

MEMO

TO: Michelle Metteer, Manager

DATE: July 13, 2024

FROM: James Mann, Financial Analyst

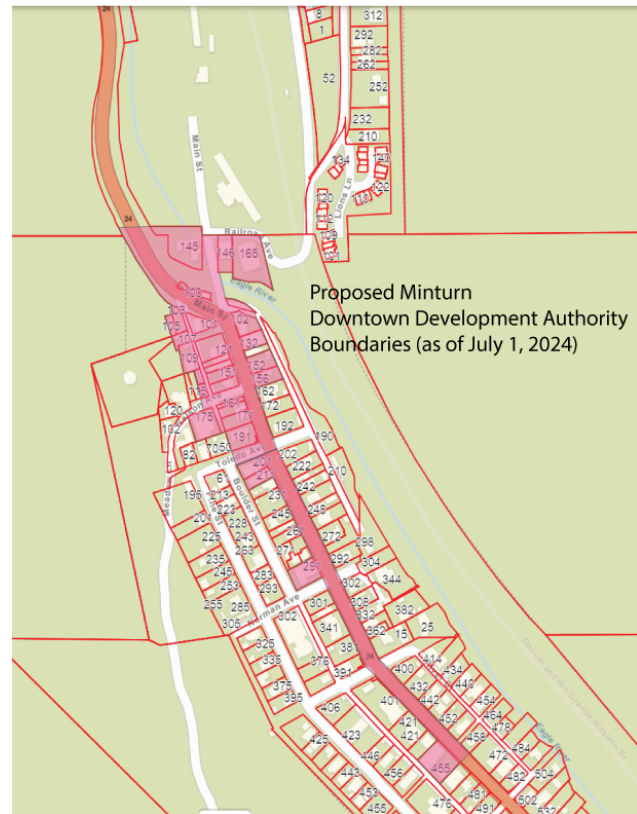
RE: Downtown Development Authority – Inventory of Properties and Projected Development

In evaluating the potential for a Minturn Downtown Development Authority, you have asked that I prepare a property inventory, and generate estimates of potential development and/or redevelopment. In looking at the potential of a district, the following general assumptions have been utilized:

1. Map of District is depicted to the right:
2. The properties included in the initial boundary have the following fair market (FM) values
  - a. Land - \$8,275,690
  - b. Improvements - \$20,341,710
  - c. Total FM - \$29,098,040
  - d. Assessed - \$4,760,600
  - e. Overall Assessed Ratio: 16.36%
3. Biennial 4.00% increase in value
4. No further changes to how assessments are calculated by the state
5. Mill Levy remains as it is current set, 72.908/1,000

As you may recall, we have estimated development potential, taking into consideration a conservative, moderate and aggressive approach to estimate the potential future FM value and then equating that into what the assessed value would be. In looking at potential development, we identified six conceptual developments. The assumptions used were as follows:

1. Evaluate buildable square footage of lot, less set back requirements, and then assuming a 90% build for the redevelopment subset.



2. Assume commercial redevelopment on first floor, with second floor residential, and a third incentive floor per the Town's code.
  - a. Conservative Growth assumption did not include the incentive floor
  - b. Moderate Growth assumption was the average between the Conservative and Aggressive approaches
  - c. Aggressive Growth assumption included incentive floors
3. Square footage values:
  - a. Residential - \$688/square
  - b. Commercial - \$250/square
  - c. Land - \$125/square
4. Included a 0.50% to 2.00% natural annual valuation increase, based on improvement made to district properties
5. Utilized a nominal borrowing rate of 5.00%

It is further assumed that development will generally occur over a five-year period, with the first project undertaking in 2026, which would be assessed in 2027, with first revenues occurring in 2028. It should also be understood that following year 20, a recalculation of the base value will occur, placing half of any growth back into the base of the district.

Given the above, I have estimated that the development potential to be as follows:

	Total FM Value	Gross Revenue Stream	Net Present Value
Conservative	21,113,133	5,719,580	2,982,899
Moderate	32,615,920	8,333,199	4,338,880
Aggressive	44,118,706	10,946,818	5,694,861

Attached you will find the following documents:

- District Property Inventory
- Redevelopment Summary