

AGENDA
URA Finance Committee
August 11, 2022
3:00 pm – 4:00 pm

1. Meeting minutes – May 12, 2022 and July 14, 2022
2. Appropriation to Support North College Property Acquisition

This meeting will be held digitally via Zoom. To join this meeting, please use the link below:

<https://us02web.zoom.us/j/88211081978?pwd=S2p5b0ZlU21SRXVMOFUrRFpBa3BVZz09>

Meeting ID: 882 1108 1978

Passcode: 374746

One tap mobile

+13462487799,,88211081978#,,,,*374746# US (Houston)

+16699006833,,88211081978#,,,,*374746# US (San Jose)

Meeting ID: 882 1108 1978

Passcode: 374746

Other business:

MINUTES

URA Finance Committee

May 12, 2022

3:00 pm – 4:00 pm

Meeting started: 3:05 pm by Chair Arndt

Present: Kelly Ohlson, Tricia Canonico, Kristen Draper

Absent: Jeni Arndt, Joe Wise

Staff: Josh Birks

Others:

1. Meeting Minutes – December 9, 2021

Commissioner Ohlson made a motion, seconded by Commissioner Canonico, to approve the minutes of the December 9, 2021 meeting. The motion was adopted unanimously with Commissioner Draper abstaining.

2. Prospect South Bicycle and Pedestrian Connectivity Study Appropriation

Interim Executive Director Birks stated this item would bring forth an appropriation to begin a bicycle and pedestrian connectivity study within the Prospect South plan area to be coordinated with other City departments. He outlined the public engagement with constituents in the Prospect South area that led to the investment plan and priorities for the URA district, including bicycle and pedestrian connectivity improvements. He stated staff is seeking input from the Finance Committee regarding an appropriation for the 30% design development of those improvements, including community engagement, developing the preferred design, developing the maintenance plan, and doing some survey and easement work. He noted these funds need to be appropriated prior to issuing a request for proposals and stated staff is confident the \$250,000 amount is a conservative upper level of the costs. He also noted 30% design is the level at which grants can be sought.

Commissioner Ohlson suggested very detailed public outreach may not be the best use of public dollars and encouraged staff to make this outreach effort reasonable. Birks

replied he anticipates most of these funds will be spent on design and most of the engagement will be related to specific properties that may be impacted with design implementation. He also noted there are other City efforts related to connectivity that also include engagement that would not need to be repeated here.

Commissioner Ohlson made a motion, seconded by Commissioner Draper, to adopt the staff recommendation to move forward with the appropriation. The motion was adopted unanimously.

Other business: None.

Meeting ended 3:18 pm.

MINUTES

URA Finance Committee

July 14, 2022

3:00 pm – 4:00 pm

Meeting started: 3:05 pm by Chair Arndt

Present: Kelly Ohlson, Jeni Arndt, Joe Wise, Kristen Draper, Tricia Canonico

Absent: None

Staff: Josh Birks, Clay Frickey

Others: Councilmember Shirley Peel

1. South College Plan Area Formation

Clay Frickey, Redevelopment Program Manager, stated this item relates to the consideration of an existing conditions study for a potential plan area on South College Avenue. He noted this is the first step in a multi-step process for the formation of a new plan area and discussed the staff-recommended boundaries of the potential plan area which generally follow the boundaries of the commercial zone district.

Commissioner Ohlson asked about the inclusion of some natural habitat features and suggested that land should possibly not be included. He stated he is more concerned about blighted areas rather than undeveloped property. Frickey replied the boundaries can be adjusted per the desires of the Commission.

Interim Executive Director Birks noted the blight evaluation study can include an area that is much larger than the actual plan area. Additionally, he noted it would be easier to include natural areas within the plan area should the use of tax increment financing dollars for enhancement or restoration be desired.

Commissioner Wise commented on the historic desire of the URA to limit its activities to specific projects stating it would exclude this type of proposal for a large plan area. Frickey clarified this is not related to plan area boundaries, but blight study boundaries.

Commissioner Wise stated declaring a plan area does not ensure redevelopment and it penalizes all the taxing entities.

Frickey defined an existing conditions study, which is a field study of the area. He noted boundaries for the study were intentionally drawn large and the Board can then discuss the merits of having a plan area anywhere within the boundaries of the study area should at least four conditions of blight be found. He outlined the process of forming a plan area and discussed the cost of an existing conditions study.

Commissioner Arndt asked how the URA works in terms of being committed to existing plan areas while adding another one. She also questioned whether using taxpayer dollars to complete this study is prudent and questioned what criteria are utilized to determine the need for a blight study. Commissioner Wise discussed criteria related to benefits for the entire community and that anticipated development would not occur in the absence of URA funds.

Commissioner Arndt questioned whether this blight study meets those criteria.

Councilmember Peel stated she understood there to be a BFO offer for City staff to reexamine the South College Corridor Plan and asked how that differs from this. Frickey replied the Corridor Plan was formed in response to the Southwest Enclave Annexation by planning staff and it does not include language related to the formation of a URA plan area. He stated the two items are distinct from one another and noted this item is coming forward per a discussion under Other Business at a Council meeting several months ago.

Councilmember Peel stated her position is more to debate the merits of individual projects. She asked if it would be possible to identify smaller projects within a plan area once the blight study is complete. Frickey replied in the affirmative and stated a similar approach was taken for the midtown plan areas. He stated the Board can debate the appropriate scale of the plan area. Commissioner Wise stated his concern is that the entire plan area will utilize TIF for the next 25 years and those funds will all go to the Urban Renewal Authority rather than the taxing entities. Caitlin Quander, legal counsel, noted all of the taxing districts would need to agree per an intergovernmental agreement, and if they did not, mediators would determine an appropriate share.

Commissioner Ohlson concurred with Commissioner Wise and commented on previous rules that allowed for blight to be found in order to create a URA. However, he suggested this is worthy of a discussion for the entire Board.

Commissioner Draper suggested a possible postponement of this item given the City will be undertaking a parallel study of the area. Frickey clarified the funding for that study is only a budget offer at this point. Additionally, he stated that study would have different goals and objectives.

Commissioner Draper suggested having another discussion on the topic after the budget process is complete and more knowledge around the City's study is evident. Frickey outlined the steps in forming a plan area and noted there is no point in looking at the development capacity of the area if no blight is found in the existing conditions study. He stated many of the concerns that have been raised are typically addressed later in the process after some level of blight is determined.

Birks concurred with Commissioner Ohlson that the consideration of this item should go before the full Board and requested this Committee determine what additional information is necessary to move forward.

Councilmember Peel stated she is working to have a meeting with constituents in the South College area to determine what issues are present. She reiterated her thought that the URA would address certain projects in the area rather than a large plan area. Frickey noted his suggested study area boundaries were intended to capture areas that have stormwater and infrastructure issues. He reiterated that those areas must be within or adjacent to a plan area if the URA is to invest in those projects.

Commissioner Ohlson stated he would like to see the City make some improvements to South College and should come to the table with its own funds. He suggested utilizing a URA plan area is not the appropriate mechanism.

Councilmember Peel commented on the increased residential development in the South College area. Commissioner Wise stated the increased growth is going to mean residents want health, library, and school resources and taking those funds for infrastructure needs will take away from those resources.

Commissioner Ohlson suggested this item may need some additional consideration prior to bringing it before the full Board.

Frickey summarized the comments noting the item is not ready for consideration by the full Board in July and suggesting there may be need for Council-level discussion.

Other business: None.

Meeting ended 3:58 pm.

URA FINANCE COMMITTEE AGENDA ITEM SUMMARY

Staff: Clay Frickey, Redevelopment Program Manager

Date: August 11, 2022

SUBJECT FOR DISCUSSION: Appropriation to Support North College Property Acquisition

EXECUTIVE SUMMARY

During a workshop series in 2019, community members identified the former Albertsons site at 1636 N College Ave. as a prime location for a community hub, a library branch, affordable housing, and a workforce development center. A Real Estate Investment Trust (REIT) currently owns 1636 N College Ave. and has a favorable lease for the property. This lease expires in 2030. This means the likelihood of the former Albertsons site redeveloping or housing needed community amenities is low. On July 28, 2022, the Authority Board considered an item that permitted the following related to the former Albertsons site:

1. Conducting a commercial real estate appraisal for the three properties
2. Discussing funding options with City staff and the City Council Finance Committee
3. Begin discussions with the property owners about the Authority potentially acquiring the properties

This item proposes an appropriation to conduct the commercial real estate appraisal and retain legal counsel that specializes in eminent domain proceedings. This appropriation will have minimal impact on the Authority's finances and will permit staff to work towards completing the three tasks highlighted above.

GENERAL DIRECTION SOUGHT AND SPECIFIC QUESTIONS TO BE ANSWERED

Does the Finance Committee support bringing forth an appropriation for a commercial real estate appraisal and legal counsel at the August Urban Renewal Authority Board meeting?

BACKGROUND/DISCUSSION

The North College Urban Renewal Plan Area will generate tax increment revenue until 2029. Staff collaborated with Institute for the Built Environment (IBE) and The Family Center/La Familia (TFC/LF) on a series of public workshops in 2019 asking the North College community how they would like to see the Urban Renewal Authority (URA) invest its money in the North College plan area over the next 10 years. IBE produced a report summarizing this outreach that the Authority Board considered in August 2020. A recurring theme during this engagement process was a desire to revive the former Albertsons site at 1636 N College Ave. Community members and business owners agreed that the vacant Albertsons hinders the Authority's ability to achieve its goals. Workshop participants had many ideas for desirable land uses in the old

Albertsons including a community hub, a library branch, affordable housing, and a workforce development center.

On July 28, 2022, staff presented the idea of acquiring the Albertsons site and adjoining buildings to the Authority Board. The Authority Board approved the following:

4. Conducting a commercial real estate appraisal for the three properties
5. Discussing funding options with City staff and the City Council Finance Committee
6. Begin discussions with the property owners about the Authority potentially acquiring the properties

To continue this work, staff will require the assistance of technical experts. Staff will need an appraiser to determine the value of each property and dedicated legal counsel in the event the Authority uses its eminent domain powers to acquire the former Albertsons site. These services will require appropriation of additional funds.

Property Overview

The site in question contains three buildings: the former Albertsons and two inline buildings attached to the former Albertsons. Each has a distinct history and are in various states of occupancy currently. The table below provides an overview of each property.

Address	Most Recent Tenant	Current Owner	Most Recent Sales Price
1630 N College	H&R Block Maria's Braiding	JT Enterprises LLC <i>Estes Park, CO</i>	\$795,000 (2019)
1636 N College	Albertsons	Realty Income Corporation <i>San Diego, CA</i>	\$8,665,557 (2010)
1642 N College	Sparks Overland	College Country Club LLC <i>Northglenn, CO</i>	\$2,800,000 (2017)

Real Estate Investment Trust (REIT) Overview

The current owner of the former Albertsons building is Realty Income Corporation, which is a REIT. REITs own and manage real estate portfolios that investors buy into like a mutual fund. REITs pass along their earnings to investors in the form of dividends. Given this structure, the main goal of REITs is to earn increasing returns for their investors. REITs are also often publicly traded on stock exchanges. Realty Income Corporation trades as "O" on the New York Stock Exchange.

Albertsons entered into a 20-year lease with a REIT in 2010. When Realty Income Corporation purchased VEREIT, the previous owner of the Albertsons building, in 2021, Realty Income Corporation inherited the lease. Commercial lease rates peaked around 2010. The current Albertsons lease is above market, and they continue to make lease payments to the REIT. This has made finding a sublessee difficult. Per their website, Realty Income Corporation specializes in triple net lease properties. A triple net lease, or NNN, is where the lessee pays all expenses on the property, including taxes, insurance, and maintenance. Staff believes this is the variety of

lease Albertsons has for 1636 N College. Since the lease is above market and the lease pays for all expenses for the property, the REIT is likely not motivated to consider other lease or development arrangements for the site.

Commercial Real Estate Appraisal

A full commercial real estate appraisal will help the Authority understand the value of all three properties. These appraisals will form the basis of any offers the Authority makes to purchase the properties. The Authority's on-call appraisal has provided a draft scope of work for completing a commercial real estate appraisal of all three properties. The total cost of this work as scoped is \$16,000.

Legal Services

The appropriation for legal services would allow the Authority to obtain specific legal counsel for eminent domain proceedings. Eminent domain follows a specific process with a number of requirements to acquire property via eminent domain. Legal counsel with specific experience with eminent domain proceedings will help ensure the Authority's success if the Authority ends up exercising its power of eminent domain. It is difficult to estimate the cost of eminent domain proceedings since each project is unique. It's also possible that the property owner accepts the Authority's initial offer for purchase and there is no need for using eminent domain.

As such, staff proposes appropriating enough money to begin discussions with the property owners and set the stage for eminent domain, if needed. After completing this phase of the acquisition process, staff would bring forward another appropriation for subsequent phases of the acquisition process as needed. This process aligns with the preference of the Authority Board to have opportunities for the Authority to exit the process for whatever reason it sees fit. Staff will meet with eminent domain legal counsel next week to discuss the acquisition process and understand the estimated cost of the initial phase of the property acquisition process.

Financial Impact and Overview

The North College plan area is generating surplus tax increment revenue every year. The plan area has \$2.2 million net available cash currently. Staff's revenue forecast shows the plan area generating \$1.4 million in net proceeds in 2022, meaning the North College plan area will have \$3.6 million cash on hand by the end of the year. This appropriation would have a minimal impact on the financial health of the North College plan area.

Acquiring the three properties could require a substantial percentage of the Authority's unpledged tax increment revenue. Staff's revenue forecast shows the Authority having roughly \$20 million of unpledged tax increment by 2030.

NEXT STEPS

With the Finance Committee's support, staff will bring an appropriation to the Authority Board for consideration at its regular meeting on August 18.

ATTACHMENTS (numbered Attachment 1, 2, 3,...)

1. Scope of work for commercial real estate appraisal
2. North College revenue forecast

Proposal and Contract for Services

June 3, 2022

Clay Frickey
Redevelopment Program Manager
FORT COLLINS URBAN RENEWAL AUTHORITY
222 Laporte Ave
Fort Collins, CO 80521
Phone: 970-416-2517
Email: cfrickey@fcgov.com

CBRE, Inc.
3003 East Harmony Road, Ste
300
Fort Collins, CO 80528
www.cbre.us/valuation
Jon Vaughan
Director

RE: Assignment Agreement | CB22US069100
Retail
3 Properties – Multiple Locations

Dear Mr. Frickey:

We are pleased to submit this proposal and our Terms and Conditions for this assignment.

PROPOSAL SPECIFICATIONS

Purpose:	To estimate the Market Value of the referenced real estate
Premise:	As Is
Rights Appraised:	Fee Simple and Leased Fee
Intended Use:	Acquisition/Disposition/Exchange Due Diligence
Intended User:	The intended user is FORT COLLINS URBAN RENEWAL AUTHORITY ("Client"), and such other parties and entities (if any) expressly recognized by CBRE as "Intended Users" (as further defined herein).
Reliance:	Reliance on any reports produced by CBRE under this Agreement is extended solely to parties and entities expressly acknowledged in a signed writing by CBRE as Intended Users of the respective reports, provided that any conditions to such acknowledgement required by CBRE or hereunder have been satisfied. Parties or entities other than Intended Users who obtain a copy of the report or any portion thereof (including Client if it is not named as an Intended User), whether as a result of its direct dissemination or by any other means, may not rely upon any opinions or conclusions contained in the report or such portions thereof, and CBRE will not be responsible for any unpermitted use of the report, its conclusions or contents or have any liability in connection therewith.

Scope of Inspection:	<p>A full interior and exterior inspection of the property will be conducted and arranged with the property contact and performed by CBRE Valuations.</p> <p>If this expected property inspection is not possible due to unforeseen issues (such as lack of on-site personnel cooperation, physical obstructions, or appraiser/property contact health and safety concerns), the client will be promptly advised. The client may continue this assignment based on other inspection options agreed upon by CBRE and client or provide CBRE with a written notice to cancel. If CBRE determines that a credible appraisal result cannot be achieved due to inspection limitations, it will promptly provide the client with a written cancellation of this assignment.</p>
Valuation Approaches:	All appropriate approaches to value will be considered.
Report Type:	Standard Appraisal Report
Appraisal Standards:	USPAP and Uniform Relocation Act
Appraisal Fee:	\$15,000. If cancelled by either party before a completion, the fee will be based on CBRE's hourly rates for the time expended; plus actual expenses.
Expenses:	Fee includes all associated expenses
Retainer:	A retainer is not required for this assignment.
Payment Terms:	Final payment is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. The full appraisal fee is considered earned upon delivery of the draft report. We will invoice you for the assignment in its entirety at the completion of the assignment.
Delivery Instructions:	<p>CBRE encourages our clients to join in our environmental sustainability efforts by accepting an electronic copy of the report.</p> <p>An Adobe PDF file via email will be delivered to cfrickey@fcgov.com. The client has requested 0 bound final copy (ies).</p>
Delivery Schedule:	
Preliminary Value:	Not Required
Draft Report:	75 days after the Start Date
Final Report:	3 business days after receipt of review comments
Start Date:	The appraisal process will start upon receipt of your signed agreement and the property specific data.
Acceptance Date:	These specifications are subject to modification if this proposal is not accepted within 5 business days from the date of this letter.

When executed and delivered by all parties, this letter, together with the Terms and Conditions and the Specific Property Data Request attached hereto and incorporated herein, will serve as the

Agreement for appraisal services by and between CBRE and Client. Each person signing below represents that it is authorized to enter into this Agreement and to bind the respective parties, including all intended users, hereto.

We appreciate this opportunity to be of service to you on this assignment. If you have additional questions, please contact us.

Sincerely,

CBRE, Inc.

Valuation & Advisory Services



Jon Vaughan

Director

As Agent for CBRE, Inc.

T 970 372 3872

jon.Vaughan@cbre.com

PROPERTY NAME	PROPERTY LOCATION	REPORT TYPE	APPRAISAL FEES
Country Club Corners	1630 N College Ave, Fort Collins, CO 80524	Standard Appraisal	\$4,500.00
Country Club Corners	1636 N College Ave, Fort Collins, CO 80524	Eminent Domain Appraisal	\$6,000.00
Country Club Corners	1642 N College Ave, Fort Collins, CO 80524	Standard Appraisal	\$4,500.00
Assignment Total:			\$15,000.00

AGREED AND ACCEPTED

FOR FORT COLLINS URBAN RENEWAL AUTHORITY ("CLIENT"):

_____ Signature	_____ Date
_____ Clay Frickey Name	_____ Redevelopment Program Manager Title
_____ 970-416-2517 Phone Number	_____ cfrickey@fcgov.com E-Mail Address

ADDITIONAL OPTIONAL SERVICE

Assessment & Consulting Services: CBRE's Assessment & Consulting Services group has the capability of providing a wide array of solution-oriented due diligence services in the form of property condition and environmental site assessment reports and other necessary due diligence service (seismic risk analysis, zoning compliance service, construction risk management, annual inspections, etc.).

Initial below if you desire CBRE to contact you to discuss a proposal for any part or the full complement of consulting services, or you may reach out to us at ACSProposals@cbre.com. We will route your request to the appropriate manager. For more information, please visit www.cbre.com/assessment.

TERMS AND CONDITIONS

1. The Terms and Conditions herein are part of an agreement for appraisal services (the "Agreement") between CBRE, Inc. (the "Appraiser") and the client signing this Agreement, and for whom the appraisal services will be performed (the "Client"), and shall be deemed a part of such Agreement as though set forth in full therein. The Agreement shall be governed by the laws of the state where the appraisal office is located for the Appraiser executing this Agreement.
2. Client shall be responsible for the payment of all fees stipulated in the Agreement. Payment of the appraisal fee and preparation of an appraisal report (the "Appraisal Report, or the "report") are not contingent upon any predetermined value or on an action or event resulting from the analyses, opinions, conclusions, or use of the Appraisal Report. Final payment is due as provided in the Proposal Specifications Section of this Agreement. If a draft report is requested, the fee is considered earned upon delivery of the draft report. It is understood that the Client may cancel this assignment in writing at any time prior to delivery of the completed report. In such event, the Client is obligated only for the hourly rate of the time and expenses incurred (including travel expenses to and from the job site), with a minimum charge of \$500. Additional copies of the Appraisal Reports are available at a cost of \$250 per original color copy and \$100 per photocopy (black and white), plus shipping fees of \$30 per report.
3. If Appraiser is subpoenaed or ordered to give testimony, produce documents or information, or otherwise required or requested by Client or a third party to participate in meetings, phone calls, conferences, litigation or other legal proceedings (including preparation for such proceedings) because of, connected with or in any way pertaining to this engagement, the Appraisal Report, the Appraiser's expertise, or the Property, Client shall pay Appraiser's additional costs and expenses, including but not limited to Appraiser's attorneys' fees, and additional time incurred by Appraiser based on Appraiser's then-prevailing hourly rates and related fees. Such charges include and pertain to, but are not limited to, time spent in preparing for and providing court room testimony, depositions, travel time, mileage and related travel expenses, waiting time, document review and production, and preparation time (excluding preparation of the Appraisal Report), meeting participation, and Appraiser's other related commitment of time and expertise. Hourly charges and other fees for such participation will be provided upon request. In the event Client requests additional appraisal services beyond the scope and purpose stated in the Agreement, Client agrees to pay additional fees for such services and to reimburse related expenses, whether or not the completed report has been delivered to Client at the time of such request.
4. Appraiser shall have the right to terminate this Agreement at any time for cause effective immediately upon written notice to Client on the occurrence of fraud or the willful misconduct of Client, its employees or agents, or without cause upon 5 days written notice.
5. In the event Client fails to make payments when due then, from the date due until paid, the amount due and payable shall bear interest at the maximum rate permitted in the state where the office is located for the Appraiser executing the Agreement. In the event either party institutes legal action against the other to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and expenses. Each party waives the right to a trial by jury in any action arising under this Agreement.
6. Appraiser assumes there are no major or significant items or issues affecting the Property that would require the expertise of a professional building contractor, engineer, or environmental consultant for Appraiser to prepare a valid report. Client acknowledges that such additional expertise is not covered in the Appraisal fee and agrees that, if such additional expertise is required, it shall be provided by others at the discretion and direction of the Client, and solely at Client's additional cost and expense.
7. In the event of any dispute between Client and Appraiser relating to this Agreement, or Appraiser's or Client's performance hereunder, Appraiser and Client agree that such dispute shall be resolved by means of binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association, and judgment upon the award rendered by an arbitrator may be entered in any court of competent jurisdiction. Depositions may be taken and other discovery obtained during such arbitration proceedings to the same extent as authorized in civil judicial proceedings in the state where the office of the Appraiser executing this Agreement is located. The arbitrator shall be limited to awarding compensatory damages and shall have no authority to award punitive, exemplary or similar damages. The prevailing party in the arbitration proceeding shall be entitled to recover its expenses from the losing party, including costs of the arbitration proceeding, and reasonable attorney's fees. Client acknowledges that Appraiser is being retained hereunder as an independent contractor to perform the services described herein and nothing in this Agreement shall be deemed to create any other relationship between

Client and Appraiser. This engagement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal Report discussed herein.

8. All statements of fact in the report which are used as the basis of the Appraiser's analyses, opinions, and conclusions will be true and correct to Appraiser's actual knowledge and belief. Appraiser does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the condition of the Property furnished to Appraiser by Client or others. TO THE FULLEST EXTENT PERMITTED BY LAW, APPRAISER DISCLAIMS ANY GUARANTEE OR WARRANTY AS TO THE OPINIONS AND CONCLUSIONS PRESENTED ORALLY OR IN ANY APPRAISAL REPORT, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE EVEN IF KNOWN TO APPRAISER. Furthermore, the conclusions and any permitted reliance on and use of the Appraisal Report shall be subject to the assumptions, limitations, and qualifying statements contained in the report.
9. Appraiser shall have no responsibility for legal matters, including zoning, or questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The report will not constitute a survey of the Property analyzed.
10. Client shall provide Appraiser with such materials with respect to the assignment as are requested by Appraiser and in the possession or under the control of Client. Client shall provide Appraiser with sufficient access to the Property to be analyzed, and hereby grants permission for entry unless discussed in advance to the contrary.
11. The data gathered in the course of the assignment (except data furnished by Client) and the report prepared pursuant to the Agreement are, and will remain, the property of Appraiser. With respect to data provided by Client, Appraiser shall not violate the confidential nature of the Appraiser-Client relationship by improperly disclosing any proprietary information furnished to Appraiser. Notwithstanding the foregoing, Appraiser is authorized by Client to disclose all or any portion of the report and related data as may be required by statute, government regulation, legal process, or judicial decree, including to appropriate representatives of the Appraisal Institute if such disclosure is required to enable Appraiser to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
12. Unless specifically noted, in preparing the Appraisal Report the Appraiser will not be considering the possible existence of asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (collectively, "Hazardous Material") on or affecting the Property, or the cost of encapsulation or removal thereof. Further, Client represents that there is no major or significant deferred maintenance of the Property that would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, at Client's discretion and direction, and are not covered as part of the Appraisal fee.
13. In the event Client intends to use the Appraisal Report in connection with a tax matter, Client acknowledges that Appraiser provides no warranty, representation or prediction as to the outcome of such tax matter. Client understands and acknowledges that any relevant taxing authority (whether the Internal Revenue Service or any other federal, state or local taxing authority) may disagree with or reject the Appraisal Report or otherwise disagree with Client's tax position, and further understands and acknowledges that the taxing authority may seek to collect additional taxes, interest, penalties or fees from Client beyond what may be suggested by the Appraisal Report. Client agrees that Appraiser shall have no responsibility or liability to Client or any other party for any such taxes, interest, penalties or fees and that Client will not seek damages or other compensation from Appraiser relating to any such taxes, interest, penalties or fees imposed on Client, or for any attorneys' fees, costs or other expenses relating to Client's tax matters.
14. Appraiser shall have no liability with respect to any loss, damage, claim or expense incurred by or asserted against Client arising out of, based upon or resulting from Client's failure to provide accurate or complete information or documentation pertaining to an assignment ordered under or in connection with this Agreement, including Client's failure, or the failure of any of Client's agents, to provide a complete copy of the Appraisal Report to any third party.
15. LIMITATION OF LIABILITY. EXCEPT TO THE EXTENT ARISING FROM SECTION 16 BELOW, OR SECTION 17 IF APPLICABLE, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATE, OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, OR CONTRACTORS BE LIABLE TO THE OTHER, WHETHER BASED IN CONTRACT, WARRANTY, INDEMNITY, NEGLIGENCE, STRICT LIABILITY OR OTHER TORT OR OTHERWISE, FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, AND AGGREGATE DAMAGES IN CONNECTION WITH THIS AGREEMENT FOR EITHER PARTY (EXCLUDING THE OBLIGATION TO PAY THE FEES REQUIRED HEREUNDER) SHALL NOT EXCEED THE GREATER OF THE TOTAL FEES PAYABLE TO APPRAISER UNDER THIS AGREEMENT OR TEN THOUSAND DOLLARS (\$10,000). THIS LIABILITY LIMITATION SHALL NOT APPLY IN THE EVENT OF A FINAL FINDING BY AN ARBITRATOR OR A COURT OF COMPETENT JURISDICTION THAT SUCH LIABILITY IS THE RESULT OF A PARTY'S FRAUD OR WILLFUL MISCONDUCT.

16. Client shall not disseminate, distribute, make available or otherwise provide any Appraisal Report prepared hereunder to any third party (including without limitation, incorporating or referencing the Appraisal Report, in whole or in part, in any offering or other material intended for review by other parties) except to (i) any third party expressly acknowledged in a signed writing by Appraiser as an "Intended User" of the Appraisal Report provided that either Appraiser has received an acceptable release from such third party with respect to such Appraisal Report or Client provides acceptable indemnity protections to Appraiser against any claims resulting from the distribution of the Appraisal Report to such third party, (ii) any third party service provider (including rating agencies and auditors) using the Appraisal Report in the course of providing services for the sole benefit of an Intended User, or (iii) as required by statute, government regulation, legal process, or judicial decree. In the event Appraiser consents, in writing, to Client incorporating or referencing the Appraisal Report in any offering or other materials intended for review by other parties, Client shall not distribute, file, or otherwise make such materials available to any such parties unless and until Client has provided Appraiser with complete copies of such materials and Appraiser has approved all such materials in writing. Client shall not modify any such materials once approved by Appraiser. In the absence of satisfying the conditions of this paragraph with respect to a party who is not designated as an Intended User, in no event shall the receipt of an Appraisal Report by such party extend any right to the party to use and rely on such report, and Appraiser shall have no liability for such unauthorized use and reliance on any Appraisal Report. In the event Client breaches the provisions of this paragraph, Client shall indemnify, defend and hold Appraiser, and its affiliates and their officers, directors, employees, contractors, agents and other representatives (Appraiser and each of the foregoing an "Indemnified Party" and collectively the "Indemnified Parties"), fully harmless from and against all losses, liabilities, damages and expenses (collectively, "Damages") claimed against, sustained or incurred by any Indemnified Party arising out of or in connection with such breach, regardless of any negligence on the part of any Indemnified Party in preparing the Appraisal Report.
17. Furthermore, Client shall indemnify, defend and hold each of the Indemnified Parties harmless from and against any Damages in connection with (i) any transaction contemplated by this Agreement or in connection with the appraisal or the engagement of or performance of services by any Indemnified Party hereunder, (ii) any Damages claimed by any user or recipient of the Appraisal Report, whether or not an Intended User, (iii) any actual or alleged untrue statement of a material fact, or the actual or alleged failure to state a material fact necessary to make a statement not misleading in light of the circumstances under which it was made with respect to all information furnished to any Indemnified Party or made available to a prospective party to a transaction, or (iv) an actual or alleged violation of applicable law by an Intended User (including, without limitation, securities laws) or the negligent or intentional acts or omissions of an Intended User (including the failure to perform any duty imposed by law); and will reimburse each Indemnified Party for all reasonable fees and expenses (including fees and expenses of counsel) (collectively, "Expenses") as incurred in connection with investigating, preparing, pursuing or defending any threatened or pending claim, action, proceeding or investigation (collectively, "Proceedings") arising therefrom, and regardless of whether such Indemnified Party is a formal party to such Proceeding. Client agrees not to enter into any waiver, release or settlement of any Proceeding (whether or not any Indemnified Party is a formal party to such Proceeding) without the prior written consent of Appraiser (which consent will not be unreasonably withheld or delayed) unless such waiver, release or settlement includes an unconditional release of each Indemnified Party from all liability arising out of such Proceeding.
18. Time Period for Legal Action. Unless the time period is shorter under applicable law, except in connection with paragraphs 16 and 17 above, Appraiser and Client agree that any legal action or lawsuit by one party against the other party or its affiliates, officers, directors, employees, contractors, agents, or other representatives, whether based in contract, warranty, indemnity, negligence, strict liability or other tort or otherwise, relating to (a) this Agreement or the Appraisal Report, (b) any services or appraisals under this Agreement or (c) any acts or conduct relating to such services or appraisals, shall be filed within two (2) years from the date of delivery to Client of the Appraisal Report to which the claims or causes of action in the legal action or lawsuit relate. The time period stated in this section shall not be extended by any incapacity of a party or any delay in the discovery or accrual of the underlying claims, causes of action or damages.

SPECIFIC PROPERTY DATA REQUEST

In order to complete this assignment under the terms outlined, CBRE, Inc., Valuation & Advisory Services, will require the following specific information for the property:

1. PLEASE NOTIFY US IMMEDIATELY IF ANY OTHER CBRE SERVICE LINE (INCLUDING CAPSTONE) IS INVOLVED IN THE BROKERAGE, FINANCING, INVESTMENT OR MANAGEMENT OF THIS ASSET.
2. Current title report or title holder name
3. Legal description
4. Survey and/or plat map
5. Site plan for the existing development
6. Building plans and specifications, including square footage for all buildings and suites
7. Current county property tax assessment or tax bill
8. Details on any sale, contract, or listing of the property within the past three years
9. Engineering studies, soil tests or environmental assessments
10. Ground lease, if applicable
11. Details regarding the development costs, including land cost, if developed within the past three years
12. Three-year and YTD property income and expenses
13. Current year property income and expense budget
14. Detailed occupancy report for the past three years and current YTD
15. Expense reimbursement schedule on a tenant-by-tenant basis
16. Historical sales volumes for all tenants subject to percentage rent
17. Complete copies or abstracts of all lease agreements and a current rent roll
18. Details regarding any pending changes to the rent roll or pertinent information regarding the current/future status of the tenants
19. Details regarding the lease rates/terms and marketing activity for any vacant suites
20. Details regarding any tenant improvement allowances and free rent provided for all leases pending or signed over the prior 12 months
21. Details regarding capital expenditures made within the last 12 months, or scheduled for the next 12 months
22. Any previous market/demand studies or appraisals
23. Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
24. Any other information that might be helpful in valuing this property

If any of the requested data and information is not available, CBRE, Inc., reserves the right to extend the delivery date by the amount of time it takes to receive the requested information or make other arrangements. Please have the requested information delivered to the following:

Jon Vaughan
Director
jon.Vaughan@cbre.com
CBRE, Inc.
Valuation & Advisory Services
3003 East Harmony Road, Ste 300
Fort Collins, CO 80528

North College Urban Renewal Area
Base year 2005 TIF Rev through 2031
Financial Forecast

Revenue is recd year following assessment
TIF revenue year

	TIF Growth 2005 TIF	2006 TIF	160% 2007 TIF	-8% 2008 TIF	87% 2009 TIF	6% 2010 TIF	75% 2011 TIF	40% 2012 TIF	-11% 2013 TIF	2% 2014 TIF	25% 2015 TIF	16% 2016 TIF	9% 2017 TIF	8% 2018 TIF	22% 2019 TIF	7% 2020 TIF	16% 2021 TIF	2022 TIF	3% 2023 TIF	2024 TIF	3% 2025 TIF	2026 TIF	3% 2027 TIF	2028 TIF	3% 2029 TIF
		3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
		ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	ACT	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj	Proj
Cash Inflows	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Property Tax Increment (cash basis)		110,230	286,918	263,227	492,625	524,486	918,817	1,284,690	1,138,567	1,162,119	1,457,830	1,689,687	1,841,552	1,989,781	2,432,071	2,601,592	3,030,715	3,030,715	3,121,637	3,121,637	3,215,286	3,215,286	3,311,744	3,311,744	3,411,097
TOTAL Property Tax Increment	-	110,230	286,918	263,227	492,625	524,486	918,817	1,284,690	1,138,567	1,162,119	1,457,830	1,689,687	1,841,552	1,989,781	2,432,071	2,601,592	3,030,715	3,030,715	3,121,637	3,121,637	3,215,286	3,215,286	3,311,744	3,311,744	3,411,097
Other Revenue																									
Interest	747	5,727	19,477	87,800	(22,277)	65,490	28,398	(3,379)	23,932	8,875	1,016	20,537	44,560	62,701	33,994	15,884	16,000	16,000	16,000	16,000	12,000	12,000	12,000	10,000	10,000
Other								233,833																	
Total Other Revenue	747	5,727	19,477	87,800	(22,277)	65,490	28,398	230,454	23,932	8,875	1,016	20,537	44,560	62,701	33,994	15,884	16,000	16,000	16,000	16,000	12,000	12,000	12,000	10,000	10,000
Principal and Interest from Loans																									
Interest from loans					76,290	80,664	80,885	80,664	80,664	80,664	80,664		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Principal and Interest Revenue	-	-	-	-	76,290	80,664	80,885	80,664	80,664	80,664	80,664	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Financing																									
Bond Proceeds (Interest due on loans)								263,323																	
Bond Proceeds (cost of issuance)								200,293																	
	-	-	-	-	-	-	-	463,616	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflows	747	115,957	306,395	351,027	546,638	670,640	1,028,100	2,059,424	1,243,163	1,251,658	1,539,510	1,710,224	1,886,112	2,052,482	2,466,065	2,617,476	3,046,715	3,046,715	3,137,637	3,137,637	3,227,286	3,227,286	3,323,744	3,321,744	3,421,097

	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Cash Outflows	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Operating																									
Personnel	-	-	(113,939)	(119,244)	(182,480)	(172,182)	(135,776)	(168,104)	(169,818)	(92,934)	(129,596)	(127,173)	(140,182)	(224,802)	(222,427)	(229,515)	(231,353)	(235,980)	(240,700)	(245,514)	(250,424)	(255,432)	(260,541)	(265,752)	
Goods & Services		-	(37,669)	(2,344)	(11,120)	(13,455)	(33,181)	(226,297)	(24,071)	(32,094)	(7,380)	(100,000)	(72,449)	(178,330)	(106,412)	(112,209)	(130,690)	(133,304)	(135,970)	(138,689)	(141,463)	(144,292)	(147,178)	(150,122)	
Reimbursement from Other URAs					154,593									310,017	81,992	100,897	95,126	88,233	89,001	90,781	91,580	93,412	94,244	96,129	96,994
County Fee									(22,771)	(23,242)	(29,157)	(33,794)	(36,831)	(39,796)	(48,641)	(52,104)	(60,614)	(60,614)	(62,433)	(62,433)	(64,306)	(64,306)	(66,235)	(66,235)	(68,222)
Insurance														(37,500)	(20,555)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)	
Debt Service Banking Fee								(135,888)	(2,500)	(2,500)		(7,500)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	(2,750)	
Bond Proceeds (cost of issuance)								(200,293)																	
Home State Bank			(250,000)																						
Total Operating	-	-	(401,608)	(121,588)	(39,007)	(185,637)	(168,957)	(730,582)	(219,160)	(150,770)	(166,133)	(268,467)	(252,212)	(173,161)	(318,793)	(320,681)	(355,281)	(369,415)	(377,851)	(383,605)	(392,362)	(398,368)	(407,460)	(413,730)	28,772
to Stormwater for:																									
Debt 1 Interest (Valley S & seed \$)	(2,126)	(8,321)	(6,656)	(4,992)	(3,328)	(1,664)																			
Debt 5 Interest (NECCO)						(5,732)	(9,827)	(5,735)																	
Debt 6 Interest (N. College, Vine to Conifer)						(61,350)	(122,700)	(105,794)																	
Sub-Total Stormwater	(2,126)	(8,321)	(6,656)	(4,992)	(3,328)	(68,746)	(132,527)	(111,528)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
to General Fund for:																									
Debt 4 Interest (JAX)						(4,319)	(3,497)	(1,549)																	
Debt 2 Interest (N. College M.P. 2009 CAF)					(232,295)	(142,500)	(140,861)	(78,643)																	
Debt 7 Interest (Kaufman Robinson)						(2,373)	(4,745)	(2,769)																	
Debt 8 Interest (N. College M.P. 2011 Water)						(61,350)	(122,700)	(68,834)																	
Debt 3 Interest (RMI2)									(662,992)	(132,598)	(132,598)	(86,780)	(51,287)	(44,928)	(38,208)	(31,319)	(23,856)	(16,462)	(8,665)	(673)					
Sub-Total General Fund	-	-	-	-	(232,295)	(210,542)	(271,804)	(151,795)	(662,992)	(132,598)	(132,598)	(86,780)	(51,287)	(44,928)	(38,208)	(31,319)	(23,856)	(16,462)	(8,665)	(673)	-	-	-	-	-
2013 Bonds - Debt Service																									
2013 Bond Interest									(407,672)	(396,863)	(385,863)	(369,063)	(351,813)	(333,963)	(309,363)	(283,963)	(257,363)	(229,763)	(201,163)	(171,363)	(140,363)	(108,163)	(74,563)	(38,675)	-
Total Bond Debt Service	-	-	-	-	-	-	-	-	(407,672)	(396,863)	(385,863)	(369,063)	(351,813)	(333,963)	(309,363)	(283,963)	(257,363)	(229,763)	(201,163)	(171,363)	(140,363)	(108,163)	(74,563)	(38,675)	-
Total Cash Outflows	(2,126)	(8,321)	(408,264)	(126,580)	(274,630)	(464,925)	(573,288)	(993,905)	(1,289,824)	(680,231)	(684,594)	(724,309)	(655,312)	(552,052)	(666,364)	(635,963)	(636,500)	(615,640)	(587,679)	(555,640)	(532,725)	(506,531)	(482,023)	(452,405)	28,772

Project Investments																										
Project 1 - Valley Steel	(109,403)																									
Project 2 - NCMP (Phase 1)				(1,724,237)	(560,213)	(1,764,117)																				
Project 2 - NCMP (Phase 1)					(57,524)	(771,936)			(125,000)																	
Project 2 - NCMP (Phase 1)																										
Project 2 - NCMP (Phase 1) REFUND						1,257,203																				
Project 3 - RMI2																										
Project 8 - NCMP phase 2						(203,271)																				
Project 8 - NCMP phase 2						(691,924)			(495,907)																	
Project 3 - RMI2				(1,100,000)	(4,203,939)							2,503,918														
Project 4 - JAX (outright payment)					(172,758)																					
Project 5 - Storm Drainage (NECCO) (outright payment)						(326,472)																				
Project 7 - Kaufman Robinson						(192,891)																				
Project 9 - Aspen Heights Principal														-	-			-	-	-	-	-	-	-	-	-
Project 9 - Aspen Heights Interest														-	-			-	-	-	-	-	-	-	-	-
Project 10- Feeders Supply														-	-			-	-	-	-	-	-	-	-	-
Project 11-Hickory Commons														-	-			-	-	-	-	-	-	-	-	-
Project 12- Lyric (first \$43,650 payable to URA for ROW)																	(9,940)	(17,641)	(18,283)	(18,945)	(19,627)	(20,330)	(21,053)	(21,798)	(22,565)	
Project 12- Lyric (first \$43,650 payable to URA for ROW)																(43,650)										
Project 13- Whitewater Park												(303,000)														
Project 14- Stormwater													(300,000)													
N.College/E.Wilcox Lane Imp.				(233,480)	(2,545,204)																					
Project 6 - North College.:Vine-Conifer							(2,700,000)																			
Project Outflows	(109,403)	-	-	(3,057,717)	(7,539,638)	(2,693,408)	(2,700,000)	-	(620,907)	-	-	2,503,918	(303,000)	(300,000)	-	(43,650)	(9,940)	(17,641)	(18,283)	(18,945)	(19,627)	(20,330)	(21,053)	(21,798)	(22,565)	
Net Change in Cash	(110,782)	107,637	(101,870)	(2,833,270)	(7,267,629)	(2,487,692)	(2,245,187)	1,065,519	(667,568)	571,427	854,916	3,489,833	927,800	1,200,430	1,799,702	1,937,864	2,400,275	2,413,434	2,531,674	2,563,051	2,674,934	2,700,425	2,820,669	2,847,541	3,427,303	
Ending Cash & Investments	(110,782)	(3,145)	(105,015)	(2,938,285)	(10,205,914)	(12,693,607)	(14,938,794)	(13,873,275)	(14,540,843)	(13,969,416)	(13,114,500)	(9,624,667)	(8,696,867)	(7,496,436)	(5,696,735)	(3,758,871)	(1,358,596)	1,054,838	3,586,513	6,149,564	8,824,497	11,524,923	14,345,591	17,193,133	20,620,436	

Appropriation to Support North College Property Acquisition



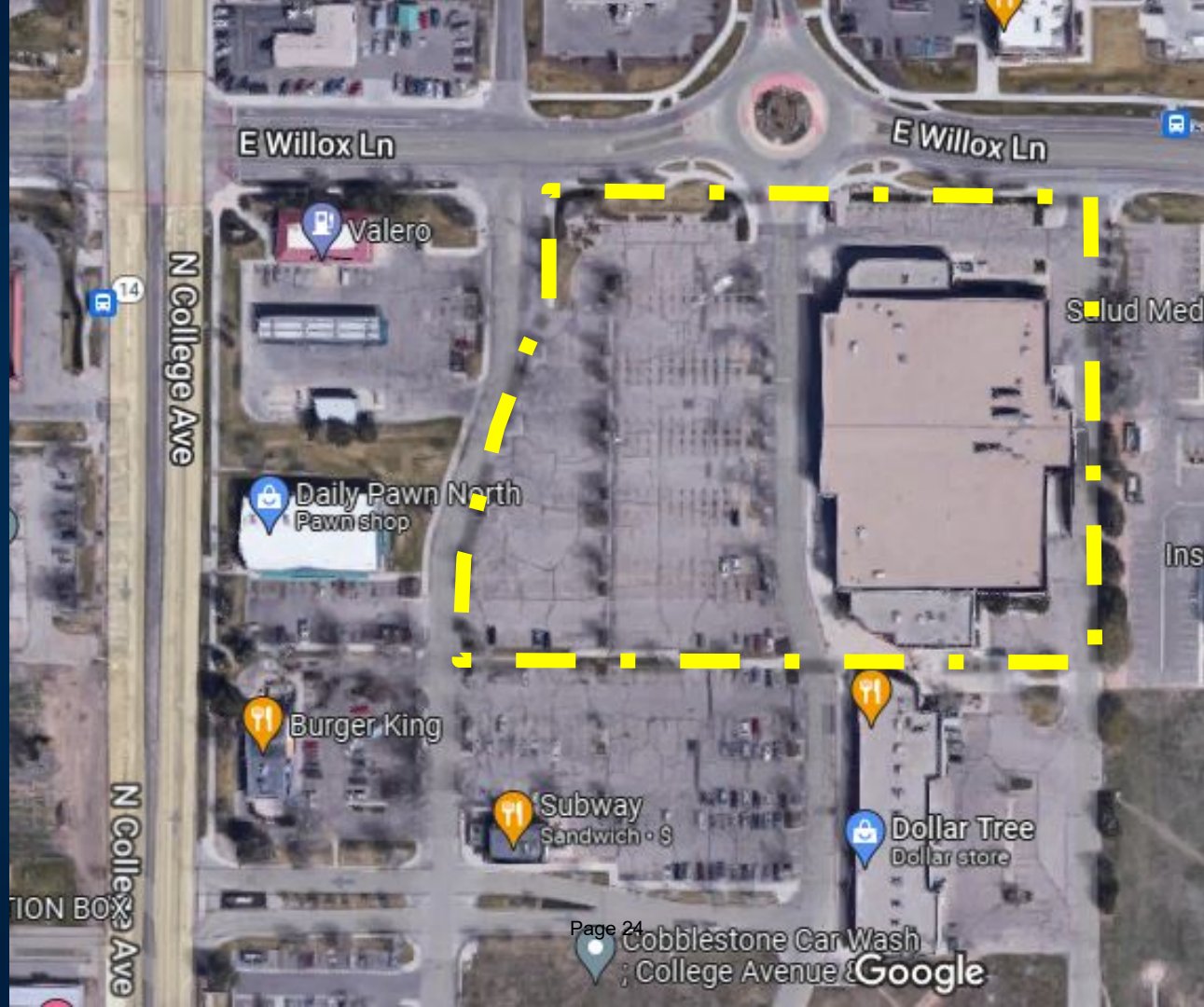
- URA held community workshops in 2019
 - How should URA invest in North College?
- Community identified Albertsons site as impediment to goals
- Ideas for potential uses
 - Community hub
 - Affordable housing
 - Library branch
 - Workforce development



On July 28, URA Board authorized the following:

1. Begin discussions for acquiring the Albertsons site and two adjoining buildings
2. Discuss funding options with City staff and the City Council Finance Committee
3. Conduct a commercial real estate appraisal of the Albertsons site and two adjoining buildings





Property Overview

Address	Most Recent Tenant	Current Owner	Most Recent Sales Price
1630 N College	H&R Block Maria's Braiding	JT Enterprises LLC <i>Estes Park, CO</i>	\$795,000 (2019)
1636 N College	Albertsons	Realty Income Corporation <i>San Diego, CA</i>	\$8,665,557 (2010)
1642 N College	Sparks Overland	College Country Club LLC <i>Northglenn, CO</i>	\$2,800,000 (2017)

- Property owned by Real Estate Investment Trust (REIT)
 - Like mutual fund for real estate
- Albertsons has long-term lease
 - Above market rate
 - Runs through 2030
 - Triple net lease
 - Albertsons pays all property expenses
- Little incentive for redevelopment or sublease



- Commercial real estate appraisal
 - \$16,000
 - Basis for discussions with property owners
- Eminent domain legal counsel
 - Ensures URA follows process for eminent domain
 - Appropriation by phase
 - Aligned with direction to have “off ramps”



Question for Finance Committee

Does the Finance Committee support bringing forth an appropriation for a commercial real estate appraisal and legal counsel at the August Urban Renewal Authority Board meeting?

