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A Real Property Appraisal Report

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**COLORADO SPRINGS  
PARK LAND  
DEDICATION  
ORDINANCE  
REVISION PROJECT**

Prepared For:

**City of Colorado Springs**  
**Parks, Recreation, and Cultural Services**  
**Department**

30 South Nevada Avenue, Suite 502  
Colorado Springs, Colorado 80903

Effective Date:

5/1/2020



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EAST-WEST FILE #19263

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July 29, 2020

Kellie Billingsley  
Senior Real Estate Specialist  
City of Colorado Springs/Real Estate Services  
30 South Nevada Avenue, Suite 502  
Colorado Springs, CO 80903

**RE: Real Property Appraisal Report  
Colorado Springs PLDO Revision Project  
Colorado Springs, El Paso County, CO  
East West File #19193**

Dear Ms. Billingsley:

In fulfillment of our agreement as outlined in the Notice to Proceed dated September 12, 2019 and the revised Scope of Work dated April 17, 2020, East West Econometrics LLC (East-West) is pleased to transmit our appraisal, based on the scope of work agreed upon between the client and the appraiser. This appraisal report develops a series of hypothetical market value opinions as described further in this appraisal. The concluded values represent fee simple hypothetical market values as of May 1, 2020. Please note that this represents a revised appraisal based on the change in the scope of work for this assignment. The parameters and hypothetical conditions are based on the revised criteria for the hypothetical conditions applied, as well as the selection of appropriate comparable sales. The opinions of value reported below are qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report.

The appraisal will be used by the client related for internal purposes. You, as the client, are responsible for reading this report in its entirety. It may not be distributed to or relied upon by other persons or entities without written permission of East West Econometrics (East West). Acceptance or use of this appraisal report by the named client constitutes acceptance of responsibility for timely payment of the agreed appraisal fee to East West.

The analysis, opinions and conclusions were developed based on, and this report has been prepared in conformance with, our interpretation of the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), as well as the client's appraisal requirements.



Based on the analysis contained in the following report, subject to the hypothetical conditions applied, the concluded reasonable market values of the hypothetical parcels are as follows:

**VALUE CONCLUSIONS FOR 5.5-ACRE HYPOTHETICAL SITES BY SERVICE AREA**

<u>Geographic Scope</u>	<u>Interest Appraised</u>	<u>Effective Date</u>	<u>Value Conclusion</u>	<u>Value/SF Conclusion</u>
Service Area 1 North	Fee Simple	May 1, 2020	\$1,110,000	\$4.65/SF
Service Area 2 Central East	Fee Simple	May 1, 2020	\$1,050,000	\$4.40/SF
Service Area 3 Central	Fee Simple	May 1, 2020	\$960,000	\$4.00/SF
Service Area 4 Central West	Fee Simple	May 1, 2020	\$1,020,000	\$4.25/SF
Service Area 5 South East	Fee Simple	May 1, 2020	\$910,000	\$3.80/SF
Service Area 6 South Central	Fee Simple	May 1, 2020	\$910,000	\$3.80/SF
Service Area 7 South West	Fee Simple	May 1, 2020	\$1,380,000	\$5.75/SF
Service Area 8 Downtown	Fee Simple	May 1, 2020	\$2,420,000	\$10.10/SF

**VALUE CONCLUSIONS FOR CITY-WIDE HYPOTHETICAL SITES**

<u>Geographic Scope</u>	<u>Interest Appraised</u>	<u>Effective Date</u>	<u>Value Conclusion</u>	<u>Value/SF Conclusion</u>
5.5-acre Site	Fee Simple	May 1, 2020	\$1,050,000	\$4.40/SF
20-acre Site	Fee Simple	May 1, 2020	\$2,790,000	\$3.20/SF

The analysis contained in this appraisal is based upon assumptions and estimates that are subject to uncertainty and variation. These estimates are often based on data obtained in interviews with third parties, and such data are not always completely reliable. In addition, we make assumptions as to future behavior of consumers, and the general economy, which are highly uncertain. It is, however, inevitable that some assumptions will not materialize and that unanticipated



events may occur which will cause actual achieved operating results to differ from the financial analyses contained in this report, and these differences may be material. Therefore, while our analysis was conscientiously prepared on the basis of our experience, and the data available, we make no warranty of any kind that the conclusions presented will, in fact, be achieved. Additionally, we have not been engaged to evaluate the effectiveness of management, and we are not responsible for future marketing efforts, and other management actions upon which actual results may depend.

We take no responsibility for any events, conditions, or circumstances affecting the market that exists subsequent to the effective date of this appraisal. This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and addenda.

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

Respectfully submitted,

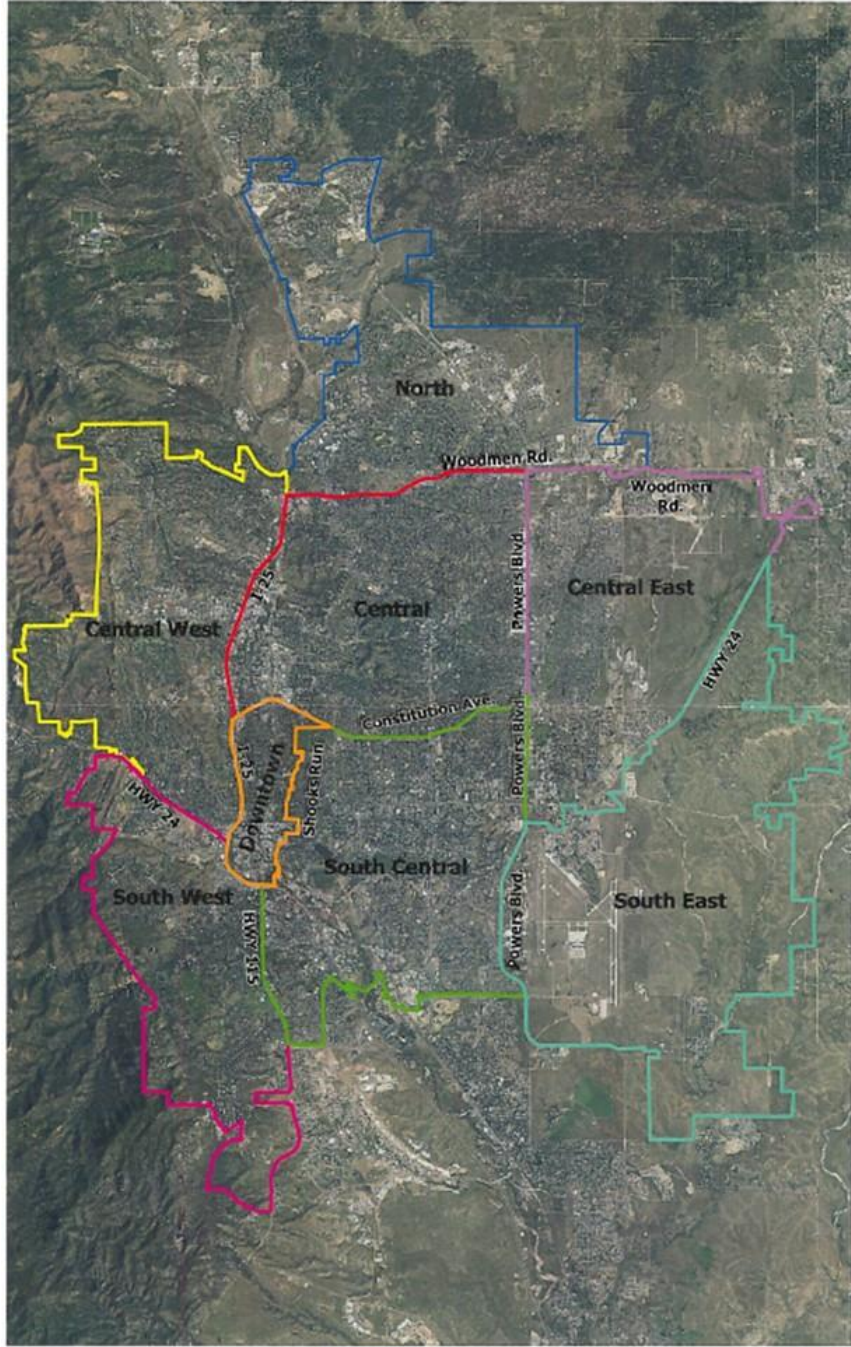
**EAST WEST ECONOMETRICS LLC**

A handwritten signature in cursive script that reads "Martin S. Kane".

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Martin S. Kane MAI M.S.  
Commercial Valuation Analyst  
[stevekane@ewcolo.com](mailto:stevekane@ewcolo.com)  
Colorado Certified General  
Appraiser #CG40013915





CITY OF COLORADO SPRINGS  
NEIGHBORHOOD PARK  
SERVICE AREAS  
NOVEMBER 20, 2018



*Neighborhood Park Service Areas Map*

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## CERTIFICATION

The undersigned do hereby certify that, to the best of our knowledge and belief:

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- Given the subject parcels are hypothetical, no inspection was performed.
- David Kane, appraisal trainee, provided assistance in the development of the descriptive section of this appraisal. No other persons provided significant assistance in the preparation of this report.
- no other services have been provided, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- that as of the effective date of this report, the appraiser involved with the preparation and reporting of this assignment is in good standing with the Colorado State Board of Real Estate Appraisers.

- Martin Kane MAI is in good standing with the Appraisal Institute.
- that as of the date of this report, Martin Kane MAI has completed the continuing education program of the Appraisal Institute.
- Based on the previous appraisals completed in this market, I am competent to perform this appraisal assignment.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

A handwritten signature in black ink that reads "Martin S. Kane".

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Martin S. Kane MAI M.S.  
Commercial Valuation Analyst  
[stevekane@ewcolo.com](mailto:stevekane@ewcolo.com)  
Colorado Certified General  
Appraiser #CG40013915

## PARAMETERS OF THE APPRAISAL

This appraisal report, the letter of transmittal, and the certification of value, are made expressly subject to the following assumptions and limiting conditions, as well as any hypothetical conditions and extraordinary assumptions referenced in the appraisal:

### GENERAL ASSUMPTIONS

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#### 1. Legal and Title Considerations Pertaining to the Property

- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
- The subject property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.

#### 2. Illustrative Material and Information Provided by Others

- The appraiser(s) assumes that the intended user of this report has been provided with copies of available building plans and all leases and amendment, if any, that encumber the property.
- Currently there are no standards for the uniform measurement of improved properties. The appraiser(s) has utilized standard appraisal procedures common in the local market area to determine the total improved areas of the subject and has used those results for the sole purpose of completing the appraisal assignment. Please note this does NOT constitute a guarantee as to the accuracy of these measurements, except as they pertain to typical appraisal procedures for obtaining such measurements. The intended user of this report is advised to consult with an architect or other professional to ensure the accuracy of building measurements for engineering, legal or other non-appraisal purposes.
- The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- All engineering studies and architectural plans are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the subject property.

#### 3. Property Utilization

- Responsible ownership and competent property management are assumed.

- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
- It is assumed that the subject property is in full compliance with all applicable federal, state, and local environmental regulations and laws, along with applicable covenants, conditions and restrictions unless the lack of compliance is stated, described, and considered in the appraisal report.

#### 4. Scope of the Inspection, Property Conditions

- Only a visual surface inspection of the property has been made by the appraiser(s). It is assumed that there are no hidden or unapparent conditions of the subject property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining engineering studies that may be required to discover them.
- It is assumed that the property conforms to all applicable zoning and use regulations and restrictions unless non-conformity has been identified, described, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national governments or private entity or organization have been or can be obtained or renewed for any use on which the opinion of the value contained in this report is based.
- Nothing in this report should be deemed a certification or guaranty as to the structural and/or mechanical soundness of the building(s) and systems that relate to the functions and operations of the property. Rather the appraisal assumes functions, operations, and energy efficiency levels are satisfactory and consistent with the age of the property, unless otherwise noted. The intended user is urged to retain experts in analysis of such systems, if desired.

#### 5. Appraisals Made Subject to Completion

- On all appraisals subject to satisfactory completions, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements according to specifications and as stated in the report, and in compliance with all laws, regulations and other restrictions, in a workmanlike manner, and without delay. Represented designs and engineering are assumed to be correct and adequate.



## 6. Environmental Disclaimer

- Unless otherwise stated in this report, the existence of hazardous materials, which may or may not be present on the property, was not observed by the appraiser(s). The appraiser(s), however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, toxic mold, and other potentially hazardous materials may affect the value of the property. The value concluded in this appraisal is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The intended user is urged to retain an expert in this field, if desired.

## 7. Market Data Presented

- The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to change with future conditions.

## **LIMITING CONDITIONS**

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### 1. Allocation of Value

- Any allocation of the total values concluded in this report between the land and the improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunctions with any other appraisal and are invalid if so used.
- Any opinions of value provided in the report apply to the entire property, and any proration or division of the total into fractional interests will invalidate the opinion of value, unless such proration or division of interests has been set forth in the report.

### 2. Possession, Confidentiality, Distribution and Use of Report

- Possession of this report, or a copy thereof, does not carry with it the right of publication.
- Information contained in the appraisal may be utilized by the intended user, but the report remains the property of East-West.
- This report shall not be used by anyone, but the intended user specified in the report or an appropriate third party as may be determined by the intended

user at his/her sole discretion, without written approval, and then only in its entirety.

- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or East-West) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the Managing Director of East-West.
- All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraisers, and East-West shall have no responsibility if any such unauthorized change is made.
- Disclosure of the contents of the appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

### 3. Limitations of the Appraisal Services

- The appraiser, by reason of this appraisal, is not required to give further consultation or testimony or be in attendance in court with reference to the subject property in question unless arrangements have been previously made.
- Opinions of value contained in this report are the professional opinions of the appraiser(s). There is no guarantee, written or implied, that the subject property will sell or lease for the indicated amounts within the indicated time frame.
- Acceptance and use of information in this report in any manner or purpose is acknowledgement that the entire report has been read by the intended user and that he/she agrees with the conclusion and the data contained in this report.
- The intended user agrees to notify the appraiser(s) of any error, omissions or invalid data **within 30 days** of receipt of the appraisal and return the report along with all copies to the appraiser(s) for correction prior to any use whatsoever.

### 4. Auxiliary Reports and Related Data by Others

- Unless stated otherwise, no auxiliary studies or reports related to the subject property, such as surveys, environmental impact reports, special market studies, highest and best use reports, feasibility analysis, or reports regarding modifications to the property for either compliance with the Americans with Disabilities Act, structural, or other reasons, have been furnished or reported to the appraiser(s) by the intended user. Data presented with respect to the



subject's ownership, marketing, and income history is made available through the intended user, the borrower, or related parties. Provision of such auxiliary data, or the discovery of same by the appraiser(s), is beyond the scope of the appraisal services contracted. The appraiser(s) reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates, or conclusions upon any discovery or provision of such data or analysis, subsequent to it becoming known to the appraiser(s).

#### 5. Limitations Related to the Definition of Value

- The value concluded under the specified value definition is “the most probable price which a property should bring.”

As a point of clarification, the definition of value represents what a prudent, knowledgeable purchaser, under no necessity to buy would be willing to pay to purchase the property in a current sale. By this, value is representative of the price paid by the buyer, not the net proceeds to the seller. That is, the value does not consider payment of current sales commissions, title policy fees, legal fees, liens, past due taxes, or other disposition costs.

### **SCOPE OF WORK<sup>1</sup>**

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We were asked to conclude fee simple market value opinions under the following scope:

1. Hypothetical 5.5-acre site for each identified service area (8 total) in Colorado Springs, as well as a city-wide hypothetical site value – the subject sites represent 5.5-acre platted residential tracts with no site infrastructure in place. Utility service is assumed to be to the site and public streets are adjacent to them on at least one boundary side. The sites are in walking distance to other residential uses.
2. Hypothetical 20-acre parcel in Colorado Springs – the parcel is larger but has the same general caveats as with the 5.5 hypothetical parcels.

For descriptive purposes, the term hypothetical parcel refers to a site with individual platted residential lots that lack infrastructure.

The scope of work results in nine individual market value opinions under the above scope of work.

The appraisal was developed in accordance with USPAP Standard 1 (Real Property Appraisal, Development) and in an appraisal report format prepared in accordance with

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<sup>1</sup> Scope of Work - The type and extent of research and analyses in an assignment. *USPAP 2020-2021 Edition*

USPAP Standard 2 (Real Property Appraisal, Reporting), effectively demonstrating our analysis to derive the valuation conclusion.

**Intended Use:** The intended use of this appraisal is for internal purposes by the client, the City of Colorado Springs

**Intended User:** The intended user of this report is the client, the City of Colorado Springs, including all departments as determined by the client.

**Property Rights Appraised:** Based on the scope of the appraisal assignment, the fee simple property interest was appraised.

The **Fee Simple** interest is defined as follows:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (*Dictionary of Real Estate, Sixth Edition*)

**Value Opinion:** Based on the scope of the appraisal assignment a “market value” opinion was developed.

“market value,” as used in this report, is defined as:

**Market Value** - The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and Seller are typically motivated;

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

**Source:** “(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994); Appraisal Institute, *The Dictionary of Real Estate Appraisal, Fourth Edition*, (Chicago, 2002) Page 177”

Note that the valuation makes no reduction for commission on sale, unpaid taxes, or liens against the property.

**Effective Date of Value:** The effective date of this appraisal analysis is May 1, 2020.

In determining the valuation of the property, we will consider the value under conditions as of the effective date. Establishing the effective date of the appraisal is standard appraisal practice, and it is important to consider because value is subject to change over time. Aside from possible physical changes to the property, the value of real estate is also subject to changing economic conditions, under which value may remain static, increase, or decrease. Additionally, changing policies of

governing authorities may impede or encourage development over time.

**Inspecting Appraiser:** Given the hypothetical nature of the subject parcels/sites, there was no physical inspection. We did visit each service area as part of the scope of work of this assignment

**Property Documents Received:** In connection with the scope of work assignment, the appraisers obtained information related to the subject from the client and other sources. This included verbal information and written documents.

**Market Analysis:** Information was collected from county, commercial vendor data, brokers in the subject market, and parties involved with the subject, as well as the previous appraisal. This information was then used to develop the highest and best use analysis and the applicable approaches to value.

The State of Colorado does not require disclosure of sales prices, the terms of sale, or mortgage details in public records. Moreover, privacy legislation precludes lenders from revealing the mortgage terms without the written permission of the borrower. The appraisers have accumulated the market data contained in this report over a period of several years, from a variety of sources that are believed to be reliable.

**Highest and Best Use:** The highest and best use of each hypothetical subject parcel/site was residential development. For the hypothetical parcels/sites for Service Areas 1 through 7 and the City-wide analyses, the highest and best use was assumed to be single family development. For Service Area 8, which represents the downtown portion of the city, the residential development was assumed to be attached mixed-use multi-unit development with a significant residential component.

**Appraiser Competency:** Based on the number of appraisals performed by the appraiser signing this report in this market region and the type of property involved, the appraisers warrant that they are competent to complete this assignment.

**Hypothetical Conditions:** A hypothetical condition is a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but us used for the purpose of analysis.

Hypothetical conditions are contrary to known facts about the physical, legal or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.<sup>2</sup>

**The subject's 5.5-acre sites were hypothetical in nature and were assumed to be located in the eight identified service areas of Colorado Springs. The 20-acre subject site was also hypothetical in nature and was valued on a city-wide basis. Each parcel is assumed to be platted but lacking infrastructure (i.e. paper lots). The highest and best use for each hypothetical subject site was assumed to be residential.**

**The use of this hypothetical condition may affect the assignment results.**

**Extraordinary Assumptions:** An extraordinary assumption is an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions.

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the

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<sup>2</sup> USPAP, 2020-2021 Edition

property, such as market conditions or trends; or about the integrity of data used in the analysis.<sup>2</sup>

**None.**

**Personal Property:** None.

**Approaches to Value:** Under the scope of work assignment, the following approaches to value were considered and used in this appraisal:

Approach	Used
Cost Approach	<b>NO</b>
Income Approach	<b>NO</b>
Sales Comparison Approach	<b>Yes</b>

**Cost Approach:** Although considered, this approach was not used as a standalone approach, due to the vacant land condition assumed for each hypothetical subject parcel.

**Income Approach:** Although considered, this approach was also not used as a standalone approach, due to the vacant land condition assumed for each hypothetical subject parcel.

**Sales Comparison Approach:** The sales comparison approach was used to value the hypothetical subject parcels.

**Reconciliation:** The strengths and weaknesses of applicable approaches to value were reviewed and reconciled, along with valuation-related issues arising during the appraisal to determine a final value for the subject property.

## **EXPOSURE TIME**

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The exposure time, as defined in USPAP (2020-2021 Edition), is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

We examined the reported marketing time of sold and listed vacant land sales in Colorado Springs. Based on the reported marketing times, we concluded that the subject's nine

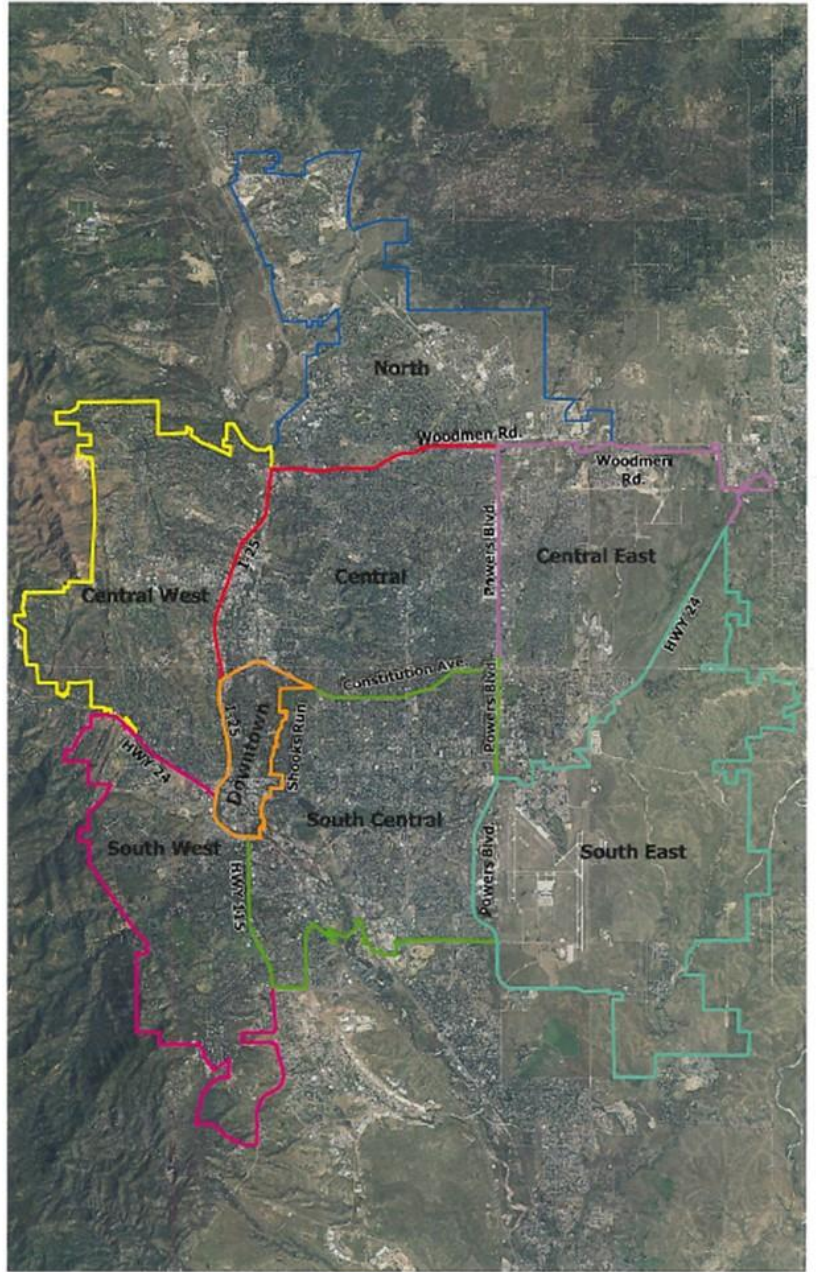


hypothetical parcels, at the concluded values of this appraisal, would have required 12 months or less to sell prior to the effective date of this appraisal.



SUBJECT DESCRIPTION

Overview



CITY OF COLORADO SPRINGS  
NEIGHBORHOOD PARK  
SERVICE AREAS  
NOVEMBER 20, 2018

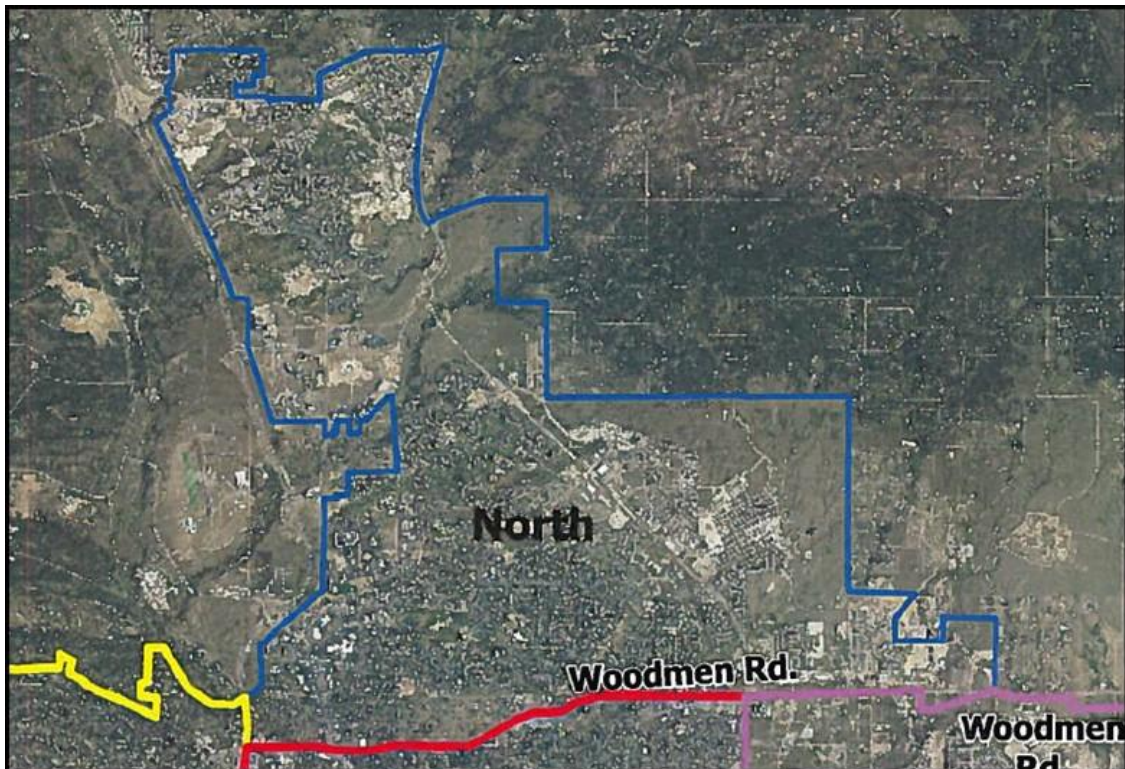


*Neighborhood Park Service Areas Map*



The above map displays the park service areas for the City of Colorado Springs. There are eight service area areas within the city that possess different attributes and varying areas of vacant land/open space. Below is a description of each of the service areas in addition to demographic and housing information.

### Service Area 1 - North



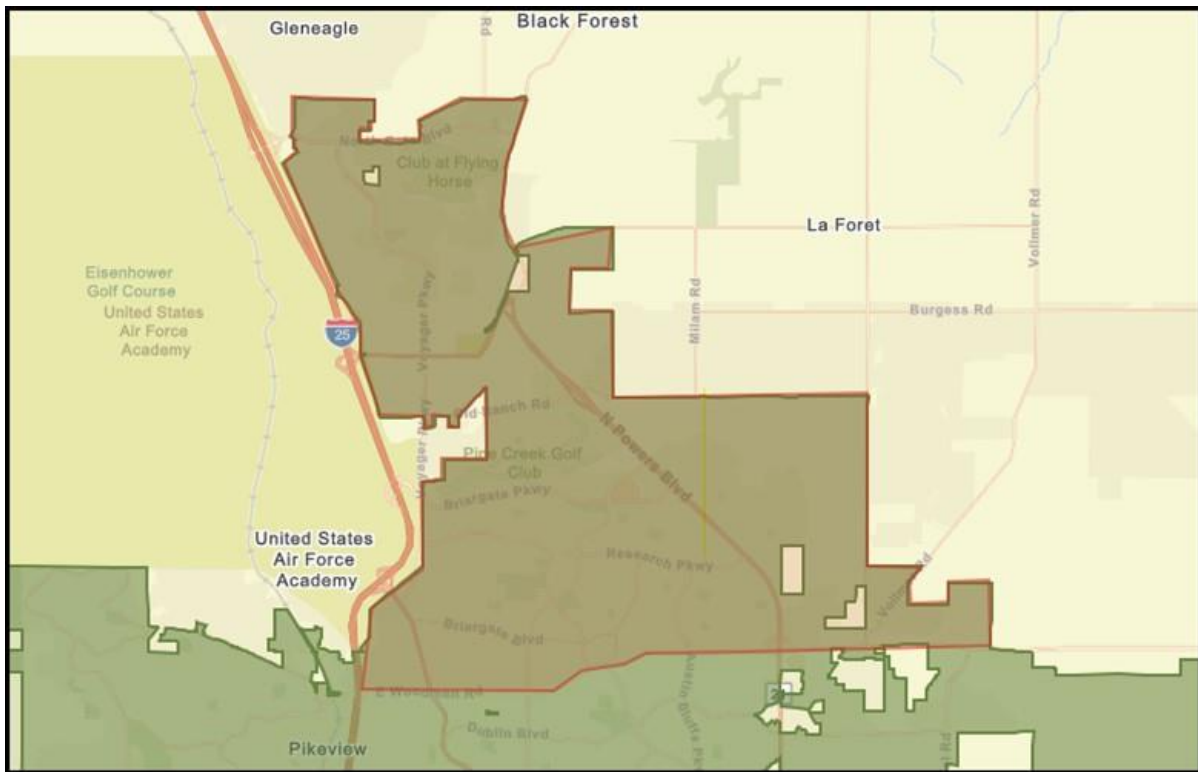
*Service Area 1 - North - Boundary Map*

Service Area 1 (North) is the northernmost service area that borders the Central West, Central and Central East service areas to the south. The approximate boundaries of this area are I-25 to the west, North Gate Boulevard to the north, Black Forest Road/Volmer Road to the east and Woodmen Road to the south. The new developing neighborhoods within this service area include Northgate, Flying Horse Ranch, The Farm, Kettle Creek, Interquest, Cordera, Wolf Ranch, and Woodmen Heights/Dublin North (portion). The established suburban neighborhoods within this service area include Pine Creek, Summerfield, Gatehouse, Briargate West, Briargate and Fairfax. The US Air Force Academy is located directly west of this area on the western side of I-25. The surrounding communities include but are not limited to Monument, Black Forest and Falcon.

The primary north/south roadways within this service area include Voyager Parkway, I-25, North Powers Boulevard, Black Forest Road, Vollmer Road, North Academy Boulevard, and North Union Boulevard. The primary east/west roadways within this service area include

North Gate Boulevard, Interquest Parkway, Briargate Parkway, Research Parkway, and East Woodmen Road. The school districts within this service area are Academy School District #20 and Falcon School District #49.

There are small parks/open space in this service area, in addition to larger scale parks such as John Venezia Community Park and Rampart Park. There are also creeks running through this area including but not limited to Kettle Creek, Pine Creek, and Black Squirrel Creek. Views of the neighboring mountains are excellent in this service area given the relatively high elevation of northern Colorado Springs. The northern portions of this area are situated at higher elevations than the southern portions.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 1 - North) by the CCIM STDB (December 2019):

Summary	Census 2010	2019	2024	
Population	51,825	74,562	90,756	
Households	17,889	25,533	31,075	
Families	13,869	19,622	23,745	
Average Household Size	2.89	2.92	2.92	
Owner Occupied Housing Units	12,887	19,002	23,388	
Renter Occupied Housing Units	5,002	6,530	7,686	
Median Age	35.4	36.4	36.7	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	4.01%	1.49%	0.77%	
Households	4.01%	1.47%	0.75%	
Families	3.89%	1.42%	0.68%	
Owner HHs	4.24%	1.77%	0.92%	
Median Household Income	1.65%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	986	3.9%	1,060	3.4%
\$15,000 - \$24,999	673	2.6%	642	2.1%
\$25,000 - \$34,999	1,091	4.3%	1,022	3.3%
\$35,000 - \$49,999	1,956	7.7%	2,018	6.5%
\$50,000 - \$74,999	3,604	14.1%	4,029	13.0%
\$75,000 - \$99,999	3,340	13.1%	3,766	12.1%
\$100,000 - \$149,999	6,290	24.6%	7,490	24.1%
\$150,000 - \$199,999	4,048	15.9%	5,806	18.7%
\$200,000+	3,544	13.9%	5,242	16.9%
Median Household Income	\$105,792		\$114,834	
Average Household Income	\$127,363		\$139,992	
Per Capita Income	\$44,041		\$48,390	

### Population

In the identified area, the current year population is 74,562. In 2010, the Census count in the area was 51,825. The rate of change since 2010 was 4.01% annually. The five-year projection for the population in the area is 90,756 representing a change of 4.01% annually from 2019 to 2024.

### Households

The household count in this area has changed from 17,889 in 2010 to 25,533 in the current year, a change of 3.92% annually. The five-year projection of households is 31,075, a change of 4.01% annually from the current year total. Average household size is currently 2.92, compared to 2.89 in the year 2010. The number of families in the current year is 19,622 in the specified area.

### Household Income

Current median household income is \$105,792 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$114,834 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$127,363 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$139,992 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$44,041 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$48,390 in five years, compared to \$36,530 for all U.S. households.

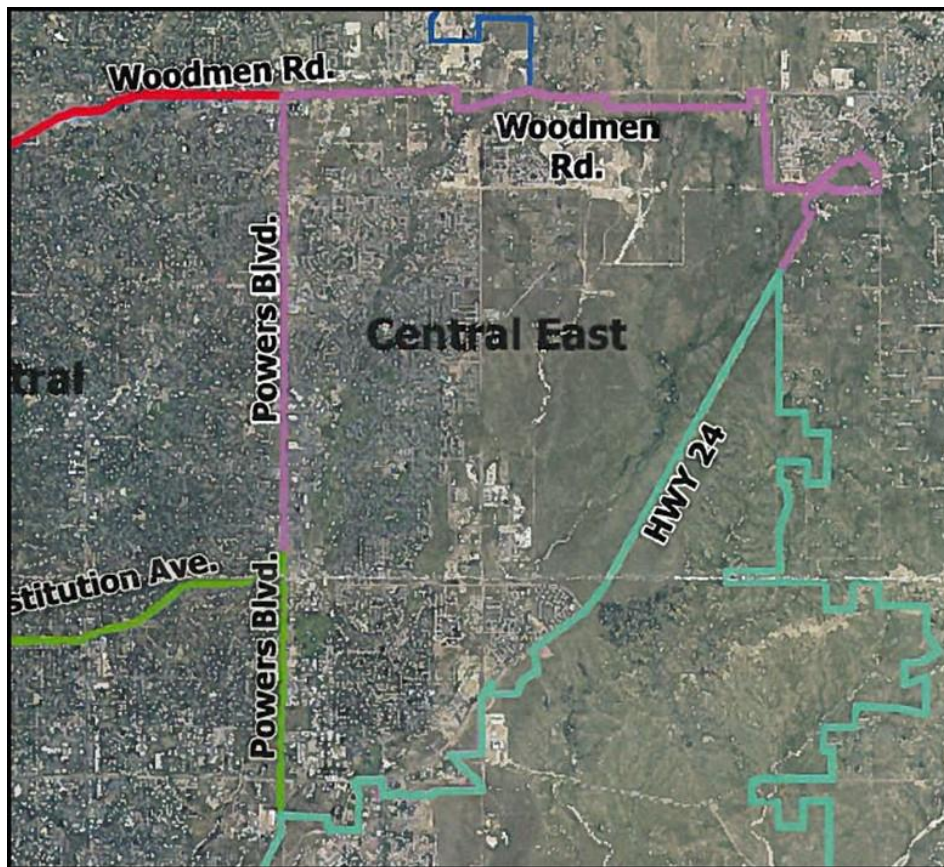
### Housing

Currently, 72.6% of the 26,163 housing units in the area are owner occupied; 25.0%, renter occupied; and 2.4% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were



18,744 housing units in the area - 68.8% owner occupied, 26.7% renter occupied, and 4.6% vacant. The annual rate of change in housing units since 2010 is 15.98%. Median home value in the area is \$409,215, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 1.69% annually to \$445,021.

## Service Area 2 - Central East



*Service Area 2 - Central East - Boundary Map*

Service Area 2 (Central East) is one of two eastern service areas that borders the North service area to the north, Central and South Central service areas to the west and the South East service area to the south. The approximate boundaries of this area are North Powers Boulevard to the west, East Woodmen Road to the north, and US Highway 24 to the east and south. The new developing neighborhoods within this service area include Woodmen Heights/Dublin North (portion), Bur Villages, Ridgeview and Stetson Hills. The established suburban neighborhood within this service area is Springs Ranch. The CDP Cimarron Hills and future neighborhood of Banning Lewis Ranch (portion) is also located within this service area. Peterson Airforce Base and the Colorado Springs Airport is located directly south of this service area. The surrounding communities include but are not limited to Black Forest and Falcon.

The primary roadways within this service area include East Woodmen Road, North Powers Boulevard, US Highway 24 (East Platte Avenue), Dublin Boulevard, Stetson Hills Boulevard, Barnes Road and Marksheffel Road. The school districts within this service area are Falcon School District #49 and Colorado Springs School District #11.

There are small parks/open space in this service area, with the eastern section consisting of vacant land areas. There are also creeks running through this area including but not limited to Sand Creek and East Fork Sand Creek. Views of the neighboring mountains are good in this service area. The northern portions of this area are situated at higher elevations than the southern portions.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 2 – Central East) by the CCIM STDB (December 2019):

Summary	Census 2010	2019	2024	
Population	55,949	70,333	76,514	
Households	19,633	24,490	26,634	
Families	14,951	18,511	20,038	
Average Household Size	2.85	2.87	2.87	
Owner Occupied Housing Units	14,723	18,874	20,662	
Renter Occupied Housing Units	4,910	5,616	5,972	
Median Age	30.6	32.7	32.6	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	1.70%	1.49%	0.77%	
Households	1.69%	1.47%	0.75%	
Families	1.60%	1.42%	0.68%	
Owner HHs	1.83%	1.77%	0.92%	
Median Household Income	3.17%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	1,061	4.3%	885	3.3%
\$15,000 - \$24,999	835	3.4%	640	2.4%
\$25,000 - \$34,999	1,586	6.5%	1,277	4.8%
\$35,000 - \$49,999	2,815	11.5%	2,515	9.4%
\$50,000 - \$74,999	5,028	20.5%	4,704	17.7%
\$75,000 - \$99,999	4,060	16.6%	4,294	16.1%
\$100,000 - \$149,999	6,189	25.3%	8,138	30.6%
\$150,000 - \$199,999	2,186	8.9%	3,154	11.8%
\$200,000+	731	3.0%	1,028	3.9%
Median Household Income	\$79,364		\$92,783	
Average Household Income	\$89,988		\$103,829	
Per Capita Income	\$31,224		\$36,002	

### Population

In the identified area, the current year population is 70,333. In 2010, the Census count in the area was 55,949. The rate of change since 2010 was 2.50% annually. The five-year projection for the population in the area is 76,514 representing a change of 1.70% annually from 2019 to 2024.

### Households

The household count in this area has changed from 19,633 in 2010 to 24,490 in the current year, a change of 2.42% annually. The five-year projection of households is 26,634, a change of 1.69% annually from the current year total. Average household size is currently 2.87, compared to 2.85 in the year 2010. The number of families in the current year is 18,511 in the specified area.

### Household Income

Current median household income is \$79,364 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$92,783 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$89,988 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$103,829 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$31,224 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$36,002 in five years, compared to \$36,530 for all U.S. households.

### Housing

Currently, 76.0% of the 24,819 housing units in the area are owner occupied; 22.6%, renter occupied; and 1.3% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were



20,578 housing units in the area - 71.5% owner occupied, 23.9% renter occupied, and 4.6% vacant. The annual rate of change in housing units since 2010 is 8.68%. Median home value in the area is \$277,660, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 4.45% annually to \$345,237.

### Service Area 3 - Central

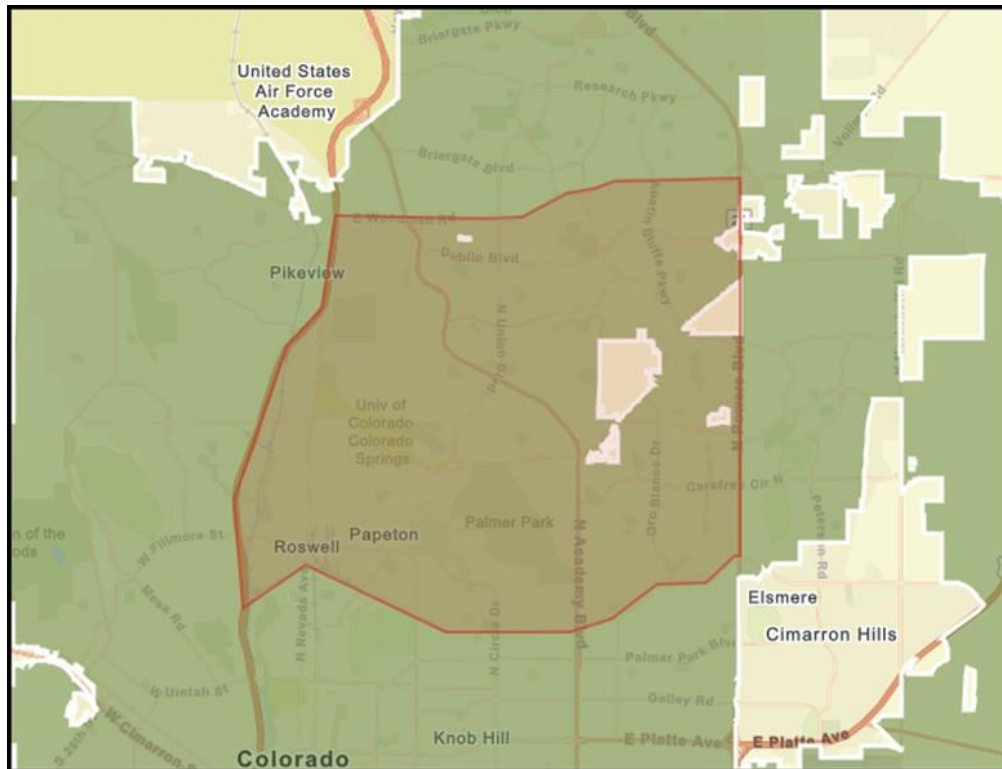


*Service Area 3 - Central - Boundary Map*

Service Area 3 (Central) borders the North service area to the north, Central West service area to the west, the Central East service area to the east and the Downtown and South Central services areas to the south. The approximate boundaries of this area are North Powers Boulevard to the east, East Woodmen Road to the north, Constitution Avenue to the south and I-25 to the west. The established suburban neighborhoods within this service area include Cottonwood Creek, Sunset Mesa, Vista Grande, Old Farm, Pulpit Rock, Garden Ranch, Village Seven, Villa Loma, Palmer Park, and Wasson. The neighborhoods undergoing transition in this service area are Cragmoor, North Nevada/The Studio, Kitty Hawk/Bonnyville and Roswell. This service area is near downtown Colorado Springs and contains the University of Colorado - Colorado Springs campus.

The primary east/west roadways within this service area include East Woodmen Road, Austin Bluffs Parkway, and Constitution Avenue. The primary north/south roadways within this service area include I-25, North Union Boulevard, North Academy Boulevard and North Powers Boulevard. The school districts within this service area are Colorado Springs School District # 11 and Academy School District #20.

There are small parks/open space in this service area, in addition to large scale parks and open space areas including Palmer Park, Austin Bluffs Open Space, Pulpit Rock Park, Cottonwood Creek Park, Sunset Mesa Open Space and High Chaparral Open Space. Cottonwood Creek runs through this area in addition to several trails. Views of the neighboring mountains are good in this service area. This area has portions of rolling terrain and includes the Austin Bluffs, which are located in the western section of the service area.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 3 – Central) by the CCIM STDB (December 2019):



Summary	Census 2010	2019	2024	
Population	110,239	120,423	125,926	
Households	45,203	49,598	51,973	
Families	29,045	31,242	32,467	
Average Household Size	2.40	2.40	2.39	
Owner Occupied Housing Units	28,802	31,301	33,450	
Renter Occupied Housing Units	16,401	18,297	18,523	
Median Age	36.5	38.3	39.0	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	0.90%	1.49%	0.77%	
Households	0.94%	1.47%	0.75%	
Families	0.77%	1.42%	0.68%	
Owner HHs	1.34%	1.77%	0.92%	
Median Household Income	2.99%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	3,954	8.0%	3,160	6.1%
\$15,000 - \$24,999	3,317	6.7%	2,594	5.0%
\$25,000 - \$34,999	4,642	9.4%	3,900	7.5%
\$35,000 - \$49,999	6,887	13.9%	6,672	12.8%
\$50,000 - \$74,999	10,720	21.6%	10,863	20.9%
\$75,000 - \$99,999	7,111	14.3%	7,713	14.8%
\$100,000 - \$149,999	8,093	16.3%	10,366	19.9%
\$150,000 - \$199,999	2,944	5.9%	4,216	8.1%
\$200,000+	1,929	3.9%	2,489	4.8%
Median Household Income	\$61,395		\$71,139	
Average Household Income	\$79,497		\$92,240	
Per Capita Income	\$32,731		\$38,052	

### Population

In the identified area, the current year population is 120,423. In 2010, the Census count in the area was 110,239. The rate of change since 2010 was 0.96% annually. The five-year projection for the population in the area is 125,926 representing a change of 0.90% annually from 2019 to 2024.

### Households

The household count in this area has changed from 45,203 in 2010 to 49,598 in the current year, a change of 1.01% annually. The five-year projection of households is 51,973, a change of 0.94% annually from the current year total. Average household size is currently 2.40, compared to 2.40 in the year 2010. The number of families in the current year is 31,242 in the specified area.

### Household Income

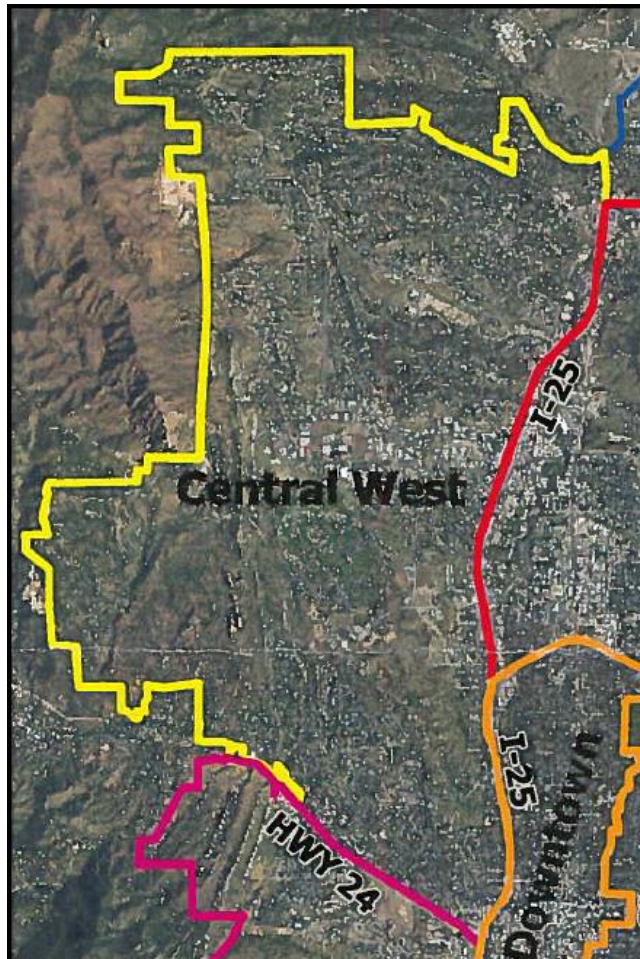
Current median household income is \$61,395 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$71,139 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$79,497 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$92,240 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$32,731 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$38,052 in five years, compared to \$36,530 for all U.S. households.

### Housing

Currently, 61.6% of the 50,808 housing units in the area are owner occupied; 36.0%, renter occupied; and 2.4% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were

47,448 housing units in the area - 60.7% owner occupied, 34.6% renter occupied, and 4.7% vacant. The annual rate of change in housing units since 2010 is 3.09%. Median home value in the area is \$266,515, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 4.57% annually to \$333,173.

### Service Area 4 - Central West



*Service Area 4 - Central West - Boundary Map*

Service Area 4 (Central West) borders the North, Central, and Downtown service areas to the east and the South West service area to the south. The approximate boundaries of this area are I-25 to the east, the US Air Force Academy to the north, US Highway 24 to the south and Unincorporated El Paso County to the west. The established suburban neighborhoods within this service area include Peregrine, Rockrimmon, Pinecliff, Mountain Shadows, Kissing Camels, and Cedar Heights. The neighborhoods undergoing transition in this service area are Holland Park, Mesa Springs and Mesa. The established traditional neighborhood of Garden of the Gods/Pleasant Valley are located in the western section of this service area in

addition to the established historical neighborhoods of Old Colorado City and Westside. This service area is located west of downtown Colorado Springs and east of Manitou Springs.

The primary east/west roadways within this service area include East Woodmen Road, East Rockrimmon Boulevard, Garden of the Gods Road, West Fillmore Street, Uintah Street, and US Highway 24. The primary north/south roadways within this service area include I-25, Centennial Boulevard, and Mesa Road. The school districts within this service area are Colorado Springs School District # 11, Academy School District #20 and Manitou Springs School District #14.

There are small parks/open space in this service area, in addition to large scale parks and open space areas including Ute Valley Park, Garden of the Gods, Sondermann Park, Mountain Shadows Open Space, and Blair Bridge Open Space. This area backs the Rocky Mountains and Garden of the Gods is a primary attraction within the City of Colorado Springs. Views of the neighboring mountains are good in this service area. The western portions of this area are situated at a higher elevation than the eastern portions. Other notable natural features near this service area include Red Rock Canyon Open Space, Manitou Cliff Dwellings and Cave of the Winds Mountain Park.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 4 – Central West) by the CCIM STDB (December 2019):

Summary	Census 2010	2019	2024	
Population	53,824	58,341	60,855	
Households	23,512	25,671	26,865	
Families	14,517	15,528	16,113	
Average Household Size	2.26	2.25	2.24	
Owner Occupied Housing Units	15,258	16,535	17,539	
Renter Occupied Housing Units	8,254	9,137	9,327	
Median Age	42.1	44.1	44.5	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	0.85%	1.49%	0.77%	
Households	0.91%	1.47%	0.75%	
Families	0.74%	1.42%	0.68%	
Owner HHs	1.19%	1.77%	0.92%	
Median Household Income	3.23%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	1,908	7.4%	1,480	5.5%
\$15,000 - \$24,999	1,707	6.6%	1,301	4.8%
\$25,000 - \$34,999	2,157	8.4%	1,799	6.7%
\$35,000 - \$49,999	3,323	12.9%	3,175	11.8%
\$50,000 - \$74,999	4,364	17.0%	4,408	16.4%
\$75,000 - \$99,999	3,362	13.1%	3,597	13.4%
\$100,000 - \$149,999	4,535	17.7%	5,521	20.6%
\$150,000 - \$199,999	2,247	8.8%	3,095	11.5%
\$200,000+	2,066	8.0%	2,488	9.3%
Median Household Income	\$70,197		\$82,273	
Average Household Income	\$96,296		\$110,791	
Per Capita Income	\$42,489		\$49,034	

### Population

In the identified area, the current year population is 58,341. In 2010, the Census count in the area was 53,824. The rate of change since 2010 was 0.88% annually. The five-year projection for the population in the area is 60,855 representing a change of 0.85% annually from 2019 to 2024.

### Households

The household count in this area has changed from 23,512 in 2010 to 25,671 in the current year, a change of 0.95% annually. The five-year projection of households is 26,865, a change of 0.91% annually from the current year total. Average household size is currently 2.25, compared to 2.26 in the year 2010. The number of families in the current year is 15,528 in the specified area.

### Household Income

Current median household income is \$70,197 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$82,273 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$96,296 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$110,791 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$42,489 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$49,034 in five years, compared to \$36,530 for all U.S. households.

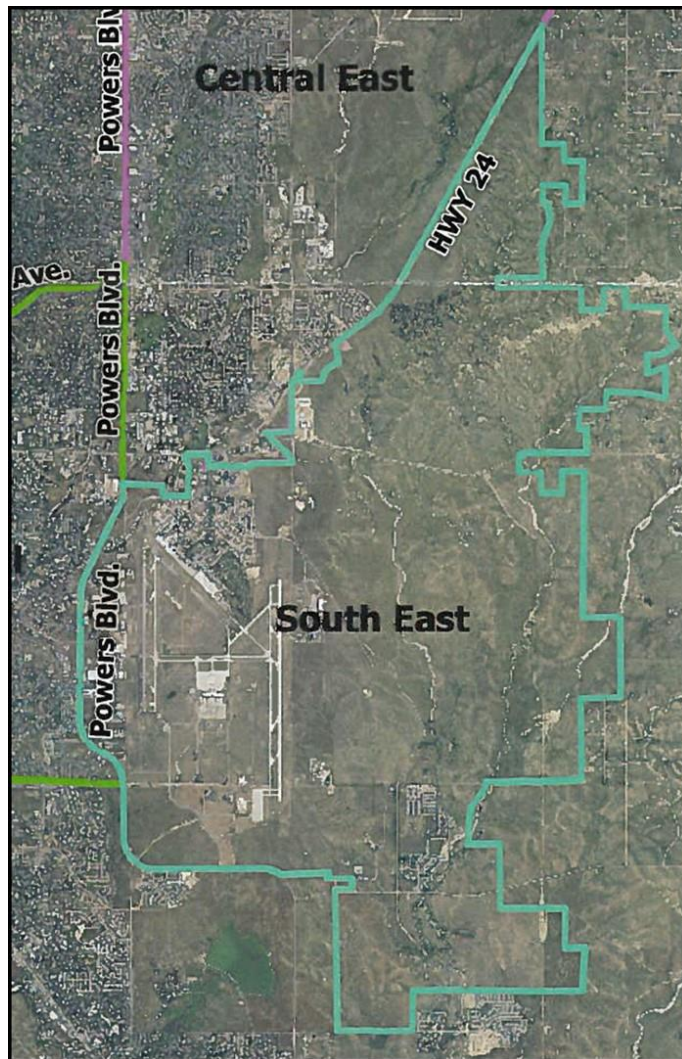
### Housing

Currently, 61.7% of the 26,791 housing units in the area are owner occupied; 34.1%, renter occupied; and 4.2% are vacant. Currently, in the U.S., 56.4% of the housing units in the area



are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 25,291 housing units in the area - 60.3% owner occupied, 32.6% renter occupied, and 7.0% vacant. The annual rate of change in housing units since 2010 is 2.59%. Median home value in the area is \$382,253, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 2.81% annually to \$439,121.

### Service Area 5 – South East



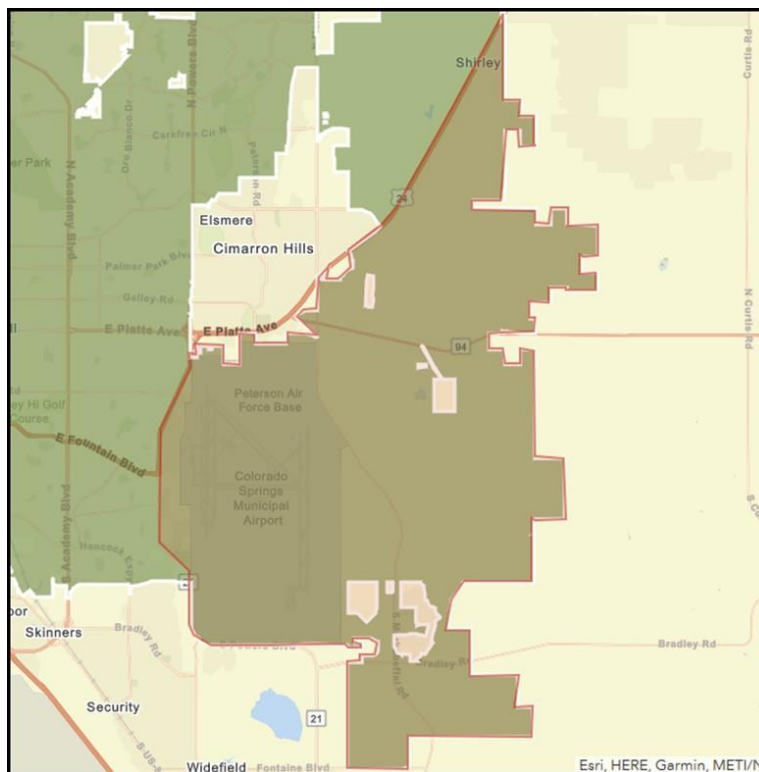
*Service Area 5 – South East - Boundary Map*

Service Area 5 (South East) borders the South Central service area to the west and the Central East service area to the north. The approximate boundaries of this area are North/South Powers Boulevard to the west, the US Highway 24 to the north, Fontaine Boulevard to the south and Unincorporated El Paso County to the east. The future neighborhood within this service area is Banning Lewis Ranch. The City of Colorado Springs Airport is located within this service area and encompasses the eastern portion entirely. Just north of the airport is

Peterson Air Force Base, which is located just southeast of the intersection of US Highway 24 and North Powers Boulevard.

The primary east/west roadways within this service area include US Highway 24, State Highway 94, Milton E. Proby Parkway and Fontaine Boulevard. The primary north/south roadways within this service area include North/South Powers Boulevard and Marksheffel Road. The school districts within this service area are Colorado Springs School District # 11, Falcon School District #49, Ellicot School District #22, Harrison School District #2 and Widefield School District #3.

There are small parks/open space in this service area with the largest park being Captain David Lyon Memorial Park. Views of the neighboring mountains are good in this service area. Jimmy Camp Creek and East Fork Sand Creek are both located in this service area. The northern portions of this area are situated at a higher elevation than the southern portions. The Corral Bluffs (to the east) and Big Johnson Reservoir (to the south) are located just outside the boundaries of this service area.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 5 – South East) by the CCIM STDB (December 2019):

Summary	Census 2010	2019	2024	
Population	3,711	4,944	5,719	
Households	1,051	1,530	1,799	
Families	919	1,318	1,540	
Average Household Size	3.17	2.98	2.97	
Owner Occupied Housing Units	618	1,004	1,209	
Renter Occupied Housing Units	433	526	590	
Median Age	25.1	26.7	27.0	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	2.96%	1.49%	0.77%	
Households	3.29%	1.47%	0.75%	
Families	3.16%	1.42%	0.68%	
Owner HHs	3.79%	1.77%	0.92%	
Median Household Income	3.37%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	41	2.7%	30	1.7%
\$15,000 - \$24,999	51	3.3%	38	2.1%
\$25,000 - \$34,999	84	5.5%	66	3.7%
\$35,000 - \$49,999	214	14.0%	199	11.1%
\$50,000 - \$74,999	410	26.8%	405	22.5%
\$75,000 - \$99,999	291	19.0%	337	18.7%
\$100,000 - \$149,999	238	15.6%	372	20.7%
\$150,000 - \$199,999	100	6.5%	183	10.2%
\$200,000+	102	6.7%	168	9.3%
Median Household Income	\$71,916		\$84,890	
Average Household Income	\$92,004		\$111,658	
Per Capita Income	\$28,405		\$34,840	

### Population

In the identified area, the current year population is 4,944. In 2010, the Census count in the area was 3,711. The rate of change since 2010 was 3.15% annually. The five-year projection for the population in the area is 5,719 representing a change of 2.96% annually from 2019 to 2024.

### Households

The household count in this area has changed from 1,051 in 2010 to 1,530 in the current year, a change of 4.14% annually. The five-year projection of households is 1,799, a change of 3.29% annually from the current year total. Average household size is currently 2.98, compared to 3.17 in the year 2010. The number of families in the current year is 1,318 in the specified area.

### Household Income

Current median household income is \$71,916 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$84,890 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$92,004 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$111,658 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$28,405 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$34,840 in five years, compared to \$36,530 for all U.S. households.

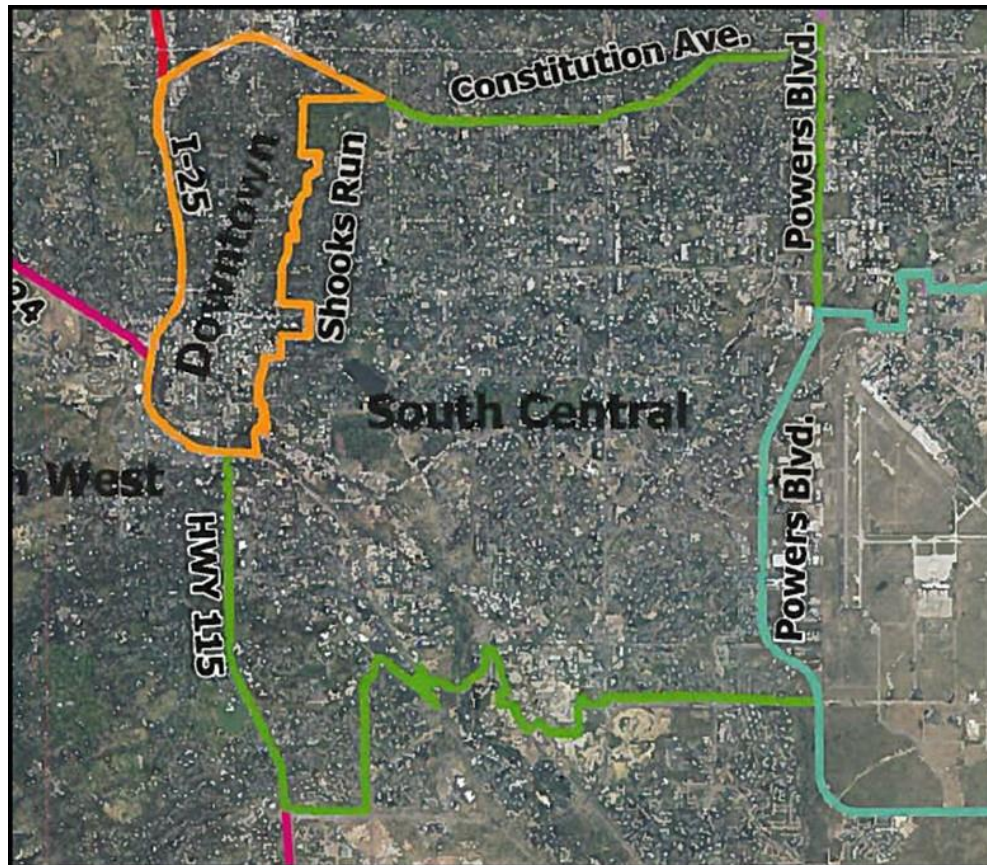
### Housing

Currently, 63.1% of the 1,590 housing units in the area are owner occupied; 33.1%, renter occupied; and 3.8% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 1,156 housing units in the area - 53.5% owner occupied, 37.5% renter occupied, and 9.1%



vacant. The annual rate of change in housing units since 2010 is 15.22%. Median home value in the area is \$306,458, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 5.98% annually to \$409,657.

### Service Area 6 - South Central



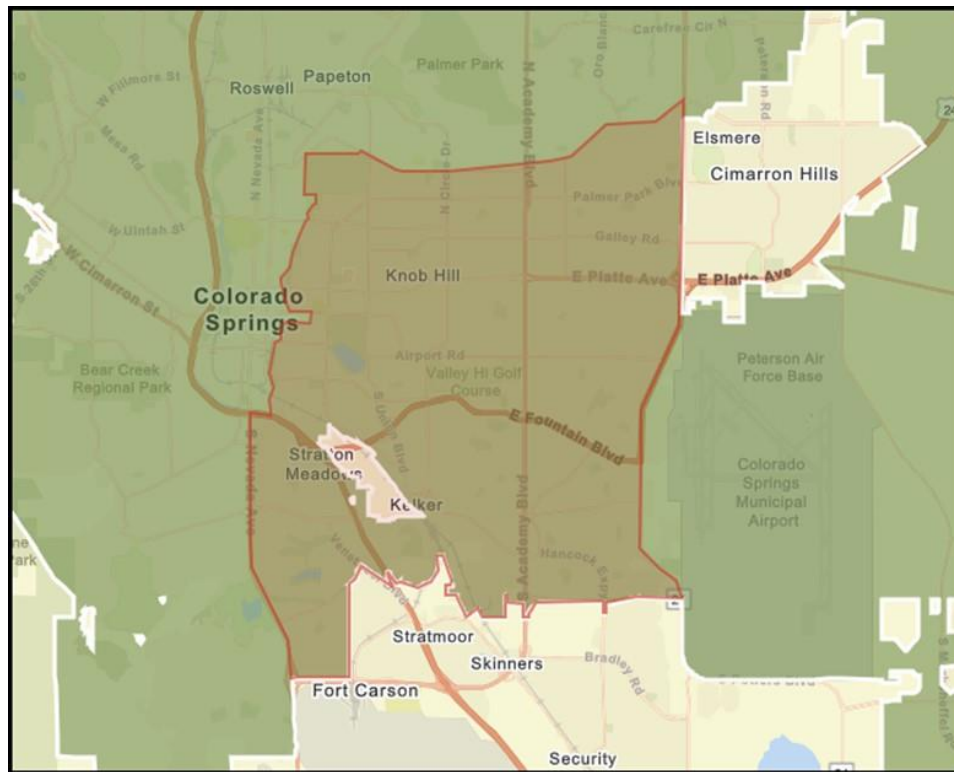
*Service Area 6 - South Central - Boundary Map*

Service Area 6 (South Central) borders the South West and Downtown service areas to the west, the Central service area to the north and the Central East and South East services areas to the east. The approximate boundaries of this area are State Highway 115 and Shooks Run to the west, the Constitution Avenue to the north, Milton E Proby Parkway and South Academy Boulevard to the south and South Powers Boulevard to the east. The established suburban neighborhoods within this service area are Rustic Hills, Eastborough, Gateway Park, Soaring Eagles and Quail Lake. The established traditional neighborhoods within this service area are Patty Jewett, Palmer Heights, Knob Hill, Middle Shooks Run, Devine Redeemer, East Lake and Hillside. The neighborhoods undergoing transition in this service area are Stratton Meadows, Pikes Peak Park South, Deerfield Hills, Southborough, Valley Hi, Park Hill and Austin Estates. The City of Colorado Springs Airport and Peterson Airforce Base is located just east of this service area.



The primary east/west roadways within this service area include Constitution Avenue, East Platte Avenue, US Highway 24, and Milton E. Proby Parkway. The primary north/south roadways within this service area include I-25, South Academy Boulevard, SH 115, South Union Boulevard, and South Powers Boulevard. The school districts within this service area are Colorado Springs School District # 11 and Harrison School District #2.

There are small parks/open space in this service area and several larger scale parks such as Memorial Park. Views of the neighboring mountains are good in this service area. Sand Creek and Fountain Creek are both located in this service area. The northern portions of this area are situated at a higher elevation than the southern portions.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 6 – South Central) by the CCIM STDB (December 2019):

Summary	Census 2010	2019	2024	
Population	122,854	133,804	139,841	
Households	49,929	54,763	57,436	
Families	29,574	31,631	32,826	
Average Household Size	2.40	2.39	2.39	
Owner Occupied Housing Units	23,812	26,137	27,955	
Renter Occupied Housing Units	26,117	28,626	29,481	
Median Age	31.2	32.9	33.2	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	0.89%	1.49%	0.77%	
Households	0.96%	1.47%	0.75%	
Families	0.74%	1.42%	0.68%	
Owner HHs	1.35%	1.77%	0.92%	
Median Household Income	3.32%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	7,858	14.3%	6,434	11.2%
\$15,000 - \$24,999	6,295	11.5%	5,288	9.2%
\$25,000 - \$34,999	7,083	12.9%	6,275	10.9%
\$35,000 - \$49,999	9,543	17.4%	9,842	17.1%
\$50,000 - \$74,999	11,422	20.9%	12,533	21.8%
\$75,000 - \$99,999	5,778	10.6%	7,174	12.5%
\$100,000 - \$149,999	4,820	8.8%	6,934	12.1%
\$150,000 - \$199,999	1,266	2.3%	1,981	3.4%
\$200,000+	701	1.3%	976	1.7%
Median Household Income	\$43,424		\$51,123	
Average Household Income	\$55,916		\$66,260	
Per Capita Income	\$23,016		\$27,339	

### Population

In the identified area, the current year population is 133,804. In 2010, the Census count in the area was 122,854. The rate of change since 2010 was 0.93% annually. The five-year projection for the population in the area is 139,841 representing a change of 0.89% annually from 2019 to 2024.

### Households

The household count in this area has changed from 49,929 in 2010 to 54,763 in the current year, a change of 1.00% annually. The five-year projection of households is 57,436, a change of 0.96% annually from the current year total. Average household size is currently 2.39, compared to 2.40 in the year 2010. The number of families in the current year is 31,631 in the specified area.

### Household Income

Current median household income is \$43,424 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$51,123 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$55,916 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$66,260 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$23,016 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$27,339 in five years, compared to \$36,530 for all U.S. households.

### Housing

Currently, 45.1% of the 58,007 housing units in the area are owner occupied; 49.3%, renter occupied; and 5.6% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were

54,524 housing units in the area - 43.7% owner occupied, 47.9% renter occupied, and 8.4% vacant. The annual rate of change in housing units since 2010 is 2.79%. Median home value in the area is \$203,315, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 5.38% annually to \$264,222.

### Service Area 7 - South West



*Service Area 7 - South West - Boundary Map*

Service Area 7 (South West) borders the Central West service area to the north and the Downtown and South Central service areas to the east. The approximate boundaries of this area are State Highway 115 and I-25 to the east, US Highway 24 to the north, and Unincorporated El Paso County to the west and south. The established suburban neighborhoods within this service area are Lower Skyway, Upper Skyway, Broadmoor Hills,

Broadmoor Bluffs, and Broadmoor Oaks. The established traditional neighborhoods within this service area are Ivywild and Midland. Old Broadmoor is an established historic neighborhood and Gold Mesa Hill is a new developing neighborhood. Fort Carson is located just east of the southern portion of this service area and Manitou Springs is located just west of the norther portion of this service area.

The primary east/west roadways within this service area include US Highway 24, Cheyenne Boulevard, Lake Avenue and South Academy Boulevard (given its linkage to I-25). The primary north/south roadways within this service area include I-25, SH 115, and South 8<sup>th</sup> Street. The school districts within this service area are Cheyenne Mountain School District #12, Colorado Springs School District #11, Fountain-fort Carson School District #8 and Manitou Springs School District #14.

There are small parks/open space in this service area and several larger scale parks such as Cheyenne Mountain State Park, Red Rock Canyon Open Space, and Bear Creek Regional Park East. Views of the neighboring mountains are good in this service area and it backs the Rocky Mountains to the west. North Cheyenne Creek, Bear Creek, Sutherland Creek, and Fountain Creek are located in this service area. The western portions of this area are situated at a higher elevation then the eastern portions.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 7 - South West) by the CCIM STDB (December 2019):



Summary	Census 2010	2019	2024	
Population	29,196	31,608	32,914	
Households	13,409	14,606	15,245	
Families	7,938	8,393	8,649	
Average Household Size	2.16	2.15	2.14	
Owner Occupied Housing Units	8,207	9,134	9,713	
Renter Occupied Housing Units	5,202	5,472	5,532	
Median Age	45.9	48.9	50.1	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	0.81%	1.49%	0.77%	
Households	0.86%	1.47%	0.75%	
Families	0.60%	1.42%	0.68%	
Owner HHs	1.24%	1.77%	0.92%	
Median Household Income	2.79%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	1,348	9.2%	1,075	7.1%
\$15,000 - \$24,999	940	6.4%	747	4.9%
\$25,000 - \$34,999	1,080	7.4%	947	6.2%
\$35,000 - \$49,999	1,688	11.6%	1,667	10.9%
\$50,000 - \$74,999	2,523	17.3%	2,590	17.0%
\$75,000 - \$99,999	1,668	11.4%	1,818	11.9%
\$100,000 - \$149,999	2,493	17.1%	3,003	19.7%
\$150,000 - \$199,999	1,294	8.9%	1,679	11.0%
\$200,000+	1,572	10.8%	1,720	11.3%
Median Household Income	\$71,277		\$81,799	
Average Household Income	\$105,944		\$117,768	
Per Capita Income	\$49,096		\$54,706	

### Population

In the identified area, the current year population is 31,608. In 2010, the Census count in the area was 29,196. The rate of change since 2010 was 0.86% annually. The five-year projection for the population in the area is 32,914 representing a change of 0.81% annually from 2019 to 2024.

### Households

The household count in this area has changed from 13,409 in 2010 to 14,606 in the current year, a change of 0.93% annually. The five-year projection of households is 15,245, a change of 0.86% annually from the current year total. Average household size is currently 2.15, compared to 2.16 in the year 2010. The number of families in the current year is 8,393 in the specified area.

### Household Income

Current median household income is \$71,277 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$81,799 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$105,944 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$117,768 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$49,096 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$54,706 in five years, compared to \$36,530 for all U.S. households.

### *Housing*

Currently, 59.6% of the 15,333 housing units in the area are owner occupied; 35.7%, renter occupied; and 4.7% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 14,581 housing units in the area - 56.3% owner occupied, 35.7% renter occupied, and 8.0% vacant. The annual rate of change in housing units since 2010 is 2.26%. Median home value in the area is \$464,204, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 1.15% annually to \$491,519.

### Service Area 8 - Downtown



*Service Area 8 - Downtown - Boundary Map*

Service Area 8 (Downtown) borders the South West and Central West service areas to the west, the Central service area to the north and the South Central service area to the east. The approximate boundaries of this area are I-25 to the west and south, Shooks Run to the east and just south of West Fillmore Street to the north. The neighborhoods within this service area the Downtown neighborhood and the established historic Old North End Neighborhood. The downtown area is located east of I-25 and contains a mix of both residential and commercial development.

The primary east/west roadways within this service area include Uintah Street, East Bijou Street, Cimarron Street, and Colorado Avenue. The primary north/south roadways within this service area include I-25, North Nevada Avenue (US 85/87), North Cascade Avenue, and Wahsatch Avenue. The school district within this service area is Colorado Springs School District #11.

There are small parks/open space in this service area and larger parks including Monument Valley Park, South Shooks Run Park and Dorchester Park. Views of the neighboring mountains are good in this service area. Monument Creek, Shooks Run, and Fountain Creek are both located in this service area. The northern portions of this area are situated at a higher elevation than the southern portions.



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (Service Area 8 – Downtown) by the CCIM STDB (December 2019):



Summary	Census 2010	2019	2024	
Population	14,058	14,725	15,387	
Households	6,252	6,700	7,117	
Families	2,520	2,566	2,642	
Average Household Size	1.87	1.84	1.83	
Owner Occupied Housing Units	2,991	3,143	3,281	
Renter Occupied Housing Units	3,261	3,556	3,836	
Median Age	36.2	38.1	38.9	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	0.88%	1.49%	0.77%	
Households	1.21%	1.47%	0.75%	
Families	0.59%	1.42%	0.68%	
Owner HHs	0.86%	1.77%	0.92%	
Median Household Income	2.42%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	1,291	19.3%	1,180	16.6%
\$15,000 - \$24,999	696	10.4%	651	9.1%
\$25,000 - \$34,999	602	9.0%	590	8.3%
\$35,000 - \$49,999	865	12.9%	902	12.7%
\$50,000 - \$74,999	1,038	15.5%	1,148	16.1%
\$75,000 - \$99,999	822	12.3%	925	13.0%
\$100,000 - \$149,999	722	10.8%	901	12.7%
\$150,000 - \$199,999	298	4.4%	397	5.6%
\$200,000+	366	5.5%	422	5.9%
Median Household Income	\$47,675		\$53,729	
Average Household Income	\$72,070		\$81,050	
Per Capita Income	\$34,250		\$38,878	

### Population

In the identified area, the current year population is 14,725. In 2010, the Census count in the area was 14,058. The rate of change since 2010 was 0.50% annually. The five-year projection for the population in the area is 15,387 representing a change of 0.88% annually from 2019 to 2024.

### Households

The household count in this area has changed from 6,252 in 2010 to 6,700 in the current year, a change of 0.75% annually. The five-year projection of households is 7,117, a change of 1.21% annually from the current year total. Average household size is currently 1.84, compared to 1.87 in the year 2010. The number of families in the current year is 2,566 in the specified area.

### Household Income

Current median household income is \$47,675 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$53,729 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$72,070 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$81,050 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$34,250 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$38,878 in five years, compared to \$36,530 for all U.S. households.

### Housing

Currently, 43.2% of the 7,283 housing units in the area are owner occupied; 48.8%, renter occupied; and 8.0% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 6,903 housing units in the area - 43.3% owner occupied, 47.2% renter occupied, and 9.4%

vacant. The annual rate of change in housing units since 2010 is 2.41%. Median home value in the area is \$379,832, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 2.57% annually to \$431,185.

## Zoning Districts Utilized as Part of Study

The following are brief descriptions of the residential zoning districts that were utilized as part of the study. The different zones accommodate different sizes of properties, from the large single-family lots (A, R, R1-9000) to the smaller and more dense developments (R-2, R-4, R-5). Many parts of town include several residential zones within housing areas. The Special Use zone, however, is generally located within close proximity to a college campus. Each residential zone district has its own use restrictions and development standards, which include lot coverage maxima, setbacks, and building height. Common standards for principal buildings appear in Table 1.

Zone	Front Yard Setback	Side Yard Setback	Rear Yard Setback	Maximum Lot Coverage
A	25 ft.	10 ft.	35 ft.	15%
R	25 ft.	10 ft.	35 ft.	20%
R1-9000	25 ft.	10 ft.	30 ft.	25%
R1-6000	25 ft.	5 ft.	25 ft.	*
R-2	25 ft.	5 ft.	25 ft.	*
R-4	20 ft.	5 ft.	25 ft.	35%
R-5	20 ft.	5 ft.	25 ft.	40%
SU	25 ft.	5 ft.	25 ft.	50%

Table 1: Residential Development Standards

**A - (Agricultural)** – This zone district accommodates large lot residential development and agricultural purposes that are, in most cases, on the periphery of the City limits but may become an urban area in the future. The agricultural activities conducted in the A zone district should not be detrimental to adjacent urban land uses. The types, size and intensity of uses permitted in this district shall encourage and protect agricultural uses until urban development occurs upon that parcel. The A zone, when established at the time of annexation, does not require the submittal of a concept plan, unless the concept plan is accepted in lieu of a required master plan.

**R - (Estate Single-Family Residential)** - This zone district accommodates large lots primarily for low density, detached single-family residential use.

**R1-9000 - (Single-Family Residential)** - This zone district accommodates medium sized lots primarily for detached single-family residential use.

**R1-6000 - (Single-Family Residential)** - This zone district accommodates small lots primarily for detached single-family residential use.

**R-2 - (Two-Family Residential)** - This zone district accommodates small or medium lots primarily for detached one-family or attached two-family residential use.

**R-4 - (Multi-Family Residential)** - This zone district accommodates lots primarily for medium density attached multi-family residential use at a density of not more than eight (8) dwelling units per acre.

**R-5 - (Multi-Family Residential)** - This zone district accommodates lots primarily for high density attached multi-family residential use.

**PUD - (Planned Unit Development)** - The land use types and mix, intensity and density of the development are defined by and through the establishment of the PUD Zone District. Specifically allowed residential and nonresidential land uses will be determined by the PUD concept plan or PUD development plan. Development standards including signage are determined by the PUD concept plan, or the PUD development plan.

**SU - (Special Use)** - This zone district accommodates primarily colleges or universities and those uses customarily associated with and in close proximity to those institutions. The zone encourages the use of active and passive open space within an urban environment.

**TND - (Traditional Neighborhood Development)** - Residential use is the basic building block of the TND neighborhood. TNDs usually display a diversity of residential types, styles and densities. The diversity in housing type is important in order to provide a variety of choices to a wide range of households. Opportunities also exist for live/work spaces and accessory dwelling units. Small projects may be comprised primarily of single-family dwellings, while larger TNDs may consist of higher density, multi-story development with commercial uses in a neighborhood center. Parks and open space are key elements, providing nonmotorized transportation opportunities and amenity areas.

These definitions are specific in application to TNDs only.

**NEIGHBORHOOD PARKS:** A recreational tract oriented to all age groups but having less emphasis on the development of structured, heavily programmed facilities. It is often located adjacent to elementary schools for the sharing of playground facilities. The City intends to provide two and one-half (2.5) acres per every 1 thousand (1,000) residents in these types of parks.

A. Small: 0.25 through 3.49 acre sites designed to serve homes within 0.25 mile of the park. They should have street frontage. Facilities typically are sodded areas for informal play, playground equipment and picnic facilities.

B. Traditional: 3.5 through 20 acres in size, designed for the surrounding neighborhood within 0.5 mile radius. Often accessible by streets on one or two (2) sides. Facilities and improvements typically found are playground equipment, basketball courts, landscaping, picnic areas and informal fields.

## REGIONAL ANALYSIS

### REGIONAL ANALYSIS

El Paso County lies in east central Colorado and encompasses more than 2,158 square miles, slightly more than twice the area of the state of Rhode Island (Excluding Narragansett Bay). While the western portion of El Paso County is mountainous, the eastern part is prairie land where dairy cows and beef cattle are the main source of ranchers' income. The altitude ranges from about 5,095 feet (1569 m) on the southern border at Black Squirrel Creek to 14,110 feet (4301 m) on the summit of Pikes Peak, near the western boundary. The county seat is located in Colorado Springs.

The natural physical beauty of the area, situated at the base of Pikes Peak and with an uninterrupted view of the Front Range, can be enjoyed by all. The magnificent scenery inspired Katharine Lee Bates to write the poem "America the Beautiful" after her visit here. The mild climate, on average, supplies 285 days of sunshine, 15 inches of rain, 35 inches of snow, and very low levels of humidity. As much of the demographic and economic influences apply similarly to Colorado Springs and El Paso County, the following analysis is very much transposable. Specifics to population growth, income and housing will be individually identified later in this analysis.

The following information is included to give the reader an insight into the social, economic, governmental and environmental factors which provide the setting and ultimate stability for the subject area. The various social, economic, governmental and environmental factors within any locality are the underlying forces that create, modify or disrupt real property values.



## *Overview*

Colorado Springs, Colorado is approximately 75 miles south of Denver, the state capital, and approximately 45 miles north of Pueblo, Colorado. Colorado Springs, along with Fort Collins, Boulder and Denver form what is known as the Front Range. The Front Range is a large, flat region east of the Rocky Mountains that encompasses a majority of the state's growth and population.

Colorado Springs is the second largest city in the state and is the county seat for El Paso County. Located at the foot of Pike's Peak, at an altitude of 6,035 feet, Colorado Springs is a thriving community with tourism, technology, manufacturing, sports and the military as key industries. The current metropolitan population is estimated to be 465,101 persons and the population of El Paso County is 674,471.

Ft. Carson and Peterson Air Force Base were established with NORAD and the U.S. Air Force Academy in place by the 1950s. This military presence continued to grow, making Colorado Springs the nation's military space capital in the 1980s and 1990s.

Today, high tech manufacturers, software companies, non-profit organizations and a multitude of other businesses have populated the area and dot the mountainous skyline of "The Springs", which has attracted tens of thousands of highly educated and technically skilled newcomers seeking the quality of life and recreational opportunities available to residents.

## *Geography*

Colorado has the highest mean elevation of any state, with more than 1,000 Rocky Mountain peaks over 10,000 ft. high and 54 towering above 14,000 ft. Pikes Peak, the most famous of these mountains, was discovered by U.S. Army lieutenant Zebulon M. Pike in 1806.

Colorado Springs is situated approximately ten miles east of the summit of Pikes Peak. The Peak is the highest geographic feature for over 30 miles and in conjunction with the contrasting gently rolling plains to the east creates a panoramic setting for the city. One product of this geographic configuration is the appealing and temperate climate. The mountains to the west tend to shelter the city from extreme climate variations and the arid character of the plains acts to maintain low humidity. Because of other geographic characteristics, the amount of snowfall is minimal in comparison with other Front Range locations. The city sits at an elevation of 6,003 feet. The metropolitan area covers approximately 185.7 square miles.



## *History*

First visited by Spanish explorers in the 1500s, the territory was claimed for Spain by Juan de Ulibarri in 1706. The U.S. obtained eastern Colorado as part of the Louisiana Purchase in 1803, the central portion in 1845 with the admission of Texas as a state, and the western part in 1848 as a result of the Mexican War. General William J. Palmer, who recognized the scenic attractiveness and healthful climate, and realized it was a location to which he could attract his wealthy European and East Coast friends, founded Colorado Springs in 1871. Colorado Springs became especially popular with the British and acquired the nickname "Little London". Visitors came to see the area's beauty and were kept by a mild climate and growing resort accommodations. Early development was primarily as a health and cultural center. Railroad lines were extended into the area, which later served the gold camps in the mountains west of the city in the 1890's. At the turn of the century, the local economy began to diversify by producing brick tile, lumber, and pottery. As mining declined, these industries along with tourism came to constitute the economic base of the area.

In the early 1940's, Camp Carson and Ent Air Force Base were both established in the area. Development of these two major military bases diversified and broadened the economic base of the city. Military activities, however, declined after World War II, until 1951, when the Air Force Command was established. In the mid to late 1950's, the North American Air Defense Command (NORAD) and the Air Force Academy were established in the area. At the same time, clean electronics and precision metals industries began to locate in Colorado Springs and have grown to become a major element of the area's economy. With the growth in military and electronics there was a consistent increase in the role of tourism in the local economy.

## *Utilities*

Colorado Springs Utilities supplies electricity, gas, water, and wastewater reclamation for the city and certain surrounding areas. The Department buys natural gas from the Colorado Interstate Gas Company. The city has a power pool agreement with Xcel Energies and Southern Colorado Power Company for exchange of power during maintenance periods as well as during operations emergencies. The city-owned utility company is planning to offer other quasi-utility services (such as appliance repair) in competition with local industry.

The Pikes Peak Watershed and the Continental Divide provide a majority of the region's water. The Homestake Water Development Program and the Fryingpan-Arkansas Project are anticipated to continue to provide Colorado Springs with ample supplies of water in the future.



## Economic Base

The following information was extracted from the Colorado General Assembly’s *Economic and Revenue Forecast* for March 2019:

The vibrant Colorado Springs economy continues to benefit from a virtuous cycle of economic activity and job growth. The attraction of a strong job market, outdoor recreation, and comparatively lower real estate prices than the northern Front Range continue to bring young professionals into the area labor force. The regional economy has a large public sector presence, supporting area defense operations, higher education institutions, and health care facilities. Increasingly diverse private sector growth also continues to support the area economy. Indicators for the regional economy are presented in Table 19.

**Table 19**  
**Colorado Springs Region Economic Indicators**  
El Paso County

	2014	2015	2016	2017	YTD 2018
<b>Employment Growth<sup>1</sup></b>					
Colorado Springs MSA	2.2%	3.3%	2.9%	1.8%	3.9%
<b>Unemployment Rate<sup>2</sup></b>	6.0%	4.6%	3.7%	3.3%	3.7%
<b>Housing Permit Growth<sup>3</sup></b>					
Total	3.8%	-0.4%	41.3%	-3.9%	22.0%
Single Family	-7.7%	13.3%	19.7%	6.7%	15.8%
<b>Nonresidential Construction Growth<sup>4</sup></b>					
Value of Projects	-4.2%	-1.0%	48.9%	-22.6%	8.7%
Square Footage of Projects	-12.0%	-0.2%	26.1%	10.4%	2.1%
Level ( <i>Thousands</i> )	1,870	1,865	2,353	2,598	2,652
Number of Projects	-5.9%	13.5%	11.6%	30.0%	-3.6%
Level	334	379	423	550	530
<b>Retail Trade Sales Growth<sup>5</sup></b>	4.1%	5.8%	NA	NA	NA

MSA = Metropolitan statistical area. NA = Not available.

<sup>1</sup>U.S. Bureau of Labor Statistics, CES (establishment survey). Seasonally adjusted. Data through December 2018.

<sup>2</sup>U.S. Bureau of Labor Statistics, LAUS (household survey). Seasonally adjusted. Data through December 2018.

<sup>3</sup>U.S. Census. Growth in the number of residential building permits. Data through November 2018.

<sup>4</sup>F.W. Dodge. Data through December 2018.

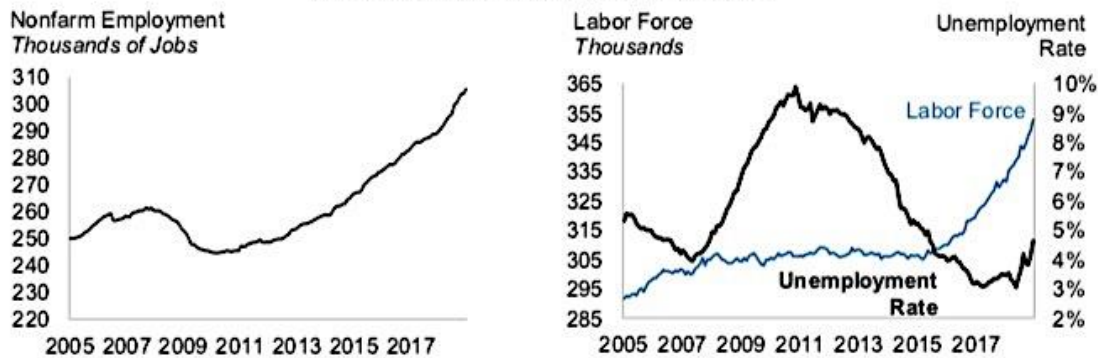
<sup>5</sup>Colorado Department of Revenue. Data through December 2015.

**Labor market.** The Colorado Springs labor market continued to gain strong momentum in 2018 (Figure 32, left). The region added about 16,800 new jobs in 2018, a 3.9 percent increase from last year. Job growth has been broad-based across industries, with population in-migration supporting demand for new construction, retail trade activity, and jobs in leisure and hospitality. Relatively affordable housing continues to boost in-migration to the region, which has brought new workers into the labor force over the past two years (Figure 32, right). The vast majority of new job seekers have found work, maintaining downward pressure on the unemployment rate. The region’s unemployment rate declined for the seventh consecutive year in 2018, averaging 3.7 percent for the year.

**Tax collections.** The strong labor market, in-migration, and tourism have supported growth in retail sales in the region. According to reports released by the City of Colorado Springs, revenue from the city’s general sales and use tax increased 7.2 percent in 2018 over the prior

year. Tax statistics point to strong contributions from auto sales and tourism-related activity, including hotel, retail, and restaurant sales.

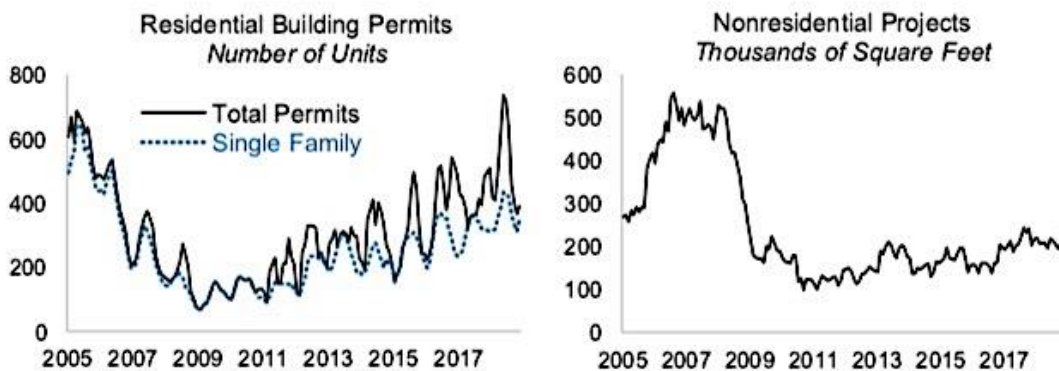
**Figure 32**  
**Colorado Springs Labor Market Activity**



Source: U.S. Bureau of Labor Statistics; CES data (left) are through December, LAUS data (right) are through December. Data are seasonally adjusted.

**Housing.** Colorado Springs construction activity continued to pick up momentum through November 2018. Year-to-date, residential developers in the region have pulled 5,609 total permits, up 22 percent from the year prior. Single family permits made up 82 percent of these construction applications (Figure 33, left). Growth in multi-family housing permits continues to be strong, increasing by 43 percent from the same period last year. The number of permits for multi-family units was second only to the City and County of Denver. While still more affordable than real estate in the Denver metro region, Colorado Springs home prices continue to rise at double-digit rates as demand continues to outstrip supply. According to data published by the National Association of Realtors, home prices increased 35 percent in January 2019 over the same month a year prior.

**Figure 33**  
**Colorado Springs Construction Activity**



Source: U.S. Census Bureau. Data are shown as three-month moving averages. Data are not seasonally adjusted and are through November 2018.

Source: F.W. Dodge. Data shown as twelve-month moving averages. Data are not seasonally adjusted and are through December 2018.

**Nonresidential construction.** Relative to pre-recessionary levels, demand for new nonresidential construction has remained subdued throughout the recovery and expansion,

with a slow general upward trend (Figure 33, right). In-migration to the area and strong business activity, however, are expected to limit office and commercial vacancies, spurring additional development in coming years.

The Colorado Springs Metropolitan Statistical Area (MSA), is the second largest MSA in the state of Colorado.

Below are the top 10 private and public employers in Colorado Springs, according to the Colorado Springs Chamber and Economic Development Council. (Public employers are both municipal employers and publicly traded companies):

**Private Employers:**

1. The Broadmoor Hotel
2. Cherwell Software
3. Cheyenne Mountain Conference Resort
4. Cobham Semiconductor Solutions
5. Colorado College
6. Compassion International
7. EviCore
8. Firstsource Solutions, Ltd.
9. Focus on the Family
10. Luce Research

**Public Employers:**

1. City of Colorado Springs
2. Colorado Springs Utilities
3. Conduent Inc.
4. DePuy Synthes Companies of Johnson & Johnson
5. El Paso County
6. Fort Carson
7. Lockheed Martin Corporation
8. Microchip Technology
9. Oracle America, Inc.
10. Peterson Air Force Base

### ***Employment & Wages***

The table below shows the monthly not seasonally adjusted Labor Force, Employment and Unemployment data for El Paso County, CO in April, 2019.

Area	Civilian Labor Force	Number Employed	Number Unemployed	Unemployment Rate
El Paso County	339,326	328,230	11,096	3.3%
Colorado Springs MSA	352,082	340,593	11,489	3.3%
Colorado	3,119,568	3,033,869	85,699	2.7%

Source: LAUS Unit, LAUS system output file  
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## Real Estate Market

### Residential

According to the Pikes Peak Association of Realtors, as of May 2019, the median sale price year to date is up 3.6 percent.

### Local Market Update for May 2019

A Research Tool Provided by the Colorado Association of REALTORS®



## El Paso County

Contact the Pikes Peak Association of REALTORS® for more detailed local statistics or to find a REALTOR® in the area.

Single Family Key Metrics	May			Year to Date		
	2018	2019	Percent Change from Previous Year	Thru 05-2018	Thru 05-2019	Percent Change from Previous Year
New Listings	1,874	1,832	- 2.2%	7,454	7,067	- 5.2%
Sold Listings	1,472	1,434	- 2.6%	5,536	5,471	- 1.2%
Median Sales Price*	\$316,160	\$327,500	+ 3.6%	\$302,500	\$320,000	+ 5.8%
Average Sales Price*	\$355,501	\$372,091	+ 4.7%	\$343,762	\$360,290	+ 4.8%
Percent of List Price Received*	100.7%	100.3%	- 0.4%	100.3%	99.9%	- 0.4%
Days on Market Until Sale	22	26	+ 18.2%	29	35	+ 20.7%
Inventory of Homes for Sale	1,969	1,694	- 14.0%	--	--	--
Months Supply of Inventory	1.6	1.4	- 12.5%	--	--	--

\* Does not account for seller concessions and/or down payment assistance. | Activity for one month can sometimes look extreme due to small sample size.

In the multi-family market, according to CoStar, the vacancy rate in the 1<sup>st</sup> Quarter 2019 was 6.3 percent, up slightly from 6.2 percent in the prior year. The average rental rate was \$1,067 per unit per month, up from \$1,049 per unit per month in the prior quarter.

The residential market in Colorado Springs grew at a faster pace than Denver in 2018. A December 19, 2018 article from the *Colorado Sun* cited a diversity in Colorado Springs' employment base, and relatively lower home prices than Denver as some of the attributes leading to strong growth.

## Commercial

According to CoStar, the office vacancy rate for the Colorado Springs Area was 9.5 percent in the 1<sup>st</sup> Quarter of 2019, unchanged from the prior quarter. The average quoted asking rental rate for office space was \$20.48 per square foot as of 1<sup>st</sup> Quarter 2019, up from \$20.33 per square foot in the prior quarter. CoStar reports office rates as full service.

Retail vacancy rates for the Colorado Springs area were 4.4 percent as of 1<sup>st</sup> Quarter 2019, down slightly from 4.7 percent in the prior quarter. Retail rental rates were \$16.80 per square foot in 1<sup>st</sup> Quarter 2019, an increase from \$16.70 per square foot in the prior quarter. CoStar reports retail rates as triple net.

Industrial vacancy rates for the Colorado Springs area were 6.8 percent as of 1<sup>st</sup> Quarter 2019, down from 7.4 percent in the prior quarter. Industrial rental rates were \$8.58 per square foot in 1<sup>st</sup> Quarter 2019, up from \$8.45 per square foot in the prior quarter. CoStar reports retail rates as triple net.

Notable development includes Victory Ridge, a 100,000 square foot residential, office and retail development. It will be the largest speculative development in the Colorado Springs market, and is set to deliver in 2019. A notable tenant to the Victory Ridge development will be distribution center and first retail location for the In-N-Out Burger franchise in Colorado.



Source: Victory Ridge Project Website





Source: Victory Ridge Project Website

The overall trend for commercial real estate in the Colorado Springs market is slower and stable growth, particularly compared to the Denver Metropolitan Area. The office segment has shown the strongest growth over the 12-month period; however all segments of the commercial market are generally increasing.

### *Retail Sales*

According to the City of Colorado Springs, sales tax collections were up 6.50 percent in 2018 over the prior year. The largest increases in sales tax collection came from the Business Services; Furniture, Appliances and Electronics; and Auto Repair and Leases sectors. The largest decrease came from the Medical Marijuana sector.



**FINANCE DEPARTMENT**

**Retail Industry Analysis  
2.0% Sales Tax  
January 2019 Compared with January 2018 Collections  
for the December Filing Period**

	<u>2019</u>	<u>2018</u>	<u>Month-to-Month % of Change</u>	<u>Year-to-date % of Change</u>
Auto Dealer	\$ 1,190,221	\$ 1,271,380	(6.38%)	6.16%
Auto Repair and Leases	\$ 747,527	\$ 653,735	14.35%	7.91%
Building Materials	\$ 1,515,048	\$ 1,293,752	17.10%	7.30%
Business Services	\$ 441,814	\$ 449,529	(1.72%)	12.57%
Clothing Stores	\$ 872,128	\$ 848,903	2.74%	5.54%
Commercial Machines	\$ 245,043	\$ 530,406	(53.80%)	(0.35%)
Department and Discount	\$ 1,775,880	\$ 1,737,003	2.24%	4.96%
Furniture, Appliances, and Electronics	\$ 985,566	\$ 997,869	(1.23%)	8.75%
Grocery Stores	\$ 604,038	\$ 789,652	(23.51%)	6.66%
Hotel/Motel	\$ 560,808	\$ 519,265	8.00%	5.80%
Medical Marijuana	\$ 133,347	\$ 156,967	(15.05%)	(9.16%)
Miscellaneous Retail	\$ 2,545,408	\$ 2,550,531	(0.20%)	2.84%
Restaurants	\$ 1,871,215	\$ 1,854,877	0.88%	4.73%
Utilities	\$ 320,531	\$ 293,824	9.09%	2.73%
All Other	\$ 1,653,702	\$ 1,535,152	7.72%	12.78%

*Source City of Colorado Springs*

***Demographics***

The following information has been extracted from CCIM Site to do Business for El Paso County from 2018, with projections for 2023.

***Population***

In the identified area, the current year population is 737,907. In 2010, the Census count in the area was 645,613. The rate of change since 2010 was 1.63% annually. The five-year projection for the population in the area is 797,081 representing a change of 1.55% annually from 2018 to 2023.

***Households***

The household count in this area has changed from 245,764 in 2010 to 279,669 in the current year, a change of 1.58% annually. The five-year projection of households is 301,577, a change of 1.52% annually from the current year total. Average household size is currently 2.57, compared to 2.55 in the year 2010. The number of families in the current year is 189,428 in the specified area.

### *Income*

Current median household income is \$64,615 in the area, compared to \$58,100 for all U.S. households. Median household income is projected to be \$74,460 in five years, compared to \$65,727 for all U.S. households. Current average household income is \$87,565 in this area, compared to \$83,694 for all U.S. households. Average household income is projected to be \$98,136 in five years, compared to \$96,109 for all U.S. households. Current per capita income is \$33,702 in the area, compared to the U.S. per capita income of \$31,950. The per capita income is projected to be \$37,606 in five years, compared to \$36,530 for all U.S. households.

### *Housing*

Currently, 61.8% of the 294,322 housing units in the area are owner occupied; 33.2%, renter occupied; and 5.0% are vacant. Currently, in the U.S., 56.0% of the housing units in the area are owner occupied; 32.8% are renter occupied; and 11.2% are vacant. In 2010, there were 265,495 housing units in the area - 60.4% owner occupied, 32.2% renter occupied, and 7.4% vacant. The annual rate of change in housing units since 2010 is 4.69%. Median home value in the area is \$316,805, compared to a median home value of \$218,492 for the U.S. In five years, median value is projected to change by 3.80% annually to \$381,713.

## **Downtown Redevelopment/City for Champions**

The City of Colorado Springs has put significant energy into revitalization of the downtown business district over the past five years. Part of this effort is the City for Champions, which includes four major capital projects consisting of five venues. Two of projects are located downtown. The venues are as follows:

### ***Robson Arena***

As part of the City for Champions (C4C) Initiative, two downtown multi-purpose sports venues (together named the Colorado Sports and Events Center) are being planned and designed to host professional, Olympic and amateur sporting events as well as entertainment and cultural events. The two venues are in close proximity to the U.S. Olympic & Paralympic Museum. The Edward J. Robson Arena at Colorado College, home of CC Tiger hockey, is the indoor venue. Both will include technological features coveted by competitive athletes, further solidifying the City's brand of Olympic City USA and providing unique venues to host the growing momentum of a strong and vibrant tourism industry.

The arena will be unique in size and scope, easy to manage and maintain, and optimized for high-level athletic competition due to its comprehensive sports-medicine facility, in-house TV production capability, flexible floor space, and experienced staff. It will encompass approximately 120,000 square feet for competition space, seating, locker and restrooms, concessions, storage, and administrative space. It will accommodate seating for approximately 3,000 - 3,650 attendees. The facility will have the capability to host ice-based and multiple other sports. Most of the other athletics facilities on the Colorado College campus are northwest of the arena (the equivalent of two city blocks in distance).

Ground Breaking: Early 2020  
Scheduled Opening: Spring 2021  
Venue Details:

- Indoor arena
- 3,000 permanent seats
- Up to 650 in additional seating
- 120,000 square feet
- Home of the Colorado College hockey team
- Able to host ice and non-ice events
- Attached multi-level parking structure
- On-site food vendors

### ***U.S. Olympic and Paralympic Museum***

With iconic architecture, the United States Olympic & Paralympic Museum and Hall of Fame, located in Downtown Colorado Springs, will embody the values, history and experience of the Olympic and Paralympic Games, honor outstanding athletes and host special events. The only one like it in the United States, the Museum will be a pilgrimage site containing artifacts, multi-media and advanced technology conveying the effort and excitement of becoming an Olympic or Paralympic competitor.

Your visit to the U.S. Olympic & Paralympic Museum will be like no other. It is the most accessible and accommodating museum on the planet, offering a world-class experience regardless of physical ability or cognitive differences. Its cutting-edge technology curates a unique journey for each guest on each visit.

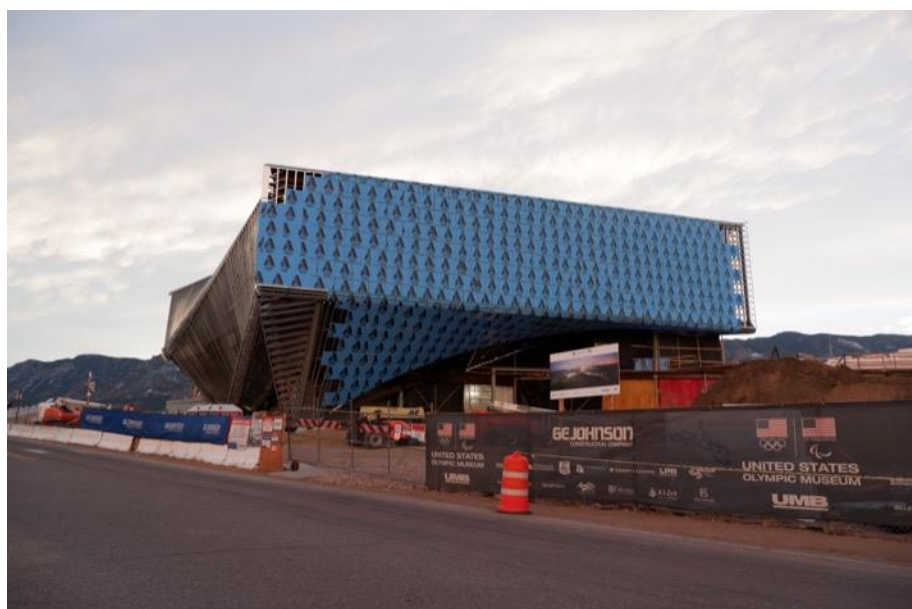
The U.S. Olympic & Paralympic Museum is the crown jewel of Olympic City USA. Located in the southwest quadrant of downtown and designed by Diller Scofidio + Renfro, it is a landmark facility built to celebrate U.S. Olympic and Paralympic athletes and honor those inducted into the Olympic and Paralympic Hall of Fame.

Ground Breaking: July 2017  
Scheduled Opening: Spring 2020  
Venue Details:

- Includes the United States Olympic & Paralympic Hall of Fame
- Theater that will introduce visitors to the Olympic Movement, as well as host guest speakers and special events
- 20,000-SF exhibition space
- Interactive exhibits



- Champions Plaza, an outdoor public gathering place and amphitheater designed for multiple uses:
- special events, exhibit-related programming and civic gatherings
- Retail space with uniforms, souvenirs, books and commemorative merchandise, as well as a café
- 1,000-SF broadcast studio for use by national and international press
- 8,000-SF flex space for private and special events, as well as traveling exhibits and programs



The Under Construction U.S. Olympic Museum as of December 2018 (Source: Colorado Sun)

### *Sports Medicine & Performance Center*

The William J. Hybl Sports Medicine & Performance Center, located on the UCCS campus on Nevada Avenue, will be a revolution in health and human performance. The state-of-the-art facility will translate research into real-world solutions, promoting the concept of "Exercise as Medicine," helping patients with diseases ranging from diabetes to cancer. Three centers of distinction will also be housed within the Hybl Center: the Center for Tactical and Occupational Performance, the Center for Active Individuals with Physical Disabilities and the Center for Human Health & Performance in Extreme Environments. These centers will be the pinnacle of collaboration between UCCS and Centura, combining existing knowledge and research with real-world application.

The Sports Medicine and Performance Center at the University of Colorado Springs has the ability to draw out-of-state patients to Colorado Springs for acute sport-related healthcare. The Center will treat 40,000 patients, of which 30% (12,000) are out-of-state. In addition, 14,400



net new out-of-state visitors will accompany patients as they seek the best in athletic healthcare. Because of the nature of the Sports Medicine and Performance Center, these patients and their families will stay longer than traditional visitors.

The UCCS Sports Medicine and Performance Center will bring this concept to Colorado through a concentration of sports medicine, wellness clinics and experts conducting groundbreaking injury-recovery research. The facility will be a key component to the UCCS Health and Wellness Village, which will ultimately include a handicapped-accessible track and field facility.

*All renderings courtesy of RTA Architects and HOK*

Ground Breaking: October 2018

Scheduled Opening: June 2020

Venue Details:

- 72,000 square feet
- Sports medicine and human performance clinical, testing and counseling services
- Instructional opportunities
- Space for faculty and other experts to conduct groundbreaking research leading to new knowledge

### ***Downtown Stadium***

As part of the City for Champions (C4C) Initiative, two downtown multi-purpose sports venues (together named the Colorado Sports and Events Center) are being planned and designed to host professional, Olympic and amateur sporting events as well as entertainment and cultural events. The two venues are in close proximity to the U.S. Olympic & Paralympic Museum. The Downtown Stadium, home of the Switchbacks Football Club, is the outdoor venue, and the Edward J. Robson Arena at Colorado College, home of CC Tiger hockey, is the indoor venue. Both will include technological features coveted by competitive athletes, further solidifying the City's brand of Olympic City USA and providing unique venues to host the growing momentum of a strong and vibrant tourism industry.

The Downtown Stadium will be a multi-use facility that can accommodate a variety of sporting and entertainment events. Located at the CityGate property, the Downtown Stadium site is bordered by Cimarron St. to the north, Moreno Ave. to the south, Sierra Madre St. to the west and Sahwatch St. to the east.

Groundbreaking: December 7, 2019

Scheduled Opening: March 2021

Venue Details:

- Outdoor stadium
- 8,000 permanent seats
- Expandable seating to 15,000 for concerts and special events
- Home of the Colorado Springs Switchbacks Football Club
- 85,000 square-foot playing field
- 3-story multi-function West Building Complex
- Elevated concourse surrounding the playing field
- 240-seat, multi-use meeting/banquet room
- 4,000 square-foot restaurant concept
- Sports performance and training facilities

### *USAF Gateway Visitor Center*

The United States Air Force Academy (USAFA) equips servicemen and women who protect and defend our democracy, and truly makes Colorado Springs a City for Champions. More than a half-century ago, rigorous efforts from the community brought the Air Force Academy to Colorado Springs. Today, the historic legacy of the Academy continues to instill a sense of patriotism in those who visit.

The Academy was once one of the state's top tourist destinations. After September 11, 2001, Academy visitors decreased dramatically, from 700,000 annually to a mere 200,000, as necessary security for the campus became a priority over visitor access.

The Gateway Visitor Center will transform the visitor experience by relocating and expanding the Center's exhibit offerings for an engaging experience and provide a way for visitors to honor the contributions of Cadets to the US Air Force and our country.

Clearly visible and easily accessible from I-25, the 32,000 SF Gateway Visitor Center will include:

Ground Breaking: Early 2020

Scheduled Opening: Not yet announced

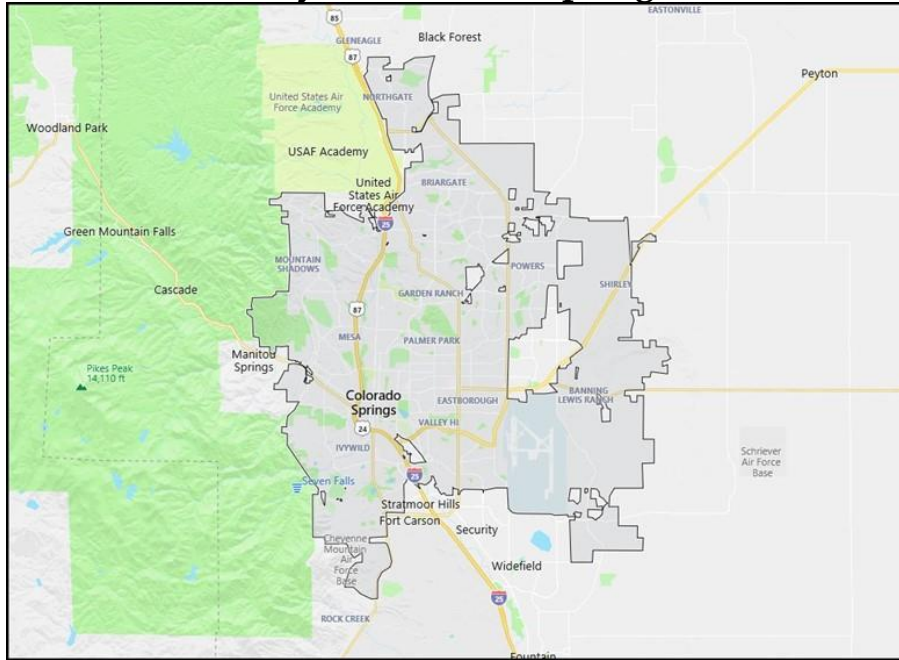
Venue Details:

- Clearly visible and easily accessible from Interstate 25
- 32,000 square-foot facility with 7,800 square feet of exhibit space
- 250-seat theater
- Glass-enclosed atrium
- Triple-height space for welcoming and group events
- Retail and restaurant offerings
- Polaris Plaza, a covered, but open-air space of 15,000 square feet linking various components of the Gateway Visitor Center

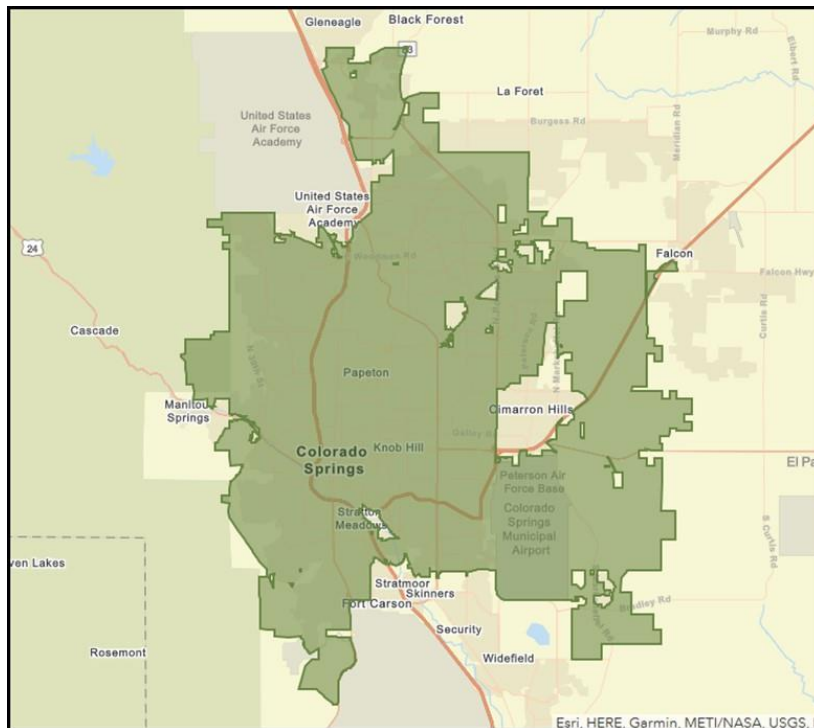


Source: Soccer Stadium Digest

## City of Colorado Springs



**City of Colorado Springs Boundary Map**



**CCIM STDB Map**

The following are the area demographics for the subject neighborhood (City of Colorado Springs) by the CCIM STDB (December 2019):

Summary	Census 2010	2019	2024	
Population	416,911	479,619	516,381	
Households	167,878	192,301	206,687	
Families	106,819	121,093	129,707	
Average Household Size	2.44	2.45	2.46	
Owner Occupied Housing Units	100,931	117,302	128,583	
Renter Occupied Housing Units	66,947	74,999	78,104	
Median Age	34.9	36.7	37.1	
Trends: 2019 - 2024 Annual Rate	Area	State	National	
Population	1.49%	1.49%	0.77%	
Households	1.45%	1.47%	0.75%	
Families	1.38%	1.42%	0.68%	
Owner HHs	1.85%	1.77%	0.92%	
Median Household Income	3.40%	2.91%	2.70%	
Households by Income	2019		2024	
	Number	Percent	Number	Percent
<\$15,000	17,952	9.3%	14,902	7.2%
\$15,000 - \$24,999	13,994	7.3%	11,499	5.6%
\$25,000 - \$34,999	17,356	9.0%	15,078	7.3%
\$35,000 - \$49,999	25,722	13.4%	25,526	12.4%
\$50,000 - \$74,999	36,690	19.1%	38,266	18.5%
\$75,000 - \$99,999	24,776	12.9%	27,824	13.5%
\$100,000 - \$149,999	31,297	16.3%	39,916	19.3%
\$150,000 - \$199,999	13,897	7.2%	19,713	9.5%
\$200,000+	10,617	5.5%	13,963	6.8%
Median Household Income	\$61,971		\$73,233	
Average Household Income	\$84,424		\$97,546	
Per Capita Income	\$34,024		\$39,223	

### Population

In the identified area, the current year population is 479,619. In 2010, the Census count in the area was 416,911. The rate of change since 2010 was 1.53% annually. The five-year projection for the population in the area is 516,381 representing a change of 1.49% annually from 2019 to 2024.

### Households

The household count in this area has changed from 167,878 in 2010 to 192,301 in the current year, a change of 1.48% annually. The five-year projection of households is 206,687, a change of 1.45% annually from the current year total. Average household size is currently 2.45, compared to 2.44 in the year 2010. The number of families in the current year is 121,093 in the specified area.

### Household Income

Current median household income is \$61,971 in the area, compared to \$60,548 for all U.S. households. Median household income is projected to be \$73,233 in five years, compared to \$69,180 for all U.S. households. Current average household income is \$84,424 in this area, compared to \$87,398 for all U.S. households. Average household income is projected to be \$97,546 in five years, compared to \$99,638 for all U.S. households. Current per capita income is \$34,024 in the area, compared to the U.S. per capita income of \$33,028. The per capita income is projected to be \$39,223 in five years, compared to \$36,530 for all U.S. households.



### ***Housing***

Currently, 58.7% of the 199,966 housing units in the area are owner occupied; 37.5%, renter occupied; and 3.8% are vacant. Currently, in the U.S., 56.4% of the housing units in the area are owner occupied; 32.4% are renter occupied; and 11.2% are vacant. In 2010, there were 179,704 housing units in the area - 56.2% owner occupied, 37.3% renter occupied, and 6.6% vacant. The annual rate of change in housing units since 2010 is 4.86%. Median home value in the area is \$297,782, compared to a median home value of \$234,154 for the U.S. In five years, median value is projected to change by 4.74% annually to \$375,294.

### **Conclusion**

Economic forecasts remain optimistic that employment levels and wages, as well as real estate prices will continue a steady and stable upward trend in El Paso County for the near term. Both residential and commercial sale values have been on the rise in the past five years, as have rental rates. The area also benefits from having a lower cost of living than the Denver Metropolitan Area, in that a significant number of residents live in Colorado Springs and commute to the south Denver suburbs for employment. The employment picture looks generally positive in both the Denver Metropolitan Area, and the Colorado Springs Metropolitan area. Colorado Springs has shown increased growth in business in the technology and defense sectors. The increased demand in skilled workers in the area should boost consumer spending and local tourism to the area. The area has been on a positive economic trajectory for the past five years, and its presence as the second largest metropolitan area in the state will continue to be a draw for industries looking to locate both from outside the region and within the state.

## HIGHEST AND BEST USE ANALYSIS

Four criteria are examined in order to determine the highest and best use of the subject property. The criteria and their applicability to the subject are as follows:

1. **Legally Permissible:** *a legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use.*
2. **Physically Possible:** *the size, shape and topography affect the uses to which land may be developed. The utility of a parcel is dependent on its frontage and depth. Sites with irregular shapes may be more expensive to develop, and topography or subsoil conditions may make utilization too costly or restrictive. Highest and best use as improved also depends on physical characteristics such as condition and utility.*
3. **Financially Feasible:** *the use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible.*
4. **Maximally Productive:** *the use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner.*

**Under the hypothetical conditions applied in this appraisal, the hypothetical subject sites are assumed to be platted residential development sites. The exception is Service Area 8, which represents downtown Colorado Springs. The assumed highest and best use for this parcel is as a mixed-use residential development site.**

## VALUATION PROCEDURES AND METHODOLOGIES

Current appraisal standards recognize three basic approaches to real estate value. These are identified as the cost, sales comparison, and income capitalization approaches.

The cost approach to value is developed by two fundamental opinions: the value of the land and the value of the improvements to the land. Initially, the current market value of the land is estimated as if unimproved and capable of being put to its highest and best use. The reproduction or replacement cost new of the improvements, less any depreciation, is then added, along with any contributory value of the site improvements. The validity of the resulting value estimate is impacted to varying degrees by the accuracy of the cost estimates and the depreciation estimate.

The sales comparison approach is based on comparison between the subject property and similar properties which sold within a reasonable period prior to the date of appraisal, and which are capable of providing insight into the valuation of the subject property. Units of comparison are examined and developed and after making the appropriate adjustment for differences such as location and physical characteristics, are then applied to the subject to derive an indication of value. Critical in this valuation methodology, is the availability of sufficient market comparables with which to make valid comparisons.

The income capitalization approach measures value by capitalization of the net income from the real estate. The potential gross income is first estimated based on data derived directly from the market. Deductions are then made for vacancy and collection loss, and normal operating expenses. The resulting net income figure is then converted to a value estimate by any one of several capitalization methods.

**Given the lack of platted unfinished residential lot sales in this market, we used sales of unplatted potential residential development sites to develop an unplatted base value for all subject hypothetical sites. We then developed an “as platted” adjustment to conclude an “as platted” site value for each hypothetical subject site under the scope of this assignment.**

## SALES COMPARISON APPROACH NORTH / SERVICE AREA 1

The sales comparison approach to value compares the subject to similar properties that have sold or are under contract in the same or similar market. This approach is based on the principle of substitution, which states that no commodity has a value greater than a similar commodity offering similar uses, similar utility, and similar function that can be purchased within a reasonable period. In other words, the market value of a property is set by the price of acquiring a substitute property, which could provide the owner with similar utility. The principle of substitution also is crucial in reconciling all three approaches to value, as it provides linkage in the underlying determination the subject’s market value.

**Elements of Comparison** Eight major comparison categories must be considered in the sales comparison approach. These include the following:

- Date of Sale
  - 1. Property rights
  - 2. Financing
  - 3. Conditions of Sale
  - 4. Expenditures made after sale
- Trend Forward
  - 5. Market Trends
- Appraisal Effective Date
  - 6. Location
  - 7. Physical Attributes
  - 8. Economic Attributes

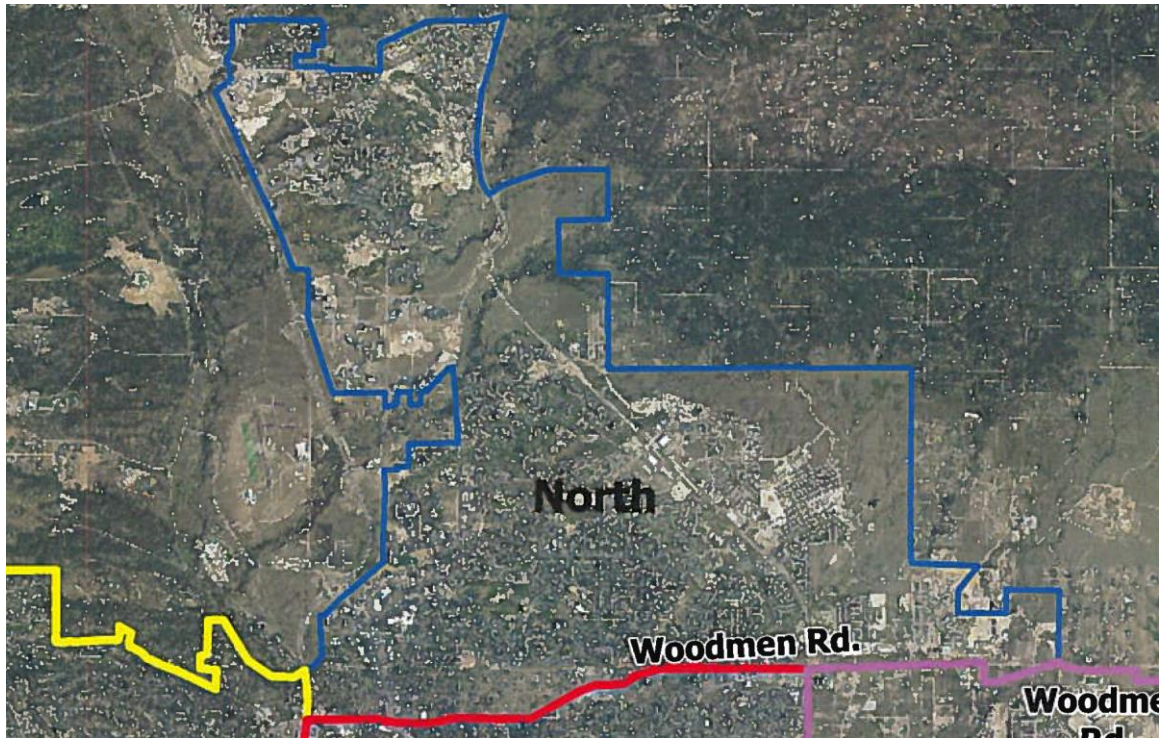
For Service Area 1, we used sales of residential parcels located either in Service Area 1 or in the northern portion of El Paso County outside of the city. We found two reasonably comparable multi-acre parcels that were potential residential development sites in SA-1. The third sale was located north of the city in the Woodmoor area, although it shares in much of the location attributes of the two other sales and was concluded to be an acceptable comparable sale for this service area.

The following sales were used:

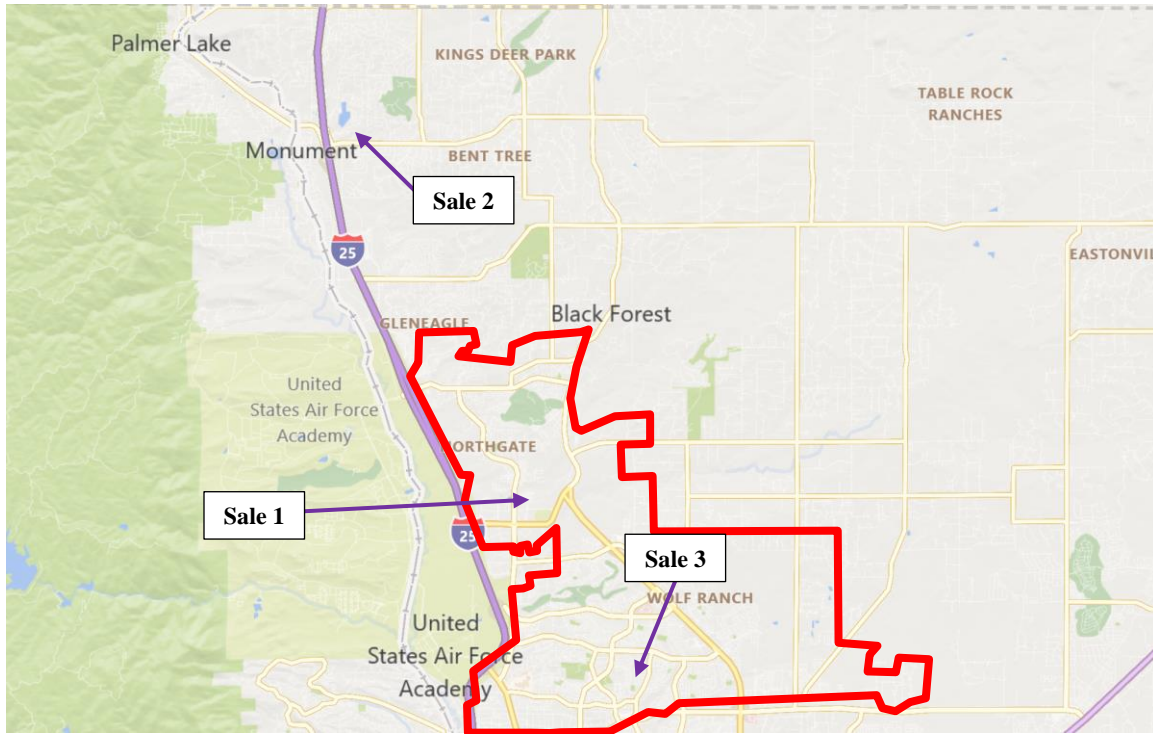
### COMPARABLE SALES

Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	RESERVE AT N CREEK	SA-1	RR-5	10.00	7/20/2016	\$1,140,000	\$2.62
2	LAKE WOODMOOR DR	North	PUD	12.38	4/4/2018	\$1,475,000	\$2.74
3	7825 Lexington Dr	SA-1	PUD	7.21	4/29/2016	\$1,125,000	\$3.58

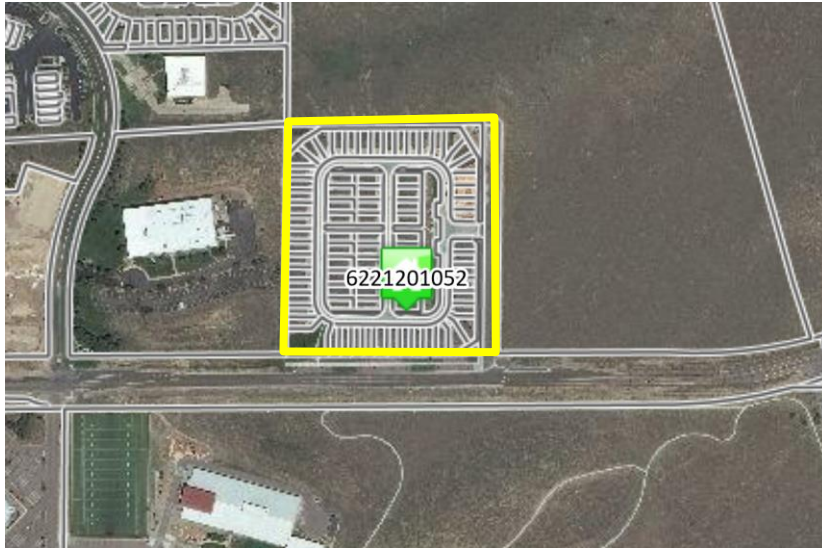
### COMPARABLE SALE MAPS







**COMPARABLE SALE #1**

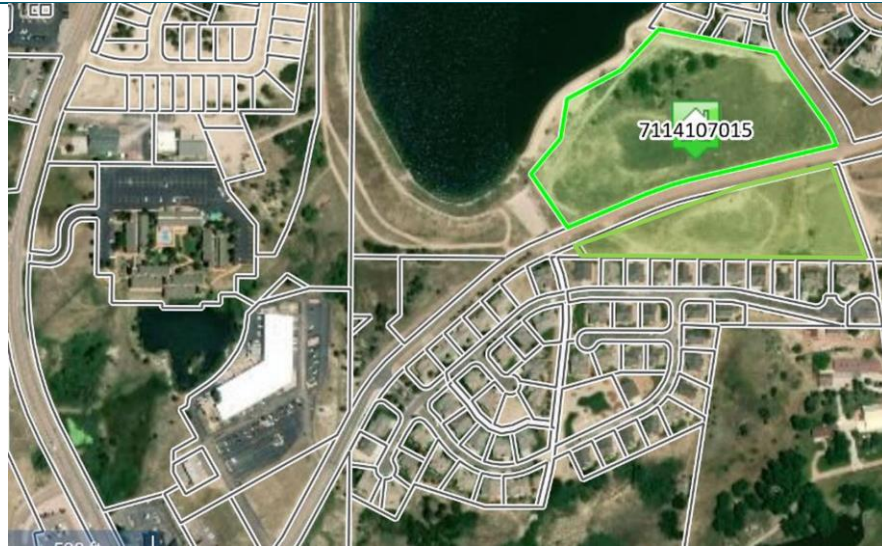


<b>Property:</b>	Reserve at North Creek
<b>Location:</b>	New Life Drive, Colorado Springs
<b>Land Area:</b>	10.00 acres
<b>Zoning:</b>	RR-5
<b>Assessor Number:</b>	6221200001
<b>Reception Number:</b>	216080289
<b>Sale Date:</b>	7/20/2016
<b>Sale Price/Terms:</b>	\$1,140,000 / Cash sale
<b>Sale Price/SF:</b>	\$2.62
<b>Grantor:</b>	Biblica Inc
<b>Grantee:</b>	Reserve at North Creek LLC
<b>Verification:</b>	Broker, county, vendor

**Comments:**

- Located in Interquest area
- Proposed single family development
- Reserve at North Creek
- Vacant land at time of sale
- Platted as 30 patio home lots after sale
- Part of religious campus at time of sale
- Level topography
- Buyer is local home builder
- Not platted, no infrastructure at time of sale
- Utilities near to site but not to site per broker
- Cash sale
- Listed for \$1,500,000
- On market over 3 years
- Developed after sale, currently selling homes

**COMPARABLE SALE #2**



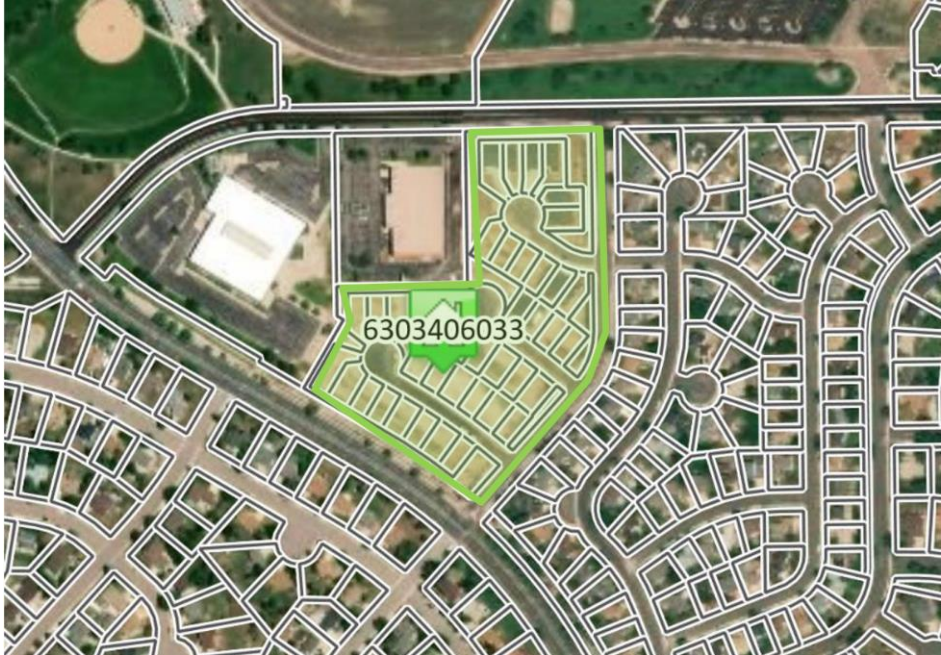
<b>Property:</b>	Vacant Parcels
<b>Location:</b>	Woodmoor, northern El Paso County
<b>Land Area:</b>	12.38 acres
<b>Zoning:</b>	PUD
<b>Assessor Number:</b>	7114107015
<b>Reception Number:</b>	218037701
<b>Sale Date:</b>	4/4/2018
<b>Sale Price/Terms:</b>	\$1,475,000 / Seller financed
<b>Sale Price/SF:</b>	\$2.74
<b>Grantor:</b>	Lake Woodmoor Holdings LLC
<b>Grantee:</b>	La Plata Communities Development Inc
<b>Verification:</b>	County, vendor

**Comments:**

- Located in Woodmoor area in northern El Paso County
- East of I-25 and Monument
- Not platted
- Utilities to site
- Level topography
- No submitted development plans
- Single family development in area
- Buyer is local home builder in northern metropolitan area
- Sale financed by seller
- Transacted via Special Warranty Deed
- On market since 2012
- No prior sale history
- No subsequent sale
- Reported as arm's length



**COMPARABLE SALE #3**



<b>Location:</b>	7825 Lexington Drive, SEC Lexington Drive and Meadow Ridge Lane
<b>Zoning:</b>	PIP
<b>Land Area:</b>	7.21 acres
<b>Assessor Number:</b>	6303406009
<b>Reception Number:</b>	216045906
<b>Sale Date:</b>	4/29/2016
<b>Sale Price/Terms:</b>	\$1,125,000 / Cash
<b>Sale Price/SF:</b>	\$3.58
<b>Grantor:</b>	2835 Janitell LLC
<b>Grantee:</b>	Elite Properties of America LLC
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in Briargate area of northern Colorado Springs
- East of I-25
- Proposed town home development site at time of sale
- Replatted after sale into 30 single family residential lots
- Utilities to site
- Level topography
- Buyer is local home builder
- Cash sale
- Transacted via Warranty Deed
- Sold in 2014 for \$699,000
- No subsequent sale
- Reported as arm's length

## Discussion and Analysis

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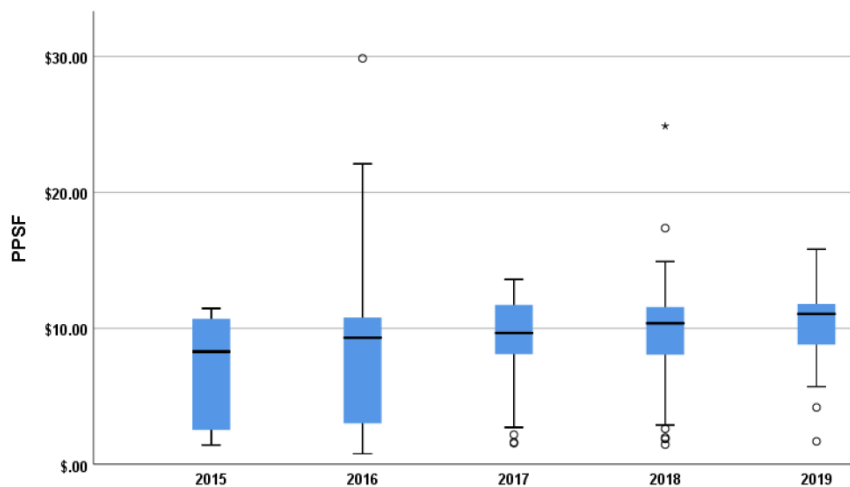
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the above trend and considering the amount of “noise” (i.e. unexplained variation) about the medians, we adjusted Sales 1 and 3 for their 2016 sale years.

**Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was



located in another service area or outside of the city. We applied adjustments based on demographic and housing data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
3	\$266,515	\$61,395	97	\$5.59
4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
Citywide	\$297,782	\$61,971		

Based on this data, no location adjustments were applied. The Woodmoor area sale (Sale 2) was concluded to be sufficiently similar in terms of location attributes to forego a location adjustment.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. We adjusted Sale 1 for its lack of utilities to the site at the time of sale (sales were in close proximity per the broker). The other two sales were similar to the subject and were not adjusted.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. Based on the typical declining marginal contributory value of land as it increases in size, we adjusted Sales 1 and 2 for their larger size.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sale 3 was approved for town home development at the time of sale and was reportedly platted. The buyer replatted the site as a single family development after the sale. We adjusted this sale since it was further along in

terms of approvals as compared to the subject (an “as platted” adjustment will be applied separately).

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSF
1	\$2.62	15%	0%	10%	5%	0%	0%	30%	\$3.40
2	\$2.74	0%	0%	0%	10%	0%	0%	10%	\$3.01
3	\$3.58	15%	0%	0%	0%	0%	-15%	0%	\$3.58
								Mean SPSF	\$3.33
								Median SPSF	\$3.40

**Conclusion:**

To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$3.35 per square foot, which translates to \$145,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$145,000/ac	5.5 acres	\$797,500

This was rounded to \$800,000.

**CONCLUDED VALUE**  
**VIA SALES COMPARISON APPROACH**  
**\$800,000 “Hypothetical 5.5-Acre Site - North / Service Area 1”**

**SALES COMPARISON APPROACH  
CENTRAL EAST / SERVICE AREA 2**

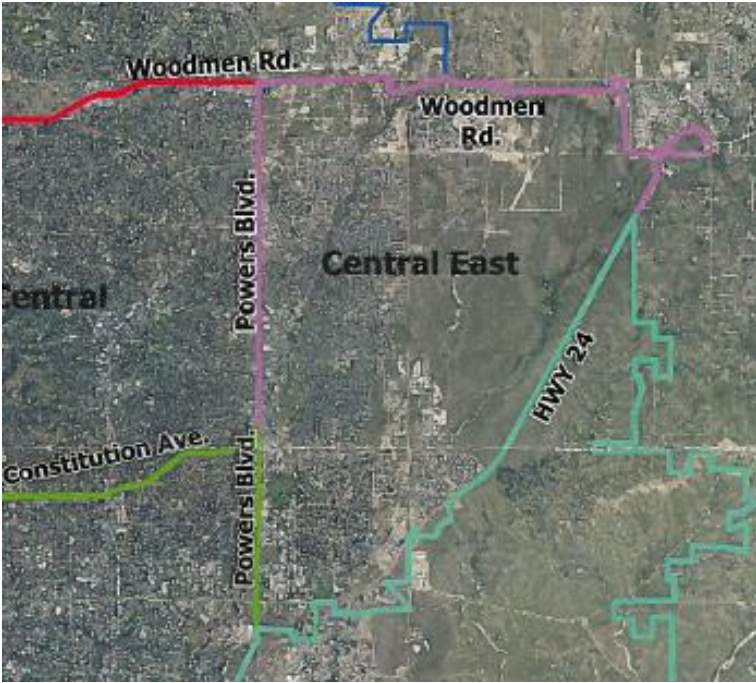
For Service Area 2, we used three sale from Service Area 2 exclusively. All sales were unplatted at time of sale and were raw land. All three represented potential residential development sites at the time of sale.

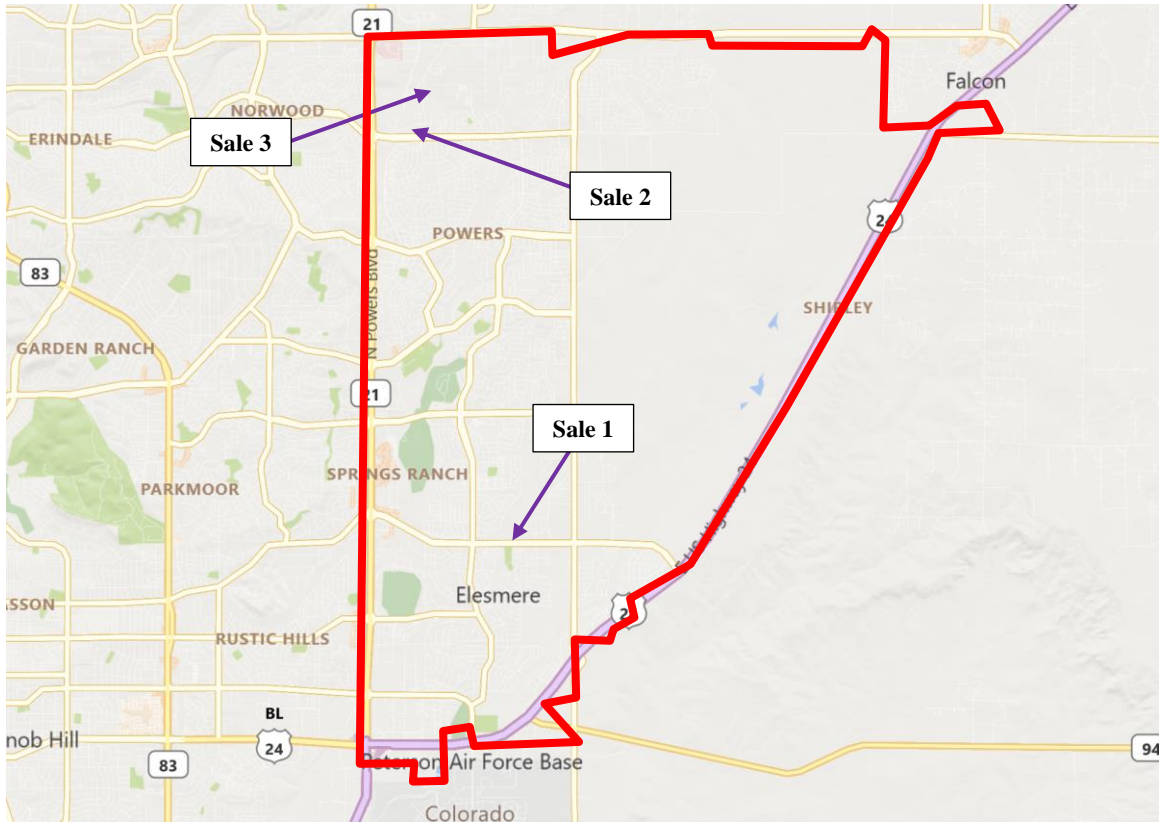
The following sales were used:

**COMPARABLE SALES**

Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	TBD Constitution Ave	SA-2	RM-30 CAD-0	12.28	12/17/2019	\$1,542,819	\$2.88
2	6145-6235 Vickie Lane	SA-2	C-6	5.5	3/21/2019	\$750,000	\$3.13
3	7065 Templeton Gap Rd	SA-2	PUD AO	11.42	5/24/2019	\$1,550,000	\$3.12

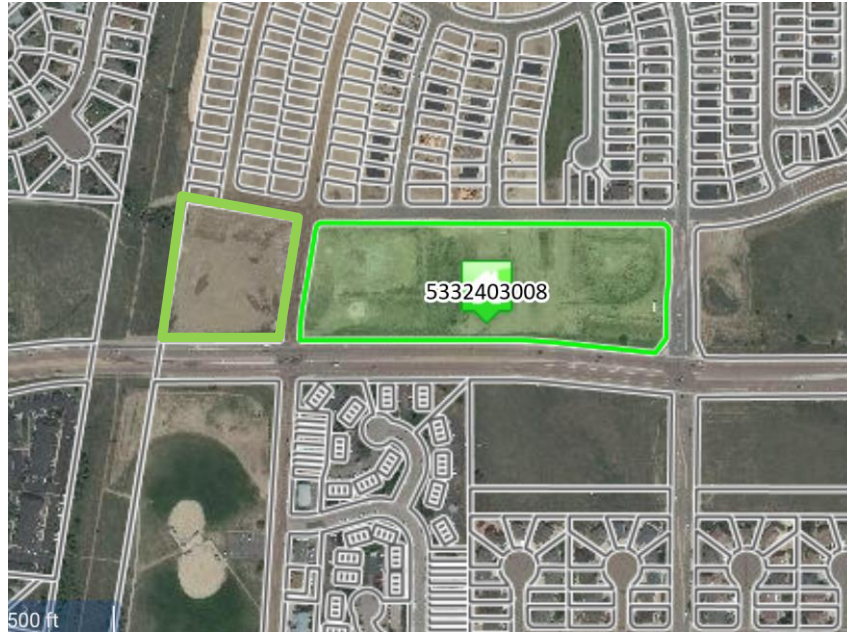
**COMPARABLE SALE MAPS**







**COMPARABLE SALE #1**



<b>Location:</b>	Constitution Avenue
<b>Zoning:</b>	RM-30 CAD-0
<b>Assessor Number:</b>	5332403008, 5332319017
<b>Reception Number:</b>	219160185
<b>Sale Date:</b>	12/17/2019
<b>Sale Price/Terms:</b>	\$1,542,819 / Cash equivalent
<b>Sale Price/SF:</b>	\$2.86
<b>Grantor:</b>	<b>FEATHERGRASS INVESTMENTS LLC</b>
<b>Grantee:</b>	<b>ELITE PROPERTIES OF AMERICA INC</b>
<b>Verification:</b>	Buyer, county assessor, vendor

**Comments:**

- Located in SA-2
- Along Constitution Avenue between Marksheffel Road and Peterson Road
- Unplatted and no infrastructure at time of sale
- Utilities to site
- Level topography
- Cash to seller
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm's length by buyer

**COMPARABLE SALE #2**



<b>Location:</b>	6235 Vickie Lane
<b>Zoning:</b>	C6 AO
<b>Assessor Number:</b>	5307002023
<b>Reception Number:</b>	219028759
<b>Sale Date:</b>	3/21/2019
<b>Sale Price/Terms:</b>	\$750,000 / Cash equivalent
<b>Sale Price/SF:</b>	\$3.13
<b>Grantor:</b>	Vickie Lane LLC
<b>Grantee:</b>	Wolf Ridge Dev LLC
<b>Verification:</b>	County, vendor

**Comments:**

- Located in SA-2
- East of Tutt Boulevard and north of Dublin Boulevard
- Unplatted and no infrastructure at time of sale
- Approved for annexation and C-6 zoning at time of sale
- Utilities to site
- Level topography
- Buyer plans to build 28 single family homes
- Cash to seller
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm’s length

**COMPARABLE SALE #3**



<b>Property:</b>	Proposed residential development
<b>Location:</b>	7065 Templeton Gap Road, Colorado Springs
<b>Zoning:</b>	PUD AO at time of sale
<b>Assessor Number:</b>	5307000011 and 5307000045
<b>Reception Number:</b>	219056240
<b>Sale Date:</b>	5/24/2019
<b>Sale Price/Terms:</b>	\$1,550,000 / Cash equivalent
<b>Acres:</b>	11.42 acres
<b>Sale Price/SF:</b>	\$3.12
<b>Grantor:</b>	Mokara Land Holdings LLC
<b>Grantee:</b>	Beyond Development LLC
<b>Verification:</b>	County assessor, vendor

**Comments:**

- Located in northeastern Colorado Springs
- Vacant future residential site at time of sale
- PUD AO
- Town home development application prior to sale
- Templeton Gap town homes
- 176 proposed town homes per submitted plan in January 2019
- Utilities to site
- Level topography
- Transacted via Warranty Deed
- Sold in 2013 for \$615,000
- No subsequent market sale

## Discussion and Analysis

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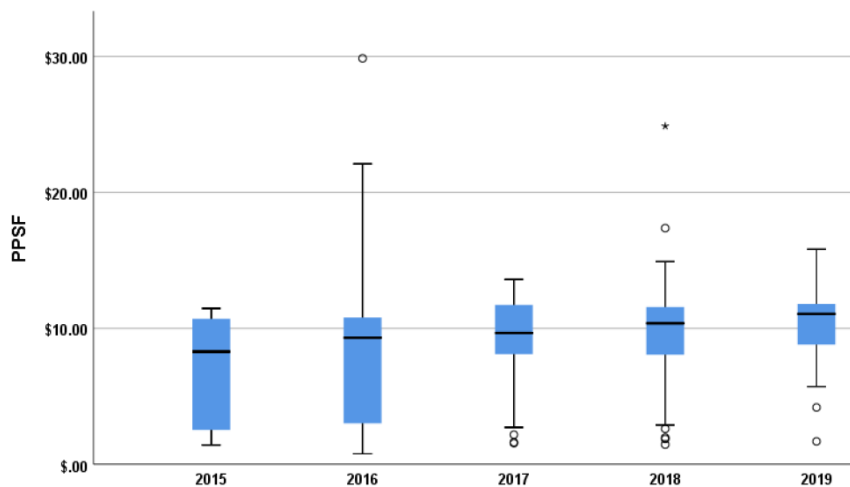
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the sale period, no adjustments for market trending were applied.

**Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was located in another service area or outside of the city. We



applied adjustments based on demographic and housing data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
3	\$266,515	\$61,395	97	\$5.59
4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
<b>Citywide</b>	\$297,782	\$61,971		

Based on the fact that all sales were in SA-2, no location adjustments were applied.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. All three sales lacked any significant infrastructure at time of sale.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. Based on the typical declining marginal contributory value of land as it increases in size, we adjusted Sale 1 for its larger size.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sale 3 was adjusted for its planning work reportedly completed at the time of sale.

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSF
1	\$2.88	0%	0%	0%	10%	0%	0%	10%	\$3.17
2	\$3.13	0%	0%	0%	0%	0%	0%	0%	\$3.13
3	\$3.12	0%	0%	0%	10%	0%	-10%	0%	\$3.12
								Mean SPSF	\$3.14
								Median SPSF	\$3.13

**Conclusion:**

To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$3.15 per square foot, which translates to \$135,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$135,000/ac	5.5 acres	\$742,500

This was rounded to \$740,000.

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$740,000 "Hypothetical 5.5-Acre Site - Central East / Service Area 2"**

**SALES COMPARISON APPROACH  
CENTRAL / SERVICE AREA 3**

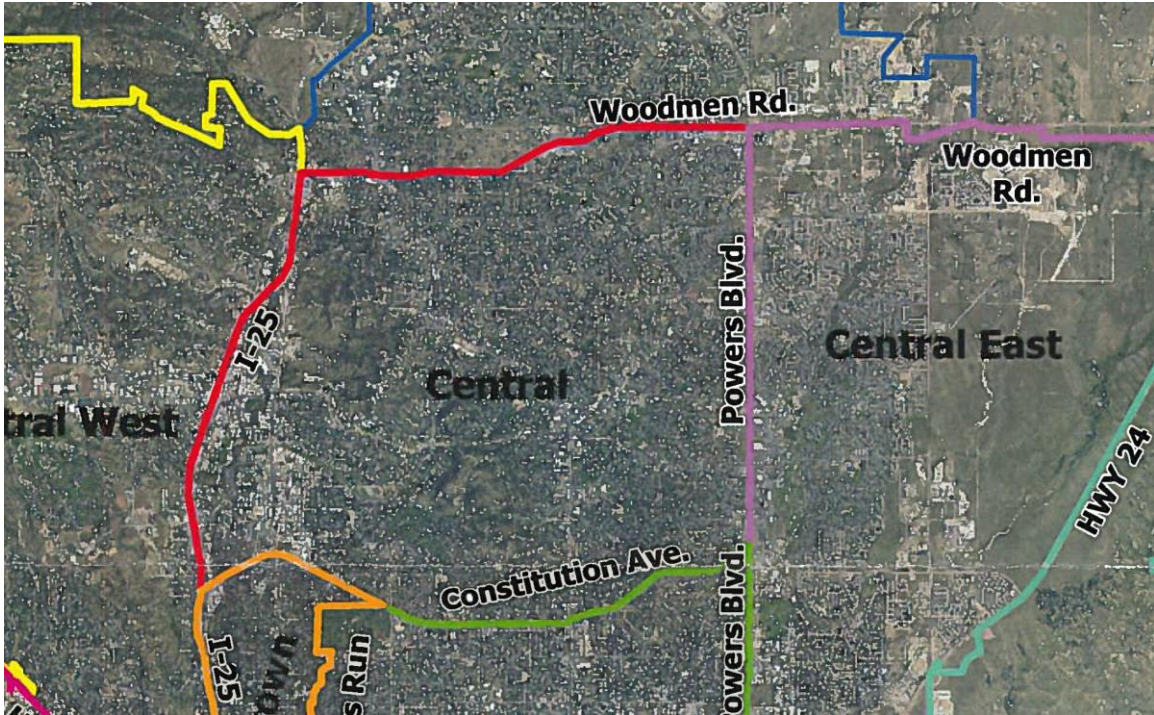
For Service Area 3, there were no reasonably comparable sales using the criteria we have applied. We therefore used sales near SA-3 from both SA-1 and SA-2. While not technically in SA-3, these sales were reasonably comparable overall to the hypothetical 5.5-acre site in this service area.

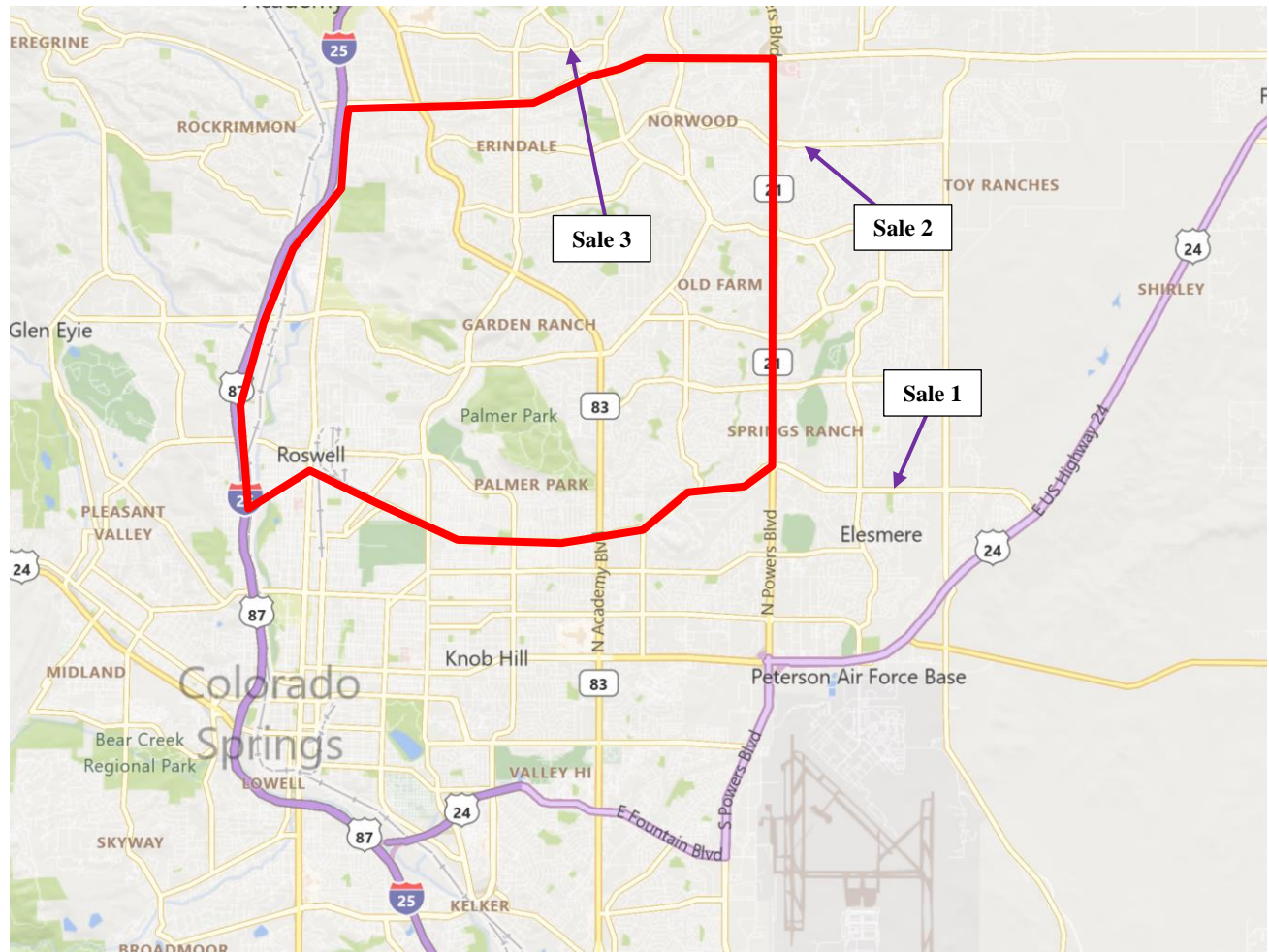
The following sales were used:

**COMPARABLE SALES**

Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	TBD Constitution Ave	SA-2	RM-30 CAD-0	12.28	12/17/2019	\$1,542,819	\$2.88
2	6145-6235 Vickie Lane	SA-2	C-6	5.5	3/21/2019	\$750,000	\$3.13
3	7825 Lexington Dr	SA-1	PUD	7.21	4/29/2016	\$1,125,000	\$3.58

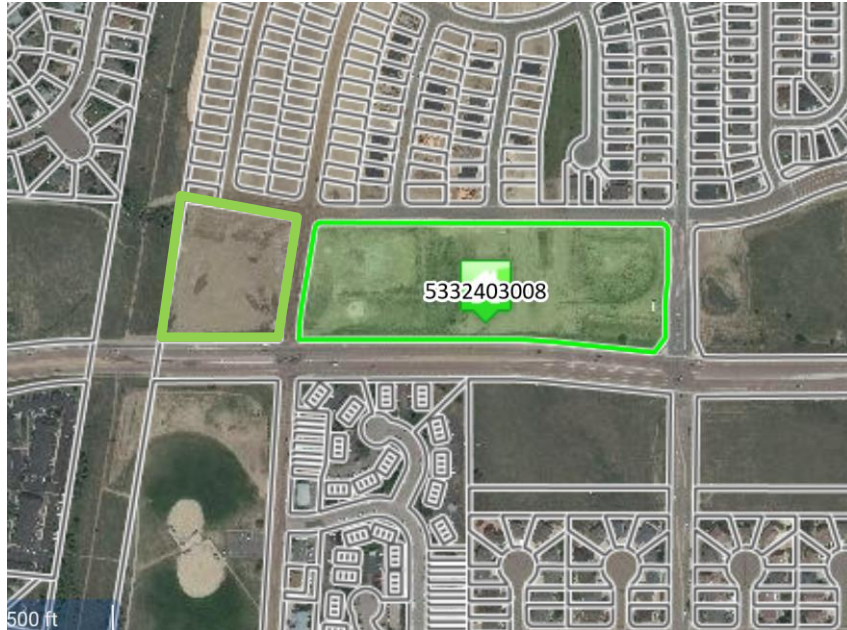
**COMPARABLE SALE MAPS**







**COMPARABLE SALE #1**



<b>Location:</b>	Constitution Avenue
<b>Zoning:</b>	RM-30 CAD-0
<b>Assessor Number:</b>	5332403008, 5332319017
<b>Reception Number:</b>	219160185
<b>Sale Date:</b>	12/17/2019
<b>Sale Price/Terms:</b>	\$1,542,819 / Cash equivalent
<b>Sale Price/SF:</b>	\$2.86
<b>Grantor:</b>	<b>FEATHERGRASS INVESTMENTS LLC</b>
<b>Grantee:</b>	<b>ELITE PROPERTIES OF AMERICA INC</b>
<b>Verification:</b>	Buyer, county assessor, vendor

**Comments:**

- Located in SA-2 east of SA-3
- Along Constitution Avenue between Marksheffel Road and Peterson Road
- Unplatted and no infrastructure at time of sale
- Utilities to site
- Level topography
- Cash to seller
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm's length by buyer



**COMPARABLE SALE #2**

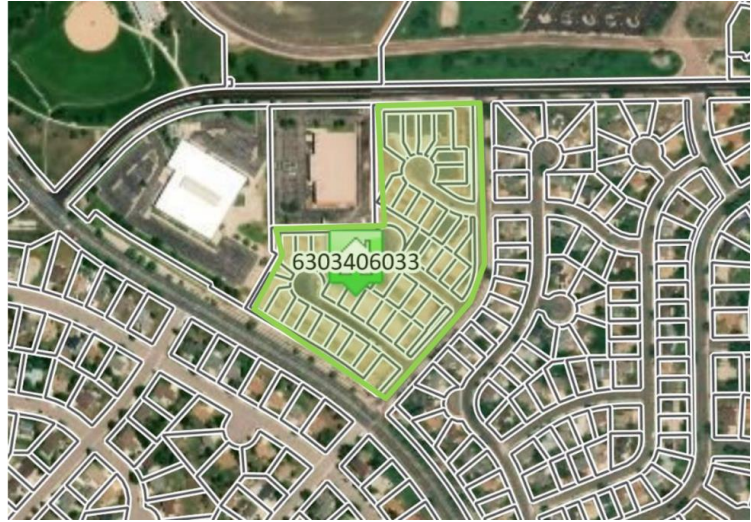


<b>Location:</b>	6235 Vickie Lane
<b>Zoning:</b>	PUD C6 AO
<b>Assessor Number:</b>	5307002023
<b>Reception Number:</b>	219028759
<b>Sale Date:</b>	3/21/2019
<b>Sale Price/Terms:</b>	\$750,000 / Cash equivalent
<b>Sale Price/SF:</b>	\$3.13
<b>Grantor:</b>	Vickie Lane LLC
<b>Grantee:</b>	Wolf Ridge Dev LLC
<b>Verification:</b>	County, vendor

**Comments:**

- Located in SA-2 just north of SA-3
- East of Tutt Boulevard and north of Dublin Boulevard
- Unplatted and no infrastructure at time of sale
- Approved for annexation and C-6 zoning at time of sale
- Utilities to site
- Level topography
- Buyer plans to build 28 single family homes
- Cash to seller
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm’s length

**COMPARABLE SALE #3**



<b>Location:</b>	7825 Lexington Drive, SEC Lexington Drive and Meadow Ridge Lane
<b>Zoning:</b>	PUD
<b>Land Area:</b>	7.21 acres
<b>Assessor Number:</b>	6303406009
<b>Reception Number:</b>	216045906
<b>Sale Date:</b>	4/29/2016
<b>Sale Price/Terms:</b>	\$1,125,000 / Cash
<b>Sale Price/SF:</b>	\$3.58
<b>Grantor:</b>	2835 Janitell LLC
<b>Grantee:</b>	Elite Properties of America LLC
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in Briargate area of northern Colorado Springs
- East of I-25
- Proposed town home development site at time of sale
- Replatted after sale into 30 single family residential lots
- Utilities to site
- Level topography
- Buyer is local home builder
- Cash sale
- Transacted via Warranty Deed
- Sold in 2014 for \$699,000
- No subsequent sale
- Reported as arm's length

## Discussion and Analysis

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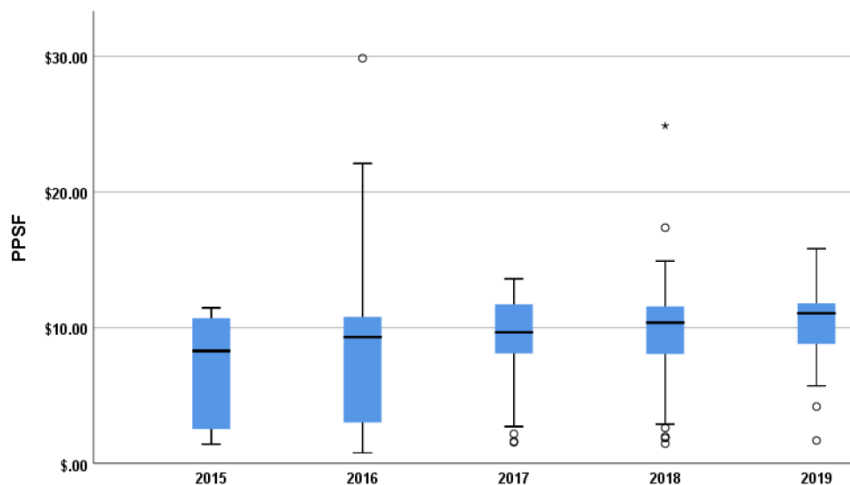
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based on the above trend, we adjusted Sale 3 for its 2016 sale year. The other 2 sales were not adjusted.

**Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was located in another service area or outside of the city. We

applied adjustments based on demographic and housing data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
3	\$266,515	\$61,395	97	\$5.59
4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
<b>Citywide</b>	<b>\$297,782</b>	<b>\$61,971</b>		

Based on the fact that all sales were located in superior submarkets, we adjusted each sale for their superior locations.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. All three sales lacked any significant infrastructure at time of sale.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. Based on the typical declining marginal contributory value of land as it increases in size, we adjusted Sale 1 for its larger size.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sale 3 was adjusted for its planning work reportedly completed at the time of sale.

Based on the above adjustment factors, the following grid was developed:



Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSF
1	\$2.88	0%	-10%	0%	10%	0%	0%	0%	\$2.88
2	\$3.13	0%	-10%	0%	0%	0%	0%	-10%	\$2.82
3	\$3.58	15%	-20%	0%	0%	0%	-15%	-20%	\$2.87
								Mean SPSF	\$2.86
								Median SPSF	\$2.87

**Conclusion:** To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$2.85 per square foot, which translates to \$125,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$125,000/ac	5.5 acres	\$687,500

This was rounded to \$690,000.

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$690,000 "Hypothetical 5.5-Acre Site - Central/ Service Area 3"**

**SALES COMPARISON APPROACH  
CENTRAL WEST / SERVICE AREA 4**

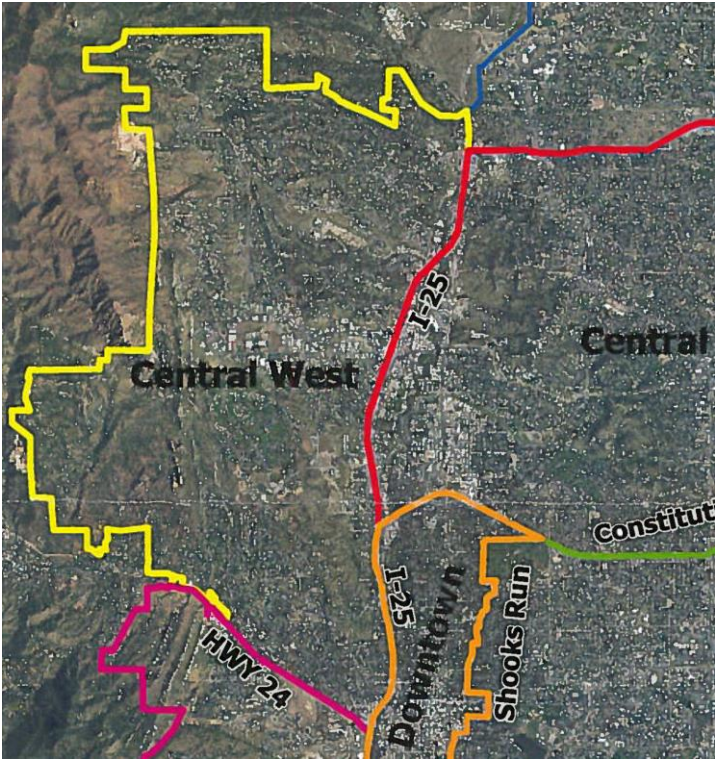
For Service Area 4, there were also very few sales. We used one sale from this service area and augmented this sale with sales located in Service Areas 1 and 7.

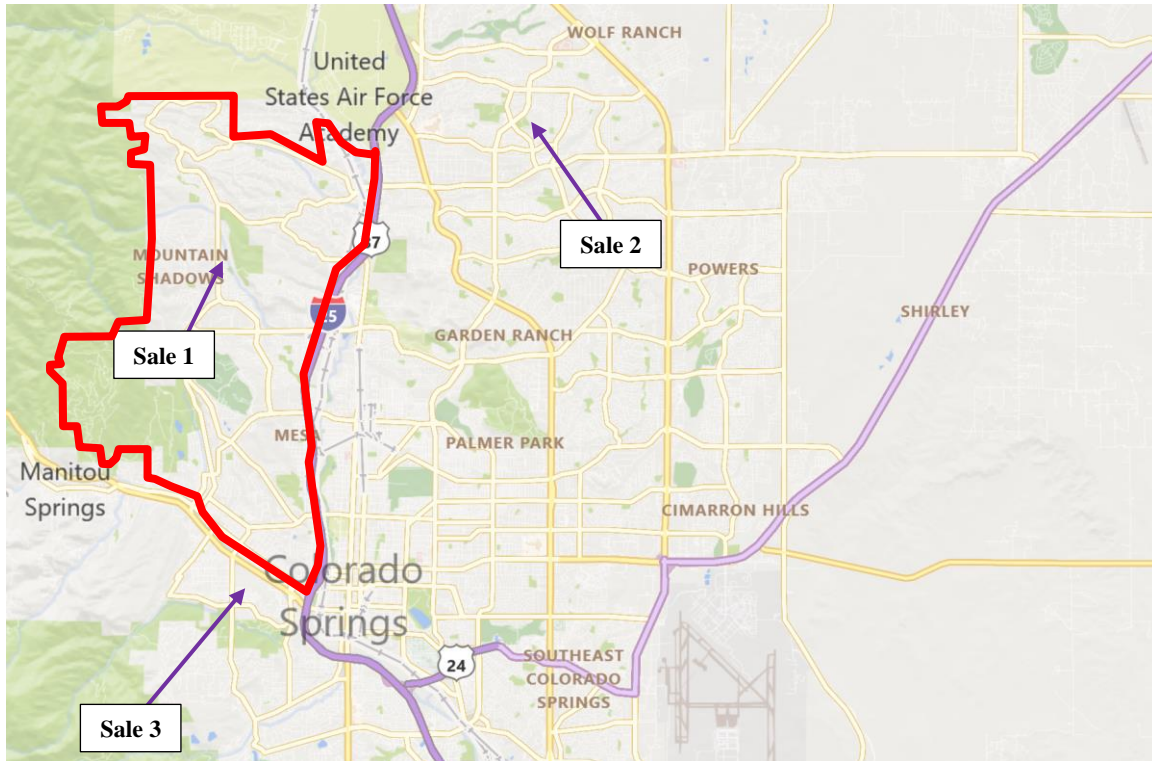
The following sales were used:

**COMPARABLE SALES**

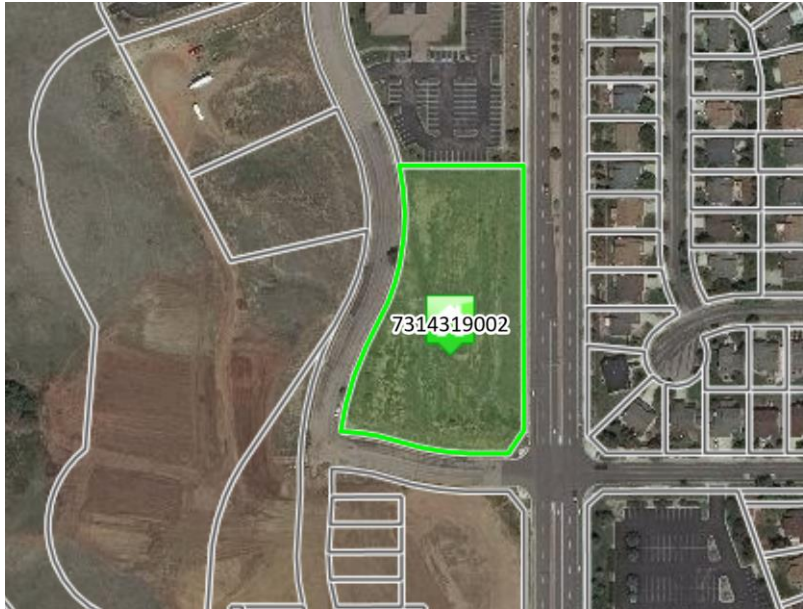
Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	TBD Silverstone Terrace	SA-4	PUD HS	2.33	5/8/2019	\$308,480	\$3.04
2	7825 Lexington Dr	SA-1	PUD	7.21	4/29/2016	\$1,125,000	\$3.58
3	Lower Gold Camp	SA-7	M-1	3.18	8/16/2017	\$860,000	\$6.21

**COMPARABLE SALE MAPS**





**COMPARABLE SALE #1**



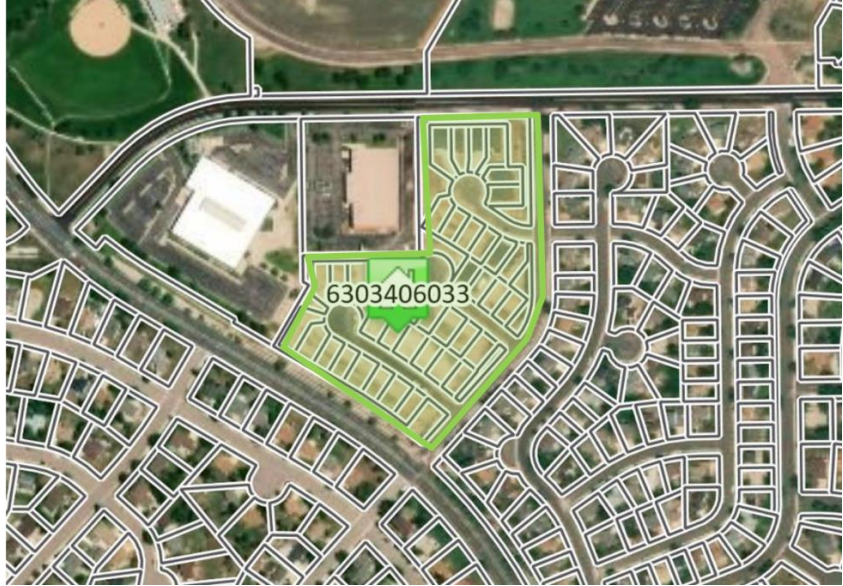
<b>Location:</b>	TBD Silverstone Terrace
<b>Zoning:</b>	PUD HS
<b>Land Area:</b>	2.33 acres
<b>Assessor Number:</b>	7314300032
<b>Reception Number:</b>	219048909
<b>Sale Date:</b>	5/8/2019
<b>Sale Price/Terms:</b>	\$308,480 / Cash equivalent
<b>Sale Price/SF:</b>	\$3.04
<b>Grantor:</b>	Hausman Revocable Trust
<b>Grantee:</b>	<b>TFV1 LLC</b>
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in SA-4 along Centennial Boulevard
- Proposed town home development site at time of sale
- Not platted and no infrastructure at time of sale
- Replatted after sale
- Utilities to site
- Level topography
- Cash equivalent sale per county
- Transacted via Warranty Deed
- Owner carry
- Sold in 2016 for \$750,000 with other parcels
- No subsequent sale



**COMPARABLE SALE #2**



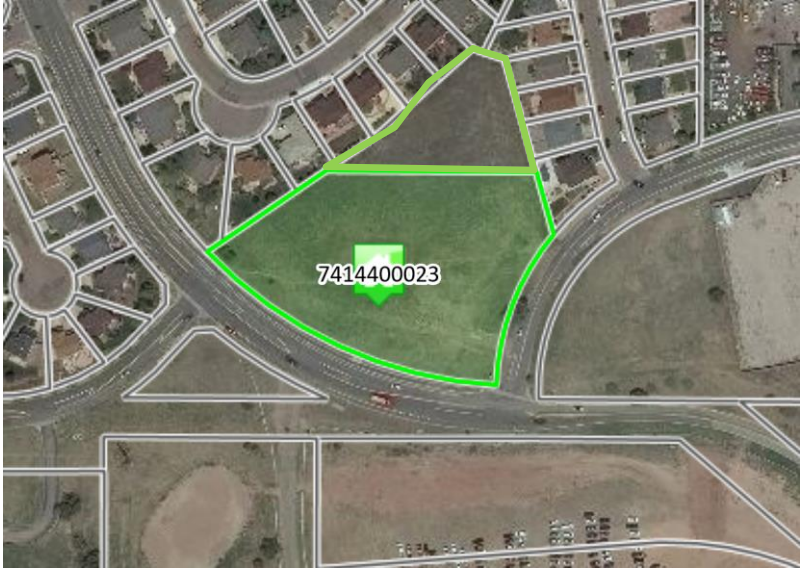
<b>Location:</b>	7825 Lexington Drive, SEC Lexington Drive and Meadow Ridge Lane
<b>Zoning:</b>	PIP
<b>Land Area:</b>	7.21 acres
<b>Assessor Number:</b>	6303406009
<b>Reception Number:</b>	216045906
<b>Sale Date:</b>	4/29/2016
<b>Sale Price/Terms:</b>	\$1,125,000 / Cash
<b>Sale Price/SF:</b>	\$3.58
<b>Grantor:</b>	2835 Janitell LLC
<b>Grantee:</b>	Elite Properties of America LLC
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in Briargate area of northern Colorado Springs
- East of I-25
- Proposed town home development site at time of sale
- Replatted after sale into 30 single family residential lots
- Utilities to site
- Level topography
- Buyer is local home builder
- Cash sale
- Transacted via Warranty Deed
- Sold in 2014 for \$699,000
- No subsequent sale
- Reported as arm's length



**COMPARABLE SALE #3**



<b>Location:</b>	Lower Gold Camp Road
<b>Zoning:</b>	M-1
<b>Land Area:</b>	3.18 acres
<b>Assessor Number:</b>	7414400023, 7413300083
<b>Reception Number:</b>	217104784
<b>Sale Date:</b>	8/16/2017
<b>Sale Price/Terms:</b>	\$860,000 / Cash equivalent
<b>Sale Price/SF:</b>	\$6.12
<b>Grantor:</b>	<b>C&amp;A PROPERTIES LLC</b>
<b>Grantee:</b>	<b>VICEROY DEVELOPMENT INC</b>
<b>Verification:</b>	County, vendor

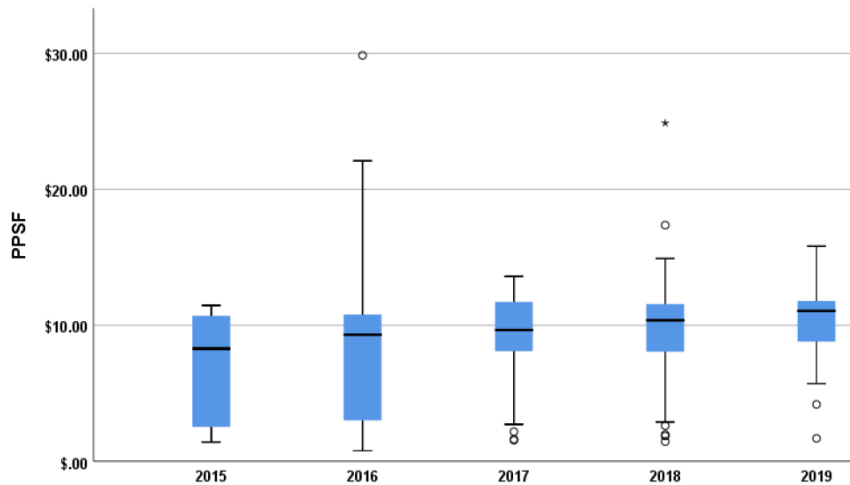
**Comments:**

- Located in SA-7 just south of SA-4
- South of US 24 and west of I-25
- Vacant parcel
- Formerly an REO property
- Property has utilities to site and access from S Gold Camp Road
- Not platted, no improvements
- Level topography
- Marketed as residential site
- Single family or multi-family under M-1 zoning
- Lender financed sale
- Transacted via Warranty Deed
- Sold in 2014 for \$300,000 (REO sale)
- No subsequent sale

## Discussion and Analysis

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- Property Rights:** All sales were fee simple transactions.
- Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.
- Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.
- Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.
- Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the sale period and market trend, we adjusted Sales 2 and 3 for their 2016 and 2017 sale years, respectively.

- Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was located in another service area or outside of the city. We applied adjustments based on demographic and housing

data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
3	\$266,515	\$61,395	97	\$5.59
4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
Citywide	\$297,782	\$61,971		

Based on the above table, we adjusted Sale 1 for its superior SA-1 location and Sale 3 for its superior SA-7 location.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. All three sales lacked any significant infrastructure at time of sale.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. Based on the typical declining marginal contributory value of land as it increases in size, we adjusted Sales 1 and 3 for their smaller size.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sale 2 was adjusted for its planning work reportedly completed at the time of sale. Sale 3 was adjusted for its superior M-1 zoning in place .

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSF
1	\$3.04	0%	0%	0%	-10%	0%	0%	-10%	\$2.74
2	\$3.58	15%	-15%	0%	0%	0%	-15%	-15%	\$3.04
3	\$6.21	10%	-20%	0%	-10%	0%	-20%	-40%	\$3.73
								Mean SPSF	\$3.17
								Median SPSF	\$3.04

**Conclusion:**

To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$3.05 per square foot, which translates to \$130,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$130,000/ac	5.5 acres	\$715,000

This was rounded to \$720,000.

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$720,000 "Hypothetical 5.5-Acre Site - Central West / Service Area 4"**



## SALES COMPARISON APPROACH SOUTH EAST / SERVICE AREA 5

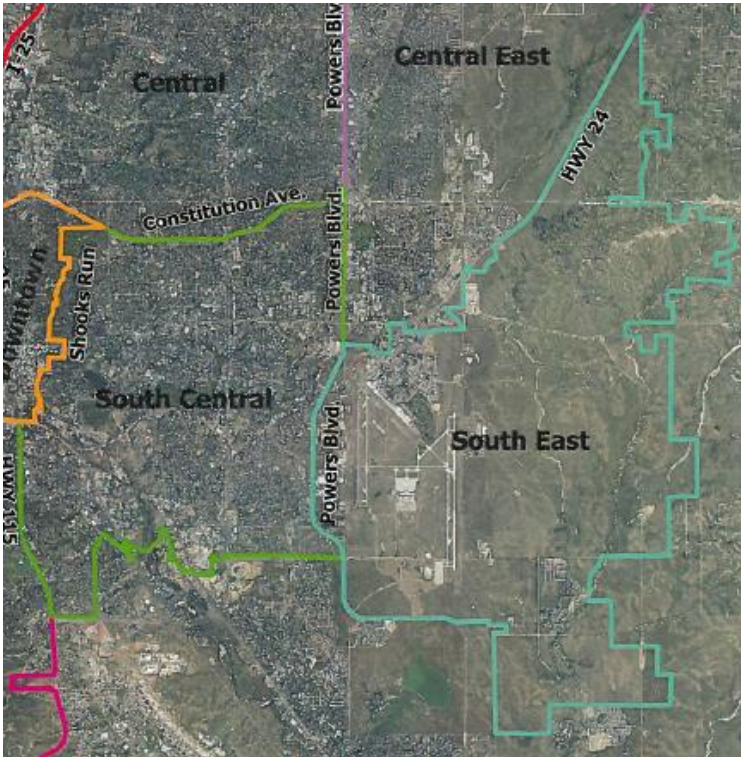
For Service Area 5, there were no available sales. We therefore used sales from nearby areas for this service area valuation and one sale south of SA-5. Sale 1 was from Service Area 3, while Sale 2 was from SA-6. Sale 3 was taken from outside the city, although its location is south of SA-5

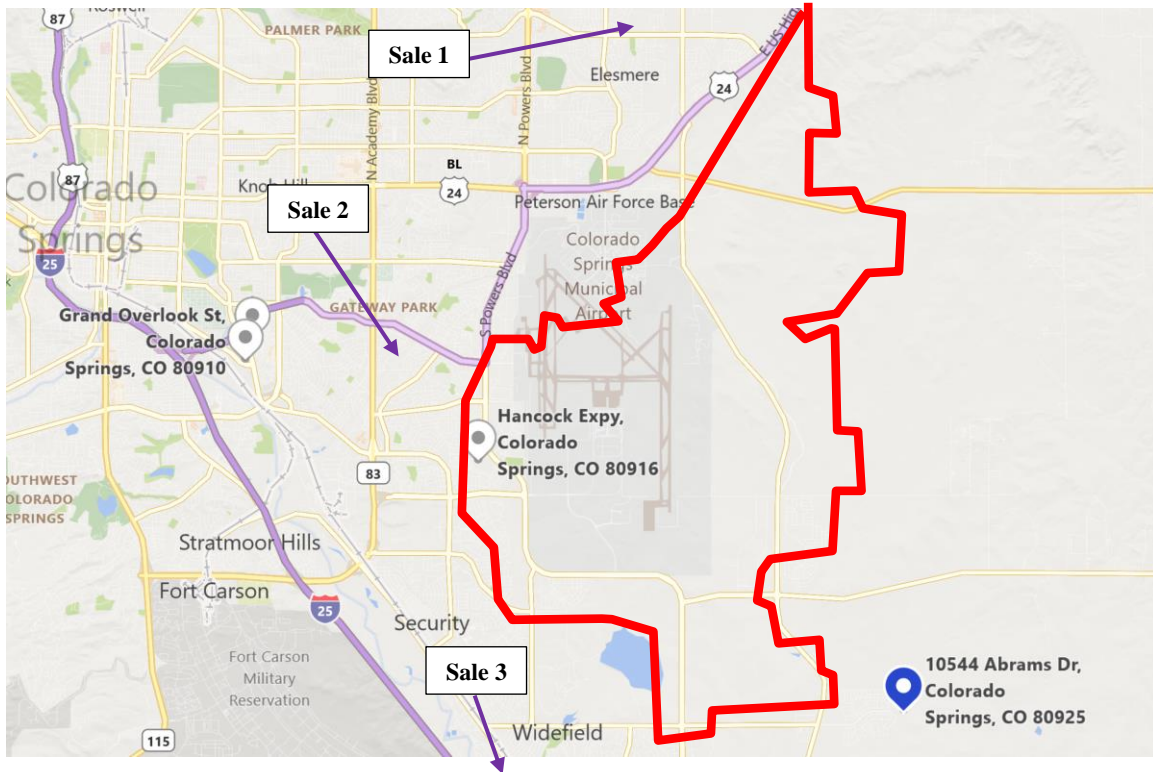
The following summarizes these sales:

### COMPARABLE SALES

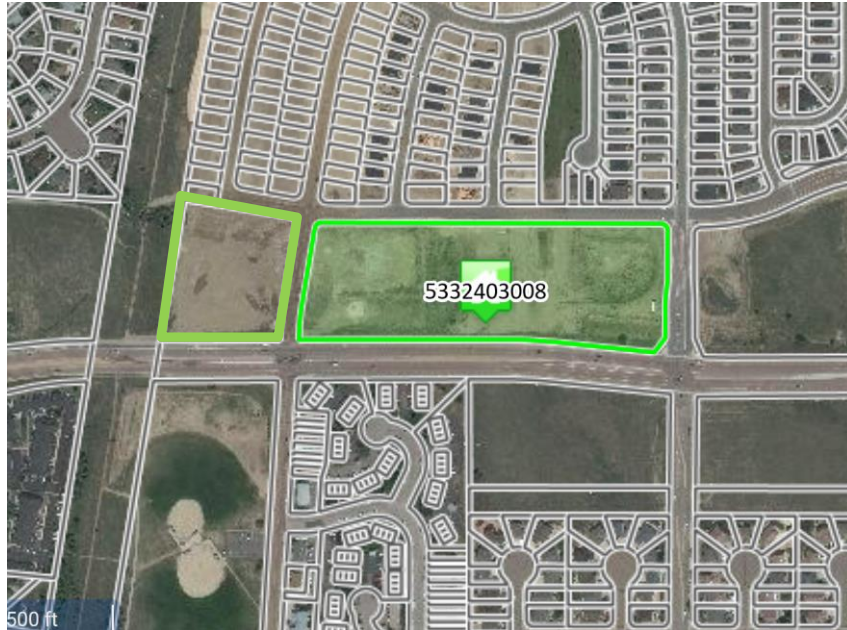
Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	TBD Constitution Ave	SA-3	RM-30 CAD-0	12.28	12/17/2019	\$1,542,819	\$2.88
2	1975 S Chelton Rd	SA-6	R5 SS AO	4.76	4/20/2018	\$535,000	\$2.58
3	10516 Jimmy Camp Rd	South	PUD AO	5.01	11/15/2018	\$450,000	\$2.06

### COMPARABLE SALE MAPS





**COMPARABLE SALE #1**

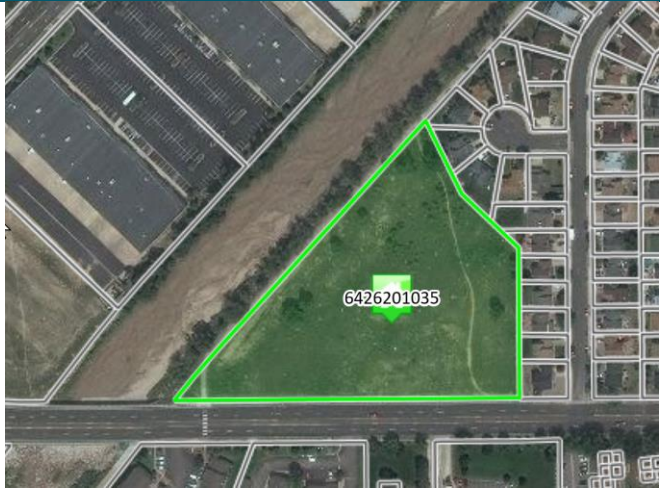


<b>Location:</b>	Constitution Avenue
<b>Zoning:</b>	RM-30 CAD-0
<b>Assessor Number:</b>	5332403008, 5332319017
<b>Reception Number:</b>	219160185
<b>Sale Date:</b>	12/17/2019
<b>Sale Price/Terms:</b>	\$1,542,819 / Cash equivalent
<b>Sale Price/SF:</b>	\$2.86
<b>Grantor:</b>	<b>FEATHERGRASS INVESTMENTS LLC</b>
<b>Grantee:</b>	<b>ELITE PROPERTIES OF AMERICA INC</b>
<b>Verification:</b>	Buyer, county assessor, vendor

**Comments:**

- Located in SA-2 east of SA-3
- Along Constitution Avenue between Marksheffel Road and Peterson Road
- Unplatted and no infrastructure at time of sale
- Utilities to site
- Level topography
- Cash to seller
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm's length by buyer

**COMPARABLE SALE #2**



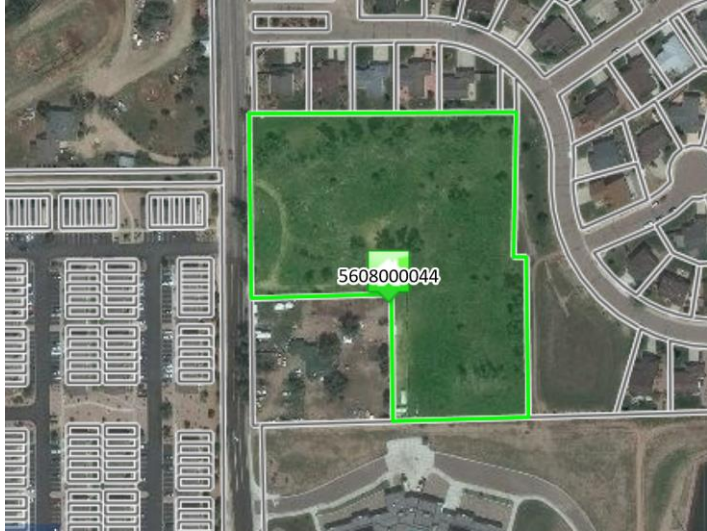
<b>Property:</b>	Proposed residential development
<b>Location:</b>	1975 South Chelton Road, Colorado Springs
<b>Zoning:</b>	R5 SS AO
<b>Assessor Number:</b>	6426291035
<b>Reception Number:</b>	218045058
<b>Sale Date:</b>	4/20/2018
<b>Sale Price/Terms:</b>	\$535,000 / Cash
<b>Acres:</b>	4.76 acres
<b>Sale Price/SF:</b>	\$2.58
<b>Grantor:</b>	Myla Suarez
<b>Grantee:</b>	Nextop Holdings LLC
<b>Verification:</b>	County assessor, vendor, broker

**Comments:**

- Located in southeastern Colorado Springs
- Located in SA-2 just north of SA-3
- Multi-family site
- Previous REO site
- Zoned R2 SS AO at time of sale
- Preliminary plan for 95 units per broker listing
- Raw land, not platted at time of sales
- Utilities to site
- Level topography
- Currently being developed as The Cottages at Sand Creek
- Transacted via Warranty Deed
- Listed for \$650,000
- On market for 1,271 days
- Sold in 2010 for \$400,000
- No subsequent market sale
- Sale confirmed by assessor



**COMPARABLE SALE #3**



<b>Property:</b>	Proposed school site
<b>Location:</b>	10515 Jimmy Camp Road, Fountain
<b>Zoning:</b>	PUD AO
<b>Assessor Number:</b>	5608000044
<b>Reception Number:</b>	218132625
<b>Sale Date:</b>	11/15/2018
<b>Sale Price/Terms:</b>	\$450,000 / Cash equivalent
<b>Acres:</b>	5.01 acres
<b>Sale Price/SF:</b>	\$2.06
<b>Grantor:</b>	Satinderpal Salh et al
<b>Grantee:</b>	El Paso County School District No. 8
<b>Verification:</b>	County assessor, vendor

**Comments:**

- Located in southern metro Colorado Springs in Fountain
- Proposed future development site at time of sale
- High Gate Farms development to north and east
- Countryside Grove residential development to west
- Fountain High School and other schools to south
- Purchased by local school district
- Zoned PUD residential (Fountain) at time of sale
- Utilities to site
- Level topography
- Transacted via Warranty Deed
- Sold in 2010 for \$400,000
- Sold in 2015 for \$360,000
- Sale confirmed by assessor



## Discussion and Analysis

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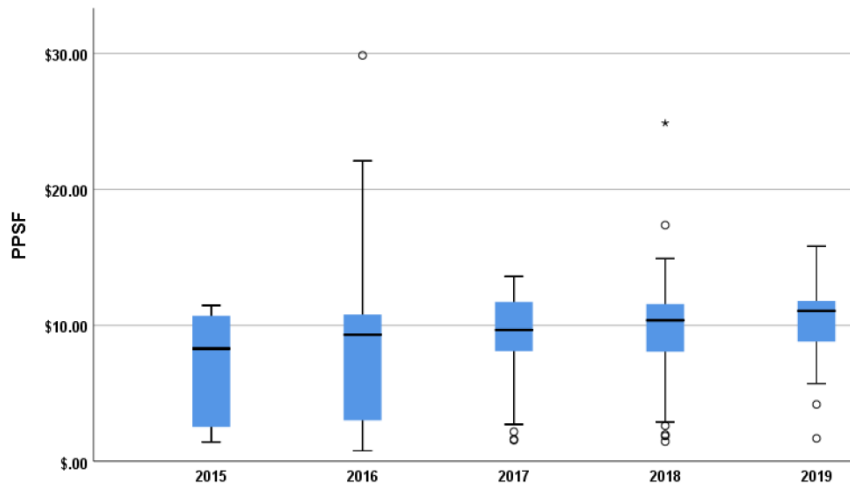
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the sale period, no adjustments for market trending were applied.

**Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was located in another service area or outside of the city. We applied adjustments based on demographic and housing

data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
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4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
Citywide	\$297,782	\$61,971		

We adjusted Sale 1 for its superior location in SA-3, while Sales 2 and 3 were adjusted for their inferior location in SA-6 and the Fountain area, which are both inferior to SA-5 in terms of household demographics.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. All three sales lacked any significant infrastructure at time of sale.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. Based on the typical declining marginal contributory value of land as it increases in size, we adjusted Sale 1 for its larger size.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sale 2 was adjusted for its preliminary approval work reportedly completed at the time of sale.

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSP
1	\$2.88	0%	-10%	0%	10%	0%	0%	0%	\$2.88
2	\$2.58	0%	10%	0%	0%	0%	-10%	0%	\$2.58
3	\$2.06	0%	25%	0%	0%	0%	0%	25%	\$2.58
								<b>Mean SPSP</b>	<b>\$2.68</b>
								<b>Median SPSP</b>	<b>\$2.58</b>

**Conclusion:** To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$2.70 per square foot, which translates to \$120,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$120,000/ac	5.5 acres	\$660,000

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$660,000 "Hypothetical 5.5-Acre Site - South East / Service Area 5"**

**SALES COMPARISON APPROACH  
SOUTH CENTRAL / SERVICE AREA 6**

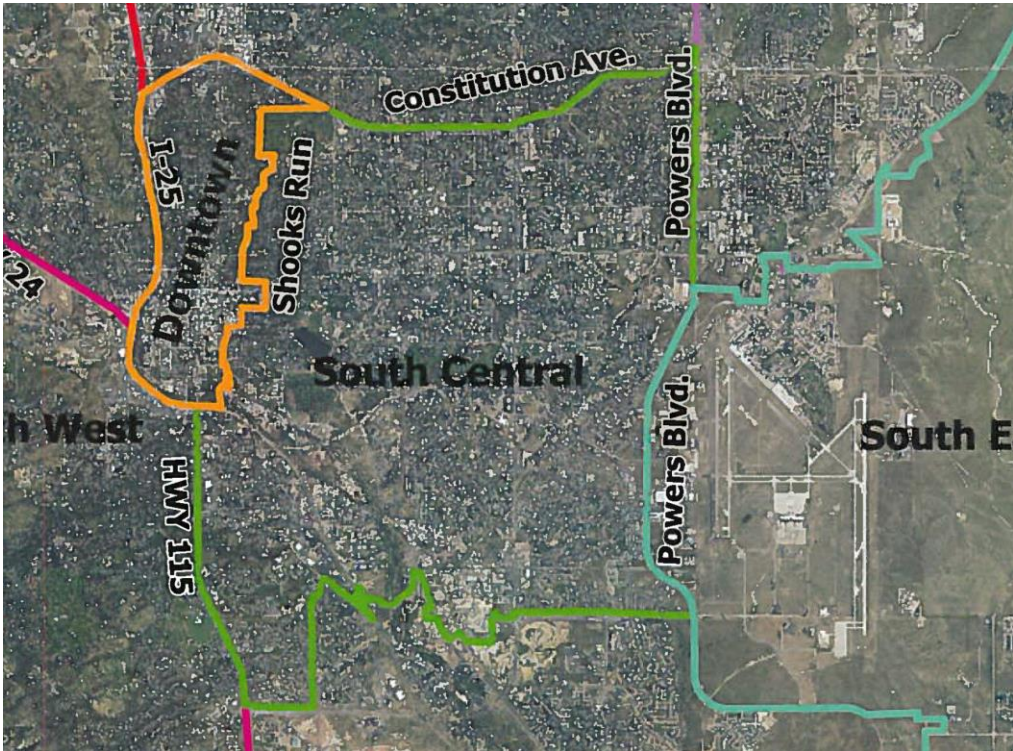
For Service Area 6, there was one reasonably comparable sales within the service area. We augmented this sale with two sales from outside the city in the southern sector of the metropolitan area. All three sales were unplatted and lacked improvements.

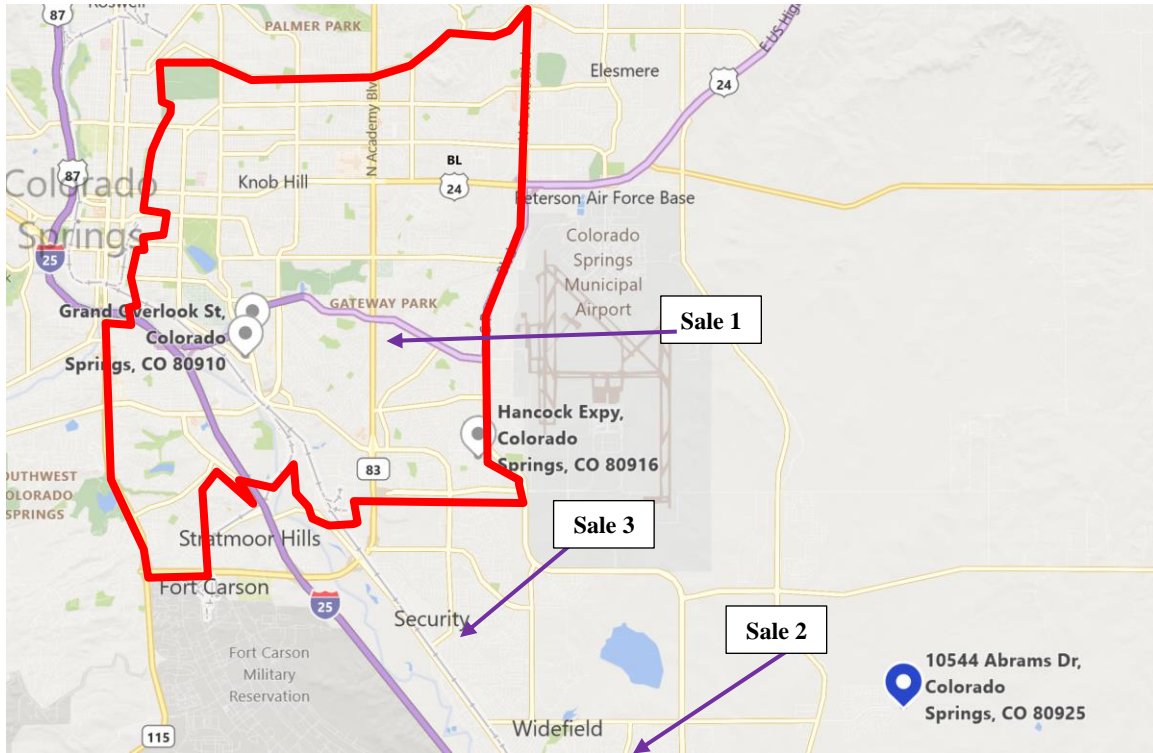
The following summarizes these sales:

**COMPARABLE SALES**

Sale	Proprety	Loc	Lots	Acres	Sale Date	Sale Price	Pr/SF
1	1975 S Chelton Rd	SA-6	R5 SS AO	4.76	4/20/2018	\$535,000	\$2.58
2	10516 Jimmy Camp Rd	South	PUD AO	5.01	11/15/2018	\$450,000	\$2.06
3	SWC Main/Bradley	South	CC	5.24	9/20/2018	\$920,400	\$4.03

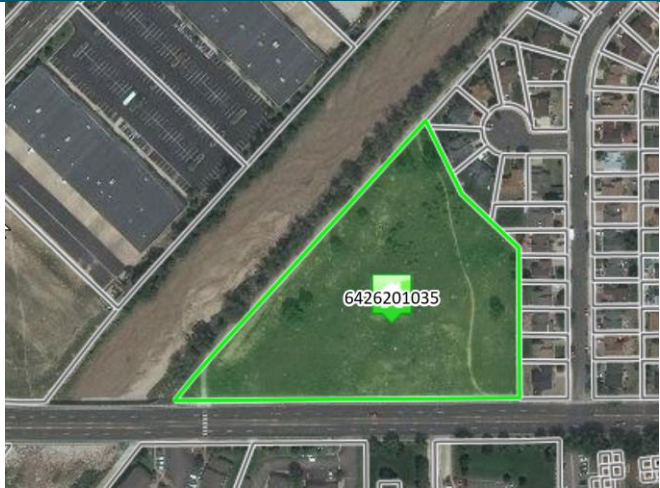
**COMPARABLE SALE MAPS**







**COMPARABLE SALE #1**

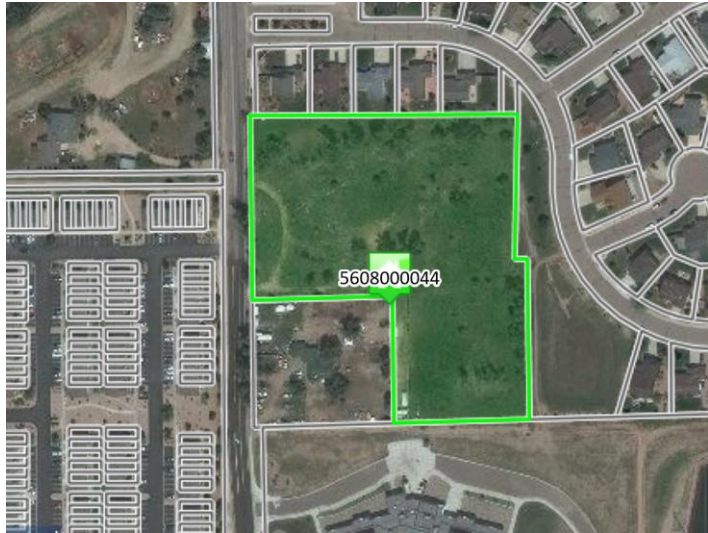


<b>Property:</b>	Proposed residential development
<b>Location:</b>	1975 South Chelton Road, Colorado Springs
<b>Zoning:</b>	R2 SS AO
<b>Assessor Number:</b>	6426291035
<b>Reception Number:</b>	218045058
<b>Sale Date:</b>	4/20/2018
<b>Sale Price/Terms:</b>	\$535,000 / Cash
<b>Acres:</b>	4.76 acres
<b>Sale Price/SF:</b>	\$2.58
<b>Grantor:</b>	Myla Suarez
<b>Grantee:</b>	Nextop Holdings LLC
<b>Verification:</b>	County assessor, vendor, broker

**Comments:**

- Located in southeastern Colorado Springs
- Located in SA-2 just north of SA-3
- Multi-family site
- Previous REO site
- Zoned R2 SS AO at time of sale
- Preliminary plan for 95 units per broker listing
- Raw land, not platted at time of sales
- Utilities to site
- Level topography
- Currently being developed as The Cottages at Sand Creek
- Transacted via Warranty Deed
- Listed for \$650,000
- On market for 1,271 days
- Sold in 2010 for \$400,000
- No subsequent market sale
- Sale confirmed by assessor

**COMPARABLE SALE #2**



<b>Property:</b>	Proposed school site
<b>Location:</b>	10515 Jimmy Camp Road, Fountain
<b>Zoning:</b>	PUD AO
<b>Assessor Number:</b>	5608000044
<b>Reception Number:</b>	218132625
<b>Sale Date:</b>	11/15/2018
<b>Sale Price/Terms:</b>	\$450,000 / Cash equivalent
<b>Acres:</b>	5.01 acres
<b>Sale Price/SF:</b>	\$2.06
<b>Grantor:</b>	Satinderpal Salh et al
<b>Grantee:</b>	El Paso County School District No. 8
<b>Verification:</b>	County assessor, vendor

**Comments:**

- Located in southern metro Colorado Springs in Fountain
- Proposed future development site at time of sale
- High Gate Farms development to north and east
- Countryside Grove residential development to west
- Fountain High School and other schools to south
- Purchased by local school district
- Zoned PUD residential (Fountain) at time of sale
- Utilities to site
- Level topography
- Transacted via Warranty Deed
- Sold in 2010 for \$400,000
- Sold in 2015 for \$360,000
- Sale confirmed by assessor

**COMPARABLE SALE #3**



<b>Location:</b>	SWC Bradley Road and Main Street, Security
<b>Zoning:</b>	CC
<b>Land Area:</b>	5.24 acres
<b>Assessor Number:</b>	6502407102
<b>Reception Number:</b>	218110225
<b>Sale Date:</b>	9/20/2018
<b>Sale Price/Terms:</b>	\$920,400 / Cash equivalent
<b>Sale Price/SF:</b>	\$4.03
<b>Grantor:</b>	Bradley Investment Group LLC
<b>Grantee:</b>	J Elliot Homes Inc
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in Security, south of Colorado Springs
- East of I-25
- Not platted at time of sale, some approvals in place
- Purchased to developed TH project
- Water and sewer in place
- Level topography
- Buyer is home builder
- Cash equivalent sale
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm’s length

## Discussion and Analysis

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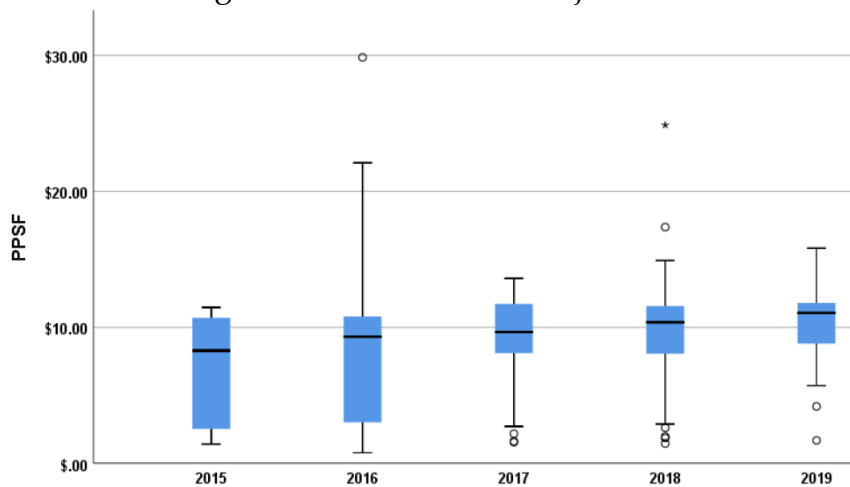
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the sale period, no adjustments for market trending were applied.

**Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was located in another service area or outside of the city. We applied adjustments based on demographic and housing

data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
3	\$266,515	\$61,395	97	\$5.59
4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
Citywide	\$297,782	\$61,971		

We adjusted Sale 1 for its inferior location in SA-6, while Sale 2 was adjusted for its inferior Fountain location. Sale 3 was located in Security, which is similar to SA-6.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. All three sales lacked any significant infrastructure at time of sale.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. All three sales were similar to the subject in terms of land area.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sales 1 and 3 were adjusted for planning work reportedly completed at the time of their sale.

Based on the above adjustment factors, the following grid was developed:



Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSF
1	\$2.58	0%	10%	0%	0%	0%	-10%	0%	\$2.58
2	\$2.06	0%	15%	0%	0%	0%	0%	15%	\$2.37
3	\$4.03	0%	0%	0%	0%	0%	-10%	-10%	\$3.63
								Mean SPSF	\$2.86
								Median SPSF	\$2.58

**Conclusion:**

To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$2.70 per square foot, which translates to \$120,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$120,000/ac	5.5 acres	\$660,000

**CONCLUDED VALUE**  
**VIA SALES COMPARISON APPROACH**  
**\$660,000 "Hypothetical 5.5-Acre Site - South Central / Service Area 6"**

**SALES COMPARISON APPROACH  
SOUTH WEST - SERVICE AREA 7**

For Service Area 7, there was one reasonably comparable sale from within the service area. We augmented this sale with one sale from Service Area 4 and one located outside the Colorado Springs city limits south of Service Area 7. All three represented potential residential development sites.

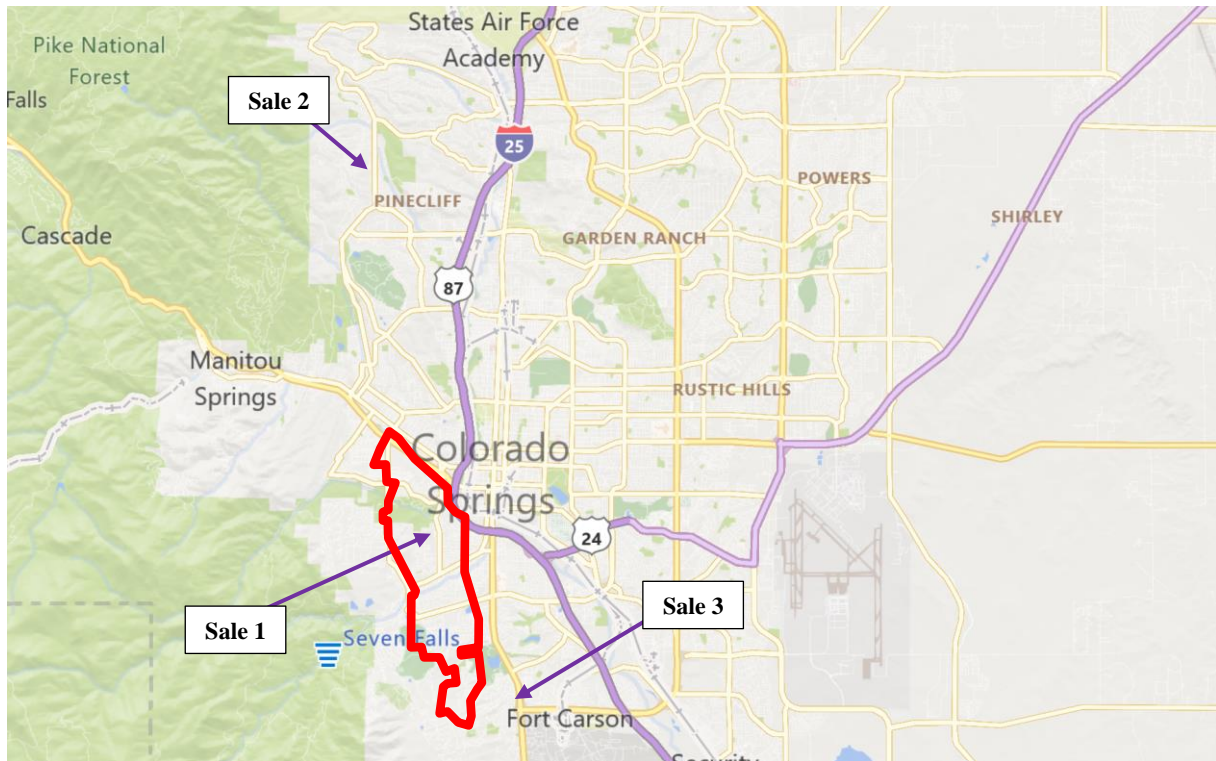
The following summarizes these sales:

**COMPARABLE SALES**

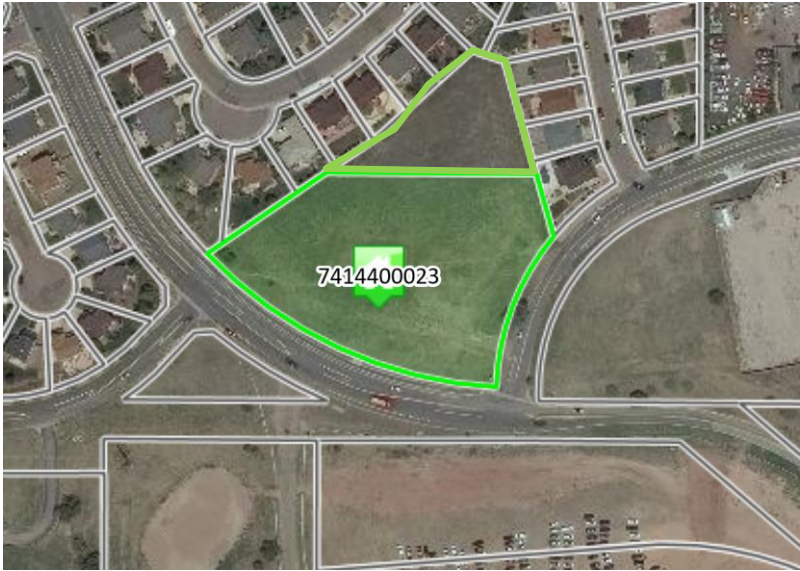
Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	Lower Gold Camp	SA-7	M-1	3.18	8/16/2017	\$860,000	\$6.21
2	TBD Silverstone Terrace	SA-4	PUD HS	2.33	5/8/2018	\$308,480	\$3.04
3	SWC Main/Bradley	South	CC	5.24	9/20/2018	\$920,400	\$4.03

**COMPARABLE SALE MAPS**





**COMPARABLE SALE #1**

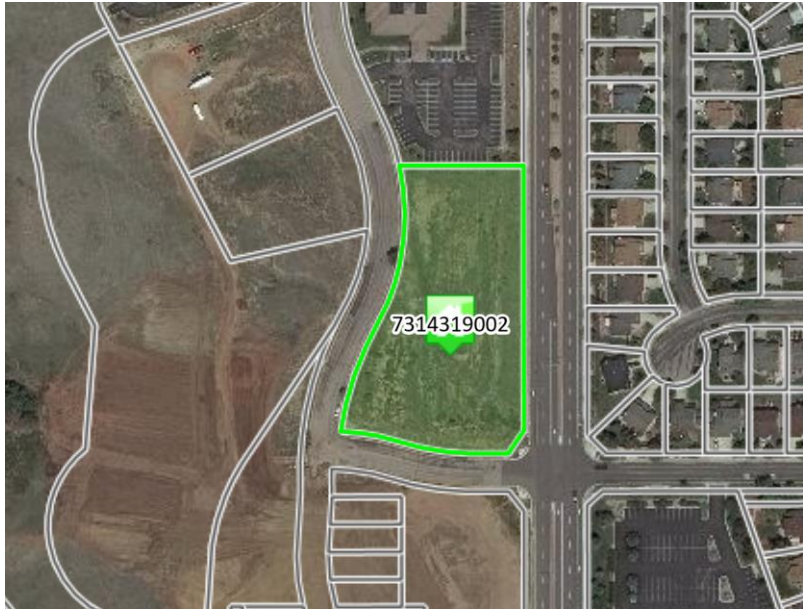


<b>Location:</b>	Lower Gold Camp Road
<b>Zoning:</b>	M-1
<b>Land Area:</b>	3.18 acres
<b>Assessor Number:</b>	7414400023, 7413300083
<b>Reception Number:</b>	217104784
<b>Sale Date:</b>	8/16/2017
<b>Sale Price/Terms:</b>	\$860,000 / Cash equivalent
<b>Sale Price/SF:</b>	\$6.21
<b>Grantor:</b>	<b>C&amp;A PROPERTIES LLC</b>
<b>Grantee:</b>	<b>VICEROY DEVELOPMENT INC</b>
<b>Verification:</b>	County, vendor

**Comments:**

- Located in SA-7 near I-25
- Between 8<sup>th</sup> Street and 21<sup>st</sup> Street
- 2 vacant parcels
- Formerly an REO property
- Property has utilities to site and access from South Gold Camp Road
- Not platted, no improvements
- Level topography
- Marketed as residential site
- Single family or multi-family under M-1 zoning
- Superior zoning
- Lender financed sale
- Transacted via Warranty Deed
- Sold in 2014 for \$300,000 (REO sale)
- No subsequent sale

**COMPARABLE SALE #2**



<b>Location:</b>	TBD Silverstone Terrace
<b>Zoning:</b>	PUD HS
<b>Land Area:</b>	2.33 acres
<b>Assessor Number:</b>	7314300032
<b>Reception Number:</b>	219048909
<b>Sale Date:</b>	5/8/2019
<b>Sale Price/Terms:</b>	\$308,480 / Cash equivalent
<b>Sale Price/SF:</b>	\$3.04
<b>Grantor:</b>	Hausman Revocable Trust
<b>Grantee:</b>	<b>TFV1 LLC</b>
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in SA-4 along Centennial Boulevard
- North of SA-7, foothill location
- Proposed town home development site at time of sale
- Not platted and no infrastructure at time of sale
- Replatted after sale
- Utilities to site
- Level topography
- Cash equivalent sale per county
- Transacted via Warranty Deed
- Owner carry
- Sold in 2016 for \$750,000 with other parcels
- No subsequent sale



COMPARABLE SALE #3



<b>Location:</b>	SWC Bradley Road and Main Street, Security
<b>Zoning:</b>	CC
<b>Land Area:</b>	5.24 acres
<b>Assessor Number:</b>	6502407102
<b>Reception Number:</b>	218110225
<b>Sale Date:</b>	9/20/2018
<b>Sale Price/Terms:</b>	\$920,400 / Cash equivalent
<b>Sale Price/SF:</b>	\$4.03
<b>Grantor:</b>	Bradley Investment Group LLC
<b>Grantee:</b>	J Elliot Homes Inc
<b>Verification:</b>	Buyer, County, vendor

**Comments:**

- Located in Security, south of Colorado Springs
- East of I-25
- Southeast of SA-7
- Not platted at time of sale, some approvals in place
- Purchased to developed TH project
- Water and sewer in place
- Level topography
- Buyer is home builder
- Cash equivalent sale
- Transacted via Warranty Deed
- No prior sale history
- No subsequent sale
- Reported as arm's length

## Discussion and Analysis

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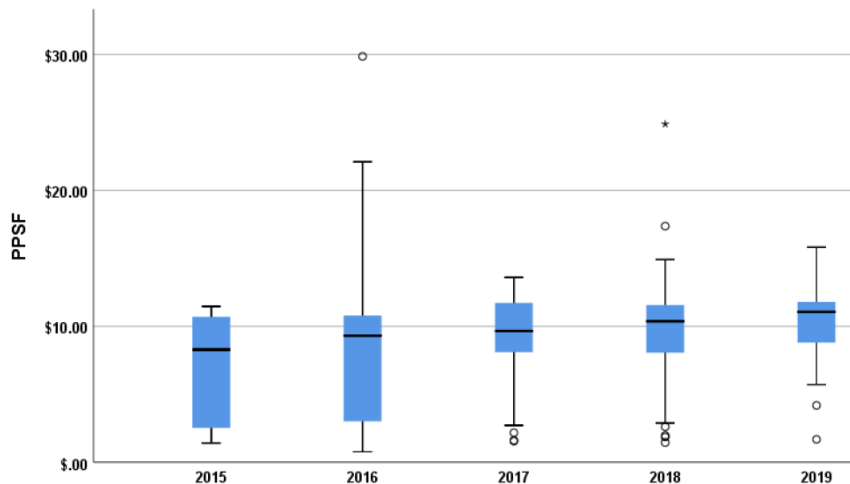
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the sale period and market trend, we adjusted Sale 1 for its 2017 sale year.

**Location:** Location adjustments were developed based on whether a sale was located within the service area or whether it was

located in another service area or outside of the city. We applied adjustments based on demographic and housing data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
2	\$277,660	\$79,364	234	\$9.63
3	\$266,515	\$61,395	97	\$5.59
4	\$382,253	\$70,197	243	\$9.36
5	\$306,458	\$71,916	6	\$0.43
6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
Citywide	\$297,782	\$61,971		

Based on the above data, we adjusted Sales 2 and 3 for their inferior locations.

**Infrastructure :** The 5.5-acre hypothetical subject parcel is assumed to have utility service to the site boundaries in this assignment. All three sales lacked any significant infrastructure at time of sale.

**Scale:** Given the 5.5-acre size of the hypothetical subject site, we considered size adjustments for sales with significantly smaller or larger land areas. Based on the typical declining marginal contributory value of land as it increases in size, we adjusted Sales 1 and 2 for their larger size.

**Physical Attributes:** We concluded that in terms of parcel shape, topography, views and other physical attributes, no adjustments were warranted.

**Approvals/Platting:** Sales 1 and 3 was adjusted for planning work reportedly completed at the time of sale.

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Approvals	Net Adj	Adj SPSP
1	\$6.21	10%	0%	0%	-10%	0%	-20%	-20%	\$4.97
2	\$3.04	0%	15%	0%	-10%	0%	0%	5%	\$3.19
3	\$4.03	0%	15%	0%	0%	0%	-10%	5%	\$4.23
								Mean SPSP	\$4.13
								Median SPSP	\$4.23

**Conclusion:** To conclude a unit value, we examined the entire array of sales. Based on this scenario, we concluded a unit value of \$4.15 per square foot, which translates to \$180,000 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$180,000/ac	5.5 acres	\$990,000

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$990,000 "Hypothetical 5.5-Acre Site - South West / Service Area 7"**

**SALES COMPARISON APPROACH  
DOWNTOWN / SERVICE AREA 8**

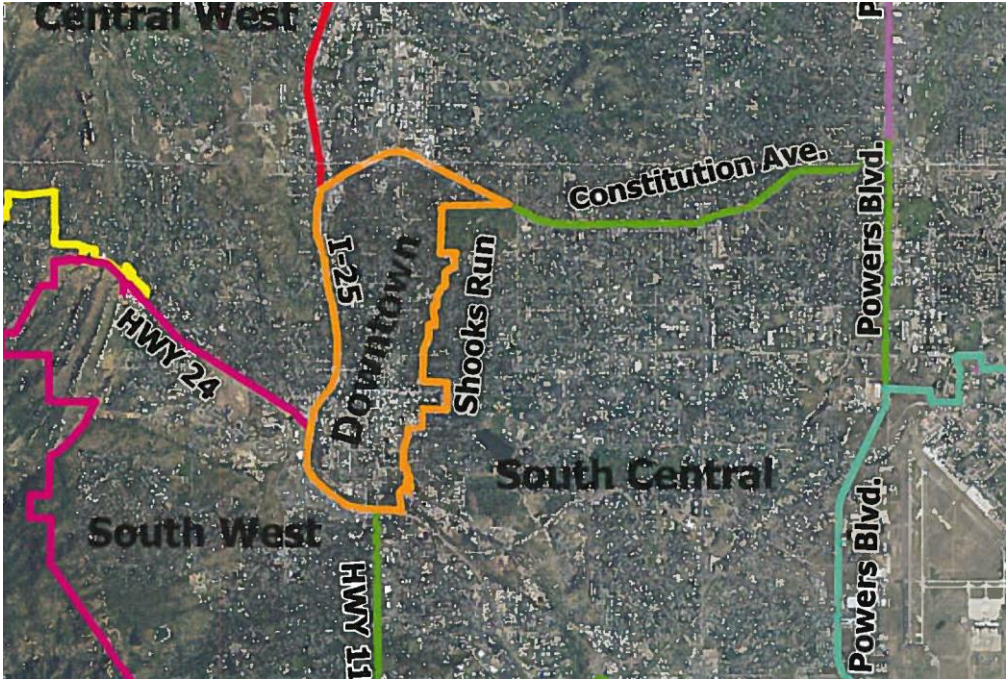
For Service Area 8, which represents the downtown district of Colorado Springs, we examined commercial sites in the peripheral areas around or reasonably close to the downtown commercial district of the city. Sites chosen were potential development sites or redevelopment sites with residential or mixed uses permitted. There were no suburban-type residential sales in this service area. One sale was very small (Sale 2) but was a vacant site in close proximity to the downtown commercial district.

The following summarizes these sales:

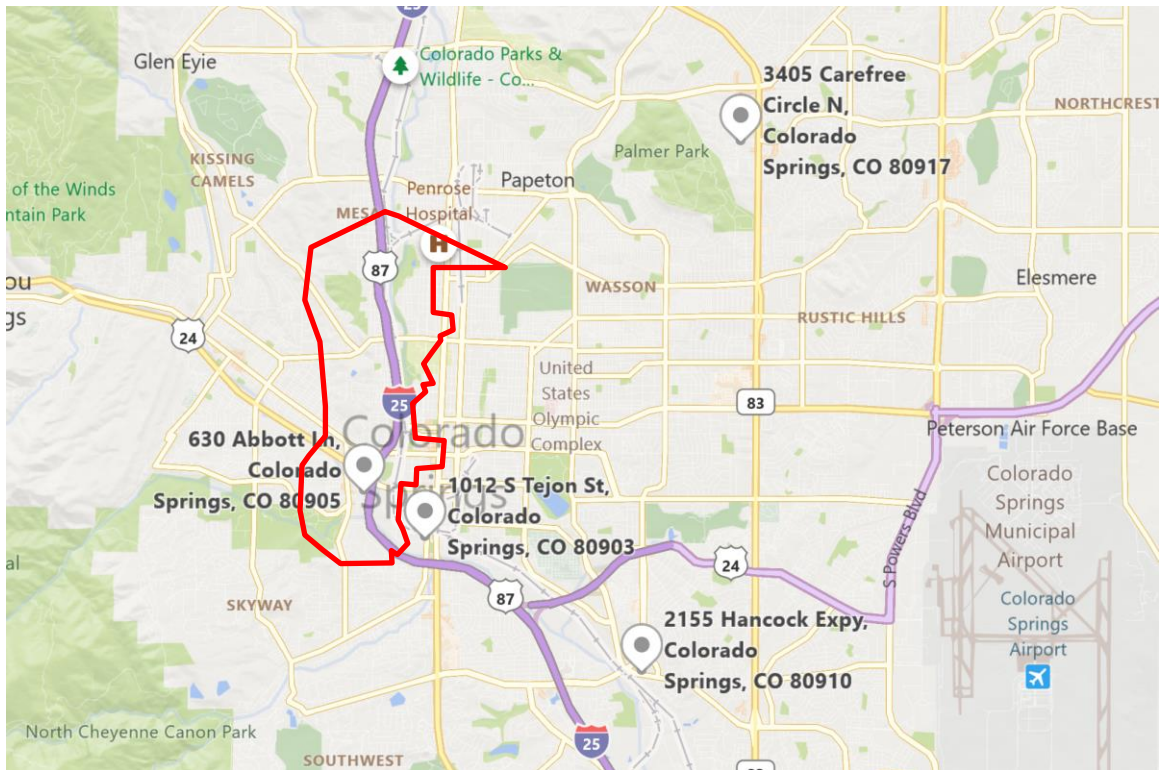
**COMPARABLE SALES**

Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	630 Abbot Lane	SA-8	C-6	4.06	5/1/2017	\$850,231	<b>\$4.81</b>
2	1012-1016 S Tejon St	SA-8	FBZ-T1	0.46	10/30/2019	\$300,000	<b>\$14.97</b>
3	2155 Hancock Expry	SA-6	PUD	19.59	1/16/2020	\$4,122,594	<b>\$4.83</b>
4	3405 N Carefree Cr	SA-2	PBC/CF	3.37	12/18/2019	\$825,000	<b>\$5.62</b>

**COMPARABLE SALE MAPS**







**COMPARABLE SALE #1**



<b>Property:</b>	Vacant Site
<b>Location:</b>	630 Abbot Lane
<b>Zoning:</b>	C-6
<b>Number Parcels:</b>	One
<b>Reception Number:</b>	217048788
<b>Sale Date:</b>	5/1/2017
<b>Sale Price/Deed:</b>	\$850,231 / Special Warranty Deed
<b>Sale Price/SF:</b>	\$4.81
<b>Grantor:</b>	Harry Hoth
<b>Grantee:</b>	C125 LLC

**Comments:**

- Vacant site
- North of Abbot Lane and east of Eighth Street
- Irregular site, level topography
- Backs to I-25
- Indirect access from major streets
- Cash equivalent
- West of downtown core
- Reception No. 217049798
- Listed for \$1,428,768
- No prior sale history
- Has not sold since this sale

**COMPARABLE SALE #2**

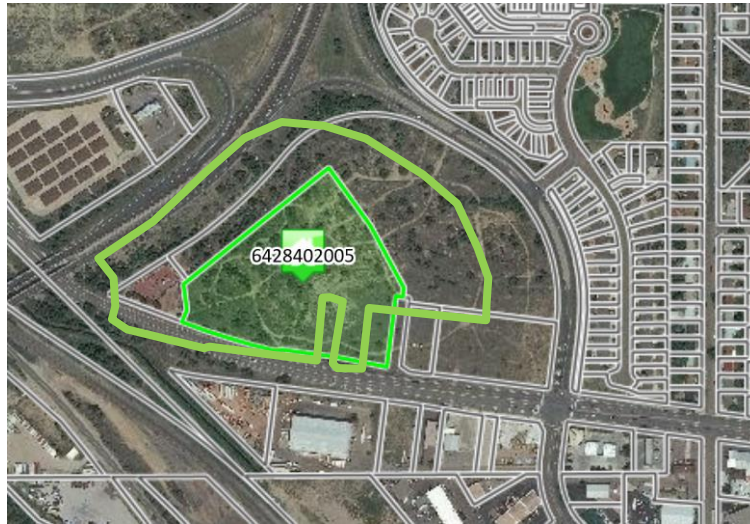


<b>Property:</b>	Vacant Land
<b>Location:</b>	1012-1016 South Tejon Street
<b>Zoning:</b>	FBZ-T1
<b>Number Parcels:</b>	Two
<b>Reception Number:</b>	219135740
<b>Sale Date:</b>	10/30/2019
<b>Sale Price/Deed:</b>	\$300,000 / Warranty Deed
<b>Sale Price/SF:</b>	\$14.97
<b>Grantor:</b>	<b>1012-1016 STS LLC</b>
<b>Grantee:</b>	<b>INDIGO ASSETS LLC</b>

**Comments:**

- Located off South Tejon Street
- South of downtown district
- Older section set for redevelopment
- Two vacant land parcels
- Utilities to site
- Sale financed by Bank of the San Juans
- Sold for full list price
- On market 155 days
- Sold in 2007 for \$400,000
- Has not sold since this sale

**COMPARABLE SALE #3**



<b>Property:</b>	MF Development Site
<b>Location:</b>	2155 Hancock Expressway
<b>Zoning:</b>	PUD
<b>Number Parcels:</b>	Three
<b>Reception Number:</b>	220007586, 220007486
<b>Sale Date:</b>	1/16/2020
<b>Sale Price/Deed:</b>	\$4,122,584 / Special Warranty Deed
<b>Sale Price/SF:</b>	\$4.83
<b>Grantor:</b>	<b>FRONT ROW PROPERTIES LLC</b>
<b>Grantee:</b>	<b>AUBURN SKY INVESTMENT GROUP LLC</b>

**Comments:**

- Located southeast of downtown
- Mixed use district
- No improvements
- Level parcel
- 5 percent owner financed
- Not marketed
- 2 transactions, same day, same parties
- Transacted via special warranty deeds
- Purchased to develop multi-family project
- No prior sale history
- Has not sold since this sale



**COMPARABLE SALE #4**



<b>Property:</b>	Development Site
<b>Location:</b>	Southeastern Corner of Carefree Circle North and Van Teylingen Drive
<b>Zoning:</b>	PBC/CR
<b>Number Lots:</b>	One
<b>Reception Number:</b>	219160270
<b>Sale Date:</b>	12/18/2019
<b>Sale Price/Deed:</b>	\$825,000 / Special Warranty Deed
<b>Sale Price/SF:</b>	\$5.62
<b>Grantor:</b>	Springs Land Ventures LLC
<b>Grantee:</b>	GK Dev LLC

**Comments:**

- Located northeast of the downtown
- One parcel at southeastern corner of Carefree Circle North and Van Teylingen Drive
- Proposed MF site
- Vacant at time of sale, reportedly a land purchase tied to future redevelopment
- Transacted via Special Warranty Deed
- Property on and off market in May 2019
- Buyer intends to construct 68 apartments
- No prior market sale history
- Property ownership subsequently transferred to related entity in 2020



## Discussion and Analysis

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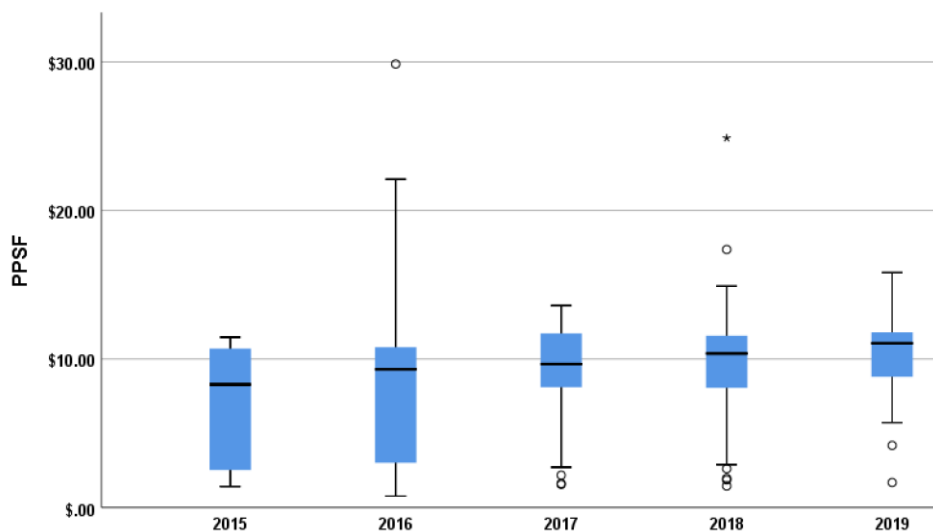
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since January 2016. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:



Based the above trend and considering the amount of “noise” (i.e. unexplained variation) about the medians, we adjusted Sale 1 for its 2017 sale year.

**Location:** We based this adjustment on the proximity of each sale to the downtown core and redevelopment areas. We adjusted Sales 3 and 4 for their farther distance to the downtown than Sales 1 and 2, both of which were on the periphery of the downtown.

**Scale/Expected Absorption Period:** For this adjustment, we used the scale adjustment previously presented. Due to the large size range, we applied significant adjustments to Sale 2 for its much smaller size and to Sale 3 for its much larger size. The other two sales were closer in size to the subject and were not adjusted.

**Infrastructure:** Based on the hypothetical condition of the subject parcel in Service Area 8 having utilities to the site, we adjusted Sale 1 for its lack of direct access to existing utility lines along major streets.

**Physical:** We adjusted Sale 1 for its lack of access to major street and irregular shape. This was offset in part by its exposure to I-25 to the east. The other three sales had good access to major roads and were similar overall to what other physical attributes the hypothetical parcel would possess in terms of shape, topography and access.

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Scale	Phys	Other	Net Adj	Adj SPSF
1	\$4.81	10%	0%	15%	0%	25%	0%	50%	\$7.21
2	\$14.97	0%	0%	0%	-50%	0%	0%	-50%	\$7.49
3	\$4.83	0%	25%	0%	40%	0%	0%	65%	\$7.97
4	\$5.62	0%	25%	0%	0%	0%	0%	25%	\$7.02
								Mean SPSF	\$7.42
								Median SPSF	\$7.35

**Conclusion:** To conclude a unit value, we examined the entire array of sales, giving greater weighting to Sale 1.



Based on this scenario, we concluded a unit value of \$7.35 per square foot, which translates to \$320,00 per acre (rounded):

<u>Unit Value</u>	<u>Land Area</u>	<u>Value</u>
\$320,000/ac	5.5 acres	\$1,760,000

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$1,760,000  
"Hypothetical 5.5-Acre Site - Downtown / Service Area 8"**

**SALES COMPARISON APPROACH  
5.5-Acre City-wide Hypothetical Parcel**

For the hypothetical 5.5-acre parcel for the entire city, we weighted the hypothetical 5.5-acre results from each service area based on the total acres estimated for each service area. The following table calculates the price per square foot based on this weighting scenario:

Serv Area	Pr/SF	Acres	Ratio	Wtg Tot
1	\$3.35	17,740	0.13	\$0.45
2	\$3.15	17,533	0.13	\$0.42
3	\$2.85	17,353	0.13	\$0.37
4	\$3.05	18,140	0.14	\$0.42
5	\$2.70	27,098	0.20	\$0.55
6	\$2.70	18,191	0.14	\$0.37
7	\$4.15	13,905	0.10	\$0.43
8	\$7.35	2,812	0.02	\$0.16
<b>TOTAL</b>		<b>132,772</b>	<b>1.00</b>	<b>\$3.16</b>

Based on the above results, we concluded a unit value of \$3.16 per square foot for the city-wide hypothetical 5.5-acre parcel, or \$140,000 per acre. This results in a total value of \$770,000.

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$770,000 "Hypothetical 5.5-Acre Site / City-wide"**

## SALES COMPARISON APPROACH 20-Acre Hypothetical Parcel

For the hypothetical 20-acre parcel, we used larger scale sales of unplatted development sites throughout the Colorado Springs metropolitan area. This included sales in Service Areas 2, 3, 4 and 6. All four sales were confirmed with at least one transaction party or the listing broker. The sales bracketed the attributes of the hypothetical subject 20-acre parcel.

The following specific criteria were used to select comparable sale properties:

**Sales Selection Criteria** Sales were selected based on the following criteria:

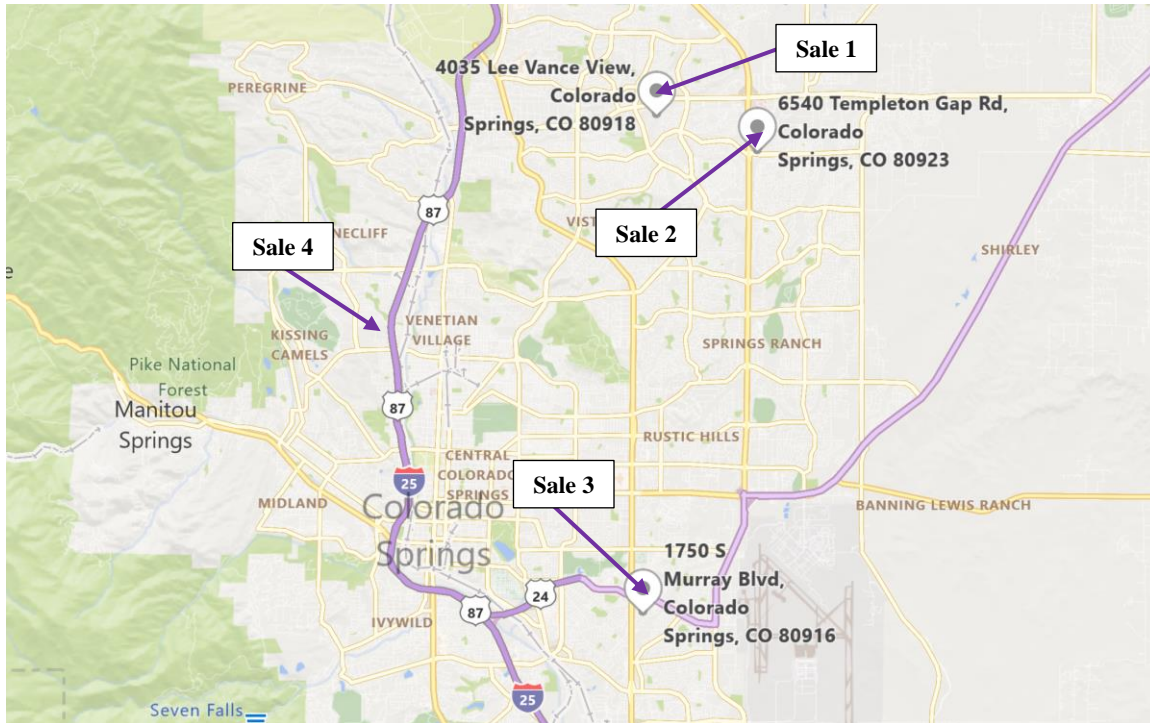
- Size: 20.0 to 29.4 acres
- Location: Colorado Springs metropolitan area
- Sale Dates: 2018 to present, with one under contract
- Highest and Best Use: Larger scale residential development potential



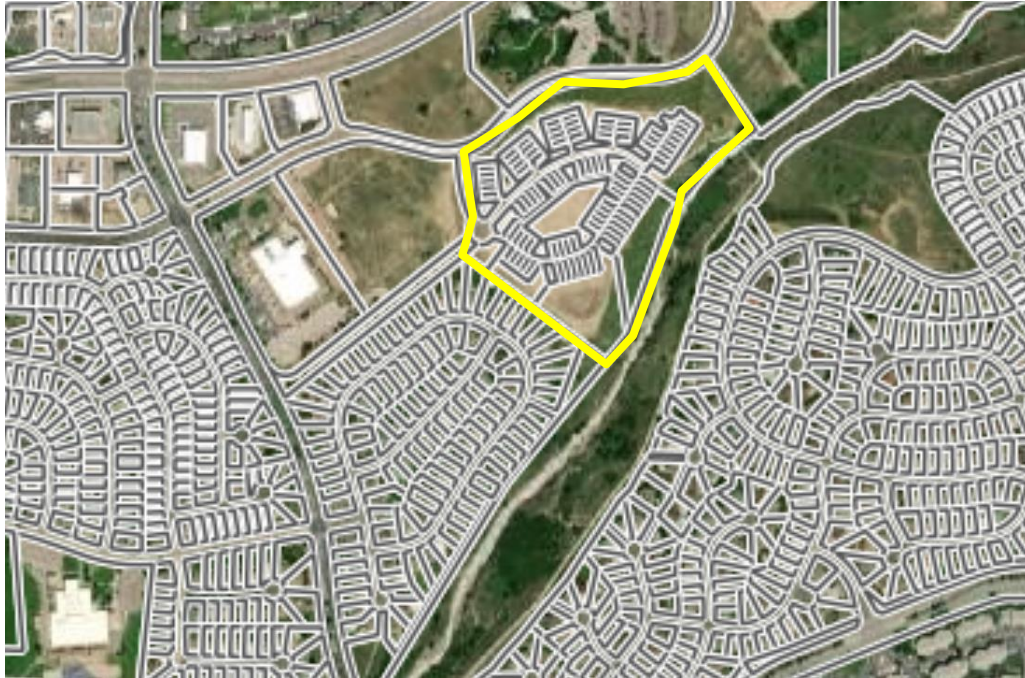
### COMPARABLE SALES

Sale	Property	Loc	Zng	Acres	Sale Date	Sale Price	Pr/SF
1	4035 Lee Vance	SA-3	OC AO SS	20.95	2/12/2018	\$1,769,625	<b>\$1.94</b>
2	Por 6540 Templ Gap	SA- 2	AO	20.00	U/C	\$2,178,000	<b>\$2.50</b>
3	1750 S Murray Blvd	SA-6	PIP2/CR	25.43	3/11/2019	\$2,400,000	<b>\$2.17</b>
4	Celebrity Site	SA-4	C-6	29.38	2/12/2019	\$4,450,000	<b>\$3.48</b>

### COMPARABLE SALE MAP



**COMPARABLE SALE #1**

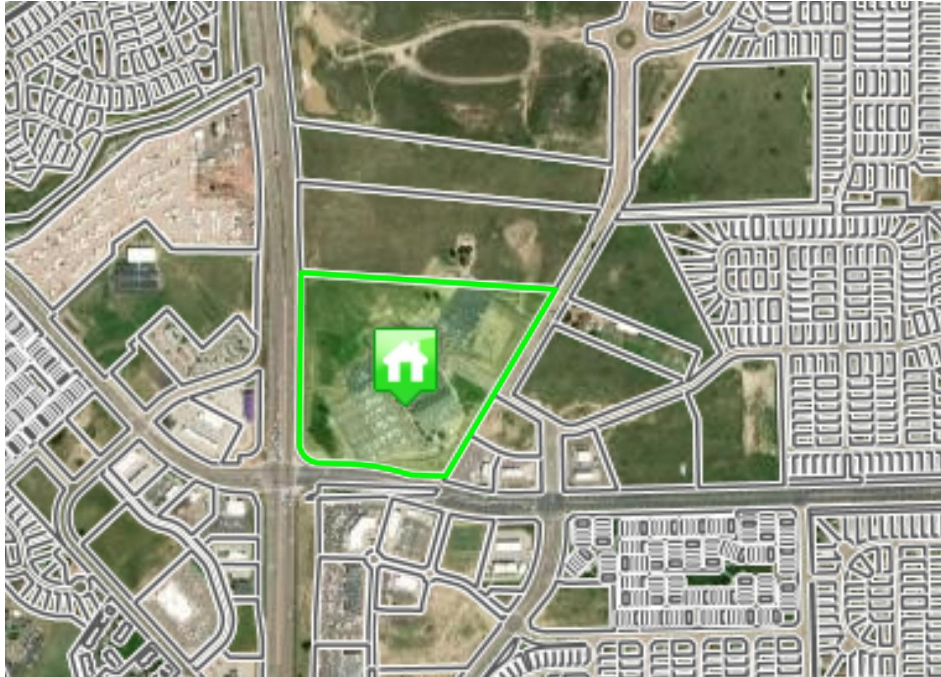


<b>Property:</b>	Midtown at Cottonwood Creek Res Site
<b>Location:</b>	4350 Lee Vance View
<b>Zoning:</b>	OC
<b>Assessor Numbers:</b>	6311204101, 6311204102
<b>Reception Number:</b>	218018365, 218018354
<b>Sale Date:</b>	2/15/2018
<b>Sale Price/Terms:</b>	\$1,769,625 / Cash equivalent
<b>Acres:</b>	20.95 net acres
<b>Sale Price/SF:</b>	\$1.94
<b>Grantor:</b>	Cook Communications Ministries
<b>Grantee:</b>	Elite Properties of America/Pulpit Rock Investments LLC
<b>Verification:</b>	Buyer

**Comments:**

- **Located in Service Area 3**
- **Located south of Woodmen Road and east of Rangewood Drive**
- **Original one parcel (Parcel 5) of mixed use development owned by Cook Communications Ministries**
- **Purchased by developer to building multi-family project**
- **Midtown at Cottonwood Creek**
- **Not platted at time of sale**
- **Has limited street access**
- **Utilities to site**
- **No approved development plan at time of sale**
- **Transacted via 2 Warranty Deeds**
- **No prior sale history**
- **Subsequently developed**
- **Confirmed arm's length and at market by buyer**

**COMPARABLE SALE #2**



<b>Property:</b>	Excess Land at Church for All Nations campus
<b>Location:</b>	6540 Templeton Gap Road
<b>Zoning:</b>	AO
<b>Assessor Numbers:</b>	5307000076, 5307000109, 5317121056
<b>Reception Number:</b>	Under Contract
<b>Sale Date:</b>	N/A
<b>Sale Price/Terms:</b>	\$2,178,000 / Expected to be cash to seller
<b>Acres:</b>	20.00 acres
<b>Sale Price/SF:</b>	\$2.50
<b>Grantor:</b>	CFN THC Inc
<b>Grantee:</b>	Elite Properties of America
<b>Verification:</b>	Buyer

**Comments:**

- **Located in Service Area 2**
- **Located at northeastern corner of Dublin Boulevard and Powers Boulevard**
- **Three parcels**
- **Northern two parcels vacant**
- **Southern parcel developed with church**
- **Pending buyer has placed hard earnest money on pending sale**
- **Not platted at time of sale**
- **Street access**
- **Utilities to site**
- **No approved development plan at time of sale**
- **No prior sale history**
- **Subsequently developed**
- **Confirmed arm's length and at market by buyer**



**COMPARABLE SALE #3**



<b>Property:</b>	Lot 2, Atlas Preparatory Charter School Flg
<b>Location:</b>	1A 1750 Murray Boulevard
<b>Parcel ID:</b>	PIP2 / CR AO
<b>Assessor's Map:</b>	6426206010
<b>Zoning:</b>	219024073
<b>Assessor's Date:</b>	3/11/2019
<b>Assessed Value:</b>	\$2,400,000 / Cash equivalent
<b>Reception:</b>	25.43 net acres
<b>Number: Sale</b>	\$2.17
<b>Date:</b>	Rancho Coachella Properties
<b>Sale</b>	LP Atlas Preparatory School

**Comments:**

- **Located southeast of subject**
- **Located in Service Area 6**
- **Buyer approached seller**
- **Proposed residential site at time of sale**
- **Purchased by adjacent buyer to expand school campus**
- **Not platted at time of sale**
- **Zoned PIP2 at time of sale**
- **Utilities to site**
- **Level topography**
- **No approved development plan at time of sale**
- **Transacted via Warranty Deed**
- **No prior sale history**
- **No subsequent sale**
- **Potential assemblage and plottage value**

**COMPARABLE SALE #4**



<b>Property:</b>	Fillmore Heights Site
<b>Location:</b>	777 Vondelpark Drive C-6
<b>Parcel Numbers:</b>	7325415008 & 7336100046
<b>Zoning:</b>	2190025419
<b>Assessor Number:</b>	2/12/2019
<b>Reception Number:</b>	\$4,450,000 / Bank financed
<b>Sale Date:</b>	29.38 acres
<b>Sale Price:</b>	\$3.48
<b>Seller:</b>	Celebrity Entertainment LLC
<b>Buyer:</b>	Fillmore Heights LLC

**Comments:**

- **Located near northwestern corner of Fillmore Street and I-25**
- **Located in Service Area 4**
- **Proposed 174-lot single family development**
- **Not platted at time of sale**
- **Raw land sale**
- **Buyer plans to obtain approvals and complete infrastructure**
- **Sell finished lots to national home builder**
- **Zoned C-6 at time of sale**
- **Former driving range and sports center**
- **Utilities to site**
- **Varied topography**
- **Transacted via Special Warranty Deed**
- **Sale financed by First National Bank**
- **No prior sale history**
- **No subsequent sale**
- **Reported as arm's length and at market by buyer**
- **Appraiser appraised this property prior to sale**

## Discussion and Analysis

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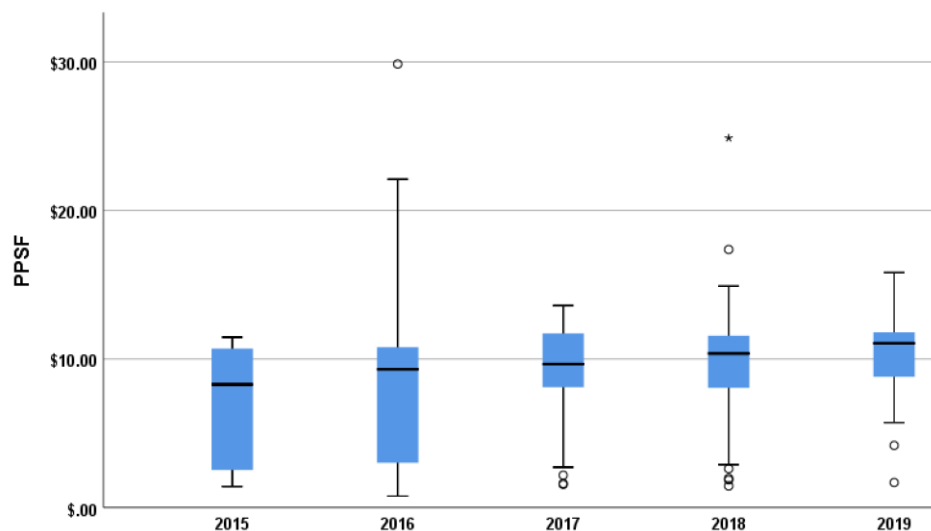
**Property Rights:** All sales were fee simple transactions.

**Terms of Sale/Financing:** All sales were for cash or for terms that netted cash to the seller. No adjustments were applied for this element.

**Condition of Sale:** This element of comparison takes into account possible motivations on the part of the buyer or seller in a comparable sale transaction. No adjustments were applied.

**Buyer Expenditures:** This element of comparison is based on the understanding that a knowledgeable buyer would consider possible expenditures to be made upon purchase of a property, and those costs affect the price a buyer would pay. None of the sales had any reported buyer expenditures.

**Market Conditions:** All of the comparable sales occurred since February 2018. The following market trend analysis of residential sales in metropolitan Colorado Springs to determine if there was a significant market trend adjustments:





Based the above trend and considering the amount of “noise” (i.e. unexplained variation) about the medians, no market trend adjustments were applied.

**Location:** Location adjustments were developed to each sale based on their respective service area. We applied adjustments based on demographic and housing data, such as the median household income and the median home value. The following table indicates these metrics for each service area and the city as a whole:

Service Area	Med Home Value	Med HH Inc	Land Sales	Val/SF
1	\$409,215	\$105,792	1,393	\$10.86
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6	\$203,315	\$43,424	250	\$9.37
7	\$464,204	\$71,277	293	\$11.95
8	\$379,832	\$47,675	8	\$16.59
<b>Citywide</b>	\$297,782	\$61,971		

Based on this data, we adjusted Sale 3 for its inferior sub-market location within the city.

**Scale/Expected Absorption Period:**

We used this adjustment to account for the fact that on the average, larger platted sites will take longer to sell their supply of lots as compared to smaller sites with fewer lots. This in effect accounted for relative absorption period. We used the hypothetical subject parcel size of 20 acres as a reference and applied a 10 percent per year adjustment based on scale. This was mitigated by factors such as expected entry into the market. For example, Sale 3 is part of an existing and strong performing development. We did not apply an adjustment to this sale, even though it has a larger land area.

**Infrastructure :**

We adjusted Sale 4 for existing infrastructure in place based on its previous commercial use.

**Access:** We adjusted Sale 2 based on its proximity and abutment to Powers Boulevard. The other three sales had similar access attributes as compared to the access of the hypothetical subject parcel.

**Physical:** All four sales were similar to the subject in terms of physical attributes, including scale.

**Others:** We adjusted Sale 4 for development approvals partially in place at the time of its sale.

Based on the above adjustment factors, the following grid was developed:

Sale	SPSF	Mkt Tr	Loc	Infra	Access	Phys	Other	Net Adj	Adj SPSE
1	\$1.94	0%	20%	0%	0%	0%	0%	20%	\$2.33
2	\$2.50	0%	0%	0%	-10%	0%	0%	-10%	\$2.25
3	\$2.17	0%	0%	0%	0%	0%	0%	0%	\$2.17
4	\$3.48	0%	0%	-10%	0%	0%	-25%	-35%	\$2.26
								Mean SPSE	\$2.25
								Median SPSE	\$2.26

**Conclusion:** To conclude a unit value, we first examined the entire array of sales; we gave greater weighting to Sales 1 and 2 since they were located within the city limits. We concluded a unit value of \$2.25 per square foot, which translates to \$100,000 per acre (rounded):

<u>Unit Value</u>	<u>Number of Lots</u>	<u>Value</u>
\$100,000/ac	20.0 acres	\$2,000,000

**CONCLUDED VALUE  
VIA SALES COMPARISON APPROACH  
\$2,000,000 "Hypothetical - 20 Acre Parcel"**

**“AS PLATTED” ADJUSTMENT**

The final step in this assignment is to develop an adjustment to reflect the “as platted” value of the hypothetical subject parcels now that base unplatted values have been developed for each geographic area in this assignment. There were no sales of verified comparable platted land sales available from the Colorado Springs market, which is typical in normal markets since developers are more likely to build through from raw land to finished lots when developing residential subdivisions.

For this analysis, we analyzed residential developments that had either sold or were appraised at the platted stage of development, and then compared these to their previous unplatted values, the latter based on a previous appraised value or from an analysis of prevailing unplatted land values in each property’s immediate market area. We normalized this data by developing a cost per unit based on land area given the variation in land areas. We focused on residential single family or town home developments only. Only larger Colorado metropolitan markets were used.

The following table summarizes the results of this analysis:

Property	Area	Land Area	Raw Land/SF	Platted/SF	Prof Ret
Granite Falls 3	Grand Junction	9.10	\$2.15	\$3.01	40%
Bennett Ranch	Metro Denver	173.60	\$0.40	\$0.50	25%
Homestead	Brighton	41.25	\$1.00	\$1.34	34%
RedCliffs	Grand Junction	3.71	\$2.00	\$3.72	86%
Silver Peaks	Brighton	47.40	\$2.55	\$3.58	40%
Cielo	Parker	156.00	\$2.00	\$2.74	37%
Crystal Valley	Castle Rock	44.00	\$4.00	\$6.36	59%
Longview TH	Greeley	6.70	\$3.00	\$4.11	37%
Willow Bend	Thornton	63.00	\$2.50	\$3.32	33%
Promontory	Rifle	5.06	\$2.25	\$2.86	27%
Village East	Frederick	77.06	\$1.00	\$1.32	32%

Based on these results, we estimated an overall profit return of 35 percent for the “as platted” adjustment. In addition to this, we analyzed available cost data from the above subdivisions and estimated an additional increased of \$0.15 per square foot to account for typical fees encountered during the platting process,

such as engineering, drainage fees, and other costs typically encountered at the early stage of development.

Based on these adjustments and estimates, the following was developed for the eight service area and citywide values:

Area	Pr/SF	Prof @ 35%	Fees	As Platted Pr/SF	Rnd	Acres	Value	Rounded
SA-1	\$3.35	\$1.17	\$0.15	\$4.67	\$4.65	5.5	\$1,114,047	\$1,110,000
SA-2	\$3.15	\$1.10	\$0.15	\$4.40	\$4.40	5.5	\$1,054,152	\$1,050,000
SA-3	\$2.85	\$1.00	\$0.15	\$4.00	\$4.00	5.5	\$958,320	\$960,000
SA-4	\$3.05	\$1.07	\$0.15	\$4.27	\$4.25	5.5	\$1,018,215	\$1,020,000
SA-5	\$2.70	\$0.95	\$0.15	\$3.80	\$3.80	5.5	\$910,404	\$910,000
SA-6	\$2.70	\$0.95	\$0.15	\$3.80	\$3.80	5.5	\$910,404	\$910,000
SA-7	\$4.15	\$1.45	\$0.15	\$5.75	\$5.75	5.5	\$1,377,585	\$1,380,000
SA-8	\$7.35	\$2.57	\$0.15	\$10.07	\$10.10	5.5	\$2,419,758	\$2,420,000
CW 5.5 Ac	\$3.16	\$1.11	\$0.15	\$4.42	\$4.40	5.5	\$1,054,152	\$1,050,000
CW 20 Ac	\$2.25	\$0.79	\$0.15	\$3.19	\$3.20	20.0	\$2,787,840	\$2,790,000

**RECONCILIATION**

The concluded values for the subject hypothetical lots are as follows:

**VALUE CONCLUSIONS FOR 5.5-ACRE HYPOTHETICAL SITES BY SERVICE AREA**

<u>Geographic Scope</u>	<u>Interest Appraised</u>	<u>Effective Date</u>	<u>Value Conclusion</u>	<u>Value/SF Conclusion</u>
Service Area 1 North	Fee Simple	May 1, 2020	\$1,110,000	\$4.65/SF
Service Area 2 Central East	Fee Simple	May 1, 2020	\$1,050,000	\$4.40/SF
Service Area 3 Central	Fee Simple	May 1, 2020	\$960,000	\$4.00/SF
Service Area 4 Central West	Fee Simple	May 1, 2020	\$1,020,000	\$4.25/SF
Service Area 5 South East	Fee Simple	May 1, 2020	\$910,000	\$3.80/SF
Service Area 6 South Central	Fee Simple	May 1, 2020	\$910,000	\$3.80/SF
Service Area 7 South West	Fee Simple	May 1, 2020	\$1,380,000	\$5.75/SF
Service Area 8 Downtown	Fee Simple	May 1, 2020	\$2,420,000	\$10.10/SF

**VALUE CONCLUSIONS FOR CITY-WIDE HYPOTHETICAL SITES**

<u>Geographic Scope</u>	<u>Interest Appraised</u>	<u>Effective Date</u>	<u>Value Conclusion</u>	<u>Value/SF Conclusion</u>
5.5-acre Site	Fee Simple	May 1, 2020	\$1,050,000	\$4.40/SF
20-acre Site	Fee Simple	May 1, 2020	\$2,790,000	\$3.20/SF



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## APPRAISER QUALIFICATIONS

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**Martin Steven Kane MAI M.S.**  
**EAST-WEST ECONOMETRICS LLC**  
**303-663-6735 OFFICE**  
**303-437-1651 CELL**

**APPRAISAL PROFESSIONAL EXPERIENCE:**

**East-West Econometrics LLC (formerly Wildrose Appraisal Inc)**  
**(2007 to Present)**

Commercial Appraiser

Appraisal of commercial properties, including resort, office, retail, industrial, planned mixed-use developments, residential subdivisions, lodging, shopping centers, vacant land, places of worship and other commercial property types. Geographic scope includes Colorado mountain resort counties, Denver metropolitan area, other Front Range markets (such as Colorado Springs and Fort Collins-Loveland), and western slope markets in Colorado.

**Rocky Mountain Valuation Specialists (1997 to 2007)**

Commercial Appraiser/Valuation Modeler/Mass Appraiser

Appraisal of commercial properties, including office, retail, industrial, planned mixed-use developments, residential subdivisions, lodging, shopping centers, vacant land, places of worship and other commercial property types. Lead work on regional and market analysis. Statistical analysis includes market trend analyses and econometric modeling of commercial sub-markets. Lead commercial appraisal and quality control manager for commercial appraisal services. Mass appraisal experience in commercial, agricultural and residential real estate databases. Geographic assignments include all of the Colorado Front Range, all mountain resort counties, major eastern plains counties and major western slope counties.

## **MASS APPRAISAL / VALUATION MODELING EXPERIENCE:**

### **Colorado Property Assessment Audit Project (2002 to Present)**

Statistical compliance analyst for project. Duties included sale ratio verification of residential, commercial, and vacant land valuations for assessors in every Colorado County. Analysis also included sold/unsold analysis and market trending validation. Verification based on IAAO standards. Presented findings to State Board of Equalization and individual counties. Developed training materials and presentations for county assessment staff. Significant interaction with assessor staff covering data and compliance issues. Worked with Colorado Division of Property Taxes on compliance matters and training. References available on request.

### **STAT Residential AVM (2004 to 2007)**

Developed residential valuation models for California, Colorado, Arizona and Nevada. Valuation process included all stages of model development from raw data editing through valuation of properties and outcome evaluation. Designed comparable selection process and weighting, as well as training materials and validation reports. Developed valuation algorithms for modeling of single family, town home and condominium properties. Valuation coverage averaged over 90% in most markets. Over 70% of sold properties modeled fell within +/- 10% of sale price. Over 7 million properties modeled. Developed sale updating process to maintain accuracy of models. Extensive programming experience using SPSS to process and model sale data.

### **Farm Credit Services of America AVM Development (2006 to 2007)**

Developed agricultural automated valuation models for Iowa, South Dakota, and Nebraska using agricultural sale data. AVM modeling focused on agricultural cropland. Modeling developed as an added module to Farm Credit Services of America's (FCSA) ValueSource system. Developed training materials and trained appraisal staff of FCSA. Presented valuation findings to senior leadership team of FCSA. Worked with FCSA appraisal team to calibrate and refine models. Developed sale updating process to maintain accuracy of models.

## **Commercial Portfolio Valuation (2002 to 2007)**

Provided commercial portfolio modeling services for Cushman and Wakefield (C&W). C&W clients included Wal-Mart, Nations Bank, Bank of America, Cumberland Farms, Pep Boys, Toys R Us, and other national clients. Several portfolios were securitized by Wall Street firms based on portfolio model. Services included appraisal sampling determination, statistical modeling, and report preparation, as well as onsite consulting with Cushman and Wakefield clients. Consulted with C&W clients to review scope of work and results. References available on request.

## **AVM Seminar (2002 - Present)**

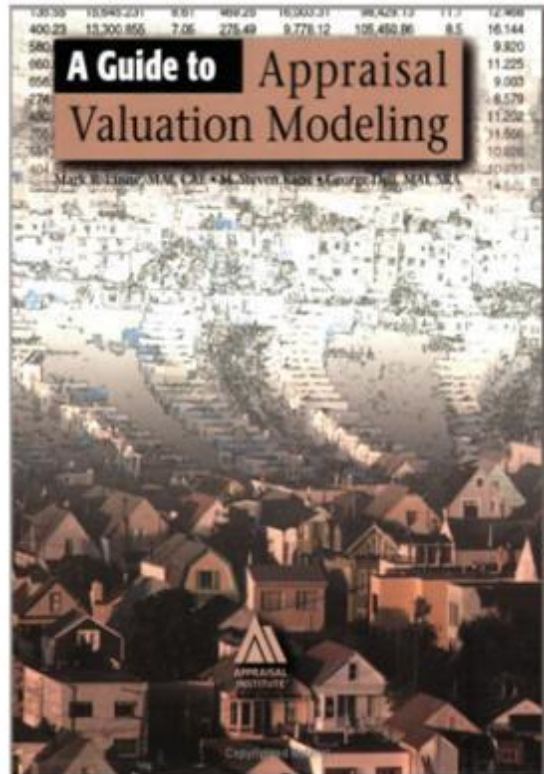
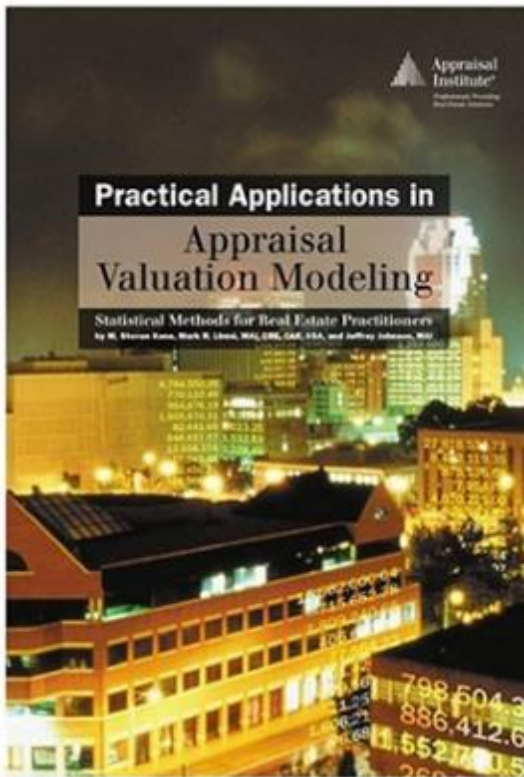
Developed AVM Seminar for Appraisal Institute. Taught seminar for Appraisal Institute chapters, including those in Northern California, upstate New York, northern Florida, northern Ohio, and Reno, Nevada, as well as organization such as the Professional Appraisal Association for South Dakota. Seminar was a one-day seminar that covered all facets of appraisal valuation modeling. References available on request.

## **Valuation Research Corporation (1995 to 1997)**

Valuation modeler for ValueCheck®, an automated valuation product marketed and developed by Valuation Research Corporation. Primary duties included the design, implementation, and analysis of over 3,000 residential valuation models that covered the 6 Denver metropolitan counties, El Paso, Pueblo, Larimer, Eagle and Summit Counties in Colorado, as well as Maricopa and Pima Counties in Arizona. Presented and trained client staffs on implementation of ValueCheck®, as well as co-authored user manual.

## **City & County of Denver, Colorado (1988 - 1990)**

Progressively greater responsibilities in all facets of residential and multi-family mass appraisal using Cole Layer Trumble system; modeled multi-family residential properties in Denver County; functioned as tax protest contact with general public; presented assessment case data in hearings involving public tax protest.



## PUBLICATIONS:

### *Textbooks:*

**"Practical Applications in Appraisal Valuation Modeling"** Principal Author:  
 2004 Publication by the Appraisal Institute

**"A Guide to Appraisal Valuation Modeling"** Principal Author: 2000 Publication  
 by the Appraisal Institute

### *Periodicals:*

**"The Application of Statistical Analysis"**, Valuation Insights and Perspectives,  
 Third Quarter, 2000.

**"Appraisers and Statistics: Adaptation or Extinction"**, Valuation Insights and  
 Perspectives, Winter, 1996.



## EDUCATIONAL BACKGROUND:

### Appraisal Institute (1998-Present):

#### Courses

- 120 - General Appraisal Procedures (Houston TX, 10/98)
- 310 - Basic Income Capitalization (Houston TX, 03/99)
- 320 - General Applications (Boulder CO, 06/99)
- 410 - Professional Standards Part A (Omaha NE, 04/99)
- 420 - Professional Standards Part B (Boulder CO, 06/99)
- 510 - Advanced Income Capitalization (Minneapolis MN, 07/99)
- 520 - Highest and Best Use/Market Analysis (Tempe AZ, 08/99)
- 530 - Adv Sales Comparison & Cost Appr Analysis (Kansas City MO, 10/04)
- 540 - Report Writing and Valuation Analysis (Edison NJ, 08/00)
- 550 - Advanced Applications (Houston TX, 05/00)

- **AWARDED MAI DESIGNATION IN JANUARY 2010**

### Seminars/Workshops

- Litigation (San Antonio TX, 06/98)
- Highest and Best Use: Commercial Case Studies (Orlando FL, 06/99)
- Conservation Easements (Las Vegas NV, 06/00)
- Gen Demonstration Report Writing Seminar (Dallas TX, 11/00)
- Instructor Leadership and Development Conference (Atlanta, GA, 02/02)
- URISA Conferences (Reno, NV 04/02 / Columbus, OH, 04/03)
- FNIS Conference (Laguna Beach, CA, 06/03)
- Predictive Methods Conference (Newport Beach, CA, 06/03)
- Appraisal Summit (Washington DC, 2003)

### International Association of Assessment Officers (1988-1989):

- Course 1: Fundamentals of Real Property Appraisal (Denver CO, 09/88)
- Course 2: Basic Income Capitalization (Denver CO, 09/89)
- Course 300: Fundamentals of Mass Appraisal (Phoenix, AZ, 03/02)

### Other Coursework:

- USPAP, EGOS (Denver CO, 02/98)
- Small Residential Income Properties, Univ of Colo (Denver CO, 04/98)
- Conservation Easements, ASFMRA (Las Vegas NV, 07/00)
- USPAP 2000 Update, EGOS (Denver CO, 12/00)
- Modeling Vacant Land & Commercial Properties w/SPSS (Denver CO, 02/02)
- Valuation of Conservation Easements (Sacramento, CA, 02/08)
- Eminent Domain and Condemnation (Denver, 12/08)
- Market Analysis and Conditions - The Statistics (Aurora, 03/10)
- Cost Approach Fundamentals (Aurora, 04/11)
- General Curriculum Overview (Aurora, 11/11)

Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets (Lubbock, TX, September 2013)

**University of Saint Thomas, Minneapolis, Minnesota (2001-2009):**

Master of Science, Real Estate Appraisal; graduated May 2009.  
MSRA 610-21 Legal Issues in Valuation  
MSRA 610-51 Special Topics in Appraisal  
MSRA 610-41 Urban land Economics  
MSRA 610-61 Statistical Analysis  
MSRA 610-31 Effective Communication  
MSRA 610-11 Market Analysis

**University of Colorado (1991-1995):**

15 hours of Statistical Analysis coursework at the Masters degree level, including Regression Analysis, Descriptive Analysis, and Inferential Analysis.

**University of Colorado at Denver (1982-1985):**

24 hours of Economics coursework at the Masters Degree level, including Econometrics, Regional Economics, Applied Economic Theory, and Urban Economics.

**Regis University, Denver, Colorado (1976-1980):**

Bachelor of Science in Economics; Applied Mathematics minor; graduated Cum laude with honors, recipient of Joseph A. Ryan Award in Economics, 1980.

**PROFESSIONAL DESIGNATIONS/ASSOCIATION MEMBERSHIPS:**

**Appraisal Institute:**

MAI	2010-Present
General Associate	1999-2010
Affiliate	1998-1999

**International Association of Assessing Officers**

Member 1988-1990, 2002- Present

**Colorado Board of Real Estate Appraisers**

Colorado Certified General  
Appraiser #CG40013915  
Certified through December 31, 2019

**Most recent USPAP 7-Hour Update - January 2020**

## **MAJOR APPRAISAL ASSIGNMENTS/CLIENTS**

**Roaring Fork Transportation Authority  
FDIC  
City of Colorado Springs  
Colorado Springs Utilities  
Bank Midwest  
Bank of the West  
Firstbank of Colorado  
Town of Crested Butte  
Crested Butte Land Trust  
Bank of Colorado  
Cushman and Wakefield  
Bank of America  
State of Colorado, Legislative Council  
Colorado Business Bank  
Colorado Capital Bank  
Community Banks of Colorado  
Haginas and Chapman  
Compass Bank  
Solera National Bank  
Heart of the Rockies Regional Medical Center**

## MAJOR APPRAISAL ASSIGNMENTS

Soda Springs Resort, Soda Springs, California  
Granby Ranch, Granby, Colorado  
Monument Ridge, Monument, Colorado  
Santa Fe Springs, Colorado Springs  
Countryside North, Fountain, CO  
Riverwalk Development Site, Steamboat Springs, CO  
Aidan's Meadow, Eagle, Colorado  
Forest Meadows, Colorado Springs, CO  
The Shores at Highlands, Breckenridge, CO  
Peak 7, Breckenridge, CO  
Shock Hill Lodge and Spa, Breckenridge, CO  
West Braddock Site, Breckenridge, CO  
Eagle Ranch, Eagle, CO  
Buckhorn Valley, Gypsum, CO  
Residence at Little Nell Site, Aspen, CO  
Hidden Mine Ranch, Crested Butte, CO  
The Seasons, Montrose, CO  
Orvis Shorefox, Granby, CO  
Rendezvous, Fraser, CO  
Lakota, Winter Park, CO  
Grand Elk Ranch and Club, Granby, CO  
Snake Canyon Ranch, Jackson, Wyoming  
The Wellington Neighborhood, Breckenridge, CO  
Stratton Flats, Gypsum, CO  
Eagle's Nest Commercial Dev, Eagle, CO  
Windwalker, Gypsum, CO  
The Lodge at Aspen Mountain, Aspen, CO  
Grand Park, Fraser, CO  
The Conservatory, Aurora, CO  
Signature Vistas, Loveland, CO  
SolVista Golf and Ski Ranch, Granby, CO  
Ravenna, Douglas County, CO  
Canyon Ranch, Crawford, CO  
Red Rock Plaza, Carbondale, CO  
Willowstone Chalet, Colorado Springs, CO  
Parker Station, Parker, CO  
Morningstar Preserve, Aspen, CO  
The Sardy House, Aspen, CO  
Saddle Ridge, Gypsum, CO  
Adams Rib PUD, Eagle, CO

Westwood Retail Center, Arvada, CO

**SUMMARY OF EXPERT TESTIMONY/LITIGATION**

- 1) Hillcrest Bank et al v. Morley-Howard Investments et al, Case No. 09-CV-7169 El Paso County District Court. Deposition provided concerning appraisal before counsel, February 2011, Deficiency judgment lawsuit.
- 2) Academy Bank v. Blue Heron Investment LLC, Case No. 2011CV4275 El Paso County District Court. Deposition provided concerning appraisal before counsel, June 2011, Deficiency judgment lawsuit.
- 3) Chaparral Ranch, Aspen, Appraisal for landowner for litigation between landowner and title company, November 2011.

**SUMMARY OF EMINENT DOMAIN WORK**

<b>Location</b>	<b>Agency</b>	<b>Representation</b>
US 160. Monte Vista, Colorado	Colorado Dept of Transp	Agency
1208 Wadsworth, Lakewood	Colorado Dept of Transp	Landowner
S Glen Avenue, Glenwood Springs	Roaring Fork Trans Auth	Agency
SH 82, Aspen	Roaring Fork Trans Auth	Agency
Sardy Field Site, Aspen	Roaring Fork Trans Auth	Agency
Kiowa Street, Colorado Springs	City of Colorado Springs	Agency
Centennial Road, Colorado Springs	City of Colorado Springs	Agency
Powers Boulevard Extension 1	Colorado Dept of Transp	Agency
Powers Boulevard Extension 2	Colorado Dept of Transp	Agency
Grand Park, Fraser	City of Winter Park	Landowner



**PROFESSIONAL REFERENCES:**

Available on request.

**State of Colorado Appraisal License**



Colorado Department of Regulatory Agencies  
Division of Real Estate  
Martin Stevens  
Certified General Appraiser

<u>CG40013915</u>	<u>12/30/2019</u>
License Number	Issue Date
<u>Active</u>	<u>12/31/2021</u>
License Status	Expiration

Verify this license at <http://dora.colorado.gov/dre>

<u>Marcia Waters</u>	<u>Martin Stevens</u>
Director: Marcia Waters	Licensee Signature

NOTICE TO PROCEED



September 12, 2019

**NOTICE TO PROCEED**

Steve Kane, MAI M.S.  
EastWest Econometrics LLC  
P.O. Box 127  
Louviers, CO 80131  
303-437-1651

Re: Appraisal Services for Park Land Dedication Ordinance ("PLDO") Revisions

Dear Steve:


The City of Colorado Springs, on behalf of its Parks, Recreation and Cultural Services Department, would like to engage your appraisal services for two (2) hypothetical properties in each of the eight (8) geographic areas as defined on Attachment A.

The Scope of Work is to prepare an appraisal report to determine an opinion of value for the "as is" market value for a hypothetical 7 (+/-) acre parcel and a hypothetical 25 (+/-) acre parcel in each of the 8 geographic areas. The scope shall also include a City-wide average calculation for each of the hypothetical parcels described above and in your proposal dated September 6, 2019.

As discussed on September 5, 2019 the City looks forward to meeting with you in approximately 2 weeks, after your initial market research is underway, to further define the hypothetical definition in each of the geographic areas.


1. On or before October 9, 2019, please provide a draft for review, to be followed by three (3) hard copies and one (1) electronic copy of the appraisal report to the City of Colorado Springs, Real Estate Services Office, 30 South Nevada Avenue, Room 502, Colorado Springs, Colorado 80903.
2. The fee for services will be no more than \$16,000.00, per your proposal dated September 6, 2019. Please include your invoice with the report and address the invoice to: **The City of Colorado Springs, on behalf of its Parks, Recreation and Cultural Services Department.**
3. Payment shall be thirty (30) days from date of receipt of invoice.
4. The appraisal reports must comply with the attached minimum requirements for the City of Colorado Springs.

Please sign and return one copy of this Notice within 7 days signifying your acceptance to its terms.

  
\_\_\_\_\_  
Steve Kane

9-12-19  
\_\_\_\_\_  
Date

Sincerely,

  
Kellie Billingsley  
Office of Real Estate Services



**City of Colorado Springs Minimum Appraisal Requirements**

1. Use the jurisdictional definition of "reasonable market value" (Colorado Jury Instructions – Civil 4<sup>th</sup>, 36:3).
2. List the project number and the numbered parcels that are the subject of the appraisal, if applicable.
3. State the total compensation estimate and the effective date of value, and include a signed and dated certification of value and a statement of assumptions and limiting conditions.
4. Describe the purpose of the appraisal and the property rights or interests appraised. Describe scope of work to develop the appraisal.
5. Discuss highest and best use (as vacant, and as improved where appropriate). Appraisal conclusions must be consistent with highest and best use.
6. Define and describe the surrounding neighborhood. A regional overview may also be appropriate.
7. Describe and photograph the subject property (land and any affected improvements) and address pertinent characteristics (land/building size, shape, topography, utilities, access, zoning, condition, functional utility, etc.), if applicable.
8. Environmental – be alert to and address any potential or evident contamination or other negative environmental conditions as appropriate.
9. Describe, photograph and discuss comparable land/building sales and rentals. Principal appraiser must confirm all sales with buyer and/or seller (statutory CRS 38-1-118). Include sale and rental location maps. Apply appropriate market supported dollar or percentage adjustments, and/or appropriate qualitative adjustments. Cash equivalency must be considered. Describe and support final value correlation from sales and other data analyzed.
10. Include in the report appropriate maps, charts, plans, photographs and similar exhibits (flood and zoning maps, regulations, appraiser qualifications, etc.).
11. The Effective Date of each valuation shall be October 1, 2019.

REVISED SCOPE OF WORK  
April 2020



## PLDO 2019/2020 Update

Scope of Work: To prepare an appraisal report to determine an opinion of value for the “as is” market value for 2 different hypothetical parcels as further defined below:

### **Hypothetical Parcel 1 – Neighborhood Park** (for each of the 8 Geographic Service Areas)

- 5.5 acres of vacant land
- Platted into one 5.5 acre parcel with appropriate adjustments for un-platted comparables (i.e. cost to plat)
- In walkable proximity to residential uses, including parcels likely to develop as residential uses (i.e. undeveloped but zoned for residential)
- Public streets are adjacent to this hypothetical parcel on at least one side
- Public utilities are in close proximity i.e. in a public street adjacent to the parcel

\*Include a City-wide average calculation of the concluded values for the 8 Geographic Service Areas.

### **Hypothetical Parcel 2 – Community Park** (Citywide)

- 20 acres of vacant land
- Platted into one 20 acre parcel with appropriate adjustments for un-platted comparables (i.e. cost to plat).
- In reasonable proximity (2 miles) to residential uses, including parcels likely to develop as residential uses (i.e. undeveloped but zoned for residential)
- Public streets are adjacent to this hypothetical parcel on at least one side
- Public utilities are in close proximity i.e. in a public street adjacent to the parcel