 103
TOTAL VALUE OF LAND ASSETS	110,000	\$770.060	180'522'15	\$1,732,256	\$2,235,291	\$2,433,003	\$2,571,989	\$2,733,725	\$2,757,752,52	219'120'05	\$1,255,814	\$5,451,269	\$1,669,345	83.877.846	54,110,517
Acres Sold (end of prior year) Parcets Sold (end of prior year)	00		00		00	4E +	8 - 1	- R	9-	ŋ -	ų -	9 - 1	3.5	35	3.6 †
Year Purchaused Total Market Value of Property Sold	8	8	8	8	8	\$HI6,602	2 5515,700	5 \$346,745	\$379,550	EXCANS 5	08171225	7 5690,254	\$731.008	8775,960	01 \$822,103
Lants Salves Price (% of Market) Total Value of Salves 4.acd Salves Experiment Net Salves Proceedits	100 S S S S	័្ននន	108 S S	ខ្ល័ននន	ខ្ល័ននន	902/1015 (001/1015 (001/1015	2004 2464.218 282.381)	90% \$482,071 \$485,564	2005 2021/202 (40.014) 2021/202	90% \$550,691 (\$7,053) \$545,039	2001,002 2001,003 2001,000 20000000000	8004 1005/1288 1005/1288	80% 8668.502 (57,503) 8660,682	90% 200,909 (\$0,093) \$0,01919	006 005,802 (775,68) 812,1278
Land Sale Subsidy Provided	205	R	8	8	8	\$40,000	\$51,500	213/925	237,865	\$61,432	\$55,118	\$69,025	\$73,167	\$77,557	882.210
Estimated Subsidy Avr Unit Assembliches	NOV/OF	ADVID-	-CONDa	10/MO#	10MGs	\$1,159	\$1,228	20213	\$1,380	51,483	B1,560	61,643	\$1,742	\$197.5	258715
Sates Pilos Approvision Yeer 2000 Land Sales Expenses (per sale) Sales Cost Inflation Assumed Land Bank Project Denisty		6.0% 86,000 3.5% 1.2	pet year. pet year unitalitica												
Source: BAE, 2000.															l

Program Yea	er (2000 = 0)													
Land Bank Inventory Summary 1	P4	"		**	0	-	8	0	2	5	\$	5	4	15
Acres Acquired 3.5	3.6	3.5	35	3.5	19 KZ	3.5	3.5	3.6	3.6	3.5	110	11	10	19.55
Acres Sold 0	•	0	0	0	3.5	10	35	3.5	3.5	10	3.6	100	3.5	1.5
Acres Owned 3.5	~	10.5	14	17.5	\$25	17.5	17.5	17.5	17.5	2/11	17.5	17.6	17.5	17.5
Annual Expenditures Summary														
Property Acquisition Costs 5368,732	\$100,790	\$4114,104	118,8638,811	\$464,897	\$482.748	\$522,159	\$553,330	3558,365	\$621,376	\$658,483	\$097,809	\$738,489	\$733,663	\$830.480
Operations and Maintenance Costs \$996	\$2,092	102,88	84,418	\$5,716	\$5,916	\$6,123	26,337	\$6,559	\$6,789	\$7,006	\$7,272	\$7,527	57,780	58,083
Arrual Interest Payments \$0	8	8	\$16,643	842,060	\$72,031	875,840	455, 673	\$54,100	\$09,574	\$93,296	\$98,277	S100,529	\$109,086	\$114, 945
Debt Parpoli (a) \$0	8	8	\$0	8	20	8	8	8	8	8	8	05	8	8
Suthotal Expanditures 8369,788	\$382,952	8417,305	8468,772	\$513,681	\$570,6245	\$804,122	3626 (256	\$677,023	\$716,738	\$758,803	\$903,358	\$350,551	865/0005	\$953,489
Annual Income Summary														
General Fund Capital Investment \$925,000	8	8	80	8	8	\$0	8	8	30	08	8	20	8	8
Psior Year Cash Plow \$0	\$555,212	\$197,000	\$40,757	\$23,344	8	8	8	8	몷	<u>1</u> 2	8	80	8	8
Debt Proceeds \$0	8	000,0400	110,0140	\$484,997	\$60,953	\$64,000	\$67,843	\$71,584	\$75,538	\$79,718	821,138	\$00,005	\$80.744	\$99,964
Interim Use Income \$50	8	8	8	8	8	8	8	8	0\$	8	80	80	8	80
Property Sake Proceeds \$0	8	8	8	8	\$431,795	\$457,857	\$485,487	8514,781	8545, B38	\$578,765	\$613,673	\$600.092	\$688, B19	8731.516
Interest on Prior Year's Cash Bal. \$0	\$34,701	\$12,316	252	\$1,459	3	30	8	5	8	8	8	8	8	8
Suthold Income \$325,000	\$388,912	\$458,052	\$482,116	\$489,789	\$492,748	\$522,159	\$653,330	3596,366	8421,576	\$558,483	\$557,009	\$770,489	\$783,663	\$830,480
Cash Flow Retained in Program \$556,212	\$197,060	540,757	#30,513	8	2	8	5	8	8	8	8	8	8	8
Net Land Bank Cash Flow 50	2	2	8	(\$21,882)	(198)118	(884,963)	(\$96,196)	(\$300,658)	(\$95,362)	(\$100,321)	(8100,549)	(\$111,062)	(\$116,876)	(\$123,008)
APV of 15 yrs. Cesh Plow (a) (\$535,600)														
-01														
Annual Investment (2000 S) (b) 50	80	8	80	(\$20,811)	(\$55,629)	(778,888)	(367,796)	(208'895)	(\$69,970)	(811,118)	(\$72,265)	(872,498)	(101,731)	(\$12,032)
MPV of Land Sale Subsidies Provided (15 vrs)	804.662													
MPV of Net Assets of Year 15	\$875,000													
Total Financial Returns (15 yrs)	178/602,18													
NPV of Initial General Fund Investments	(\$842,900)													
NPV of Annual Program Subsidios (15 yrs) Total NPV of Program Investments	(\$1,376,300)													
NET PROGRAM COST	\$168.826		Land Bank Ar	ves Purches	ed.	63								
Neolas:														
(3) For purposes of this analysis, discount rate is set (b) Future subsidy pergreents are definited to 2000 \$ (t oquil to the U using ammud g	hy's investment interal inflation	nt earmings nab I ratio acaumpti	a. On from Table										

Source: 8AE, 2000.

b

Sensitivity Analysis

The preceding portions of this section have stated numerous assumptions regarding the future operation of a Land Bank program in Fort Collins. Past experience has shown that economic conditions can fluctuate significantly from year to year and can take unexpected turns. It is useful to conduct sensitivity analysis to determine what impact changes in various assumptions will have on the viability of the Land Bank program. This is a method of exploring risks and to fine-tune program assumptions. The starting point for the sensitivity analysis is the result of the baseline analysis that is described above. Using the cash flow model shown on Tables 1-6, on or more key variables are changed while all other baseline assumptions are held constant, and the results are recorded. For the purposes of this analysis, the results of the sensitivity analysis are primarily expressed in terms of the change in the "Net Program Cost" shown in the box at the bottom of Table 6. Following are the results of a series of sensitivity analyses:

Table 7 contains summarizes some of the key findings with regard to the economics of the different Alternatives in comparison to the Baseline scenario. In addition, Appendix B contains the full spreadsheet model printout for each of the Alternatives.

Alternative 1: Baseline Scenario, but with Administrative Costs and Property Taxes Charged to the Program. Whereas the baseline scenario assumes that the City will absorb the administrative staffing costs for the program and that the program will not pay property taxes, this Alternative charges these costs to the program. These additional costs would range from about \$35,000 per year at the beginning of the program and would rise to about \$141,000 (inflated \$) per year, by year 15.

Appendix B-1 contains the results of this Alternative analysis. As shown in Table 6 (cash flow summary) of Appendix B-1, the net program cost under this scenario would increase to about \$1 million over 15 years, because of the added expenses charged to the program. This added cost would occur in the form of greater annual City investments in the program to support cash flow needs.

Alternative 2: Baseline Scenario, but with 10-Year Hold. This Alternative assumes that the land bank will hold properties for ten years before selling them to affordable housing developers, instead of five years. A key feature of this Alternative is that the Land Bank program would build a much larger portfolio of property, for which it would require greater amounts of financing. Also, net program costs would tend to increase because in the baseline scenario it is assumed that the future land sales price will appreciate at a rate that will not cover the increased interest and operating costs during the extended holding period.

Appendix B-2 contains the sensitivity analysis results for this Alternative. As shown in the summary in Table 6 of this appendix, the net 15-year program cost to the City would increase modestly, to about \$204,000, in comparison to a net cost of about \$170,000 for the Baseline scenario. The key difference is the amount of debt that this Alternative would require. Because the Land Bank would build its portfolio of property every year until Year 11, when it would sell land for the first time, it would a much greater outstanding loan balance than the Baseline by Year 15. At that time, the projected outstanding loan balance would be \$4.4 million. In addition to the increased debt requirements, this Alternative would need to wait five additional years (beyond the Baseline 5-year hold period) to begin providing benefits to affordable housing developers.

Generally, longer hold periods will be financially beneficial only if the rate of land price appreciation is also assumed to be greater, so that the increased sales price offsets the increased cost to hold the land over a longer period of time.

Alternative 3: Cash Infusion Scenario, \$925,000 initial investment plus \$500,000 annual investment for 10 additional years. All operating assumptions are the same as the baseline scenario, with the exception of the additional \$500,000 investments in the program. Instead of relying primarily on loans to finance purchases of land, this Alternative assumes that the Land Bank would use City investments to purchase the land and that these investments would be retained in the program as long as it continued to operate. Another key aspect of this program is that it would allow the Land Bank to purchase an estimate 91 acres of land over a 15-year period, instead of the 53 acres assumed for the Baseline and Alternatives 1, 2, and 5.

The tables in Appendix B-3 summarize the sensitivity analysis results for this Alternative. In this case, the net 15-year program cost drops to \$112,000. This means that the City's returns on its investments (in the form of the appreciated value of the Land Bank's portfolio of property) would be estimated to be \$112,000 less than if the City invested its funds in keeping with its current practices. Of the Baseline and the five different Alternatives, this scenario is projected to have the lowest net cost to the City. This, combined with the fact that it would support greater quantities of land purchases (and thus affordable housing production) may make this an attractive alternative, if funds are available to invest for affordable housing in this manner.

Alternative 4: Cash Infusion Scenario, but with 10-Year Hold. This Alternative is the same as Alternative 3, above, except the land bank is assumed to hold property for ten years instead of five years. In this scenario, the Land Bank would require access to significant debt in addition to the City investments in order to purchase the targeted amount of land each year.

The results of the sensitivity analysis for Alternative 4 are shown in Appendix B-4. As shown in Table 6 of Appendix B-4, the net program cost for this Alternative rises to \$875,000 for the 15-year period. This is primarily due to the increased costs of holding land for a 10-year period instead of a 5-year period before selling it. Like Alternative 3, this Alternative would involve purchasing 91 acres of land over a 15-year period. Unlike Alternative 3, in addition to the City "investments," this Alternative would also require that the Land Bank obtain additional capital through borrowing in order to purchase the targeted amount of land each year. As shown in Table 3 of Appendix B-4, the Land Bank's outstanding debt balance by Year 15 would be approximately \$6.0 million.

Alternative 5: Baseline, but borrow capital at conventional rates. This scenario is the same as the Baseline, but it assumes that rather than borrowing funds from internal City sources at the City's cost of funds, the Land Bank would borrow funds from a commercial bank at prevailing market rates, which are assumed to be approximately 13.5 percent annually. This reflects interest rates charged by banks for the acquisition of undeveloped land.

Appendix B-5 shows the sensitivity analysis results for the last Alternative. In this case, the projected net program cost is about \$660,000. This increased program cost is directly attributable to the assumption that the Land Bank would have to pay an interest rate for borrowed capital that is approximately twice the interest rate that the Land Bank is assumed to pay the City for internal loans under the Baseline scenario. As the debt interest rate increases, the benefits of holding land

for extended periods of time decrease, unless land appreciation rates also increase commensurately. If the Land Bank must pay higher interest rates to purchase and hold property, it must secure greater amounts of subsidy.

Sensitivity to Other Factors. Beyond the Alternatives defined above, numerous other factors can influence Land Bank feasibility. Following are discussions of several, indicating how the net program costs vary with changes in a specific variable; holding all other Baseline assumptions constant.

<u>Land Purchase Price</u>. Holding all other variables constant, the impact of changing the baseline assumption regarding the initial land purchase prices from \$2.25 per square foot is as follows:

Initial Land Purchase Price	Net Program Cost
\$1.50	\$153,009
\$2.00	\$163,650
\$2.50	\$174,111

In addition, generally, the greater the initial land purchase price, the greater the annual program investment that will be required for cash flow purposes.

<u>Land Sale Price Appreciation Rates</u>. Following are the results from changing the assumption regarding the sale price appreciation rate:

Sale Price Appreciation Rate	Net Program Cost
3.0%	\$609,114
8.0%	\$268,280 surplus
12.0%	\$1,645,410 surplus

When the debt interest rate is held at 6.25 percent per year, sale price appreciation rates of about seven percent and above will generate net economic surpluses for the Land Bank program. This demonstrates that it would be most advantageous for the Land Bank to acquire more property during periods when it is anticipated that land prices will increase rapidly, and less property during periods when land prices are anticipated to be stagnant or to actually decline. When land prices are increasing at more rapid rates, the Land Bank program will require greater amounts of annual cash flow investments in order to purchase the same quantity of land each year; however, these annual investments will be recouped upon sale of the property at higher prices.

Land Sale Price Discount Rates. If the land sale price is reduced, the Land Bank can provide a greater subsidy to affordable housing developers; however, to do this, the City will need to invest more money into the program in order to sustain it. In fact these factors exactly balance themselves out, in terms of the program's economic cost. Whether the sale price is reduced to 85 percent or 80 percent or market value, or increased to 95 percent of market value, the "Net Program Cost" remains at \$168,836. What this means is that the Land Bank can offer greater discounts and provide greater benefits to affordable housing developers, but it must invest more money to do so. From a cash flow standpoint, selling properties at a greater discount will require that the Land Bank receive larger annual investments. This increase in investments will be "paid back" when the properties are sold at a greater discount, thus creating greater program benefits. By Year 15, the cost savings would amount to approximately \$3,915 per unit if the land were sold

at 80 percent of market value as opposed to a savings of \$1,957 per unit if the land is sold at 90 percent of market value.

Table 7: Key Indicators for Alternative Scen	arios					
	Baseline Scenario	Alternative 1 Baseline + Taxes and Admin. Costs	Alternative 2 Baseline with 10-Year Hold	Alternative 3 Cash Infusion	Atternative 4 Cash Infusion+ 10-Year Hold	Alternative 5 Baseline+ Conventional Debt
Acres Purchased (15-years)	53	53	53	91	91	53
Units Produced (12 du/acre, 15 years)	630	630	630	1092	1092	630
Annual Program Subsidies Required, Year 15 (2000 \$)	\$75,992	\$163,222	\$175,021	\$0	\$223,233	\$158,384
Net Program Cast	\$168,836	\$1,003,542	\$204,722	\$112,366	\$875,155	\$659,796
Net Program Cost Per Unit Produced	\$268	\$1,563	\$325	\$103	\$801	\$1,047

OPERATIONAL OPTIONS

Property Acquisition, Conveyance, and Financing Techniques

There are many potential options for property acquisition and financing, most of which appear to be untested for a land bank program, meaning that they will likely require further study before they are incorporated into a land bank program in Fort Collins. What should be of interest to the City at this stage is the fact that most of these options are not mutually exclusive, so that if proven to be feasible mechanisms, the City can choose from a menu of different tools to help it achieve land bank objectives, depending on circumstances that may present themselves during program implementation.

Tables 8, 9, 10, and 11 summarize information about different operational options that we have identified in the course of our work on this study. Appendix C contains a listing of various organizations and resource persons contacted as part of this study.

Land Acquisition. The land acquisition mechanisms shown in Table 8 can generally be divided among active targeting and acquisition techniques, passive selection techniques, and a hybrid solicitation approach. In the first category the City consciously selects and acquires properties (or elects to utilize property it already owns). Probably the most common technique used will be to purchase desired property through fee simple title. While this option provides maximum control over site selection and the use of the site, it may be one of the more expensive mechanisms. The Land Bank may be able to leverage available funds by instead only purchasing only a portion of the land rights, or by entering into purchase contracts that will not require payment until closer to the time when the property would be acquired by an affordable housing developer who is ready to build.

The second category of acquisition methods involves various mechanisms used by many conservation land trusts. Some involve receiving donations of land from owners with charitable interests. Others involve acquiring property that may become available due to various circumstances, such as foreclosure proceedings, or the voluntary participation of property owners in programs that give them tax benefits. The disadvantage of these techniques is that the sites offered are not always appropriate for land banking purposes; however, if an appropriate property does become available, it could be acquired at a discount. Also, inappropriate properties that are donated may be resold for other uses and the proceeds used to help fund the land banking program.

The final acquisition method, solicitation, is a hybrid of the two prior methods. Through a request for proposals process, the Land Bank would establish criteria for desired sites and rely on interested property owners to come forward. While this is a method for identifying sites for acquisition, it can be combined with various mechanisms to actually take title to the property, including discount purchase prices or donations, leasehold interests, etc.

Strategies for Land Conveyance. As shown in Table 9, there are a limited number of methods to convey land to affordable housing developers. The first, and most common, is fee simple title, which typically includes legal mechanisms to ensure that the property is used for the production and operation of affordable housing over a specified time period. Community land trusts typically do not sell their land, but instead lease the land to affordable housing developers. An

entire site can be leased to a developer, or in certain cases only a portion of the land rights may be leased, as in the example provided in which a land bank offered an air rights lease for the construction of affordable housing above a parking lot.

Strategies for Raising Capital. Table 10 summarizes numerous methods to raise capital for the Land Bank program. One or more of these mechanisms could be utilized to generate extra funds to invest in the Land Bank program to allow it to operate at a break-even level.

Although the first option shown is General Fund contributions, it is acknowledged that this is not the City's desired option; however, the City may wish to consider this as a seed funding source that could be replaced by other sources once they are developed. Other possibilities for locally controlled funds include establishment of a construction excise tax, affordable housing impact fee, or jobs/housing linkage fee.

The City may also wish to consider earmarking a pool of its own capital to use as an investment fund to support the Land Bank program. The concept would be to set aside a pool of capital that is normally invested in relatively conservative, but lower-yielding investment instruments and instead place it in investments that may be more volatile, but which offer the possibility of achieving greater returns. The incremental increase in investment returns would then be earmarked to support the Land Bank activities. This type of activity would require that the City establish a longer-term investment horizon for the dedicated funds, in conjunction with a change in its adopted investment policies. The advantage of this type of strategy is that it would leverage existing City assets to produce more annual revenue, rather than diverting existing revenue away from other City priorities.

Other options to raise capital involve working to secure grant or low-interest loan funds from other governmental or private sources. The challenge with these funds is that they are usually in short supply relative to demand, and there are usually many program restrictions which may preclude their use for the Land Banking program. In particular, where Table 10 indicates that other jurisdictions have used federal sources like HOME and CDBG to fund land bank and/or land trust programs in the past, current program guidelines may preclude using of these funds to help a Land Bank acquire sites, because the actual affordable housing units may not be produced until five or more years after the money is allocated. Further exploration with funding program representatives is required to confirm the potential use of the various funding sources.

To the extent that the Land Bank is successful in obtaining funds from any of these sources, the Land Bank will be able to acquire more land and/or offer greater benefits to affordable housing developers by selling land at a greater discount. Some of the mechanisms that require more immediate production of affordable housing might be used in conjunction with another acquisition or financing mechanism. For example, the Land Bank could purchase land by borrowing money, if it knew that the land would be sold in five years and funding from another source would be available to pay off the debt at that time.

Strategies for Obtaining Debt. Table 11 summarizes various mechanisms to obtain debt. As discussed above, internal borrowing from the City's idle funds is assumed in the Cash Flow Model; however, there are numerous other mechanisms that the Land Bank could employ, either as an alternative to internal borrowing or in addition to internal borrowing. Internal borrowing is probably the most flexible and cost effective; however, for other reasons the Land Bank may decide to pursue other options that may pose less risk to the City's capital.

Mechanism Active Tergeting and Acquisition Technics	Advantages	Disadvantages/Issues	Example	
Buy Property through Fee Simple Tate	Maximum control over site. Could partner with other City departments that are involved in land acquisition with site split for diffuence purposes depending on subtibility.	High cost, interim period maintenance responsibility.	City of Boulder Howeing Authority - seeking to develop 280 homes, 50% altertable at a homen driver in theater. Land Bank could use access property acquired by Utilities, Natural Resources, or Parks Departments out unsutable for their purposes.	
Use Existing City Property	Absolute control, no cast of acquisition	Opportunity cost to city, loss of property or revenue for alternative use. Due to City policy of ratuming proceeds from surgius property sales to General Pund, Stis may not be an option.	City of Sam Markeo, CA + housing division reimbursed public works department coat of punchase from 10 years earlier rather than paying an assessed fair market value, City of Boston - imventioned 1125 vecent properties including those owned by City for housing opportunities	
Rolding Options or contracts to purchase property at a later date for a pre-determined sale price.	Lower up-front cost, flexibility should site prove infeasible or undesirable. May avoid interim period maintenance expenses.	Final cost may tee higher	Kalikow Group - the private firm has just created a new land bank division in Weatbury NY and diseed on over 300 acres in Orlando FL. In assence, this privatizes the land bank tunction.	
Partner with private sector land transing organization	Private capital used to thance acquisition and interim holiting costs; up-front agreement ensures that property can be acquired at a set price at a triter date.	Private tand bank partners will domand a fair rate of return in eacheinge for viee of their money. Ultimate cost of sites may be higher.	Kalkine Group - the private frem has just created a new land bank division in Westbury NY and dosed on over 300 acres in Onlando FL	_
Aftordatelity Easement	Lower up-front cost, property owner is responsible for maintenance during interim period.	Markat acceptures unproven. Officult to value easement.	Pocable variation of standard conservation land trust strategy	
Number of the second of the second se	Coordinates other city agendes (police, code enforcement) with housing, community development. Discount to property likely.	Reptacement write require additional capital, reheabilishon may be more costly, inteem D&M costs. Property denount may not justify expense of enforcement/labatement activities, unless these activities are seen as activities, unless these pathwises auch as betoft removal, etc.	City of Boston - langeled acquestion of "Tan Most WarriedDrug Dens/Abandonsid Properties" associated with itegst activities and then rehabilitates properties.	
Private Tax Deductifie Donations - Land	No acquisition costs ofter than administrative. Funds not drawn from source with competing need.	No caritrol over size selfection, as this mechanism relies on donors to self-selact.	Anciezon Hale Community Lavel Trust - developing 5 acres provided specifically for feechers etc to have ownership opportunity. Part of a larger 70 acre development of benefactur. City of Oaklavd found properties gifted by elderify to often he too for lar laveraged to often real value.	
Private Tax Deductible Donatoris - Land Rights	Funds not drawn from source with competing need.	Possible complexity of accounting related to valuation of 'rights' regarding easements, covenants, rights of relusal, etc.	Standard occessivation land trust strategy.	

Table 8: Options for Land Acquisition and Interim Holding Period

Mechanism	Advantages	Disadvantages/Issues	Example	
Bargain Sales	Property bought at less than it's fair market value, safer provided incentive by tax benefits, administrative simplicity for 'buyer' - burden of accounting value of 'bargain' is upon seller and their accountant	Maintenance costs over long tarm. No ocrard over site selection. Need to confirm tax benafits if City is recipient.	Juckson Hole Community Land Trust - Sellar had property bought at \$225k selling at \$185, appraised at \$212k and sold to JHCLT for \$135k. Tax benefits on difference. Permanent covernant for adhoctashity on resulting homes. Resale profit limited to CPI, generally at 3-4%. Based on 5% inimided to CPI, generally at 3-4%. Based on 5% down (\$5,000) on an attochable house purchased for \$5,000 on an attochable house purchased for \$5,000 on an attochable house purchased for \$5,000 no an attochable house purchased for \$6,000 no an \$6,000 no an \$6,000 no	-
Bequests (left to a Trust in owner's with	No acquisition costs offee than administrative. Funds not drawn from source with competing reed.	Maintanancia costa over king term. No control over site selection, timing.	Standard conservation land trust strategy	-
Remainder Interests/Lite Estates	No acculation costs, owner given tax incurtives while retaining rights for period of their concern	Maintenance costs over long term. No control over site selection, timing.	Standard consurvation land bust strategy	
Donated Affordability Easement	No up-front cost, property owner may retain responsibility for interim period maintenance.	Market acceptance unknown - may relay on poesbility of variation of IRS valuation for conservation easement and accrual of estate and income benefits. Need to explore tax benefit for affordability easement as with a conservation easement.	y Possible variation of standard conservation land trust strategy.	
Forestosure an tax definquent properties/ Protest Sale with Fee Simple Title	Lower up front bost, scattered stes. Tangels vacant, abandoned properties.	Parcels may be very small. Local success of program tends to rely on depressed tand values not characteristic of Fort Collins. Advertising and satisfation may be time-consuming. Actual property participation is owner dependent vii, pro-ective site selection.	n City of Attenta/Tuttor Co. Land Bank Aumonty- received HUD Blue Pattoon Practices award for partnering with prinate developers to re-utilize tax derinquent sites. City of Oaktend, CA - had appressive probast sale program but tound private derelopers were outcompeting fur viable sites and remainder evere problematic to financia. City of Preference City, CA - soquired property after assisting developer was forectored on, paid participate more than property valued, as it was over leveraged.	
Forgive Back of Future Taxes In Exchange & Property	in Lower up front cost, scattered sites. Participants self- identity versus tracking available properties,	Parcels may be very small. Local success of program may rely on depressed land values not cherecteristic of Fort Coltins. Advertising and solicitation may be time consuming. Actual property participation is owner dependent vs. pro-active site selection.	¹ Prock Hill Joint Vaniture for Attractable Housing and Crity of Flock Hill, South Carolinus, - HUD Blue Phtborn Practice award for waiving back traves and pertnering with private developers to re-utilize sites.	

LAND	BANK FEASIBILITY STUDY

Machanism	Advantages	Disadvantages/issuea	Example	
Forgive Back or Future Taxos In Exchange to Mondability Covenants	r Lower up trank cost, scattered sites. Targets vacant, abandoned properties.	Parcels may be very small. Possibly complex time ocnauming mechanism for transfer requiring policy change.	Hypothefical change to HUD recognized Blue Rithon Prectores	
Forgive accrued taxes in exchange for altordiality coverants or file for Elderly Property Tax Deferral Program participants.	Lower up trust cost. Partnenship opportunity with State program. Scattlaned alaas. Participants self- identhy versus tracking available properties.	Existing single-tamily homes most likely property type. Possitiey complex time consuming mechanism for transfer requiring policy change.	Hypothetical change to Colorado State Elderly Property Tax Defend Program	-
Forgive intorest and/or principal in exchange for allordsbilly covenants or title for Reverse Mongage Program Participants	Lower up trunt cost. Partheretetip opportunity with HUID and/or Fannie Maa program, products. Scathered sites. Parthopants self-identity versus tracking available properties.	Existing single-tamily fromes must likely property. HUD Community Builder does not ase much role except in case of datsuit, then city has first right of refusal. Possibly complex, sime-consuming mechanism for transfer requiring policy change.	Hypothetical change to HUD/Famila Maa HomeKeeper for Second mortgage or concurrent application of lease hold and revelopment munager Famile Mae community development munager seas as interating as long as public entry mekaa up the gap. Programmetic expenses in Portland with CLT. Partnership director them seas feasibility as long as city, non-profit covers risk.	
Hybrid Solicitation Technique				1
ueral Bank cam puriodicatly issue Requests or Peoposals or sumilar solicitations.	Land Bank can specify desired ortenta for land bank sites. This technique can help to create a more open process of site selection, and can be tood in with a coordinated marketing and outreach effort.	This technique can be cumbersome and time consuming and would limit soquistion activities to specific time periods. This may lead to missing some purchase opportunities that present themselves at other times. Still relies on self-selection of interested		

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Source: BAE, 2000.

property owner

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Table 9

Mechanism	Advantages	Disadvantages/Issues	Example
Fee Simple Title	LB no longer responsible for property. Affordability can stay with property rather than individuals.	Need to establish covenants (either rental deed restrictions or resale restrictions) to ensure atfordablity, eligibility requirements, and possible first right of refusal for City/Land Bank.	
Ground Lease/Air Rights Lease	Remove rising land value from value of home. Fannie Mae Partnership office actively exploring this model. Thistle CLT has approved lease documents which, if model in Oregon is followed, could be broadly utilized throughout state while resele covenants are locally determined.	Up front site acquisition costs not addressed explicitly by model but can combine with alternate acquisition strategy. Uncertainty re: resale formula, rights of first retursal, inheritance, tax reassessment and traditional lenders acceptance and thei pursuit of their interest in default stuation (Fannie Mee voids all affordability covenants in forectosure situation),	Used by over 100 Community land trust's throughout Country. Fannie Mae financing CLT for last year in Portland partnership office. Air rights legal history dating to trist use in NYC in 1910. City of Boulder and "Thisfie Community Land Trust provides both rental and ownership opportunities in Boulder with this structure. City of San Mateo used air rights lease for affordable serior center next to city-owned parking to to allow development of structure serving both development and public.
Leasehold Estate	Potential mechanism to avoid danger of bank foreclosure on land on which laffordable units are constructed.	Little information on model found,	Western CLTs are reputed to use this mechanism.

Mechanism	Advantages	Disadvantages/Issues	Example
Sensial Fund Contributions	Administrative simplicity, floxibility and control	Start-up cmty, less capitel aveilable for single year start-up fund then it debt mechanism utitized	
lates of surplus Land Bank property not uitable for housing.	Retention of profit from land appreciation can be directed to landbanking in more, of more appropriate sites.	Loss of asset that may be colleveral for more significant financing or for future development that may have increased value in meeting provision of affordable housing goals	Jackson Hole Cammunity Land Truet is provided land through donation but found in one case, domated and to be cost prohibitive (due to site constraints, geography) and instead sold to more appropriate site for desired economies of scale > 12 units/scre
xolse Tawlobs-Housing Impact Fees	Provides for concurrency between new development and attornable housing. legal status & local implementation modeled by Boulder, leverage private and federal dollars (Boulder model 1.7 ratio) dollars (Boulder model 1.7 ratio)	Increases burden on market rate development	Bourbar's Community Housing Assistance program (CH/AP) - initiated in 1991 axise tax of .06 parcent of property tax on new development results in about \$.33/94 ft for annual funds of about \$1M and Cash tri- Lieu program (initiated 1996/97) generates about \$500,000/year - explicitly prioritize landbanking but funds am flexible units. Supporting permanently allondable units. Combined with federal entitlements from Clabdic and HOME to create annual grant program of \$2.54M. Opportunity Fund available for real time requests for stle acquisition. Prior to these funds for real fandbanking in 1980's.
pecial Property or Seles Tax	Spreads burden over the whole City; could generate significant on-going revenues which could provide a source of revenue for bonding in order to generate up-from tunds.	Requires significant political support (i.e., voter approval).	Increase base tax and earmark increment for Land Bank program.
olorado Starte Local Attaiss Housing Invision Grants	Annual grant funds generality proportionate to county population, funding has been stable over multiple years and various administrations, organizations in Fort Coting predominant recipients of tunds in Lammer county, pool potentially expended this year	competing needs for capital pool, traditionally poorty leveraged for numerous projects	State Housing grant program currently allocates about \$2.6 million per year, staff attempting to raise fund allocation to \$6 million with naxt budget From April 1, 1999 to March 31, 2000 projects in Larimer county received \$1,26M or 5.28% of grant dolars while population made up 5.7%
laste Trust	eliminates use of direct transfers from assets held in trust by state while covering program otherwise require general funds or outs, treasurer advocata	Funds dedicated to CUHIP and Tobacco related use, May not be stratar accounts with assets available to build trust off of,	Colorado Unclaimad Property Fund- Interest (set) at 6.5%) sufficient to support Colorado Unitsurable Health Insurance Program, Colorado Tobacco Settlement Fund - monex is used similarly

Mechanism	Advantages	Disadvantages/Issues	Example
CDE/G allocations	Funds available cach year, federal	HUD under pressure to make timely expenditures, drains funds from other current projects,	Boulder, CO used exclusively with HOME money to landbank in 1980's prior to creation of local financing options, San Mateo and Redwood City, CA used with HOME money and local redevelopment dollars in 1990's
Home investment partnership program (HOME) allocation	Funds available each year, tederal	HUD under pressure to make timely expenditures, drains funds from other current projects,	Boulder, CO used exclusively with CDBG money to landbank in 1980's prior to creation of local financing options, San Mateo and Redwood City, CA used with CDBG money and local redevelopment dotars in 1990's
Privala Tax Deductible Donations - Cash	Funds not drawn from source with competing need	reliance on public opinion is increased with then increased blas toward ownership over rental	Janckson Hole Land Trust is 100% privately supported through donations of cash and land
Private Tax Deductible Donations - from argented amployens	Funds not drawn from source with compating need, Can tanget funds to specific need areas	Legality of program restrictions, viability of employer participation	
Privake Tax Deductible Donations - Home Without associated land	Opportunity to couple such donations with land acquisition offers opportunity to provide real time unit production during interim holding period.	Cost of movement, rehabilitation, perhaps more than once and possible eventual demolition,	Habriar for Humanity - In Boulder, CO receives approximately a dozen calls per yuar offering homes from parties wishing to remodel

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internal Borrowing Poesine Fund Line of Creeks	Local discretionary control, low administrative cost Protectial local discretionary control	risk to City capital, opportunity cost to City Risk to certial concentrativ costs. land	Use idie tund balances rather than borrowing from outside sources. Budiversion CVT - provided \$1M free of
		incer to capital, upportently occurs dath affore may not be adequate to secure dath	centration out - processors are arread creatificant CNL Employee's parasion fund. CAL PERS sought as major investor in social investment initiative in Northarm CA regional initiative
Stripped bonds and coupons (variously called CATS, TIGRs, etc.).	Band residues and coupons are sold separately at significant decourts from their kao value. Any type of bond can be attriped. By setting bonds at a discourt to face value, interest can be paid only at maturity.	Appear to refy on third party broker to ship bonts to entice sweatment. Navel to waturate required relationships to use this type of debt instrument. Need to evaluate securitization requirements and costs.	Zero Coupon Bonds, short-term discount obligatoris issued by the Faderal Home Loan Banks, the Faderal Nutional Mortgag Association, and Pederal Hume Loan Mortgage Carporation
Certificatios of Participation	Act like bond, ability to delay payback, tax esempt borrowing rate. Could potentially structure as Zero Coupon.	Hisk to specific asset base used as security. Rely on public appelle for debt, individual deals may be too small to be afficient.	Chriner School Board established separat facilities corporate trust which serves as a leasing board distaminas what of School district total asset base will secure sufficient debt
nstitute for Community Economics Revolving Losin Fund	Money esimatked for larva acquisition targeting landbanking	Require development of institutional capacity for implementing CLT, Loans of more than 10 years range from 0 to 5%.	Since 1979 ICE's RLF loaned out \$34 M over 370 loans in 29 states to produce 3.850 housing units
Statu Favolving Loan Pool	Opportunity for Fort Collins to partner with Shile, metch lands, and arolid read to develop administrative situcture and carry overhead	Pool target appears to be construction mories rather than acquisition money. Stato wants to tund untils in your of allocation, not tund landbanking (might fund lisit year of a rolling option instead of first year).	State partnering with non-profile throughout state, and realized players (HAC, Fanne Mao) with initial capital of \$2.5M (state bringing \$1M) for primerty construction boars 4-5% interest, 2-3 year terms
CDBQ/HOME Ravolving Loan Fund ().e., program income)	City may have more flexibility in the use of these loan reperent funds in for lantharking as compared in using contract year allocations. Program income could potentially be used to fund Land Bank operating costs and annual debt service.	Need to check on whether City has an FLF now. It may take significant time to tudd up adequate pool of repayment tunds.	Hevalving loan fund income from repayment of HOME or COBG loans made by Caty in prior program years.
CDBG Section 108 Loans	Future CDBG allocations are security, even If repayment is targeted to be from another source	See limitation reuse of CDBI3 tunds. Also, preliminary indications are that local CDBG program would not want to commit available funds to land bank program.	
Housing Assistance Council Self-Help Opportunity Program (HAC SHOP)	Zero interest loans, up to 70% longivable with donesion of sweet equity	Units must be produced in 3 years unless HUD changes production schedula which is not yet finalized. Funding not yet secured, rund terrets.	\$4.8 Milion in HUD dollars expected for 12 state region containing CO in FY2000

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Table 11: Options for Obtaining Debt

Organizational Structure

City staff have prepared the following organizational development information for inclusion in the Land Bank Feasibility Study. This information provides preliminary direction for the operation of a Land Bank program in Fort Collins, should the City decide to pursue the project.

Organizational Options. From the time of the first discussions within the City about implementing a Land Bank program, it was the intent that the City would take the lead in establishing the program, but would consider options for the ongoing operation of the program that might involve transferring the responsibility for the program to another entity. The City considered several such organizational options to take over the program and effectively achieve the goals of land banking. Organizational structures with proven track records and creative approaches were considered. Following are some examples of possible approaches:

- 1. The City itself operates the program on a "self-supporting" basis.
- 2. The City spins off a non-profit entity to manage the program.
- 3. The City joint ventures with an existing agency to administer the program.
- 4. The City creates a land trust to manage the program.

With respect to the financial feasibility of the proposed Land Bank program, the operational costs for staff time and other program expenses most likely will preclude the feasibility of spinning the program off to another entity. The estimated personnel costs to administer the program, including salary and benefits, would be \$36,400 per year. This would not include other program related costs such as professional services, office expenses, etc. If an independent organization had to internalize all of these costs, the financial benefits from land banking would be diluted.

Recommended Organization. As the Land Bank is currently proposed, it would have a relatively small portfolio of properties at any given time, and it would engage in a limited number of real estate transactions each year. This means that it would require that only fractional portions of full-time staff be allocated to the program. The volume of land bank activity will not likely be large enough to support dedicated staff in a cost effective manner. At the same time, the Land Bank operations will require a range of special expertise. For these reasons, the program would best be integrated into an organization where there are existing staff who possess many of the requisite skills, and who can be assigned part-time to the Land Bank program, filling the rest of their available time with other assignments outside the Land Bank program. The best fit for the program at this time appears to be within the City, with the City absorbing the administrative and related costs as part of its overall housing and community development activities.

Administrative Structure. It is proposed that the City of Fort Collins Community Planning and Environmental Services' Advance Planning Department manage and operate the Land Bank Program. Specifically, the Advance Planning Director or his designee will be responsible for delegating the day-to-day operations of the program. This will include locating properties, coordinating acquisitions, arranging closings and performing other management details of the program.
Site Acquisition Activities. Advance Planning Department staff will coordinate and use the expertise of other departments and offices (Real Estate Services office, City Attorney's office, etc.) to form an Acquisition Team in developing an inventory of land banking properties. The Acquisition Team will assist in identifying, screening and selecting appropriate properties that reflect criteria for acquiring appropriate affordable housing sites. In this process, a presentation will be made to the Affordable Housing Board when the site is selected for acquisition.

Site Selection Process. Sites for land banking will be acquired through a direct approach. In the direct approach, individual property owners will be contacted to discuss the purchase of their properties or in some cases individual property owners may contact the City to inquire about selling their properties to the Land Bank Program. In any event, staff will explain the Land Bank concept and the potential community benefits of the program to interested landowners.

Site Acquisition Approach. The Land Bank will acquire land only through negotiated purchases of properties with willing sellers. The program is not intended to be a redevelopment program, and will not involve the use of eminent domain powers. In most cases, City staff will negotiate with prospective sellers on the City's behalf. However, when deemed appropriate, the City may decide to use a Real Estate Buyer's Agent to negotiate property acquisitions. In implementing the direct contact approach, the City will use three steps in purchasing properties. The steps are site identification, due diligence, and acquisition.

<u>Site Identification</u>. The Land Bank site selection criteria discussed in this report will be used as a guide in locating appropriate parcels for the program. Other factors may be considered as deemed appropriate. In general, the land identification process will include the following activities:

- Identify land to be acquired
- Identify ownership, parcel and estimate cost
- Make initial contact to land owner by phone or mail
- Make Land Bank presentation to property owner
- Follow up communication and negotiation

<u>Due Diligence</u>. Once a willing seller has been identified and land has been deemed to meet the basic site selection criteria, the next step involves more in-depth investigation and research regarding issues potentially affecting the suitability of the property for the Land Bank Program and any risk associated with the acquisition. These activities will include:

- Initial agreement with specific performance conditions to satisfy
- Perform title work
- Appraisal, if needed
- Perform environmental audit
- Land survey

<u>Site Acquisition</u>. The final step in the process is executing the purchase of the land after all conditions have been satisfied. Acquisition steps will include:

- Obtain Council approval
- Prepare contract
- Review contract and satisfy all conditions
- Closing

Process to Allow Use of City Funds to Support Land Banking Program. For the Baseline analysis, as well as the other Alternatives analyzed in this study, it was assumed that the City of Fort Collins would utilize some of its own internal funds to help support the Land Bank program. The Finance Department has indicated that it would be necessary for the City to amend its investment policies in order to permit this type of use of funds. Based on information provided by the Finance Department, the following steps would be required in order to permit the City invest in, or lend money to, the Land Bank program:

- 1. **Identify financing needs**. It will first be necessary to identify the magnitude of the funding that the program would require. As reflected in the analysis prepared for this report, the outstanding debt balance for the Land Bank program under a baseline set of assumptions indicates that the outstanding debt would rise as high as approximately \$2 million by year 15 of the program, increasing thereafter primarily due to inflation because the program will be paying increasing prices for the land that it acquires. This debt would be in addition to the \$925,000 in initial "seed" funding that is assumed to be available to the program. The program's actual needs for loans from City sources will vary depending on the level of Land Banking activity that the City desires, decisions regarding the length of time that the Land Bank will hold property before selling it, the level of direct investments (subsidies) that the City might provide to the program in place of debt, the availability of funding from outside sources that the City may seek to target, and other factors. For example, if the Land Bank decides to hold property for 10 years before selling it for development, the portfolio of properties that must be financed would be much greater than under the baseline assumption of a five-year hold period. With a 10-year hold period, acquiring an average of 3.5 acres per year, the outstanding debt level could rise as high as \$6 million in alternative scenarios analyzed for this report. Some or all of this debt could be required from City sources.
- 2. **Draft Changes to City Investment Policy**. Finance Department staff will then need to draft proposed changes to the City's existing investment policies to allow lending to the Land Bank program or investing money directly into purchasing land for the Land Bank. In conjunction with this step, the Finance Department would review proposed changes with the City Attorney's Office to ensure that public purpose involved, facilitating production of affordable housing, is sufficient to support the change in public policy to allow the City to potentially lose money on use of its assets or to earn less than the market rate of return. After completing this review, Finance Department staff would formulate findings for the City Council's consideration, to clearly support the public policy foundation for the proposed changes in investment policy.
- 3. **City Council Finance Committee Review**. City staff would present the investment policy changes to the Finance Committee for their review, in conjunction with review

of the Land Bank Feasibility Study, which will provide the Committee with a more complete picture of the proposed uses of the funds.

- 4. **City Council Study Session**. After review by the Finance Committee, the issue may be discussed at a Study Session of the full City Council. This Study Session could be conducted in the context of a Study Session on the Land Bank Feasibility Study and its overall findings and recommendations.
- 5. **Draft Resolution or Ordinance to Approve Changes to Investment Policy**. The City Council can approve formal changes to the City investment policy by ordinance or resolution. The Finance Department suggests that because of the nature of the changes that would be required, changes allowing loans to or investments in the Land Bank program be made by ordinance. If no major problems or objections are identified through in the Study Session, Finance Department staff and the City Attorney's Office would draft the resolution or ordinance to implement the changes to the investment policy. Resolutions take effect immediately if approved and they require only a single reading before they can be approved. Ordinances must be read on two separate dates and can then do not go into effect until ten days after being approved at the second reading.
- 6. **Establish Land Bank Loan/Investment Accounting Procedures**. Parallel to the investment policy amendment process, Finance Department staff would work out how the program and the investments would be accounted for. This would include specifying reporting requirements so that the City Council would be able to see and understand how the program is doing on a regular basis.

Other Land Bank Operational Issues. In addition to the basic procedures for land acquisition outlined above, staff assigned to the Land Bank program will need to spend time establishing other operational procedures for the program, including policies regarding the treatment of properties while they are held in the Land Bank program, prior to being sold to affordable housing developers, and policies regarding the circumstances under which the Land Bank will sell property. As with site acquisition policies and procedures, Land Bank staff will develop policies addressing land bank operation as well as procedures for determining when Land Bank sites should be sold, based on indicators reflecting site development readiness (e.g., development activity and interest in the area, infrastructure and amenities developed in the area).

Additional research will be necessary regarding opportunities for the Land Bank to access various forms of capital from outside sources, either in the form of grants, loans, or charitable donations. As appropriate, this work should be integrated with other program administrative activities.

LAND BANK FEASIBILITY STUDY

IMPLEMENTATION RECOMMENDATIONS

As indicated above, the Land Bank program has the potential to generate significant affordable housing benefits in Fort Collins, particularly if the Land Bank can actively pursue outside funding and other opportunities to reduce program costs to the City. The following recommendations are provided for the City's consideration, should the City decide to implement a Land Bank program.

A. Incorporate pro-active site selection and acquisition techniques, and pursue program financing, interim holding period asset management, and conveyance of sites to affordable housing developers in a businesslike manner.

The City should continue to approach the Land Bank program with the goal of operating the program on a self-sufficient basis to the maximum extent practical. At the same time, the City should allow the Land Bank program flexibility to take advantage of opportunities that may present themselves.

B. Commit City resources to the program for a defined time period, recognizing that land banking is a long-term process. Periodically adjust the amount of resources invested into the Land Bank program, purchasing more land when land prices are anticipated to appreciate rapidly and borrowing more money when interest rates are lower.

This should include establishing the procedures and terms for the Land Bank program to access City capital sources to finance program operations, if deemed appropriate by the City Council.

C. Appoint City employees to serve as Land Bank staff.

To have an active Land Bank program, it is imperative that personnel assigned to staff the Land Bank program be allocated sufficient time away from other responsibilities to dedicate to the Land Bank program.

D. Establish a Land Bank oversight body.

The role of this body will be to monitor and assist in guiding Land Bank program activities.

E. Establish a Land Bank site selection committee comprised of City staff and, if deemed desirable, local real estate and residential development professionals to assist in screening land acquisition opportunities and making recommendations regarding purchases.

It will be critical to appoint outside (non-City staff) members who will not have conflicts of interest in serving on the committee.

F. Consider adopting related City policies that will support and leverage the City's investments in the Land Bank program.

Such policies can include: establishing density bonus provisions that will allow users of Land Bank sites to increase their unit counts in exchange for increasing the number of affordable housing units or increasing the subsidy level of affordable units; prioritizing City capital improvement projects to enhance the development potential of Land Bank sites; establishing minimum density requirements on multifamily sites to ensure that they are not consumed by lower-density developments that are typically less affordable; exploring the feasibility of establishing a construction excise tax or impact fee on new market rate residential or commercial development to generate additional funds to invest in land banking activities.

G. Pursue operational options that will serve to reduce the City's required investment to support the program and increase the net local economic benefits.

These actions should include pursuing outside funding sources that can help to reduce the amount of local funding that must be used to purchase land or to reduce the need for annual cash flow investments. In addition, the Land Bank should pursue opportunities to acquire land or control land at reduced prices through such mechanisms as private donations, bargain sales, rolling options, affordability easements, etc.

APPENDIX A: OTHER EXISTING LAND BANK PROGRAMS

ation	Name of Program	Contact Person/Phone	Source(s) of Funding for Land Purchase	Primary Acquisition Strategies	Primary Disposition Mechanisms	Comments
, Carlomas	Anonatae Housing site Acquistion Program	Hoy Schweyer Dreator Housing and Community Davelopment, 510-238- 3501, fischweyer Boaklandnet o om	Padevelopment Apency's Affordable Housing Bond of \$10 M, combining with a NOFA for LIHTC.	Prinste developers acquire proparties in City identified target areas in response to Notice of Funding Availability under a revolving loan program	on developers.	First NOFA Issued in 2000. Property can be held no more than 3 years with reluming to City Council for extension. A City Council member and their House Representative are working logather with No. Colifornia Land That to start a new "Viest Oakland Land Trust"
Colorado	Hausing Fund Program	Jann Oldhamm, HruushgrCommunity Dev Marager, 303-441-3157, oldham(@id.boulder.co.u s	SZ M annustly, Community Housing Assistance Program (CHAP): local tural course from property jax and tax on naw development or Cash In-Liou (Initiated 1997) plus Community Development block Grant (CDBG)(only option in 1980s) and HOME turds	Issue competitive HFP for developers to respond to	Low Income Housing Coveniari	r After indial efforts did housing needs assesmentigap analysis - found invisiable
t Hole, Wyoming	Jackson Hole Community Housing Trust	Barhara Hruge Developmment Director 307-739-0665	\$285,000, 66% Individual donations, 19% town and 16% other	Private denors have provided land for development of affordation of more appropriate land elsewhare in community in 2 cases and in one case partnered with County in JPA	CLT re-sale convenient keep land in CLT's ownership for perpertuity while imaing allowable return to owner of housing unit	Interests of donor constituency have resulted in program emphases on scattered ate single-family ownership untils
Georgia	City of Atlanta/Futton County Landbank Authority	Jooalyn Fross Diractor Ottore of Grants Management City of Atlanta 404-330-6112 #2554	\$320,000 funded by CDBD and local matching funds 1:1	Program facilities private developer acquisition of variant land by walving back taxes	Warver of back taxes provided to developers witing to pass sarvings to homebuyers	Indertocal authority established nonprofit organization in 1991
I, South Carolina	Rockhill Joint Venture for Attordable Housing	Kathy Cornett, Planner Clay of RockHill, 803-253- 3922	No direct funding, land donated, HOME funds used at later date to subsistize interest and downpayment cost of new homebursers.	City solicits owners of vacant parcels to donate land to city in exchange for tax breaks, consolidates adjacent parcels	City deads property to non- prolit developer who is funded by CDBG and HOME Investment Partnership program	

Appendix A: Existi	International monetaria					
Location	Name of Program	Contact Person/Phone	Source(s) of Funding for Land Purchase	Primary Acquisition Strategies	Primary Disposition Mechanisma	Comments
Burlington, Vermont	Burlington Community Land Trust	Amy Demetrowitz, BCLT Project Developer, 802- 882-8244	\$200,000 seed gunt from City of Burlington and on an ongoing basis receive prindle land donations, LiHTC on rental units constructed by Trust, HOME tunds frough City, and tunds from Varmont Conservation.	CLT acquires scattered land and property for rehabilision or new development	BCLT has both remail and homeowneship CLT re-sala convanience keep land in CLT's ownership for perpending while limiting allowable return to owner of housing unit while providing down perment gravita (averaging \$12,000) to individual home buyers.	Started in 1963
Bostan, Massachusetts	"Home Again" Ten Most WinnestResidential Development Program	Hameawnarstep Dev. 617 635-0397 Rentel Housing Dev. 617-635-0362	Humeownership \$4M Rental \$5.8 M (\$3.8 m rinkage Funds') Sale of police haadquarters planned to fund attordable housing opporturibles	Utilize vacant city ownaid property, collaborate with poloa and code enforcement to acquire priority drug "dens" and abandoned properties, and solicit and subsidize for-profit and non-profit developers with separate homeownership and rental property RFPs.	City's Naigriborhood Housing Trust dishibutes funds to developens, Replaced suction process	Dotats for FY 2000
Radwood City, California	City Lerdbanking Program	Datbig Jones-Thomas, Housing Coordinator, 650 780-7290	51.5 M from CDBG and Pledevelopment funds.	City acquires land outright with council approval and subsequently salects developer	Additional \$500,000 allocated to establish Second Mongage Program for First Tarte Homeburyers w Individual boars of \$10 to \$50 K	Developed program in 1939. Estimate per attoridatio unit cost of \$20,000 as land subady to developer, seeking to lower units to meet demand for serior housing demand for serior housing
San Muteo, Cattorria	Neigrborhood Brgowenent and Housing Division landbarking aftort	Sandy Council, 650-522- 7223, nh 8 d.sanmateo.ca.us.	20% set aside of CDBG funds for 3 years with intert , \$1 M in redevelopment	Interdepartmentsi re- imbursement of purchase price redher than current tair market, first right of rethaal on school property, direct apquistion from failed private development	Resale restrictions, initially assumed slient second loan sufficient to knep affordability capped but real estate boom in late 80's indicated need for price restriction, also used air rights lease	Began effort in 1989.

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LAND BANK FEASIBILITY STUDY

APPENDIX B: WORKSHEET PRINTOUTS FOR ALTERNATIVE SCENARIOS

Table 1: Land Bank Feasibility Study Key Assumption	ptions			
Initial City Investments (spread over Years O and 1)	\$925,000			
Additional Annual City Investments	\$0	per year, for 10 ye	ears	
Average Acres Acquired Per Year	3.5	acres		
Average Parcel Size	3.5	acres		
Average Purchase Transactions Per Year	1	transaction per ye	ar	
Land Value	At Purchase \$2.25	per square foot	At Sale \$3.01	per square foot
Interest Rate for Land Bank Borrowing (a)	6.25%	per year		
Number of Years Land Held Before Sale	5	years		
Land Value Appreciation Rate	6.00%	per year		
Land Purchase/Sale Transaction Costs	\$5,000	per transaction		
General Inflation Rate	3.5%	per year		
Interim Use/Income Assumptions	\$0.00	per acre, per yea	r	
Interim Maintenance Cost Assumptions (b)	\$275	per acre, per year	r	
Property Taxes	29% of value	X mill rate (88.823) / 1,000	
Program Administration Costs Program Manager Salary & Benefits FTE Program Assistant Salary & Benefits FTE	\$65,000 0.25 \$36,400 0.15	per year FTE assigned to p per year FTE assigned to p	program	
Sales Price Discount: Sales Price as Pct. of Market Value	90%	of future market v	alue	

Notes:

(a) Assumes capital is obtained through internal borrowing. Interest rate is equal to City's normal return on investments, which

was approximately 6.25 percent as of 9/27/00. (b) Interim land maintenance cost is based on information from Finance Department indicating that maintenance costs are usually approximately 0.25 percent of property value each year. This assumes an approximately \$2.50 per square foot land value.

Sources: City of Fort Collins; BAE, 2000.

Muther of Transactions Muther of Transactions 1 <th1< th=""> 1 1 1</th1<>	Svourary Vanr (2000 = 0)													
Numer of Transactions 1 2 3	P. P. W. W. M. LANSIN, AND R. P. LANSIN, Contract, Name													
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Other Acquisition Cleats 55,113 55,510 55,510 55,511 56,511 56,511 56,113 55,113 55,0130 56,0130	\$363,617 \$385,434 \$406,1	00 \$433.0	74 \$453	000 \$400	0,602 \$51	5,736 \$5	46,748	579,550 \$	614,323	191,163	102,0038	1000/11215	\$775,569	2017.220\$
Total Acquiring Centre SS6,70 S16,70 S16,161 S66,761 S66,776 S66,776 S66,776 <td>\$5,175 \$5,264 \$5.2</td> <td>44 25.7</td> <td>38 85</td> <td>15 SOL</td> <td>841%</td> <td>19(3)</td> <td>765'98</td> <td>56,814</td> <td>\$7,063</td> <td>87,300</td> <td>\$7,555</td> <td>128/15</td> <td>060'66</td> <td>110,55</td>	\$5,175 \$5,264 \$5.2	44 25.7	38 85	15 SOL	841%	19(3)	765'98	56,814	\$7,063	87,300	\$7,555	128/15	060'66	110,55
Assumptions Antispate (name) Antispate (name) Antispate (name) Type of Land Vocant Resolution (vant Resolution Ediment "Conta Current Yatuat: Resolution Solution Solution Solution Solution Solution Solution Solution Edimentation Conta Current Vatuat: Resolution So	\$368,792 \$350,700 \$414,1	04 \$438.8	11 5464	397 \$48	125 101/2	12,159 \$2	00000	\$ 100'902	502'129	5000 A 60	609'149\$	601Y 60.15	000'0025	\$830,480
Type of Land Vacant Fleedowerks Lawer, Vacant Fleedowerks Lawer, Nature Scition Current Valuation Scition Anticipates Scition Anticipates Scition Vacant Fleedowerks Lawer, Rober Matter Scition E Contribution E C Scition Bio. SCition E C S Scition File Transaction Current Valuation E C Scition File Transaction C E C E Scition File Transaction C E C E E Scition File S </td <td></td>														
Value: Fleedwerks Land, fla, Wave SE(D)0 E(D) Column Professionerks Land, flam, f	Overent Valuation		Arrist Price I	uted Screater										
For Transaction Transaction Constitution/year Source BAE. 2000. 3.5% Source BAE. 2000. 3.5% Source BAE. 2000. 3.5% Source BAE. 2000. 3.5% Source BAE. 2000. 5.000 2000.0 Table 3: Acquisition Financing Assumptions 3.5% Table 3: Acquisition Financing Assumptions 5.4% Source BAE. 2000. 5.0% Man Choose Three BAE. 2000. 5.0%	\$58,010			6.0%										
Jointer BAE, 2004. Table 3: Acquisition Financing Assumptions Table 3: Acquisition Financing Assumptions Table 3: Acquisition Financing Assumptions	Per Transction 85,000		Cost in	flation/year 3.5%										
Table 3: Acquisition Financing Assumptions Table 3: Acquisition Financing Assumptions Table 3: Acquisition Financing Assumptions Mark Colobe -01 New Colo Generating Assumptions Submatice Colspan="6">1 Submatice Colspan="6">1 Submatice Colspan="6">Submatice Colspan="6" Submatice Colspan="6" Submatice Colspan="6" Submatice Colspan="6" State and Submatice Colspan="6" State an														
Regenter Veran Collide of I D Z 3 4 6 7 7 8 7<	Assumptions													
Image Capital Inter City Garonial France Capital France Frand France France France France France France France Fr	Program Year (2050 = 0)													
Guinery Capital State	1 0	6							54 C	E a	1	2 :	# :	₩;
Null Proceeds from Sales State Sta	\$42,000 \$503,020 \$004,238 \$425,000 \$503,020 \$004,238	\$100,414 \$0	88	22	8.8	2.21	a 51	28	28	28	8.8	28	2.9	2.2
Lean Acquirable Codity Specifie Specifi	\$2 \$0 \$0 \$425,000 \$925,000 \$255,200	\$0 \$100.415	56	88	201, 1042 201, 1042	7280,72942 5280,72942	5485.480 5485.480	1514,781 \$514,781	\$545,838 \$545,838	1678,746 107,145	\$613,673 \$613,673	\$650,662 \$650,662	\$688,919 \$688,919	8721/578 812/1578
Substatut Substatut <t< td=""><td>50 \$258,732 \$270,730</td><td>8414,104</td><td>118,86.48</td><td>\$404,337</td><td>\$452,740</td><td>\$51,252</td><td>\$553.500</td><td>SPC 1935</td><td>8421,376</td><td>10e/ B699</td><td>8687,808</td><td>8736,469</td><td>\$783,663</td><td>8600,450</td></t<>	50 \$258,732 \$270,730	8414,104	118,86.48	\$404,337	\$452,740	\$51,252	\$553.500	SPC 1935	8421,376	10e/ B699	8687,808	8736,469	\$783,663	8600,450
Starting Dote: \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$10\$ \$00\$ 740\$ \$1,123,444 \$1,213,447 \$1,277,740 \$1,365,592 \$1,417,176 Interaction Differ Datancia \$0 \$0 \$0 \$10 \$2,043,669 \$450,877 \$0,507,871 \$1,277,740 \$1,264 \$171,316 Delet Payosen \$0 \$0 \$10 \$204,669 \$403,715 \$10,577,740 \$1,245,202 \$1,477,776 \$1,485,714 Ending Deter \$1,152,444 \$1,213,447 \$1,277,740 \$1,345,202 \$1,477,776 \$1,485,714 Ending Deter \$1,152,444 \$1,213,447 \$1,277,740 \$1,345,202 \$1,477,776 \$1,485,714	5425,000 2556,200 \$166,410 5425,000 \$556,200 \$165,410	(\$249.666) 90	08	12464,0371	036,068) 02	1564.303 \$0	(367.645) 04	0 (\$71,584	\$25,536	(817.978) (817.978)	584,136 \$0	(558.806) \$0	(\$93,744)	(398,964)
10 10 10 10 10 10 10 10 10 10 10 10 10 1	80 80 80 80 80 80 80 80 80 80 80 80 80 8	50 5245,555 52 5245,690	110/1005 110/10055 100/10055	\$401,436 \$404,997 \$0 \$1,152,434	10,221,12 200,221,12 00 01 01 01 01 01 01 01 01 01 01 01 01	\$12,212,445 554,252 500 50 51,277,749	81,277,742 244,752 38 39,2445,502	\$1,345,592 \$71,584 \$0 \$17,716,13	813,417,176 813,818 50 81,482,714	\$1,482,714 \$79,718 \$0 \$1,572,482	\$1,572,432 \$84,136 \$0 \$1,660,560	\$1,856,509 \$28,509 \$0 \$1,746,375	81,746,375 889,744 92 \$1,839,119	\$1,809,119 \$08,004 \$0 \$1,908,0080
Ead of Their Capital Section Benough a House at the and the section and the section and the section at the	\$425,000 \$556,209 \$105,410	8	8	98	8	8		5	R.	8	8	#	8	8
Evid of Yaar Land Assets Value 2001 10 10 10 10 10 10 10 10 10 10 10 10	5261.677 \$770,568 479.000 0.00 0.00	185,223,681	81,732,296 0.40	\$2,295,291 0.50	\$2,423,000	\$2,578,963 0.50	42,720,73	57,752	51(071,817 0.43	114/95728	\$0.451,269 0.49	\$0,656,045 0.46	\$3,877,846 0.47	0.110.517

Acres of Land Owned 1 Naw Acres Acquired 3.5 Acres Sold 3.5 Acres Sold 0 Comutative Acres Sold 0														
Naw Acres Acquired 3.5 2 Cumulates Acquired 3.5 2 Acres Sold 0 Cumulates Acres Sold 0	~	-	-	**		-	**	6	10	÷	22	1	#	12
25 Autors Sold Commany Areas Road Commany Areas Baid	3.5	17	125	3.5	3.5	910	22	25	1	11	13	22	11	21
Acres Sout	2	10.5	7	17.5	54	245	1	31.5	8	385	42	45.5	49	222
Cumulative Actes Sold	-		0	0	-3.5	50	25	55	17	97	17	57	-	19
16	0	•	0	0	45	4	-10.5	-14	5/21-	Ęį.	245	带	1917	3
International Control (1997)	Ŀ.	10.5	2	17.5	5.21	5.41	17.5	17.5	5721	175	17.5	17.5	17.5	571
Annual Maintenance Costs (assessments, weed control, encyclos remo- vacent Land Owned 2006 82.06	.082	c.) (m) \$3.201	21/11	85,718	845.348	86, 123	16.357	899/95	807.08	\$60,778	10715	125'25	27,790	£90/85
Annual Property Taxen (2) Vacant Land Owned	315	60/60	\$41,007	001/105	107/102	\$61,944	\$66,651	\$65,600	873,776	\$79,203	582.895	696/18\$	\$93,541	838,729
Arreual Debt Service 50 Arrual Debt Service 50 Arrual Interest Actional (manual on plast year) 50 3	28	967 FR	\$15,543	5,152,494	51,213,447	\$1,277,745 \$75,840	018/945	\$1,417,176	\$1,482,714 \$00,574	\$1,572,432 \$23,225	112,802,100	\$1,745,375 \$103,536	\$1,839,119	5114,946
Annual Program Administration 517,41 Program Manogor (c) 517,41 Program Assistant (c) 50,74	748	210,612	\$10,647 \$10,442	\$15,200 \$10,008	\$19.975 \$11,118	\$20,475 \$11,478	890,158 990,112	\$22,147 \$12,402	\$12,836 \$12,836	947'125 512'125	524.505 \$13,751	\$14,232 \$14,232	\$25,304 \$47,730	815,224 815,218
Total Annual Operating Casts \$47.7.	723 \$	192,747	\$50,558	\$150.022	\$167,546	6176,159	\$165.238	\$194,609	780, MOS8	\$215,534	051,9225	112,8022	190'1525	\$204,207
Operating Costs as % of Lenst Assatz	828	10.0	125	5.8%	6.9%	6.0%	8.8%	6.73	16.00	1979	29%	259	0.5%	形を招
Анитрасия														
Melmerance Costs for Vacant Land Owned S275 [b]	Oacre		-	After 3.9%										
Orbit Interest Rate														

(a) Based or France Department estimate that maintenance costs for vacion land are abrued. Property texa calculated as 25% of kind wake X will levy (92,323) (1000 Property for (c) Year 0 program extination costs are estimated as follows: (c) Year 0 program extinestration costs are estimated as follows: (c) Year 0 program extinestration costs are estimated as follows:

Program Manager, 20 FTE & \$66,000FTE cost for strary and benefits. Program Adoistion1, 15 FTE III: 19 S36, 4000FTE cost for samy and benefits.

Source: On of Fort Colles, SAE, 2000.

Table 5: Land Disposition															
	Program (fear													
	-	EN .	~	4	10		P	8	6	10	F	12	13	14	15
Estimated Land Value Por Acre	\$103,891	\$110,124	\$116,731	\$123,725	\$131,159	\$139,029	\$147,371	\$156,213	\$165,586	\$175,521	\$186.052	\$197,215	\$209,048	\$221,591	\$234,867
VALUE OF LAND ASSETS Purchased Yaar 1 Purchased Yaar 2 Purchased Yaar 3 Purchased Yaar 5 Purchased Yaar 5 Purchased Yaar 5 Purchased Yoar 5	5 rs/cac\$	\$285,454 \$285,494	\$408,560 \$408,560 \$408,560	\$433,074 \$423,074 \$423,074 \$423,074	\$459,058 \$459,058 \$459,058 \$459,058 \$459,058	\$486,602 \$486,602 \$486,602 \$486,602 \$486,602	8515,798 8515,798 8515,798 \$515,798 \$515,798	847,9488 847,9488 847,9488 847,9488	\$679,650 \$679,550 \$679,550 \$679,550	5614, 323 5614, 323 5614, 323	\$601,183 \$601,183	\$050,254			
Purchased Year 10 Purchased Year 10 Purchased Year 13 Purchased Year 13 Purchased Year 13 Purchased Year 15									\$0.74,550	5614,302 5614,303	\$651,185 \$661,183 \$651,183	\$890,254 \$690,254 \$690,254 \$690,254	630/1025 839/1028 829/1028 839/1028 839/1028	835,2778 835,2778 835,2778 835,2778 835,2778 835,2778	\$422, 103 \$622, 103 \$622, 103 \$622, 103 \$622, 103
TOTAL VALUE OF LAND ASSETS	\$363,617	\$770,968	\$1,225,681	\$1,732,235	\$2,256,231	\$2,433,000	\$2,578,089	\$2,733,728	\$2,897,702	210/12010\$	\$16,255,014	\$3,451,269	83,668,345	\$1,877,845	4,110,517
Acres Sold (and of prior year) Parcels Sold (and of prior year) Veer Purchased Total Market Value of Property Sold	°° §	0 05	°° 8	°° 8	°° &	315 1 \$486,002	3.5 1 2 \$515,738	3.5 1 3 \$546,746	3.5 1 4 \$579,550	3.5 1 5 8614,323	3.5 1 6 8651,183	3.5 1 7 \$600,254	5.0 1 8 803,1072	915 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3.5 1 10 3822,103
Land Sales Price (% of Market) Total Value of Sales Land Soles Expenses Net Sales Proceeds	8 8 8 8 8	90% 80 85 85	90% 81 81 82	20 20 20 20 20 20 20 20 20 20 20 20 20 2	808 808 808 808 808 808 808 808 808 808	90% \$437,942 (\$8,146) \$431,795	90% \$464,218 (\$6,381) \$467,867	90% \$492,071 (\$5,584) \$485,487	30% 3521,596 (56,814) \$514,751	90% \$562.891 (\$7.053) \$245.038	90% \$586,085 (\$7,300) \$578,785	80% 8621,228 (87,565) \$613,673	90%, \$458,502 \$57,820) \$650,682	90% 510,663 (000,042) 9689,919	209, 893 5738,893 (\$6,377) \$731,516
Land Sale Subsidy Provided	<i>6\$</i>	8	\$0	8	8	\$40,680	\$51,580	\$34,675	\$57,965	361,432	\$65,118	\$69,025	\$73,167	155'11\$	\$92,210
Estimated Subsidy Per Unit	ADV/DM	PUND!	AD11/04	10MCH	10/11/0#	\$1,159	\$1,228	205'15	\$1,380	£1,463	61,550	\$1,643	\$1,742	51,647	21,957
Assumptions Seles Phre Appreciation Seles Phre Appreciation Seles Cook Ind Sales Expension (per sale) Assumed Land Bank Project Density		6.0% 85,000 3.5%	per year. per year units/sore												

	Program Yea	r (2000 = 0)													-
Land Bank Inventory Summary	1	64	-	-	10		1	8		2	1	1	1	14	2
Acres Accured	15	35	10	11	2.5	3.5	35	10	23	12	1.4	35	55	2	2.2
Active Solid	0	0	0	0	0	3.5	35	3.5	11	35	3.8	35	35	3.5	10.00
Acres Owned	9.6	. 7-	10.5	ž	17.5	\$'21	17.5	271	54	17.5	17.8	17.5	12,51	525	5'25
Annual Expenditures Summary										100000000000000000000000000000000000000	100 AL	1.11.22.22.02	22,272	1.05.005	S LANSWER
Property Appointion Costs	\$368,792	\$390,790	\$414,106	TTE BUS	\$464,997	\$450.74B	\$522,159	2002,5002	2000,000	\$621,376	\$655,483	\$09','EB\$	094,0018	E183.663	8830,480
Operations and Mantamatca Costs	\$35,967	1022/1145	\$10,747	\$75,735	\$80.963	\$95.515	\$100.319	\$105,573	\$110,709	\$118.323	\$122,239	\$128,473	\$135,041	8141,965	2149.262
Annual Interest Payments	8	8	80	四十四 四二四	\$42,909	\$72,031	\$75,840	\$79,859	\$84,100	\$59.574	\$82,295	\$36,277	\$103,536	2109,080,8	3114,945
Debt Pavoft (n)	08	80	80		8	30	8	8	2	8	8	8	8	80	80
Subtral Expenditures	8404,759	\$438.523	\$474,950	\$523,460	\$16,803\$	\$660,294	\$10,860\$	102,9074	\$11,157	\$826.273	\$674,016	\$954,569	892/8/88	\$1.034,713	\$1,094,887
Annual Income Summary	1.12551.1		3		4		ł	1	-	-	10	10	02	U.S.	5
General Fund Capitol Investment	3825,000	80		-	8	8	2	2.3	21	3.5		2 5	2.5	8.	6.6
Prior Year Cash Flow	20	\$520.241	\$114,223	80	8	8	8	8	2	20	20	-		00	2
Debt Proceeds	20	95	5248,688	5408,811	\$464,937	\$60,95G	\$64,303	1997 B43	\$71,584	100010210	\$79,710	584,108	548,808	201,744	208.954
interim Use Income	05	08	8	8	8	00	8	8	8	20	8	8	8	80	8
Prosety Sales Proceeds	20	-	8	2	8	8421,776	\$457,007	100 BIA	\$314,781	8545,838	\$578,76F	\$613,673	555D/582	615'5893'S	\$720.01E
Interest on Peer Vaarts Cash Bol	05	\$22.515	\$7.140	-	8	-	8	8	8	2	8	8	8	9	8
Subsetted income	5005.000	\$662.756	\$370.058	\$438,811	100,404	Bat 2848	\$9122 10B	\$553,330	\$596,362	9451238	\$628.4838	\$687,809	\$738,489	\$783,663	3830,480
Cash Plow Retained in Product	\$620,241	\$114,230	2	100	2	2	2	2	8	02	8	8	8	20	8
Net Land Bank Cash Row	8	8	(\$104,792)	(000'085	(225'1215)	(Bee5,71912)	(\$178,155)	(\$165.238)	(8194,808)	(\$204,497)	(\$215,514)	(051,95228)	(\$238,577)	(150/1528)	(\$264,207)
NPV of 15 prs. Cash Plaw (k)	(905'025'18)														
\$														0.000	
Annual investment (2000 \$) (b)	05	8	(#29/185)	1001.1000	(\$116,705)	(\$141,069)	(\$143.306)	(\$145,595)	(2147, 033)	(802'051\$)	(3752,796)	(8155.311)	[\$157,936]	(\$160,523)	(2101/255)
NPV of Land Sale Subsides Provide NPV of Net Access at Year 15 Total Financial Returns (15 yrs)	d [15 pm]	1129/002115 600/5288 1129/002115													
NPV of Intital General Fund Investm NPV of Amunt Program Subsidial (1 Total NPV of Program Investments	6 year)	(\$842,907) (\$1,270,304) (\$2,213,212)													
		4 MO CIT	L	And Name	and Blacks	- Cont	2								
NET PROMISIN LOST		B1/W/WALF			ALL DO	- man									

Notiket. Lab. For purposes of this analysis, discount rate is set equal to the City's meethnest extends not. [b] Future schedig payments are defated to 2020 5 unang annual general ertuation rate assumption from Table 1.

Source: BAE. 2000.

Table 1: Land Bank Feasibility Study Key Assump	tions		
Initial City Investments (spread over Years O and 1)	\$925,000		
Additional Annual City Investments	\$0 pery	ear, for 10 years	
Average Acres Acquired Per Year	3.5 acres	1	
Average Parcel Size	3.5 acres	1	
Average Purchase Transactions Per Year	1 trans	action per year	
Land Value	At Purchase \$2.25 pers	At Sale quare foot \$3.01	per square foot
Interest Rate for Land Bank Borrowing (a)	6.25% per y	9ar	
Number of Years Land Held Before Sale	10 years		
Land Value Appreciation Rate	6.00% per y	ear	
Land Purchase/Sale Transaction Costs	\$5,000 per tr	ansaction	
General Inflation Rate	3.5% per y	ear	
Interim Use/Income Assumptions	\$0.00 pera	cre, per year	
Interim Maintenance Cost Assumptions (b)	\$275 per a	cre, per year	
Program Administration Costs (Not Charged to Land Bank Pro Program Manager Salary & Benefits FTE Program Assistant	gram, Absorbed by \$65,000 per y 0.25 FTE :	General Fund) ear assigned to program	
Salary & Benefits FTE	\$36,400 per y 0.15 FTE	ear assigned to program	
Sales Price Discount: Sales Price as Pct. of Market Value	90% of fut	ure market value	

Notes:

(a) Assumes capital is obtained through internal borrowing. Interest rate is equal to City's normal return on investments, which was approximately 6.25 percent as of 9/27/00.

(b) Interim land maintenance cost is based on information from Finance Department indicating that maintenance costs are usually approximately 0.25 percent of property value each year. This assumes an approximately \$2.50 per square foot land value.

Sources: City of Fort Collins; BAE, 2000.

	Program Yes	r (2000 ± 0)														
Number of Transactions		FN	m +	* -			90 ÷	**		a	g -	F.T.	2 +	2-	2 -	ψ÷
Acres of Land Acquired	3.5	3.5	3.5	3.5	3.6	3	8	10	3.6	3.5	3.5	90	3.5	9.6	3.5	8
Land Purchase Price	\$363,617	\$385,434	\$408,560	\$430,074	\$450,058	\$486,600	\$515,716	1 \$5443,7	12125 2P	192 000	4.323 \$6	61.183	9600,254	\$721,622	\$175,669	\$522,103
Other Acquisition Costs	\$5,175	86,366	\$5,544	867.38	\$5,838	36,146	\$6,36	5,96	94 59	814 8	7,053	\$7,300	\$7.655	87,620	600/85	710,00
Total Acquisitor Costs Assumptions	\$368,792	062,0662	\$414,104	110,054\$	5164.037	\$402,741	\$225' 18	CD325 6	2255	398 595	1,376 99	58,483	600,000	5739,463	\$783.663	88.30,480
Npe of Land Viscent Residential Land, No Water		Current Valu \$38,010	elac.		Anticipated Price Increa Iyear 6.0%											
Satimated "Other" Casta		Per Transant \$5,000	iei		Cost Inflats 3.5%	onlynar										
able 3: Acquisition Financing /	Assumption	2														
	Program Y	fear (2000 = 0	_													
Starfing Capital See City General Revenues	\$425,000	0 8425,000 0 8425,000 0 5500,000	2 \$206,208 \$0	\$ \$1055.418 \$0	₹88	"88	° 8 8	r 88	*88	688	# 4 8	- 2 3	- 22	- 22	288	-88
er Proceeds from Bales Sub-Intel Avellable Capital	90 \$425,000	000 Y2255 0	\$0 \$556,208	\$0 \$166,418	20 20	88	88	88	80	88	88	\$67.87.0\$ \$67.85.785	\$613,673 \$613,673	9950,832	\$680,910 \$680,919	\$731,516 \$731,516
Less Acquisition Costs	26	0 \$368,732	\$350,750	\$414,104	\$436,011	\$464,397	\$432,748	\$522,158	\$563.330	\$588,365	8621,376	CON/ NOV	\$607,809	669/8018	\$783,863	\$530,480
Sub-total Arrount Aveilable for Debt Poystown	\$425,000 \$425,000	0 \$5556,208	\$165,418 \$165,418	(\$248,666) \$0	(\$438,811) 80	(5464,997) 50	(\$492,748) \$0	(\$522,150) \$0	05 (0011003\$)	05	08 92E71295	817.052) D2	() (\$84,136 50	900/1884) (s	(593,744) 90	599,944,944 08
tanting Decr novestre Debt Biskince koti Psydown siding Decr	****	8888	2222	5248,688 5248,688 5248,688	\$248,096 \$408,011 \$0 \$0 \$00 \$00	\$687,498 3 8464,997 80 80 80 81,152,494 5	1,152,494 \$ \$402,748 \$2 1,645,242 \$	1,645,242 \$522,159 \$5 \$107,401	\$223,167,401 \$223,130 \$0 \$0 \$0 \$0 \$0	107,007,52 800,700,8 08	\$621,307,096 \$621,376 \$0 \$2,828,472	\$3,609,472 \$79,716 \$0 \$4,000,190	54,006,190 884,136 54,092,326 54,092,326	84,002,328 508,000 80 80 80 80 80	\$4,101,100 \$80,744 \$0 \$4,274,677	54,274,977 599,994 50 54,577,541
nd of Year Capital	\$425,000	60879928 0	\$165,418	8	68	8	8	8	8	8	56	80	8	8	8	80
nd of Year Land Assets Value		119/0905	\$770,855	\$1,225,661 \$	1,722,225	\$ 162'562'21	2,013,610 \$	3,610,585 \$	M.373.965 8	16,216,964	56,143,224	\$6,511,828	802 206 9\$	\$7,316,690	\$7,756,682	\$8,221,053

Source: BAE, 2000.

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Acres of Land Owned	-	P4	"	4	8	9	ſ	0	6	2	15	2	\$	4	15
Name Acres Acquired	3.5	3.5	10 C	3.5	3.5	3.5	3.5	3.5	3.5	3.6	3.5	35	35	35	3.5
Cumulative Acree Acquired	35	5	10.5	1	17.5	21	24.5	26	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	別	38.5	42	45.5	619	5.55
-Acres Sold	0	0	0	0	0	0	0	0	0	0	3.5	3.5	45	515	-3.5
Cumeletive Acres Sold	0	0	0	0	0	0	0	0	0	D	55	Ŀ.	-10.5	2 -	-17.5
Net Azres Owned	3.5	Ŀ	10.5	14	17.5	č,	24.5	38	31.5	8	35	35	8	19	36
Annual Maintenance Costs (taxes, assessments, w Vocart Land Owned	reed control, 6 \$208	now/ce re \$2,062	moval, etc.) \$3,201	814,418	817,28	\$7,009	\$8,572	\$10,130	\$11,808	\$13,577	\$14,052	\$14,544	\$15,063	\$15,580	\$16,125
Annual Debt Service Annual Debt Outstanding Annual Interest Accrual (interest on prior year)	88	88	\$248,685 \$0	\$607,498 \$16,543	\$1,152,434 842,969	\$1,845,242 \$72,091	\$2,167,401 \$102,328	\$2,720,731 \$135,483	\$3,307,066 \$170,048	\$3.928.472 \$206,600	\$4,000,190 \$245,590	\$4,032,326 \$250,512	\$4,181,535 \$245,770	84,274,877 \$261,321	\$4,372,841 \$207,180
Total Annual Operating Costs (a)	5005	\$2,062	102,23	\$19,961	\$48),694	\$79,130	8111,400	\$145,002	\$181,852	\$220,271	\$250,582	2007,22022	\$270,023	\$276,901	\$280,305
Operating Contrars % of Land Assats	23%	0.3%	0.3%	1.2%	2.1%	2.7%	3.1%	3.3%	3.9%	3.6%	4.0%	2.8%	37.5	500	3.4%
Assumptions															
Maintenance Costs for Vacent Land Owned	Mainterronce S275 (b)	Contracte			Inflation 3.6%										
Debit Interest Rute	6.25%														

Note: (a) Armai pogram administration costs are estimated at approximately 104 FTE program manager and .15 FTE program assistant. This assumes that the Chy would about program administration costs as a component of its over (b) Based on Finance Department estimate that managerate roots for vocamiliand are about 1/4 percent of progenty value per year. To simplify, this was calculated as a \$950er value based on a unitorm property value of \$2.50 per square foot.

Source: BAE, 2000.

Table 5: Land Disposition																
	Program Ye	ł,														
Estimated Land Value Per Aore	5 103,891 S	2 51 10, 124	a 8116,731	4 8123,735	\$ 8131,159	8129,029	8147,371	8 8158,213	8165,586	01 152,2712	11 \$186,052	12 \$197,215	13 8209.048	14 8221,501	16 5234,867	16 \$248,880
VALUE OF LAND ASSETS Purchased Year 2 Purchased Year 2 Purchased Year 3 Purchased Year 4 Purchased Year 5 Purchased Year 9 Purchased Year 10 Purchased Year 10 Purchased Year 11 Purchased Year 12 Purchased Year 15 Purchased Year 15 Purchased Year 16 Purchased Year 16 Purchased Year 16 Purchased Year 16 Purchased Year 16	1 /19/0903	5 1883 HCH 2002	\$408,590 \$408,590 \$408,590 \$408,590	\$423.074 \$423.074 \$423.074 \$423.074	\$459,009 \$459,009 \$459,009 \$459,009 \$459,009	54 855, 6002 54 855, 6002 54 855, 6002 54 855, 6002 54 856, 6002 55 856, 6002 56 856, 6002 56 856, 6002 56 856, 6002 56 856, 6002 56 856, 600255 85	801.51.00 801.51.50 801.50 800 801.50 800 800.50 800 8000 8000000000000000	20141,746 20140,746 201410	\$579,550 \$579,550 \$579,550 \$579,550 \$579,550 \$579,550 \$579,550 \$579,550 \$579,550 \$579,550	5014.2023 5014.2025 5014.2025 5014.2	2.811.1668 2.811.1208	5660.254 5660.254 5600.254 5600.254 5600.254 5610.25400.254 5610.254 5610.2540000000	5721, 5022 5721, 5022 5721, 5022 5721, 5025 5721, 5025 5721, 5025 5721, 5725 5721, 5725 5725 5725 5725 5725 5725 5725 5725	5775,560 5775,560 5775,560 5775,560 5775,560 5775,560 5775,560 5775,560 5775,560 5775,560 5775,560 5777,560 5777,560 5777,560 5777,560 5777,560 5777,560 5777,560 5777,570 57777,570 57777,570 5777,570 5777,570 57777,570 5777,5700 5777,5700,5700	5422,100 54122,100 56122,100 56122,100 56122,100 56122,100 56122,100 56122,100 56122,100 5612,100 5612,100 5612,100	5671,430 56671,430 56671,430 56671,430 5677,430 5677,430 5677,430 5677,430 5677,430 5677,430
						-				-	an owned to the local data		- introduction	and the second s	an and a second	11 14 10 10 10 10 10 10 10 10 10 10 10 10 10
Acros Sold Percehs Sold (and of prior year) Year Purchaed Touil Markot Value of Property Sold	° ° 8	0 0 08	0 0 08	0 0 05	0 0	°°≇ĝ	008g	°°88	0 ° Ξ g	°°' <u>8</u>	1.5 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	315 1 2 2 2 2 2 2 2	600'1025 5 1 5/0	3.5 1 4 5775,509	315 1 5 5322,100	15 1 8 8 8 8 1,430
Land Sales Price (% of Marked) Total Volve of Sales -Land Sales Expenses Net Sales Proceeds	20 20 20 20 20 20 20 20 20 20 20 20 20 2	ខ្ល័ននដ	ភ្ល័ ន ន ឆ	ខ្ល័ ន ន ន	5 8888	5888	5 8 8 8 8	ភ្នំ ន ន ន	5888	96 B B B	90% 8586,045 1\$7,2001 578,765	90% \$621,228 (\$7,555) \$613,673	90% \$2231,502 (\$7,620) \$660,662	90% \$486,012 (\$8.060) \$689,319	208,8072 (770,88) (770,58) 2711,516	90% 5784,287 (\$8,670) 5775,617
Lard Sale Subsidy Provided	30	8	99	80	98	80	80	8	22	5	\$55,738	\$20,025	\$73,167	\$77,567	882,210	207,142
Estimated Subsidy Per Unit	10/11/04	(CVID)	10mm	10VVQV	/Division	(UVI)	10/1/04	/0///O#	10/1/04	POWOR I	\$1,550	\$1,843	21/242	\$1,847	256715	\$2,075
Assemptions Sales Pico Approduction Vaur 2000 Land Sales Expenses (per sale) Sales Cret Mason Assemed Land Bank Project Density		6.0% p 56,000 3.5% p 12 u	er jeast. er pear													

Source: BAL 2000.

Table 6: Land Bank Cash Fl	ow Summar	٨													
	Program Yam	(2000 = 0)													
Land Bank Inventory Summary Acres Acquired Acres Sold Acres Owned	- 90 6	NUGOF	35 35 10 0	4804	35 35 135 2		7 8 8 8 9 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	* 208	9 2 2 5 2 2 5 2 5 5 0 5 5	5 ° S	12 2 3 S	# 2 3 8	2 2 2 R	± 2 2 8 8	21 25 25 25 25 25 25 25 25 25 25 25 25 25
Annual Expenditures Summary Property Acquisition Costs Coperations and Maintenance Costs Annual Interest Payments Oeto Payor (a) Substal Expenditures	\$368,792 \$896 \$0 \$0 \$368,788	\$2,062 \$2,062 \$0 \$0 \$0 \$0 \$0 \$0	5414,104 53.201 50 50 50 5417,305	\$428,811 \$4,410 \$15,540 \$0 \$458,772	\$464,997 \$3,716 \$42,960 \$42,960 \$0 \$513,681	870,1708 572,021 50,021 50 50 50	\$5122, 150 \$6,572 \$102,829 \$0 \$0 \$0	\$203,300 \$10,139 \$135,463 \$0 \$208,012	535,0055 905,118 940,0718 08 715,8378	\$621,376 \$13,577 \$206,633 \$0 \$0 \$10,547	\$658,403 \$14,062 \$245,530 \$2 \$0 \$0 \$0	\$4877,8039 \$14,,544 \$250,512 \$0 \$942,805	\$738,489 \$15,060 \$255,770 \$0 \$1,010,312	\$780,668 \$15,580 \$261,327 \$2 \$1,060,563	\$830,480 \$16,125 \$267,180 \$267,180 \$0 \$1,113,785
Annual Income Summery General Plund Capital Investment Prior Year Cash Row Date Proceeds Interim Use Income Property Salas Proceeds Interest on Prior Year's Cash Bal. Subtotal Income Cash Plow Plastined in Program Net Land Bank Cash Flow	\$1255,000 \$0 \$0 \$20 \$20 \$20 \$20 \$20 \$2556,212 \$556,212	\$0 \$055,212 \$02 \$04,701 \$544,701 \$5699,912 \$197,060 \$197,060	\$0 \$197,060 \$348,686 \$0 \$12,316 \$468,062 \$408,062 \$408,062 \$40,757	\$0 \$40,757 \$403,611 \$0 \$0 \$22,547 \$22,116 \$23,344 \$23,344	\$0 \$404,907 \$404,907 \$1,450 \$1,450 \$409,790 \$409,790 \$409,790 \$400,790	\$0 \$492.748 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$522,159 \$10 \$10 \$11,400 \$111,400	\$0 \$653,300 \$0 \$0 \$0 \$0 \$145,602 \$1 \$145,602	\$0 \$2589,366 \$0 \$0 \$1 \$0 \$181,362 \$181,362 \$181,362 \$181,362 \$1	\$0 \$621,376 \$0 \$0 \$021,376 \$0 \$1275 \$0 \$1275 \$0 \$1275	\$0 \$19,718 \$17,718 \$2 \$2 \$5,73,748 \$6,63,7483 \$6,63,483 \$6,63,483 \$6,63,483 \$6,63,483	\$0 \$34,138 \$311,673 \$212,673 \$20 \$3037,809 \$2055,0560	50 538,506 538,506 5020,668 5020,668 57731,469 57731,469 507,4233	\$0 \$00,744 \$00,744 \$0 \$100,919 \$0 \$783,663 \$783,663 \$783,663 \$783,663 \$783,663	503 503,964 5171,715 5120,480 5130,480 5130,480 5130,480 5130,480 5130,480 5130,480 5130,480 5130,480 5130,480 5130,480 510,580 510,590 510,500 510,5900 510,5900 510,5900 510,5000 510,5000 500,50000
NPV of 15 yrs. Cash Flow (a) -or Annaal Investment (2000 \$1 (b)	(\$1,077,726) \$0	05	80	65	(\$20,811)	(\$55)	(\$90,624)	(\$114,442)	(\$138,100)	(\$161,619)	(\$194,022)	(8181,548)	(2179,226)	(150'2249)	(\$175,021)
MPV of Land Sale Bubbioles Provided NPV of Ner Assets at Year 15 Total Pinancial Retarma (15 yra) NPV of Initial General Pund Investments NPV of Annual Program Eutradian (15 Total NPV of Program Investments	1 (15 yrs) na 5 yrs)	\$106.345 \$1,549,568 \$1,755,911 [\$942,907] [\$1,077,728] [\$1,920,632]													
NET PROGRAM COST		\$204,722	_	Land Bank A	eres Purchas	sol	25								

Notine: Jai, For purposes of this prolytek, discount rate is set equal to the City's meetment earnings rate. (b) Foture suboty payments are detained to 2000 \$ using annual general inflation rate assumption from Table 1.

Sturror: B4E, 2000.

Table 6: Land Bank Cash Fl	ow Summar	7													
	Program Yaar	r (2000 = 0)													
Land Bank Inventory Summary Acres Acquired Acres Sold Acres Owned	3.5	N IS OF	35 35 105	4 8 D 4	35 35 135	*8°°8	7 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	စင္းဝဆ	9 5 5 5 5 0 5 0	5 S o S	∓838	552 H	5 2 2 B	1 2 2 8	15 3.5 35
Annual Expenditures Summary Property Acquisition Costs Coperations and Maintenance Costs Annual Interest Payments Oeto Payor (a) Substal Expenditures	\$366,792 \$996 \$0 \$0 \$366,798	\$290,790 \$2,062 \$2 \$0 \$0 \$292,352	5414,104 53.201 50 50 50 5417,305	\$428,841 \$4,410 \$15,540 \$0 \$458,772	\$464,997 \$3,716 \$42,960 \$42,960 \$0 \$513,681	\$492,748 \$72,033 \$72,031 \$0 \$0 \$0 \$0	\$5122, 150 \$8,572 \$102,829 \$0 \$0 \$0	\$265,330 \$10,139 \$135,463 \$0 \$238,012	535,0055 905,118 940,0718 08 715,8378	\$621,376 \$13,577 \$206,633 \$0 \$0 \$10,547	\$658,403 \$14,052 \$245,530 \$0 \$0 \$0	\$550,512 \$14,544 \$250,512 \$0 \$0 \$9842,865	\$738,489 \$15,000 \$255,770 \$0 \$1,010,312	\$780,668 \$15,580 \$281,327 \$2 \$1,060,568	\$830,480 \$16,125 \$267,160 \$0 \$1,113,785
Annual Income Summery General Plund Capital Investment Prine Year Cash Row Date Proceeds Intern Use Income Property Sake Proceeds Interest on Prior Year's Cash Bal. Subtotal Income Cash Plow Peakered in Program Net Land Bank Cash Flow	\$9256,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$556,212 \$556,212	\$0 \$056,212 \$02 \$00 \$14,701 \$589,912 \$197,060 \$197,060	\$0 \$197,060 \$348,686 \$0 \$12,316 \$468,062 \$408,062 \$408,757	\$0 \$40,757 \$403,511 \$0 \$22,547 \$22,547 \$23,344 \$23,344 \$23,344	50 523,744 5484,907 50 5484,907 50 5484,799 5489,799 5489,799 5489,799	\$0 \$492.748 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0	\$0 \$10 \$1522,159 \$10 \$10 \$10 \$111,400	\$0 \$653,300 \$0 \$0 \$0 \$0 \$0 \$145,602}	\$0 \$589,366 \$0 \$0 \$0 \$586,365 \$181,352 \$181,352 \$181,352 \$1	\$0 \$621,376 \$0 \$0 \$021,376 \$0 \$1275 \$0 \$1275 \$0 \$1275	\$0 \$19,718 \$173,718 \$2573,7125 \$503,483 \$603,483 \$10 \$10 \$259,582 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10 \$10	50 504,136 504,136 501,677 501,677 5037,609 5037,909 5037,909 5037,909	50 5385,806 5020,602 5020,602 5733,469 5733,469 573,469 573,469 573,469	50 50.744 50.379 5080.319 5780.663 5780.663 50 50 50 50 50 50 50 50 50 50 50 50 50	50 503,964 503,964 517,1,716 517,1,716 5320,430 5320,430 50 50 50 50 50 50 50 50 50 50 50 50 50
NPV of 15 yrs. Cash Flow (a) -or Annaal Investment (2000 \$1 (b)	(\$1,077,726) \$0	05	80	65	(\$20,811)	(\$59 998)	(\$90,624)	(\$114,442)	(\$138,100)	(\$161,619)	(\$184,022)	1213-131,543)	(21/26/256)	(150'22'62)	(\$175,021)
MPV of Land Sale Butestons Provided MPV of Ner Assets at Year 15 Tetel Financial Retrans (15 yrs) MPV of Initial General Fund Investme NPV of Annual Program Eutradea (15 Total MPV of Program Investments	1 (15 yrs) nis 5 yrs)	\$166,345 \$1,549,568 \$1,715,911 [\$342,907] [\$1,077,729] [\$1,920,6820]					1								
NET PROGRAM COST		\$204,722		Land Bank A	cres Purdhas	60	24								

Notine: Jai, For purposes of this prolytek, discount rate is set equal to the City's meetment earnings rate. (b) Foture suboty payments are detained to 2000 \$ using annual general inflation rate assumption from Table 1.

Sturror: B4E, 2000.

Initial City Investments (spread over Years O and 1)	\$925,000	
Additional Annual City Investments	\$500,000 ;	per year, for 10 years
Average Acres Acquired Per Year	5.0 (acres
Average Parcel Size	3.5 (acres
Average Purchase Transactions Per Year	1.4 (transaction per year
Land Value	At Purchase \$2.25	At Sale per square foot \$3.01 per square foot
Interest Rate for Land Bank Borrowing (a)	6.25% ;	per year
Number of Years Land Held Before Sale	5 ;	years
Land Value Appreciation Rate	6.00% ;	per year
Land Purchase/Sale Transaction Costs	\$5,000	per transaction
General Inflation Rate	3.5%	per year
Interim Use/Income Assumptions	\$0.00	per acre, per year
Interim Maintenance Cost Assumptions (b)	\$275	per acre, per year
Program Administration Costs Program Manager Salary & Benefits FTE Program Assistant Salary & Benefits FTE	\$65,000 0.25 \$36,400 0.15	per year FTE assigned to program per year FTE assigned to program
Sales Price Discount: Sales Price as Pct. of Market Value	90%	of future market value

Table 1: Land Bank Feasibility Study Key Assumptions

Notes:

(a) Assumes capital is obtained through internal borrowing. Interest rate is equal to City's normal return on investments, which was approximately 6.25 percent as of 9/27/00.

(b) Interim land maintenance cost is based on information from Finance Department indicating that maintenance costs are usually approximately 0.25 percent of property value each year. This assumes an approximately \$2.50 per equare toot land value.

Sources: City of Fort Collins; BAE, 2000.

Table 2: Land Acquisition																
-	Program Yea	r (2000 = 0)														
Number of Transactions	14	여 주	5 1	4.5	4 1		9 6	h 0	8 6	50	10.2	# 11	얻	5 G	7:	17
Acres of Land Acquired	17	10	40	ŝ	40		6	2	- 20	ь	Ŀ	φ	9	ь	0	÷
Land Purchase Price	\$519,453	\$550,020	\$583,657	\$618,677	167,053\$	\$934,174	4 \$1,031,596	51,243,70	1,631,15 2	01 \$1,228	047 \$1,11	6,813 \$1,1	33,252 \$1,	483,338 \$1	329,547 \$	080'809'1
Other Acquisition Costs	\$7,393	\$7,662	\$15,73	\$8,197	88,483	\$10,536	812,723	\$15,04	1P \$13,6	518	,106 \$1	2,514	512,952	815,840	\$13,875	\$14,360
Total Acquisition Costs	\$528,846	\$558,2772	2231,577	\$626,873	\$964,281	\$844,711	\$1,044,318	\$1,264,75	4 \$1,172,7	30 \$1,243	755 \$1,12	NA27 \$1,1	16.244 \$1,	478,978 \$1	343,422 \$,423,680
Assumptions																
Type of Land Vacart Revolutions, No World	0	Current Value 888,010	eine.		Anticipated Price Increa /year 6.0%	5										
Estimated "Other" Costs	a.	Ver Transacti \$5,000	ug		Cost Inflatio	niyear										
Table 3: Acquisition Financing /	Assumption	2														
	Program V	mar (2000 a 0														
Blanting Capital Nave City General Revenues	36	5425,000 1500,000	2 1500,154 1500,000	2200,00022	\$200,000	1 \$121/432 \$500,000	000'0055 9	162,8228	8 5237,0002	9 \$500,0038	000/0068 925/0005	11 8387,540 80	11 2012/2025	CI SICONS	11 1283,384 \$10	11 122/1223
Not Proceeds from Sales Sub-loted Available Capital	\$425,000	5825,000	00 1506,154	2001,0028	300.0672	80 1001.002	\$616,850 11,116,850 &1	\$654.001 (,385,272, 5	1000,000 5	\$736,401	\$57,8772 \$60,293	8064,254 \$1,261,794	\$1,221,864 \$1,464,635	\$1,483,977	\$1,384,462 \$1,867,347	81,467,519 845,507,12
Less Acquisition Costs	*	\$225,845	\$558,272	112.1688	\$626,873	102,4201	\$344,711 \$1	8 816,446,0	1,264,754 - 5	1,172,730	121,242,12	\$1,128,827	\$1.196.244	010710414-115	\$1,343,422	81,423,660
Sub-total Amount Available for Debt Paydows	\$425,000 \$426,000	\$309,154 \$309,154	288/8028	900' Brets 300' Brets	\$121,432 \$121,432	(\$42.949) \$0	\$272,140	1000 0000	128/2325	\$330,524	045,7868	\$252,966 \$222,966	\$268,305 \$268,395	\$281,364	8124,425 8124,425	5368,564
Starting Datif	81	81	8	8	2	8	\$42,949	08	-05	8	8	16	15	8	8	8
Increase over taxance Debi Paydown	16 S	88	8.8	8 8	នុន	\$42,849	08	85	54 S	8.5	8.8	8	R (81	8	8
Ending Dete	1	8	a	18	15	\$42,540	12	19	22	88	88	a a	28	8.8	88	88
End of Year Cepital	3425,000	\$398.154	\$339.662	8248,306	2121,422	20	162 6225	800-063	\$287.553	5330,524	\$307,540	\$222,666	8266.365	5283,394	\$324,425	Ster sex
Essi of Year Land Assets Value		8519,453	101,101,12	\$1,750,972 \$	2,474,707 8	3.273.987 3	3.614,756 \$4	126382 \$	1,042,006 31	5.464,332	6,143,234	128,112.68	\$57,000,023	20.838.034	87,090,018	ET 201 ADT
Source: BAE, 2000																

Table 4: Annual Operating Costs															
Acres of Land Owned		D4	-	-		¢	ŀ	0	6	1	=	5	13	1	1
Now Acres Acquired	10	UD.	10	10	iin	ŵ	~	100	2	P-	9				e a
Currulative Actes Acquired	*1	10	5	8	8	5	8	46	13	8	8	22	R	8	6
-Annes Bold	0	0	¢	0	0	ý	Ŷ	ų	φ	4	9	1	7	";	17
Curratetree Acres Sold	0	0	0	0	0	ņ	-90	19	8	ŋ	η	-30	ş	2	60
Net Acres Owned	40	10	5	50	25	26	55	5	8	18	18	3	я	R	a (
Annual Maintenance Gosts (taxes, assessments, w Vasant Land Owned	ed control, ar \$1,423	arwike rem 82,946	oval, etc.) 84,673	86,311	38, 165	88,789	\$9,797	\$11,225	\$12,399	\$13,577	\$14,052	814,128	\$14,183	\$14,245	514,282
Annual Debi Service Annual Debi Costanoling Annual Interest Account (interest on prior year)	88	88	22	88	\$42,345	\$0 \$2,678	88	02	88	8 5	88	88 88	83	89	8 9
													l	Ļ	:
Total Annual Operating Costs (a)	\$1,423	\$2,946	\$4,573	\$6,311	\$8,165	S11,467	707,68	\$11,225	\$12,368	\$13,577	\$14,062	\$14,129	\$14,193	\$14,245	\$14,282
Openating Doets as % of Land Assets	0.3%	23%	0.3%	0.3%	95270	0.7%	0.2%	0.2%	0.2%	350	0.2%	51210	0.2%	0.2%	10.2%
Assumptions															
Neimenee Costs for Vacant Land Owned	Maintenanoa 5275 (b)	Costiacre		11	ation 3.6%										
Debt interest Rate	6.25%														
N0062 N0062 (a) Arrund program achteitatalion conta are antiralad conconent of its correct community develorment asser	at approximit	ry \$22,000,	the up peers	sustrately 1	A FTE progr	am menager	and .16 FTE	isse mergore	part. This as	dumos that \$	se City would	absorb progr	an administra	tion costs as	

(b) Based on Francia Department edimons that marrierance costs for yearshi kind are about 1/4 percent of property value per year. To simplify, this was calculated as a Shorro value based on a uniform property value of \$2.50 per equary tool

Source: BAE, 2003.

Table 5: Land Disposition																
	Program Ye	-to														
-	-	~	Î	-	6	e	r	8	6	10	=	²⁴	\$	2	15	16
Estimated Land Value Per Acre	\$100,001\$	\$110,124	\$116,731	\$123,725	\$131,159	\$129,029	\$147,271	\$156,213	\$105,500	\$175,521	\$186,062	\$197,215	8t+0'6028	102,1228	\$234,807	\$248,960
VALUE OF LAND ASSETS Purchased Year 3 Purchased Year 3 Purchased Year 3 Purchased Year 4 Purchased Year 5 Purchased Year 7 Purchased Year 10 Purchased Year 11 Purchased Year 11 Purchased Year 12 Purchased Year 13 Purchased Year 13 Purchased Year 13 Purchased Year 14	£29,0128	5550,620 5550,620	7.269, ESICS 7.269, ESICS 7.269, ESICS	\$619,677 \$618,677 \$618,677 \$618,677	7107, 2008 7107, 2008 7107, 2008 7107, 2008 7107, 2008	5686, 145 5666, 145 5666, 145 5684, 145 5884, 174	87,06,854 872,85,854 872,85,854 8884,225 81,031,998	5781,065 5781,065 8937,278 51,090,487 51,248,704 51,248,704	8827,829 8000,515 81,220,607 81,220,607 81,150,101	961, 1260, 11 7760, 1826, 11 1911, 1004, 12 1760, 1826, 11	1,202,266 1,486,418 3,488,418 3,302,202,165 1,16,311 1,16,312	1,577,225 1,280,506 1,380,506 1,880,506 1,880,282 1,880,282	1,460,309 1,460,309 1,424,200 1,254,	81,561,156 51,255,247 51,255,247 51,051,156 51,050,547	050, 6004, 12 050, 6004, 12 050, 6004, 12 0501, 6004, 12	013,079 0142,079 0142,079 01403,079
TOTAL VALUE OF LAND ASSETS	8519,453	81,901,240	\$1,750,972	\$2,474,707	\$3,278,967	83,614,756	54,126,382	54,942,905	5,464,332	20,143,234	1 323112/36	201,705,723	6,898,564 3	\$7,090.918	57,281,487	27,452,334
Acrea Sold (end of prior year) Paroelis Sold (end of prior year) Year Purohased Total Market Value of Property Sold	00 <u>8</u>	°° 8	0 0	°° 8	00 g	5 1,42857140 1 8685,145	2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5 1,42867143 3 8781,085	5 (42867143 4 5827,929	5 1,42957143 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	6 1.42857142 6 51.110.313	7 1 (2857142) 7 7 1 (280,508)	a .42857143 1 8 1.672,386 8	7 1.42857140 9 51,551,158	7 1,42867143 10 51,644,207	8 1,42857143 11 51,480,879
Land Sales Price (% of Markor) Total Value of Sales -Land Sales Experient Net Sales Proceeds	90% 83 83 83	1 ¹ 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	90% 80 80	ខ្លុំ ន ន ន	ទ្ត័ ន ន ន	90% 8825,631 1\$8,780 \$016,850	80% 5863.169 (\$21,086) \$6054.081	90% \$702,959 \$58,405] \$093,553	9006 8745, 136 8745, 136 8736, 401	90% \$789,844 \$10,076) \$779,769	20% 21,004,502 (\$10,428) 8994,254	00% 1,242,457 (\$10,793) (\$10,793) 51,251,664 5	90% 8,005,148 (811,171) (811,171) 7,403,977 3	90% 1,366,025 (211,002,11 (211,002,12 (210,002,12	90% 1,479,798 (\$11,967) 1\$11,967 1\$1	80% 51,344,401 1512,386() 51,332,108
Land Sale Subsidy Provided	2	80	80	80	80	\$15,09\$	872,685	\$78,307	\$52,793	\$07,700	\$111,033	\$138,057	\$167,239	\$156,714	\$184,421	\$149,388
Estimated Subsidy Per Unit	10/1/0/	NOVING#	ND/V/DK	/0///OV	10/1/06	\$1,159	\$1,238	\$1,302	81,380	\$1,463	\$7,550	\$7,643	312'1\$	\$1,847	255'18	\$2,075
Assumptions Sales Phon Appreciation Vear 2000 Land Sales Expenses (per sale) Sales Cost Inflation Assumed Land Bank Project Density		85,000 3.2% p	or year. sir year ritsiacre													

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Source: BAE, 2000.

LAND BANK FEASIBILITY STUDY

Table 6: Land Bank Cash Flow	v Summar	v													
~	rogram Year	(3000 = 0)													
Land Bank Inventory Summary	-	e4 1	-	-	-		4	00	a	10	=	12	13	14	5
Actes Acquered Actes Sold		00	ne	n 0	nc	e u	r- 4	04	r- 1	r- 6	00 0	01	~ '	01	ω r
Agres Owned	- un	10	10	8	10	8	18	3.5	° 9	, 12 1	8	- स	° 8	- 8	- 5
Arnual Expenditures Summary Property Anguistion Coats Operations and Maritenance Coats Areaul Interest Phyments Dett Phyoff (a) Subtat Expenditures	\$526,648 \$1,423 \$0 \$0 \$028,269	\$503,272 \$2,946 \$0 \$50 \$561,218	\$501,577 \$4,573 \$0 \$0 \$0 \$606,160	\$620,873 \$0,311 \$0, \$0 \$0 \$620,189	\$9004,291 \$3,105 \$0 \$0 \$00 \$072,4445	\$944,711 \$5,709 \$2,678 \$42,849 \$42,849	\$1,044,318 \$8,797 \$0 \$0 \$1,024,115	\$1,284,754 \$11,226 \$0 \$0 \$1,275,973	\$1,172,730 \$12,369 \$0 \$1,185,066	517,292,13 512,513 50 08 08 08	\$1,128,827 \$14,052 \$0 \$1,142,880	\$1,136,244 \$14,128 \$0 \$1,210,372	\$1,478,978 \$14,183 \$20 \$10 \$1,483,171	\$1,243,422 \$14,245 \$1 \$1 \$1 \$1 \$1	\$1,423,680 \$14,282 \$0 \$0 \$1,437,962
Annusi Income Summary Garenal Yand Capital Investment Prior Year Cash Row Dele Proceeds	000/528\$	5500,000 1127,0628 08	\$500,000 \$380,000 \$0	8200'000 820'000 800'0055	\$500,000 \$171,411 \$42,840	\$500,000 \$52,526 \$10	000/0003 8273,638 51	000,000\$ 107,0668 50	5000,000 5332,400 50	\$500,000 \$400,790	80 \$402.405 \$0	50 5322,118 50	\$0 \$374,167 \$0	08 05 05	5450.052 5450.052
Intern Use Income Property Seles Proceeds Interest on Picce Year's Cash Sel. Subhish Income Cash Fizw Retained in Program	50 50 5025,000 5006,731	90 90 8121,627 8120,509	\$0 \$22.519 \$286,673 \$286,673	50 \$17,917 \$10,417 \$10,411 \$171,411	\$0 \$10,713 \$724,973 \$52,529	\$0 \$616,050 \$1,172,050 \$1,172,050 \$1,172,050	80,408 \$604,081 \$17,102 \$1,444,916 \$1,444,916	\$033,653 \$234,419 \$1,608,673 \$112,600	\$0 \$735,401 \$20,735 \$1,588,888 \$1,588,888 \$403,790	\$0 \$770,769 \$25,237 \$1,706,726 \$452,465	\$0 \$004,254 \$28,279 \$1,474,900 \$31,474,900 \$502,118	30 \$1,221,054 \$20,757 \$1,504,509 \$1,504,509	00 246,6594,12 246,659,160,12 246,1558	\$0 \$1,384,482 \$284,887 \$1,807,718 \$1,807,718 \$450,062	\$0 \$1,467,513 \$28,129 \$1,945,990 \$506,007
Net Land Benk Gash Flow NPV of 15 yes. Cash Plow (a) -or. Annual investment (2000 5) (b)	5 R R	8 8	50 B	30	8 8	88 G2	80 80	8 8	8 D	5 S	B 98	8 8	8 8	R 8	20 20
MPV of Land Sale Subsidies Provided (1) NPV of Nac Assats at Year 15 Total Financial Returns (15 yrs)	6 yrs)	\$673,066 \$2,737,450 \$3,739,548													
NPV of Instel General Fund Investments NPV of Annual Program Subsidies (15 yr Total NPV of Program Investments	6	(\$3,622,913) 50 \$3,622,913)													
NET PROGRAM COST		\$112,365		and Bank Ac	ores Purchas	pot	91								

Notes: 14 For purposes of this analysis, discount take is set equal to the Chy's investment earnings rate. 15 Fource subsisty payments are defined to 2000 8 using annual general inflution rate assumption from Tadle 1.

Source: BAE, 2000.

Alt. 3 Land Bank Peopletity Duck Tuckes 1-5, App. A \$2006 for 10 (rt) xit Summary

Initial City Investments (spread over Years O and 1)	\$925,000	
Additional Annual City Investments	\$500,000	per year, for 10 years
Average Acres Acquired Per Year	5.0	acres
Average Parcel Size	3.5	acres
Average Purchase Transactions Per Year	1.4	transaction per year
Land Value	At Purchase \$2.25	At Sale per square foot \$3.01 per square foot
Interest Rate for Land Bank Borrowing (a)	6.25%	per year
Number of Years Land Held Before Sale	10	years
Land Value Appreciation Rate	6.00%	per year
Land Purchase/Sale Transaction Costs	\$5,000	per transaction
General Inflation Rate	3.5%	per year
Interim Use/Income Assumptions	\$0.00	per acre, per year
Interim Maintenance Cost Assumptions (b)	\$275	per acre, per year
Program Administration Costs (Not Charged to Land Bank P	rogram, Absort	ed by General Fund)
Program Manager Salary & Benefits FTE Become Assistant	\$65,000 0.25	per year FTE assigned to program
Salary & Benefits FTE	\$36,400 0.15	per year FTE assigned to program
Sales Price Discount: Sales Price as Pct. of Market Value	90%	of future market value

Table 1: Land Bank Feasibility Study Key Assumptions

Notes:

(a) Assumes capital is obtained through internal borrowing. Interest rate is equal to City's normal return on investments, which was approximately 6.25 percent as of 9/27/00.

(b) Interim land maintenance cost is based on information from Finance Department indicating that maintenance costs are usually approximately 0.25 percent of property value each year. This assumes an approximately \$2.50 per square foot land value.

Sources: City of Fort Collins; BAE, 2000.

	Program Yer	- United as	1.00														
		T AND A	5				in the second se										
Number of Transactions	4.1	-	N M	• <u>*</u>	4 7	• 7	e 1:-	10	e4	N 00 10	60	2.0	F []	51 Ç	\$ S	75	
Acres of Land Acquired	ч		17	10	us.	un	ø	r.	~		r	Þ.	φ	ø	2-	0	
Land Purchase Price	\$519/423	\$550.62	10 \$583'H	98. 199	18,677	\$635,707	\$804,174	\$1,001,596	\$1,240,704	\$1,159,10	1 \$1,228,6	47 81,116	313 \$1,18	1,292 51,4	68,338 \$1,	329,547	51,409,32
Other Acquisition Costs	860'18	\$7,65	2 \$7,1	618	59,197	\$8,463	\$10,536	\$12,723	\$15,049	\$13,62	9 \$14,1	66 \$12	514 51	2,962 \$	15,640	\$13,875	\$14,300
Total Acquisition Costs	\$506,846	12,820\$	71462\$ 2.	177 56	26,873	9664,281	\$844,711	\$1,044,318	\$1,264,764	\$1,172,73	1242,12 0	53 \$1,128	827 81,19	5,244 \$1,4	78,978 81;	343,422	1/423/68
Assumptions				1													
fype of Land Vocant Postdontal Land, No Water	*	Current V4 \$201,010	atuoloc. O		A P	dicipated Ge increase ar 8.0%											
failmated "Other" Costs	_	Per Transi \$5,000	action		ß	at Infation 3.5%	hear										
Table 3: Acquisition Financing	Assumptions																Ē
	Program Year	r (2000 = 0)								•	10	ľ	1				
Starting Capital Ion City General Revenues	\$0 8425,000	900000	1334,154	\$208.86C	900'0053	\$121,432	10 2500,000	100,000	08	14 15	10000006	000710005	222	- 8 8		190	288
lief Proceeds Intern Select Sub-Inter Amelable Capital	000/32145	000/5005	10 10 10 10	08 080 8088	800.994	80 9921,432	8500,000	30 35.00 000	500/0005	000/0025 (8	000/0025 08	803,876 B	50102.422 00102.425	100,73480 100,73400	56H-45 36H-45	F1241 0	10.10
Less Acquebbon Costs	1 12	1001200	2/2/0505	112/1828	2016/012	\$26A.315	\$117,211	810,040,12	81.284,754	051221110	1242,750	\$1,100,827	\$1,196,244	\$1,479,370	51,342,42	1,483,14	10
Sup-total Amount Available for Debt Paydown	\$425,000 1 \$425,000 1	5000,114 EX00,1154	1239,442	1249.304	8121,423 8121,428	042,540 08	117.4428) ((0)(E10+5E)	(624,764) 02	0673,7305	0874234680	(161,032)	proses, and 20	(5801,440) (24	C Passar	1 (5000)	និន
Baning Detri noreste Detri Balanca Intér Paydown Vinting Detri	8888	****	2223	2222	наза	542,040 542,040 50 00 042,540	\$40,044 \$244,711 \$2 \$367,060	000,7902 010,0002 02 02 02 02	8901.875 5764.774 25 51.696.622	11.696.532 9672.730 80 80 80 80 80	102,000,001 577,2978 10 10 10 10 10 10 10 10	\$1,112,114 \$23,191 \$20 \$1,166,305	\$3,165,309 \$266,000 \$2 \$3,751,115	11,121,028 12,6,1598 12,0 12,0 12,0 12,0 12,0 12,0 12,0 12,0	14,502,70 16,9696 16,8696 16,825,72	1 25.236.1 2006.1 2016.4	8385
find of Year Capital	\$405,000	\$200.154	2300,852	1248,300	2121,432	8	8	8	2	2	8	8	а	8			8
the of Very Lond Americ Martin United		2 124 24 21	1101.340 5	1200479	20.021700	\$1 278,560	\$4 S09 901	2010201020	CT 100 800 3	10.770.048 B	10 001 000 000	101.101.101	DAV 727 124	101 242 243	Cheve and an	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	-

Acres of Land Owned	-	ľ	ľ	1	ľ		1	-	a	40	=	1	11	4	16
New Apres Acquired	at	41	in .	en.	10	10	*		-	*	10	9	10 m		
Cumulative Acree Acquired	0	2	15	8	招	药	35	4	22	8	\$	12	R	18	5
-Acres Sold	0	0	0	0	0	0	9	°	0	0	35	17	3.6	38	135
Cumulative Acres Sold	D	0	0	0	0	0	0	•	0	0	3.5	E.	-10.5	11.	17.6
Net Acres Owned	in.	2	4	8	35	5	2	4	12	8	62.5	8	585	F	2
Annual Maintenance Costs (Izzos, assessments	a, weed control, a	nowlos ren	10V0(, 600.)												
Vecant Land Owned	\$1,423	85.046	B4.573	110.98	\$9.165	\$10,479	\$13,235	\$10,058	\$19,994	517 628	\$25,003	\$27,01D	139/421	\$01,806	\$31.653
Annual Debt Service															
Arrival Debt Outstanding	10	8	-	3	242,543	1005 1005	TALL FOR	\$1,096,632	\$2,369.381	\$3,112,114	\$3,165,306	\$1,121,15	101,000,040	\$5.239.733	\$6.80% 487
Arrend Interest Accrual (Interest on prior year)	5	8	8	a	0\$	\$2,573	\$24 222	247,942	\$108,039	\$140,095	\$154,507	\$197,832	\$234,445	\$291,423	\$307,403
Total Annual Operating Costs (a)	127/12	22,340	125'85	10,311	51,16	\$13,157	\$37.518	874,900	8125,004	100,1112	000/8175	\$224.942	500/1925	\$518.028	\$361,346
Operating Costs as 16 of Land Assess	0.0%	0.3%	0.2%	0.3%	0.255	100	0.7%	101	100	1.6%	1.0%	100	205	3472	1
96 80															ľ
Assurgeona															
Maintanance Costs for Vacant Land Owned	Maintenones () 2725	• Castlaure		2	fation 1.5%										
Debt krievest Rate	6.25%														
1 alter															
 Amuel program administration costs are activity 	most of acceleration	Min \$22,000	Investing of	prostores.	ULTTE DOG	the monthly	CAM TO ST	F nervenan as	output Thus	test test	Part Part and	of advantation of the other	the second second	a state sector a	
component of its over	Constantial in the second	Westward and	Window Publication	Longe lawy of	Null to Long	and the second second second	1 MUL . 12 L	e program an	Contract Contractor	101111111111111	THE LUT WORK	CALC ALONG &	gran automatic	Allon trents a	

(b) Equation Prance Department estimate that martenance costs for warming and are stord. Us percert of property value per year. To simplify, this was calculated as a Slacre value based on a uniterm property value of \$2.50 per opanie bod. Source: B4E, 2000

Table 5: Land Disposition																
	Program Y	NN.														
Estimated Land Value Per Acre	\$100,891	\$110,124	\$116,731	\$125,735	\$131,159	\$139,029	175,718	\$156,213	9 8166,3818	04 5175,521	\$186,062	\$197,215	13 \$209.048	14 8221,501	15 \$234,867	16 8248.980
VALUE OF LAND ASSETS Purchased Year 1 Purchased Year 3 Purchased Year 6 Purchased Year 6 Purchased Year 9 Purchased Year 9 Purchased Year 10 Purchased Year 11 Purchased Year 13 Purchased Year 13 Purchased Year 13 Purchased Year 13 Purchased Year 13 Purchased Year 13	8510,450	029/0655	\$580,657 8550,057 8550,057	5118,0177 55818,077 5688 5618,077 5688 5618,077	797, 2008 707, 2008 707, 2008 707, 2008 707, 2008	5696.145 5606.145 5806.145 5905.145 5905.145 5905.145 5905.145	FIG9, FIC72 FIG9,	5701,0005 5781,0665 5781,0865 5781,0865 5837,278 5837,278 51,085,001 51,248,704	8927, 309 8027, 309 8027, 309 802, 110, 005 81, 110, 005 111, 100, 001 111, 100, 101 111, 100, 101	58777,0025 58777,0035 58777,0035 58777,0035 58777,0035 5817,0034 (585 581,0034 (585 581,0034 (585 581,0034 (585 581,0038 (547 581,0038 (547) 581,0038 (547) 581,0008 (8850,281 8820,281 8820,281 8820,281 881,2822,382 81,4802,418 81,4820,418 81,502,386 81,116,313	710,0966 7170,0966 7170,0000,16 8002,0000,16 8002,0000,16 8002,0000,18 8000,0000,18 8000,0000,1000,0000,0	51,045,241 55,045,241 51,072,242 51,072,242 51,072,246 51,072,246 51,254,230 51,254,230 51,254,230 51,254,230 51,254,230	7+42,001,15 2020,001,15 2020,001,12 2020,027,12 2020,027,12 2020,027,12 2020,027,12 2020,027,12 2020,027,12 2020,027,12 2020,001,12 2020,000,12 2020,000,12 2020,000,12 2020,000,000,000,000,000,000,000,000,0	51,450,320 51,544,207 51,275,098 51,275,098 51,275,098 51,544,207 51,460,207 51,460,207 51,460,307 51,460,307 51,409,320	695,271,16 825,165,16 825,162,12 825,142,12 825,142,12 825,142,14 825,150,14 825,150,14 171,150,11
TOTAL VALUE OF LAND ASSETS	8619,463	042,101,18	216,027,12	\$2.474,707	21,2778,960	106'000'15	56,600,090	\$7,385,800	\$0,7770,049 i	003111100		r prossass		7.2325340484	1 100000100	018/18/19 000000000000000000000000000000000000
Acres Sold Paraels Sold feed of prior year) Year Purohaeed Total Market Value of Property Sold	°° 8	°° 8	° ° 8	°° 8	°° 8	°°¥\$	00 <u>6</u> 8	008g	° °€8	00.g	8.6 142867142 1 1 1 1 1 1	3.5 1.420571540 2 5699.254	3.5 1.42867143 3 5731.883	3.5 D+1725524.1 A 5775,560	3.5 1.42857143 5 8822.103	3.5 42857143 6 5
Land Sales Price (% ef Marked) Tetsl Value of Sales -Land Sales Expenses Net Sales Proceeds	5888	§ 2 2 2 2	30% 50 %	305 8 (8 (8	200 200 200 200 200 200 200 200 200 200	105 26 28 28	5 6 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	ខ្លុំ ន ន ន	5 8 8 S	58 8 8 19	90% 8699,065 (\$10,428) \$575,636	90% \$621,228 (\$10,790) \$610,435	80% \$668,502 (\$11,171) \$647,331	100 210/9698 210/9698	90% (796,873 (796,118)	90% 8784,267 (512,3867 5771,801
Land Sale Subsidy Provided	20	æ	8	8	80	20	95	80	8	65	\$65,118	\$20,025	\$73,167	\$77,557	\$92,210	887.143
Estimated Subady Per Linit Assumptions	#DVVG#	10/11/08	10/01/04	#D1100/	/D/V/OM	ADIMUN.	ADVIVOr	404104	10/11/0#	ADVIVE:	31,550	\$1,843	\$1,742	Sr, 947	81,957	\$10,52
Sales Price Appreciation Year 2000 Land Sales Expenses (per sale) Sales Cost Inkalon Assumed Land Bank Project Denaity		6.0% p \$5,000 3.5% p 12 u	ar ysar. or ysar ritsiàene													
Source: BAE, 2000.																

LAND BANK FEASIBILITY STUDY

LICON VIDA NIDA -A SIME	STITLED & MAN														
and the second se	Program Yes	ar (2000 = 0)	ľ		I										
Annual power mountery seminary		*	-	•	n			0	a.	10	-	24	10	47	1
ACTES ACQUIRED	11	49. j	0	10	10	Φ.	۳	¢1			w				
Acres Sold		0	D	0	0	0	0	0	0 		92	35	3.5	3.5	38
Acres Owned	50	0	2	8	12	ā	R.	9	15	8	129	29	68.5	4	25
Annual Expenditures Summary Property Acquisition Costs	\$526,B46	\$558.272	8591,517	\$626,873	2864.281	\$344,711	\$1,044,318	\$1.264.754	\$1.172,790	1242.750	\$1.128.827	\$1.196.244	St 479 979	\$1 149 425	1 227 680
Operations and Mamhenance Costs	121/15	52,946	54.573	\$6.311	38.165	\$10.479	\$13,256	\$16,658	319.864	823.276	\$25,000	627.010	FOR AGA	STA DAL	0.04 Mar
Annual Interest Payments	50	8	8	202	08	\$2,679	\$24.222	858,242	\$106.009	\$140.005	\$194,507	8197.835	10-100 MAG	LOP WICH	5007 480
Debt Paryott (a)	80	100		A	8	8	1	80	100			80	80	DE	a la
Substal Expenditures	\$028.268	\$561,218	\$596,150	\$633,165	\$872,446	8857,868	802/160/12	12,203,054	\$1,299,634	\$1,414,113	817,840,18	\$1,421,086	\$1,742,883	\$1,661,440	\$1,796,025
Annual Income Summary General Pund Capital Investment	\$925,000	\$500,000	\$500,000	8600,000	\$500,000	8800,000	\$500,000	\$500,000	8500.000	\$500.000	8500,000	S	8	9	s
Plior Year Cash Flow	20	107,3008	800'090\$	\$296,678	\$171,415	\$52,526	\$42.652	\$7,800	1	15	UR	: 2	: 5	\$ 5	\$ 5
DetA Processs	30	05	12	8	542,543	5044.711	811.14-22	\$764.754	054.6618	2742 744	101 1049	Stat and	201+ 2.07	COMM NOT	Total and a
Witkrim Use Income	20	8	02	80	08	80	05	- 25	5	05	-	LON CONTRACTOR	il interest	A New York	nd / bane
Property Sales Proceeds	30	8	8	05	8	20	20	8	8	3	SETTING AND	S610.41%	Budy root	CANA AND	6707.000
Interest on Prior Year's Cash Ball.	8	864,408	\$22.519	\$17.917	\$10,713	1282.02	\$2,055	3487	08	8	8	5	UN	100	15
Suboral Incorve	\$325,000	\$501.527	\$682,328	5804.695	8724,973	\$900.520	81,089,636	\$1,273,045	\$1.172.730	\$1,242,753	\$5.128.607	81 196 244	\$1 A78 G78	20121212	CH ADTAM
Cash Flow Retained in Program	101/9008	806,0008	\$290,078	\$171,451	252,520	242,052	\$7.600	08	08	3	8	05	08	Ca	up up
Net Land Sank Cash Plaw	8	99	8	8	05	8	2	(\$56,613)	(\$125,904)	[8171,360]	[\$219,600]	(246,4228)	006/10251	(\$316,029)	(0+0"1808)
NPV of 15 yrs. Cash Flow (ii)	(3830,420)														
Annual Investment (2000 8) (b)	05	8	12	05	25	2	30	(\$52,357)	(219:92)	(\$125,732)	(813,823)	(\$154,006)	(81/4.848)	1200231421	12227 2220
NPV of Land Sale Subscient Provided NPV of Net Access of Yoar 15 Total Pinancial Returns (15 yrs)	1(15 yrs)	\$100,345 \$1,850,345 \$1,850,302 \$4,010,738													
NPV of Initial General Fund Investmen NPV of Annual Program Suziscies (1) Total NPV of Program Investmenta	113 5 yrst)	(\$4,064,472) (\$830,420) (\$4,354,502)													
NET PROGRAM COST		\$875,155		Lans Bank A	cres Purchar	bed	21								
													2		

Notes: (a) For purprases of this analysis, discount ritle is not equal to the CAVs investment auxilings rate. (b) Folure subsidy payments are defined to 2000 5 using amount general integen rate memorysion tram Table 1.

Source: BAE, 2000.

All: VLANK Rank Freedorg Randy Tation 1-6, Apr. 4 (12 Trans Hald) cards missions at Summ

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and the second se	Program Yes	ar (2000 = 0)	ľ		I										
Annual power mountery seminary		*	-	•	n			0	a.	10	-	10	12	47	1
ACTES ACQUIRED	11	49. j	0	10	10	Φ.	۳	¢1			w				
Acres Sold		0	D	0	0	0	0	0	0 		92	35	3.5	3.5	38
Acres Owned	50	0	2	8	12	ā	R.	9	15	8	129	29	68.5	4	25
Annual Expenditures Summary Property Acquisition Costs	\$526,B46	\$558.272	8591,517	\$626,873	2864.281	\$344,711	\$1,044,318	\$1.264.754	\$1.172,790	057,042,150	\$1.128.827	\$1.196.244	St 479 979	\$1 149 425	1 227 680
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Annual Interest Payments	50	8	8	202	08	\$2,679	\$24.222	858,242	\$106.009	\$140.005	\$194,507	8197.835	10-100 MAS	LOP WICH	5007 480
Debt Paryott (a)	80	100		A	8	8	1	80	100			80	80	DE	a la
Substal Expenditures	\$028.268	\$561,218	\$596,150	\$633, 165	\$872,446	8857,868	802/160/12	12,203,054	\$1,299,634	\$1,414,113	817,840,18	\$1,421,086	\$1,742,883	\$1,661,440	\$1,796,025
Annual Income Summary General Pund Capital Investment	\$925,000	\$500,000	\$500,000	8600,000	\$500,000	8800,000	\$500,000	\$500,000	8500.000	\$500.000	8500,000	S	8	9	s
Plior Year Cash Flow	20	107,3008	800'090\$	\$296,678	\$171,415	\$52,526	\$42.652	\$7,800	1	15	UR	: 2	: 5	\$ 5	\$ 5
DetA Processs	30	05	12	8	542,543	5044.711	811.14-22	\$764.754	054.6618	2742 744	101 1049	Stat and	201+ 2.07	COMM NOT	Total and
Witkrim Use Income	20	8	02	80	08	80	05	- 25	5	05	-	LON CONTRACTOR	il interest	A New York	nd / bane
Property Sales Proceeds	30	8	8	05	8	20	20	8	8	3	SETTING AND	Sector 41%	Budy root	CANA AND	C707.000
Interest on Prior Year's Cash Ball.	8	864,408	\$22.519	\$17.917	\$10,713	1282.02	\$2,055	3487	08	8	8	5	UN	100	15
Suboral Incorve	\$325,000	\$501.527	\$662,328	5804.695	8724,973	\$900.520	81,089,636	\$1,273,045	\$1.172.730	\$1,242,753	\$5.128.607	81 196 244	\$1 A78 G78	20121212	CH ADTAM
Cash Flow Retained in Program	101/9008	806,0008	\$290,078	\$171,451	252,520	242,052	\$7.600	08	08	3	8	05	08	Ca	up up
Net Land Sank Cash Plaw	8	99	8	8	05	8	2	(\$56,613)	(\$125,904)	[8171,360]	[\$219,600]	(246,4228)	006/10251	(\$316,029)	(0+0"1808)
NPV of 15 yrs. Cash Flow (ii)	(3830,420)														
Annual Investment (2000 8) (b)	05	8	12	05	25	2	30	(\$52,357)	(219:92)	(\$125,732)	(813,823,812)	(\$154,006)	(81/4.848)	1200231421	12227 2220
NPV of Land Sale Subscient Provided NPV of Net Access of Yoar 15 Total Pinancial Returns (15 yrs)	1(15 yrs)	\$100,345 \$1,850,345 \$1,850,302 \$4,010,738													
NPV of Initial General Fund Investmen NPV of Annual Program Suziscies (1) Total NPV of Program Investmenta	113 5 yrst)	(\$4,064,472) (\$830,420) (\$4,354,502)													
NET PROGRAM COST		\$875,155		Lans Bank A	cres Purchar	bed	21								
													2		

Notes: (a) For purprases of this analysis, discount ritle is not equal to the CAVs investment auxilings rate. (b) Folure subsidy payments are defined to 2000 5 using amount general integen rate memorysion tram Table 1.

Source: BAE, 2000.

All: VLANK Rank Freedorg Randy Tation 1-6, Apr. 4 (12 Trans Hald) cards missions at Summ

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Initial City Investments (spread over Years O and 1)	\$925,000	
Additional Annual City Investments	\$0	per year, for 10 years
Average Acres Acquired Per Year	3.5	acres
Average Parcel Size	3.5	acres
Average Purchase Transactions Per Year	1	transaction per year
Land Value	At Purchase \$2.25	At Sale per square foot \$3.01 per square foot
Interest Rate for Land Bank Borrowing (a)	13.50%	per year
Number of Years Land Held Before Sale	5	years
Land Value Appreciation Rate	6.00%	per year
Land Purchase/Sale Transaction Costs	\$5,000	per transaction
General Inflation Rate	3.5%	per year
Interim Use/Income Assumptions	\$0.00	per acre, per year
Interim Maintenance Cost Assumptions (b)	\$275	per acre, per year
Program Administration Costs Program Manager Salary & Benefits FTE Program Assistant Salary & Benefits FTE	\$65,000 0.25 \$36,400 0.15	per year FTE assigned to program per year FTE assigned to program
Sales Price Discount: Sales Price as Pct. of Market Value	90%	of future market value

Table 1: Land Bank Feasibility Study Key Assumptions

Notes:

 (a) Assumes capital is obtained from a commercial lender at a rate of prime plus 4%.
 (b) Interim land maintenance cost is based on information from Finance Department indicating that maintenance costs are usually approximately 0.25 percent of property value each year. This assumes an approximately \$2.50 per square foot land value.

Sources: City of Fort Collins; BAE, 2000.

Table 2: Land Acquisition																
	Program Ye	sar (2000 = 0								i.						
Number of Transactions		14			7 -	e =	9 -	n -	æ -	o -	<u>9</u> -		2 -	n -	å -	2 -
Acres of Land Acquired	9'D	3.5	3.5	3		3.5	35	3.5	58	25	3.5	-	3.5	29	46	5'0
Land Purchase Price	\$163,617	\$201,436	\$400(1908	\$433,074	\$459,0	58 \$400	105 200	5,798 5	546,745	8679-860	8614.325	9651,183	\$020,254	6097162\$	8275.669	\$822,103
Other Acquisition Costs	86,175	85.356	85,544	56,726	1 \$5,0	89	146	8.361	\$9,584	\$2,014	\$50'2\$	\$7,300	8997.8	\$7,550	\$60.033	112,88
Total Acquisition Costs	2847,79262	062'080\$	\$414,104	\$436,811	\$484.9	97 \$492.	748 \$52	2,158 \$	002'029	366.365	9421-376	\$858 [,] 483	501/1035	\$738,469	\$783,663	\$630,460
Assumptions.																
Type of Land Vacant Restanted Land, No Ware		Current Val	untar,		Anticipat Price inc Near 5.	and is										
Estimated "Other" Costs		Per Transas \$5,000	ston		Costinfl. 3.	ation/year										
Source: BAE. 2000. Table 3: Acquisition Financing	Assumptio	SUS														
	Program V	ear (2000 = 0)		-												
Starfing Capital New City General Reestuas	80 \$425,000	\$425,000	05 805.3022	\$166,418 \$0,	'នន	*88	88		* a a	*88	• S S	200	200 238 2	7 8 8 7	× 8 5	283
Nar Proceets from Sales Sub-Istel Available Capital	000 '92M\$	5925,000	802" 14555 05	00 5165/410	88	30 30	5431,106 547,1098	84/7.248 26/7.248	7 5485.4	7 8514,7 17 \$514,7	81 \$545,83 81 \$645,83	8 8578,76 8578,76	570,010 591,010 510,010 510,010	289/0598	\$689.919 \$689.019	91211278 81211278
Lees Acquistion Costs	5	262'890\$	06/1062	8414,104	110/001\$	\$464,997	\$492,748	\$522,15	8553,32	0 \$556.3	62 \$621,37	8656,400	609 ⁻ 1608	\$1739,403	\$783,663	06e/ocut
Sub-tetal Amount Available for Debt Paydown	\$425,000 \$425,000	802°9625	\$165,418 \$165,418	(\$243,696)) \$0	(310,803-0) (30	(1891)9985 (18	(\$60.663 \$0	((\$64,20	0 (\$67.94	8,118) (871,5	64) [\$75,533 \$0 8	117,978) (8	6) (\$64,136 50	(\$66,606)	(\$93,744) 80	(100,003) (100,003)
Starfing Deet Increase Debt Balance Dato: Payabaen Ending Date:	8888	88888	****	\$0 \$240,685 \$240,685	\$240,611 \$436,611 \$0 \$0	\$687,499 \$464,907 \$1 \$1,152,494	\$1,152,494 \$50,353 \$0 \$1,213,447	\$1,215,44 \$64,300 8 81,277,74	7 \$1,277,74 0 \$67,84 5 \$1,345,69	8 51,345,5 5 571,5 5 51,417,1	17.17.17.17.17 14 175,53 19 175,53 10 171,53 10 171,53 10 171,53 10 171,53	81,492,714 8 \$79,714 8 \$1,572,432	505/572,12 903,552,022 02 02 03 02 03 02 03 02 03 02 02 02 02 02 02 02 02 02 02 02 02 02	\$1,658,569 \$88,906 \$0 \$1,745,275	\$1,745,375 \$60,744 \$0 \$1,836,119	\$1,830,119 \$96,964 \$0 \$0
End of Year Capital	\$425,000	\$556,206	\$165,418	8	98	02	8	-		0	8	36	5	8	£	

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8770,888 \$1,225,681 \$1,732,595 \$2,285,291 \$2,450,009 \$2,570,739 \$2,750,739 \$2,457,557 \$3,255,914 \$2,451,269 \$2,445,244 \$2,457,549 \$4,172,517

\$363,617

End of Year Land Assets Value

Source: BAE, 2000.

Table 4: Annual Operating Costs															
Acres of Land Owned	-	*	~	*	14	9	+	00	6	01	#	10	11	44	1
New Acres Acquered	3.5	3,5	35	35	3.5	19.52	3.4	315	3.5	3.6	11	115	100	1.00	1
Cumutative Acres Acquired	3.5		10.5	2	17.5	Ťŝ	24.5	26	町石	1	19.00	42	19.97	a a	10
-Acres Sold	0	0	0	0	0	3.5	동안	-0.5	-9.5	58-	17	17	10	3.6	1
Cumulative Acros Sold	0	0	0	0	0	-3.5	17	-10.5	-14	5.41+	Ey.	198	87	315	i i
Mel Acres Dened	15	2	10.5	2	17.5	17.5	521	11	924	524	17.5	17.5	\$12	17.5	111
Aerual Waietensnoa Gosta (tarea, assessmentia, Vacort Land Canned	L weed control, 1 5000	100M/09 FM	53,201	\$1,418	\$5,716	35,316	521,52	56,337	56,550	ERT. HE	\$7,026	212.72	122-12	061,178	£80'8\$
Annual Debt Service Annual Debt Outstanding	81	8	315/1952	169/1998	\$1,522,494	\$1,213,447	81/277.748	\$1,346,582	\$1,417,178	\$1,452,714	512,432	81,669,583	\$1,745,375	\$1,538,119	\$1.538.080
APPENDIX TRAFFECT ACCILLUS (STREFECT ON DOOR YORK)	8	8	8	512.055	212.312	102,0012	2163,512	169/2/15	\$181,665	\$191,319	\$201,516	8272728	10910225	\$226,628	\$2040,20H
Total Annual Operating Costs (a)	3996	20,062	100,12	105'125	122, 1622	\$161,503	\$149,938	808/8218	8188.214	\$156,107	11023	\$219,550	\$231,163	\$243,416	\$256,344
Geesting Dosts as % of Land Assets	10.00	0.3%	192.0	22%	17. 17.	51913	2.919	6.5%	6.5%	氏中国	242	245	6.3%	6.3%	6.2%
Assumptions															
Maintenee Costs for Vacant Land Dened	Maimenee \$275_0	e Costlacra			inflation 3.5%										
Debr Interest Rate	1150%														
Nations															
(a) Annual program administration costs are estima component of thi over (b) Based on Francio Department estimats that mail (b)	and al Approximation	May \$22,000 Or vacant la	I make and a	1.4 pecart	of property v	quarter manuage	To strukty.	E program as this was calc	sistert. This o	CONTRACTOR CONTRACTOR	the City work	pord droeds i	taninda miti	renters costs a	5 1
Source: BAE, 2000														a marine and	í.

Table 5: Land Disposition															
	Program Y	tê.													
Estimated Land Value Per Acre	103.381	2 5110,124	a 8116,731	4 \$120,735	\$131,153	\$139,029	5147,371	8 \$156,213	\$105,566	10 8175,521	\$186,052	12 \$197,215	11 8209,048	14 \$221.091	15 \$234,087
VALUE OF LAVID ASSETS Purchased Year 1 Purchased Year 2 Purchased Year 3 Purchased Year 3 Purchased Year 9 Purchased Year 10 Purchased Year 11 Purchased Year 13 Purchased Year 13 Purchased Year 13 Purchased Year 14 Purchased Year 15 Purchased Year 15 Purchased Year 15	219(2903	\$385,434 \$385,434	8408,960 8408,960 8408,960	\$433,074 \$425,074 \$425,074 \$425,074	5409.058 5409.058 5409.058 5409.058	\$406,932 \$406,932 \$460,932 \$400,032 \$400,032	\$515,798 \$516,798 \$516,798 \$616,798 \$515,798	546,746 546,746 547,845 547,845 545,746 545,746	\$579,560 \$579,560 \$579,560 \$579,560	5614,223 \$614,223 \$814,223 \$614,223 \$614,223	5661,163 5651,163 5651,183 5651,183 5651,183	8690.254 5690.254 5690.254 5690.254 5690.254	\$731,689 \$731,689 \$731,689 \$731,689 \$731,689 \$731,689	607,55 607,55 617,56 617,56 617,56 632,577 632,577 837,56	\$822,103 \$822,103 5822,103 5822,103 5822,103
TOTAL VALUE OF LAND ASSETS	\$363,617	\$770,888	1,225,681	1732,285	12,295,291	52,433,000	62,573,989	82,733,728	\$2,897,752	210,170,53	21255,914	3,451,260	\$3,668,345	\$3,877,846 \$	4,110,517
Arrea Sold (and of prior year) Parcols Sold (and of prior year) Year Purchased Total Market Visiue of Property Sold	00 00	°° 8	°° 8	0 05	°° 8	3.5 1 1 8488,602	3.5 1 2 \$515,738	3.5 1 3 \$546,746	3.5 1 4 \$579,580	3.5 1 5 5814,123	3.5 1 6 \$651,183	3.5 1 7 8890,254	5/0 1 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	3.5 1 8775,560	3.5 10 \$822,103
Land Sales Price (% of Markot) Total Viale of Sales Equanos 4.and Sales Equences Vet Sales Proceeds	20% 8 & 8	5 8 8 8 8	80% 8 8 8 8	30% 80%	305 8 8 8	80% \$437,942 (56,146) \$421,726	90% \$484,218 (\$6.361) \$467,857	90% \$482.071 (\$6.584) \$485,487	20% \$621,505 (\$5,314) \$614,781	80% 5552,891 (\$7,063) \$545,638	\$0% \$386,065 \$778,765 \$678,765	90% 8621,228 (\$7,566) 8613,667	90% \$858,502 (\$7,820) \$600,682	90% \$689,012 (\$8,093) \$689,019	2715, B87 2715, B87 2715, B87 2715, B87
Land Sale Subsidy Provided	30	20	05	95	8	\$48,660	\$51,580	854,875	\$37,955	261,432	\$55,118	\$69,025	\$73,167	\$77,357	582,210
Estimated Subsidy Per Unit	10/1/104	/D/V/D/	10/11/04	1201/04	ND///Gi	\$1,159	81,228	\$1,302	\$1,390	\$1,463	\$1,550	51,643	\$1,742	51,847	<i>81,957</i>
Nexurrations Salas Price Appreciation Salas 2000 Lund Salvas Espensiaa (per ade) Sales Cost Infection Salaumed Lund Bark Project Density		6.0% p \$6,000 3.5% p 3.5% p	ar yaar. sr year ita/acre												

Souther BAE 2000.
	Program Yea	r (2000 = 0)													
Land Bank Inventory Summary	-	14	-	-	47		•		œ	10	11	12	51	14	15
Acres Acquired	3.5	38	25	12	35	3.5	35	30	35	3.5	2.5	3.5	3.5	3.5	3.5
Acres Sold	0	0	0	0	0	9.6	語の	41.05	35	25	10	3.5	un en	35	10.00
Acres Owned	5.6	1	10.6	7	17.5	84	17.5	5'21	17.5	17.5	175	175	17.5	521	17,5
Annual Expenditures Summary Present Annuality Costs	207 1973	8500.730	\$414.104	\$426 BIT	5464 007	6450 Tak	8522.150	\$643 SM	Post 165	101.176	CRA LOS	5607 809	0110100	1944-001	denn pan
Creations and Maintenance Course	0000	\$2.065	100.04	817 75	84.748	85.018	101 101	56 217	04 440	0100 Mg	the case	1000 LOOP	Part and and	tool and	100 000
Annual bronest Pastrants	105	20	109 E	819.670	\$62,812	51555.687	\$163.815	\$172.436	2181 655	\$101.019	8201.518	8212.274	2021.012	1007/20	20102 2048 281
Oebr Payoff (a)	8	8	95	8	08	08	S	2	8	05	80	8	05	-	1
Subtatel Expenditures	101/1025	\$207,552	2017,1142	\$476,802	\$563,925	\$654,2590	\$522,097	\$732,163	\$774,578	\$819,454	\$507,025	8917,360	\$970,952	\$1,027,078	\$1,095,864
Annual Income Summary															
General Fund Capital Investment	8825,000	20	2	8	8	8	R	8	8	8	2	8	8	12	8
Prior Year Cash Flow	05	\$205,212	EVE 192\$	\$100,731	600"925	8	5	Q#	20	8	80	08	88	8	8
Det/ Proceds	8	20	1025,5242	110,0114	2464,207	\$50,963	164,303	110,1040	\$71,534	\$75,536	812,878	\$84,136	\$68'80 6	447,008	1925, 2005
Interm Use Income	23	80	2	80	08	68	80	8	80	8	12	8	8	SO	8
Property Sales Proceeds	08	20	2	8	12	Bell-198	\$457,357	\$485,487	8614,781	\$545.B38	\$579.765	0/9/E195	\$450,692	616'6092\$	\$731,516
Interestion Prior Year's Ceah Bat.	8	学校ですという	100/005	\$13,569	\$10,306	8	8	80	22	8	80	80	3	12	8
Sustate Income	50CL:200	\$600,165	B818,038	141,0508	\$551,642	Ball Mana	\$522,150	\$553,330	0500.305	\$621,376	\$628,483	5697,909	8738,489	\$789,663	\$830,480
Cash Flow Retained in Program	\$555.212	\$237,013	\$100,731	\$76,339	80	08	80	8	8	8	8	05		8	8
Net Land Bank Cash Flow	99	8	8	8	0000/115	[2161,503]	(0005'00315)	(000'0215)	(\$189.214)	(\$156,107]	(\$206,543)	(\$219,550)	(531,153)	(314,416)	(\$256,344)
MPV of 15 yrs. Cash Flow (a) on	(12679988)														
Annual Investment (2000 S) (b)	2	20	8	8	(10071041)	[1100,00112]	(\$138,343)	(2010)2010	(2083441)	12140.3377	(5147,040)	(3660,380)	(\$152,980)	(\$156,841)	(\$150,354)
MPV of Land Sale Subsidies Provided MPV of Net Assets at Year 15 Total Planancial Returns (15 yrs)	t5 ym)	\$204,052 \$2020,054 \$2020,758													
NPV of tratist General Fund Investment NPV of Avrual Program Substates (15- Total NPV of Program Investmenta	, Ē	(1782,5900) (1782,00025) (1182,2912,112)													
NET PROGRAM COST		360-91-98		Land Bank A	cres Purcha	pes	15								
Notes: No Purposes of this analysis, disco (0) Future subsidy poyments are defaul	unt rate is se ed to 2000 \$	r equal to the O using annual po	ty's investme	rano assumpti	a. Ion from Tab										
Souce: BAE, 2000.															

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LAND BANK FEASIBILITY STUDY

APPENDIX C: LAND BANK PROGRAM CONTACTS

Potential Federal Funding Sources

HUD:

Paul Caoutte, 303-672-5443 x1418 Community Development HUD Denver Office 633 17th Street Denver, CO 80202 303-672-5440 Fax: 303-672-5004 paul_a._caoutte@hud.gov

HOME, GDBG, EDI, BEDI,

Potential State Funding Sources

State Department of Local Affairs, Division of Housing Tom Hart, Director, 303-866-2033
Melissa Stirdivant, Region 2 Staff Contact, 303-866-4964, Fax 303-866-4077 melissa.stirdivant@state.co.us

State Treasurer's Office Michael Coffman, Treasurer 303-894-2443 Staff 303-894-2448

Mike Tervieski, CULHIP Coordinator 303-866-2327

State Department of Housing and Finance Missy Peterson 303-297-7340

Note: Ms. Peterson referred for rental housing

Potential Private/Charitable Funding Sources.

Housing Assistance Council Victor Hernandez 1025 Vermont Avenue, NW, Ste. 606 Washington, D. C. 20005 202-842-8600 Neighborhood Reinvestment Corporation

Grace Buckley Rocky Mountain District Director 1776 So. Jackson St Suite 810 Denver CO 80210 303-782-0299 FAX 303-782-5568 <u>Mdavis@nw.org</u>

Notes: NRC is primary funder of mutual housing throughout United States

Funding Partners for Housing Solutions Karen Gerard Director PO Box 2731 Loveland, CO 80539 970-204-1400

FAX 970-204-1475

Note: Expertise in utilizing CDFI funds and in CRA partnering and latest state legislation facilitating such partnering

Existing Housing Land Bank Programs

City of Redwood City, California Debbie Jones-Thomas, Housing Coordinator P.O. Box 391 Redwood City, CA 94064 650-7807290 FAX 650-780-0128

City of San Mateo, California

Sandy Council, 650-522-7223 Neighborhood Improvement and Housing Division 650- 522-7220 <u>nih@ci.sanmateo.ca.us</u>.

City of Boulder, Colorado

John Pollak, Housing Director, 303-441-4144 pollakj@ci.boulder.co.us Jann Oldham, Housing/Community Dev. Manager oldhamj@ci.boulder.co.us 1101 Arapahoe 2nd Fl. Boulder, CO 80306 303-441-3157 FAX 303-441-4368 Notes: Very effective at attaining set asides from Col. Div. of Housing.

City of Oakland

Roy Schweyer Director, Housing & Community Development, 510-238-3501 Community and Economic Development Agency 250 Frank Ogawa Plaza 5th Fl. Oakland, CA 94612 Notes: Property can be held no more than 3 years with returning to City Council for extension. City issued a \$10 M bond for supporting land acquisition, and is combining with a NOFA for LIHTC. A City Council member and their House Representative are working together with No. California Land Trust to start a new "West Oakland Land Trust"

Model/Local Housing Land Trust Programs

Burlington Community Land Trust Amy Demetrowitz Project Developer PO Box 523 Burlington, VT 05402 802-862-6244

Jackson Hole Community Housing Trust PO Box 4498 225 S. Cache Street, Room 209 (School Administration Building, 2nd floor) Jackson, WY 83001 Contact: Sara Carroll, Manager of Project Development, or Barbara Hauge, Development Director 307-739-0665 FAX 307-739-0922

Thistle Community Housing Trust Etta Habegger, CLT Coordinator Roger Lewis, Asset Manager PO Box 17430 Boulder, CO 80308 303-442-8418 FAX 303-938-9447

Land Bank Technical Assistance Providers

Institute for Community Economics Julie Orvis 413-746-8660x118, JorvisICE@aol.com Affiliate Program Coordinator 57 School Street Springfield, MA 01105-1371 413-746-8660 FAX 413-746-8862 <u>http://www.iceclt.org/</u>

ICE's Annual conference is being held November 9-11 in Albuquerque NM

Publish:

- "The Community Land Trust Handbook"
- "The Community Land Trust Legal Manual"

Other Resources

Fannie Mae

Steve Allen, Community Lending Manager 202-752-4810 3900 Wisconsin Avenue, NW Washington, D. C. 20016-2899

Tony Hernandez Denver Partnership Office Director, 303-675-0006 Stefanie Harmon, Denver Partnership Office Deputy Director Sue Price, Portland Partnership Office 503-224-1354

Notes: In 1993 Fannie Mae created a secondary market for private lender loans to CLTs. Denver Partnership Office is researching CLTs now – risk office approved Thistles CLT's lease document, would automatically approve any other CLT utilizing same document. Portland Partnership office worked proactively through out Oregon to fund CLTs.

Denver School District Corporate Leasing Board

Velma Rose Denver Public Schools 303-764-3230 Craig Cook, Denver Public Schools 303-764-3316 Lynn Coleman, Private Consultant, 303-321-7493 Lee White, George K. Bomb 303-292-1600

Notes: Denver school district utilized certificate of participation to issue local bonds secured by specific asset base determined by Board, may be useful model for financing affordable housing landbanking.

Housing Authority of Boulder Cindy Brown, Co-Executive Director, 303-441-1966

Housing Vermont Donnie Brodrick 802-863-8424 Note: Provided LIHTC syndication expertise to Burlington CLT to provide rental opportunities within Land trust context

ARCH

http://www.weown.net/OwnershipModels.htm

Note: Provides resource on alternative ownership models

Peninsula Heritage land Trust http:www.harbornet.com/phlt/options.html

Note: Provides resource on Conservation options and income and estate tax reductions

LAND BANK FEASIBILITY STUDY