

**REAL ESTATE APPRAISAL REPORT
OF**



6th Avenue Right of Way

**LOCATED
6th Avenue ROW and
521 and 601 Pitkin Street
Frisco, CO 80443**

**FOR
William Gibson
Town of Frisco
PO Box 4100
Frisco, CO, 80443**

**BY
Fred M. Ebert, SRA
Certified General Appraiser #CG1314171**

File Number 21B9-093

EBERT APPRAISAL SERVICE, INC

Mountain Real Estate Appraisers and Consultants

Fred M. Ebert, SRA, CG1314171
Robert H. Ebert, CR1322010

October 7, 2021

William Gibson
Town of Frisco
PO Box 4100
Frisco, CO, 80443

RE: 6th Avenue Right of Way
Frisco, CO 80443

Dear Mr. Gibson:

As requested, I have inspected the subject property, I have researched market data and completed a Valuation Analysis of the above-described property. The conclusion of this study is presented to you in the attached report. This narrative report is considered a real estate appraisal. The Intended Users are William Gibson and the Town of Frisco as well as the owners of the adjacent properties to the Right of Way. The Intended Use is to estimate the market value of the Town owned lot for potential purchase or transfer of this section of land.

The valuation estimate is for the market value of the fee simple estate of the subject property. The analysis is subject to the extraordinary assumptions, limiting conditions and certifications as set out in the full narrative report which is attached. This appraisal is written to the standards of USPAP, The Appraisal Standards Board, and the standards of FIRREA.

The conclusions presented herein are strictly dependent on the attached narrative report and also the specific and limiting conditions of this appraisal. The narrative report will lead a reader through the appraisal process and provides the documentation, support and reasoning in arriving at the estimated value. Thus, reading of the report in its entirety is required to fully understand the value estimate.

After completing the detailed study and thorough analysis of the subject, it is my opinion that the market value of the subject properties "as is" and "as subdivided and encumbered" as of September 9, 2021 with an estimated market time of less than 6 months on average is:

VALUE CONCLUSIONS					
"AS IS" VALUES			"AS PROPOSED" VALUES		
			<u>Property</u>	<u>Site Sizes SF</u>	<u>Value</u>
6th Ave. Right of Way		\$ 158,000	West Right of Way Lot	7,000	\$ 210,000
521 Pitkin Street		\$ 1,050,000	East Right of Way Lot	3,500	\$ 175,000
601 Pitkin Street		\$ 1,125,000	Rear 521 Lot	3,500	\$ 210,000
			521 Pitkin with house	3,500	\$ 507,000
			601 Pitkin with house	7,300	\$ 1,125,000

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:

1. *This site is a vacated street Right of Way and is being valued under the **hypothetical condition** that it will be approved to house one or two residential structures upon sale, placed on a permanent foundation, with no more than 1000 SF of floor area. This house is to be deed restricted for full time occupancy by an owner who is an employee working within Summit County, and the site will not be allowed further expansion of living area and other site improvements and structures may be limited to preserve the site as much as possible. This restriction usually also allows occupancy by a retiree over 60 years of age, as owner or tenant. There may be other exceptions or conditions placed by the town, which are assumed to not adversely affect value.*
2. *The Town of Frisco "Cabin" zoning allows up to 50% of the houses in a development to have up to 1200 square feet of living area. Therefore, 2 of the sites are estimated to be improved with 1200 square foot houses. Houses are also allowed basements, which in this market can create additional living area. This report values the sites with the extraordinary assumption that basements cannot be used for additional bedrooms, units or have plumbing or finishes that accommodate additional occupants, and that the basements are an option that do not contribute to value for this valuation purpose.*
3. *This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 protocol was beginning to experience easing of restrictions and although there have been widespread health and economic impacts, this is subsiding and mask mandates are easing as well as the restrictions on retail, hospitality and restaurants, although the recent resurgence due to the Delta Variance is continuing mask mandates and concerns about gathering. The effects of COVID-19 on the real estate market in the area of the subject property have been measurable based on reliable data. The period since the lock down that occurred from March to May of 2020 has seen unprecedented activity in mountain real estate and other businesses with resort areas offering alternatives to the urban areas and remote working offering alternatives to the office environment that has been the historical model for work. The internet and advent of the remote worker has opened up these areas in the resort and more rural areas in character as good alternatives, stimulating a strong home sales market with rising prices and land values. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. 2020 proved to show the highest dollar volume in sales in the area, including Summit, Eagle, Grand and surrounding counties in Colorado.*

If I can be of any further assistance to you in this matter, please do not hesitate to call.

Sincerely,



Fred M. Ebert, SRA, Colorado Certified General Appraiser #CG1314171

Table of Contents

EXECUTIVE SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS	2
CERTIFICATION	4
ASSUMPTIONS AND LIMITING CONDITIONS	5
APPRAISER'S COMPETENCY	7
IDENTIFICATION OF ASSIGNMENT	10
IDENTIFICATION OF SUBJECT PROPERTY	10
HISTORY OF THE SUBJECT PROPERTY, CURRENT CONTRACTS OR AGREEMENTS	10
PURPOSE AND INTENDED USE OF APPRAISAL REPORT	10
SCOPE OF APPRAISAL REPORT	10
EFFECTIVE DATE OF APPRAISAL	11
EFFECTIVE DATE OF REPORT	11
DEFINITIONS	11
MARKET AREA AND NEIGHBORHOOD DATA	15
DESCRIPTION OF REGIONAL SETTING, SUMMIT COUNTY DATA	15
REGIONAL ANALYSIS – SUMMIT COUNTY	16
REAL ESTATE AND DEVELOPMENT	19
RETAIL SALES	30
NEIGHBORHOOD DATA – FRISCO	32
SUBJECT DATA	36
SITE DATA, TOPOGRAPHY & SURROUNDING LAND USES	36
EASEMENTS OR ENCROACHMENTS	36
TAXES	36
ZONING	36
DEED RESTRICTIONS	36
HAZARDOUS CONDITIONS	36
FUNCTIONAL ADEQUACY OF THE SITE	36
FLOOD PLAIN	37
SURVEY MAP SHOWING THE ROW	38
TOPOGRAPHIC MAP AND SLOPE ANALYSIS	39
SUBJECT DESCRIPTION	40
DENSITY PENDING APPROVAL	40
SITE PHOTOS	40
HIGHEST AND BEST USE ANALYSIS	44
VALUATION OF MOST PROBABLE USE	46
LAND VALUE	46
RESIDENTIAL ZONED LAND	63
FINAL RECONCILIATION	75
ADDENDUM	78
PROPOSED DEVELOPMENT LETTER	78

EXECUTIVE SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Appraisal	
Purpose of Report	To provide an opinion of the market value of the 6 th Avenue ROW and adjacent properties “as is” and “as subdivided”
Owner/s	Town of Frisco
Client	William Gibson, Town of Frisco
Intended Users	William Gibson, Town of Frisco
Intended Use	To estimate the market value of the Town owned lot for aid in negotiations for the potential purchase of the site.
Effective Date of Appraisal	September 9, 2021
Effective Date of Report	October 7, 2021
Property Interest	Market Value of the Fee Simple Estate as an abandoned ROW (before) and as a building site for a small, restricted house (After)
Appraiser	Fred M. Ebert, SRA
Site	
Property Location	Part of 6 th Avenue ROW, and Adjacent properties Frisco, CO 80443
Land Area	10,500 sf (0.241 Ac approx.)
Zoning	Not Zoned, Surrounding land in Low Density Residential
Flood Status	Panel# 08117C0353F eff 11/16/2018 Zone X
Market and Financial Information	
Most Probable Purchaser	As Vacant: Public use or adjacent property owner for greenbelt As Improved: N/A
Highest and Best Use	Open Space, greenbelt, or a single home site if approved
Estimated Marketing Time: Marketing time for the property for the value estimate herein is on average estimated to be 1-6 months.	
Valuation Analysis	
For the valuation of a vacant site, the market approach to value (direct sales comparison approach) is most appropriate.	

Conclusions of Value Study:

After completing the detailed study and thorough analysis of the subject, it is my opinion that the market value of the subject property, as of September 9, 2021, with an estimated market time of less than 6 months on average is:

VALUE CONCLUSIONS					
"AS IS" VALUES			"AS PROPOSED" VALUES		
			Property	Site Sizes SF	Value
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EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:

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- 2) *The Town of Frisco “Cabin” zoning allows up to 50% of the houses in a development to have up to 1200 square feet of living area. Therefore, 2 of the sites are estimated to be improved with 1200 square foot houses. Houses are also allowed basements, which in this market can create additional living area. This report values the sites with the **extraordinary assumption** that basements cannot be used for additional bedrooms, units or have plumbing or finishes that accommodate additional occupants, and that the basements are an option that do not contribute to value for this valuation purpose.*
- 3) *This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 protocol was beginning to experience easing of restrictions and although there have been widespread health and economic impacts, this is subsiding and mask mandates are easing as well as the restrictions on retail, hospitality and restaurants, although the recent resurgence due to the Delta Variance is continuing mask mandates and concerns about gathering. The effects of COVID-19 on the real estate market in the area of the subject property have been measurable based on reliable data. The period since the lock down that occurred from March to May of 2020 has seen unprecedented activity in mountain real estate and other businesses with resort areas offering alternatives to the urban areas and remote working offering alternatives to the office environment that has been the historical model for work. The internet and advent of the remote worker has opened up these areas in the resort and more rural areas in character as good alternatives, stimulating a strong home sales market with rising prices and land values. The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. 2020 proved to show the highest dollar volume in sales in the area, including Summit, Eagle, Grand and surrounding counties in Colorado.*

CERTIFICATION

The Appraiser certifies that, to the best of his knowledge and belief...

- *The statements of fact contained in this report are true and correct.*
- *The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.*
- *I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.*
- *I have performed no 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 the acceptance of this assignment.*
- *I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.*
- *My engagement in this assignment was not contingent upon developing or reporting predetermined results.*
- *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.*
- *My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice.*
- *I have made a personal inspection of the property that is the subject of this report.*
- *No one provided significant real property appraisal assistance to the person signing this certification.*
- *The reported analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.*
- *The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.*
- *As of the date of this report, I have completed the continuing education program for Designated Members of the Appraisal Institute.*



Fred M. Ebert, SRA

Colorado Certified General Appraiser #CG1314171

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is subject to the following assumptions and limiting conditions.

1. Title to the property is assumed to be good and marketable and the legal description correct.
2. No responsibility for legal matters is assumed. All existing liens, mortgages or other encumbrances have been disregarded and the property is appraised as though free and clear, under responsible management and competent marketing unless otherwise stated.
3. All sketches in this report are intended to be visual aids and should not be construed as surveys or engineering reports.
4. The information in this report has been obtained from reliable sources. The appraiser cannot, however, guarantee or be responsible for the accuracy of information furnished by others.
5. The comparable sales data relied upon in this appraisal are believed to be from reliable sources; however, it was not possible to rely on information furnished by others. Therefore, the value conclusions are subject to the correctness and verification of said data.
6. This opinion of value applies to land and improvements only. The value of trade fixtures, furnishings and other equipment has not been included with the value of the real estate.
7. Subsurface rights (minerals, oil, etc.) were not considered in making this appraisal.
8. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless prior agreements have been made in writing.
9. The distribution of the total valuation in this report between land and improvements applies only to the existing utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.
10. The land, and particularly the soil, of the area under analysis appears firm and solid. Subsidence in the area is unknown or uncommon, but the appraiser does not warrant against this condition or occurrence.
11. The appraiser very carefully inspected the building (if as yet constructed) involved in this appraisal report and damage, if any, by termites, dry rot, or other infestations was reported as a matter of information and no guarantee of the amount or degree of damage, if any, is

- implied.
12. The appraiser has inspected, as far as possible, by observation, the land and the improvements thereon. However, it was not possible to personally observe conditions beneath the soil or hidden structural components within the improvements. Therefore, no representation is made herein as to these matters and unless specifically considered in the report. The value estimate is subject to any such conditions that could cause a loss in value. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated.
 13. Possession of this report or a copy thereof does not imply the right of publications or use for any purpose by any other than the addressee, without the written consent of the appraiser.
 14. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.
 15. Neither all nor any part of the contents of this report, especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or the SRA designation shall be disseminated to the public through advertising media, public relations media, news media, sales media or any other public means of communication without the prior written consent and approval of the undersigned.
 16. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is not such material on or in the property, which would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
 17. The reader should note that the owner may be subject to additional financial expenditures in accordance with the Americans with Disabilities Act (ADA), a federal law codified at 42 USC Section 12101 et seq. Among other requirements of the ADA that could apply to this property, Title III of the ADA requires owners and tenants of "public accommodations" to remove barriers to access by disabled persons and provide auxiliary aids and services for hearing, vision or speech impaired persons by January 26, 1992. The regulations under Title III of the ADA are codified at 28 CFR part 36. The reader should note that the appraiser is not a qualified expert as to the subject's compliance or noncompliance under the ADA. In recognition of this law's recent enactment, some of the requirements may be subject to interpretation. The client is strongly urged to retain the services of qualified independent expert/advisor concerning the interpretation and application of the ADA and to determine

the subject' compliance. The value reported herein is subject to revision should it be later determined that additional expenditures are required.

18. The contents of the appraisal are for limited private use only. If, by virtue of this report, it becomes necessary to testify in court in support of the value estimate, an additional fee will be charged. If this report becomes the property of any other party, other than the addressee or the person who has paid the fee connected herewith, permission must be obtained from the original addressee for reproduction or additional copies, and additional fees will be charged for any further consultation, reappraisal, or review of the property.
19. Retail or residential Market does not decline from current levels of activity.

APPRAISER'S COMPETENCY

I have been appraising in this market for 43 years and have appraised numerous properties similar to this development.

Qualifications for

Fred M. Ebert, SRA - Colorado Certified General Appraiser

EDUCATION

Licensing: State of Colorado - Certified General Licensed Appraiser
#CG1314171, Expires 12/31/2021

Formal: University of Illinois - B.A. in Finance March 1977

Memberships: Residential Member of The Appraisal Institute; The appraiser is current on all educational requirements for the SRA Designation with the Appraisal Institute.

Professional:	
March 31, 2017	Appraisal Institute, Review Theory, General
March 1, 2017	Appraisal Institute, Business Practices and Ethics
March 2, 2017	Appraisal Institute, National 7 Hour USPAP
April, 2015	Appraisal Institute, National 7-Hour USPAP
January, 2014	Appraisal Institute, General Market Analysis and H&B Use
April, 2013	Appraisal Institute, General Report Writing and Case Study
February, 2013	Appraisal Institute, Business Practices and Ethics
June, 2011	Appraisal Institute, Market Analysis/Highest and Best Use
April, 2011	Appraisal Institute, USPAP Update
March, 2011	Appraisal Institute, 15 Hour USPAP
February, 2011	Appraisal Institute, Cost Approach and Land Value

March, 2010	Appraisal Institute, Business Practices and Ethics
July, 2009	Appraisal Institute, Appraisal Curriculum Overview
July, 2009	Appraisal Institute, Appraising Distressed Commercial RE
May, 2009	Appraisal Institute, 7 Hour USPAP Update
January, 2008	Appraisal Institute, 7 Hour USPAP Update
July, 2006	Appraisal Institute, Course 510 Advanced Income Capitalization
July, 2006	Appraisal Institute, HP 12-C Financial Calculator
April, 2006	Appraisal Institute, Course 420 Business Ethics
June, 1999	General Applications, Course 320
January, 1998	Appraisal Institute -Standards of Prof. Practice Part C
December, 1993	Appraisal Institute - II530 Adv. Sales Comparison & Cost Approaches
November, 1992	Appraisal Institute - Appraising with the Residential Reviewer in Mind
November, 1991	Appraisal Institute - Standards Professional Practice, Part B
April, 1991	Applied Income Property Valuation - 202
February, 1990	SRA Designation from the Society of Real Estate Appraisers
December, 1987	SREA/Professional Practice
October, 1987	FNMA Guidelines to URAR
March, 1987	R41-C and The Appraiser URAR Seminar
December, 1983	Demonstration Narrative Report
June, 1977	Income Property Appraising (201)
February, 1977	Residential Appraising (101)
February, 1977	Income Property Valuation (102)

**CONFERENCES/SEMINARS/CLINICS
APPRAISAL INSTITUTE OR PRECEDING ORGANIZATION:**

2008-present	I regularly attend seminars and conferences on a wide variety of topic related to appraisal and the industry. There are too many to list individually here.
June, 2008	Vineyard Appraising, Napa, CA
April, 2008	Conservation Easements, Overview
January, 2005	Economic Update, Denver and Colorado
September, 2004	Design in a Down Market, Land Uses, Resort Development and Transportation
January, 2004	Economic Update, Colorado Apartment Market
September, 2003	Affordable Housing, Restaurants, Redevelopment
September, 2002	Hotel Restoration, Water Rights, Transportation
September, 2001	Mountain Resort Properties, Costs, Transportation
November, 2000	Serving the Client, FNMA and Banking
January, 1999	Economic Forecasting
Instructor:	
April, 1993	How to Measure Difficult Properties - Appraisal Institute
January, 1986	Colorado Mountain College - Appraisal for Brokers

EMPLOYMENT HISTORY

1977, to Present

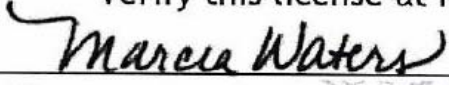
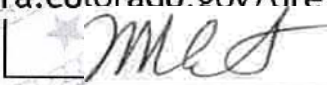
Real Estate Appraiser/Ebert Appraisal Service

SAMPLE LIST OF CLIENTS

BANK OF AMERICA
U.S. BANK
BANK OF THE WEST
ALPINE BANK, COLORADO
MILLENNIUM BANK, COLORADO
GREAT OUTDOORS (GOCO) COLORADO
TOWN OF FRISCO, CO
TOWN OF SILVERTHORNE, CO
TOWN OF DILLON, CO
UPPER BLUE SANITATION DISTRICT
EAGLE RIVER WATER AND SANITATION DISTRICT
BANK OF COLORADO
HIGH COUNTRY BANK

REFERENCES:

Scott Erchul, High Country Bank scott.erschul@highcountrybank.com (719) 395-1004
Larry Reavis, Alpine Bank, larryreavis@alpinebank.com (970) 513-5901
Deane Davenport, Bank of the West, deane.davenport@bankofthewest.com (303) 202-5750
Dan Burroughs, Town of Dillon, Dburroughs@townofdillon.com (970) 262-3405

Colorado Department of Regulatory Agencies Division of Real Estate	
COPY	COPY
Fred Marcus Ebert Certified General Appraiser	
CG1314171	01/06/2020
License Number	Issue Date
Active	12/31/2021
License Status	Expiration
Verify this license at http://dora.colorado.gov/dre	
	
Director: Marcia Waters	Licensee Signature

IDENTIFICATION OF ASSIGNMENT

IDENTIFICATION OF SUBJECT PROPERTY

Street Address: *Part of 6th Avenue ROW, and Adjacent properties
Frisco, CO 80443*

Parcel Size: 75 x 140 = 10,500 sf (0.241 Ac approx.)

Two other properties involved in the subdivision include 521 Pitkin Street and 601 Pitkin Street. The land and house sizes before and after the subdivision will be addressed individually in this report.

HISTORY OF THE SUBJECT PROPERTY, CURRENT CONTRACTS OR AGREEMENTS

The current owner of the subject is the Town of Frisco. Adjacent property owners Richmond and Lindrose (+partners) have submitted a request to the Town of Frisco to develop a four-unit subdivision that will include the Right of Way land. The plan is to use the front part of 2/3 of the ROW for access, the rear to the west for a house of limited size and subdivide the lot to the west for two distinct houses of limited size (one existing). Eventually, a fourth house or unit of limited size will be added to the property to the east, which will also receive the east 1/3 of the ROW. This analysis is based on allowing a 1,000-1,200 SF cabin (house) on these properties at the largest. For this privilege, the owners will deed restrict the four units for ownership by a local resident who works in the County at least 30 hours per week.

PURPOSE AND INTENDED USE OF APPRAISAL REPORT

I was contacted by William Gibson, Town of Frisco, who asked me to give my opinion of the *market value* of the property as of the effective date of this appraisal for potential purchase from the Town of Frisco. There are various valuations needed to accomplish this, as listed below.

This appraisal is written solely for our client and the Town of Frisco for their purpose. Other users may find the conclusions of this report misleading. The appraisal is compiled according to the scope of work agreed upon by the client in an appraisal report.

SCOPE OF APPRAISAL REPORT

The scope of this appraisal assignment is to provide the client with an estimate of the cash equivalent "Market Value" for the "Fee Simple Interest" in the subject properties and proposed properties. The appraisal is as of the effective date considering any encumbrances or existing leases, in a narrative report format. This appraisal utilizes the market and cost approaches to value, with some support from the income approach in discussion format. The procedures and methodologies employed in this approach are outlined before the valuation section.

Since it is a public involved purchase, I have provided a value of the property "as is" and "as zoned for residential use". In addition, I am addressing the value of the adjacent properties "As is" and "As Subdivided" and restricted.

Below is a summary description of the extent of the appraisers' involvement in the collection, confirmation, and reporting of data as incorporated herein.

Within the limitations of the appraisal process and based on the imperfect data gathered from various Primary and Secondary sources the appraiser has attempted to provide a reasonable estimate of the "Market Value" for the subject property, supported by a full narrative report detailing the analyses. The Summit MLS, regional listing services, public records and local property owners and managers were searched or interviewed for comparable sales, rentals and other data. Appraisal files were searched for additional sales, lease and capitalization rate information. Whenever possible, data was confirmed with market participants, and double checked with public records.

This report will delve into the residential market in Frisco to derive values for sites of various sizes using recent sales, contracted properties and listed properties to attempt to bracket values for land and houses. This will also include accounting for the older houses on the adjacent sites around the Right of Way and address the changes in value as a result of the subdivision and restrictions that are proposed.

The purpose is to estimate a market value to aid in negotiations between the Town of Frisco and the owners of the adjacent land, who wish to create a subdivision with deed restricted houses.

EFFECTIVE DATE OF APPRAISAL

The valuation date is the last date of inspection, September 9, 2021. It should be noted that real estate values are influenced by a large number of external factors, which can change rapidly. Therefore, the value estimate is considered reliable only as of the date of this appraisal and cannot be guaranteed as a fact that will actually be realized.

EFFECTIVE DATE OF REPORT

This is the date of transmission to our client, October 7, 2021.

DEFINITIONS

For purposes of this report, the following terms are used and these specific definitions apply to these terms. Following the definitions is a brief explanation of how these definitions are used:

Fee Simple Estate¹.

Absolute ownership unencumbered by any other interest or estate; subject only to the limitation imposed by the government powers of taxation, eminent domain, police power, and escheat.

¹The Appraisal of Real Estate, Twelfth Edition, The Appraisal Institute.

Market Value²

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

- a. buyer and seller are typically motivated;*
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;*
- c. a reasonable time is allowed for exposure in the open market;*
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable there to; and*
- e. the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Most probable Market Value is the final conclusion of this report.

Marketing Time³

The time it takes an interest in real property to sell on the market sub-sequent to the date of an appraisal.

Reasonable marketing time is an estimate of the amount of time it might take to sell an interest in real property at its estimated market value during the period immediately after the effective date of the appraisal; the anticipated time required to expose the property to a pool of prospective purchasers and to allow appropriate time for negotiation, the exercise of due diligence, and the consummation of a sale at a price supportable by concurrent market conditions. Marketing time differs from exposure time, which is always presumed to precede the effective date of the appraisal.

(Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) See also exposure time.

Exposure Time⁴

The time a property remains on the market.

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the

² RTC Uniform Appraisal Instructions and 12 CFR, Part 1608.

³The Appraisal of Real Estate, Twelfth Edition, The Appraisal Institute.

⁴The Appraisal of Real Estate, Twelfth Edition, The Appraisal Institute.

appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort. Exposure time is different for various types of real estate and value ranges and under various market conditions.

(Appraisal Standards Board of The Appraisal Foundation, Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions")

Market value estimates imply that an adequate marketing effort and reasonable time for exposure occurred prior to the effective date of the appraisal. In the case of disposition value, the time frame allowed for marketing the property rights is somewhat limited, but the marketing effort is orderly and adequate. With liquidation value, the time frame for marketing the property rights is so severely limited that an adequate marketing program cannot be implemented. (The Report of the Appraisal Institute Special Task Force on Value Definitions qualifies exposure time in terms of the three above-mentioned values.)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- *It is required to properly develop credible opinions and conclusions;*
- *The appraiser has a reasonable basis for the extraordinary assumption;*
- *Use of the extraordinary assumption results in a credible analysis; and*
- *The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP 2002 ed.)*

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- *Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;*
- *Use of the hypothetical condition results in a credible analysis; and*

The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP 2002 ed.)

Marketing and Exposure Time

The comparable properties were generally sold with the buyer seeking out the owner and negotiating purchase without listing the property.

Land Sales Listing Times:

Comparable #1	Not Listed
Comparable #2	Not Listed
Comparable #3	1 Day
Comparable #4	0 Day
Comparable #5	Not Listed

None of the sales in this report were exposed to the market more than 30 days to contract. Some listings are priced high for the market and may have extended this time period, but not by much.

All of the configurations in this report are experiencing heavy demand and would be exposed to the market for less than 30 days before getting offers at or near the appraised value, perhaps even higher.

As open space, outdoor parking or for access, this parcel is appraised to sell within a 6-12 month marketing period.

Appraisal Process

The appraisal process consists of three major analysis steps.

First, a Highest and Best Use/Marketability Analysis is made of the subject. This consists of analysis of physical, legal, locational, and effective market demand, which impinge on the possible uses and performance of the subject property.

Note: In studies such as this, the objective is to establish rational premise of value, not necessarily to make a conclusion of fact. See Limiting Conditions for additional definitions of study scope.

The second step is the specific valuation of the highest and best use as determined in Step #1. This analysis employs as many separate techniques as are appropriate. Valuation analysis is typically made in the following categories:

COST APPROACH - An estimate of the present replacement cost of the improvements, less accrued depreciation, plus the land value.

INCOME APPROACH - Capitalization of the net income that the property is capable of producing.

SALES COMPARISON APPROACH (Market Approach) - Comparison with similar properties that have sold in the market.

The final step is a reconciliation of all the preceding analysis into a final estimate of value. In the case of the subject, only the direct sales comparison approach is applicable.

Valuation Analysis

The valuation study includes above average detail as prescribed by standards of professional practice of the Appraisal Institute and general practice. This part of the study includes specific sales documentation and comparison analysis.

Overall Study

In my opinion, this study meets more than the minimum standards of the Appraisal Institute and conforms to the guidelines of The Uniform Standards of Professional Appraisal Practice (USPAP).

MARKET AREA AND NEIGHBORHOOD DATA

DESCRIPTION OF AREA SETTING - INTRODUCTION

As utilized in this appraisal, the subject's area or neighborhood is defined as follows:

"A grouping of complementary land uses consisting of individuals, buildings or businesses within, or as part of, a larger community. These groupings may be devoted to residential use, trade or service activities, industrial activities, recreational activities, or cultural and civic activities."

A neighborhood can be a section of a community or an entire community. It is a more or less unified area with definite boundaries which exhibit a fairly high degree of similar uses, tenancy and certain other characteristics. In essence, it is a group of complementary land uses that exhibit a greater degree of commonality than the larger area.

The value of a property is not found exclusively in its physical attributes. Economic, political, sociological and environmental forces found in the area interact to influence real estate values. In order to determine the degree of influence extended by these forces on a property, there past, present and probable future trends must be studied in depth. A detailed analysis of the subject area is described below.

DESCRIPTION OF REGIONAL SETTING, SUMMIT COUNTY DATA

The subject is located in Frisco, Colorado which is centrally located in southern Summit County. This section summarizes population, employment and other economic trends and projections for the area surrounding the subject. In our analysis of the area, we have found that much of the activities of the area are directed towards all of Summit County; therefore, we are of the opinion that statistics for the county accurately reflect the market area that includes the subject property. In addition to our discussion regarding the County as a whole, we will include a brief overview of

the Town of Frisco.

REGIONAL ANALYSIS – SUMMIT COUNTY

Summit County is well located approximately one hour west of the Denver Metro Area along the Interstate 70 (I-70) corridor. It is the home to four world-class ski resort areas, including Arapahoe Basin, Breckenridge, Copper Mountain and Keystone. Consequently, much of the local economy is centered on the tourist industry. The local towns of Frisco, Dillon, Silverthorne and Breckenridge plus ski resort areas of Keystone and Copper Mountain offer a variety of activities and services. A major focus of the area is recreational activities. Winter activities include downhill and cross country skiing, snowboarding, ice-skating, snowshoeing, snowmobiling, dog sledding and sleigh rides. Summer activities are growing in popularity, however do not yet generate the amount of traffic that the ski areas do. These summer activities include biking, boating on Lake Dillon reservoir, fishing, hiking, and golfing on one of five area courses.

Because of the proximity to Denver, the economy of Summit County is closely tied to that of Denver.

POPULATION

Colorado.gov estimates the population for Summit County and the towns within the county as follows:

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Colorado	5,050,332	5,123,692	5,195,943	5,272,942	5,352,866	5,454,707	5,542,951	5,616,567	5,694,311
Summit County	28,073	28,043	28,302	28,734	29,331	30,124	30,682	30,979	30,974
Blue River	853	853	864	874	884	905	924	932	926
Breckenridge	4,552	4,549	4,604	4,678	4,756	4,893	4,968	4,972	4,989
Dillon	906	904	910	922	933	956	971	975	968
Frisco	2,694	2,712	2,755	2,824	2,901	3,015	3,109	3,168	3,194
Montezuma	65	65	65	66	66	68	69	69	67
Silverthorne	3,904	3,913	3,956	4,038	4,263	4,399	4,554	4,703	4,789
Unincorp. Area	15,099	15,047	15,148	15,332	15,528	15,888	16,087	16,160	16,041

<https://demography.dola.colorado.gov/population/data/muni-pop-housing/>

Because much of Summit County is undevelopable National Forest land, it is generally rural in nature. Additionally, the population figures swell during high tourist seasons, with a much smaller “local” or year-round population. The population is spread throughout the county, with the largest population living in unincorporated areas.

EMPLOYMENT

The unemployment rates for the area are as follows:

UNEMPLOYMENT IN MOUNTAIN COUNTIES									
	Dec-19	Mar-20	May-20	Jun-20	Aug-20	Sep-20	Dec-20	Mar-21	Jun-21
COLORADO	2.40%	4.80%	10.00%	10.70%	6.60%	6.20%	8.20%	6.50%	6.30%
US*	3.50%	4.40%	13.00%	11.10%	8.40%	7.90%	6.70%	6.00%	5.90%
Chaffee	2.10%	4.40%	10.10%	9.10%	4.90%	5.10%	6.90%	5.50%	4.60%
Clear Creek	2.00%	4.30%	13.50%	12.90%	7.60%	6.80%	9.60%	6.40%	6.40%
Eagle	1.80%	3.40%	17.70%	15.70%	7.80%	7.00%	7.40%	5.10%	6.20%
Grand	1.80%	3.70%	16.00%	13.20%	6.50%	6.10%	7.70%	5.30%	5.70%
Lake	1.60%	3.30%	15.00%	13.80%	6.60%	6.20%	7.20%	5.40%	5.90%
Park	2.20%	4.10%	8.20%	8.60%	4.90%	4.60%	5.70%	5.00%	4.90%
Routt	1.70%	3.60%	14.40%	13.10%	6.50%	5.90%	7.70%	4.80%	5.60%
Summit	1.40%	2.70%	19.40%	16.60%	8.10%	8.10%	7.80%	4.40%	6.20%
Garfield	2.50%	5.40%	10.00%	9.70%	5.70%	5.40%	7.10%	6.00%	5.60%

Source: <https://www.colmigateway.com/vosnet/lmi/default.aspx?pu=1&plang=E>

Seasonally not adjusted | *Seasonally adjusted

The Colorado Department of Labor and Unemployment shows a total labor force in Summit County of 17,675 as of April 2021. This labor pool shrinks in the “shoulder seasons” of late spring and fall, and summer is also lower than winter due to the many seasonal employees that are hired during this peak time. Any surge in the unemployment rate in the county is typically attributable to the cyclical employment of a resort area. Unemployment is typically lower in Summit County than in the State of Colorado.

Tourism is the top economic driver in Summit County. Consequently, employment in the lodging and food service industry represents over 30 percent of the workforce. Retail trade accounts for an additional six percent of the workforce. Silverthorne has developed as a primary retail location, with over 70 factory outlet stores. Most of the “chain” and “big-box” retail stores are located in the Silverthorne/Dillon area along the Highway 6 corridor. The most notable exception is the Wal-Mart located in Frisco along the Highway 9 corridor and just off Interstate Highway 70. The Breckenridge and Frisco historic downtown Main Street areas are both good locations for retail stores, but cater to the pedestrian tourist shopper rather than the regional shopper.

The table below shows the preliminary distribution of industries in Summit County for the 4th quarter of 2020.

Rank	Industry	Establishments	Employment
1	Accommodation and Food Services	263	5,853
2	Retail Trade	288	2,843
3	Arts, Entertainment, and Recreation	58	1,612
4	Public Administration	24	1,470
5	Construction	356	1,465
6	Health Care and Social Assistance	113	1,258
7	Real Estate and Rental and Leasing	354	1,191
8	Administrative and Waste Services	159	1,019

9	Educational Services	29	784
10	Professional and Technical Services	355	752

The table below shows the preliminary estimated average wage in Summit County and Colorado for the year 2020.

Area	Ave Employment	Ave Hourly Wage*	Ave Weekly Wage	Ave Annual Wage*
Colorado	2,603,622	\$32.03	\$1,281.22	\$66,623.25
Summit County	19,504	\$22.80	\$911.92	\$47,420.04

RESIDENTIAL RENTS

Fair Market Rents are reported by the US Department of Housing and Urban Development (HUD) for Summit and the surrounding counties for 2021 as follows:

2021 Fair Market Rents					
County	0 BR	1 BR	2 BR	3 BR	4 BR
Summit	1,200	1,321	1,607	2,178	2,530
Eagle	1,132	1,331	1,715	2,139	2,326
Routt	1,052	1,059	1,395	1,796	2,415
Clear Creek	1,179	1,304	1,605	2,186	2,486
Grand	755	874	1,144	1,484	1,981
Chaffee	601	799	911	1,167	1,434
Park	1,179	1,304	1,605	2,186	2,486
Garfield	947	953	1,212	1,636	2,098

Actual market rents will vary by property. These conclusions by HUD indicate 1% to 20+% increases from 2019 for the mountain counties and a 1% to 15% increase for all counties considered in the Denver MSA. The Denver MSA includes the mountain counties of Clear Creek and Park. The eastern parts of these counties are mostly bedroom communities for the Denver MSA, but the western sides of these counties spread to the mountain regions and are more of an influence to the resort communities around Grand and Summit counties than the Front Range communities around Denver. From the HUD website, Fair Market Rent (FMR) is determined as follows:

“FMRs are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in

HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.”

Area Median Income continues to improve in the County, as reported by the Summit County Housing Authority.

SCHA
2021 SUMMIT COUNTY AREA MEDIAN INCOME (AMI)
Figures in RED are directly from HUD 4/1/2021; other numbers have been extrapolated

AMIs																	
Household size	HUD EXTREMELY LOW			HUD LOW			TRUE										
	INCOME	50%	60%	INCOME	80%	85%	90%	95%	100%	105%	110%	115%	120%	125%	130%	140%	160%
1 person	\$20,200	\$33,650	\$40,380	\$53,850	\$63,840	\$67,205	\$60,570	\$63,935	\$67,300	\$70,665	\$74,030	\$77,395	\$80,760	\$84,125	\$87,490	\$94,220	\$107,680
1.5 person	\$21,650	\$36,050	\$43,260	\$57,700	\$57,680	\$61,285	\$64,890	\$68,495	\$72,100	\$75,705	\$79,310	\$82,915	\$86,520	\$90,125	\$93,730	\$100,940	\$115,360
2 person	\$23,100	\$38,450	\$46,140	\$61,550	\$61,520	\$65,365	\$69,210	\$73,055	\$76,900	\$80,745	\$84,590	\$88,435	\$92,280	\$96,125	\$99,970	\$107,660	\$123,040
3 person	\$26,000	\$43,250	\$51,900	\$69,250	\$69,200	\$73,525	\$77,850	\$82,175	\$86,500	\$90,825	\$95,150	\$99,475	\$103,800	\$108,125	\$112,450	\$121,100	\$138,400
4 person	\$28,850	\$48,050	\$57,660	\$76,900	\$76,880	\$81,685	\$86,490	\$91,295	\$96,100	\$100,905	\$105,710	\$110,515	\$115,320	\$120,125	\$124,930	\$134,540	\$153,760
4.5 person	\$30,025	\$49,975	\$59,970	\$80,000	\$79,960	\$84,958	\$89,955	\$94,953	\$99,950	\$104,948	\$109,945	\$114,943	\$119,940	\$124,938	\$129,935	\$139,930	\$159,920
5 person	\$31,200	\$51,900	\$62,280	\$83,100	\$83,040	\$88,230	\$93,420	\$98,610	\$103,800	\$108,990	\$114,180	\$119,370	\$124,560	\$129,750	\$134,940	\$145,320	\$166,080
6 person	\$35,580	\$55,750	\$66,900	\$89,250	\$89,200	\$94,775	\$100,350	\$105,925	\$111,500	\$117,075	\$122,650	\$128,225	\$133,800	\$139,375	\$144,950	\$156,100	\$178,400
7 person	\$40,120	\$59,600	\$71,520	\$95,400	\$95,360	\$101,320	\$107,280	\$113,240	\$119,200	\$125,160	\$131,120	\$137,080	\$143,040	\$149,000	\$154,960	\$166,880	\$190,720
8 person	\$44,660	\$63,450	\$76,140	\$101,550	\$101,520	\$107,865	\$114,210	\$120,555	\$126,900	\$133,245	\$139,590	\$145,935	\$152,280	\$158,625	\$164,970	\$177,660	\$203,040

REAL ESTATE AND DEVELOPMENT

Scarcity

The Summit County Planning Department estimates a total of 28,718 housing units exist in Summit County as of January 1, 2010. This figure is from a build-out study that estimates the “realistic build out” for all residential units in Summit County at 76% currently.

Because of limited land for future expansion, a strong redevelopment and renovation market was seen during the real estate boom from 2002 to 2006, especially in the Frisco area. Several mixed-use projects were completed, generally proximate to Frisco’s Main Street, that include first floor commercial or retail use with residential units built above. Numerous older single family homes and townhomes have undergone renovation within the past years as well, with several existing homes purchased for “scrape off” redevelopment as “trophy” second homes. This redevelopment (and new development) has slowed in the past six quarters, shown in greater detail in the following section.

Environmental issues that may affect future development in Summit County include high traffic congestion along the I-70 corridor, especially during peak summer and winter seasons. Water issues also face much of the more rural areas of Colorado, as especially the Denver Water Board attempts to provide a sustainable supply to the rapidly growing metro area. Effects on tourism were especially felt during recent drought years, when wild fires deterred summer travel and Denver’s use of water from Dillon Reservoir curtailed some summer activities.

Deed Restricted Housing

Affordable housing for local workers is perhaps the biggest concern for county and city governments as well as local employers and residents alike. This economy has been operating under a critical shortage of housing that is causing problems keeping workers in place and inhibiting the expansion and creation of businesses throughout the mountain resort communities. A recent study by two consultants, Wendy Sullivan of WSW Consulting, and Melanie Rees, of Rees Consulting, concluded that the Summit County market needed 659 units to “catch up” with demand, and another 1025 units to “keep up” with demand through 2020.

Many projects have been developed over the past decade and longer, but there are now a critical volume of units planned in projects hosted by a variety of public and private entities that may go a long way toward stabilizing demand. If successful, these projects could come close to meeting the demand and needs. Developments planned and underway total over 1600 units, but some could be a few years before starting, and others will take a few years to build out. Most will include a mix of rental and for-sale units.

Besides the current and anticipated demand from existing forces, the economy in general suffers when companies leave the mountains or cannot set up shop here because employees and owners cannot afford or find housing. A glaring example is Vail Associates moving their corporate headquarters, management, bookings and property operations to a Denver suburb from Avon, in the center of the The Vail Valley. Several other companies have followed suite. Studies cited by these most recent reports are dated, with data from 2012. Since then, the housing market has recovered with a limited number of new units built, causing prices and rents of housing to skyrocket. The shortage has been further exacerbated by on-line home and unit rental sites, and advances in software and management practices that make it easier and more profitable for owners to rent their units by themselves short term, or through internet based management. This alone has removed hundreds of units from the long-term rental market, and maybe more.

When considering the above trends, the housing needs are likely much greater than these studies indicate. Following are projects proposed and under way in Summit County.

Project	Town	#unit	Type	Owners	Status	remarks
Huron Landing	Breckenridge	26	2-BR, rental	rental	expected to be completed by summer	JV Breckenridge & Summit
West Hills	Keystone	66	2-3 BR Duplex	own	25/66 phase 1 under construction	first phase next phases. followed by several buildings of apartments for rent and some smaller units for sale.
Smith Ranch (formerly Silver Mountain)	Silverthorne	206		own, rental	future project	high infrastructure costs and funding uncertainties stalled the development. With reauthorization of 5A, the Town is reconsidering Smith Ranch.
Lake Hill	Frisco	436	single family detached, duplexes, townhouses, and large multifamily buildings, rental & own	own, rental	planning phase	for next 10 yrs; w/ some real challenges getting utilities to this site
Wellington Lincoln Park	Breckenridge	65	2,3,4 BR		under construction w/ 7 out of 65 completed in 2016	Another phase of the Wellington neighborhood development
Block 11	Breckenridge	250			future project	in Runway Sub
Denison Placer 2	Breckenridge	30	10 1-BR; 20 studios, rental	rental	Under/Pending Construction	20 units are reserved for students at CMC and 10 units are restricted to Town of Breckenridge
Denison Placer 1 (BLUE 52)	Breckenridge	70	18 apartments (Blue 52) 52 1-3 BR townhomes	own, rental	Construction is scheduled to start in spring 2017	first phase - 17 townhomes
Snake River Basin	Keystone	196	120 year-round rentals made up of one- and two-bedroom apartments, 36 three-bedroom, four-occupant seasonal units and 40 low-income, mostly one-bedroom rentals.	rental	planning phase	The adjacent land is also the site of the recently approved Village at Wintergreen workforce complex on which Vail is working with development partner Gorman & Company. The county board gave the thumbs up to that 196-unit Snake River Basin project on May 22.
Mary Ruth Place Project	Frisco	8	1 studio 5 1-bedroom units 2 2-bedroom units		Construction is projected to begin in summer 2017	
Basecamp Project	Frisco	24	rental	rental	Construction timeline is targeted for 2017	to be located on upper floors of Basecamp Development
Wendy's/Exxon Project	Frisco	4			planning phase	above gas station for employees
Boatyard Expansion Project	Frisco	5	rental	rental	construction completion is projected for late summer 2017.	
Copper Point Townhomes	Copper Mount	15	single family attached units with 3 Duplex and 3 Triplex buildings.Sale	own	first units are projected to be complete November, 2016 with the entire project completed by June 2017.	
Mc Cain	Breckenridge	100			future project	
Stan Miller Annexation	Breckenridge	105		own (65) rental (40)	future project	
Berlin Placer	Breckenridge	36	employee units	own	under review	
PUD in Dillon	Dillon	3		rental	planning phase	Three (3) affordable rentals are proposed as part of a 65-unit condominium PUD.
County owned land	Keystone	25		own	planning phase	The County is looking to partner with a private builder
Total		1670				

COMMERCIAL REAL ESTATE ACTIVITY

Recently, some of the remaining development land for commercial use has been built out in Frisco, with a retail center anchored by a Whole Foods Market and in Silverthorne, with a Lowes and Murdoch's Home and Ranch Supply. A proposed Home Depot that was cancelled.

Dillon and Silverthorne have attracted other nationally recognized retailers to the area including Walgreens, Qdoba, Chipolte, Noodles and Company, as well as others. There is currently a parcel of commercial development land available to the market in the same regional retail center as City Market and Walgreens. This activity shows the long term bullish attitude of these retailers for Summit County.

During 2009, commercial property sales slowed to almost a halt. As of year-end 2009, there were only six commercial property transactions that occurred on the Summit County MLS, and at least three that occurred off the MLS. All were moderately-sized properties purchased for owner-use. Only one of the transactions was for retail use, and was sold immediately after a bank foreclosure. In 2010, commercial activity picked up a bit. As of year-end 2010, there were 15 commercial property transactions that occurred on the Summit County MLS - 13 of the sales were commercial or industrial condominiums.

Commercial inventory as of October 2021 is stable, but few properties are being offered for sale. There are currently 9 properties offered in Summit County at \$19,584,000 in asking price volume. There are currently 3 pending listings offered with over \$4,856,000 in asking price volume. There are currently 4 properties offered in Frisco.

The table and graph show the trend of commercial property transactions that have been marketed on the Summit County MLS. This data was filtered to omit businesses and lease listings/transactions that did not include real estate. This data does not include private party transactions or transactions that were marketed through other means such as LoopNet.

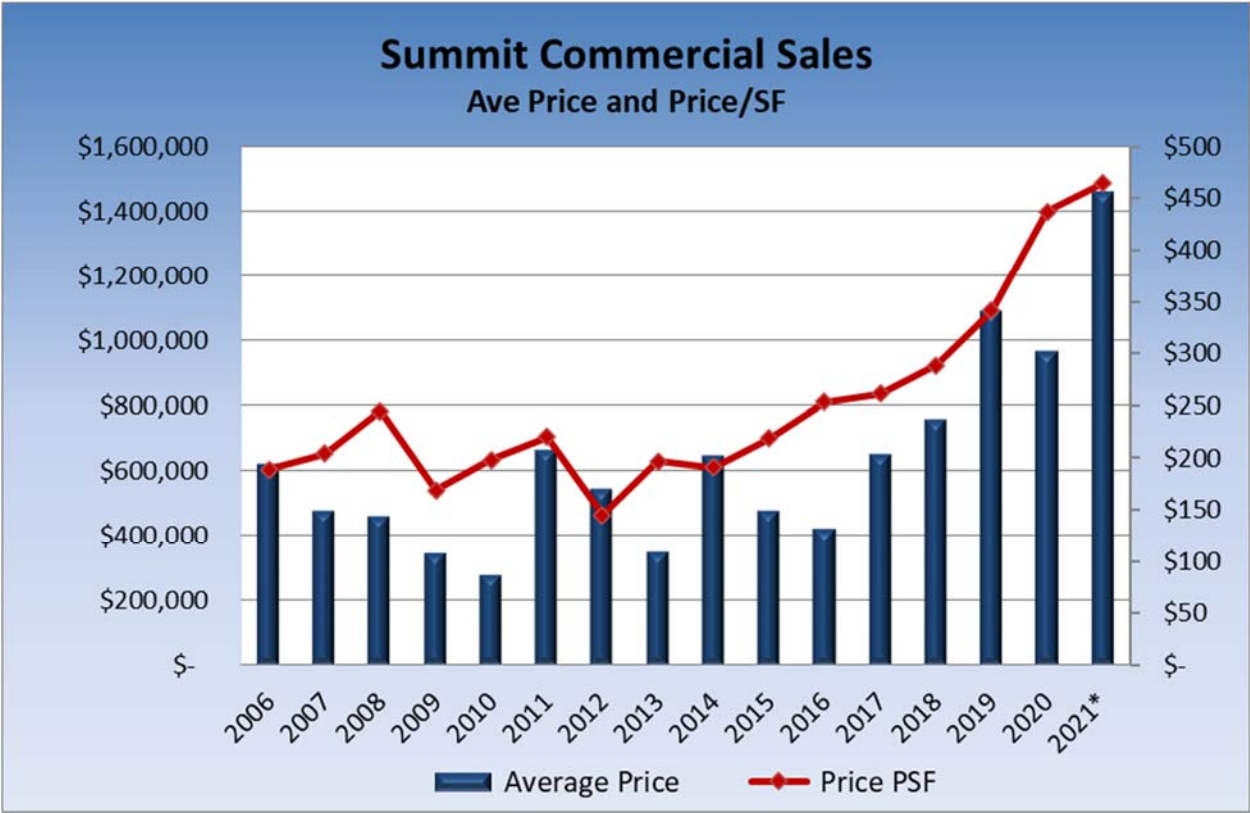
As is typical for a resort community, two of every three homes in Summit County is a second home, with a majority of Summit County second homeowners having permanent homes along the Front Range (Denver metropolitan area).

SUMMIT COUNTY COMMERCIAL SALES - MLS DATA

Year	# Sales	Average Price	Gross Volume	Price PSF	Ratio	Ave. DOM
2006	57	\$ 621,772	\$ 35,441,004	\$ 189	91%	313
2007	62	\$ 474,994	\$ 29,449,628	\$ 204	93%	302
2008	35	\$ 459,811	\$ 16,093,385	\$ 245	95%	172
2009	10	\$ 344,581	\$ 3,445,810	\$ 169	92%	153
2010	17	\$ 274,338	\$ 4,663,746	\$ 198	81%	361
2011	16	\$ 665,003	\$ 10,640,048	\$ 220	85%	447
2012	22	\$ 544,218	\$ 11,972,796	\$ 145	83%	447
2013	34	\$ 348,829	\$ 11,860,186	\$ 197	88%	602
2014	25	\$ 647,874	\$ 16,196,850	\$ 191	88%	303
2015	22	\$ 476,463	\$ 10,482,186	\$ 219	82%	487
2016	33	\$ 419,213	\$ 13,834,029	\$ 253	93%	290
2017	22	\$ 649,723	\$ 14,293,906	\$ 261	94%	247
2018	19	\$ 754,500	\$ 14,335,500	\$ 288	93%	95
2019	24	\$ 1,088,167	\$ 26,116,008	\$ 341	93%	87
2020	22	\$ 964,744	\$ 21,224,368	\$ 437	94%	82
2021	9	\$ 1,457,500	\$ 13,117,500	\$ 465	94%	95

YTD 08/23/2021



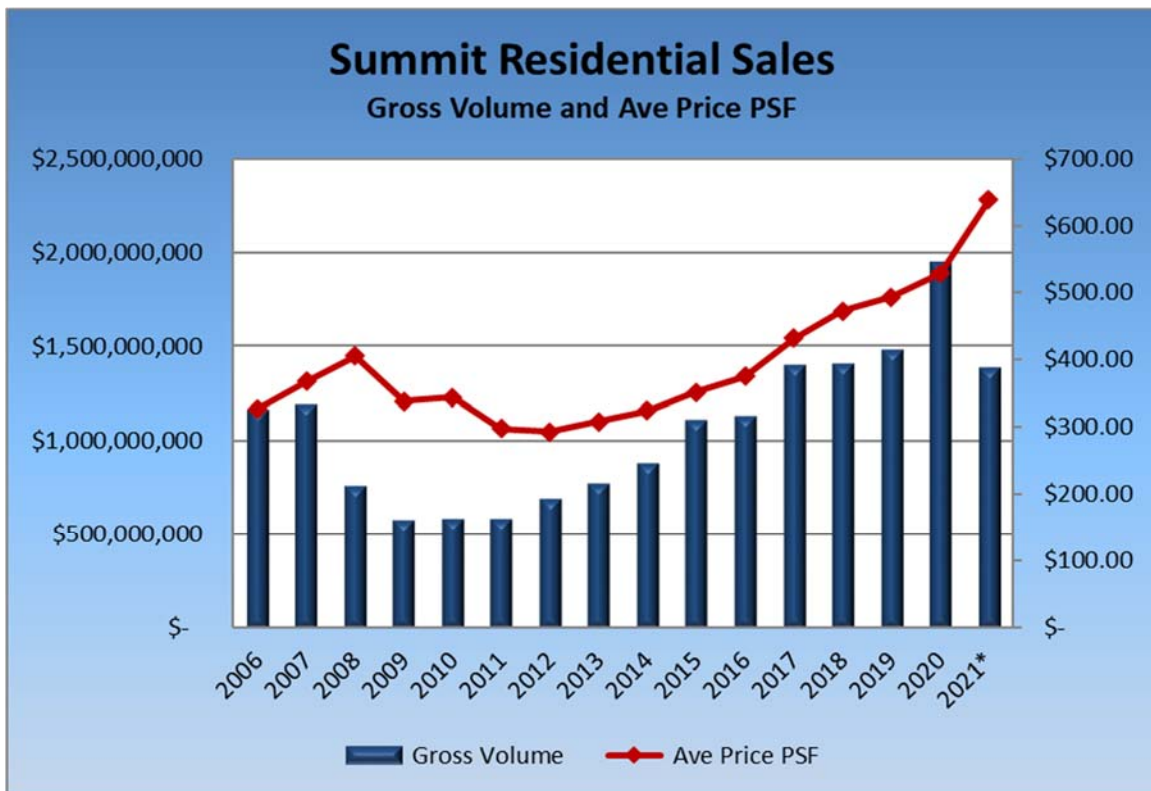
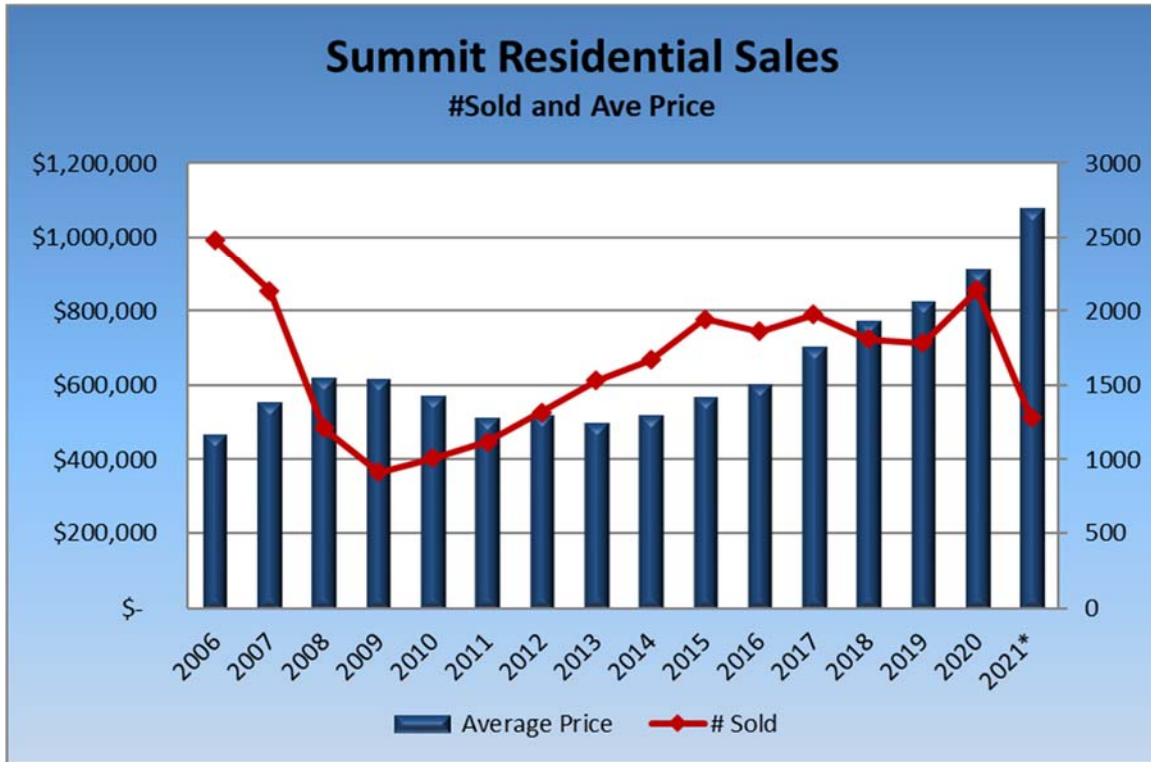


RESIDENTIAL SALES

The following figures show activity on the Summit County MLS system for all residential unit types from 2006 through YTD August 23, 2021.

AREA	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021*	Description
Breck	939	792	481	362	405	491	543	638	644	733	677	736	703	623	778	450	# of sales
	\$569,084,706	\$559,934,496	\$397,256,457	\$295,040,860	\$300,288,465	\$307,562,400	\$347,310,945	\$389,264,854	\$444,992,408	\$541,276,520	\$540,858,008	\$680,173,664	\$669,187,809	\$710,017,525	\$923,209,810	\$654,514,650	Total Volume
	\$606,054	\$706,988	\$825,897	\$815,030	\$741,453	\$626,400	\$639,615	\$610,133	\$690,982	\$738,440	\$798,904	\$924,149	\$951,903	\$1,139,675	\$1,186,645	\$1,454,477	Avg Price/Unit
	23%	17%	17%	-1%	-9%	-16%	2%	-5%	13%	7%	8%	16%	3%	20%	4%	23%	% Chg
Frisco	206	220	109	98	117	137	159	161	181	223	191	163	163	170	207	112	# of sales
	\$ 108,542,430	\$ 122,826,000	\$ 56,600,757	\$ 48,521,858	\$ 56,718,090	\$ 63,811,449	\$ 70,723,518	\$ 76,097,294	\$ 87,022,809	\$ 128,164,567	\$ 115,058,973	\$ 106,816,997	\$ 127,483,115	\$ 122,823,640	\$ 172,088,001	\$ 115,631,152	Total Volume
	\$526,905	\$558,300	\$519,273	\$495,121	\$484,770	\$465,777	\$444,802	\$472,654	\$480,789	\$574,729	\$602,403	\$655,319	\$782,105	\$722,492	\$831,343	\$1,032,421	Avg Price/Unit
	27%	6%	-7%	-5%	-2%	-4%	-5%	6%	2%	20%	5%	9%	19%	-8%	15%	24%	% Chg
Dillon	294	307	147	97	106	128	154	169	187	209	212	203	173	221	210	136	# of sales
	\$ 91,481,040	\$ 110,450,925	\$ 54,590,802	\$ 33,565,492	\$ 38,600,960	\$ 42,129,536	\$ 54,399,422	\$ 60,106,202	\$ 66,925,804	\$ 81,237,673	\$ 81,091,484	\$ 86,431,107	\$ 96,021,228	\$ 122,756,881	\$ 126,084,840	\$ 107,381,656	Total Volume
	\$ 311,160	\$ 359,775	\$ 371,366	\$ 346,036	\$ 364,160	\$ 329,137	\$ 353,243	\$ 355,658	\$ 357,892	\$ 388,697	\$ 382,507	\$ 425,769	\$ 555,036	\$ 555,461	\$ 600,404	\$ 789,571	Avg Price/Unit
	5%	16%	3%	-7%	5%	-10%	7%	1%	1%	9%	-2%	11%	30%	0%	8%	32%	% Chg
Silverthorne	415	359	242	182	192	195	225	293	329	372	394	425	351	433	529	306	# of sales
	\$ 161,249,080	\$ 174,696,939	\$ 128,230,718	\$ 96,085,808	\$ 94,440,000	\$ 82,586,010	\$ 107,664,300	\$128,862,865	\$ 149,799,951	\$ 178,040,688	\$ 209,855,826	\$ 266,499,225	\$ 237,032,055	\$ 294,355,998	\$ 419,270,588	\$ 283,028,580	Total Volume
	\$388,552	\$486,621	\$529,879	\$527,944	\$491,875	\$423,518	\$478,508	\$439,805	\$455,319	\$478,604	\$532,629	\$627,057	\$ 675,305	\$ 679,806	\$ 792,572	\$ 924,930	Avg Price/Unit
	20%	25%	9%	0%	-7%	-14%	13%	-8%	4%	5%	11%	18%	8%	1%	17%	17%	% Chg
Copper	159	115	51	40	33	31	42	54	73	98	95	109	91	61	111	70	# of sales
	\$ 57,716,845	\$ 47,985,179	\$ 23,075,919	\$ 20,344,000	\$ 18,523,791	\$ 17,000,245	\$ 15,334,368	\$ 21,992,094	\$ 28,446,567	\$ 34,820,282	\$ 36,263,305	\$ 54,088,961	\$ 53,159,379	\$ 40,578,481	\$ 81,513,516	\$ 56,539,140	Total Volume
	\$ 362,999	\$ 417,262	\$ 452,469	\$ 508,600	\$ 561,327	\$ 548,395	\$ 365,104	\$ 407,261	\$ 389,679	\$ 355,309	\$ 381,719	\$ 496,229	\$ 584,169	\$ 665,221	\$ 734,356	\$ 807,702	Avg Price/Unit
	22%	15%	8%	12%	10%	-2%	-33%	12%	-4%	-9%	7%	30%	18%	14%	10%	10%	% Chg
Keystone	469	349	178	137	154	136	196	218	267	305	292	339	328	274	304	204	# of sales
	\$ 165,913,364	\$ 170,236,516	\$ 84,689,018	\$ 68,583,570	\$ 63,069,006	\$ 58,324,120	\$ 86,760,772	\$ 85,497,856	\$ 94,016,841	\$ 132,554,525	\$ 133,343,260	\$ 191,245,494	\$ 210,052,184	\$ 177,779,146	\$ 220,094,784	\$ 156,397,416	Total Volume
	\$ 353,760	\$ 482,128	\$ 475,781	\$ 500,610	\$ 409,539	\$ 429,295	\$ 442,657	\$ 392,192	\$ 352,123	\$ 434,605	\$ 456,655	\$ 564,146	\$ 640,403	\$ 648,829	\$ 723,996	\$ 766,654	Avg Price/Unit
	1%	36%	-1%	5%	-18%	5%	3%	-11%	-10%	23%	5%	24%	14%	1%	12%	6%	% Chg
Total	2,482	2,142	1,208	916	1,007	1,118	1,319	1,533	1,681	1,940	1,861	1,975	1,809	1,782	2,139	1,278	# of sales
Total	\$ 1,153,987,465	\$ 1,186,130,055	\$ 744,443,671	\$ 562,141,588	\$ 571,640,312	\$ 572,992,124	\$ 682,193,325	\$761,821,165	\$ 871,204,380	\$ 1,096,094,255	\$ 1,116,470,856	\$ 1,385,255,448	\$ 1,392,935,770	\$ 1,468,311,671	\$ 1,942,261,539	\$ 1,373,492,594	Total Volume
Total	\$ 464,943	\$ 553,749	\$ 616,261	\$ 613,692	\$ 567,667	\$ 508,874	\$ 517,205	\$ 496,948	\$ 518,266	\$ 564,997	\$ 599,931	\$ 701,395	\$ 770,003	\$ 823,968	\$ 908,023	\$ 1,074,720	Avg Price/Unit
	17%	19%	11%	0%	-7%	-10%	2%	-4%	4%	9%	6%	17%	10%	7%	10%	18%	% Chg
Sales Data from Summit County YTD 08/23/2021																	

Graphically, the following charts show trends in number of sales and average prices per unit, based on the data in the above spreadsheet:



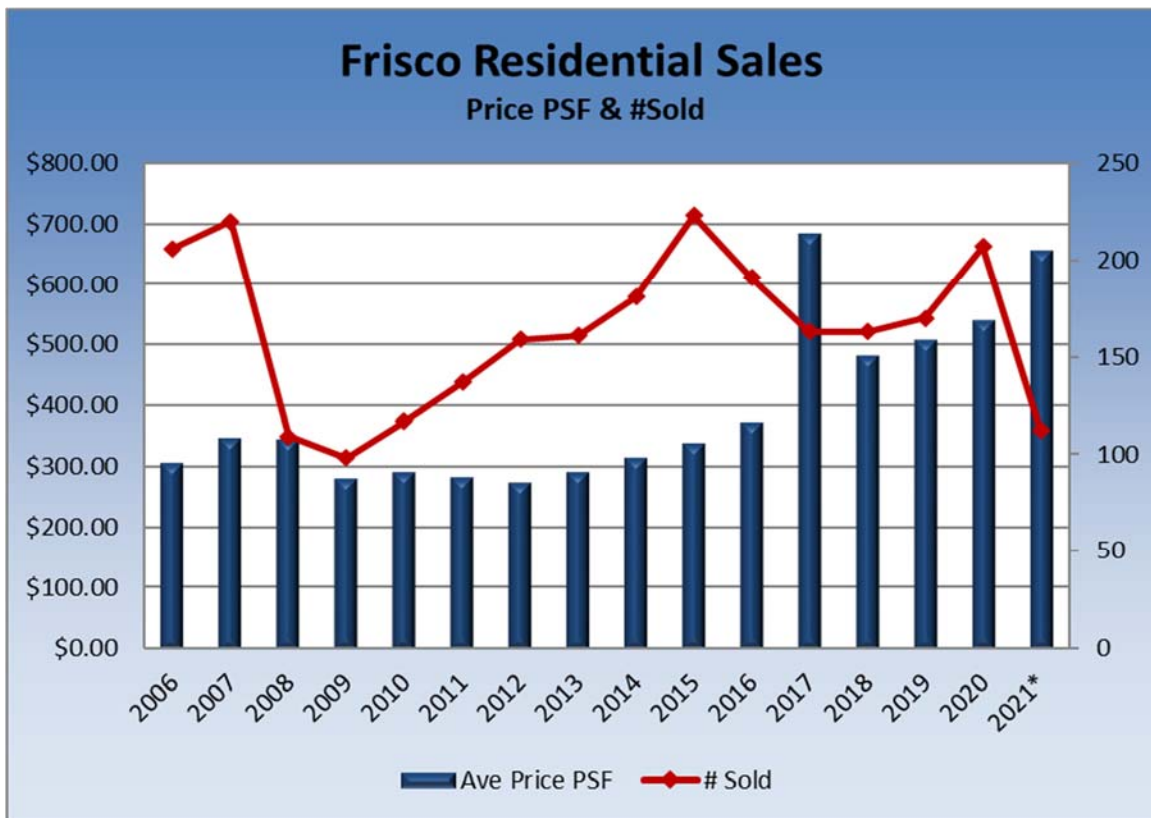
FRISCO SALES

Graphically, the following charts show trends in gross sales and average price, and number of sales and average price per SF, based on the data in the above spreadsheet.

FRISCO RESIDENTIAL SALES							
Year	# Sold	Average Price	Gross Volume	% Change	Ave Price PSF	Sales Ratio	DOM
2006	206	\$526,905	\$108,542,430	16.07%	\$305.98	97.66%	66
2007	220	\$558,300	\$122,826,000	13.16%	\$347.42	98.34%	78
2008	109	\$519,273	\$56,600,757	-53.92%	\$343.66	96.52%	86
2009	98	\$495,121	\$48,521,858	-14.27%	\$279.57	94.52%	193
2010	117	\$484,770	\$56,718,090	16.89%	\$290.28	93.95%	175
2011	137	\$465,777	\$63,811,449	12.51%	\$282.46	94.64%	147
2012	159	\$444,802	\$70,723,518	10.83%	\$273.22	95.82%	142
2013	161	\$472,654	\$76,097,294	7.60%	\$290.69	96.74%	116
2014	181	\$480,789	\$87,022,809	14.36%	\$315.06	97.39%	89
2015	223	\$574,729	\$128,164,567	47.28%	\$338.67	97.58%	81
2016	191	\$602,403	\$115,058,973	-10.23%	\$372.31	98.08%	47
2017	163	\$655,319	\$106,816,997	-7.16%	\$682.62	97.57%	41
2018	163	\$780,006	\$127,140,978	19.03%	\$480.31	98.09%	37
2019	170	\$722,492	\$122,823,640	-3.40%	\$506.36	98.44%	39
2020	207	\$831,343	\$172,088,001	40.11%	\$538.24	98.44%	37
2021*	112	\$1,032,421	\$115,631,152	-32.81%	\$653.96	101.44%	9

YTD 08/23/2021*





The information represented in the graphs and table above are taken from the Summit County MLS. Number of transactions and annual dollar volume of transactions shows a clear decline in 2008 and 2009. The data from 2010-2011 shows stabilization with recovery steadily since that period. The data shows a drop in volume in 2016-2017, recovery in 2018, a drop again in 2019 due to a lack of inventory and recovery in 2020.

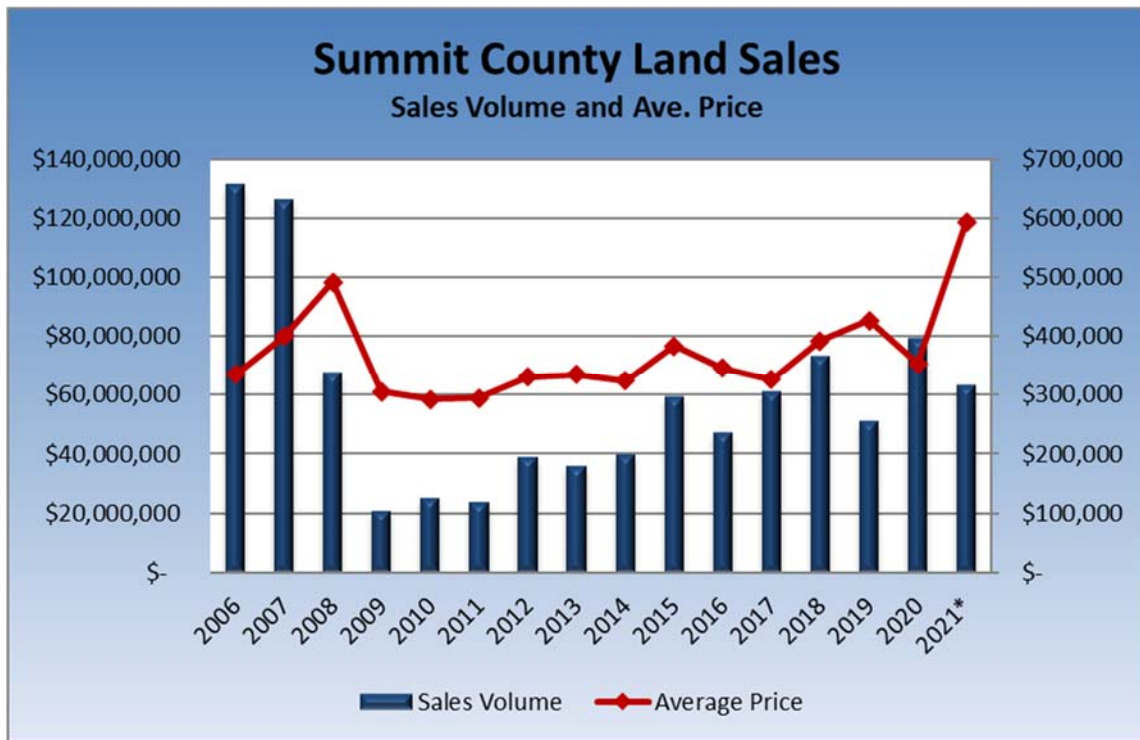
LAND SALES

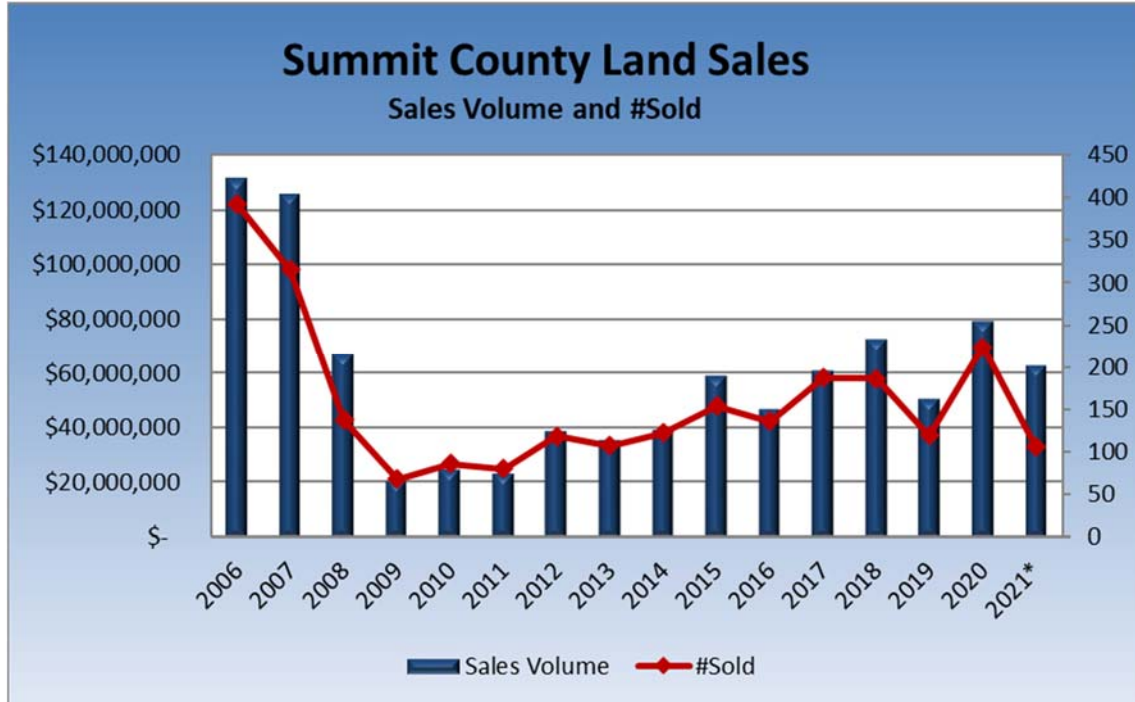
The market for residential lots has shown a dramatic decline in sales price per lot until 2017 and a drop in the number of annual transactions and volume in Summit County in 2019. The following statistics are from the MLS for Summit County:

SUMMIT COUNTY LAND SALES - MLS DATA

<u>Year</u>	<u>#Sold</u>	<u>Average Price</u>	<u>Sales Volume</u>	<u>Sale/List Ratio</u>	<u>Avg DOM</u>
2006	392	\$ 335,090	\$ 131,355,280	94.61%	254
2007	315	\$ 399,548	\$ 125,857,620	95.82%	168
2008	137	\$ 491,834	\$ 67,381,258	92.80%	152
2009	68	\$ 305,285	\$ 20,759,380	86.58%	254
2010	86	\$ 292,338	\$ 25,141,068	86.50%	261
2011	80	\$ 294,486	\$ 23,558,880	86.81%	273
2012	118	\$ 330,443	\$ 38,992,274	87.80%	359
2013	107	\$ 335,077	\$ 35,853,239	89.66%	414
2014	122	\$ 324,202	\$ 39,552,644	88.88%	443
2015	154	\$ 383,585	\$ 59,072,090	90.86%	329
2016	136	\$ 345,909	\$ 47,043,624	92.23%	337
2017	187	\$ 325,607	\$ 60,888,509	92.79%	273
2018	186	\$ 392,223	\$ 72,953,478	105.11%	256
2019	119	\$ 427,247	\$ 50,842,393	93.92%	233
2020	224	\$ 353,667	\$ 79,221,408	93.43%	209
2021*	106	\$ 593,982	\$ 62,962,092	97.79%	136

*YTD 08/23/2021

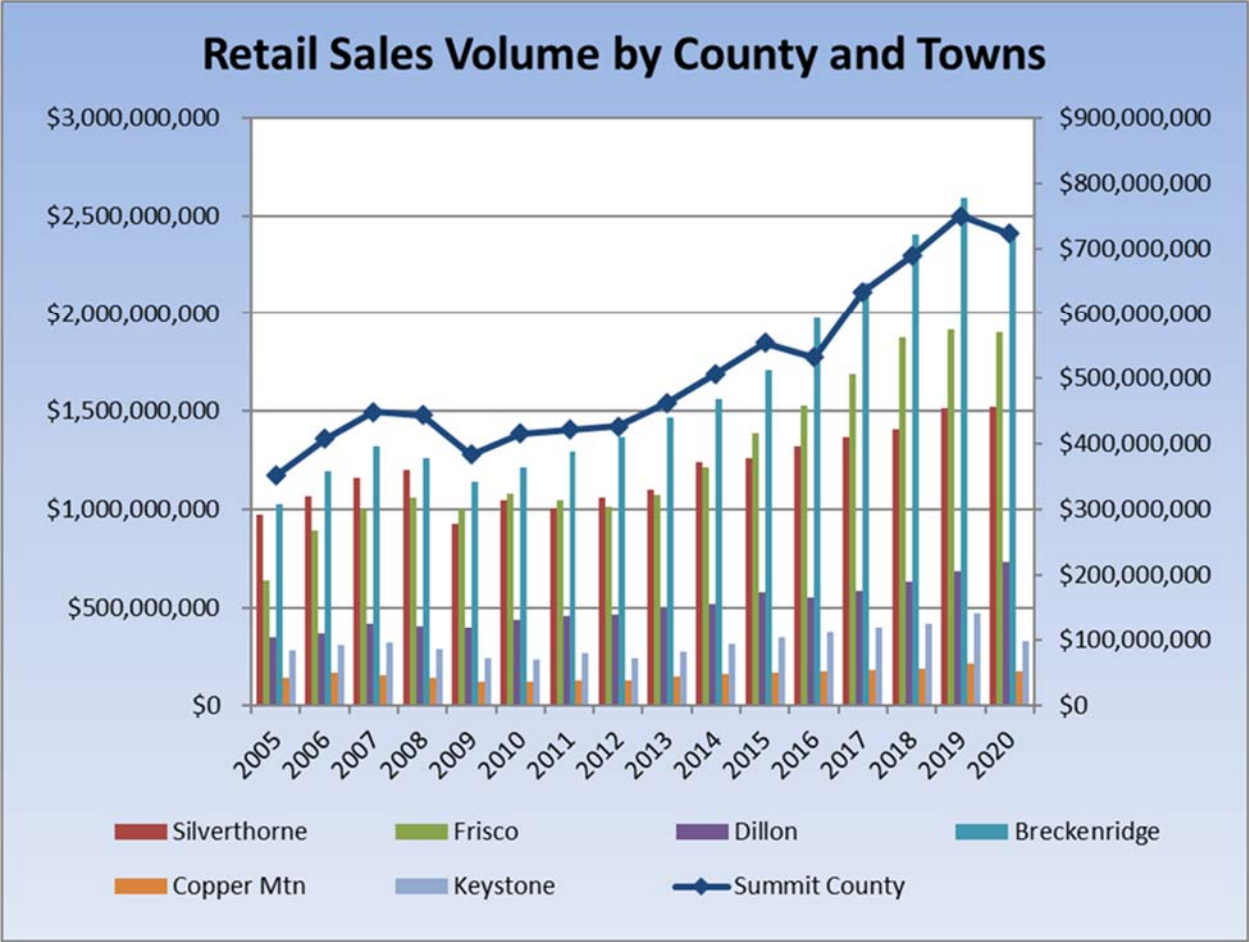




From 2009 through 2011, land sales dollar volume leveled-off at the bottom of the market, at a rate about one-fifth that of the prior years. Recovery has been limited due to a lack of inventory of land around the county. Prices have been more stable than volume levels, but recently have spiked with a limited inventory. The current strong market is maintaining in spite of rising interest rates and some evidence of national slowdown. The market is being monitored for effects of these events.

RETAIL SALES

Retail sales in the Summit County area overall have been steady in the past years, with some slight fluctuations. Silverthorne had seen an increase in the past few years with the opening of a new Target retail store. The following chart shows retail sales in each town/city/community in Summit County. The table shows detail of the subject's market area.



Retail Sales Statistics Summit County			Retail Sales Statistics- Frisco		
<u>Year</u>	<u>Volume</u>	<u>% change</u>	<u>Year</u>	<u>Volume</u>	<u>% Change</u>
2005	\$1,171,526,537		2005	\$192,685,593	
2006	\$1,359,694,249	16.06%	2006	\$268,031,398	39.10%
2007	\$1,496,632,538	10.07%	2007	\$299,334,073	11.68%
2008	\$1,480,836,550	-1.06%	2008	\$317,338,967	6.01%
2009	\$1,280,571,598	-13.52%	2009	\$300,697,978	-5.24%
2010	\$1,385,144,630	8.17%	2010	\$323,411,096	7.55%
2011	\$1,407,965,253	1.65%	2011	\$313,520,264	-3.06%
2012	\$1,423,615,672	1.11%	2012	\$305,014,157	-2.71%
2013	\$1,544,892,960	8.52%	2013	\$322,571,885	5.76%
2014	\$1,691,461,469	9.49%	2014	\$364,685,313	13.06%
2015	\$1,846,077,634	9.14%	2015	\$416,962,454	14.33%
2016	\$1,773,583,000	-3.93%	2016	\$458,575,000	9.98%
2017	\$2,112,916,000	19.13%	2017	\$506,796,000	10.52%
2018	\$2,296,461,000	8.69%	2018	\$562,394,000	10.97%
2019	\$2,498,293,000	8.79%	2019	\$574,534,000	2.16%
2020	\$2,408,763,000	-3.58%	2020	\$571,361,000	-0.55%

NEIGHBORHOOD DATA – FRISCO

The first residents of the Frisco area were the Ute Indians, followed by “mountain men” in the early 1800’s. Beaver pelts were in demand and easy to find in the nearby high mountain lakes. A mining boom, lasting from the 1870’s to the early 1900’s caused rapid development in the area, with two railroads, hotels, businesses and saloons. The population declined for many years, as the mining industry declined, the depression hit, and other Summit County areas developed proximate to resorts. During the late 1990’s, Frisco once again hit an economic boom, with the rapid influx of second homeowners.

According to the Colorado State Demography Office, the 2009 population estimate for Frisco was 3,005 full-time residents. According to the Town of Frisco, the current population is 2,697 year round residents and 4,209 second homeowners; combined approximately 6,906 people including second homeowners. The average age of a Frisco resident is 33.4 years.

Located between two interstate exits, Frisco enjoys a strategic location within Summit County. Located proximate to Copper Mountain ski area, Frisco businesses are frequently visited by Copper Mountain guests. Proximity to other major ski areas is also an appealing factor to Frisco: Keystone, Breckenridge, Arapahoe Basin, Loveland, Vail and Beaver Creek are all within 40 minutes; Keystone and Breckenridge are within 15 minutes. Highway 9 provides direct access through Frisco to the Breckenridge resort area. Frisco enjoys the revenue generated by I-70 and Highway 9 traffic.

Frisco offers its own recreation activities, located along the shores of the Lake Dillon Reservoir,

encircled by the National Forest. The Town of Frisco has developed the Frisco Bay Marina to allow easier access to the reservoir. The Peninsula site offers a variety of summer and winter activities, including an extensive bike trail network, cross country ski and snowshoe trails, disk golf course and skate park. The elevation of Frisco is 9,100 feet, with an average annual snowfall of 112 inches.

A revitalized Main Street has helped the Frisco economy to grow, although slowly, through the recent recession. Several commercial sites along Main Street have been developed over the past few years. Development has generally included first floor retail or commercial development, with residential units on upper floors. Reportedly, only 47 acres, or four percent, of the total land area remains available for development within the Town of Frisco, mostly owned by the Town of Frisco.

A hospital and medical office building (also Frisco's largest development) were completed in December 2005. They are located in the Summit County Commons area that also hosts the library, senior center, State Patrol headquarters, Summit County Animal Shelter, and other government offices. Approximately 14,000 patients were treated annually in the older hospital along Highway 9, also in Frisco, and this number has increased almost two-fold.

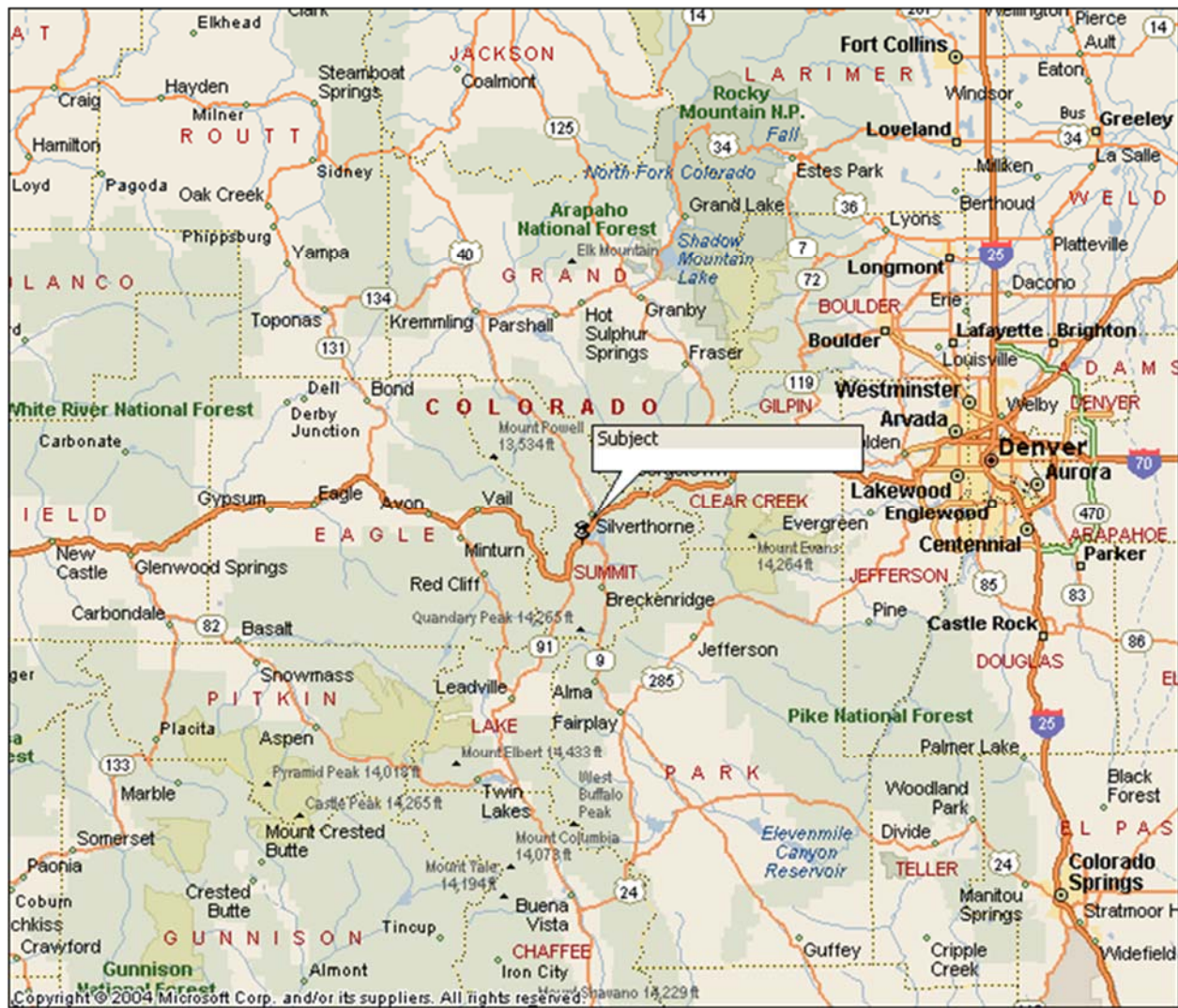
Frisco has developed the Town owned "Peak 1" parcel with cluster homes offering affordable housing. This is a parcel in the southwest portion of town that abuts National Forest land. This action is the Town's attempt to meet the demand for affordable housing in this market and these units were sold to local families at favorable prices under deed restrictions.

Residential volume took a major hit in 2008, dropping by more than half. Since then, the market has recovered with very high demand for residential units and now commercial properties are also enjoying strong demand.

Overall, Frisco is proving itself to be one of the most stable markets in Summit County. Centrally located within the County, with easy interstate access, Frisco has become a popular location for new residents to the County. The short-term forecast is expected to continue growth with the few remaining parcels expected to build out quickly.

Reference is made to the following Neighborhood and Plat maps for a delineation of the subject neighborhood boundaries relative to the location of the subject.

REGIONAL MAP



NEIGHBORHOOD MAP

SUBJECT DATA

SITE DATA, TOPOGRAPHY & SURROUNDING LAND USES

This ROW is 10,500 sf (0.241 Ac approx.), rectangular in shape. This land is 75 feet wide and extends up a hillside in a north-south direction up from Pitkin to the alley.

No soil testing documents have been provided to us for this report and we are not qualified to judge soil quality. The soil is assumed to be in good condition and appropriate for the existing improvements.

EASEMENTS OR ENCROACHMENTS

No apparent adverse easements or encroachments were noted at the time of inspection. Typical utility easements exist along the property lines, with some setback from each boundary. Sewer and water are in Pitkin Street or nearby.

There are no known encroachments. The subject has an access easement.

TAXES

N/A. County owned.

ZONING

The site is currently not zoned but is in a Residential Low Density RL district.

DEED RESTRICTIONS

There are no specific deed restrictions known on this property. The Right of Way has no history of being a separate property from the road. This report will consider the new subdivision will have deed restrictions for the housing.

HAZARDOUS CONDITIONS

In estimating market value, the appraiser is essentially acting as a well-informed buyer or seller, NOT as an expert trained to determine specialized property conditions such as problems with foundation, subsoil, equipment or the existence of environmental hazards or implications of such value-influencing factors on market value.

Based on a visual and physical inspection of the subject, it appears that there are no potential hazards existing on the subject property.

FUNCTIONAL ADEQUACY OF THE SITE

All sites that are gradually sloping up from Pitkin Street, with the sites getting more steep at the

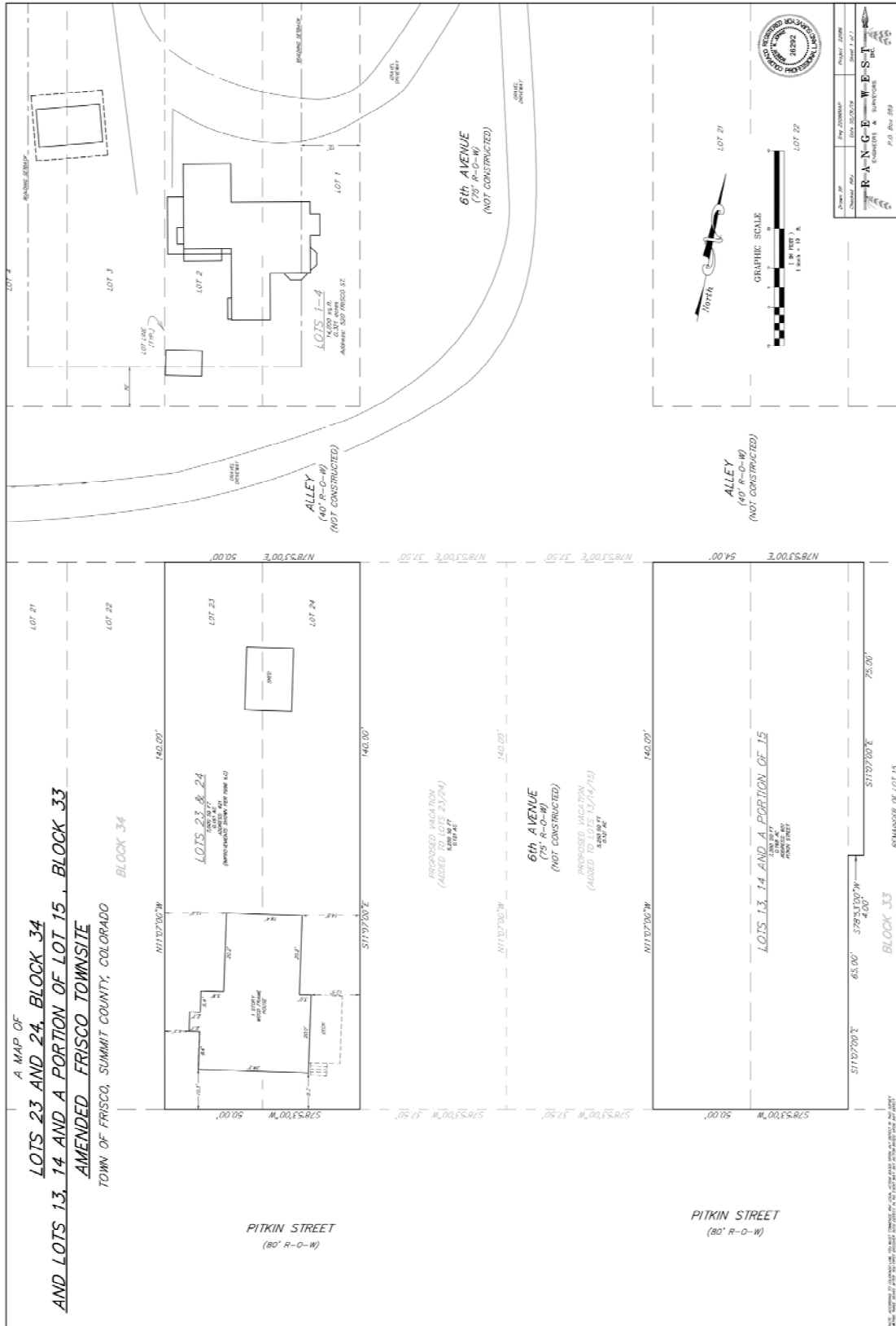
north end where they meet the alley. I have not seen any issues with drainage, soil problems or other negative influences in my brief inspection.

FLOOD PLAIN

According to FEMA Community Panel Number Panel# 08117C0353F eff 11/16/2018, the site appears to be in a Zone X flood hazard area, which is described as an Area of Minimal Flood Hazard.



SURVEY MAP SHOWING THE ROW



Frisco 6th Ave. Right of Way

SUBJECT DESCRIPTION

This property is located in the downtown area extending up a hillside from Pitkin Street to an unused alley 140 feet. Without a topographical map, I cannot say the slope attains 30% anywhere on site, but it does not appear to, making it fully developable without physical restrictions. Some building sites have been developed with homes around this alley, but there has been no historic use of the land for access or any type of improvements in recent history. The site is partly wooded with Lodgepole Pines and any type of improvement would likely require site excavation planned for access and foundation placement. Surrounding roads and alleys are paved and maintained by the Town of Frisco.

DENSITY PENDING APPROVAL

This report assumes that no density or private improvement or substantial use are allowed but under the new subdivision houses would be approved under the Town's Cabin zoning category.

SITE PHOTOS



6th St. ROW facing north



6th St. ROW facing south



Rear 521 with part alley shed



Rear 601 Pitkin with shed facing south



521 Pitkin Front



601 Pitkin Front

HIGHEST AND BEST USE ANALYSIS

Highest and Best Use is defined as:

"The reasonable and probable use that supports the highest present value, as defined, as of the date of the appraisal."

Alternatively, highest and best use is:

"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."⁵

This definition applies specifically to the highest and best use of land or sites as though vacant. When a site contains improvements, the highest and best use may be determined to be different from the existing use. The existing use will continue unless and until land value in its highest and best use exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements.

Implied in this definition is that the determination of the highest and best use takes into account the contribution of a specific use to the community and community development goals, as well as the benefits of that use to individual property owners. An additional implication is that the determination of highest and best use results from the appraiser's judgment and analytical skill - that is, that the use determined from analysis represents an opinion, not a fact to be found. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

The procedure used to estimate the highest and best use of a property as vacant and as improved is to test separately these two situations on the basis of the categories discussed in the definition. In this appraisal, the client will need multiple valuations based on subdivision and reconfigurations of these parcels.

Physically Possible

The sites are all rectangular in shape, gradually sloped, steeper near the top (north end) extending up more gradual from the street (south end). Building sites created will be near the upper portion of the site, and will likely utilize a basement foundation or retaining foundation to the north side. The street Right of Way is 75 feet wide and 140 feet deep. Each of the existing sites, including the ROW and the proposed sites should adequately support a foundation and access as planned for a single family home. Each of the sites might also physically support other uses including residential high to low density, commercial, light industrial, public uses such as parks and recreation and other potential uses.

Surrounding Uses

This is a residential neighborhood with commercial uses including retail, restaurant, office, business

⁵The Appraisal of Real Estate, Twelfth Edition, The Appraisal Institute.

services and other uses along Main Street and Highway 9, and in the first block between Granite and Main Street. To the south, east and west are residential single family, duplex and some condominium projects. To the east is Highway 9, with the local sewer treatment plant across the highway, and beyond that is the Frisco Bay Marina, with some residential uses along the shore

Legal Uses

This is a Right of Way for a street in downtown Frisco, so has no legal use other than as a street for access to surrounding properties.

The surrounding sites are zoned by the Town of Frisco RL, for residential low density. The zoning allows some flexibility in unit sizes and configurations and up to 8 units per acre. Each of the existing sites and proposed sites will support 1 single family residence under this zoning. A newer designation that is proposed here is the Cabin Zoning, which allows the use of smaller sites for smaller houses intended to be built or moved to a site so that it can be occupied by local residents at more affordable cost. This restricts houses to 1,000-1,200 square feet, but may allow a basement with certain restrictions.

The owner submitting for this subdivision is proposing creating more affordable housing with a deed restriction as described in this report.

Reasonably Probable Uses

This setting is in a residential neighborhood with varying densities around the property. It is mostly built out with single family homes that are older but sites are being re-developed with some small multi-family projects along with single family homes depending on zoning. New homes tend to be high quality and larger to utilize as much of the site as they can to justify the high cost of land. Any configuration allowing the construction of new homes that maximize the size and value of the sites are the most probable use.

Highest and Best Use as Vacant and as Improved

As of September 9, 2021, the highest and best use is to improve these sites with new houses of higher quality that create the most value for the size of the site.

The proposed subdivision is specifically to allow for affordable housing and the petitioners will forgo the highest and best use of their property to achieve this.

VALUATION OF MOST PROBABLE USE

INTRODUCTION

This section is the detailed valuation analysis based on the preliminary conclusions of the previous highest and best use section. The valuation of any parcel of real estate is derived principally through three basic approaches to value: The Cost Approach, the Sales Comparison (Market) Approach, and the Income Approach.

The appraisal process is a four-step process. Section one identified the appraisal assignment and specified the appraisal objectives. Section two was the subject description. Section three was the highest and best use and marketability analysis of the property. This section is the detailed valuation analysis based on the preliminary conclusions of the previous highest and best use section. The last part of this section will be a reconciliation of all facts analyzed and conclusions drawn, blending all analyses into a final conclusion of value.

The objective of the valuation section is to provide well-supported analysis of the subject specific real estate economic characteristics. Typically, the appraiser studies the property from each of the traditional viewpoints or approaches to value analysis - cost, income, and sales comparison. The three approaches are interrelated and utilized to provide an analytical process to form a check and balance for a comparison in the final conclusions of value.

Buyers and sellers of real estate commonly think of value in these three ways:

1. *The current cost of replacing a property less depreciation from all sources - that is, deterioration and functional and economic obsolescence.*
2. *The value indicated by recent sales of comparable properties in the market and other market factors such as listing and offer activities.*
3. *The value that the property's net earning power will support, based on capitalization of net income.*

In some assignments all three approaches to value are employed. In the subject case, only the direct sales comparison approach is valid, since there are no improvements for which to estimate cost, and any substantial income generated from the land would be highly seasonal and depend on a separate business operation.

LAND VALUE

I have used the sales comparison approach to develop an opinion of the land value. I have included only those sites that have recently sold or that I believe are most comparable to the subject for size, location and functional use. A search was made of the market for vacant land sales. Research included contact with real estate brokers, other appraisers, developers and users in the area along with a search of data for land sales with similar potential and access. I also relied on data from the Summit County Assessor's records and the Multiple Listing Service (MLS). For this purpose, I

have also studied open space acquisitions by the County and Towns in Summit County, and I have spoken with Towns and metropolitan districts, including sewer and water providers to attempt to find sales of properties that would not allow, or restrict development by private parties.

The following summarizes the most recent land sales found in my research. All the sales were analyzed for value indicators, but only the most comparable were subjected to a detailed primary analysis. The following grid describes the best land comparable sales that I have found.

SALES COMPARABLE #1

22290 Hwy 6
Keystone, CO 80435

Verify:	Deed, Kevin Hopkins, Vail Resorts Development Company
Legal Description:	Willows Pumphouse, Tract 1
Location:	About 7.5 mi northeast
Zoning:	Keystone Resort PUD
Permitted Uses:	PUD
Lot:	
Area:	0.2062 Acres (approx. 8,982 SF) 2021 size per assessor
Shape:	Irregular
Developable Area:	N/A
Topography:	Gentle slope
Utilities:	All utilities in place
Schedule #:	4200718 (2019)/ 6518500 (2021)
Sales Price:	\$105,000
Date of Sale:	03/05/2019
Price PSF:	\$10.48/\$13.41 adjusted
Price per SF Dev Area:	N/A
Price Per Unit:	N/A
Reception#:	1192719
Grantor:	Vail Summit Resorts Inc
Grantee:	Snake River Water and Sewer District
Description:	Not a developable lot
Days on Market:	Not listed
Taxes:	\$72 for 2019/ \$0 for 2020
Terms of Sale:	Cash, Conventional
Conditions of Sale:	None
Previous Sale:	None on record

Comment: This is a small parcel of land in the middle of Keystone Village just off the center pond and across the access road to surrounding condominium projects. This site was purchased by the local water authority and is a pump station site. The grantor's representative has described this parcel as a service parcel for utilities that is not allowed any private density for development or sale.



Parcel From Road Facing North



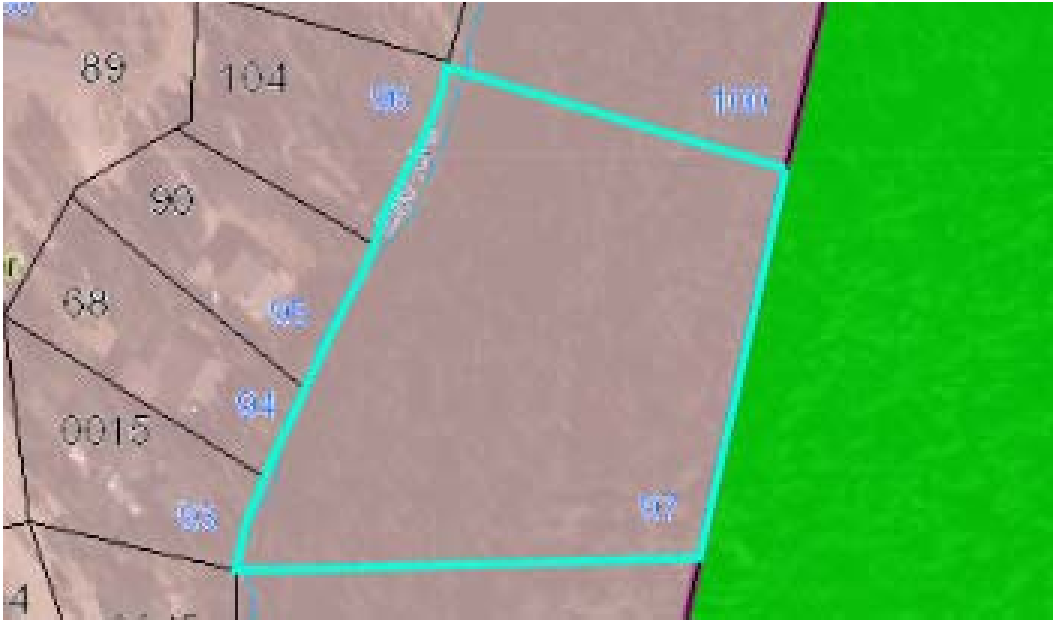
Plat

SALES COMPARABLE #2

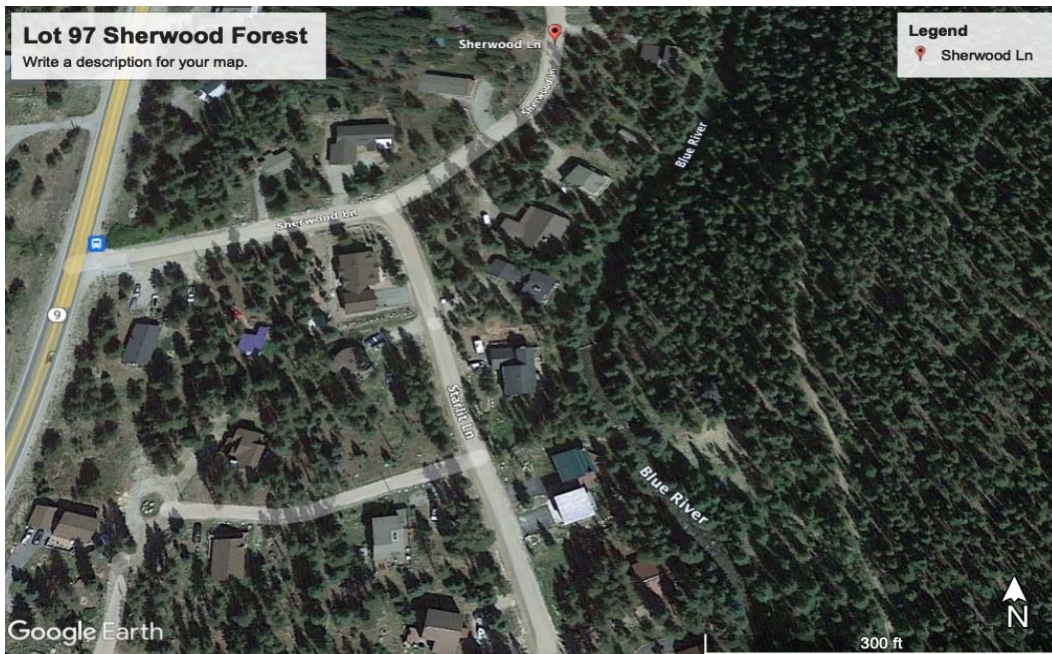
Sherwood Lane
Blue River, CO 80424

Verify:	Summit County Open Space, (970) 668-4067
Address/Telephone:	
Legal Description:	Sherwood Forest Sub, Lot 97
Proximity:	About 15 mi south of subject
Zoning:	Blue River Developed Neighborhoods
Permitted Uses:	Residential
Lot:	
Area:	2.18 Ac (approx. 94,961 SF)
Shape:	Irregular
Developable Area:	5,000 SF
Topography:	Very Steep
Utilities:	None
Schedule #:	100480
Sales Price:	\$80,000
Date of Sale:	12/30/2019
Price PSF:	\$0.84/\$1.01 adjusted
Price per SF Dev Area:	\$16/\$19.20 adjusted
Price per Unit:	\$80,000/\$96,000 adjusted
Reception#:	1217337
Grantor:	Theobald Limited Partnership LLLP
Grantee:	Summit City Board of Commissioners, Town of Breckenridge
Description:	County Land
Days on Market:	Not listed
Taxes:	N/A (owned by the County)
Terms of Sale:	Conventional
Conditions of Sale:	None
Previous Sale:	06/01/1985 for \$11,000

Comments: This site is larger, steep and has no access, so although titled as fee simple, and potentially developable with proper access secured, the terrain renders it impractical at this time and in the setting to develop. It is similar to an open space parcel effectively.



Plat



SALES COMPARABLE #3

319 4th Ave Alley
Frisco, CO 80443

Verify:	Deborah H. Shoop/ Listing Agent/ (970) 393-0321 Rori Miller/ Selling Agent/ (970) 389-2666
Legal Description:	Frisco Town Sub, Lot 23r Block D, Resub of Lots 23 & 24
Proximity:	approx. 0.5 mi northwest of subject
Zoning:	RH - Residential High Density
Permitted Uses:	High density residential development
Lot:	
Area:	0.1148 Ac (approx. 5,001 SF)
Shape:	Irregular
Developable Area:	2,000 SF
Topography:	Gentle
Utilities:	All available,
Schedule #:	1101947 (2020) / 6519130 (2021)
Sales Price:	\$169,500
Date of Sale:	03/19/2020
Price PSF:	\$33.89/\$39.66 adjusted
Price per SF Dev Area:	\$84.75/\$99.16 adjusted
Price per Unit:	\$169,500 / \$198,315 adjusted
Reception#:	Not available
Grantor:	N/A
Grantee:	Miller, Jacob & Rori
Description:	Residential Vacant Land
Days on Market:	1
Taxes:	\$2,649 for 2020
Terms of Sale:	Conventional
Conditions of Sale:	None
Previous Sale:	None recorded

Comments: This is a small tract of land that is in a high-density zoned district but was thought to be undevelopable due to setback requirements and wetland issues. The owner took the property through the planning process and fought for a variance for two years to receive approval for a house that will have limited site impact.



Picture taken 9/2021, Fred M Ebert, SRA



Plat

SALES COMPARABLE #4

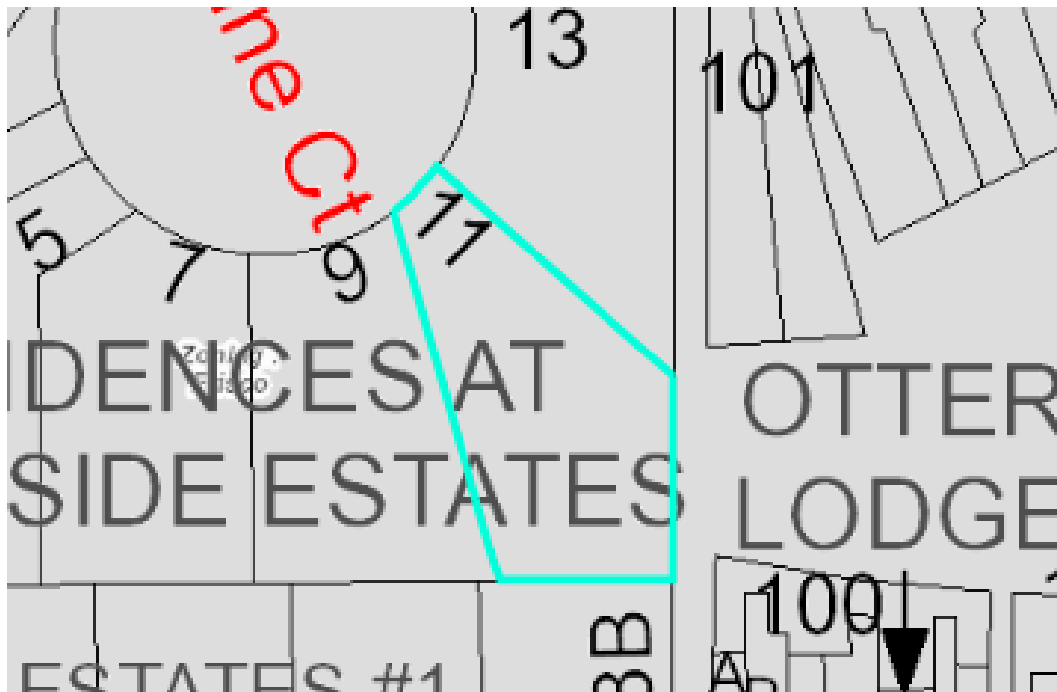
11 Alpine Ct
Frisco, CO 80443

Verify:	Eddie Bowers, Listing Agent, (970) 389-3755 Madeline Mishkind, Selling Agent, (970) 988-2216
Legal Description:	Residences at Creekside Estates, Lot 13
Proximity:	approx. 0.9 mi northwest of subject
Zoning:	RH - Residential High Density/ PUD Residence at Creekside Estates
Permitted Uses:	High density residential development
Lot:	
Area:	0.23 Ac (approx. 10,019 SF)
Shape:	Irregular
Developable Area:	3,500
Topography:	Level
Utilities:	All available
Schedule #:	1102550
Sales Price:	\$485,000
Date of Sale:	6/14/2021
Price PSF:	\$48.41/\$49.87 adjusted
Price per SF Dev Area:	\$138.57/\$142.73 adjusted
Price per Unit:	\$485,000/\$499,550 adjusted
Reception#:	1261928
Grantor:	Daniel L. McCreery
Grantee:	Glen Schlechter Summit LLC
Description:	Residential Vacant Land
Days on Market:	0
Taxes:	\$5,243 for 2020
Terms of Sale:	Cash
Conditions of Sale:	None
Previous Sale:	None recorded

Comments: This is a Frisco building site in a single family neighborhood with similar site size, but no restrictions on development other than having a very narrow entry and irregular triangular shape.



Picture taken 9/2021, Fred M Ebert, SRA



Plat

SALES COMPARABLE #5

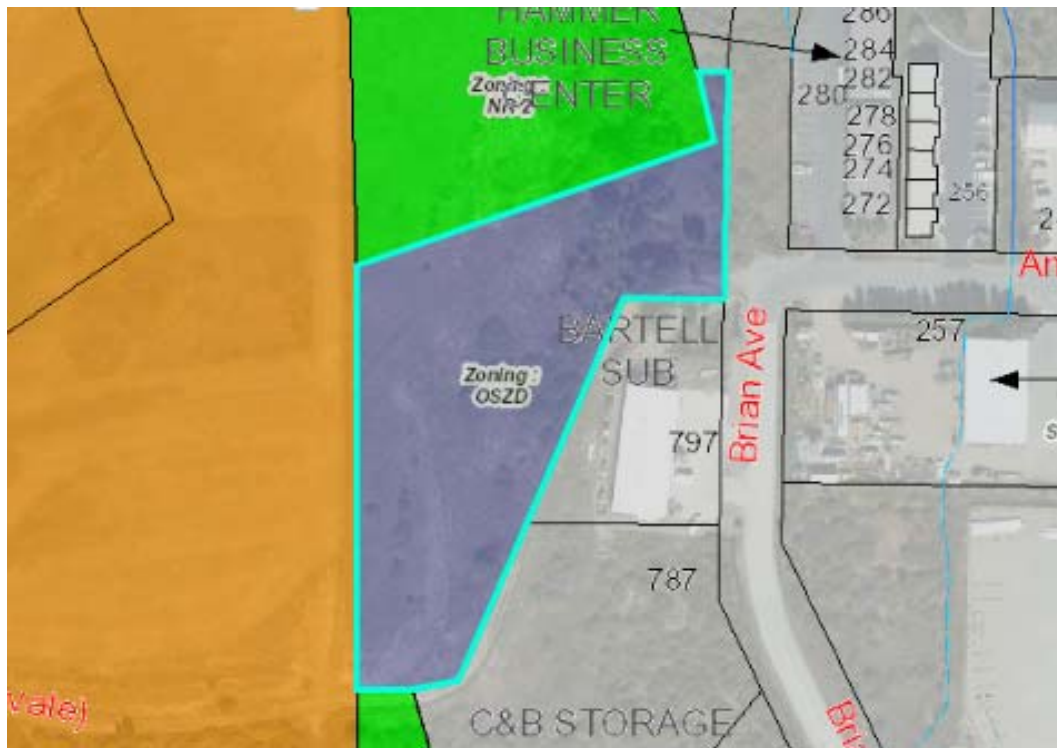
Brian Ave
Silverthorne, CO 80498

Verify:	Summit County Open Space, (970) 668-4067
Address/Telephone:	
Legal Description:	TR 5-78 Sec 12 Qtr 2 Acres 2.4610 Aka Tract In Sec 1 And Sec 12-5-78
Proximity:	Approx. 4.5 mi north of subject
Zoning:	OSZD – Open Space Zoning District
Permitted Uses:	Intent is to protect and preserve lands in a predominantly undeveloped state
Lot:	
Area:	2.461 Ac (approx. 107,201 SF)
Shape:	Irregular
Developable Area:	N/A
Topography:	Steep
Utilities:	All available
Schedule #:	1301093
Sales Price:	\$80,400
Date of Sale:	07/22/2016
Price PSF:	\$0.75
Price per SF Dev Area:	N/A
Price per Unit:	N/A
Reception#:	1116483
Grantor:	David P. Spencer
Grantee:	Summit City Board of Commissioners
Description:	Development lot
Days on Market:	Not listed
Taxes:	N/A (owned by the County)
Terms of Sale:	Conventional
Conditions of Sale:	None
Previous Sale:	09/6/2002 for \$110,000

Comments: This is a parcel of land in Silverthorne that is just out of the downtown area and town limits. It was a sale and partial donation by the owner, who could not use it due to the extensive wetlands and steep terrain.



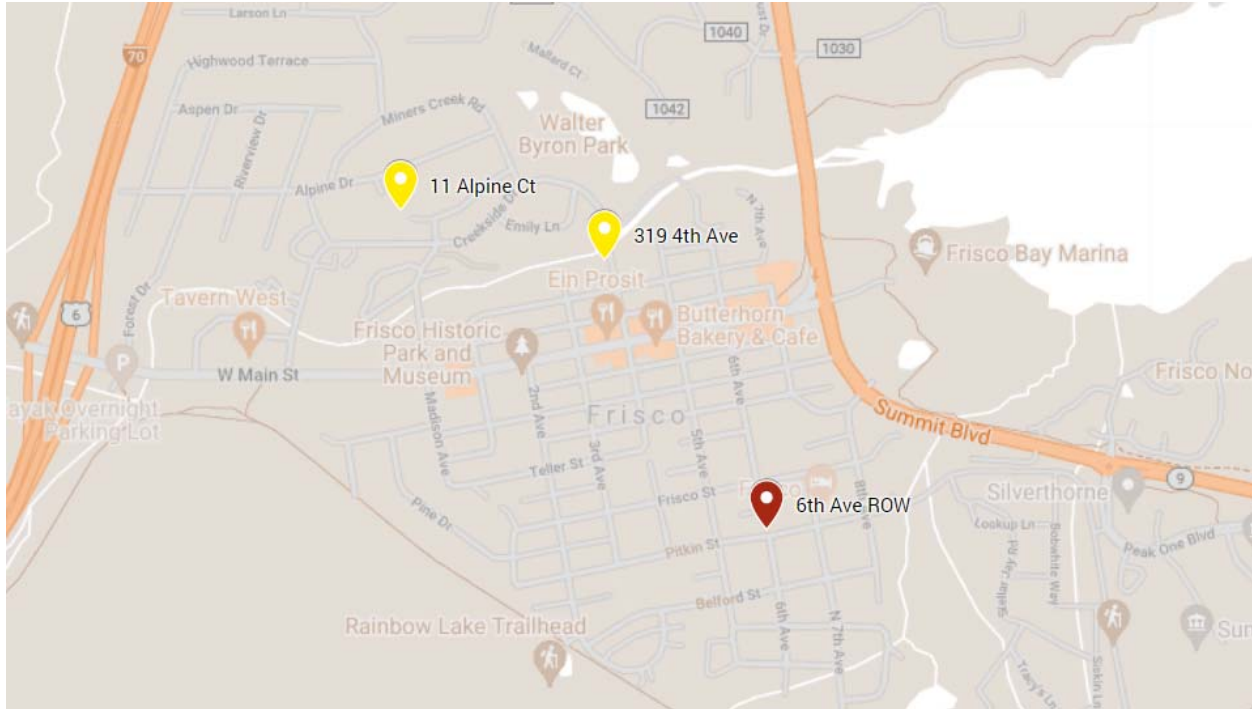
Front view



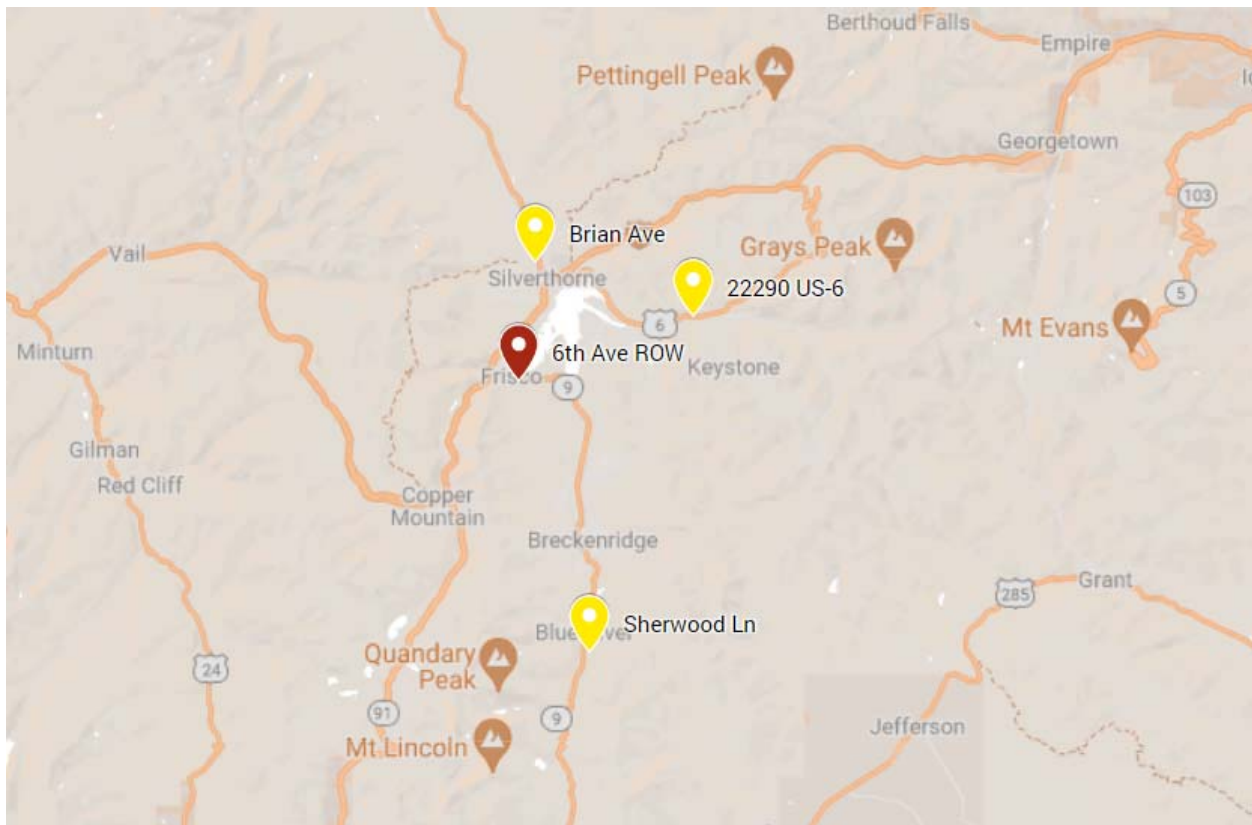
Plat

PROPERTY ADDRESS	SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4	COMPARABLE #5
Legal Description	6th Avenue & Pitkin	22290 Hwy 6	Sherwood Lane	319 4th Ave. Alley	11 Alpine Court	Brian Avenue Parcel
TOWN	6th Ave. ROW Cont. approx. 10,500 SF	Pt of Tract A, Keystone Village Sub #2	Lot 97 Sherwood Forest Subdivision	Lot 23R, Blk D, Resub L 23 & 24 Town of Frisco	Lot 13 Residences at Creekside	Pcl in Qtr 2 5-12-78
	Frisco	Keystone	Blue River	Frisco	Frisco	Silverthorne
PRICE		\$ 105,000	\$ 80,000	\$ 169,500	\$ 485,000	\$ 80,400
DATE OF SALE/TIME		3/5/19	12/312/19	3/19/20	6/14/21	7/22/16
CONDITIONS OF SALE	Older, sales 1% Ave. Mo.	28%	20%	17%	3%	70%
	Cash or equal	Cash, conv .	Conv.	Conv.	Cash	Conv.
		0%	0%	0%	0%	0%
TOTAL CONDITIONS ADJ.		28%	20%	17%	3%	70%
ADJUSTED SALE PRICE	N/A	\$ 134,400	\$ 96,000	\$ 198,315	\$ 499,550	\$ 136,680
PRICE PER ADJ UNIT		N/A	\$ 96,000	\$ 198,315	\$ 499,550	Not assigned
PRICE PER SF DEV. AREA		N/A	\$ 19.20	\$ 99.16	\$ 142.73	\$ -
PRICE PER SF LAND		\$ 14.96	\$ 1.01	\$ 39.66	\$ 49.87	\$ 1.27
ACTUAL # OF UNITS	-	N/A	1	1	1.00	Commercial
Adjustment						
LAND SIZE	10,500	8,982	94,961	5,001	10,018	107,201
Adjustment						
EST DEV. AREA SF	None	N/A	5,000	2,000	3,500	None
Adjustment			Potential subject to access		EST	
LOCATION/SETTING	Downtown Frisco	Keystone, Near ski, Village	Blue River front, ltd access, steep	Downtown Central Core, on Creek	Downtown residential	Off Brian Avenue
Adjustment						
SITE/VIEW/ EXISTING IMPROVEMENTS	Mountains, residential	Mountains, residential	Mountain, residential	Mountains, residential	Mountains, residential	Mountain views
Adjustment						
ACCESS/UTILITIES	Good access, electric, other utilities off site nearby	Good access, utilities nearby	Some utilities, needs to cross river	Good Access, full utilities available to site	Good Access, full utilities available to site	Utilities nearby
Adjustment						
ZONING/USE	This is a right of way, with no allowed density Town Distric is Low Density	Not a developable lot	Single family residential	Residential High Density	PUD Residential Single Family	Wetland, county
Adjustment						
NET ADJUSTMENT		0%	0%	0%	0%	0%
RAW PRICE PSF LAND	\$ 15.00	\$ 14.96	\$ 1.01	\$ 39.66	\$ 49.87	\$ 1.27
IND. VALUE BY SF LAND	\$ 157,500	\$ 157,114	\$ 10,615	\$ 416,378	\$ 523,585	\$ 13,387

LOCATION MAP OF COMPARABLE SALES



Local Sales



Regional Sales

RECONCILIATION OF OPEN SPACE SITES

I have listed sales of land with no density or development rights and some with potential for development. There were no small sites near the subject size range with no development rights sold recently, but some former sales are used and adjusted to current market, and some larger sites are considered on a limited basis. Following is a description of each of the sales.

Comparable Sale #1 is a site in the Keystone Resort that is surrounded by high density residential and commercial uses but is not allowed private development. It is a smaller site for this area, and has housed a pump house to serve the surrounding village. At about 10,019 SF, it is large enough for a home, or small development, but under the approved PUD, it is a service site for the water district, and will remain so. Although it cannot be developed privately, it was purchased for the water district at this location.

Comparable Sale #2 is a single family building site that was purchased for open space. It is larger and steep and along the Blue River near its source, but did not have access from an existing road and would have required a bridge if it did have an easement.

Comparable Sale #3 is a parcel of land that is zoned high density residential but was located in wetland area between Ten Mile Creek and an alleyway in downtown Frisco. Although zoned for residential, it was deemed unbuildable until the purchaser received approval from the Army Corp of Engineers and filed a plan that took 2 years of planning and negotiations with the Town of Frisco to get approved for a single-family home. This involved variances for setbacks, and the final plan included a rather narrow, tall house with about 2,000 SF of living area.

Comparable Sale #4 is single-family building site a few blocks northeast of the subject. This site has no restrictions other than a pie-shaped access from a cul-de-sac that may limit the house size and development. It is similar in size to the subject and would be a similar development site, except the subject has steep terrain and will require substantial excavation and likely a retaining wall if it were to be approved for a more typical sized house for the area, rather than the small cabin proposed.

Comparable Sale #5 is a vacant parcel adjacent to the western border of the Town of Silverthorne off of a side street. This is surrounded by town land on the north, south and east. It is wetlands with limited possibility of development or supporting any structures. It is mostly level at the lower end, but extends up a steep hillside around another property in an area known for unstable soils. This was purchased by the county for open space from a private party. The sale involved a partial donation, so I am using the agreed up on value for the price.

The subject is not developable without a variance as it is a street right of way. The Town has shown some precedence in allowing these ROW parcels to be used, however, but usually with some trade-off that offers benefit to the town, such as to straighten a roadway by trading land or for a use that is considered a benefit to the community. The value is estimated using indicated prices on a per square foot basis, with properties that are otherwise deemed unusable or compromised in some way, and their application as value indicators is reflected in the weight assigned each in the following chart. Those that were zoned for residential, but restricted in some way are weighted

the least. The various sizes are also considered in the weighting, as the larger parcels tend to sell for the lowest price on a square foot basis. Those that were used for public or open space are weighted the heaviest.

WEIGHTED AVERAGE RECONCILIATION				
<u>Sale</u>	<u>Location</u>	<u>Adj. Value PSF</u>	<u>Weight</u>	<u>Factor</u>
	<u>Subject</u>			
1	Keystone	\$ 14.96	20%	\$ 2.99
2	Sherwood	\$ 1.01	15%	\$ 0.15
3	Frisco Alley	\$ 39.66	15%	\$ 5.95
4	Alpine Court	\$ 49.87	10%	\$ 4.99
5	Brian Ave.	\$ 1.27	40%	\$ 0.51
			100%	
	Average	\$ 21.35	Weighted	\$ 14.59

In downtown Frisco development land has sold for over \$200 per square foot as this market experiences unprecedented demand. As a town street right of way that exists due to steep terrain and a tall hill in the middle of the downtown area, the subject is deemed undevelopable, only partly due to terrain, but mostly due to it not included as a zoned parcel. Any grade exceeding 30% in the downtown area cannot be built upon, but parts of this site are less than 30%.

Due to the high cost of land in this area, sites that back to open space or undeveloped areas are more appealing, and if this site were offered to the adjacent properties to expand their homesites, even if not developable, it would be appealing as a private buffer or land that might allow parking, storage or non-permanent improvements.

I have considered the rise in land values in this market over the past 2+ years, which has been substantial. Looking at the chart for land sales in the neighborhood analysis, increases are inconsistent, showing a larger increase from 2019 than 2018, so I have used 2018 as an average.

This site is compromised in its zoning/use and its terrain, but as open space it should be equally appealing with lesser sloped parcels. Sales #1, #2 and #5, which are relied upon most heavily, all have steep areas.

Based on the above analysis, and bracketing of the uses, I am estimating the market value of the parcel at \$14.59 psf rounded to \$15.00 x 10,500 = \$157,500.

CONCLUSION OF VALUE ‘as is’

\$158,000

“AS IS” VALUE: 521 PITKIN AND 601 PITKIN

This property consists of a 7,000 SF lot in the original Frisco Townsite with an older cabin that has what the owner describes as 1.5 bedrooms and a bath, with about 949 SF of living area. 601 Pitkin is very similar, although about 50% larger. It too is an older house built more as a cabin and maintained over the past 70 years.

Two recently built duplex units a half block to the east have demonstrated a buildout for a site of this size in this zoning district of as much as 3,800 SF or about 60% of site area. Other recently built homes support living area at 50-60% in this district. I have brought sales in from the higher density residential district to the north. Closer to and along Main Street, site development has achieved density of 75-90% of site area. Different projects have been approved over the years at varying densities, so these ratios are rather inconsistent because Frisco does not approve by density per se, but by number of units, so the larger units can be built on a site with more parking or better access and still meet minimum unit, setback, height and coverage requirements. I am using an estimated living area build-out based on what I have found to be typical and most likely to be approved on a given site, where there are no recent approved projects in place.

House Value VS Land Value:

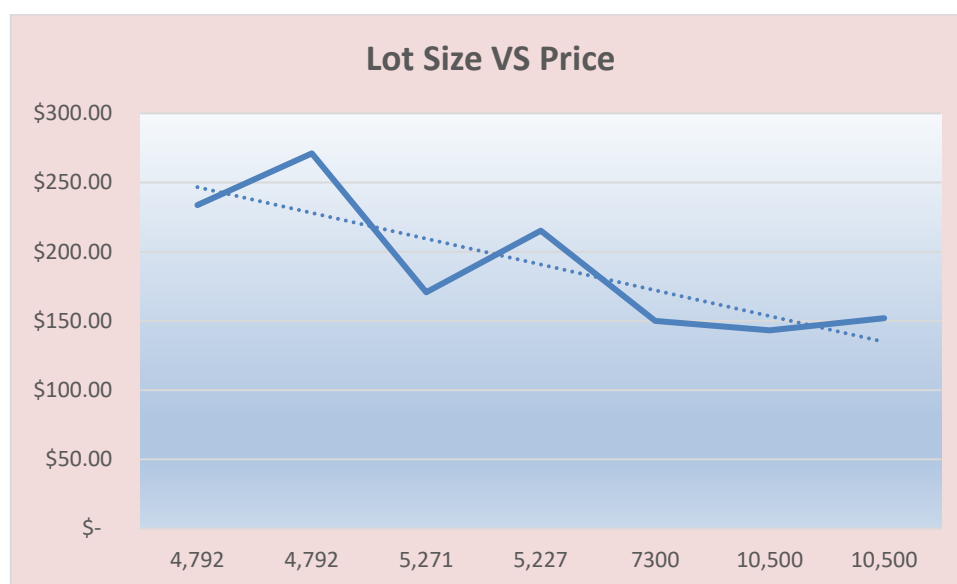
I have used sales of older, smaller houses that are likely to be removed for re-development in some cases. I have avoided newer houses and those extensively updated and upgraded, as these are not comparable to the subject, and would most likely be retained on site. I expect the subject will be sold as a house, but eventually expanded and remodeled, or more likely removed to build a new house that better utilizes the available area on site to maximize the size and function, at least approaching the range of 50% living area to site area.

Following are sales that bracket the subject house and lot size, as well as addressing different zoning.

"As Is " Value 521 Pitkin Street											
Address	Date of Sale	Size	Condition	Land Size	Price	Includes House		Site Cover	Type	Other	IND. VALUE
						Price PSF Imp	Price PSF Land				
533 Bills Ranch Road	4/2/21	1838	Average+	4,792	\$ 1,120,000	\$ 609.36	\$ 233.72	38%	Cluster		
872 S. 7th Avenue	9/28/21	1680	Average+	4,792	\$ 1,299,000	\$ 773.21	\$ 271.08	35%	Cluster		
37 Hawn Drive	5/4/21	1341	Fair-Ave	5,271	\$ 900,000	\$ 671.14	\$ 170.75	25%	Duplex		
762 Pitkin Street	8/30/21	1632	Average+	5,227	\$ 1,125,000	\$ 689.34	\$ 215.23	31%	Duplex		
521 Pitkin		949	Average	7000		\$ 1,100.00	\$ 150.00	14%	Ind. Value	\$ 1,043,900	\$ 1,050,000
406 S. 8th Avenue	LISTING	1044	Fair	10,500	\$ 1,500,000	\$ 1,436.78	\$ 142.86	10%	Single Fam	Tear down	
307 S. Fifth Street	7/30/21	967	Fair	10,500	\$ 1,995,000	\$ 2,063.08	\$ 190.00	9%	Hi Density		
313 Galena	PENDING	1412	Fair	14,000	\$ 2,400,000	\$ 1,699.72	\$ 171.43	10%	Hi Density	Tear down	
				Final	\$ 1,050,000						

"As Is " Value 601 Pitkin Street											
							Includes House				
Address	Date of Sale	Size	Condition	Land Size	Price	Price PSF Imp	Price PSF Land	Site Cover	Type	Other	IND. VALUE
533 Bills Ranch Road	4/2/21	1838	Average+	4,792	\$ 1,120,000	\$ 609.36	\$ 233.72	38%	Cluster		
872 S. 7th Avenue	9/28/21	1680	Average+	4,792	\$ 1,299,000	\$ 773.21	\$ 271.08	35%	Cluster		
37 Hawn Drive	5/4/21	1341	Fair-Ave	5,271	\$ 900,000	\$ 671.14	\$ 170.75	25%	Duplex		
762 Pitkin Street	8/30/21	1632	Average+	5,227	\$ 1,125,000	\$ 689.34	\$ 215.23	31%	Duplex		
601 Pitkin		1441	Average	7300		\$ 760.00	\$ 155.00	20%	Ind. Value	\$ 1,095,160	\$ 1,131,500
406 S. 8th Avenue	LISTING	1044	Fair	10,500	\$ 1,500,000	\$ 1,436.78	\$ 142.86	10%	LISTING	Tear down	
307 S. Fifth Street	7/30/21	967	Fair	10,500	\$ 1,995,000	\$ 2,063.08	\$ 190.00	9%	Hi Density	Tear down	
313 Galena	PENDING	1412	Fair	14,000	\$ 2,400,000	\$ 1,699.72	\$ 171.43	10%	Hi Density	Tear down	
				Final	\$ 1,125,000						

The land value is predominant in both of these properties. Although the sales are not consistent, they plot out a trend and range in the market that is demonstrated by the following chart, which utilizes the property at 601 Pitkin Street in relation to the above listed properties that have sold or are listed or contracted in the market.



As test of reasonableness, I have taken the older houses from each of these properties and somewhat arbitrarily assigned an improvement value, which reflects the depreciated value of the houses, including utility hook-ups, out-buildings and site improvements, at a cost value of \$200 psf. I have then removed this value from each of the properties to arrive at a raw land value. The variances between the sales are averaged for each lot size range, reducing the comparable sales to three value ranges reflecting the smallest, middle size and largest lots. The indicated values for the small sites were about \$179 psf, with the largest at just under \$150 psf at \$148.60. This demonstration supports a lot value bracketed for the subject sites at about \$120 to \$157 psf, with a predominant indication of about \$150, with or without the houses, although there is evidence that the houses contribute as they get larger and more functional. **I am concluding a value for 521 Pitkin at \$150 psf and 601 at \$155 psf of land area.**

Remove House at \$200 psf				
Land Size		Adj. Price	PSF Land	
4,792		\$ 752,400	\$ 157.01	
4,792		\$ 963,000	\$ 200.96	\$ 178.99
5,271		\$ 631,800	\$ 119.86	
5,227		\$ 798,600	\$ 152.78	\$ 136.32
7300			\$ 150.00	
10,500		\$ 1,291,000	\$ 122.95	
10,500		\$ 1,801,600	\$ 171.58	\$ 148.60
14,000		\$ 2,117,600	\$ 151.26	

“AS IS” PROPERTY VALUES

521 PITKIN	\$1,050,000
601 PITKIN	\$1,125,000

RESIDENTIAL ZONED LAND

The valuation of the ROW parcel, as well as the new lots subdivided from the ROW and adjacent properties as residential building sites for the purpose of this report are subject to the following conditions:

- 1) There is assumed to be no areas of these sites that exceed 30% slope, a this would restrict building placements.
- 2) The building site will accommodate a historic cabin or houses that are a maximum of 1,000 SF in size. 601 itself will not be restricted to this size or occupancy, but the potential development of a fourth cabin or unit on site will be restricted for local housing and size.
- 3) The property is to be deed restricted to occupancy by a local resident who works in the county or Town of Frisco a minimum of 30 hours per week.

Following are sites for single family and multi-family development that have sold in this market recently.

DEVELOPMENT SITE COMPARABLE #1
307 5th Ave, Frisco, CO 80443



Picture taken 8/2021, Fred M Ebert, SRA

Verify: Laurie Huggins, Listing Agent, (970) 389-400
Ronda L. Campbell, Selling Agent and owner representative, (970) 389-3437
Legal: Frisco Town Sub, Lot 1,2,3, Block 26
Grantor: Francis and Betty Anne Casapullo
Grantee: Harris Properties LLC
Reception: 1266449

DEVELOPMENT SITE COMPARABLE #2
212 S 6th Ave, Frisco, CO 80443



Picture taken 8/2021, Fred M Ebert, SRA

Verify: Lawrence Feldman
Legal: Cabin Preserve Sub, Lot 1
Grantor: Chris Eby
Grantee: Feldman, Kyle Robin & Lawrence
Reception: 1219302/1219304

DEVELOPMENT SITE COMPARABLE #3
214 E Main St, Frisco, CO 80443



Picture taken 8/2021, Fred M Ebert, SRA

Verify: Stewart Voutour, Listing Agent, (970) 409-7938
Seller: Richard Boylan
Legal: Frisco Town Sub, Lot 4,5,6, Block 8
Grantor: Richard Boylan
Grantee: Titus, Bradley A & Stacy D
Reception: 1261143

DEVELOPMENT SITE COMPARABLE #4
212 Galena St, Frisco, CO 80443



Picture taken 8/2021, Fred M Ebert, SRA

Verify: Anne Marie Ohly, Listing Agent, (970) 485-0183
Ronda L. Campbell, Selling Agent, Owner Representative (970) 389-3437
Legal: Frisco Town Sub, Lot 17,18,19, Block 7
Grantor: Peterson Investments-Frisco II LLC
Grantee: MACATR LLC
Reception: 1236649

DEVELOPMENT SITE COMPARABLE #5
319 4th Ave Aly, Frisco, CO 80443



Picture taken 9/2021, Fred M Ebert, SRA

Verify: Deborah H. Shoop/ Listing Agent/ (970) 393-0321
Rori Miller/ Owner/Purchaser (970) 389-2666
Legal: Frisco Town Sub, Lot 23R, Block D, Resub of Lots 23 & 24
Grantor: Not found
Grantee: Miller, Jacob & Rori
Reception: Not found

DEVELOPMENT SITE COMPARABLE #6
103 Rose Crown Cir, Frisco, CO 80443



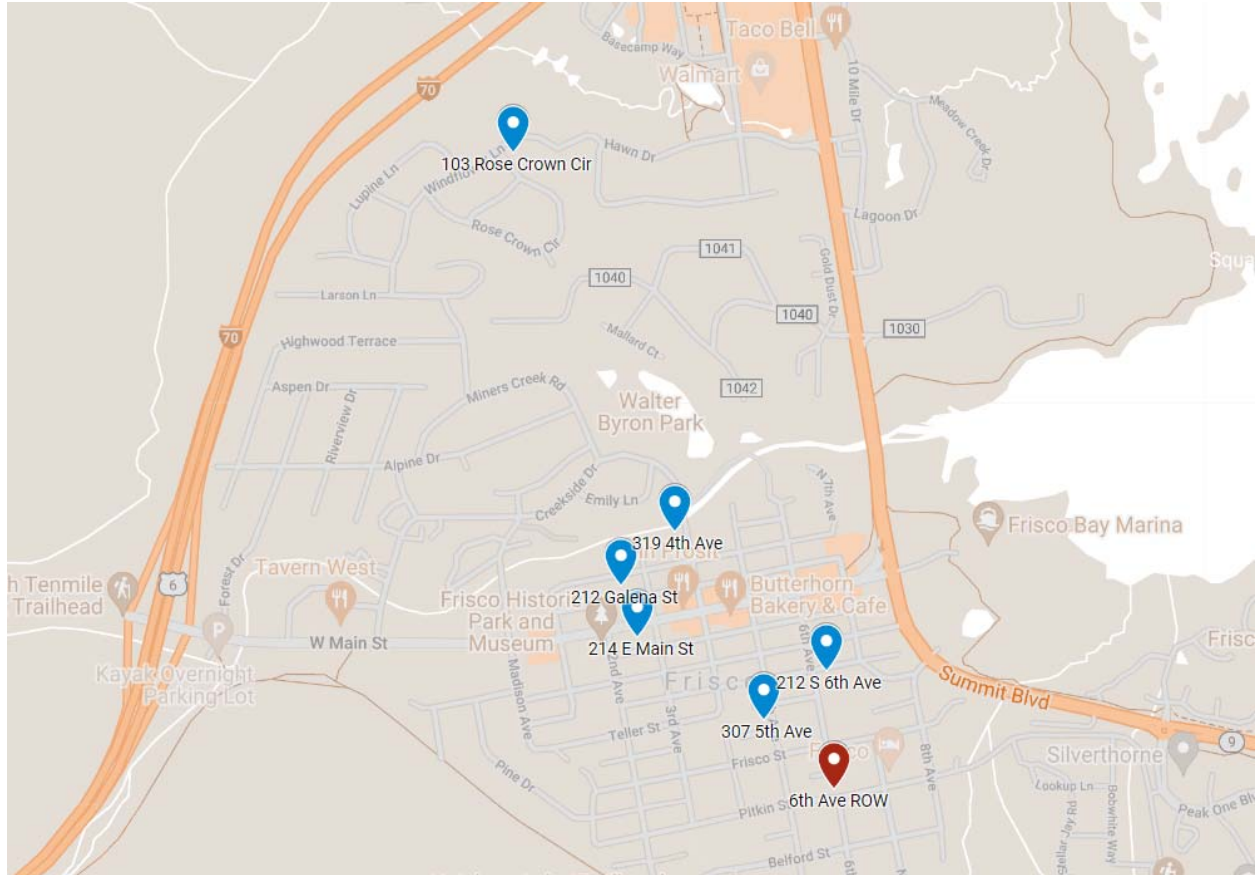
Picture taken 9/2021, Fred M Ebert, SRA

Verify: Matthew Dayton, Listing Agent, Seller rep. for Dennis Teachey (970) 485-1167
Wendy Tancheff, Selling Agent, (970) 389-3019
Legal: Reserve at Frisco, Lot 1, Block 4, Filing 2, Phase 1
Grantor: Teachy and Donnelly
Grantee: 103 Rose Crown LLC
Reception: 1243741

PROPERTY ADDRESS	SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4	COMPARABLE #4	COMPARABLE #4
Legal Description	6th Avenue ROW	307 S. 5th Street	212 S. 6th Street	214 E. Main Street	212 Galena Street	319 4th Ave. Alley	103 Rose Crown
TOWN	Frisco	Frisco	Frisco	Frisco	Frisco	Frisco	Frisco
PRICE		\$ 1,995,000	\$ 2,100,000	\$ 2,300,000	\$ 1,100,000	\$ 169,500	\$ 410,000
DATE OF SALE/TIME	8/18/21	7/30/21	1/21/20	6/1/21	9/25/20	3/19/20	11/30/20
CONDITIONS OF SALE	Dev. Sales 1.5%	0%	30%	3%	15%	24%	14%
	Cash or equal	Cash	Conv.	Conv.	Conv.	Conv.	Conv.
TOTAL CONDITIONS ADJ.		0%	0%	0%	0%	0%	0%
		0%	30%	3%	15%	24%	14%
ADJUSTED SALE PRICE	N/A	\$ 1,995,000	\$ 2,730,000	\$ 2,369,000	\$ 1,265,000	\$ 210,180	\$ 467,400
PRICE PER ADJ UNIT		\$ 498,750	\$ 341,250	\$ 394,833	\$ 316,250	\$ 210,180	\$ 467,400
PRICE PER SF DEV. AREA		\$ 226.70	\$ 169.30	\$ 225.62	\$ 158.13	\$ 105.09	\$ 151.46
PRICE PER SF LAND		\$ 190.00	\$ 126.98	\$ 225.62	\$ 120.48	\$ 42.03	\$ 41.43
ACTUAL # OF UNITS	1.0	4.00	8	6	4	1	1
Adjustment			Effective	Eff with Commercial	(Net of restricted)		SF Zoning
LAND SIZE	3,500	10,500	21,500	10,500	10,500	5,001	11,282
Adjustment	Approx						
EST DEV. AREA SF	1,000	8,800	16,125	10,500	8,000	2,000	3,086
Adjustment			Est	Est			
LOCATION/SETTING	Downtown core 3 Blks off Main Street	Downtown core 2 Blk off Main Street	Downtown 2 Blk off Main Street	Central Core downtown Main	Downtown core 2 Blk off Main Street	Downtown Central Core, on Creek	North Frisco residential single family
Adjustment							
SITE/VIEW/ EXISTING IMPROVEMENTS	Mountains, residential	643433	Mountains, residential	Removal of old apartments	Mountains, residential	Mountains, residential	Mountains, residential
Adjustment							
ACCESS/UTILITIES	Good Access, full utilities available to site	Good Access, full utilities available to site	Good Access, full utilities available to site	All utilities to site or in road	Good Access, full utilities available to site	Good Access, full utilities available to site	Good Access, full utilities available to site
Adjustment							
ZONING/USE	Residential Low Density	Residential High Density	Central Core	Central Core	Residential High Density	Residential High Density	Single Family
Adjustment							
NET ADJUSTMENT		0%	0%	0%	0%	0%	0%
ADJ. \$\$ PSF LAND	\$ 65.00	\$ 190.00	\$ 126.98	\$ 225.62	\$ 120.48	\$ 42.03	\$ 41.43
IND. VALUE BY SF LAND	\$ 227,500	\$ 665,000	\$ 444,419	\$ 789,667	\$ 421,667	\$ 147,097	\$ 145,001
ADJ. \$\$ PSF DEV AREA	\$ 225.00	\$ 226.70	\$ 169.30	\$ 225.62	\$ 158.13	\$ 105.09	\$ 151.46
IND. VALUE BY DEV SF	\$ 225,000	\$ 226,705	\$ 169,302	\$ 225,619	\$ 158,125	\$ 105,090	\$ 151,458
VALUE CONCLUSIONS	\$ 225,000						
CONCLUSION	Deed Restrict -22%						
	\$ 175,500	ROUNDED	\$ 175,000				

1200 SF House Allowed	SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4	COMPARABLE #4	COMPARABLE #4
ADDRESS	6th Avenue ROW	307 S. 5th Street	212 S. 6th Street	214 E. Main Street	212 Galena Street	319 4th Ave. Alley	103 Rose Crown
Legal Description		Lots 1, 2, 3 Block 26 Town of Frisco	Lot 1 and Future Dev. Cabin Preserve	Lots 4, 5, 6 Block 8 Town of Frisco	Lots 17, 18, 19 Block 7 Town of Frisco	Lot 23R, Blk D, Resub L 23 & 24 Town of Frisco	Lot 1, Block 4 Reserve at Frisco
TOWN	Frisco	Frisco	Frisco	Frisco	Frisco	Frisco	Frisco
PRICE		\$ 1,995,000	\$ 2,100,000	\$ 2,300,000	\$ 1,100,000	\$ 169,500	\$ 410,000
DATE OF SALE/TIME	18/08/2021	30/07/2021	21/01/2020	01/06/2021	25/09/2020	19/03/2020	30/11/2020
	Dev. Sales 1.5%	0%	30%	3%	15%	24%	14%
CONDITIONS OF SALE	Cash or equal	Cash	Conv.	Conv.	Conv.	Conv.	Conv.
		0%	0%	0%	0%	0%	0%
TOTAL CONDITIONS ADJ.		0%	30%	3%	15%	24%	14%
ADJUSTED SALE PRICE	N/A	\$ 1,995,000	\$ 2,730,000	\$ 2,369,000	\$ 1,265,000	\$ 210,180	\$ 467,400
PRICE PER ADJ UNIT		\$ 498,750	\$ 341,250	\$ 394,833	\$ 316,250	\$ 210,180	\$ 467,400
PRICE PER SF DEV. AREA		\$ 226.70	\$ 169.30	\$ 225.62	\$ 158.13	\$ 105.09	\$ 151.46
PRICE PER SF LAND		\$ 190.00	\$ 126.98	\$ 225.62	\$ 120.48	\$ 42.03	\$ 41.43
ACTUAL # OF UNITS	1.0	4.00	8	6	4	1	1
Adjustment			Effective	Eff with Commercial	(Net of restricted)		SF Zoning
LAND SIZE	3,500	10,500	21,500	10,500	10,500	5,001	11,282
Adjustment	Approx						
EST DEV. AREA SF	1,200	8,800	16,125	10,500	8,000	2,000	3,086
Adjustment			Est	Est			
LOCATION/SETTING	Downtown core 3 Blks off Main Street	Downtown core 2 Blk off Main Street	Downtown 2 Blk off Main Street	Central Core downtown Main	Downtown core 2 Blk off Main Street	Downtown Central Core, on Creek	North Frisco residential single family
Adjustment							
SITE/VIEW/ EXISTING IMPROVEMENTS	Mountains, residential	643433	Mountains, residential	Removal of old apartments	Mountains, residential	Mountains, residential	Mountains, residential
Adjustment							
ACCESS/UTILITIES	Good Access, full utilities available to site	Good Access, full utilities available to site	Good Access, full utilities available to site	All utilities to site or in road	Good Access, full utilities available to site	Good Access, full utilities available to site	Good Access, full utilities available to site
Adjustment							
ZONING/USE	Residential Low Density	Residential High Density	Centrral Core	Central Core	Residential High Density	Residential High Density	Single Family
Adjustment							
NET ADJUSTMENT		0%	0%	0%	0%	0%	0%
ADJ. \$\$ PSF LAND	\$ 77.00	\$ 190.00	\$ 126.98	\$ 225.62	\$ 120.48	\$ 42.03	\$ 41.43
IND. VALUE BY SF LAND	\$ 269,500	\$ 665,000	\$ 444,419	\$ 789,667	\$ 421,667	\$ 147,097	\$ 145,001
ADJ. \$\$ PSF DEV AREA	\$ 225.00	\$ 226.70	\$ 169.30	\$ 225.62	\$ 158.13	\$ 105.09	\$ 151.46
IND. VALUE BY DEV SF	\$ 270,000	\$ 272,045	\$ 203,163	\$ 270,743	\$ 189,750	\$ 126,108	\$ 181,750
VALUE CONCLUSIONS	\$ 270,000						
	Deed Restrict -22%						
CONCLUSION	\$ 210,600	ROUNDED	\$ 210,000				

LOCATION MAP OF COMPARABLE SALES – DEVELOPMENT SITE



DISCUSSION OF SALES

The above properties are all sales in the downtown Frisco area. Some are in the higher density area, and so command the highest price per square foot, and overall. The subject will be lower average density, with site density limited to about 29% of land area actually or effectively.

DEED RESTRICTION

This property will be subject to a deed restriction that will limit its use and remove it from the lucrative second home market. I have completed a study of small units similar in size to the subject cabin in a condominium project in Frisco. Following is a summary of findings.

BASE CAMP CONDOS-Deed Restriction Study						
<u>Date Sold</u>	<u>Unit</u>	<u>Price</u>	<u>Size</u>	<u>Price PSF</u>	<u>Deed Restricted</u>	<u>Garage</u>
10/30/20	201	\$ 407,000	559	\$ 728.09	No	None
11/4/20	219	\$ 365,000	653	\$ 558.96	Yes	None
4/30/21	209	\$ 441,500	569	\$ 775.92	Yes	Yes
6/17/21	216	\$ 372,000	570	\$ 652.63	Yes	None
8/23/21	206	\$ 409,000	654	\$ 625.38	Yes	None

The above chart shows 5 sales from Base Camp Condominiums in Frisco. These sales offer an opportunity to derive some adjustments from the market because these are all in the same project, are basically the same unit model, and the project offers market and deed restricted units.

This project is on a land lease, but this should not have an influence on the study for this particular purpose since all units are subject to the same interest.

Date of Sale

Since these sales were all in a rising market, prices must be adjusted or considered over time, even with the period stretching only 8 months.

The two with the longest time gap over time are 219 and 216, which shows a price per square foot variance of $\$652.63/\$558.96 = 1.167$, indicating about an 18% increase over about 5 months. However, some consideration should be made for 219 being about 15% larger, which tends to drive down price per square foot slightly.

With 206 selling for full price, and being identical to 219, the indicated time adjustment is $\$409,000/\$365,000 = 1.12$, or 12%. With the closing at the end of August, that is over a 10 month period, indicating a rise of 1.2% per month. Since this is closer to the subject in size, I am estimating the increase to be 1.2% per month.

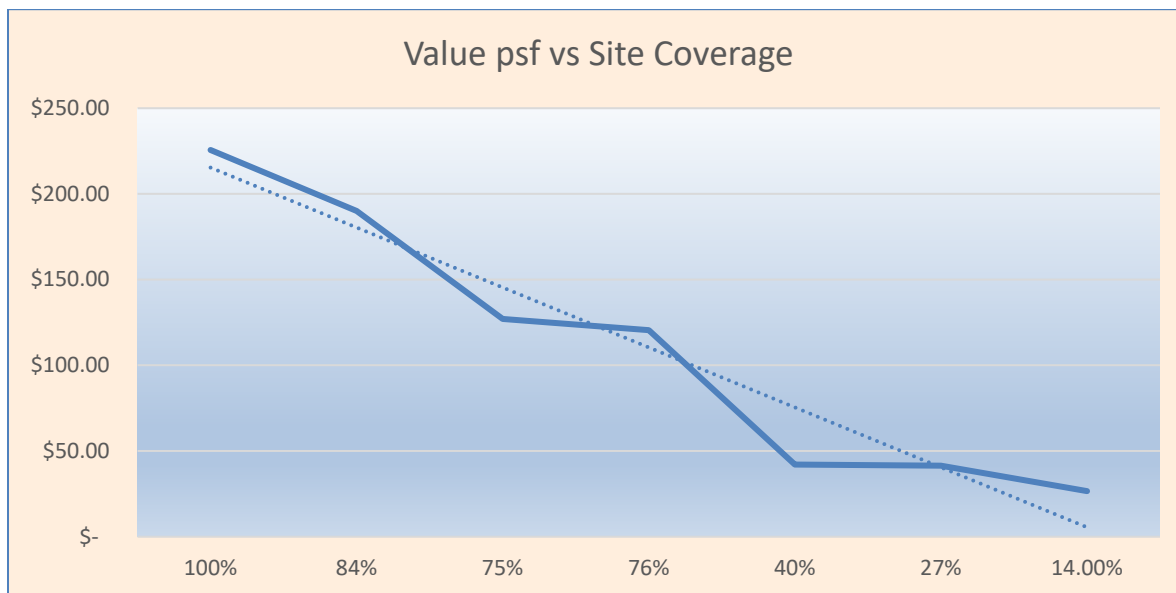
This is limited, due to the small size of these units and the appeal of that much extra space. Therefore, I am estimating time of sale to be adjusted during this time at about 1.2% per month. This remains an exceptional market.

Deed Restriction

The deed restriction on these units involves only full-time occupancy, so in this market it is considered a “limited” restriction since there is no restriction on value growth, income qualifications or other factors. It should be noted that the restriction from renting or using these units on a part time basis as a second home is a major impediment in this market.

Adjusting Unit 201 at 1.2% per month, to Unit 216, 8 months later, would indicate a price per square foot of $\$728 \times 1.096 = \798 psf. This would indicate a difference of $\$798/652.63 = 1.22$, or **22% for the deed restriction.**

The value of the subject sites is a function of density, if used for residential development. The price per square foot of land correlates strongly with amount of density allowed on site, as demonstrated in the following chart.



With the limited density on the subject property, the land value per square foot as a development parcel is limited to a fraction of the value of land with higher density. Although Frisco limits density by unit and site coverage, it does not directly consider unit sizes, except in the Cabin zoning, but rather what can be placed on the site given height, setback, zoning district and terrain considerations. This size site in the high-density district could easily qualify for density at 10-15 times the size of the subject cabin. The concluded value is therefore a function of the size of the potential improvement's living area, at 1000 SF.

The proposed site on the 6th Avenue Right of Way will be larger, at 50 x 140, or 7,000 SF, but half of the site is restricted with an access easement for the two sites next door, combined with its own access drive, so the property effectively useable for the house and living areas is about the same as next door, at 3500 SF. Therefore, both vacant sites are estimated at the same value.

After concluding an unrestricted value for the 1000 SF, the deed restriction needs to be considered. Deducting another 22% for this arrives at a value of about \$175,000. Taking the units at 1200 SF with the restriction deducted results in values for the sites of about \$210,000.

VALUE OF 521 PITKIN AFTER SUBDIVIDING

Once again, I am applying the house sales without restriction, but with various house and land sizes in an attempt to bracket the subject value. The smaller site and house indicate a value per square foot for both near the higher end of the range, but most similar to the duplex units, which like the subject, are restricted in size and potential by being attached. The following chart reveals the range and conclusion of value as a result.

"As Subdivided " Value 521 Pitkin Street											
							Includes House				
Address	Date of Sale	Size	Condition	Land Size	Price	Price PSF Imp	Price PSF Land	Site Cover	Type	Other	IND. VALUE
601 Pitkin		949	Average	3500		\$ 680.00	\$ 190.00	27%	Ind. Value	\$ 645,320	\$ 665,000
533 Bills Ranch Road	4/2/21	1838	Average+	4,792	\$ 1,120,000	\$ 609.36	\$ 233.72	38%	Cluster		
872 S. 7th Avenue	9/28/21	1680	Average+	4,792	\$ 1,299,000	\$ 773.21	\$ 271.08	35%	Cluster		
37 Hawn Drive	5/4/21	1341	Fair-Ave	5,271	\$ 900,000	\$ 671.14	\$ 170.75	25%	Duplex		
762 Pitkin Street	8/30/21	1632	Average+	5,227	\$ 1,125,000	\$ 689.34	\$ 215.23	31%	Duplex		
406 S. 8th Avenue	LISTING	1044	Fair	10,500	\$ 1,500,000	\$ 1,436.78	\$ 142.86	10%	LISTING	Tear down	
307 S. Fifth Street	7/30/21	967	Fair	10,500	\$ 1,995,000	\$ 2,063.08	\$ 190.00	9%	Hi Density	Tear down	
313 Galena	PENDING	1412	Fair	14,000	\$ 2,400,000	\$ 1,699.72	\$ 171.43	10%	Hi Density	Tear down	
				Value	\$ 650,000	-22%	\$ (143,000.00)	\$ 507,000		SAY	\$507,000

FINAL RECONCILIATION

The final values “as is” and “as approved for development” show a limited premium for the development rights. This is due to the appeal in the market of open land even if it cannot be developed, since lots around it are relatively small and these open spaces are considered valuable for separation of houses for privacy and greenbelt areas.

When considering the typical buildout of vacant or redeveloped sites in the downtown area, the proposed development is lower density than is typical, and with the Cabin zoning, all units are well below the maximum building height. Therefore, the proposed use should appeal to the surrounding property owners and should not detract from any values in the area.

The house at 601 Pitkin may have the opportunity to add a garage with a restricted unit for sale under the cabin zoning with up to 1000 square feet. However, this site is most valuable as used for a redevelopment to maximize the size of a new house built to modern standards and function. As such, the addition of the adjacent 3500 SF lot with the requirement to add a unit is the same as taking the 3500 SF lot and adding a 1000 SF house to be sold as a restricted residence. The result is that the restriction can be separated from the existing property at 601 Pitkin, essentially not changing its existing value, provided the smaller house can be built on the narrow lot functionally, likely with a re-subdivision of the two sites to better accommodate this.

Frisco is experiencing a buying frenzy this year that has driven up the price of housing to unprecedented levels, and this is reflected in land values based on the size of house that can fit on any given lot. Many older and historic houses are being moved or demolished to make way for new, larger homes. This is the basis for the values of the building sites in this report.

Subject to the contingent and limiting conditions and extraordinary assumptions listed in this report, my conclusion of the values of these properties as of September 9, 2021 is:

VALUE CONCLUSIONS					
"AS IS" VALUES			"AS PROPOSED" VALUES		
			Property	Site Sizes SF	Value
6th Ave. Right of Way		\$ 158,000	West Right of Way Lot	7,000	\$ 210,000
521 Pitkin Street		\$ 1,050,000	East Right of Way Lot	3,500	\$ 175,000
601 Pitkin Street		\$ 1,125,000	Rear 521 Lot	3,500	\$ 210,000
			521 Pitkin with house	3,500	\$ 507,000
			601 Pitkin with house	7,300	\$ 1,125,000

EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS:

- 1) This site is a vacated street Right of Way and is being valued under the **hypothetical condition** that it will be approved to house a residential structure upon sale, placed on a permanent foundation, with no more than 1000 SF of floor area. This house is to be deed restricted for full time occupancy by an owner who is an employee working within Summit County, and the site will not be allowed further expansion of living area and other site improvements and structures may be limited to preserve the site as much as possible. This restriction usually also allows occupancy by a retiree over 60 years of age, as owner or tenant. There may be other exceptions or conditions placed by the town, which are assumed to not adversely affect value.
- 2) The Town of Frisco "Cabin" zoning allows up to 50% of the houses in a development to have up to 1200 square feet of living area. Therefore, 2 of the sites are estimated to be improved with 1200 square foot houses. Houses are also allowed basements, which in this market can create additional living area. This report values the sites with the **extraordinary assumption** that basements cannot be used for additional bedrooms, units or have plumbing or finishes that accommodate additional occupants, and that the basements are an option that do not contribute to value for this valuation purpose.
- 3) This appraisal was performed following public awareness that COVID-19 was affecting residents in the United States. At the time of the appraisal, COVID-19 protocol was beginning to experience easing of restrictions and although there have been widespread health and economic impacts, this is subsiding and mask mandates are easing as well as the restrictions on retail, hospitality and restaurants, although the recent resurgence due to the Delta Variance is continuing mask mandates and concerns about gathering. The effects of COVID-19 on the real estate market in the area of the subject property have been measurable based on reliable data. The period since the lock down that occurred from March to May of 2020 has seen unprecedented activity in mountain real estate and other businesses with resort areas offering alternatives to the urban areas and remote working offering alternatives to the office environment that has been the historical model for work. The internet and advent of the remote worker has opened up these areas in the resort and more rural areas in character as good alternatives, stimulating a strong home sales market with rising prices and land values. The analyses and value opinion in this appraisal are

based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. 2020 proved to show the highest dollar volume in sales in the area, including Summit, Eagle, Grand and surrounding counties in Colorado.

ADDENDUM

PROPOSED DEVELOPMENT LETTER



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May 7, 2021

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Frisco, CO 80443

Richmond-Lindrose Vacation Application for 6th Ave. Roadway **Reasons for the Requested Vacation**

My name is Andy Richmond and I was born and raised in Frisco. I purchased a home at 521 Pitkin St. almost two years ago. I have long been aware of the Town's pressing need for local's housing and, having personally seen Frisco grow and change over the past 30 years I want to be part of the solution. I have followed Council's recent working groups and discussions regarding the local housing issue. I know that Council is seeking as many solutions as it can to the local housing shortage. And I believe we have a proposal that will add a different, creative way to further address Frisco's need for local's housing.

The first step in our proposal is to request that the Town vacate the 6th Ave. right-of-way between our home at 521 Pitkin, and the Lindrose's home at 601 Pitkin. We understand that vacation of public right-of-way requires a show of "overriding public interest." Our proposal offers this public interest.

In exchange for the Town's vacation, my wife and I will encumber our current home at 521 Pitkin with a local's housing covenant. Additionally, we are proposing a subdivision of our lot so as to sell the back half, that home would also be subject to a local's housing covenant. In the vacated right-of-way, we would build a third home, also subject to a local's housing covenant. And finally, our neighbors and co-applicants the Lindroses, would, on longer time frame, contribute one more local unit to the proposed area. That is the potential for four local houses from one vacated right-of-way.

To clarify, my wife and I would immediately encumber our current home, our new back lot, and the parcel we gain from vacation with a local's housing covenant. The Lindroses would sign on to an agreement that as soon as they, or their successors in interest, built a garage or added on to their home in any way, they would be required to either add a mother-in-law apartment to the garage or build an additional local's home on their portion of the vacated parcel. You can see on the attached survey from Ten Mile Engineering that the 521 Pitkin side of the right-of-way would gain slightly more land than the 601 Pitkin side. This is because the 521 side will be providing three of the four local's units, and thus much of the public benefit.

We would be able to fit this number of houses on this property by applying a Cabin Housing use to the current Richmond house, as well as the two to be built immediately. This forces those houses to average no more than 1000 sq. ft. This would have the added bonus of maintaining the small cabin character of the neighborhood. The Ten Mile Engineering site plan attached with this application illustrates how the cabin houses would fit in this area.

The covenant we propose would not have the AMI or resale caps that some of the current local housing projects in the Town do. As a recent home buyer, and judging from some of Council's recent discussions, AMI and resale caps can create some issues for buyers. That is not to say that they do not have a place, but rather that the Town should have several options in its local housing arsenal. AMI caps create a situation where some buyers are left behind because they make too much to qualify for an AMI cap but don't make enough for a free market home. Resale caps can provoke dissatisfaction because they essentially disallow locals from participating in the real estate market while second home owners strike it rich when home values in town rise. Our local housing covenant would instead regulate the local requirement with a strict covenant limiting ownership of these homes to locals who work in Summit County, with a preference to locals who work in Frisco specifically. Additionally, there would be a covenant requiring that these homes be the primary residence of each owner. That ensures there is no real estate speculation or investment purchases in our development, each owner has to want to live there. Thus we would regulate price with a combination of the local's covenant and the small size of the homes. Essentially, the fact that you must sell to a local, it must be that local's primary residence, and the house cannot be more than 1000 sq. ft. will not allow the prices on these homes to become prohibitive.

By signing on to these local covenants, we are giving up significant value. We have seen what homes in this neighborhood go for on the free market. However, we have also seen that once homes in our neighborhood are sold, they often become second homes or short-term rentals, thus deteriorating the quality and character of the neighborhood. We are willing to forego the big returns of the free market to ensure that we live in a local neighborhood with people who value the area enough to make it their primary residence.

The main point of our proposal is that the Town can ensure four permanent, primary residence, local units from one right-of-way, rather than risk yet another lot turning into a second home that no local can ever afford thus taking it off the local's market forever. Considering the local's housing shortage in Frisco, this is the definition of "overriding public interest." Our proposal would provide a blueprint for future vacations and would give the Town tremendous leverage because it could forever tell future applicants "The 6th Ave. vacation gave us four local homes, that is the standard."

Thank you for your consideration.



Andy Richmond