

# **RESTRICTED USE APPRAISAL**

## **North Cheyenne Canon Park Project**



### **Prepared for:**

The City of Colorado Springs, Colorado  
On behalf of its Parks, Recreation and Cultural Services Department  
30 South Nevada Avenue, Suite 502  
Colorado Springs, Colorado 80903

### **Prepared by:**

Kyle L. Wigington, P.C.  
P.O. Box 88455  
Colorado Springs, Colorado 80908

Effective Date of Appraisal  
February 24, 2016

# KYLE L. WIGINGTON, P.C.

P.O. BOX 88455  
COLORADO SPRINGS, CO 80908

Phone: 719.635.9614  
Fax: 719.559.3728

General Practice Attorney  
Certified General Real Estate Appraiser

May 1, 2016

The City of Colorado Springs  
On behalf of its Parks, Recreation and Cultural Services Department  
Attention: Christian Lieber, RLA Park Development Manager  
30 South Nevada Avenue, Suite 502  
Colorado Springs, Colorado 80903

Dear Mr. Lieber:

Pursuant to your request, I have completed a restricted appraisal of the market value of the property described as the "North Cheyenne Canon Park Property" property located in El Paso County, Colorado.

As per mutual agreement with the City of Colorado Springs (client) and Kyle L. Wigington, P.C. (appraiser), the format used is defined as a Restricted Use Appraisal. It complies with the requirements set forth under Standard 2-2(c), of the Uniform Standards of Professional Practice, but is subject to the Assumptions and Limiting Conditions listed in this report. This appraisal report states the information used to arrive at a conclusion of value. **It is noted that the opinions of the appraiser in a restricted format may not be fully understood without additional information in the appraiser's work file. Therefore, this appraisal is limited to use by the client only.**

The purpose of this appraisal is to estimate the "As Is Market Value" for the subject property for the potential transfer of the subject property. The intended use of this report is for internal decision making and solely limited to the client, The City of Colorado Springs.

Based upon my independent appraisal and the exercise of my professional judgment, my market value estimate for the property as of February 24, 2016, is **\$1,581,000** subject to any stated extraordinary assumptions and hypothetical conditions.



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Kyle L. Wigington, J.D.  
Certified General Appraiser  
Colorado License # 1315439

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## Certification Statement

I certify that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making my appraisal, examined sales instruments of record, and have confirmed the sales transactions with the buyer and/or seller unless otherwise noted. The photographs in this appraisal report reasonably represent the subject property and comparable sales relied upon.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity and consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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 understand this appraisal may be used in connection with the transfer of real property for the referenced project.
- 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 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.
- I have not revealed the findings and results of this appraisal to anyone other than my client, nor will I do so until required by due process of law or by having publicly testified as to the findings.
- I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the City of Colorado Springs without restriction or limitation on their use.
- No one provided significant real property appraisal assistance to the person signing this report.
- The use of this report is subject to the requirements of the Board of Real Estate Appraisers, State of Colorado, Department of Regulatory Agencies relating to review by its duly authorized representatives.
- As of the date of this report, I, Kyle L. Wigington, have completed the requirements of the continuing education program of the Board of Real Estate Appraisers, State of Colorado.
- This report serves to update an acreage calculation from a previous report dated October 5, 2015. Prior to that time, 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 acceptance of this assignment.

- The reported analyses, 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 effective date of appraisal and valuation is as of February 24, 2016. The date of the appraisal report is May 1, 2016.
- Based upon my independent appraisal and the exercise of my professional judgment, my market value estimate for the property as of February 24, 2016 is **\$1,581,000** subject to any stated extraordinary assumptions and hypothetical conditions.



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Kyle L. Wigington, J.D.  
Certified General Appraiser  
Colorado License # 1315439

## Executive Summary/Subject Identification

Project Name:	NORTH CHEYENNE CANON PARK PROJECT
Parcel Number:	Parts of 7400000211, 7400000327
Name of Owner:	City of Colorado Springs
Name of Tenant:	None
Property Address or Location:	Refer to Legal Description
Owner Present at Inspection:	The appraiser conducted a site inspection of the subject property for the original appraisal report dated October 5, 2015. The owner's representative was not present at this inspection. The subject property was not re-inspected as of the date of value for this report.
Property Interest Appraised:	Fee Simple subject to any Extraordinary Assumptions and Hypothetical Conditions
Effective Appraisal Value Date:	February 24, 2016
Date of Appraisal Report:	May 1, 2016
Environmental Concerns:	None stated
Larger Parcel Land/Site Area:	The subject property is unimproved land with a total area of 186 acres according to client and supporting title work.
Owner and/or Tenant Occupancy:	Vacant
Owner Improvements: (buildings, structures, etc.)	None
Subject 5-Year Sales History:	According to the El Paso County Assessor records, there has been no sales activity in the past five years.
Zoning:	PK (Public Park) HS (Hillside) – City of Colorado Springs F5 (Forestry and Recreation) – El Paso County
Highest/Best Use:	Mountain Recreational, Open Space, Preserve

## Scope of This Appraisal

In preparing this appraisal I have:

- Made a complete physical inspection of the property on October 5, 2015. The subject property was not re-inspected as of the date of value for this report.
- Researched public records for assessment and historical sales information pertaining to the subject property.
- Analyzed income and expense information provided by the owner, if applicable.
- Researched the market for applicable income and expense data availability.
- Researched pertinent neighborhood data, comparable listings, comparable rentals, and comparable sales.
- Gathered comparable improved sales, comparable listings, comparable rentals, comparables expenses, etc. from similar neighborhoods and/or previous appraisals that we have made on similar properties.
- Analyzed the current real estate market and trends for the subject's property type, particularly in the subject's market area.

In preparing the written report I have:

- Identified the property by tax identification number and deed references.
- Considered the purpose and intended use of the appraisal.
- Prepared a brief history of the property.
- Determined the property rights being appraised as the Fee Simple interest in the property.
- Discussed and analyzed the physical attributes of the subject site.
- Analyzed the Highest and Best Use of the site.
- Analyzed and discussed the reasoning for choosing the most applicable approach or approaches in determining the value for the subject property.
- Considered all three approaches to value and determined which approach or approaches were applicable, given the nature of the assignment and the characteristics of the subject property.
- Analyzed and discussed the Reconciliation of the applicable approaches and final conclusions of values.
- Stated the Assumptions and Limiting Conditions upon which this report was based.
- Relied upon the title insurance commitment (with legal description) for the subject property if provided.

- Assumed there are no adjudicated water rights at the subject property.
- Assumed there are no mineral resources with commercial value on the subject property.

## **Assumptions and Limiting Conditions**

The certification of the appraiser appearing in the appraisal report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the appraiser in the report.

### **Extraordinary Assumptions**

An extraordinary assumption is 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 the data used in an analysis.

1. *The acreage calculation utilized in this report is based on portions of larger identified parcels. The breakout of acreage for this report was estimated by the City of Colorado Springs and submitted to the appraiser for consideration. No survey was provided to the appraiser supporting the acreage calculation.*
2. *The use of an extraordinary assumption may have affected the assignment results.*

### **Hypothetical Conditions**

A hypothetical condition is that which is contrary to what actually 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 the data used in the analysis.

1. *There are no hypothetical conditions utilized in this report.*

### **General Assumptions and Limiting Conditions**

1. The legal descriptions, land areas, surveying and engineering data provided by the client are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs are included for the same purpose. Site plans are not surveys unless prepared by a certified surveyor.
2. This is a Restricted Appraisal Report, which is intended to comply with the reporting requirements set forth in Standards Rules 1 and 2 of USPAP.
3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record.

4. Opinions, estimates, data, and statistics furnished by others in the course of studies relating to this report are considered reliable.
5. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated land use. Separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down.
7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.
8. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non-conformity has been stated, defined, and considered in this appraisal report.
9. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.
10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

Representative Subject Photos Taken by Kyle Wigington on October 5, 2015



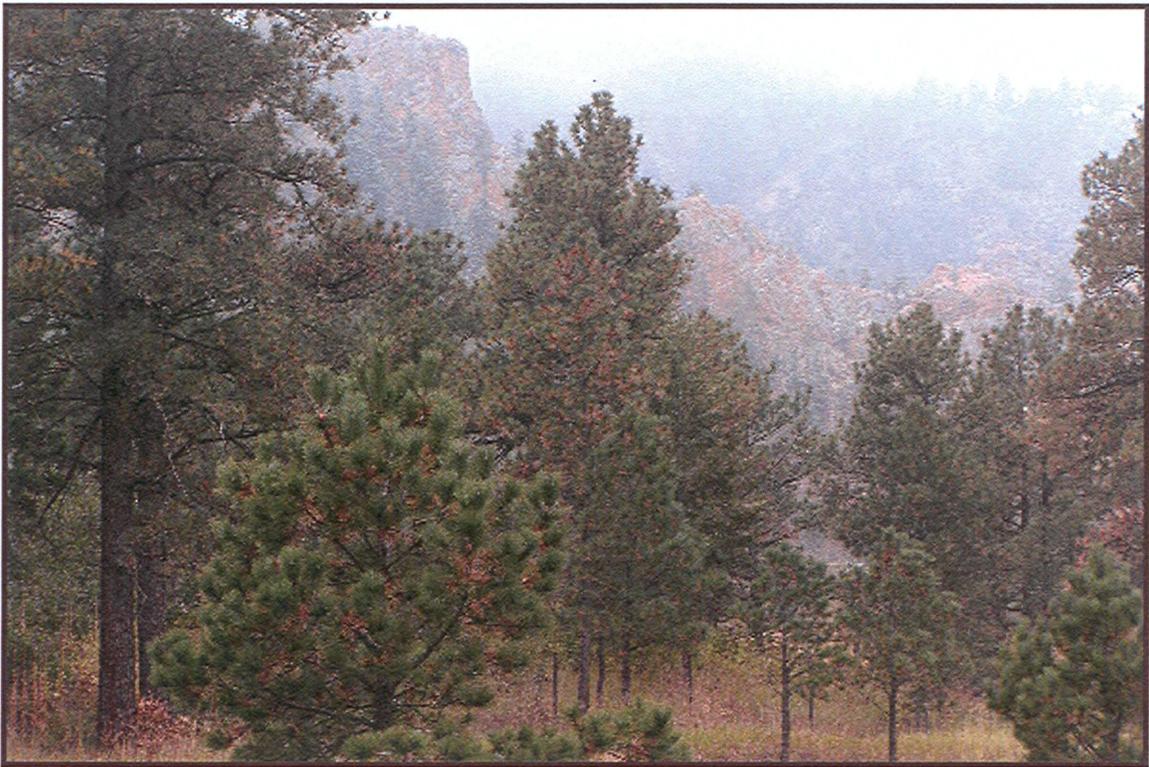
Entrance to Park on Mesa Avenue



Parking area on Mesa Avenue



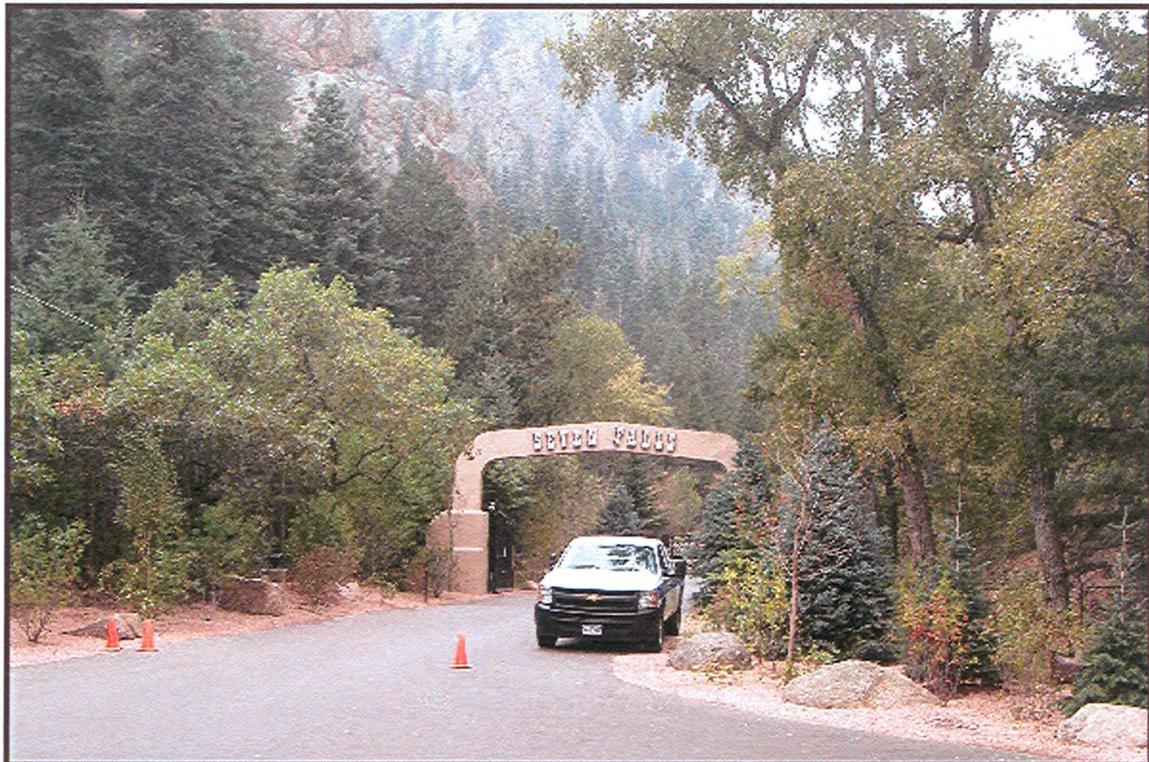
Looking south from Mesa



Looking west from Mesa showing terrain



Looking south from Mesa near Seven Falls



Seven Falls entrance from Mesa



Looking west from Alta Vista



Looking west from Alta Vista



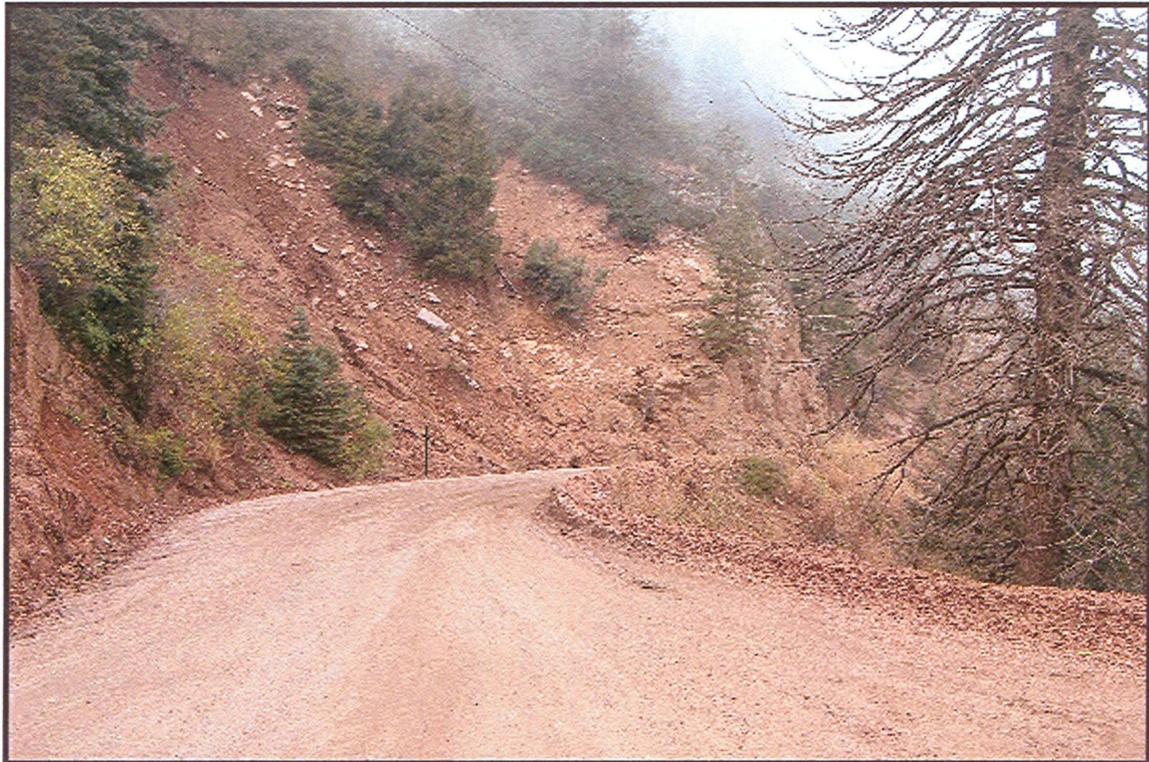
Looking NE from Old Stage Road



Looking North from Old Stage Road



Looking east from Old Stage Road



Looking west from Old Stage Road



Looking west from Old Stage Road

## USPAP Reporting Options

To develop the opinion of value as per the request of my client, the City of Colorado Springs, the appraiser performed a complete appraisal in **Restricted Use Format** according to the guidelines set forth below by the 2016-2017 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

The Restricted Appraisal Report may be appropriate when:

- the client is the only intended user of the appraiser's opinions and conclusions set forth in the report;
- the client understands the limited utility of this option;
- the intended use of the appraisal warrants restricted disclosure about the research and analysis completed in the development of the assignment results; and
- the client (the only intended user) does not need the level of information required in an Appraisal Report.

When an appraiser uses the Restricted Appraisal Report option, a prominent notice to any reader must be provided. The prominent notice must warn any reader of the report that the rationale for the appraiser's opinions and conclusions set forth in the report may not be understood properly without the additional information that is in the appraiser's workfile.

## Definition of Value

The current definition of Market Value utilized for this report is as follows:

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 if a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in what they consider their own best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

## **Identification of Appraised Property**

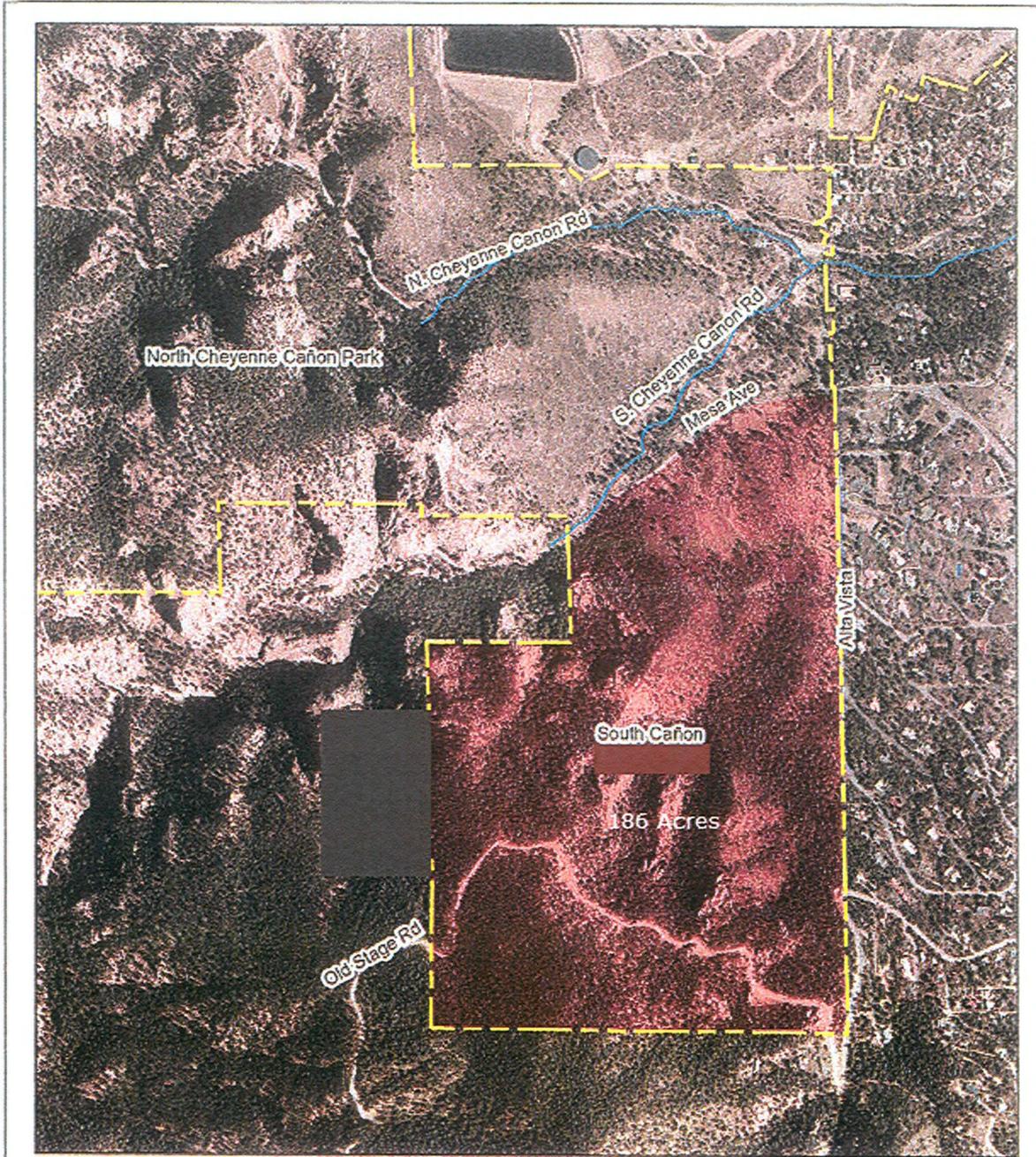
The property being appraised is a vacant recreation/open space mountain type property. It is located in El Paso County, in the State of Colorado. The subject property is described as 186 deeded acres of vacant recreational land, owned by the City of Colorado Springs.

The subject property is comprised of parts of two parcels identified by the El Paso County Assessor office as Schedule Numbers 7400000211 and 7400000327. The assessor information for both parcels are included on the following pages.

The acreage determination was made by the City of Colorado Springs and communicated to the appraiser for consideration in the report. The property is basically described as those parts of the above referenced schedule numbers that lays south of Mesa Road as depicted on the following map.

We previously prepared a written report dated October 5, 2015 and have since updated the report in order to properly reflect the deletion of Parcel 74000-00-330. This reduced the acreage calculation by 12.2 acres.

# Map of Subject Property



## South Cheyenne Cañon - North Cheyenne Cañon Park



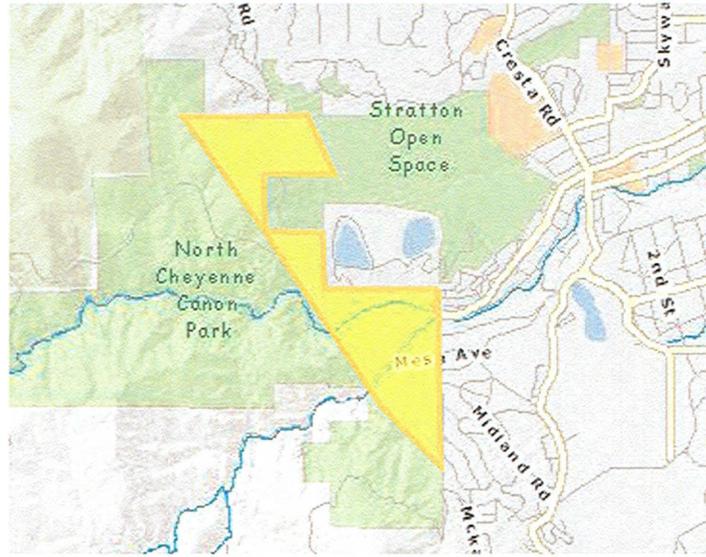
500 250 0 500 Feet



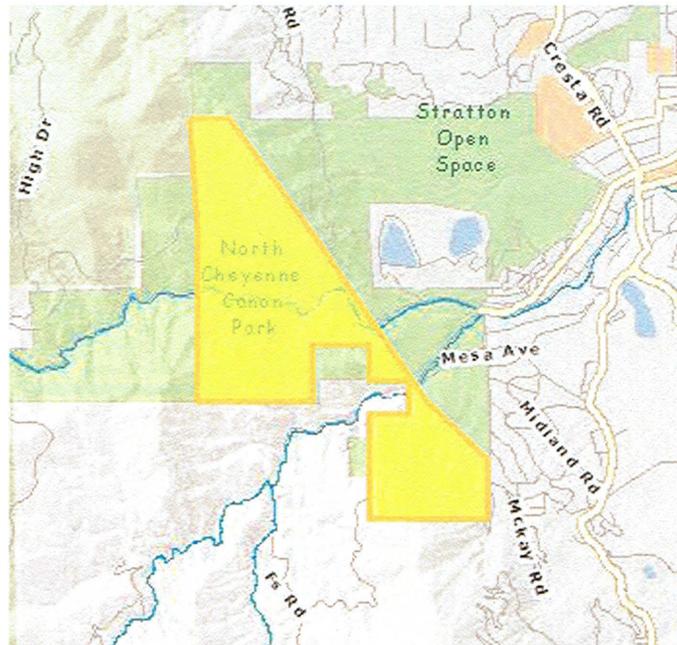
State Plane Coordinate  
Colorado Central Zone  
NAD83-US Survey Feet  
Vertical Datum-NGVD29

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Assessor Map of Parcel 740000211



Assessor Map of Parcel 740000327



**Public Record Property Information**

Wednesday, February 24, 2016 Time: 5:47:07 PM

**Personal Information**

Schedule No: 7400000211  
 Owner Name: COLORADO SPRINGS CITY OF  
 NORTH CHEYENNE PARK  
 Location: 2102 W CHEYENNE RD  
 2250 N CHEYENNE CANYON RD  
 Mailing Address: COLORADO SPRINGS CO 80903

Previous Parcel

Replaced Parcel

**Legal Description**

SW4NW4, SW4, PART OF N2SE4 AS FOLS; BEG AT SW COR OF SD N2SE4, RUN ELY ALG S LN OF SD N2SE4 TO A PT 300.0 FT E OF SE COR OF NW4SE4, RUN NWLY TO A PT ON N LN OF SE4 THAT IS 300.0 FT W OF NE COR OF NW4SE4, RUN W ALG SD N LN TO NW COR OF SE4, TH S TO POB, SEC 27-14-67 NW4, N2SW4, W2NE4SE4NE4, E2SE4 SEC 34-14-67 SW4NW4 EX SMALL TRACTS ON THE E, W2SW4 SEC 35-14-67 ALL THE ABOVE DES LY NELY OF FOR DES LN, BEG AT NW COR OF SW4NW4 OF SD SEC 27, TH SELY ALG A DIAGONAL LN TO INTSEC SE COR OF SE4SW4, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF NE4SE4 OF SD SEC 34, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF SW4SW4 OF SD SEC 35

**Market Information (2015 Values)**

Levy Year: 2015 Mill Levy: 69.946 Exempt Status: Fully Exempt

Table	Use Code	2015 Market Value	2015 Assessed Value	Exempt
Land	POLITICAL SUBDIVISION	\$3,385,701	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$72,765	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$24,860	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$101,893	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$452,492	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$3,257	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$3,167	\$0	EX
	<b>Total Value</b>	<b>\$4,044,135</b>	<b>\$0</b>	

**Tax Entity and Levy Information**

( District: GBD )

Taxing Entity	Contact Name	Contact Phone
EL PASO COUNTY	FINANCIAL SERVICES	(719) 520-6498
EPC ROAD & BRIDGE SHARE		(719) 520-6498
CITY OF COLORADO SPRINGS	CITY OF CS-CFO	(719) 385-5224
EPC-COLORADO SPGS ROAD & BRIDGE SHARE		(719) 520-6498
CHEYENNE MTN SCHOOL NO 12	NATALIE MORIN	(719) 475-6103
PIKES PEAK LIBRARY	MIKE VARNET	(719) 531-6333
SOUTHEASTERN COLO WATER CONSERVANCY	JAMES BRODERICK	(719) 948-2400

**Sale Information**

**Land Information**

Seq #	Use	Exempt	Area
1	POLITICAL SUBDIVISION	EX	310.9 acres

**Residential Information**

**Commercial Information**

Bldg #	Admin Code	Year Built	Neigh #	Area
1	EXEMPT POLITICAL SUBS/PUB SCHL	2001	218	346
2	EXEMPT POLITICAL SUBS/PUB SCHL	2001	218	448
3	EXEMPT POLITICAL SUBS/PUB SCHL	2003	218	347
4	EXEMPT POLITICAL SUBS/PUB SCHL	1922	218	1,772
5	EXEMPT POLITICAL SUBS/PUB SCHL	2006	218	150
6	EXEMPT POLITICAL SUBS/PUB SCHL	2000	218	299

**Zoning Code for 740000211**

**City Zoning for Parcel #740000211 is: PK HS**

**CITY ZONING LEGEND**

A - Agricultural	HR - High Rise	R - Single Family Residential (Estate)
APD - Airport Planned Development	HS -Hillside	R16 - Single Family Residential ( 6000 sqf)
AO - Airport Overlay	M1 -Light Industrial	R19 - Single Family Residential ( 9000 sqf)
APZ1 - Airport Protection Zone 1	M2 - Heavy Industrial	R2 - Two Family Residential
APZ2 - Airport Protection Zone 2	OC - Office Complex	R4 - Eight Family Residential
C5 - Intermediate Business	OR - Office Residential	R5 - Multi Family Residential
C6 - General Business	P - Planned Provisional	RPZ - Runway Protection Zone
CR - Condition of Record	PBC - Planned Business Center	SS - Stream Side
CU - Conditional Use	PCR - Planned Cultural Resort	SU - Special Use
DF - Design Flexibility	PF - Public Facility	TND - Traditional Neighborhood
FBZ-CEN - Form Based-Central	PIP1 - Planned Industrial Park	Development
FBZ-COR - Form Based-Corridor	PIP2 - Planned Industrial Park	UV - Use Variance
FBZ-T1 - Form Based-Transition Sector 1	PK - Public Park	
FBZ-T2B - Form Based-Transition Sector 2B	PUD - Planned Unit Development	
FBZ-T2A - Form Base-d-Transition Sector 2A		

**Public Record Property Information**

Wednesday, February 24, 2016 Time: 5:49:55 PM

**Personal Information**

Schedule No: 7400000327

Owner Name: COLORADO SPRINGS CITY OF  
NORTH CHEYENNE PARK

Location: 2102 W CHEYENNE RD  
3440 OLD STAGE RD

Mailing Address: 30 S NEVADA AVE  
COLORADO SPRINGS CO 80903-1802

Previous Parcel

Replaced Parcel

**Legal Description**

SW4, PART OF N2SE4 AS FOLS; BEG AT SW COR OF SD N2SE4, RUN ELY ALG S LN OF SD N2SE4 TO A PT 300.0 FT E OF SE COR OF NW4SE4, RUN NWLY TO A PT ON N LN OF SE4 THAT IS 300.0 FT W OF NE COR OF NW4SE4, RUN W ALG SD N LN TO NW COR OF SE4, TH S TO POB SEC 27-14-67 NW4, N2SW4, W2NE4SE4NE4, E2SE4 SEC 34-14-67 SW4NW4 EX SMALL TRACTS ON THE E, W2SW4 SEC 35-14-67 ALL OF THE ABOVE DES LY SWLY OF FOL DES LN, BEG AT NW COR OF SW4NW4 OF SD SEC 27, TH SELY ALG A DIAGONAL LN TO INTSEC SE COR OF SE4SW4, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF NE4SE4 OF SD SEC 34, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF SW4SW4 OF SD SEC 35 NW4NW4 SEC 2-15-67 NE4NE4 SEC 3-15-67

**Market Information (2015 Values)**

Levy Year: 2015 Mill Levy: 65.667 Exempt Status: Fully Exempt

Table	Use Code	2015 Market Value	2015 Assessed Value	Exempt
Land	POLITICAL SUBDIVISION	\$6,009,120	\$0	EX
	<b>Total Value</b>	<b>\$6,009,120</b>	<b>\$0</b>	

**Tax Entity and Levy Information**

( District: GBG )

Taxing Entity	Contact Name	Contact Phone
EL PASO COUNTY	FINANCIAL SERVICES	(719) 520-6498
EPC ROAD & BRIDGE (UNSHARED)		(719) 520-6498
CHEYENNE MTN SCHOOL NO 12	NATALIE MORIN	(719) 475-6103
PIKES PEAK LIBRARY	MIKE VARNET	(719) 531-6333
SOUTHEASTERN COLO WATER CONSERVANCY	JAMES BRODERICK	(719) 948-2400

**Sale Information**

**Land Information**

Seq #	Use	Exempt	Area
1	POLITICAL SUBDIVISION	EX	556.4 acres

**Residential Information**

**Commercial Information**

Bldg #	Admin Code	Year Built	Neigh #	Area
1	UTILITY BUILDING		28	120

## Zoning Code for 740000327

County Zoning for parcel 740000327 is F-5			
COUNTY ZONING CODES			
A-0 -	Agricultural	RT -	Residential Topographic
A-25 -	Agricultural	UMH -	Mobile Home Park
F-0 -	Forestry and Recreation	UMH-R -	Mobile Home Park Rural
RR-0.5 -	Residential Rural	UMS -	Mobile Home Subdivision
RR-2.5 -	Residential Rural	RVP -	Recreational Vehicle Park
RR-5 -	Residential Rural	RUD -	Planned Unit Development
RS-20000 -	Residential Suburban	CADO -	Commercial Airport District
RS-5000 -	Residential Suburban	GADO -	General Aviation Overlay District
RS-5000 -	Residential Suburban	HRO -	High Rise Overlay District
RU-12 -	Residential Multi-Dwelling	RLURD -	Rural Land Use Plan Overlay District
RU-30 -	Residential Multi-Dwelling	C-1 -	Commercial (obsolete)
CC -	Commercial Community	C-2 -	Commercial (obsolete)
CR -	Commercial Regional	I1 -	Industrial (obsolete)
CS -	Commercial Service	R4 -	Planned Development (obsolete)
LI -	Limited Industrial		
LI-3 -	Heavy Industrial		

## **Purpose of Appraisal**

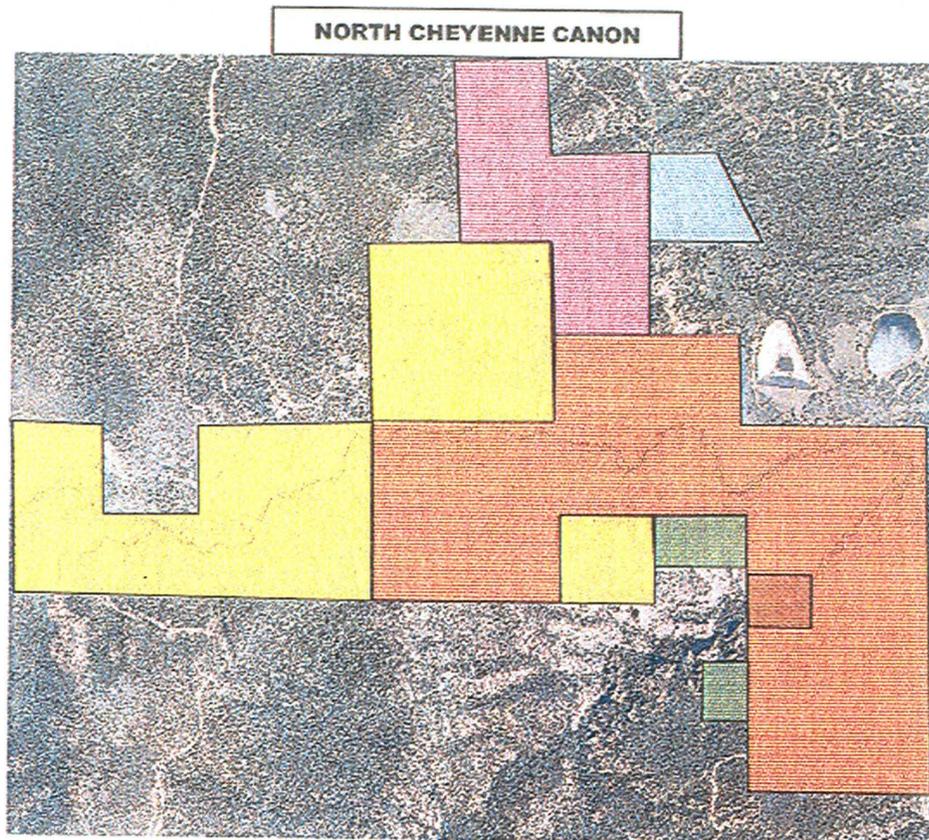
The purpose of this appraisal is to estimate the "as is" market value of the property interest(s) specified in this report as of the effective date of this appraisal.

## **Intended Use of the Appraisal**

The appraiser has been engaged by the City of Colorado Springs, on behalf of its Parks, Recreation and Cultural Services Department, the client for this appraisal and also the intended user. The appraiser has been informed that the appraisal will be used for the sole purpose of assisting the client in determining value for the decision making process concerning the transfer of the property. Therefore, the intended use of this appraisal is to assist my client, the City of Colorado Springs and Parks, Recreation and Cultural Services Department, in the determination of market value subject to specific assumptions and limiting conditions.

## Brief History of the Property

There are numerous ownerships located in the subject property immediate area that are currently owned by the City of Colorado Springs. All of these parcels were acquired by the City at various times from primarily five sources. Those ownership interests are identified in the attached graphic.



Deed in Book 401 at page 343 dated March 29, 1907 from William J. Palmer to the City of Colorado Springs. Prohibition against intoxicating liquors  
Quitclaim Deed in Book 2895 at page 22 recorded February 9, 1977 from Elsie Queen Myers Nicholzen and Eveleen Myers Clarke, sole heirs of William Jackson Palmer regarding reversionary rights.

Deed in Book 51 at page 442 recorded August 22, 1885 from The First National Bank of Colorado Springs to the City of Colorado Springs  
Prohibition against intoxicating liquors

Warranty Deed in Book 930 at page 473 recorded January 19, 1937 from Fred W. Chamberlain to the City of Colorado Springs. Reserves right of way for Chamberlain Pipe Line and water rights

Quitclaim Deed in Book 951 at page 74 recorded February 18, 1938 from Fred W. Chamberlain to the City of Colorado Springs

Warranty Deed from Seven Falls Company, a Delaware Corporation, successor by merger with the Cottage Corporation, successor in interest by merger with the New Seven Falls Company to the city of Colorado Springs

## Zoning Districts

The subject property totals 186 acres located in El Paso County, Colorado. The property is comprised of parts of two parcels. Parcel 7400000211 is zoned PK (Public Park) HS (Hillside) by the City of Colorado Springs. Parcel 7400000327 is zoned F-5 (Forestry and Recreation) by El Paso County.

## The Highest and Best Use Analysis

The Appraisal Institute in The Dictionary of Real Estate Appraisal, Sixth Edition, defines highest and best use as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

It should be noted that the concept of highest and best use is driven by *economic* considerations and market forces, not by public interest. That said, there is a movement away from traditional purely economic measurements of highest and best use as they relate to “open space” or recreational properties.

Once it was well settled that these types of “non-economic uses” were considered interim uses that could not be utilized as the highest and best use of the property because they were typically took the property out of economic production and they were not based on “market forces.”

We are seeing a shift in that traditional thinking. As an example, several of the sales utilized in this report to develop value were purchased strictly for recreational uses to include parks and open space. In fact, a paired analysis would indicate that the “value” or price paid on a per unit basis for these properties exceeded that typically paid for more traditional “rural residential” uses of similar properties. Simply stated, it appears that an argument can be made the property is more valuable as a park than as a rural residential home site. As such, the highest and best use analysis takes on a slightly different approach.

Legally, the property currently has hard zoning in place commensurate with its current use. That is not to say that the property, or smaller portions thereof, could not be rezoned to some other classification. At this time however, it appears that factors other than the legally permissible uses attributable to the property would be somewhat more controlling.

One such controlling use would relate to the physical possibility for potential uses of the parcel. The physical characteristics related to the rugged and steep terrain located within the property would significantly impact future uses on the vast majority of the property. It appears that the terrain itself would limit use of the property to those associated with park, recreation, open space and preserve type uses.

The financially feasible uses would once again be impacted by the physical attributes of the property. It appears that although it could take significant financial investment to take the property to a use to something other than parks or open space, it could be argued that developed recreational uses requiring significant financial investment would be feasible.

Once again, the maximum productivity associated with uses available to the subject property would be impacted by "economic factors" and those factors would limit the potential uses of the property. There is only a small portion of the property that could be utilized for any use other than parks, recreation, open space or preserve type uses although some sort of "special use" could be productive on that portion of the property that is not limited by terrain.

The property, as it sits today is being utilized as a city park. The property is well suited to various types of mountain recreation, such as hiking, biking, riding, fishing, hunting, wildlife viewing, and non-motorized winter activities. Agriculture uses would be considered optional but not optimal for the property. Development of the subject into smaller tracts is possible but not considered probable given the access and topographical concerns attributable to the property. The topography is rugged and there are no interior access roads into the property at this time. There is perimeter access, most of which is only possible into the property from Mesa Road on the north.

It could be argued that some type of commercial use could be supported for the property. It is likely, however, that use would be tied to some sort of outdoor recreational use including equestrian development. The bottom line is that location, access and terrain limit the potential development potential for the majority of this property.

The highest and best use of the subject property is, in my opinion, limited to a large acreage open space or recreational property or possibly acquired for some type of private preserve given the access and topographical concerns present.

## Property Rights Appraised

The property rights being appraised consist of the Fee Simple Estate of the subject property. A Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>4</sup>

The value of the Fee Simple Estate is, therefore, impacted by its current zoning, tax status, condemnation proceedings, public easements, and environmental legislation. The Fee Simple Estate encompasses all rights of ownership not limited by government, including the right of occupancy (use), the right to lease and receive rents, the right of conveyances to another, etc. This interest is analogous to the total "bundle of rights", each of which may be severed and conveyed by the Fee Simple owner. The Fee Simple Estate may be severed into various partial or fractional interests, including the leased fee and leasehold interests. The Fee Simple Estate is the sum of the leased fee and all leasehold interests.

Personal Property is excluded from this Appraisal

Any movable equipment, furnishings, and fixtures necessary to the operation of this property were not included in the value of the real estate. If necessary to the operation of the real estate as a hotel, personal care residence, etc., and a value is required by the client, the personal property has been allocated separately.

Personal property is defined as follows:

Personal property is, generally, movable items - that is, those not permanently affixed to and part of the real estate. Thus personal property is not endowed with the rights of real property ownership. Examples of personal property are furniture and furnishings that are not built into the structure, such as refrigerators and freestanding shelves.<sup>5</sup>

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<sup>4</sup> The Appraisal of Real Estate, 14th. Edition, p. 90

<sup>5</sup> *ibid.*, p. 7

## Valuation Analysis

Having determined that the Highest and Best Use of the subject property is at its present use, I proceeded with my analysis. This included a review of the market and an assessment of the potential demand for similar properties. Finally, I estimated the Market Value of the subject property using the applicable approaches to value.

The Valuation Process - The valuation process is a systematic approach that identifies the appraisal problem, analyzes a property's characteristics, and generally engages three common valuation methods to form an opinion of market value.

The steps in the valuation process include:<sup>6</sup>

- Identification of the problem
- Scope of work determination
- Data Collection and Property Description
- Data Analysis
- Site Value Opinion
- Application of the Approaches to Value
- Reconciliation of Value indicators and final Opinion of Value
- Report of Defined Value

There are three generally accepted approaches to value in the appraisal of real property. These are summarized as follows.

The Sales Comparison Approach consists of analyzing the sale of comparable properties within the immediate area and/or in similar locations by a comparison of their respective similarities and differences. A judgment is then made as to the value of the subject property, based upon the adjusted values.

The Income Approach consists of estimating the potential annual gross income using actual or market derived rentals. Deducted from this amount, to arrive at a projected net income, are projected vacancy, annual expenses, and an estimated reserve for replacement. The resulting net income is capitalized into value.

The Cost Approach consists of estimating the cost new of the building improvements, deducting depreciation from all sources, and adding the value of the land and lot improvements. It is often the most difficult approach to apply to existing buildings because of the problem encountered in accurately estimating depreciation.

Only the Sales Comparison Approach was developed.

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<sup>6</sup> The Appraisal of Real Estate 14th Edition, Pages 129 and 131 Appraisal Institute

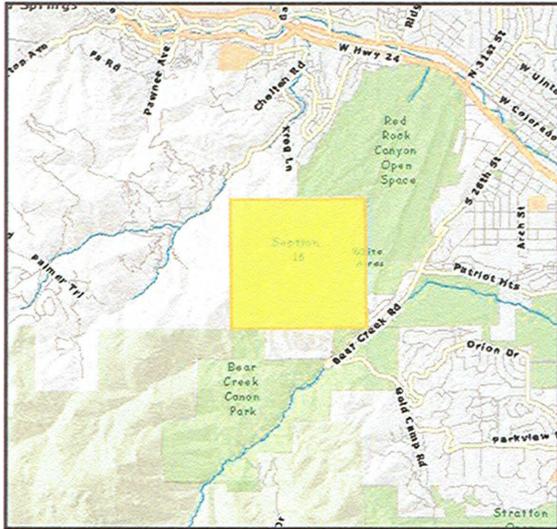
## **Sales Comparison Approach**

The Sales Comparison Approach consists of comparing the subject property with sales of similar properties that have sold. It is based upon the principle of substitution and implies that a prudent investor will not pay more for an existing property than he will to buy an identical substitute property.

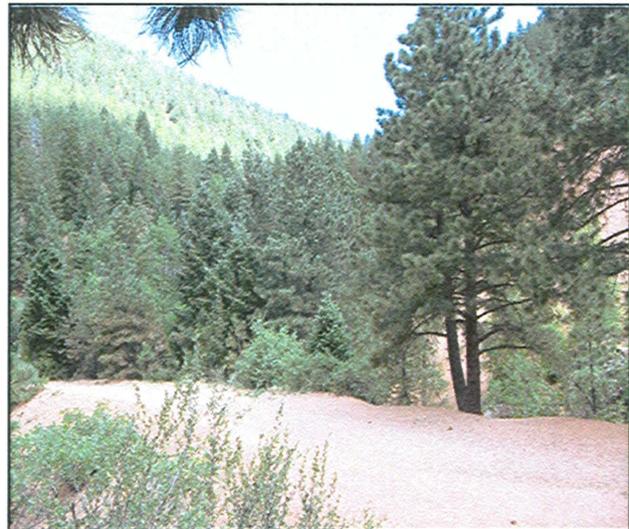
The following sales have been utilized as the basis for determining the underlying fee simple interest for the property in the before and after condition. It should be noted that there is an extremely limited pool of sales from which to draw based on the unique nature of the subject property. I felt that it was important to try to locate sales in the Colorado Springs market area rather than to expand the search to include mountain properties located through the state. Although three of the seven sales were purchased by the City of Colorado Springs for use consistent with the highest and best use developed for the subject parcel, those sales were deemed to be arm's length transactions based on current market conditions and the properties were not purchased under the threat of condemnation.

Finally, as support to the sales utilized in the analysis, I have taken into consideration numerous open-space transactions that have occurred throughout the Front Range area by various agencies.

**Land Sale #1 Transaction Data**



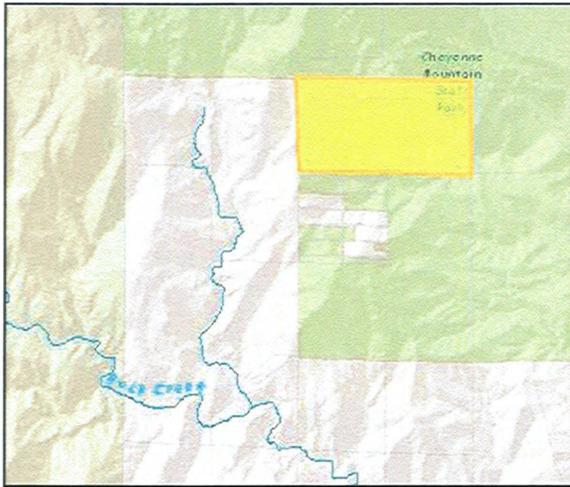
**Parcel Map**



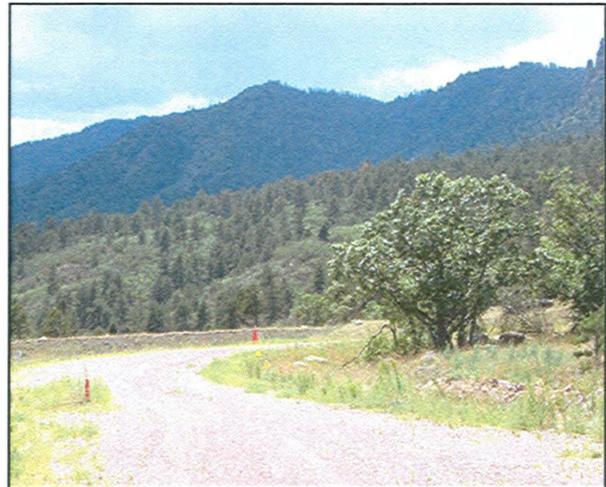
**Street View**

Sale No.:	1	Photo By:	Kyle Wigington	Inspected On:	7/22/2011
Location:	Manitou Section 16, Manitou Springs, Colorado				
Tax Schedule No.:	7400000028	Recordation:	210124916		
Legal Description:	All SEC 16-14-67			Type of Deed:	Other
Grantor:	Colorado State Land Board			Date of Sale:	12/7/2010
Grantee:	City of Colorado Springs			Selling Price:	\$3,800,000
Sale Confirmed By:	Grantee		Cash Equivalent Price:	\$3,800,000	
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	8/13/2012	
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	See below
Amenities	Trees, mountain	Land Area (Ac)	640.0	Location:	Good
Topography:	Canyon, mountain	Utilities:	Available	Flood Plain:	No impact
Year Built:	N/A	Zoning:	F-5	Shape:	Square
Highest and Best Use:	Open Space	Use When Sold:	Vacant land		
Financing Terms:	Typical of market				
Comments:	Sale was arms-length, cash to seller. This property is now public open space managed as part of Red Rock Canyon Open Space. Note the road in the photo is the nearest access point. The property, however does have access via the assemblage.				

**Land Sale #2 Transaction Data**



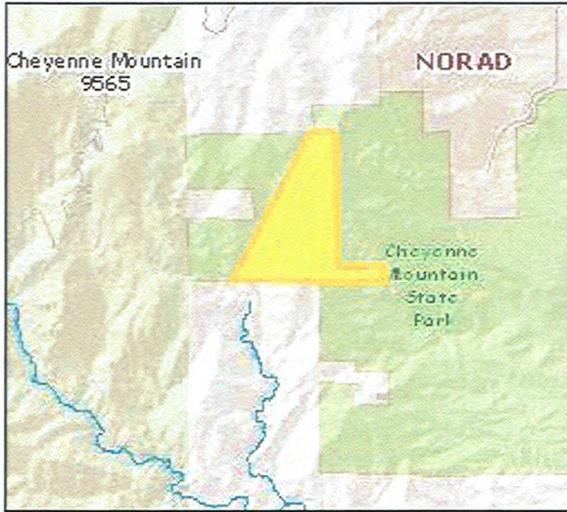
**Parcel Map**



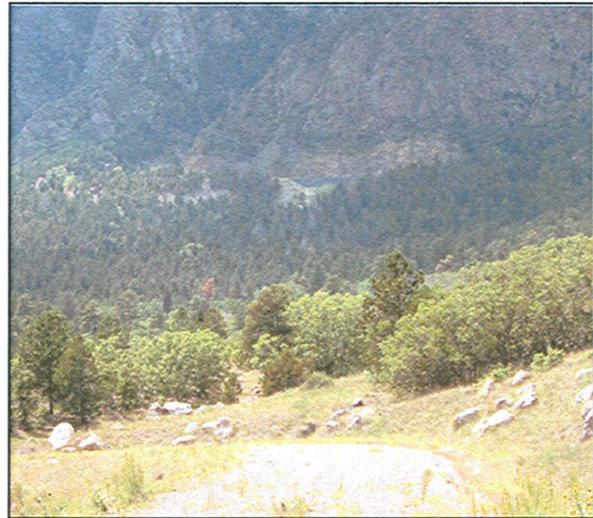
**Street View**

Sale No.:	2	Photo By:	Kyle Wigington		Inspected On:	8/12/2011
Location:	Parcel in Section 23-15-67, Colorado Springs, Colorado					
Tax Schedule No.:	7500000055			Recordation:	208102235	
Legal Description:	S2SE4 EX RD L/MR SEC 23-15-67			Type of Deed:	Warranty	
Grantor:	Stephany Joy-Newman			Date of Sale:	9/16/2008	
Grantee:	Colorado Municipal Corporation			Selling Price:	\$538,400	
Sale Confirmed By:	Grantee		Cash Equivalent Price:		\$538,400	
Appraiser Confirming:	Kyle Wigington		Date Confirmed:		8/12/2011	
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Perimeter	
Amenities	Trees, views	Land Area (Ac)	80.0	Location:	Cheyenne Mtn. area	
Topography:	Mountains, canyon	Utilities:	None	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Rectangular	
Highest and Best Use:	Open Space	Use When Sold:	Vacant land			
Financing Terms:	Typical of market					
Comments:	Sale was arms-length, cash to seller. Property was purchased for public open space. No through roads.					

**Land Sale #3 Transaction Data**



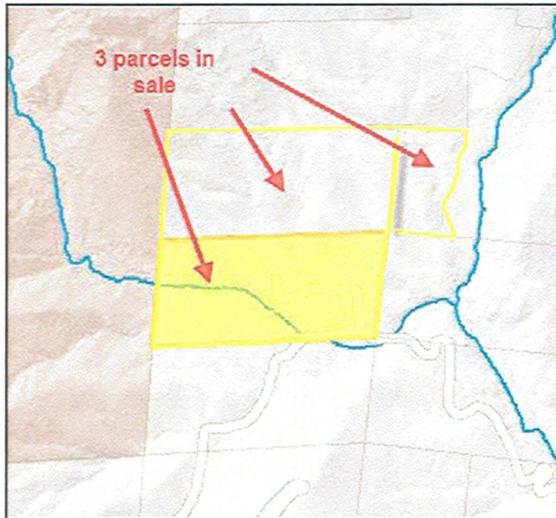
**Parcel Map**



**Street View**

Sale No.:	3	Photo By:	Kyle Wigington		Inspected On:	8/12/2011
Location:	Cheyenne Mountain State Park, El Paso County, Colorado					
Tax Schedule No.:	7500000291			Recordation:	208012327	
Legal Description:	TRACT OF LAND IN SECTION 23-15-67			Type of Deed:	Warranty	
Grantor:	347 LLC			Date of Sale:	1/31/2008	
Grantee:	City of Colorado Springs			Selling Price:	\$441,000	
Sale Confirmed By:	Grantee		Cash Equivalent Price:	4441,000		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	8/12/2011		
Condition of Sale:	Arm's Length	Rights Conveyed:	Conservation easement encumbered	Access:	Perimeter	
Amenities	Trees, views	Land Area (Ac)	94.43	Location:	Cheyenne Mtn. area	
Topography:	Mountains, canyon	Utilities:	None	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Irregular	
Highest and Best Use:	Parks and recreation	Use When Sold:	Vacant land			
Financing Terms:	Cash to seller					
Comments:	This parcel is now part of Cheyenne Mountain State Park. Similar access issues as related in Sale 2. Perimeter access only.					

**Land Sale #4 Transaction Data**



**Parcel Map**



**Street View**

Sale No.:	4	Photo By:	Kyle Wigington		Inspected On:	3/10/2014
Location:	00 Little Turkey Creek Road, Colorado Springs, Colorado					
Tax Schedule No.:	7600000288			Recordation:	214009139	
Legal Description:	TRACT IN N2NE4SE4 SEC 7-16-67			Type of Deed:	Warranty	
Grantor:	Dry Head Ranch LLC			Date of Sale:	1/20/2014	
Grantee:	Matthew David Cook			Selling Price:	\$184,315	
Sale Confirmed By:	Listing agent		Cash Equivalent Price:	\$184,315		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	3/12/2014		
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Private	
Amenities	View, trees, creek	Land Area (Ac)	45.75	Location:	West side	
Topography:	Mountains, canyon	Utilities:	Well, no electric	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Irregular	
Highest and Best Use:	Rural residential, recreational	Use When Sold:	Vacant land			
Financing Terms:	Typical of market					
Comments:	Cash to seller, arm's length, typical financing. The sale includes three properties with a total of 45.75 acres. The individual schedule numbers are 7600000288, 7600000286 and 7600000287. The property has a creek, good views, a well, and no public electric service.					

**Land Sale #5 Transaction Data**



**Parcel Map**



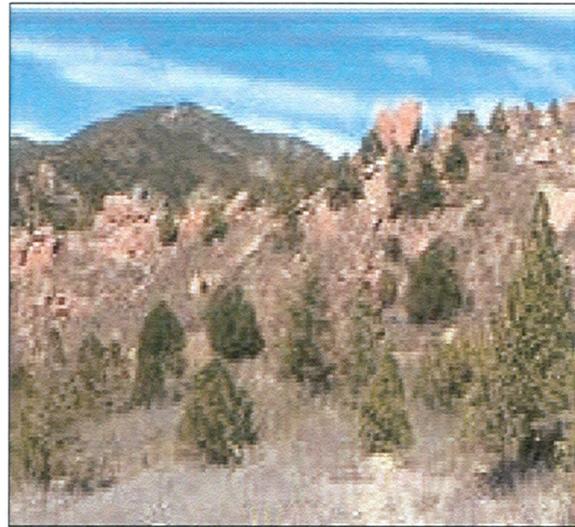
**Street View**

Sale No.:	5	Photo By:	Kyle Wigington		Inspected On:	7/7/2015
Location:	1725 Rock Creek Canyon Road, Colorado Springs, Colorado					
Tax Schedule No.:	7500000244			Recordation:	214110590	
Legal Description:	SW4SE4 SEC 26-15-67			Type of Deed:	Warranty	
Grantor:	Deutsche Bank National Trust			Date of Sale:	12/2/2014	
Grantee:	Jacob R. Snell			Selling Price:	\$302,000	
Sale Confirmed By:	Bank		Cash Equivalent Price:	\$302,000		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	7/7/2015		
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Private	
Amenities	Dwelling	Land Area (Ac)	40.0	Location:	Rock Creek Canyon	
Topography:	Mountains, canyons	Utilities:	Well	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Square	
Highest and Best Use:	Rural residential	Use When Sold:	Rural residential			
Financing Terms:	Typical of market					
Comments:	Bank discounted sale. Dwelling did not add value.					

**Land Sale #6 Transaction Data**



**Parcel Map**



**Street View**

Sale No.:	6	Photo By:	Kyle Wigington		Inspected On:	7/7/2015
Location:	10010 Highway 115, Colorado Springs, Colorado					
Tax Schedule No.:	7601300001			Recordation:	215063904	
Legal Description:	N2N2NE4SE4 SEC 2-16-67			Type of Deed:	Warranty	
Grantor:	Leslie V. Timberlake and Mark A. Timberlake			Date of Sale:	6/19/2015	
Grantee:	Chelsea Luttrall and James Luttrall			Selling Price:	\$124,000	
Sale Confirmed By:	MLS, County records			Cash Equivalent Price:	\$124,000	
Appraiser Confirming:	Kyle Wigington			Date Confirmed:	In process	
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Developed	
Amenities	Trees, mountain	Land Area (Ac)	18.19	Location:	Highway 115	
Topography:	Mountains, canyon	Utilities:	None	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5, F-5	Shape:	Irregular	
Highest and Best Use:	Rural residential	Use When Sold:	Rural residential			
Financing Terms:	Typical of market					
Comments:	Sale just recently closed. Appraiser is still confirming buyer/seller at time of report. Deed has not recorded/posted as of this date. Still considered good sale.					

**NOTE: assessor record shows size of parcel to be: 14.52 Acres**

**Land Sale #7 Transaction Data**



**Parcel Map**



**Street View**

Sale No.:	7	Photo By:	Kyle Wigington		Inspected On:	7/7/2015
Location:	9860 South Highway 115, Colorado Springs, Colorado					
Tax Schedule No.:	7600000001			Recordation:	214095435	
Legal Description:	PART OF SE4NW4, SW4NE4 SEC 1-16-67			Type of Deed:	Warranty	
Grantor:	Patricia Cunningham			Date of Sale:	10/17/2014	
Grantee:	Craig S. Egbert, Derek Egbert, Leisa Egbert			Selling Price:	\$275,000	
Sale Confirmed By:	Grantor		Cash Equivalent Price:	\$275,000		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	7/7/2015		
Condition of Sale:	Arm's Length	Rights Conveyed:	Conservation easement encumbered	Access:	Private	
Amenities	Outbuildings	Land Area (Ac)	30.0	Location:	Highway 115	
Topography:	Canyon	Utilities:	Well	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Rectangular	
Highest and Best Use:	Rural Residential	Use When Sold:	Vacant land			
Financing Terms:	Typical of market					
Comments:	Water taps available.					

**LAND SALES ADJUSTMENT CHART**

Criteria	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Address		Manitou Section 16	Section 23-15-67	Cheyenne Mtn. State Park	00 Little Turkey Creek Road	1725 Rock Creek Canyon Road	10010 Highway 115	9860 South Highway 115
Sale Date		12/7/2010	9/18/2008	13/12/2008	12/02/2014	12/22/2014	8/19/2015	10/17/2014
Size (Acres)	N/A	186.0	80.0	94.43	45.75	40.0	18.19	30.0
Sale Price	N/A	\$3,800,000	\$538,400	\$441,000	\$184,315	\$302,000	\$124,000	\$275,000
Sale Price/Acre	N/A	\$5,938	\$6,730	\$4,670	\$4,029	\$7,550	\$6,817	\$9,167
<b>INITIAL ADJUSTMENTS</b>								
Property Rights Transferred Adjustment	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Cash Equivalent Adjustment		Market	Market	Market	Market	Market	Market	Market
Condition of Sale Adjustment		Typical	Typical	Typical	Typical	Bank Discount	Typical	Typical
Age of Sale (Years) Adjustment		5	7	7	1	1	0	1
Time Adjustment		\$760,000	\$107,680	\$88,200	\$0	\$0	\$0	\$0
<b>Adjusted Sale Price</b>		<b>\$4,560,000</b>	<b>\$646,080</b>	<b>\$529,200</b>	<b>\$184,315</b>	<b>\$322,000</b>	<b>\$124,000</b>	<b>\$275,000</b>
<b>Adjusted Price/Acre</b>		<b>\$7,125</b>	<b>\$8,076</b>	<b>\$5,604</b>	<b>\$4,029</b>	<b>\$8,050</b>	<b>\$6,817</b>	<b>\$9,167</b>
<b>OTHER ADJUSTMENTS</b>								
Location Adjustment	North Cheyenne Canyon	NW of Bear Creek Road	Section 23-15-67	Cheyenne Mtn. State Park	Little Turkey Creek Road	Rock Creek Canyon Road	Highway 115	South Highway 115
Parcel Size (Acres) Adjustment	186	640.0	80.0	94.43	45.75	40.0	18.19	30.0
Topography Adjustment	Moderate/Mtn	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Shape of Parcel Adjustment	Irregular	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Zoning Adjustment	PK HS, F-5	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Amenities Adjustment	Trees, views	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Highest Best Use Adjustment	Rec, Open, Preserve	Similar	Similar	Similar	Inferior	Inferior	Inferior	Similar
Utilities Adjustment	None	Similar	Similar	Similar	Superior	Superior	Similar	Superior
Access Adjustment	Exterior Roads	Inferior	Inferior	Inferior	Similar	Similar	Superior	Superior
<b>TOTAL ADJUSTMENTS</b>								
<b>ADJUSTED VALUE \$/ACRE</b>		<b>\$8,550</b>	<b>\$9,691</b>	<b>\$6,725</b>	<b>\$4,633</b>	<b>\$9,258</b>	<b>\$7,499</b>	<b>\$5,959</b>
<b>INDICATED VALUE/ACRE</b>		<b>\$8,500</b>						

## Analysis of Comparable Land Sales

According to the Appraisal of Real Estate, 14<sup>th</sup> edition, page 309, there are certain elements of comparison that should be considered in sales comparison analysis. Others may be required, based on the particular aspects of the valuation assignment.

- Real property rights conveyed
- Financing terms (i.e., cash equivalency)
- Conditions of sale (i.e., motivation)
- Market conditions (i.e., time)
- Location
- Physical characteristics (e.g., size, access, shape, topography)
- Amenities (trees, views, creeks, etc.)

In most cases, adjustments are required to the sales price of a comparable to reflect the differences between it and the subject. *Quantitative* techniques are generally desirable when the data support their use. These techniques may include paired data set analysis, statistical analysis, trend analysis, cost-related analysis and secondary data analysis. *Qualitative* techniques, such as relative comparison analysis, ranking analysis and personal interviews, may be appropriate when the comparables do not support quantitative analyses. Both quantitative and qualitative adjustment techniques are used in this appraisal.

### Conditions of Sale

Sale 5 was sold at a discount by a bank to the new owner. This discount was verified by the bank as well as a paired analysis with other sale properties in the area. A positive adjustment is warranted for the sale. All other sales were considered at market in terms of conditions of sale.

### Time

Given the unique nature of the subject parcel and the sales that had to be utilized in the analysis due to the comparability of same, three of the sales (Sales, 1, 2, and 3) are up to seven years in the past. It is understood in the market that there has been an increase in market values since that time overall for the Colorado Springs market. That said, it is somewhat difficult to prove that increase based solely on a paired sales analysis. However, looking at the remainder of the sales uses in the analysis that occurred recently we can lend support to overall generic market data that indicates a positive adjustment for time is warranted for sales 1, 2 and 3.

### Location

All of the sales are located on the west side of Colorado Springs in El Paso County and we are unable to support an adjustment for any of the sales related to location.

## **Size**

Typically we would see the potential for size adjustments for sales that are approximately 200 acres when compared with sales that are approximately 20 acres in sizes. Normally, the smaller the parcel the higher the price per unit of comparison. A pairing of the sales used in this analysis does not support such an adjustment. Smaller tracts tend to sell at approximately the same unit value all other things being equal. No size adjustment can be supported for this analysis.

## **Topography**

The subject as well as all of the sales are located in a mountain area with portions of steep and rugged terrain. This steep and rugged terrain is present on the majority of the subject property limiting access to same. No topography adjustments are indicated to the sales based on similar topographical issues.

## **Shape**

The market does not seem to support an adjustment based on the physical shape of the parcels as most of these types of mountain parcels are normally irregular in shape.

## **Zoning**

All of the parcels have similar zoning regardless of current use. No zoning adjustment is indicated.

## **Amenities**

Sale 5 had a dwelling located on the parcel that reportedly did not add significant value to the sales price paid. All other amenities are considered similar. No adjustments are warranted.

## **Highest and Best Use**

This attribute presents a unique challenge in this report. It appears from a pairing of the sales available that those properties with uses consistent with parks, recreation and open space tend to sell for more than those identified solely for rural residential use. As such, we have applied an adjustment to Sales 4, 5, 6 and 7 to reflect this unique situation.

## **Utilities**

For Sales 4, 5 and 7 it was reported that wells exist on the property. As such, a minimal adjustment is applied to those sales to reflect the minimal added value attributable to the well.

## **Access**

It appears that Sales 1, 2 and 3 have inferior access to the perimeter and Sales 6 and 7 are considered superior based on access to Hwy 115. We have applied adjustments to those sales to reflect the access present at the time of sale for each of the properties.

## Value Estimate

The estimated underlying value is developed based on the application of the estimated price per acre value developed in the previous sales comparison approach.

We have relied primarily upon those sales of property purchased by the governmental entities absent the threat of condemnation where the price was set by market conditions (Sales 1, 2 and 3). We have utilized the newer sales for support of those indicated values. To simplify the rationale, it would stand to reason that the most probable price to be assigned to a potential sale of a park and open space property would be commensurate with what was paid for a similar parcel taking into account the time factor. That range of value is estimated from \$5,604 per acre to \$8,076 per acre unadjusted and \$6,725 per acre to \$9,691 per acre as adjusted. We have estimated a value estimate close to the middle of that adjusted range with support from Sales 4-7.

Accordingly, the estimated market value for the subject parcel is as follows:

$$186 \text{ Deeded Acres} \times \$8,500 \text{ per acre} = \$1,581,000$$

## **Competency Provision**

The guidelines of the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation as mandated under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires that:

Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently.

The signatory to this report has prepared appraisals that are similar in location and type to the subject property and meets the competency provision as set forth by USPAP.

## **Addenda**

1. Appraiser Qualifications

## **Qualifications of Appraiser**

### ***CURRICULUM VITAE*** ***KYLE L. WIGINGTON, J.D.***

P.O. Box 88455  
Colorado Springs, Colorado 80908  
719-635-9614  
Kyle.Wigington@WigingtonLaw.com

#### **EDUCATION**

Juris Doctor (JD) - Hamline University School of Law, St. Paul, MN - 1998

Master of Arts (MA) - Webster University, St. Louis, MO - 1988

Bachelor of Arts (BA) - Chadron State College, Chadron, NE - 1983

Associate of Applied Science (AS) - Community College – U.S. Air Force - 1986

#### **EXPERIENCE**

Attorney at Law - Admitted: Colorado State Courts and U.S. District of Colorado

Certified General Real Estate Appraiser – State of Colorado

Conducted Appraisal Assignments in Colorado, Nebraska, South Dakota, Idaho, Wyoming, Kansas, Iowa, Minnesota, New Mexico, California, Ohio, Texas

Licensed Real Estate Broker - Colorado Real Estate Commission - Inactive

Member - American Bar Association, Colorado Bar Association, El Paso County Bar Association - CBA Real Estate Section and Water Law Section

Associate Member – Appraisal Institute

Member - International Right of Way Association

Member - National Association of Realtors - Colorado Association of Realtors – Pikes Peak Area Association of Realtors

Appointed as Tax Appeal Referee - El Paso County Board of Equalization

Qualified Expert Witness in Real Estate Matters - Colorado/Minnesota/Nebraska/South Dakota

## PARTIAL CLIENT LISTING

United States Department of Defense  
State of Colorado Department of Transportation  
State of South Dakota Department of Transportation  
State of New Mexico Department of Transportation  
El Paso County Colorado  
La Plata County Colorado  
Mesa County Colorado  
Pueblo County Colorado  
Arapahoe County Colorado  
Clear Creek County Colorado  
Teller County Colorado  
City of Colorado Springs Colorado  
City of Durango Colorado  
City of Montrose Colorado  
City of Grand Junction Colorado  
City of Delta Colorado  
Town of Georgetown Colorado  
Colorado Springs Utilities  
Sunflower Electric Power Corporation  
Intermountain Rural Electric Association  
Cherokee Metropolitan District  
Baptist Road Rural Transportation Authority  
Pikes Peak Regional Transportation Authority  
Woodmen Road Metropolitan District  
Climax Molybdenum Corporation  
Black Forest Fire District  
Security Fire Protection District  
Land Services, Inc.  
TRS Corporation  
URS Corporation  
Wilson & Company  
Nolte & Associates  
H.C. Peck & Associates  
DMJM/Harris  
J.F. Sato & Associates  
Universal Field Services  
AT&T Corporation  
Power Engineers  
Safeway Incorporated  
First National Bank of Canyon City  
Norwest Investment and Trust  
Wells Fargo Bank  
Peoples National Bank

## PARTIAL PROJECT LISTING

Southern Delivery System Water Pipeline Project – Southern Colorado  
Woodmen Road/Academy Boulevard Interchange – Colorado Springs, CO  
U.S. 550 Widening Project – Bloomfield, NM  
Hodgen Road Widening Project – El Paso County, CO  
U.S. Department of Defense Buffer Zone – Ft. Carson, CO  
4<sup>th</sup> Street Bride Realignment – Pueblo, CO  
Interstate 90 Realignment – Rapid City, SD  
Montrose Westside Arterial/Grand Avenue – Montrose, CO  
Woodmen Road Safety Corridor Improvement Project – Colorado Springs, CO  
Guanella Pass Widening Project – Georgetown, CO  
Vincent Drive Realignment – Colorado Springs  
La Plata County Highway Project – Durango, CO  
Platte/Powers Interchange Redesign – Colorado Springs, CO  
Proby Parkway Roadway Construction – Colorado Springs, CO  
North Ft. Dodge to Lancer 115 Kv Transmission Line – Dodge City, KS  
Vacated Railroad Right of Way Consulting Report – Climax Mine, Leadville, CO  
Electrical Transmission Project – Clipper Windpower Development, El Paso County, CO  
El Paso County Board of Equalization – Tax Appeal Arbitrations  
Teller County Board of Equalization – Tax Appeal Arbitrations  
County Line Road Realignment Project – El Paso County Colorado  
Cherokee Water District Pipeline Construction Project – El Paso County, CO  
Baptist Road Realignment/Construction Project – El Paso County, CO  
23 & G Road Intersection – City of Grand Junction, CO  
Black Forest and Burgess Intersection – El Paso County, CO  
Parks, Trails and Open Space Acquisitions – City of Colorado Springs, CO  
State of Nebraska Tax Appeal Litigation TERC Commission – Dawes County, NE  
Meridian Road Widening Project – El Paso County, CO  
B Street Bridge Construction – El Paso County, CO  
Broncos Parkway Expansion – Arapahoe County, CO  
City of Delta Truck Bypass/Confluence Drive – Delta, CO  
Powers/Woodmen Road Interchange – Colorado Springs, CO  
U.S. Highway 24 Widening Project – El Paso County, CO  
Interstate 25 Bridge Bypass – Trinidad, CO  
Interstate 25 Widening Project – Colorado Springs, CO  
Parks, Trails and Open Space Acquisition – Durango, CO

**PRIOR EXPERT WITNESS DESIGNATION  
BY COURT JURISDICTION  
(APPRAISAL)**

**Colorado State District Court**

El Paso County	CSU v. Lorson Ranches, LLC	Eminent Domain	2016
	CSU v. Group XIX Land & Cattle	Eminent Domain	2014
	CSU v. Norris	Eminent Domain	2013
	CSU v. Ultra Petroleum	Eminent Domain	2013
	City C/S v. Bink'M, LLC	Eminent Domain	2011
	City C/S v. York Plaza, LLC	Eminent Domain	2010
	City C/S v. Anderson Mahon Ent.	Eminent Domain	2009
	City C/S v. Colo. Ranch Homes LLC	Eminent Domain	2009
	City C/S v. Woodmen Center 99, LLC	Eminent Domain	2009
	El Paso County v. Good	Eminent Domain	2009
	El Paso County v. Salinas	Eminent Domain	2009
	State v. List	Eminent Domain	2009
	State v. Bridle Pass, LLC	Eminent Domain	2006
	State v. Jenkins	Eminent Domain	2006
	State v. Dalby	Eminent Domain	2004
	State v. Capital Pacific Holdings	Eminent Domain	2004
	Collazo v. WIIN	Contract Action	2003
	Leyton v. Leyton	Dissolution of Marriage	2001
	Beech v. Beech	Partition Action	2001
	Dang v. Sullivan	Lease/Contract Action	2002
Lane v. Sun	Lease/Contract Action	1999	
Pueblo County	CSU v. Walker Ranches, LLP	Eminent Domain	2015
	CSU v. Kay	Eminent Domain	2012
	CSU v. Maxwell	Eminent Domain	2012
	CSU v. Walsh	Eminent Domain	2012
	CSU v. PAL Construction	Eminent Domain	2011
	CSU v. Bell	Eminent Domain	2011
Teller County	State v. Silvers	Eminent Domain	2004
Weld County	Johnson v. Norwest Bank	Contract Action	1997

**Nebraska State Supreme Court**

Review of Expert Testimony in TERC Proceedings (Property Tax Valuation) 2005

**State of Nebraska TERC Commission**

Testified before the State of Nebraska TERC Commission re: Dawes County Tax Assessments 2005

**State of South Dakota**

Meade County State v. Norman Eminent Domain 2008

Kyle Lee Wigington  
12555 Black Forest Road Ste 100  
Colorado Springs, CO 80903

State of Colorado  
Department of Regulatory Agencies  
Division of Real Estate



COPY

Board of Real Estate Appraisers

*Marcia Waters*

Director: Marcia Waters

Kyle Lee Wigington  
Certified General Appraiser

License #: CG.001315439  
Status: Active  
Expires: 12/31/2016

COPY

For the most up to date information regarding this credential, visit <http://dora.colorado.gov/dre>



**APPRAISAL REVIEW REPORT  
OF THE**

**Restricted Appraisal report prepared by Kyle L. Wigington:**

**186 Acres of Vacant Land  
Located in the southeast portion of North Cheyenne Canon Park, south of Mesa Road  
Colorado Springs, El Paso County, Colorado**

**Date of Review Report**

April 29, 2016

**Appraisal Review Report Prepared For:**

The City of Colorado Springs,  
on behalf of Colorado Springs Parks, Recreation & Cultural Services  
30 South Nevada Avenue, Suite 502  
Colorado Springs, CO 80903

**Appraisal Review Report Prepared By:**

Richard Muegge, MAI  
1230 Pleasant View Lane  
Colorado Springs, Colorado 80921

**MUEGGE & ASSOCIATES, INC.**  
*REAL ESTATE APPRAISAL & CONSULTING*

RICHARD MUEGGE, MAI  
1230 PLEASANT VIEW LANE, COLORADO SPRINGS, CO 80921  
(719) 597-0285  
FAX (719) 380-0592  
RICH@MUEGGEASSOCIATES.COM

April 29, 2016

Mr. Ronn Carlentine  
Real Estate Services Manager  
City of Colorado Springs  
30 South Nevada Avenue, Suite 502  
Colorado Springs, CO 80903

Appraisal Review of: A restricted appraisal report appraising 186 acres of vacant land located in the southeast portion of North Cheyenne Canon Park, south of Mesa Road Colorado Springs, El Paso County, Colorado

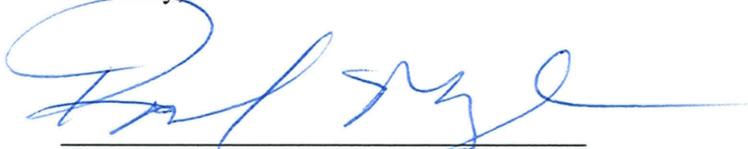
Dear Mr. Carlentine:

In fulfillment of our agreement, I am pleased to transmit herewith my appraisal review report of the restricted appraisal report of the referenced property prepared by Kyle L. Wigington, P.C. To the extent possible based on the limited information included in a restricted appraisal report, this appraisal review report sets forth my limited opinion of the quality and credibility of the restricted appraisal report based on a "desk" review, with no field review of the subject property or comparables. It should be noted that the limited information presented in a restricted appraisal report format was inadequate for the reviewer to develop a definitive opinion about whether the report's analyses are appropriate, and whether the report's opinions and conclusions are credible. The report lacks inclusion of two items required by USPAP, and needs some corrections, and reanalysis/revision of the sales comparison adjustment analysis. Inclusion of the USPAP required items will result in the restricted appraisal report's compliance with USPAP.

The client of this appraisal review assignment is The City of Colorado Springs who is also the intended user. This appraisal review report is to determine the credibility of the appraisal report under review and evaluate its compliance with relevant USPAP (Uniform Standards of Professional Appraisal Practice) requirements. Development of the reviewer's own opinion of value is not part of this appraisal review assignment.

This appraisal review report may not be distributed to or relied upon by any other persons or entities without my written permission. Any party who uses or relies upon any information in this appraisal review report, without the preparer's written consent, does so at their own risk.

Sincerely,



Richard Muegge, MAI  
Colorado Certified General Appraiser; #CG40011459

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## ***ASSUMPTIONS & LIMITING CONDITIONS***

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1. The signatory of this review appraisal report is a Member of the Appraisal Institute. The Bylaws and Regulations of the Appraisal Institute require each Member to control the use and distribution of each appraisal (and appraisal review) report signed by such Member. Therefore, neither all, nor any part of the contents of this appraisal review report, or copy thereof, shall be used for any purposes by anyone but the intended user(s) specified in this appraisal review report without the previous written consent of the appraiser. Neither all nor any part of the contents of this appraisal review report shall be conveyed to any person or entity, other than the review appraiser's firm or firm's client, through advertising, solicitation materials, public relations, news, sales, or other media without the written consent and approval of the authors, particularly as to conclusions, the identity of the review appraiser or firm with which the review appraiser is connected, or any reference to The Appraisal Institute or MAI designation. Further, the review appraiser or firm assumes no obligation, liability, or accountability to any third party. If this appraisal review report is placed in the hands of anyone but the intended user(s), the client shall make such party aware of all the assumptions, limiting conditions and additional language of the assignment.
2. The loss or removal of any part of this review appraisal report invalidates the entire review appraisal report.

## ***APPRAISAL REVIEW – GENERAL INFORMATION***

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**Appraisal Review Client:** City of Colorado Springs,  
On behalf of Colorado Springs Parks, Recreation  
& Cultural Services  
30 South Nevada Avenue  
Colorado Springs, CO 80903

**Appraisal Review Intended User:** City of Colorado Springs

### **Appraisal Review Intended Use:**

To assist the client in determining whether the restricted appraisal report under review is credible and sufficient for the client's use in aiding or supporting decisions related to their proposed land exchange.

### **Purpose of Appraisal Review:**

To develop an opinion regarding the quality of the restricted appraisal report under review, whether the analyses are appropriate and whether the opinions and conclusions are credible for the intended use of the appraisal, and to evaluate its compliance with relevant USPAP (Uniform Standards of Professional Appraisal Practice) requirements. Development of the reviewer's own opinion of value is not part of this appraisal review.

**Date of Appraisal Review:** April 29, 2016

### **Appraisal Review Scope of Work:**

This appraisal review involved completing a "desk" review of the restricted appraisal report under review, with no field review of the subject property or comparables. This appraisal review was completed to determine my professional opinion of the completeness, accuracy, adequacy, relevance and reasonableness of the analyses, opinions and conclusions in the restricted appraisal report given law, regulations and the intended user's requirements applicable to the appraisal report under review. This appraisal review assignment does not include the development of the reviewer's own opinion of value. The scope of this appraisal review assignment involved reading the report to develop an opinion as to whether the analyses are appropriate, the opinions and conclusions credible, whether the report is appropriate and not misleading within the context of the client's intended use, and to develop the reasons for any disagreement. The appraisal review included a telephone conversation with the appraiser regarding some points of clarification and questions about the restricted appraisal report. The appraisal report's compliance with USPAP requirements was also evaluated. Factual data presented in the report for the subject property and the comparable properties were checked with the county assessor's web-site. Mathematical calculations presented in the report were also checked. In summary, to the extent possible, the content, analyses and valuation methodology presented in the restricted appraisal report were evaluated specific to the subject property's as is condition stated in the report to determine the adequacy, relevance and credibility of the report and its value conclusion.

***RESTRICTED APPRAISAL REPORT – GENERAL INFORMATION***

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<b>Appraiser:</b>	Kyle L. Wigington, P.C. (Colorado Certified General Appraiser)
<b>Subject Property:</b>	186 acres of vacant land located in the southeast portion of North Cheyenne Canon Park, south of Mesa Road Colorado Springs, Colorado
<b>Client &amp; Intended Users:</b>	The City of Colorado Springs, on behalf of its Parks, Recreation and Cultural Services Department
<b>Purpose of Appraisal:</b>	Estimate the “as is” market value of the fee simple interest of the subject property as of the valuation date.
<b>Intended Use:</b>	Assist the client in determining value for the decision making process concerning the disposal of the property.
<b>Real Property Rights Appraised:</b>	Fee Simple interest, As Is
<b>Date of Appraisal Report:</b>	February 26, 2016
<b>Valuation Date:</b>	February 24, 2016
<b>Extraordinary Assumptions:</b>	One regarding the assumption that determination of the subject’s acreage by the City of Colorado Springs is correct.
<b>Hypothetical Conditions:</b>	None
<b>Tax Schedule Numbers:</b>	74000-00-211 & 74000-00-327
<b>Highest and Best Use:</b>	Mountain Recreational, Open Space, Preserve
<b>Concluded Market Value:</b>	\$1,581,000 (rounded)
<b>Market Value per Acre:</b>	\$8,500

## ***APPRAISAL REVIEW OPINIONS & EXPLANATION***

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My review of the restricted appraisal report noted the following areas of potential concern, correction, and/or recommended revision, my additional comments, and my overall opinion of the quality and credibility of the report.

### **Restricted Appraisal Report Option:**

The appraisal report is completed in a Restricted Appraisal Report option as defined in USPAP. A Restricted Appraisal Report is for the client's use only, essentially restricting utility of the appraisal report to the client only. A Restricted Appraisal Report provides limited information to review. The rationale for how the appraiser arrived at the opinions and conclusions set forth in the appraisal report may not be understood properly without additional information in the appraiser's work file. The appraiser's work file was not provided to the reviewer. This appraisal review will therefore opine regarding the Restricted Appraisal Report's compliance with USPAP and to the extent possible the quality and credibility of the Restricted Appraisal Report based on the information and analyses contained therein, supplemented by discussion with the appraiser regarding the information and analyses presented in the Restricted Appraisal Report. This appraisal review is therefore limited by the level of information and analyses presented in the Restricted Appraisal Report.

### **Executive Summary:**

Page 6 – The inclusion of the A-5 zoning district under the subject's stated zoning is incorrect and should be deleted. This is an editing oversight from the appraiser's prior appraisal of the subject property which included additional acreage zoned A-5. The current land comprising the subject PK (Public Park) and F-5 (Forestry and Recreation).

### **Scope of the Appraisal:**

Pages 7-8 – Editing oversights and accompanying revision are needed to some statements included in this section. Specifically, the last statement on page 7 should be revised to reflect the limited discussion and documentation included in a restricted appraisal report.

### **Extraordinary Assumptions:**

Page 8 – The extraordinary assumption regarding calculation and break-out of the subject's acreage being provided by the client with no supporting survey requires an associated statement that the use of this extraordinary assumption might have affected assignment results. This additional statement is not included in the restricted appraisal report and is required per 2016-2017 USPAP Standards Rule 2-2(b)(xi). The subject property consists of 186-acres of vacant park land that is currently part of two larger vacant land parcels totaling 867.3-acres. The subject was not a separate legal deeded parcel on the appraisal's effective date of value. As such the appraisal includes an associated extraordinary assumption, which per USPAP is, "an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property..."  
(*USPAP Standards Rule 2-2(a)(xi)*) Appropriate revision is needed.

## ***APPRAISAL REVIEW OPINIONS & EXPLANATION*** (Continued)

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### **USPAP Reporting Options:**

Page 18 – Correction of an editing oversight referencing the 2016-2017 and not the 2014-2015 edition of USPAP is needed.

### **Exposure Time:**

Page 19 – Exposure time is defined but no estimate of the subject exposure time is provided. Reasonable exposure time is a component of the definition of market value presented on page 18. Per USPAP Standards Rule 1-2(c), when this is the case, the appraiser must develop an opinion of reasonable exposure time linked to that value opinion. USPAP Standards Rule 2-2(b)(v) requires this opinion to be stated in the report. Revision is required stating the appraiser's opinion of reasonable exposure time in the report.

### **Brief History of the Property:**

Page 30 – This section describes the subject's surrounding parcels being owned by the City of Colorado Springs and the history of when acquired. The subject land area comprises the southeastern most portion of the shaded area in the graphic depiction on this page. The graphic illustrates the subject land being open space / recreation area comprising part of North Cheyenne Canon Park.

### **Highest and Best Use Analysis:**

Pages 31-32 - This section briefly addresses the topic and ongoing debate within the appraisal profession of whether a highest and best use for vacant land as open space or recreational use is an economic consideration or a non-economic use. The highest and best use discussion presented in the report and discussion with the appraiser indicates a viable market exists for land intended for open space or recreation use and that concluding the subject's highest and best use as open space or recreational property or possibly some type of private reserve given the subject's access and topographical concerns is reasonable and appropriate. This accounts for the subject's zoning as such, its rugged and steep terrain precluding development feasibility, and that three of the comparable land sales included in the report were purchased for this intended use in arm's length transactions.

### **Valuation Methodology:**

The subject parcel is valued using the sales comparison approach. With sufficient market data, this is considered the most reliable method to value vacant land similar to the subject property. The cost and income approaches to value were appropriately excluded since the subject has no building improvements and is not leased or used as an income producing property.

### **Sales Comparison Approach Adjustments:**

Pages 43-45 – Analysis of the comparable sales, their corresponding adjustments and discussion with the appraiser indicates no adjustment consideration was given for sales 4, 5 and 7 including wells, sale 7's superior overall level topography, sale 7 not receiving a similar

## ***APPRAISAL REVIEW OPINIONS & EXPLANATION*** (Continued)

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highest and best use adjustment as sales 4-6 for its rural residential use, sale 2 not receiving an access adjustment similar to sales 1 and 3 despite being described with access similar to sale 3 on page 38, and sales 6 and 7 possibly needing adjustment for their superior access compared to the subject's more remote access. Also, general comparison of the per acre prices of sales 1-3 with sale 4-7 as presented in the report does not support the reasoning for the highest and best use adjustment discussed on page 45. In discussing these concerns with the appraiser, he concurred that some or all of these points were valid and that reconsideration of the adjustment analysis presented in the report is appropriate, with associated revisions as necessary. Reconsideration / revision of the adjustment analysis for the above items may also result in support for the report's highest and best use adjustment logic. Derivation and support for those characteristics having adjustments applied and those characteristics for which no adjustments were deemed necessary was not included in the restricted appraisal support. Thus the reasonableness of the adjustments applied to the comparable sales and the reasonableness of the concluded market value could not be evaluated in this appraisal review.

### **USPAP Compliance:**

The appraisal report is not considered compliant with the 2016-2017 Uniform Standards of Professional Appraisal Practice. The subject's reasonable exposure time corresponding to the concluded market value is required to be stated in the report. A statement that the use of the extraordinary assumption stated in the report might have affected assignment results is also required to be stated in the report. Reconsideration / revision of the comparable sales adjustment analysis for the concerns noted above renders the report's adjustment analysis, opinions and conclusion possibly inappropriate, resulting in a final value conclusion and report possibly not credible.

## ***REVIEWER'S CONCLUSION OF APPRAISAL REPORT***

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### **Reviewer's Conclusion of Appraisal Report**

Overall, following my review of the limited information, discussion and analysis presented in the Restricted Appraisal Report, and discussion with the appraiser, the report is considered possibly not appropriate or credible for the intended use stated therein. Reconsideration of the adjustment analysis, with resulting correction / revision, as noted in this review report, is required. Some corrections and the inclusion of some required items per USPAP are also needed in the report. Completion of these items should result in a revised restricted appraisal report in compliance with USPAP. The limited information required in a restricted appraisal report format was inadequate for the reviewer to develop a definitive opinion about whether the report's analyses are appropriate, and whether the report's opinions and conclusions are credible.

## CERTIFICATION

---

In preparing the appraisal review of the restricted appraisal report identified in this appraisal review report, the following certifications are made.

I certify that, to the best of my 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 the work under review 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 the work under review within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- my compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- My compensation for completing this assignment is not contingent upon the development or reporting of predetermined assignment results or assignment results that favors the cause of the client, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal review.
- My analyses, opinions, and conclusions were developed, and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice, and with the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.
- I have not made a personal inspection of the subject of the work under review.
- no one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this certification.
- 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, Richard Muegge has completed the requirements under the continuing education program of the Appraisal Institute.



Richard Muegge, MAI  
Colorado Certified General Appraiser #CG40011459

## PROFESSIONAL QUALIFICATIONS

**Richard Muegge, MAI, President**  
**Muegge & Associates, Inc.**  
**1230 Pleasant View Lane, Colorado Springs, CO 80921**  
**Office (719) 597-0285; Cell (719) 439-1785; FAX (719) 380-0592**  
**mueggeassociates@comcast.net**

### State of Colorado

#### Licensing Information:

Certified General Appraiser #CG40011459

#### Education:

University of Maine, Orono, Maine  
B.S., Wildlife Management - 1976

#### Appraisal Institute:

- All MAI designation educational requirements completed - 7 intensive courses in appraisal theory, application, analysis, and reporting
- Various seminars offered by the Appraisal Institute

#### International Association of Assessing Officers:

- Fundamentals of Real Property Appraisal
- Income Approach to Real Property Valuation

#### Professional Designations:

MAI, Appraisal Institute

### Employment History

<u>Approx. Dates</u>	<u>Employer</u>	<u>Position</u>
8/97 – Present	Muegge & Associates, Inc. Colorado Springs, CO	President
3/94 – 7/97	Bank of America NW Regional Appraisal Office Portland, OR	Commercial Appraiser & Section Manager
7/90- 3/94	Wells Fargo Bank San Jose, CO	Senior Commercial Appraiser
4/89 - 7/90	Bank of The West Walnut Creek, CA	Appraisal Officer
9/87 - 4/89	Coast Savings & Loan Assoc. San Jose, CA	Senior Commercial Appraiser
9/86 – 9/87	Bell Savings & Loan Assoc. San Mateo, CA	Commercial Appraiser
10/82 – 8/86	Montana Dept. of Revenue Butte, MT	Residential Appraiser & Commercial Appraiser

## **Richard Muegge, MAI**

### **Types of Property Appraised**

Assignments completed include both original and review appraisal work of a broad variety of property types. Mr. Muegge has successfully defended appraisals for the Montana Department of Revenue before county and state tax appeal boards. He has also served as a tax appeal referee and arbitrator in El Paso County, Colorado. He has valued properties ranging in value from less than \$100,000 to upwards of \$90,000,000. Major property types appraised include the following:

Apartments	Medical Office Buildings
Banks	Motor Hotels
Bowling Alleys	Nursing Homes
Churches	Research and Development Buildings
General Office Buildings	Restaurants
Industrial	Retail
Schools	Subdivisions
Land (ranging from small finished sites to several hundred acres)	

### **Appraiser Education Data**

#### **International Association of Assessing Officers:**

- Fundamentals of Real Property Appraisal
- Income Approach to Valuation

#### **Appraisal Institute:**

- Real Estate Appraisal Principles (challenged exam)
- Basic Valuation Procedures (challenged exam)
- Standards of Professional Appraisal Practice
- Capitalization Theory & Techniques - Part A
- Capitalization Theory & Techniques - Part B
- Case Studies in Real Estate Valuation
- Report Writing & Valuation Analysis
- Standards of Professional Practice - Parts A & B
- Condemnation Appraising: Basic Principles & Applications
- Litigation Appraising: Specialized Topics & Applications
- USPAP Update Seminars
- Business Practices and Ethics
- Subdivision Valuation
- Uniform Appraisal Standards for Federal Land Acquisitions
- Case Studies in Partnership and Common Tenancy Valuation
- Fundamentals of Separating Real, Personal Property & Intangible Business Assets
- Numerous seminars including Analyzing Operating Expenses, Risk Assessment, Golf Courses & Real Estate, Appraisal Policy Changes, and Analyzing Distressed Real Estate.

**Richard Muegge, MAI**

**Synopsis of Appraiser Experience**

Mr. Muegge has over 30 years experience in real estate appraisal and appraisal review. He has held appraisal licenses in California and Oregon and currently holds a Certified General Appraiser license in Colorado. He has appraised properties in Montana, California, Oregon and Colorado. He has also reviewed appraisals completed in these states plus Washington, Alaska, Idaho and Canada. Mr. Muegge has most recently established a successful private appraisal & consulting practice in Colorado Springs, Colorado, primarily serving El Paso, Pueblo & Teller Counties. His current practice focuses on completing appraisal, appraisal review and consulting assignments for financial institutions, attorneys, government agencies, developers and private property owners. His appraisals are used for mortgage lending, eminent domain, condemnation, estate, litigation support, foreclosure, loan workout and land development purposes. His current business includes submitting formal work proposals, data research and collection from public and private sources, micro and macro market analysis, property inspection, and valuation analysis, preparation of written appraisal reports, appraisal review and verbal communication with clients. He has also served as a referee and arbitrator for the El Paso County Board of Equalization. His appraisal career includes extensive experience valuing diverse property types of varying degrees of difficulty, complexity and value, managing multiple appraisal assignments, subcontracting out appraisal assignments in a multi-state region and Canada, appraisal review, discussing appraisal assignment results with clients, and ensuring appraisal compliance with Federal Banking regulations and financial institution policies. He was a member of a small selected team of appraisers within a statewide savings and loan association responsible to appraise income properties in their problem loan portfolio for the asset management group.

**Partial List of Clients**

Tier One Bank  
Springs Ranch, LLC  
Bank of America  
Wells Fargo Bank  
JP Morgan Chase  
Centennial Realty Partners  
City of Colorado Springs  
Pueblo County, Colorado  
US Bank  
Key Bank  
FDIC

First Community Bank  
Colorado Springs State Bank  
American National Bank  
Bank of The West  
Colorado National Bank  
Pueblo Bank & Trust  
Colorado Housing & Finance Authority  
El Paso County  
Rocky Mountain Bank & Trust  
Colorado Department of Transportation

**Expert Witness Qualification**

Colorado State District Court – 4<sup>th</sup> Judicial District:

CDOT v. Chestnut Street Partners, LLC - Eminent Domain; Feb. 2015

4-Way Ranch Metropolitan District No. 1 v. KO1515; Mountain View Electric Assoc.; Board of County Commissioners of El Paso County; Mark Lowderman, Treasurer El Paso County; and Thomas Mowle, Public Trustee of El Paso County – Condemnation Action; March, 2015



# RESTRICTED USE APPRAISAL

## North Cheyenne Canon Park Project



**Prepared for:**

The City of Colorado Springs, Colorado  
On behalf of its Parks, Recreation and Cultural Services Department  
30 South Nevada Avenue, Suite 502  
Colorado Springs, Colorado 80903

**Prepared by:**

Kyle L. Wigington, P.C.  
P.O. Box 88455  
Colorado Springs, Colorado 80908

Effective Date of Appraisal  
February 24, 2016

*original*

# KYLE L. WIGINGTON, P.C.

P.O. BOX 88455  
COLORADO SPRINGS, CO 80908

Phone: 719.635.9614  
Fax: 719.559.3728

General Practice Attorney  
Certified General Real Estate Appraiser

February 26, 2016

The City of Colorado Springs  
On behalf of its Parks, Recreation and Cultural Services Department  
Attention: Christian Lieber, RLA Park Development Manager  
30 South Nevada Avenue, Suite 502  
Colorado Springs, Colorado 80903

Dear Mr. Lieber:

Pursuant to your request, I have completed a restricted appraisal of the market value of the property described as the "North Cheyenne Canon Park Property" property located in El Paso County, Colorado.

As per mutual agreement with the City of Colorado Springs (client) and Kyle L. Wigington, P.C. (appraiser), the format used is defined as a Restricted Use Appraisal. It complies with the requirements set forth under Standard 2-2(c), of the Uniform Standards of Professional Practice, but is subject to the Assumptions and Limiting Conditions listed in this report. This appraisal report states the information used to arrive at a conclusion of value. **It is noted that the opinions of the appraiser in a restricted format may not be fully understood without additional information in the appraiser's work file. Therefore, this appraisal is limited to use by the client only.**

The purpose of this appraisal is to estimate the "As Is Market Value" for the subject property for the potential disposal/sale of the subject property. The intended use of this report is for internal decision making and solely limited to the client, The City of Colorado Springs.

Based upon my independent appraisal and the exercise of my professional judgment, my market value estimate for the property as of February 24, 2016, is **\$1,581,000** subject to any stated extraordinary assumptions and hypothetical conditions.



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Kyle L. Wigington, J.D.  
Certified General Appraiser  
Colorado License # 1315439

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## Certification Statement

I certify that, to the best of my knowledge and belief:

- I have personally inspected the subject property appraised and I have also made a personal field inspection of the comparable sales relied upon in making my appraisal, examined sales instruments of record, and have confirmed the sales transactions with the buyer and/or seller unless otherwise noted. The photographs in this appraisal report reasonably represent the subject property and comparable sales relied upon.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity and consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute.
- 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 understand this appraisal may be used in connection with the disposal of real property for the referenced project.
- 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 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.
- I have not revealed the findings and results of this appraisal to anyone other than my client, nor will I do so until required by due process of law or by having publicly testified as to the findings.
- I acknowledge that this appraisal report and all maps, data, summaries, charts and other exhibits collected or prepared under this agreement shall become the property of the City of Colorado Springs without restriction or limitation on their use.
- No one provided significant real property appraisal assistance to the person signing this report.
- The use of this report is subject to the requirements of the Board of Real Estate Appraisers, State of Colorado, Department of Regulatory Agencies relating to review by its duly authorized representatives.
- As of the date of this report, I, Kyle L. Wigington, have completed the requirements of the continuing education program of the Board of Real Estate Appraisers, State of Colorado.
- This report serves to update an acreage calculation from a previous report dated October 5, 2015. Prior to that time, 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 acceptance of this assignment.

- The reported analyses, 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 effective date of appraisal and valuation is as of February 24, 2016. The date of the appraisal report is February 26, 2016.
- Based upon my independent appraisal and the exercise of my professional judgment, my market value estimate for the property as of February 24, 2016 is **\$1,581,000** subject to any stated extraordinary assumptions and hypothetical conditions.



---

Kyle L. Wigington, J.D.  
Certified General Appraiser  
Colorado License # 1315439

## Executive Summary/Subject Identification

Project Name:	NORTH CHEYENNE CANON PARK DISPOSAL PROJECT
Parcel Number:	Parts of 7400000211, 7400000327
Name of Owner:	City of Colorado Springs
Name of Tenant:	None
Property Address or Location:	Refer to Legal Description
Owner Present at Inspection:	The appraiser conducted a site inspection of the subject property for the original appraisal report dated October 5, 2015. The owner's representative was not present at this inspection. The subject property was not re-inspected as of the date of value for this report.
Property Interest Appraised:	Fee Simple subject to any Extraordinary Assumptions and Hypothetical Conditions
Effective Appraisal Value Date:	February 24, 2016
Date of Appraisal Report:	February 26, 2016
Environmental Concerns:	None stated
Larger Parcel Land/Site Area:	The subject property is unimproved land with a total area of 186 acres according to client and supporting title work.
Owner and/or Tenant Occupancy:	Vacant
Owner Improvements: (buildings, structures, etc.)	None
Subject 5-Year Sales History:	According to the El Paso County Assessor records, there has been no sales activity in the past five years.
Zoning:	PK (Public Park) HS (Hillside) – City of Colorado Springs F5 (Forestry and Recreation) – El Paso County A-5 (Agricultural) – El Paso County
Highest/Best Use Before Take:	Mountain Recreational, Open Space, Preserve

## Scope of This Appraisal

In preparing this appraisal I have:

- Made a complete physical inspection of the property on October 5, 2015. The subject property was not re-inspected as of the date of value for this report.
- Researched public records for assessment and historical sales information pertaining to the subject property.
- Analyzed income and expense information provided by the owner, if applicable.
  - Researched the demographics and other data effecting the area and neighborhood. Among our sources of information that we referenced were; properties that we have previously appraised in the area, relevant publications, periodicals, U.S. Census data, and other reference material.
- Researched pertinent neighborhood data, comparable listings, comparable rentals, and comparable sales.
- Gathered comparable improved sales, comparable listings, comparable rentals, comparables expenses, etc. from similar neighborhoods and/or previous appraisals that we have made on similar properties.
- Analyzed the current real estate market and trends for the subject's property type, particularly in the subject's market area.

In preparing the written report I have:

- Identified the property by tax identification number and deed references.
- Considered the purpose and intended use of the appraisal.
- Prepared a brief history of the property.
- Stated the current definition of market value and exposure time.
- Determined the property rights being appraised as the Fee Simple interest in the property.
- Discussed and analyzed the physical attributes of the subject site.
- Analyzed the Highest and Best Use of the site.
- Analyzed and discussed the reasoning for choosing the most applicable approach or approaches in determining the value for the subject property.
- Considered all three approaches to value and determined which approach or approaches were applicable, given the nature of the assignment and the characteristics of the subject property.
- Thoroughly discussed and documented our value conclusions by the applicable approach and/or approaches.

- Analyzed and discussed the Reconciliation of the applicable approaches and final conclusions of values.
- Stated the Assumptions and Limiting Conditions upon which this report was based.
- Relied upon the title insurance commitment (with legal description) for the subject property.
- Determined there are no adjudicated water rights at the subject property.
- Assumed there are no mineral resources with commercial value on the subject property.

### **Assumptions and Limiting Conditions**

The certification of the appraiser appearing in the appraisal report is subject to the following conditions, and to such other specific and limiting conditions as are set forth by the appraiser in the report.

#### **Extraordinary Assumptions**

An extraordinary assumption is 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 the data used in an analysis.

1. *The acreage calculation utilized in this report is based on portions of larger identified parcels. The breakout of acreage for this report was estimated by the City of Colorado Springs and submitted to the appraiser for consideration. No survey was provided to the appraiser supporting the acreage calculation.*

#### **Hypothetical Conditions**

A hypothetical condition is that which is contrary to what actually 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 the data used in the analysis.

1. *There are no hypothetical conditions utilized in this report.*

#### **General Assumptions and Limiting Conditions**

1. The legal descriptions, land areas, surveying and engineering data provided by the client are assumed to be correct. The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photographs are included for the same purpose. Site plans are not surveys unless prepared by a certified surveyor.
2. This is a Restricted Appraisal Report, which is intended to comply with the reporting requirements set forth in Standards Rule 2 of USPAP.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report. The property is appraised "as if free and clear" of liens and encumbrances, but subject to existing easements, covenants, deed restrictions, and rights-of-way of record.
4. Opinions, estimates, data, and statistics furnished by others in the course of studies relating to this report are considered reliable.
5. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated land use. Separate allocations for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
6. This report is as of the date set out and is not intended to reflect subsequent fluctuations in market conditions, up or down.
7. It is assumed there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or arranging for engineering studies that may be required to discover them.
8. It is assumed the subject property complies with all applicable zoning and use regulations and restrictions, unless non-conformity has been stated, defined, and considered in this appraisal report.
9. It is assumed the use of land and improvements is within the boundaries or property lines of the property described and there is no encroachment or trespass unless otherwise stated in this report.
10. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of nor did the appraiser become aware of such during the appraiser's inspection of the subject property. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the subject property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, or for any expertise or knowledge required to discover them.

Representative Subject Photos Taken by Kyle Wigington on October 5, 2015



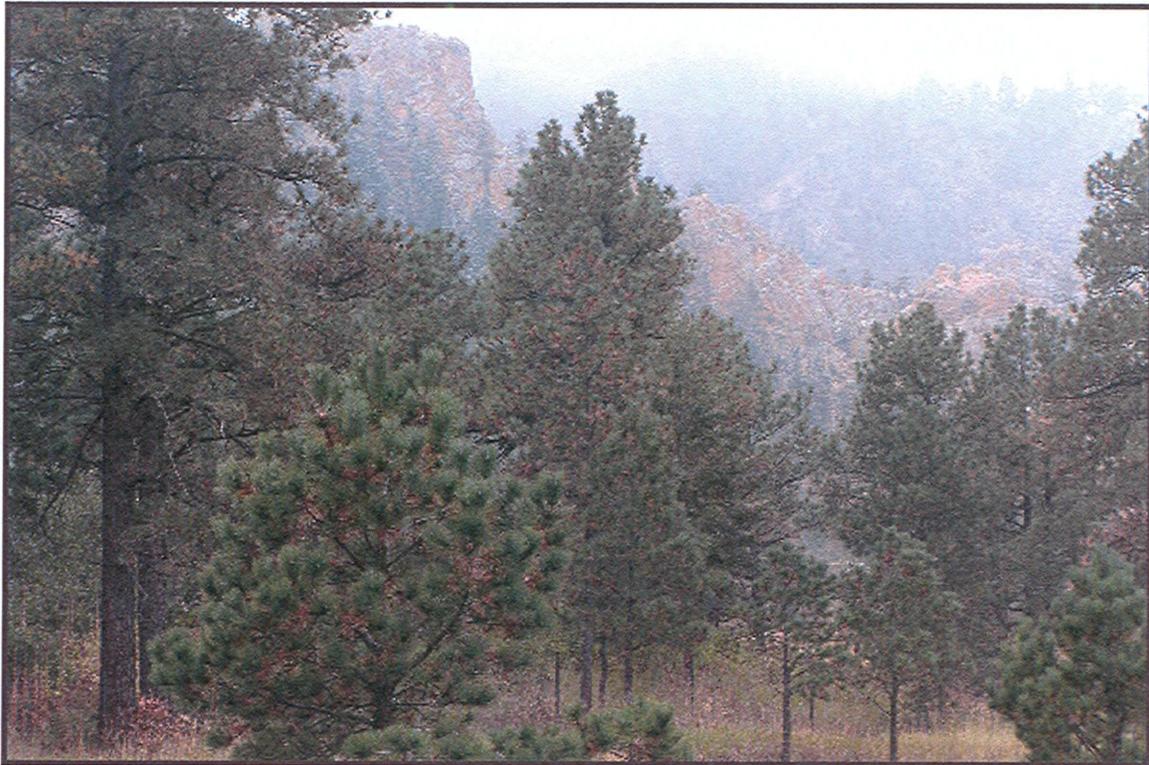
Entrance to Park on Mesa Avenue



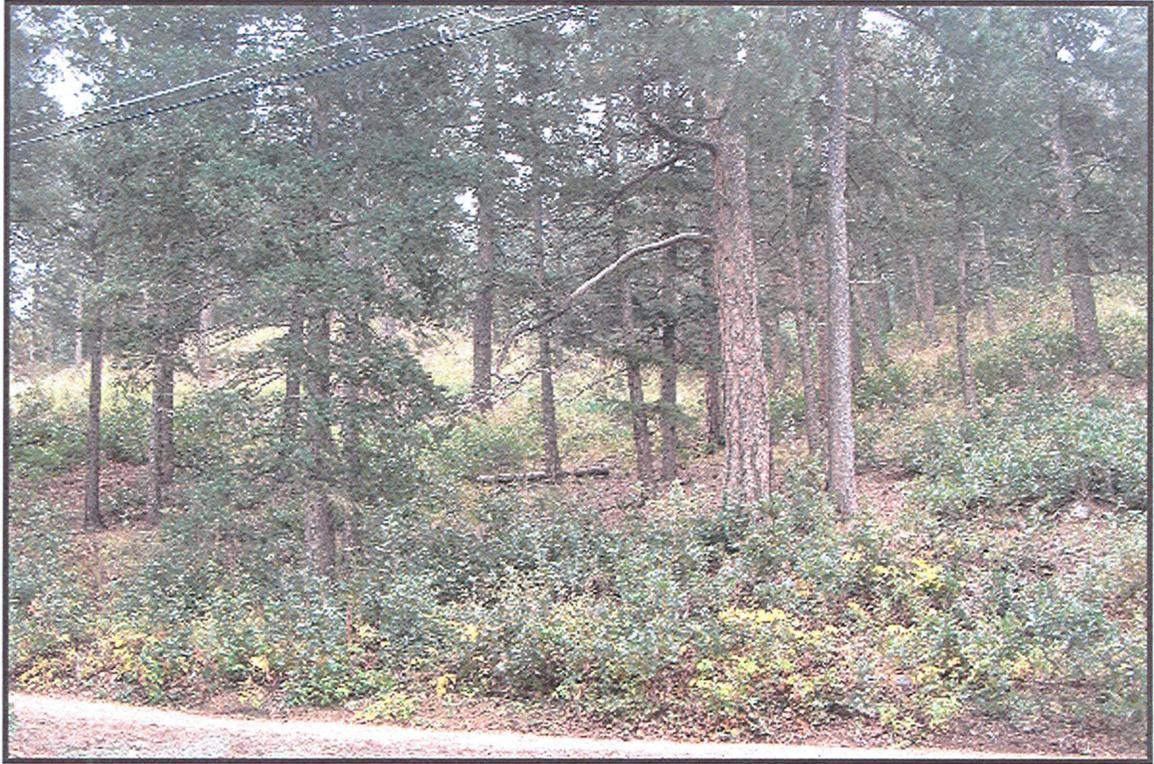
Parking area on Mesa Avenue



Looking south from Mesa



Looking west from Mesa showing terrain



Looking south from Mesa near Seven Falls



Seven Falls entrance from Mesa



Looking west from Alta Vista



Looking west from Alta Vista



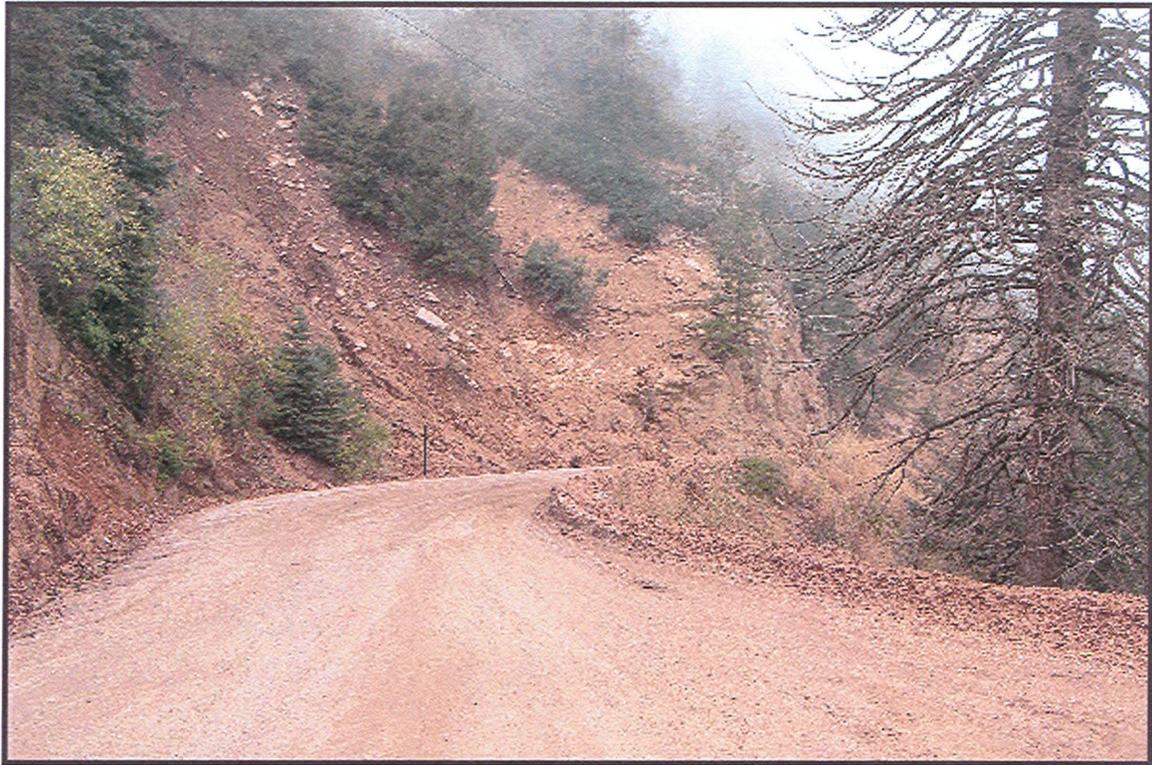
Looking NE from Old Stage Road



Looking North from Old Stage Road



Looking east from Old Stage Road



Looking west from Old Stage Road



Looking west from Old Stage Road

## USPAP Reporting Options

To develop the opinion of value as per the request of my client, the City of Colorado Springs, the appraiser performed a complete appraisal in **Restricted Use Format** according to the guidelines set forth below by the 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

The Restricted Appraisal Report may be appropriate when:

- the client is the only intended user of the appraiser's opinions and conclusions set forth in the report;
- the client understands the limited utility of this option;
- the intended use of the appraisal warrants restricted disclosure about the research and analysis completed in the development of the assignment results; and
- the client (the only intended user) does not need the level of information required in an Appraisal Report.

When an appraiser uses the Restricted Appraisal Report option, a prominent notice to any reader must be provided. The prominent notice must warn any reader of the report that the rationale for the appraiser's opinions and conclusions set forth in the report may not be understood properly without the additional information that is in the appraiser's workfile.

### Definition of Value

A current definition of Market Value as cited in USPAP Advisory Opinion 22 (AO-22) is:<sup>1</sup>

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 if a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in what they consider their own best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

According to USPAP Advisory Opinion 22, this definition

...is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the

Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Exposure Time assumes that:<sup>2</sup>

- The subject property would sell at the appraised value(s) as of the effective date(s) of the appraisal.
- 
- The subject property was on the market for a reasonable time prior to the date of value and that the terms of sale are typical of other properties of its type that have sold as confirmed by exposure times of comparable sales.

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<sup>1</sup> 2012-2013 USPAP PUBLISHED BY THE APPRAISAL FOUNDATION / DEFINITIONS, P. U-5

VALUE: the monetary relationship between properties and those who buy, sell, or use those properties. Comment: Value expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified for example, market value, liquidation value, investment value.

<sup>2</sup> *ibid.* P. U-3

EXPOSURE TIME: estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of sale at market value on the effective date of the appraisal.

## **Identification of Appraised Property**

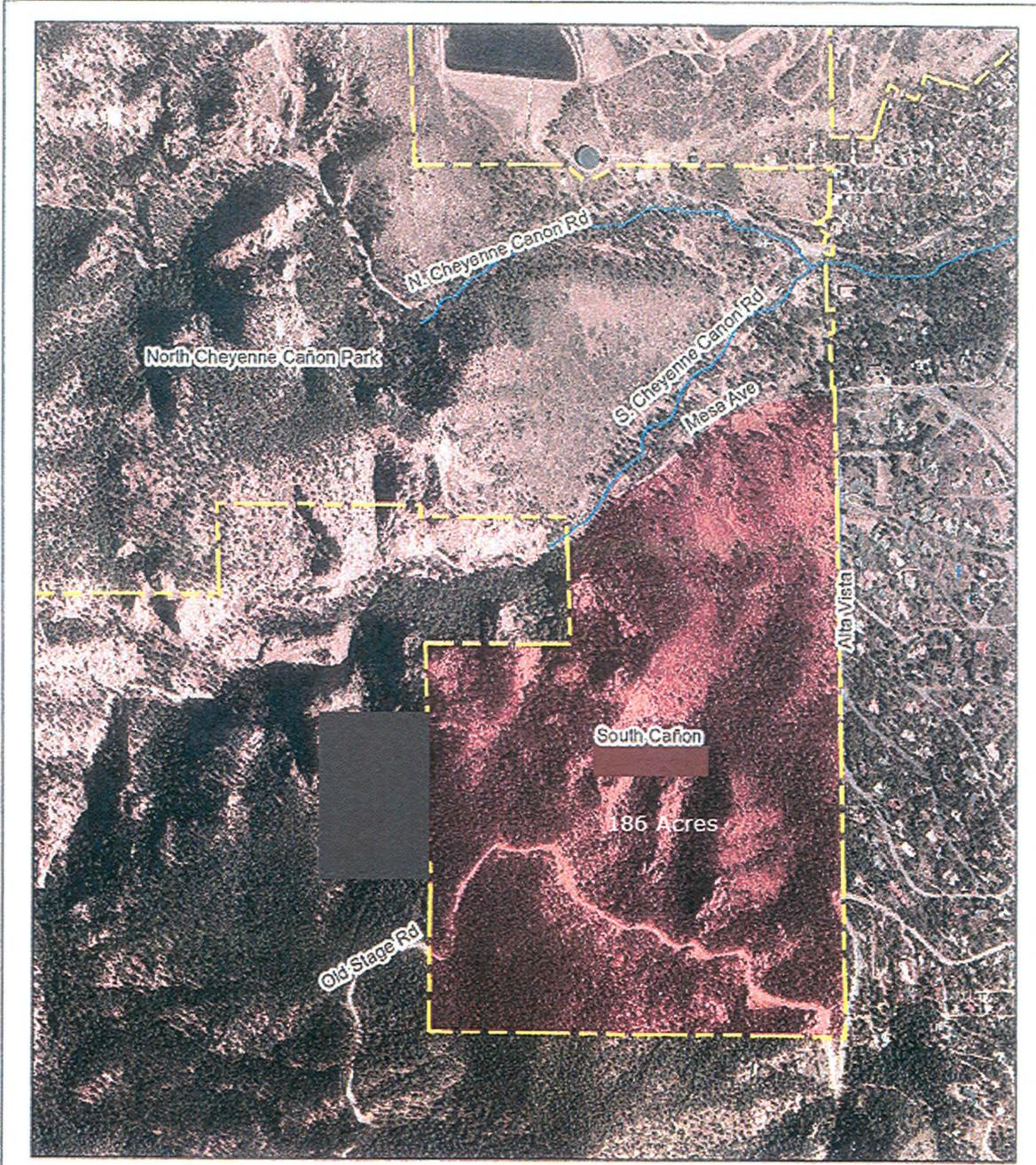
The property being appraised is a vacant recreation/open space mountain type property. It is located in El Paso County, in the State of Colorado. The subject property is described as 186 deeded acres of vacant recreational land, owned by the City of Colorado Springs.

The subject property is comprised of parts of two parcels identified by the El Paso County Assessor office as Schedule Numbers 7400000211 and 7400000327. The assessor information for both parcels are included on the following pages.

The acreage determination was made by the City of Colorado Springs and communicated to the appraiser for consideration in the report. The property is basically described as those parts of the above referenced schedule numbers that lays south of Mesa Road as depicted on the following map.

We previously prepared a written report dated October 5, 2015 and have since updated the report in order to properly reflect the deletion of Parcel 74000-00-330. This reduced the acreage calculation by 12.2 acres.

# Map of Subject Property



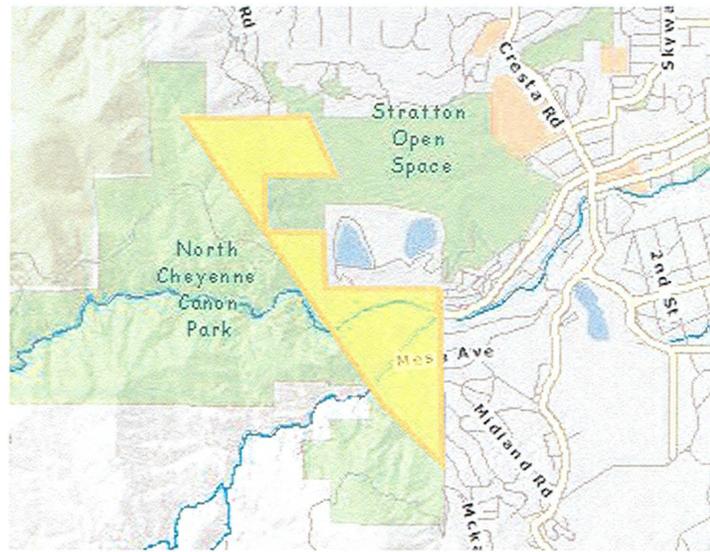
## South Cheyenne Cañon - North Cheyenne Cañon Park



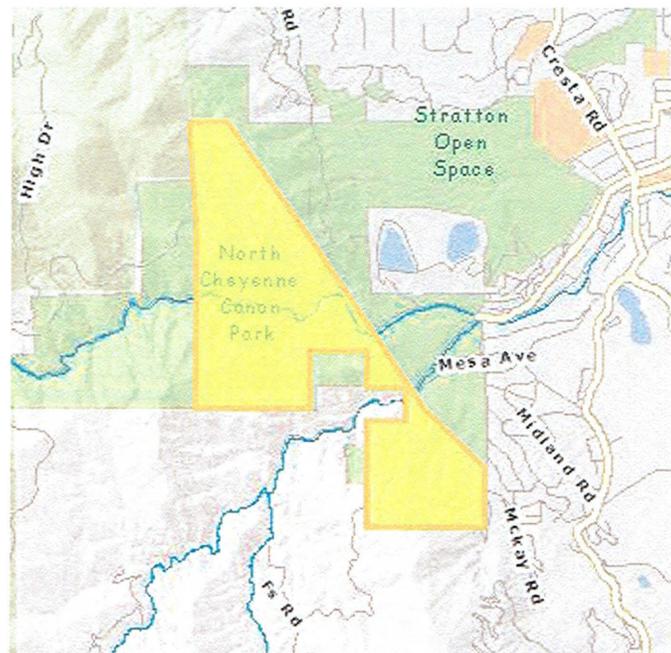
State Plan Overlaid  
Colorado Central Zone  
NAD83-US Survey Feet  
Vertical Datum: NGVD29

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**Assessor Map of Parcel 740000211**



**Assessor Map of Parcel 740000327**



**Public Record Property Information**

Wednesday, February 24, 2016 Time: 5:47:07 PM

**Personal Information**

Schedule No: 7400000211

Owner Name: COLORADO SPRINGS CITY OF  
NORTH CHEYENNE PARK

Location: 2102 W CHEYENNE RD  
2250 N CHEYENNE CANYON RD

Mailing Address: COLORADO SPRINGS CO 80903

Previous Parcel

Replaced Parcel

**Legal Description**

SW4NW4, SW4, PART OF N2SE4 AS FOLS; BEG AT SW COR OF SD N2SE4, RUN ELY ALG S LN OF SD N2SE4 TO A PT 300.0 FT E OF SE COR OF NW4SE4, RUN NWLY TO A PT ON N LN OF SE4 THAT IS 300.0 FT W OF NE COR OF NW4SE4, RUN W ALG SD N LN TO NW COR OF SE4, TH S TO POB, SEC 27-14-67 NW4, N2SW4, W2NE4SE4NE4, E2SE4 SEC 34-14-67 SW4NW4 EX SMALL TRACTS ON THE E, W2SW4 SEC 35-14-67 ALL THE ABOVE DES LY NELY OF FOR DES LN, BEG AT NW COR OF SW4NW4 OF SD SEC 27, TH SELY ALG A DIAGONAL LN TO INTSEC SE COR OF SE4SW4, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF NE4SE4 OF SD SEC 34, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF SW4SW4 OF SD SEC 35

**Market Information (2015 Values)**

Levy Year: 2015 Mill Levy: 69.946 Exempt Status: Fully Exempt

Table	Use Code	2015 Market Value	2015 Assessed Value	Exempt
Land	POLITICAL SUBDIVISION	\$3,385,701	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$72,765	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$24,860	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$101,893	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$452,492	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$3,257	\$0	EX
Imp	EXEMPT POLITICAL SUBS/PUB SCHL	\$3,167	\$0	EX
	<b>Total Value</b>	<b>\$4,044,135</b>	<b>\$0</b>	

Tax Entity and Levy Information

( District: GBD )

Taxing Entity	Contact Name	Contact Phone
EL PASO COUNTY	FINANCIAL SERVICES	(719) 520-6498
EPC ROAD & BRIDGE SHARE		(719) 520-6498
CITY OF COLORADO SPRINGS	CITY OF CS-CFO	(719) 385-5224
EPC-COLORADO SPGS ROAD & BRIDGE SHARE		(719) 520-6498
CHEYENNE MTN SCHOOL NO 12	NATALIE MORIN	(719) 475-6103
PIKES PEAK LIBRARY	MIKE VARNET	(719) 531-6333
SOUTHEASTERN COLO WATER CONSERVANCY	JAMES BRODERICK	(719) 948-2400

Sale Information

Land Information

Seq #	Use	Exempt	Area
1	POLITICAL SUBDIVISION	EX	310.9 acres

Residential Information

Commercial Information

Bldg #	Admin Code	Year Built	Neigh #	Area
1	EXEMPT POLITICAL SUBS/PUB SCHL	2001	218	346
2	EXEMPT POLITICAL SUBS/PUB SCHL	2001	218	448
3	EXEMPT POLITICAL SUBS/PUB SCHL	2003	218	347
4	EXEMPT POLITICAL SUBS/PUB SCHL	1922	218	1,772
5	EXEMPT POLITICAL SUBS/PUB SCHL	2006	218	150
6	EXEMPT POLITICAL SUBS/PUB SCHL	2000	218	299

## Zoning Code for 740000211

**City Zoning for Parcel #740000211 is: PK HS**

### CITY ZONING LEGEND

A - Agricultural	HR - High Rise	R - Single Family Residential (Estate)
APD - Airport Planned Development	HS -Hillside	R16 - Single Family Residential ( 6000 sqf)
AO - Airport Overlay	M1 -Light Industrial	R19 - Single Family Residential (9000 sqf)
APZ1 - Airport Protection Zone 1	M2 - Heavy Industrial	R2 - Two Family Residential
APZ2 - Airport Protection Zone 2	OC - Office Complex	R4 - Eight Family Residential
C5 - Intermediate Business	OR - Office Residential	R5 - Multi Family Residential
C6 - General Business	P - Planned Provisional	RPZ - Runway Protection Zone
CR - Condition of Record	PBC - Planned Business Center	SS - Stream Side
CU - Conditional Use	PCR - Planned Cultural Resort	SU - Special Use
DF - Design Flexibility	PF - Public Facility	TND - Traditional Neighborhood
FBZ-CEN - Form Based-Central	PIP1 - Planned Industrial Park	Development
FBZ-COR - Form Based-Corridor	PIP2 - Planned Industrial Park	UV - Use Variance
FBZ-T1 - Form Based-Transition Sector 1	PK - Public Park	
FBZ-T2B - Form Based-Transition Sector 2B	PUD - Planned Unit Development	
FBZ-T2A - Form Base-d-Transition Sector 2A		

**Public Record Property Information**

Wednesday, February 24, 2016 Time: 5:49:55 PM

**Personal Information**

Schedule No: 7400000327  
 Owner Name: COLORADO SPRINGS CITY OF  
 NORTH CHEYENNE PARK  
 Location: 2102 W CHEYENNE RD  
 3440 OLD STAGE RD  
 Mailing Address: 30 S NEVADA AVE  
 COLORADO SPRINGS CO 80903-1802

Previous Parcel

Replaced Parcel

**Legal Description**

SW4, PART OF N2SE4 AS FOLS; BEG AT SW COR OF SD N2SE4, RUN ELY ALG S LN OF SD N2SE4 TO A PT 300.0 FT E OF SE COR OF NW4SE4, RUN NWLY TO A PT ON N LN OF SE4 THAT IS 300.0 FT W OF NE COR OF NW4SE4, RUN W ALG SD N LN TO NW COR OF SE4, TH S TO POB SEC 27-14-67 NW4, N2SW4, W2NE4SE4NE4, E2SE4 SEC 34-14-67 SW4NW4 EX SMALL TRACTS ON THE E, W2SW4 SEC 35-14-67 ALL OF THE ABOVE DES LY SWLY OF FOL DES LN, BEG AT NW COR OF SW4NW4 OF SD SEC 27, TH SELY ALG A DIAGONAL LN TO INTSEC SE COR OF SE4SW4, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF NE4SE4 OF SD SEC 34, CONT SELY ALG DIAGONAL LN TO INTSEC SE COR OF SW4SW4 OF SD SEC 35 NW4NW4 SEC 2-15-67 NE4NE4 SEC 3-15-67

**Market Information (2015 Values)**

Levy Year: 2015 Mill Levy: 65.667 Exempt Status: Fully Exempt

Table	Use Code	2015 Market Value	2015 Assessed Value	Exempt
Land	POLITICAL SUBDIVISION	\$6,009,120	\$0	EX
	<b>Total Value</b>	<b>\$6,009,120</b>	<b>\$0</b>	

**Tax Entity and Levy Information**

( District: GBG )

Taxing Entity	Contact Name	Contact Phone
EL PASO COUNTY	FINANCIAL SERVICES	(719) 520-6498
EPC ROAD & BRIDGE (UNSHARED)		(719) 520-6498
CHEYENNE MTN SCHOOL NO 12	NATALIE MORIN	(719) 475-6103
PIKES PEAK LIBRARY	MIKE VARNET	(719) 531-6333
SOUTHEASTERN COLO WATER CONSERVANCY	JAMES BRODERICK	(719) 948-2400

**Sale Information**

**Land Information**

Seq #	Use	Exempt	Area
1	POLITICAL SUBDIVISION	EX	556.4 acres

**Residential Information**

**Commercial Information**

Bldg #	Admin Code	Year Built	Neigh #	Area
1	UTILITY BUILDING		28	120

## Zoning Code for 740000327

County Zoning for parcel 740000327 is F-5			
<b>COUNTY ZONING CODES</b>			
A-5 - A-25 - F-5 - RR-0.5 - RR-2.5 - RR-5 - RG-05000 - RG-05000 - RG-05000 - RU-12 - RU-05 - CC - CR - CS - I-2 - I-3 -	Agricultural Agricultural Foresty and Recreation Residential Rural Residential Rural Residential Rural Residential Suburban Residential Suburban Residential Suburban Residential Suburban Residential Multi-Dwelling Residential Multi-Dwelling Commercial Community Commercial Regional Commercial Service Limited Industrial Heavy Industrial	RT - MHP - MHP-R - MHP - RVP - PUD - CADO - QAO - HRO - RLUP-O - O-1 - O-2 - I-1 - R-4 -	Residential Topographic Mobile Home Park Mobile Home Park Rural Mobile Home Subdivision Recreational Vehicle Park Planned Unit Development Commercial Airport District General Aviation Overlay District High Rise Overlay District Rural Land Use Plan Overlay District Commercial (obsolete) Commercial (obsolete) Industrial (obsolete) Planned Development (obsolete)

## **Purpose of Appraisal**

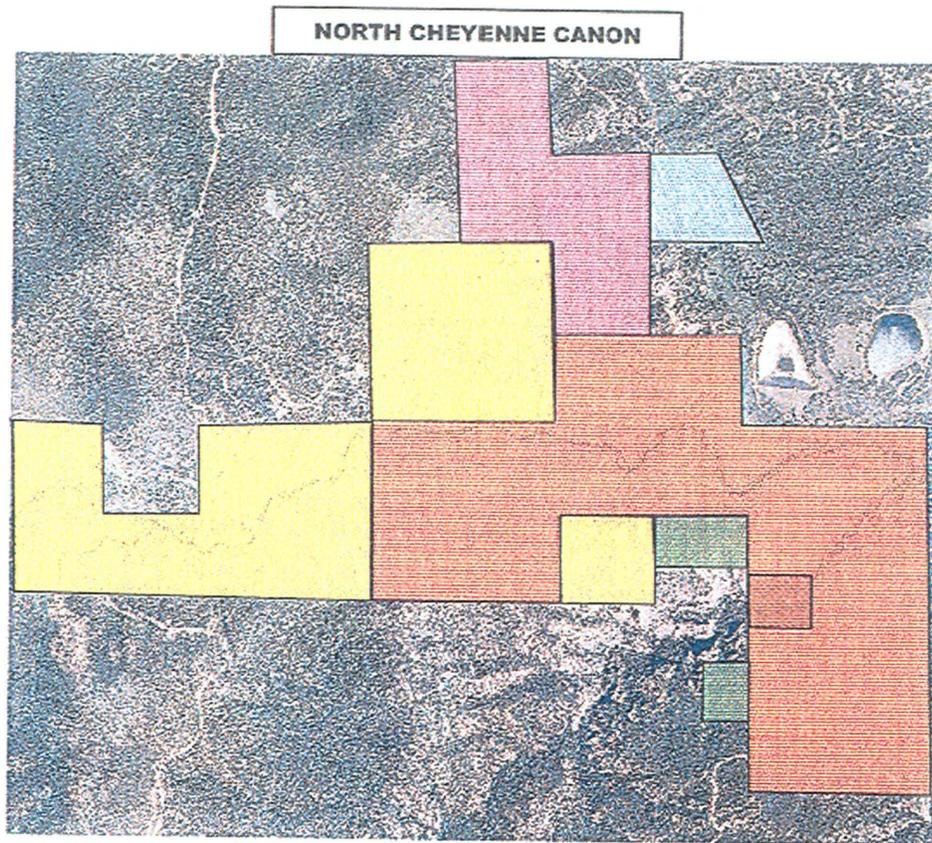
The purpose of this appraisal is to estimate the "as is" market value of the property interest(s) specified in this report as of the effective date of this appraisal.

## **Intended Use of the Appraisal**

The appraiser has been engaged by the City of Colorado Springs, on behalf of its Parks, Recreation and Cultural Services Department, the client for this appraisal and also the intended user. The appraiser has been informed that the appraisal will be used for the sole purpose of assisting the client in determining value for the decision making process concerning the disposal of the property. Therefore, the intended use of this appraisal is to assist my client, the City of Colorado Springs and Parks, Recreation and Cultural Services Department, in the determination of market value subject to specific assumptions and limiting conditions for disposal consideration.

## Brief History of the Property

There are numerous ownerships located in the subject property immediate area that are currently owned by the City of Colorado Springs. All of these parcels were acquired by the City at various times from primarily five sources. Those ownership interests are identified in the attached graphic.



- Deed in Book 401 at page 343 dated March 29, 1907 from William J. Palmer to the City of Colorado Springs. Prohibition against intoxicating liquors  
 Quitclaim Deed in Book 2895 at page 22 recorded February 9, 1977 from Elsie Queen Myers Nicholzen and Eveleen Myers Clarke, sole heirs of William Jackson Palmer regarding reversionary rights.
- Deed in Book 51 at page 442 recorded August 22, 1885 from The First National Bank of Colorado Springs to the City of Colorado Springs  
 Prohibition against intoxicating liquors
- Warranty Deed in Book 930 at page 473 recorded January 19, 1937 from Fred W. Chamberlain to the City of Colorado Springs. Reserves right of way for Chamberlain Pipe Line and water rights
- Quitclaim Deed in Book 951 at page 74 recorded February 18, 1938 from Fred W. Chamberlain to the City of Colorado Springs
- Warranty Deed from Seven Falls Company, a Delaware Corporation, successor by merger with the Cottage Corporation, successor in interest by merger with the New Seven Falls Company to the city of Colorado Springs

## Zoning Districts

The subject property totals 186 acres located in El Paso County, Colorado. The property is comprised of parts of two parcels. Parcel 7400000211 is zoned PK (Public Park) HS (Hillside) by the City of Colorado Springs. Parcel 7400000327 is zoned F-5 (Forestry and Recreation) by El Paso County.

### The Highest and Best Use Analysis

The Appraisal Institute in The Dictionary of Real Estate Appraisal, Fourth Edition, Chicago, 2002, p. 135, defines highest and best use as:

“The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.”

It should be noted that the concept of highest and best use is driven by *economic* considerations and market forces, not by public interest. That said, there is a movement away from traditional purely economic measurements of highest and best use as they relate to “open space” or recreational properties.

Once it was well settled that these types of “non-economic uses” were considered interim uses that could not be utilized as the highest and best use of the property because they were typically took the property out of economic production and they were not based on “market forces.”

We are seeing a shift in that traditional thinking. As an example, several of the sales utilized in this report to develop value were purchased strictly for recreational uses to include parks and open space. In fact, a paired analysis would indicate that the “value” or price paid on a per unit basis for these properties exceeded that typically paid for more traditional “rural residential” uses of similar properties. Simply stated, it appears that an argument can be made the property is more valuable as a park than as a rural residential home site. As such, the highest and best use analysis takes on a slightly different approach.

Legally, the property currently has hard zoning in place commensurate with its current use. That is not to say that the property, or smaller portions thereof, could not be rezoned to some other classification. At this time however, it appears that factors other than the legally permissible uses attributable to the property would be somewhat more controlling.

One such controlling use would relate to the physical possibility for potential uses of the parcel. The physical characteristics related to the rugged and steep terrain located within the property would significantly impact future uses on the vast majority of the property. It appears that the terrain itself would limit use of the property to those associated with park, recreation, open space and preserve type uses.

The financially feasible uses would once again be impacted by the physical attributes of the property. It appears that although it could take significant financial investment to take the property to a use to something other than parks or open space, it could be argued that developed recreational uses requiring significant financial investment would be feasible.

Once again, the maximum productivity associated with uses available to the subject property would be impacted by “economic factors” and those factors would limit the potential uses of the property. There is only a small portion of the property that could be utilized for any use other than parks, recreation, open space or preserve type uses although some sort of “special use” could be productive on that portion of the property that is not limited by terrain.

The property, as it sits today is being utilized as a city park. The property is well suited to various types of mountain recreation, such as hiking, biking, riding, fishing, hunting, wildlife viewing, and non-motorized winter activities. Agriculture uses would be considered optional but not optimal for the property. Development of the subject into smaller tracts is possible but not considered probable given the access and topographical concerns attributable to the property. The topography is rugged and there are no interior access roads into the property at this time. There is perimeter access, most of which is only possible into the property from Mesa Road on the north.

It could be argued that some type of commercial use could be supported for the property. It is likely, however, that use would be tied to some sort of outdoor recreational use including equestrian development. The bottom line is that location, access and terrain limit the potential development potential for the majority of this property.

The highest and best use of the subject property is, in my opinion, limited to a large acreage open space or recreational property or possibly acquired for some type of private preserve given the access and topographical concerns present.

## Property Rights Appraised

The property rights being appraised consist of the Fee Simple Estate of the subject property.

A Fee Simple Estate is defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>4</sup>

The value of the Fee Simple Estate is, therefore, impacted by its current zoning, tax status, condemnation proceedings, public easements, and environmental legislation. The Fee Simple Estate encompasses all rights of ownership not limited by government, including the right of occupancy (use), the right to lease and receive rents, the right of conveyances to another, etc. This interest is analogous to the total "bundle of rights", each of which may be severed and conveyed by the Fee Simple owner. The Fee Simple Estate may be severed into various partial or fractional interests, including the leased fee and leasehold interests. The Fee Simple Estate is the sum of the leased fee and all leasehold interests.

### Personal Property is Excluded from this Appraisal

Any movable equipment, furnishings, and fixtures necessary to the operation of this property were not included in the value of the real estate. If necessary to the operation of the real estate as a hotel, personal care residence, etc., and a value is required by the client, the personal property has been allocated separately.

#### Personal property is defined as follows:

Personal property is, generally, movable items - that is, those not permanently affixed to and part of the real estate. Thus personal property is not endowed with the rights of real property ownership. Examples of personal property are furniture and furnishings that are not built into the structure, such as refrigerators and freestanding shelves.<sup>5</sup>

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<sup>4</sup> The Appraisal of Real Estate, 13th. Edition (Appraisal Institute, Chicago, Il., 2008), p. 114

<sup>5</sup> *ibid.*, p. 7

## Valuation Analysis

Having determined that the Highest and Best Use of the subject property is at its present use, I proceeded with my analysis. This included a review of the market and an assessment of the potential demand for similar properties. Finally, I estimated the Market Value of the subject property using the applicable approaches to value.

The Valuation Process - The valuation process is a systematic approach that identifies the appraisal problem, analyzes a property's characteristics, and generally engages three common valuation methods to form an opinion of market value.

The steps in the valuation process include:<sup>6</sup>

- Identification of the problem
- Scope of work determination
- Data Collection and Property Description
- Data Analysis
- Site Value Opinion
- Application of the Approaches to Value
- Reconciliation of Value indicators and final Opinion of Value
- Report of Defined Value

There are three generally accepted approaches to value in the appraisal of real property. These are summarized as follows.

The Sales Comparison Approach consists of analyzing the sale of comparable properties within the immediate area and/or in similar locations by a comparison of their respective similarities and differences. A judgment is then made as to the value of the subject property, based upon the adjusted values.

The Income Approach consists of estimating the potential annual gross income using actual or market derived rentals. Deducted from this amount, to arrive at a projected net income, are projected vacancy, annual expenses, and an estimated reserve for replacement. The resulting net income is capitalized into value.

The Cost Approach consists of estimating the cost new of the building improvements, deducting depreciation from all sources, and adding the value of the land and lot improvements. It is often the most difficult approach to apply to existing buildings because of the problem encountered in accurately estimating depreciation.

Only the Sales Comparison Approach was developed.

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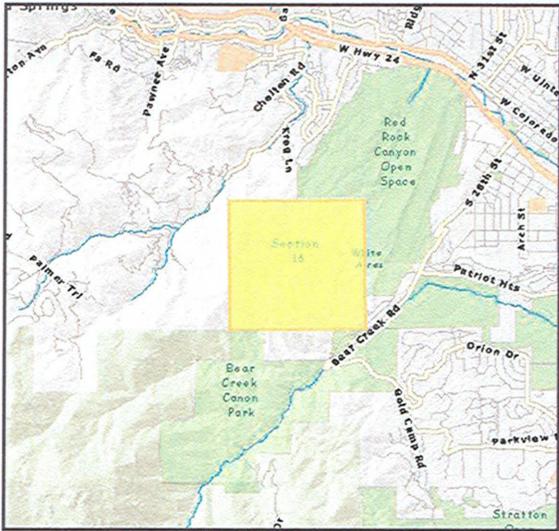
<sup>6</sup> The Appraisal of Real Estate 13th Edition, Pages 129 and 131 Appraisal Institute

## **Sales Comparison Approach**

The Sales Comparison Approach consists of comparing the subject property with sales of similar properties that have sold. It is based upon the principle of substitution and implies that a prudent investor will not pay more for an existing property than he will to buy an identical substitute property.

The following sales have been utilized as the basis for determining the underlying fee simple interest for the property in the before and after condition. It should be noted that there is an extremely limited pool of sales from which to draw based on the unique nature of the subject property. I felt that it was important to try to locate sales in the Colorado Springs market area rather than to expand the search to include mountain properties located through the state. Although three of the seven sales were purchased by the City of Colorado Springs for use consistent with the highest and best use developed for the subject parcel, those sales were deemed to be arm's length transactions based on current market conditions and the properties were not purchased under the threat of condemnation.

**Land Sale #1 Transaction Data**



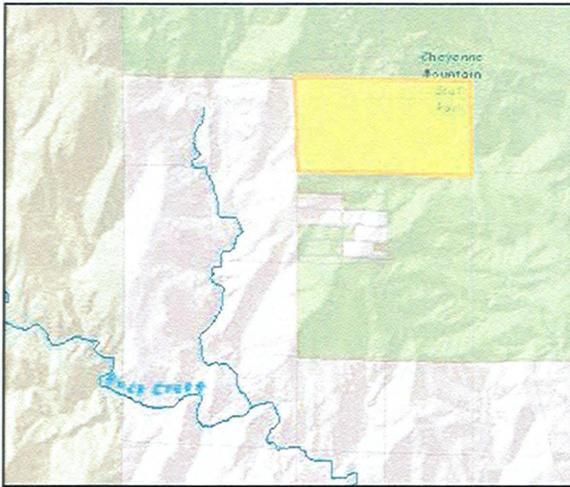
**Parcel Map**



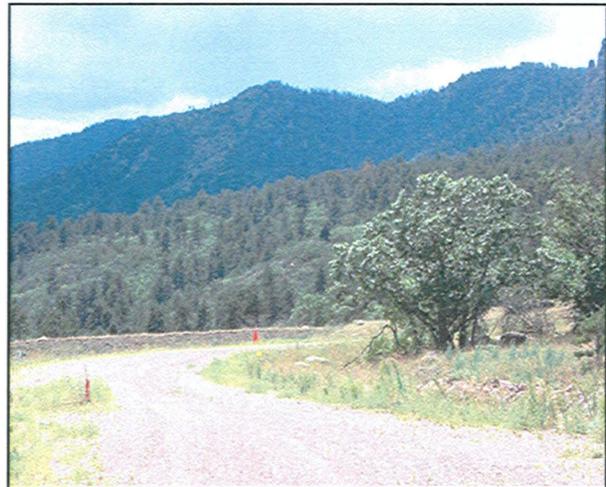
**Street View**

Sale No.:	1	Photo By:	Kyle Wigington		Inspected On:	7/22/2011
Location:	Manitou Section 16, Manitou Springs, Colorado					
Tax Schedule No.:	7400000028			Recordation:	210124916	
Legal Description:	All SEC 16-14-67			Type of Deed:	Other	
Grantor:	Colorado State Land Board			Date of Sale:	12/7/2010	
Grantee:	City of Colorado Springs			Selling Price:	\$3,800,000	
Sale Confirmed By:	Grantee		Cash Equivalent Price:	\$3,800,000		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	8/13/2012		
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	See below	
Amenities	Trees, mountain	Land Area (Ac)	640.0	Location:	Good	
Topography:	Canyon, mountain	Utilities:	Available	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	F-5	Shape:	Square	
Highest and Best Use:	Open Space	Use When Sold:	Vacant land			
Financing Terms:	Typical of market					
Comments:	Sale was arms-length, cash to seller. This property is now part of Cheyenne Mountain State Park. Note the road in the photo is the nearest access point. The property, however does have access via the assemblage.					

**Land Sale #2 Transaction Data**



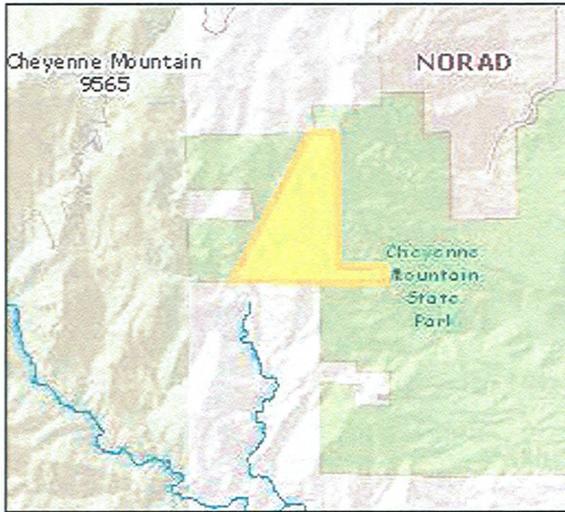
**Parcel Map**



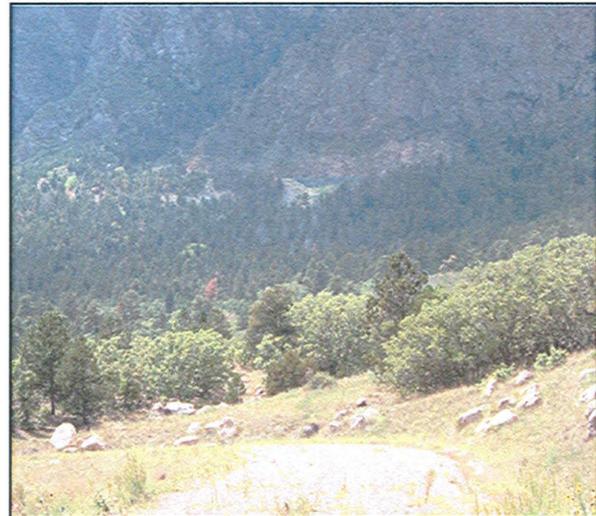
**Street View**

Sale No.:	2	Photo By:	Kyle Wigington		Inspected On:	8/12/2011
Location:	Parcel in Section 23-15-67, Colorado Springs, Colorado					
Tax Schedule No.:	7500000055			Recordation:	208102235	
Legal Description:	S2SE4 EX RD L/MR SEC 23-15-67			Type of Deed:	Warranty	
Grantor:	Stephany Joy-Newman			Date of Sale:	9/16/2008	
Grantee:	Colorado Municipal Corporation			Selling Price:	\$538,400	
Sale Confirmed By:	Grantee		Cash Equivalent Price:	\$538,400		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	8/12/2011		
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Perimeter	
Amenities	Trees, views	Land Area (Ac)	80.0	Location:	Cheyenne Mtn. area	
Topography:	Mountains, canyon	Utilities:	None	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Rectangular	
Highest and Best Use:	Open Space	Use When Sold:	Vacant land			
Financing Terms:	Typical of market					
Comments:	Sale was arms-length, cash to seller. Property was purchased for public open space. No through roads.					

**Land Sale #3 Transaction Data**



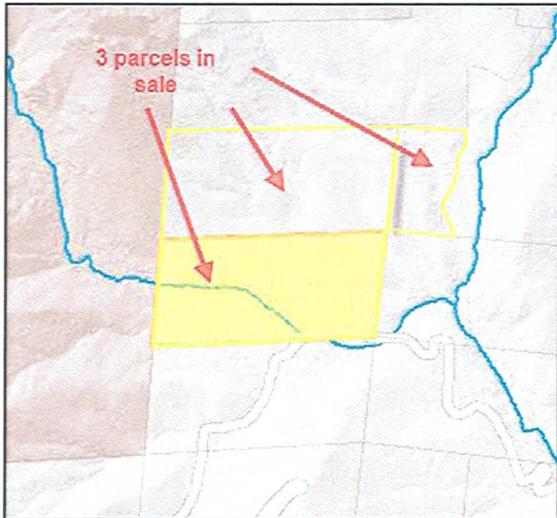
**Parcel Map**



**Street View**

Sale No.:	3	Photo By:	Kyle Wigington	Inspected On:	8/12/2011
Location:	Cheyenne Mountain State Park, El Paso County, Colorado				
Tax Schedule No.:	7500000291	Recordation:	208012327		
Legal Description:	TRACT OF LAND IN SECTION 23-15-67			Type of Deed:	Warranty
Grantor:	347 LLC			Date of Sale:	1/31/2008
Grantee:	City of Colorado Springs			Selling Price:	\$441,000
Sale Confirmed By:	Grantee		Cash Equivalent Price:	4441,000	
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	8/12/2011	
Condition of Sale:	Arm's Length	Rights Conveyed:	Conservation easement encumbered	Access:	Perimeter
Amenities	Trees, views	Land Area (Ac)	94.43	Location:	Cheyenne Mtn. area
Topography:	Mountains, canyon	Utilities:	None	Flood Plain:	No impact
Year Built:	N/A	Zoning:	A-5	Shape:	Irregular
Highest and Best Use:	Parks and recreation	Use When Sold:	Vacant land		
Financing Terms:	Cash to seller				
Comments:	This parcel is now part of Cheyenne Mountain State Park. Similar access issues as related in Sale 2. Perimeter access only.				

**Land Sale #4 Transaction Data**



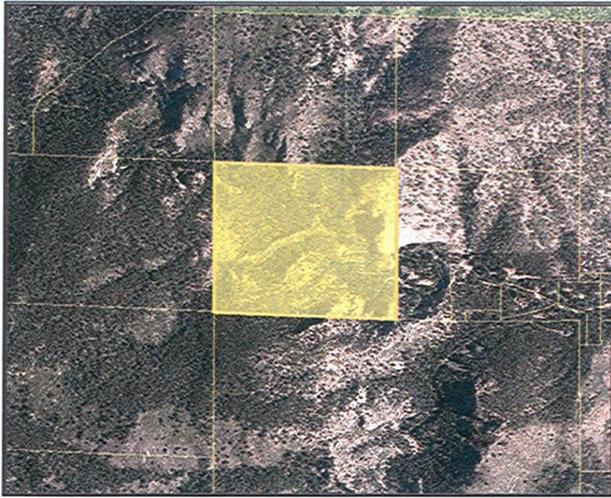
**Parcel Map**



**Street View**

Sale No.:	4	Photo By:	Kyle Wigington	Inspected On:	3/10/2014
Location:	00 Little Turkey Creek Road, Colorado Springs, Colorado				
Tax Schedule No.:	7600000288	Recordation:	214009139		
Legal Description:	TRACT IN N2NE4SE4 SEC 7-16-67		Type of Deed:	Warranty	
Grantor:	Dry Head Ranch LLC		Date of Sale:	1/20/2014	
Grantee:	Matthew David Cook		Selling Price:	\$184,315	
Sale Confirmed By:	Listing agent		Cash Equivalent Price:	\$184,315	
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	3/12/2014	
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Private
Amenities	View, trees, creek	Land Area (Ac)	45.75	Location:	West side
Topography:	Mountains, canyon	Utilities:	Well, no electric	Flood Plain:	No impact
Year Built:	N/A	Zoning:	A-5	Shape:	Irregular
Highest and Best Use:	Rural residential, recreational	Use When Sold:	Vacant land		
Financing Terms:	Typical of market				
Comments:	Cash to seller, arm's length, typical financing. The sale includes three properties with a total of 45.75 acres. The individual schedule numbers are 7600000288, 7600000286 and 7600000287. The property has a creek, good views, a well, and no public electric service.				

**Land Sale #5 Transaction Data**



**Parcel Map**



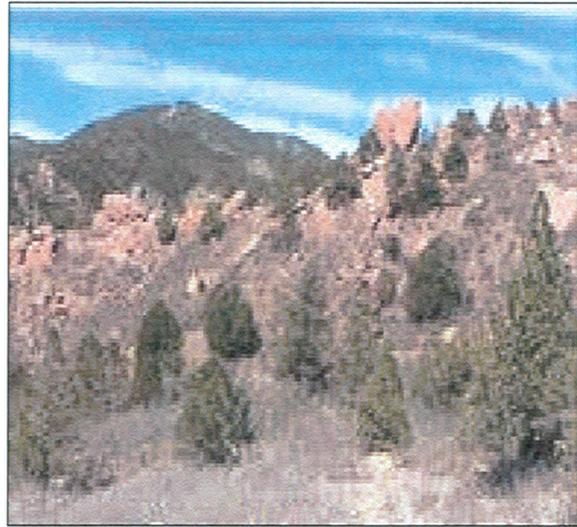
**Street View**

Sale No.:	5	Photo By:	Kyle Wigington	Inspected On:	7/7/2015
Location:	1725 Rock Creek Canyon Road, Colorado Springs, Colorado				
Tax Schedule No.:	7500000244	Recordation:	214110590		
Legal Description:	SW4SE4 SEC 26-15-67		Type of Deed:	Warranty	
Grantor:	Deutsche Bank National Trust		Date of Sale:	12/2/2014	
Grantee:	Jacob R. Snell		Selling Price:	\$302,000	
Sale Confirmed By:	Bank		Cash Equivalent Price:	\$302,000	
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	7/7/2015	
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Private
Amenities	Dwelling	Land Area (Ac)	40.0	Location:	Rock Creek Canyon
Topography:	Mountains, canyons	Utilities:	None	Flood Plain:	No impact
Year Built:	N/A	Zoning:	A-5	Shape:	Square
Highest and Best Use:	Rural residential	Use When Sold:	Rural residential		
Financing Terms:	Typical of market				
Comments:	Bank discounted sale. Dwelling did not add value.				

**Land Sale #6 Transaction Data**



**Parcel Map**



**Street View**

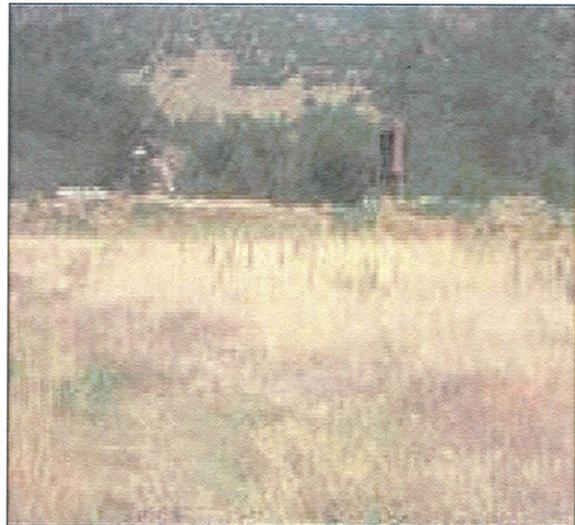
Sale No.:	6	Photo By:	Kyle Wigington		Inspected On:	7/7/2015
Location:	10010 Highway 115, Colorado Springs, Colorado					
Tax Schedule No.:	7601300001			Recordation:	215063904	
Legal Description:	N2N2NE4SE4 SEC 2-16-67			Type of Deed:	Warranty	
Grantor:	Leslie V. Timberlake and Mark A. Timberlake			Date of Sale:	6/19/2015	
Grantee:	Chelsea Luttrall and James Luttrall			Selling Price:	\$124,000	
Sale Confirmed By:	MLS, County records		Cash Equivalent Price:	\$124,000		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	In process		
Condition of Sale:	Arm's Length	Rights Conveyed:	Fee Simple	Access:	Developed	
Amenities	Trees, mountain	Land Area (Ac)	18.19	Location:	Highway 115	
Topography:	Mountains, canyon	Utilities:	None	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5, F-5	Shape:	Irregular	
Highest and Best Use:	Rural residential	Use When Sold:	Rural residential			
Financing Terms:	Typical of market					
Comments:	Sale just recently closed. Appraiser is still confirming buyer/seller at time of report. Deed has not recorded/posted as of this date. Still considered good sale.					

**NOTE: assessor record shows size of parcel to be: 14.52 Acres**

**Land Sale #7 Transaction Data**



**Parcel Map**



**Street View**

Sale No.:	7	Photo By:	Kyle Wigington		Inspected On:	7/7/2015
Location:	9860 South Highway 115, Colorado Springs, Colorado					
Tax Schedule No.:	7600000001			Recordation:	214095435	
Legal Description:	PART OF SE4NW4, SW4NE4 SEC 1-16-67			Type of Deed:	Warranty	
Grantor:	Patricia Cunningham			Date of Sale:	10/17/2014	
Grantee:	Craig S. Egbert, Derek Egbert, Leisa Egbert			Selling Price:	\$275,000	
Sale Confirmed By:	Grantor		Cash Equivalent Price:	\$275,000		
Appraiser Confirming:	Kyle Wigington		Date Confirmed:	7/7/2015		
Condition of Sale:	Arm's Length	Rights Conveyed:	Conservation easement encumbered	Access:	Private	
Amenities	Outbuildings	Land Area (Ac)	30.0	Location:	Highway 115	
Topography:	Canyon	Utilities:	None	Flood Plain:	No impact	
Year Built:	N/A	Zoning:	A-5	Shape:	Rectangular	
Highest and Best Use:	Parks and recreation	Use When Sold:	Vacant land			
Financing Terms:	Typical of market					
Comments:	Water taps available.					

**LAND SALES ADJUSTMENT CHART**

Criteria	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Address		Manitou Section 16	Section 23-15-67	Cheyenne Mtn. State Park	00 Little Turkey Creek Road	1725 Rock Creek Canyon	10010 Highway 115	9860 South Highway 115
Sale Date	N/A	12/7/2010	9/16/2008	10/31/2008	1/20/2014	12/2/2014	6/19/2015	10/17/2014
Size (Acres)		186.0	80.0	94.43	45.75	40.0	18.19	30.0
Sale Price		\$3,800,000	\$538,400	\$441,000	\$184,315	\$302,000	\$124,000	\$275,000
Sale Price/Acre		\$5,938	\$6,730	\$4,670	\$4,029	\$7,550	\$6,817	\$9,167
<b>INITIAL ADJUSTMENTS</b>								
Property Rights Transferred Adjustment	Fee Simple	Fee Simple \$0	Fee Simple \$0	Fee Simple \$0	Fee Simple \$0	Fee Simple \$0	Fee Simple \$0	Fee Simple \$0
Cash Equivalent Adjustment	Market	Market \$0	Market \$0	Market \$0	Market \$0	Market \$0	Market \$0	Market \$0
Condition of Sale Adjustment	Typical	Typical \$0	Typical \$0	Typical \$0	Typical \$0	Bank Discount \$20,000	Typical \$0	Typical \$0
Age of Sale (Years)		5	7	7	1	1	0	1
Time Adjustment		\$760,000	\$107,680	\$88,200	\$0	\$0	\$0	\$0
<b>Adjusted Sale Price</b>		<b>\$4,560,000</b>	<b>\$646,080</b>	<b>\$529,200</b>	<b>\$184,315</b>	<b>\$322,000</b>	<b>\$124,000</b>	<b>\$275,000</b>
<b>Adjusted Price/Acre</b>		<b>\$7,125</b>	<b>\$8,076</b>	<b>\$5,604</b>	<b>\$4,029</b>	<b>\$8,050</b>	<b>\$6,817</b>	<b>\$9,167</b>
<b>OTHER ADJUSTMENTS</b>								
Location Adjustment	North Cheyenne Canyon	NW of Bear Creek Road 0%	Section 23-15-67 0%	Cheyenne Mtn. State Park 0%	Little Turkey Creek Road 0%	Rock Creek Canyon Road 0%	Highway 115 0%	South Highway 115 0%
Parcel Size (Acres) Adjustment	186	640.0 0%	80.0 0%	94.43 0%	45.75 0%	40.0 0%	18.19 0%	30.0 0%
Topography Adjustment	Moderate/Mtn	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Shape of Parcel Adjustment	Irregular	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Zoning Adjustment	PK HS, F-5	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Amenities Adjustment	Trees, views	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Highest Best Use Adjustment	Rec, Open, Preserve	Similar 0%	Similar 0%	Similar 0%	Inferior 0%	Inferior 0%	Inferior 0%	Similar 0%
Utilities Adjustment	None	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Access Adjustment	Exterior Roads	Inferior 20%	Similar 0%	Inferior 20%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
<b>TOTAL ADJUSTMENTS</b>								
<b>ADJUSTED VALUE \$/ACRE</b>		<b>\$8,550</b>	<b>\$8,076</b>	<b>\$6,725</b>	<b>\$4,835</b>	<b>\$9,660</b>	<b>\$8,180</b>	<b>\$9,167</b>
<b>INDICATED VALUE/ACRE</b>		<b>\$8,500</b>						

## Analysis of Comparable Land Sales

According to the Appraisal of Real Estate, 13<sup>th</sup> edition, page 309, there are certain elements of comparison that should be considered in sales comparison analysis. Others may be required, based on the particular aspects of the valuation assignment.

- Real property rights conveyed
- Financing terms (i.e., cash equivalency)
- Conditions of sale (i.e., motivation)
- Market conditions (i.e., time)
- Location
- Physical characteristics (e.g., size, access, shape, topography)
- Amenities (trees, views, creeks, etc.)

In most cases, adjustments are required to the sales price of a comparable to reflect the differences between it and the subject. *Quantitative* techniques are generally desirable when the data support their use. These techniques may include paired data set analysis, statistical analysis, trend analysis, cost-related analysis and secondary data analysis. *Qualitative* techniques, such as relative comparison analysis, ranking analysis and personal interviews, may be appropriate when the comparables do not support quantitative analyses. Both quantitative and qualitative adjustment techniques are used in this appraisal.

### Conditions of Sale

Sale 5 was sold at a discount by a bank to the new owner. This discount was verified by the bank as well as a paired analysis with other sale properties in the area. A positive adjustment is warranted for the sale. All other sales were considered at market in terms of conditions of sale.

### Time

Given the unique nature of the subject parcel and the sales that had to be utilized in the analysis due to the comparability of same, three of the sales (Sales, 1, 2, and 3) are up to seven years in the past. It is understood in the market that there has been an increase in market values since that time overall for the Colorado Springs market. That said, it is somewhat difficult to prove that increase based solely on a paired sales analysis. However, looking at the remainder of the sales uses in the analysis that occurred recently we can lend support to overall generic market data that indicates a positive adjustment for time is warranted for sales 1, 2 and 3.

### Location

All of the sales are located on the west side of Colorado Springs in El Paso County and we are unable to support an adjustment for any of the sales related to location.

## **Size**

Typically we would see the potential for size adjustments for sales that are approximately 200 acres when compared with sales that are approximately 20 acres in sizes. Normally, the smaller the parcel the higher the price per unit of comparison. A pairing of the sales used in this analysis does not support such an adjustment. Smaller tracts tend to sell at approximately the same unit value all other things being equal. No size adjustment can be supported for this analysis.

## **Topography**

The subject as well as all of the sales are located in a mountain area with portions of steep and rugged terrain. No topography adjustments are indicated.

## **Shape**

The market does not seem to support an adjustment based on the physical shape of the parcels as most of these types of mountain parcels are normally irregular in shape.

## **Zoning**

All of the parcels have similar zoning regardless of current use. No zoning adjustment is indicated.

## **Amenities**

Sale 5 had a dwelling located on the parcel that reportedly did not add significant value to the sales price paid. All other amenities are considered similar. No adjustments are warranted.

## **Highest and Best Use**

This attribute presents a unique challenge in this report. It appears from a pairing of the sales available that those properties with uses consistent with parks, recreation and open space tend to sell for more than those identified solely for rural residential use. As such, we have applied an adjustment to Sales 4, 5 and 6 to reflect this unique situation.

## **Utilities**

There is no indication that the status of utilities availability affected any of the sales and no adjustment is warranted.

## **Access**

All of the properties with the exception of Sale 3 have perimeter or private access. It appears that Sale 3 was landlocked prior to being assembled with other City owned park property. Accordingly, we have applied an adjustment to reflect the access present in the pre-sale condition of Sale 3.

## Value Estimate

The estimated underlying value is developed based on the application of the estimated price per acre value developed in the previous sales comparison approach.

We have relied primarily upon those sales of property purchased by the governmental entities absent the threat of condemnation where the price was set by market conditions. We have utilized the newer sales for support of those indicated values. To simplify the rationale, it would stand to reason that the most probable price to be assigned to a potential sale of a park and open space property would be commensurate with what was paid for a similar parcel taking into account the time factor.

Accordingly, the estimated market value for the subject parcel is as follows:

$$186 \text{ Deeded Acres} \times \$8,500 \text{ per acre} = \$1,581,000$$

## **Competency Provision**

The guidelines of the Uniform Standards of Professional Practice (USPAP) of the Appraisal Foundation as mandated under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) requires that:

Prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently.

The signatory to this report has prepared appraisals that are similar in location and type to the subject property and meets the competency provision as set forth by USPAP.

## **Addenda**

1. Appraiser Qualifications

## **Qualifications of Appraiser**

### ***CURRICULUM VITAE*** ***KYLE L. WIGINGTON, J.D.***

P.O. Box 88455  
Colorado Springs, Colorado 80908  
719-635-9614  
Kyle.Wigington@WigingtonLaw.com

#### **EDUCATION**

Juris Doctor (JD) - Hamline University School of Law, St. Paul, MN - 1998

Master of Arts (MA) - Webster University, St. Louis, MO - 1988

Bachelor of Arts (BA) - Chadron State College, Chadron, NE - 1983

Associate of Applied Science (AS) - Community College – U.S. Air Force - 1986

#### **EXPERIENCE**

Attorney at Law - Admitted: Colorado State Courts and U.S. District of Colorado

Certified General Real Estate Appraiser – State of Colorado

Conducted Appraisal Assignments in Colorado, Nebraska, South Dakota, Idaho, Wyoming, Kansas, Iowa, Minnesota, New Mexico, California, Ohio, Texas

Licensed Real Estate Broker - Colorado Real Estate Commission - Inactive

Member - American Bar Association, Colorado Bar Association, El Paso County Bar Association - CBA Real Estate Section and Water Law Section

Associate Member – Appraisal Institute

Member - International Right of Way Association

Member - National Association of Realtors - Colorado Association of Realtors – Pikes Peak Area Association of Realtors

Appointed as Tax Appeal Referee - El Paso County Board of Equalization

Qualified Expert Witness in Real Estate Matters - Colorado/Minnesota/Nebraska/ South Dakota

## PARTIAL CLIENT LISTING

United States Department of Defense  
State of Colorado Department of Transportation  
State of South Dakota Department of Transportation  
State of New Mexico Department of Transportation  
El Paso County Colorado  
La Plata County Colorado  
Mesa County Colorado  
Pueblo County Colorado  
Arapahoe County Colorado  
Clear Creek County Colorado  
Teller County Colorado  
City of Colorado Springs Colorado  
City of Durango Colorado  
City of Montrose Colorado  
City of Grand Junction Colorado  
City of Delta Colorado  
Town of Georgetown Colorado  
Colorado Springs Utilities  
Sunflower Electric Power Corporation  
Intermountain Rural Electric Association  
Cherokee Metropolitan District  
Baptist Road Rural Transportation Authority  
Pikes Peak Regional Transportation Authority  
Woodmen Road Metropolitan District  
Climax Molybdenum Corporation  
Black Forest Fire District  
Security Fire Protection District  
Land Services, Inc.  
TRS Corporation  
URS Corporation  
Wilson & Company  
Nolte & Associates  
H.C. Peck & Associates  
DMJM/Harris  
J.F. Sato & Associates  
Universal Field Services  
AT&T Corporation  
Power Engineers  
Safeway Incorporated  
First National Bank of Canyon City  
Norwest Investment and Trust  
Wells Fargo Bank  
Peoples National Bank

## PARTIAL PROJECT LISTING

Southern Delivery System Water Pipeline Project – Southern Colorado  
Woodmen Road/Academy Boulevard Interchange – Colorado Springs, CO  
U.S. 550 Widening Project – Bloomfield, NM  
Hodgen Road Widening Project – El Paso County, CO  
U.S. Department of Defense Buffer Zone – Ft. Carson, CO  
4<sup>th</sup> Street Bride Realignment – Pueblo, CO  
Interstate 90 Realignment – Rapid City, SD  
Montrose Westside Arterial/Grand Avenue – Montrose, CO  
Woodmen Road Safety Corridor Improvement Project – Colorado Springs, CO  
Guanella Pass Widening Project – Georgetown, CO  
Vincent Drive Realignment – Colorado Springs  
La Plata County Highway Project – Durango, CO  
Platte/Powers Interchange Redesign – Colorado Springs, CO  
Proby Parkway Roadway Construction – Colorado Springs, CO  
North Ft. Dodge to Lancer 115 Kv Transmission Line – Dodge City, KS  
Vacated Railroad Right of Way Consulting Report – Climax Mine, Leadville, CO  
Electrical Transmission Project – Clipper Windpower Development, El Paso County, CO  
El Paso County Board of Equalization – Tax Appeal Arbitrations  
Teller County Board of Equalization – Tax Appeal Arbitrations  
County Line Road Realignment Project – El Paso County Colorado  
Cherokee Water District Pipeline Construction Project – El Paso County, CO  
Baptist Road Realignment/Construction Project – El Paso County, CO  
23 & G Road Intersection – City of Grand Junction, CO  
Black Forest and Burgess Intersection – El Paso County, CO  
Parks, Trails and Open Space Acquisitions – City of Colorado Springs, CO  
State of Nebraska Tax Appeal Litigation TERC Commission – Dawes County, NE  
Meridian Road Widening Project – El Paso County, CO  
B Street Bridge Construction – El Paso County, CO  
Broncos Parkway Expansion – Arapahoe County, CO  
City of Delta Truck Bypass/Confluence Drive – Delta, CO  
Powers/Woodmen Road Interchange – Colorado Springs, CO  
U.S. Highway 24 Widening Project – El Paso County, CO  
Interstate 25 Bridge Bypass – Trinidad, CO  
Interstate 25 Widening Project – Colorado Springs, CO  
Parks, Trails and Open Space Acquisition – Durango, CO

**PRIOR EXPERT WITNESS DESIGNATION  
BY COURT JURISDICTION  
(APPRAISAL)**

**Colorado State District Court**

El Paso County	CSU v. Group XIX Land & Cattle	Eminent Domain	2014
	CSU v. Norris	Eminent Domain	2013
	CSU v. Ultra Petroleum	Eminent Domain	2013
	City C/S v. Bink'M, LLC	Eminent Domain	2011
	City C/S v. York Plaza, LLC	Eminent Domain	2010
	City C/S v. Anderson Mahon Ent.	Eminent Domain	2009
	City C/S v. Colo. Ranch Homes LLC	Eminent Domain	2009
	City C/S v. Woodmen Center 99, LLC	Eminent Domain	2009
	El Paso County v. Good	Eminent Domain	2009
	El Paso County v. Salinas	Eminent Domain	2009
	State v. List	Eminent Domain	2009
	State v. Bridle Pass, LLC	Eminent Domain	2006
	State v. Jenkins	Eminent Domain	2006
	State v. Dalby	Eminent Domain	2004
	State v. Capital Pacific Holdings	Eminent Domain	2004
	Collazo v. WIIN	Contract Action	2003
	Leyton v. Leyton	Dissolution of Marriage	2001
	Beech v. Beech	Partition Action	2001
	Dang v. Sullivan	Lease/Contract Action	2002
	Lane v. Sun	Lease/Contract Action	1999
Pueblo County	CSU v. Walker Ranches, LLP	Eminent Domain	2015
	CSU v. Kay	Eminent Domain	2012
	CSU v. Maxwell	Eminent Domain	2012
	CSU v. Walsh	Eminent Domain	2012
	CSU v. PAL Construction	Eminent Domain	2011
	CSU v. Bell	Eminent Domain	2011
Teller County	State v. Silvers	Eminent Domain	2004
Weld County	Johnson v. Norwest Bank	Contract Action	1997

**Nebraska State Supreme Court**

Review of Expert Testimony in TERC Proceedings (Property Tax Valuation) 2005

**State of Nebraska TERC Commission**

Testified before the State of Nebraska TERC Commission re: Dawes County Tax Assessments 2005

**State of South Dakota**

Meade County State v. Norman Eminent Domain 2008

Kyle Lee Wigington  
12655 Black Forest Road Ste 100  
Colorado Springs, CO 80908

State of Colorado  
Department of Regulatory Agencies  
Division of Real Estate



COPY

Board of Real Estate Appraisers

Kyle Lee Wigington

Certified General Appraiser

License #: CG.001315439

Status: Active

Expires: 12/31/2016

Marcia Waters

Director: Marcia Waters

COPY

For the most up to date information regarding this credential, visit <http://dora.colorado.gov/dre>