

PDSC MEETING AGENDA

DATE: 5/31/2023
TIME: 3:30-5:00 PM
LOCATION: Zoom
RE: Planning and Development Subcommittee

PDSC Objectives:

- Support the development and implementation of an updated Strategic Plan and the 2020 Airport Master Plan Update
- Provide ongoing support and input on specific plans and proposals for the development of Airport property
- Provide input on other business development efforts as appropriate

PDSC Agenda Items:

- 1) **Meeting Minutes – April 26, 2023**
- 2) **Fort Collins-Loveland Water District Water Line Easement (40 min.)**
- 3) **5271 Beechcraft Development Proposal (20 min.)**
- 4) **5230 Gulfstream Building Expansion and New Lease Proposal (20 min.)**
- 5) **Updates/Planning/Open Discussion (10 Min)**

Unresolved/Pending Topics:

- Cellular Data Tower
- West & Northeast Airport Area Planning
- Updated Leasing Policy

Join Zoom Meeting

Wednesday, May 31, 2023 – 3:30 p.m.

<https://us06web.zoom.us/j/97011482750?pwd=V1pVVHdrMXZibzlyZ3RFanpRK2NlZz09>

Meeting ID: 970 1148 2750

Passcode: 465261

One tap mobile

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DATE: 4/26/2023
TIME: 3:34 – 4:56 PM
RE: Planning and Development Subcommittee Meeting (PDSC)
ATTENDEES: Tom Fleming, Diane Jones, Jason Licon, Aaron Ehle, Troy Bliss, Josh Birks, James Aden

Begin Meeting Record 4/26/2023

Agenda Item #1: Meeting Minutes – March 22, 2023

- **Diane moved to approve the minutes. The motion, seconded by Tom, passed unanimously.**

Agenda Item #2: Airport Business Attraction Strategy

- Airports throughout the country attempt to attract businesses with tax rebates/waivers, employment incentives, marketing assistance, training and education programs, streamlined approval and permitting processes, and other tools.
 - Colorado Springs has been successful in attracting businesses through incentives.
 - Colorado is a fairly expensive state for aviation/aerospace companies to do business in.
 - Several other states, such as Texas, Kansas, and Washington, have taxation policies and incentives that are more favorable.
 - Colorado is not an incentive-rich state and Northern Colorado is not an incentive-rich region.
 - Businesses have traditionally been attracted to CO due to a highly educated workforce, high quality of life, natural beauty, pleasant climate, abundant recreational opportunities, low operational costs, and reasonable cost of living. In the past, companies have come to the state and region without significant incentives. Some of these factors aren't as favorable as they used to be, so incentive may become more important.
 - The Colorado Office of Economic Development and International Trade offers an aviation zone employment credit - \$1,200 for each net new employee. This credit is applicable at FNL.
 - One of the main disadvantages FNL has right now is a lack of “shovel-ready” land.
- The Airport is jointly owned by Fort Collins and Loveland but is located within Loveland city limits and Loveland collects the sales tax generated at the Airport.
 - Under the inter-governmental agreement (IGA) Loveland provides most of the staffing and administrative support.
 - Scott Schorling, Business Development Project Manager for the City of Loveland, has drafted a proposal to enhance business attraction through a sales tax rebate incentive for aviation/aerospace businesses.
 - This aviation/aerospace sales tax rebate of 1.5 cents (of 3 cents) would apply to employers engaged in the manufacturing and sale of aircraft repair, remodeling, or maintenance service at the Airport.
 - The amount of sales tax currently generated at the Airport is low, but this could help attract new businesses.

- An additional 0.5 cents rebate would go into an airport infrastructure development fund
- The policy would include a 100% sales tax waiver on manufacturing equipment.
- This tax benefit would benefit the entire region and help “level the playing field.”
- Commercial aeronautical activities are not permitted in the through-the-fence (Centre Point Business Park) area.
- A Loveland City Council study session for this item is scheduled for June 27th.
- We should investigate the possibility of all or a portion of the sales tax generated at the Airport going into a fund that could be used for incentives on a case-by-case basis.
- Prospect: Jet Sale – Economic Impact Analysis slide
 - This information needs to be verified. Some of it may not be accurate.

Agenda Item #3: T-Hangar Update

- A more in-depth analysis of the C units was performed.
 - It concluded that the buildings are in satisfactory condition and can potentially be safely occupied if repairs are made.
 - The deadline for vacating the C units was extended until October 10th. The deadline for vacating the A & B units remains June 10th.
- Information being prepared for the June/July Airport Commission meetings.
 - The Commission instructed staff to arrange for a more detailed analysis of the A & B hangars.
 - Repairs and maintenance needs for the C hangars are being assessed and cost estimates are being prepared.

End Meeting Record



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 2

MEETING DATE: May 31, 2023

PREPARED BY: Aaron Ehle – Airport Planning & Development Specialist

TITLE

Fort Collins Loveland Water District Water Line Easement

RECOMMENDED PDSC ACTION

Provide feedback and potential recommendation of easement approval to the Airport Commission

SUMMARY

In July of 2021, Airport staff began working with Fort Collins-Loveland Water District (FCLWD) on a potential easement for a 24-inch waterline along a portion of the boundary of the Airport. Because the waterline will primarily serve off-Airport users, the Federal Aviation Administration (FAA) and the Cities require that the Airport receive fair market value for the easement area.

Over the last two years, Airport staff have worked with staff from FCLWD and their consultant, Sanderson Stewart to determine an alignment for the waterline that meets the needs of the District while benefiting the Airport by providing water service to areas that currently lack it. FCLWD has also agreed to install five service connection points with hydrants to serve future Airport development.

During the negotiation process, the Airport contracted with CBRE Valuation & Advisory Services to conduct an appraisal investigation of the easement area, which covers approximately 5.7 acres, and to assess the value that the waterline and additional infrastructure will provide to the Airport. Airport staff also consulted with staff from Loveland Water & Power, as they have more experience in negotiating easement agreements.

ATTACHMENTS

Easement Request Letter from FCLWD

NE Airport Exhibit

E Airport Exhibit

Full Easement Exhibits

Draft Appraisal Report

Fort Collins-Loveland Water District



Jason Licon
Airport Director
Northern Colorado Regional Airport
4900 Earhart Road
Loveland, CO 80538

Re: Value to the Airport due to FCLWD's Proposed 24-in Waterline

Dear Jason,

This letter is intended to be a response to the Airport regarding the value of the proposed 24-inch waterline around the perimeter of the airport. As discussed, the easement would be a non-exclusive easement for a large diameter water transmission main. The waterline will be owned and managed by the Fort Collins-Loveland Water District. Currently, the District has several other water mains within the Airport property. The proposed waterline alignment will generally follow the alignment of the existing South Fort Collins Sanitation District sewer easement that runs parallel to the north east property lines of the airport (see attached exhibit). Typically, this type of water transmission line is buried approximately 5-feet deep and is within an easement that is 20-feet wide. Within the easement, there will be water main appurtenances such as valves, blowoff valves, fire hydrants, and air release valves, for example. The estimated cost of the proposed waterline is approximately \$7 million.

The District understands that this easement and the waterline will be an encumbrance on the Airport's property, and a value will need to be set for the land encumbered by the easement. The recently completed appraisal includes a comparison of scenarios, which include if the proposed waterline was not existing and if it is existing at the time of future airport development projects per the Airport masterplan. The difference between those scenarios is that if the Airport were to develop land within airport property, the Airport would be required to design and construct a waterline at its cost versus this waterline being designed and constructed by the District. The benefit to the Airport if the line is constructed by the District is that the Airport would be allowed to connect to the new line at various proposed locations, reducing overall airport design and construction costs in the future.

The following items are intended to clarify those benefits.

1. The District is willing to incorporate into the design and construction of the 24-inch waterline, five (5) service connection points that are ended with a fire hydrant and valved to accommodate future extension by the Airport for development at a later date.
 - a. The cost of installation of this infrastructure at the time of the District's project construction will be less than installing it in the future.
 - b. The cost of installing these connections currently at the time of construction is approximately \$13,000. To install these connections post construction is approximately \$4,000 more.



- c. It should also be noted, that the District's preference is not to allow connections to this type of watermain (transmission) post construction and while the watermain is in service since it is a difficult operation that can have the potential to compromise pipe integrity.
2. If the District's proposed waterline was not constructed, the Airport would be required to construct a new watermain to support onsite Airport construction. The general requirements would include design and construction and would entail approximately 4,900 feet of 8 or 12-inch diameter waterline and appurtenances to service the development. This does not include the internal waterline routing for the Airport's future development plans. The value of that waterline would be approximately \$1.4 million.
3. The proposed watermain will provide more robust water supply to the Airport for expansion in the future. This means more redundancy though additional looping around the airport.
4. The District would allow, through separate contracts, the District's contractor to provide additional onsite waterline looping concurrently or following the installation of the new 24-inch waterline. This coordination would minimize the impacts of such things as timing and contractor mobilization costs for the airport.

The District appreciates the Airport's consideration of this summary and hopes to work with the Airport and its Board to come to an agreement regarding the easement. If in the meantime the Airport has any questions or would like to discuss the location in more detail, please do not hesitate to call or email. Thank you so much for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Chris Pletcher".

Chris Pletcher, General Manager

Fort Collins-Loveland Water District

Ltr_FCLWD_Airport_EasementValue

Final Audit Report

2023-05-19

Created:	2023-05-19
By:	Gail Perkins (gperkins@fclwd.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA-97DXi4E44mgAd_VcqtLh-FNrS3xhwLh

"Ltr_FCLWD_Airport_EasementValue" History

-  Document created by Gail Perkins (gperkins@fclwd.com)
2023-05-19 - 7:29:11 PM GMT
-  Document emailed to Chris Pletcher (cpletcher@fclwd.com) for signature
2023-05-19 - 7:29:49 PM GMT
-  Email viewed by Chris Pletcher (cpletcher@fclwd.com)
2023-05-19 - 9:38:30 PM GMT
-  Document e-signed by Chris Pletcher (cpletcher@fclwd.com)
Signature Date: 2023-05-19 - 9:39:09 PM GMT - Time Source: server
-  Agreement completed.
2023-05-19 - 9:39:09 PM GMT

Airport Service Cost Comparison

Wet tap 24-in x 8-in service			Standard construction 24-in x 8-in service	
\$ 5,000.00	Labor and equipment		\$ 2,000.00	Labor and equipment
\$ 1,000.00	Tap cost		\$ 5,400.00	Tee, joint restraint, valve
\$ 5,240.00	Tapping sleeve and valve		\$ 3,900.00	Fire hydrant
\$ 3,900.00	Fire hydrant		\$ 400.00	Reducer
\$ 400.00	Reducer		\$ 1,000.00	Hydrant extension
\$ 1,000.00	Hydrant extension			
\$ 16,540.00	Total per Each		\$ 12,700.00	Total Per Each

Date: May 17, 2023
Project No.: 21072.02

**Engineer's Opinion of Probable Cost
for
FCLWD Transmisson Main
Rockwell Appraisal A**

Phase I: 12-inch Watermain (Constructed by Airport - Assumes no 24-in)

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	3850	LF	12-inch PVC Water Line	\$179.00 =	\$689,150.00
102	20	LF	8-inch PVC Water Line	\$124.00 =	\$2,480.00
103	40	LF	6-inch PVC Water Line	\$100.00 =	\$4,000.00
104	4	EA	6-inch PVC Fire Hydrant Assembly (Incl. Valve, & Hydrant)	\$5,300.00 =	\$21,200.00
105	4	EA	12-inch Gate Valve	\$2,800.00 =	\$11,200.00
106	7	EA	12-inch 45 Degree Bend	\$800.00 =	\$5,600.00
107	4	EA	12-inch x 8-inch Tee	\$1,000.00 =	\$4,000.00
108	4	EA	8-inch x 6-inch Reducer	\$400.00 =	\$1,600.00
109	2	EA	Connect to Existing 12-inch Main	\$5,000.00 =	\$10,000.00
				Schedule II Subtotal =	\$749,230.00

Notes:

Mobilization and Insurance based on percentage of total schedule cost	9%	\$63,684.55
Construction contingency	20%	\$149,846.00
Design Fees	10%	\$96,276.06

Total Estimated Cost \$1,059,036.61

All items are complete and in place.

Sanderson Stewart cannot warrant that any opinions of probable cost provided by Sanderson Stewart will not vary from actual costs incurred by the client. Sanderson Stewart has no control over the cost or availability of labor, equipment, materials, or over market conditions or the Contractor's method of pricing. Sanderson Stewart makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from Sanderson Stewart's opinion of probable cost.

Date: May 19, 2023
Project No.: 21072.02

**Engineer's Opinion of Probable Cost
for
FCLWD Transmisson Main
Rockwell Appraisal B**

Phase I: 12-inch Watermain (Constructed by Airport - Assumes no 24-in)

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	1050	LF	12-inch PVC Water Line	\$179.00 =	\$187,950.00
102	5	LF	8-inch PVC Water Line	\$124.00 =	\$620.00
103	5	LF	6-inch PVC Water Line	\$100.00 =	\$500.00
104	1	EA	6-inch PVC Fire Hydrant Assembly (Incl. Valve, & Hydrant)	\$5,300.00 =	\$5,300.00
105	2	EA	12-inch Gate Valve	\$2,800.00 =	\$5,600.00
106	0	EA	12-inch 45 Degree Bend	\$800.00 =	\$0.00
107	1	EA	12-inch x 8-inch Tee	\$1,000.00 =	\$1,000.00
108	1	EA	8-inch x 6-inch Reducer	\$400.00 =	\$400.00
109	1	EA	Connect to Existing 12-inch Main	\$5,000.00 =	\$5,000.00
				Schedule II Subtotal =	\$206,370.00

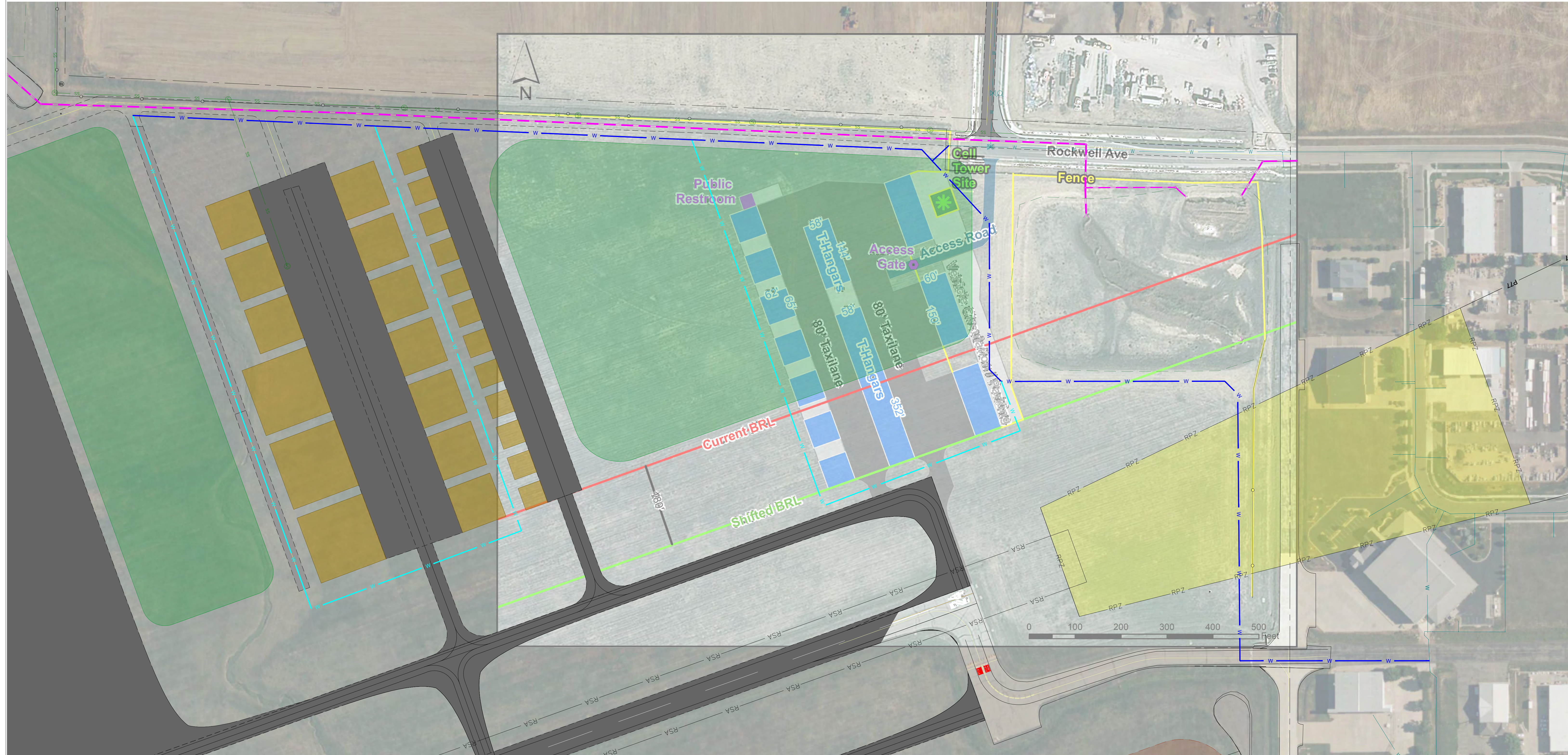
Notes:

Mobilization and Insurance based on percentage of total schedule cost	8.5%	\$17,541.45
Construction contingency	20%	\$41,274.00
Design Fees	10%	\$26,518.55

Total Estimated Cost \$291,704.00

All items are complete and in place.

Sanderson Stewart cannot warrant that any opinions of probable cost provided by Sanderson Stewart will not vary from actual costs incurred by the client. Sanderson Stewart has no control over the cost or availability of labor, equipment, materials, or over market conditions or the Contractor's method of pricing. Sanderson Stewart makes no warranty, express or implied, that the bids or the negotiated cost of the work will not vary from Sanderson Stewart's opinion of probable cost.



ROCKWELL APPRAISAL EXHIBIT A

PRICE WITH NEW 24-IN TRANSMISSION MAIN: = \$1,099,567

PRICE W/OUT TRANSMISSION MAIN: = \$1,750,343

INTERNAL 12-IN AIRPORT WATER LINE
TOTAL LENGTH = 3950 LF

12-IN TRANSMISSION MAIN
TOTAL LENGTH = 3850

EXISTING WATER LINE

EXISTING SANITARY SEWER

EXISTING STORM DRAIN

*UNIT PRICE FOR 12-IN WATER LINE IS BASED ON PURVIS FARM SINGLE/MULTI-FAMILY LOT DEVELOPMENT COST ESTIMATE, DONE ON 9/29/22

FUTURE DEVELOPMENT AREAS

- Innovation Focused Aeronautical/Non-Aeronautical
- Terminal Parking
- Aeronautical/Non-Aeronautical Development
- Aeronautical Development
- Entryway Improvements/Setbacks

NOTES

1. THIS DRAWING REFLECTS PLANNING STANDARDS SPECIFIC TO THIS AIRPORT, AND IS NOT A PRODUCT OF DETAILED ENGINEERING DESIGN ANALYSIS. IT IS NOT INTENDED TO BE USED FOR CONSTRUCTION DOCUMENTATION OR NAVIGATION.
2. AERIAL PHOTOGRAPHY ACQUIRED (APR 2018) BY QUANTUM SPATIAL. AGIS DATA PROVIDED (DEC 2018) BY QUANTUM SPATIAL.
3. MAGNETIC DECLINATION CALCULATED BY NATIONAL GEOPHYSICAL DATA CENTER.
4. ALL LAT. LONG. COORDINATE INFORMATION (NAD83) & RUNWAY ELEVATION DATA (NAVD88) PER NGS.
5. THE FUTURE ROAD SHOWN THROUGH THE RUNWAY 33 APPROACH RPZ WILL REQUIRE FURTHER COORDINATION WITH FAA PRIOR TO DESIGN, CONSTRUCTION OR GRANT FUNDING REQUESTS BY THE AIRPORT SPONSOR.



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SCALE: 1" = 100'

EARHART APPRAISAL EXHIBIT B



PRICE WITH NEW 24-IN TRANSMISSION MAIN = \$386,882
 PRICE W/OUT TRANSMISSION MAIN = \$590,247

INTERNAL AIRPORT WATER LINE
 TOTAL LENGTH = 1750 LF

12-IN TRANSMISSION MAIN
 TOTAL LENGTH = 1050

EXISTING WATER LINE

EXISTING SANITARY SEWER

EXISTING DRY UTILITIES

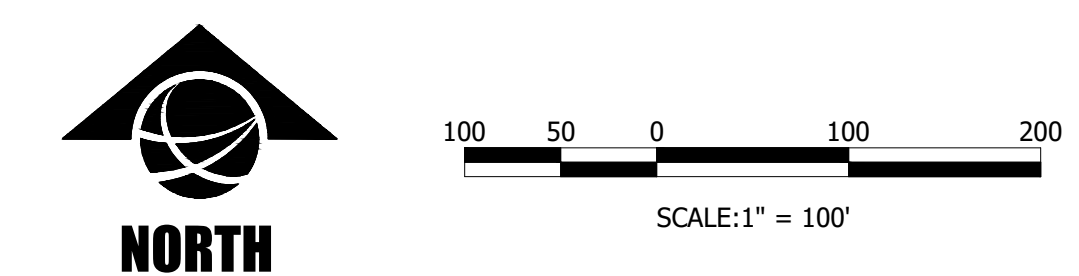
*UNIT PRICE FOR 12-IN WATER LINE IS BASED ON
 PURVIS FARM SINGLE/MULTI-FAMILY LOT
 DEVELOPMENT COST ESTIMATE, DONE ON 9/29/22

FUTURE DEVELOPMENT AREAS

- Innovation Focused Aeronautical/Non-Aeronautical
- Terminal Parking
- Aeronautical/Non-Aeronautical Development
- Aeronautical Development
- Entryway Improvements/Setbacks

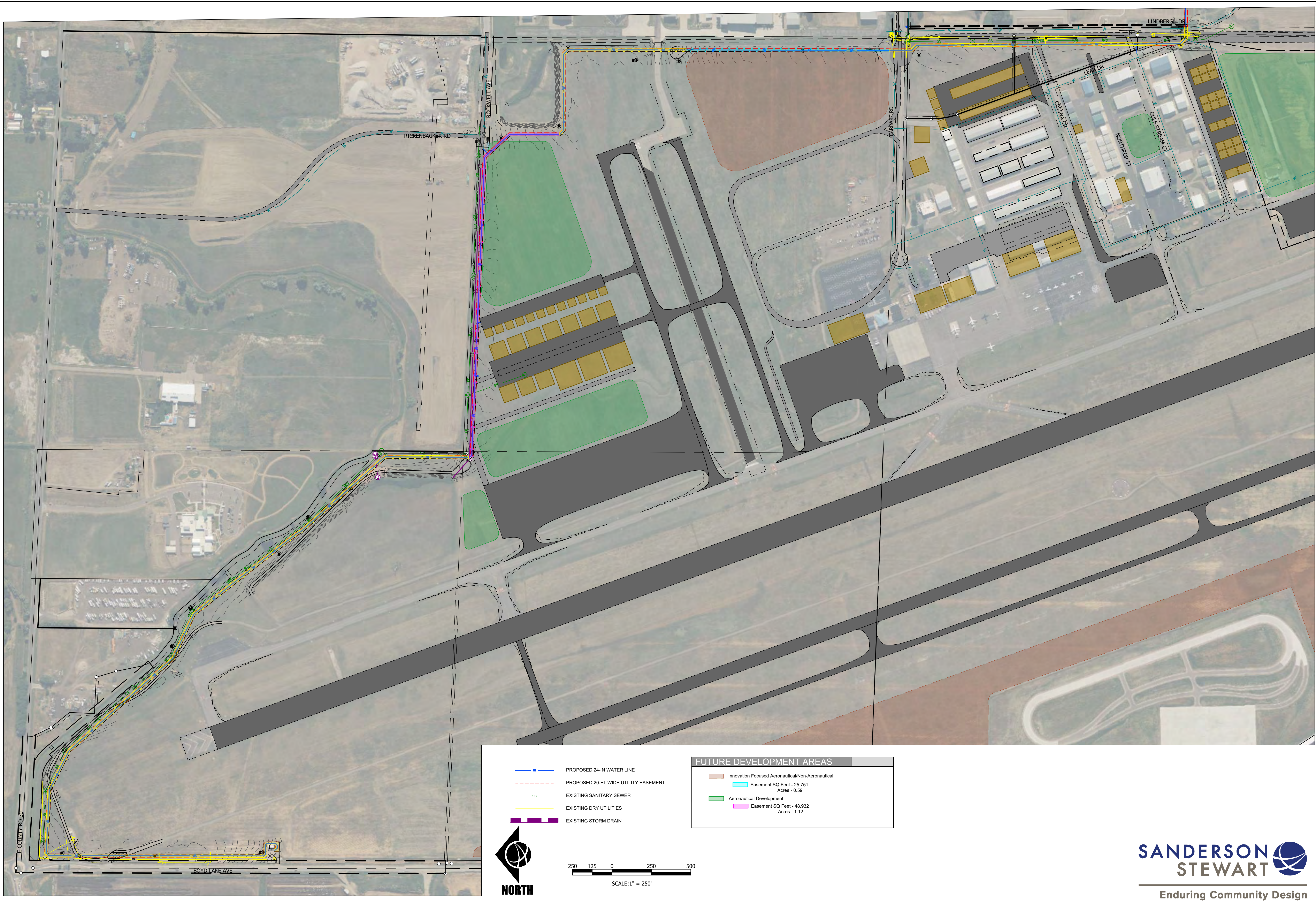
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P:\2023\02_Plan_Collab\02_Plan_Collab\02_Plan_Collab\CADD\DWG\DWG_0102\0102_01_01.dwg, OVERALL, 1/17/2023 3:45:00 PM, Release, 1:1

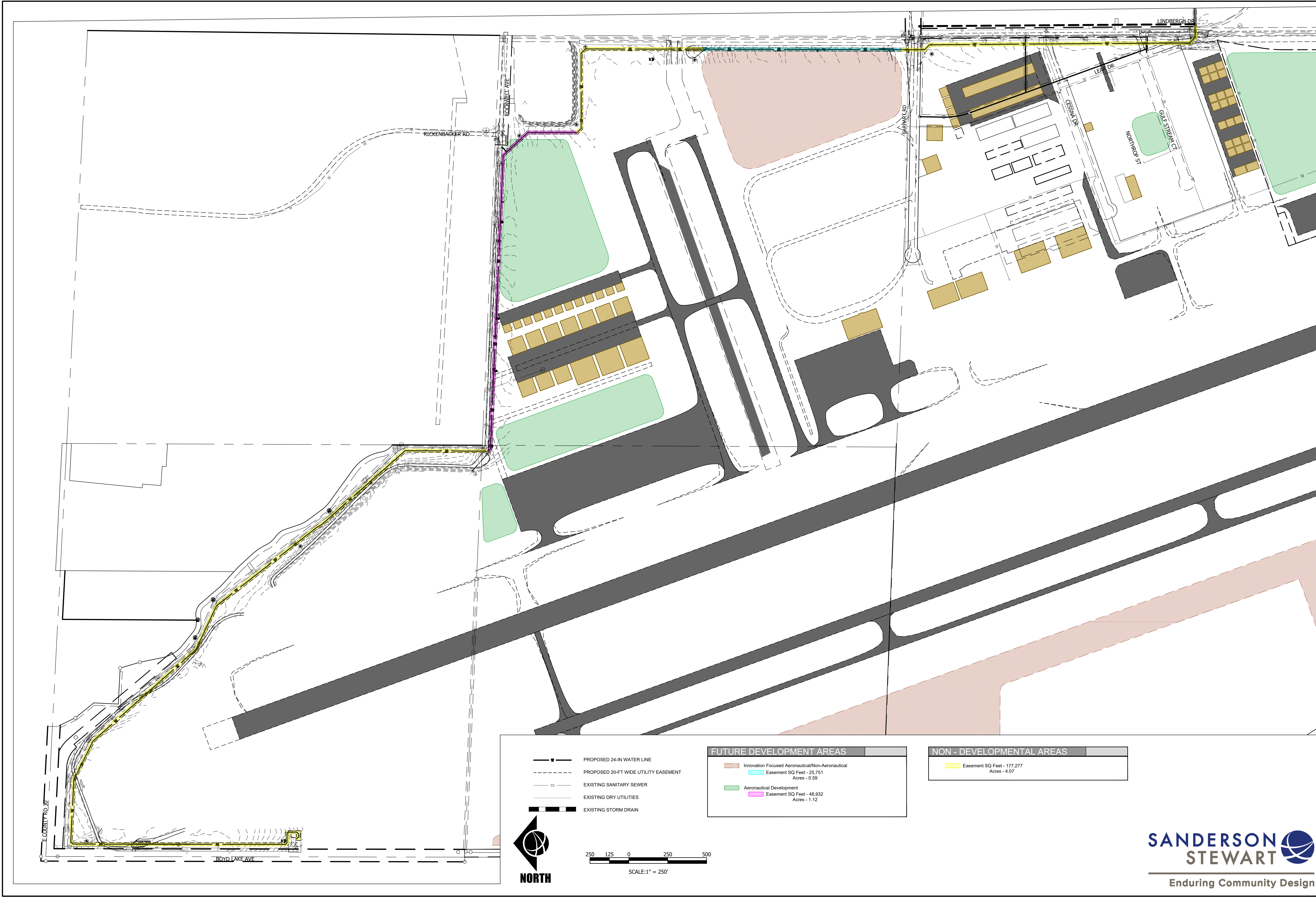


	PROPOSED 24-IN WATER LINE
	PROPOSED 20-FT WIDE UTILITY EASEMENT
	EXISTING SANITARY SEWER
	EXISTING DRY UTILITIES
	EXISTING STORM DRAIN

FUTURE DEVELOPMENT AREAS	
	Innovation Focused Aeronautical/Non-Aeronautical Easement SQ Feet - 25,751 Acres - 0.59
	Aeronautical Development Easement SQ Feet - 48,932 Acres - 1.12

NORTH

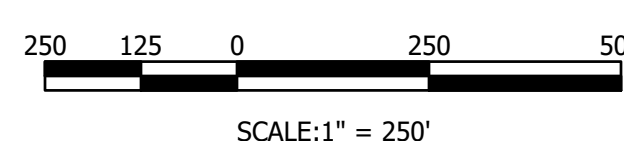
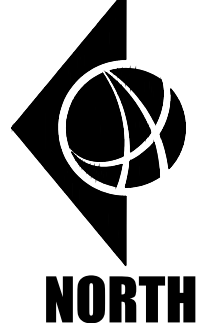
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- PROPOSED 24-IN WATER LINE
- - - PROPOSED 20-FT WIDE UTILITY EASEMENT
- SS EXISTING SANITARY SEWER
- EXISTING DRY UTILITIES
- EXISTING STORM DRAIN

FUTURE DEVELOPMENT AREAS	
■ Innovation Focused Aeronautical/Non-Aeronautical	
■ Easement SQ Feet - 25,751	Acres - 0.59
■ Aeronautical Development	
■ Easement SQ Feet - 48,932	Acres - 1.12

NON - DEVELOPMENTAL AREAS	
■ Easement SQ Feet - 177,277	Acres - 4.07



APPRAISAL REPORT

NORTHERN COLORADO REGIONAL AIRPORT
4900 EARHART ROAD
LOVELAND, COLORADO 80538
CBRE GROUP, INC. FILE NO. CB22US137150-1

NORTHERN COLORADO REGIONAL AIRPORT COMMISSION

OWNER: CITIES OF FORT COLLINS AND LOVELAND
PROJECT: NORTHERN COLORADO REGIONAL AIRPORT
WATER PIPELINE

APPRAISER: JON VAUGHAN
DATE OF VALUE: FEBRUARY 15, 2023
DATE OF REPORT: FEBRUARY 28, 2023

February 28, 2023

Mr. Jason Licon
NORTHERN COLORADO REGIONAL AIRPORT COMMISSION
4900 Earhart Road.
Loveland, Colorado 80538

RE: Project: Northern Colorado Regional Airport Water Pipeline
Location: 4900 Earhart Road
Loveland, Colorado
Acquisition: 24-inch Waterline PE
Owner: Cities of Fort Collins and Loveland
CBRE, Inc. File No.: CB22US137150-1

Dear Mr. Licon:

At your request and authorization, CBRE, Inc. has prepared an eminent domain appraisal report of the referenced property. The purpose of this appraisal is to provide a compensation estimate for the market value of the property acquired based on the federal Before and After methodology. Only the underlying land/site value and affected improvements acquired in the taking area have been valued in this appraisal. My analysis is presented in the following Appraisal Report.

I understand that this appraisal report may be used in connection with the acquisition of right-of-way for the referenced project to be constructed by the Fort Collins Loveland Water District. If necessary, this report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony for condemnation trial purposes. This appraisal report will become a public record after final settlement with the owner or after the conclusion of legal proceedings.

The subject is a 1050.840-acre parcel of industrial development land located at 4900 Earhart Road, Loveland, Colorado. The property includes a regional airport, hangers, and appurtenant structures. The Fort Collins Loveland Water District intends to acquire an easement for a water pipeline. The proposed easement extends along the east, north, and west edges.

The reasonable market value and compensation estimate are subject to certain definitions, assumptions and limiting conditions, and certification of appraiser set forth in the attached appraisal report. Based upon my independent appraisal and exercise of my professional judgment, my compensation estimate for the acquisition is concluded as follows:

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
Larger Parcel Before Acquisition	Fee Simple Estate	February 15, 2023	\$110,338,200
Compensation Estimate		February 15, 2023	\$0

Compiled by CBRE

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

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed in conformance with, the guidelines and recommendations set forth in the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the Uniform Standards of Professional Appraisal Practice (USPAP) and the Uniform Relocation Assistance and Real Property Acquisition Act. It also conforms to the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.

The purpose of this appraisal is to estimate the appropriate compensation for a partial acquisition of the subject property. As a result, it is being analyzed before and after the acquisition. For the analysis after the acquisition, the property is being analyzed as though the project has been completed on the date of value, which is a hypothetical condition. This hypothetical condition is common to all partial acquisition appraisals because it is necessary to develop a compensation estimate.

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

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

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES

Jon Vaughan, MAI, SR/WA
 Director
 CO Certification CG# 100000631
 Phone: 970-372-3872
 Email: jon.vaughan@cbre.com

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A Larger Parcel Legal Description

B Parts Acquired Legal Descriptions & Development Influence

C Definitions and Acronyms

D Qualifications

EXECUTIVE SUMMARY

Parcel Number(s)	24-inch Waterline PE	
Name of Owner	Cities of Fort Collins and Loveland	
Property Location	4900 Earhart Road, Loveland, Larimer County, CO 80538	
Project Location	Northern Weld County, from Terry Ranch to just north of the Town of Windsor	
Owner Present at Inspection	The property owner declined to inspect the property with the appraiser. Therefore, the appraiser inspected the property unaccompanied on February 15, 2023.	
Client	Northern Colorado Regional Airport Commission	
Property Rights Appraised	Fee Simple Estate	
Date of Report	February 28, 2023	
Date of Inspection	February 15, 2023	
Environmental Concerns	None noted	
Land Area	1,050.84 AC	
Occupancy	Owner Occupied	
Subject 10-Year Sales History	The subject property has been held by the current owner for more than 10 years.	
Subject Use History	Agricultural production and rural residential	
Zoning	I (Developing Industrial); City of Loveland	
External Market Influences	Developing residential area at the convergence of several small towns just east of Fort Collins	
Highest and Best Use		
Before Acquisition	Industrial	
After Acquisition	Industrial	
Affected Owner Improvements	None	
Parts Acquired Parcel Nos.	24-inch Waterline PE (5.767 AC)	
Purpose of Fee Part Acquired	None being acquired	
Purpose of Easements	Water Pipeline	
Proposed Easement Area	5.767 AC	251,200 SF
Purpose of Temporary Easement	Access, construction, and grading	
Effect of Take on Residue Parcel	No significant effect	
Damage Considerations	None	
Cost to Cure	N/A	
Special Benefits Considerations	None	

VALUE AND COMPENSATION CONCLUSIONS

Larger Parcel Value Before Acquisition		
Total Value Before Take	Component Value	Total Value
Land/Site Value	\$110,338,200	
Affected Improvement Contributory Value	\$0	
Total Larger Parcel Value Before Take (land + affected improvements)		\$110,338,200

Rental Value of Temporary Easements

Parcel	Area	\$/Unit Value	Unit	Rate (%)	Term	Value	Total Value
None						\$0	

Total Rental Value of Temporary Easements \$0

Compiled by CBRE

Compensation Estimate Summary**Before and After Valuation**

Larger Parcel Value Before	\$110,338,200	
Remainder Parcel Value After	\$110,035,433	
Appraised Value of the Acquisition		\$302,767

Compensible Damages and/or Offsetting Benefits

Compensible Damages - Curable (Net Cost to Cure)	\$0
Compensible Damages - Incurable (No Cost to Cure)	\$0
<Less> Special Benefits	\$854,141

Total Rental Value of Temporary Easements \$0

Compensation Estimate \$0

Rounded \$0

Compiled by CBRE

Introduction

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

CLIENT

The client is Northern Colorado Regional Airport Commission

INTENDED USER OF REPORT

Intended users of this appraisal report include but are not limited to Northern Colorado Regional Airport Commission (Client), officials for the Fort Collins Loveland Water District and attorneys for the Fort Collins Loveland Water District. No other user may rely on my report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.¹

INTENDED USE OF REPORT

The intended use of the appraisal is in connection with the acquisition of a parcel for a water pipeline for the referenced project to be constructed by the Fort Collins Loveland Water District. If necessary, this appraisal report with supporting data, analyses, conclusions, and opinions is to serve as a basis for court testimony in condemnation trial proceedings.

DEFINITION OF MARKET VALUE

The Uniform Appraisal Standards for Federal Land Acquisitions define market value as follows:

"Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither

¹ Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property”²

EFFECTIVE DATE OF APPRAISAL

The effective date of appraisal, reasonable market value opinions, and compensation estimate for the proposed acquisition is as of February 15, 2023.

DATE OF APPRAISAL REPORT

The date of the appraisal report is February 28, 2023.

PROPERTY INTEREST APPRAISED

The value estimated represents Fee Simple Estate as defined below:

Fee Simple Estate - 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.³

The property is appraised “as if free and clear” of all liens, bond assessments, and indebtedness, but subject to existing easements, covenants, deed restrictions, rights-of-way of record, and excepting therefrom all rights to oil, natural gas, or other mineral resources beneath such real property. This mineral interest exception is an assignment condition.

The acquisition will involve an easement encumbrance being placed on a portion of the larger parcel, which is defined as follows:

Easement – “An easement is a limited right to use or control land owned by another for specified purposes. An easement is a property interest less than the fee estate, with the owner of the underlying fee retaining full dominion over the realty, subject only to the easement; the fee owner may make any use of the realty that does not interfere with the easement holder’s reasonable use of the easement and is not specifically excluded by the terms of the easement.”⁴

LEGAL DESCRIPTION

A summary of the legal description for the larger parcel is as follows, and a description from the title report is provided as an addendum:

Part of Sections 28 and 33, Township 6 North, Range 68 West; and part of the Northeast Quarter of Section 4, Township 5 North, Range 68 West of the 6th P.M., Larimer County, Colorado.

² Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, 2016

³ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), 73.

⁴ Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2016, p.168

DATE OF PROPERTY INSPECTION AND OWNER ACCOMPANIMENT

The property owner declined to inspect the property with the appraiser. Therefore, the appraiser inspected the property unaccompanied on February 15, 2023.

ASSIGNMENT CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.”⁵

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”⁶

The use of hypothetical conditions and extraordinary assumptions may affect assignment results.

HYPOTHETICAL CONDITIONS: contrary to what is known but used for purpose of analysis

- The value of the remainder after the acquisition is subject to the Hypothetical Condition that, as of the effective date of appraisal, the proposed project has been constructed according to the specifications provided by the client.
- In the appraisal of property for eminent domain, numerous court cases and statutes have established that project influence (both positive and negative) should be disregarded in the value of the property before the acquisition. Therefore, the appraiser has excluded consideration of any effect the project may have on the property. This requires the appraiser to analyze the property based on a condition that is contrary to what currently exists but is accepted appraisal practice.
- The use of this hypothetical condition may have affected the assignment results

EXTRAORDINARY ASSUMPTIONS: uncertain information; could alter conclusions

- Based on instructions from the client, it is assumed that any damage to site improvements such as fences and landscaping within easement areas caused by construction, maintenance, operation, repairing, alteration, replacement, or removal of its facilities shall be repaired or replaced to their as-is condition or better. Therefore, no compensation for site improvements within the easement area has been included in this analysis.
- It is assumed that any underground improvements or other improvements which are not visible to the appraiser will not be impacted by the project. Any impact to such improvements will require modification of this analysis or separate agreement between the property owner and the client.

⁵ The Appraisal Foundation, USPAP

⁶ The Appraisal Foundation, USPAP

JURISDICTIONAL EXCEPTIONS: law or regulation that precludes USPAP compliance

- The definition of Market Value in Paragraph 4.2.1 of the Uniform Appraisal Standards for Federal Land Acquisitions indicates a "reasonable exposure time", but states in Paragraph 4.2.1.2 that "...appraisers should not link opinions of market value for federal acquisitions to a specific exposure time." This conflicts with USPAP Standards Rule 1-2(c)(iv), which states: "When reasonable exposure time is a component of the definition for the value opinion being developed, the appraiser must also develop an opinion of reasonable exposure time..." Therefore, the UASFLA requirement represents a jurisdictional exception to USPAP, and no specific exposure time will be developed in this appraisal report.
- Paragraph 4.5 of the UASFLA states that "all project influence on the property's market value must be disregarded." This conflicts with USPAP Standards Rule 1-4(f), which states: "When analyzing anticipated public or private improvements, located on or off the site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the extent they are reflected in market actions." Therefore, the UASFLA requirement represents a jurisdictional exception to USPAP, and project influence must be ignored.

ASSUMPTIONS AND LIMITING CONDITIONS

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.

- (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
- (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
- (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
- (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
- (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.
- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

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

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to

assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.

9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
13. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
14. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.
15. Property utilities will be protected and/or restored by the project.
16. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down. As an assignment condition, no specific exposure time is linked to the value and compensation conclusions in this appraisal report, however, reasonable exposure time is presumed. This is in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions, which is a guiding document in eminent domain appraisal procedures and policies followed by agencies, organizations and appraisal professionals.
17. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.
18. The property is appraised assuming responsible ownership and competent property management.

IDENTIFICATION OF THE LARGER PARCEL

Appraisal for eminent domain is unique in that it requires consideration of damages and/or benefits to the remainder property after acquisition when a partial acquisition occurs. Therefore, the larger parcel from which an acquisition will be made must be determined. The Larger Parcel is defined as follows:

“The tract or tracts of land that possess a unity of ownership and have the same, or an integrated highest and best use.”⁷

Three conditions establish the larger parcel for the consideration of compensable damages and/or special benefits. The three conditions include the portion of a property that has:

- Unity of Ownership
- Contiguity
- Unity of Use

The larger parcel identified in this assignment is the 1,050.840-acre parcel located at 4900 Earhart Road in the northeastern corner of Loveland, Colorado, that is owned by Cities of Fort Collins and Loveland. This includes a total of 6 contiguous parcels individually identified by the Larimer County Assessor’s office. Furthermore, Cities of Fort Collins and Loveland do not jointly own any other adjacent parcels. Therefore, the identified parcel meets all three criteria to be considered the larger parcel.

PURPOSE OF THE APPRAISAL

Eminent domain appraisal is subject to the Code of Federal Regulations (CFR) and the federal Uniform Act appraisal requirements, and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). Real property appraisal development and reporting is subject to the Uniform Standards of Professional Appraisal Practice (USPAP).

The purpose of this appraisal is to assist the client in its determination of the amount to be paid as just compensation for the property rights acquired. Just compensation must put a landowner “in the same position monetarily as he would have occupied if his property had not been taken.” The landowner “must be made whole but is not entitled to more.” Under this principle, compensation for a partial acquisition—when the United States acquires only part of a unitary holding—must reflect not only the property interest acquired, but also any change in the value of the remainder directly caused by the government’s acquisition or planned use of the part acquired. As a result, the federal measure of compensation in partial acquisitions is the difference between the value of the landowner’s property before and after the government’s

⁷ Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, 2016

acquisition.⁸ Referred to as the federal before-and-after rule, steps to develop a compensation estimate for the acquisition of real property are:

1. Larger Parcel Value Before Acquisition
2. Residue Value After Acquisition (including encumbered easement areas acquired)
3. Compensation Estimate Summary

DATA COLLECTION - SCOPE OF RESEARCH AND ANALYSES

Extent to Which the Property is Identified

The property is identified through the following sources:

- postal address
- assessor's records
- legal description

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value. For vacant land, the sales comparison approach has been employed for this assignment.

Data Resources Utilized in the Analysis

DATA SOURCES	
<i>Item:</i>	<i>Source(s):</i>
Site Data	
Whole Property	Larimer County Assessor
Acquisition Size	ROW Plans
Remainder Size	Estimated by CBRE
Floodplain	FEMA
Zoning	Town of Loveland
Site Improvement Sizes	Appraiser inspection and aerial measurements
Easements	ROW Plans
Tax Data	Larimer County Treasurer
Comparable Data	MLS, CoStar, Interviews with Market Participants, & Public Records
Compiled by CBRE	

⁸ Uniform Appraisal Standards for Federal Land Acquisitions. (USA: The Appraisal Foundation, 2016), 151.

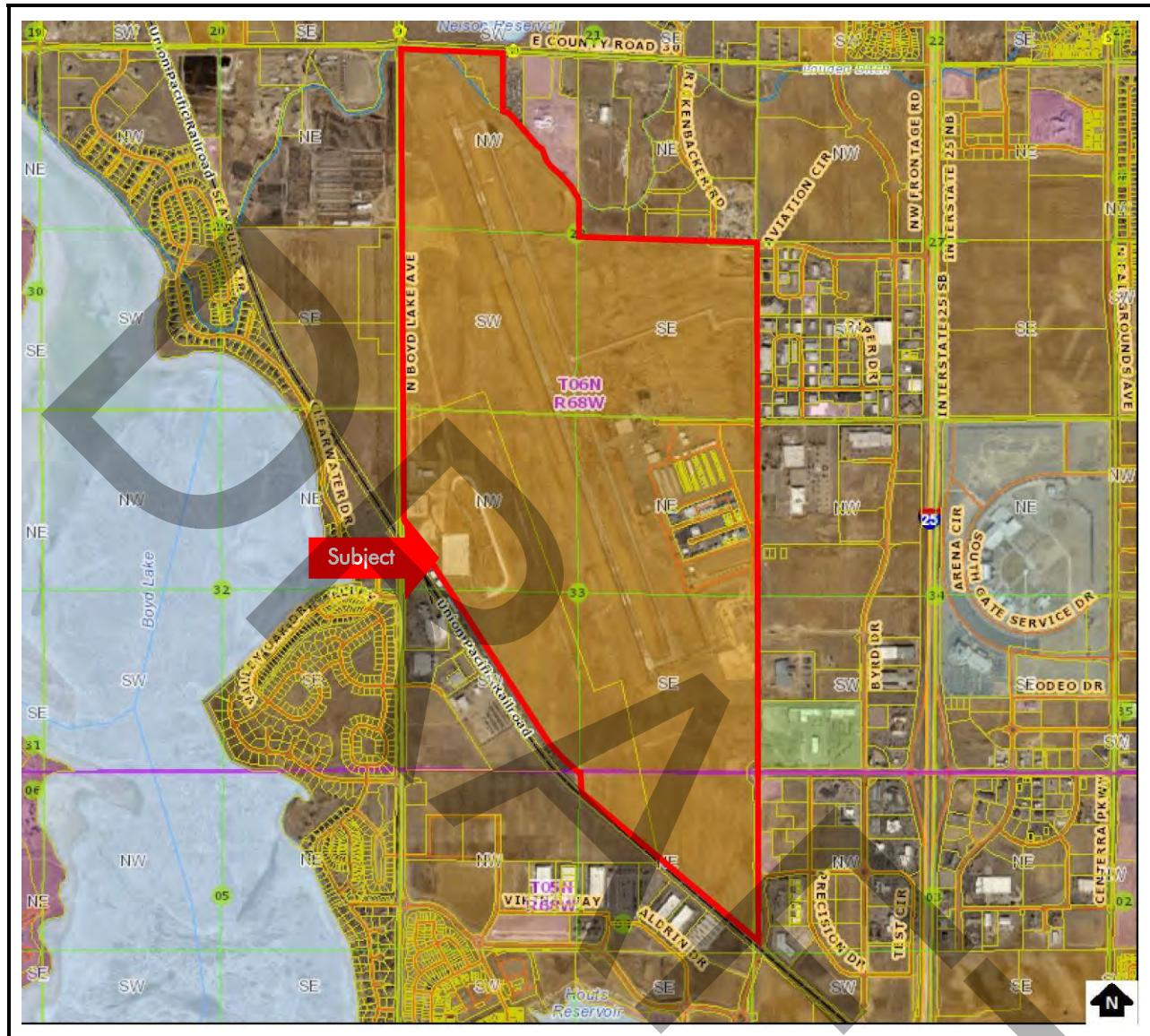
Property Data

PROPERTY DESCRIPTION – LARGER PARCEL

The following chart summarizes the salient characteristics of the subject site.

SITE SUMMARY AND ANALYSIS			
Physical Description			
Gross Site Area	1,050.840 Acres		
Shape	Irregular		
Topography	Generally Level		
Zoning District	I (Developing Industrial); City of Loveland		
Flood Map Panel No. & Date	08069C1200F	19-Dec-06	
Flood Zone	Zone X (Unshaded)		
Ingress/Egress Points	Earhart Road, Rickenbacker Road, and Boyd Lake Avenue		
Comparative Analysis		Rating	
Access	Paved		
Visibility	Good		
Functional Utility	Average		
Adequacy of Utilities	Adequate		
Landscaping	Minimal		
Drainage	Appears adequate		
Utilities	Provider	Availability	
Water	Fort Collins-Loveland Water	Yes	
Sewer	South Fort Collins Sanitation	Yes	
Natural Gas	Xcel Energy	Yes	
Electricity	City of Loveland	Yes	
Telephone	CenturyLink	Yes	
Other	Yes	No	Unknown
Detrimental Easements		x	
Encroachments		x	
Deed Restrictions		x	
Source: Various sources compiled by CBRE			

PARCEL MAP



LOCATION

The subject larger parcel is situated south of Larimer County Road 30, between Boyd Lake Avenue and Lindbergh Drive, in the northeastern portion of Loveland. This location provides good linkages to the employment hubs and suburban amenities.

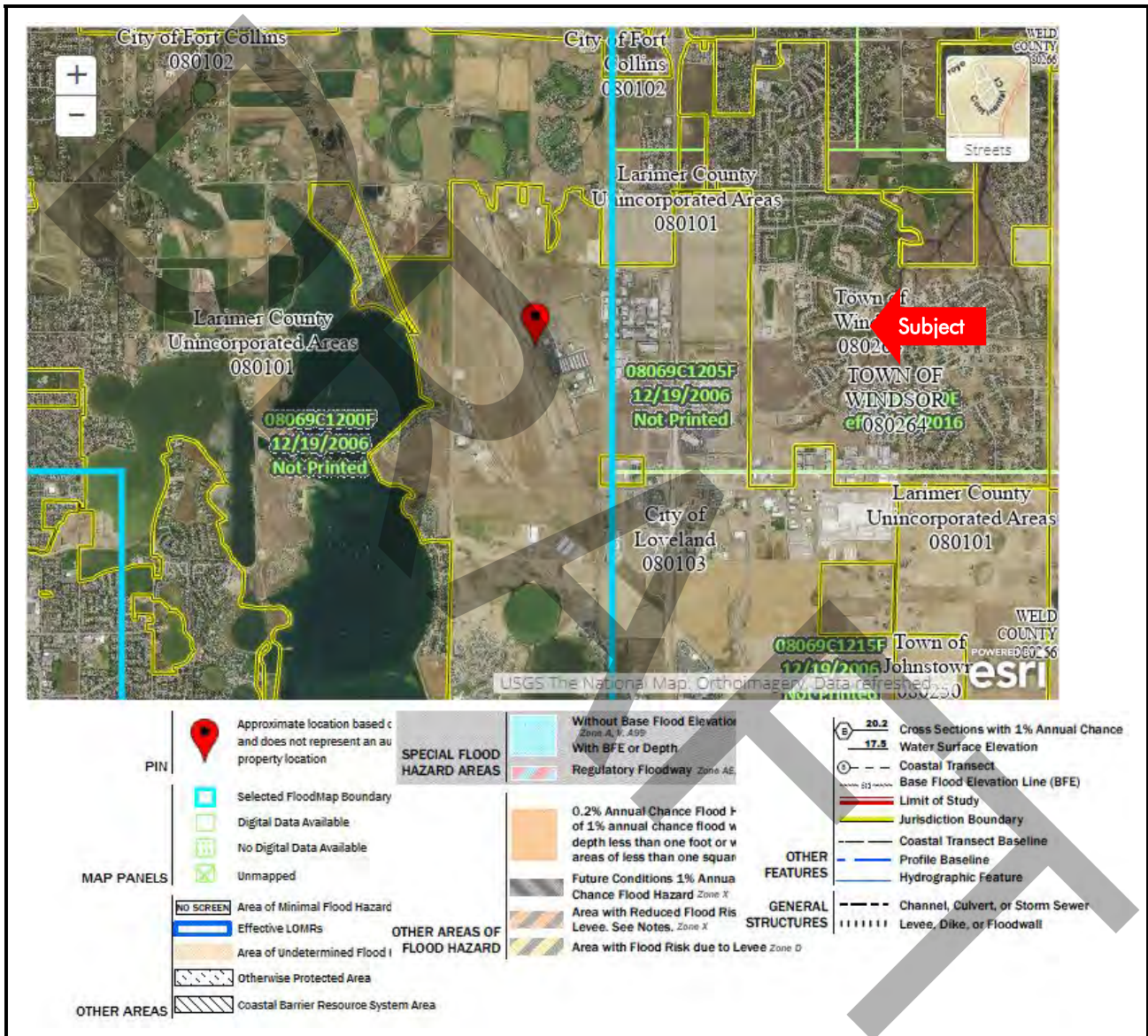
ACCESS

Ingress and egress are available to the site from Earhart Road, Rickenbacker Road, and Boyd Lake Avenue. Earhart Road is a two-lane, paved road that serves as the primary access to the airport property. Additionally, there is a network of paved roads extending around the perimeter of the airport.

SHAPE AND FRONTAGE

The subject parcel features an irregular shape extending more than 2½ miles from northwest to southeast. The property features frontage on Boyd Lake Avenue, Crossroads Boulevard, and Larimer County Road 30.

FLOOD PLAIN MAP



TOPOGRAPHY AND DRAINAGE

The larger parcel features relatively level topography. No drainage issues were evident upon inspection of the property, and it is assumed that none exist.

EASEMENTS, ENCROACHMENTS, AND RESTRICTIVE COVENANTS

Although the plat and title reports illustrate several easements crossing the larger parcel for irrigation ditches, electric utilities, water and sanitary sewer mains, as well as telecommunications facilities. These easements generally extend along the perimeter and do not significantly affect the functional utility of the larger parcel, or its highest and best use.

UTILITIES AND SERVICES

The larger parcel features adequate access to typical all municipal utilities.

SITE IMPROVEMENTS

None of the owner improvements are being affected by the acquisition.

FUNCTIONAL ADEQUACY OF THE SITE

Although the site features an irregular shape, it is large enough to accommodate a variety of uses. The relatively level topography allows for efficient land utilization. Overall, the site is functionally adequate to accommodate a variety of potential uses.

ADJACENT AND SURROUNDING LAND USES AND DEVELOPMENT

The larger parcel is situated at the confluence of the paths of growth for the communities of Loveland and Windsor. To the north, residential estates are situated north of Larimer County Road 30, while a variety of industrial properties are clustered along the south side of the county road. Several distribution centers and other light industrial uses are adjacent to the south. A variety of industrial uses are situated to the east. A dairy and residential estate subdivisions are across Boyd Lake Avenue, to the west.

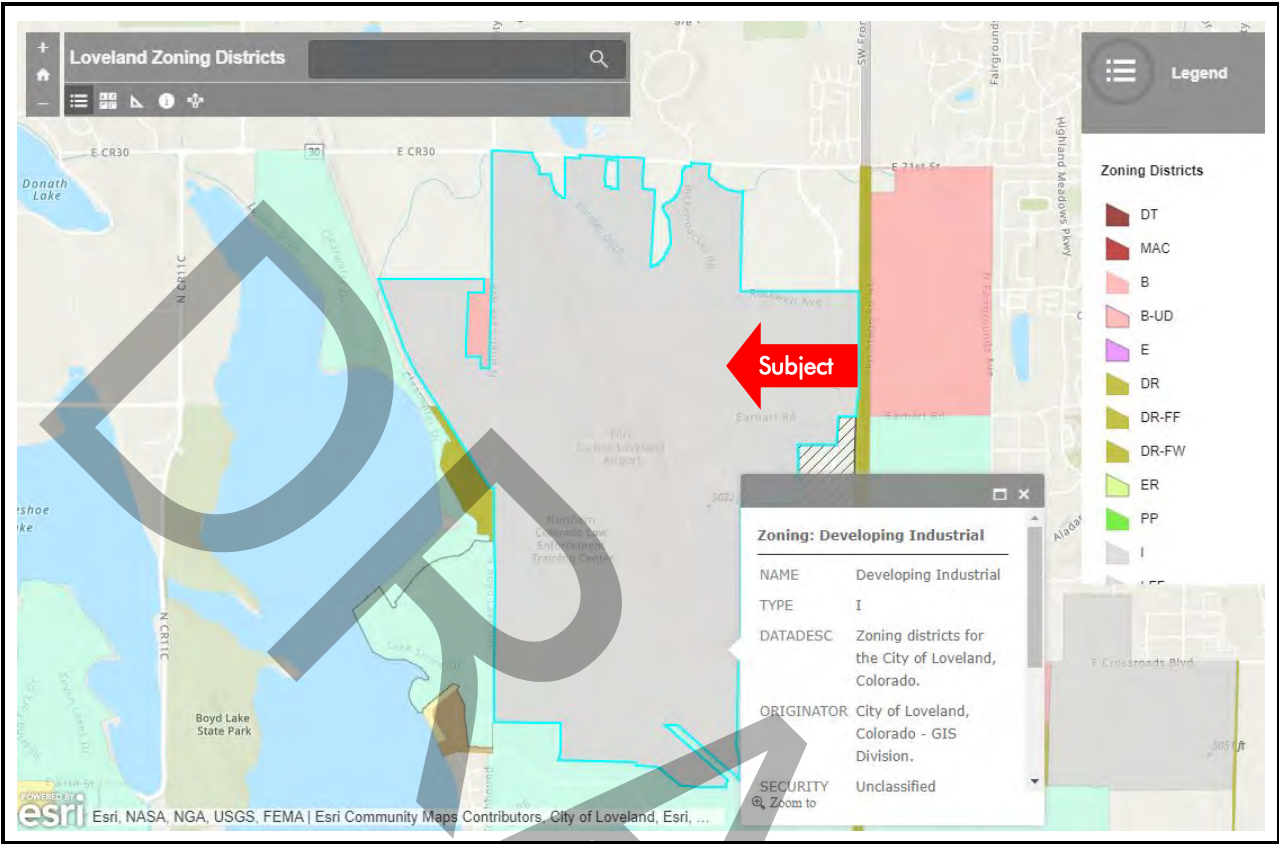
ENVIRONMENTAL ISSUES

No hazardous materials were observed on the subject larger parcel during the inspection. However, the appraiser is not qualified to detect the existence of potentially hazardous material or underground storage tanks which may be present on or near the site. For this appraisal, CBRE, Inc. has specifically assumed that the property is not affected by any hazardous materials that may be present on or near the property.

OWNER IMPROVEMENTS DATA

The larger parcel features an airport terminal and numerous appurtenant structures supporting the airport operations. None of the building improvements are being impacted by the proposed project. Therefore, the buildings are not being appraised under the scope of this assignment.

ZONING MAP



ZONING

Pertinent details of the current zoning classification are summarized in the following table:

ZONING SUMMARY	
Current Zoning	I (Developing Industrial); City of Loveland
Legally Conforming	Yes
Uses Permitted	Residential uses with a variety of housing types and densities, commercial activity centers, and other public amenities or complementary uses
Zoning Change	Unlikely
Source: Loveland Planning & Zoning Dept.	

The current zoning permits a wide variety of industrial uses. Additional information may be obtained from the appropriate governmental authority.

USE HISTORY

The larger parcel has been used as a regional commercial service airport for many years.

SALES HISTORY

Title to the property is currently vested in Cities of Fort Collins and Loveland, which have held title to the property for decades. To the best of my knowledge, there have been no recent transfers of ownership interests in the property during the previous 10 years.

LISTING/CONTRACT HISTORY

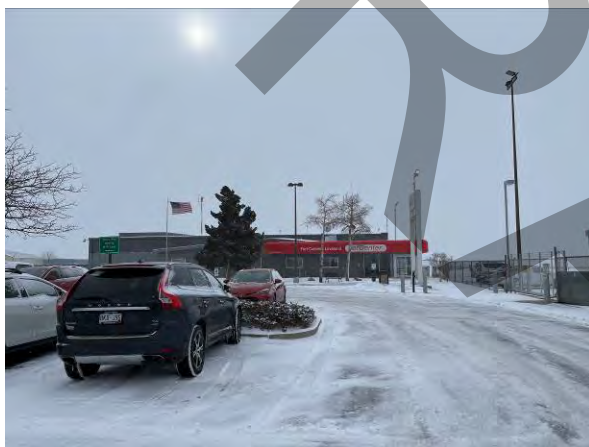
The property is not currently offered for sale.

TAX AND ASSESSMENT DATA

The larger parcel is owned by the governments of Fort Collins and Loveland. Therefore, Larimer County does not tax these parcels.

SUBJECT PHOTOGRAPHS

Photos taken on February 15, 2023 by Jon Vaughan



Southerly view toward the Jet Center building on the larger parcel



Southeasterly view from the northwest corner of the larger parcel

Data Analysis

EXTERNAL MARKET AND LOCATION INFLUENCES

US Market Conditions

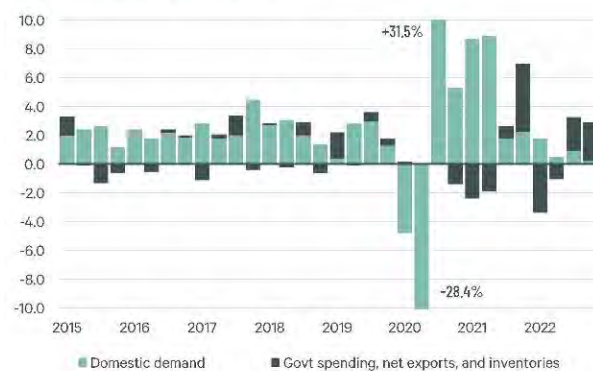
The U.S. economy grew in the second half of 2022 with consumers exhibiting considerable resolve, especially for discretionary services. However, less accommodative consumer debt markets and squeezed savings rates could create headwinds in coming quarters. The fundamentals suggest a moderate recession in 2023. Domestic demand has stalled to the slowest pace in a decade due to declining housing market activity and firms shelving expansion plans.

The increase in the CPI has been decelerating due to improved supply chains, lower energy prices, and higher interest rates, which are curtailing demand for housing and autos. Steady reductions to inflation could stabilize interest rates and provide greater clarity in the second half of 2023.

Commercial real estate faces the dual challenges of weaker demand via a moderate recession and a higher cost of capital. Multifamily and industrial continue to exhibit relatively tight fundamentals. Furthermore, the retail sector should benefit several years of very limited growth in supply from new development. However, the office sector continues to struggle as companies

Weakening domestic demand suggests a moderate recession

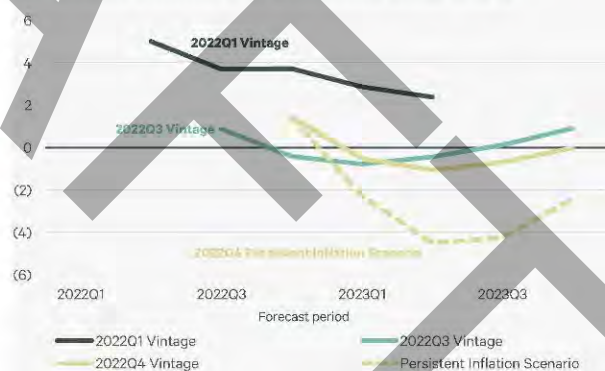
Annualized quarterly GDP growth (%)



Source: Bureau of Economic Analysis

- Although headline GDP growth appears upbeat, strip away government spending and volatile components (e.g., inventories, net exports) and it appears that core fundamentals of the U.S. economy are stalling. Looking forward, residential investment will likely remain weak and support from firms and increasingly, consumers, is poised to wane.
- During the past four quarters CBRE Econometric Advisors' macro outlook has gradually soured. The Persistent Inflation scenario assumes a stronger response from the FOMC, which would further strain business and consumer spending, resulting in a more severe economic contraction in 2023.

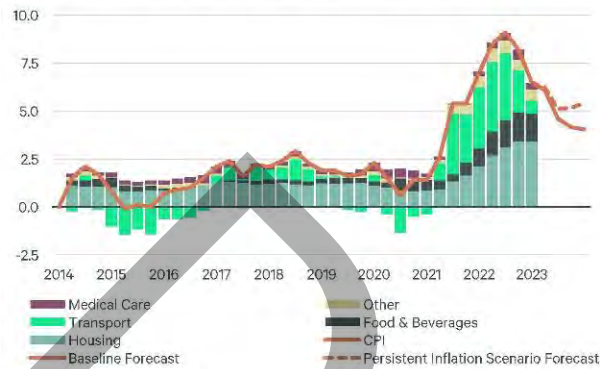
GDP, annualized Q-o-Q change (%) across different forecast vintages



Source: U.S. Bureau of Labor Statistics, CBRE Econometric Advisors

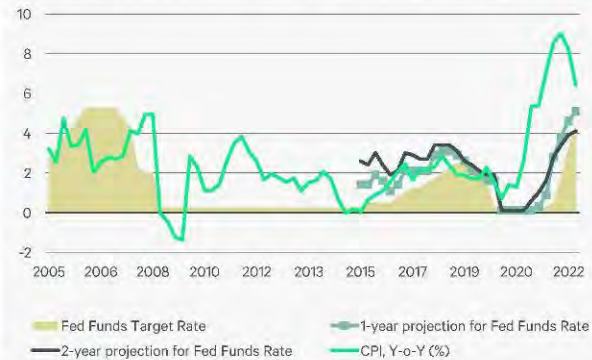
Inflation and the outlook for interest rates

CPI, Y-o-Y change (%) and Contribution from Key Components



U.S. Bureau of Labor Statistics, CBRE Economic Advisors

Fed Funds Rate, Difference from First Cyclical Rate Hike (percentage points)



Federal Reserve

- Many components of the CPI continue to decline, with food costs remaining stubbornly high. Our Baseline view expects CPI will fall to around 4% Y-o-Y by year-end; however, increased demand from China's reopening, especially for commodities, and the prospect of a falling USD could cause a reacceleration of inflation.
- Falling inflation will give the Fed some wiggle room; however, the differential between inflation and the Fed Funds Rate suggests more tightening lies ahead. The Fed hiked rates by 25 basis points at its February meeting and stated further tightening is necessary. We expect the Fed Funds rate should remain in the 4.5% - 5% range for the remainder of 2023.

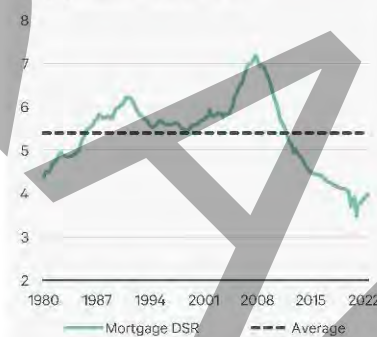
Consumers face more head than tailwinds

Savings rate (%)



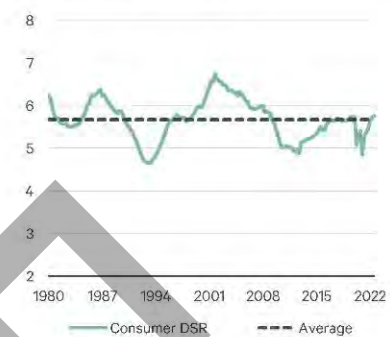
Federal Reserve

Mortgage debt service ratio (%)



Federal Reserve

Consumer debt service ratio (%)



Federal Reserve

- Most savings metrics suggest consumers have less cash on hand to drive discretionary spending. Although savings rate is likely higher among wealthier households, weak stock and housing markets are likely to weigh on sentiment.
- The components of consumer debt burdens are mixed. After several years of falling interest rates and existing homeowners refinancing, current mortgage debt service ratios are at historic lows. Meanwhile, consumer credit costs are starting to bite, and this will likely weigh on consumption.

Forecast

'Baseline' Scenario

- The Baseline Scenario assumes that economic growth will contract in early 2023. This scenario is predicated upon inflation steadily declining in 2023, allowing the Fed to ease the pace of rate tightening. The labor market could potentially hold up better than other components of the economy, especially if many firms choose to simply shelve expansion plans rather than terminate existing staff.
- Our Baseline view is that the pace of inflation peaked during summer 2022 and will fall to 4% Y-o-Y by year-end. Uncertainties surrounding China's reopening, global commodity prices, and the geopolitical backdrop are key risks.
- The combination of peaking inflation and weaker economic growth suggests that U.S. Treasury yields likely peaked in 2022 and will trend toward the low-3% range by year-end 2023.

CBRE EA BASELINE FORECAST							
	2019	2020	2021	2022	2023	2024	2025
GDP, %	2.3	(2.8)	5.9	2.0	0.2	1.3	2.8
Emp. %	1.3	(5.8)	2.8	4.1	0.5	(0.1)	0.2
CPI, %	1.8	1.2	4.7	8.0	4.7	3.1	2.5
10-yr Treasury, %	1.8	0.9	1.5	3.8	3.2	2.9	3.0

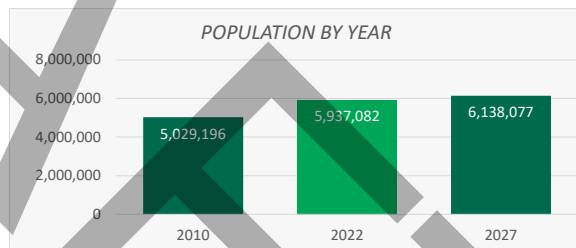
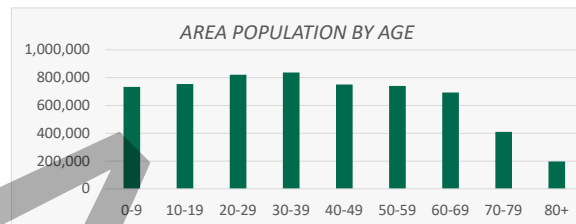
Note: Growth figures are based on annual averages—except the U.S. 10-year Treasury, which is the Q4 yield (%)
B-EA, BLS, Federal Reserve, CBRE Economic Advisors, Q3 2022.

Colorado Market Conditions

POPULATION

The area has a population of 5,937,082 and a median age of 38, with the largest population group in the 30-39 age range and the smallest population in the 80+ age range.

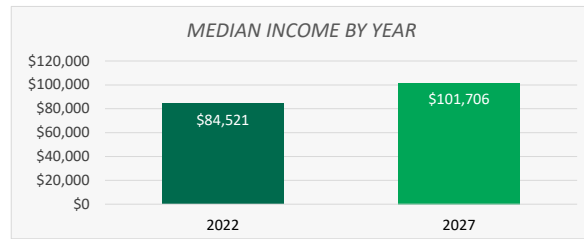
Population has increased by 907,886 since 2010, reflecting an increase of 1.4%, annually. Population is projected to increase by an additional 200,995 by 2027, reflecting 0.7% annual population growth.



Compiled by CBRE; Source: Esri

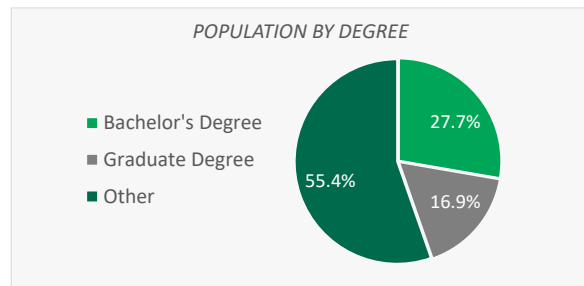
INCOME

The area features an average household income of \$118,608 and a median household income of \$84,521. Over the next five years, median household income is expected to increase by 20.3%, which calculates to \$3,437 per annum.

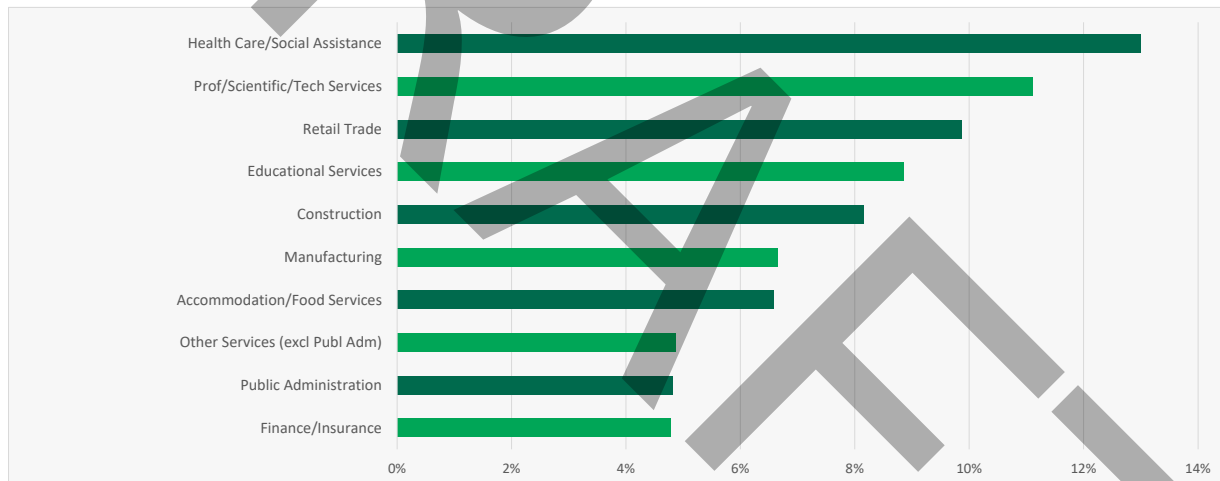


EDUCATION

A total of 44.6% of individuals over the age of 24 have a college degree, with 27.7% holding a bachelor's degree and 16.9% holding a graduate degree.



EMPLOYMENT



The area includes a total of 3,174,034 employees and has a 4.4% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Prof/Scientific/Tech Services and Retail Trade, which represent a combined total of 34% of the population.

Compiled by CBRE; Source: Esri

Regional Economy and Market Conditions

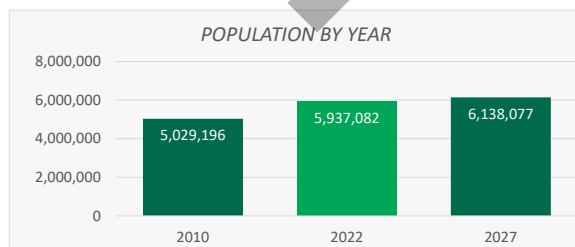
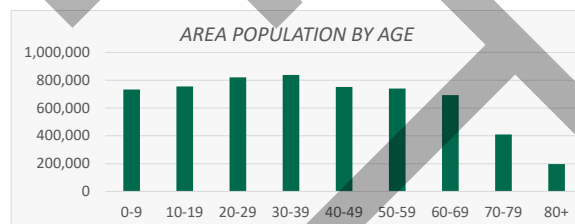


The subject is located in the Fort Collins Metropolitan Statistical Area, which encompasses all of Larimer County. Key information about the area is provided in the following tables.

POPULATION

The area has a population of 5,937,082 and a median age of 38, with the largest population group in the 30-39 age range and the smallest population in the 80+ age range.

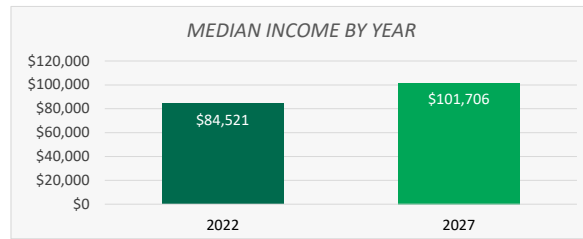
Population has increased by 907,886 since 2010, reflecting an increase of 1.4%, annually. Population is projected to increase by an additional 200,995 by 2027, reflecting 0.7% annual population growth.



Compiled by CBRE; Source: Esri

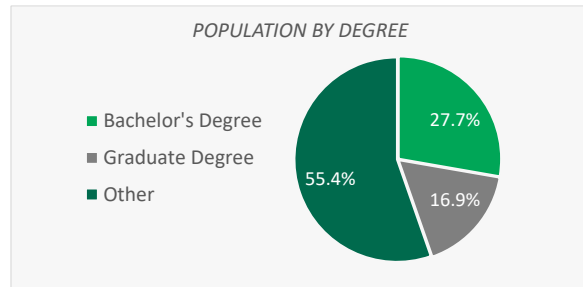
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EDUCATION

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EMPLOYMENT



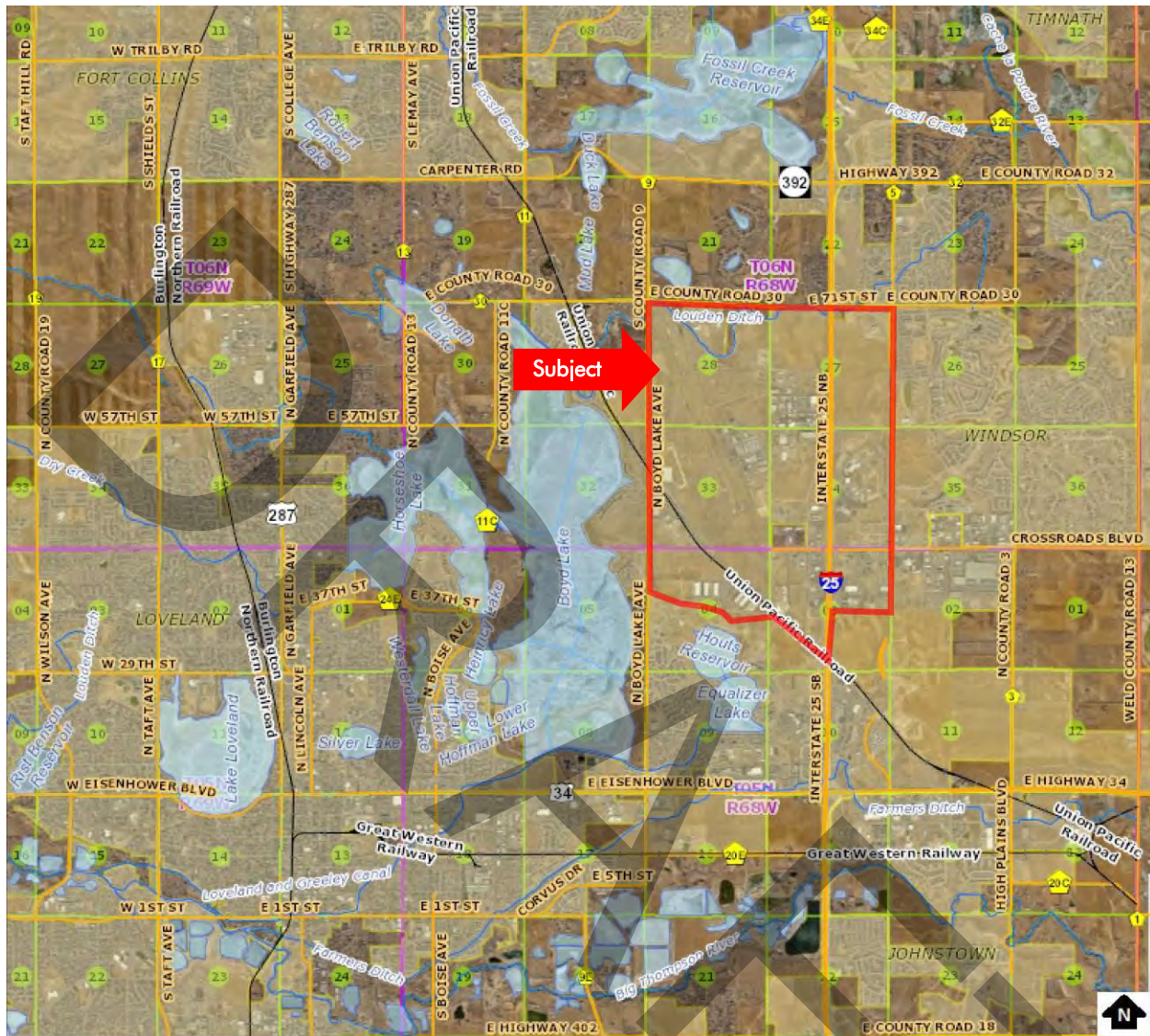
The area includes a total of 3,174,034 employees and has a 4.4% unemployment rate. The top three industries within the area are Health Care/Social Assistance, Prof/Scientific/Tech Services and Retail Trade, which represent a combined total of 34% of the population.

Compiled by CBRE; Source: Esri

CONCLUSION

The Fort Collins-Loveland area features a growing employment base, which is leading to wage growth. Developers are working to meet the steady demand for housing as the population continues to grow in the city and surrounding area. The strong economy and high quality of lifestyle in the area has created long-term in-migration, which has driven up property values. Long-term prospects for this area are for continued growth.

Neighborhood Analysis – Local Market Influences



Location

The neighborhood consists of a relatively cohesive industrial district in the northeastern portion of the City of Loveland.

Boundaries

The neighborhood boundaries are generally as follows:

- North: Larimer County Road 30
- South: Kendall Parkway
- East: Centerra Parkway/Fairgrounds Avenue/Larimer County Road 5
- West: Boyd Lake Road

Access

The primary north-south route through the neighborhood is Interstate 25, which is the primary regional arterial throughout Northern Colorado. As part of the Colorado Department of Transportation's (CDOT) "North I-25 project", the interstate is to be expanded to add an express lane (as well as provide for an additional future general-purpose lane) in each direction, and improve bridges and interchanges along the interstate between Johnstown and Fort Collins. The project began in 2016, and is ongoing, though final completion is dependent upon securing funding for the final segment.

Other north-south routes include Boyd Lake Avenue and Centerra Parkway. East-west thoroughfares include U.S. Highway 34 and Crossroads Boulevard.

Land Use

The majority of the neighborhood is focused on industrial and commercial uses. The Northern Colorado Regional Airport occupies the northwestern portion of the neighborhood. The eastern side of the airport consists of a large industrial park that includes aviation facilities, as well as a variety of distribution facilities. The most prominent facility is the 3.5 million square-foot Amazon fulfillment center under construction in the southwest quadrant of I-25 and County Road 30. Construction is scheduled to be complete by August of 2023.

Additionally, pockets of commercial development are clustered along Crossroads Boulevard. This corridor includes several restaurants, convenience stores, and the Summit entertainment center. A cluster of automobile dealerships is situated in the southwest quadrant of I-25 and Crossroads Boulevard.

Demographics

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

SELECTED NEIGHBORHOOD DEMOGRAPHICS					
4900 Earhart Road Loveland, CO 80538	1 Mile Radius	3 Mile Radius	5 Mile Radius	Loveland city	Fort Collins, CO Metropolitan
Population					
2027 Total Population	226	19,984	108,282	79,820	388,535
2022 Total Population	187	18,379	102,340	77,723	372,107
2010 Total Population	95	10,849	69,854	68,376	299,630
2000 Total Population	19	3,940	45,309	54,473	251,494
Annual Growth 2022 - 2027	3.86%	1.69%	1.14%	0.53%	0.87%
Annual Growth 2010 - 2022	5.81%	4.49%	3.23%	1.07%	1.82%
Annual Growth 2000 - 2010	17.46%	10.66%	4.42%	2.30%	1.77%
Households					
2027 Total Households	80	8,037	42,526	34,035	156,736
2022 Total Households	66	7,351	40,208	33,040	149,829
2010 Total Households	28	4,132	26,587	27,739	120,295
2000 Total Households	5	1,361	16,836	21,082	97,164
Annual Growth 2022 - 2027	3.92%	1.80%	1.13%	0.60%	0.91%
Annual Growth 2010 - 2022	7.41%	4.92%	3.51%	1.47%	1.85%
Annual Growth 2000 - 2010	18.80%	11.75%	4.68%	2.78%	2.16%
Income					
2022 Median Household Income	\$113,537	\$115,067	\$98,721	\$79,000	\$82,142
2022 Average Household Income	\$160,865	\$161,517	\$133,918	\$106,924	\$114,886
2022 Per Capita Income	\$66,494	\$66,195	\$52,574	\$45,304	\$46,388
2022 Pop 25+ College Graduates	77	7,455	36,014	22,404	128,494
Age 25+ Percent College Graduates - 2022	58.3%	57.6%	51.3%	40.6%	51.1%

Source: ESRI

CONCLUSION

The neighborhood is in the growth stage, with a significant amount of ongoing greenfield development. The population within the surrounding area has exhibited relatively strong growth in population and households. The area has exhibited annual increases in population and households of 3.23% and 3.51%, respectively, within a five-mile radius from 2010 to 2022. Overall, the surrounding neighborhood and nearby developments exert a positive influence on the subject larger parcel and its value.

HIGHEST AND BEST USE

For compensation purposes, the highest and best use is defined as follows:

"The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future." ⁹

First, in this analysis, the subject site is considered as if the subject ownership is vacant land or a vacant site. Then, if the site is improved, the property is analyzed considering the existing improvements. The building improvements on the subject larger parcel are not being affected. Therefore, it is only necessary to analyze the highest and best use as though vacant.

AS VACANT

Legal Permissibility

The legally permissible uses include a variety of industrial uses under the current zoning.

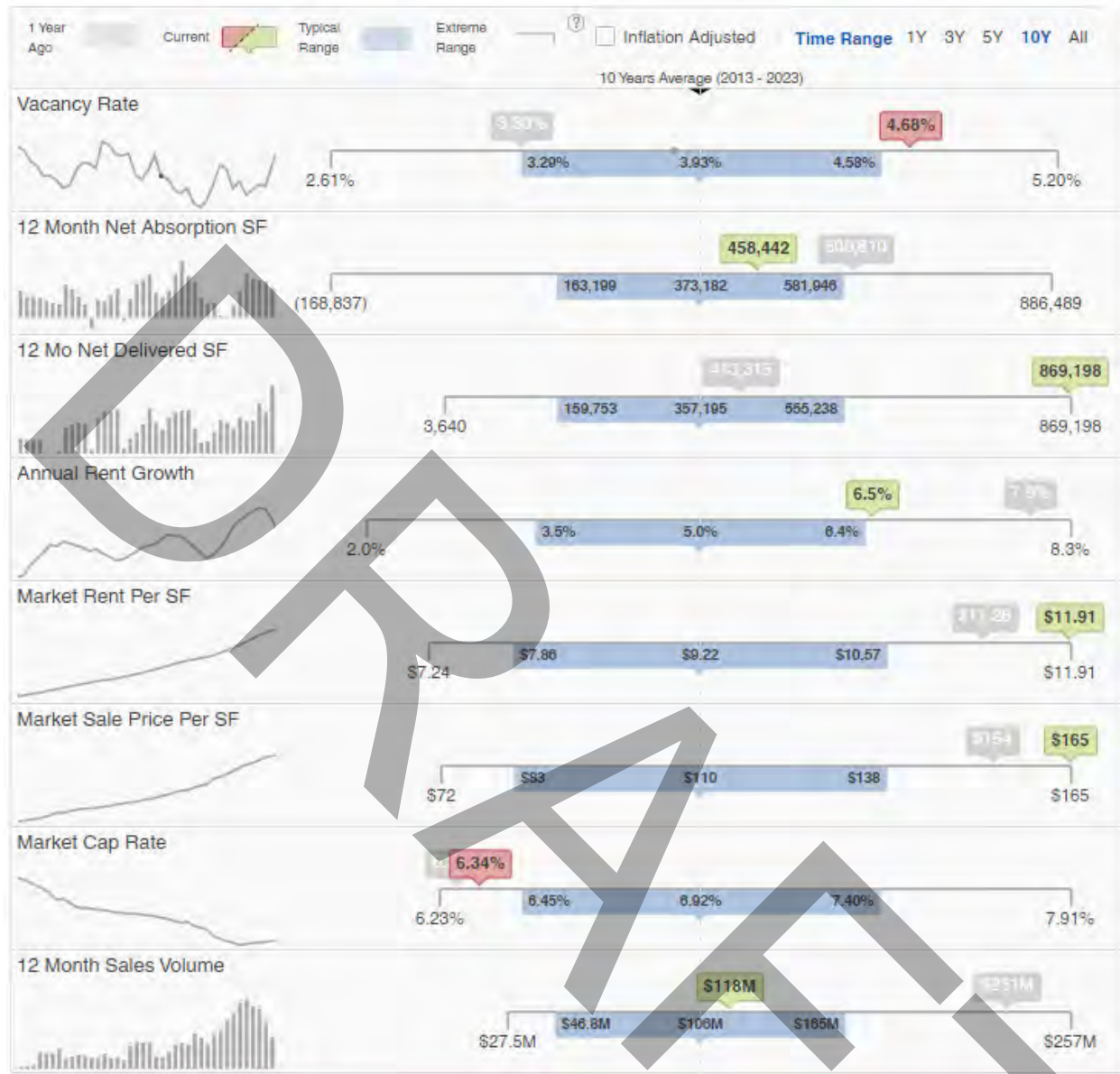
Physical Possibility

The subject is adequately served by all typical utilities, and has an adequate shape and size to support a variety of potential uses. The site features soils with the capacity to support development. Furthermore, the site features good regional accessibility. Overall, several uses are physically possible for the site.

Financial Feasibility

Potential uses of the site include industrial development. The larger parcel is situated in an area with significant ongoing industrial development due to the extensive transportation network in this area. Key industrial market statistics are illustrated in the following table.

⁹ Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, 2016



Source: CoStar

The regional industrial market remains on a growth trajectory, with increases in rental rates and market sale prices of 6.5% and 7.1%, respectively. Although the direct vacancy rate has increased over the past 12 months due to historically high deliveries of new space, it remains below 5% due to relatively strong absorption. As a result, rental rates and sale prices continue to set new highs. Furthermore, net migration has propelled population growth to an annual rate around 2% throughout the Fort Collins Metropolitan Area, which tends to bolster demand for contractor’s shops, product distribution, transportation, and other industrial users. In conclusion, industrial use is financially feasible for the larger parcel.

Maximum Productivity - Conclusion

The final test of highest and best use of the site as if vacant is that the use be maximally productive, yielding the highest return to the land. Based on the information presented above, the highest and best use of the subject is for industrial use.

APPRAISAL VALUATION METHODOLOGY

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. Depending on a specific appraisal assignment, any of the following four methods may be used to determine the market value of the fee simple interest of land:

- Sales Comparison Approach
- Income Capitalization Procedures
- Allocation
- Extraction

The first is the sales comparison approach. This is a process of analyzing sales of similar, recently sold parcels in order to derive an indication of the most probable sales price (or value) of the property being appraised. The reliability of this approach is dependent upon (a) the availability of comparable sales data, (b) the verification of the sales data regarding size, price, terms of sale, etc., (c) the degree of comparability or extent of adjustment necessary for differences between the subject and the comparables, and (d) the absence of nontypical conditions affecting the sales price. This is the primary and most reliable method used to value land (if adequate data exists).

The income capitalization procedures include three methods: land residual technique, ground rent capitalization, and Subdivision Development Analysis. A discussion of each of these three techniques is presented in the following paragraphs.

The land residual method may be used to estimate land value when sales data on similar parcels of vacant land are lacking. This technique is based on the principle of balance and the related concept of contribution, which are concerned with equilibrium among the agents of production--i.e. labor, capital, coordination, and land. The land residual technique can be used to estimate land value when: 1) building value is known or can be accurately estimated, 2) stabilized, annual net operating income to the property is known or estimable, and 3) both building and land capitalization rates can be extracted from the market. Building value can be estimated for new or proposed buildings that represent the highest and best use of the property and have not yet incurred physical deterioration or functional obsolescence.

The subdivision development method is used to value land when subdivision and development represent the highest and best use of the appraised parcel. In this method, an appraiser determines the number and size of lots that can be created from the appraised land physically, legally, and economically. The value of the underlying land is then estimated through a discounted cash flow analysis with

revenues based on the achievable sale price of the finished product and expenses based on all costs required to complete and sell the finished product.

The ground rent capitalization procedure is predicated upon the assumption that ground rents can be capitalized at an appropriate rate to indicate the market value of a site. Ground rent is paid for the right to use and occupy the land according to the terms of the ground lease; it corresponds to the value of the landowner's interest in the land. Market-derived capitalization rates are used to convert ground rent into market value. This procedure is useful when an analysis of comparable sales of leased land indicates a range of rents and reasonable support for capitalization rates can be obtained.

The allocation method is typically used when sales are so rare that the value cannot be estimated by direct comparison. This method is based on the principle of balance and the related concept of contribution, which affirm that there is a normal or typical ratio of land value to property value for specific categories of real estate in specific locations. This ratio is generally more reliable when the subject property includes relatively new improvements. The allocation method does not produce conclusive value indications, but it can be used to establish land value when the number of vacant land sales is inadequate.

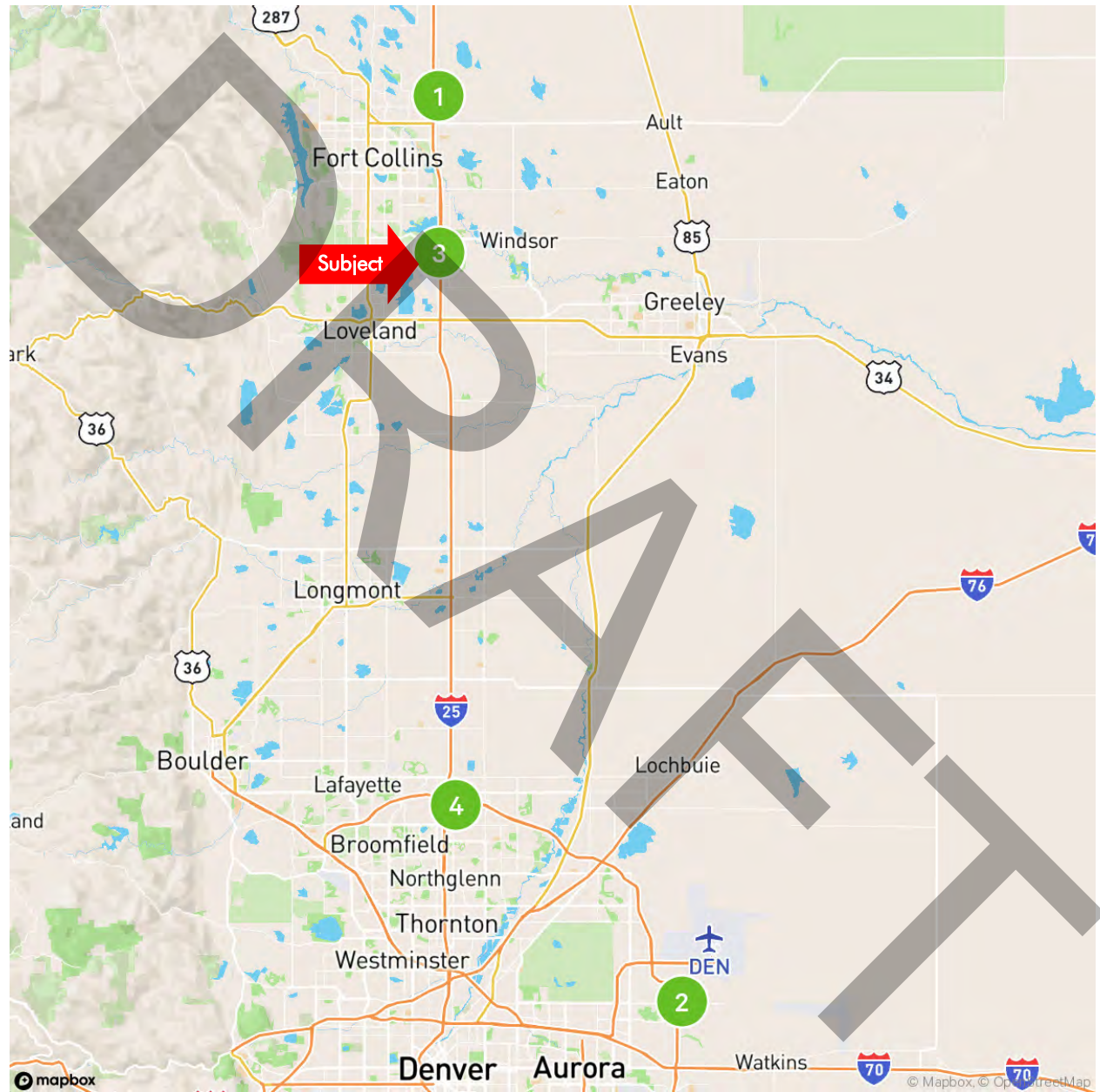
The extraction method is a variant of the allocation method in which land value is extracted from the sale price of an improved property by deducting the contribution of the improvements, which is estimated from their depreciated costs. The remaining value represents the value of the land. Value indications derived in this way are generally unpersuasive because the assessment ratios may be unreliable, and the extraction method does not reflect market considerations.

The sales comparison approach is the only method being applied to estimate the land value.

Land Valuation

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

Land Sales Location Map

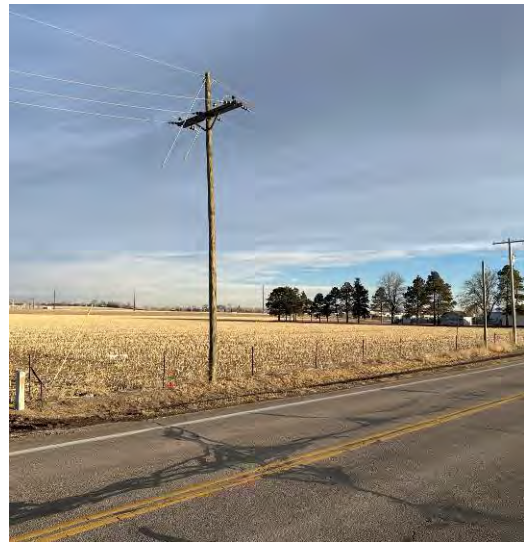
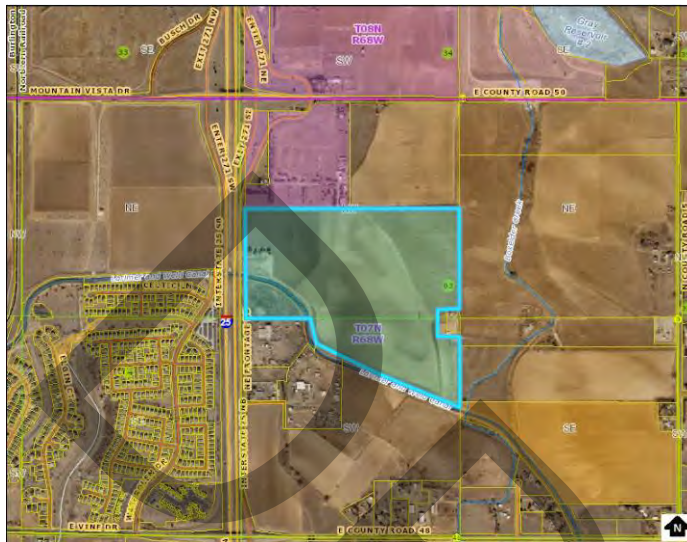


Land Sales Summary Table

SUMMARY OF COMPARABLE LAND SALES								
No.	Property Location	Transaction		Zoning	Actual Sale Price	Adjusted Sale Price ¹	Size (Acres)	Price Per Acre
		Type	Date					
1	1312 NE Frontage Road Fort Collins, CO 80524	Sale	Dec-22	I (Industrial); City of Fort Collins	\$3,990,000	\$3,990,000	104.25	\$38,274
2	Northeast Corner of E. 56th Avenue and E-470 Aurora, CO 80019	Sale	Mar-22	MU-A (Mixed-Use Airport) and AD (Airport District); City of Aurora	\$63,500,000	\$63,500,000	259.99	\$244,236
3	Southwest Corner of East County Road 30 and Interstate 25 Loveland, CO 80538	Sale	Mar-22	AP (Airport District); City of Loveland	\$9,400,000	\$9,400,000	135.67	\$69,288
4	Northeast quadrant of Washington Street and 152nd Parkway Thornton, CO 80023	Sale	Mar-22	Planned Development; City of Thornton	\$11,911,567	\$11,911,567	107.34	\$110,967
Subject	4900 Earhart Road, Loveland, Colorado	---	---	I (Developing Industrial); City of Loveland	---	---	1,050.84	---
¹ Adjusted sale price for cash equivalency and/or development costs (where applicable) Compiled by CBRE								

Land Sale Detail Sheets

Land Sale 1



View: Southeasterly view from the I-25 Frontage Road, near the northwest corner of the site

Date Inspected/Photo by: February 18, 2023, Jon Vaughan

Location/Address: 1312 NE Frontage Road, Fort Collins, Larimer County, CO

Tax Schedule No.: 8703000005

Legal Description: Part of Section 3, Township 7 North, Range 68 West of the 6th P.M., Fort Collins, Larimer County

Grantor: Harold D. Einarsen Trust and Shirley P. Einarsen Family Trust

Grantee: Freedom Storage, LLC

Sale Confirmed with/Date: Buyer, Public Records, CoStar; in January 2023

Appraiser Confirming: Jon Vaughan

Recordation/Sale Deed: Reception #20230000165, Larimer County / Special Warranty Deed

Property Rights Conveyed: Fee Simple Estate

Conditions of Sale: Arms-Length

Financing and Terms: Cash to Seller

Post Sale Expense: None

Project Influence: None

Land Area: 104.248 AC

Shape: Irregular

Topography: Generally Level

Drainage/Flood Plain: Zone X (Unshaded)

Surrounding Properties: Industrial and Agriculture

Use at Time of Sale: Agriculture

Highest and Best Use: Flex industrial and storage uses

Remarks: This property is situated on the east side of Interstate 25, about one-quarter mile south of the Mountain Vista Drive exit. The property is annexed into the City of Fort Collins and zoned for industrial use, though the historic use of the property was for irrigated crop production. The property has been irrigated with 3 augmented irrigation wells. However, the purchaser indicated that these did not contribute to the value of the land because they believe these could not be used in their proposed development. Similarly, although there were existing structures on the property, including a house and detached garage, these will be razed and do not contribute to value. There is one East Larimer County Water District water tap, which can be used in the future. The contributory value of this water tap effectively offsets the demolition costs for the structures, and no capital adjustment is being applied.

Date of Sale: December 30, 2022

Selling Price: \$3,990,000

Unit Price: \$38,274 per AC

Access: Paved street

Utilities: All typical utilities except sewer nearby

Zoning: I (Industrial); City of Fort Collins

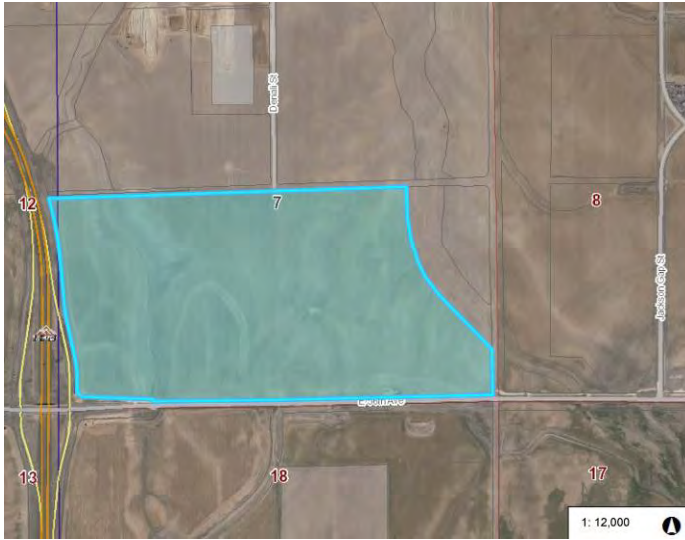
Platted: Yes

Stage of Development: Redevelopment

Physical Characteristics - Legal Aspects

The property was sold at auction on October 27, 2022, by Hall and Hall. The listing company had advertised the auction throughout the region during the months leading up to the sale. The property had been in the sellers' family for more than 20 years.

Land Sale 2



View: Northwestern view from the southeast corner of the site
Date Inspected/Photo by: February 25, 2023, Jon Vaughan
Location/Address Northeast Corner of E. 56th Avenue and E-470, City of Aurora, Adams County, CO
Tax Schedule No.: 0181907300002
Legal Description: Part of the South Half of Section 7, Township 3 South, Range 65 West of the 6th P.M., Adams
Grantor: DIBC 56th and E-470, LLC
Grantee: Microsoft Corporation
Sale Confirmed with/Date: Listing Broker, CoStar, Public Records; in February 2023
Appraiser Confirming: Jon Vaughan
Recordation/Sale Deed: Reception #2022000027854, Adams County / Special Warranty Deed
Property Rights Conveyed: Fee Simple Estate
Conditions of Sale: Arms-Length
Financing and Terms: Cash to Seller
Post Sale Expense: None
Project Influence: None

Date of Sale: March 29, 2022
Selling Price: \$63,500,000
Unit Price: \$244,236 per AC

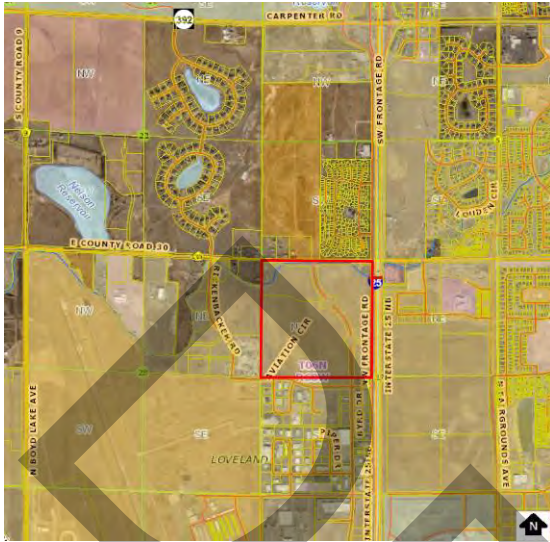
Physical Characteristics - Legal Aspects

Land Area: 259.994 AC
Shape: Rectangular
Topography: Rolling
Access: Paved street
Utilities: Available at street
Zoning: MU-A (Mixed-Use Airport) and AD (Airport District); City of Aurora

Drainage/Flood Plain: Zone X (Unshaded)
Surrounding Properties: Developing Industrial
Use at Time of Sale: Vacant Land
Highest and Best Use: Industrial Flex
Platted: Yes
Stage of Development: Redevelopment

Remarks: This sale represents a 260 acre vacant land tract located at the northeast corner of E-470 and East 56th Avenue in Aurora, CO. The site sold in March 2022 for \$5.61 per square foot. According to the listing agent, the property was not actively being marketed for sale however, the sellers were interested in the selling the property. The site sold as a market transaction between unrelated parties to Microsoft Corp based on market pricing. No unusual sales conditions existed. The property is in raw land condition with utilities available at the street. The site is zone Mixed-Use Airport however was marketed for an industrial use, the buyer's proposed plans for the property were not able to be disclosed.

Land Sale 3



View: Northeasterly view from Rockwell Drive, near the southwest corner of the site

Date Inspected/Photo by: February 18, 2023, Jon Vaughan

Location/Address Southwest Corner of East County Road 30 and Interstate 25, City of Loveland, Larimer County, CO

Tax Schedule No.: 8627205001

Legal Description: Part of the Northwest Quarter of Section 27, Township 6 North, Range 68 West of the 6th P.M., Loveland, Larimer County, CO

Grantor: Members of the McCreery, LaBau, Reichert, and Johnson Families

Grantee: Amazon.com Services LLC

Sale Confirmed with/Date: Listing Broker, CoStar, Public Records; in February 2023

Appraiser Confirming: Jon Vaughan

Recordation/Sale Deed: Reception #20220014740, Larimer County / Special Warranty Deed

Property Rights Conveyed: Fee Simple Estate

Conditions of Sale: Arms-Length

Financing and Terms: Cash to Seller

Post Sale Expense: None

Project Influence: None

Land Area: 135.666 AC

Shape: Irregular

Topography: Generally Level

Drainage/Flood Plain: Zone X (Unshaded)

Surrounding Properties: Commercial and Residential

Use at Time of Sale: Vacant Land

Highest and Best Use: Industrial Development

Remarks: This property is situated in the southwest quadrant of I-25 and Larimer County Road 30, northeast of the Northern Colorado Regional Airport. The purchaser, Amazon, subsequently commenced construction on a 3.5 million square-foot distribution center on the western portion of the property. Upon completion of the fulfillment center, approximately 40 acres to the east of Byrd Drive could potentially be re-sold to other users. Although water, electric and natural gas were available, the purchaser needed to extend sewer about half a mile and extend storm sewer. Additional off-site development will include connecting Byrd Drive to Larimer County Road 30. No metro district/reimbursement was available for these items.

Physical Characteristics - Legal Aspects

Date of Sale: March 4, 2022
Selling Price: \$9,400,000
Unit Price: \$69,288 per AC

Access: Paved street
Utilities: Electric and Gas Available - Water and Sewer Needed
Zoning: AP (Airport District); City of Loveland
Platted: Yes
Stage of Development: Redevelopment

The property went under contract after being listed on the open market for three years. After going under contract, the purchaser went through the process of annexing the property into the City and platting it into three lots as the Loveland Commerce Park at their expense.

Land Sale 4



View: Easterly view from Washington Street, near the northwest corner of the site

Date Inspected/Photo by: February 2, 2023, Jon Vaughan

Location/Address Northeast quadrant of Washington Street and 152nd Parkway, City of Thornton, Adams County, CO

Tax Schedule No.: 0157311301001

Legal Description: Tracts A and B, City Creek Subdivision, Filing 1, Thornton, Adams County, CO

Grantor: 152nd and Washington LLC

Grantee: Denver North Logistics Development LLC

Sale Confirmed with/Date: Public Records, CoStar; in February 2023

Appraiser Confirming: Jon Vaughan

Recordation/Sale Deed: Reception #2022000019171, Adams County / Special Warranty Deed

Property Rights Conveyed: Fee Simple Estate

Conditions of Sale: Arms-Length

Financing and Terms: Cash to Seller

Post Sale Expense: None

Project Influence: None

Land Area: 107.343 AC

Shape: Irregular

Topography: Rolling

Drainage/Flood Plain: Zone X (Unshaded)

Surrounding Properties: Commercial and Industrial

Use at Time of Sale: Agriculture

Highest and Best Use: Industrial

Remarks: This property is situated in the southeast quadrant of Washington Street and E-470, but there is no interchange at this location. The property included 2 parcels, including approximately 8.2377 acres which are within the Buffalo Creek drainage basin, and are encumbered by the 100-year floodplain.

Date of Sale: March 1, 2022

Selling Price: \$11,911,567

Unit Price: \$110,967 per AC

Physical Characteristics - Legal Aspects

Access: Paved street

Utilities: All typical utilities adjacent

Zoning: Planned Development; City of Thornton

Platted: Yes

Stage of Development: Platted, partially entitled

Land Sales Adjustment Grid

LAND SALES ADJUSTMENT GRID					
	Subject	Comp No. 1	Comp No. 2	Comp No. 3	Comp No. 4
Grantor		Harold D. Einarsen Trust and Shirley P. Einarsen Family Trust	DIBC 56th and E- 470, LLC	Members of the McCreery, LaBau, Reichert, and Johnson Families	152nd and Washington LLC
Grantee		Freedom Storage, LLC	Microsoft Corporation	Amazon.com Services LLC	Denver North Logistics Development LLC
Date of Sale		Dec-22	Mar-22	Mar-22	Mar-22
Address	4900 Earhart Road	1312 NE Frontage Road	Northeast Corner of E. 56th Avenue and E-470	Southwest Corner of East County Road 30 and Interstate 25	Northeast quadrant of Washington Street and 152nd Parkway
City, State	Loveland, CO	Fort Collins, CO	Aurora, CO	Loveland, CO	Thornton, CO
Usable Acres	1,050.840	104.248	259.994	135.666	107.343
Actual Sale Price		\$3,990,000	\$63,500,000	\$9,400,000	\$11,911,567
Capital Adjustment		\$0	\$0	\$0	\$0
Adjusted Sale Price		\$3,990,000	\$63,500,000	\$9,400,000	\$11,911,567
Unit Price	Per Acre	\$38,274	\$244,236	\$69,288	\$110,967
Property Rights Conveyed					
Financing					
Conditions of Sale					
Market Conditions (Time)	7%	1%	6%	7%	7%
Adjusted \$/Acre		\$38,657	\$258,890	\$74,138	\$118,735
Location		25%	-30%		-10%
Size					
Shape					
Amenities					
Access					
Topography					
Zoning/Density					
Stage of Development		50%		20%	
Functional Utility					10%
Net Adjustment		75%	-30%	20%	0%
Indicated Unit Value		\$67,650	\$181,223	\$88,966	\$118,735
Estimated Unit Value	\$105,000				
Compiled by CBRE					

Discussion/Analysis of Land Sales

The comparables were selected because they feature similar agricultural attributes with future development potential. The sales have been compared to the subject and, where necessary, have been adjusted for differences between the sale properties and the subject larger parcel. Characteristics that are similar between the comparable property and the subject do not require adjustment. Therefore, the following discussion focuses exclusively on the elements that require adjustment.

CAPITAL ADJUSTMENT

This adjustment is used to deduct extraordinary inclusions, such as water rights or prepaid tap fees. Additionally, expenditures immediately after purchase, such as demolition of improvements

for redevelopment or restorative construction to cure deferred maintenance would be accounted for as an upward adjustment.

- None of the comparable properties require adjustment for this element of comparison.

CONDITIONS OF SALE

This adjustment accounts for the motivations of the buyer and seller, as they influence the sale price in ways that would not reflect the broad market perceptions of property value.

- The comparable transactions were all conducted at arm’s length. Therefore, no adjustments are being applied.

MARKET CONDITIONS

Economic conditions may change between the sale date of the comparables and the effective date of value provided. These changes in supply and demand characteristics tend to exert some impact on real estate prices. The adjustment for this factor is not a function of time, but of differences in economic conditions, if any, between time periods. Thus, it is possible a period of time could elapse with no material change in market conditions having occurred.

- The sales used occurred between March of 2022 and December of 2022. Brokers indicate strong demand for industrial sites, which is driving up land values. Three sites within the Loveland-Fort Collins Airpark provide sale and resale data over the past few years:

Loveland Fort Collins Airpark Lots			
Sale and Resale Data			
Parcel	Prior Sale	Most Recent Sale	Indicated Appreciation
M6 - Byrd Drive	9/29/2020 \$300,000	12/30/2021 \$375,000	20%
5837 Lockheed	5/17/2021 \$245,000	6/28/2022 \$348,480	37%
5855 Lockheed	2/20/2019 \$265,000	2/28/2022 \$378,540	13%
Compiled by CBRE			

However, all three of these sites were small, finished lots with adjacent streets paved and utilities stubbed to the site. Given the size of the subject property and the substantial inflation in infrastructure construction costs over that period, the appreciation rate for the subject larger parcel should be lower than finished lots. Furthermore, Industrial sale prices and rental rate escalations were closer to 7% over the past 12 months. Therefore, a market conditions adjustment of 7% per year is being applied.

LOCATION

The location adjustment accounts for external factors that enhance or diminish the desirability of a property, including linkages to transportation networks, retail synergies, etc.

- Comparable One is situated on the northeast edge of the City of Fort Collins. Development density declines substantially for properties north of Mulberry Street/Colorado State Highway 14 corridor, particularly on the east side of Interstate 25. This is inferior to the subject larger parcel, and an upward adjustment is necessary.
- Comparable Two is located in the northeast corner of 56th Avenue and E-470, near the Denver International Airport. In recent years, this area has experienced burgeoning growth, including industrial, residential, and commercial users. This is superior to the subject larger parcel, and a downward adjustment is required.
- Comparable Three is situated in the southwest quadrant of I-25 and Larimer County Road 30, just northwest of the Northern Colorado Regional Airport. This is similar enough that no adjustment is appropriate.
- Comparable Four is located on the east side of Washington Street, between 152nd Parkway and E-470, in Thornton. This location provides superior access to the large labor pool in the Denver Metropolitan Area, and has been sought for distribution centers serving the regional population. This is superior to the subject, and a downward adjustment is being applied.

SIZE

The adjustment for size generally accounts for economies of scale, as smaller properties tend to sell at higher prices per unit than larger tracts.

- The subject larger parcel contains a land area exceeding 1,000 acres, and all of the comparables are significantly smaller. A statewide search revealed no comparable sales of a similar size within the past several years, which supports a conclusion that there is incredibly limited supply of tracts of industrial land this large. However, the large size is essential to support the use of the larger parcel. Although few users need sites this large, demand from those who do would be strong against the constrained supply. Consequently, no size adjustments are supported by the data available.

FRONTAGE

Visibility from arterial streets is essential to most retail users, though many other types of users will also pay a premium for good frontage to increase exposure to their project and raise brand awareness.

- All of the comparable sales feature frontage on regional arterial roads, and no adjustments are necessary.

STAGE OF DEVELOPMENT

Land value tends to increase as various milestones are surpassed in the entitlement process. Alternatively, sites with extraordinary development costs tend to sell at a discount.

- The subject larger parcel is a developed airport with all necessary utility infrastructure to support ongoing operations.
- Comparable One is situated on the eastern edge of the City of Fort Collins, but is separated from the City’s utility infrastructure by I-25. Consequently, extending a sewer main to this parcel would require boring under the interstate, which is anticipated to cost in excess of \$2 million. This cost provides a basis for the upward adjustment being applied.
- Comparable Two is situated in a metropolitan district that will be responsible for bringing all of the necessary utility infrastructure to this site. This is superior to the water-constrained subject property, and a downward adjustment is appropriate.
- Comparable Three required the extension of sewer and storm sewer mains to the site, as well as some off-site road improvements. This is inferior to the subject larger parcel, and an upward adjustment is being applied.
- Comparable Four features all necessary utility infrastructure extended to the site. This is superior to the water-constrained subject property, and a downward adjustment is appropriate.

FUNCTIONAL UTILITY

This element of comparison accounts for factors that affect the efficiency of land utilization that are not accounted for in other elements of comparison.

- Comparable Four is transected by a drainage basin, which renders about 8 acres of the property unbuildable. This is inferior to the subject larger parcel, and an upward adjustment is being applied.

LAND VALUE CONCLUSION

Based on the preceding analysis, Comparables One and Two required the least amount of absolute adjustment, and feature the most similar locational characteristics to the subject property. The following table presents the valuation conclusion:

CONCLUDED LAND VALUE					
	\$ Per AC		Acres		Total
Fee Area	\$105,000	x	1,050.840	=	\$110,338,200
Compiled by CBRE					

CONTRIBUTORY VALUE OF AFFECTED IMPROVEMENTS

None of the owner improvements are being affected by the acquisition.

LARGER PARCEL VALUE BEFORE TAKE

Larger Parcel Value Before Acquisition		
Total Value Before Take	Component Value	Total Value
Land/Site Value	\$110,338,200	
Affected Improvement Contributory Value	\$0	
Total Larger Parcel Value Before Take (land + affected improvements)		\$110,338,200
Compiled by CBRE		

Property Data - Part Being Acquired

PROJECT IDENTIFICATION AND DESCRIPTION

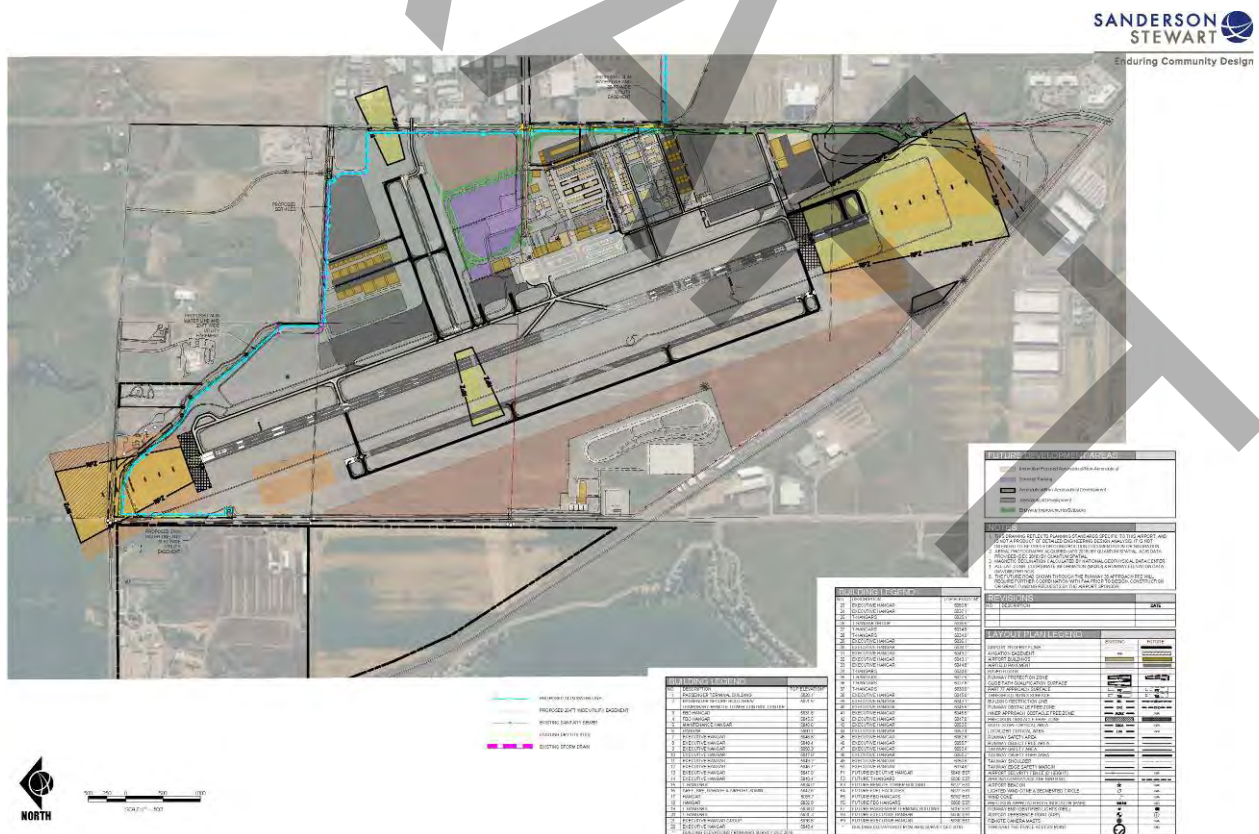
The Northern Colorado Regional Airport Water Pipeline will extend a 24-inch water main around the perimeter of the larger parcel, ultimately connecting to water storage tanks on the south side of Crossroads Boulevard, east of Interstate 25. This pipeline will improve service reliability through a large portion of the Fort Collins Loveland Water District

RIGHT OF WAY PLANS RELIED ON FOR VALUATION PURPOSES

This appraisal was made under the assumption the acquisition for the proposed public improvement will occur as shown on the right-of-way plans for the Northern Colorado Regional Airport Water Pipeline. Specific reliance has been placed on the right-of-way plan pages that are included in Part 12 of this report, having a last revision date of November 17, 2022. If any modifications are made to the plans, the appraiser reserves the right to revise the appraisal and appraisal report to reflect the change.

IDENTIFICATION OF PART TAKEN

The land area being acquired will be used to facilitate expansion of an water pipeline, as shown in the following exhibit.



Land/Site Data

No land is being acquired in fee simple estate.

Easement Data

The 24-inch Waterline PE parcel extends along the east, north, and west edges of the larger parcel. This parcel contains a total land area of 5.767 acres. The easement contains approximately 4.087 acres of land around the existing runway, which must remain vacant to support regular airport operations and provide a runway protection zone. The other 1.710 acres of this easement crosses areas identified for development of additional airport facilities. As part of this project, the Fort Collins Loveland Water District will install connection points at identified future development sites on the Airport property, which will substantially reduce the infrastructure development costs related to these portions of the property.

Owner Affected Improvements Data

None of the owner improvements are being affected by the acquisition.

Partial Taking Photographs

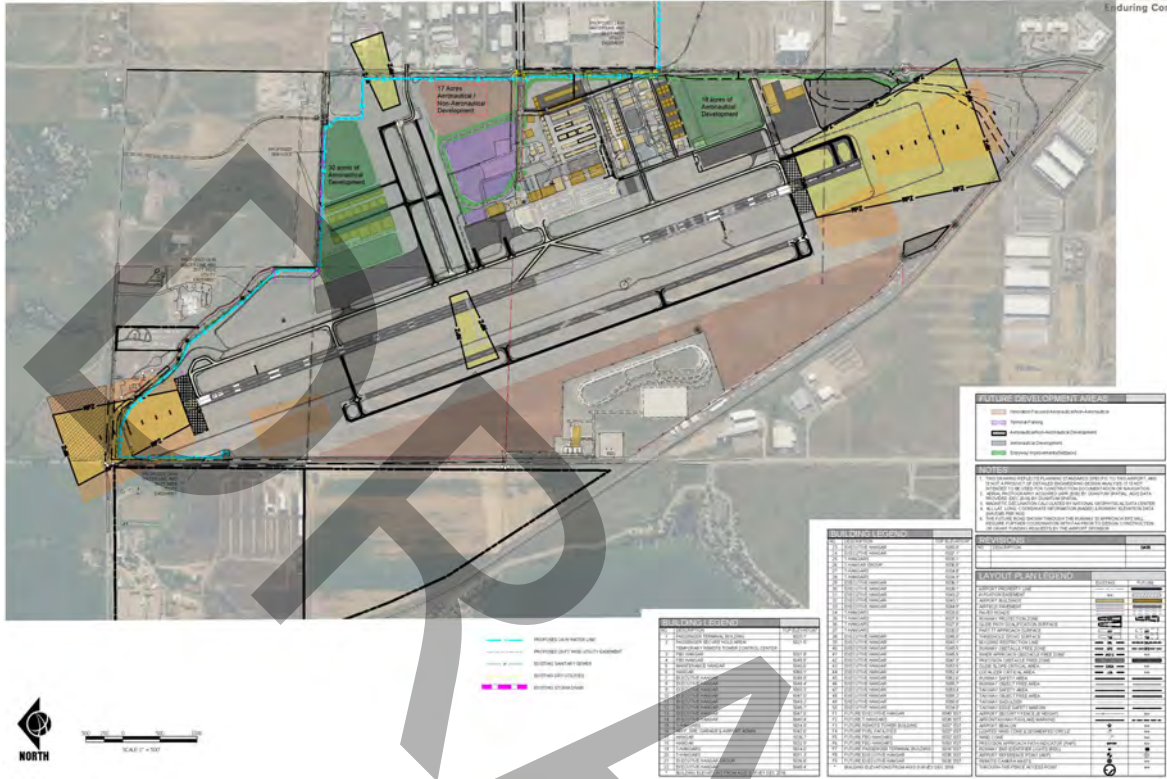


Northerly view along the parcel being acquired along Lindbergh Drive, on the east edge of the larger parcel



Westerly view from the intersection of Rockwell Avenue and Rickenbacker Road, on the north edge of the larger parcel

Property Data – Remainder After Acquisition



Remainder After Aerial

NEIGHBORHOOD DESCRIPTION – PROJECT INFLUENCES

The neighborhood information is unchanged after the take.

PROPERTY DESCRIPTION – REMAINDER AFTER ACQUISITION

After the acquisition, the unencumbered portion of the property will be reduced by the easement parcel being acquired. Nevertheless, the remainder parcel remains appropriately sized to be in demand for continued agricultural and rural residential uses. The following chart summarizes the salient characteristics of the remainder property.

REMAINDER SUMMARY ANALYSIS - REMAINDER COMPARISON						
Physical Description	Whole Property - Before Acquisition		Remainder After the Acquisition			
Gross Site Area	1,050.840 Acres		1,050.840 Acres			
New Easements			5.77 Acres		251,200 Sq. Ft.	
Shape	Irregular		Irregular			
Topography	Generally Level		Generally Level			
Ingress/Egress Points	Earhart Road, Rickenbacker Road, and Boyd Lake Avenue		Earhart Road, Rickenbacker Road, and Boyd Lake Avenue			
Zoning District	I (Developing Industrial); City of Loveland		I (Developing Industrial); City of Loveland			
Legally Conformity Site	Yes		Yes			
Flood Zone	Zone X (Unshaded)		Zone X (Unshaded)			
Comparative Analysis	Rating		Rating			
Access	Paved		Unchanged			
Visibility	Good		Unchanged			
Functional Utility	Average		Unchanged			
Adequacy of Utilities	Adequate		Unchanged			
Landscaping	Minimal		Unchanged			
Drainage	Appears adequate		Unchanged			
Utilities	Provider	Availability				
Water	Fort Collins-Loveland Water	Yes	Unchanged			
Sewer	South Fort Collins Sanitation	Yes	Unchanged			
Natural Gas	Xcel Energy	Yes	Unchanged			
Electricity	City of Loveland	Yes	Unchanged			
Telephone	CenturyLink	Yes	Unchanged			
Other	Yes	No	Unknown	Yes	No	Unknown
Detrimental Easements		x			x	
Encroachments		x			x	
Deed Restrictions		x			x	

Source: Various sources compiled by CBRE

Owner Affected Improvements Data

The project will not affect the improvements on the property.

Assessed Value – Real Estate Taxes – Special Taxing Districts

This will be determined in the future. The property will continue to be assessed similarly, but the taking will reduce the net land area of the subject larger parcel, which is what the assessor uses to estimate the value of the property. Therefore, the taxes may possibly be reduced.

Zoning and Other Land Use Regulations

Zoning is the same as before.

Data Analysis – Remainder After Take

HIGHEST AND BEST USE – RESIDUE AFTER TAKE

Legally Permissible

The acquisition will not affect the legal conformance of the subject to current zoning regulations.

Physically Possible

The remainder will be similarly suited for the legally permissible uses that were achievable before the acquisition. Although the unencumbered land area will be reduced by the acquisition, it is similarly suited to accommodate industrial development. Overall, the physically possible uses remain unchanged.

Financially Feasible

Given the remainder's size, zoning, and its surrounding environment, the financial feasibility for the remainder property after the acquisition is unchanged from that of the property before the acquisition. Accordingly, industrial development remains feasible.

Maximally Productive - Conclusion

Based on the information presented above and upon information contained in the Area and Neighborhood analysis, the highest and best use of the remainder property after the acquisition, as if vacant, would be for industrial development.

LAND/SITE VALUATION – REMAINDER AFTER ACQUISITION

Land Sale Transaction Data

The land sales utilized before the take remain applicable after the take.

Land/Site Value

The land sales utilized before the acquisition remain applicable after the acquisition. Based on our comparative analysis, the following chart summarizes the adjustments warranted to each comparable.

LAND SALES ADJUSTMENT GRID					
	Subject	Comp No. 1	Comp No. 2	Comp No. 3	Comp No. 4
Grantor		Harold D. Einarsen Trust and Shirley P. Einarsen Family Trust	DIBC 56th and E-470, LLC	Members of the McCreery, LaBau, Reichert, and Johnson Families	152nd and Washington LLC
Grantee		Freedom Storage, LLC	Microsoft Corporation	Amazon.com Services LLC	Denver North Logistics Development LLC
Date of Sale		Dec-22	Mar-22	Mar-22	Mar-22
Address	4900 Earhart Road	1312 NE Frontage Road	Northeast Corner of E. 56th Avenue and E-470	Southwest Corner of East County Road 30 and Interstate 25	Northeast quadrant of Washington Street and 152nd Parkway
City, State	Loveland, CO	Fort Collins, CO	Aurora, CO	Loveland, CO	Thornton, CO
Usable Acres	1,050.840	104.248	259.994	135.666	107.343
Actual Sale Price		\$3,990,000	\$63,500,000	\$9,400,000	\$11,911,567
Capital Adjustment		\$0	\$0	\$0	\$0
Adjusted Sale Price ¹		\$3,990,000	\$63,500,000	\$9,400,000	\$11,911,567
Unit Price	Per Acre	\$38,274	\$244,236	\$69,288	\$110,967
Property Rights Conveyed					
Financing					
Conditions of Sale					
Market Conditions (Time)	7%	1%	6%	7%	7%
Adjusted \$/Acre		\$38,657	\$258,890	\$74,138	\$118,735
Location		25%	-30%		-10%
Size					
Shape					
Amenities					
Access					
Topography					
Zoning/Density					
Stage of Development		50%		20%	
Functional Utility					10%
Net Adjustment		75%	-30%	20%	0%
Indicated Unit Value		\$67,650	\$181,223	\$88,966	\$118,735
Estimated Unit Value	\$105,000				
Compiled by CBRE					

The same adjustments that were applicable in the valuation of the subject larger parcel before the acquisition are applicable in the valuation of the remainder parcel.

Conclusion

The following table presents the valuation conclusion:

CONCLUDED LAND VALUE					
	\$ Per AC	Acres		Total	
Fee Area Remaining	\$105,000	x 1,045.073	=	\$109,732,665	
24-inch Waterline PE	\$105,000	x 5.767 x 50%	=	\$302,768	
Indicated Value:				\$110,035,433	
Compiled by CBRE					

Analysis of Damages or Benefits

Damages are a loss in value to the remainder property as a result of a partial acquisition. Conversely, benefits to the remainder property represent the increase in value to the remainder property as a result of a partial acquisition, as defined by the International Right of Way Association.

REMAINDER LAND VALUE – BEFORE VS. AFTER

After the acquisition, the functional utility of the remainder parcel is not significantly changed, nor is its highest and best use. The residue property after the project can still be put to similar use as before the right of way acquisition, and the residue land value after the take as compared to the residue land value before the take has not changed. Overall, after the acquisition, the remainder parcel can continue to function in a similar manner as before the acquisition.

COMPENSABLE DAMAGES – REMAINDER VALUE AFTER TAKE

There are no compensable damages to the remainder after the acquisition.

SPECIFIC BENEFITS – REMAINDER VALUE AFTER TAKE

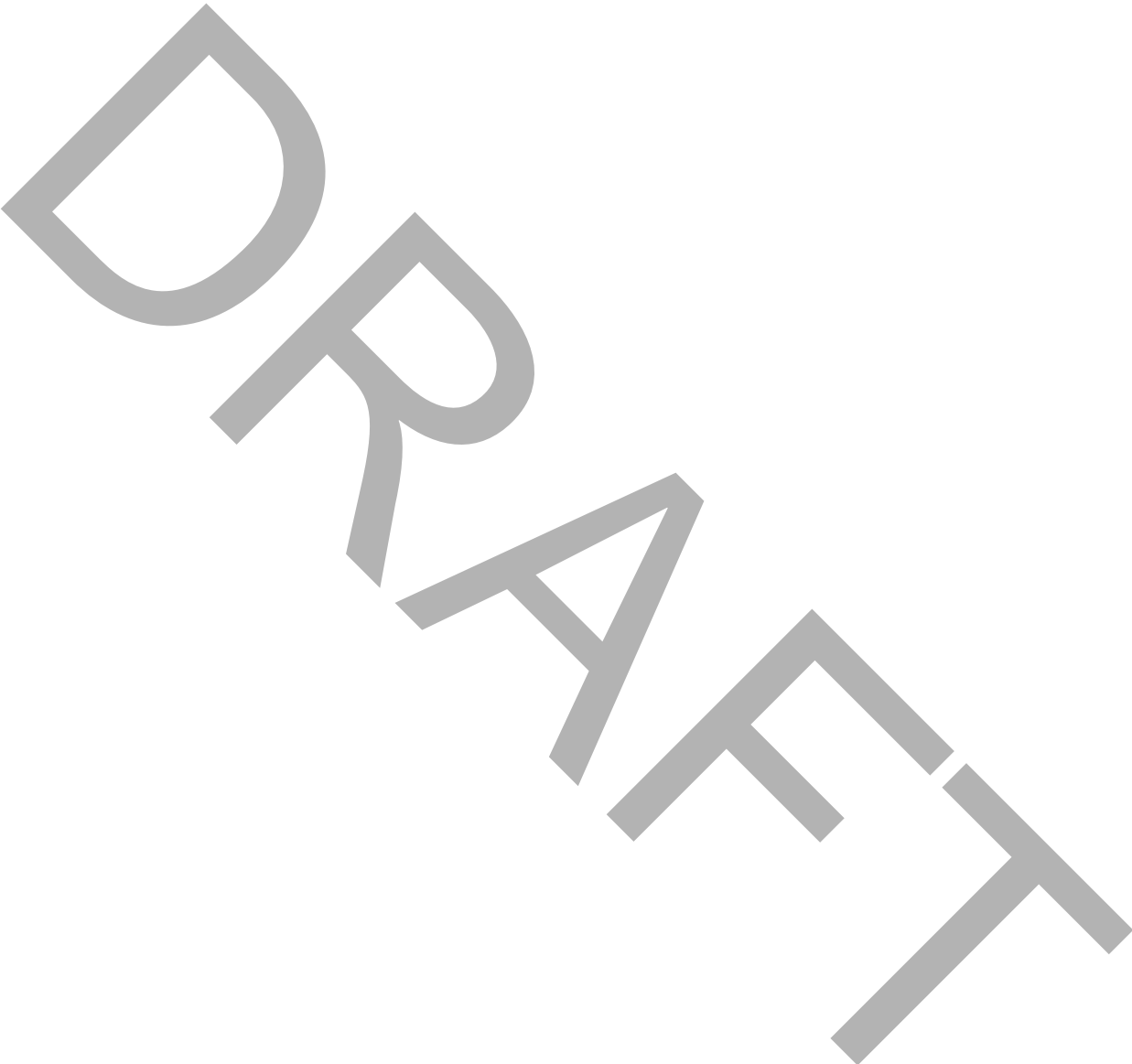
The route of the proposed water pipeline extends along the edge of several parcels that are designated on the Airport's master plan as future development tracts. These areas encompass approximately 65 acres. The Fort Collins Loveland Water District will install connection points into the 24-inch water pipeline to support the development of these parcels. These junctions will reduce infrastructure development costs for the Airport by eliminating the need to install roughly 4,900 linear feet of 12-inch water pipeline, as well as several junctions and valves. The Marshall Valuation Service Cost Manual indicates a cost to install 12-inch water mains to be \$88.26 per linear foot, which would yield a benefit of approximately \$432,474. However, based on another recent project in the area, Sanderson Stewart estimates the cost savings to be \$854,141 when all of the connections and other fixtures are included. This is the most reliable estimate for the value of the benefit to the airport. For federal acquisition purposes, these direct (special) benefits must be offset against the total compensation.¹⁰

¹⁰ Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2016, p.18; Section 1.2.7.3.6

Temporary Easement Rental Value

TEMPORARY EASEMENT DATA

No Temporary Easements are being acquired.



Compensation Summary

EXPLANATION OF COMPENSATION

In the final accounting, the estimate of total compensation includes the difference between the appraisers' opinion before and after the acquisition, and any potential curative costs or temporary construction easements. These opinions are based upon market data available as of the effective date of the appraisal.

COMPENSATION ESTIMATE SUMMARY

Compensation Estimate Summary		
Before and After Valuation		
Larger Parcel Value Before	\$110,338,200	
Remainder Parcel Value After	\$110,035,433	
Appraised Value of the Acquisition		\$302,767
Compensible Damages and/or Offsetting Benefits		
Compensible Damages - Curable (Net Cost to Cure)	\$0	
Compensible Damages - Incurable (No Cost to Cure)	\$0	
<Less> Special Benefits	\$854,141	
Total Rental Value of Temporary Easements		\$0
Compensation Estimate		\$0
Rounded		\$0
Compiled by CBRE		

CERTIFICATION

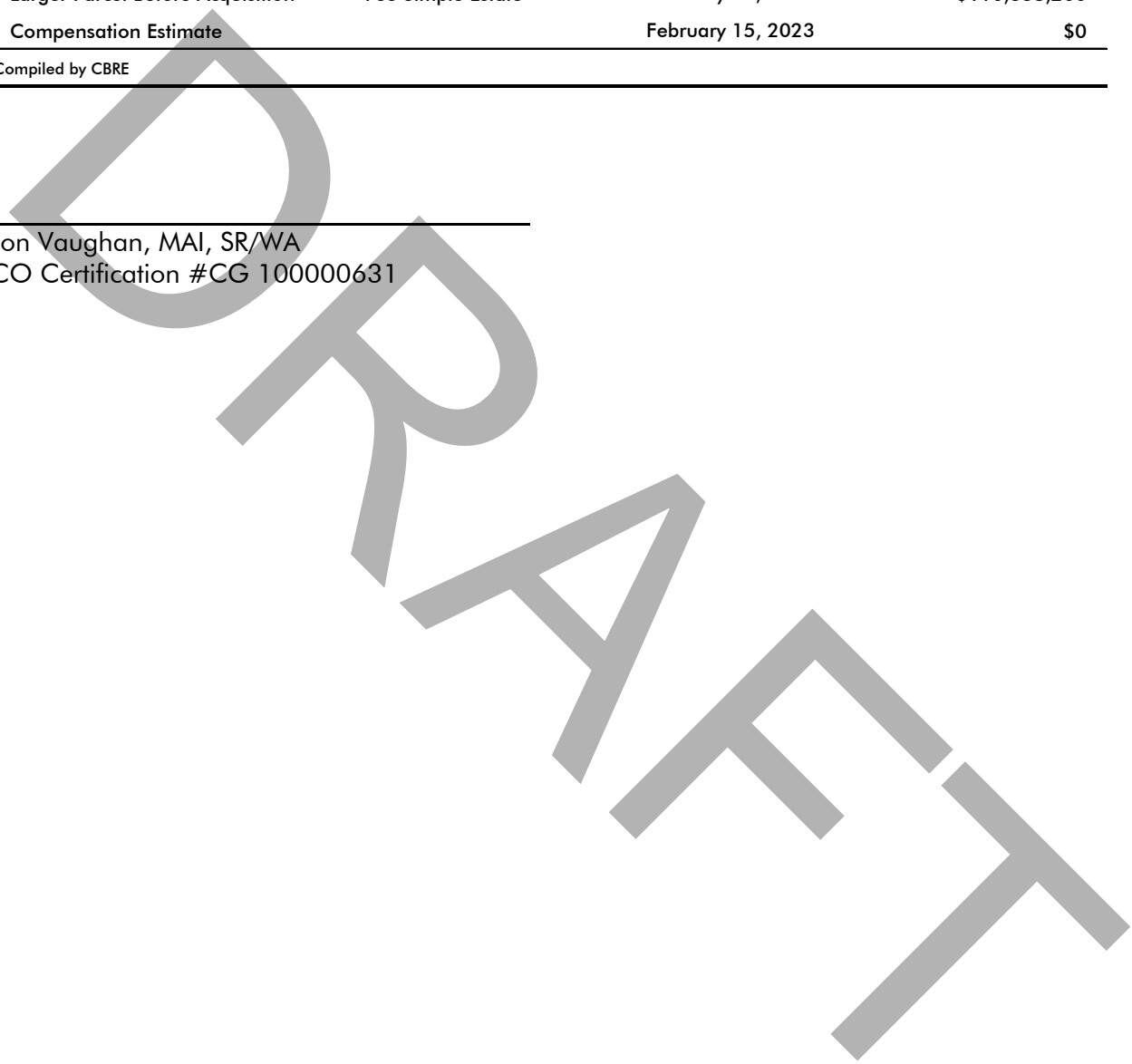
I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Colorado.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Jon Vaughan has completed the continuing education program for Designated Members of the Appraisal Institute.
11. No one provided significant real property appraisal assistance to the persons signing this report.
12. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of my routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
13. Jon Vaughan has not provided any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
14. The appraisal was developed, and the appraisal report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
15. The appraisal was developed, and the appraisal report prepared in conformance with the Appraisal Standards Board's Uniform Standards of Professional Appraisal Practice and complies with USPAP's Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the Uniform Appraisal Standards for Federal Land Acquisitions.

16. Jon Vaughan has made a personal inspection of the property appraised and the property owner, or their designated representative, was given the opportunity to accompany the appraiser on the property inspection.

CONCLUDED MARKET VALUE			
Appraisal Premise	Interest Appraised	Date of Value	Value
Larger Parcel Before Acquisition	Fee Simple Estate	February 15, 2023	\$110,338,200
Compensation Estimate		February 15, 2023	\$0
Compiled by CBRE			

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



Exhibits and Addenda

DRAFT

**DRP
LARGER PARCEL LEGAL DESCRIPTION**

Addendum A

Attached Legal Description

Lot 1, BARNSTORM FIRST SUBDIVISION to the City of Loveland, County of Larimer, State of Colorado, being a subdivision of a portion of Tract B, Barnstorm Second Addition to the City of Loveland, Colorado.

DRAFT

Attached Legal Description

Lot 2, BARNSTORM FIRST SUBDIVISION to the City of Loveland, County of Larimer, State of Colorado, being a subdivision of a portion of Tract B, Barnstorm Second Addition to the City of Loveland, Colorado.

DRAFT

Attached Legal Description

Tract B, BARNSTORM SECOND ADDITION TO THE CITY OF LOVELAND, COLORADO,
County of Larimer, State of Colorado,

EXCEPTING THEREFROM that portion contained on the plat of Barnstorm First Subdivision recorded August 18, 1997 at Reception No. [97053492](#), in the records of the Larimer County Clerk and Recorder;

ALSO EXCEPTING THEREFROM that portion contained on the map of Fort-Love Hangar Condominiums recorded May 4, 2009 at Reception No. [20090028294](#), in the records of the Larimer County Clerk and Recorder;

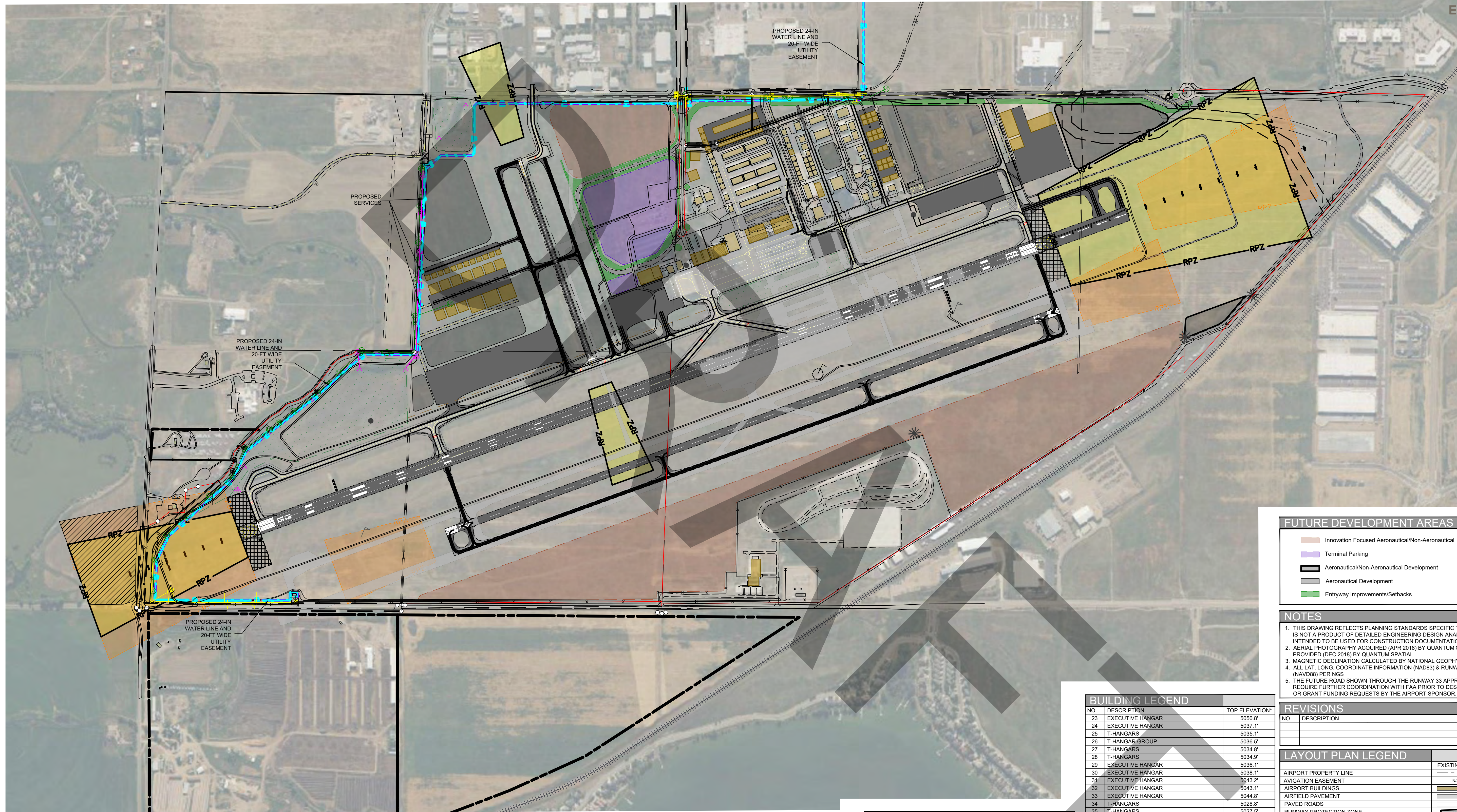
ALSO EXCEPTING THEREFROM That portion contained on the map of FNL Condominiums, a Leasehold Condominium recorded September 19, 2001 at Reception No. [2001084202](#), in the records of the Larimer County Clerk and Recorder;

ALSO EXCEPTING THEREFROM those portions contained in Deeds of Dedication recorded August 23, 2005 at Reception No. [20050071130](#) and Reception No. [20050071131](#) and August 26, 2019 at Reception No. [20190050171](#), in the records of the Larimer County Clerk and Recorder.



Addendum B

**PARTS ACQUIRED LEGAL DESCRIPTIONS
& DEVELOPMENT INFLUENCE**



FUTURE DEVELOPMENT AREAS	
	Innovation Focused Aeronautical/Non-Aeronautical
	Terminal Parking
	Aeronautical/Non-Aeronautical Development
	Aeronautical Development
	Entryway Improvements/Setbacks

- NOTES**
- THIS DRAWING REFLECTS PLANNING STANDARDS SPECIFIC TO THIS AIRPORT, AND IS NOT A PRODUCT OF DETAILED ENGINEERING DESIGN ANALYSIS. IT IS NOT INTENDED TO BE USED FOR CONSTRUCTION DOCUMENTATION OR NAVIGATION.
 - AERIAL PHOTOGRAPHY ACQUIRED (APR 2018) BY QUANTUM SPATIAL. AGIS DATA PROVIDED (DEC 2018) BY QUANTUM SPATIAL.
 - MAGNETIC DECLINATION CALCULATED BY NATIONAL GEOPHYSICAL DATA CENTER.
 - ALL LAT. LONG. COORDINATE INFORMATION (NAD83) & RUNWAY ELEVATION DATA (NAVD88) PER NGS.
 - THE FUTURE ROAD SHOWN THROUGH THE RUNWAY 33 APPROACH RPZ WILL REQUIRE FURTHER COORDINATION WITH FAA PRIOR TO DESIGN, CONSTRUCTION OR GRANT FUNDING REQUESTS BY THE AIRPORT SPONSOR.

BUILDING LEGEND		
NO.	DESCRIPTION	TOP ELEVATION*
23	EXECUTIVE HANGAR	5050.8'
24	EXECUTIVE HANGAR	5037.1'
25	T-HANGARS	5035.1'
26	T-HANGAR GROUP	5036.5'
27	T-HANGARS	5034.8'
28	T-HANGARS	5034.9'
29	EXECUTIVE HANGAR	5036.1'
30	EXECUTIVE HANGAR	5038.1'
31	EXECUTIVE HANGAR	5043.2'
32	EXECUTIVE HANGAR	5043.1'
33	EXECUTIVE HANGAR	5044.8'
34	T-HANGARS	5028.8'
35	T-HANGARS	5027.5'
36	T-HANGARS	5027.8'
37	T-HANGARS	5030.0'
38	EXECUTIVE HANGAR	5045.0'
39	EXECUTIVE HANGAR	5043.1'
40	EXECUTIVE HANGAR	5045.5'
41	EXECUTIVE HANGAR	5045.5'
42	EXECUTIVE HANGAR	5047.0'
43	EXECUTIVE HANGAR	5053.5'
44	EXECUTIVE HANGAR	5052.4'
45	EXECUTIVE HANGAR	5062.6'
46	EXECUTIVE HANGAR	5055.7'
47	EXECUTIVE HANGAR	5053.4'
48	EXECUTIVE HANGAR	5055.2'
49	EXECUTIVE HANGAR	5050.8'
50	EXECUTIVE HANGAR	5034.0'
F1	FUTURE EXECUTIVE HANGAR	5048. EST.
F2	FUTURE T-HANGARS	5036. EST.
F3	FUTURE REMOTE TOWER BUILDING	5027. EST.
F4	FUTURE FUEL FACILITIES	5027. EST.
F5	FUTURE FBO HANGARS	5032. EST.
F6	FUTURE FBO HANGARS	5050. EST.
F7	FUTURE PASSENGER TERMINAL BUILDING	5016. EST.
F8	FUTURE EXECUTIVE HANGAR	5036. EST.
F9	FUTURE EXECUTIVE HANGAR	5036. EST.

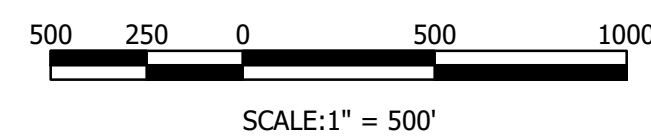
REVISIONS		
NO.	DESCRIPTION	DATE

LAYOUT PLAN LEGEND		
	EXISTING	FUTURE
AIRPORT PROPERTY LINE	---	---
AVIGATION EASEMENT	N/A	---
AIRPORT BUILDINGS	---	---
AIRFIELD PAVEMENT	---	---
PAVED ROADS	---	---
RUNWAY PROTECTION ZONE	---	---
GUIDE PATH QUALIFICATION SURFACE	---	---
PART 77 APPROACH SURFACE	---	---
THRESHOLD SITING SURFACE	---	---
BUILDING RESTRICTION LINE	---	---
RUNWAY OBSTACLE FREE ZONE	---	---
INNER APPROACH OBSTACLE FREE ZONE	---	N/A
PRECISION OBSTACLE FREE ZONE	---	N/A
GUIDE SLOPE CRITICAL AREA	---	N/A
LOCALIZER CRITICAL AREA	---	N/A
RUNWAY SAFETY AREA	---	---
RUNWAY OBJECT FREE AREA	---	---
TAXIWAY SAFETY AREA	---	---
TAXIWAY OBJECT FREE AREA	---	---
TAXIWAY SHOULDER	---	---
TAXIWAY EDGE SAFETY MARGIN	---	---
AIRPORT SECURITY FENCE (8' HEIGHT)	---	---
APPROXIMATE TAXIWAY AXILANE MARKING	---	N/A
AIRPORT BEACON	---	---
LIGHTED WIND CONE & SEGMENTED CIRCLE	---	N/A
WIND CONE	---	N/A
PRECISION APPROACH PATH INDICATOR (PAPI)	---	N/A
RUNWAY END IDENTIFIER LIGHTS (REIL)	---	---
AIRPORT REFERENCE POINT (ARP)	---	---
REMOTE CAMERA MASTS	---	---
THROUGH-THE-FENCE ACCESS POINT	---	N/A

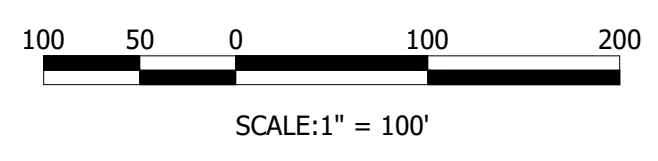
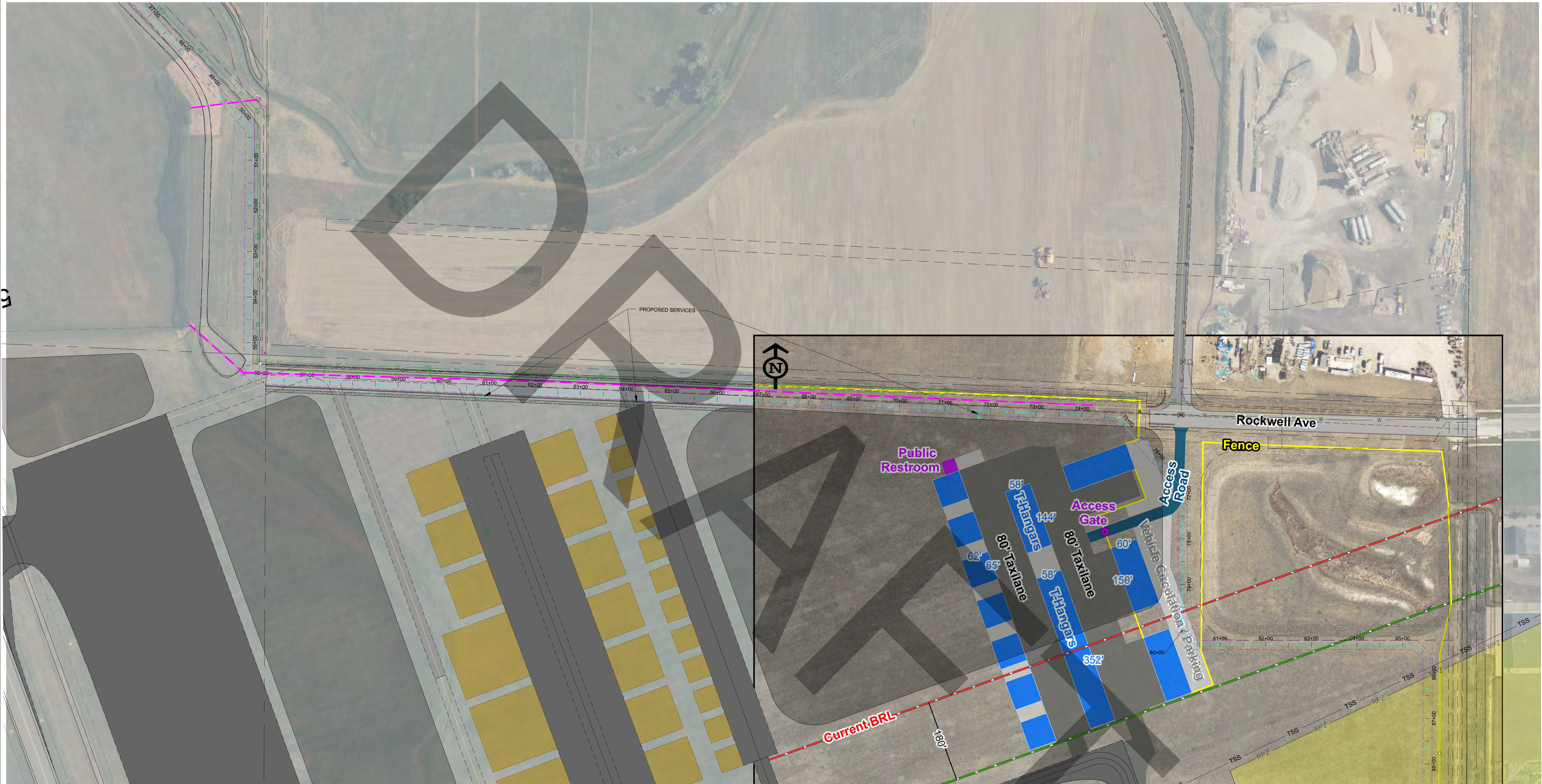
BUILDING LEGEND		
NO.	DESCRIPTION	TOP ELEVATION*
1	PASSENGER TERMINAL BUILDING	5020.1'
2	PASSENGER SECURE HOLD AREA/ TEMPORARY REMOTE TOWER CONTROL CENTER	5021.5'
3	FBO HANGAR	5031.8'
4	FBO HANGAR	5045.5'
5	MAINTENANCE HANGAR	5040.6'
6	HANGAR	5060.1'
7	EXECUTIVE HANGAR	5048.8'
8	EXECUTIVE HANGAR	5048.4'
9	EXECUTIVE HANGAR	5050.3'
10	EXECUTIVE HANGAR	5047.0'
11	EXECUTIVE HANGAR	5049.2'
12	EXECUTIVE HANGAR	5046.7'
13	EXECUTIVE HANGAR	5047.0'
14	EXECUTIVE HANGAR	5040.4'
15	T-HANGARS	5034.0'
16	ARFF, SRE, GARAGE & AIRPORT ADMIN.	5042.6'
17	HANGAR	5035.7'
18	HANGAR	5032.9'
19	T-HANGARS	5034.0'
20	T-HANGARS	5031.3'
21	EXECUTIVE HANGAR GROUP	5036.6'
22	EXECUTIVE HANGAR	5048.4'

* BUILDING ELEVATIONS FROM AGIS SURVEY DEC 2018.

- PROPOSED 24-IN WATER LINE
- PROPOSED 20-FT WIDE UTILITY EASEMENT
- EXISTING SANITARY SEWER
- EXISTING DRY UTILITIES
- EXISTING STORM DRAIN



P:\2022\02_04_Collin\2022\02_04_Collin\2022\02_04_Collin\PROPOSED WATER LINE.dwg, 2026 LANDSCAPE IMAGE (3), 1/17/2022 1:04:00 PM, Review, 1:1



- PROPOSED 24-IN WATER LINE
- PROPOSED 20-FT WIDE UTILITY EASEMENT
- EXISTING SANITARY SEWER
- EXISTING DRY UTILITIES
- EXISTING STORM DRAIN

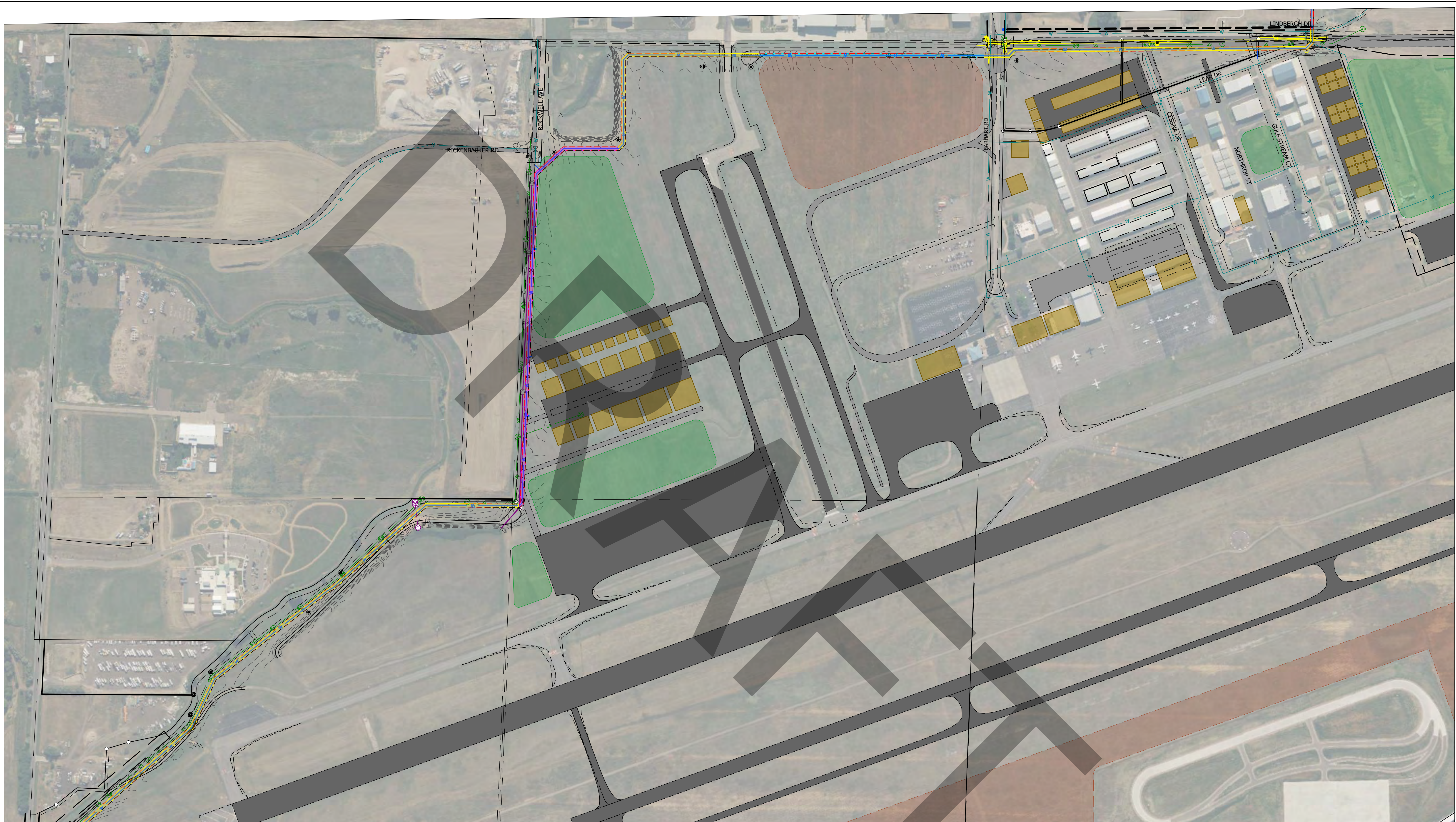
FUTURE DEVELOPMENT AREAS	
	Innovation Focused Aeronautical/Non-Aeronautical
	Terminal Parking
	Aeronautical/Non-Aeronautical Development
	Aeronautical Development
	Entryway Improvements/Setbacks

- NOTES**
- THIS DRAWING REFLECTS PLANNING STANDARDS SPECIFIC TO THIS AIRPORT, AND IS NOT A PRODUCT OF DETAILED ENGINEERING DESIGN ANALYSIS. IT IS NOT INTENDED TO BE USED FOR CONSTRUCTION DOCUMENTATION OR NAVIGATION.
 - AERIAL PHOTOGRAPHY ACQUIRED (APR 2018) BY QUANTUM SPATIAL. AGIS DATA PROVIDED (DEC 2018) BY QUANTUM SPATIAL.
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 - ALL LAT. LONG. COORDINATE INFORMATION (NAD83) & RUNWAY ELEVATION DATA (NAVD83) PER NGS.
 - THE FUTURE ROAD SHOWN THROUGH THE RUNWAY 33 APPROACH RPZ WILL REQUIRE FURTHER COORDINATION WITH FAA PRIOR TO DESIGN, CONSTRUCTION OR GRANT FUNDING REQUESTS BY THE AIRPORT SPONSOR.

SANDERSON STEWART

Enduring Community Design

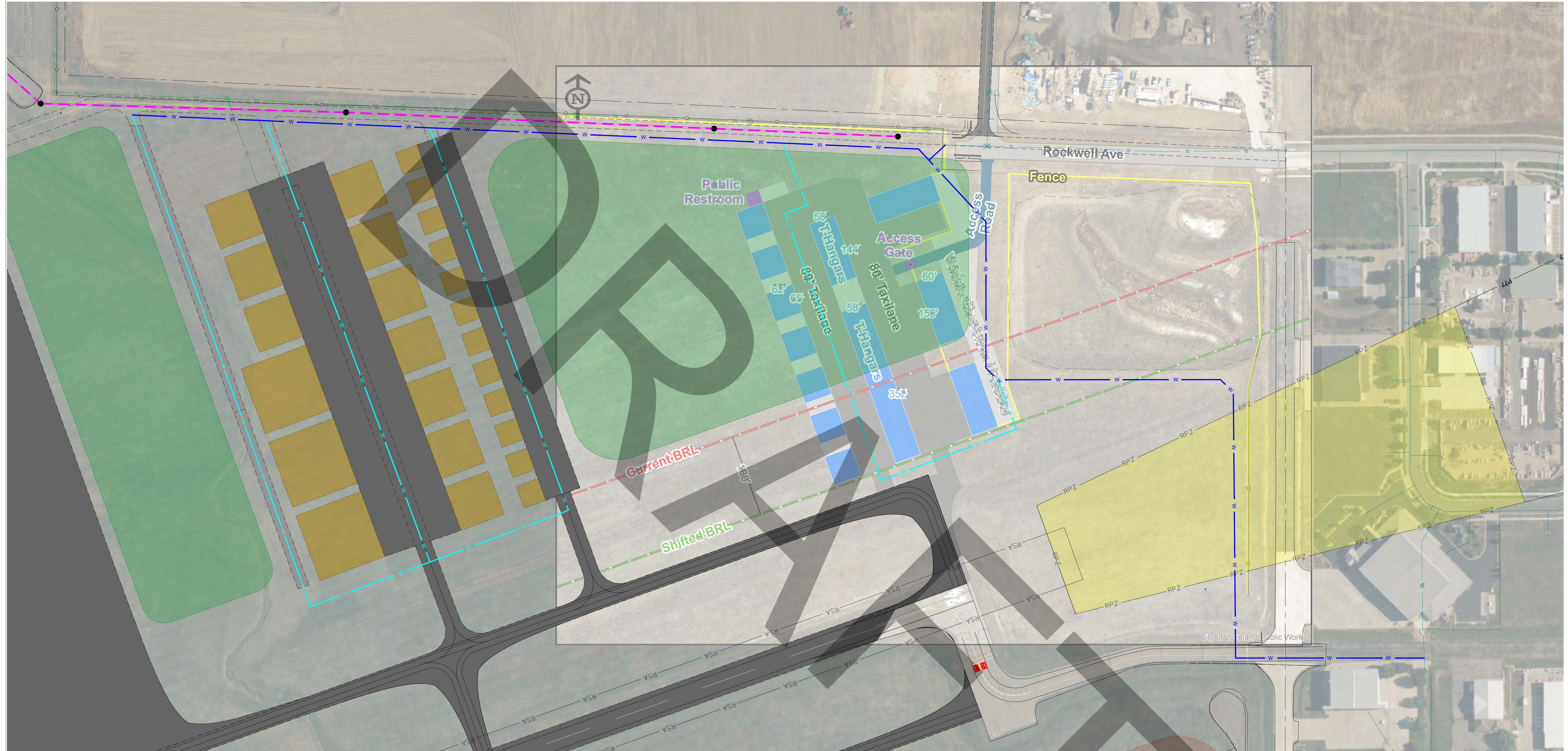
P:\2022_05_04_College_College_Site\Transmittal_Lin_CAD\20220504_CAD\2022_05_04_College_College_Site_SHEET_01.dwg, OVERALL, 10/10/2022 9:40:00 AM, Release, 1/1



	PROPOSED 24-IN WATER LINE	FUTURE DEVELOPMENT AREAS	
	PROPOSED 20-FT WIDE UTILITY EASEMENT		Innovation Focused Aeronautical/Non-Aeronautical
	EXISTING SANITARY SEWER		Easement SQ Feet - 25,751 Acres - 0.59
	EXISTING DRY UTILITIES		Aeronautical Development
	EXISTING STORM DRAIN		Easement SQ Feet - 48,932 Acres - 1.12

NORTH

250 125 0 250 500
SCALE: 1" = 250'



ROCKWELL APPRAISAL EXHIBIT A

PRICE WITH NEW 24-IN TRANSMISSION MAIN: = \$1,099,567
 PRICE W/OUT TRANSMISSION MAIN: = \$1,750,343

INTERNAL 12-IN AIRPORT WATER LINE
 TOTAL LENGTH = 4900 LF
 12-IN TRANSMISSION MAIN
 TOTAL LENGTH = 3850

EXISTING WATER LINE
 EXISTING SANITARY SEWER
 EXISTING STORM DRAIN

*UNIT PRICE FOR 12-IN WATER LINE IS BASED ON
 PURVIS FARM SINGLE/MULTI-FAMILY LOT
 DEVELOPMENT COST ESTIMATE, DONE ON 9/29/22

FUTURE DEVELOPMENT AREAS	
	Innovation Focused Aeronautical/Non-Aeronautical
	Terminal Parking
	Aeronautical/Non-Aeronautical Development
	Aeronautical Development
	Entryway Improvements/Setbacks

NOTES

1. THIS DRAWING REFLECTS PLANNING STANDARDS SPECIFIC TO THIS AIRPORT, AND IS NOT A PRODUCT OF DETAILED ENGINEERING DESIGN ANALYSIS. IT IS NOT INTENDED TO BE USED FOR CONSTRUCTION DOCUMENTATION OR NAVIGATION. PROVIDED (DEC 2018) BY QUANTUM SPATIAL.
2. AERIAL PHOTOGRAPHY ACQUIRED (APR 2018) BY QUANTUM SPATIAL. AGIS DATA PROVIDED (DEC 2018) BY QUANTUM SPATIAL.
3. MAGNETIC DECLINATION CALCULATED BY NATIONAL GEOPHYSICAL DATA CENTER.
4. ALL LAT. LONG. COORDINATE INFORMATION (NAD83) & RUNWAY ELEVATION DATA (NAVD88) PER NGS
5. THE FUTURE ROAD SHOWN THROUGH THE RUNWAY 33 APPROACH RPZ WILL REQUIRE FURTHER COORDINATION WITH FAA PRIOR TO DESIGN. CONSTRUCTION OR GRANT FUNDING REQUESTS BY THE AIRPORT SPONSOR.



100 50 0 100 200
 SCALE: 1" = 100'

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EARHART APPRAISAL EXHIBIT B

PRICE WITH NEW 24-IN TRANSMISSION MAIN = **\$386,882**
 PRICE W/OUT TRANSMISSION MAIN = **\$590,247**

INTERNAL AIRPORT WATER LINE
TOTAL LENGTH = 1750 LF

12-IN TRANSMISSION MAIN
TOTAL LENGTH = 1050

EXISTING WATER LINE

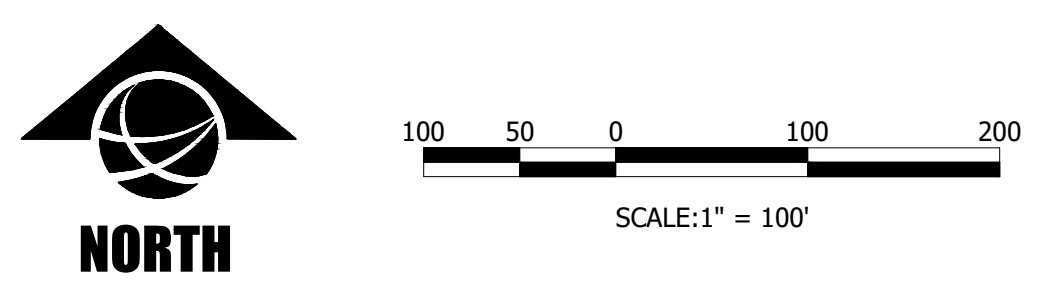
EXISTING SANITARY SEWER

EXISTING DRY UTILITIES

*UNIT PRICE FOR 12-IN WATER LINE IS BASED ON PURVIS FARM SINGLE/MULTI-FAMILY LOT DEVELOPMENT COST ESTIMATE, DONE ON 9/29/22

FUTURE DEVELOPMENT AREAS	
	Innovation Focused Aeronautical/Non-Aeronautical
	Terminal Parking
	Aeronautical/Non-Aeronautical Development
	Aeronautical Development
	Entryway Improvements/Setbacks

- NOTES**
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P:\2022_05_04_Collier_FCLWD_30_Transmission_Main_10_000\CAD\CADD\REF_040521\212_00_APPRAISAL_EXHIBITS.dwg, APP 3, 2/27/2023, 12:52:37 PM, Rowan, 11

Date: February 27, 2023
Project No.: 21072.02

**Engineer's Opinion of Probable Cost
for
FCLWD Transmisson Main
Rockwell Appraisal A**

Phase I: Internal 12-inch Water ONLY (Assumes 24-in exists)

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	4900	LF	12-inch PVC Water Line	\$179.00 =	\$877,100.00
102	14	LF	8-inch PVC Water Line	\$124.00 =	\$1,744.68
102	35	LF	6-inch PVC Water Line	\$100.00 =	\$3,488.00
103	3	EA	6-inch PVC Fire Hydrant Assembly (Incl. Valve, & Hydrant)	\$9,587.00 =	\$28,761.00
104	3	EA	12-inch Gate Valve	\$5,142.00 =	\$15,426.00
105	10	EA	12-inch 45 Degree Bend	\$1,783.00 =	\$17,830.00
106	1	EA	12-inch x 12-inch Tee	\$2,218.00 =	\$2,218.00
107	3	EA	8-inch x 6-inch Reducer	\$1,000.00 =	\$3,000.00
108	5	EA	Connect to Existing 24-inch Transmission Main	\$30,000.00 =	\$150,000.00
Schedule II Subtotal =					\$1,099,567.68

Phase II: 12-inch Internal and Transmission Main (Assumes no 24-in)

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	8750	LF	12-inch PVC Water Line	\$179.00 =	\$1,566,250.00
102	20	LF	8-inch PVC Water Line	\$124.00 =	\$2,480.00
102	40	LF	6-inch PVC Water Line	\$100.00 =	\$4,000.00
103	5	EA	6-inch PVC Fire Hydrant Assembly (Incl. Valve, & Hydrant)	\$9,587.00 =	\$47,935.00
104	5	EA	12-inch Gate Valve	\$5,142.00 =	\$25,710.00
105	20	EA	12-inch 45 Degree Bend	\$1,783.00 =	\$35,660.00
106	6	EA	12-inch x 12-inch Tee	\$2,218.00 =	\$13,308.00
107	5	EA	8-inch x 6-inch Reducer	\$1,000.00 =	\$5,000.00
108	2	EA	Connect to Existing 12-inch Main	\$25,000.00 =	\$50,000.00
Schedule II Subtotal =					\$1,750,343.00

Date: February 27, 2023
Project No.: 21072.02

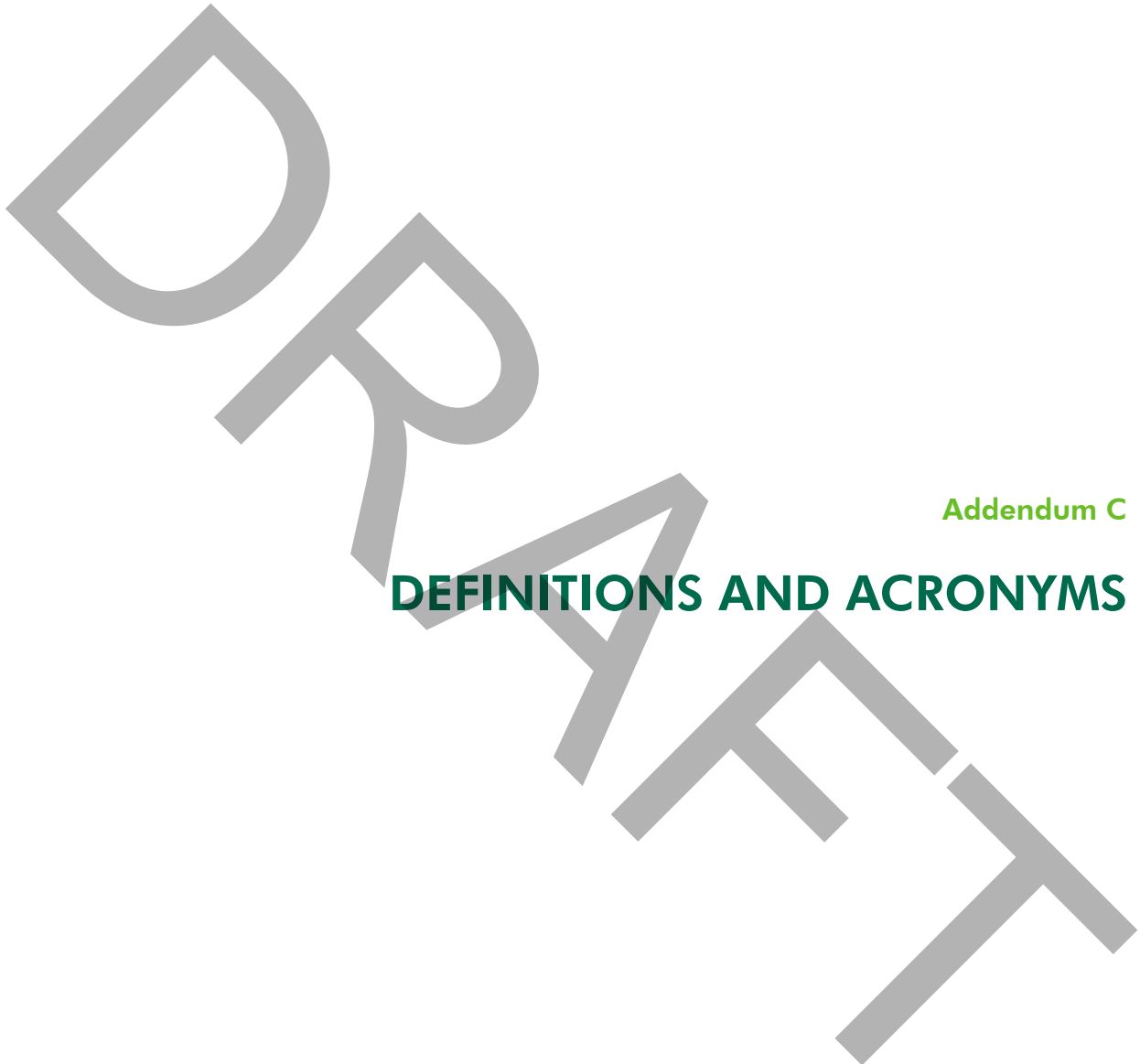
**Engineer's Opinion of Probable Cost
for
FCLWD Transmisson Main
Earhart Appraisal B**

Phase I: Internal 12-inch Water ONLY (Assumes 24-in exists)

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	1750	LF	12-inch PVC Water Line	\$179.00 =	\$313,250.00
102	5	LF	8-inch PVC Water Line	\$124.00 =	\$620.00
102	5	LF	6-inch PVC Water Line	\$100.00 =	\$500.00
103	1	EA	6-inch PVC Fire Hydrant Assembly (Incl. Valve, & Hydrant)	\$9,587.00 =	\$9,587.00
104	1	EA	12-inch Gate Valve	\$5,142.00 =	\$5,142.00
105	1	EA	12-inch 45 Degree Bend	\$1,783.00 =	\$1,783.00
106	1	EA	8-inch x 6-inch Reducer	\$1,000.00 =	\$1,000.00
107	1	EA	Connect to Existing 12-inch Transmission Main	\$25,000.00 =	\$25,000.00
108	1	EA	Connect to Existing 24-inch Transmission Main	\$30,000.00 =	\$30,000.00
Schedule II Subtotal =					\$386,882.00

Phase II: 12-inch Internal and Transmission Main (Assumes no 24-in)

Item No.	Quantity	Unit	Description	Unit Price	Subtotal
101	2800	LF	12-inch PVC Water Line	\$179.00 =	\$501,200.00
102	10	LF	8-inch PVC Water Line	\$124.00 =	\$1,240.00
102	10	LF	6-inch PVC Water Line	\$100.00 =	\$1,000.00
103	2	EA	6-inch PVC Fire Hydrant Assembly (Incl. Valve, & Hydrant)	\$9,587.00 =	\$19,174.00
104	2	EA	12-inch Gate Valve	\$5,142.00 =	\$10,284.00
105	3	EA	12-inch 45 Degree Bend	\$1,783.00 =	\$5,349.00
106	2	EA	8-inch x 6-inch Reducer	\$1,000.00 =	\$2,000.00
107	2	EA	Connect to Existing 12-inch Main	\$25,000.00 =	\$50,000.00
Schedule II Subtotal =					\$590,247.00



Addendum C

DEFINITIONS AND ACRONYMS

Following are certain acronyms and definitions of significant terms used in this appraisal report. Sources and authorities for the following definitions are shown as text-notes.

AC – acre

PSF or SF – per square foot; square foot

ROW or R.O.W. – Right of Way

Benefits (Specific Benefits) – “...any benefits to the residue are to be measured by the increase, if any, in the reasonable market value of the residue due to the (construction) (improvement) of the (...proposed improvement). For anything to constitute a specific benefit, however, it must result directly in a benefit to the residue and be peculiar to it. Any benefits which may result to the residue but which are shared in common with the community at large are not to be considered.” (CJI-Civ. 4th, 36:4)

Compensation – “...ascertain the reasonable market value of the property actually taken and the amount of compensable damages, if any, and amount and value of any specific benefit, if any, to the residue of any land not taken.” (CJI-Civ. 4th, 36:1)

“(a) For highway acquisition, the right to compensation and the amount thereof, including damages and benefits, if any, shall be determined as of the date the petitioner is authorized by agreement, stipulation, or court order to take possession or the date of trial or hearing to assess compensation, whichever is earlier, but any amount of compensation determined initially shall remain subject to adjustment for one year after the date of the initial determination to provide for additional damages or benefits not reasonably foreseeable at the time of the initial determination. (b) If an entire tract or parcel of property is condemned, the amount of compensation to be awarded is the reasonable market value of the said property on the date of valuation. (c) If only a portion of a tract or parcel of land is taken, the damages and special benefits, if any, to the residue of said property shall be determined. When determining damages and special benefits, the appraiser shall take into account a proper discount when the damages and special benefits are forecast beyond one year from the date of appraisal. (d) In determining the amount of compensation to be paid for such a partial taking, the compensation for the property taken and damages to the residue of said property shall be reduced by the amount of any special benefits which result from the improvement or project, but not to exceed fifty percent of the total amount of compensation to be paid for the property actually taken.” (§ 38-1-114(2), C.R.S.)

Damages – “...Any damages are to be measured by the decrease, if any, in the reasonable market value of the residue, that is, the difference between the reasonable market value of the residue before the property actually taken is acquired and the reasonable market value of the residue after the property actually taken has been acquired. Any damages which may result to the residue from what is expected to be done on land other than the land actually taken from the respondent and any damages to the residue which are shared in common with the community at large are not to be considered.” (CJI-Civ. 4th, 36:4)

Easement – “An easement is a limited right to use or control land owned by another for specified purposes. An easement is a property interest less than the fee estate, with the owner of the underlying fee retaining full dominion over the realty, subject only to the easement; the fee owner may make any use of the realty that does not interfere with the easement holder’s reasonable use of the easement and is not specifically excluded by the terms of the easement.” (Interagency Land Acquisition Conference, Uniform Appraisal Standards for Federal Land Acquisitions, Washington, D.C., 2016, p.168)

Fee Simple Estate (Title) – “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.” (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, p. 73) Note: as an assignment condition all mineral rights are excepted from any fee simple property interest appraised in this report.

Larger Parcel – “That tract, or tracts, of land that possess a unity of ownership and have the same, or an integrated, highest and best use.” The larger parcel may or may not have the same boundaries as the parcel being acquired. As a result, the appraiser must determine the larger parcel based on the unity of use, unity of ownership and proximity or contiguity. (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2016, p. 110)

Part Taken (Partial Taking) – “The taking of part of a property for public use under the power of eminent domain; requires the payment of compensation.” (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, p. 140)

Residue (Remainder) – “‘Residue’ means that portion of any property which is not taken but which belongs to the respondent, ..., and which has been used by, or is capable of being used by, the respondent, together with the property actually taken, as one economic unit.” (CJI-Civ. 4th, 36:4)

Restoration Cost to Cure (Cost to Cure) – “In certain circumstances, damage to the remainder may be cured by remedial action. The cost to cure is a proper measure of damage only when it is no greater in amount than the decrease in the market value of the remainder if left as it stood. When the cost to cure is less than the compensable damages if the cure were undertaken, the cost to cure is the proper measure of damage, and the government is not obligated to pay in excess of that amount.” (Interagency Land Acquisition Conference, *Uniform Appraisal Standards for Federal Land Acquisitions*, Washington, D.C., 2016, p. 38)

Slope Easement – “A ‘slope easement’ is an easement reserved to the condemnor to use whatever portion of the property is needed to provide lateral support for a roadbed, and those surface rights to property which are not required for lateral support are retained by landowner for any usage which does not interfere with condemnor’s slope easement.” (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

Temporary Easement – “An easement granted for a specific purpose and applicable for a specific time period. A construction easement, for example, is terminated after the construction of the improvement and the unencumbered fee interest in the land reverts to the owner.” (Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Seventh Edition, Chicago, 2022, p. 189-190)

Compensation due for a temporary easement is the reasonable rental value for the time the easement is used. (State Dept. of Highways v. Woolley, 696 P.2d 828, Colo. App. 1984)

DRAFT

ADDENDUM D
QUALIFICATIONS

Jon Vaughan

Director, Fort Collins, CO

CBRE



T + 970 372 3872
Jon.Vaughan@cbre.com

3003 East Harmony Road
Suite 300
Fort Collins, CO 80528

Clients Served

- City of Fort Collins
- City of Greeley
- City of Loveland
- City of Aurora
- City of Arvada
- Adams County
- Larimer County
- Weld County
- Town of Milliken
- University of Northern Colorado
- CDOT
- Tri-State Generation and Transmission
- Western States Land Services
- Atkins Global
- TRS Corp.
- HC Peck and Associates
- Universal Field Services
- HDR, Inc.
- Otis, Bedingfield, & Peters, Attorneys at Law
- Numerous Private Property Owners

Experience

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

Prior to joining CBRE, Jon worked as an appraiser with Foster Valuation in Greeley, where he honed his focus on infrastructure valuation. Mr. Vaughan also taught the real estate appraisal course at Colorado State University from 2014 to 2021. He has worked on property valuations related to numerous infrastructure projects including road widening, reservoir expansions, high voltage electric transmission lines, water and sewer infrastructure, as well as oil and gas pipelines. Jon has been on the CDOT Qualified Appraiser List since 2012.

Professional Affiliations / Accreditations

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

Education

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

CBRE VALUATION & ADVISORY SERVICES

JON VAUGHAN

Valuation & Advisory Services

970-372-3872

Jon.Vaughan@cbre.com

www.cbre.com



NORTHERN COLORADO REGIONAL AIRPORT

4900 Earhart Rd • Loveland, Colorado 80538

(970) 962-2850 • FAX (970) 962-2855 • TDD (970) 962-2620

ITEM NUMBER: 3

MEETING DATE: May 31, 2023

PREPARED BY: Aaron Ehle, Planning and Business Development Specialist

TITLE

5271 Beechcraft St Development Proposal

RECOMMENDED PDSC ACTION

Review development proposal, provide feedback, and consider recommendation of lease approval to the Airport Commission

SUMMARY

The Airport recently issued a request for proposals (RFP) for an infill lot between two existing box hangars. One response to the RFP was received. The developer, Stephen Lesondak, is proposing to construct a 65' X 50' = 3,250 square foot hangar in an infill lot between two existing box hangars. The hangar will have a 12' tall door.

Due to the proximity of the neighboring hangars, a group II hangar will be required to comply with current fire code. This means the hangar will have three-hour fire rated exterior walls and a sprinkler fire suppression system. A restroom will be included to comply with building code requirements.

This will be a standard 40-year lease (25-year initial term with three 5-year extensions) at the improved rate of \$0.464 per square foot. The land lease of approximately 5,525 square feet will generate \$2,564 of revenue annually.

The developer is aware that aesthetic enhancements will be required on the street-facing side of the building and is proposing to construct the walls with split-face block. The proposal has been vetted by staff for compliance with the newly adopted Airport Land Use and Design Standards and alignment with the Airport Master Plan.

ATTACHMENTS

5271 Beechcraft St Site Development Plan

5271 Beechcraft St Building Exhibits

5271 Beechcraft St Site Development Plan

Cessna Dr

Fence

85'

65'

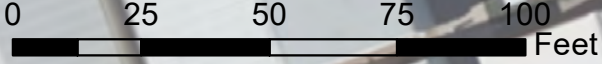
50'

Hangar

65'

Lease Boundary

Beechcraft St



RFP# 2023-045 exhibit 3

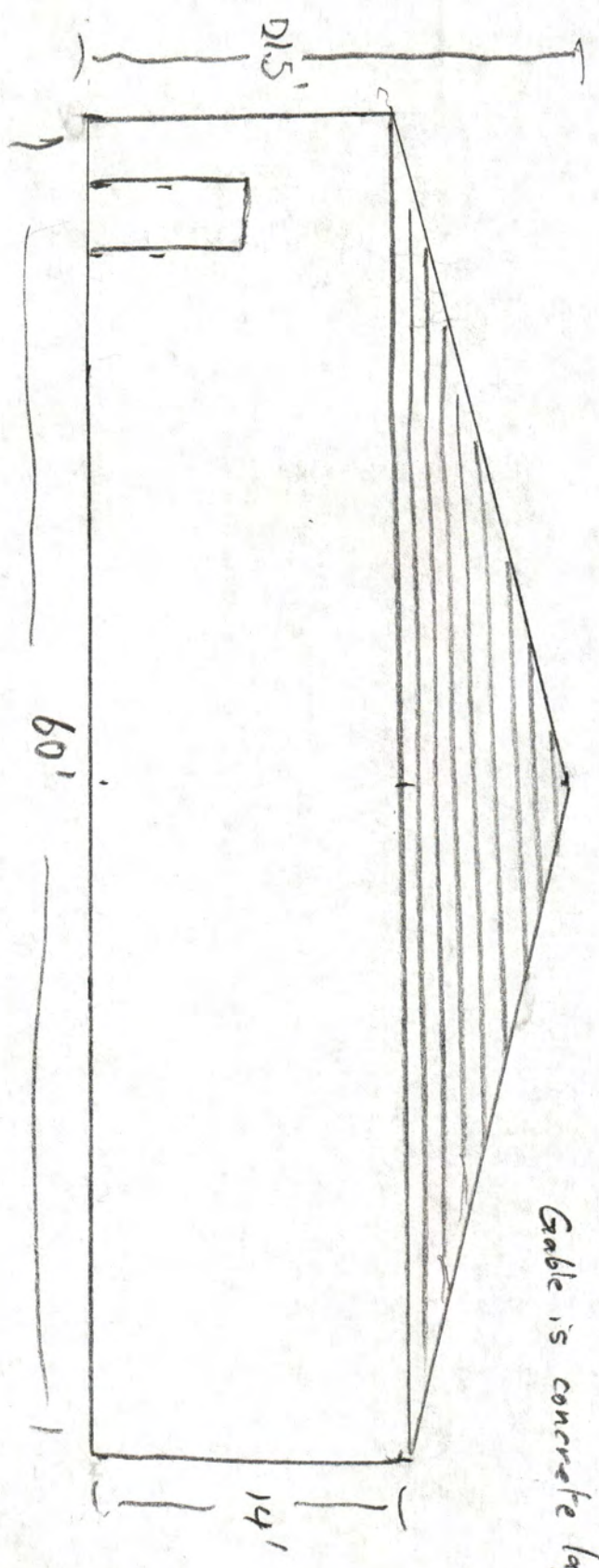
Scale $\frac{1}{8}'' = 1'$

1 2 3 4 5 6 7 8
1-1 inch — 1' R

Rear elevation

Roof $3\frac{1}{2}$ pitch

Gable is concrete lap siding



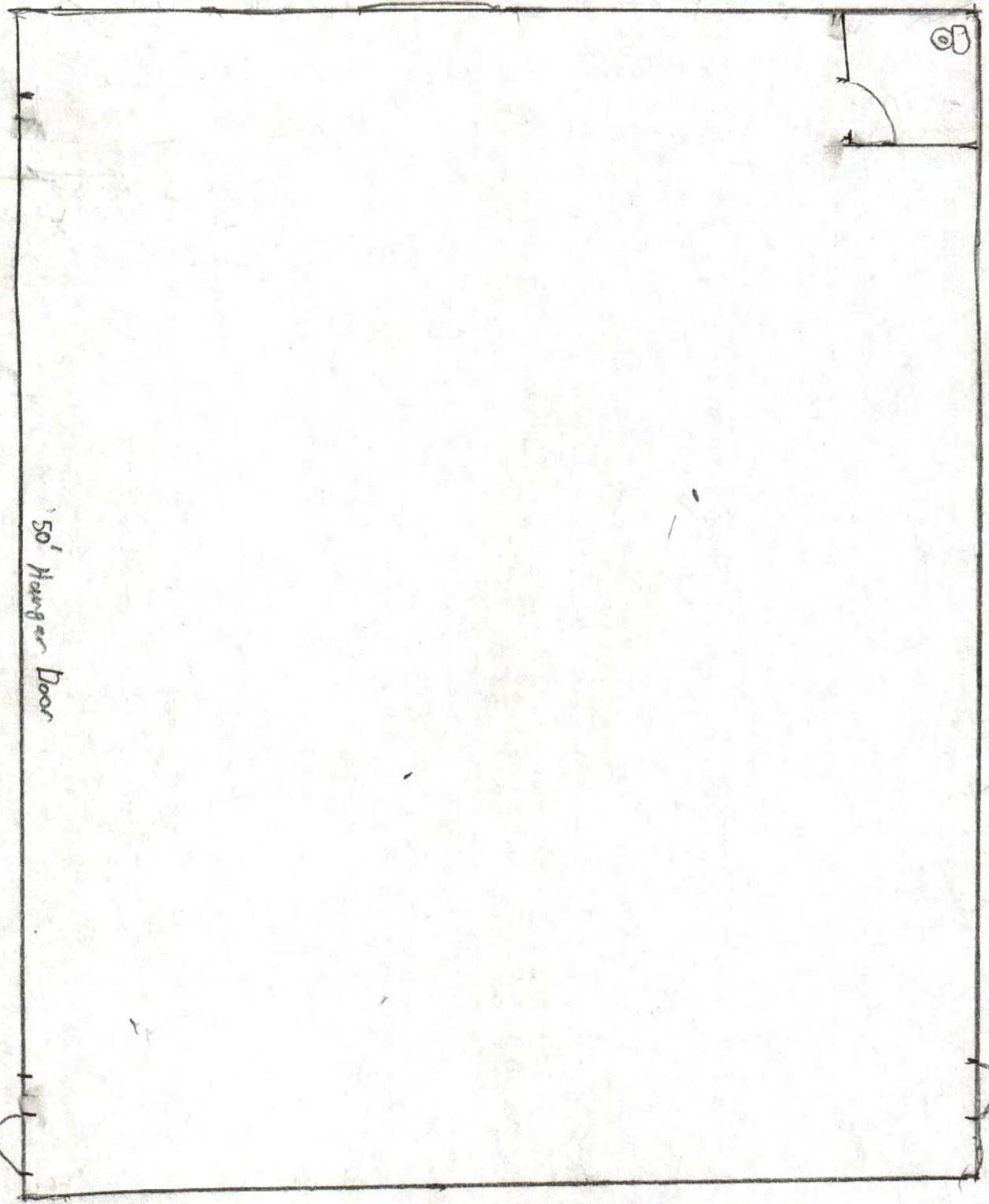
RP# 2013-045 exhibit 2

60'

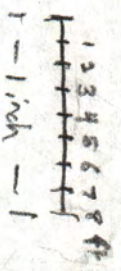
50'

50' Hanging Door

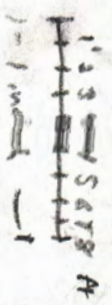
B



Scale 1/8" = 1'



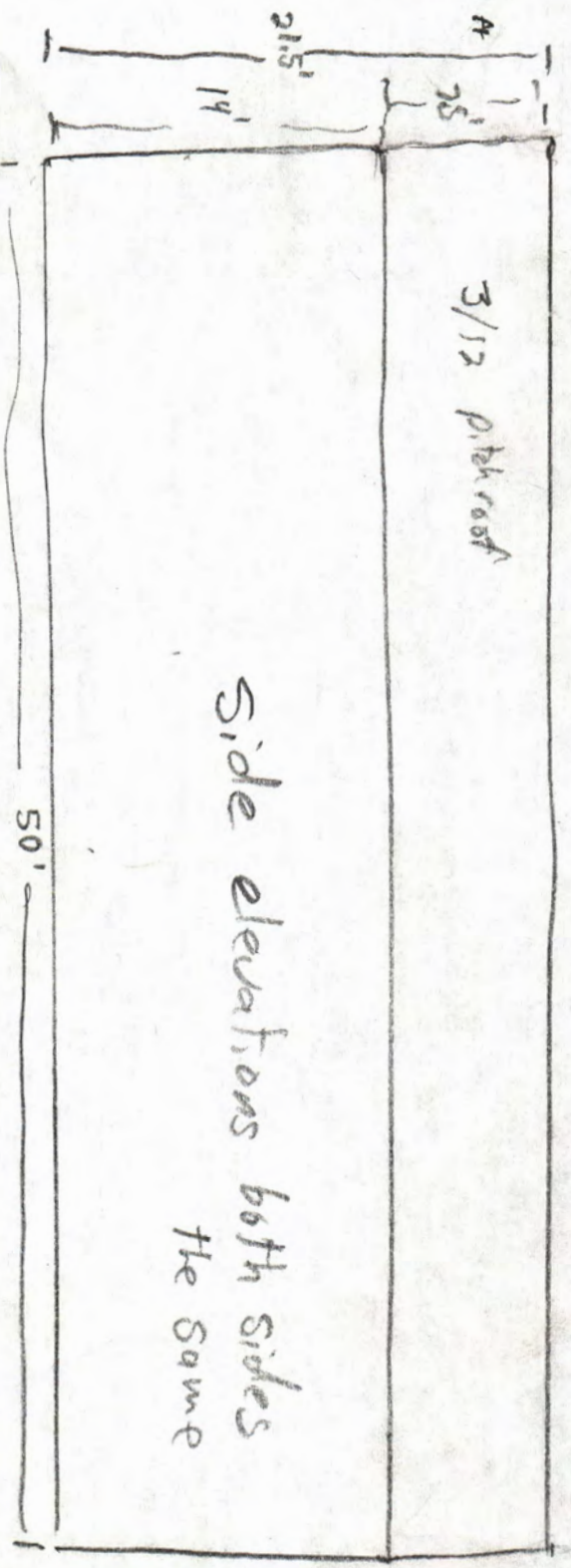
Scale 1/8" = 1'



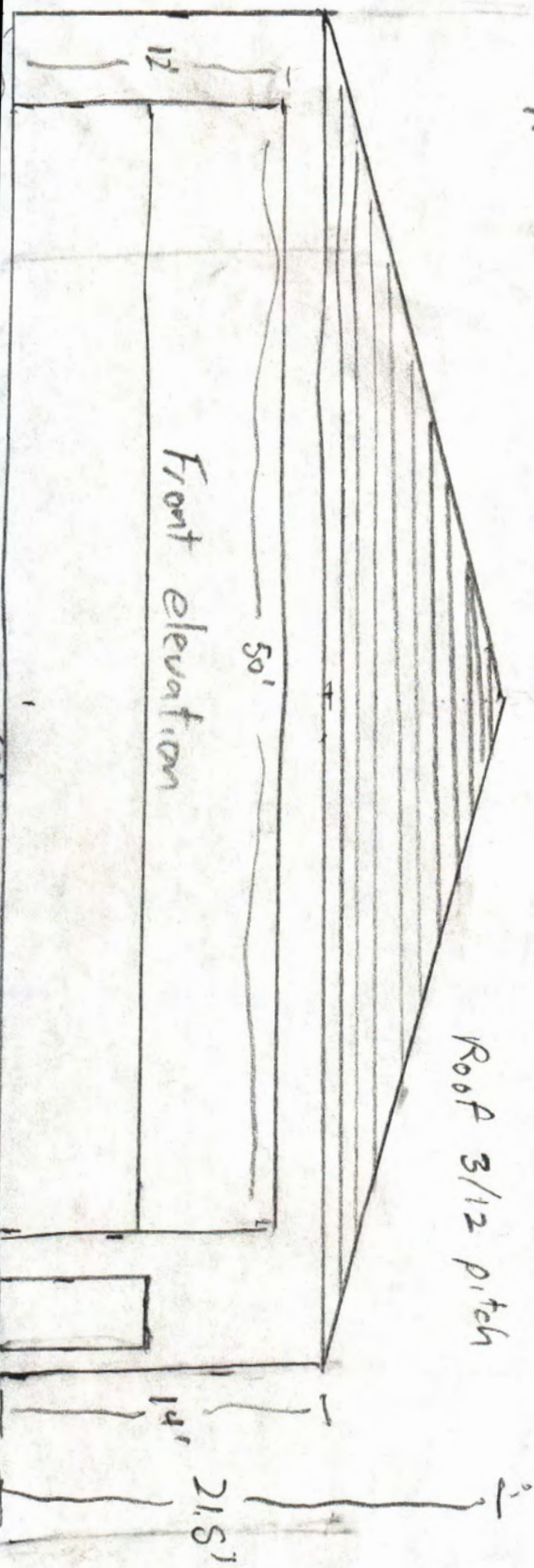
3/12 pitch roof

Side elevations both sides
the same

RFP#
2023-045
exhibit 1



Masonry Block construction
Upper Gable concrete lap siding





NORTHERN COLORADO REGIONAL AIRPORT

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ITEM NUMBER: 4

MEETING DATE: May 31, 2023

PREPARED BY: Aaron Ehle, Airport Planning & Development Specialist

TITLE

5230 Gulfstream Building Expansion and New Lease Proposal

RECOMMENDED PDSC ACTION

Review development proposal, provide feedback, and consider recommendation of lease approval to the Airport Commission

SUMMARY

The tenant of 5230 Stearman St, Jeff James, is requesting a new lease that will allow him to expand the building to accommodate a Cessna Citation that he plans on purchasing. The hangar is not currently large enough to fit an aircraft of that size. Because the current lease only covers the footprint of the building, a new lease will have to replace the existing lease to accommodate the expansion.

In recent months, Airport staff and Mr. James have negotiated a new lease agreement that will replace the existing one if approved by the Airport Commission. Mr. James is proposing to add 960 square feet of building space and invest approximately \$150,000 in improvements that include extra hangar space, office space, a restroom, and landscaping. The expansion will be on the west side of the building, on land that would be difficult to use for any other purpose. In 2022, Mr. James built a stone retaining wall on the north side of the building which greatly enhanced the appearance of the property from Gulfstream Ct.

Based on the level of investment Mr. James is proposing, Airport staff supports a new lease that will have a larger footprint and generate more revenue for the Airport, with a term that extends 11 years beyond the current lease. The following chart summarizes the main differences between the existing lease and the proposed new lease:

	Existing Lease	Proposed New Lease
Commencement Date	April 2002	July 2023
Initial Term	25 years	20 years
Extensions	3 5-year extensions	2 5-year extensions
Expiration Date	April 2042	July 2053
Lease Square Feet	3,750	6,375
Current Lease Rate (\$/sq. ft./year)	\$0.19	\$0.31
Current Annual Rent	\$697	\$2,000
Escalation	CPI every 5 years	CPI every year
		After 20-year initial term, entire 6,375 sq. ft. escalates to the published improved land lease rate at the time (currently \$0.464)

Vacinity:



Lease Footprint Expansion:



ATTACHMENTS

5230 Gulfstream Site Plan and Building Elevations
5230 Gulfstream Building Addition Renderings

