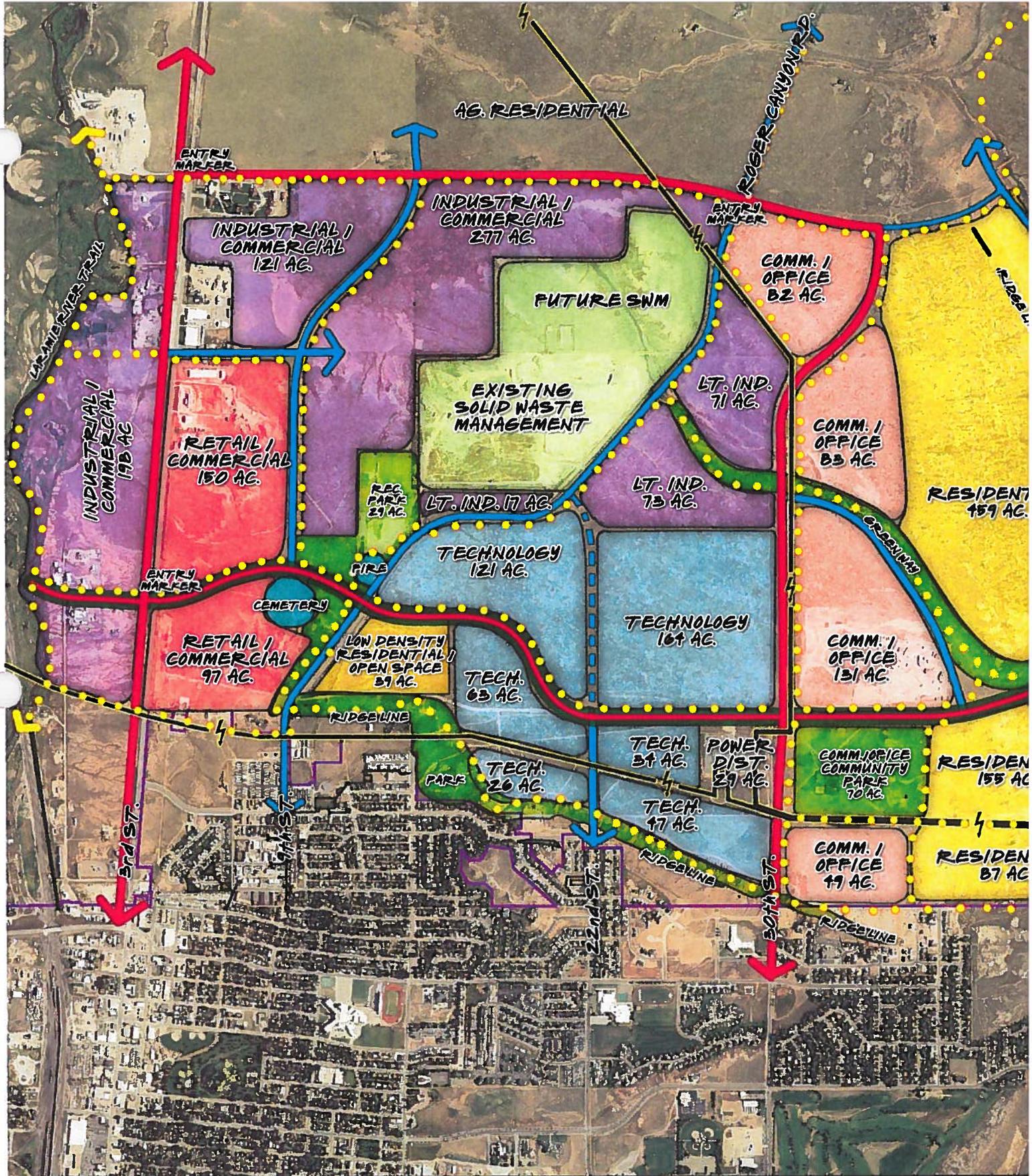


**Budget costs Cirrus Sky**

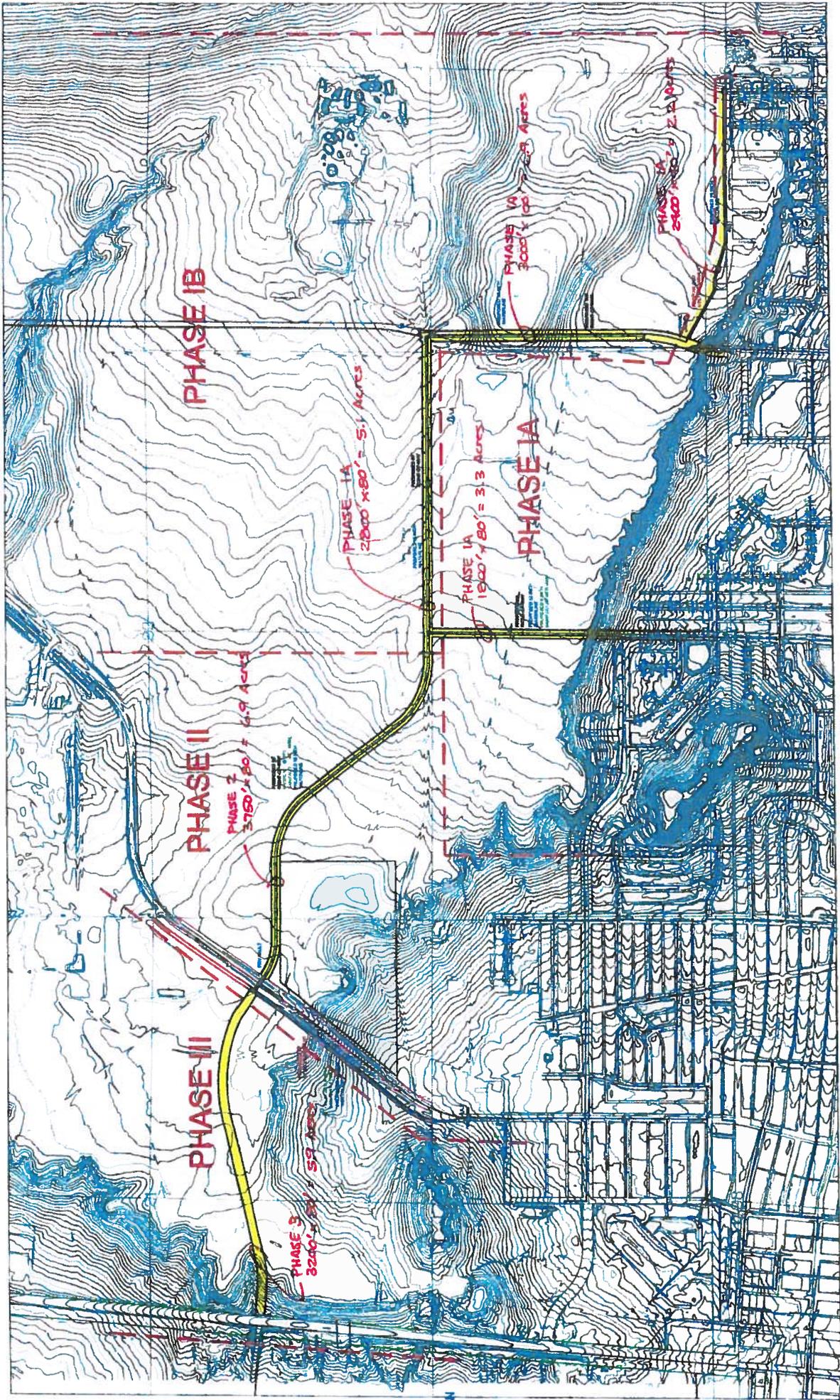
	Option A	Requested Budget	In-Kind component	
<b>Land Acquisition</b>				
Coughlin Purchase	\$ 1,462,000.00	\$ 1,462,000.00	\$ 596,000.00	**City Match
<b>Land Sub-Total</b>	\$ 1,462,000.00	\$ 1,462,000.00	\$ 596,000.00	
<b>Planning Costs</b>				
<b>Development/Business Plan</b>			\$ 90,000.00	**City Match
Planning Team hourly contribution (Goetz, Gern, Coffey, Massie, Rawstone, Guerin, Planning, Derragon, Clark, Ketcham, Crum, Stockman)			\$ 147,662.21	**Community Match
Appraisal Cost			\$ 6,500.00	**City Match
Land Survey			\$ 30,000.00	**LEDC Member Match
<b>Power Study</b>				
RMP Option #3 (10MW+ evaluation)	\$ 80,000.00	\$ 80,000.00		
<b>Fiber Assessment</b>				
	Pre-plan	Assessment Only		
Route #1	\$ 271,189.00	\$ 8,279.00		
Route #3	\$ 64,349.00	\$ 17,790.00		
Route #4	\$ 31,389.00	\$ 7,958.00		
<b>Sub-Total Fiber Studies</b>	\$ 366,927.00	\$ 34,027.00		
<b>Planning Sub-Total</b>	\$ 446,927.00	\$ 114,027.00	\$ 274,162.21	
<b>Construction Costs</b>				
<b>Power</b>				
RMP Option #1 (construction power)	\$ 80,000.00	\$ 80,000.00		
<b>Fiber Conduit in Utility Easements</b>	\$ 13,800.00	\$ 13,800.00		
<b>Water</b>				
	Oversized	Oversized		
	\$ 2,124,400.00	\$ 2,124,400.00		
<b>Sewer</b>				
	Full length Street	Full length Streets		
22nd	\$ 117,500.00	\$ 117,500.00		
Cirrus Sky	\$ 136,000.00	\$ 136,000.00		
30th	\$ 152,000.00	\$ 152,000.00		
<b>Sub-Total</b>	\$ 405,500.00	\$ 405,500.00		
<b>/Road</b>				
	Full length Full Street	1/2 length Full Street		
22nd	\$ 632,288.00	\$ 431,065.33		
	Full Length Full Street	road base only		
Cirrus Sky	\$ 883,622.00	\$ 50,698.68		
30th	\$ 899,780.00	\$ 56,278.95		
<b>Sub-Total Roads</b>	\$ 2,415,690.00	\$ 538,042.96		
<b>Storm water ( 22nd, 30th, Cirrus Sky)</b>	\$ 273,700.00	\$ 273,700.00		
<b>Easements</b>				
Warren	\$ -	\$ -	\$ 223,755.20	
RawStone	\$ -	\$ -	\$ 11,264.00	
Meyer	\$ -	\$ -	\$ 7,395.00	
<b>Sub-Total Easements</b>	\$ -	\$ -	\$ 242,414.20	**Private Match
<b>Project Signage</b>	\$ 76,800.00	\$ 76,800.00		
<b>Sub-Total Construction</b>	\$ 5,116,190.00	\$ 3,512,242.96		
General 10% (mob, demob, general contract, incl oversizing costs)	\$ 511,619.00	\$ 351,224.30	In-kind CA Option A	In-Kind CA Recommended Option
Construction Contingency 10%	\$ 511,619.00	\$ 351,224.30		
CA (10% Design CA)	\$ -	\$ -	\$ 511,619.00	\$ 351,224.30
CM (5% Survey/testing)	\$ 255,809.50	\$ 175,612.15		
<b>Total Const/Management Cost</b>	\$ 7,162,666.00	\$ 4,741,528.00	Total In-Kind Option A	Total In-Kind Requested Option
			\$ 1,624,195.41	\$ 1,463,800.71

Match Calculation	Option A	Recommended Option
Total Project Cost	\$10,184,169.41	\$ 7,430,131.41
Required 15% Match	\$ 1,527,625.41	\$ 1,114,519.67
Cash on hand	\$500,000	\$ 500,000.00
in-kind Contribution	\$ 1,624,195.41	\$ 1,463,800.71
<b>Total Amount of Match</b>	\$2,124,195.41	\$ 1,963,800.71
Grant Request	\$ 8,059,974.00	\$ 5,466,330.70
Match Contribution	\$2,124,195.41	\$ 1,963,800.71
Match percentage	21%	26%



*Laramie*  
WYOMING

Development Vision - LAND USE PLAN: Laramie River to 4



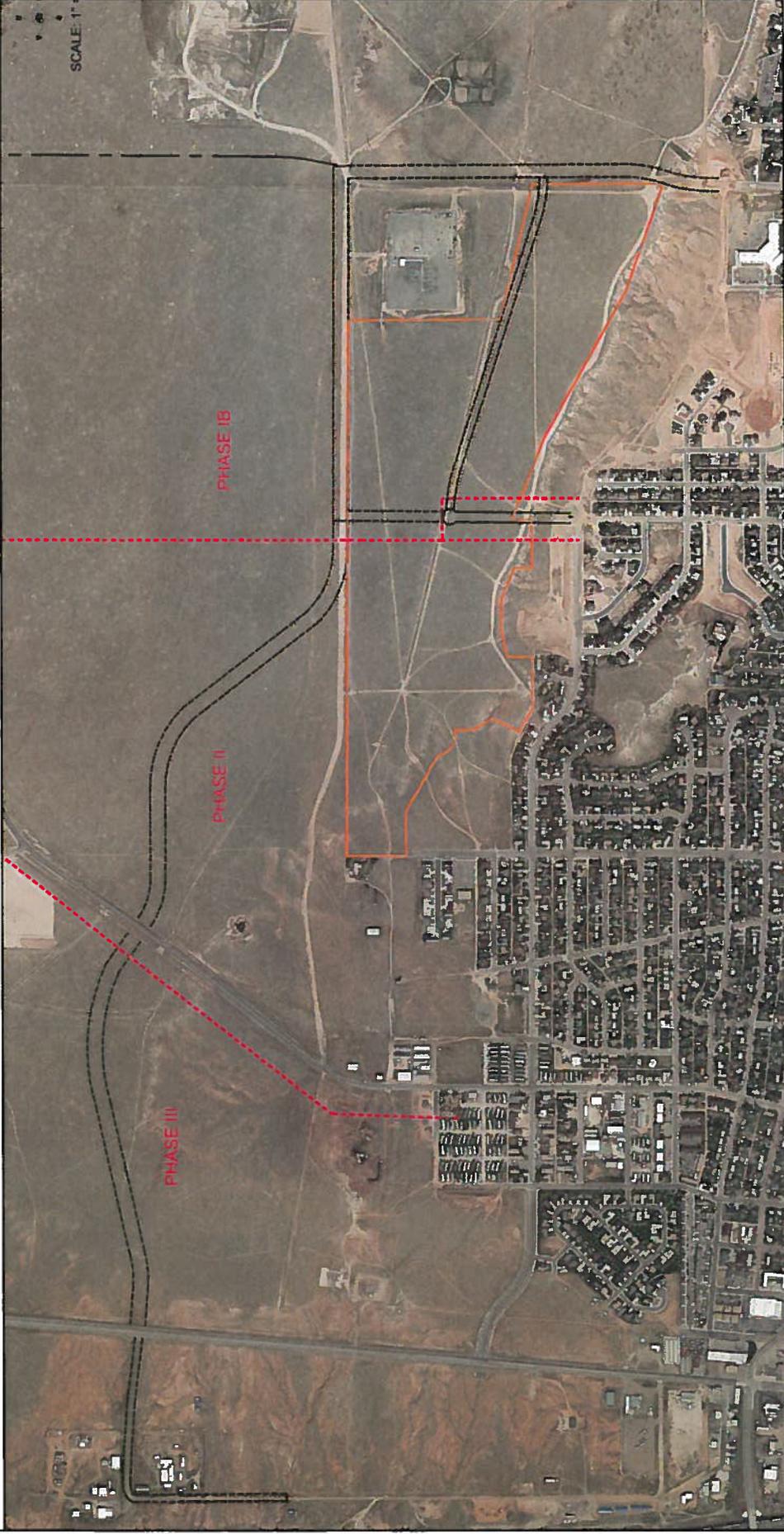
# CIRRUS SKY TECHNOLOGY PARK - PHASE 1A



## INFRASTRUCTURE QUANTITIES

INFRASTRUCTURE	LENGTH	COSTS
STREETS	1,000 LF PAVEMENT	\$ 538,000
	6,500 LF GRAVEL	\$ 2,124,000
WATER	9,800 LF	\$ 406,000
SANITARY SEWER	7,900 LF	\$ 274,000
STORM SEWER	2,500 LF	

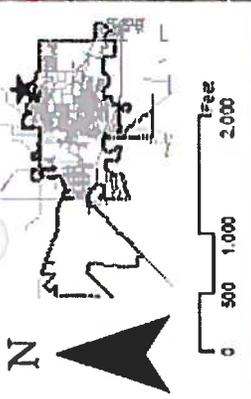
# CIRRUS SKY TECHNOLOGY PARK - FUTURE PHASES



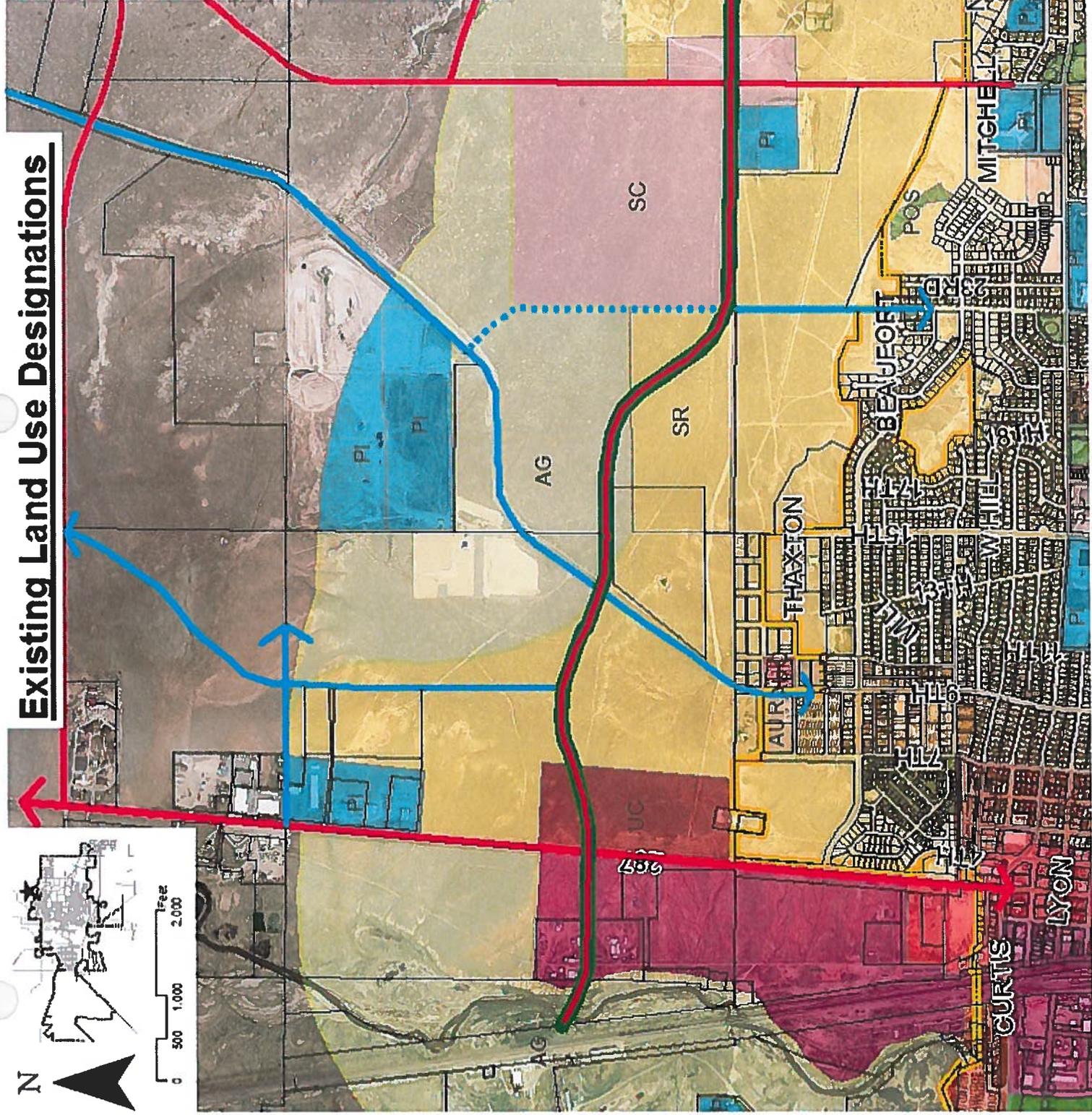
## INFRASTRUCTURE QUANTITIES

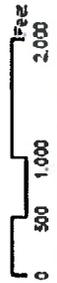
INFRASTRUCTURE - PHASE I	LENGTH (ft)	COSTS
STREETS	9,300	\$ 2,649,331
WATER	2,800	\$ 310,900
SANITARY SEWER	2,800	\$ 178,200
STORM SEWER	-	-
<b>TOTAL PHASE I:</b>		<b>\$ 3,138,431</b>
INFRASTRUCTURE - PHASE II	LENGTH (ft)	COSTS
STREETS	3,750	\$ 1,875,556
WATER	6,150	\$ 2,766,390
SANITARY SEWER	6,150	\$ 485,100
STORM SEWER	3,750	\$ 1,981,054
<b>TOTAL PHASE II:</b>		<b>\$ 7,088,100</b>
INFRASTRUCTURE - PHASE III	LENGTH (ft)	COSTS
STREETS	4,400	\$ 2,007,199
WATER	4,400	\$ 1,736,522
SANITARY SEWER	4,400	\$ 330,203
STORM SEWER	3,800	\$ 878,028
<b>TOTAL PHASE III:</b>		<b>\$ 4,953,952</b>

# Existing Land Use Designations



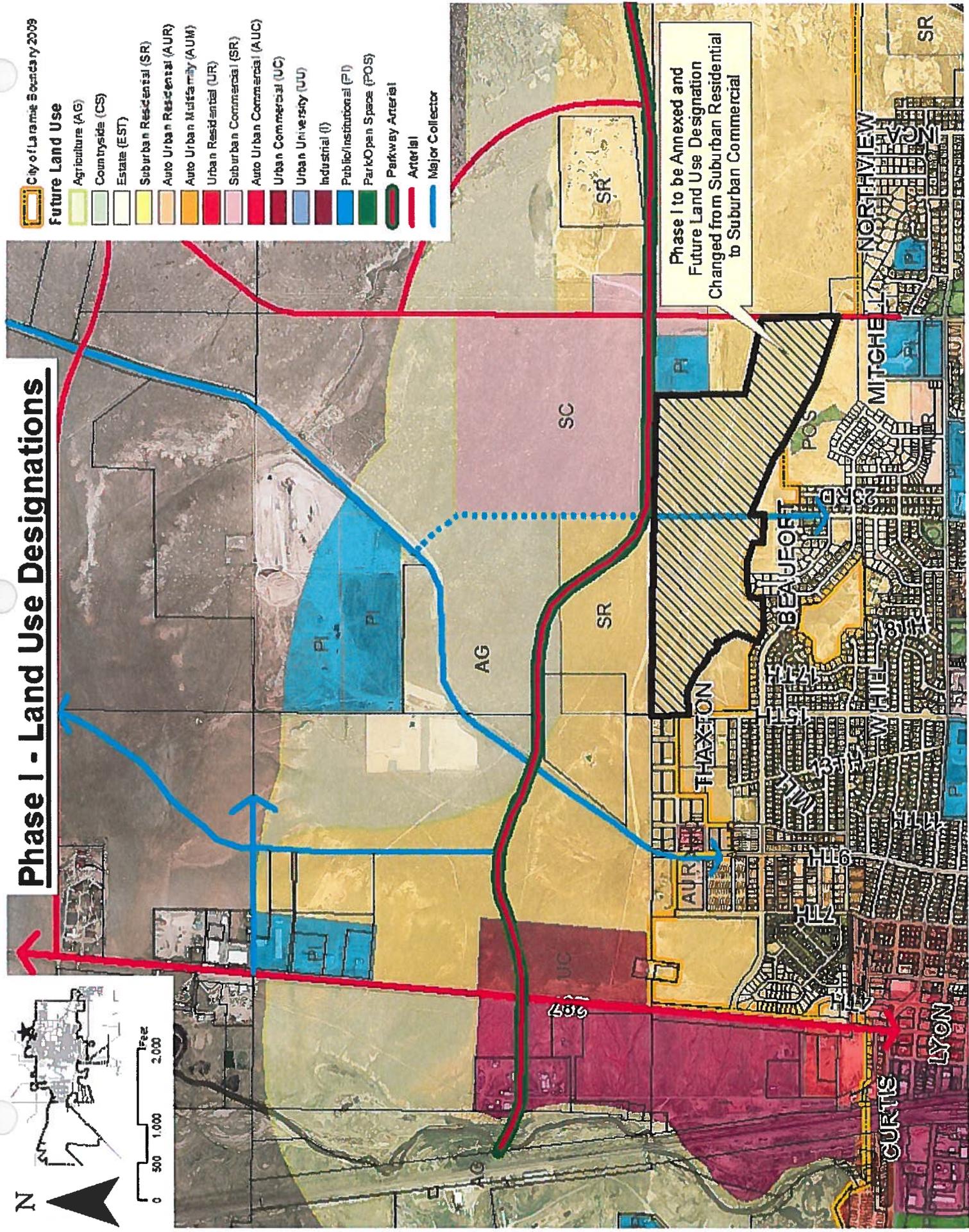
- City of Laramie Secondary 2009
- Future Land Use**
- Agriculture (AG)
  - Countryside (CS)
  - Estate (EST)
  - Suburban Residential (SR)
  - Auto Urban Residential (AUR)
  - Auto Urban Medium Density (AUM)
  - Urban Residential (UR)
  - Suburban Commercial (SR)
  - Auto Urban Commercial (AUC)
  - Urban Commercial (UC)
  - Urban University (UU)
  - Industrial (I)
  - Public/Institutional (PI)
  - Park/Open Space (POS)
  - Parkway Arterial
  - Arterial
  - Major Collector





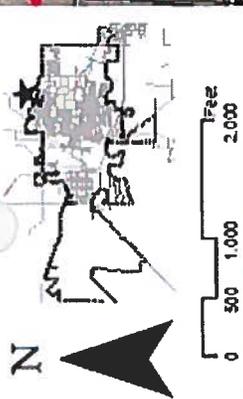
# Phase I - Land Use Designations

- City of Laramie Secondary 2009
- Future Land Use**
- Agriculture (AG)
  - Countryside (CS)
  - Estate (EST)
  - Suburban Residential (SR)
  - Auto Urban Residential (AUR)
  - Auto Urban Medium Density (AUM)
  - Urban Residential (UR)
  - Suburban Commercial (SCR)
  - Auto Urban Commercial (AUC)
  - Urban Commercial (UC)
  - Urban University (UU)
  - Industrial (I)
  - Public/Institutional (PI)
  - Park/Open Space (POS)
  - Parkway Arterial
  - Arterial
  - Major Collector

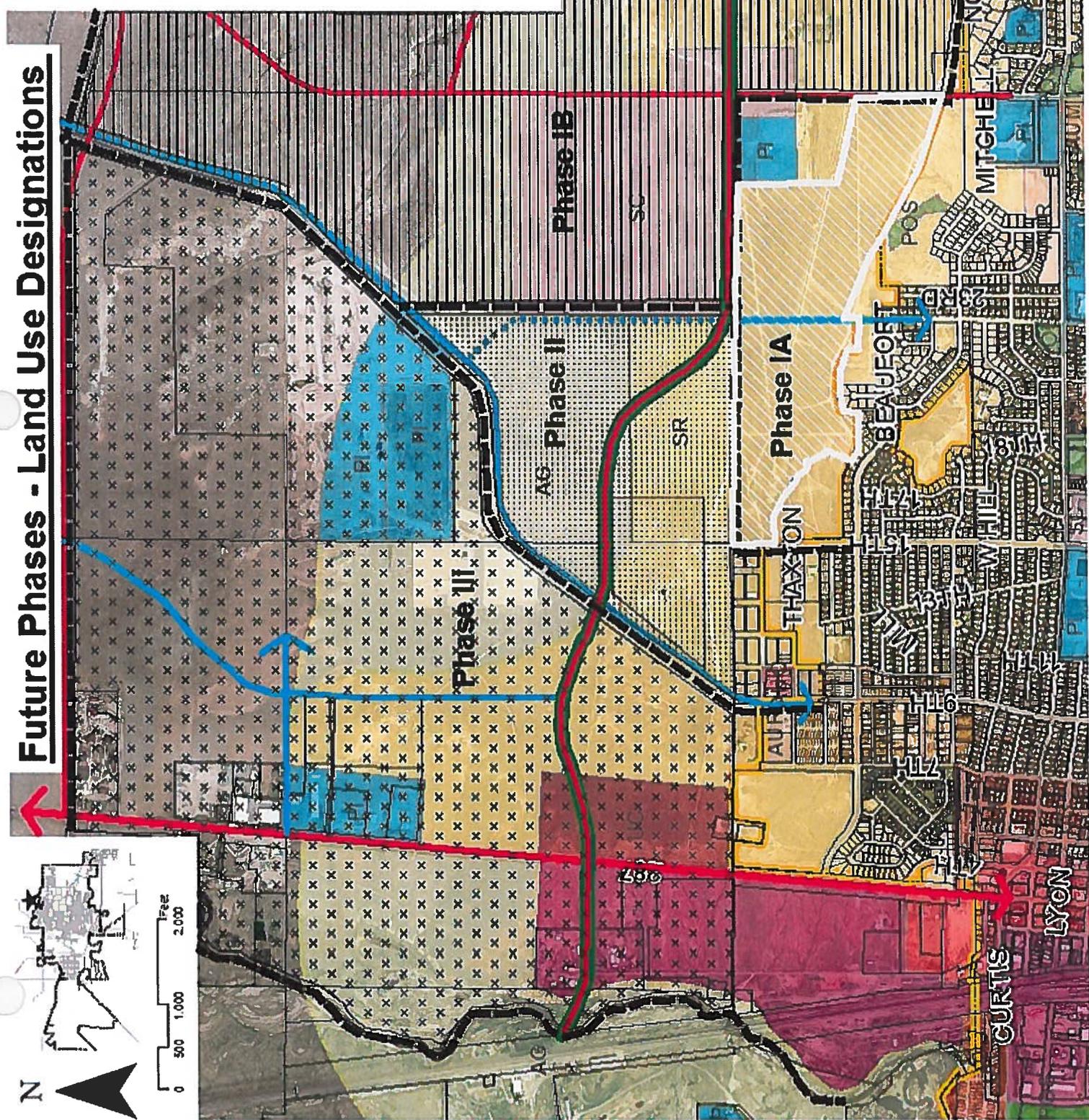


Phase I to be Annexed and  
Future Land Use Designation  
Changed from Suburban Residential  
to Suburban Commercial

# Future Phases - Land Use Designations



- City of Larimer Secondary 2009
- Future Land Use**
- Agriculture (AG)
  - Countryside (CS)
  - Estate (EST)
  - Suburban Residential (SR)
  - Auto Urban Residential (AUR)
  - Auto Urban Multifamily (AUM)
  - Urban Residential (UR)
  - Suburban Commercial (SR)
  - Auto Urban Commercial (AUC)
  - Urban Commercial (UC)
  - Urban University (UU)
  - Industrial (I)
  - Public/Institutional (PI)
  - Park/Open Space (POS)
  - Completed Phase
- Completed Phase**
- Parkway Arterial
  - Arterial
  - Major Collector
  - Future Phase Boundary





# CIRRUS SKY DATA CENTER SUMMARY OF EASEMENTS & R.O.W.'S



DATE: 8/28/2012

PAGE: 1

## PHASE 1:

Description	ROW	Easement	ROW width (feet)	Length (feet)	Area (square feet)	Area (acres)	Cost (\$0.32/sf, ROW) (\$0.29/sf, Ease.)	Ownership
Cirrus Sky Blvd (between 22nd St & 30th St) 30th St (between Cirrus Sky Blvd & Mitchell St) Off Site Water (between 30th St & Inca Dr)	X		120	2693	323160	7.4	\$103,411.20	Lodgepole Ranch
	X		150	2483	372450	8.6	\$119,184.00	Warren Livestock
		X	10	400	4000	0.1	\$1,160.00	Warren Livestock
Subtotal:						16.1	\$223,755.20	
22nd St (between Cirrus Sky Blvd & Beaufort St) 22nd St (between Cirrus Sky Blvd & Beaufort St)	X		80	1380	110400	2.5	\$35,328.00	Coughlin
	X		80	440	35200	0.8	\$11,264.00	RawStone Development
Off Site Water (between 30th St & Inca Dr)		X	30	850	25500	0.6	\$7,395.00	Meyer

## FUTURE PHASES

Description	ROW	Easement	ROW width (feet)	Length (feet)	Area (square feet)	Area (acres)	Cost (\$0.32/sf, ROW) (\$0.29/sf, Ease.)	Ownership
Local Road (West of Hwy 287) Cirrus Sky Blvd (between Hwy 287 & 9th St) Cirrus Sky Blvd (between 9th St & 22nd St)	X		60	640	38400	0.9	\$12,288.00	Pilot Peak, LLC
	X		120	3200	384000	8.8	\$122,880.00	Pilot Peak, LLC
	X		120	3800	456000	10.5	\$145,920.00	Lodgepole Ranch
Subtotal:						20.2	\$281,088.00	

**Notes:**

- Cost of a Right of Way is based on the appraised value of land (July 2012) at \$14,000/acre. \$14,000/acre x 43560sf/acre = \$0.32/sf
- Cost of a permanent easement is based on 90% of the assumed value of land. Based on July 2012 information the property is valued at \$14,000/acre. 90% x \$14,000/acre x 43560sf/acre = \$0.29/sf
- Cost of a temporary construction easement is based on 25% of the assumed value of land. No temporary easements are really proposed at this time, but they may come up later as the design is finalized and obstructions are identified.



July 31, 2012

Randy Hunt  
Director, Community Development  
PO Box C  
Laramie, WY 82073-0830

Mr. Hunt,

Thank you for your inquiry regarding the Cirrus Sky Tech Park. In this letter I intend to outline a process for providing electrical service to the Park that addresses the many variables of the project, while providing for the short time-frames potential recruits often require.

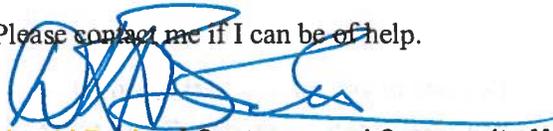
I visualize a four step process to this end:

- Provision of 3 Phase service 600KW to the property at a point of your choosing that would facilitate construction power and could be upgraded to 4 MW to serve a modest Data Center
  - A service request exceeding 1 MW would require a System Impact Study and engineering services agreement. The cost for these studies is estimated at \$15K. For construction and initial startup, 600 KW has been adequate for similar requests.
  - High level estimate for this service would be \$75K to \$80K.
  - Trenching, Vaults, and Right-of-Way would be the responsibility of the City.
  - Timeframe to accomplish this would depend on availability of long-lead procurement, but it is reasonable to assume it could be accomplished in 3 months.
- Provision of service exceeding 4 MW up to 10 MW to be provided to end use customer from a dedicated feed from the Laramie Substation.
  - High level estimate for this option is \$600K. This will include a position in the Laramie substation and approximately 2 miles of line.
  - The construction power service can cover requirements while these facilities are constructed.
  - Trenching, Vaults, and Right-of-way would be the responsibility of the City
    - Acquisition of right of way can be accomplished prior to requesting service. Provision for redundant feed should be considered in case the customer requires two service lines.
    - Rocky Mountain power will work with the City to define a route for the line(s).

- Timeframe to accomplish this will depend on long lead procurement and sizing of transformer, but it is reasonable to assume this could be constructed in 8 to 12 months provided Right-of-way is already acquired.
- Provision of service exceeding 10 MW up to 75 MW to be provided a transmission level delivery of 230KV.
  - This service would be provided from a new breaker position and bay in the Snowy Range Substation.
  - Costs for the Engineering Services Agreement and System Impact Study for this phase are estimated to be \$80K.
  - Timeframes for provision of service at this phase are difficult to estimate without completion of the study. Preliminary estimates for similar projects have been 14 to 18 months after completion of the studies.
- The estimate of \$30 per foot to move the existing Alta Vista Feeder to the edge of the property will give you a good reference point for accomplishing that work if you deem it necessary.

It is my opinion that the initial service described above will allow for a shovel-ready site as well as providing sufficient time for accomplishment of subsequent phases of service requirements, should they be necessary.

Please contact me if I can be of help.



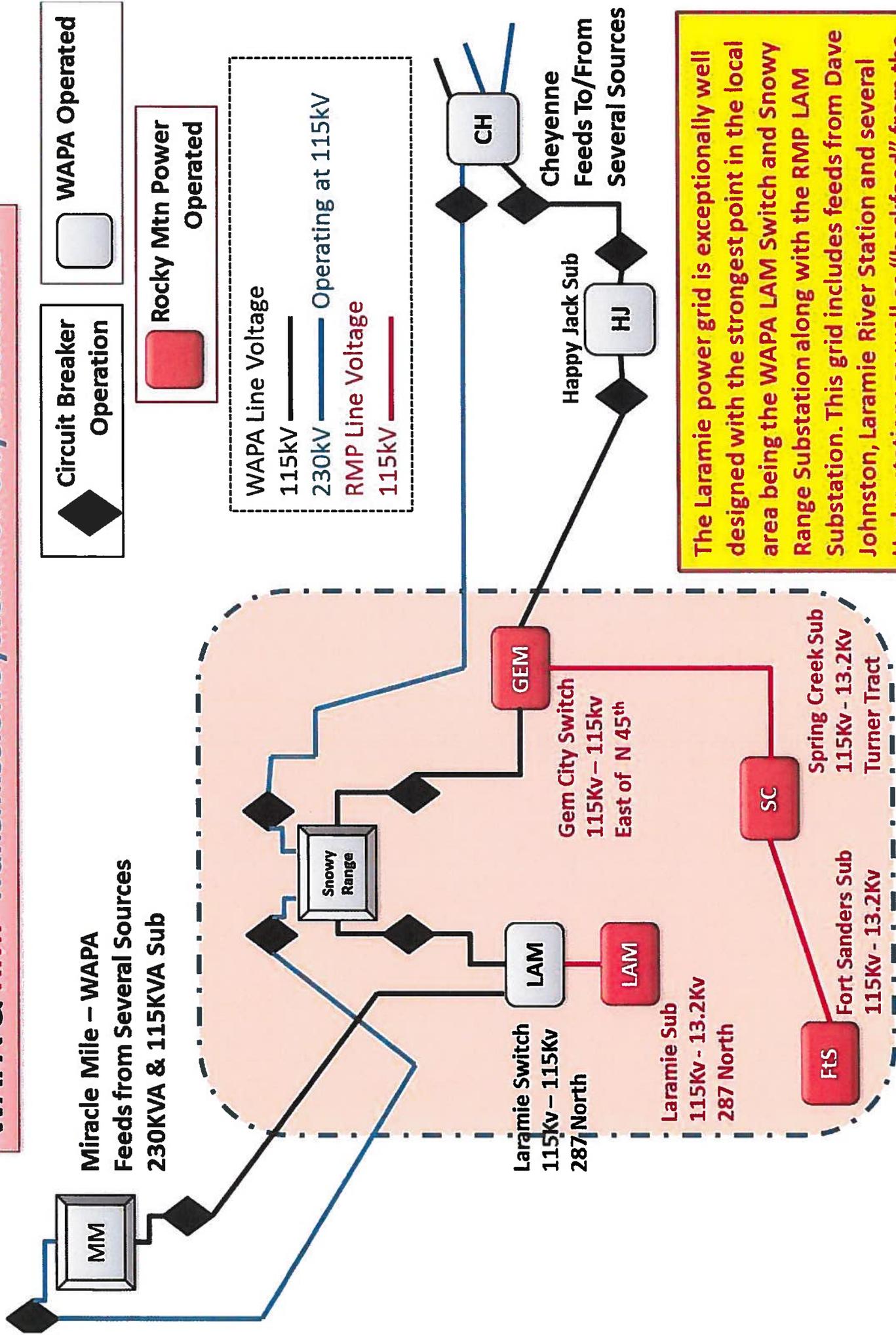
**Harold Babbitt** | Customer and Community Manager | **Rocky Mountain Power** | Laramie, Wyoming  
307-721-7905 OFFICE | 307-760-6766 CELL | 307-742-4939 FAX



Proudly serving our customers for 100 years.

---

# WAPA & RMP Transmission System For City of Laramie



The Laramie power grid is exceptionally well designed with the strongest point in the local area being the WAPA LAM Switch and Snowy Range Substation along with the RMP LAM Substation. This grid includes feeds from Dave Johnston, Laramie River Station and several Hydro stations as well as "backfeed" from the Cheyenne & Archer Substations

**Appraisal of:**

+/-149.0 Acre Tract of Land  
Tract in Section 27, T16N, R73W, 6<sup>th</sup> P.M.,  
Albany County, Wyoming

**Prepared For:**

Randy Hunt, AICP  
Director, Community Development Dept.  
City of Laramie  
406 Ivinson Avenue  
Laramie, Wyoming 82070

**Date of Value:**

July 1, 2012

**Date of Report:**

July 18, 2012

**Prepared By:**

Calvin Young, MAI,  
Wyoming Certified General Appraiser  
Permit #292

**File Number 12-732**

**Calvin Young, MAI**  
**Real Estate Appraiser & Consultant**  
**1054 Hidalgo Drive**  
**Laramie, Wyoming 82072**  
**(307) 742-9246**

---

July 18, 2012

Randy Hunt, AICP  
Director, Community Development Dept.  
City of Laramie  
406 Ivinson Avenue  
Laramie, Wyoming 82070

RE: **+/-149.0 Acre Tract of Land**  
**Tract in Section 27, T16N, R73W, 6<sup>th</sup> P.M.,**  
**Albany County, Wyoming**

Dear Mr. Hunt:

At your request, I have prepared an appraisal report on the property referenced above. I have completed my appraisal of the property based on information presented and researched in the ensuing report.

The *purpose* of this report is to estimate market value of the subject property. The *intended use* of this report is to support decisions related to the potential purchase of the subject property. The *client* and the *intended user* of this report is the City of Laramie.

The subject of this report is a +/-149.0 acre tract of land located north and adjacent to the city limits in Section 27, Township 16 North, Range 73 West of the 6<sup>th</sup> P.M. in Albany County, Wyoming.

I certify that I have personally made an investigation of this property on July 1, 2012 and have assembled data in forming my value conclusions. This is a summary *appraisal reported in a narrative format*. The appraisal is in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FERREA). Additionally, the appraisal was prepared in accordance with guidelines set forth by the Code of Professional Ethics and the Professional Appraisal Practice of the Appraisal Institute.

Based on my analysis and research and subject to the assumptions and limiting conditions stated, the market value of the *fee simple estate* in this real estate, "as is", on July 1, 2012 was:

**TWO MILLION, EIGHTY-SIX THOUSAND DOLLARS**  
**(\$2,086,000)**

Respectfully submitted,

*Calvin Young*

---

Calvin Young, MAI  
Wyoming Certified General Real Estate Appraiser  
Wyoming State Permit #292

## **COMPETENCY STATEMENT**

The following is an excerpt from the 2012-2013 Edition of The Uniform Standards of Professional Appraisal Practice in regard to the COMPETENCY RULE on page U-11:

"The appraiser must determine, prior to accepting an assignment, that he or she can perform the assignment competently. Competency requires:

- 1) the ability to properly identify the problem to be addressed; and
- 2) the knowledge and experience to complete the assignment competently; and
- 3) recognition of, and compliance with, laws and regulation that apply to the appraiser or to the assignment."

I have experience in the appraisal of undeveloped land and I am familiar with the Laramie real estate market.

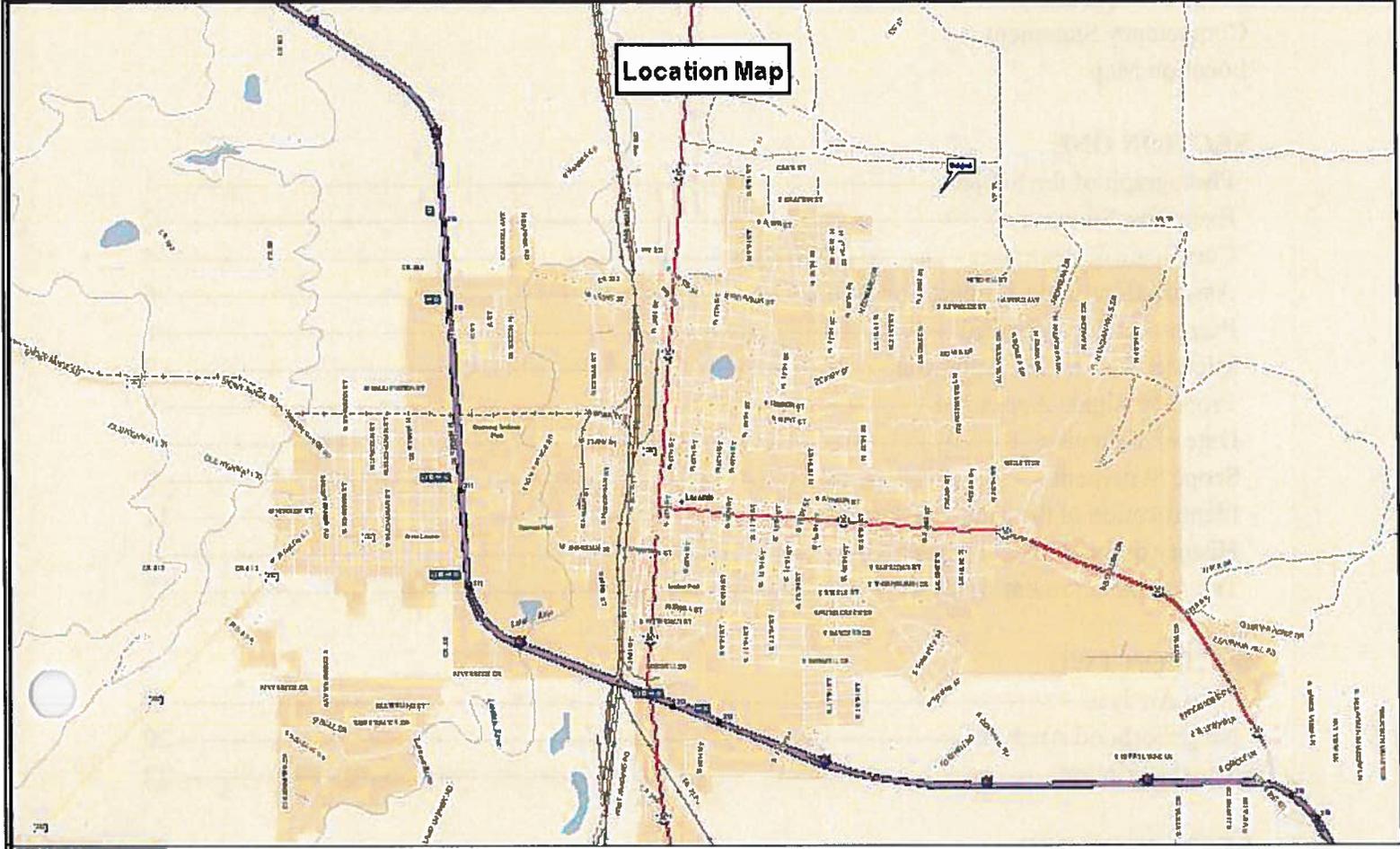
## **TYPE OF APPRAISAL REPORT**

This is a summary *appraisal reported in a narrative format.*

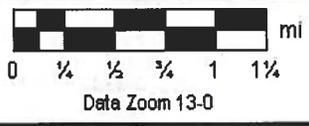
## **PRIOR SERVICES PERFORMED ON THE SUBJECT PROPERTY**

I have not appraised this property nor have I performed any other services related to it in the past three years.

# Location Map



Data use subject to license.  
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www.delorme.com



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Competency Statement  
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## **SECTION THREE**

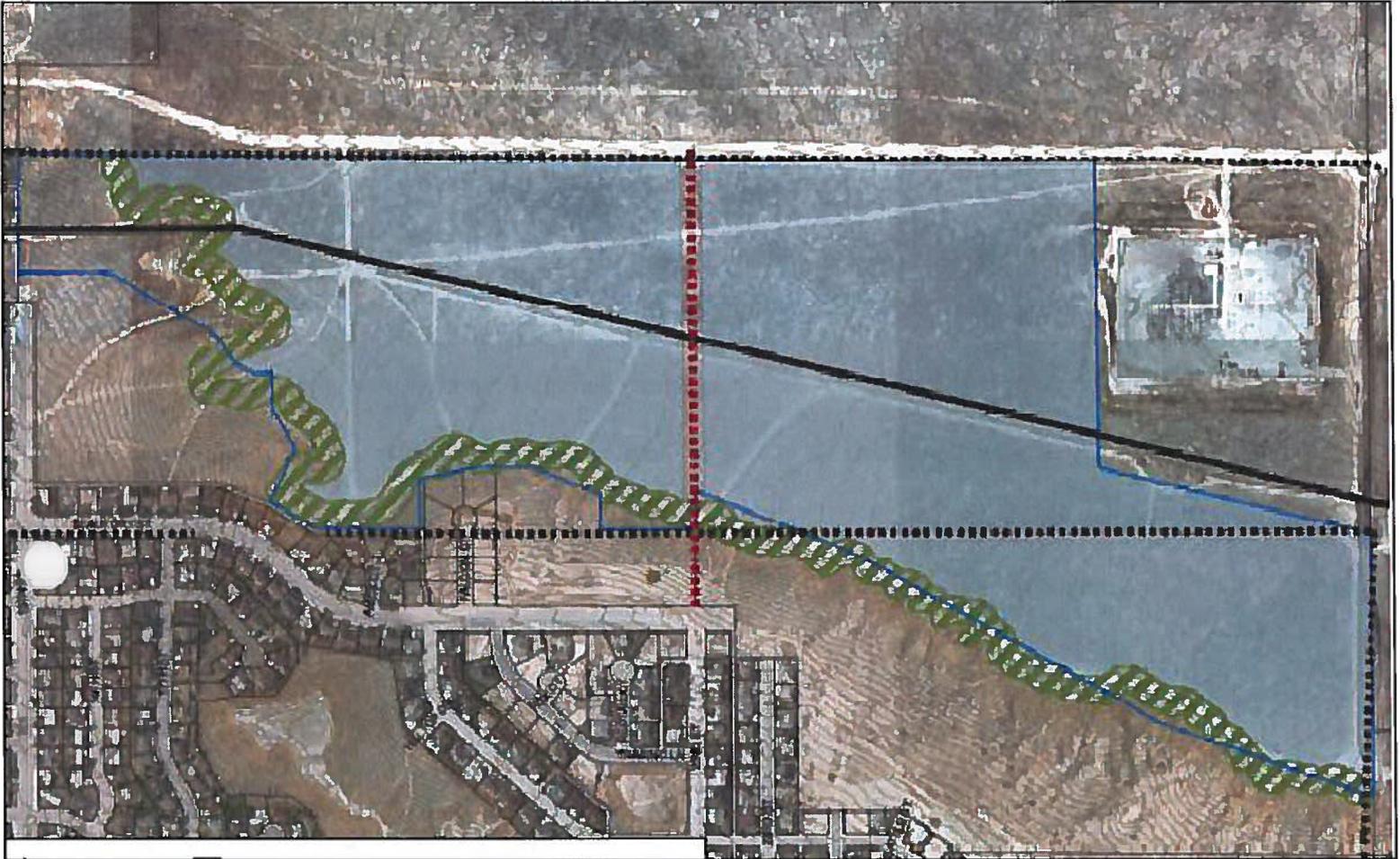
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## **COMPARABLE SUMMARY SHEETS**

## **ADDENDUM**

Copy of Existing Easements  
Engagement Letter  
Appraiser's Qualifications

**SUBJECT PROPERTY**



## SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

### **Property Identification**

Property Type: Undeveloped land

Location: Located in the county north and adjacent to the Laramie city corporate limits between 15<sup>th</sup> and 30<sup>th</sup> Streets.

Legal Description: A tract of land located in Section 27, T16N, R73W, 6<sup>th</sup> P.M., Albany County, Wyoming

Owner of Record: Charles E. Coughlin, Jr

### **Appraisal Assignment**

Type of Appraisal Report: Summary appraisal reported in a narrative format

Property Rights Appraised: Fee Simple Estate

Purpose of the Appraisal: To estimate market value of the subject property.

Intended Use of the Appraisal: To support decisions related to the potential purchase of the subject property.

Intended Users of the Appraisal: City of Laramie

Client: City of Laramie

Date of Inspection: July 1, 2012

Date of Value: July 1, 2012

Date of Report: July 18, 2012

### **Physical Characteristics**

Tract Size: +/-149.0 acres

Zoning: Located in the county with a suburban commercial designation

Flood Hazard: The subject property is not located in a designated flood zone

**Highest And Best Use**

As though vacant: Commercial use when demand warrants development.

**Value Conclusions**

Cost Approach:	n/a
Income Approach:	n/a
Sales Comparison Approach:	\$2,086,000
<b>Opinion of Market Value:</b>	<b>\$2,086,000</b> <b>\$14,000/Acre</b>

**This report contains no hypothetical conditions or extraordinary assumptions.**

## CERTIFICATE OF APPRAISER

- I, Calvin Young, MAI, 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 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.
- 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, which include the *Uniform Standards of Professional Appraisal Practice*.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- I have made a personal inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- That Calvin Young, MAI is state certified as a General Appraiser with the certification number of 292.
- As of the date of this report, Calvin Young, MAI has completed the requirements of the continuing education requirements of the continuing education program of the State of Wyoming.

- As of the date of this report, Calvin Young, MAI has completed the requirements of the continuing education requirements of the continuing education program of the Appraisal Institute.
- I, Calvin Young, MAI, have never been publicly censured, suspended or expelled by an appraisal organization.
- I have a copy of the current USPAP and any other applicable state or federal regulations, and has read those documents and understands their requirements.
- I am competent to prepare the Appraisal, and if required by law, is properly licensed or certified to prepare the Appraisal.
- I do not have a direct or indirect interest, financial or otherwise in the transaction or the subject property and unbiased with respect to the subject property.
- I am a Wyoming State certified real estate appraiser.

*Calvin Young*

DATE July 15, 2012

Calvin Young, MAI  
Wyoming State Certified General Appraiser #292

## ASSUMPTIONS AND LIMITING CONDITIONS

Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing assumptions and limiting conditions.

Possession of this report, or a copy thereof, does not carry with it the right of publication and it may not be reproduced without written consent of the appraiser, and then only in its complete form.

This appraisal is meant to be used only in whole and not in part. The removal or loss of any portion of this report invalidates the entire appraisal.

Neither all, nor any part of the contents of this report, or copy thereof, shall be used for any purpose other than that stated or by anyone other than the client, without the previous written consent of the appraiser; nor shall it be conveyed by any means to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author, particularly as to the value conclusions and the identity of the appraiser.

This report has been made in conformance with the ethics and standards of practice as understood by the appraiser, as set forth by the Appraisal Institute and the Appraisal Foundation.

The value estimate in this appraisal is based on market conditions as of the date of value and cannot be applied to other dates in the past or future.

Where the value of various components of the property are shown separately, the value of each is segregated only as an aid to better estimating the value of the whole; the independent value of the various components may, or may not, be the market value of the component.

No responsibility is assumed for matters which are of a legal nature. Fee Simple Title is assumed to be vested in the named owner. This appraisal does not include any title investigation and no warranty of title is expressed or implied.

The appraiser has inspected, insofar as possible, by observation, the land. However, it is not possible to personally observe conditions beneath the soil or hidden in the structure. Therefore, no representation is made herein as to these matters unless specifically considered in this report. It is assumed that there are no unapparent conditions of this property which would lend it more or less valuable.

## INTRODUCTION

Information furnished by others is assumed to be true, correct, and reliable. A reasonable effort has been made to verify such information; however, no responsibility for its accuracy is assumed by the appraiser. Drawings and copies of photos in the report are intended as visual aids and should not be construed as engineering reports or surveys.

It is assumed that there is full compliance with all applicable federal, state, or local environmental regulations and laws unless noncompliance is stated, defined, or considered in this report.

It is assumed that all required licenses, consents, or other legislative or administrative authority from any local government, state government, national government, private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

It is assumed that the utilization of the land and improvements is within the boundaries of the property lines of the property described and that there is no encroachment or trespass unless noted within the report. The legal description in this report is assumed to be correct, but the appraiser takes no responsibility as to its correctness.

Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, gasoline, oil, urea-formaldehyde foam insulation, or other potentially hazardous materials, may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

The appraiser cannot be held responsible for unforeseeable events that alter market conditions prior to the effective date of the appraisal.

This entire report is subject to these limiting conditions and by the act of using or accepting this report, the client (City of Laramie) acknowledges that the client has read and agrees to such. It is agreed that the liability of the appraiser (Calvin Young, MAI) to client is limited to the amount of the fee paid, therefore, as liquidated damages. The appraiser's responsibility is limited to the client, and use of the appraisal by third parties shall be at the risk of client and/or third parties.

PURPOSE OF THIS APPRAISAL

The purpose of this report is to estimate market value of the subject property.

The Federal Register, Vol. 55, No. 129, Page 27771 defines **market value** 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 and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in the definition is the consummation of a sale as of 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.*

The "reasonable time" quoted in the definition is assumed to have elapsed prior to, and to have ended on, the "specified date", or date of value.

**INTENDED USE OF THE APPRAISAL**

The *intended use* of this report is to estimate market value and support decisions related to the potential purchase of the subject property. The *client* and the *intended user* of this report is the City of Laramie. The use of the appraisal by anyone other than the stated intended user and for any other use than the stated intended use, is prohibited.

**PROPERTY RIGHTS APPRAISED**

The interest appraised is the fee simple estate held by the title holders of the property. Fee simple estate is the “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>1</sup>

**DATE OF VALUATION**

On July 1, 2012, I made an observation of the subject property. This is the effective date of the market value estimate.

**SCOPE OF WORK**

Scope of work is defined by the *Uniform Standards of Professional Appraisal Practice* as “the type and extent of research and analyses in an assignment”. In developing this appraisal report, the property was identified; the site and the improvements were inspected; data was collected, researched, and confirmed; and the data was analyzed and applied in forming an opinion of value.

**The extent to which the property is identified is listed as follows:**

- I, Calvin Young, MAI made an on-site observation of the property.
- I researched the Albany County Assessor’s Office, I identified the subject property by its property identification number and legal description.
- I researched Albany County Clerk’s Office and looked for warranty deeds pertaining to the subject property.

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<sup>1</sup> *The Dictionary of Real Estate Appraisal*, Fifth Addition, Appraisal Institute

**The extent to which the site and the improvements were inspected is specified as follows:**

- On July 1, 2012, I made an on-site visit of the subject property.
- I made a general observation of the subject site and considered its location in relation to the neighborhood and the city.

**The type and extent of data collected, researched, and confirmed is indicated as follows:**

- General data about trends in the social, economic, governmental, and environmental forces in the defined market area were obtained from public sources and government agencies.
- Specific data in regards to site and building information, legal ownership, and property taxes were obtained from various county offices.
- Wyoming is a non-disclosure state, meaning that sale prices are not available to the public. Information obtained on comparable land sales were confirmed by parties privy to the transactions or leases which include buyers, sellers, appraisers, brokers, lenders, owners, and property managers.

**The type and extent of analyses applied to form conclusions and opinions is listed as follows:**

- To develop a foundation in support of market value, I analyzed and formed an opinion of highest and best use, "as though vacant".
- The land value opinion was developed using comparable land sales. Based on the highest and best use analysis, I chose comparable large land sales purchased for potential commercial or residential development.
- The cost and the income approaches were not developed in this report as they are not applicable to this assignment.
- The sales approach is reconciled to form a value opinion.

**IDENTIFICATION OF THE SUBJECT PROPERTY**

The subject of this report is a +/-149.0 acre parcel of land located north of Laramie's city corporate limit. It is bound by agriculture land to the north followed by the city landfill to the northwest, an electrical distribution station followed by a cement batch plant and agricultural land to the east and northeast, vacant land to the west, and the City of Laramie to the south.

**Legal Description:** Per purchase option of real estate contract between the City of Laramie and Charles E. Coughlin, the subject is described as follows:

Approximately 149 acres (parcel 1) of the undeveloped real property owned by the Seller which lays in Section 27, Township 16N, Range 73W, Albany County, Wyoming, West of an extension of 30<sup>th</sup> Street, and North of Beaufort Street and East of an extension of 15<sup>th</sup> Street, Laramie, Wyoming and lying North of the City boundary, but specifically excluding that property owned by Seller which is commonly known as "W" Hill (parcel 2).

**Owner of Record:** Charles E. Coughlin, Jr

**Assessor's PIN:** The subject is a +/-149.0 acre tract of land that is located within a larger 180.119 acre parcel recorded under the Albany County Assessor's parcel identification number of 05-1673-27-1-00-041.00.

**SALES HISTORY OF THE SUBJECT PROPERTY**

Based on the purchase option provided by the client, the City of Laramie has an option to buy approximately 139 acres for \$10,000 per acre and an additional 10 acres for \$7,000 per acre. Given the total number of acres and the price per acre, the total purchase option price is \$1,460,000.

To my knowledge, the subject property has not sold in the past three years.

**TAX AND ASSESSMENT ANALYSIS**

The job of the Albany County Assessor’s Office is to determine Fair Market Value of all properties within the county. The values that are calculated by the assessor theoretically reflect market value and are used by all taxing entities to set their mill levy. Albany County has a relatively low property tax rate, thus, tax is not as significant to the appraisal problem as it may be in other parts of the country. The subject property is located in tax district 101 which has a mill levy of 64.00 which is comprised of the following tax entities.

<b>CATEGORY</b>	<b>MILLS</b>
Mandatory School Fund	6.00
State School Fund	12.00
School District #1	25.00
School Recreation	1.00
County General Fund	9.901
County Library Fund	1.632
County Fair Fund	0.467
Laramie River Conservation	1.00
County Hospital District	3.00
Weed & Pest District	<u>1.00</u>
Basic Mills	61.00
County Fire	<u>3.00</u>
<b>TOTAL</b>	<b>64.00</b>

In the state of Wyoming, an estimate of market value is accomplished by using the Mass appraisal technique. The Direct Sales Comparison Approach is used to estimate market value of residential properties, while the Cost Approach is used to value commercial and industrial properties.

Property taxes in Albany County are computed by multiplying the Fair Market Value by a determined percentage to develop the assessed value. In Albany County, residential and commercial properties are assessed at 9.5% of Fair Market Value. Industrial properties on the other hand are assessed at 11.5% of Fair Market Value. Next, the assessed value is then multiplied by the current years mill levy to arrive at the estimated property taxes.

## INTRODUCTION

The subject is a 149.0 acre tract that is part of a larger 180.119 acre parcel that is currently assessed with a market value of \$89,885 which is \$499.03 per acre. Based on the 149 acres and the assessor's market value is \$74,356, or \$499.03 per acre.

The table below shows the estimated property taxes for the subject property.

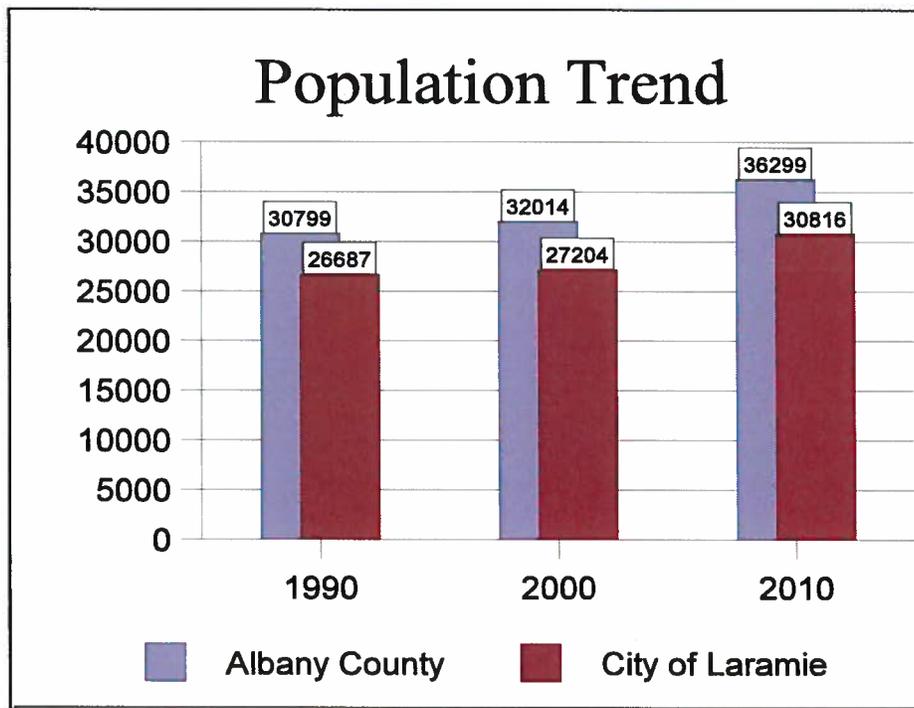
TAX DISTRICT # 101	ASSESSOR'S MARKET VALUE	ASSESSED VALUE 9.5% OF MARKET
Land & Improvements:	\$74,356	\$7,064
Estimated Taxes (Mill levy -64.00)		\$452.08

**LARAMIE, ALBANY COUNTY WYOMING OVERVIEW**

Albany County is one of twenty-three counties in the state of Wyoming. The county seat of Albany County is Laramie, Wyoming. It is located on the high plains of southeastern Wyoming, lying at the western base of the Laramie Range Mountains at an altitude of 7,123 feet, and to the west of the Medicine Bow Mountains. Regionally, Laramie is situated at the intersection of Interstate-80 and U.S. Highway 287. It lies 47 miles east west of Cheyenne, 147 miles south of Casper, and 130 miles north of Denver, Colorado. Due to the altitude, the summers and winters are cooler than most cities in Wyoming. Laramie has a land area of more than 11 square miles.

**Population Trends**

According to the U.S. Census, the City of Laramie’s population in 2000 was 26,687. This is a 1.9% increase from the 1990 census, or 0.2% per year. By 2010, the population reached 30,816 which is an increase of 17.23% or an annual average of 1.72%. In comparison, Albany County’s population increased from 30,799 in 1990 to 32,014 in 2000. This is an increase of 3.94% over the ten year period, or 0.39% per year. The County’s 2010 population estimate is 36,299 indicating an overall growth rate of 13.38% or an average growth of 1.33% per year. The following figure, Population Trend, summarizes the past and present growth trends of the City and County.



Source: U.S. Bureau of the Census, 2010

**Climate**

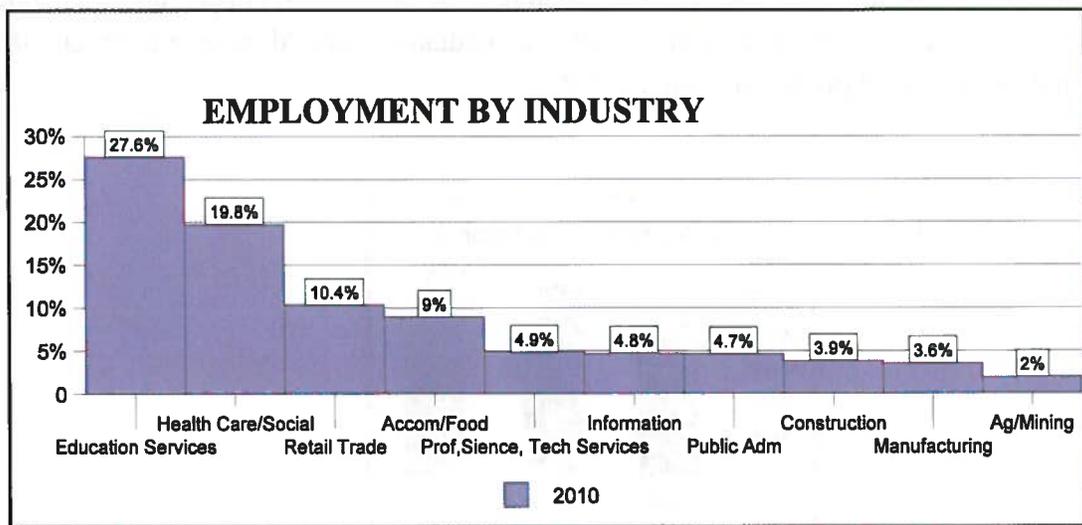
Laramie has a true four-season climate with very comfortable summers and cold winters. In the winter the average high is 41° and the average low is 8°, and in the summer, the average high is 80° while the average low is 37°. Precipitation averages 11 inches per year, humidity averages 20% and the wind averages 13 mph.

**Recreation**

Recreational facilities include baseball fields, indoor and outdoor tennis courts, soccer and track fields, indoor skating rink, city parks, two golf courses, and a recreation center with two indoor and one outdoor swimming pool. Local arts and entertainment centers include various art galleries in the central business district, the American Heritage Center, the Geological Museum, and the Fine Arts building. In summary, Laramie is an attractive community with diverse cultural, educational, and athletic opportunities largely afforded by the University of Wyoming.

**Employment Profile**

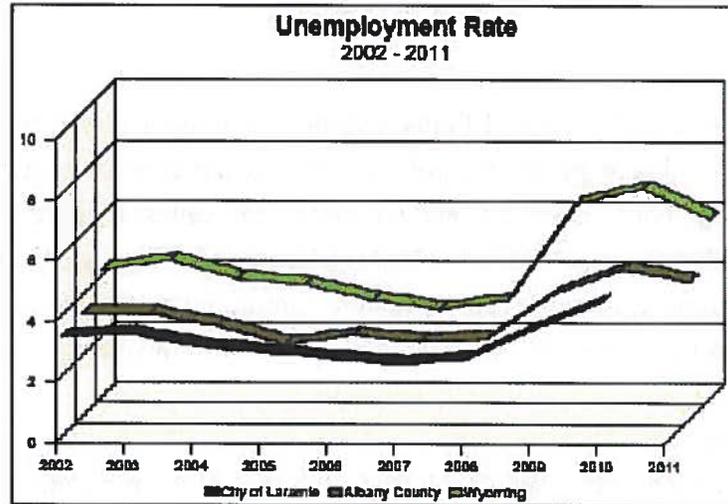
With the University of Wyoming, Wyo Tech, and a branch of Laramie County Community College located in Laramie, educational services are by far the largest employment sector in the city. Of Laramie’s 14,583 workforce that is 16 and older, 27.6% are employed by various institutions related to educational services. This is followed by health care and social services, retail trade, accommodation/food services, profession and technical services, information technology, public administration and various other industries. The following figure, Employment by Industry, summarizes the major employment industries in Laramie.



Source: Industry descriptions base on 2010 Census of Population and Housing and ESRI forecasts for 2010.

**Unemployment Rate Trends**

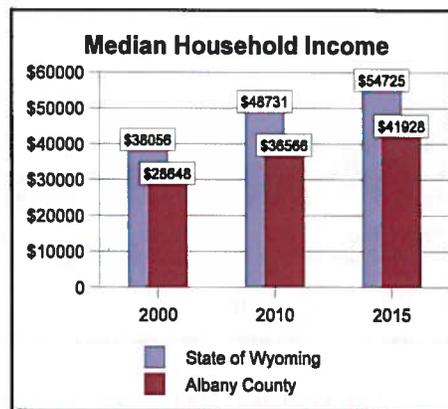
Prior to the recession in 2007, the unemployment rate for Laramie, Albany County, and the state of Wyoming was 2.4%, 2.5%, and 2.9% respectively. Since then, unemployment has increased in all three sectors with the State being impacted the most as shown in the following graph.



Source: Economic Indicators for the Laramie Area

**Income**

In 2010, Albany County’s estimated median household income was \$36,566 compared to the state of Wyoming’s median household income of \$48,731. Because of the University of Wyoming and Wyoming Technical Institute, a high percentage of the county’s population are students, therefore, the median household income is much lower than most communities around the state. The following table, Median Household Income, summarizes the median household income between 2000 and 2010, and the projected median income for 2015.



Source: Demographic Trends in the 20<sup>th</sup> Century, Census 2010, Special Reports, U.S. Department of Commerce, Wyoming Department of Economics and Statistics Administration, U.S. Census Bureau, and ESRI forecasts for 2010.

**Government**

The city of Laramie operates under the Council/Manager form of government. The City Manager is the chief executive officer of the City and is responsible for the overall management of City operations. Laramie's City Council consists of nine members who serve overlapping four-year terms. There are now two at-large Council seats and seven seats to be elected from wards; one from each ward. Formerly, all nine Council seats were at-large positions, but the ward system went into place starting in the 2002 election. As the members come up for reelection, the ward positions will be filled. The mayor and the vice-mayor are selected by the Council every two years at the first Council meeting in January.

**Transportation**

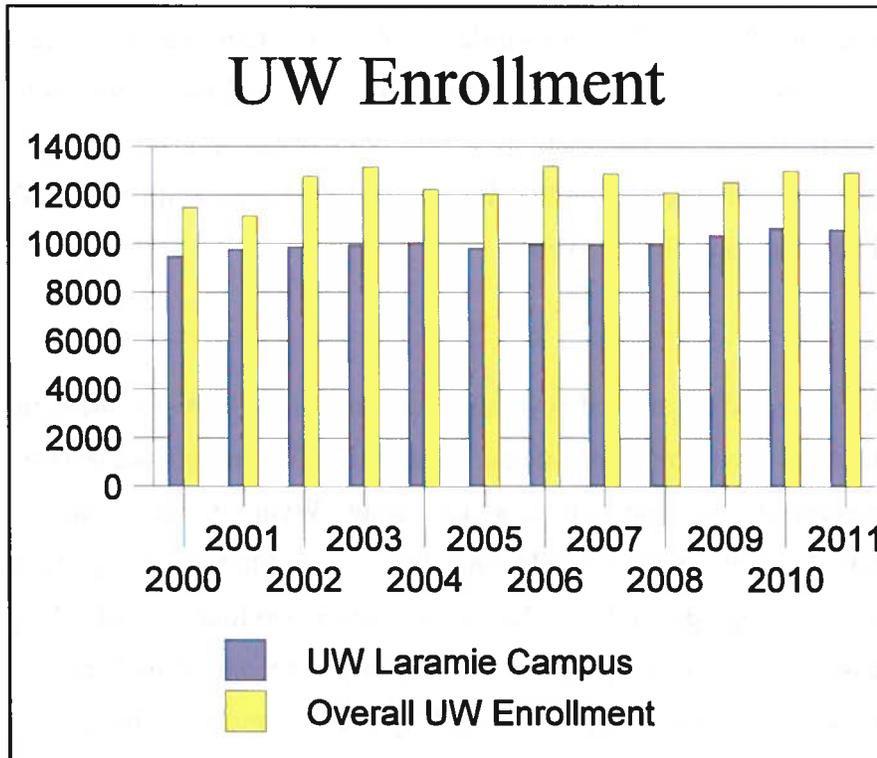
Laramie is located in the southeast corner of the state along two of the nations most significant transcontinental arteries, Interstate-80 and the Union Pacific's main line. The city is also within 47 miles west of Interstate-25 and within 130 miles north of the metropolitan Denver, Colorado. Laramie Regional Airport serves the community of Laramie and the surrounding county area. Denver International Airport to the south is a two hour drive or a 40 minute flight. Local transportation includes a shuttle bus connecting the central business district to Wal-Mart with several stops in between along Grand Avenue.

**Taxes**

Taxes in city of Laramie and the state of Wyoming are some of the lowest in the nation. The State does not levy a personal or corporate income tax. In addition, Wyoming does not assess any tax on retirement income earned and received from another state. Wyoming has a state sales tax of four percent and counties have the option of collecting taxes. For Albany County, the sales tax is six percent. There is also a lodging county tax that varies from two to four percent. All property taxes are based on the assessed value of the property which is based on 9.5% of the fair market value. The assessed value is then multiplied by the years mill levy which is presently 69 mills.

**University of Wyoming**

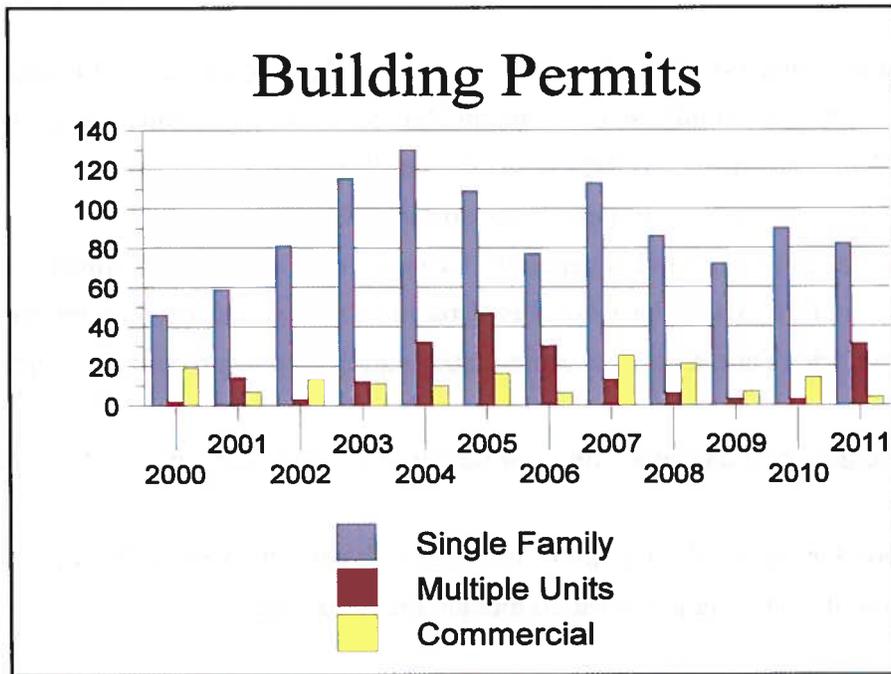
The University of Wyoming (UW) in Laramie is the state's only four year institution. The Laramie campus consists of 785 acres with approximately 80 buildings. UW's budget is funded from four primary sources; the state general fund, royalties from minerals, UW generated income, and other miscellaneous income. Overall student enrollment at the UW is 12,990 for the fall of 2011. This figure includes student enrollment at UW's Laramie campus, UW-Casper College, and outreach sites throughout the state. The Laramie Campus recorded an enrollment of 10,568 students in the 2011 Fall semester which is a decrease of 0.56% from the previous year. The table on the following page shows the Laramie Campus and the overall University of Wyoming enrollment trends between 2000 and 2011.



Source: University of Wyoming Institutional Analysis

**New Construction Trends**

In the past ten years, residential construction in Laramie peaked in 2004 with 130 building permits issued. For 2012 building year, new single and multi-family construction is down. As of June 2012, there have been 30 single-family and one multi-family building permits given out compared to 43 and not one given out this time last year. So far, one new commercial/industrial building permit has been issued matching the total given out last year at this time.



Source: City of Laramie Codes Administration

NEIGHBORHOOD ANALYSIS

The subject neighborhood of this report is generally a one mile radius surrounding the subject property. It is located adjacent and north of the city limits between 15<sup>th</sup> and 30<sup>th</sup> Streets.

The adjoining land area immediately to the north is undeveloped followed by the city landfill. To the northeast is the WAPA electric power distribution station followed by a concrete plant, and to the east is agricultural land owned by Warren Livestock,LLC.

The city of Laramie lies directly to the south and west of the subject tract. This section of the city includes the high school, middle school, and an elementary school located between 15<sup>th</sup> and 30<sup>th</sup> Streets. The development in this area is a mix single-family homes and high density housing consisting of townhouses, apartments, condominiums, and senior housing. Commercial development in the neighborhood is generally located along 15<sup>th</sup> and 22<sup>nd</sup> Streets. This includes several professional offices in the Reynolds Crossing Professional Plaza, medical offices in the Binford Square Office Park, a daycare center, credit union, and a convenience store.

Access to the neighborhood is generally from Reynolds via 15<sup>th</sup>, 22<sup>nd</sup>, and 30<sup>th</sup> Streets to the south.

The neighborhood is located directly in the city's growth pattern. New residential and commercial construction activity is taking place which include the following:

- Several new semi-custom and custom homes have been built where new residential subdivision have been developed.
- A new dental office was recently built in the Reynolds Crossing Professional Office Park.
- A new 4,730 sf dental office building was built in the Binford Square Office Park last year.

The population density within the one-mile radius is roughly 4,675 with most of it centered in the northernmost section of the city.

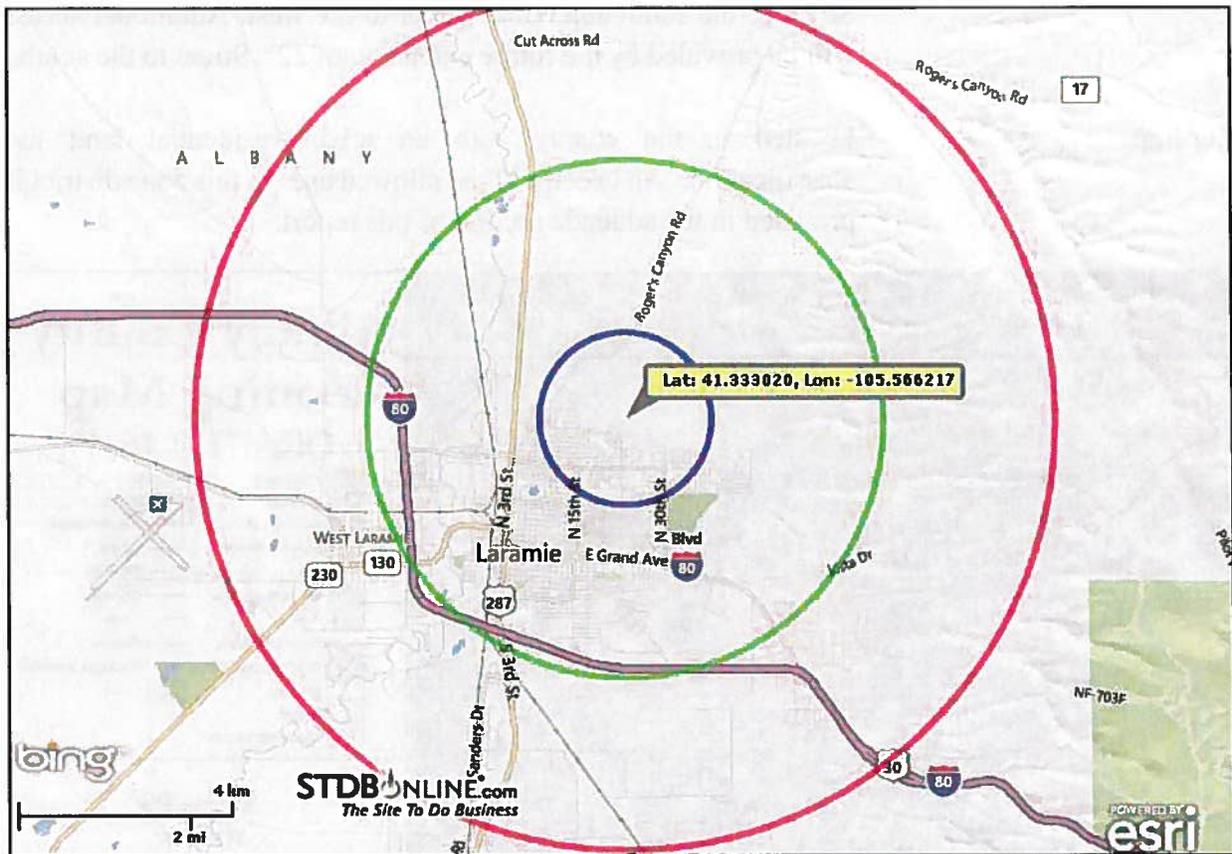
Most of the existing infrastructure is located to the south inside the city limits. This area has paved streets, city water and sewer, natural gas, electricity, cable TV, internet, and phone service. Refuse pick-up services are provided by both the city and private contractors.

Laramie's Future Land Use map designates the neighborhood as a mix of suburban commercial and suburban residential.

The defined neighborhood is located outside the flood overlay zone.

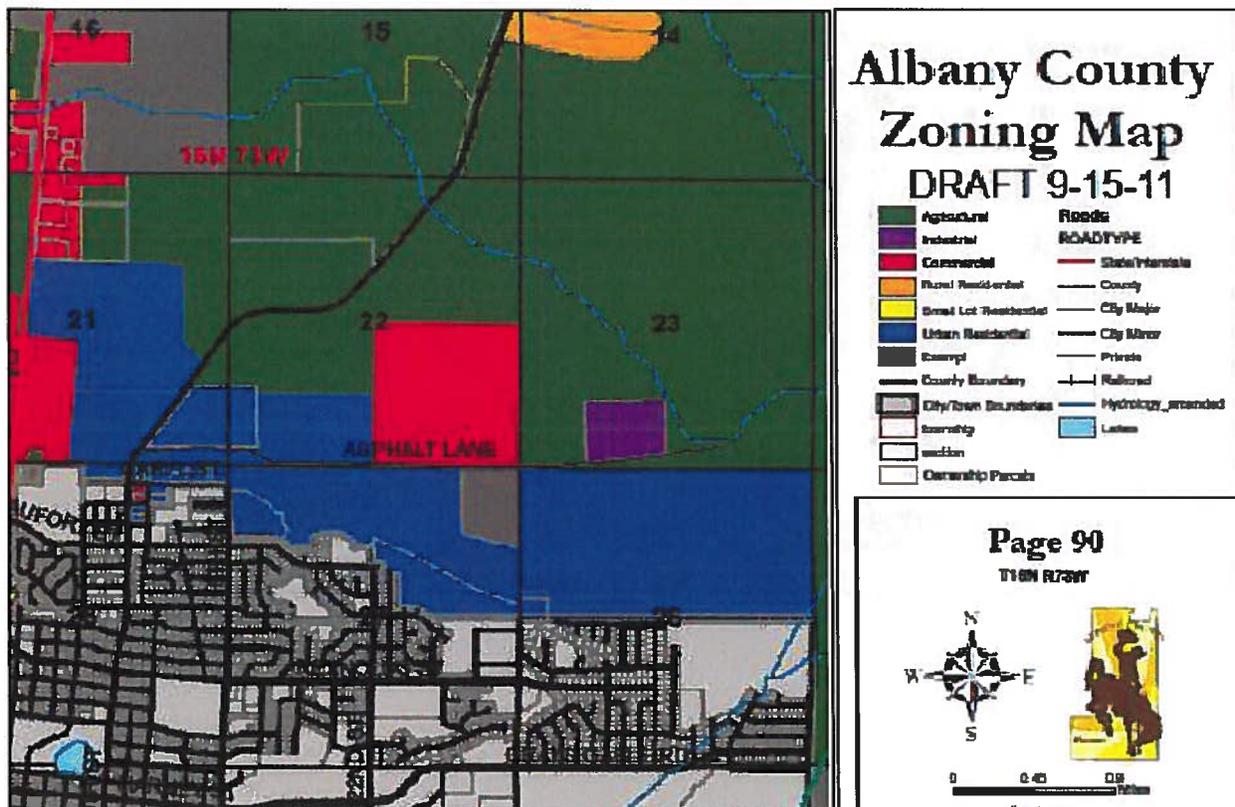
In summary, the subject neighborhood is predominantly undeveloped with industrial uses to the north and northeast, and residential to the south. Given the existing infrastructure and development plus Laramie's Future Land Use map, future growth in the neighborhood will be a mix of residential and commercial.

**Subject Neighborhood within one, three, and five mile radius**

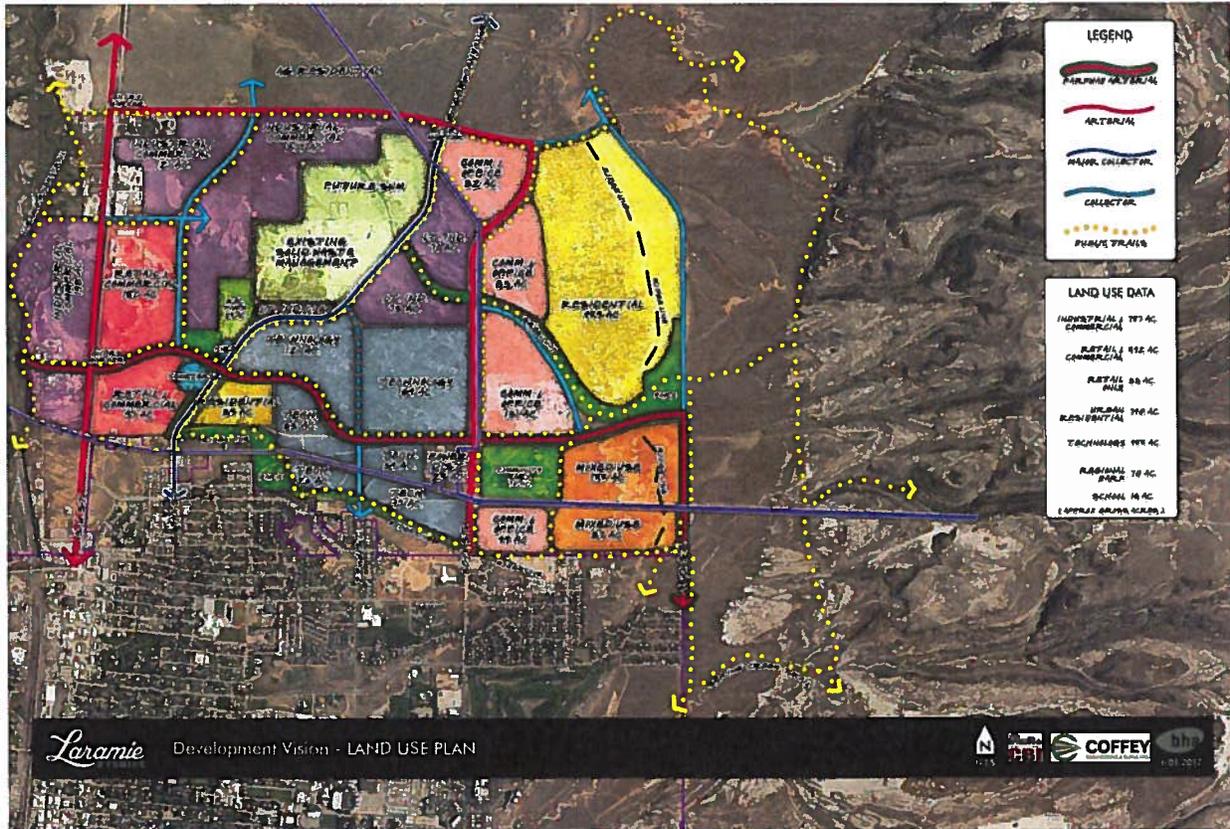


SITE DESCRIPTION

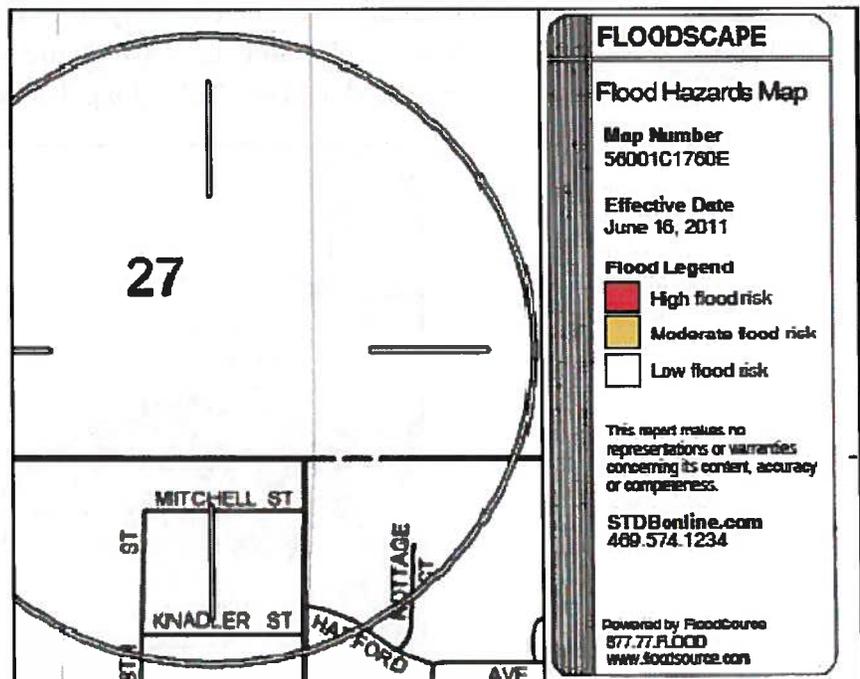
- Location:** Located north of the Laramie city limits between 15<sup>th</sup> and 30<sup>th</sup> Streets
- Site Size:** +/-149.0 acres
- Shape:** Irregular
- Frontage:** Frontage along the future extension of 30<sup>th</sup> Street to the east and a private unpaved road (Asphalt Lane) to the north.
- Ingress/Egress:** The subject parcel is currently accessed from a private road via 30<sup>th</sup> Street to the south and Ninth Street to the west. Additional access will be provided by the future extension of 22<sup>nd</sup> Street to the south.
- Zoning:** Located in the county with an urban residential land use classification. An excerpt of the allowed uses in this zone district is provided in the addenda section of this report.



**Future Land Use:** According to Laramie's future land use map, the subject will be designated as a technology park.



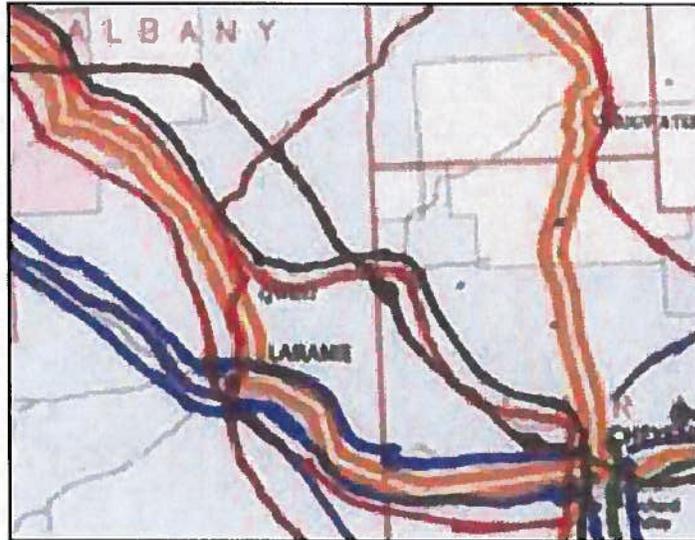
**Flood Zone:** The subject is located outside the designated flood plain as shown in the following map.



**Utilities:**

Natural gas, electricity, telephone, TV/internet, and city water and sewer are located approximately one-half mile to the south inside the city limits. Overhead electrical power lines are located to the northeast. An electrical transmission substation is located along the northeast boundary. Since subject lies along the ridge line, there is little or no water pressure or fire flows.

The Laramie area has extensive fiber optics as shown in the following diagram.

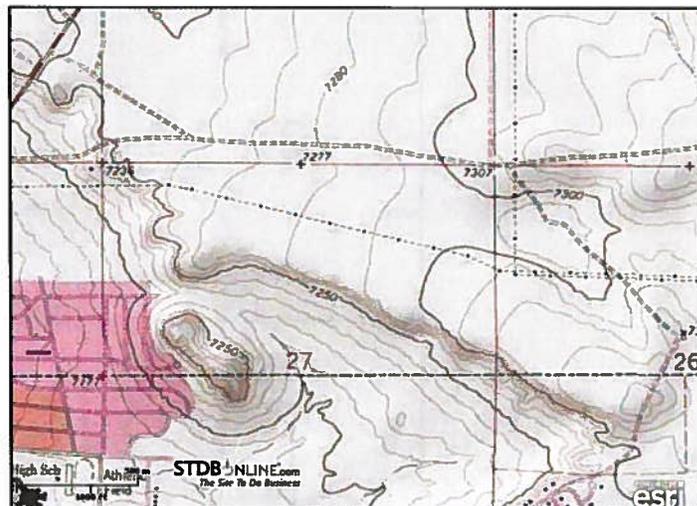


**Vegetation:**

Natural vegetation consisting of prairie grasses.

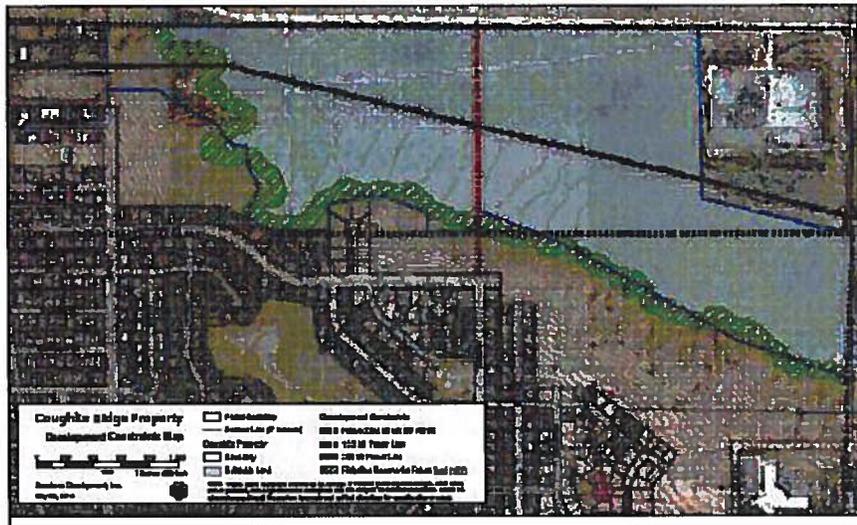
**Topography:**

Generally level to moderately sloped throughout. Topography maps show an elevation of 7307 at the northeast corner then sloping downward to about 7236 along the west boundary.



**Easements:**

There are two power line easements traversing the subject property in a east/west and northwest/southeast direction as shown below.



**Other Easements:**

Public Utility Line Easement -This easement granted to the City of Laramie is located along the east boundary line of the subject tract on the future extension of 30<sup>th</sup> Street. The easement contains +/-2.85 acres.

Public Utility Line Easement -This easement granted to the City of Laramie is located in the NW1/4 of the subject tract. The easement contains +/-0.73 acre.

Power Line Easement -This easement granted to the United States of America is located along the east boundary line of the subject tract on the future extension of 30<sup>th</sup> Street. This easement contains +/-0.04 acre.

**Encroachments:**

I am unaware of any encroachments affecting the subject parcel.

**Covenants:**

I am unaware of any covenant affecting the use or value of the subject parcel.

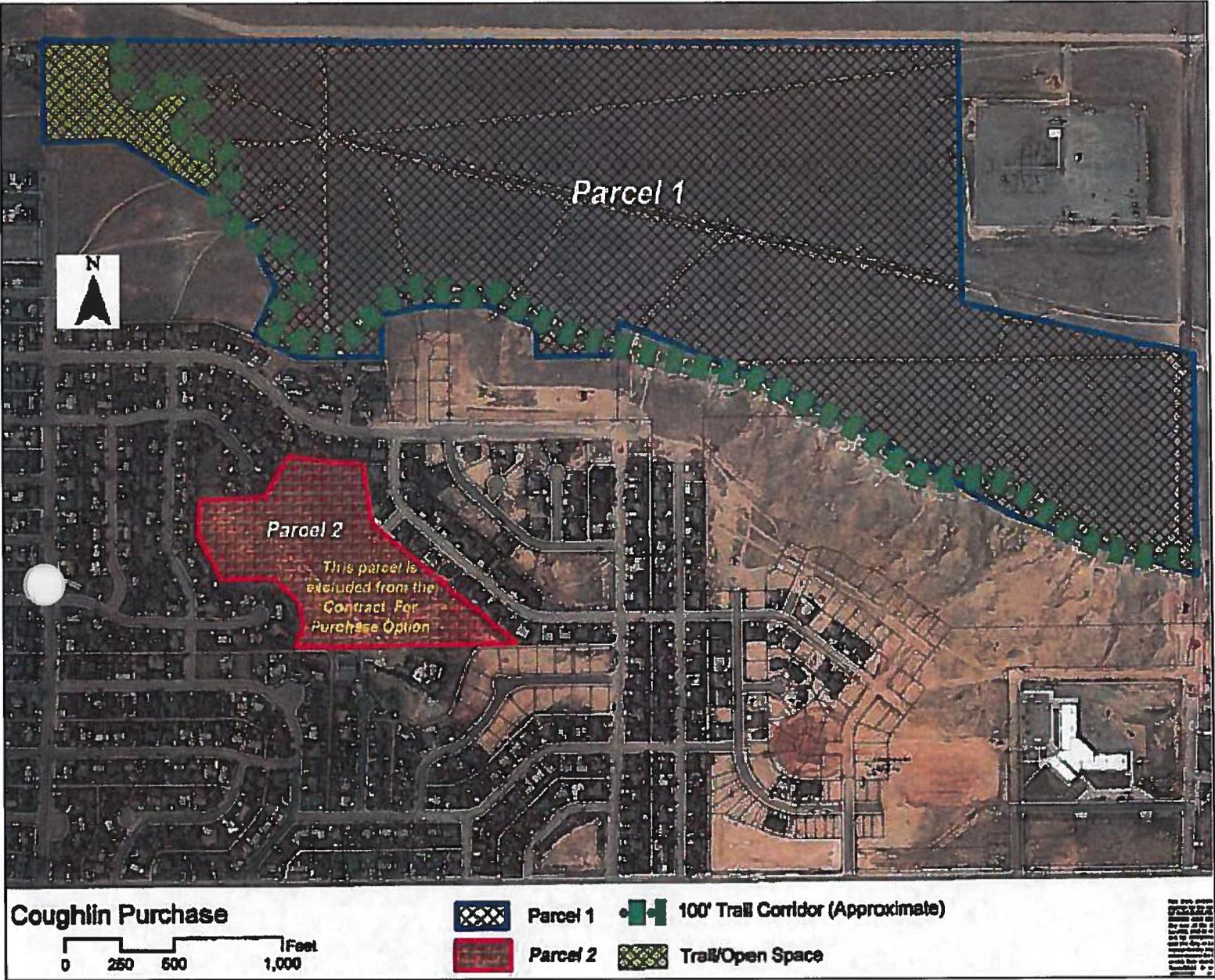
**Soils Conditions:**

No soils report was provided to the appraisers, however, the load-bearing and drainage capabilities are assumed to be adequate. To my knowledge, the other developments in the area have not encountered any notable difficulties with regard to the soils.

## SITE DESCRIPTION

- On-Site Improvements:** None
- Off-Site Improvements:** A private unpaved gravel-covered road is located to the north and the future extension of 30th Street is located to the east.
- Adjacent Land Uses:** The subject is bound by agriculture land to the north followed by the city landfill to the northwest, the City of Laramie to the south, vacant land to the west, and an electric distribution station followed by vacant land and a cement batch plant to the northeast.
- Environmental:** Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, gasoline, oil, urea-formaldehyde foam insulation, or other potentially hazardous materials, may affect the value of the property. The value estimate is predicated on the assumption that there are no such materials on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if so desired.

Subject Tract



Overhead View



Site Photos



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7



Photo 8

**HIGHEST AND BEST USE**

Market forces determine the highest and best use through the land use decisions made by market participants every day. In market value appraisals, highest and best use analysis identifies the most profitable, competitive use to which the property can be put. The highest and best use of a property is not established by the property owner, the developer, or the appraiser; rather, highest and best use is formed by the competitive forces. Highest and best use is defined as follows:

“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.”<sup>2</sup>

Highest and best use of the land is distinguished in two ways, 1) as though vacant, and 2) as improved.

**As Though Vacant**

The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination.

**Legal Permissibility**

In all cases, the legal permissible uses must be identified. Zoning, building codes, easements, private restrictions, leases, historic district controls, and environmental regulations must be researched since they can limit land uses. In Albany County, there are four zone classifications: agricultural, commercial, industrial, and residential. The subject property is located in the county with a residential land use designation (drafted 9-15-11). However, Derek Tieni, a Laramie City Planner, indicated the future land use is being rezoned for a technology park.

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<sup>2</sup>*The Dictionary of Real Estate Appraisal*, 4<sup>th</sup> Addition, Page 135 Appraisal Institute, 2002

**Physical Possibility**

Physical possibilities addresses the physical characteristics associated with the site that might affect its highest and best use. The proposed use must fit the size and shape of the site, the soil must be stable enough to support any improvements, its topography must allow the use, and it has to be accessible. As indicated in the site description, the subject site contains +/-149.0 acres with frontage along the extension of 30th Street to the east and a private road named Asphalt Lane to the north. In regards to size, it is large enough to accommodate various commercial uses.

The subject parcel is generally level with some gentle downward sloping conditions to the west and a few steeper conditions along the ridge line. Utilities which include electricity, natural gas, communication lines, and city water and sewer are located to the north where there is development in the city. An electrical transmission station is located along the northeast corner of the subject parcel.

The subject is well suited for a commercial use given the size, topographical features, and its proximity to city utilities to the south.

**Financially Feasible**

Those uses that are determined to be legally and physically possible are further examined for financial feasibility. If a parcel of land conforms to the first two criteria, and the potential use produces a positive return to the land after considering risk and all costs to create and maintain it, the use is financially feasible.

Smaller commercial and light industrial sites with city water and sewer utilities are available for development in the Laramie River Bend Business Park, the Laramie Airport Business Park, and the Turner Tract. However, the demand for industrial and commercial sites in Laramie is limited. The light industrial market (manufacturing, transportation, and warehousing) in Albany County is relatively small representing 1.8% to 2.46% of the overall sales tax collections between 2009 and 2011. Although commercial sites are available for immediate development, Cheyenne to the east and cities along the front range of Colorado are generally the first choice of larger industrial and manufacturing companies considering to build or relocate in this region.

**Conclusion of Highest and Best Use**

The subject property is well suited for commercial uses given the proximity to the city and other commercial development. However, due to the size of the subject property, it is assumed that if the property were developed, it is likely that mixed commercial and residential uses might be proposed and approved. Today's market conditions reflect nationwide recessionary conditions. Relatively few new developments have occurred during the past two years and development is expected to continue to be slow for the foreseeable future; so development and absorption of the subject site to open market uses could take years.

Proposed uses have included data centers which is an appropriate use. However, for valuation purposes, the land must be evaluated for open market economic uses.

**APPROACHES TO VALUE**

The market value of the subject is estimated in this report. Also, the marketing time is analyzed. There are three commonly accepted approaches used to substantiate value in the appraisal process. They are the Cost Approach, the Direct Sales Comparison Approach, and the Income Approach.

**COST APPROACH**

Using the cost approach, the appraiser first estimates the value of the land as if vacant, using comparable vacant land sales. He then estimates the cost new of the improvements. The estimated occurred depreciation is subtracted from the cost new and the depreciated cost new of the improvements is added to the land value to arrive at the estimated market value of the subject property. This approach is based on the belief that a prudent buyer would not pay more for a property than he would for purchasing vacant land and constructing a similar building. This approach is not developed.

**DIRECT SALES COMPARISON APPROACH**

This approach compares sales of similar properties to the subject. Adjustments are made to the comparable sales to determine what the market value of the subject would be. This approach is simple in concept. It is based on the principle that a buyer would not pay more for the subject property than he would pay for a similar property. There is a problem with this approach when sales of properties similar to the subject are not available. Often times with properties that are unique, similar sales or comparable sales are hard to find and adjustments made to different types of properties are very subjective.

**INCOME APPROACH**

Using the income approach, the appraiser estimates the net income generated by the subject property by developing a typical income stream and subtracting the estimated expenses. This net income figure is then discounted over the expected life, or investment period, of the subject property by a market derived rate, or divided by a capitalization rate also derived from the market. The income approach is not developed.

**RECONCILIATION**

In the final reconciliation the estimated market value by all three approaches is reconciled to a final value estimate.

**SALES COMPARISON APPROACH**

**Directs Sales Comparison Approach** as utilized in this appraisal report is defined as:

*“A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparable sales are available”.*<sup>3</sup>

In this technique, an opinion of value is developed by analyzing and comparing sales of similar properties to the subject that have recently sold, listed for sale, or are under contract. The underlying principle in the direct sales comparison approach is that the market value of a property is directly related to the prices of comparable and competitive properties.

In comparing properties and transactions, focus is placed on similarities and differences that affect value. Elements of comparison may include variations in the following : Property rights appraised, motivations of buyers and sellers, financing terms, market conditions at time of sale, size, location, physical features, and economic characteristics.

**Direct Sales Comparison Procedures**

- Step 1** Research the competitive market for recent sales transactions, listings, and properties under contract that are similar to the subject.
- Step 2** Verify and confirm the data is accurate and that the transaction is arm’s-length.
- Step 3** Select appropriate units of comparison for analysis. (e.g., price per square foot, price per acre, price per cubic foot, price per unit, price per pad).
- Step 4** Observe differences between the comparable sale properties and the subject property using elements of comparison.
- Step 5** Reconcile the value indications of the comparable properties into a single value indication or a range of values.

The comparable sales used in this analysis are listed in the table on the following page.

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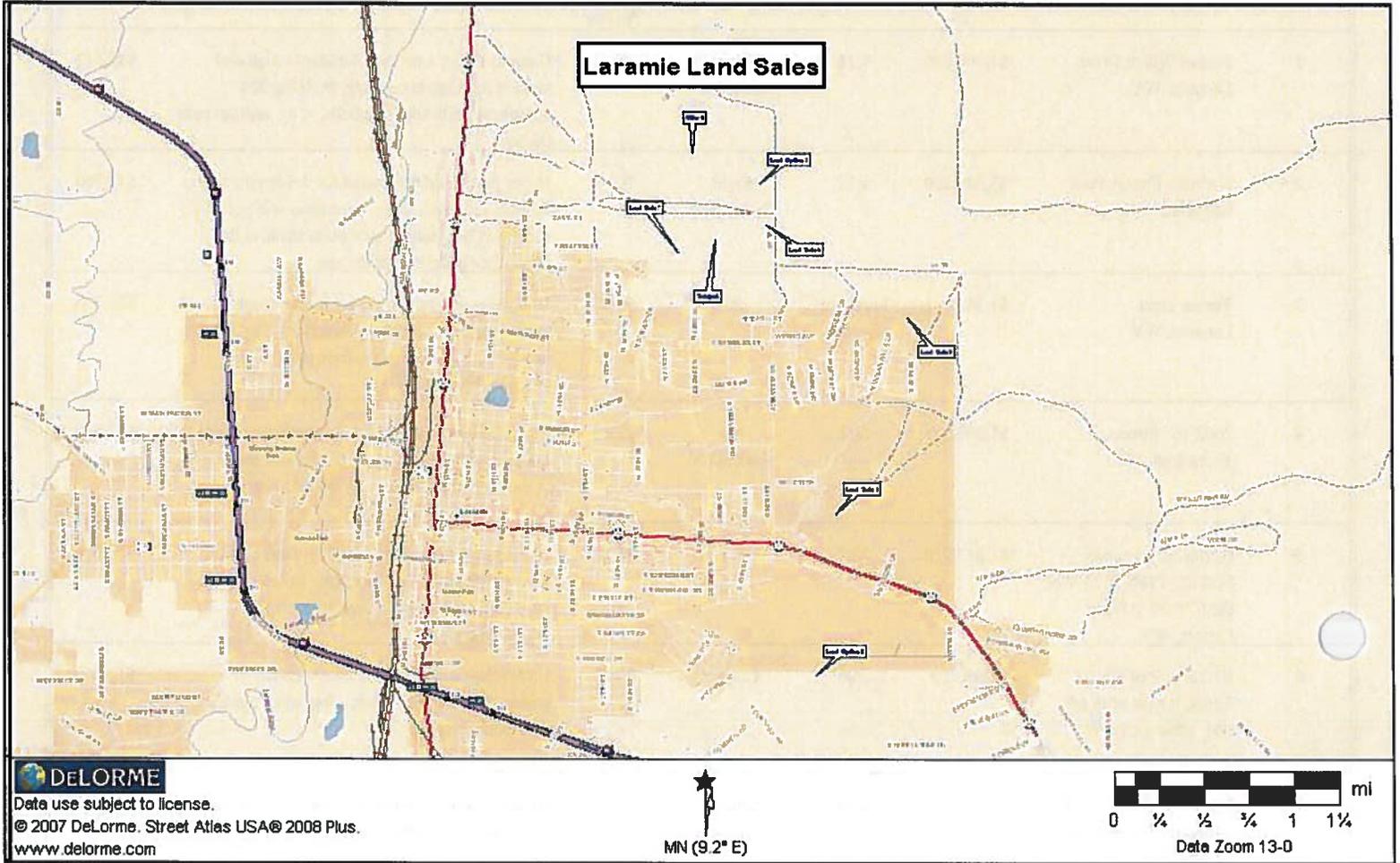
<sup>3</sup>The Dictionary of Real Estate Appraisal, 4th Addition, Appraisal Institute

# SALES COMPARISON APPROACH

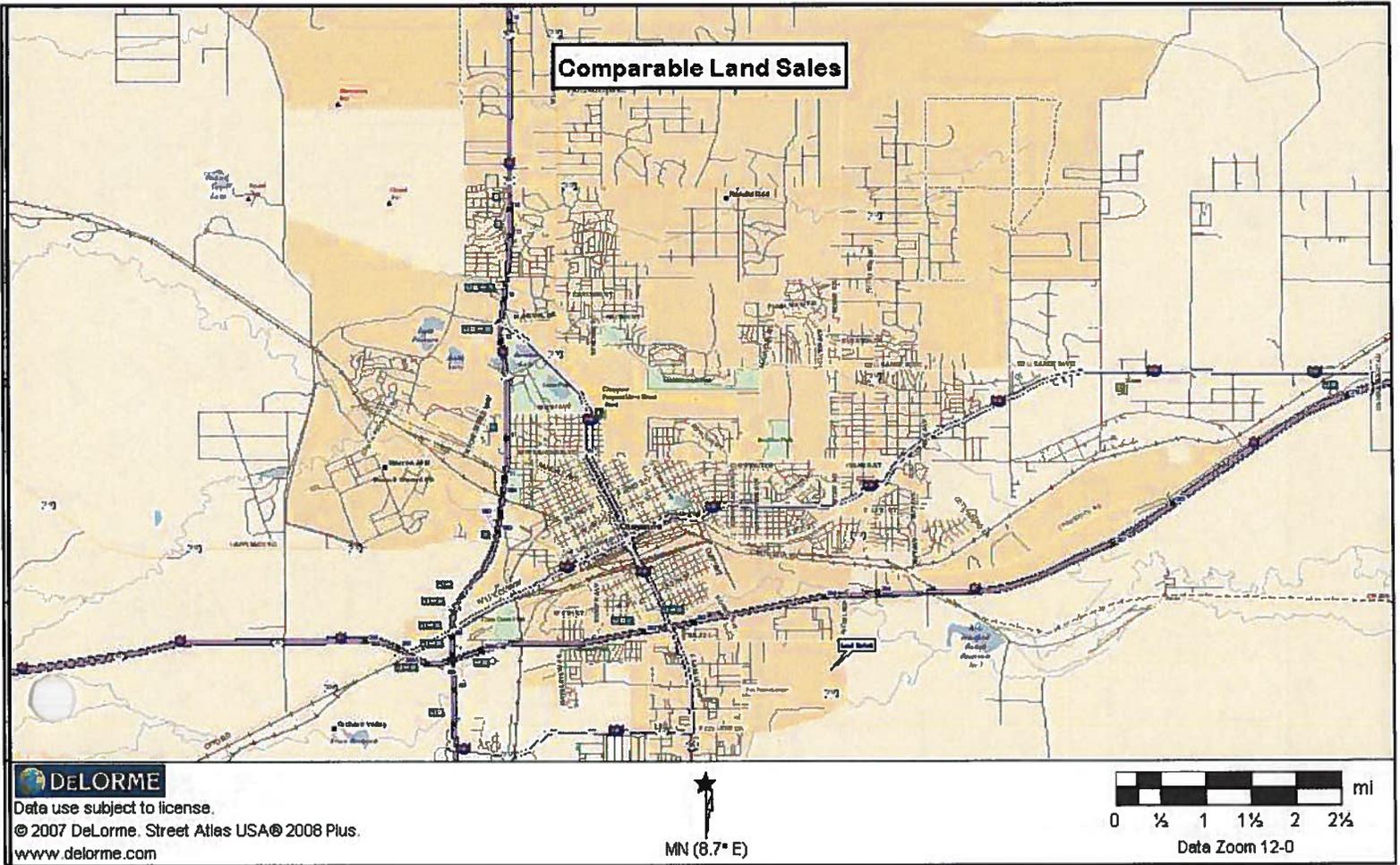
## Comparable Land Sales

Sale #	Location	Price	Date	Zone	Size/ Acres	Comments	\$/Acre
1	East of Willett Drive, Laramie, WY	\$1,700,000	9/11	Light Industrial	36.55	Campus Crest, a national builder of high end student housing, is currently building 224 apartment units with 612 beds. City utilities near the site.	\$46,512
2	Niobrara Energy Park Cheyenne, WY	\$3,049,200	5/12	Light Industrial	70.00	Buyer purchased this parcel for development into 26 light industrial sites. Developer will get a \$1.5 million WBC grant to help build roads in the park. City utilities near the site.	\$43,560
3	Turner Tract Laramie, WY	\$1,362,121	Purchase Option	B1	53.00	Undeveloped land purchased for new high school and elementary school construction. City utilities nearby with some street infrastructure to be provided by the seller.	\$25,700
4	2002 16 <sup>th</sup> Street Wheatland, WY	\$1,280,125	1/11	AG Agriculture	73.15	Purchased for undisclosed future development. Located adjacent to the city limits and zoned AG at the time of the sale. City utilities nearby	\$17,500
5	Northeast Laramie Sect 26, T16N, R73W of the 6 <sup>th</sup> P.M. Albany County, WY	\$1,217,920	7/07	LR/R1	76.12	Developer purchased the land for future single-family residential development. Located inside city limits with utilities near adjoining neighborhood.	\$16,000
6	E1/2NE1/4 of Sec 27 T16N, R73W of th 6 <sup>th</sup> PM, Albany Cty, WY	\$393,720	2/06	County	32.81	Undeveloped land purchased by the US government for the construction of an electrical distribution station.	\$12,000
7	Tract in NW1/4 Sect 27, T16N, R73W, Albany County, WY	\$118,250	3/05	County	10.75	Undeveloped land located outside city limits. Purchased for residential subdivision	\$11,000
8	Tract in SE 1/4 of Sect 22, T16N, R73W, 6 <sup>th</sup> P.M., Albany Cty, WY	\$1,600,000	Purchase Option	County Agriculture-1	160.00	Undeveloped parcel of land located north of Laramie on 30th Street. Offer to purchase the site for data center.	\$10,000
9	Tract in SE 1/4 of Sect 22, T16N, R73W, 6 <sup>th</sup> P.M., Albany Cty, WY	\$4,598,000	Offer to Purchase	County Agriculture-1	498.00	Undeveloped parcel of land located north of Laramie on 30th Street. Offer to purchase the site for data center.	\$11,000
Subject	Tract in Sect 27, T16N, R73W, 6 <sup>th</sup> P.M., Albany County, WY				149.00	Located north of the city limits along the ridge line. Level to moderately sloped on top with some overhead power easements.	

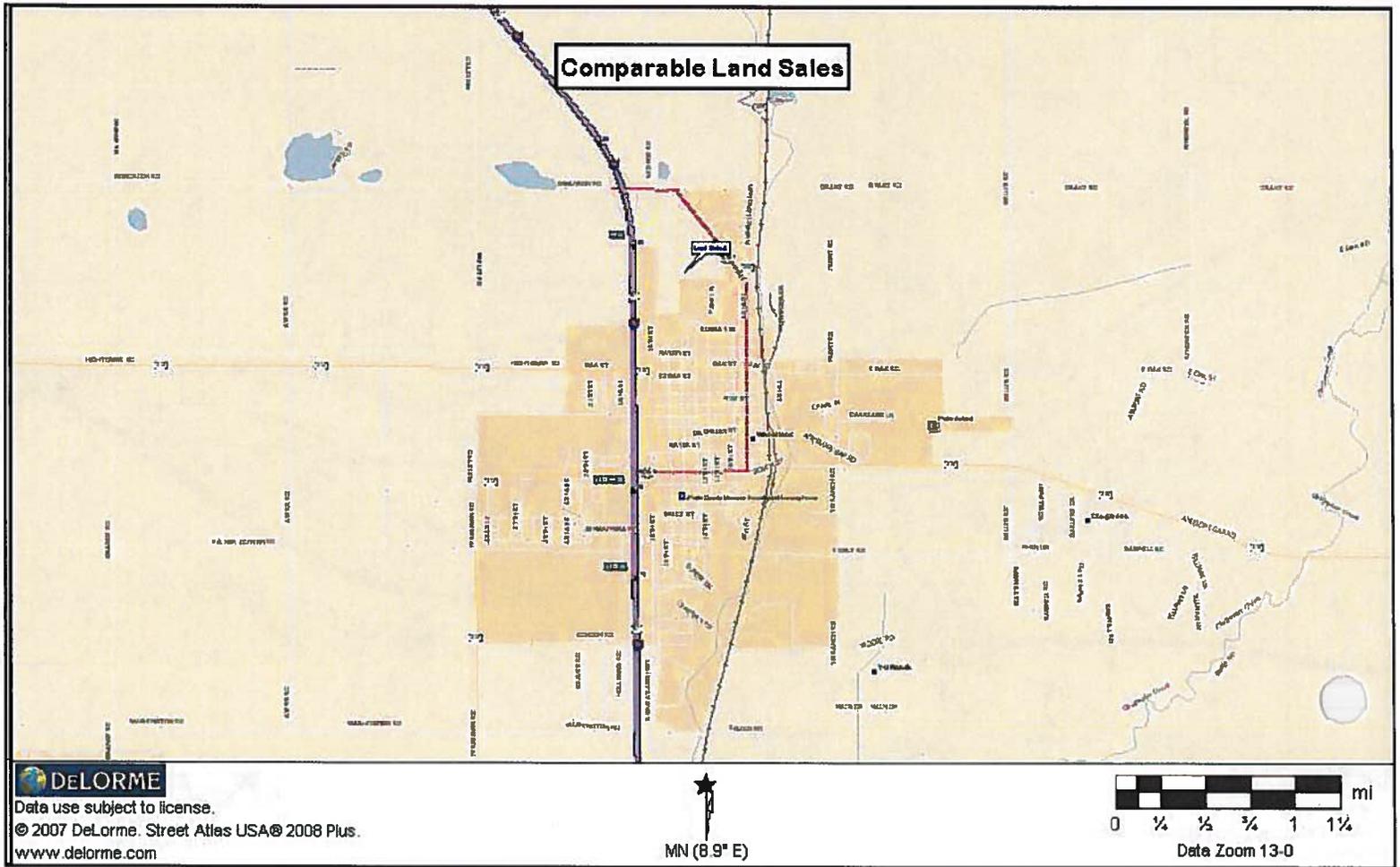
Map of comparable Laramie land sales



Map of comparable Cheyenne land sale



Map of comparable Wheatland land sale



### Elements of Comparison

Elements of comparison are the characteristics of properties and transactions that cause the price for real estate to vary. In the sales comparison approach, these elements are indications of differences between the comparable sale and the subject property. Adjustments are made to the price of each comparable property to make that property similar to the subject as of the date of the value opinion. Elements of comparison can be adjusted with either quantitative or qualitative methods. Quantitative adjustments are based on gross dollars or percentages while qualitative analysis includes relative comparison analysis, ranking analysis, and personal interviews. After adjusting the comparables, the data is reconciled to determine a reasonable, supportable opinion of market value.

Some of the basic classifications of elements of comparison that are considered in the sales comparison approach for land include real property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions (time), location, and physical characteristics. Physical characteristics include location, infrastructure (streets and utilities), topography, other adjustments, and size. Several elements of comparison apply to all appraisals, but some apply only to the sale of land or the sale of buildings.

### Unit of Comparison

Units of comparison are used to facilitate comparison of the subject and comparable properties. For larger tracts of land, market participants typically purchase or sell property based on price per acre. For that reason, price per acre is appropriate for this analysis.

### Property Rights

A transaction price is predicated on the real property interest conveyed. Property rights may include recorded leases, easements, right-of-way, public regulations or private restrictions affecting the value. No adjustments are required by property rights.

### Financing Terms

Often, the transaction price of one property may differ from that of an identical property due to alternative financing arrangements. For example, a low down payment may have been offset with a higher selling price. Six of the nine comparable land sales were cash transactions, therefore, no adjustment are made for special financing. Comparable Land Sale 5 involved seller financing, however, the buyer indicated the terms did not impact the purchase price. Comparable Sales 3 and 8, are purchase options and Comparable Sale 9 is an offer to purchase. All three are assumed to be cash transactions, therefore, no adjustment is made.

**Condition of the Sale**

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of the sale affects the transaction price. According to the attorney representing the potential seller of Land Option 8 and Land Offer 9, the owner's asking price was \$16,000 per acre. Land Option 8 was discounted to \$10,000 per acre to assist the Laramie Economic Development Corporation and the City in attracting Verizon to the site. Another motivating factor to discount the land was to bring infrastructure to the area. Regarding Land Comparable 9, the letter of interest to purchase 418 acres for \$11,000 per acre was rejected. Both Comparables 8 and 9 are adjusted upwards to \$16,000 per acre.

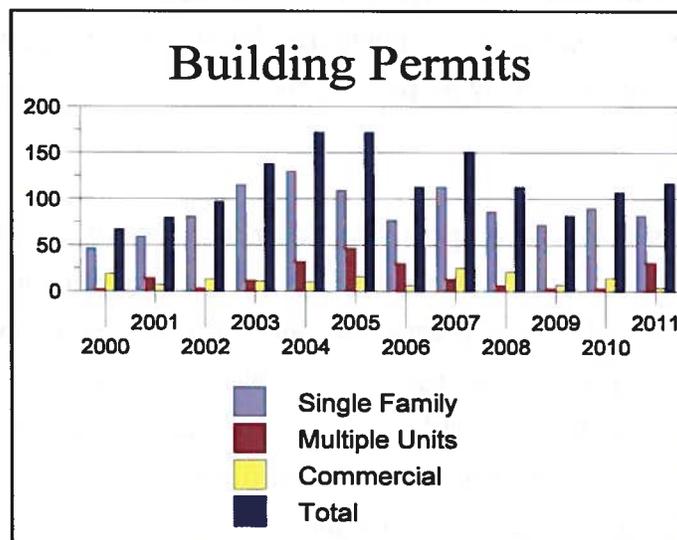
**Expenditure Immediately After the Sale**

These are required expenditures that a knowledgeable buyer considers when purchasing a property. Such expenditures may include the cost of demolition, the cost to petition for a zoning change, or the cost to mitigate environmental contamination. No adjustment is required for this category.

**Market Conditions**

An adjustment is made for market conditions is made if general property value have appreciated or depreciated due to inflation or deflation or investors' perceptions of the market have changed. Changes in market conditions are difficult to quantify. When building permits are considered, market conditions are clearly weaker than what they were between 2005 and 2007. Current land values reflect absorption periods longer in 2012 than what was anticipated in the pre-recession years. Adjustments also consider inflation (present value of the dollar).

As of June 2012, there have been a total of 31 new building permits issued (includes residential, multi-family, and commercial). Annualized, this is 62 permits for the year which is below the rate seen in prior years. Between 2005 and 2007, the total number of new permits issued ranged from 113 to 172 and from 2008 to 2011, the number ranged from 82 to 113.



## SALES COMPARISON APPROACH

Based on the total number of building permits issued between 2005 and 2012, the following adjustments are made to the comparable sales.

<u>Sale Date</u>	<u>Permits Issued</u>	<u>Adjustment</u>
2005	172	-15%
2006	113	-10%
2007	151	-15%
2008	113	-10%
2009	82	- 5%
2010	107	-10%
2011	117	-10%
2012	62 (annualized)	0%

### Location

An adjustment for location may be required when the location characteristics of a comparable property are different from those of the subject property. Location adjustments consider the strength of the city where the sale is located and the anticipated time it would take to absorb the anticipated development as well as the strength of the location within the city itself. The following qualitative location adjustments have been made for location.

<b>Sale #</b>	<b>Location</b>	<b>Adjustment</b>
1	East of Willett, Laramie, WY	-10%
2	North of LCCC, Cheyenne, WY	-15%
3	Turner Tract, Laramie, WY	-10%
4	North of Wheatland, WY	+40%
5	Northeast Laramie, WY	0%
6	North Laramie, WY	0%
7	North Laramie, WY	0%
8	North Laramie, WY	0%
9	North Laramie, WY	0%

## SALES COMPARISON APPROACH

### **Infrastructure**

For this analysis, the subject and the comparable sales have been categorized into four groups regarding offsite costs.

1. Very high off-site costs
2. Significant off-site costs
3. Moderate off-site costs
4. Low off-site costs

The subject is located north and adjacent to the city limits. Through my conversations with the City, the cost of the infrastructure will be very high because of the lack of water and both 22nd and 30th Street will have to be extended north. However, there is sewer capacity, fiber optics, and electrical power nearby. The following adjustments are made to the comparable sales:

<b><u>Sale #</u></b>	<b><u>Off-Site Costs</u></b>	<b><u>Adjustment</u></b>
1	Significant	-15%
2	Significant	-15%
3	Moderate	-25%
4	Moderate	-25%
5	Significant	-15%
6	Very high	+25%
7	Very high	0%
8	Very high	0%
9	Very high	0%

Note, Land Sale 6 is located next to the subject. The site was purchased for the construction of an electrical distribution station. Since it was built, there has been strong interest in the surrounding land because of the availability of electricity. For that reason, the sale is adjusted upwards for the inferior power at that time.

**Topography**

The subject contains approximately 149 acres with roughly 140 acres developable and nine acres dedicated for future park and ridgeline trail development. Most of it is generally level with some gentle sloping conditions.

<u>Sale #</u>	<u>Topography</u>	<u>Adjustment</u>
1	Sloped	+20%
2	Level to Rolling	0%
3	Rolling to Sloped	+10%
4	Level to rolling	0%
5	Mod to steep sloping	+30%
6	Level to mod sloped	0%
7	Mod sloped to steep	+40%
8	Level to mod sloped	0%
9	Level to mod sloped	0%

**Other Adjustments**

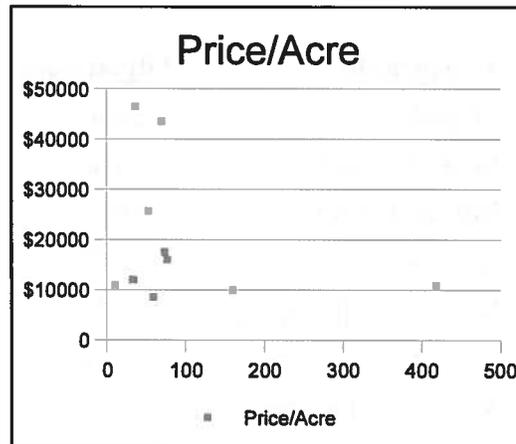
The subject has two major electrical power easements traversing the parcel restricting the overall use. Sale 6 is adjusted upwards because of the rocky conditions on the west side of the parcel making development much more expensive.

<u>Sale #</u>	<u>Other</u>	<u>Adjustment</u>
1	None	- 5%
2	None	- 5%
3	None	- 5%
4	None	- 5%
5	West side is very rocky	+10%
6	None	- 5%
7	Power easement	0%
8	None	- 5%
9	None	- 5%

## SALES COMPARISON APPROACH

### Size

Parcel size typically has a notable effect on price per square foot or acre. All other things being equal, smaller sites typically sell for higher prices on a per acre basis. The following graph shows the indicated values prior to any adjustment for size. As expected, the smaller parcels typically have higher indicated values than the larger parcels. An adjustment for size is supportable.



<u>Sale #</u>	<u>Size/Acres</u>	<u>Adjustment</u>
1	36.55	-20.0%
2	70.00	-10.0%
3	53.00	-15.0%
4	73.15	-10.0%
5	76.12	-10.0%
6	32.81	-20.0%
7	10.75	-25.0%
8	160.00	0.0%
9	418.00	+15.0%

The following page summarizes the adjustments made to the comparable sales.



## SALES COMPARISON APPROACH

### Reconciliation of the Sales Comparison Approach

Market participants often gauge the value of a property by comparing it with the sale price of similar properties. The direct sales comparison approach is usually the best indicator of value when the market provides sufficient data. In the preceding analysis, six comparable land sales, two purchase options, and one purchase offer were used to estimate the market value of the subject 149.0 acre tract.

After adjusting the differences in the property characteristics, the indicated value range is between \$10,753 to \$29,302 per acre with a mean of \$17,282 per acre. Land Sales 5, 6, and 7, Land Purchase Option 8, and Land Purchase Offer 9 were given weight because of their proximity to the subject tract. Therefore, the range is refined from \$10,800 to \$17,600 per acre which is an average of \$13,999 per acre. This is an overall value range of \$1,609,200 to \$2,622,400.

**Based on the preceding analysis, the estimated value of the fee simple interest in the subject property via the sales comparison approach, on July 1, 2012 is**

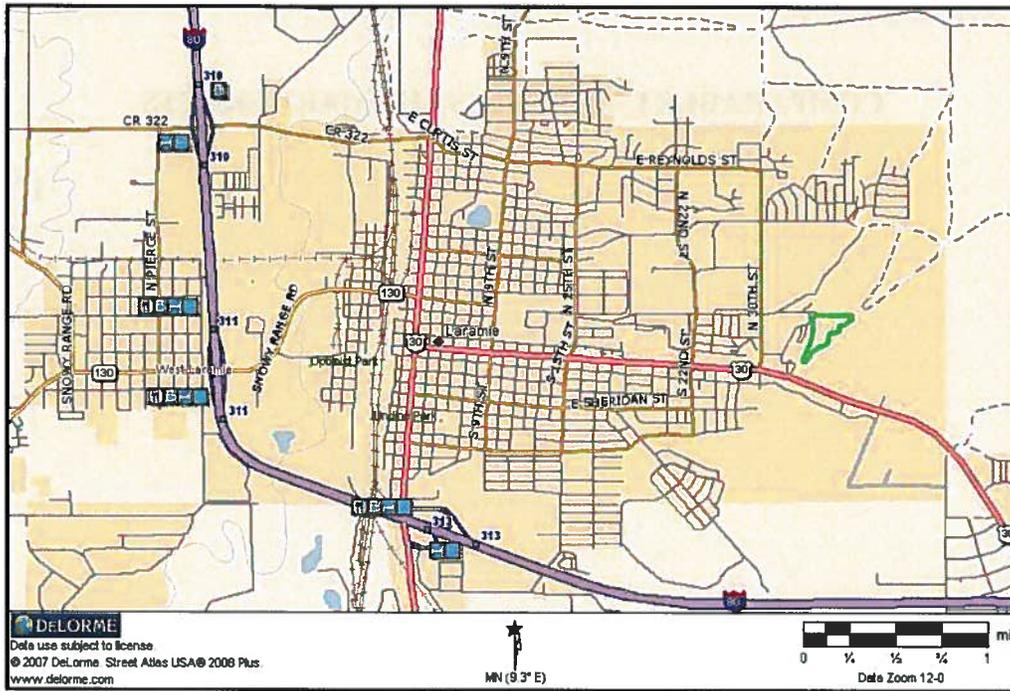
**\$2,086,000**

**(Two Million, Eighty-six Thousand Dollars)**

**(\$14,000 per acre)**

## COMPARABLE LAND SALES SUMMARY SHEETS

## COMPARABLE LAND SALE #1



### Location & Legal Information

**Location:** Two adjoining parcels located at the east end of Willett Drive southeast of the UW golf course in Laramie, WY.

**Legal Description:** Parcel A- Section 35, T16N, R73W, Albany Cty, Laramie, WY  
Parcel B- Lots 6 & 7, Block 3, University Heights Addition to the City of Laramie, Albany County, Wyoming

### Sales Information

**Sale Price:** \$1,700,000  
**Cash Equivalent Price:** \$1,700,000  
**Unit Price:** \$46,512/acre  
**Terms:** Cash to Seller  
**Property Interest Conveyed:** Fee Simple  
**Conditions of the Sale:** Arm's-length transaction

### Recording Information

**Grantor:** In-Situ, Inc. A Wyoming Corporation  
**Grantee:** Campus Crest at Laramie, LLC, a Delaware LLC  
**Date of Sale:** September 27, 2011  
**Recording Instrument:** Warranty Deed  
**Document Number:** Document#2011-5028

**Physical Site Information**

Size: 36.55 acres (Adjoining 33.36 and 3.19 acre parcels)  
Frontage: Located at the end of Willett Drive with no developed frontage.  
Shape: Irregular  
Utilities: City water and sewer located at the end of Willett Drive  
Topography: Sloped parcel peaking at the western ridge.  
Zoning: Light industrial when listed for sale but the buyer purchased the site subject to a zoning change to allowing high density housing.  
Flood Zone: Outside the flood zone  
Highest and Best Use: Multi-family residential  
Off-Site Improvements: Willett Drive is paved to the west end and Wister Drive is paved to the south. There is no other infrastructure.  
Surrounding Improvements: Golf course to the northwest, apartments to the west and a Grease Monkey to the south. The subject is located on the east side of this ridge where it is undeveloped .  
Verified By: Confidential with Calvin Young, MAI  
Comments: Campus Crest, a national builder of high end student housing, is currently investing \$24.8 million to build 224 apartment units with 612 beds. The buyer was required to extend Willett Drive and water and sewer to the site plus build a new trail tying it into the existing trail system around Laramie. The estimated cost was \$781,611. Of that amount, the city would pay for the over-sizing the street which amounted to \$35,075. The cost of the water and sewer was \$10,736 per acre and the cost of the street was an additional \$5,197 per acre.  
For residential developments this size, the developer is required to build a city park or donate a percentage of the land in lieu of paying for the park construction. The buyer donated approximately 13 acres to the city. However, the 13 acres is located over the Casper Aquifer and over the drainage area where is would be undevelopable.  
D.O.M.: Listed for several years with an asking price of \$1,957,000. Seller sold the property with no broker involved.

## Comparable Land Sale #2

### Property Identification

**Property Type** Industrial  
**Property Name** Niobrara Energy Park  
**Address** Cheyenne, Laramie County, Wyoming 82007  
**Location** North of LCCC, west of College Drive  
**Sale Data**  
**Grantor** Read Company  
**Grantee** COLL-IND, LLC  
**Closing Date** To close in early 2012  
**Verification** Ben Trautwein, Realtor; 307-286-7112, Confirmed by Christopher Brown  
**Contract Price** \$3,049,200

### Land Data

**Zoning** Light Industrial

### Land Size Information

**Gross Land Size** 70.000 Acres or 3,049,200 SF

### Indicators

**Sale Price/Gross Acre** \$43,560

**Sale Price/Gross SF** \$1.00

### Legal Description

For the Niobrara Energy Park, Laramie County, Wyoming.

### Remarks

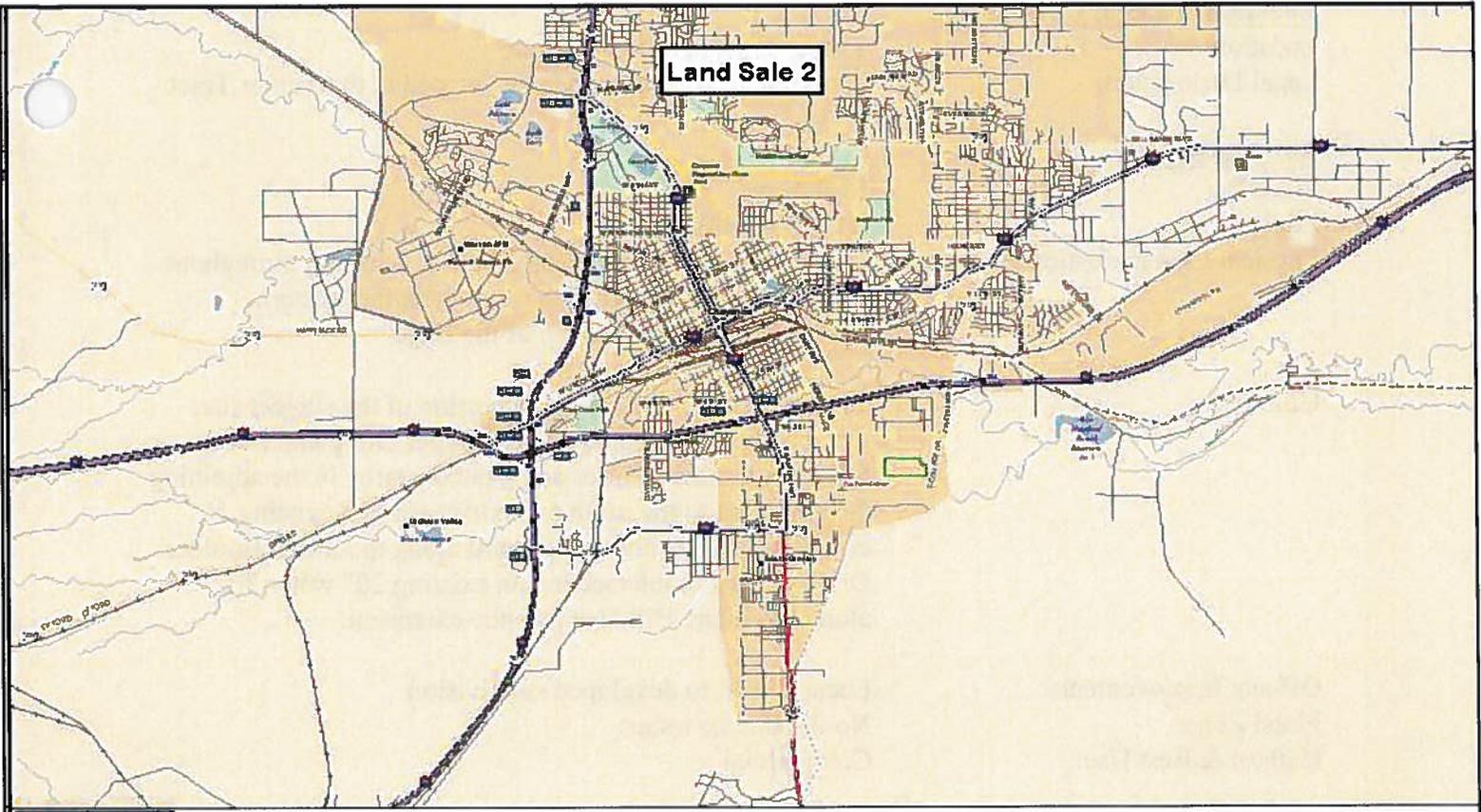
The developer was originally going to buy 70 usable acres for about \$1.00 per square foot. In November 2011 it appears that the seller will participate in the development and the land will be contributed to the developing entity at \$1.00 per square foot.

#### Niobrara Energy Park

The Niobrara Energy Park is located north of LCCC, West of College Drive and south of Fox Farm Road. The park totals about 102 gross acres and about 70 usable acres. The park will be developed to 26 buildable, industrial lots. The developers intend to begin construction in about March of 2012, with physical completion sometime in the summer of 2012. Much of the demand for the lots is expected to come from the oil and gas activity in Laramie County related to the Niobrara Shale Formation. Finished lots are advertised at \$2.50 to \$3.25 per square foot.

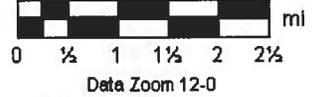
The access roads will be asphalt paved with concrete curb and gutter but no sidewalk. The lots are zoned Light Industrial by Laramie County. The final plat has been approved. The developer will get a \$1.5 million Wyoming Business Council grant to help build roads in the park.

Land Sale 2



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### Comparable Land Sale #3

#### Location & Legal Information

Location: Turner Tract in South Laramie  
Legal Description: A portion of two larger parcels located in the Turner Tract

#### Physical Information

Site Size: 53.0 Acres  
Zoning: B1, Limited Business  
Physical Characteristics: The topography is moderately sloped to rolling throughout then becoming steeper to the west with the western boundary straddling the top of the ridge

Utilities: City water and sewer adjoin a portion of the subject site. City utilities are located along Boulder Drive and Beech Street. All other utilities are located nearby in the adjoining development to the north and northeast. An existing 16" city water line extends southward along the future Boulder Drive extension intersecting an existing 20" water line along the future Bill Nye Avenue extension.

Off-site Improvements: Located next to developed subdivision  
Flood Zone: No flood zone issues  
Highest & Best Use: Commercial

#### Sales & Recording Information

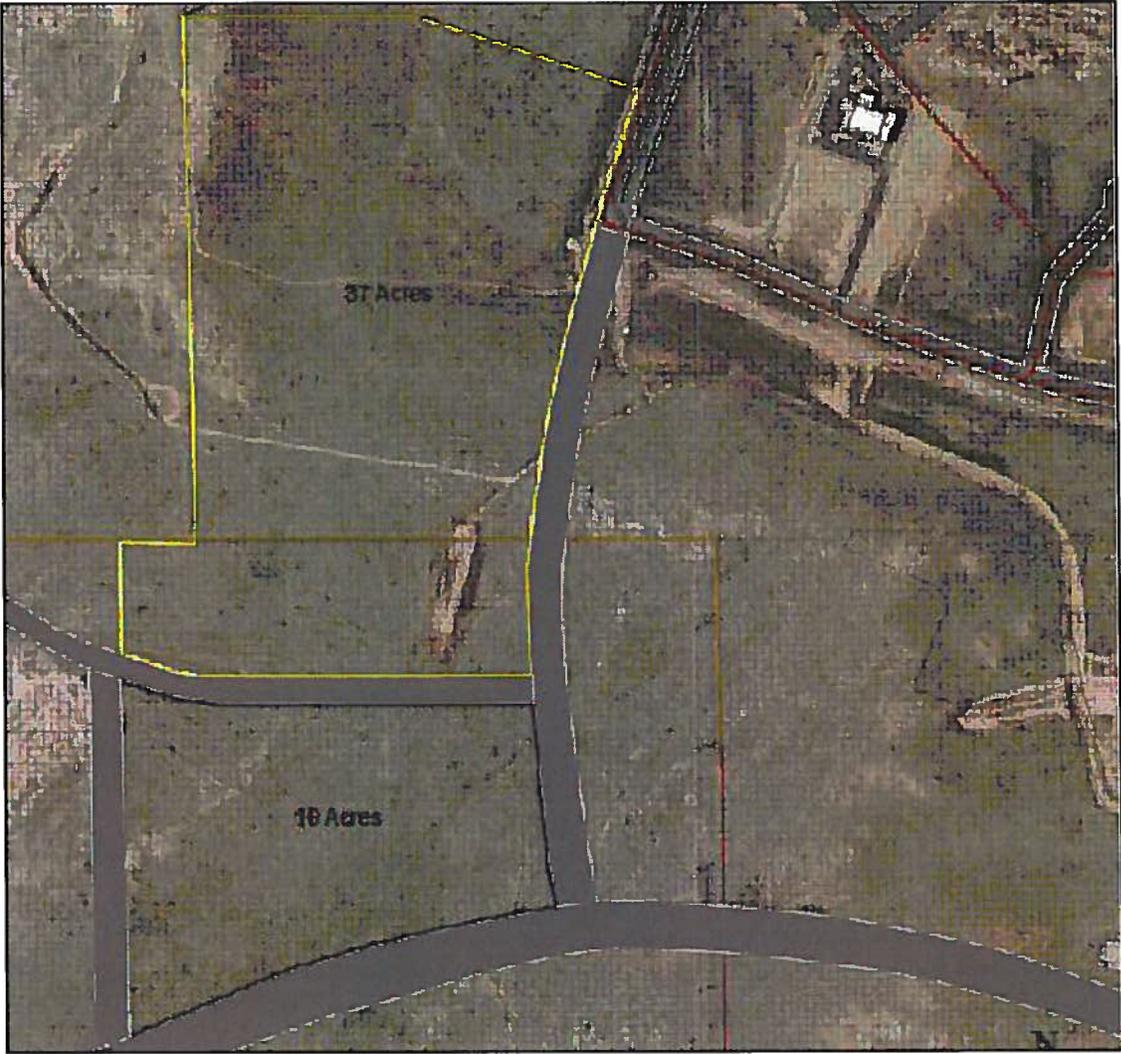
Date: Purchase Option  
Sale Price: \$1,362,121  
Price/Acre: \$25,700  
Financing: To be cash to seller  
Conditions of Sale: None

Grantor: City of Laramie  
Grantee: Albany County School District 1

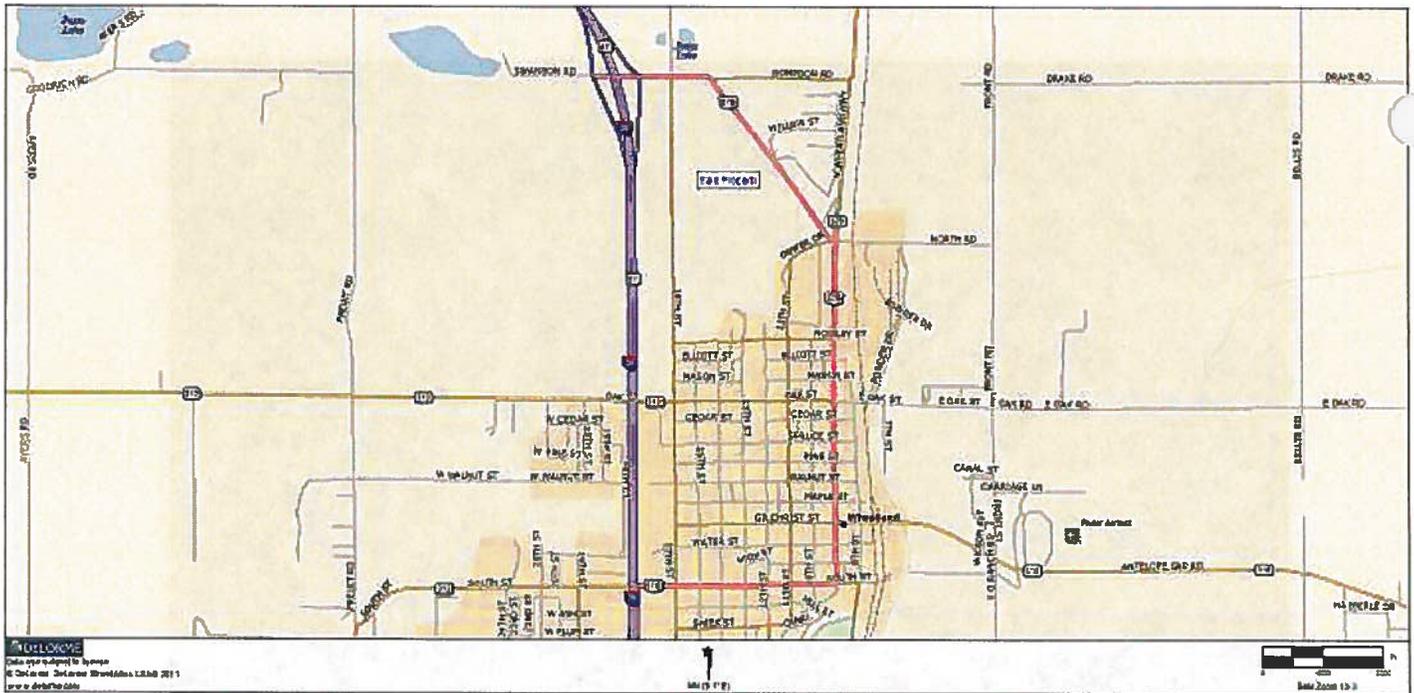
Recording: n/a

Verified By: Randy Hunt, AICP, Director of Community Development

Comments: Albany County Purchased the land for a new high school and elementary school.



## COMPARABLE LAND SALE #4



### Location & Legal Information

**Location:** Located in the county at the north edge of town of Wheatland, WY near the Swanson Rd/I-25 Interchange

**Legal Description:** Parcels in Section 12, T24N, R68W, Platte County, WY

### Sales Information

**Sale Price:** \$1,280,125  
**Cash Equivalent Price:** \$1,280,125  
**Unit Price:** \$17,500  
**Terms:** Cash to Seller  
**Property Interest Conveyed:** Fee Simple  
**Conditions of the Sale:** Arm's-length transaction

### Recording Information

**Grantor:** John Willard Baker, Trustee  
**Grantee:** V.A. Resources, LLC  
**Date of Sale:** January 11, 2011  
**Recording Instrument:** Document 458/372-373

## Physical Site Information

Size: 73.15 Acres

Frontage: 16<sup>th</sup> Street to the west and Hwy 87 to the east

Lot Orientation: Corner

Shape: Irregular

Utilities: Town officials indicated water & sewer lines are located on the other side of 16<sup>th</sup> St and could be extended to the site with State Highway permission to cut into the street. Other utilities nearby. According to a statewide assessment of Wyoming, the Wheatland area has sufficient power, natural gas, and sewer capacity to support a 5-10MW data center. Wheatland also has two north/south fiber lines running along I-25.

Topography: Generally level with some mild sloping conditions on the north side.

Zoning: Located in the county zoned agriculture

Flood Zone: Outside the flood zone

Highest and Best Use: Commercial

Off-Site Improvements: 16<sup>th</sup> Street and Hwy 87 are asphalt paved

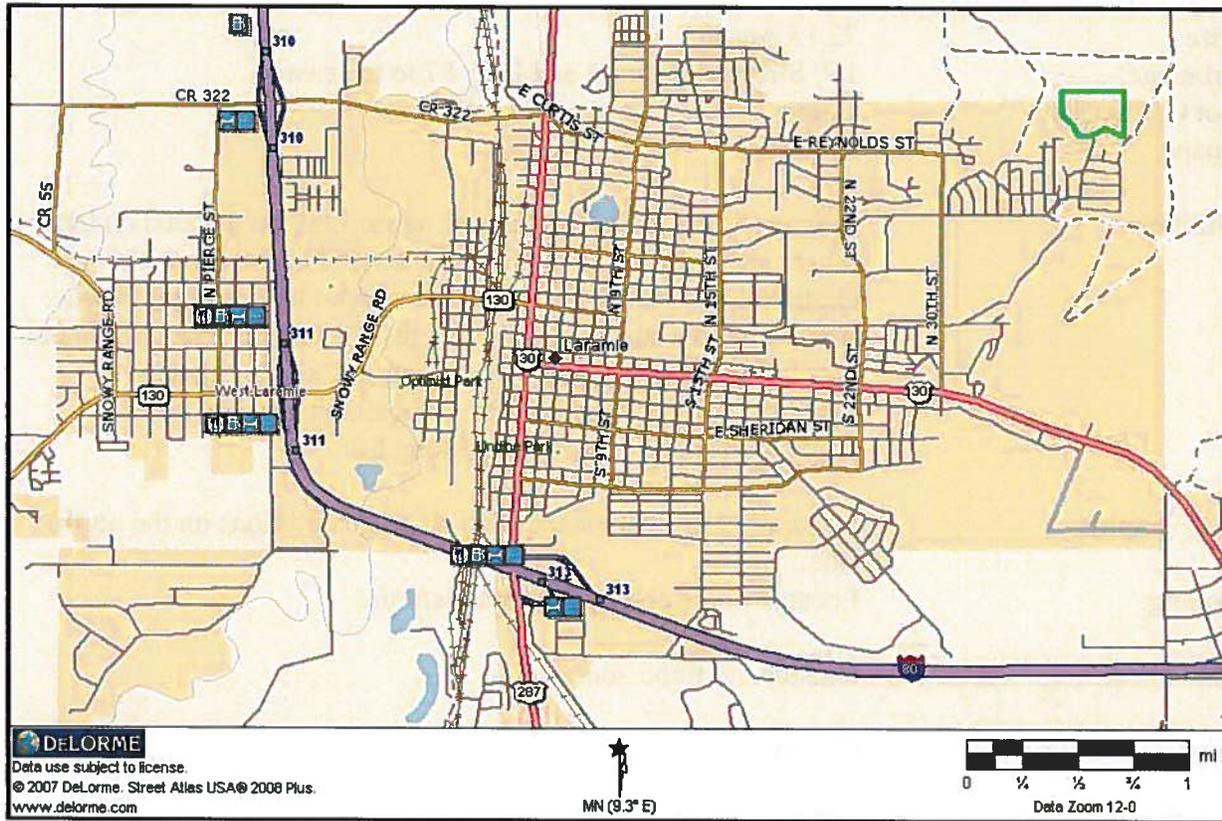
Surrounding Improvements: Interstate-25 and commercial to the west, a proposed industrial park to the north, and residential to the east and south.

Verified By: Jack Baker, seller with Chris Brown, Appraiser

Comments: This property has been used agriculturally in the past and there was an old house on it built in 1955 that had little or no contributory value. It had a pivot well on the property that may produce 1,000 gallons per minute that might have commercial value if oil and gas activity continues.

The property was purchased by an entity related to McMurry out of Casper. The intended use was not disclosed but the buyer is a commercial developer of industrial properties.

## Comparable Land Sale 5



### Location & Legal Information

Location:

Northeast Laramie

Legal Description:

A tract of land in the SE 1/4 of Section 26, T16N, R73W of the 6<sup>th</sup> P.M. Albany County, Wyoming

### Physical Information

Site Size:

76.12 Acres

Zoning:

LR and R-1, Limited and Single-family

Physical Characteristics:

The topography is predominantly sloped with varying degrees and some level areas at the southeast corner. The west half of the parcel has exposed shale and limestone formations on the surface while the east half is less rocky and more conducive for construction.

Utilities:

There is infrastructure nearby with existing homes located to the west and south of this parcel.

Off-site Improvements:

Located next to developed subdivision

Flood Zone:

No flood zone issues

Highest & Best Use:

Single-family residential

**Sales & Recording Information**

Date: July 2, 2007  
Sale Price: \$1,217,920  
Financing: Seller carried an unspecified amount to be paid back in a couple of years. The terms did not impact the sale price.

Conditions of Sale: None

Grantor: Laramie Church of Christ, Inc, a Wyoming non-profit corporation

Grantee: Lindy, LLC, A Wyoming limited liability company

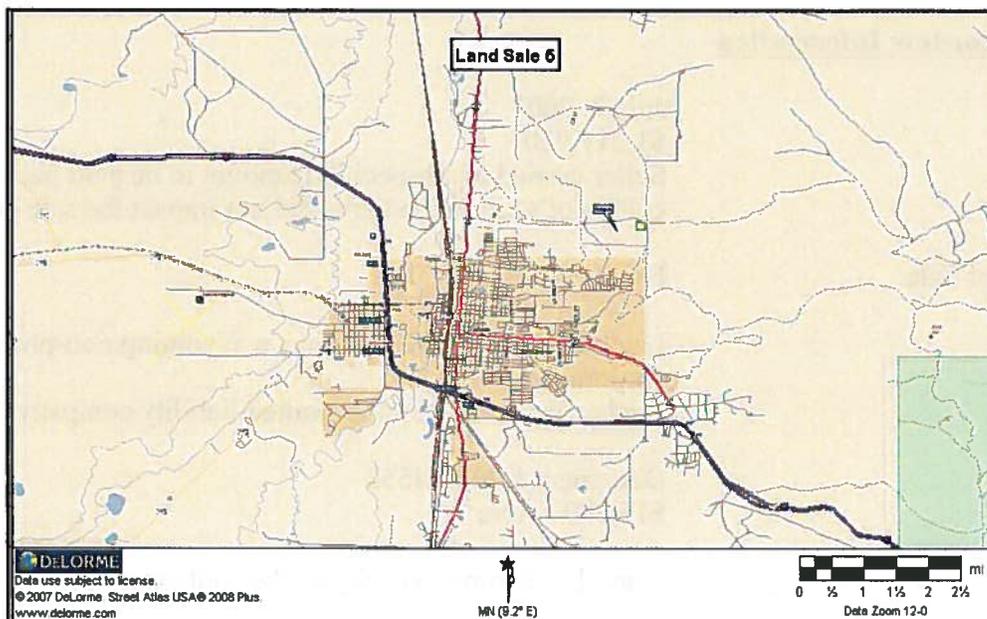
Recording: Document # 2007-4558

Unit Price: \$16,000 / Acre

Verified By: Grant Lindstrom and copy of the contract

Comments: A developer purchased the land for future residential development. The buyer indicated he had a letter stating the water pressure and fire flows are adequate. However, the city engineer suggested there are water and sewer issues associated with this parcel.

## Comparable Land Sale #6



### **Location & Legal Information**

Location: North Laramie  
Legal Description: A tract of land in the E1/2NE1/4 of Section 27, T16N, R73W of the 6<sup>th</sup> P.M. Albany County, Wyoming

### **Physical Information**

Site Size: 32.81 Acres  
Zoning: County  
Physical Characteristics: Generally level  
Utilities: City utilities are located approximately one mile to the north. Good fiber optics in the area.

Off-site Improvements: Gravel covered road to the north and east.  
Flood Zone: No flood zone issues  
Highest & Best Use: Commercial

### **Sales & Recording Information**

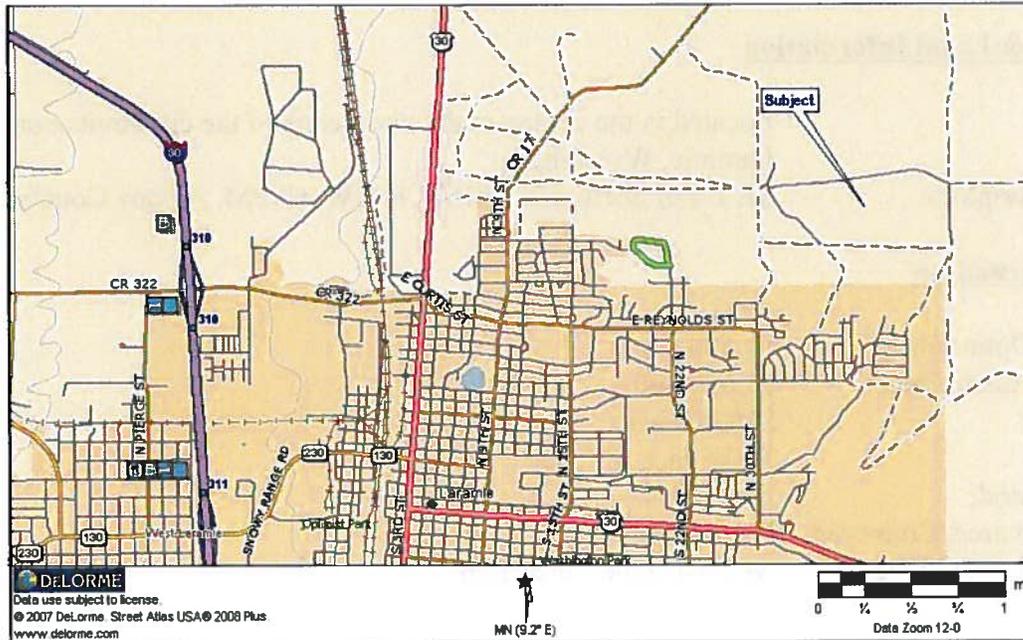
Date: February 8, 2006  
Sale Price: \$393,720  
Financing: Cash to seller  
Conditions of Sale: None

Grantor: Charles E. Coughlin, Jr  
Grantee: United States of America  
Recording: Document # 2006-1296  
Unit Price: \$12,000 / Acre

Verified By: Charles Coughlin, Jr, Seller

Comments: This tract of land was purchased for an electrical power distribution center.

## Comparable Land Sale #7



### Location & Legal Information

Location:

Northeast Laramie near 22<sup>nd</sup> Street

Legal Description:

Tract of Land in the NW 1/4 of Section 27, Township 16 North, Range 73 West, Albany County, Wyoming

### Physical Information

Site Size:

10.75 Acres

Zoning:

Located in the county at the time of the sale.

Physical Characteristics:

The topography is predominantly sloped with varying degrees with the steepest conditions to the north along the ridge line.

Utilities:

There is infrastructure nearby with existing homes located to the west and south of this parcel

Off-site Improvements:

Located next to developed subdivision

Flood Zone:

No flood zone issues

Highest & Best Use:

Single- family residential

### Sales & Recording Information

Date:

February 8, 2006

Sale Price:

\$118,250

Financing:

Cash to seller

Conditions of Sale:

None

Grantor:

Charles E. Coughlin, Jr.

Grantee:

B.L.T. LLC, a Limited Liability Company

Recording:

Document # 2006-1296

Unit Price:

\$11,000 / Acre

Verified By:

Charles Coughlin, Jr., seller, and J.D. Romsa, Buyer

Comments:

A developer purchased the land for future residential development.

## COMPARABLE LAND OPTION # 8

### Location & Legal Information

Location: Located in the county at the north edge of the city limits north of Laramie, Wyoming  
Legal Description: SE 1/4 of Section 22, T16N, R73W, 6<sup>th</sup> PM, Albany County, WY

### Sales Information

Purchase Option Price: \$1,600,000  
Cash Equivalent Price: \$1,600,000  
Unit Price: \$10,000/acre  
Terms: To be cash to seller  
Option Period: Two years  
Property Interest Conveyed: Fee Simple  
Conditions of the Sale: Arm's-length transaction

### Recording Information

Grantor: Lodgepole Ranch, LLC (Potential seller)  
Grantee: Verizon CCC, LLC, a Delaware LLC (Potential buyer)  
Date of Option: December 30, 2010 and expires December 31, 2012  
Recording Instrument: n/a

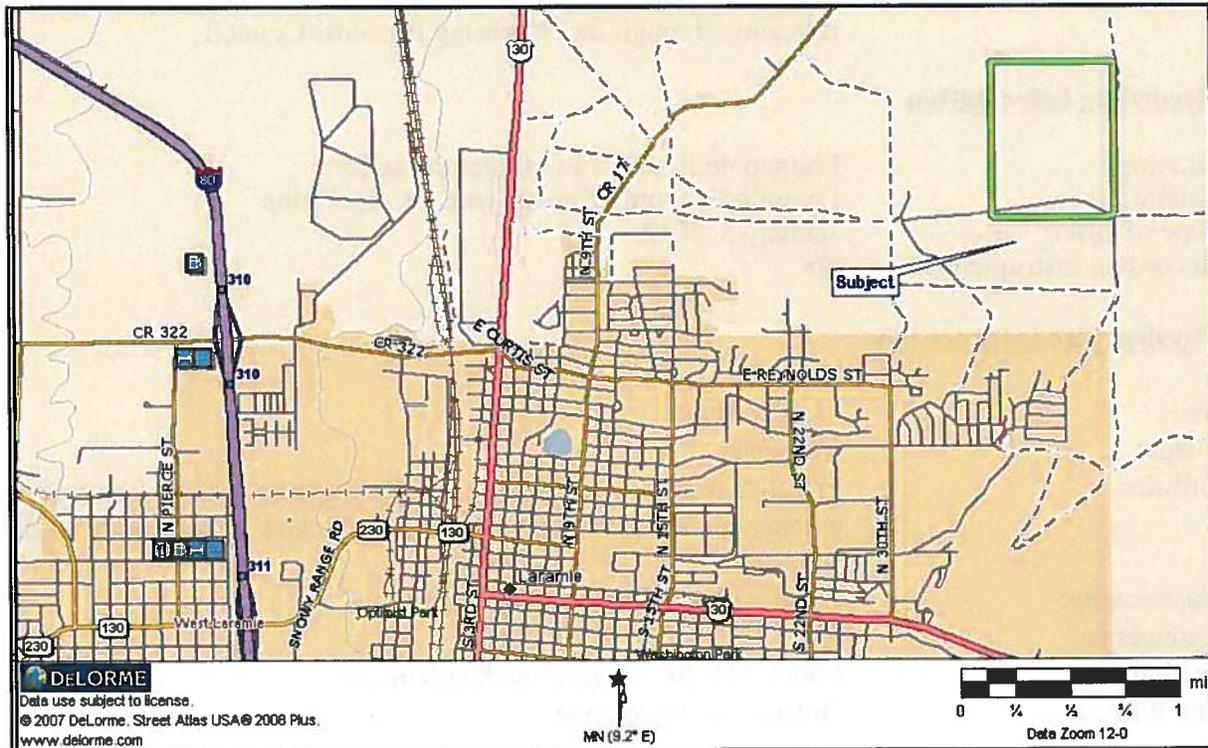
### Physical Site Information

Size: 160.00 Acres  
Lot Orientation: Corner Site  
Shape: Irregular  
Utilities: Excellent power next to the site, no city water or sewer. Laramie has extensive fiber optic lines six miles south and 10 mile north of the I-80 corridor.  
Topography: Level with some mild rolling areas.  
Easements: n/a  
Zoning: Located in the county zoned agriculture  
Flood Zone: Outside the flood zone  
Highest and Best Use: Commercial  
Off-Site Improvements: None. Unpaved road located along the south boundary.  
Surrounding Improvements: Residential located approximately one mile south and undeveloped land to the north, west and east.  
Verified By: Gaye Stockman, LEDC CEO and Phil Nicholas, attorney for Lodgepole Ranch, LLC with Calvin Young, MAI

Comments:

Verizon Telecommunications, a national company, purchased a two-year option to potentially build a 500,000 sf mega-data center. However, when Verizon acquired Terramark, a cloud computing company with excess capacity in their existing data centers, they opted not to build the proposed center. Had Verizon built here, the state of Wyoming had \$14.5 million of infrastructure funds available for this site and other potential sites around Wyoming.

According to the potential seller's attorney, the owner felt the land was worth \$16,000 per acre but was discounted to the potential buyer at \$10,000 per acre mainly to provide assistance to the city of Laramie and to bring future utilities to this area.



## COMPARABLE LAND OFFER # 9

### Location & Legal Information

Location: Located in the county at the north edge of the city limits north of Laramie, Wyoming  
Legal Description: Most of the SE 1/2 of Section 22, T16N, R73W, 6<sup>th</sup> PM, Albany County, WY

### Sales Information

Purchase Option Price: \$4,598,000  
Cash Equivalent Price: \$4,598,000  
Unit Price: \$11,000/acre  
Terms: To be cash to seller  
Property Interest Conveyed: Fee Simple  
Conditions of the Sale: The purchase of this parcel would be subject to the buyer obtaining financing through the Wyoming Business Council

### Recording Information

Grantor: Lodgepole Ranch, LLC (Potential seller)  
Grantee: Laramie Economic Development Corporation  
Date of Offer: January 5, 2012  
Recording Instrument: n/a

### Physical Site Information

Size: 418.00 Acres  
Shape: Irregular  
Utilities: Excellent power near the site, no city water or sewer. Laramie has extensive fiber optic lines six miles south and 10 mile north of the I-80 corridor.  
Topography: Level with some mild rolling areas.  
Easements: n/a  
Zoning: Located in the county zoned agriculture  
Flood Zone: Outside the flood zone  
Highest and Best Use: Commercial  
Off-Site Improvements: None. Unpaved road located along the south boundary.  
Surrounding Improvements: Residential located approximately one mile south and undeveloped land to the north, west and east.  
Verified By: Gaye Stockman, LEDC CEO and Phil Nicholas, attorney for Lodgepole Ranch, LLC with Calvin Young, MAI

Comments:

This was part of the Verizon Telecommunications site that was not exercised. The option price was \$10,000 per acre but was discounted by the seller to facilitate the sale. When Verizon did not exercise their option, the Laramie Economic Development Corporation extended an letter of interest to buy 418 acres at \$11,000 per acre. According to the potential seller's attorney, the owner felt the land in this area is worth \$16,000 per acre. The offer was declined and the owner chose not to sell at this time to protect the sheep operation they had in this area.

