



City Council Regular Meeting

448 E 1st Street, Room 190 Salida, Colorado 81201

September 15, 2026 at 6:00 PM

Agenda

Please register, **BY 4:30 pm the day of the meeting** for Regular City Council Meeting

https://zoom.us/webinar/register/WN_IJlzcmlQTggcTEDomhRz5A

After registering, you will receive a confirmation email containing information about joining the webinar. To watch live meetings:

<http://www.youtube.com/@cityofsalidacolorado>

Call to Order

Pledge of Allegiance

Roll Call

Amendment(s) to Agenda

Consent Agenda

All matters listed under the Consent Agenda, are considered to be routine business matters by the Council and will be enacted with a single motion and a single vote by roll call. There will be no separate discussion of these items. If discussion is deemed necessary by any member of the Council, that item should be removed from the Consent Agenda and considered separately.

1. Approve Agenda
2. Approve September 1, 2026 Minutes
3. Approve Special Event Liquor License for ArtWalk
4. Approve Memorandum of Understanding between the City of Salida and the Town of Buena Vista
5. **Ordinance 2026-24** An Ordinance of the City Council of the City of Salida, Colorado, Amending Section 2-11-20(a) of the Salida Municipal Code to Authorize Up to Two Alternate Members of the Historic Preservation Commission. **Approve on first reading and set second reading and public hearing for October 6, 2026**
6. **Ordinance 2026-25** An Ordinance of The City Council of The City of Salida, Colorado, Amending Chapter 1, Article 4 of the Salida Municipal Code Concerning General Penalties to Align with State Law Following in Re People v. Camp And In Re People v. Simons. **Approve on first reading and setting second reading and public hearing for October 6, 2026**
7. Approve Memorandum of Understanding (MOU) between the City of Salida and Trellis Housing Partners, LLC for the
1st & D Space-to-Create Affordable Workforce Housing Rental Project at 233 E. First

Individuals with disabilities needing auxiliary aid(s) may request assistance by contacting the City Clerk at 448 E. 1st Street, Ste. 112, Salida, CO 81201, Ph.719-530-2626 at least 48 hours in advance.

Street and 102 D Street

Citizen Comment–Three (3) Minute Time Limit

Unfinished Business / Action Items

8. **Ordinance 2026-23** An Ordinance of the City of Salida, Colorado, Amending Chapter 18 of the Salida Municipal Code by Amending the Adoption by Reference of the 2021 International Energy Conservation Code Amendments. **Second reading and public hearing.**

New Business / Action Items

Councilors, Mayor and City Treasurer Reports

Council Reports

Pappenfort - CHA
Martin - Sustainability Committee
Stephens - Airport Board
Fontana - Finance Committee and Greater Salida Recreation Corporation Board
Rovinsky - PROST Board
Schreiner - Finance Committee and ACAC

Mayor Report

Mayor Critelli

Attorney Report

Treasurer Report

Department Updates

Executive Session

14. For the purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a); for the purpose of conferencing with the City Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4)(b); and for the purpose of determining positions relative to matters that may be subject to negotiation, developing strategy for negotiations, and/or instructing negotiators under C.R.S. Section 24-6-402(4)(e); and the following additional details are provided for identification purposes: **Potential contracts related to implementation of and compliance with Chaffee County Building Safety Department Notice to Vacate and Notice of Demolition of Dangerous Building, regarding 610 Walnut Street, Salida; negotiating and legal parameters regarding golf course lease; legal advice and negotiating parameters regarding contract with Artspace related to 1st and D, Salida**

Adjourn

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City Clerk | Deputy City Clerk

Mayor

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City Council Regular Meeting

448 E 1st Street, Room 190 Salida, Colorado 81201
September 1, 2026 at 6:00 PM

Minutes

Please register for Regular City Council Meeting

https://zoom.us/webinar/register/WN_IJlzcmlQTggcTEDomhRz5A

After registering, you will receive a confirmation email containing information about joining the webinar. To watch live meetings:

<http://www.youtube.com/@cityofsalidacolorado>

Call to Order at 6:00 PM

Pledge of Allegiance

Roll Call

PRESENT

Council Member Joey Rovinsky
Council Member Wayles Martin (Remote)
Council Member Shelley Schreiner
Council Member Alisa Pappenfort
Council Member Suzanne Fontana
Council Member Aaron Stephens
Treasurer Ben Gilling
Mayor Justin Critelli

Amendment(s) to Agenda

Mayor Critelli removed Item No. 7 from the agenda for the Jug Liquor show cause hearing.

Consent Agenda

All matters listed under the Consent Agenda, are considered to be routine business matters by the Council and will be enacted with a single motion and a single vote by roll call. There will be no separate discussion of these items. If discussion is deemed necessary by any member of the Council, that item should be removed from the Consent Agenda and considered separately.

Council Member Fontana moved to combine and approve the items on the consent agenda, seconded by Council Member Pappenfort.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Schreiner, Council Member Rovinsky

Approve Agenda

Approve August 18, 2026 Minutes

Approve Special Event Liquor License for Fiber Fest

Approve Special Event Liquor License for Bike Fest

Approve Special Event Liquor License for NOVA all OVA

Motion Passed

Citizen Comment–Three (3) Minute Time Limit – Dan Shore spoke during citizen comment.

Unfinished Business / Action Items

Ordinance 2026-22 An Ordinance of the City Council of the City of Salida, Colorado, Amending Chapter 6, Article VI of the Salida Municipal Code Concerning Residency and Annual Active Use Requirements for Short Term Rental Licenses. **Second reading and public hearing**

Mayor Critelli opened the public hearing. Paula Givan and Nancy Wallace spoke regarding the active use requirement. Hearing no further comments, the mayor closed the public hearing.

Council Member Rovinsky moved to approve Ordinance 2026-22 approving Amendment 1 regarding the residency requirement and removing Amendment 2 regarding the active use requirement. The motion was seconded by Council Member Fontana.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Schreiner, Council Member Rovinsky

MOTION PASSED

New Business / Action Items

Resolution 2026-25 A Resolution of the City Council of the City of Salida, Colorado, Supporting an Application for the State of Colorado Community Development Block Grant – Public Facilities Design, Engineering, and Environmental Clearance Program. **Public Hearing**

Mayor Critelli opened the public hearing. Hearing no comments, the mayor closed the public hearing.

Council Member Fontana moved to approve Resolution 2026-25, seconded by Council Member Pappenfort.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Schreiner, Council Member Rovinsky

MOTION PASSED

Resolution 2026-26 Approving Citizen Appointments to the Parks, Recreation, Open Space, and Trails Advisory Board Pursuant to Section 2-14-20 a. of the Salida Municipal Code.

Council Member Pappenfort moved to approve Resolution 2026-26 appointing Amy Guldán and Brent Bohs as regular members of the PROST Board. The motion was seconded by Council Member Rovinsky.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Schreiner, Council Member Rovinsky

MOTION PASSED

Councilors, Mayor and City Treasurer Reports

Council Reports

Pappenfort - CHA

Martin – Sustainability Committee

Stephens - Airport Board

Fontana - Finance Committee and Greater Salida Recreation Corporation Board

Rovinsky – PROST Board

Schreiner - Finance Committee

Reports were given.

Mayor Report

Mayor Critelli

Report was given.

Attorney Report

Treasurer Report

Report was given.

Department Updates

Executive Session

For the purpose of conferencing with the City Attorney for the purpose of receiving legal advice on specific legal questions under C.R.S Section 24-6-402(4)(b); and for the purpose of determining positions relative to matters that may be subject to negotiation, developing strategy for negotiations, and/or instructing negotiators under C.R.S. Section 24-6-402(4)(e); and the following additional details are provided for identification purposes: **Potential contracts related to implementation of and compliance with Chaffee County Building Safety Department Notice to Vacate and Notice of Demolition of Dangerous Building, regarding 610 Walnut Street, Salida**

Council Member Schreiner moved to go into Executive Session, Seconded by Council Member Pappenfort.

Voting Yea: Council Member Pappenfort, Council Member Fontana, Council Member Stephens, Council Member Martin, Council Member Schreiner, Council Member Rovinsky

MOTION PASSED

Council entered into Executive Session at 7:40pm and returned to the Regular Meeting at 8:35pm.

MOTION PASSED

Adjourn Meeting adjourned at 8:39 pm



City Clerk | Deputy City Clerk

Mayor



THE 33RD ANNUAL SALIDA ARTWALK OCTOBER 8-11

Follow your hearts to Salida this Fall and join us in Colorado's largest National historic district and the state's first Creative District for an art filled weekend at the 33rd annual Salida ArtWalk October 8-11 featuring engaging activities for art enthusiasts and collectors! Presented by the City of Salida Arts & Culture in partnership with Salida Council for the Arts.

Salida's downtown is home to a highly concentrated number of artist-owned and operated galleries featuring numerous regional, national, and award-winning fine artists. View paintings, plein air, landscape, photography, ceramics, fiber art, jewelry, sculpture, salvaged art, metal and glass work, mosaics, printmaking, a fine art museum, and more. Several makers and creatives feature handmade goods such as bags, home goods, vintage fashions and more. Book stores and coffee shops host author talks, readings, and specialty brews. Salida's many restaurants and breweries offer special menu items.

Enjoy a full weekend immersed in Salida's vibrant arts community with gallery receptions, art demonstrations, curated exhibits, children's activities, and the "Mini Masterpieces" featuring over 70 miniature pieces by Salida artists. Enjoy Salida's Parade for the Arts on Saturday night with giant puppets, strolling musicians, street performers and the ArtWalk Party with performances, live music, and dancing in Riverside Park- a true celebration of the arts! Stay for the patron brunch Sunday morning at the Salida SteamPlant and revisit your favorite galleries and pop-up venues as you find that perfect piece of art to take home.

See www.SalidaCreates.com and follow Salida Creative District on social media for more information.



THE 33RD ANNUAL SALIDA ARTWALK STREET CLOSURE & SCHEDULE

CLOSURE: F ST FROM F/21/2 TO F/SACKETT

DATES: 9AM FRIDAY, OCTOBER 9 TO SUNDAY, OCTOBER 11

ARTWALK SCHEDULE:

- **Thursday, October 8, 5pm-7pm at the Salida SteamPlant:**
Kickoff event featuring the annual Art on the Rocks Sip & Paint–a-Wineglass social presented by High Country Bank in the Ballroom. Hop on over to the Artist Reception and Creative Mixer on the Plaza.
- **Friday, October 9, 10am- 7pm, Downtown:**
Enjoy a stroll through Salida's Creative District as downtown venues and art galleries host exhibits, demos, and receptions with opportunities to meet the artists and view the artwork. Preview and bid on the over 75 works of miniature art, the “Mini Masterpieces” created by local artists and an auction benefiting Salida Council for the Arts, at the Salida SteamPlant Event Center.
- **Saturday, October 10, 10am- 7pm, Downtown and the SteamPlant:**
During the day, downtown art galleries feature regionally and nationally recognized artists and artwork, specially curated events and exhibits, artist demos and pop-up art venues, and hands on art activities for all ages and skill levels and children's activities on F St. Place your winning bid at the Mini Masters!
Saturday, October 10, 5:30pm-8:30pm, F St and Riverside Park:
Then in the evening, join us as Salida artists throw a giant ArtWalk pARTy featuring a Parade of the Arts down F St, followed by performances by local artists, live music, and dancing in Riverside Park with MoCham Pipple- a true celebration of the arts!
- **Sunday, October 11, 10am-6pm, Downtown and the SteamPlant:**
Supporters can attend a Patron Brunch at the Salida SteamPlant Event Center, revisit their favorite galleries and pop-up venues, enjoy art activities and entertainment on F St and find that perfect piece of art to take home from Salida ArtWalk 2026. Locals and visitors join us for the Closing Party at the SteamPlant with live music by El Camino and a fun ending to another year of the arts in Salida!

Application for a Special Events Permit

Liquor Permit Number (Do Not Fill Out)

In order to qualify for a Special Events Permit, You **Must Be a Qualifying Organization Per 44-5-102 C.R.S. and One of the Following (See back for details.)**

- | | | |
|---------------------------------|--|---|
| ☐ Social | ☐ Athletic | ☐ Philanthropic Institution |
| ☐ Fraternal | ☐ Chartered Branch, Lodge or Chapter | ☐ Political Candidate |
| ☐ Patriotic | ☐ National Organization or Society | ☒ Municipality Owned Arts Facilities |
| ☐ Political | ☐ Religious Institution | ☐ Chamber of Commerce |

LIAB Type of Special Event Applicant is Applying for:

- | | | |
|------|--|-----------------|
| 2110 | ☒ Malt, Vinous And Spirituous Liquor | \$25.00 Per Day |
| 2170 | ☐ Fermented Malt Beverage | \$10.00 Per Day |

Name of Applicant Organization or Political Candidate

State Sales Tax Number (Required)

City of Salida Arts and Culture Department

Mailing Address of Organization or Political Candidate

220 W Sackett Ave

City

State ZIP Code

Salida

CO

81201

Address of Place to Have Special Event

170 E Sackett Ave

City

State ZIP Code

Salida

CO

81201

Authorized Representative of Qualifying Organization or Political Candidate

Tina Gramann

Date of Birth (MM/DD/YY)

Phone Number

Authorized Representative's Mailing Address (if different than address provided in Question 2.)

220 W Sackett Ave

City

State ZIP Code

Salida

CO

81210

Event Manager

Tina Gramann

Date of Birth (MM/DD/YY)

Phone Number

Event Manager Home Address

City

State

ZIP Code

Salida

CO

81201

Email Address of Event Manager

1. Is the place to have the Special Event located on State-owned property?

☐ Yes ☒ No

2. Has Applicant Organization or Political Candidate been issued a Special Event Permit this Calendar Year?

☐ No ☒ Yes, How many days?

1

3. Is the premises for which your event is to be held currently licensed under the Colorado Liquor or Beer codes?

☒ No ☐ Yes, License Number

4. Does the Applicant Have Possession or Written Permission for the Use of The Premises to be Licensed?

☒ Yes ☐ No

5. For Chambers of Commerce - Each member who holds a retail establishment permit attests they are not exercising the privileges of the retail establishment permit for the duration of the SEP days.

☐ Yes ☐ No

6. For Chambers of Commerce - Please list all members participating in the SEP.

List Below the Exact Date(s) for Which Application is Being Made for Permit

Date October 10, 2026	Date
From: 5:00pm	From:
To: 9:00pm	To:
Date	Date
From:	From:
To:	To:
Date	Date
From:	From:
To:	To:
Date	Date
From:	From:
To:	To:
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Date	Date
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To:	To:
Date	Date
From:	From:
To:	To:

Oath of Applicant

I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.

Title

Tina Gramann

Signature

Date (MM/DD/YY)

09/01/2026

Report and Approval of Local Licensing Authority (City or County)

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the provisions of Title 44, Article 5, C.R.S., as amended.

Therefore, this Application is Approved.

Local Licensing Authority (City or County)

☐ City ☐ County

Telephone Number of City/County Clerk

Title

Signature

Date (MM/DD/YY)

Do Not Write in this Space - For Department of Revenue Use Only

Liability Information

License Account Number

Liability Date

State

Total

-750 (999) \$.00

Application Information and Checklist

The following supporting documents must be attached to this application for a permit to be issued:

- ☐ Appropriate fee.
 - ☐ Diagram of the area to be licensed (not larger than 8 1/2" X 11" reflecting bars, walls, partitions, ingress, egress and dimensions. **Note:** If the event is to be held outside, please submit evidence of intended control, i.e., fencing, ropes, barriers, etc.
 - ☐ Copy of deed, lease, or written permission of owner for use of the premises.
 - ☐ Certificate of good corporate standing (NONPROFIT) issued by Secretary of State within last two years; **or**
 - ☐ If not incorporated, a NONPROFIT charter; **or**
 - ☐ If a political Candidate, attach copies of reports and statements that were filed with the Secretary of State.
-
- ☐ Application must first be submitted to the Local Licensing Authority (city or county) at least thirty (30) days prior to the event.
 - ☐ Public notice of the proposed event and procedure for protesting issuance of the permit shall be conspicuously posted at the proposed location for at least (10) days before approval of the permit by Local Licensing Authority. (44-5-106 C.R.S.)
 - ☐ State Licensing Authority must be notified of approved applications by Local Licensing Authorities within ten (10) days of approval.
 - ☐ Check payable to the Colorado Department Of Revenue
-

Qualifications for Special Events Permit

(44-5-102 C.R.S.)

A Special Event Permit issued under this article may be issued to an organization, whether or not presently licensed under Articles 4 and 3 of this title, which has been incorporated under the laws of this state for the purpose of a social, fraternal, patriotic, political or athletic nature, and not for pecuniary gain or which is a regularly chartered branch, lodge or chapter of a national organization or society organized for such purposes and being non profit in nature, or which is a regularly established religious or philanthropic institution, and to any political candidate who has filed the necessary reports and statements with the Secretary of State pursuant to Article 45 of Title 1, C.R.S. A Special Event permit may be issued to any municipality owning arts facilities at which productions or performances of an artistic or cultural nature are presented for use at such facilities.

PUBLIC NOTICE

(Pursuant to § 44-5-106(2), C.R.S.)

DATE/TIME POSTED: September 3rd, 20 26 at 10:00 a.m./p.m.

PROPOSED SPECIAL EVENT LIQUOR PERMIT

City of Salida, has filed an Application for a
SPECIAL EVENT LIQUOR PERMIT to be held on October 10, 20 26, from
5:00 a.m./p.m. to 9:00 a.m./p.m. at the following address:

Riverside Park

170 E. Sackett Ave.

Salida, CO 81201

PROTEST PROCEDURE

Any affected person who wishes to protest the issuance of the permit must file a **WRITTEN PROTEST** within ten (10) days of the date and time posted as set forth above, stating the grounds for the protest and the name, address, email address (if any), and telephone number of the person filing the protest. A written protest will be considered filed upon receipt. Written protests may be filed by sending them to the U.S. Mail or Email address set forth below:

U.S. Mail Address:

City of Salida

448 E. First Street, Ste. 112

Salida, CO 81201

E-Mail Address:

clerk@cityofsalida.com

HEARING

The local licensing authority, or its assigned administrative officer (which may be the Colorado Liquor Enforcement Division), shall cause a hearing to be held if, after investigation and upon review of the contents of any timely written protest(s) filed by any affected person(s), sufficient grounds appear to exist for the denial of the special event permit. Any hearing required pursuant to § 44-5-107(3), C.R.S., Regulation 47-1002 1 CCR 203-2, or any hearing held at the discretion of the local licensing authority, or its assigned administrative officer, shall be held at least ten (10) days after the date of posting of the public notice, shown above, and notice of the hearing shall be provided to the Applicant and any person who has filed a written protest.



VALID ONLY FOR THIS ORGANIZATION AT THIS LOCATION

City of Salida

Riverside Park

170 E Sackett Ave

Salida, CO 81201

**SPECIAL EVENTS PERMIT
MALT, VINOUS AND SPIRITUOUS LIQUOR**

FROM	Date 10/10/26	Hour 5:00 PM	TO	Date 10/10/26	Hour 9:00 PM
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This permit is issued subject to the laws of the State of Colorado and especially under the provisions of Article 3, 4 & 5 of Title 44, Colorado Revised Statutes, as amended and the Ordinances of the City of Salida, insofar as the same may be applicable.

This permit is non-transferable. It is issued only for the specific location described above and must be conspicuously posted at that location.

In testimony whereof, The City Council has hereunto subscribed its name by its officers duly authorized this on (date).

ATTEST:

The City of Salida

City Clerk

City Administrator

THIS LICENSE IS TO BE POSTED IN A CONSPICUOUS PLACE



City Council Action Form

Department	Presented By	Date
Police	Russ Johnson - Police Chief	September 15, 2026

Agenda Item

A Memorandum of Understanding between the City of Salida and Town of Buena Vista to enter into a MOU to memorialize the Parties' collaborative relationship and understanding, and to clarify duties of each Party, as well as set forth all terms and conditions between the Parties.

Background

The City of Salida and Town of Buena Vista are entering into an agreement governing our "Mutual Aid" response. This formalizes our process when assisting each other and outlines all processes and duties for each agency. This is a very standard agreement between municipalities. This was initiated since we are no longer participating in the joint SWAT MOU with the Chaffee County Sheriff's Office and Buena Vista Police Department. This will not change the level of service in either community.

Recommendation

Staff recommend Council approve the MOU allowing the City of Salida and Town of Buena Vista to enter into a formal MOU in regard to Law Enforcement.

Fiscal Impact

There is no fiscal impact.

Motion

A Councilmember should make a motion to "combine and approve the items on the consent agenda", followed by a second and a roll call vote.

INTERGOVERNMENTAL AGREEMENT FOR LAW ENFORCEMENT MUTUAL AID

This Intergovernmental Agreement for Law Enforcement Mutual Aid (the "Agreement"), is entered into as of the 15 day of September, 2026 (the "Effective Date"), by and between the City of Salida, a Colorado municipality with an address of 448 East 1st St. Salida, Colorado 81201, a the Town of Buena Vista, a Colorado municipality with an address of 210 East Mail Street Buena Vista, Colorado 81211.

WHEREAS, each Party operates a municipal police department and employs sworn personnel duly authorized to act as peace officers throughout the state of Colorado, certified by the Colorado Peace Officers Standards and Training Board pursuant to Part 3, Article 31, Title 24, C.R.S.;

WHEREAS, the Parties recognize the duty of such officers to enforce the laws of their respective jurisdictions and of the state of Colorado in the performance of their duties;

WHEREAS, the Parties further recognize the need to aid and assist other area law enforcement agencies, in both emergency and non-emergency situations, and to request and receive such aid from other agencies, when appropriate and necessary;

WHEREAS, the Parties wish to define and clarify their respective roles and responsibilities when providing and receiving such aid, as further set forth herein; and

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to C.R.S. § 29-1-201, *et seq.*, and C.R.S. § 29-5-104(1).

NOW THEREFORE in consideration of the mutual promises, covenants and considerations contained herein, the sufficiency of which are acknowledged and confessed, the Parties agree as follows:

1. Types of Aid. For purposes of this Agreement, law enforcement mutual aid ("Mutual Aid") is categorized as follows:

a. Emergency Mutual Aid. Any Party is authorized pursuant to C.R.S. § 29-5-104 to request aid from any other Party in response to an emergency situation within its jurisdiction ("Emergency Mutual Aid"). For purposes of this Agreement, the Parties agree that Emergency Mutual Aid means the provision of assistance in response to large-scale or unusual threats or disasters that pose an immediate and credible risk of injury, death or significant loss of property.

b. Non-Emergency Mutual Aid. Any Party may request assistance from any other Party in response to routine calls for service, needs for back-up or support officers that exceed the requesting Party's capacity or to provide any other law enforcement function that does not fall within the scope of Emergency Mutual Aid ("Non-Emergency Mutual Aid").

2. Request and Approval.

a. Emergency Mutual Aid. In accordance with C.R.S. § 29-5-104, a request for Emergency Mutual Aid shall be made by the Chief of Police of the requesting Party to the Chief of Police of the responding Party. If the Chief of Police of the responding Party approves the request, he or she shall immediately dispatch the requested resources to the requesting Party's jurisdiction. If the Chief of Police of the responding Party is not immediately available to consider an Emergency Mutual Aid request, such request may be made to the Commander or other next-in-command ranking officer of the responding Party. The Commander or officer receiving the request shall assess the request and, if appropriate, immediately dispatch the requested resources. The Commander or officer shall contact the Chief of Police as soon as possible to seek final approval of the Emergency Mutual Aid. The Chief of Police of each Party retains the final authority to approve Emergency Mutual Aid. If the Chief of Police of the responding Party does not approve the request, any resources dispatched by the responding Party shall be immediately recalled.

b. Non-Emergency Mutual Aid. A shift supervisor of any Party may request Non-Emergency Mutual Aid from the shift supervisor of any other Party. If the responding Party's shift supervisor approves the request, he or she shall send resources as determined appropriate. Each Party recognizes and agrees that the provision of Non-Emergency Mutual Aid resources is at the sole discretion of the responding Party and that each Party remains primarily responsible to its own jurisdiction. Non-Emergency Mutual Aid resources may be withdrawn at any time as the demands of the responding Party require.

3. Officer Response. An officer responding to an approved request for Mutual Aid shall report to the shift supervisor of the requesting Party, if available, or to the primary officer or other on-scene responsible officer of the requesting Party if the requesting Party's shift supervisor is not immediately available. Each Party agrees that it shall use its best efforts, given all the facts and circumstances of the moment, to make a shift supervisor available to assume direct supervision and control over an officer provided by a responding Party pursuant to this Agreement.

4. Supervision. Upon reporting to the requesting Party as required by Section 3 of this Agreement, a responding officer shall be deemed under the direct supervision and control of the requesting Party. Each Party agrees that it shall assume control over and responsibility for responding officers, except as provided elsewhere in this Agreement, when it requests and receives Mutual Aid. A requesting Party shall release all officers providing Mutual Aid as soon as practical, given all the facts and circumstances. A responding officer shall return to his or her jurisdiction immediately upon being released by a requesting Party.

5. Costs; Reimbursements.

a. Each Party shall, at all times, be responsible for its own costs incurred in the performance of this Agreement and shall not receive any reimbursement from any other Party, except as provided below.

b. Each Party agrees to reasonably pursue third-party reimbursement for costs and expenses associated with each Mutual Aid incident occurring within its jurisdiction for which such reimbursement may be available, by way of example only and not by way of limitation, state and federal reimbursements associated with emergency disaster relief and hazardous materials incidents. A Party receiving such third-party reimbursement for a Mutual Aid incident shall, upon receipt of the funds, share the same with the responding Party in a fair and equitable manner based on the Parties' relative documented expenses associated with the incident.

6. Reports and Record-Keeping. An officer providing Mutual Aid under this Agreement shall generate a supplemental report or other document in association with his or her activity and provide a copy of the same to the requesting Party, consistent with the policies and procedures of his or her employing agency. It shall be and remain the responsibility of the Party employing an officer who generates any report or document arising out of the provision of Mutual Aid under this Agreement to act as the custodian of such record in accordance with the Colorado Criminal Justice Records Act, Part 3, Article 72, Title 24, C.R.S.

7. Liability.

a. Officers of a responding Party shall be and remain officers and employees of the responding Party, and no such officer shall have any claim or right to compensation, pension or other benefit of employment with respect to the requesting Party. The Parties agree that a requesting Party shall not assume any liability for the direct payment of salary, wage or other form of compensation to an officer of a responding Party, nor for any compensation or indemnity to a responding officer for any injury or illness suffered by such officer arising out of services provided under this Agreement.

b. A Party receiving Emergency Mutual Aid shall be responsible for liability arising from the negligent or otherwise tortious acts of officers employed by the Party providing such aid *unless* such liability arises from an act or omission of a responding officer that is: (a) contrary to or outside the scope of the direction provided by the requesting Party; (b) outside the scope of his or her employment; or (c) willful and wanton or an intentional tort. A requesting Party shall not be responsible for liability arising out of any of the events described in subsections (a) through (c) of this paragraph. The Parties agree that this provision is expressly intended to contractually reallocate the liability for damages provided under C.R.S. § 29-5-108.

c. In the case of Non-Emergency Mutual Aid, each Party shall remain responsible and liable for the acts of its own employees, consistent with applicable law.

8. Insurance: Each Party shall, during the term of this Agreement and any renewals and extensions thereof, maintain the following types of insurance coverage in the amounts indicated:

a. Comprehensive and liability coverage in such amounts equal to or in excess of the then-current limitation on judgments established by the Colorado Governmental Immunity Act. Such coverage shall insure the common inclusions of premises operations, products/completed operations, contractual liability, independent contractors, broad form property damage and personal injury.

b. Professional liability insurance coverage in such amounts equal to or in excess of the then-current limitation on judgments established by the Colorado Governmental Immunity Act.

c. Automobile insurance liability coverage in such amounts equal to or in excess of the then-current limitation on judgments established by the Colorado Governmental Immunity Act.

d. Worker's compensation insurance, pension, disability and unemployment insurance, of the type and in the amounts that are required by law.

9. Term: The term of this Agreement shall commence on the date first noted above and run through September 15th, 2026. This Agreement shall automatically renew for additional one-year terms, without limitation, unless terminated as provided below.

10. Termination: This Agreement may be terminated by either Party, with or without cause, upon thirty (30) days prior written notice to the other.

11. Notices: Except as otherwise provided herein, all notices permitted or required under this Agreement shall be in writing, signed by the Party giving the same, and shall be deemed properly given when actually placed in the United States mail first class postage prepaid, or personally delivered to the other Party, addressed to the addresses appearing on the first page of this Agreement.

12. No Third-Party Beneficiaries: The Parties expressly agree that enforcement of the terms and conditions of this Agreement, and all rights of action relating thereto, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other person or entity not a party to this Agreement. It is the express intent of the Parties that any person or entity other than the named Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

13. Governing Law and Venue: This Agreement shall be interpreted in all respects in accordance with the laws of the State of Colorado. Venue for any court proceeding related to this Agreement shall be proper and exclusive in the District Court for Chaffee County, Colorado.



City Council Action Form

Department	Presented By	Date
Community Development	Corey Cicci - Associate Planner	September 15, 2026

Agenda Item

Ordinance 2026-24: An Ordinance of the City Council of the City of Salida, Colorado, Amending Section 2-11-20(a) of the Salida Municipal Code to Authorize Up to Two Alternate Members of the Historic Preservation Commission. Approve on first reading and set second reading and public hearing for October 6, 2026.

Background

Request Overview

Section 2-11-20(a) of the Salida Municipal Code currently establishes a five-member Historic Preservation Commission. The proposed ordinance would retain five regular members and authorize the City Council to appoint up to two alternate members. The existing provisions governing appointment, staggered three-year terms, continued service until a successor assumes office, and reappointment without term limits would remain unchanged.

An alternate would be available to serve when a regular member cannot attend a meeting. Alternates would be encouraged to attend and engage in Commission meetings regularly to become familiar with the Historic Preservation Commission's roles, responsibilities, and procedures, providing an opportunity to gain experience before seeking appointment as a regular member. When serving in place of an absent regular member, an alternate would participate in and vote on action items, as determined by the Chair.

The addition of alternate members is supported by the Historic Preservation Commission and staff as a beneficial opportunity to provide greater continuity in Commission participation and to support future Commission membership.

Proposed Code Change

The amendment adds the phrase "and up to two (2) alternates" to the first sentence of Section 2-11-20(a).

Process

Because the proposal amends the Salida Municipal Code, approval by ordinance is required. Amendments to the Municipal Code are outlined in Section 1-3-70. - Amendments to Code.

Fiscal Impact

No direct fiscal impact is anticipated.

Staff Recommendation

Staff recommends that City Council approve this ordinance.

Motion

A City Councilmember should make a motion to “combine and approve the items on the consent agenda setting a second reading and public hearing for Ordinance 2026-24 for October 6, 2026”, followed by a second and a roll call vote.

Attachments:

A. Ordinance 2026-24

**City of Salida, Colorado
Ordinance No. 24
Series of 2026**

**An Ordinance of the City Council of the City of Salida, Colorado, Amending
Section 2-11-20(a) of the Salida Municipal Code to Authorize Up to Two Alternate
Members of the Historic Preservation Commission**

WHEREAS, the City of Salida (the "City") is a statutory city organized under the laws of the State of Colorado, and the City Council of Salida (the "City Council") possesses the authority to adopt ordinances that protect the public health, safety, and welfare; and

WHEREAS, Article XI of Chapter 2 of the Salida Municipal Code establishes the Historic Preservation Commission (the "Commission"), and Section 2-11-20(a) establishes the Commission's membership and terms; and

WHEREAS, the City Council desires to authorize the appointment of up to two alternate members; and

WHEREAS, the City Council finds that authorizing alternate members will support consistent Commission participation and is in the best interests of the City.

Now, therefore, be it ordained by the City Council of the City of Salida, Colorado, that:

Section 1. Purpose and Intent. The City Council hereby adopts and incorporates the foregoing recitals as findings of fact and legislative intent.

Section 2. Amendment to Section 2-11-20(a). Section 2-11-20(a) of the Salida Municipal Code is hereby amended to read in its entirety as follows:

The Historic Preservation Commission shall consist of five (5) regular members **and up to two (2) alternates** who shall be appointed by a majority of the City Council. The members shall serve staggered three-year terms. A member may continue to serve on the Historic Preservation Commission until his or her successor is appointed and assumes office, and a member may be reappointed to serve successive terms without limitation.

Section 3. Incorporation into the Municipal Code. The City Clerk, in consultation with the City Attorney and Code publisher, is directed to incorporate the amendment adopted by this Ordinance into the Salida Municipal Code and may make nonsubstantive revisions necessary for consistent formatting, numbering, capitalization, grammar, or

punctuation, provided that no revision alters the substantive meaning or effect of the amendment adopted herein.

Section 4. Severability. If any provision of this Ordinance is held invalid by a court of competent jurisdiction, such invalidity shall not affect the remaining provisions, which shall continue in full force and effect. The City Council declares that it would have adopted this Ordinance independently of the portion declared invalid.

Introduced on First Reading, on the 15th day of September, 2026, adopted and ordered published in full in a newspaper of general circulation in the City of Salida by the City Council on the 24th day of September, 2026, and set for Second Reading and Public Hearing on the 6th day of October, 2026.

Introduced on Second Reading, finally adopted and ordered published by Title only, by the City Council on the ____ day of _____, 20__.

City Of Salida, Colorado

Mayor

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

Published in Full in the Mountain Mail after First Reading on the 15th day of September, 2026, and by Title only, after final adoption on the ____ day of _____, 20__.

City Clerk/Deputy City Clerk



City Council Action Form

Department	Presented By	Date
City Attorney	Michaela Szilagyi - Deputy City Attorney	September 15, 2026

Agenda Item

Ordinance 2026-25 An Ordinance of The City Council of The City of Salida, Colorado, Amending Chapter 1, Article 4 of the Salida Municipal Code Concerning General Penalties to Align with State Law Following in Re People v. Camp And In Re People v. Simons. **Approve on first reading and setting second reading and public hearing for October 6, 2026.**

Background

Section 1-4-20 of the Salida Municipal Code contains a General Penalty provision for municipal code violations, which are processed through municipal court. In December 2025, the Colorado Supreme Court issued a holding that municipal criminal sentencing provisions that impose penalties exceeding what is authorized under state law for identical or substantially similar conduct are preempted by state law. This ordinance updates the General Penalty section to provide notice to individuals coming before the Municipal Court as to what the possible maximum fines include.

Recommendation

Staff recommends that the City Council approve Ordinance 2026-25.

Fiscal Impact

There is no fiscal impact.

Motion

A Councilmember should make a motion to “combine and approve the items on the consent agenda setting a second reading and public hearing for Ordinance 2026-25 for October 6, 2026”, followed by a second and a roll call vote.

**City Of Salida, Colorado
Ordinance No. 25
(Series of 2026)**

**An Ordinance of the City Council of the City of Salida, Colorado,
Amending Chapter 1, Article 4 of the Salida Municipal Code Concerning General
Penalties to Align with State Law Following In Re People V. Camp and In Re
People V. Simons**

WHEREAS, the City of Salida (the “City”), is a statutory city, duly organized and existing under the laws of the State of Colorado; and

WHEREAS, pursuant to C.R.S. § 31-15-401, the City possesses the authority to adopt laws and ordinances within its police power in furtherance of the public health, safety, and welfare; and

WHEREAS, pursuant to this authority, the Salida City Council (the “Council”) previously enacted Chapter 1, Article 4 of the Salida Municipal Code (the “Code”) entitled “General Penalty,” and specifically, Section 1-4-20 entitled “General penalty for violation”;

WHEREAS, on December 22, 2025, the Colorado Supreme Court issued decisions in In re People v. Camp and In re People v. Simons;

WHEREAS, the holding of these decisions is that municipal criminal sentencing provisions that impose penalties exceeding what is authorized under state law for identical or substantially similar conduct are preempted by state law;

WHEREAS, the Council desires to amend Code Section 1-4-20 to align the Code with state law, clarify penalty classifications, and provide clear guidance regarding applicable penalties;

WHEREAS, the Council further desires to ensure the penalties imposed under the Code do not exceed the maximum penalties authorized by state law for identical or substantially similar conduct;

WHEREAS, the Council determines that it is in the best interests of the public health, safety, and welfare to ensure compliance with state law and to provide clear, consistent penalty provisions within the Code.

Now, therefore, be it ordained by the City Council of the City of Salida, Colorado, that:

Section 1. The recitals set forth above are incorporated as if set forth fully herein.

Section 2. Chapter 1, Article 4, Section 1-4-20 of the Salida Municipal Code is hereby amended as follows:

...

(e) The penalties in this subsection (e) shall apply to a violation(s) of this Code, unless otherwise specified:

- (1) If the conduct is identical to that of a state level offense involving the classifications of either Class 1 Misdemeanor, Class 2 Misdemeanor, Petty Offense, or Civil Infraction the penalties contained in Table 1 for fines shall apply.
- (2) If the conduct is not identical to that of a state level offense, then the general penalty for violations contained in Subsection (a) shall apply.

Table 1: City of Salida Penalty Reference Table

<u>Classification</u>	<u>Fine</u>
<u>Class 1 Misdemeanor (M1)</u>	<u>Up to \$1,000</u>
<u>Class 2 Misdemeanor (M2)</u>	<u>Up to \$750</u>
<u>Petty Offense (PO)</u>	<u>Up to \$300</u>
<u>Civil Infraction</u>	<u>Up to \$2,650</u>

Section 3. Severability: The provisions of this Ordinance are severable and the invalidity of any section, phrase, clause, or portion of this Ordinance as determined by a Court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the Ordinance.

Introduced on First Reading, on the 15th day of September, 2026, adopted and ordered published in full in a newspaper of general circulation in the City of Salida by the City Council on the 24th day of September, 2026, and set for Second Reading and Public Hearing on the 6th day of October, 2026.

Introduced on Second Reading, finally adopted and ordered published by Title only, by the City Council on the ____ day of _____, 20__.

City of Salida, Colorado

Mayor

[SEAL]

ATTEST: _____
City Clerk/Deputy Clerk

Published in Full in the Mountain Mail after First Reading on the 15th day of September, 2026, and by Title only, after final adoption on the ____ day of _____, 20__.

City Clerk/Deputy City Clerk



City Council Action Form

Department	Presented By	Date
Community Development	Bill Almquist - Community Development Director	September 15, 2026

Agenda Item

Approval of Memorandum of Understanding (MOU) between the City of Salida and Trellis Housing Partners, LLC for the 1st & D Space-to-Create Affordable Workforce Housing Rental Project at 233 E. First Street and 102 D Street.

Background

Following the withdrawal of Artspace Inc. as developer of the 1st & D project in May 2026, staff and Council held a work session regarding the future of the project. At that June 15th, 2026 work session, Council directed staff to identify a new developer to put together financing, complete engineering and construction documents, and build the project largely in the form already envisioned (a 19-unit rental apartment project with first-floor flexible creative space for the community). Shortly thereafter, staff issued a Request for Qualifications (RFQ) for a new developer emphasizing the desire to retain the current design/plans, as well as the architect and engineering team who had worked on the project over the previous couple of years. The goal is to have a new developer on board in time to put together grant applications for the early 2027 funding rounds, if not sooner.

Likely due to the unique circumstances, including the advanced stage of the project, limited flexibility on the design, and a relatively short timeline for responses (1 month), only two complete responses were received—one from Trellis Housing Partners, LLC and another from 20 West Development. The City created a committee to review the responses to the RFQ and to conduct interviews which took place on August 24th. The committee consisted of Mayor Justin Critelli, Community Development Director Bill Almquist, Finance Director Taylor Webb, former Planning Commission Chair Greg Follet, and HR Manager Daryn Ridenour.

The RFQ included the following categories with associated points to establish scoring which was used, in addition to the interview performance, to select a recommended respondent:

- **Development Team Qualifications:** Prior experience and technical competence of the proposed team and key staff in completing and managing affordable housing developments of similar scope, complexity, and magnitude, including experience with public-private development and/or experience developing projects utilizing multiple grant sources. Strong preference will be given to Developers who choose to include the design team involved in the previous work (Cushing Terrell). The City has invested substantially in the current design team and believes their continued involvement could reduce schedule, cost, and project risk. Respondents proposing an alternative design team should clearly explain why that approach provides comparable or greater value. *(40 points)*
- **Development Proposal:** Degree to which the proposed development program addresses project goals and is reasonable, logical, and financially feasible. *(30 points)*
- **Financial Capacity:** Demonstrated ability and capacity to secure appropriate project financing for affordable housing development and provide financial guarantees to lenders and equity investors. *(30 points)*

In order to move forward with the design and development of the site (and to remain on-schedule for upcoming application deadlines), the City shall enter into a MOU with a developer to provide the following services:

1. **Design Development:** Developer shall lead the architectural and site design process, working with qualified design professionals.
2. **Secure Entitlements:** Developer shall obtain all necessary entitlements and approvals.

3. Financing of Project: Developer shall secure project financing (including grants, loans, and other gap funds).
4. Construction: Developer shall oversee all construction-related activities.
5. Lease-Up, Property Management & Supportive Services: Developer shall handle all property management responsibilities.

It is anticipated that the project will be developed with either a long-term ground lease between the City and the developer, or perhaps via a sale of the land to the Chaffee Housing Authority in order to leverage other potential funding for the project (see further discussion under Fiscal Impact below). Either way, any such arrangements would be agreed upon at a later date, prior to relative grant applications.

Recommendation

The selection committee recommends the City enter into the attached MOU with Trellis Housing Partners, LLC (Trellis) to act as developer for the 1st & D Apartments project. Trellis scored highest on the evaluation criteria and was the only respondent to propose a pathway that kept the project largely as it has been designed thus far—as a rental project with a flexible creative component to be available for the community.

(It should be noted for transparency that Trellis was enlisted to conduct an earlier pro-bono feasibility study of the project as it existed immediately following Artspace's departure. Tanner Crawley, President, provided an assessment that was provided to City Council at the June 15th work session and determined that the project was challenging given the costs, but still feasible. This relationship, however, did not play into the selection-making process outside of Trellis' obvious familiarity with the project and dedication to the project vision supported by City Council.)

Fiscal Impact

The funding for this project, including Trellis' compensation, is anticipated to come from State allocations, grants, and other funding sources that Trellis secures. No additional City funding is expected to be used on the project other than funds that could potentially be generated via a CHFA Land Banking grant which would require sale of the property to the Chaffee Housing Authority. The Land Banking grant is a financing tool that Trellis has proposed and in which CHA has expressed considerable interest as a potential development partner. If awarded, the grant would be given to CHA to purchase the property (based upon an appraisal), and those funds could then be reinvested by the City directly into the project. Though Trellis believes that the project could still move forward without a Land Banking grant, they feel strongly that the grant would significantly increase the likelihood of the project happening quicker and with greater certainty/fewer competitive funding sources required. Mr. Crawley has provided a short summary memo of the advantages of utilizing a Land Banking grant, which is attached as an addendum below.

Staff would appreciate Council's input on this potential funding strategy and interest in a land sale/transfer, as part of any discussion. Such clarity would help Trellis and CHA determine whether to put together an application (and other necessary elements) for this funding round, which is anticipated to open soon.

Motion

Following any desired discussion, a Councilmember should make a motion to "approve the MOU between the City of Salida and Trellis Housing Partners, LLC for the 1st & D Space-to-Create Affordable Workforce Housing Rental Project," followed by a second and a roll call vote.

Attachments:

Memorandum of Understanding (*subject to final approval of language by City Attorney*)

Request for Qualifications (RFQ) for 1st & D Developer

Trellis Housing Partners RFQ Response

Trellis memo summarizing advantages of pursuing CHFA Land Banking Grant for potential discussion

MEMORANDUM OF UNDERSTANDING

City of Salida – 1st & D Space-to-Create Affordable Workforce Housing Rental Project

This Memorandum of Understanding (this “Agreement”) is entered into this ____ day of _____, 2026, by and between the City of Salida, State of Colorado, hereinafter referred to as “City”, and Trellis Housing Partners, LLC, hereinafter referred to as “Developer”.

RECITALS

A. The City issued a Request for Qualifications (“RFQ”) to select a developer for the planning, continued design, financing, construction, development and property management of an affordable workforce housing rental project (the “Project”) on approximately .46 acres of City-owned property located at 233 First Street and 102 D Street, Salida, Colorado (the “Property”).

B. Developer submitted a response to the RFQ dated July 10, 2026 (the “RFQ Response”) and the City selected Developer as the developer of the Project. The Developer intends to develop the Project utilizing a variety of grant sources, investments, loans, and financing tools that may include, but are not limited to, Proposition 123 funds such as the Land Banking and Equity programs, and the Middle Income Housing Tax Credit, all administered by the Colorado Housing and Finance Authority (CHFA), among other funding sources.

C. The nature of ownership and/or ground lease of the property will be determined and mutually agreed upon by the City, the Developer, and any other involved parties via future agreements, with the understanding that the property is under court order “to construct and maintain affordable housing and related improvements, and for other municipal uses.”

D. Developer will perform its services hereunder at no direct cost to the City. Developer’s compensation will come in the form of development fees and other compensation derived from grant funding and/or other funding sources secured by Developer and Developer’s interest in Project Owner (as defined herein) up to a maximum of the amounts/percentages allowable per grant program rules. Such grant applications will be reviewed by City staff and approved by City Council, as necessary.

In consideration of the mutual covenants herein, the parties agree:

1. SCOPE OF SERVICES

In connection with its development of the Project, Developer shall perform the services set forth in **Exhibit A – Scope of Services**, which is attached hereto and incorporated herein by reference (the “Services”).

2. TIME OF COMPLETION

Work under this Agreement will begin upon execution and delivery of this Agreement by the parties. The work will proceed diligently toward the goal of completing applications to CHFA for grant and other funding sources no later than the initial funding rounds in 2027 (likely February). The construction timeline

is dependent upon funding awards and will be further defined in an amended or supplemental agreement once financing is secured. If the Developer does not receive adequate awards/loans in 2027, Developer shall reapply for relevant subsequent 2027 and 2028 funding rounds; provided, however, if Developer and City determine, in good faith, that the Project is not feasible following 2028 funding rounds, the Agreement may be terminated by either party.

The Services to be performed by Developer shall be initiated upon execution and delivery of this Agreement by the parties and shall be pursued with due diligence thereafter. The Project shall be completed, subject to the conditions set forth herein, prior to the end of 2029 or the applicable placed in service deadline for awarded grants.

3. COMPENSATION

The City shall not make any payments to Developer for Services performed under this Agreement. Developer's compensation will come in the form of development fees and other compensation derived from grants and other funding sources it secures and Developer's interest in Project Owner (as defined herein). Such development fees shall at no time exceed the maximum allowable rate applied to the eligible costs under the subsidy program or programs under which the Project is financed, and any proposed developer fee for such subsidy application greater than 10% of the eligible costs shall be mutually agreed upon in writing by the City and Developer prior to application. No portion of the Development Fee or any other compensation payable to Developer shall be paid by the City from City funds, and all such compensation shall be payable solely from Project sources, including grant, equity, and financing proceeds secured by Developer for the Project. Furthermore, the City shall not be responsible for any expenses incurred by Developer except as may be expressly approved in writing.

4. PROFESSIONAL RESPONSIBILITY

Developer shall be responsible for the professional quality, timely completion, and coordination of all Services outlined in Exhibit A, and shall promptly correct any deficiencies without additional cost to the City. Developer is solely responsible for the timing, means, and methods of performing the work, and shall meet or exceed industry standards applicable to the Services. Developer shall comply with all applicable laws. Developer shall be responsible for the acts, errors, omissions, and performance of all subcontractors, consultants, and any other parties engaged by Developer in connection with this Agreement, to the same extent as if the work were performed directly by Developer. Developer shall ensure that all such subcontractors and consultants comply with the terms of this Agreement, applicable laws, and industry standards.

5. RELEASE AND INDEMNIFICATION

Developer hereby waives any claims for damage to Developer's property or injury to Developer's person against the City, its officers, agents and employees arising out of the performance of the Services under this Agreement. To the fullest extent permitted by law, the Developer agrees to indemnify and hold harmless the City, and its officers and employees, from and against all liability, claims, and demands, on account of any injury, loss, or damage, which arise out of or are connected with the Services, if such injury, loss, or damage, or any portion thereof, is caused by the negligent acts or omissions, willful misconduct or other

fault of the Developer or any subcontractor of the Developer, or any officer, employee, or agent of the Developer or any subcontractor, or any other person for whom Developer is responsible.

6. WORKER'S COMPENSATION

Developer shall obtain statutorily required Worker's Compensation insurance to cover Developer's employees and provide the City with a certificate of such insurance. Developer hereby agrees to release, waive, save, hold harmless, defend and indemnify the City on account of any claims arising under the Worker's Compensation laws of the State of Colorado on behalf of Developer or any of Developer's employees, subcontractors, or subcontractor's employees.

7. CITY REPRESENTATIVE

The City Administrator, or designee, will serve as the City's representative for this Agreement and may make all necessary and proper decisions with reference to it.

8. INDEPENDENT CONTRACTOR

Developer is an independent contractor and is not an employee of the City. Developer is not entitled to Worker's Compensation benefits except as may be provided by the independent contractor nor to unemployment insurance benefits.

9. ASSIGNMENT

This Agreement may not be assigned nor subcontracted by either party without the written consent of the other party; provided, however, Developer shall arrange for substitute service in those instances when Developer is not able to perform the Services due to temporary absence. The City acknowledges that (i) Developer intends to retain Cushing Terrell as architect and engineer for the Project; (ii) Developer intends to retain Farrington Construction Management as the general contractor for the Project; and (iii) Developer intends to retain Chaffee Housing Authority as the property manager of the Project. The City Consents to the foregoing.

10. INSURANCE

Developer shall procure and keep in force during the duration of this Agreement a policy of comprehensive general liability insurance insuring Developer and naming the City as an additional insured against any liability for personal injury, bodily injury, damages to property, or death arising out of the performance of the Services with at least One Million Dollars (\$1,000,000) each occurrence. The limits of said insurance shall not, however, limit the liability of Developer hereunder.

11. ADMINISTRATION

The administration of this Agreement shall be the responsibility of the City Administrator for the City. The City may adopt reasonable rules and regulations to enforce or carry out the terms and conditions of this Agreement, which shall be binding upon the Developer. Developer shall endeavor to encourage active participation with the City, under the supervision and direction of the City Administrator, or designee.

12. BREACH AND TERMINATION

All terms and conditions of this Agreement are considered material and failure to perform any of said terms and conditions, subject to the conditions set forth in this Agreement, will be considered a breach of this Agreement. In such event, either party may notify the other of the breach, in which case there shall be a thirty (30) day opportunity to cure the breach. If the breach is not cured, the non-breaching party may have recourse to any and all remedies provided by law, including damages, specific performance, and termination of the Agreement.

13. OWNERSHIP

The Developer will form a limited liability company for purposes of owning the improvements that are constructed by the Developer as a part of the Project (the "Project Owner"). The Managing Member (as hereinafter defined), the Equity Investor (as hereinafter defined) and the Chaffee Housing Authority (if included as special member), will be the members of the Project Owner. Developer will be a member and the manager of the Managing Member. The Managing Member will admit an equity investor (the "Equity Investor") into the Project Owner. The Equity Investor will be selected by Developer, and the terms of the Equity Investor's admission into the Project Owner will be determined by Developer.

The nature of ownership and/or ground lease of the property will be determined and mutually agreed upon by the City, the Developer, and any other involved parties via future agreements, understanding that the property is under court order "to construct and maintain affordable housing and related improvements, and for other municipal uses." Should a ground lease be required, the City (or other owner) and Developer shall enter into the Ground Lease Option which grants Developer an option to enter into the Ground Lease upon the Developer securing necessary funds to begin the Project.

It is the intent of the City to make the Property available to the Project at no cost to the Project Owner, whether by conveyance of fee title (potentially via the Proposition 123 Land Banking Program) or by ground lease at nominal rent, subject to the restrictions of the court order referenced above and to the future agreements contemplated by this Section. The parties further intend that any proceeds that may be received in connection with a sale, conveyance, or other transaction potentially involving the Property under the Proposition 123 Land Banking program, together with any grant or award received with respect to the Property under that program, shall be granted or otherwise made available to the Project rather than retained by the City, and that such funds shall be available to the Project Owner for predevelopment expenses and construction costs of the Project, subject to the requirements of the applicable program and the fees described in Section 3 above.

The City shall own all project deliverables paid for by Developer resulting from this Agreement and Project, including but not limited to: design documents, applications, studies, assessments, and construction documents, unless otherwise agreed in writing.

14. MISCELLANEOUS

Developer shall comply with all laws, ordinances, rules and regulations relating to the performance of this Agreement, use of premises and public places and safety of persons and property.

15. FUNDING AND APPROVALS CONTINGENCY

Notwithstanding anything to the contrary in this Agreement, this Agreement and the Services described herein are contingent upon Developer securing necessary funding through Proposition 123 funds and other funds and obtaining necessary approvals for the Project to proceed. The parties will amend this Agreement if funding requirements require changes to scope or terms.

16. EMINENT DOMAIN COURT ORDER

The parties acknowledge that the City acquired the property via eminent domain proceedings (Case Number 2021CV30028) decided upon by the Chaffee County District Court for the purpose “to construct and maintain affordable housing and related improvements, and for other municipal uses.” The parties agree to implement this Agreement for said purposes.

CITY OF SALIDA

By: _____
Justin Critelli, Mayor Date

ATTEST:

City Clerk

TRELLIS HOUSING PARTNERS, LLC

By: _____
Tanner Crawley, Principal & Founder Date

Exhibit A – Scope of Services

A. Design Development: The Developer shall lead and complete the architectural and site design process, working with qualified design professionals to:

- Produce detailed site plans, architectural elevations, floor plans, landscape plans, and all civil engineering drawings, inc. utility layouts.
- Ensure the design meets all grant program requirements, ADA and Fair Housing Act standards, Space-to-Create program guidelines, and City development standards.
- Identify opportunities for any additional sustainability features, low-impact development, green building practices, and building in resiliency to natural disasters.
- Coordinate with City staff to prepare for relevant City Council and Planning Commission meetings regarding project updates.
- Submit design documents at key milestones for City review and incorporate feedback as required.
- Coordinate meetings with City, utility providers, and applicable agencies as needed, especially street and utility access.

B. Secure Entitlements: The Developer shall use commercially reasonable efforts to obtain all necessary entitlements and approvals, including but not limited to:

- Any necessary updated site plan (zoning) and building permit approvals.
- Compliance with local/state/federal requirements.
- Coordination with the City’s Planning and Building Departments.
- Timely preparation/submittal of required documents and representation at any required public meetings.

C. Financing of Project: The Developer shall use commercially reasonable efforts to secure project financing, which shall include:

- Preparing and submitting competitive grant application to CHFA and/or other state sources.
- Assembling other financing sources as needed such as tax-exempt bonds, local or state housing funds, federal grants, philanthropic contributions, or other gap financing.
- Providing financial pro forma and capital stack details, inc. anticipated sources and uses.
- Ensuring compliance with all funding source requirements and provide regular updates to the City on financing milestones.

D. Construction: The Developer shall oversee all construction-related activities, including:

- Procure and manage qualified general contractor and subcontractors to be reviewed by City staff.
- Ensure compliance with applicable prevailing wage laws, local hiring goals, and applicable labor standards.
- Monitor construction schedules and budgets, with regular reporting to the City.
- Include outreach to neighborhood residents, adjacent property owners, senior service providers, and other community organizations, as necessary.

- Ensure quality control/inspection compliance, inc. building codes and energy standards.
- Coordinate construction activities to minimize disruption to adjacent properties and public infrastructure.
- Deliver a fully constructed, code-compliant, and high-quality project.

E. Lease-Up, Property Management & Supportive Services: The Developer or their designated property management team shall:

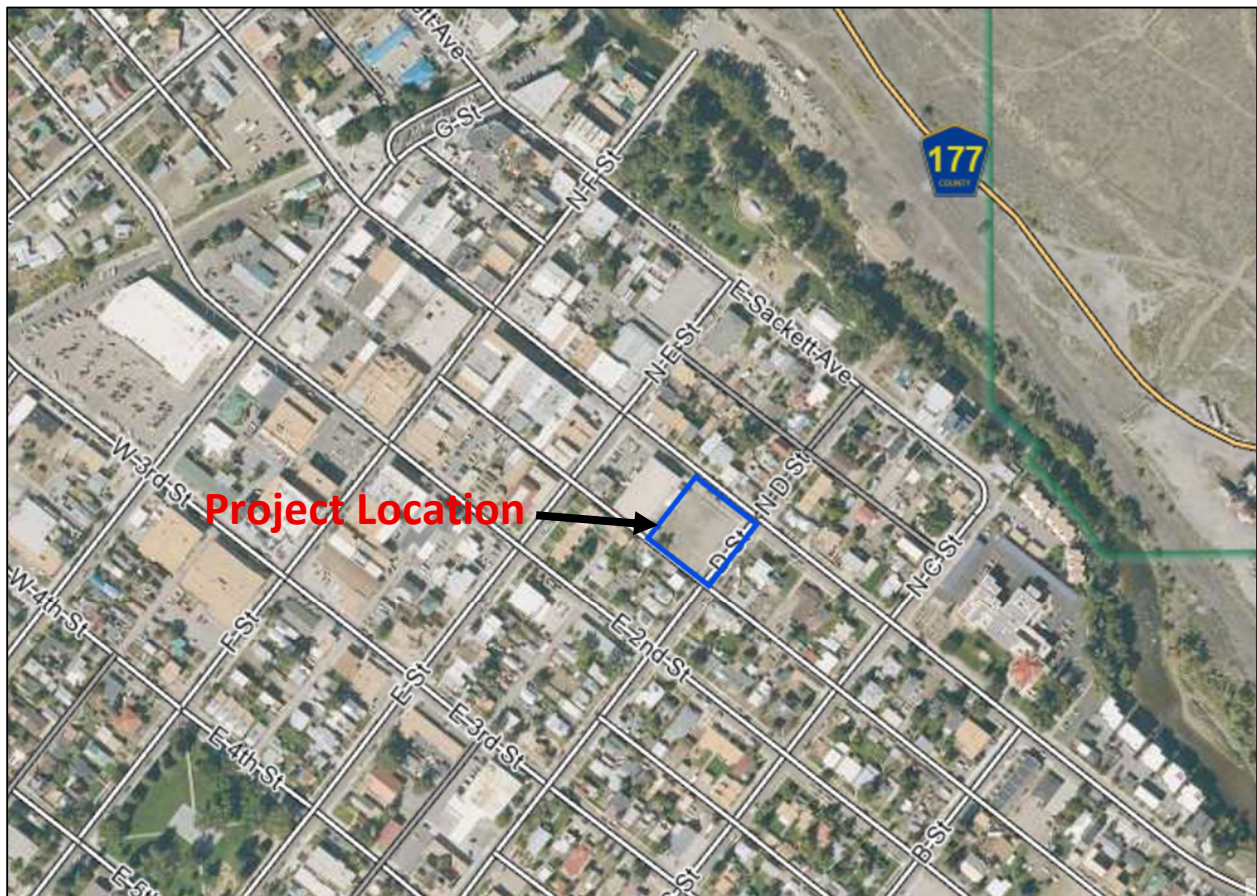
- Execute a lease-up strategy prioritizing income-eligible households in accordance with grant regulations.
- Market the units using equitable and inclusive practices.
- Manage the property in compliance with all applicable housing laws and grant program guidelines, including annual reporting and recertifications.
- Provide a property management plan, inc. staffing, maintenance, and security protocols.
- Ensure that the long-term affordability, habitability, and sustainability of the development are maintained.
- Collaborate with local housing and social service agencies to ensure any required supportive services are maintained and relevant.

REQUEST FOR QUALIFICATIONS

1st & D Affordable Workforce Housing and Flexible Creative Space Project Salida, CO

1. INTRODUCTION

The City of Salida ("City") is seeking a Developer to complete remaining pre-development, secure funding, construct, and conduct operations for a 19-unit affordable workforce housing and flexible creative space project in Downtown Salida. This exciting project has already progressed into the development design phase and already has site plan approvals from the City. The previous Developer had to back out of the project due largely to their own internal financial challenges, which is why the City is soliciting a new Developer. The primary goal is to get the project funded within the next 1-2 years and to begin construction soon thereafter. The project site is located at 233 E. 1st and 102 D Streets and is owned by the City of Salida.



Vicinity Map

The City seeks a Developer with a strong track record of developing and administering high quality affordable workforce housing, working collaboratively with the public sector in the planning and development of affordable housing. The City has a strong preference to maintain ownership of the land through a long-term ground lease and to serve low-to-moderate-income members of the local workforce through the project. The City may also be willing to consider sale of the property

to a qualifying non-profit or governmental organization (such as the Chaffee Housing Authority) if that arrangement is beneficial to the overall financing of the project and the Developer is interested in such an arrangement. *There is also a strong preference for the new Developer to retain and partner with the design team that has already been closely involved in the project, given the institutional knowledge and likely cost savings compared to replacement.*

The City intends to select a Developer for the site pursuant to the RFQ process. The City will then enter into a Professional Services (Development) Agreement with the selected Developer to complete pre-development, secure funding, construct, and operate the project. The agreement and accompanying documents will stipulate all responsibilities of the Developer and will finalize all business terms between the City and the Developer concerning development of the Site.

2. **BACKGROUND**

The City took ownership of the approximately half-acre site via eminent domain in June 2022, after years of legal proceedings related to the neglect and subsequent condemnation of the previous buildings on the property. The Court allowed the City to purchase the downtown property provided that the site be used specifically “*to construct and maintain affordable housing and related improvements, and for other municipal uses.*” The City was already partnered with Artspace Inc. through the State of Colorado’s “Space to Create” program and, soon after acquisition of the property, the City contracted with them to develop the property with affordable housing units and a flexible creative space that could be available to the public. In August 2023, the dilapidated older buildings were torn down, and planning began for future development consistent with the Court’s order.



Figure 1: View of Property from Corner of 1st & D Streets

City staff and Artspace then generated some initial concepts based on what was permissible given the property’s location and zoning. These concepts were proposed and vetted at several public open houses, presentations, and via online surveys. Ultimately, a variation of the concepts

shown below (the current design) was favored by the responding public and subsequently approved by City Council at a meeting in June 2024. The chosen design aims to strike a balance between the City's historic downtown character and more modern styles, while keeping the project affordable and viable. The original development team also included Cushing Terrell (architects and engineers) as well as MW Golden (cost estimator and general contractor).



Figure 2: Project Rendering from Corner of 1st & D Streets



Figure 3: Project Rendering from 1st Street



Figure 4: Project Rendering from D Street



Figure 5: Project Rendering of Indoor Flexible Creative Space



Figure 6: Rendering of Rear of Building and Parking from Alley

Artspace Inc. eventually signed an option to lease the property from the City and continued work with their subcontractors to advance the designs far enough to begin applying for construction grants and for site plan approval from the City, which was granted in late 2025. The relationship with Artspace Inc. was officially severed in May 2026 following notice that they would be unable to continue with the project.

3. SALIDA AND DOWNTOWN CONTEXT

The City of Salida, CO is located in the southeastern corner of the Arkansas River Valley of Chaffee County. The community is nestled along the river with views of at least three separate mountain ranges. Approximately 6,000 people call Salida their primary place of residence (making it the largest city in Chaffee County) and there are many more who own second homes and spend a significant portion of the year here. According to HUD, the current median income for a 2-person household in Chaffee County is \$88,900.

Like many desirable mountain communities, Salida has experienced significant increases in real estate sales prices and rents, especially over the last 5 - 7 years. Recent real estate transaction reports for free market units indicate median single-family homes are selling for well over \$700,000 and townhomes for over \$585,000, with prices notably higher closer to downtown. Monthly rental prices have risen at similar rates over the same timeframe, and local business owners and other organizations have reported significant challenges in maintaining adequate staff—primarily due to the lack and/or cost of housing.

The project site is located within the Mixed-Use Downtown (MD) zone district, just a block from the primary downtown commercial center. Salida's downtown is both a state-designated Creative District as well as the largest downtown Historic District in the state. The historic brick character of downtown is reflected in the design of the project, particularly along 1st Street. Visitors throng to the area yearlong, but especially during the summer months and during the ski season.

4. CURRENT DESIGN STATUS

The project has progressed all the way through the Schematic Design phase, and civil engineering is already into early Design Development. The site plan has already been approved administratively with a small number of conditions related primarily to stormwater detention and grade access from 1st Street, which are described in greater detail in the decision document included in the RFQ documents file.

The project design is for a two-story building with 19 residential units—currently including 15 one-bedrooms and 4 two-bedrooms (each with a hallway storage unit), double stairways (no elevator), 19 parking spaces, a first floor residential common area/office/mailroom, and approximately 1600 SF of flexible creative space that is anticipated to be programmed by the City for classes, art showings, and possibly other public and private events. The most current drawing sets are included in the RFQ documents file.

It should be emphasized that the City is not currently interested in amending the design beyond relatively minor changes. Adding more units would likely trigger substantial land use processes and the need for considerably more pre-development funding—plus, the site is already maxed out on parking while still being at the minimum per code. The flexible creative space area on the ground floor has been included in the design in response to requests from the creative community, as identified via previous work in the Space to Create program.

All utilities are available adjacent the site. The property already has credits for system development fees and should only need new meters (line sizing to be confirmed via water engineering analysis). Open space fees are not applicable under the current design and as long as the units are not condominiumized. The only other significant fees anticipated are building permit fees. The most recent project cost estimates are also included in the RFQ documents file.

5. AFFORDABILITY TARGETS AND FUNDING

The project has to this point been aimed at providing housing primarily for members of the local workforce making between 80% and 120% of area median income (AMI). Currently, 100% AMI for Chaffee County is \$77,800 for a 1-person household, \$88,900 for a 2-person household, \$100,000 for a 3-person household, and \$111,100 for a 4-person household. Given the wages of the local workforce, and particularly those working in the service industries of the downtown vicinity, however, the target rent range may need to be adjusted downwards—perhaps closer to the approximately 60% to 100% AMI range, which would be more likely to serve the intended community and may also be more advantageous for grant funding. The project has long been envisioned primarily for rentals, but the City could also consider ownership options, if necessary.

The project has already been awarded a \$1.6 million Community Revitalization Tax Credit (CRTC) for construction via the Office of Economic Development and International Trade (OEDIT). It is anticipated that these funds will remain with the project despite a transition to a new Developer. It is also possible that additional funds (up to \$1.4 million) may be available to be applied for in the next CRTC round. At this point, no other construction funds are committed, and no additional

City funding is currently budgeted toward the project—the City will lease the land at no cost, has contributed ample pre-development funding, and certain fee credits have already been provided.

If needed, the Developer will be expected to submit letters of interest for grants beginning as early as Fall 2026 and submit grant applications on a rolling basis beginning early 2027. These could potentially include sources such as MIHTC, Prop 123 financing options, State Division of Housing grants, and others. It should be noted that the project was a finalist for MIHTC funding in 2025, but it did not receive the award. Since then, some value engineering has been conducted to reduce the project cost by approximately 10% (see plans). The intent had been to apply for MIHTC in the 2026 round; however the loss of the developer prevented that application. A 9% Low-Income Housing Tax Credit application is not anticipated to be an option for this project, due to unit count and another application intended to be submitted via the City for a different project.

It should be noted that up to an estimated \$500,000 in additional pre-development costs are still required in order to complete civil engineering and construction documents. It is preferred that the selected Developer wrap those costs into other financing in order to help expedite the project and to avoid further pre-development grant funding; however, all proposals on how to account for such costs will be accepted and considered. As noted above, the only significant government fees anticipated for the project are building permit fees, for which waivers are unlikely per City policy.

6. PROJECT GOALS

- Provide affordable rental housing to local workforce households earning between approximately 60% - 100% AMI.
- Leverage outside funding sources to minimize the need for additional City funding.
- Secure all funding within 1-2 years and begin construction within no more than approximately 3 years.
- Maintain long-term affordability (min. 30+ years) for the residential units.
- Retain City ownership of Site via a long-term ground lease model with potential option for City to purchase project at end of term. Sale to qualified non-profit or governmental organization (such as Chaffee Housing Authority) may also be an option.
- Utilize local partnerships to ensure a steady stream of occupants/applicants and services, including the potential for the Chaffee Housing Authority or another non-profit housing partner (if desired) to serve as property manager.
- Provide a development that is compatible with the historic character of Downtown Salida.
- Provide a flexible creative space within the project that can be programmed by the City of Salida for a variety of artistic activities, which could include art classes, gallery showings, maker-space, performances, and other public and/or private events consistent with the court-mandated limitations to use the site only for affordable housing “and other municipal uses.”
- Employ environmentally friendly and sustainable principles for development to decrease operational and maintenance costs and to increase grant opportunities.

7. SCOPE OF WORK

A. Continue Design Development and Complete Construction Drawings: The Developer shall lead the architectural & site design process, working with qualified design professionals to:

- Guide successful completion of detailed site plans, architectural elevations, floor plans,

landscape plans, and utility layouts.

- Ensure the design meets potential grant program requirements, including ADA and Fair Housing Act standards, relevant design principles, as well as City development standards and conditions of the already received site plan approval.
- Submit design documents at key milestones for City review and incorporate feedback as required.
- Coordinate meetings with City, utility providers, and applicable agencies as needed.
- Complete preparation of construction documents for eventual building permit application submittal.

B. Financing of Project: The Developer shall secure project financing, including:

- Funding for remaining pre-development/soft costs and eventual development, including any loans or cash on hand.
- Assemble other financing sources as needed such as local or state housing funds, federal grants, tax-exempt bonds, philanthropic contributions, and/or other gap financing.
- Prepare and submit relevant letters of interest (LOIs) and grant applications (or, in some cases, submitting them in concert with the City, as necessary).
- Provide City with a preliminary financial pro forma and capital stack details, inc. anticipated sources and uses.
- Ensure compliance with all funding source requirements and provide regular updates to the City on financing milestones.

C. Secure Remaining Entitlements: The Developer shall obtain all necessary entitlements and approvals, including but not limited to:

- Satisfying site plan approval conditions.
- Building permit approvals.
- Compliance with local/state/federal requirements.
- Any additional coordination with the City's Planning and Building Departments.
- Timely preparation/submittal of required documents and representation at any necessary public hearings.

D. Community Engagement/Information Sharing: The Developer shall provide occasional and timely updates as to the progress of the project and financing per City Council and staff's direction.

- Coordinate with City staff to prepare for any relevant City Council and Planning Commission meetings.
- Include possible outreach to neighborhood residents, adjacent property owners, and other community organizations, as necessary.
- Coordination, marketing, and management of meetings, including creation of meeting materials such as renderings/development examples, draft site plans, etc., as needed.

E. Construction: The Developer shall oversee all construction-related activities, including:

- Procure and manage qualified general contractor and subcontractors (*use of existing architects/engineers strongly preferred*).

- Ensure compliance with prevailing wage laws, local hiring goals, and applicable labor standards.
- Monitor construction schedules and budgets, with regular reporting to the City.
- Ensure quality control/inspection compliance, inc. building codes and energy standards.
- Coordinate construction activities to minimize disruption to adjacent properties and public infrastructure.
- Deliver a fully constructed, code-compliant, and high-quality project.

F. Lease-Up & Property Management: The Developer and/or their designated property management team, which may include a non-profit housing partner such as Chaffee Housing Authority, shall:

- Execute a lease-up strategy prioritizing workforce households in accordance with grant regulations.
- Market the units using equitable and inclusive practices.
- Manage the property in compliance with all applicable housing laws and grant program guidelines, including any annual reporting and recertifications.
- Provide a property management plan, inc. staffing, maintenance, and security protocols.
- Ensure that the long-term affordability, habitability, and sustainability of the development are maintained.

The City reserves the right to amend the scope of services as needed prior to a signed Professional Services (Developer) Agreement.

8. PROPOSAL REQUIREMENTS

A. Statement of Interest

Provide a statement of proposer's qualifications, experiences, and reasons for interest in this opportunity. (Max. 2 pages).

B. Applicant Qualifications

Name the entity proposed to act as the City's Developer. Please provide the resumes of lead staff, as well a brief history of the firm and licensure. Please also provide basic information on any other entities proposed to be included on the team, including any co-developers, potential general contractors or subcontractors, and proposed property management entity. If architects/engineers other than those already associated with the project are proposed, please provide information on those plus a detailed justification for why replacement would be beneficial to the project or overall project costs. Please provide history of any such entities and their past experience working with the primary applicant to this proposal. Provide an organizational chart illustrating the relationship between proposed entities and the intended role of key staff on the proposer's team. (Max. 10 pages)

C. Relevant Project Experience:

Describe at least three relevant and substantially similar affordable and workforce housing developments (or developments with a significant affordable housing component) completed by the proposed developer/team in the past 10 years (preferably in the past five years). The City is especially interested in experience working closely with affordable workforce projects, municipal partners, and/or coordinating with larger planning efforts that may have also included other non-residential uses such as creative and/or commercial space development. Project descriptions (Max. 15 pages) should include:

- Location of project
- Development team members, including architects/designers and general contractors
- Scope and scale of development (i.e. # of units, housing type, affordability levels, affordability period, site amenities)
- Photos/illustrations of completed project
- Total development budget
- Financing sources used
- Property management agent (if applicable)
- Current occupancy levels (if known)
- Community engagement strategies implemented
- Successful sustainable design strategies, esp. including energy efficiency
- Indication of whether the projects were completed on budget and on time
- Any other information deemed relevant by the respondent

D. Preliminary Development Schedule & Milestones

Provide an estimated schedule (Max. 1 page) assuming various funding sources and listing important milestones and dates including, but not limited to:

- Securing financing commitments
- Completion of construction documents
- Submission of required building permits, etc.
- Anticipated closing date(s) for financing
- Anticipated construction commencement and construction completion dates
- Lease-up commencement
- Move-in timeline

E. References: Include three (3) or more references that can attest to your capabilities to implement the proposed development plan. References should include name, title, organization, telephone number, e-mail address, and the name of the development with which the reference is familiar.

F. Financial Capacity: Demonstrate a successful track record in securing and maximizing leveraged subsidy financing for affordable housing development. Demonstrate sufficient financial capacity to carry out the proposed development activities. Provide a written narrative describing the proposed financing plans and strategy, including debt, equity and public / non-profit investment. Please include proposed timeline for applying for and receiving such

financial sources, including for all pre-development and other soft costs. Please also include proposed Developer fee. If available, please include letters of interest from proposed construction and/or permanent lenders. In addition to a written financial narrative, respondents must include a preliminary development and annual operating budget. The City recognizes that respondents may identify opportunities to improve project feasibility, financing, constructability, or long-term operations while maintaining the fundamental goals of the project. The City welcomes recommendations that strengthen the project's financial viability without materially changing the approved project vision.

G. Lease-Up and Property Management: Respondents should include written narrative describing plans for management of the property. Identify members of the proposed management team and provide a brief narrative outlining the team's previous experience with tax credit properties.

H. Other Items as Applicable:

1. A description of any interlocking ownerships the entity might have with contractors, management companies or other contractors or consultants that might be involved in the project, and a description of how these services might be used for the project.
2. If a joint venture is proposed, candidates should submit a joint venture letter of intent signed by authorized signatories of each joint venture Developer identifying the general parameters of the proposed joint venture arrangements.
3. Signed certifications from the Developer's authorized signatory(ies) stipulating:
 - a statement regarding prior bankruptcy, all outstanding judgments, pending or final, and ongoing or threatened lawsuits against the candidate, individual or any related entity.
 - a statement assuring the availability of all principal staff named in the application, including the name of the Project Manager(s) for the candidate.
 - a statement that the candidate is willing and able to provide all required financial guarantees and net worth obligations of lenders, the limited Developer investor and the City.
 - a statement that the candidate is prepared to abide by all applicable City of Salida policies with respect to the zoning ordinance, design guidelines, and City objectives for local contracting.
 - a statement that the candidate is not debarred, suspended or otherwise prohibited from providing services by HUD, CHFA, or any other Federal, State and/or Local Agency.

To be considered in this solicitation for a Developer, candidates must certify these statements. Such certification must be signed by *duly authorized* signatories representing the Developer.

Please note that once a complete application is submitted, it may be subject to the Colorado Open Records Act, § 24-72-100.1, et seq.

9. STANDARDS AND PROCESS TO SELECT THE DEVELOPER

Preliminary Selection Schedule

The preliminary schedule for the selection process is outlined below.

RFQ:

July 10, 2026	RFQ Issued
July 24, 2026	Deadline for Questions (by 12:00 PM MST)
July 31, 2026	Deadline for Responses to Questions
August 13, 2026	RFQ Submittals Due (by 4:00PM MST)
August 20, 2026	Notification/Invitation for Interviews
August 24-27, 2026	Interviews (in person preferred) in Salida
September 15, 2026	Consultant Approved by City Council
October 6, 2026	Contract Signed

As noted above, selection of a Developer for the Site pursuant to this RFQ will be conducted as follows:

1. Screening applications for completeness
2. Ranking of qualified applicants against selected scoring criteria
3. Interviews, if needed
4. Reference checks
5. Selection of a Developer to enter into a Professional Services (Developer) Agreement to develop the Site.

Evaluation Criteria and Scoring

All responses to this RFQ will be reviewed for completeness and scored according to the criteria listed below. Top-scoring candidates may be selected for an interview. Final selection will be based on responses to this RFQ, reference checks, and interviews with an evaluation committee. **The City reserves the right to reject any or all proposals.**

1. **Completeness of Application:** submissions must include all required application elements and all signed certifications. Failure to submit any of the required information may be grounds for rejection of any submission.
2. **Scoring** (Points below are based out of 100):
 - o **Development Team Qualifications:** Prior experience and technical competence of the proposed team and key staff in completing and managing affordable housing developments of similar scope, complexity, and magnitude, including experience with public-private development and/or experience developing projects utilizing multiple grant sources. Strong preference will be given to Developers who choose to include the design team involved in the previous work (Cushing Terrell). The City has invested substantially in the current design team and believes their continued involvement could reduce schedule, cost, and project risk. Respondents proposing an alternative design team should clearly explain why that approach provides comparable or greater value. (40 points)

- **Development Proposal:** Degree to which the proposed development program addresses project goals and is reasonable, logical, and financially feasible. (30 points)
- **Financial Capacity:** Demonstrated ability and capacity to secure appropriate project financing for affordable housing development, and to provide financial guarantees to lenders and equity investors. (30 points)

City staff will work with the selected respondent to reach a Professional Services (Developer) Agreement. This Agreement will include the anticipated development plan (proposed number of units by target income level and unit bedroom count) for the Site, and all business terms between the City and the Developer concerning development of the site, including the proposed developer fee. The Agreement may also include any land disposition and/or ground lease agreements, and other agreements or legal documents as may be required. The Agreement and any accompanying legal documents are subject to approval by the City Council.

If negotiations with the preferred Developer do not proceed in a timely or satisfactory manner, an alternative Developer may be selected, or the City may reissue the RFQ.

The City is not liable to pay or reimburse any costs incurred by the respondent in the development, submission, or review of responses to this RFQ. This includes, without limitation, all costs incurred by the respondent in its response to this Solicitation, in response to any request for information made by the City throughout the selection process, in negotiating with the City on any matter related to this RFQ, or otherwise, unless specifically agreed to in writing by the City.

10. SUBMITTAL INSTRUCTIONS

The proposal shall be submitted electronically as a single PDF via Rocky Mountain BidNet no later than **4:00PM MST on August 13, 2026**. Proposals will be time-stamped by the Rocky Mountain E-Purchasing System upon receipt. The City will only accept complete proposals submitted in the Rocky Mountain E-Purchasing System and will not accept hardcopy proposals or proposals submitted by any other means. If you have questions or need assistance submitting your proposal, contact BidNet Support at 800-835-4603. After uploading proposal documents, you must click the SUBMIT button. The City will not accept uploads that are “saved” but not “submitted”. To verify that your proposal was submitted successfully, you may contact BidNet Support or verify via the Bid Management tab in your account that the documents are not in the “Draft” status. All proposals submitted shall be binding upon the respondent if accepted by the City within thirty (30) calendar days of the submission date. Negligence upon the part of the respondent in preparing the proposal confers no right of withdrawal after the time fixed for the submission of proposal.

The Owner reserves the right to reject any and all proposals. Proposals may not be withdrawn for a period of 30 days.



R E S P O N S E T O R E Q U E S T F O R Q U A L I F I C A T I O N S

1st & D

Affordable Workforce Housing and Flexible Creative Space

S A L I D A , C O L O R A D O

S U B M I T T E D T O	City of Salida, Colorado
S I T E	233 E. 1st Street and 102 D Street
D U E	August 13, 2026, 4:00 PM MST, Rocky Mountain BidNet
R E S P O N D E N T	Trellis Housing Partners LLC
C O N T A C T	Tanner Crawley, Principal & Founder

Prepared by Trellis Housing Partners LLC | August 13, 2026



SECTION 01

Statement of Interest

RESPONDS TO
RFQ Section 8.A
Maximum 2 pages

Trellis Housing Partners is pleased to submit our qualifications to serve as Developer for the 1st & D Affordable Workforce Housing and Flexible Creative Space Project. We approach this opportunity with an unusual degree of familiarity. Trellis previously prepared the Financial Feasibility Assessment for 1st & D under a Professional Services Agreement with the City, evaluating whether the project could be financed and delivered without additional City funding. Our conclusion was that the project was challenging but achievable, built around a significant state anchor subsidy and a targeted package of complementary gap funding. We disclose that prior engagement, and we submit this response because we continue to believe strongly in that conclusion and would welcome the opportunity to execute it.

Since completing the feasibility study, we have extended our review to the construction cost estimates, which were outside the scope of the prior engagement. That review identified an overstated budget that can be meaningfully reduced without value engineering and without altering the approved design. Project feasibility has therefore improved relative to the feasibility memo, and the financing structure we propose is simpler than the one contemplated there. We have also reviewed the current design, site constraints, use restrictions, existing funding commitments, and the full range of state and local resources available. Trellis is prepared to begin advancing funding applications immediately, an important advantage given several active and upcoming funding opportunities.

This project is particularly meaningful to me because it sits at the intersection of two issues that have defined much of my career: preserving affordable space for the creative community and expanding housing opportunities for local workforces.

Before founding Trellis, I served as development and asset manager for the Denver Cultural Property Trust, a 501(c)(3) dedicated to preserving affordable creative space. Through that work we acquired and repositioned the historic Holiday Theatre, creating a 400-seat cultural venue with ground-floor creative commercial space and 28 income-restricted residential units serving households between 60 and 80 percent of AMI. The theatre is programmed by the Museum of Contemporary Art Denver. Adjacent to it we developed the Blue Houses, two three-bedroom homes and two accessory dwelling units providing affordable housing for eight artists, managed in partnership with RedLine Contemporary Art Center. These projects were made possible through creative financing and philanthropic partnerships at a time when far fewer dedicated tools existed for this kind of development.

Affordable creative space matters because it preserves the people and institutions that give a community its identity. Stable, attainable space allows artists, makers, performers, cultural organizations, and small creative businesses to remain rooted in the communities they help shape.

The second issue is middle-income workforce housing. For many years Colorado lacked meaningful financing tools for households earning too much to qualify for traditional affordable housing programs but not enough to comfortably afford market-rate housing. In 2021 and 2022 I worked on Senate Bill 232, which created the first statewide Middle Income Housing Authority in the country and enabled the use of tax-exempt bonds and property tax exemptions to support middle-income housing. In subsequent years I supported the creation of the Middle-Income Housing Tax Credit, the passage and implementation of Proposition 123, and the continued expansion of programs capable of serving a broader range of household incomes.

Workforce housing is fundamental to a functioning local economy. Teachers, nurses, public employees, service workers, and other essential members of the workforce are increasingly struggling to live where they work. When those households are priced out, employers face recruitment and retention challenges, workers endure longer

commutes, and communities lose economic and social diversity. The combination of attainable workforce housing and affordable creative space is what makes 1st & D compelling. Together these uses help preserve a community in which the people who sustain the local economy and the people who shape its cultural character can continue to live, work, and create.

This project represents a unique opportunity to combine these two intersections of our expertise, passion, and robust track record in an immediately actionable project.

Importantly, 1st & D has already cleared many of the difficult early milestones that stop projects of this complexity. The City's acquisition of the property, extensive concept development and community engagement, advancement of the design, administrative site plan approval, and the CRTC award all represent major milestones. The project is at the ten-yard line and well positioned to secure final subsidies and proceed towards closing.

Trellis does not intend to restart the process or unnecessarily redesign the project. We would pick it up substantially as it stands, retain and work collaboratively with Cushing Terrell, pursue the remaining financing aggressively, and carry the project through closing and construction. We believe 1st & D is both financially achievable and deeply worthwhile, and we would be honored to serve as the City's development partner in completing it.

Respectfully submitted,



Tanner Crawley

Principal & Founder, Trellis Housing Partners LLC

SECTION 02

Applicant Qualifications

RESPONDS TO
RFQ Section 8.B
Maximum 10 pages

THE PROPOSING ENTITY

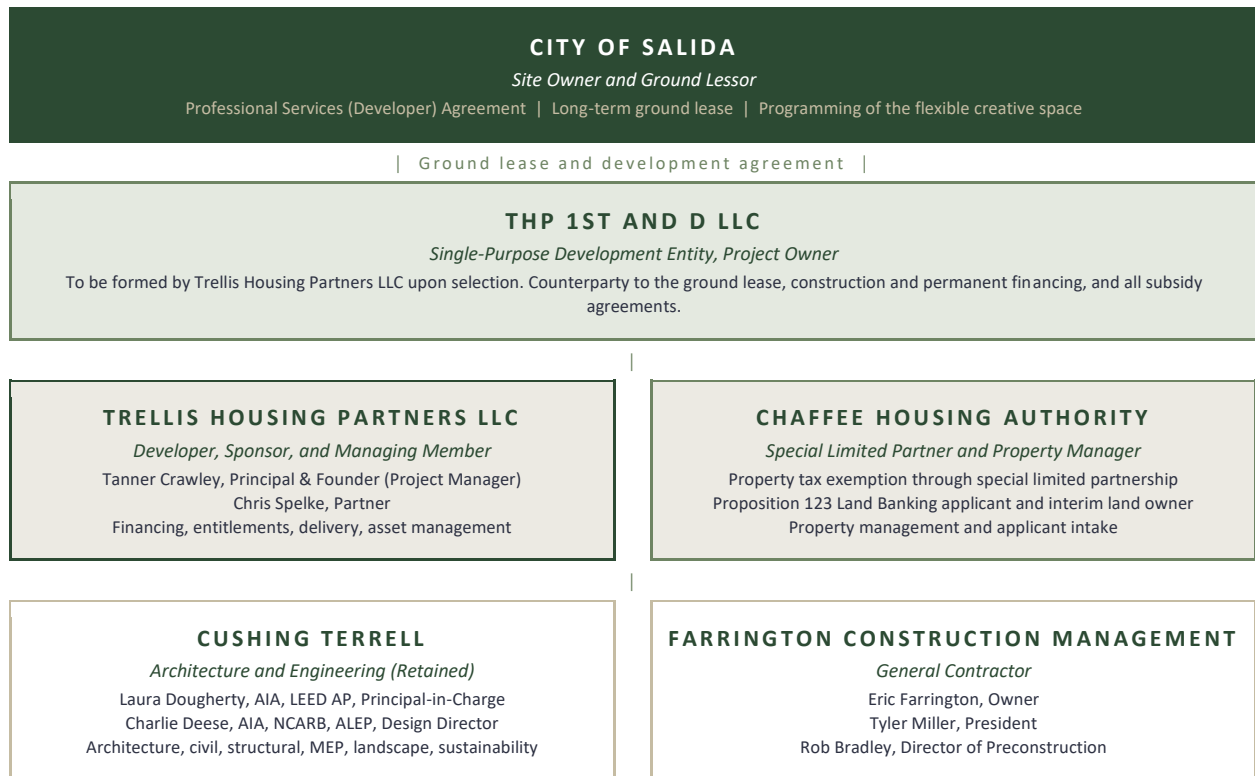
Trellis Housing Partners LLC, a Colorado limited liability company, is the proposer and the proposed Developer. Upon selection, Trellis will form a single-purpose development entity, THP 1st and D LLC, to enter into the Professional Services (Developer) Agreement, the long-term ground lease (if applicable), and all financing and subsidy documents for the project. Trellis Housing Partners LLC will be the managing member of that entity and will stand behind required guarantee obligations.

Trellis Housing Partners LLC is a Colorado limited liability company in good standing with the Colorado Secretary of State, formed in 2024. The development and financing services contemplated by this RFQ do not require professional licensure of the Developer itself. All licensed professional services on the project will be delivered by licensed team members: Cushing Terrell, providing Colorado-licensed architecture and engineering, and Farrington Construction Management, providing licensed general contracting.

PROPOSED TEAM AT A GLANCE

ROLE	ENTITY	KEY PERSONNEL	STATUS
Developer and Sponsor	Trellis Housing Partners LLC	Tanner Crawley, Chris Spelke	Proposer and Developer
Project Owner	THP 1st and D LLC	Managed by Trellis	To be formed on selection
Architecture and Engineering	Cushing Terrell	Laura Dougherty, Charlie Deese	Retained, continuing
General Contractor	Farrington Construction Management	Eric Farrington, Tyler Miller, Rob Bradley	Proposed
Property Manager and Special Limited Partner	Chaffee Housing Authority	Jen-Ai Notman, Executive Director	Discussions advanced

ORGANIZATIONAL CHART



THE DEVELOPER: TRELLIS HOUSING PARTNERS

Trellis Housing Partners is a Colorado housing finance and development firm founded in 2024 by Tanner Crawley. Since inception, Trellis has secured more than \$60 million in public subsidy on behalf of its clients, enabling the development of over 700 affordable units and more than \$400 million in total capitalization. Two aspects of that record are directly relevant here.

Housing over creative space

Trellis has secured more than \$20 million in public and philanthropic funding for arts-related capital projects, nearly all of them in exactly the configuration contemplated at 1st & D: ground-floor affordable creative space beneath income-restricted workforce housing. Cherokee Place (55 units over 2,500 square feet of artist live-work space) and Teller Place (52 units over ground-floor studio space) are both funded and advancing toward construction starting in 2027. Tanner also previously served as asset manager for the Denver Cultural Property Trust, which acquired and repositioned the historic Holiday Theatre with 28 affordable units above a 400-seat performance venue.

Non-LIHTC subsidy and workforce housing

Trellis is the market leader in workforce housing finance in Colorado. The firm has secured more Proposition 123 Equity than any other applicant (\$27.4 million across four projects), secured \$2 million of Community Revitalization Tax Credit in the program's inaugural round plus \$1 million from its predecessor program, and has won Proposition 123 Land Banking awards for six projects, including in neighboring Leadville. Partner Chris Spelke adds execution capacity and tax credit depth, having delivered more than 1,700 units at the Denver Housing Authority using mechanics substantially identical to those of the Middle-Income Housing Tax Credit.

KEY STAFF

Tanner Crawley, Principal & Founder*Project Manager for this engagement.*

Tanner brings broad real estate finance experience to Trellis Housing Partners. He previously served as chief analyst for a family office overseeing a \$350 million real estate portfolio that included ground-up developments, multi-phased projects, and multi-asset real estate funds. In his prior role as Chief Investment Officer for Goshen Development, he helped craft investment strategy, negotiate partnership agreements, and secure public subsidies for affordable and workforce housing projects. He also helped draft and pass SB-232, the legislation that established the Middle-Income Housing Authority, now one of Colorado's most flexible tools for delivering workforce housing.

Today, as founder and principal of Trellis Housing Partners, Tanner works on affordable housing projects across Colorado that leverage creative structures including tax-exempt bonds, public-private partnerships, Proposition 123 programs, and other Colorado-specific subsidies. He is also an active housing policy advocate, engaging regularly with state and local officials on accessory dwelling units, single-stair zoning reform, inclusionary zoning, and affordability incentives.

Chris Spelke, Partner

Chris Spelke is well versed in all aspects of affordable housing development, construction management, land planning, local entitlements, public infrastructure partnerships, and community relations, with a deep working knowledge of the financing tools available at the federal, state, and local levels. His particular strength is assembling those limited resources into executable transactions.

In prior roles, including Interim Chief Real Estate Officer at the Denver Housing Authority, Chris has delivered more than \$1.5 billion of mixed-finance development across the country, predominantly in Colorado. His tax credit portfolio, set out in Section 03, totals 1,792 units across thirteen transactions and includes 9 percent, 4 percent, and state credit executions as well as twinned and condominium structures paired with new markets tax credits and homeownership subsidy.

ARCHITECTURE AND ENGINEERING: CUSHING TERRELL (RETAINED)

We propose to retain Cushing Terrell as architect and engineer. Cushing Terrell carried this project through Schematic Design, into early Design Development on the civil side, and through administrative site plan approval, including the conditions relating to stormwater detention and grade access from 1st Street. The City has invested substantially in that work. Replacing the design team would require a new firm to re-document approved conditions, would introduce coordination risk against a site plan approval already in hand, and would add schedule to a project whose principal enemy is delay. Retaining Cushing Terrell is both the City's stated preference and, in our assessment, the correct decision on the merits. We have already discussed the path forward with Cushing Terrell, who is eager to continue.

Apart from their current involvement, they are simply the right team for the job. Cushing Terrell brings 87 years of integrated architecture and engineering experience, with more than 500 professionals across 17 offices and over 30 in-house disciplines supporting roughly \$1.6 billion in annual construction volume. The firm's Denver studio leads its Colorado mountain and resort housing practice, delivering architecture, civil, structural, MEP, landscape, planning, and sustainability services under a single contract.

Relevant experience includes the phased Shandoka Building F renovation for the Telluride Housing Authority (23 units expanded to 29 units and 72 bedrooms, with residents in place); Telluride's Lot L project, taking roughly 60

affordable units and a 900-vehicle intercept garage from feasibility through entitlements; Aspen's 277-unit Lumberyard Neighborhood, entitled and approved by City Council in eight months and made modular-ready, with 104 Phase One units now in volumetric modular construction; and Big Sky Resort's modular employee housing at rents 50 to 60 percent below market.

Laura Dougherty, AIA, LEED AP, will serve as Principal-in-Charge. She leads the Denver studio and brings more than 25 years in mountain-community affordable and mixed-use housing. Charlie Deese, AIA, NCARB, ALEP, will serve as Design Director, adding phased campus planning, mixed-use government sites, and affordable multifamily delivery across Telluride, Aspen, Salida, Gunnison, and Grand Junction.

GENERAL CONTRACTOR: FARRINGTON CONSTRUCTION MANAGEMENT

Farrington Construction Management is a Littleton, Colorado based general contractor with more than \$1 billion of construction under management and a portfolio spanning affordable, workforce, market-rate, student, and senior multifamily housing throughout Colorado. Completed multifamily work includes Catbird (165 units, \$35 million, Denver), Westminster Promenade (300 units, \$52 million), Camden Belleview (270 units, \$60 million), Point 21 Urban Flats (220 units, \$32 million, full-block infill near Coors Field), The Rail at Inverness (219 units, \$33 million), X1 and X2 at Sloan's (104 units), Buff Lake Apartments (93 affordable units, \$9 million), Wheat Ridge Town Center (88 senior units), and Holden Place Apartments (77 units over structural podium). The firm also brings deep renovation capability, including Slipstream, a 600-unit renovation. Farrington reports a 100 percent return client ratio.

Beyond the Denver metro, Farrington has delivered work in Colorado's mountain and western slope communities and in secondary markets where mobilization, seasonal scheduling, and a limited local subcontractor base drive execution risk. Representative projects include Crystal River Elementary in Carbondale, a \$2 million school renovation in the Roaring Fork Valley; the Pathfinder Community Building in Canon City, a \$6 million design-build event facility; and Lookout on Cragmor in Colorado Springs, a \$9.1 million, 71-unit, five-story wood-framed student housing project. That experience is directly relevant to a 19-unit downtown Salida site with constrained staging and a limited local trade base.

Eric Farrington, Owner, will lead the project, bringing 26 years of experience, a master's degree in Construction Management from Colorado State University, and more than \$800 million in completed construction. Tyler Miller, President, brings 18 years across superintendence, estimating, and project management, plus an architecture degree supporting early design-assist collaboration. Rob Bradley, Director of Preconstruction, brings 15 years and a civil engineering degree focused on estimating and cost-driver analysis.

PROPERTY MANAGER AND SPECIAL LIMITED PARTNER: CHAFFEE HOUSING AUTHORITY

Certain funding sources are available only to nonprofit or governmental applicants. We have discussed the proposed capital stack with the Chaffee Housing Authority, which has indicated that it is agreeable to providing a property tax exemption through a special limited partnership, applying for Proposition 123 Land Banking funds, and providing property management services. This partnership is central to delivery, and the project will benefit from the Authority's local knowledge and applicant pipeline.

SECTION 03

Relevant Project Experience

RESPONDS TO
RFQ Section 8.C
Maximum 15 pages

Since inception, Trellis Housing Partners has worked through joint ventures and consulting partnerships with other developers. That focus reflected the market we entered: a large inventory of projects unable to finish their financing in the capital markets that have prevailed since 2020. Those projects let us apply our niche expertise to real transactions while gaining familiarity with emerging funding sources as they were rolling out. The projects below therefore represent Trellis's experience as either a joint venture partner or a development and financing consultant, together with relevant experience from prior roles. We identify our precise role in each. We are ready for the next chapter, serving as primary Developer and Sponsor, and 1st & D is an excellent fit for it.

The first two projects are the most directly comparable to 1st & D: ground-floor affordable creative space beneath income-restricted workforce rental housing, financed without federal LIHTC, in partnership with a local housing authority or local government. The third is the closest analogue in program and mission. The final two demonstrate closing capacity on new and untested funding programs.

1. Cherokee Place

Englewood, Colorado | Workforce rental over affordable creative space | Closest comparable to 1st & D



Cherokee Place, Englewood, Colorado. 55 workforce rental units over 2,500 SF of affordable artist live-work space.

Trellis Housing Partners, as consultant, spearheaded the financing for Cherokee Place, an urban infill modular project in Englewood. Trellis was engaged at concept design and supported predevelopment, site design, community engagement, and the securing of all required subsidies. The project delivers 2,500 square feet of ground-floor affordable artist live-work space beneath 55 rental units affordable to households earning 60 to 90 percent of area median income.

Trellis assembled a public-private partnership with Innovative Housing Concepts, the local housing authority, which provides the property tax exemption and applied for Land Banking funds. That is precisely the structure proposed for 1st & D with the Chaffee Housing Authority. Trellis also secured \$2,000,000 of CRTC funding, \$6,000,000 of Proposition 123 Debt, and a \$10,000,000 bank loan against a \$19,250,000 budget, with the balance funded by equity.

This capital stack closely mirrors the stack planned for 1st & D and demonstrates a clear path to feasibility. The project was selected for every funding source on the first application.

LOCATION	Englewood, Colorado
TRELLIS ROLE	Development and financing consultant, engaged from concept design
DEVELOPMENT TEAM	Innovative Housing Concepts (housing authority partner and property manager); volumetric modular delivery
SCOPE AND SCALE	55 rental units over 2,500 SF of ground-floor affordable artist live-work space
AFFORDABILITY	60 to 90 percent AMI, long-term covenant
TOTAL DEVELOPMENT BUDGET	\$19,250,000
FINANCING SOURCES	\$2,000,000 CRTC; \$6,000,000 Proposition 123 Debt; \$10,000,000 bank loan; balance sponsor equity
PROPERTY MANAGEMENT AGENT	Innovative Housing Concepts
CURRENT OCCUPANCY	Not yet applicable; awaiting final subsidy, groundbreaking anticipated Q1 2027
ON BUDGET AND ON SCHEDULE	Budget held through funding awards; all sources awarded on first application
COMMUNITY ENGAGEMENT	Letters of support from the Englewood Cultural Arts Commission, Swedish Hospital, RedLine Contemporary Art Center, CAST, and Craig Hospital
SUSTAINABILITY	Fully electric building meeting National Green Building Standard; modular construction eliminating more than 90 percent of construction waste

2. Teller Place

Arvada, Colorado | Workforce rental over affordable artist studio space



Teller Place, Arvada, Colorado. 52 rental units over 700 SF of affordable artist studio space.

Teller Place is a new construction rental project delivering 700 square feet of ground-floor affordable artist studio space and 52 rental units affordable to households earning 60 to 90 percent of area median income. Trellis, as consultant, secured \$6,500,000 of Proposition 123 Equity on the first application, arranged a property tax exemption through a housing authority partnership, and has the project under final consideration for local funding from the City of Arvada, which will complete the capital stack and allow the project to proceed to closing.

The project remains in predevelopment and has been delayed for reasons outside the financing. It relied on a parking minimum exemption created by HB24-1304 that the City of Arvada had previously indicated would be satisfactory. The City has since sued the state over the parking minimum legislation and is requiring an administrative appeal. Groundbreaking is currently anticipated in Q2 2027. We include the project, and this history, because candor about schedule risk is more useful to the City than a portfolio of unqualified successes.

Teller Place uses substantially the same financing structure proposed for 1st & D, simply replacing Land Banking with direct local cash investment, which further reinforces the feasibility of the proposed 1st & D stack.

LOCATION	Arvada, Colorado
TRELLIS ROLE	Development and financing consultant
SCOPE AND SCALE	52 rental units over 700 SF of ground-floor affordable artist studio space
AFFORDABILITY	60 to 90 percent AMI
FINANCING SOURCES	\$6,500,000 Proposition 123 Equity (awarded on first application); housing authority property tax exemption; City of Arvada local funding under final consideration
PROPERTY MANAGEMENT AGENT	Housing authority partner
CURRENT OCCUPANCY	Not yet applicable; predevelopment, groundbreaking anticipated Q2 2027
ON BUDGET AND ON SCHEDULE	Financing on plan; schedule delayed by third-party litigation over HB24-1304 parking minimums, not by project performance

SUSTAINABILITY

All-electric design consistent with Proposition 123 program standards

3. The Holiday Theatre and the Blue Houses

Denver, Colorado | Completed and stabilized | Affordable housing above a 400-seat cultural venue



The Holiday Theatre, Denver. A 400-seat venue programmed by the Museum of Contemporary Art Denver, beneath 28 income-restricted units.

Prior to founding Trellis Housing Partners, Tanner Crawley served as development and asset manager for the nonprofit Denver Cultural Property Trust from 2021 to 2024. DCPT was created as a 501(c)(3) to ensure affordable, long-term, rent-stable residential and commercial opportunities for Denver's creative workforce and the organizations that support it.

In 2021 DCPT purchased the historic Holiday Theatre, a 400-seat theatre with ground-floor commercial space and 28 residential units. Significant repairs were performed, an existing commercial space was repurposed into artist studios, and the theatre was leased at far below market rates to the Museum of Contemporary Art Denver. That partnership continues today, with MCA Denver hosting community events, performances, independent film screenings, lectures, and gallery exhibitions. The project also included a first-of-its-kind co-housing component, two three-bedroom homes with two accompanying accessory dwelling units, providing housing for eight artists. The co-housing partnered with RedLine Contemporary Art Center to manage the property and maintain a waitlist of eligible creatives. All residential units used a financing covenant to secure long-term affordability for households earning 60 to 80 percent of area median income.

Tanner's role included securing and closing the financing, managing loan and grant distributions, managing the design and construction of the artist space, and carrying the project through delivery and stabilization.



The Holiday Theatre, exterior.



The Blue Houses. Two three-bedroom homes and two ADUs housing eight artists.

LOCATION	Denver, Colorado
TANNER CRAWLEY ROLE	Development and asset manager for the Denver Cultural Property Trust, 2021 to 2024
SCOPE AND SCALE	400-seat theatre, ground-floor creative commercial and artist studio space, 28 residential units, plus two three-bedroom homes and two ADUs housing eight artists
AFFORDABILITY	60 to 80 percent AMI, secured by recorded financing covenant
TOTAL DEVELOPMENT BUDGET	\$9,000,000
FINANCING SOURCES	\$4,000,000 philanthropic program-related investment; \$4,000,000 CRA-qualifying bank loan; \$1,000,000 Community Revitalization Grant Program, the predecessor to CRTG
PROGRAMMING AND MANAGEMENT	Museum of Contemporary Art Denver (theatre); RedLine Contemporary Art Center (co-housing management and creative waitlist)
CURRENT STATUS	Completed, delivered, and stabilized; theatre partnership ongoing
COMMUNITY ENGAGEMENT	Programming partnerships with MCA Denver and RedLine; ongoing public event calendar

4. Lakeview Affordable Townhomes

Georgetown, Colorado | Affordable homeownership | Under construction | Mountain community delivery



Lakeview Affordable Townhomes, Georgetown, Colorado. 37 affordable for-sale homes.

Trellis Housing Partners, as financing consultant, closed the financing for the Lakeview Affordable Townhomes, which will provide 37 affordable homeownership units for households earning 100 percent of area median income, including 6 one-bedroom, 14 two-bedroom, and 17 three-bedroom homes, serving a range of household sizes. Trellis secured \$1,820,000 of Land Banking funds through a partnership with the Town of Georgetown and \$2,600,000 of DOLA grants through a partnership with the Clear Creek County Housing Authority.

To make the project work, we collaborated closely with a newly established regional housing authority to draft comprehensive program guidelines, resale pricing mechanisms, and a new layered deed restriction. The project was selected for both Land Banking and DOLA grants on the first application. It is included here because it demonstrates delivery in a small Colorado mountain community with a limited local capacity, working through a municipal and housing authority partnership of exactly the kind proposed at 1st & D.

LOCATION	Georgetown, Clear Creek County, Colorado
TRELLIS ROLE	Financing consultant; closed the project financing
DEVELOPMENT TEAM	Town of Georgetown; Clear Creek County Housing Authority; Range Development
SCOPE AND SCALE	37 for-sale affordable townhomes: 6 one-bedroom, 14 two-bedroom, 17 three-bedroom
AFFORDABILITY	100 percent AMI, secured by a newly drafted layered deed restriction with resale price controls
FINANCING SOURCES	\$1,820,000 Proposition 123 Land Banking; \$2,600,000 DOLA grants; both awarded on first application
CURRENT STATUS	Financing closed; under construction
COMMUNITY ENGAGEMENT	Program guidelines, resale mechanisms, and deed restriction drafted with the regional housing authority

5. 10th and Wolff

Denver, Colorado | Affordable homeownership | First closing in the CHFA Drive It Home program



10th and Wolff, Denver. 23 affordable for-sale condominium units.

Trellis Housing Partners, in a joint venture with Osina Development, closed the financing for the 10th and Wolff affordable condominium project, which will deliver 23 affordable units to households earning up to 80 percent of area median income. The project used a partnership with the City of Denver to secure \$1,500,000 of DOLA grants, \$1,725,000 of local funding, and \$5,700,000 of CHFA Drive It Home funds, producing a 3.5 percent construction loan and 3.5 percent fixed-rate mortgages for future purchasers.

The project required structuring a robust public-private partnership, including long-term deed restriction management for future affordable resales. It was selected for DOLA grants on the second application and for local and CHFA funding on the first, with all financing secured within six months. It was the first project to close under the CHFA Drive It Home program, which is the point most relevant to 1st & D: the anchor subsidies contemplated here, MIHTC in particular, are new programs with developing rules, and Trellis has repeatedly been first through the door on programs of that kind.

LOCATION	Denver, Colorado
TRELLIS ROLE	Joint venture partner with Osina Development; closed the project financing
SCOPE AND SCALE	23 affordable for-sale condominium units
AFFORDABILITY	Up to 80 percent AMI, with long-term deed restriction management for resales
FINANCING SOURCES	\$1,500,000 DOLA grants; \$1,725,000 City of Denver local funding; \$5,700,000 CHFA Drive It Home
CURRENT STATUS	Financing closed; under construction
ON BUDGET AND ON SCHEDULE	All financing secured within six months; first closing in the CHFA Drive It Home program

TAX CREDIT EXPERIENCE

Chris Spelke, partner at Trellis Housing Partners, brings a substantial tax credit track record. It is directly relevant here because the project is considering the Middle-Income Housing Tax Credit as a potential anchor subsidy. The mechanics of MIHTC and the long-established LIHTC are very similar: the same legal structures, the same categories of equity investor, and the same compliance architecture. The carryover in experience is direct. The projects below total 1,792 units and include 9 percent, 4 percent, and state credit executions, as well as twinned and condominium transactions paired with new markets tax credits and homeownership subsidy. Put plainly, the team has executed some of the most complicated tax credit deals in Colorado.

PROJECT	LOCATION	UNITS	POPULATION	BUILDING TYPE	AWARD	YEAR
Camden	Rapid City, SD	252	Family	New construction	4%	2026
Joli	Denver, CO	133	Family	New construction	9%	2024
SOL	Denver, CO	156	Family	New construction	4%	2024
Thrive	Denver, CO	135	Family	New construction	4%	2023
GreenHaus	Denver, CO	129	Family	New construction	9%	2022
655 Broadway	Denver, CO	110	Special population	Acquisition / rehab	4% + State	2020
Gateway South	Denver, CO	92	Family	Acquisition / rehab	9%	2020
Gateway North	Denver, CO	95	Family	New construction	4%	2020
Platte Valley	Denver, CO	68	Older adult	Acquisition / rehab	4% + State	2019
Vida (9% component)	Denver, CO	64	Special population	New construction	9%	2018
Vida (4% component)	Denver, CO	112	Older adult	New construction	4%	2018
Squire Village	Manchester, CT	374	Family	Acquisition / rehab	4%	2016
Aria Apartments	Denver, CO	72	Family	New construction	9%	2013
Mariposa	Denver, CO	See note	Family	Master redevelopment	Multiple	Phased
Total		1,792				

Note: Mariposa is a phased master redevelopment; its unit count is not included in the total above to avoid double counting.



GreenHaus, Denver. 129 units, 9 percent credits.



Gateway, Denver. 92 and 95 units across two phases.



Vida, Denver. 176 units across paired 9 percent and 4 percent components.



Thrive, Denver. 135 units, 4 percent credits.



Joli, Denver. 133 units, 9 percent credits.

SECTION 04

Preliminary Development Schedule

RESPONDS TO
RFQ Section 8.D
Maximum 1 page

The schedule below runs from City Council approval on September 15, 2026 through financing closing, consistent with the RFQ selection schedule. It secures all funding well inside the City's one to two year goal and commences construction well inside the three year goal.

Program timing is subject to change. The 2027 Qualified Allocation Plan governing the Middle-Income Housing Tax Credit has not been published, CHFA is still preparing its 2027 Funding Plan, which will set the Proposition 123 Equity round dates and amounts, and other program calendars remain unannounced. Dates for those rounds are our best current estimate and will be updated as each agency publishes. The schedule is built so that no single program calendar controls the outcome: Land Banking and the Income Limit Petition proceed as soon as available, and two viable anchor subsidy paths each support a closing as early as July 9, 2027, or by November 16, 2027, depending on the application round.

Activity			2026				2027											
	Start	Finish	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	
RFQ Process	9/15/26	10/6/26																
City Council approval	9/15/26		◆															
Contract signed	10/6/26			◆														
Income Limit Petition	9/30/26	1/4/27																
Housing Needs Assessment finalized	9/30/26		◆															
Income Limit Petition submitted	9/30/26	10/6/26																
DOLA determination	10/7/26	1/4/27																
Proposition 123 Land Banking	10/16/26	2/11/27																
Application submitted	10/16/26			◆														
Award	10/16/26	1/13/27																
Closing	1/14/27	2/11/27																
Middle-Income Housing Tax Credit	10/6/26	11/15/27																
Q4 2026 round, if reachable	10/6/26	5/3/27																
Letter of intent	10/6/26			◆														
Application deadline	10/6/26	11/2/26																
Reservations	11/3/26	1/4/27																
Potential closing	1/5/27	5/3/27																
Q2 2027 round	4/20/27	11/15/27																
Letter of intent	4/20/27	4/20/27																
Application deadline	5/18/27											◆						
Reservations	5/18/27	7/19/27																
Potential closing	7/20/27	11/15/27																
Proposition 123 Equity	3/31/27	10/11/27																
Applications due (tentative)	3/31/27									◆								
Awards made	3/31/27	6/28/27																
Due diligence and underwriting	6/29/27	8/30/27																
Ready to close	8/31/27	10/11/27																
Predevelopment	2/12/27	7/8/27																
Project restart	2/12/27	3/4/27																
30 percent construction drawings	3/5/27	4/15/27																
General contractor review and pricing	4/16/27	5/13/27																
100 percent construction documents	5/14/27	7/8/27																
Closing	7/9/27	11/16/27																
Fastest potential closing	7/9/27												◆					
Longer lead closing	11/16/27																◆	

■ Phase ■ Funding round ■ Activity ◆ Milestone

Post-closing. Building permit application follows the 100 percent construction documents. Construction commences at financing closing and runs approximately 14 months. Marketing and pre-leasing begin roughly 90 days before certificate of occupancy, with move-in immediately following and stabilization about one quarter later. The fastest closing produces certificate of occupancy in Q3 2028 and stabilization in Q4 2028; the longer lead closing, Q1 2029 and Q2 2029.

SECTION 05

References

RESPONDS TO
RFQ Section 8.E
Three or more required

Five references are provided. Each has direct knowledge of Trellis's work on the development identified, and each can speak to our ability to secure leveraged subsidy financing and to implement a development plan. Additional references are available upon request.

REFERENCE	TITLE AND ORGANIZATION	CONTACT	DEVELOPMENT AND SCOPE
Katie McKenna	Housing Development Manager Archway Communities	katiemckenna@archwaycommunities.org 720-248-2506	The Riverly; Ingraham Wright Land Banking, Proposition 123 Equity
Steve Boice	Business Finance Manager Colorado Housing and Finance Authority	sboice@chfainfo.com 303-297-7468	Various CHFA Land Banking applications
Kurt Soukup	Founder Range Development	soukup@mac.com 610-299-0422	Lakeview Affordable Townhomes Land Banking, DOLA grants
Brendan O'Heir	Principal Wide Open Ventures	brendan@wideopen.ventures 720-788-3866	1936 Grove Financial consulting, CHFA Proposition 123 Equity
Andrew Johnston	Fiscal Administrator III, HOST Homeownership Team City and County of Denver Office of Housing Stability	andrew.johnston@denvergov.org 303-335-6338	10th and Wolff Financial consulting, CHFA, DOLA, HOST financing

SECTION 06

Financial Capacity and Financing Plan

RESPONDS TO
RFQ Section 8.F

DEVELOPMENT PROGRAM AND RESPONSE TO PROJECT GOALS

RFQ Section 6 sets out nine Project Goals. The proposed program responds to each. The design is carried forward substantially as approved, and the recommendations below are limited to those that strengthen financial viability without materially changing the approved project vision, as RFQ Section 8.F invites.

PROJECT GOAL (RFQ SECTION 6)	TRELLIS RESPONSE
Affordable rental housing for local workforce at approximately 60 to 100 percent AMI	The proposed anchor subsidies set the achievable band. Proposition 123 Equity permits a 90 percent AMI project average with no minimum, which lands squarely inside the City's stated range. If MIHTC anchors the deal, it serves 80 to 120 percent AMI and a Rural Resort Income Limit Petition becomes the tool that reconciles it with Land Banking. Both paths are modeled in the capital stacks below.
Leverage outside funding to minimize additional City funding	Every source in all three modeled stacks is a state, federal, or private source. No additional City cash is requested. The City's contribution remains the land, the predevelopment work already funded, and the fee credits already provided.
Secure all funding within one to two years; begin construction within approximately three years	Financing closes between July 9, 2027 and November 16, 2027, roughly nine to thirteen months after contract signing, with construction commencing at closing. See Section 04.
Maintain long-term affordability of at least 30 years	Affordability will be secured by covenants recorded against the leasehold and by the ground lease itself. Every anchor source contemplated carries a compliance period of at least 30 years, and the Land Banking structure adds its own long-term restriction.
Retain City ownership through a long-term ground lease, with sale to a qualified nonprofit or governmental organization as an alternative	Land Banking requires interim ownership by the Chaffee Housing Authority. At construction closing the structure is flexible: the Authority may ground lease to the owner, sell the land back to the City at little or no cost so the City may ground lease it, or convey fee title with a right of first refusal to the City. All three options are set out below.
Utilize local partnerships for applicants and services, including a nonprofit housing partner as property manager	The Chaffee Housing Authority is proposed as property manager, special limited partner, and Land Banking applicant. See Sections 02 and 07.
Compatible with the historic character of Downtown Salida	The approved Cushing Terrell design, developed through the City's public process and approved by Council in June 2024, is carried forward without material change.
Provide flexible creative space programmable by the City	The approximately 1,600 square feet of ground-floor flexible creative space is retained. Trellis has delivered this exact configuration at Cherokee Place, Teller Place, and the Holiday Theatre, and understands how to underwrite a non-revenue or low-revenue community space inside a subsidized housing proforma.

PROJECT GOAL (RFQ SECTION 6)	TRELLIS RESPONSE
Employ environmentally friendly and sustainable principles	An all-electric design meeting the standards required by Proposition 123 and CRTC, which also improves scoring in every funding round contemplated and reduces long-term operating cost.

FINANCING STRATEGY

The financing strategy has three layers. First, an early, low-competition source that converts land into cash and buys schedule: Proposition 123 Land Banking, available in a rural and rural resort only rolling round in Q4 2026. Second, an anchor subsidy that closes the majority of the gap: either the Middle-Income Housing Tax Credit or Proposition 123 Equity. Third, supporting subsidies that reduce the anchor request and improve competitiveness: the existing CRTC award, a possible CRTC increase in the 2027 round, DOLA Housing Development Grant funds, or other emerging subsidies.

A traditional LIHTC application is not available to this project given the unit count and the City's other intended application, and the RFQ correctly excludes it. That exclusion is precisely the space in which Trellis operates. Every source described below is a non-LIHTC source, and Trellis has secured each of them.

PROPOSITION 123 LAND BANKING

CHFA will administer another rural and rural resort focused rolling application round for Proposition 123 Land Banking funds in Q4 2026. This is a near-term opportunity to access a typically competitive source while avoiding statewide competition. We believe the deal as it stands would be a competitive application in an approximate amount of \$1,500,000.

Land Banking requires a sale to a nonprofit, housing authority, or unaffiliated governmental entity. We have already discussed the upcoming round with Jen-Ai Notman and the Chaffee Housing Authority, which would be a willing applicant partner and buyer of the land. The Authority is also willing to provide property management services and a special limited partnership for property tax exemption.

Using Land Banking has three benefits. It delivers sale proceeds to the City in as little as five months, which can be reinvested into the deal for remaining predevelopment costs and further subsidy. It aligns incentives with CHFA and OEDIT for future gap fillers. And it provides a longer runway for execution if needed.

The Land Banking structure would require the Chaffee Housing Authority to own the land until full financing closes and the Land Banking funds convert to a grant. At that point there is considerable flexibility. The RFQ identifies maintaining City ownership as a goal while expressly contemplating partnership with the Chaffee Housing Authority. The Land Banking mechanics accommodate several endpoints:

- The Chaffee Housing Authority retains the land and provides the developer and owner a 99-year ground lease.
- The Chaffee Housing Authority sells the land back to the City at little or no cost, and the City then enters a ground lease with the developer and owner.
- The Chaffee Housing Authority sells the land to the developer, which takes fee simple title, accompanied by a right of first refusal for the City of Salida to establish a path to long-term ownership. The only reason to evaluate this structure is that a ground lease will likely reduce the economics of the construction loan and participating equity by impairing the value of the property.

One consideration is that Land Banking requires 70 percent of the units to be at or below 60 percent AMI. That is workable with both Proposition 123 Equity and Proposition 123 Debt, but it would exclude the use of MIHTC. There is, however, a path to a Rural Resort Income Limit Petition that allows Land Banking funds to be used at a higher AMI limit.

At no cost to the City. Trellis Housing Partners would prepare the Land Banking application as part of the development scope, at no separate cost.

Land Banking track record

Trellis has helped six clients win Land Banking awards, with four more currently under consideration in the present round. Our success rate to date exceeds 75 percent using this source.

CLIENT	LOCATION	AMOUNT	STATUS
GES Coalition	Denver	\$2,620,000	Closed
Denver Cultural Property Trust *	Denver	\$1,970,000	Closed
Town of Georgetown	Georgetown	\$1,820,000	Closed
Advocates of Lake County	Leadville	\$1,250,000	Closed
United Way of Morgan County	Fort Morgan	\$700,000	Closed
Archway Communities	Pueblo	\$2,500,000	Closing August 20, 2026
Mooney Family Foundation	Silt	\$4,000,000	Final round, under review
First Light Community Development	Breckenridge	\$2,240,000	Final round, under review
Innovative Housing Concepts *	Englewood	\$1,500,000	Final round, under review
Sharing Connexion	Glenwood Springs	\$950,000	Final round, under review
Total		\$19,550,000	

* Includes ground-floor affordable gallery and studio space with artist housing above, the same configuration as 1st & D.

PROPOSITION 123 RURAL RESORT INCOME LIMIT PETITION

Chaffee County is classified by the Division of Housing as a rural resort community, which makes the City of Salida eligible to file a Rural Resort Income Limit Petition. That process, established under HB23-1304, allows a rural resort jurisdiction to apply higher percentages of area median income to the Proposition 123 programs administered by OEDIT and CHFA, based on demonstrated average need documented in a Housing Needs Assessment. The Division calculates a weighted average AMI of need and approves an increase only where that average exceeds the program's standard limit.

The practical significance for 1st & D lies in the interaction between two sources. MIHTC serves households between 80 and 120 percent AMI. Absent a petition, the 60 percent AMI Land Banking requirement prohibits the use of MIHTC because the income bands are misaligned. Without Land Banking, the project would have to apply for roughly \$1,500,000 more of MIHTC equity, which pushes the request beyond historical award levels. That higher amount

may be feasible given changing program dynamics, but a petition provides valuable flexibility and materially de-risks the anchor application.

Chaffee County's 2022 Housing Needs Assessment supports a petition at approximately 84 percent AMI on the existing data, although that study is now too dated for the petition process. The Housing Needs Assessment currently underway is likely to support an even higher demonstrated need given the movement in local wages and housing costs since 2022.

At no cost to the City. Trellis assisted in the successful Income Limit Petition for Summit County, the first granted in the state. We would lead this filing, in coordination with Western Spaces, on the City's or the County's behalf at no additional cost as part of our development scope.

ANCHOR SUBSIDIES

The project will require an anchor subsidy, a state source that serves as the primary gap filler and enables the supplemental sources to fall into place. Because the deal does not work for federal LIHTC, the two suitable candidates are the Middle-Income Housing Tax Credit and Proposition 123 Equity.

Middle-Income Housing Tax Credit

MIHTC is a Colorado-specific credit, the first of its kind in the nation, administered by CHFA. It was created by HB24-1316 in 2024 to fill the gap left by federal LIHTC, which serves households at or below 60 percent AMI. MIHTC finances rental housing for Coloradans earning too much to qualify for LIHTC units but too little to afford market rents. The program serves households between 80 and 120 percent AMI. Credits are competitively awarded, claimed ratably over five years, and the resulting investor equity reduces the project's debt load.

In the Feasibility Assessment we determined that the \$1.65 million MIHTC request previously contemplated by Artspace was likely too large given the small project size. That conclusion rested on the data then available, the 2026 Letter of Intent Report at Exhibit D. The round has since concluded. Of five letters of intent, only two advanced to a full application, and of those only the Lumberyard project in Aspen was approved, at \$2.9 million rather than the \$5 million requested. After conversation with program staff, several projects did not meet minimum criteria and another was disqualified for competing against too much new supply in Denver.

These findings are favorable for 1st & D, because the program is significantly less competitive than previously understood. CHFA is also making the remaining \$2,110,000 of 2026 MIHTC credits available for application from August through November 2026. That process requires a market study and a letter of intent before a full application, which introduces lead time.

A decision point for the City.

Whether this round can be reached depends on the selection schedule. If the City is willing to submit a letter of intent, hold a preapplication meeting with CHFA, and order the market study ahead of the October 6, 2026 contract signing date, there may be an opportunity to apply within this round. If that work can commence in partnership with the Developer after the September 15, 2026 City Council approval but before contract signing, the round may still be achievable. If none of it can begin until October 6, the round will likely be missed, and the funds are available first come, first served. Trellis is prepared to support this work immediately upon Council approval.

Regardless of the 2026 round, MIHTC is administered annually, with applications for the next full round likely due in May 2027. The Qualified Allocation Plan is not yet final and timing could change. One meaningful tailwind is that the annual amount of MIHTC available doubles from \$5 million to \$10 million going into 2027 and remains at the higher level through 2029. That will further reduce competitiveness, increase the likelihood of award, and allow more funding on a per unit basis.

MIHTC is new, and as a result has a developing ecosystem and a limited investor pool. That creates nuances in the timing of capital contributions, credit pricing, structuring, and legal fees. In the prior round Trellis assisted a project through a MIHTC application. Through that process we spoke with several MIHTC investors and secured a term sheet with specific terms and pricing, which is the pricing we have used to underwrite 1st & D. That application was accepted with no deficiencies but was not selected, because Denver was determined to be an oversupplied market, a dynamic that does not exist in Salida.

Two scenarios are worth stating plainly. Without Land Banking, the deal must pursue \$1,350,000 in annual MIHTC, producing total MIHTC equity of \$4,590,000 (a \$1,350,000 annual credit over five years at \$0.68 pricing). That is an annual allocation of \$71,053 per unit, against an average of \$22,848 for the four prior awardees. Increased program funding and a less competitive environment may well support a higher per unit request, but an award at that level is not certain. With Land Banking, the MIHTC request falls to roughly \$34,000 per unit annually, which we believe is competitive in the current environment. This is the central reason Land Banking is pursued first.

MIHTC track record

MIHTC has completed only two funding rounds, and Trellis has supported one application. However, Chris Spelke's 13 tax credit transactions at the Denver Housing Authority total 1,792 units and use mechanics substantially identical to MIHTC:

PROJECT NAME	LOCATION	# OF UNITS	POPULATION	BUILDING TYPE	TYPE OF AWARD	YEAR BUILT
Camden	Rapid City, SD	252	family	new construction	4%	2026
Joli	Denver, CO	133	family	new construction	9%	2024
SOL	Denver, CO	156	family	new construction	4%	2024
Thrive	Denver, CO	135	family	new construction	4%	2023
GreenHaus	Denver, CO	129	family	new construction	9%	2022
655 Broadway	Denver, CO	110	special population	acq/rehab	4% and State	2020
Gateway S.	Denver, CO	92	family	acq/rehab	9%	2020
Gateway N.	Denver, CO	95	family	new construction	4%	2020
Platte Valley	Denver, CO	68	older adult	acq/rehab	4% and State	2019
Vida 9% Unit	Denver, CO	64	special population	new construction	9%	2018
Vida 4% Unit	Denver, CO	112	older adult	new construction	4%	2018
Squire Village	Manchester, CT	374	family	acq/rehab	4%	2016
Aria Aptms	Denver, CO	72	family	new construction	9%	2013
Mariposa	Denver, CO					
Total		1792				

Proposition 123 Equity

Proposition 123 Equity is one of three programs in OEDIT's Affordable Housing Financing Fund, administered by CHFA on OEDIT's behalf and funded through the State Affordable Housing Fund that voters created in 2022. Proposition 123 dedicates one-tenth of one percent of state income tax revenue to affordable housing, split 60/40 between OEDIT and DOLA.

The Equity program provides patient, low-cost subordinate equity to rental projects, sized to fill the gap between conventional debt and total development cost. Eligibility is set at a 90 percent AMI project average, with individual units permitted above or below that line so long as the development averages at or under the limit. Critically, there is no minimum AMI, which allows Proposition 123 Equity to be paired with Land Banking without filing an Income Limit Petition.

Smaller projects, and rural resort projects in particular, have proven competitive and have secured higher per unit awards. Comparable projects include Ingraham Wright in Pueblo, River Walk Affordable Rentals in Ouray, Holy Trinity

Apartments in Trinidad, Black Canyon Flats in Montrose, and 1936 Grove Street. Each received between \$125,000 and \$244,000 per unit in Proposition 123 Equity, which at 19 units would be a significant gap closer. We do not yet know the availability or timing of the next round, as CHFA is preparing the 2027 Funding Plan, anticipated by the end of August 2026. We expect the next Equity round in Q1 or Q2 2027. Combining \$3,000,000 of Proposition 123 Equity, \$1,500,000 of Land Banking, and the existing CRTC award yields a financially feasible project.

Proposition 123 Equity track record

Trellis has secured more Proposition 123 Equity than any other applicant in the state, on behalf of its clients, across four projects.

PROJECT	UNITS	AMOUNT	BUILDING TYPE	YEAR	PROGRAM
Teller Place *	52	\$6,500,000	New construction	2024	Equity
Exodus at Green Valley Ranch	205	\$9,900,000	New construction	2025	Equity
1936 Grove Street	28	\$4,000,000	New construction	2025	Equity
Odyssey at Weber	120	\$7,000,000	New construction	2026	Equity
Total	405	\$27,400,000			

* Includes ground-floor affordable gallery and studio space with affordable artist housing above.

SUPPORTING SUBSIDIES

Supporting subsidies pair with Land Banking, MIHTC, and Proposition 123 Equity to maximize public benefit and affordability, reduce the size of the anchor request, or deliver other project benefits.

Community Revitalization Tax Credit, OEDIT

The project has already secured a \$1,750,000 reservation of CRTC credits. The source is structured as a refundable tax credit that can be monetized at roughly 90 percent, providing project equity of \$1,575,000. The project has been underwritten with that award in hand. If it does not jeopardize the current award, the project should also consider applying for increased funding in the 2027 round. Based on Farrington's budget, we believe an additional \$270,000 of net CRTC credit may be available. That increment would directly reduce the required Proposition 123 Equity or MIHTC request.

Trellis secured \$2,000,000 of CRTC for Cherokee Place in the program's inaugural round, a project with ground-floor affordable artist gallery space and 55 units of affordable workforce and artist housing above, closely comparable to 1st & D. Prior to founding Trellis, Tanner secured a \$1,000,000 grant from the Community Revitalization Grant Program, the predecessor to CRTC, for the Holiday Theatre.

PROJECT	UNITS	AMOUNT	BUILDING TYPE	YEAR
Holiday Theatre	28	\$1,000,000	Acquisition and rehabilitation	2024
Cherokee Place	55	\$2,000,000	New construction	2025
Total	83	\$3,000,000		

Housing Development Grants, DOLA

DOLA Housing Development Grants provide low-cost subordinate debt to projects delivering rental affordability at up to 120 percent AMI. The source is typically paired with an anchor subsidy such as MIHTC or Proposition 123 Equity. Trellis has secured Housing Development Grant funds or other DOLA gap financing for many client projects, including \$2,600,000 for Lakeview Affordable Townhomes and \$1,500,000 for 10th and Wolff.

EXAMPLE CAPITAL STACKS

Three financing structures are modeled below. Each fully funds the same total development cost of \$9,846,348 and each is achievable with sources Trellis has already secured on other transactions. They differ in which anchor subsidy carries the gap and whether Land Banking participates.

SOURCE	OPTION 1 MIHTC, NO LAND BANKING	OPTION 2 MIHTC WITH LAND BANKING	OPTION 3 PROP 123 EQUITY WITH LAND BANKING	NOTE
Senior loan	\$2,539,822	\$2,539,822	\$2,539,822	Sized to NOI
CRTC equity	\$1,575,000	\$1,575,000	\$1,575,000	Net of 90% monetization
Proposition 123 Land Banking	\$0	\$1,500,000	\$1,500,000	Q4 2026 rural resort round
Proposition 123 Equity	\$0	\$0	\$3,000,000	Q1 to Q2 2027
MIHTC equity	\$4,590,000	\$2,210,000	\$0	Net MIHTC equity at \$0.68
Sponsor and private equity	\$1,141,526	\$2,021,526	\$1,231,526	Balance of stack
Total sources	\$9,846,348	\$9,846,348	\$9,846,348	

STRUCTURE	WHAT HAS TO GO RIGHT	ASSESSMENT
Option 1: MIHTC without Land Banking	A single MIHTC award of \$1,350,000 annually, or \$71,053 per unit, against a \$22,848 per unit average across the four prior awardees	Simplest structure and fewest counterparties, but the largest per unit ask in program history. Feasible only if the 2027 doubling of program funding produces a softer competitive field.
Option 2: MIHTC with Land Banking	A Land Banking award, a successful Rural Resort Income Limit Petition to reconcile the 60 percent AMI requirement with MIHTC's 80 to 120 percent band, and a MIHTC award of roughly \$34,000 per unit	More moving parts, but each individual ask is modest and well inside historical awards. Trellis has secured every component of this structure before.
Option 3: Proposition 123 Equity with Land Banking	A Land Banking award and roughly \$158,000 per unit of Proposition 123 Equity, within the \$125,000 to \$244,000 per unit range seen at comparable rural resort projects	No Income Limit Petition required, because Proposition 123 Equity has no minimum AMI. This is the structure Trellis has executed most often and, in our view, the most reliable path.

We recommend pursuing Land Banking and the Income Limit Petition immediately in Q4 2026, then applying for both MIHTC and Proposition 123 Equity as their 2027 rounds open, and taking whichever anchor arrives first. The

options are not mutually exclusive at the application stage, and running both preserves optionality at no additional cost to the City. This approach provides redundant applications and maximizes the likelihood of success.

REMAINING PREDEVELOPMENT COSTS

The RFQ identifies up to an estimated \$500,000 of remaining predevelopment cost to complete civil engineering and construction documents, and states a preference that the Developer wrap those costs into other financing rather than seek further predevelopment grants. We propose to do exactly that, in two steps.

- **Primary source, Land Banking proceeds.** Land Banking converts the site into cash in as little as five months from application. Those proceeds, approximately \$1,500,000, can be reinvested into the project for remaining predevelopment costs and further subsidy, well ahead of construction closing. This is the principal reason we place Land Banking first in the application sequence.
- **Bridge and reimbursement.** To the extent design work must proceed ahead of Land Banking proceeds, Trellis will carry the cost or arrange a predevelopment bridge, with reimbursement from the construction closing as a line item in the development budget. No additional City cash is requested for predevelopment.

The result is that the City is not asked to fund the remaining \$500,000, and the schedule is not held hostage to a further grant cycle.

PROPOSED DEVELOPER FEE

The developer fee is proposed at 7 percent of total development cost, calculated exclusive of the fee itself, consistent with the underwriting standards applied by each funding source in the stack.

TERM	PROPOSED
Fee basis	7 percent of total development cost, calculated exclusive of the developer fee, consistent with CHFA, OEDIT, and DOLA underwriting standards for the sources in the final stack
Proposed fee	\$644,154, being 7 percent of a \$9,202,194 fee basis within the \$9,846,348 total development budget
Portion deferred	Set by the underwriting of the final capital stack. Any deferred portion is payable from cash flow, subordinate to debt service and required reserves, and repayable within the period required by the funding sources
Payment schedule	Earned and paid at milestones: financing closing, 50 percent construction completion, certificate of occupancy, and stabilization
Predevelopment	No fee earned or drawn prior to construction closing
City protections	Fee subject to review in the Professional Services (Developer) Agreement, and subject to reduction in the event of Developer-caused cost overruns

At 7 percent the fee is conservative relative to the developer fee limits applied by CHFA, OEDIT, and DOLA to the sources contemplated here, and none of it is earned or drawn before construction closing. The fee is identical across all three capital stacks modeled above.

FINANCIAL CAPACITY AND GUARANTEES

Trellis Housing Partners is willing and able to provide the financial guarantees and to satisfy the net worth obligations required by the project's construction and permanent lenders, by the investor member or limited partner, and by the City. Those obligations customarily include completion guarantees, operating deficit guarantees, environmental indemnities, and tax credit recapture or repurchase guarantees. Audited financial statements and a statement of net worth will be furnished under separate confidential cover upon the City's request. The formal certification to this effect appears at Section 08.

On the record of securing and maximizing leveraged subsidy financing, which RFQ Section 8.F asks us to demonstrate, the summary is as follows.

SOURCE	AMOUNT	DETAIL
Proposition 123 Equity	\$27,400,000	Four projects, 405 units. More than any other applicant in the state.
Proposition 123 Land Banking, awarded	\$10,860,000	Six awarded transactions, including Advocates of Lake County in neighboring Leadville.
Proposition 123 Land Banking, under review	\$8,690,000	Four applications pending in the current round.
Community Revitalization Tax Credit and predecessor	\$3,000,000	Two projects, both housing over creative space.
DOLA grants and local funding	\$5,825,000	Lakeview Affordable Townhomes and 10th and Wolff.
CHFA Drive It Home	\$5,700,000	First closing in the program.
Total	\$61,475,000	

Awarded and closed subsidy across these sources totals \$52,785,000. The balance of \$8,690,000 remains under review in the current Land Banking round. The table covers only the transactions described in this response and is not the firm's complete track record.

Letters of interest from proposed construction and permanent lenders are not included with this submittal, as lender letters at this stage would be contingent on an anchor subsidy award that no respondent can hold today. Trellis will solicit those letters immediately following the anchor award and will provide them to the City as a condition of the financing milestone in Section 04.

PRELIMINARY DEVELOPMENT AND OPERATING BUDGETS

A preliminary development budget and a preliminary annual operating budget accompany this response at Exhibit E. Both are built on Farrington Construction Management's reconciled cost estimate rather than the prior estimate, which our review found to be overstated. The development budget totals \$9,846,348 and reconciles to each capital stack above. The operating budget reflects 19 units, a part-time management presence through the Chaffee Housing Authority, a replacement reserve consistent with funder underwriting standards, and the property tax exemption available through the special limited partnership structure.

SECTION 07

Lease-Up and Property ManagementRESPONDS TO
RFQ Section 8.G**PROPOSED MANAGEMENT STRUCTURE**

Trellis Housing Partners proposes to engage the Chaffee Housing Authority as property manager for the 1st & D project, with Trellis retaining asset management responsibility on behalf of the ownership entity. This structure directly advances the City's stated goal of using local partnerships to ensure a steady stream of qualified occupants and services.

A local housing authority brings advantages that an out-of-area management company cannot replicate at this scale: an existing applicant pipeline and waitlist, established relationships with local employers and service providers, familiarity with the Chaffee County workforce the project is intended to serve, and community credibility.

We recognize that a 19-unit property cannot support full-time on-site staffing. We anticipate a part-time site presence, a defined maintenance arrangement with documented response standards, and an after-hours emergency protocol coordinated with local vendors.

EXPERIENCE WITH TAX CREDIT PROPERTIES

The team's tax credit property experience rests principally with Chris Spelke, whose portfolio of 13 tax credit transactions totaling 1,792 units at the Denver Housing Authority was subject throughout to Section 42 compliance: annual owner certifications, tenant income certification and recertification, unit and file audits, and physical inspection standards. Those obligations are substantially the same ones MIHTC imposes, and they are the obligations that govern operating performance for the full compliance period.

Trellis will retain asset management responsibility, including funder reporting, annual owner certifications, and oversight of the management agent's compliance function. If the final capital stack includes MIHTC, Trellis will engage a third-party compliance specialist alongside the Chaffee Housing Authority for the first full compliance cycle, as the program's rules are still maturing. Compliance failure in year three is a far more expensive problem than a compliance consultant in year one.

LEASE-UP PLAN

Marketing and pre-leasing will commence approximately 90 days before certificate of occupancy, with a waitlist opened earlier through the Chaffee Housing Authority's existing intake process. The lease-up plan will include:

- Employer-based outreach as the primary channel, targeting the downtown restaurant and retail sector, Heart of the Rockies Regional Medical Center, the Salida School District, and City and County employers. The RFQ identifies workforce retention as a driving concern for local businesses, and direct employer partnerships convert that concern into an applicant pipeline.
- An affirmative fair housing marketing plan compliant with the Fair Housing Act, Colorado law, and the requirements of every funding source in the final stack, including outreach to populations least likely to apply.
- Income certification procedures aligned to the most restrictive requirement among the secured funding sources, with documentation standards established before applications open.

- Coordination with the creative community, working with the City and local arts organizations so that artists and makers, whose needs prompted the flexible creative space component, are aware of the residential opportunity.
- A phased absorption schedule with defined lease-up milestones and reporting to the City and to lenders and investors.

ONGOING COMPLIANCE AND REPORTING

The management team will maintain compliance with all applicable housing law and the guidelines of each funding source, including annual owner certifications, tenant income recertifications, and physical inspection standards. Affordability of at least 30 years will be secured through covenants recorded against the leasehold and through the ground lease. We will provide the City with annual reporting on occupancy, income mix, tenant demographics as permitted, and physical condition, and will coordinate with the City on scheduling and use of the flexible creative space so that residential operations and public programming function together.

SECTION 08

Other Applicable Items and
CertificationsRESPONDS TO
RFQ Section 8.H**8.H.1 INTERLOCKING OWNERSHIPS**

There are no interlocking ownerships between the Developer and any project stakeholder, contractor, consultant, or vendor. Trellis Housing Partners LLC holds no ownership interest in Cushing Terrell, Farrington Construction Management, or the Chaffee Housing Authority, and none of those entities holds any ownership interest in Trellis Housing Partners LLC or in the proposed single-purpose entity, THP 1st and D LLC. All relationships among the team members described in this response are or will be arm's length contractual relationships.

For completeness, the Developer discloses that Trellis Housing Partners LLC previously prepared the Financial Feasibility Assessment for this Project under a Professional Services Agreement with the City. That engagement is complete. Trellis holds no interest in the site and received no information in the course of that engagement that has not been made available to all respondents through the RFQ documents file.

8.H.2 JOINT VENTURE

No joint venture is proposed, and accordingly no joint venture letter of intent is submitted. Trellis Housing Partners LLC is the sole Developer and will be the sole managing member of THP 1st and D LLC. The Chaffee Housing Authority is proposed as a special limited partner, property manager, and Land Banking applicant, and Cushing Terrell and Farrington Construction Management are proposed as contracted professionals. None of these constitutes a joint venture within the meaning of RFQ Section 8.H.2.

8.H.3 CERTIFICATIONS OF DEVELOPER

The undersigned, being a duly authorized signatory of Trellis Housing Partners LLC, a Colorado limited liability company (the "Developer"), in connection with the Developer's response to the Request for Qualifications issued by the City of Salida, Colorado (the "City") for the 1st & D Affordable Workforce Housing and Flexible Creative Space Project (the "Project"), hereby certifies to the City as follows:

1. Bankruptcy, Judgments, and Litigation

The Developer has not filed for, and has not been subject to, any bankruptcy proceeding. There are no outstanding judgments, whether pending or final, against the Developer, against the undersigned individually, or against any related entity. There is no ongoing litigation and, to the best of the undersigned's knowledge, no threatened litigation against the Developer, the undersigned individually, or any related entity.

2. Availability of Principal Staff

All principal staff identified in the Developer's response are presently employed by or affiliated with the Developer and shall be available to perform the roles described therein for the duration of the engagement. The Project Manager for the Developer shall be Tanner Crawley, Principal & Founder. The Developer shall provide prior written notice to the City before substituting or reassigning any principal staff member identified in its response.

3. Financial Guarantees and Net Worth Obligations

The Developer is willing and able to provide all financial guarantees and to satisfy all net worth obligations required by the Project's construction and permanent lenders, by the limited partner or investor member, and by the City, including without limitation completion guarantees, operating deficit guarantees, environmental indemnities, and tax credit recapture or repurchase guarantees as are customarily required in transactions of this type. Audited financial statements and a statement of net worth shall be furnished under separate confidential cover upon the City's request.

4. Compliance with City Policies

The Developer is prepared to abide by all applicable policies of the City of Salida, including the City's zoning ordinance, applicable design guidelines and standards, the conditions of the site plan approval previously issued for the Project, and the City's objectives with respect to local contracting. The Developer shall make good faith efforts to engage local and regional contractors, subcontractors, suppliers, and professional service providers to the extent consistent with the Project budget and schedule and with the procurement requirements of the Project's funding sources.

5. Debarment and Suspension

Neither the Developer, the undersigned, nor any related entity or principal thereof is debarred, suspended, proposed for debarment, declared ineligible, or otherwise excluded or prohibited from providing services by the United States Department of Housing and Urban Development, the Colorado Housing and Finance Authority, or any other federal, state, or local agency. The Developer shall provide prompt written notice to the City in the event this certification ceases to be accurate at any time during the term of the engagement.

The undersigned certifies that the foregoing statements are true and correct to the best of the undersigned's knowledge and belief, and acknowledges that the City will rely upon these certifications in evaluating the Developer's response. Each certification is made as of the date of execution and is subject to a continuing obligation of accuracy throughout the RFQ evaluation process and the term of any resulting Professional Services (Developer) Agreement.

EXECUTED this 12th day of August, 2026.

TRELLIS HOUSING PARTNERS LLC

a Colorado limited liability company

Date: August 12th, 2026



*By: Tanner Crawley
Principal & Founder*

COLORADO OPEN RECORDS ACT

The Developer acknowledges that, once a complete application is submitted, it may be subject to the Colorado Open Records Act, section 24-72-100.1, et seq., C.R.S. Financial statements and net worth information referenced in Certification 3 are offered under separate confidential cover for that reason, and the Developer will work with the City to identify any material properly withheld from disclosure.

SECTION 09

Exhibits and Appendices

RESPONDS TO
Supporting documentation

EXHIBIT INDEX

EXHIBIT	DOCUMENT
A	Cushing Terrell Qualifications
B	Farrington Construction Management Qualifications
C	Prop 123 Equity Awards and Analysis
D	MIHTC Awards and Analysis
E	Preliminary development and operating budget
F	Farrington Construction Cost Estimate



Cushing Terrell was founded in 1938 on the belief that integrating architecture, engineering, and design opens the doors for deepened relationships and enhanced creativity. This foundation continues to define the firm and its multidisciplinary team today. Through a design process grounded in research and collaboration with our clients, partners, and communities, we design systems and spaces that help people live their best lives, achieve their visions, and enjoy healthy, sustainable built environments.

We find joy in uncovering thoughtful solutions for the people who work here, the people we work for, and the planet as a whole. Our broad range of specialized service offerings and global project locations make every day unique, and a love for exploring new frontiers is what keeps the pioneering spirit of our practice alive.

Since our founding in 1938, we have grown beyond the big skies of Montana to 17 offices across eight states, including a dedicated regional office in Denver. Leveraging Cushing Terrell's collaborative multidisciplinary approach and national resources, our growing Denver team is able to draw on the expertise of 30+ disciplines in-house, allowing us to support projects across market sectors and scales.



“I have found the Cushing Terrell team to be diligent and hard-working...The team excels at problem-solving and is committed to meeting the overall goals of project ownership.

— Michael Hormaechea

Manager/Owner | Hormaechea Development LLC



Our Services

- | | |
|------------------------|---------------------------|
| ARCHITECTURE | HISTORIC PRESERVATION |
| BUILDING PERFORMANCE | INTERIOR DESIGN |
| BUILDING SCIENCES | LANDSCAPE ARCHITECTURE |
| CIVIL ENGINEERING | LAND SURVEYING |
| COMMISSIONING | MECHANICAL ENGINEERING |
| ELECTRICAL ENGINEERING | PLANNING |
| ENERGY SERVICES | REFRIGERATION ENGINEERING |
| FIRE PROTECTION | STRUCTURAL ENGINEERING |
| GRAPHIC DESIGN | VISUALIZATION |

To learn more, visit:



By the Numbers

500+

team members

1.6B

annual construction volume

87

years in business

100+

green-certified projects since 2005

17

office locations

1

client-driven mission



Shandoka Building F Affordable Housing Renovation

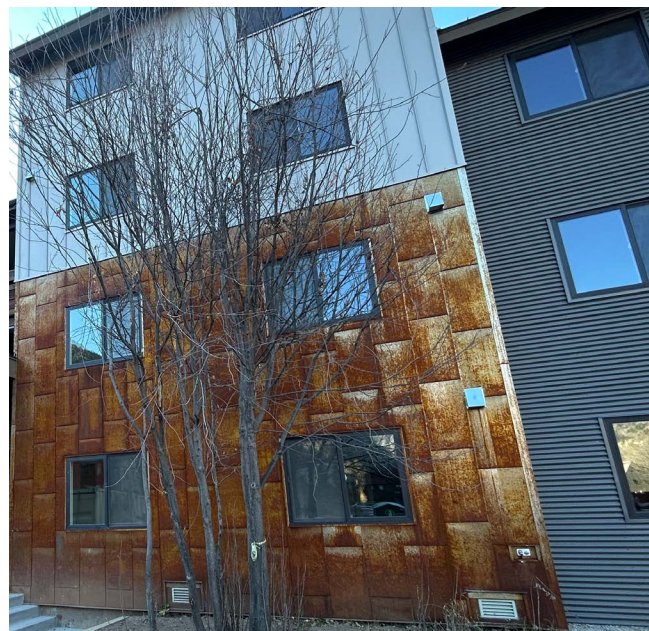
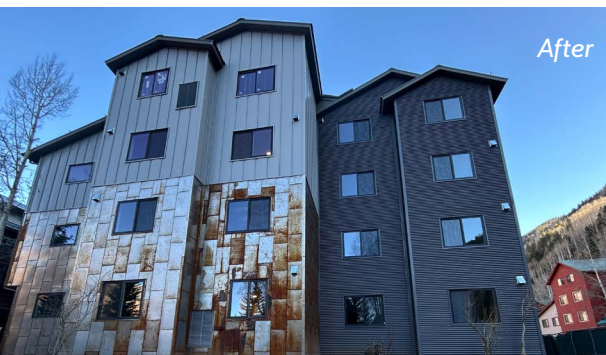
TELLURIDE, CO

Telluride Housing Authority hired Cushing Terrell and Shaw Construction to evaluate and assess different approaches to the redevelopment of Shandoka Building F. The project aims to provide affordable, quality-built, low maintenance homes for year-round residents of the Town of Telluride. The efficient renovation design will be done in phases to minimize resident displacement and disruption of adjacent properties. The resulting building will be family-friendly, vibrant and reflect the diverse neighborhood and quality of life in Telluride.

The innovative design capitalizes on the building's existing structure, enhancing it with additional square footage where feasible to increase the number of units, bedrooms, and accessibility. Residents can look forward to upgraded amenities, including modernized utilities, MEP systems, new interior finishes, and efficient electric appliances.

The current 30-year-old building contains 23 units and is consistently plagued by costly maintenance issues. The footprint will be expanded by 500 sq ft, and an additional story will be added to a limited 2- and 3-story area. Upon completion of Phase 2, the development will have 29 studios, 2, 3, and 4-bedroom units, and a total of 72 bedrooms.

Beyond the building itself, the site improvements will significantly enhance accessibility, pedestrian pathways, and utility infrastructure. The nearby Town-owned Lot L parking lot will accommodate the parking needs of Shandoka apartment residents and others in the vicinity, as outlined in the southwest area plan. This project aims to provide family-friendly, vibrant living spaces and reflect the distinctive character and quality of life that defines Telluride's diverse community.



**Cushing
Terrell**



Lot L Affordable Housing and Transit Interceptor Garage

TELLURIDE, CO

Cushing Terrell was selected to determine feasibility and develop a conceptual plan for the existing 4.05-acre Lot L surface parking lot at the Backman Village subdivision in Telluride. The proposed vehicle, multilevel parking structure will increase intercept parking for commuters and provide transit-oriented commercial uses proximate to parking and a new local/regional transit hub.

A residential “wrap” around the exterior of the garage was proposed to increase the supply of resident-occupied, affordable, and employee housing. Following completion of the Feasibility Study and Conceptual Plans, Cushing Terrell was selected to advance the project by developing the preliminary plan for Lot L. The scope included confirming and integrating complex programmatic requirements such as a Galloping Goose shuttle bus turnaround, parking operations, transit-oriented uses, garage maintenance and storage areas, mechanical and electrical spaces, snow management, trash and recycling facilities, bicycle parking, residential circulation and common areas, mail and package delivery, and building management functions.

The project team was responsible for ensuring that all program elements were accurately reflected in the preliminary plan and that the design responded directly to the needs identified in the feasibility study. The process involved close collaboration with the Town of Telluride to confirm program requirements, refine the site plan, and evaluate options that support the most effective, sustainable, and context-sensitive development of Lot L.

Building on the Lot L Feasibility Study completed in 2022, Cushing Terrell and Design Workshop are advancing the project through conceptual and schematic design, public engagement, and entitlements for the 900-vehicle intercept parking garage wrapped with approximately 60 units of affordable housing, integrated with a transit center, childcare facility, fitness center, food pantry, new public park space, river access, and a small neighborhood coffee shop.



**Cushing
Terrell.**



Lumberyard Affordable Housing Neighborhood

ASPEN, CO

The 11-acre Lumberyard Affordable Housing Neighborhood site will serve as a new dynamic gateway to Aspen and will create 277 new affordable homes for a community that is facing a severe affordable housing crisis. Cushing Terrell visited numerous existing affordable housing developments in Aspen, sat down with city staff and local stakeholders, and worked with City Council to understand Aspen/ Pitkin County Housing Authority's Vision related to Affordable Housing; through this Cushing Terrell crafted the following Vision for the Lumberyard Neighborhood:

A stable, thriving, affordable neighborhood that is pedestrian friendly, environmentally sustainable, connected, and welcoming that looks, lives, and feels authentically Aspen.

To support the City of Aspen achieve its sustainable development goals, Cushing Terrell followed a rigorous research and engagement process to determine a pathway forward for the Aspen Lumberyard project to serve as an example of sustainable, affordable housing for the community. Cushing Terrell's internal Sustainability Team prepared a detailed evaluation that assessed seven different Sustainability Strategies/Certification approaches and determined that Enterprise Green Communities Plus (EGC+) most closely aligned with Aspen's vision, commitments, and aspirations to be a leader in creating highly sustainable affordable housing. In addition to EGC+, City Council also approved Cushing Terrell's recommendation to target a Net Zero baseline of 75% on-site offset with the ability to go higher based on future development explorations.

The eight-month entitlement process included several public meetings and coordination with city departments and agencies, ultimately resulting in City Council approval. Cushing Terrell delivered the Planned Development package on schedule, enabling the city to move forward with securing a development partner through a PPP RFP process.

Cushing Terrell led a comprehensive modular design approach, coordinating with multiple national modular manufacturers and closely collaborating with Prefab Logic (Nampa, ID). This early and ongoing coordination ensured the project was fully modular-ready, and has proven effective as Phase One construction begins, with 104 units being delivered as volumetric modular construction.



To learn more, visit:
aspencommunityvoice.com/lumberyard



**Cushing
Terrell.**



Salida Space to Create Workforce Housing

SALIDA, CO

Artspace, a renowned affordable housing developer, has partnered with the City of Salida and hired Cushing Terrell to provide architectural and engineering services to design a 19-unit apartment project in downtown Salida. The project intends to provide affordable rental units for the local workforce, with a special focus on artists and creatives working in and around the downtown area.

The development features a common exhibition or performance space, fostering a vibrant, creative community atmosphere. The Conceptual and Schematic design process was highly community-driven, incorporating input from public meetings and online surveys to ensure the project meets the needs of Salida's residents. The project is currently in the design development stage, with Artspace actively finalizing funding resources, which may include Prop 123 funds, DOLA Grants, and the City of Salida STR affordable housing funds.

Key project features include affordable workforce housing, robust community engagement, and outreach to underrepresented groups. The project aims to support Salida's creative economy while addressing the critical need for affordable housing in the region.



**Cushing
Terrell**



Big Sky Resort Workforce Housing

BIG SKY, MT

The Big Sky Resort Workforce Housing project in Big Sky, Montana, is an innovative response to the region's housing affordability challenges. Cushing Terrell developed the affordable housing concept in collaboration with Big Sky Resort and Lone Mountain Land Company, which focuses on providing sustainable and affordable living options for the local workforce.

By utilizing modular building manufacturing techniques, the project significantly reduced construction timelines to deliver the project to the resort faster than conventionally framed buildings.

This is the first housing of its kind for the resort employees and offers a mix of studios, one- and two-bedroom units, and dormitory-style accommodations, with rental rates approximately 50%-60% below the market average. This ensures that the workforce at Big Sky Resort has access to affordable, fully furnished housing with modern amenities such as full kitchens, common spaces, spacious bathrooms, and free laundry facilities. The basement includes a recreation room, gym, lounge, and ski and bike storage.

Through these efforts, Big Sky Resort is on track to provide about 50% of its workforce with affordable housing options, contributing to a more stable and thriving community.



**Cushing
Terrell**



Laura Dougherty

AIA | LEED AP

PRINCIPAL-IN-CHARGE | ARCHITECT



Professional Registration
Architect / CO, NV, WA

Laura brings more than 25 years of experience in leading urban mixed-use and affordable housing developments throughout Colorado's mountain communities. As head of Cushing Terrell's Denver studio, she specializes in guiding multidisciplinary teams through all project phases from initial programming and stakeholder engagement to design and delivery. Laura is adept at developing consensus-driven solutions that reflect community visions and regulatory frameworks, with a focus on sustainable, high-density, transit-oriented developments.

Relevant Experience

Shandoka Building F Affordable Housing Renovation; Telluride, CO
Lot L Affordable Housing and Transit Interceptor Garage; Telluride, CO
Lumberyard Affordable Housing Neighborhood; Aspen, CO
All Saints Affordable Senior Housing; Denver, CO
Salida Space to Create Affordable Housing; Salida, CO
Cold Smoke Affordable Housing Neighborhood Master Plan; Big Sky, MT
Fraser Comprehensive Plan and Downtown Vision Plan; Fraser, CO



Charlie Deese

AIA | NCARB | ALEP

DESIGN DIRECTOR | ARCHITECT



Professional Registration
Architect / CO

Charlie leads a team dedicated to delivering contextual, functional, healthy, and inspiring environments for Cushing Terrell's clients. He advances client relationships and design excellence while mentoring talented team members. Working with clients and stakeholder groups, Charlie leads collaborative and inclusive visioning, programming, and design processes to identify and incorporate stakeholder goals into tailored solutions. His inclusive approach makes him a strong fit for projects requiring site integration and regulatory navigation, offering proven ability in mixed-use government sites and workforce housing with a track record in phased, complex campus planning and affordable multifamily delivery.

Relevant Experience

Lot L Affordable Housing and Transit Interceptor Garage; Telluride, CO
Lumberyard Affordable Housing Neighborhood; Aspen, CO
DU Kennedy Mountain Campus Master Plan; Red Feather Lakes, CO
Salida Space to Create Affordable Housing; Salida, CO
All Saints Affordable Senior Housing; Denver, CO
Archway Communities Multifamily Affordable Due Diligence & Master Planning; Gunnison, CO
GJHA Salt Flats Multifamily Affordable Master Planning; Grand Junction, CO
GJHA Matchett Park Multifamily Affordable Master Planning; Grand Junction, CO



Eric Farrington is the owner of Farrington Construction Management. He received his undergraduate degree from Cornell College in Economics and Business and History. After completing his graduate coursework in Construction Management at Colorado State University, Eric became a Project Manager for one of the nation's largest apartment development firms; specializing in luxury multi-family residential development.

Eric has successfully completed over \$800M in construction and development projects and has worked in Iowa, Oregon, Wyoming and Colorado. He specializes in large and difficult projects requiring great sub-contractor relationships and intensive logistics planning. He has won two project of the year honors along with an exceptional service award and held a 100% return client ratio over the last 20 years.

Eric has been successful delivering high quality projects on time and on budget and attributes his success to a win-win-win team approach. He believes that with excellent communication with subcontractors, ownership and the design consulting group the entire team can share in the success.

EDUCATION

Bachelor of Special Studies:
Economics, Business &
History, Cornell College

Masters of Construction
Management, Sustainable
Building, Colorado State
University

EXPERIENCE

26 years

MARKET SECTORS

Multi-Family
Education
Commercial
Hospitality
Restoration

CERTIFICATIONS

Class B Construction
License
OSHA 10
CPR/First Aid

PROJECT EXPERIENCE

**Holden Place
Apartments** - \$8.9M
77-units modular over
podium
Denver, CO

X @ Sloan's - \$7.7M
59-unit apartment, 4
stories wood framed.
Denver, CO

Lookout on Cragmor -
\$9.1M
71-unit student housing,
5 story, wood framed.
Colorado Springs, CO

**Crescent Park Senior
Living** - \$13.5M
2 story, senior housing
project.
Eugene, OR

Monaco Parkway
- \$1.8M
Renovation to existing
112 unit Town Place
Suites into apartment
housing.
Denver, CO

Catbird Hotel - \$35M
Boutique hotel on
Walnut St.
Denver, CO

State Fort Collins -
\$25M
212-unit student
housing project.
Fort Collins, CO

**1899 Gaylord
Apartments** - \$4.5M
64-unit apartment
renovation project.
Denver, CO

Point 21 Urban Flats
- \$32M
Occupies a full city
block near Coors
Field. The project is a
6-story apartment
building.
Denver, CO

**Wheat Ridge Town
Center** - \$8.5M
88-unit senior living
project
Wheat Ridge, CO

X2 @ Sloan's - \$6.3M
48-unit apartment project and
rehab
Denver, CO

1315 Sheridan Apartments -
\$4M
NC Apartment Midrise
Denver, CO

CO Springs Apartments -
\$10M
120 Unit Apartment/Clubhouse
Remodel
Colorado Springs, CO

Denver West Hail Repair -
\$11.6M
Hail repair for office buildings
Denver, CO

GVR 45 Clubhouse - \$1.5M
Community Clubhouse/Pool.
Denver, CO

GVR 39 Pool House - \$1.5M
Community Park/Pool
Denver, CO



Tyler is a Denver native who received a degree in Architecture at the University of Oregon. Starting as an Assistant Superintendent and working to Project Management and Estimating positions, Tyler is experienced in all areas of Construction Management.

Detailed and focused, Tyler is dedicated to providing outstanding service for his clients. With a background in architecture and extensive construction knowledge he is uniquely suited to collaborate with the project team and provide creative solutions to any project challenges. Informing his daily process and decision making is a belief that relationships ultimately drive project performance.

EDUCATION

Bachelor of Architecture,
Sustainability & GREEN
Practices
University of Oregon

EXPERIENCE

18 years

MARKET SECTORS

Multifamily
Retail
Commercial
Sustainability

CERTIFICATIONS

OSHA 30

PROJECT EXPERIENCE

**Holden Place
Apartments** - \$8.9M
77-units modular over
podium
Denver, CO

Terraces on Penn
- 600k
Renovation and repairs
to a 62 unit senior
residence for EHA
Englewood, CO

**The Sanctuary at
Tallyns Reach** - \$63M
510-unit garden style
apartment project,
including a stand-alone
clubhouse and pool
deck.

Point 21 Urban Flats
- \$32M
Point 21 is an
apartment building
which occupies a full
city block near Coors
Field.
Denver, CO

**Westminster
Promenade** - \$52M
A 348k SF multifamily
development
Westminster, CO

Buff Lake Apartments
- \$9M
A 93-unit affordable
apartment project.
Denver, CO

Hillard Senior Living
- \$12.9M
A 2 story, 87k SF, 90-
unit senior living
building with both I-1
and I-2 occupancies.
Hillard, OH

Clayton Market
- \$2.5M
Remodel of a historic
brick and bow truss
building.
Denver, CO

**New Horizons
Apartments** - \$3M
Apartment renovation.
Colorado Springs, CO

GVR 39 Pool House
- \$1.5M
Community park/pool.
Denver, CO

GVRE 45 Clubhouse -
\$1.5M
Community clubhouse
/pool.
Denver, CO

BLR Sales Center -
\$600k
3,000 SF new home
sales center.
Denver, CO

Sheridan Apartments
- \$450k - Apartment
renovation.
Lakewood, CO

**Highline Academy
Addition** - \$6M
10,000 SF charter
school addition.
Denver, CO



Creativity is second nature in how Rob approaches any project. He refuses to accept the status quo way of doing something and is always striving to improve his processes and adapt to current market conditions.

Rob was in the field for the majority of his career, but his specialty is in estimating and preconstruction. His experience and attention to detail has helped many of our clients identify potential risks, cost drivers, and opportunities to ensure the greatest return on their investment.

Rob has developed a variety of successful construction businesses over the past 15 years. After graduating from the University of Colorado with a degree in Civil Engineering, Rob developed the operations of a residential construction company, increasing project capacity by a factor of 10X. In 2016 Rob returned to commercial construction — building a variety of projects and pioneering new markets — parks & recreation, community centers, and insurance restoration.

PROJECT EXPERIENCE

EDUCATION

Civil Engineering, B.S.
University of Colorado

EXPERIENCE

15 years

MARKET SECTORS

Multi-Family
Commercial
Single Family
Parks & Recreation
Education
Restoration & Insurance

CERTIFICATIONS

Class B Construction
License/Supervisor Cert.
OSHA 30
CPR/First Aid

Holden Place Apartments
- \$8.9M
77-units modular over podium
Denver, CO

Northern Hotel - \$2M
Renovation of historic hotel to convert to senior living.
Fort Collins, CO

Slipstream Renovations - \$9M
Multifamily renovation to 600 units and 3 clubhouses.
Colorado Springs, CO

Osceola Apartments - \$5M
42 Unit New Build
Apartment
Denver, CO

Denver W. Business Park - \$11M
renovation to roofing, exteriors, and site work
Lakewood, CO

Monaco Parkway - \$1.8M
Renovation to existing 112 unit Town Place Suites into apartment housing.
Denver, CO

Crystal River Elementary
- \$2M
Renovation of a 20,000sf elementary school, K-6.
Carbondale, CO

Spruce Meadows - \$10M
Design/build of five 5,000 SF custom homes.
Broomfield, CO

Huntington Trails - \$41M
Design/build of twenty nine 5,000 SF custom homes.
Broomfield, CO

Prospect Park - \$3M
New event pavilion, fishing dock, paving & tennis
Wheat Ridge, CO

Valley Country Club - \$10M
New build restaurant, fitness center, diving well, children's slide pool, and renovation to existing Country Club Bldg.
Centennial, CO

Green Valley Ranch Pool - \$1.5M
Community pool, clubhouse, Landscape and hardscape.

Southlawn Pool & Park - \$2M
Community Pool, Clubhouse, Landscape & Hardscape
Reunion, CO

GVRE Clubhouse
\$1.5M
Fitness center & sport courts.
Denver, CO

Highline Academy Addition - \$6M
10,000 SF charter school addition.
Denver, CO

Pathfinder Community Bldg. - \$6M
Design Build Pre-engineered Metal Building (PEMB) for local events
Cánon City, CO

Denver Housing Authority Offices - \$200K
Six story curtain wall replacement

Umatilla - \$9.5M
5-story CLT/steel/concrete office building with underground park
Denver, CO

TRELLIS HOUSING PARTNERS

Proposition 123 Equity Program: Award Register

All 29 projects selected across five rounds, FY23-24 through FY25-26 Round Two. Rural and Rural Resort rows are shaded.

Round	Announced	Sponsor	Project Name	Location	County	DOLA Classification	OEDIT Rural?	Prop 123 Funds Requested	Projected Units	\$ per Unit	Equity Option Election	Notes
FY23-24	07/18/2024	Not published	1936 Grove Apartments	Denver	Denver	Urban	No	\$3,699,545	28	\$132,127	Mixed-Income Investment	
FY23-24	07/18/2024	Not published	302 Conifer	Fort Collins	Larimer	Urban	No	\$5,806,584	76	\$76,402	Affordability-Driven Investment	
FY23-24	07/18/2024	Not published	Ballfield at Auraria	Denver	Denver	Urban	No	\$15,000,000	340	\$44,118	Mixed-Income Investment	Program maximum request
FY23-24	07/18/2024	Not published	Black Canyon Flats	Montrose	Montrose	Rural	No	\$8,000,000	60	\$133,333	Mixed-Income Investment	
FY23-24	07/18/2024	Not published	Tall Tales Ranch	Lone Tree	Douglas	Urban	No	\$4,112,818	28	\$146,886	Affordability-Driven Investment	
FY23-24	07/18/2024	Not published	Woodbury Park Apartments	Craig	Moffat	Rural	No	\$2,771,932	96	\$28,874	Mixed-Income Investment	Lowest \$/unit in program history
FY24-25 Strategic Investment	10/01/2024	Estes Park Housing Authority	Fall River Village	Estes Park	Larimer (Town of Estes Park)	Rural Resort	No	\$7,000,000	66	\$106,061	Mixed-Income Investment	
FY24-25 Strategic Investment	10/01/2024	Headwaters Housing Partners	The Terminal	Grand Junction	Mesa	Urban	Yes	\$11,000,000	106	\$103,774	Mixed-Income Investment	DOLA Urban; OEDIT rural
FY24-25 Strategic Investment	10/01/2024	Delwest Development Corp.	The Vista at Greyhound Park	Commerce City	Adams	Urban	No	\$3,000,000	120	\$25,000	Mixed-Income Investment	
FY24-25	06/05/2025	Adam Berger Development	Teller Street Apartments	Arvada	Jefferson	Urban	No	\$6,750,000	54	\$125,000	Affordability-Driven Investment	Awarded below request
FY24-25	06/05/2025	Biker Baker Holdings, LLC	The Flour Mill	Salida	Chaffee	Rural Resort	No	\$2,000,000	20	\$100,000	Affordability-Driven Investment	Program minimum (\$1.5M floor)
FY24-25	06/05/2025	Blue Room House One, LLC	Blue Room House One	Denver	Denver	Urban	No	\$3,800,000	54	\$70,370	Affordability-Driven Investment	
FY24-25	06/05/2025	Cityline Station Ltd.	Cityline Station Phase II	Greeley	Weld	Urban	No	\$8,049,671	310	\$25,967	Mixed-Income Investment	
FY24-25	06/05/2025	Crossmans Development Ltd.	The Crossing Apartments	Buena Vista	Chaffee	Rural Resort	No	\$4,279,087	33	\$129,669	Affordability-Driven Investment	
FY24-25	06/05/2025	Exodus Development	Exodus at Green Valley Ranch	Denver	Denver	Urban	No	\$11,000,000	205	\$53,659	Affordability-Driven Investment	Awarded below request
FY24-25	06/05/2025	Four Points Funding	Fieldhouse Apartments	Idaho Springs	Clear Creek	Rural	No	\$8,500,000	120	\$70,833	Mixed-Income Investment	
FY24-25	06/05/2025	JRA Real Estate, LLC	Alpine Valley Apartments	Monte Vista	Rio Grande	Rural	No	\$3,700,000	26	\$142,308	Affordability-Driven Investment	
FY24-25	06/05/2025	Kip Hampden LLP	Holy Trinity Apartments	Trinidad	Las Animas	Rural	No	\$6,889,956	46	\$149,782	Affordability-Driven Investment	
FY24-25	06/05/2025	Mountain Affordable Housing Development	St Louis Landing Phase I	Fraser	Grand	Rural Resort	No	\$12,900,000	129	\$100,000	Affordability-Driven Investment	Largest rural resort award
FY24-25	06/05/2025	Rocky Mountain Home Builders	Balsam Townhomes	Lakewood	Jefferson	Urban	No	\$1,881,360	20	\$94,068	Mixed-Income Investment	
FY25-26 Round One	12/17/2025	1600 Pearl LLC / Northeast Denver Housing Center	1600 Pearl St Apartments	Denver	Denver	Urban	No	\$6,200,000	158	\$39,241	Affordability-Driven Investment	Applied FY24-25, not selected
FY25-26 Round One	12/17/2025	Archway Communities	Ingraham Wright Apartments	Pueblo	Pueblo	Urban	Yes	\$10,036,571	41	\$244,794	Affordability-Driven Investment	Highest \$/unit; DOLA Urban, OEDIT rural
FY25-26 Round One	12/17/2025	Aspire Residential LLC	Liberty Apartments Phase I	Grand Junction	Mesa	Urban	Yes	\$7,997,474	72	\$111,076	Mixed-Income Investment	DOLA Urban; OEDIT rural
FY25-26 Round One	12/17/2025	Brikwell	121 Main	Longmont	Boulder	Urban	No	\$15,000,000	198	\$75,758	Affordability-Driven Investment	Program maximum request
FY25-26 Round One	12/17/2025	Draper Commons Land Holdings	Bristow House (Draper Commons Phase II)	Colorado Springs	El Paso	Urban	No	\$12,818,096	185	\$69,287	Mixed-Income Investment	Applied 3 rounds before selection
FY25-26 Round Two	06/05/2026	Downing Street Investments / Archway Communities	Russell House	Denver	Denver	Urban	No	\$14,000,000	289	\$48,443	Mixed-Income Investment	Requested \$15.0M; selected at \$14.0M
FY25-26 Round Two	06/05/2026	Home Trust of Ouray County	River Walk Affordable Rentals	Ouray	Ouray	Rural Resort	No	\$2,400,000	13	\$184,615	Affordability-Driven Investment	Requested \$3.06M; 4th application
FY25-26 Round Two	06/05/2026	Lumberyard Apartments 1, LLC	Lumberyard Apartments - Phase A (Building 1)	Aspen	Pitkin	Rural Resort	No	\$5,000,000	66	\$75,758	Mixed-Income Investment	
FY25-26 Round Two	06/05/2026	Weber Investors, LLC	Odyssey at Weber	Colorado Springs	El Paso	Urban	No	\$7,000,000	120	\$58,333	Affordability-Driven Investment	
TOTAL / BLENDED								\$210,593,094	3,079	\$68,397		

SHADING KEY

Rural Resort county (DOLA)

Rural county (DOLA)

Unshaded = Urban

"OEDIT Rural?" flags Mesa, Pueblo, and Teller counties, which OEDIT treats as rural although DOLA classifies them Urban.

All figures are Proposition 123 funds REQUESTED, per user direction. Two rounds (FY24-25 Strategic Investment and FY24-25) also published awarded amounts; where those differed, the requested figure is shown here. See Notes & Sources.

TOTALS AND AVERAGES BY MARKET CLASSIFICATION

Market Classification	Projects	TOTAL Prop 123 Requested	AVERAGE Request per Project	TOTAL Units	AVERAGE Units per Project	Blended \$ per Unit	AVERAGE of Project \$/Unit	Index vs Urban
Urban	18	\$147,152,119	\$8,175,118	2,404	133.6	\$61,211	\$85,795	1.00x
Rural	5	\$29,861,888	\$5,972,378	348	69.6	\$85,810	\$105,026	1.40x
Rural Resort	6	\$33,579,087	\$5,596,515	327	54.5	\$102,688	\$116,017	1.68x
Rural + Rural Resort	11	\$63,440,975	\$5,767,361	675	61.4	\$93,987	\$111,021	1.54x
All projects	29	\$210,593,094	\$7,261,831	3,079	106.2	\$68,397	\$95,363	1.12x

"Blended \$ per Unit" divides total dollars by total units. "AVERAGE of Project \$/Unit" is the simple mean of each project's own per-unit figure, so it is not weighted by deal size. The two diverge because Urban deals are far larger (average 134 units vs 55 in Rural Resort).

Colorado MIHTC: Every Letter of Intent Filed, Tracked Through Award

All 17 LOIs across the 2025 and 2026 rounds. Source: CHFA LOI Reports, Applicant Reports, and Award Reports, retrieved August 8, 2026. Per-unit metrics are calculated on MIHTC-restricted units only, not total project units.

Round	Project Name	City	County	Market Type	LOI Sponsor	LOI Contact	LOI Total Units	LOI MIHTC Units	LOI Annual Credits Requested	LOI Annual Credit per MIHTC Unit	Full App Submitted	App MIHTC Units	App Annual Credits Requested	Awarded	Awarded MIHTC Units	Annual Credit Awarded	Annual Credit per Awarded Unit	Five-Year Credit per Awarded Unit	Award vs. LOI Request	Notes
2025	Elmwood Norths	Denver	Adams	Denver Metro	Elmwood North LLC	Lindsay Delacki	70	70	\$1,650,000	\$23,571	Yes	70	\$1,648,793	Yes	70	\$1,650,000	\$23,571	\$117,857	100.0%	AWARDED: Sponsor shown as Elmwood North LLC at LOI, Delwest Development Corp. at application and award. All units are four-bedroom.
2025	Rude Park Apartments / Park Place Apartments	Denver	Denver	Denver Metro	Evergreen Real Estate Group	Javanni Butler	80	80	\$1,650,000	\$20,625	Yes	80	\$1,640,455	Yes	80	\$1,640,026	\$20,500	\$102,502	99.4%	AWARDED: Filed as Rude Park Apartments at LOI, renamed Park Place Apartments at application. Sun Valley neighborhood, all three- and four-bedroom.
2025	St. Louis Landing / Building C	Fraser	Grand	Mountain Resort	Mountain Affordable Housing Development	Matthew Ginzberg	94	94	\$1,650,000	\$17,553	Yes	70	\$1,542,722	Yes	70	\$1,542,722	\$22,039	\$110,194	93.5%	AWARDED: LOI covered 94 units; application scoped to the 70-unit Building C. Sponsor shown as Fraser Housing Authority on the award report.
2025	Geode Flats	Fruita	Mesa	Western Slope	TWG Development, LLC	Seth Atkinson	68	68	\$1,650,000	\$24,265	Yes	180	\$1,650,000	No						Applied, not awarded. Unit count grew from 68 at LOI to 180 at application, the only material scope increase in the round.
2025	Space to Create Salida		Chaffee	Mountain Resort	Artspace Projects, Inc.	Neda Shahghasemi	19	19	\$1,485,000	\$78,158	Yes	19	\$1,650,000	No						Applied, not awarded. Only 2025 LOI below the \$1.65M cap. Smallest project in either round at 19 units. Returned as a 2026 LOI.
2025	28th & Glenwood	Boulder	Boulder	Front Range	Penrose	Shannon Coe Baker	100	100	\$1,650,000	\$16,500	No			No						LOI only. No full application submitted.
2025	Ballfield Multifamily	Denver	Denver	Denver Metro	CV Colorado, LLC	Ivan Anaya	330	140	\$1,650,000	\$11,786	No			No						LOI only. Largest total-unit LOI in the round; MIHTC units were a 140-unit subset of 330.
2025	Draw Site Housing	Snowmass Village	Pitkin	Mountain Resort	Town of Snowmass Village	Betsy Crum	63	63	\$1,650,000	\$26,190	No			No						LOI only. Municipal sponsor.
2025	Miner Street Apartments	Idaho Springs	Clear Creek	Mountain (1-70)	DW Development Group	Austin Richardson	65	65	\$1,650,000	\$25,385	No			No						LOI only. No full application submitted.
2025	Nuche Village	Granby	Grand	Mountain Resort	Town of Granby	Nicole Schaffer	75	75	\$1,650,000	\$22,000	No			No						LOI only. Municipal sponsor.
2025	Reserves at Blue River	Silverthorne	Summit	Mountain Resort	Overland Property Group	Ryan Zent	48	48	\$1,650,000	\$34,375	No			No						LOI only. No full application submitted.
2025	Tapestry Workforce	Denver	Denver	Denver Metro	Gorman & Company, LLC	Kimball Crangle	95	95	\$1,650,000	\$17,368	No			No						LOI only. Gorman did not carry this to application; it won the 2026 round with Lumberyard instead.
2026	Lumberyard Phase B / Lumberyard Apartments	Aspen	Pitkin	Mountain Resort	Gorman & Company, LLC	Kimball Crangle	173	114	\$5,000,000	\$43,860	Yes	118	\$2,890,000	Yes	118	\$2,890,000	\$24,492	\$122,458	57.8%	AWARDED: Sole 2026 award. LOI requested \$5.0M on 114 MIHTC units; application and award at 118 units and \$2.89M. Volumetric, modular; land and gap from City of Aspen, APCHA deed restrictions.
2026	Exodus at Green Valley Ranch	Denver	Denver	Denver Metro	Exodus	Tanner Crawley	205	174	\$1,650,000	\$9,483	Yes	174	\$1,650,000	No						Applied, not awarded. LOI contact Tanner Crawley (Trellis Housing Partners); application contact Eduardo Foss. Largest MIHTC unit count of any 2026 applicant.
2026	Glenwood Station	Glenwood Springs	Garfield	Mountain Resort	RealAmerica Development, LLC	Mike Surak	80	80	\$1,700,130	\$21,252	No			No						LOI only. Request of \$1,700,130 exceeded the prior year's \$1.65M per-project cap.
2026	Hilltop Apartments	Montrose	Montrose	Western Slope	Housing Partners of Montrose, LLC	Mike Beethe	48	48	\$1,666,666	\$34,722	No			No						LOI only. No full application submitted.
2026	Space to Create Salida	Salida	Chaffee	Mountain Resort	Artspace Projects	Andrew Michaelson	19	19	\$1,650,000	\$86,842	No			No						LOI only in 2026. Second consecutive year at LOI stage; did not convert to a full application after applying and losing in 2025.
TOTAL / AVG							1,632	1,352	\$31,301,796	\$28,152	7	711	\$12,672,930	4	338	\$7,722,748	\$22,848	\$114,342	24.7%	Totals sum all 17 LOIs. Per-unit cells are weighted averages, not averages of the column.

Per-unit definitions:

LOI Annual Credit per MIHTC Unit = LOI annual credit requested divided by MIHTC-restricted units named in the LOI.

Annual Credit per Awarded Unit = annual credit awarded divided by MIHTC units in the award. MIHTC is claimed ratably over five years, so the five-year column is the full credit delivered per unit.

Award vs. LOI Request = annual credit awarded divided by the annual credit originally requested at LOI. Above 100% means the project grew between LOI and award.

Data notes:

The 2025 round applied a per-project cap of \$1,650,000 in annual credit. Every 2025 LOI except Space to Create Salida requested exactly that amount, which compresses the LOI per-unit column into a pure function of unit count.

The 2026 amended allocation plan permitted larger requests, evidenced by Lumberyard Phase B's \$5,000,000 LOI and its \$2,890,000 award. Confirm the governing cap in the applicable year's allocation plan before sizing a request.

2026 remains open. \$2,110,000 in 2026 annual credit is available on a rolling basis, with applications accepted August through November 2026.

Blue text marks headcapped inputs taken from CHFA reports. All black figures are formulas.

Exhibit E

Preliminary Development and Operating Budget

RESPONDS TO
RFQ Section 8.F
Exhibit to the Trellis response

BASIS OF PREPARATION

The operating budget below was prepared using trailing twelve month operating statements from comparable projects in rural resort communities. Income assumptions are conservatively underwritten and include no utility income, no other income, and no parking revenue. The project is assumed to be property tax exempt through a special limited partnership with the Chaffee Housing Authority.

Revenue assumptions reflect an average of 80 percent of area median income. We believe the AMI targets should be informed by the housing needs assessment now underway, and that a blended approach serving households from 60 to 100 percent of AMI is most suitable for the project. That range aligns with the affordability goal stated in Section 6 of the Request for Qualifications.

The development budget was informed by the Farrington Construction Management cost estimate, the remaining predevelopment budget, and the applicable financing and development costs. All per unit figures are calculated across 19 residential units.

OPERATING BUDGET

LINE ITEM	ANNUAL	PER UNIT PER YEAR	PER UNIT PER MONTH
RENTAL INCOME			
Total gross income	\$396,060	\$20,845	\$1,737
Collection loss and bad debt	(\$3,961)	(\$208)	(\$17)
Vacancy	(\$23,764)	(\$1,251)	(\$104)
Net rental income	\$368,336	\$19,386	\$1,616
OTHER INCOME			
Other income	\$0	\$0	\$0
Utility reimbursement	\$19,855	\$1,045	\$87
Utility allowances	(\$19,855)	(\$1,045)	(\$87)
Parking	\$0	\$0	\$0
Total other income	\$0	\$0	\$0
Effective gross income	\$368,336	\$19,386	\$1,616
OPERATING EXPENSES			

LINE ITEM	ANNUAL	PER UNIT PER YEAR	PER UNIT PER MONTH
Repair and maintenance	\$14,250	\$750	\$63
Contract services	\$14,250	\$750	\$63
Utilities	\$19,855	\$1,045	\$87
Management expenses	\$46,083	\$2,425	\$202
Taxes and insurance *	\$17,100	\$900	\$75
Administrative and marketing	\$13,300	\$700	\$58
Tenant benefits	\$0	\$0	\$0
Reserves and contingency	\$6,650	\$350	\$29
Total operating expenses	\$131,488	\$6,920	\$577
Untrended net operating income	\$236,848	\$12,466	\$1,039

* Assumes a property tax exemption with a modest special limited partner fee.

DEVELOPMENT BUDGET

USE OF FUNDS	PERCENT OF TOTAL	TOTAL	PER UNIT
ACQUISITION AND SOFT COSTS			
Land and transaction costs	0%	\$0	\$0
Design costs	5%	\$500,000	\$26,316
Non-design costs (marketing, legal, dd, etc)	3%	\$277,000	\$14,579
FF&E	0%	\$20,000	\$1,053
Commercial leasing costs	0%	\$0	\$0
Permits, taps, and fees	1%	\$133,000	\$7,000
Soft cost contingency and escalation	0%	\$46,500	\$2,447
Subtotal, acquisition and soft costs	10%	\$976,500	\$51,395
HARD COSTS			
Construction costs	76%	\$7,490,000	\$394,211
Insurances and Bonds	2%	\$179,760	\$9,461
Hard cost contingency and escalation	4%	\$374,500	\$19,711
Subtotal, hard costs	82%	\$8,044,260	\$423,382

USE OF FUNDS	PERCENT OF TOTAL	TOTAL	PER UNIT
FINANCING AND DEVELOPER FEE			
Financing costs	2%	\$181,434	\$9,549
Developer fee	7%	\$644,154	\$33,903
Subtotal, financing and developer fee	8%	\$825,588	\$43,452
Total uses	100%	\$9,846,348	\$518,229

Percentages are rounded to the nearest whole percent and may not sum precisely. Subtotals are calculated on unrounded figures.

Both budgets are preliminary and will be refined as design development resumes, as the Farrington estimate is updated against completed construction documents, and as the final capital stack is confirmed. Updated budgets will be provided to the City at each financing milestone identified in Section 04 of the response.



1st and D Apartments Concept	
Total Cost of Construction	\$7,493,010
Cost per Unit	\$394 K
Cost per Bed	\$326 K
Cost per CSF	\$330.85
Cost per NRSF	\$390.61
Cost per GSF	\$330.85

Site Overview

Building Footprint	9,661 SF
Hardscape Area	8,794 SF
Landscape Area	3,259 SF
	21,714 SF

Building Square Footages

Exterior Skin/Façade	0 SF
Framed Square Footage	22,648 SF
Gypcrete Square Footage	0 SF
Building Slab	9,661 SF
Roof Top Amenity Deck Square Footage	0 SF

Building Counts

Rentable/Saleable Units	19
Amenity Units	0
Balconies	0 (6 french style)
Surface Parking Spaces	20
Stacker Parking Spaces	0
Total Parking Spaces	20
Stairs	2
Elevators	1
Floors Above Grade	2
Floors Below Grade	0
Bedrooms	23
Bathrooms	23



<u>DESCRIPTION</u>	<u>TOTAL</u>
02000.0 Surveying	\$ 20,000
02200.0 Demolition	\$ -
Demo & Haul HMA	\$ 139,216
Sawcut/Demo/Haul Concrete	\$ 9,780
02300.0 Excavation/Export/Fill	
Site Grub Allowance	\$ 15,000
Foundation Excavation (2' W x 4' D)	\$ 24,978
Backfill	\$ 9,367
Pad Grade	\$ 28,983
Site Rough Grade	\$ 17,900
Import subbase (under pavement and hardscape)	\$ 83,998
02370.0 Erosion Control	\$ 25,000
02500.0 Site Utilities	\$ -
02510.0 Water Distribution	\$ 73,500
02520.0 Storm Sewer	\$ -
02520.0 Storm Basin System	
Excavation & Export	\$ 13,222
Backfill - Embedment Stone	\$ 27,011
Chamber System	\$ 40,000
02530.0 Sanitary Sewer	\$ 32,600
02700.0 Striping & Signage	\$ 8,000
02750.0 Site Concrete	
Walks	\$ 29,628
Curb & Gutter	\$ 15,252
02800.0 Site Improvement & Amenities	\$ -
02820.0 Fences and Gate - Metal	\$ 2,280
02700.0 Asphalt	\$ 69,575
02900.0 Landscaping Allowance	\$ 29,331
03000.0 Concrete	\$ -
Footings (2' W x 1' D)	\$ 68,689
Stem Walls (1' W x 3' D)	\$ 80,137
S.o.G	\$ 144,915
03520.0 Gypcrete	\$ 46,753
04000.0 Brick	\$ 143,680
04200.0 Masonry Units	\$ -
04400.0 Stone & Stucco - Behind Mural assumed	\$ 14,450
05100.0 Structural Steel - tuck under + commercial space	\$ 54,010
05700.0 French Balconies with Rail	\$ 27,000
05700.0 Metal Canopies/Awnings	\$ 48,000
06100.0 Rough Framing	\$ -
06100.1 Frame Material	\$ 498,256
Stairs	\$ 27,200
06100.2 Frame Labor	\$ 339,720



<u>DESCRIPTION</u>	<u>TOTAL</u>
06150.0 Siding & Exterior Trim	\$ -
Fiber Cement - Horizontal	\$ 118,795
Fiber Cement - Vertical	\$ 22,540
Fiber Cement - Accent	\$ 47,320
06200.0 Finish Carpentry	\$ 30,400
07000.0 Exterior Caulking & Sealants	\$ 4,750
07000.0 Fire Caulking	\$ 13,300
07100.0 Dampproofing	\$ 6,300
07200.0 Waterproofing (Elevator Pit)	\$ 8,500
07200.0 Insulation	\$ 101,916
07200.0 Foundation/Slab Insulation	\$ 35,340
07300.0 Roofing	\$ 202,881
Downspouts	\$ 14,638
08100.0 Metal Doors & Frames	\$ 150,500
08200.0 Wood Doors (Unit Entry & Interior)	\$ 115,500
08400.0 Storefront	
Storefront Entry	\$ 13,500
Aluminum Overhead Doors	\$ 30,000
Storefront Glazing - 1st level commercial	\$ 110,010
08500.0 Windows	\$ 142,500
08500.0 French/Sliding Unit Exterior Doors	\$ 36,000
09000.0 Final Clean	\$ 19,251
09250.0 Gypsum Board	\$ 317,031
09300.0 Ceramic Tile	
Shower Surrounds	\$ 50,600
Kitchen Backsplash	\$ 16,150
Lobby, Entry, Elevator	\$ 17,675
09500.0 Acoustical Treatment	\$ -
09650.0 Flooring - Units	\$ 77,753
09660.0 Resilient Flooring - Stairs	\$ 7,200
09680.1 Carpet Tile - Corridors	\$ 11,960
09900.0 Painting	\$ 212,613
Exterior siding	\$ 31,860
10000.0 Specialties	\$ 5,000
10050.0 Signage	\$ 5,700
10100.1 Fire Protection Spec.	\$ 4,400
10500.1 Postal Specialties	\$ 15,000
10800.0 Bath Accessories	\$ 10,350
10900.0 Wardrobe/Closet Access.	\$ 15,600
11450.0 Appliances	\$ 85,500
12220.0 Window Treatments	\$ 9,500
12300.0 Casework	\$ 100,700
12360.0 Countertops	\$ 61,370



<u>DESCRIPTION</u>		<u>TOTAL</u>
13900.0	Fire Suppression	\$ 131,358
13900.1	Fire Pump	\$ -
14000.0	Elevator	\$ 64,600
14100.0	Trash Chute	\$ -
15100.0	Plumbing	\$ 450,300
	Commercial space - NA	\$ -
	Common Areas - 1st Floor (2 bathrooms)	\$ 7,200
15700.0	HVAC	\$ 446,500
	Commercial Space - white box	\$ 38,112
	Common Areas - 1st Floor	\$ 28,128
16100.0	Electrical Wiring	\$ 370,500
	Commercial Space - white box	\$ 36,524
	Common Areas - 1st Floor	\$ 26,956
16400.0	Low Voltage	\$ 30,400
16721.0	Fire Alarm	\$ 79,268
Subtotal Construction Costs		\$ 6,197,180
	General Condions	\$ 805,633
	Construction Contingency	\$ -
	Contractor's Fee	\$ 490,197
	Builder's Risk Insurance by owner	\$ -
	General Liability Insurance by owner	\$ -
	OCIP/CCIP by owner	\$ -
	Bond	\$ -
Subtotal Indirect Costs		\$ 1,295,830
Total Contract Value		\$ 7,493,010

Quals

Provided demo budget allowances for existing hardscape demo
Included budget for fill materials (ie; under hardscape, storm basin, etc)
Site assumed to be relatively flat for grading
Excluded any overexcavation considerations
Utilities: Included lateral connections to within 5' of building as shown + structures such as manholes / meter relocation
Basin system: approximate budget based on shown 60x17 and C1.3 detail
Included around 2,400 SF of concrete hardscape, including some replacement work of existing walk
Limited fences or gates to about 11 feet at west end
Included around 3,200 SF of landscaping scope in allowance
Included slab on grade + footings for foundation
Assumed gypcrete required for second level floor deck
Included brick exteriors per elevations
Assumed stucco behind mural sections



DESCRIPTION

TOTAL

Excluded steel construction for stairs	
Included (6) french balconies with rail + (6) canopies in prefinished metal	
Assumed wood framed construction for stair and elevator cores	
Included exterior fiber cement siding	
Included standard building insulation package (kraft exterior walls, corridor/demising walls, ceilings minimal acoustical	
Included 60mil TPO over tapered insulation and densboard at the roof decks	
Added foundation insulation to perimeter and 5' into building underslab	
Included common area doors and frames in HM and standard hardware	
Included (2) 9x13 commercial aluminum + glass overhead doors	
Included glazing for 1st floor lobby areas in aluminum storefront	
Included windows and sliders in a premium black finished product	
Included budget for unit flooring as LVT/Carpet throughout	
Assumed tile for unit shower surrounds, backsplashes, and all common area flooring first floor	
Assumed white box in commercial space	
Included appliances for each unit in standard stainless steel whirlpool (range, hood, dishwasher, fridge, stacked w/d, install)	
Included unit blinds in faux wood budgetarily	
Included cabinetry as thermofoil white/shaker cabinets with 2CM quartz	
Included wet sprinkler system building	
Included (1) elevator only to second floor	
Excluded trash chute	
HVAC system anticipated as unit split systems + similar for commercial space	
Excluded any plumbing rough considerations for commercial space besides accessible from rest of building	
Included electrical wiring. Minimal consideration for extensive lighting package beyond basic residential fitting	
Included basic low-volt unit package and access control	
Excluded any security, technology, or other low volt building considerations	
Excluded any solar considerations	
Excluded any EV chargers	
Excluded any radon mitigation	
Excluded BDA	



MEMORANDUM

Land Banking for the 1st and D Project

TO Salida City Council
FROM Tanner Crawley, Principal & Founder, Trellis Housing Partners
DATE September 8, 2026

Trellis Housing Partners recommends pursuing Proposition 123 Land Banking as an early funding source for the 1st & D Affordable Workforce Housing and Flexible Creative Space Project. Securing these funds would materially improve feasibility and position the project for subsequent construction financing.

Proposed land sale. Under the proposed structure, the Chaffee Housing Authority would apply for Land Banking funds and, if awarded, use those funds to purchase the property from the City. The City could then reinvest the sale proceeds into the project to fund remaining predevelopment work, including construction drawings, and reduce the remaining financing gap. The Authority would hold title while the development team secures construction financing. The parties would establish the long-term ownership structure in coordination with CHFA and other funders. Potential options include Authority ownership with a ground lease or a later conveyance back to the City, subject to program requirements and necessary approvals.

1. Stronger alignment with state funding partners. A Land Banking award would establish an early investment in the project by the Colorado Housing and Finance Authority (CHFA) and the Colorado Office of Economic Development and International Trade (OEDIT). Delivering housing on the site would likely require additional construction subsidies, creating a shared interest in securing follow-on support through the Middle-Income Housing Tax Credit (MIHTC) or Proposition 123 Equity programs, as needed.

2. Grant value that improves feasibility. Land Banking funds can function as a grant once applicable program requirements are satisfied. This would provide a meaningful financial benefit compared with state debt or subordinated equity that requires repayment and a return, reducing the burden on the project's long-term financing.

3. A path to completed construction drawings. The proposed Land Banking transaction could help advance the project to 100 percent construction drawings without additional City investment. Completing those drawings would strengthen project readiness and improve its competitive position in future funding applications.

4. Demonstrated local partnership. A proposed sale to, and partnership with, the Chaffee Housing Authority would demonstrate coordinated support from both the City and the regional housing authority. That collaboration would strengthen the project's case for additional state funding.

5. A favorable funding sequence. Based on the anticipated application sequence, Land Banking would be available ahead of MIHTC and Proposition 123 Equity. Securing an award first would allow the project to approach those later applications with Land Banking funding and the Community Revitalization Tax Credit (CRTC) commitment in hand, presenting a more complete and compelling financing plan.



City Council Action Form

Department	Presented By	Date
Administration	Sara Law and Tommy Sherwood	September 15, 2026

Agenda Item

Ordinance 2026-23: An Ordinance of the City Council of the City of Salida, Colorado, Adopting Chaffee County Board of County Commissioners Ordinance No. 2026-01, an ordinance amending the 2021 International Energy Conservation Code. Second reading and public hearing

Background

The City of Salida's consideration of the Electric Preferred Amendment is the result of several years of coordinated energy code policy development between the City and Chaffee County. In 2021, City Council passed a resolution urging Chaffee County to adopt the 2021 International Energy Conservation Code (IECC) as part of the community's broader commitment to energy efficiency and emissions reduction. Chaffee County subsequently adopted the 2021 IECC on December 12, 2023, and the City of Salida followed by adopting the same code on May 20, 2024 per our IGA.

During that same period, the Sustainability Committee recommended that the City pursue adoption of the Electric Preferred Amendment, and in June 2024 City Council adopted Resolution No. 2024-35 supporting the amendment and encouraging Chaffee County to move forward with its adoption. In May 2026, the Chaffee County Board of County Commissioners adopted Ordinance No. 2026-01, which amended the 2021 IECC with provisions commonly referred to as "Electric Preferred."

In July of 2026, House Bill 22-1362 became effective, establishing requirements related to the adoption of the Colorado Low Energy and Carbon Code. Until January 2030, jurisdictions must adopt the Colorado Low Energy and Carbon Code in conjunction with newer editions of the International Building, Residential, and Energy Codes.

Finally, pursuant to City of Salida Resolution No. 82 (Series of 2013), the intergovernmental agreement establishing the Chaffee County Building Department as the City's building official, the City is required to adopt building code amendments approved by the County within ninety (90) days. As a result, Council is now being asked to follow through with the intergovernmental agreement and adopt the Electric Preferred Amendment adopted by Chaffee County through Ordinance No. 2026-01.

The driving factor for these amendments and the IECC in general is that buildings are responsible for 40% of greenhouse gas emissions within the United States. This regulatory framework encourages the reduction of these emissions. This amendment specifically targets the reduction of equipment that utilizes natural gas and propane, noting that combustibles also pose a health risk to inhabitants. In the case of these amendments, the IECC incentivizes the use of electricity as the primary fuel source for buildings by;

- Specifies minimum dimensions for water heaters with combustion equipment spaces
- Outlaws gas lighting
- Increases the amount of energy credits awarded when utilizing heat-pump (electric) water heaters
- Increases the amount of energy credits and additional efficiency packages a mixed fuel building must achieve
- Updates the information that, already mandatory, certificates of buildings must display to include fuel sources
- Updates electrical requirements for combustion equipment
- Updates or adds various definitions

The aim of these amendments is to encourage electricity as a fuel source while allowing for other other fuels sources such as propane or natural gas. Electric Preferred does not outlaw these alternative fuel sources.

Staff has included several addendums to the Council Action Form:

- Eagle County Energy Code Modeling Report 11/2022
- Work Session Memo- Sustainability Committee Recommendation 05/20/2024
- Resolution 2024-35: A Resolution of the City Council of the City of Salida, Colorado supporting the City's Adoption of the Model Electric Preferred Amendments to the 2021 International Energy Conservation Code ("IECC") and thereby urging Chaffee County and its building department to formally adopt the same.
- 2024 Greenhouse Gas Inventory

Recommendation

Staff, as well as, the City's advisory Sustainability Committee recommends adopting the Ordinance.

Fiscal Impact

There is no fiscal impact.

Motion

A City Councilmember should state "I move to approve Ordinance 2026-23, an Ordinance of the City Council of the City of Salida, Colorado, Adopting Chaffee County Board of County Commissioners Ordinance No. 2026-01, an ordinance amending the 2021 International Energy Conservation Code".

CITY OF SALIDA, COLORADO
ORDINANCE NO. 2026-23
(Series of 2026)

An Ordinance of the City of Salida, Colorado, Amending Chapter 18 of the Salida Municipal Code by Amending the Adoption by Reference of the 2021 International Energy Conservation Code Amendments

WHEREAS, C.R.S. § 31-15-103 authorizes the City Council of the City of Salida (“Council”) to adopt ordinances necessary to provide for the health, safety, and welfare of the City; and

WHEREAS, C.R.S. Article 16, Part 2 authorizes the Council to adopt codes by reference; and

WHEREAS, pursuant to this authority, the Council previously adopted by reference and made local amendments to prior additions of several International and National Codes and codified such Codes and amendments within Chapter 18 of the Salida Municipal Code (“Code”); and

WHEREAS, in 2018, the City of Salida (“City”), adopted by reference the 2021 International Energy Conservation Code (“IECC”) under Chapter 18, Article XIII; and

WHEREAS, in August 2024, the IECC was updated with changes and amendments to improve energy efficiency in building design; and

WHEREAS, the Chaffee County Board of Commissioners has previously adopted the amendments, and the Chaffee County Building Department and the City’s Sustainability Committee are recommending these further amendments to the IECC; and

WHEREAS, pursuant to the intergovernmental agreement dated January 7, 2014, the Chaffee County Building Department serves as the City’s building official; and

WHEREAS, the first reading was August 18th, 2026, and second reading and a public hearing on this Ordinance was September 15th, 2026, and proper notice thereof was provided pursuant to C.R.S. § 31-16-203; and

WHEREAS, the Council recognizes the value of the various International and National Codes as providing commonly adopted uniform standards for public health, safety, and welfare issues relating to the subject matter of each and finds it in the best interest of the City to adopt these related amendments.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF SALIDA, COLORADO, AS FOLLOWS:

Section 1: Code Section 18-13-30, concerning the amendments of the International Energy Conservation Code by reference, is hereby amended by the addition of the following subsections:

The following chapters, sections, subsections, paragraphs, and appendices of the IECC are hereby amended as follows:

Section 18-13-30 – Amendments.

...

(5) Section C202 is amended to read:

C202 General Definitions.

ALL-ELECTRIC BUILDING. A *building* and building site that contains no *combustion equipment*, or plumbing for *combustion equipment*, and that uses radiant electric heating or heat pump technology as the primary supply for heating, cooling, and service water heating loads.

MIXED-FUEL BUILDING. A *building* and building site that contains *combustion equipment*, or plumbing for *combustion equipment*, for space heating, cooling, water heating (including pools and spas), cooking, or clothes drying.

(6) Section C401.2.1 is amended to read:

C401.2.1(2). Total Building Performance. The Total Building Performance option requires compliance with Section C407 and, for *mixed fuel buildings*, 10 credits from Tables C406.1(1) through C406.1(5).

(7) Section C401.2.2 is amended to read:

C401.2.2 ASHRAE 90.1. Commercial buildings shall comply with the requirements of ANSI/ASHRAE/IESNA 90.1 and, for *mixed fuel buildings*, 10 credits from Tables C406.1(1) through C406.1(5).

(8) C404.2.1 is amended to read:

C404.2.1 High input service water-heating systems.

1. Where not less than 50 percent of the annual *service water heating* requirement is provided by *on-site renewable energy* or site-recovered energy not including any capacity used for compliance with Section C406 of this code, the minimum thermal efficiency requirements of this section shall not apply.

(9) Section C404.10 is added to read in its entirety:

C404.10 Water heating equipment location. Water heaters with *combustion equipment* shall be located in a space with the following characteristics:

1. Minimum dimensions of 3 feet by 3 feet by 7 feet high.
2. Minimum volume of 760 cubic feet, or the equivalent of one 16-inch by 24-inch grill to a heated space and one 8-inch duct of no more than 10 feet in length for cool exhaust air.
3. Contains a condensate drain that is no more than 2 inches higher than the base of the installed water heater and allows natural draining without pump assistance, installed within 3 feet of the water heater.

Exceptions:

1. Instantaneous water heaters located within 10 feet of the point of use.
2. Water heaters with an input capacity of more than 300,000 Btu/h.

(10) Section C405.5.3 is amended to read:

C405.5.3. Gas lighting. Gas fired lighting appliances ~~shall not be equipped with continuously burning pilot ignition systems~~ are not permitted.

(11) Section C406.1 is amended to read:

C406.1 Additional energy efficiency credit requirements. New *all-electric buildings* shall achieve a total of 10 credits and new *mixed-fuel buildings* shall achieve a total of 15 credits from Tables C406.1(1) through C406.1(5) where the table is selected based on the use group of the building and from credit calculations as specified in relevant subsections of C406.

(12) TABLE C406.1(2) is amended to read:

TABLE C406.1(2)
ADDITIONAL ENERGY EFFICIENCY CREDITS FOR GROUP R AND I
OCCUPANCIES

SECTION	CLIMATE ZONE 6B
C406.7.3: Efficient fossil fuel water heater ^b	9
C406.7.4: Heat pump water heater ^b	5 <u>9</u>

(13) TABLE C406.1(3) is amended to read:

TABLE C406.1(3)
ADDITIONAL ENERGY EFFICIENCY CREDITS FOR GROUP E OCCUPANCIES

SECTION	CLIMATE ZONE 6B
C406.7.3: Efficient fossil fuel water heater ^a	3
C406.7.4: Heat pump water heater ^a	4 <u>3</u>

a. For schools with showers or full-service kitchens.

(14) TABLE C406.1(5) is amended to read:

TABLE C406.1(5)
ADDITIONAL ENERGY EFFICIENCY CREDITS FOR OTHER^a OCCUPANCIES

SECTION	CLIMATE ZONE 6B
C406.7.3: Efficient fossil fuel water heater ^b	9
C406.7.4: Heat pump water heater ^b	5 <u>9</u>

a. Other occupancies include all groups except Groups B, E, I, M, and R.

b. For occupancy groups listed in Section 406.7.1

(15) TABLE C407.2 is amended to read:

TABLE C407.2
REQUIREMENTS FOR TOTAL BUILDING PERFORMANCE

SECTION	TITLE
Envelope	
<u>C401.3</u>	<u>Thermal envelope certificate</u>
<u>C402.2.4</u>	<u>Slabs-on-grade</u>
<u>C402.2.6</u>	<u>Insulation of radiant heating system</u>

(16) Section R103.2 is amended to read:

R103.2(6) Information on construction documents. Mechanical and service water heating systems and equipment types, sizes, fuel sources, and efficiencies.

- (17) Section R202 is amended to read:

R202 General Definitions.

ALL-ELECTRIC BUILDING. A *building* and building site that contains no *combustion equipment*, or plumbing for *combustion equipment*, and that uses radiant electric heating or heat pump technology as the primary supply for heating, cooling, and service water heating loads.

MIXED-FUEL BUILDING. A *building* and building site that contains *combustion equipment*, or plumbing for *combustion equipment*, for space heating, cooling, water heating (including pools and spas), cooking, or clothes drying.

- (18) Section R401.2.5 is amended to read:

R401.2.5 Additional energy efficiency. This section establishes additional requirements applicable to all compliance approaches to achieve additional energy efficiency.

1. For buildings complying with Section R401.2.1, ~~one of the additional efficiency package options shall be installed according to Section R408.2~~ the building shall meet one of the following:
 - 1.1. For *all-electric buildings*, one of the additional efficiency package options shall be installed according to Section R408.2.
 - 2.2. For *mixed-fuel buildings*, two of the additional efficiency packages shall be installed, at least one of which addresses the envelope.
2. For buildings complying with Section R401.2.2, the building shall meet one of the following:
 - 2.1. For *all-electric buildings*, one of the additional efficiency package options in Section R408.2 shall be installed without including such measures in the proposed design under Section R405.
 - 2.2. For *all-electric buildings*, the proposed design of the building under Section R405.3 shall have an annual energy cost that is less than or equal to 95 percent of the annual energy cost of the standard reference design.
 - 2.3 For *mixed-fuel buildings*, three of the additional efficiency packages shall be installed, at least one of which addresses the envelope, without including such measures in the proposed design under Section R405.
 - 2.4. For *mixed-fuel buildings*, the proposed design of the building under Section R405.3 shall have an annual energy cost that is less than or equal to 80 percent of the annual energy cost of the standard reference design.
3. For buildings complying with the Energy Rating Index Alternative Section R401.2.3, the Energy Rating Index value shall be at least 5 percent less than the Energy Rating Index target specified in Table R406.5.

The options selected for compliance shall be identified in the certificate required by Section R401.3.

(19) Section R401.3 is amended to read:

R401.3 Certificate.

4. The types, sizes, fuel sources, and efficiencies of heating, cooling and service water heating equipment. Where a gas-fired unvented room heater, electric furnace or baseboard electric heater is installed in the residence, the certificate shall indicate "gas-fired unvented room heater," "electric furnace" or "baseboard electric heater," as appropriate. An efficiency shall not be indicated for gas-fired unvented room heaters, electric furnaces and electric baseboard heaters.
8. The fuel sources for cooking and clothes drying equipment.
9. Where combustion equipment is installed, the certificate shall indicate information on the installation of additional electric infrastructure including which equipment and/or appliances include additional electric infrastructure, capacity reserved on the electrical service panel for replacement of each piece of combustion equipment and/or appliance.

(20) Section R403.5 is amended to read:

R403.5 Service hot water systems. Energy conservation measures for service hot water systems shall be in accordance with Sections R403.5.1 through R403.5.3 R403.5.4.

(21) Section R403.5.4 is amended to read:

R403.5.4 Water heating equipment location. Water heaters with *combustion equipment* shall be located in a space with the following characteristics:

1. Minimum dimensions of 3 feet by 3 feet by 7 feet high.
2. Minimum volume of 760 cubic feet, or the equivalent of one 16-inch by 24-inch grill to a heated space and one 8-inch duct of no more than 10 feet in length for cool exhaust air.
3. Contains a condensate drain that is no more than 2 inches higher than the base of the installed water heater and allows natural draining without pump assistance, installed within 3 feet of the water heater.

Exceptions:

1. Instantaneous water heaters located within 10 feet of the point of use.
2. Water heaters with an input capacity of greater than 300,000 Btu/h that serves multiple *dwelling units* or *sleeping units*.

(22) Section R404.1.1 is amended to read:

R404.1.1. Fuel gas lighting. Fuel gas lighting systems ~~shall not have continuously burning pilot lights~~ are prohibited.

(23) Section R404.4 is added to read in its entirety:

R404.4 Additional electric infrastructure. All *combustion equipment* shall be installed in accordance with Section R403.5.4 and shall be provided with a junction box that is connected to an electrical panel by continuous raceways and or conductors that meet the following requirements:

1. The junction box, raceway, and bus bar in the electric panel and conductors serving the electric panel and future equipment shall be sized to accommodate electric equipment sized to serve the same load as the *combustion equipment*.
2. The panel shall have reserved physical space for a dual-pole circuit breaker.
3. The junction box and electrical panel directory entry for the dedicated circuit breaker space shall have labels stating, "For future electric equipment."
4. The junction box shall allow for the electric equipment to be installed within the same place of the *combustion equipment* that it replaces.

Exceptions:

1. Fossil fuel space heating equipment where a 208/240-volt electrical circuit with a minimum capacity of 40 amps exists for space cooling equipment.
2. Water heating equipment with an input capacity greater than 300,000 Btu/h that serves multiple dwelling units or sleeping units.

(24) Table R405.2 is amended to read:

TABLE R405.2 REQUIREMENTS FOR TOTAL BUILDING PERFORMANCE

SECTION	TITLE
Mechanical	
R403.5.4	Water heating equipment location

(25) Table R406.2 is amended to read:

TABLE R406.2 REQUIREMENTS FOR ENERGY RATING INDEX

SECTION	TITLE
Mechanical	
R403.5.4	Water heating equipment

(26) Section R406.5 is amended to read:

R406.5 ERI-based compliance. Compliance based on an ERI analysis requires that the rated proposed design and confirmed built dwelling be shown to have an ERI less than or equal to the appropriate value for the proposed all-electric or mixed-fuel building as indicated in Table R406.4 when compared to the ERI reference design.

TABLE R406.5 MAXIMUM ENERGY RATING INDEX

CLIMATE ZONE	ALL-ELECTRIC BUILDING	<u>MIXED FUEL BUILDING</u>
6	54	50

Section 2: Severability. The provisions of this ordinance are severable and the invalidity of any section, phrase, clause, or portion of the ordinance as determined by a court of competent jurisdiction shall not affect the validity or effectiveness of the remainder of the ordinance.

Introduced on First Reading, on the 18th day of August, 2026, adopted and ordered published in full in a newspaper of general circulation in the City of Salida by the City Council on the 27th day of August, 2026, and set for Second Reading and Public Hearing on the 15th day of September, 2026.

Introduced on Second Reading, finally adopted and ordered published by Title only, by the City Council on the 15th day of September, 2026.

City Of Salida, Colorado

Mayor

[SEAL]

ATTEST:

City Clerk/Deputy Clerk

Published in Full in the Mountain Mail after First Reading on the 18th day of August, 2026,
and by Title only, after final adoption on the 15th day of September, 2026.

City Clerk/Deputy City Clerk

Electric Preferred Amendment to the 2021 IECC

City Council Presentation 09/15/2026

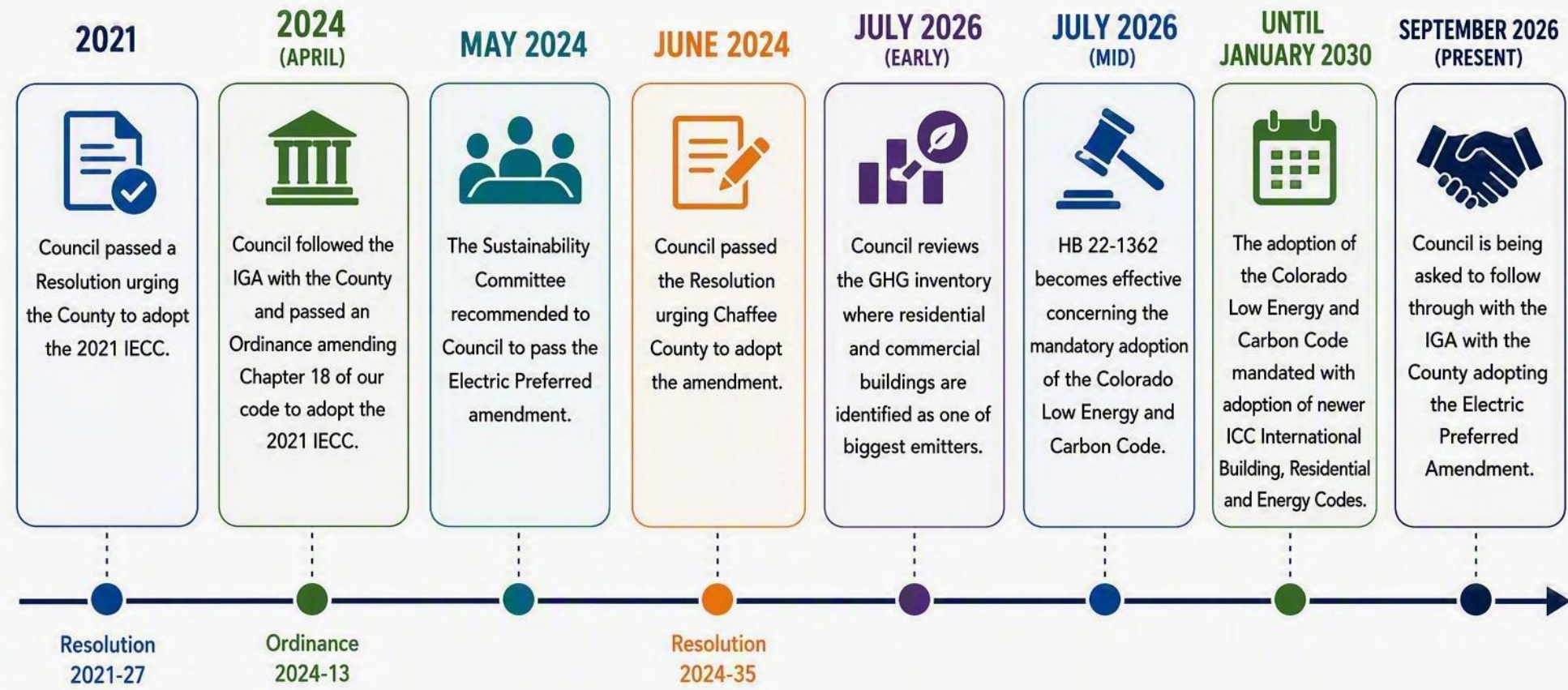




Table of Contents

- Recap of Timeline for 2021 IECC and Amendments
- What Electric Preferred does for new construction
- Key Questions
 - Why is electricity becoming 'greener'?
 - Is renewable energy impact free?
 - Does this affect Housing Affordability?
 - What is the impact on local businesses?

ELECTRIC PREFERRED AMENDMENT TIMELINE



 **LOOKING AHEAD:** Adopting the Electric Preferred amendment now aligns with upcoming state requirements, supports our Climate Action Plan and Energy Action Plan, and ensures new buildings in Salida are efficient, resilient, and future-ready.



What Electric Preferred does for new construction...

- Apply a higher-efficiency standard to new residential and commercial construction
- Preserve two compliance pathways: build all-electric, or use natural gas/propane with added efficiency measures
- Provide clear, consistent expectations for builders and future owners
- Aligns local code with the City's adopted climate and energy goals



What Electric Preferred does for new construction...

Consumers can choose one of two pathways:

- 1) Mixed fuel path: natural gas or propane remains allowed, with added efficiency measures*
- 2) All-electric path: comply with the 2021 IECC and electric-ready provisions

Examples of added measures can include a stronger envelope, more efficient HVAC, improved duct systems or better air sealing and ventilation*

Existing homes and businesses are not required to remove or replace current gas or propane systems



Key Questions

- Why is electricity becoming 'greener'?
- Is renewable energy impact free?
- Does this affect Housing Affordability?
- What is the impact on local businesses?





Why is electricity becoming 'greener'?

- Electric equipment can benefit automatically as utilities add lower-carbon and renewable generation to the grid
- Efficient electric technologies, especially heat pumps, can deliver heating and cooling with less total energy than combustion equipment.
- Colorado is committed to 100% net-zero greenhouse gas emissions by 2050.
- Xcel Energy targets an 85% reduction in carbon emissions by 2030 and aims to deliver 100% carbon-free electricity to consumers by 2050.



Why is electricity becoming 'greener'?

Colorado Energy Forecast:

- Spoke with Xcel Energy, currently no concerns with the Electric Preferred Adoption
- No Electric utilities serving the City of Salida have reported an inability to meet current or future electric needs



Wind and Solar have environmental impacts

Wind and solar energy require:

- Mining and processing of raw materials
- Manufacturing and transportation
- Land and infrastructure
- Responsible decommissioning
- Recycling or disposal at the end of useful life

.



The full lifecycle comparison matters

Renewable Energy

- Most emissions occur upfront during manufacturing and construction
- Wind turbines and solar panels do not burn fuel while generating electricity
- Equipment can produce energy for decades after the initial construction impacts
- End-of-life materials are increasingly recovered, reused or recycled

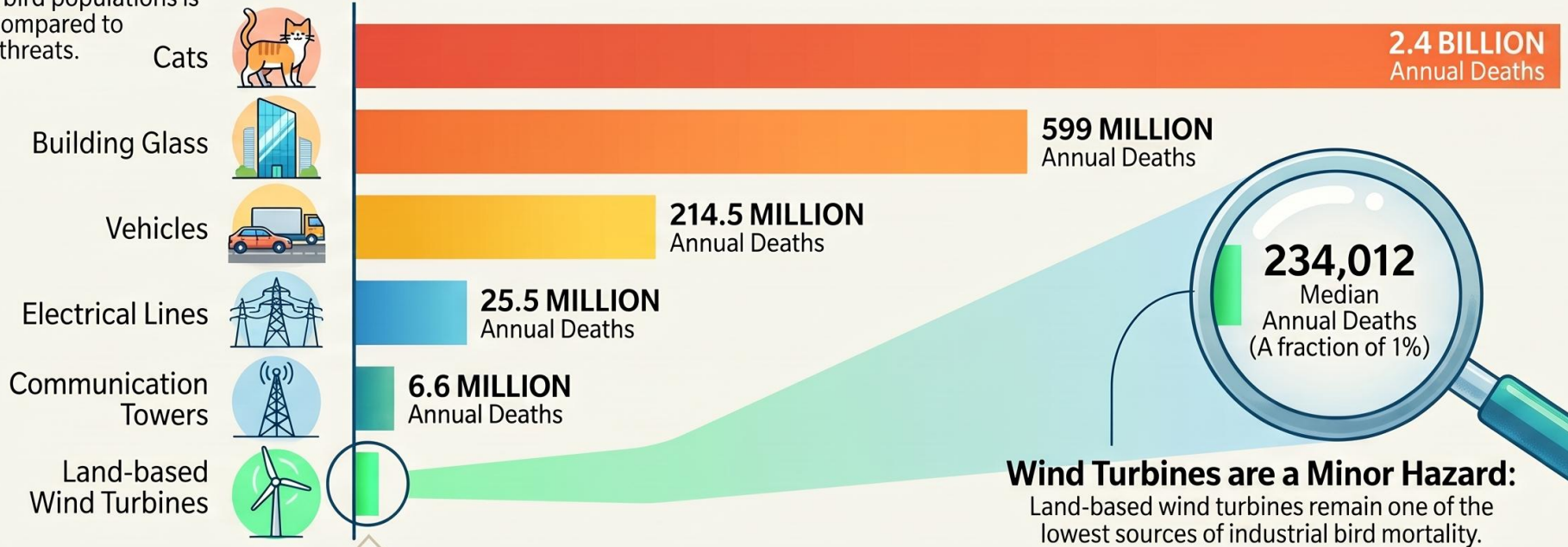
Fossil Fuels

- Require ongoing extraction, processing, and transportation of fuel
- Produce greenhouse gases whenever coal, oil, or natural gas is burned
- Continue generating emissions throughout operation

Putting Wind Energy Risks in Perspective: Top Human-Caused Threats to Birds

While land-based wind turbines are visible energy structures, data reveals their impact on bird populations is **minimal** compared to pervasive threats.

MEDIAN ANNUAL BIRD DEATHS BY HAZARD (ESTIMATED)



Wind Turbines are a Minor Hazard:
Land-based wind turbines remain one of the lowest sources of industrial bird mortality.



Source: U.S. Fish & Wildlife Service, "Threats to Birds" (Estimated mortality as of 2017).
Gemini Notebook



Housing affordability

- Unlikely to have significant cost impacts on affordable housing
- Likely to reduce energy burden for low-income homeowners and renters
- Competitive for state and federal housing grants

Cost Savings

Annual energy costs with the electric-preferred package would be \$2,082, a 19% (\$481.94) reduction in annual costs from the 2015 IECC baseline (Figure 11). Electric-preferred provisions would provide an additional \$277 in savings per year over the 2021 IECC base code.

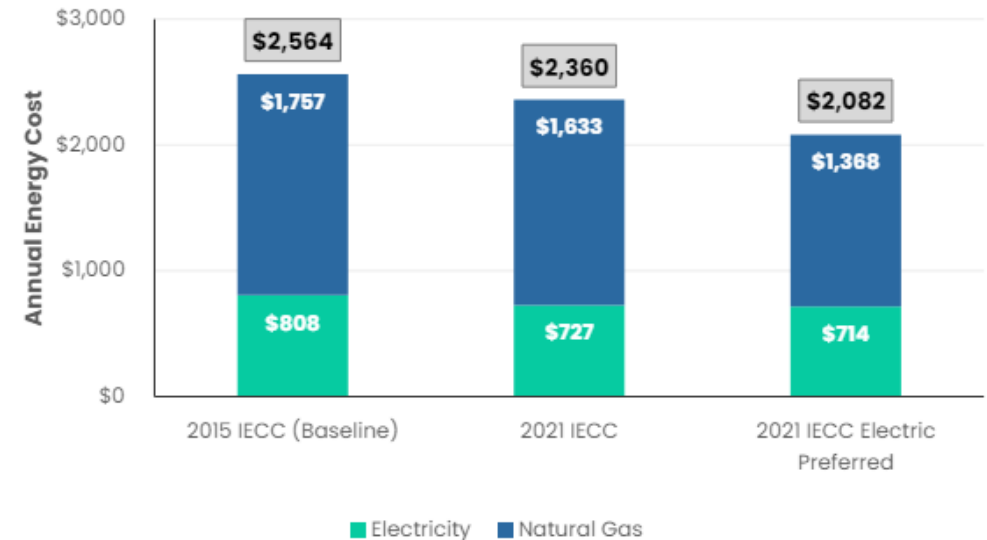


Figure 11: Comparison of single-family home annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

Source: Eagle County Modeling Report pg 31



Housing affordability – Cost Comparisons

An all-electric single-family home is \$3,930¹ – \$8,200² cheaper to construct than a mixed-fuel home.

- Avoided cost of installing fossil fuel infrastructure
- Utility and state funded rebates reduce equipment costs
- Avoided retrofit costs for future panel capacity and electrification upgrades

1. All-electric new homes & buildings in Colorado: A 2020–2021 Builder Survey of Costs, Technologies & Trends.

2. 2022 Cost Study of the Building Decarbonization Code: An analysis of the incremental first cost and life cycle cost of two common building types



Housing affordability - Cost Comparisons

All-electric construction reduces total energy consumption by 34%.²

- Improved efficiency of HVAC equipment & water heaters
- Typically, lower total utility costs for occupants, especially with Time of Use pricing
- Potential to offset a larger percent of energy usage through renewable sources

2. 2022 Cost Study of the Building Decarbonization Code: An analysis of the incremental first cost and life cycle cost of two common building types



Impact on Local Businesses

- New code would only affect new builds
- Lotus Report found that new commercial buildings would reduce energy burden for local businesses
- Allow business owners to take advantage of tax incentives, as available

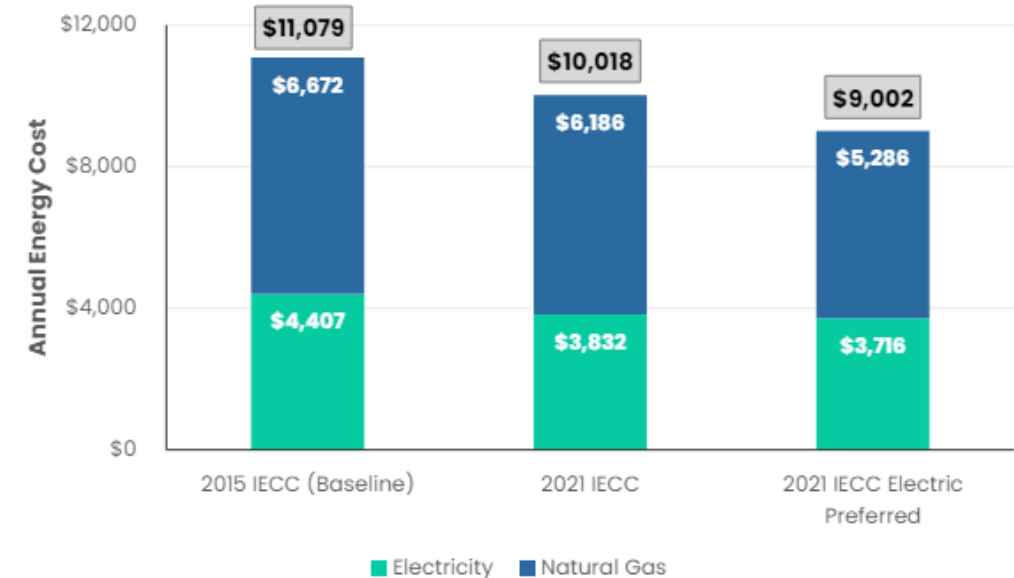


Figure 19: Comparison of commercial building annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

Source: Eagle County Modeling Report pg 38



Limitations and Implementation

- The Eagle County report is a regional modeling study, not a Salida-specific construction bid.
- Actual costs vary by compliance pathway, design, equipment, labor, materials, and site conditions.
- Clear guidance, training, and coordination with the County building department will be essential.





Why adopt now?

- New buildings can remain in service for decades, so today's code decisions shape future operating costs and emissions.
- Electric preferred preserves consumer choice. It does not ban natural gas or propane.
- Regional consistency can make implementation clearer for the building department and developers.



Questions and Discussion





Eagle County Energy Code Modeling Report

NOVEMBER 2022

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Executive Summary

Background

In 2019, energy use in residential, commercial, and industrial buildings in Eagle County (the County) generated **exactly half** of all County greenhouse gas (GHG) emissions. In 2020, GHG emissions from energy use rose just slightly to 51%, but emissions produced from natural gas use surpassed the emissions from electricity use.

Across Colorado, natural gas emissions have become the primary source of building energy emissions because the Colorado electric grid becomes cleaner each year. As utilities continue to increase their portfolios of renewable energy resources, GHG emissions from electricity use will continue to fall. Holy Cross Energy has already achieved 50% renewable energy and the utility expects to reach 100% renewably powered electricity generation by 2030. While these goals robustly address electricity emissions, **natural gas emissions could continue to be a significant source of emissions in the County without intentional policy updates.**

Utility and State Renewable Energy Efforts

- **Holy Cross Energy:** 100% renewable electricity by 2030.
- **Xcel Energy:** 100% carbon-free electricity by 2050.
- **The Colorado Public Utilities Commission:** directed by State Statute to work with investor-owned utilities on resource plans that outline emissions reduction goals. Investor-owned utilities in the state must reach 80% renewable electricity by 2030.
- **Colorado Regulations for Building Code:** Starting July 1, 2023, any Colorado jurisdiction that updates their building code must, at a minimum, adopt the 2021 IECC with electric-ready, solar-ready, and EV-ready standards. Starting July 1, 2026, any Colorado jurisdiction that updates their building code must adopt the State's low carbon code. This code will be developed by an Energy Code Board administered by the Colorado Energy Office.

Updating building code for all building types offers a crucial opportunity for Eagle County to address emissions from buildings, with an emphasis on curbing those from natural gas. Transitioning the fuel source of new buildings from natural gas to electricity (called electrification) capitalizes on clean grid efforts from Holy Cross Energy and produce significant greenhouse gas emissions savings. Peer communities are already codifying the transition to electrification. Crested Butte passed the first ordinance in Colorado requiring all new construction to be all-electric, beginning in 2023 (with the exception of commercial kitchens). The Town of Basalt and Town of Vail each require new construction to include the

pre-wiring and panel capacity for all-electric systems to be installed in the future (called electric-ready). Many more jurisdictions in the front range are also pursuing electrification codes with varying stringencies in preparation for a renewably powered electric grid.

Project Scope

Eagle County contracted with Lotus Engineering and Sustainability (Lotus) to evaluate new construction energy code packages to determine how they compare to Eagle County's current energy code, the 2015 International Energy Conservation Code (IECC/energy code). The scope of work is outlined in Figure ES1.

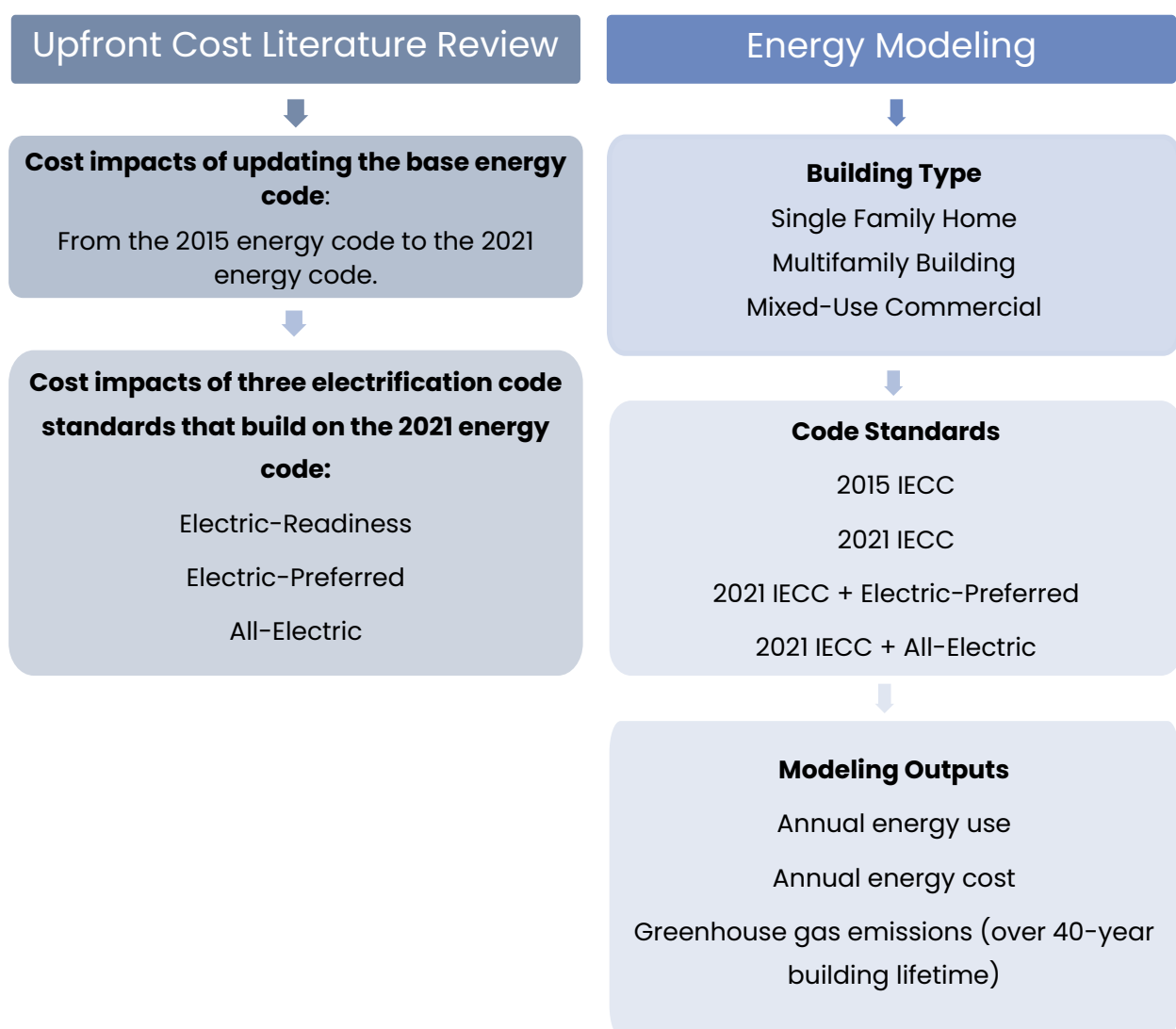


Figure ES1: Project Scope.

Key Findings

OVERALL

1. Adoption of the 2021 IECC will result in lower annual energy use, lower annual energy cost, and lower GHG emissions in new homes and buildings than the County's current code, the 2015 IECC, for all building types and does not represent a significant increase in upfront construction costs.
2. The 2021 IECC with an all-electric requirement resulted in:
 - The lowest annual energy use (MMBTU) and the lowest greenhouse gas (GHG) emissions of all the code standards reviewed, for single family homes, and multifamily and commercial buildings.
 - 87% or higher GHG savings compared to buildings built to the 2015 IECC, over the lifetime of the building for all building types.
 - The lowest annual energy costs for multifamily and commercial buildings.
 - Upfront cost **savings** when building an all-electric commercial building compared to the same building built to the 2021 IECC with natural gas.

Note: While the studies give a generalized estimate of incremental and upfront construction costs of building to the 2021 IECC compared to a prior code cycle baseline, these numbers are point-in-time estimates and are subject to change based on volatile economic parameters and developer preferences during building design and construction. In addition, the upfront cost analysis was only conducted for the energy code provisions of the building code.

3. The upfront construction cost to build to the 2021 IECC, 2021 IECC + electric-preferred, and the 2021 IECC + all-electric is not significantly higher than the upfront construction costs to build to the 2015 IECC. Costs to build to each above code standard are returned through annual energy savings that result from the code update.

Simple Payback (years) for New Construction Built to 2021 IECC Base Code

Single Family Home	Multifamily Building	Commercial Building
7.2	9.2	3.7

- The upfront additional costs to build all-electric homes, the most expensive code for single family homes, is \$6,000.
- Multifamily buildings have the highest incremental upfront cost with the high range being an additional \$70,000 for an all-electric building.
- Commercial buildings range from cost neutral or cost savings to an additional \$4,000 to build to the above code standards evaluated.

4. The 2021 IECC with an electric-ready amendment will be required by law for Colorado jurisdictions beginning July 1, 2023. Installing electric-ready infrastructure in new construction avoids costly retrofits of existing buildings and encourages builders to build all-electric because the infrastructure is in place.
5. All code packages investigated in this study will yield annual energy cost savings for the building occupants for all building types in Eagle County's climate zone (CZ6).
6. For all building types, the 2021 IECC with an all-electric requirement creates the greatest greenhouse gas emissions savings over the 2015 IECC baseline.
 - 2021 IECC without amendments yielded the smallest amount of GHG savings across building types, followed by the 2021 IECC + electric-preferred which yielded slightly more GHG savings than the 2021 IECC without amendments.
 - 2021 IECC + all-electric yielded the highest emissions savings across all building types, with at least an 87% decrease in emissions from the baseline 2015 code.

All-electric new construction creates a minimum 87% reduction in GHG emissions from the 2015 IECC over a 40-year period, across all building types.

PROJECT SUMMARY CHARTS

The visuals below provide a summary of overall results from the upfront cost and modeling analyses. The energy use and GHG savings for each code package are compared against the baseline 2015 IECC for all code packages. The upfront additional cost values use the 2015 IECC as the baseline for the 2021 IECC base code, and then the IECC 2021 as a baseline for the electric-preferred and all-electric standards. The quadrants are colored to demonstrate impact on energy savings and GHG emissions. The darker the shade of green, the higher the savings are.

In all scenarios, the all-electric buildings can be found in the darkest shades of green, meaning they generate the most energy cost savings and GHG emissions savings. This code option is followed by the electric-preferred standard which can also be found in the darker shades of green on the charts. **The circles for upfront additional construction cost indicate that each of the above code standards, apart from all-electric multifamily buildings, do not represent significant additional cost to implement.**

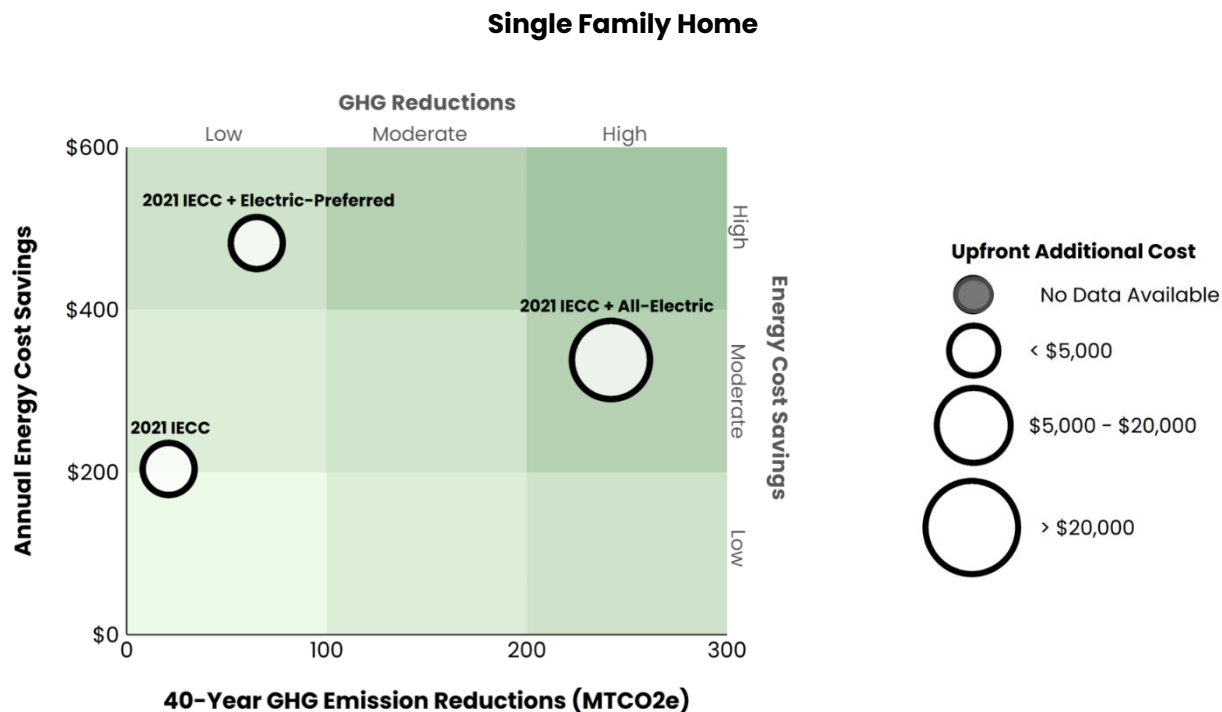


Figure ES2: Single family home GHG emission reductions, energy costs, and additional upfront costs from the baseline code.

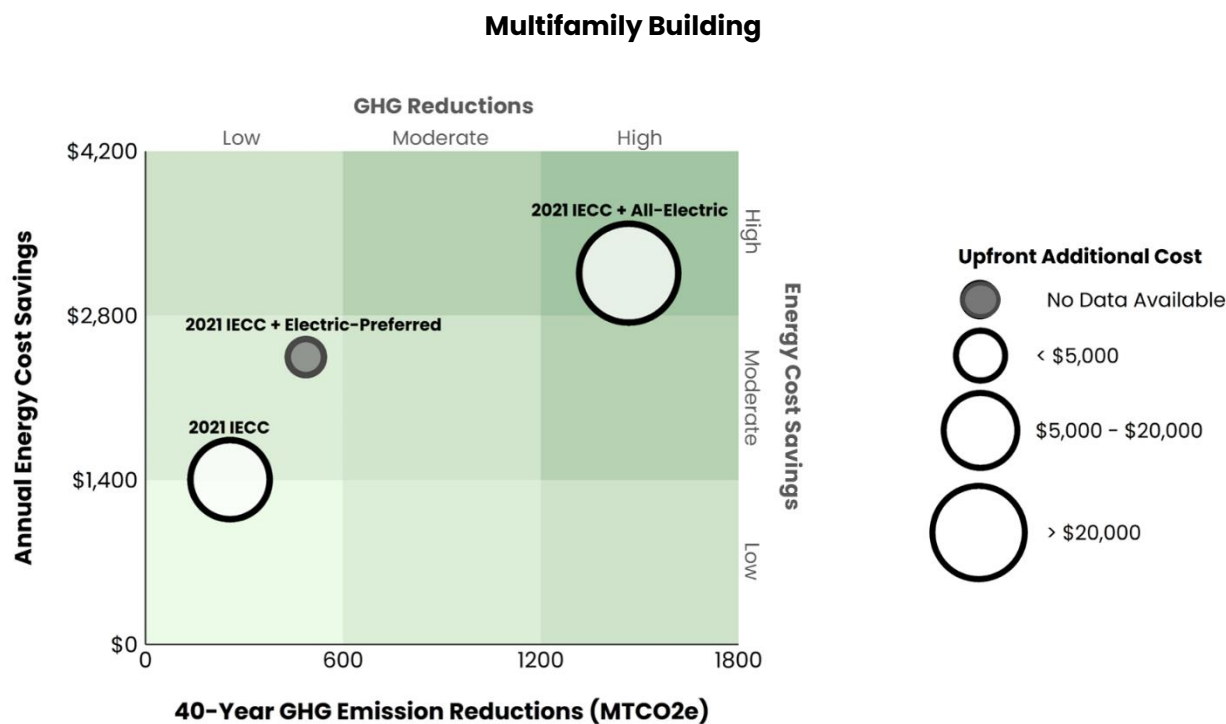


Figure ES3: Multifamily building GHG emission reductions, energy costs, and additional upfront costs from the baseline code. No upfront additional cost data was available for the 2021 IECC with electric preferred scenario.

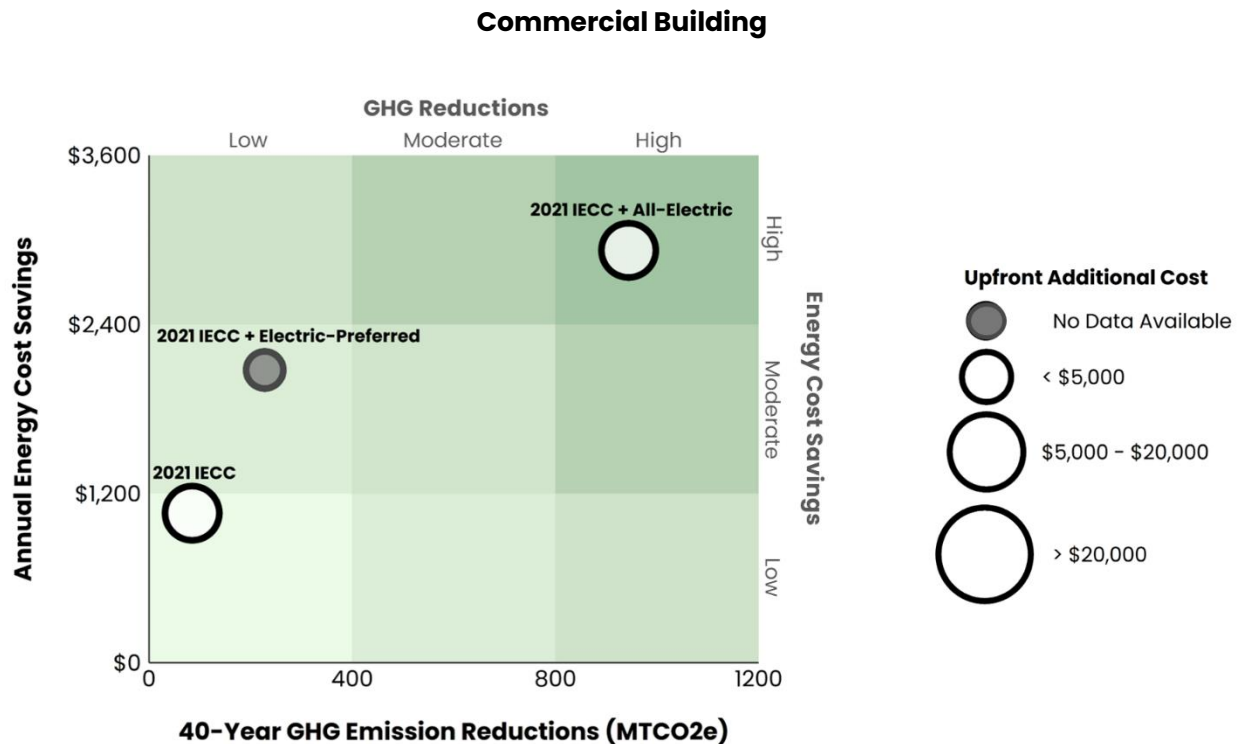


Figure ES4: Commercial building GHG emission reductions, energy costs, and additional upfront costs from the baseline code. No upfront additional cost data was available for the 2021 IECC with electric preferred scenario.

SUMMARY TABLE

Each code package is summarized in the table below based on the change in upfront cost, annual energy use, annual energy cost, and GHG emissions from the baseline code. As noted above, the baseline for the annual energy use, annual energy cost, and GHG emissions is the 2015 IECC. The upfront additional cost values use the 2015 IECC as the baseline for the 2021 IECC base code, and then the IECC 2021 as a baseline for the electric-preferred and all-electric standards. All green numbers represent savings from the baseline.

The savings from each code package that goes above and beyond the 2015 IECC is made clear by the green text throughout the chart. **The most significant annual GHG savings, along with the most significant energy use savings come from the all-electric buildings.**

Code Package	Upfront / Incremental Cost to Build (\$)	Total Annual Energy Use (MMBtu)	Total Annual Energy Use Reduction from Baseline (%)	Total Annual Energy Cost	Total Annual Energy Cost Savings from Baseline	40-year Cumulative Emissions (mtCO2e)	40-year Cumulative Emissions Reduction from Baseline (%)
Single Family Home							
2015 IECC Baseline	N/A	144	N/A	\$2,564	N/A	270	N/A
2021 IECC	\$1,470	132	-8%	\$2,360	(\$204)	248	-8%
2021 IECC Electric-Ready	\$925 - \$2,700*	132	-8%	\$2,360	(\$204)	248	-8%
2021 IECC Electric-Preferred	\$870 - \$2,028*	111	-23%	\$2,082	(\$482)	205	-24%
2021 IECC All-Electric	\$4,000 - \$6,000*	68	-53%	\$2,226	(\$338)	28	-90%
Multifamily Building							
2015 IECC Baseline	N/A	985	N/A	\$21,229	N/A	1,685	N/A
2021 IECC	(\$657) - \$1,065 per unit	869	-12%	\$19,826	(\$1,403)	1,429	-15%
	(9,198) - \$14,910 whole building						
2021 IECC Electric-Ready	\$1,350 per unit*	869	-12%	\$19,826	(\$1,403)	1,429	-15%
	\$18,900* whole building						
2021 IECC Electric-Preferred	Not available.	771	-22%	\$18,783	(\$2,446)	1,198	-29%
2021 IECC All-Electric	\$3,000-\$5,000 per unit*	536	-46%	\$18,067	(\$3,161)	218	-87%
	\$42,000 - \$70,000* whole building						
Commercial Building							
2015 IECC Baseline	N/A	609	N/A	\$11,079	N/A	1,060	N/A
2021 IECC	(\$10,849) - \$3,918	563	-9%	\$10,018	(\$1,061)	975	-8%
2021 IECC Electric-Ready	Not available.	563	-9%	\$10,018	(\$1,061)	975	-8%
2021 IECC Electric-Preferred	Not available.	492	-21%	\$9,002	(\$2,077)	832	-21%
2021 IECC All-Electric	(\$18,100)	285	-54%	\$8,153	(\$2,926)	116	-89%

Table ES1: Results Summary.

*Indicates the baseline is the 2021 IECC. All other data uses the 2015 IECC as the baseline.

Project Overview

1.1 Introduction

Eagle County has demonstrated a strong commitment to climate action through several adopted goals and frameworks. “Protect our mountain ecosystem” is one of three main principles guiding Eagle County Government. Embedded in this guiding principle is the goal of annually reducing greenhouse gas (GHG) emissions in the community by 75,000 metric tons (mT) and in County operations by 500 mT, to achieve the goal of 50% emissions reduction by 2030 (from 2014 baseline levels), established by the *Climate Action Plan for the Eagle County Community* (CAP).

New construction provides a crucial opportunity for emissions mitigation. Buildings constructed today could last 30 to 130 years¹ and could either lock in carbon emissions for generations or be used as a means for achieving emission reduction goals. Adopting the above building code standards for new and remodeled residential and commercial buildings is an immediate priority action listed in the CAP due to the building decarbonization potential of code improvements. Regular updates to Eagle County building codes are critical for future-proofing Eagle County communities, accelerating clean energy use, and keeping the County resilient amid climate change.

1.2 Project Overview

Eagle County contracted with Lotus Engineering and Sustainability (Lotus) to analyze new construction energy code standards as they compare to Eagle County’s current construction code, the 2015 International Energy Conservation Code (IECC). The purpose of each task was to investigate options the County could consider for its next round of code adoption. The scope of work consisted of:

- 1) **Upfront Cost Analysis:** A literature review of existing studies analyzing the cost impacts of updating energy codes from prior code cycles, in this case, the 2015 and/or 2018 IECC, to the 2021 IECC. Additional studies were reviewed to understand the upfront cost impacts and the cost-effectiveness of three additional above-building code standards which include electric-readiness, electric-preferred, and all-electric provisions.

¹ <https://www.mckinsey.com/industries/engineering-construction-and-building-materials/our-insights/call-for-action-seizing-the-decarbonization-opportunity-in-construction>

- 2) **Energy Modeling:** Energy modeling for three building types typical of Eagle County construction: a single-family home, a multifamily building, and a mixed-use commercial building. Each building type was modeled to meet four code standards: the County's current energy code (2015 IECC), the 2021 IECC, the 2021 IECC plus an electric-preferred standard, and the 2021 IECC with all-electric systems. The modeling was conducted to evaluate total annual energy consumption, total annual energy costs, and greenhouse gas emissions over the lifetime of the building (40-year period) to understand the emissions and cost implications of advancing to a new building code. The single-family and multifamily energy models were developed using the National Renewable Energy Laboratory's (NREL) Building Energy Optimization Tool (BEopt)². The commercial building energy model was developed using the Department of Energy's eQUEST tool³.

The upfront cost analysis and the energy modeling will demonstrate which code options are the most cost-effective and which will have the greatest contribution to reducing greenhouse gas emissions in the County. In addition, Eagle County will be participating in a code cohort with surrounding jurisdictions to review and adopt supporting amendments alongside the 2021 I-codes. This effort will help advise Eagle County on which supporting amendments will support the achievement of their climate action goals through their next phase of energy code adoption.

1.3 Energy Code Standards Evaluated

This report evaluates four energy code standards that are more stringent than Eagle County's current adopted energy code. The goal in evaluating these energy code standards is to understand which energy codes can be cost-effective in implementation and support the County in achieving its climate action goals. Cost-effective is defined by the US Department of Energy (DOE) as a change that is "economically justified from the perspective of a public policy that balances costs against energy savings over time" and uses life-cycle costs (energy savings minus additional costs) over a 30-year period as a metric.⁴ The following code standards are those that were evaluated for cost-effectiveness in Eagle County.

- 1) **2021 IECC:** Meets the prescriptive requirements of the 2021 IECC. Note: for base code compliance, all building types must implement additional efficiency measures detailed

² <https://www.nrel.gov/buildings/beopt.html>

³ <https://www.doe2.com/equest/>

⁴ https://www.energycodes.gov/sites/default/files/2021-07/residential_methodology_2015.pdf

in the “Additional Efficiency” sections of the IECC (sections C406 for commercial and multifamily and R408 for single-family homes).⁵

- 2) **2021 IECC + electric-readiness:** Meets the base requirements of the 2021 IECC, including additional efficiency for base code compliance. This code package also includes provisions that prepare a building for an all-electric future by installing the necessary pre-wiring and panel capacity for space heating, water heating, clothes drying, and cooking appliances. Under this code package, installing electric HVAC systems and appliances is not a requirement.
- 3) **2021 IECC + electric-preferred:** Meets the base requirements of the 2021 IECC, including additional efficiency for base code compliance. This code package builds upon electric-readiness, requiring all new construction be electric-ready, and encourages all-electric construction through required additional efficiency measures if a building uses natural gas. Buildings under this code have the following options:
 - a. Build all-electric OR,
 - b. Build with natural gas AND adopt additional efficiency requirements from commercial and residential 2021 IECC sections C406 and R408, respectively, beyond those required for base code compliance.
- 4) **2021 IECC + all-electric new construction:** Meets the base requirements of the 2021 IECC, including additional efficiency for base code compliance. This code package also mandates new construction to be built all-electric, with no natural gas systems.

Note: electric-readiness, as a code standard, does not impact energy consumption, energy savings, or GHG emissions in a building over the base code. Therefore, the project team did not develop an energy model for the electric-ready standard. Any building built with electric-readiness infrastructure will yield the same energy performance results as the 2021 IECC base code energy modeling. The code standards in Table 1 were modeled to evaluate energy savings, energy cost, and GHG emissions for Eagle County-specific building types.

⁵ <https://codes.iccsafe.org/content/IECC2021P1>

Modeled Code	Description
2015 IECC	Meets the prescriptive requirements of the 2015 IECC.
2021 IECC [& 2021 IECC + Electric-Ready]	Meets the prescriptive requirements of the 2021 IECC. Note: additional efficiency package(s) must be implemented in all building types for base code compliance. • Single-Family Homes: One additional efficiency package (R408). • Multifamily: 10 points in additional efficiency section (C406). • Commercial: 10 points in additional efficiency section (C406). Electric-ready standards to not impact energy performance, therefore the energy model is the same for both the 2021 IECC and the 2021 IECC + electric-ready code standards.
2021 IECC + Electric-preferred	Meets the prescriptive requirements of the 2021 IECC, including the additional efficiency package(s) for base code compliance. Electric-preferred buildings modeled must also implement more efficiency measures, beyond base code compliance, if they build with natural gas. • Single-Family Home: Two additional efficiency packages (R408). • Multifamily: 20 points in additional efficiency section (C406). • Commercial: 20 points in additional efficiency section (C406). Electric-preferred standards also assume the home is electric-ready when built with natural gas systems.
2021 IECC All-Electric	Meets the prescriptive requirements of the 2021 IECC, including the additional efficiency package(s) for base code compliance. HVAC systems and appliances are all-electric.

Table 1: Building Code Standards used for energy modeling.

1.4 Building Types Evaluated

Each energy code standard was investigated for three building types in Eagle County: a single-family, multifamily, and commercial building. The size and type of each building were determined through discussions with County staff and a review of the assessor's data to identify average building sizes for each building type in the County. Table 2 summarizes the assumptions for each building type used for energy modeling. In the upfront cost analysis, each study had unique size and space use types for single-family, multifamily, and commercial buildings. In conducting a review of these studies, buildings that aligned most closely with the buildings modeled were chosen for comparison.

Building Type	Square Footage	Stories	Building Use
Single-Family Home	3,184	2	Includes an unconditioned 19' x 20' garage.
Multifamily	19,989	2	Composed of 14 individual units.
Commercial	6,027	2	Mixed Use: • Retail space on the ground floor. • Multi-family space on the top floor.

Table 2: Building type descriptions.

1.5 Upfront Cost Review Methodology

Two approaches were used to assess the upfront costs of the four code package options.

The first was a literature review of existing studies examining the cost-effectiveness of the four energy code standards as they compare to the County's current adopted energy code. The second was outreach to local general contracting companies to understand the on-the-ground perception of the cost of energy code compliance. Note: the studies reviewed in this report cover cost impact data for the energy code only. The 2021 I-Codes include several books each directing construction practices for different elements of a building, including Fire Code, Mechanical Code, Plumbing Code, and more. The cost impacts of additional provisions in code books outside of the Energy Conservation Code were not reviewed in this study.

When reviewing the published resources available on the IECC 2021 and the three additional energy code standards that build on the 2021 IECC, relevancy to the project and Eagle County's climate zone, as well as resource type and credibility were all considered. Eagle County is in Climate Zone 6, so information from the reports for this climate zone only are summarized in this review. The final sources reviewed in this report are listed in Appendix B.

Most of the publicly available studies analyze the cost-effectiveness of the 2021 IECC as compared to the 2018 IECC cycle, due to these being the two most recent codes. The difference between the 2015 and the 2018 IECC are limited with most of the changes focused on administrative updates and tightening up code language. There are only a few updates between the two energy codes that result in improved energy performance, and those have been shown to yield energy savings of 1.62% for Climate Zone 6.⁶ Because of the relatively few differences between these energy codes the studies using the 2018 IECC for comparison have been included in this analysis for additional context.

⁶ <https://www.energycodes.gov/sites/default/files/2021-07/EERE-2018-BT-DET-0014-0008.pdf>

Additionally, some of the cost studies reviewed for commercial and multifamily investigate the cost to comply with ASHRAE design standards as opposed to the IECC code. ASHRAE stands for the American Society of Heating, Refrigerating, and Air-Conditioning Engineers. This professional association releases energy efficiency standards for the design and installation of equipment in multifamily buildings and all other commercial buildings and the standards are then referenced by the IECC. The ASHRAE design standard (ASHRAE 90.1) is a compliance path option in the commercial IECC and therefore provides a useful tool to compare the cost of IECC commercial building compliance when studies directly related to the IECC are not available. ASHRAE updates fall behind IECC updates by two years, but each new IECC cycle adopts the latest ASHRAE standard and any amendments and/or new data that accompany it. The 2021 IECC references the ASHRAE Standard 90.1-2019 edition, and the 2018 IECC references the ASHRAE Standard 90.1-2016 edition.

It is important to note that the assumptions and the building specifications in the referenced reports vary. In addition, equipment costs, inflation rates, and other economic parameters detailed in these reports are point-in-time data sets and may not reflect present-day pricing. The costs reflected in the studies also illustrate the cost to builders. Home buyers may experience different cost increases due to community factors such as proximity to school districts, amenities, and housing market rates for a specific location impact price. Consequently, the applicability of the findings from these reports to Eagle County will also be variable.

1.6 Energy Modeling Methodology

The single-family and multifamily buildings were modeled using the National Renewable Energy Laboratory's (NREL) Building Energy Optimization Tool (BEopt)⁷. The commercial building was modeled using the Department of Energy's eQUEST tool⁸.

Eagle County provided average square footage and other descriptive information about each building type (Table 2). This information was used to create a basic template for each building type in the modeling software from which the baseline and code package models were developed.

In addition to this building-level information, localized geographic data were input into the models to produce accurate results for Eagle County. Eagle County was selected as the location to model the building and the typical meteorological year data for Eagle County were

⁷ <https://www.nrel.gov/buildings/beopt.html>

⁸ <https://www.doe2.com/equest/>

downloaded and imported into BEopt and eQUEST. Electricity and natural gas utility rates for Holy Cross Energy (HCE) and Black Hills Energy (BHE) were added to the models to use for energy cost calculations. Table 3 lists the electricity and natural gas rates used in the models. Rates taken from HCE and BHE tariff reports.

Building Type	Electricity		Natural Gas	
	Monthly Fixed Rate	\$/kWh	Monthly Fixed Rate	\$/therm
Single-Family Home	\$12	\$0.105	\$13.43	\$1.30241
Multifamily	\$12	\$0.105	\$13.43	\$1.30241
Commercial (<50 kW Peak Demand)	\$18	\$0.095	\$26.01	\$1.36

Table 3: Electricity and natural gas rates used in the building models.

Based on the above information, a baseline building in compliance with the 2015 IECC was modeled for each building type. This model was duplicated for each code option and specifications were adjusted to align with the requirements for each additional code package. Note that for all code options and building types, efficiencies of natural gas equipment were reduced to account for the impacts of elevation. Eagle, CO is 6,601 feet above sea level. For every 1,000 above 3,000 feet in elevation, natural gas appliance efficiency required in the code was reduced by 4%.⁹ For a full list of the inputs used to model each building and each code option see Appendix A.

Annual energy use and cost results were exported from BEopt and eQUEST for each building type and code package. Single-year energy use and cost results for each code package were compared to the baseline building energy use and cost. Cumulative 40-year GHG emissions for each building type and code package were calculated based on annual energy use. It was assumed that annual energy use for a given building type and code package would not change over time. Cumulative 40-year GHG emissions are calculated as opposed to annual emissions to understand building life cycle impacts and to account for forecasted changes in the electricity grid.

GHG emissions were calculated for each year from 2022 through 2061 based on annual natural gas and electricity usage. The electricity emission factor (metric tons of CO₂e emissions produced per MWh of electricity consumed) was assumed to be zero by 2030 in alignment with HCE's goal of 100% renewable energy by 2030. The 2020 emission factor for HCE was taken from HCE's 2020 CO₂ Emission Report.¹⁰ A linear decrease in the emission factor from the 2020 value to 0 in 2030 was assumed. Natural gas emission factors were taken from the US Community

⁹ <https://www.nfpa.org/assets/files/AboutTheCodes/54/54-A2002-rop.pdf>

¹⁰ https://www.holycross.com/wp-content/uploads/2021/12/co2_EMISSION_REPORT_2020_V1.1.pdf

Protocol for Accounting and Reporting Greenhouse Gas Emissions.¹¹ Natural gas emission factors do not change over time. Energy use, operational costs, and GHG emissions are compared for each building type and code package.

2. Project Results

The results from this study have been organized by building type and include a summary of the upfront cost, operational cost, and GHG emissions of each code standard applied to each building type, compared to Eagle County's 2015 International Energy Conservation Code.

2.1 2021 IECC Compared to 2015 IECC

2.1.1 UPFRONT COST OF 2021 IECC FOR SINGLE-FAMILY HOME

In February 2022, Pacific Northwest National Laboratory (PNNL) conducted a Colorado-specific cost analysis that compares the residential provisions of the 2021 IECC to the 2015 IECC, based on models of typical homes built to be code compliant. This study evaluated each climate zone within the State of Colorado. According to the report, the incremental construction cost for a single-family home built to the base 2021 IECC over the 2015 IECC in Colorado in Climate Zone 6 is **\$1,470**. Additional details on energy savings over the lifetime of the building were reported in the study. Results from this study are summarized in Table 4.

Building Type	Incremental Construction Cost	First-Year Energy Cost Savings	Energy Cost Savings	Life-cycle Cost Savings (\$/Unit) *
Single-Family Home	\$1,470	\$116	6.3%	\$1,144

*Life-cycle cost, by the study's definition, indicates savings over a 30-year time period.

Table 4: Summary results from the PNNL study comparing the residential provisions of the 2021 IECC and the 2015 IECC.

To help validate the findings from the PNNL report, the project team reviewed two additional cost-impact studies. These studies investigated the upfront cost of building to the 2021 IECC compared to the 2018 IECC. In June 2021, Home Innovation Research Labs (HIRL) and the Pacific Northwest National Laboratory (PNNL) published national cost-effectiveness studies of the 2021 IECC compared to the 2018 IECC. The results of each report differed significantly, prompting a third study conducted by ICF, a global consulting company, to check the accuracy of the two reports. The ICF report demonstrated the HIRL study had significant errors in its methodology,

¹¹ <https://icleiusa.org/ghg-protocols/>

so the results of this study have been excluded from this report.¹² ICF reported incremental construction costs for a single-family home built to the 2021 IECC, as compared to the 2018 IECC, ranging from **\$870 - \$2,028**, depending on which additional efficiency package is selected for base code compliance. The PNNL Report found the average incremental cost for a single-family home to build to the 2021 IECC compared to the 2018 IECC to be **\$1,477**.

These cost studies indicate that the incremental cost to build to the 2021 IECC is small and can differ depending on the pathway a builder chooses for base code compliance.

2.1.2 SINGLE-FAMILY HOME ENERGY MODEL: 2015 IECC COMPARED TO 2021 IECC

To investigate the changes in operational cost and GHG emissions that would result from adopting the 2021 IECC, an energy model of a single-family home was developed to compare a typical Eagle County home built to the IECC 2015 and the IECC 2021. The following single-family home was modeled in the BEopt software:

- 3,184 square feet (average single-family home size based on information from the Eagle County Assessor's office).
- 2 stories above-grade.
- Total square footage includes an unconditioned 19' x 20' garage.

Single-family homes must comply with the residential provisions of the IECC. The residential provisions include a requirement that all homes must implement one additional efficiency package to be compliant with code. The efficiency package selected for the 2021 single-family home model is as follows:

- R408.2.2 More efficient HVAC option.

See Appendix A for a full detailed list of the specifications made in BEopt to model the single-family building for each code package.

Energy Use

Figure 1 compares the annual energy usage for the modeled single-family home between the 2015 IECC baseline and the 2021 IECC. A single-family home built to be compliant with the 2021 IECC reduces annual energy use by 8% from the 2015 IECC. This change is mainly due to a decrease in natural gas used for space heating and hot water. Electricity usage declined slightly due to improved lighting efficiency, lower heating fan usage, and efficiency

¹² <https://energyefficientcodes.org/wp-content/uploads/2022/05/Comparison-of-2021-IECC-Residential-Cost-Effectiveness-Analyses.pdf>

improvements to the air conditioning system. Minor improvements to building envelope insulation also slightly reduced energy used for heating and cooling.

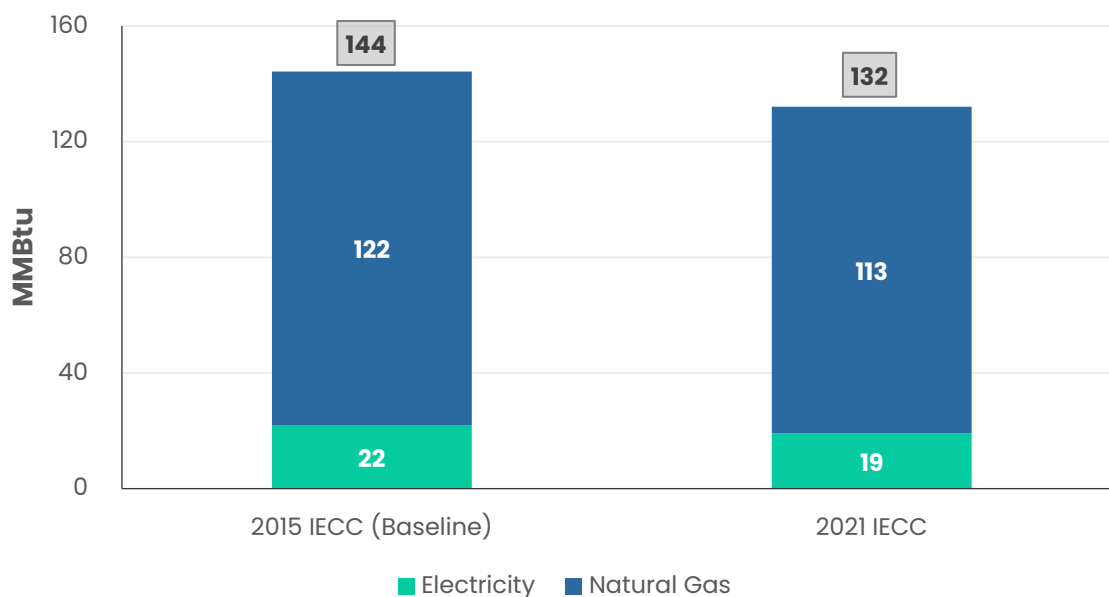


Figure 1: Comparison of single-family home annual energy use (MMBtu) between the 2015 IECC and the 2021 IECC.

Cost Savings

The 8% reduction in energy use described above would provide an 8% decrease in annual utility bills (\$204.47, Figure 2). Electricity use decreased by 12% and natural gas use decreased by 8%. Savings from natural gas reductions are higher than savings from electricity due to a higher cost per unit of energy for natural gas at the time of modeling. Overall, annual utility costs would decrease from \$2,564 with the 2015 IECC to \$2,360 with the 2021 IECC. Over 40 years, single-family homeowners would spend \$8,178.80 less on energy in a home built to the 2021 IECC compared to a home built to the 2015 IECC.

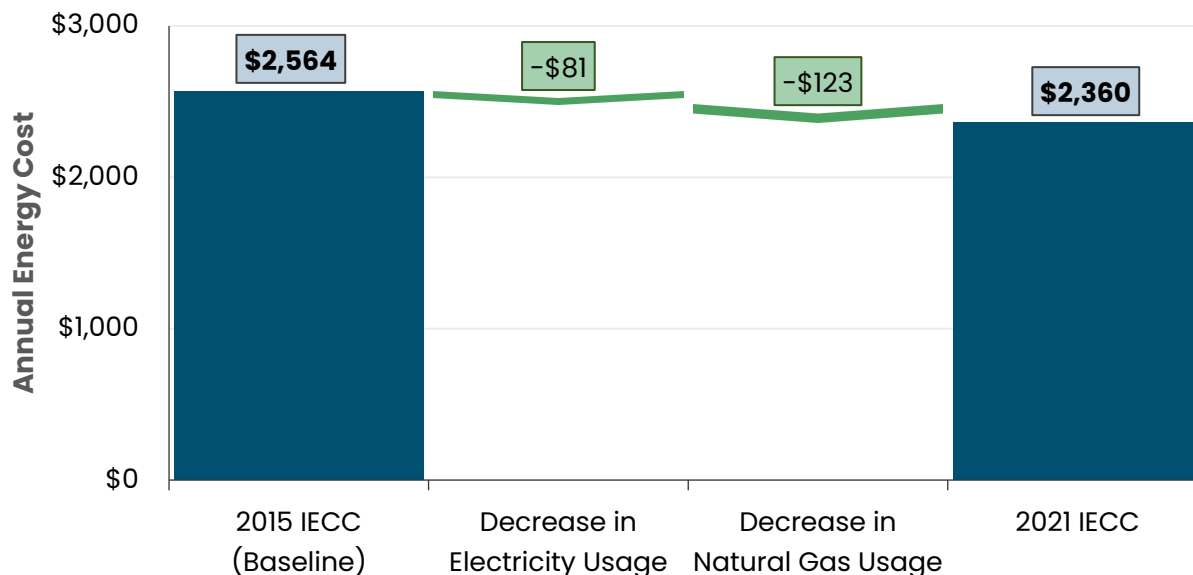


Figure 2: Cost savings breakdown of single-family home annual energy costs between the 2015 IECC and the 2021 IECC.

GHG Emissions

A single-family home built to the 2015 IECC would produce 270 mt CO₂e (metric tons of carbon dioxide equivalent) over 40 years. The 2021 IECC provides an 8% decrease in GHG emissions (248 mt CO₂e, a decrease of 21 mt CO₂e) compared to the 2015 IECC. Natural gas makes up the majority of both the 2015 IECC and 2021 IECC buildings' 40-year emissions (Figure 3). This is expected because electricity emissions fall to zero after 2030 due to HCE's renewable energy goal.

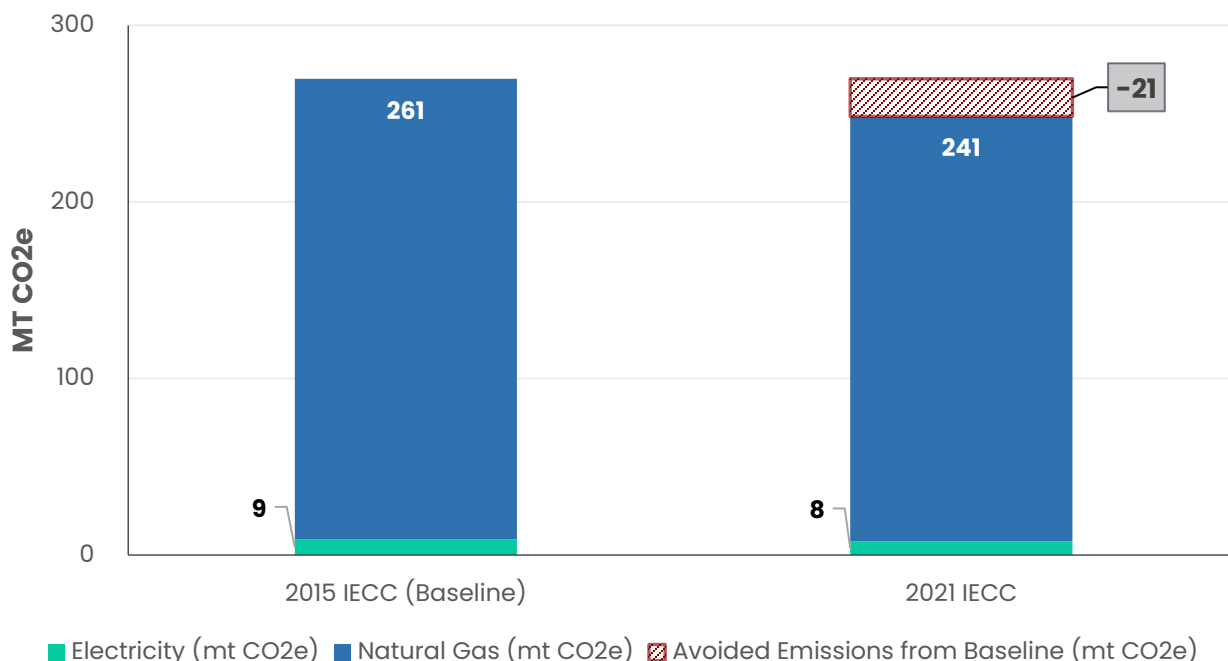


Figure 3: Comparison of single-family home 40-year GHG emissions between the 2015 IECC and the 2021 IECC.

2.1.3 UPFRONT COST OF 2021 IECC FOR A MULTIFAMILY BUILDING

Two studies were available that analyzed the cost-effectiveness of the 2021 energy code against the 2015 energy code for multi-family buildings. The first is the Colorado-specific PNNL study completed in February 2022, (referenced above) which demonstrated that the total incremental cost to build to the 2021 energy code in Climate Zone 6 is **\$1,065/unit** (Table 5).

Table 5: Summary results from the PNNL study comparing the residential provisions of the 2021 IECC and the 2015 IECC. *Life-cycle cost, by the study's definition, indicates savings over a 30-year time period.

Building Type	Incremental Construction Cost	First-Year Energy Cost Savings	Energy Cost Savings	Life-cycle Cost Savings (\$/Unit) *
Multifamily Apartment (cost per unit)	\$1,065	\$116	6.3%	\$1,144

The second study was also conducted by PNNL, and it examined the cost differences resulting from moving to the ASHRAE Standard 90.1-2019 (2021 IECC) from the Standard 90.1-2016 edition (2018 IECC). The ASHRAE 90.1 standard is a compliance pathway in the commercial section of the IECC. This study demonstrated the incremental cost to build a mid-rise apartment building is **(\$0.46)/square foot**.

Results for Climate Zone 6 include results broken out by building type which are listed in Table 6. Each column represents results compared to the baseline 2016 ASHRAE Standard (which is referenced in the 2018 IECC).

Building Type	Square Footage Modeled in Building Prototype	Incremental Construction Cost for ASHRAE 2019 (\$/sq ft)	Net Lifetime Cost Savings (\$/sq ft) Publicly Owned Buildings	Net Lifetime Cost Savings (\$/sq ft) Privately Owned Buildings	Annual Energy Cost Savings (\$/sq ft)	Energy Cost Savings (%) for ASHRAE 2019
Mid-Rise Apartment	33,740	(\$0.46)	\$2.27	\$2.04	\$0.03	2.3%

Table 6: Cost data for commercial buildings per building type resulting from upgrading to the 2019 ASHRAE Standard from the 2016 ASHRAE Standard.

Applying the cost per unit and cost per square foot associated with the two PNNL studies to the square footage and the number of units in the multifamily building modeled for this report, the following for incremental construction cost to build to the 2021 IECC over the 2015 IECC is estimated to be **\$(9,194.94)–\$14,910**.

Numbers in parentheses indicate negative values, which equate to a lower cost to build to the 2019 ASHRAE Standard as opposed to the 2016 ASHARE Standard. While this may seem counter-intuitive, the study suggests upfront cost savings could result from upgrading light fixtures from fluorescent to LED technology, the need for fewer light fixtures due to reduced allowed lighting power between the two code standards and smaller HVAC equipment sizing based on increased efficiency measures. It is also important to note that the two PNNL studies use different baseline energy codes for their analysis. The lower end of the incremental cost estimate comes from the comparison to the 2018 energy code, while the higher end of the incremental cost estimate comes from the comparison to the 2015 energy code.

2.1.4 MULTIFAMILY ENERGY MODEL: 2015 IECC COMPARED TO 2021 IECC

To investigate the changes in operational cost and GHG emissions that would result from adopting the 2021 IECC, an energy model of a multifamily building was developed to compare a typical Eagle County multifamily complex built to the 2015 IECC and the 2021 IECC. The following multifamily building was modeled in the BEopt software:

- 19,989 square feet (average multifamily building size based on information from the Eagle County Assessor's office).
- 2 stories above-grade.
- Composed of 14 units and a conditioned corridor on each floor.

Multifamily buildings must comply with the commercial section of the IECC. The 2021 commercial IECC requires 10 credits in additional energy efficiency provisions on top of compliance with the base code. The efficiency packages selected for the 2021 multifamily model are as follows:

- C406.7.3 Efficient fossil fuel water heater.
- C406.3 Reduced lighting power.

See Appendix A for a full detailed list of the specifications made in BEopt to model the multifamily building for each code package.

2015 IECC BASELINE AND 2021 IECC COMPARISON

Energy Use

Compared to the 2015 IECC, a multifamily building constructed in compliance with the 2021 IECC base code results in a 12% decrease in energy use (Figure 4) due to a decrease in natural gas use. Electricity usage increases slightly between the 2015 and 2021 IECC due to the efficient fossil fuel water heater selected in the 2021 IECC model. A condensing water heater was selected for modeling. This type of water heater uses electricity to power the condensing fan, resulting in a slight increase in electricity consumption. An improvement in required furnace heater efficiency between the 2015 and 2021 IECC is responsible for most of the natural gas use reduction.

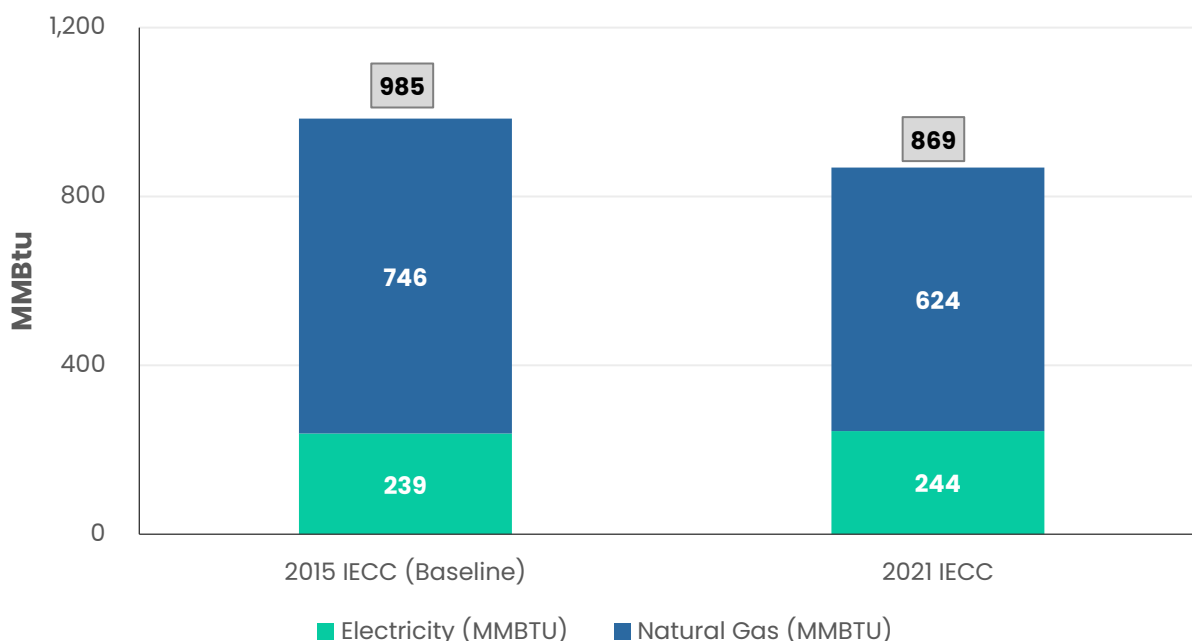


Figure 4: Comparison of multifamily building annual energy use between the 2015 IECC and the 2021 IECC.

Cost Savings

Total annual energy costs decrease by 7% between the 2015 and 2021 IECC (Figure 5). Overall, annual energy costs would decrease by \$1,403 with the 2021 IECC. Over 40 years, the multifamily building would save \$56,115 in energy costs with the 2021 IECC compared to the 2015 IECC.

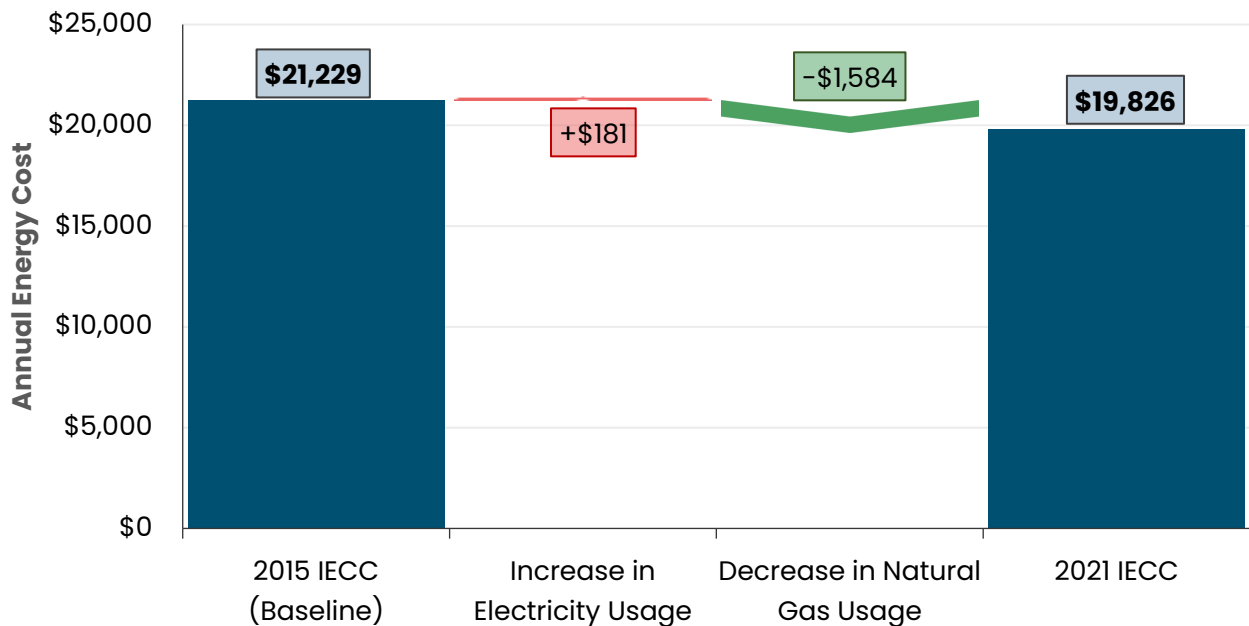


Figure 5: Cost savings breakdown of multifamily building annual energy costs between the 2015 IECC and the 2021 IECC.

GHG Emissions

The modeled multifamily building would produce 1,685 mt CO₂e over 40 years based on the 2015 IECC. The 2021 IECC provides a 15% decrease in GHG emissions (1,429 mt CO₂e, a decrease of 257 mt CO₂e) compared to the 2015 IECC (Figure 6). Reductions in natural gas use drive this difference between the two codes since electricity demand from the water heater condensing fan slightly increased overall electricity use.

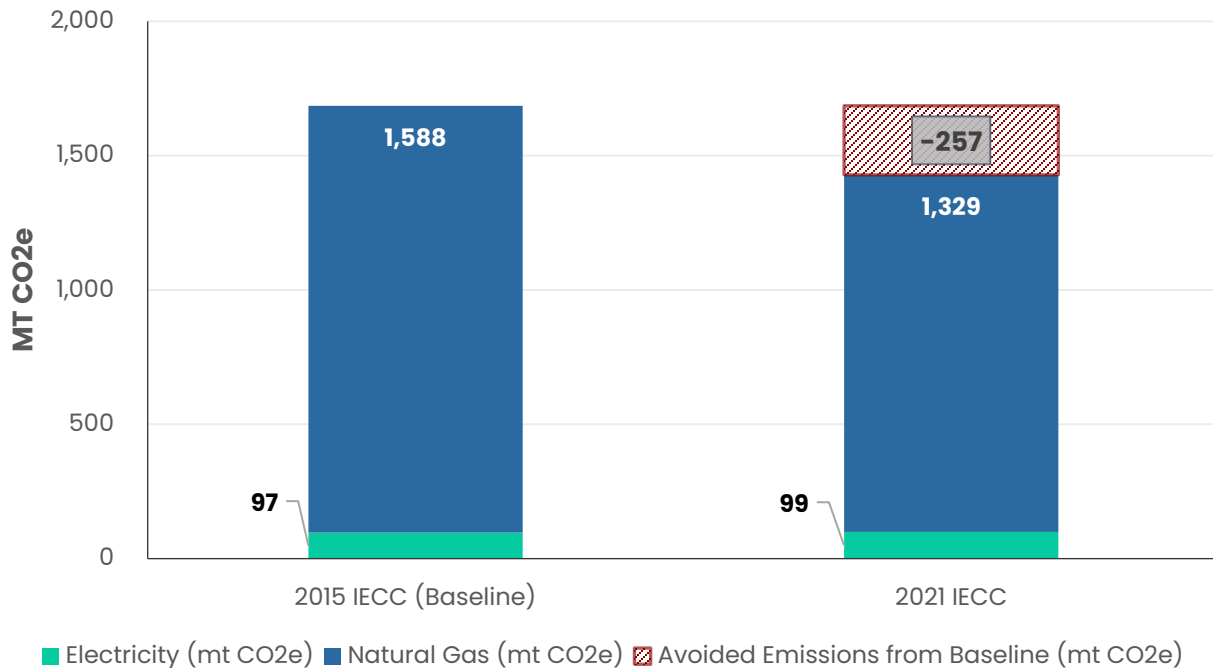


Figure 6: Comparison of cumulative 40-year GHG emissions from each code package for the multifamily building.

2.1.5 UPFRONT COST OF 2021 IECC FOR A COMMERCIAL MIXED-USE BUILDING

Only one study was available that investigated the incremental cost to build to the 2021 energy code for commercial buildings. This study is the PNNL study referenced above, which examined the cost differences resulting from moving to the ASHRAE Standard 90.1-2019 (2021 IECC) from the Standard 90.1-2016 edition (2018 IECC), which is a compliance pathway in the commercial section of the IECC. Results for Climate Zone 6 include results broken out by building type which are listed in Table 7. Each column represents results compared to the baseline 2016 ASHRAE Standard (which is referenced in the 2018 IECC).

Building Type	Square Footage Modeled in Building Prototype	Incremental Construction Cost for ASHRAE 2019 (\$/sq ft)	Net Lifetime Cost Savings (\$/sq ft) Publicly Owned Buildings	Net Lifetime Cost Savings (\$/sq ft) Privately Owned Buildings	Annual Energy Cost Savings (\$/sq ft)	Energy Cost Savings (%) for ASHRAE 2019
Small Office	5,500	(\$1.66)	\$3.76	\$3.18	\$0.04	5.7%
Large Office	498,640	(\$1.80)	\$3.31	\$2.72	\$0.04	2.5%
Stand-Alone Retail	24,690	(\$1.28)	\$3.76	\$3.25	\$0.06	5.9%

Primary School	73,970	(\$2.41)	\$5.47	\$4.62	\$0.07	7.3%
Small Hotel	43,210	\$0.65	\$12.55	\$12.12	\$0.08	7.1%

Table 7: Cost data for commercial buildings per building type resulting from upgrading to the 2019 ASHRAE Standard from the 2016 ASHRAE Standard.

Applying the cost per square foot of the commercial building types to the square footage of the commercial building modeled for this report, the following for incremental construction cost to build to the 2021 IECC over the 2018 IECC is estimated to be a savings of **\$(10,005)-\$(7,714)**.

As stated above, the numbers in parentheses indicate negative values, which equate to a lower cost to build to the 2019 ASHRAE Standard as opposed to the 2016 ASHARE Standard. The same rationale for the lower cost to build for multifamily applies to commercial buildings, including more efficient HVAC systems, and reduced lighting power densities, among others. The commercial building design is extremely variable, thus there may be other interactions between code updates and specific applications that also result in either upfront cost savings or higher upfront costs.

2.1.6 COMMERCIAL ENERGY MODEL: 2015 IECC COMPARED TO 2021 IECC

To investigate the changes in operational cost and GHG emissions that would result from adopting the 2021 IECC, an energy model of a commercial building was developed to compare a typical Eagle County multifamily complex built to the IECC 2015 and the IECC 2021. The following commercial building was selected based on the average size and use of commercial buildings in Eagle County and was modeled using eQUEST:

- 6,027 square feet.
- 2 stories above grade.
- Composed of retail space on the ground floor and three multifamily units on the top floor.

The 2021 commercial IECC requires 10 credits in additional energy efficiency provisions on top of compliance with base code. Credits awarded for energy efficiency provisions differ between building occupancy types (i.e., the same energy efficiency strategy awards different number of credits to retail space compared to multifamily space). As the modeled commercial building includes retail and multifamily space, credits from additional energy efficiency provisions are weighted by the floor area of each occupancy type. The efficiency packages selected for the 2021 commercial model are as follows:

- C406.8 Enhanced envelope performance.

- C406.7.4 Efficient fossil fuel water heater (applies to the multifamily floor only).

See Appendix A for a full detailed list of the specifications made in eQUEST to model the commercial building for each code package.

2015 IECC BASELINE AND 2021 IECC COMPARISON

Energy Use

To account for differences in energy usage between the two occupancy types included in the mixed-use commercial building, several building components were specified separately for the retail and multifamily space. Occupancy, lighting, and fan schedules along with space-specific lighting power densities were included in the model for each occupancy type. Water heater capacities were also specified for the different spaces (i.e., the multifamily space requires more gallons of hot water per person than the retail space). Compared to the 2015 IECC, compliance with the 2021 IECC base code results in a 9% decrease in energy use (Figure 7), primarily due to decreases in natural gas consumption from improvements to the building envelope—leading to decreased energy need for heating and cooling—and higher efficiency water heaters.

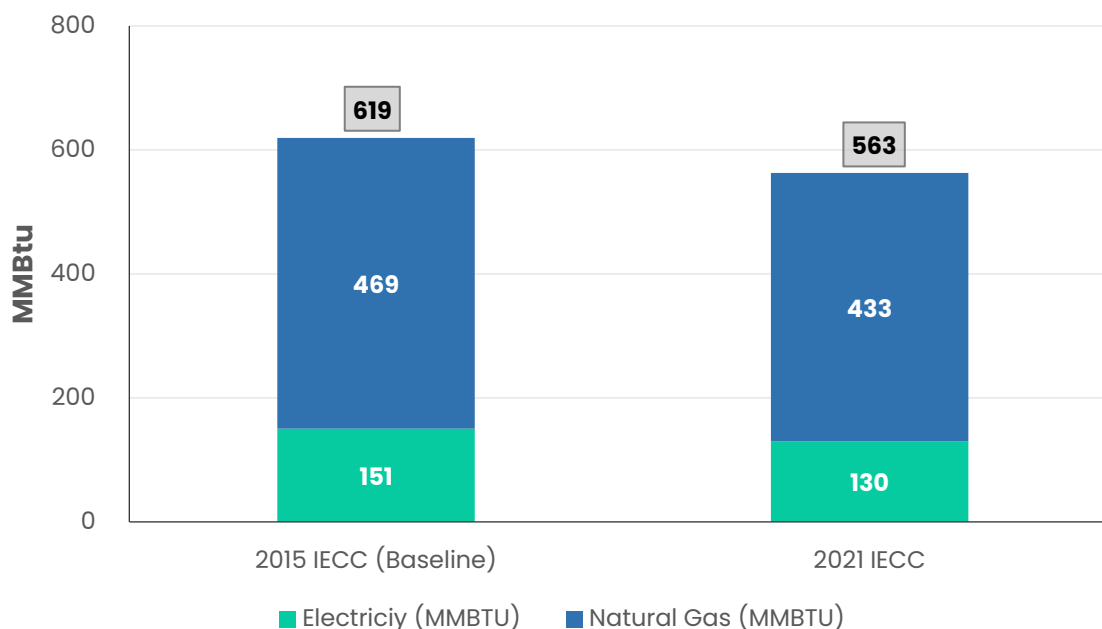


Figure 7: Comparison of commercial building annual energy use between the 2015 IECC and the 2021 IECC.

Cost Savings

Compliance with the 2021 IECC provides a 10% decrease in total annual energy costs compared to the 2015 IECC (\$1,061 saved per year). The decrease in electricity used for lighting and the

decrease in natural gas used for space and water heating are the primary drivers in this cost reduction. Over 40 years, the commercial building would save \$42,440 compared to the 2015 IECC.

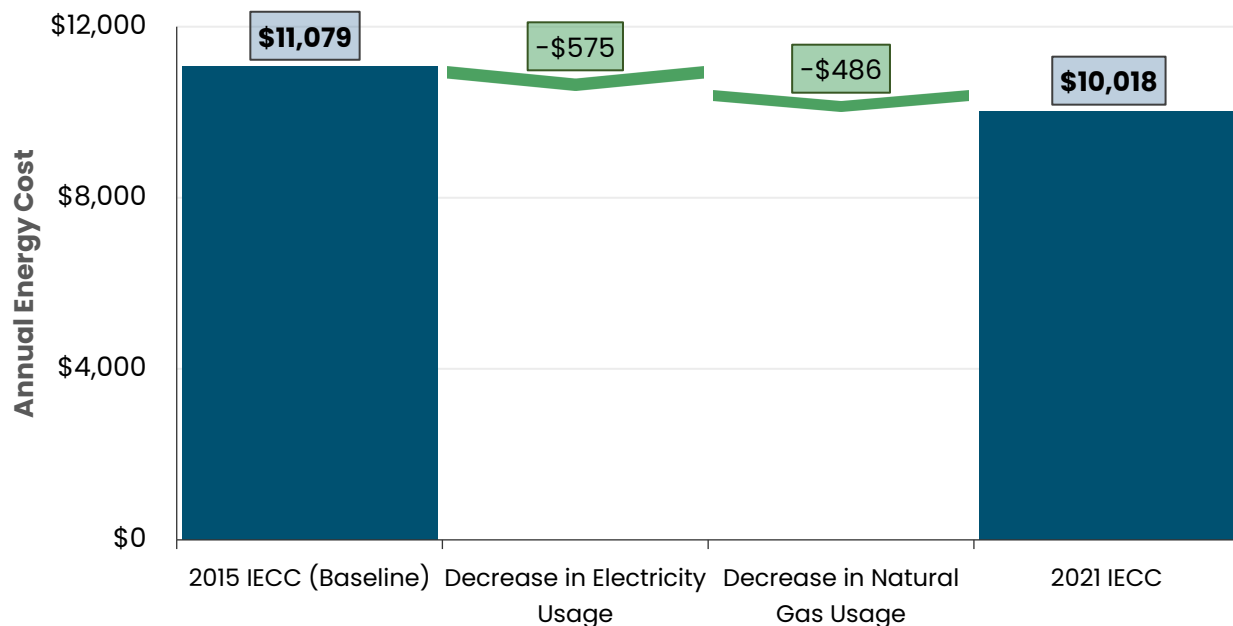


Figure 8: Cost savings breakdown of commercial building annual energy costs between the 2015 IECC and the 2021 IECC.

GHG Emissions

Over 40 years, the commercial building modeled to 2015 IECC standards would produce 1,060 mt CO₂e. Compliance with the 2021 IECC would reduce 40-year building emissions by 85 mt CO₂e, an 8% decrease (Figure 9). This reduction is primarily driven by natural gas savings from space and water heating. Given Holy Cross Energy's renewable energy goals, electricity savings from improved lighting efficiency have a limited impact on total building emissions compared to natural gas reductions.

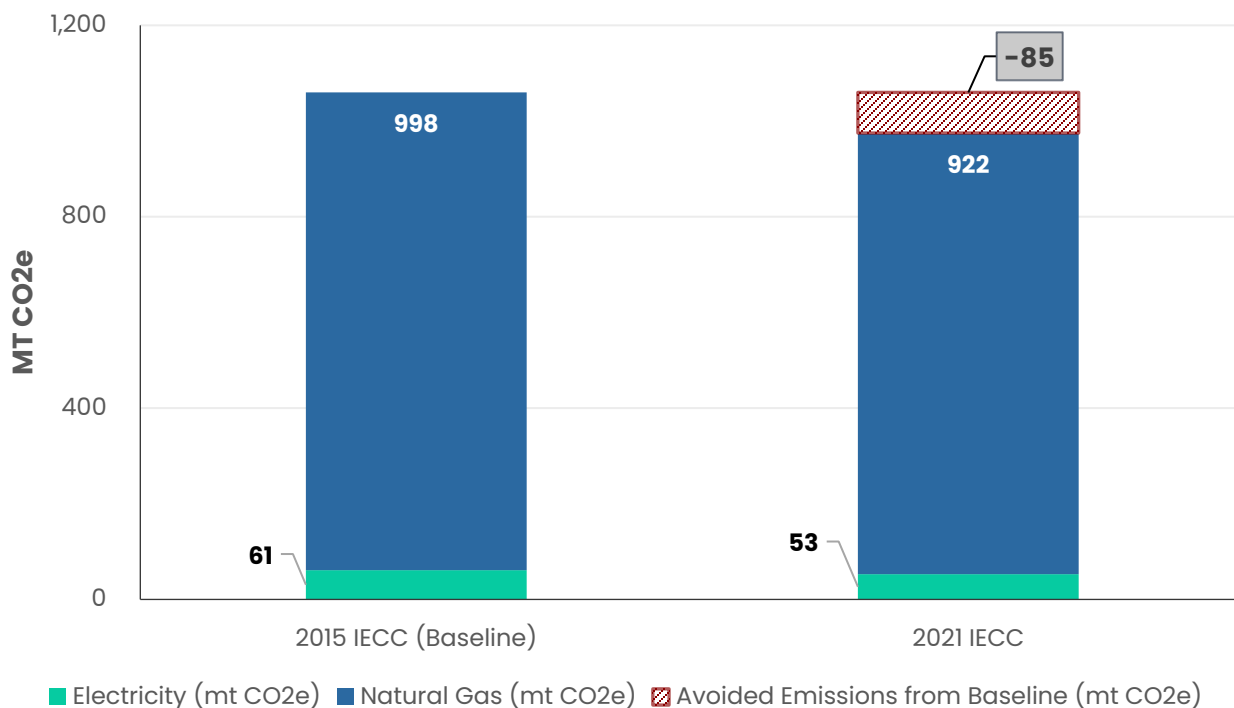


Figure 9: Comparison of cumulative 40-year GHG emissions between the 2015 IECC and 2021 IECC for the commercial building.

2.2 2021 IECC Electric-Ready Standard Compared to 2015 IECC

2.2.1 UPFRONT COST OF ELECTRIC-READINESS FOR ALL BUILDING TYPES

Electric-readiness includes code provisions that prepare a building for an all-electric future by installing the necessary pre-wiring and panel capacity for space heating, water heating, clothes drying, and cooking appliances. Studies conducted by Utah Clean Energy (UCE) and Group14 (this study uses PNNL data) detail the upfront cost of building electric-ready new construction and costs for panel upgrades to existing buildings. Results are outlined in Table 8.

Authoring Entity	Assumptions / Methodology Notes	Upfront Cost for Single-Family Home (SFH)	Cost for Service Panel Upgrades for SFH	Upfront Cost for Medium-Sized Commercial Building	Cost For Service Panel Upgrades for Commercial Building
UCE	Estimates based on a literature review and input from building experts in Utah.	\$925	\$2,300	\$1,350 (low-rise multifamily)	\$1,500 (low-rise multifamily)

Group14/ PNNL	Single-family home: 2,820 square feet, 4 bedrooms.	\$2,700	\$3,342	Not available.	Not available.
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Table 8: Upfront costs for electric-readiness provisions.

Electric-readiness is a future-proofing strategy used to avoid costly upgrades to new homes after they've been built. The Utah Clean Energy study estimates that the cost to retrofit an average single-family home in Utah with electric-ready infrastructure is 4.2 times (416%) the cost of including the same infrastructure in new construction. The estimated premium to retrofit a low-rise multifamily property is 2.7 times (267%) the new construction cost.

Additionally, electric-readiness does not require installation of all-electric equipment, thereby giving builders a choice of fuel use, but it is still an effective mechanism for ensuring cost is less of a deterrent when an occupant decides to move toward all-electric equipment and systems.

Note: electric-readiness infrastructure does not impact energy consumption, energy savings, or GHG emissions in a building. Therefore, the project team did not model each building type to an electric-ready standard. Any building built with electric-readiness infrastructure will yield the same energy performance results as the 2021 IECC energy modeling in Section 2.1.

2.3 2021 IECC Electric-Preferred Standard Compared to 2015 IECC

2.3.1 UPFRONT COST OF ELECTRIC-PREFERRED FOR ALL BUILDING TYPES

Electric-preferred amendments build upon electric-readiness. This code package still allows for fuel choice but builders that opt to use natural gas must implement extra efficiency measures, in addition to being electric-ready. To comply with an electric-preferred code amendment, a builder has two choices. First is to build all-electric and the second is to build with natural gas and electricity. If a builder chooses to use natural gas along with electricity, they must implement additional efficiency measures. The additional efficiency requirements for an electric-preferred code can vary.¹³ Typically, electric-preferred codes use the additional efficiency sections of the IECC 2021 code (Sections R408 and C406) to identify the additional efficiency measures a natural gas building must pursue, such as high-efficiency gas equipment or building envelope improvements.

¹³ City of Denver and City of Louisville represent a range of electric-ready code language options. For the City of Denver, a building must implement additional efficiency measures totaling to 40 points (as outlined by Sections R408 and C406 in the 2021 IECC). In the City of Louisville, a building must simply install higher-efficiency gas equipment.

For the electric-preferred upfront cost analysis, additional costs are incurred from electric-ready infrastructure and the additional efficiency requirements. Costs for building all-electric, a compliance option under electric-preferred codes, are reviewed in Section 2.4.

Reports estimating the upfront cost impacts of electric-preferred are only available for single-family homes. These estimates come from the ICF report, referenced in Section 2.1.1, and cost modeling conducted by Group14 and PNNL.¹⁴ There are currently no published studies that examine electric-preferred upfront or incremental costs for multifamily and commercial buildings.¹⁵

The cost for additional efficiency measures will vary depending on the additional efficiency package chosen. Note: For IECC 2021 base code compliance, all homes must select at least one of the additional efficiency package options from Section R408 of the IECC Residential provisions. A second efficiency package must be selected to comply with an electric-preferred standard. The efficiency package options for single-family homes include:

- 1) Enhanced building envelope.
- 2) Higher efficiency HVAC equipment.
- 3) Higher efficiency service-hot water heater.
- 4) More efficient duct thermal distribution system.
- 5) Improved air sealing and ventilation.

Modeling results from the ICF study detailing the incremental construction cost for each efficiency measure, relative to the 2018 IECC, are shown in Table 9. ICF opted not to model costs for enhanced building envelope, due to the variability of components that contribute to insulation and the complications that would add to modeling. However, it is important to consider that the upper range of costs could be higher if the enhanced building envelope scenario were modeled. An electric-preferred code would at minimum require single-family homes to implement at least two of the listed efficiency package options if they build with natural gas.

¹⁴ <https://www.louisvilleco.gov/home/showdocument?id=34232&t=637814040411046672>

¹⁵ To be compliant with the base code, a building must select efficiency packages that add up to at least 10 points for their respective climate zone. In an electric-preferred code, buildings must earn more than 10 points if they build with natural gas and the additional points they must earn depend on the electric-preferred standard. For the full suite of options available for commercial buildings, refer to Section C406 Additional Efficiency Requirements in the 2021 IECC.

Additional Efficiency Option	Incremental Construction Cost	Energy Cost Savings
With higher efficiency HVAC option	\$1,464	11.5%
With reduced energy-use water heater option	\$870	4.5%
With improved air sealing and efficient ventilation option	\$2,028	5.7%
With a more efficient duct thermal distribution system option, slab house	\$926	10.6%

Table 9: Costs modeled by ICF for the 2021 IECC and additional efficiency options, relative to the 2018 IECC.

2.3.2 SINGLE-FAMILY HOME ENERGY MODEL: 2021 IECC + ELECTRIC-PREFERRED COMPARED TO 2015 IECC

To develop the energy model for the electric-preferred standard, the team selected two additional efficiency packages to model.

- R408.2.2 More efficient HVAC option.
- R408.2.4 More efficient duct thermal distribution system.

Energy Use

The 2021 IECC with electric-preferred code package complies with 2021 IECC base code and improves HVAC system and duct thermal distribution efficiency above the base requirements. The electric-preferred package would reduce annual energy use for a single-family home by 23% from the baseline and 16% from the 2021 IECC base code (Figure 10). The improvements to the HVAC and duct systems lead to minor electricity use reductions from cooling and ventilation and natural gas reductions from heating.

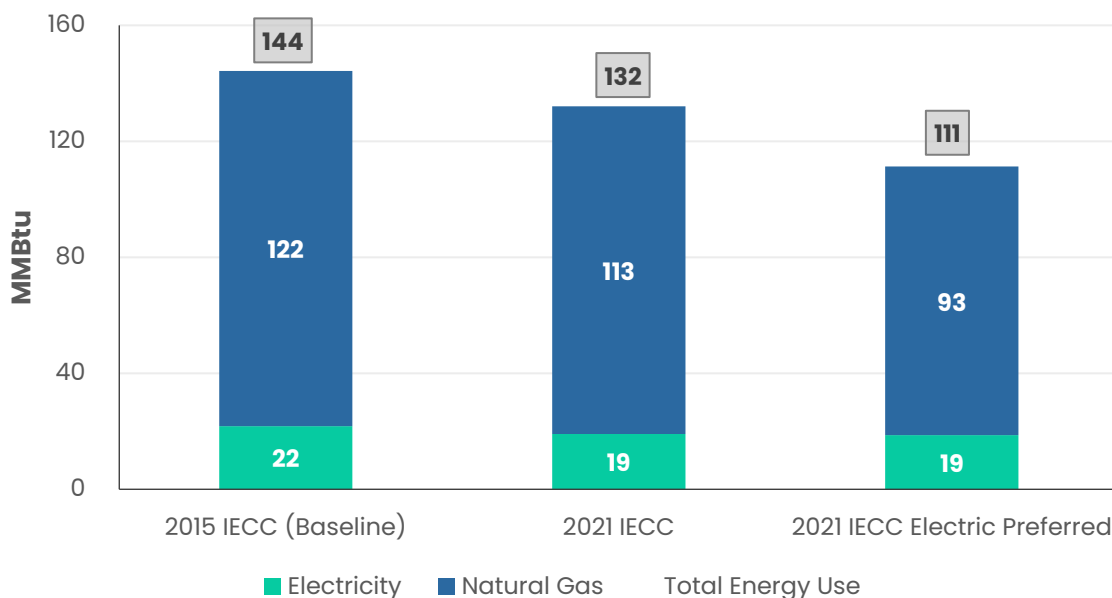


Figure 10: Comparison of single-family home annual energy use between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

Cost Savings

Annual energy costs with the electric-preferred package would be \$2,082, a 19% (\$481.94) reduction in annual costs from the 2015 IECC baseline (Figure 11). Electric-preferred provisions would provide an additional \$277 in savings per year over the 2021 IECC base code.

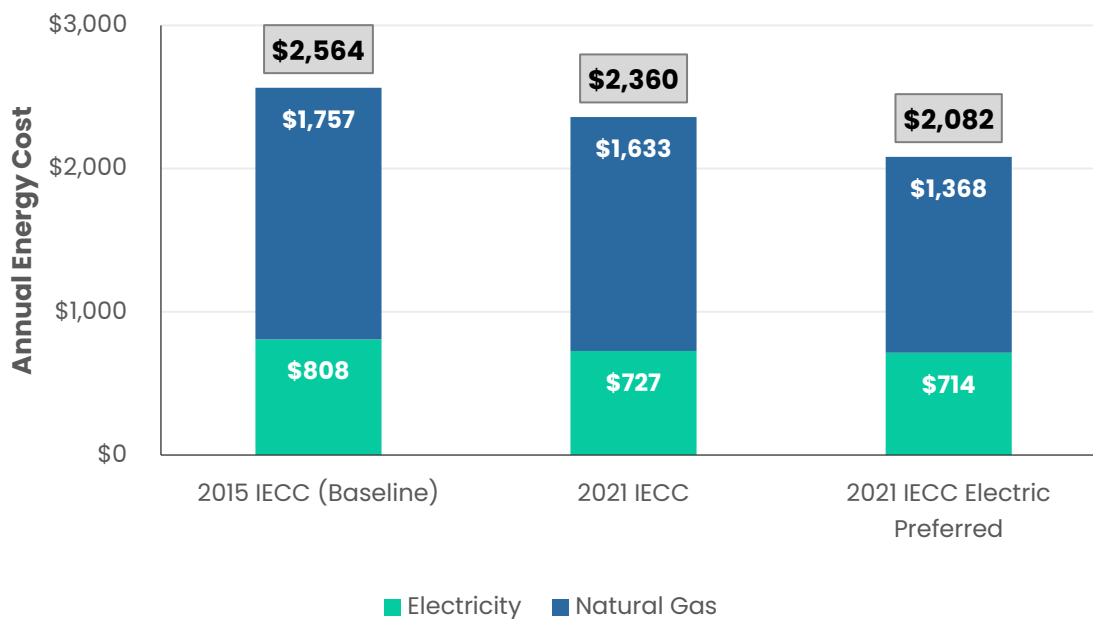


Figure 11: Comparison of single-family home annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

As most of the energy savings from this code package are due to the decrease in natural gas usage, annual natural gas costs are \$389 lower than the 2015 IECC baseline (Figure 12). The electric-preferred provisions would provide an additional \$12 per year in electricity savings from the 2021 IECC base code (\$81 saved from 2021 IECC and \$93 from electric-preferred). Over 40 years, an average single-family home in Eagle County built to the 2021 IECC with electric-preferred provisions would save \$19,277.60 compared to the 2015 IECC baseline.

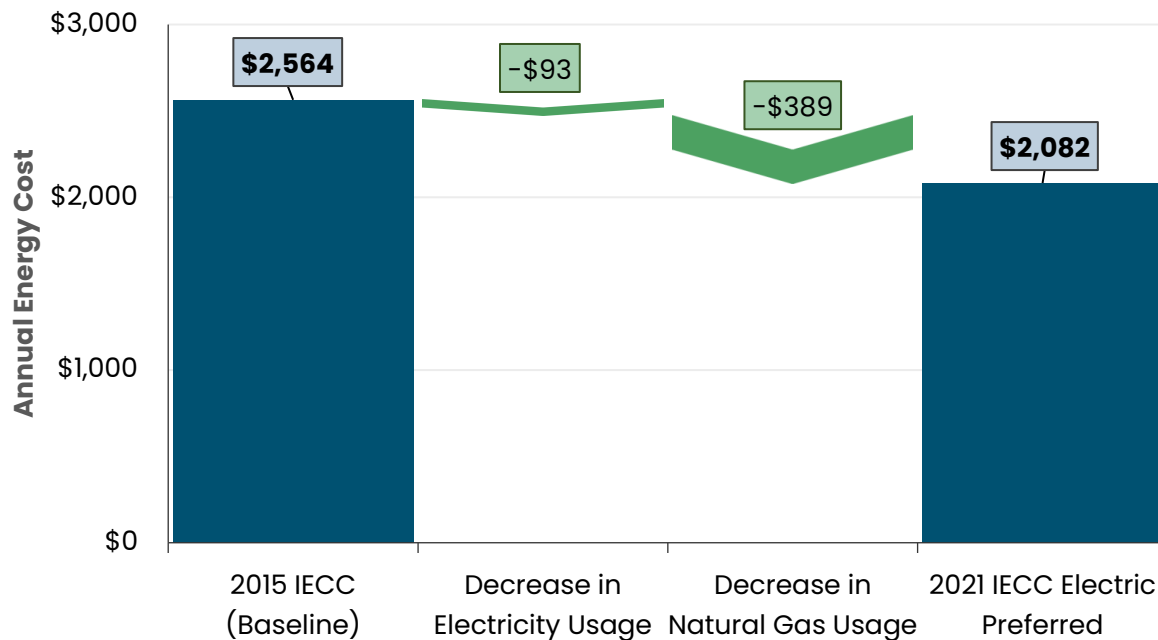


Figure 12: Cost savings breakdown of single-family home annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

GHG Emissions

Over 40 years, a typical single-family home in Eagle County built to the 2021 IECC with electric-preferred provisions would produce 205 mt CO₂e, resulting in a 24% reduction from the 2015 IECC (Figure 13). There were minimal changes to equipment between the 2021 IECC and 2021 IECC electric-preferred code packages, so this reduction in emissions comes entirely from natural gas use reduction from more efficient HVAC and ducting systems that result in less energy use for heating. Efficiency improvements to ducting are primarily responsible for the energy, cost, and GHG emission savings from this code package.

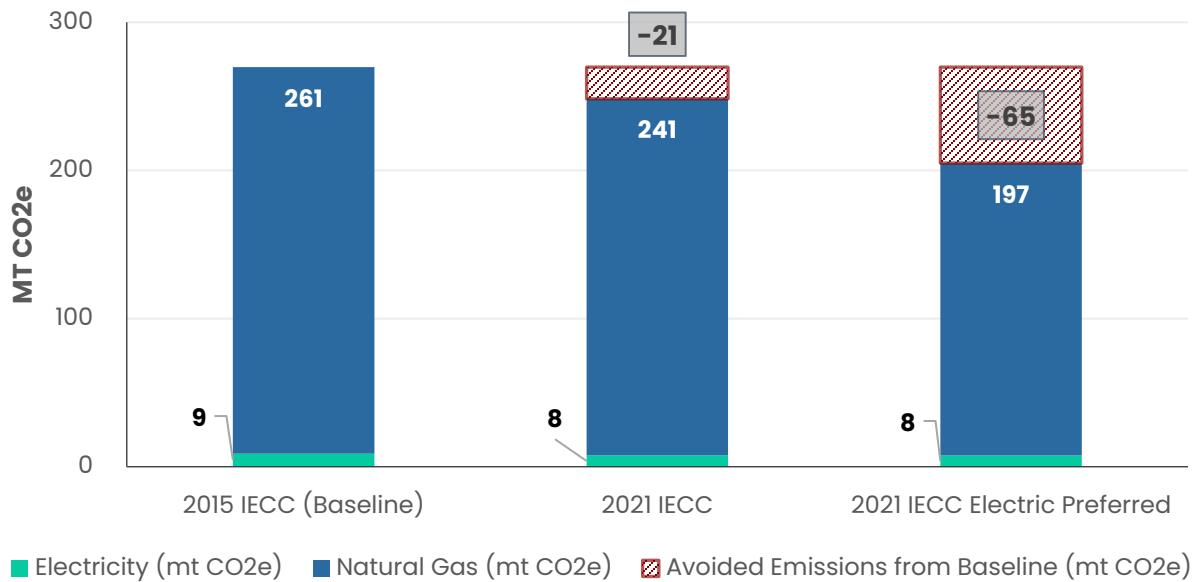


Figure 13: Comparison of single-family home 40-year GHG emissions between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

2.3.3 MULTIFAMILY BUILDING ENERGY MODEL: 2015 IECC BASELINE AND 2021 IECC + ELECTRIC-PREFERRED COMPARISON

To develop the multifamily energy model for the electric-preferred standard, the team selected efficiency packages to model which total 20 points from the tables in the additional efficiency requirements in section C406.

- C406.7.3 Efficient fossil fuel water heater.
- C406.3 Reduced lighting power.
- C406.8 Enhanced envelope performance.
- C406.6 Dedicated outdoor air system.

Energy Use

The electric-preferred code package for multifamily also includes the efficient fossil fuel water heater and reduced lighting power provisions modeled in the 2021 IECC package. Additionally, a 15% improvement in building envelope performance and a dedicated outdoor air system were modeled for the electric-preferred package. These provisions reduce overall energy use by 22% compared to the 2015 IECC (Figure 14).

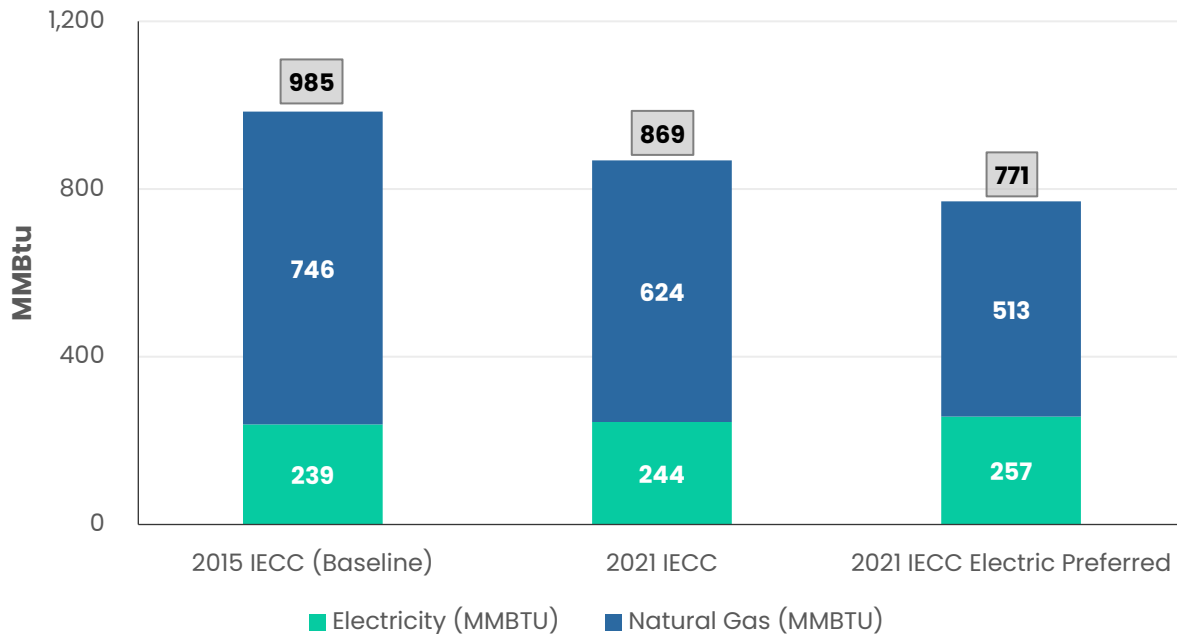


Figure 14: Comparison of multifamily annual energy use between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

Electricity usage increased between the 2021 IECC and the 2021 IECC with electric-preferred provisions due to the dedicated outdoor air system included in the model. This system is required by the 2021 IECC to provide energy recovery, so an energy recovery ventilator (ERV) was included in the model. The ERV increased electricity use from ventilation but significantly decreased the natural gas used for space heating, resulting in an overall net reduction in energy use.

Cost Savings

Annual energy costs from the 2021 IECC with electric-preferred provisions total \$18,782.68, resulting in a 12% reduction from the 2015 IECC (Figure 15). The additional efficiency provisions included in the electric-preferred package provide an additional \$1,043.07 in annual savings on top of the 2021 IECC.

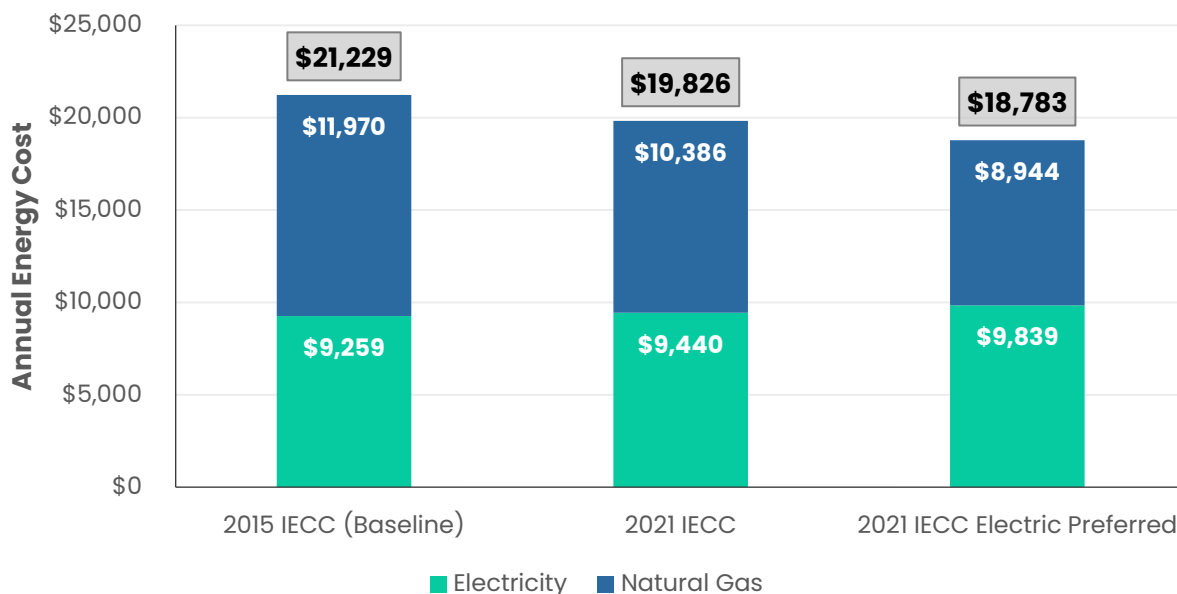


Figure 15: Comparison of multifamily annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

This reduction is driven by the decrease in natural gas usage due to the ERV and the improved building envelope (Figure 16). Electricity costs increase due to the additional electricity consumed by the ERV and the tankless condensing water heater fan.

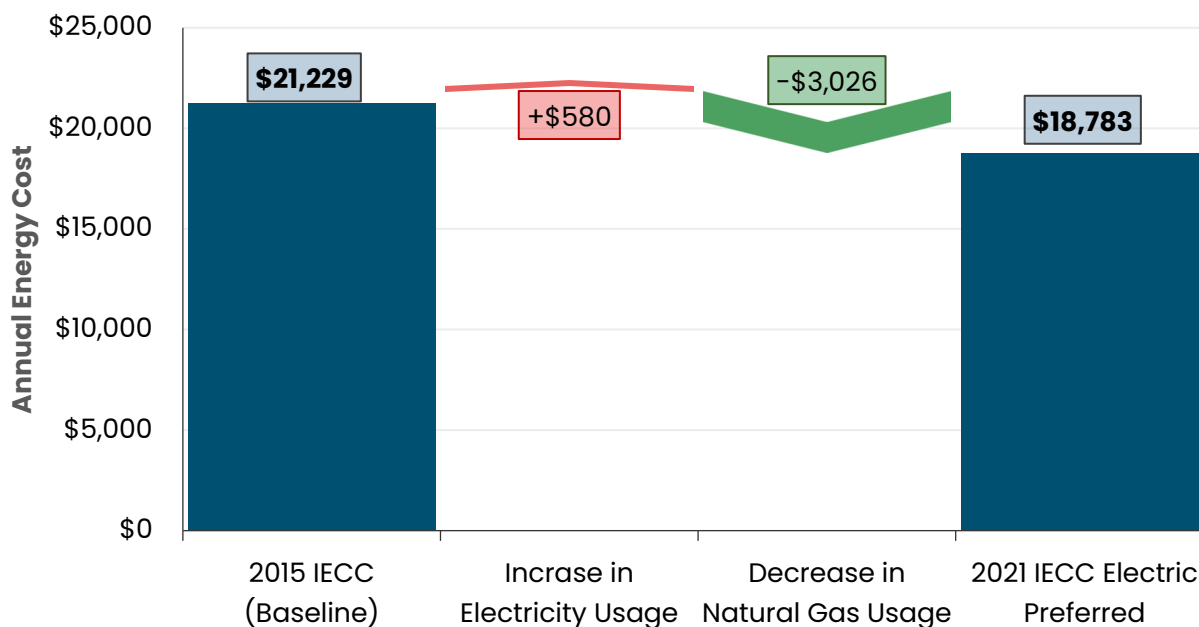


Figure 16: Cost savings breakdown of multifamily annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

GHG Emissions

Over 40-years, the modeled multifamily building built to the 2021 IECC with electric-preferred provisions would produce 1,198 mt CO₂e, resulting in a 29% reduction from the 2015 IECC (Figure 17). The slight increase in electricity emissions is offset by the significant decrease in natural gas emissions.

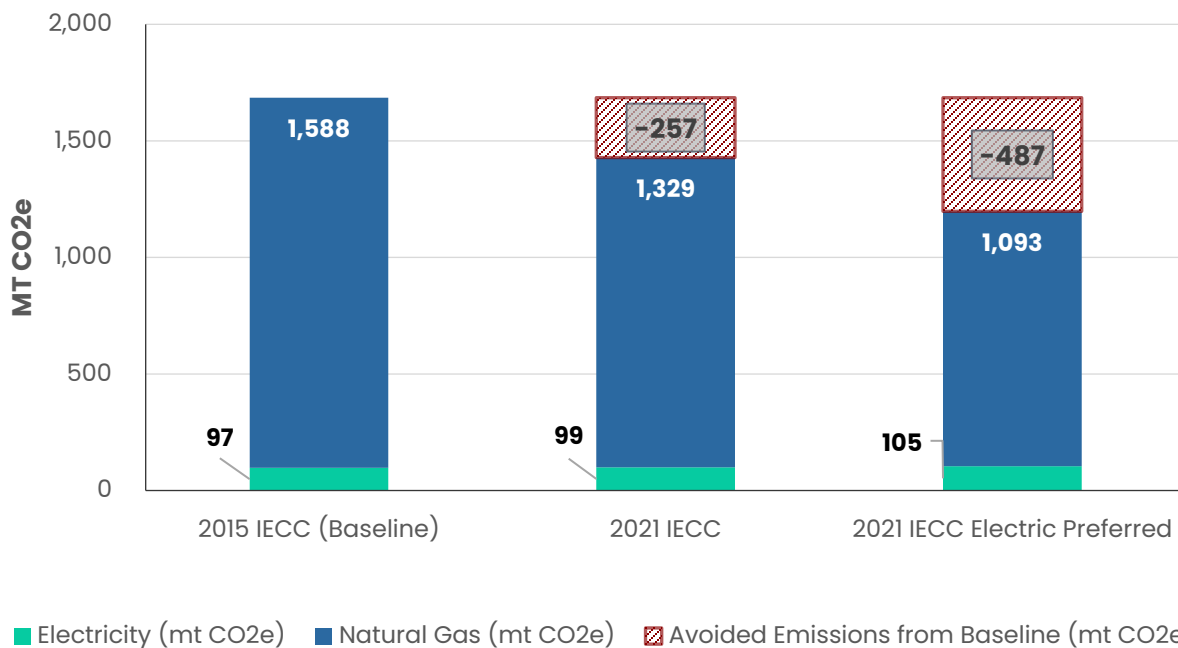


Figure 17: Comparison of cumulative 40-year GHG emissions from each code package for a multifamily building.

2.3.4 COMMERCIAL BUILDING ENERGY MODEL: 2015 IECC BASELINE AND 2021 IECC + ELECTRIC-PREFERRED COMPARISON

To develop the commercial energy model for the electric-preferred standard, the team selected efficiency packages to model which total 20 points from the tables in the additional efficiency requirements in section C406.

- C406.8 Enhanced envelope performance.
- C406.7.3 Efficient fossil fuel water heater.
- C406.2 More efficient HVAC equipment performance.
 - 10% Heating efficiency improvement.
 - 10% Cooling efficiency improvement.
- C406.3 Reduced lighting power.

Energy Use

The 2021 IECC with electric-preferred provisions includes additional energy efficiency measures in addition to the measures needed for 2021 IECC base code compliance. The additional measures selected for the electric-preferred package for the modeled commercial building include 10% efficiency improvements in HVAC equipment performance and reduced lighting power. These additional measures reduce energy usage by an additional 12.5% from the 2021 IECC base code and a total of 21% from the 2015 IECC (Figure 18). HVAC efficiency improvements provide significant energy savings as space heating is the largest end use of energy for the modeled building.

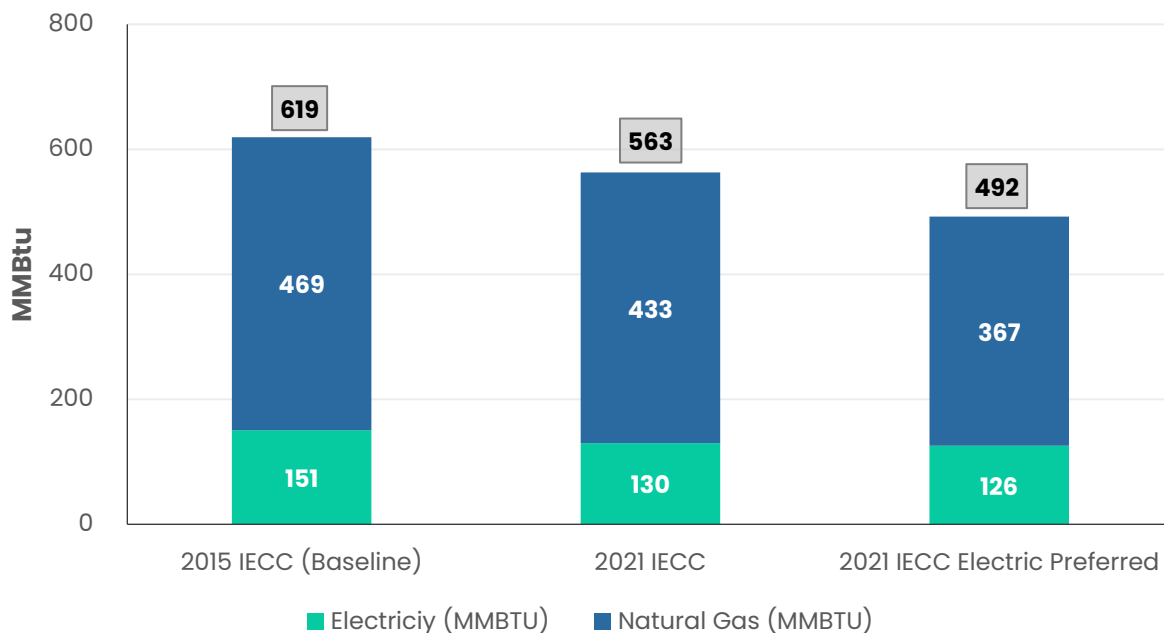


Figure 18: Comparison of commercial building annual energy use between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

Cost Savings

Annual energy costs with the 2021 IECC electric-preferred code package are 19% lower than energy costs with the 2015 IECC. The electric-preferred provisions provide an additional \$1,016 in savings compared to the 2021 IECC base code package (Figure 19). Over 40 years, the commercial building would save \$83,080 in energy costs compared to the 2015 IECC.

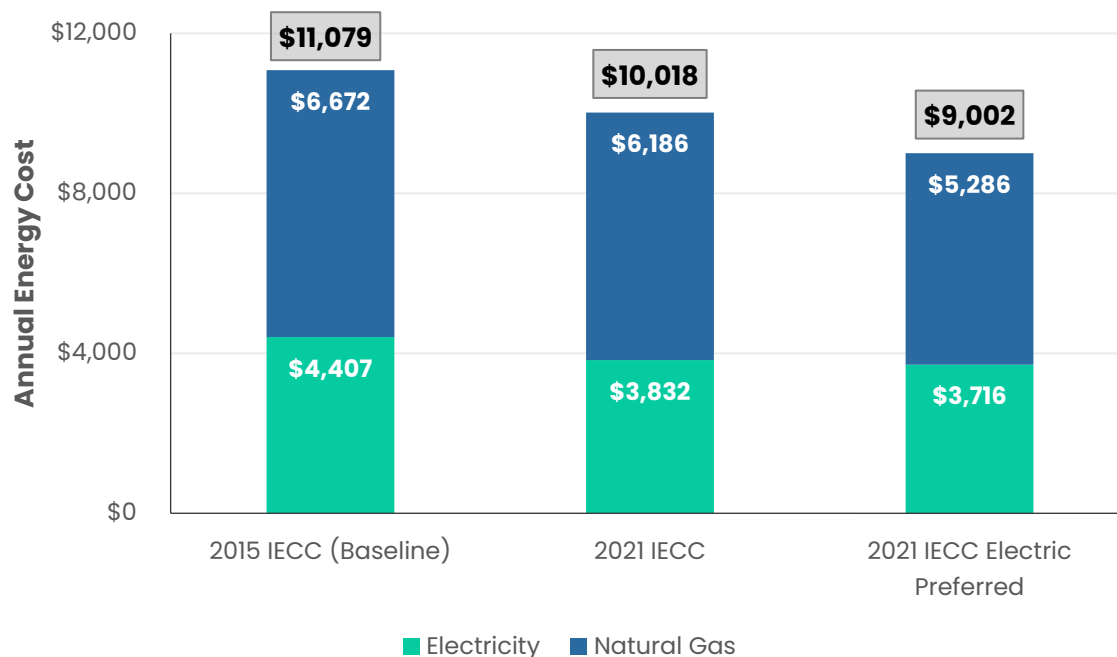


Figure 19: Comparison of commercial building annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

Natural gas cost savings make up 67% of total energy cost savings for the building. (Figure 20).

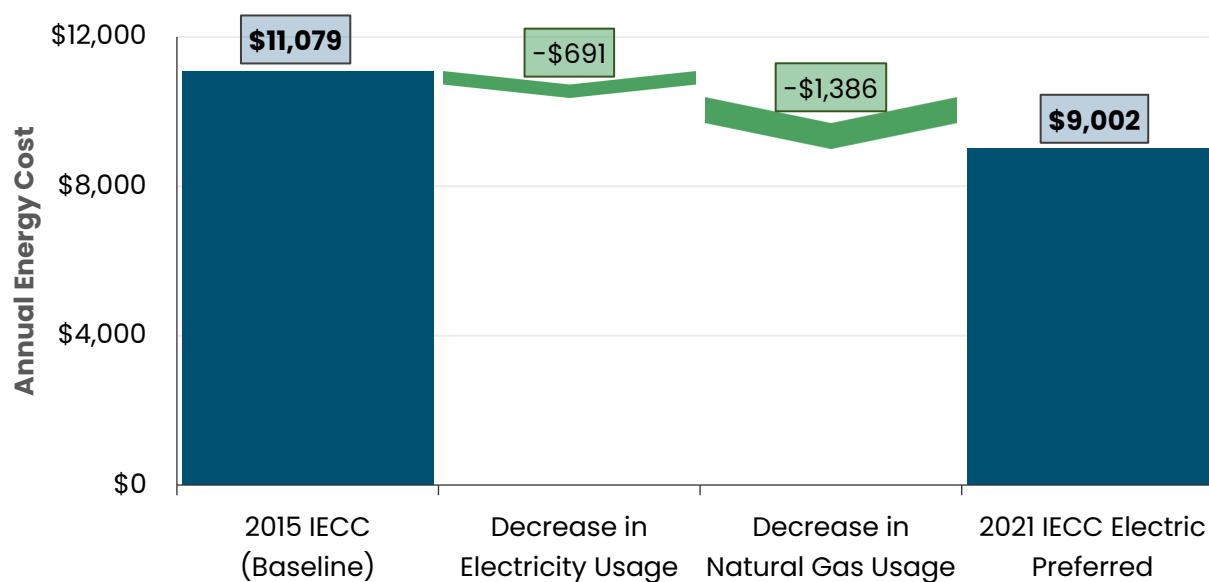


Figure 20: Cost savings breakdown of commercial building annual energy costs between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

GHG Emissions

The electric-preferred provisions provide an additional 143 mt CO₂e in emissions reductions over 40 years for the commercial building compared to the 2021 IECC base code package. The electric-preferred scenario leads to a total of 228 mt CO₂e in reductions from the 2015 IECC (Figure 21). Electricity emissions decrease by 2 mt CO₂e and natural gas emissions decrease by 141 mt CO₂e from the 2021 IECC base code.

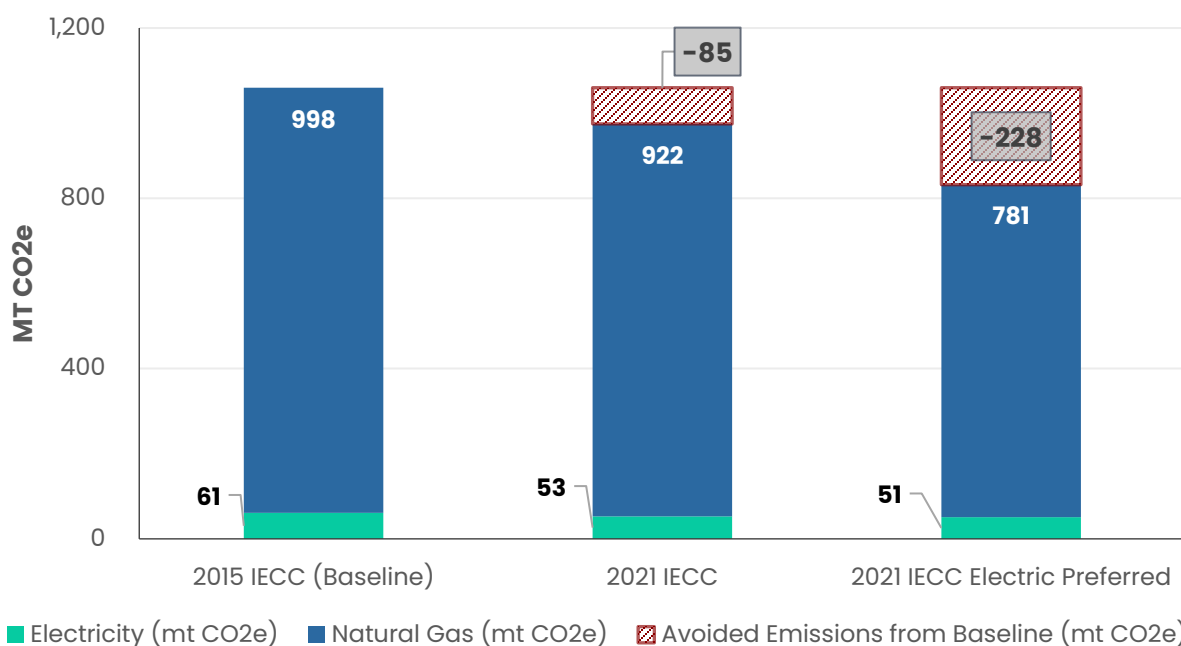


Figure 21: Comparison of commercial building 40-year GHG emissions between the 2015 IECC and the 2021 IECC with electric-preferred provisions.

2.4 2021 IECC All-Electric Standard Compared to 2015 IECC

2.4.1 UPFRONT COST OF ALL-ELECTRIC CONSTRUCTION FOR ALL BUILDING TYPES

Lotus worked with David Petroy, an energy consultant, to look at data relevant to Eagle County for heating system costs to understand the cost difference between typical all-electric and natural gas HVAC systems. David continuously tracks current equipment pricing, and using his database, he was able to determine incremental installation costs of an all-electric heating system compared to a natural gas system in a single-family home and a multifamily building (Table 10).

Building Type	Assumptions and Heating Systems	Incremental Installation Cost for All-Electric System Compared to a Natural Gas System
Single-family home	• 2000–2500 sq ft • Electric system: Ducted 4-ton cold climate heat pump system with integrated 10kW electrical heater • Gas system: Fully ducted 96% two-speed furnace and 18+ SEER, 3-ton AC system	\$4,000 – \$6,000
Multifamily building	• 1,318 sq ft per unit • Electric system: Ducted 3-ton cold climate heat pump system with integrated 10kW electrical heater • Gas system: Fully ducted 96% two-speed furnace and 18+ SEER, 2.5 ton AC system	\$3,000 – \$5,000

Table 10: Incremental installation costs of an all-electric heating system vs. a natural gas heating system, for single-family and multifamily buildings.

Before rebates are applied, the cold climate heat pump system costs more than the gas furnace and AC system. However, in both building types, the cost of the all-electric heating system is lower than the natural gas system when rebates and tax incentives are applied. Holy Cross Energy customers may apply for \$4,000 (25% rebate) for a new heat pump beginning in 2023. In addition, Colorado provides a 10% income tax credit for the purchase and installation of heat pump systems.

Further cost savings can be found in all-electric new construction by avoiding the piping needed to bring gas into the home. In a study conducted by Southwest Energy Efficiency Project (SWEET) in 2022, savings of \$2,500–\$5,000 from not installing the gas lines in new single-family home developments are reported.¹⁶

A modeling study conducted by Group14 in November 2020 evaluated the economics of electrifying commercial buildings in Colorado. The study utilized equipment cost insights from Denver-based contractors and these estimates have likely changed as of the time of writing for this report (September 2022). Assumptions used for office building modeling and the cost analysis results are outlined in Table 11. Avoiding natural gas infrastructure (gas connections and piping) in the office building modeled saved \$21,000, contributing to the net negative incremental installation cost for an all-electric system, as compared to a natural gas system (Table 11).

¹⁶ <https://www.swenergy.org/pubs/heat-pump-study-2022>

Building Type	Assumptions	Incremental Installation Cost for All-Electric System Compared to a Natural Gas System
Office Building	- Located in Lakewood, CO 28,000 sq ft - Costs include heat pump, a heat pump water heater, and electrical modifications.	(\$18,100)

Table 11: Total equipment costs for new construction of an office building with all-electric systems vs. natural gas systems.

2.4.2 SINGLE-FAMILY HOME ENERGY MODEL: 2021 IECC + ALL-ELECTRIC COMPARED TO 2015 IECC

To develop the single-family home model for the all-electric standard, the team selected one additional efficiency package for base code compliance that was specific to all-electric construction.

- R408.2.2 More efficient HVAC option (all-electric).

Energy Use

The 2021 IECC all-electric code provides the greatest reduction in energy use out of all code packages for a single-family home and reduces energy use from the 2015 IECC baseline by 53% (Figure 22). The improvement in efficiency from switching from natural gas to all-electric equipment allows a typical home to operate on much less overall energy. The all-electric option reduces energy use by 39% from the 2021 IECC electric-preferred package.

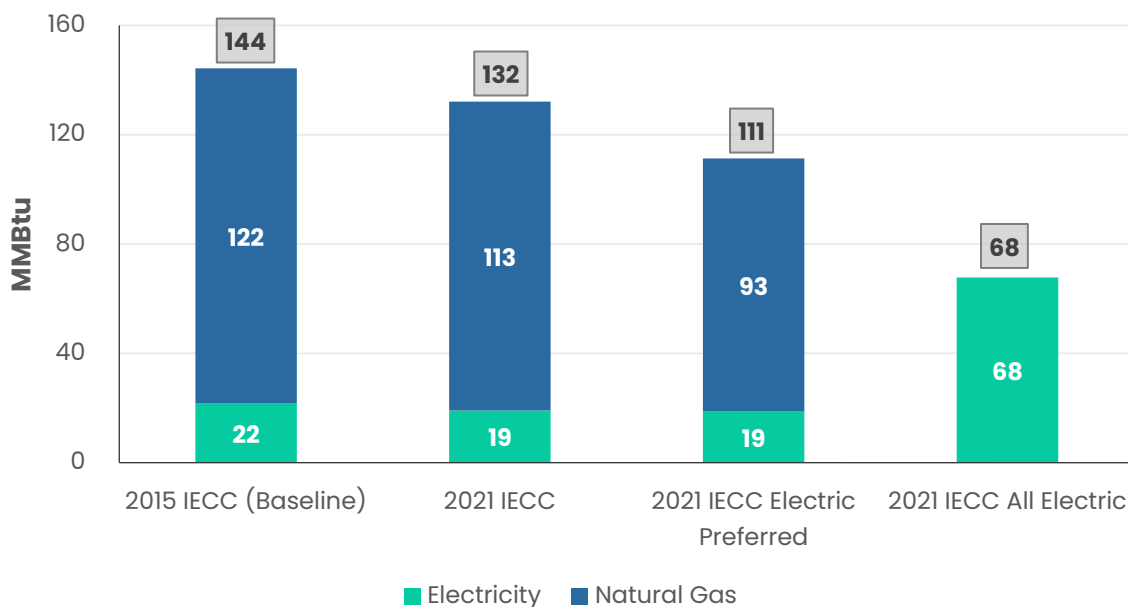


Figure 22: Comparison of single-family home annual energy use between all code packages.

Cost Savings

A single-family home built to the 2021 IECC all-electric code package would save \$338 per year in energy costs compared to the 2015 IECC (Figure 23). Energy costs with the all-electric package are \$144 higher per year compared to the electric-preferred scenario. This growth in energy costs is due the significant increase in electricity consumption needed to support all-electric appliances, an air source heat pump, and a heat pump water heater. Additionally, the electric preferred scenario included HVAC ducts in conditioned space while the all-electric scenario does not, increasing heating and cooling energy consumption. Over 40 years, this code package would save \$13,525 in energy costs compared to the 2015 IECC.

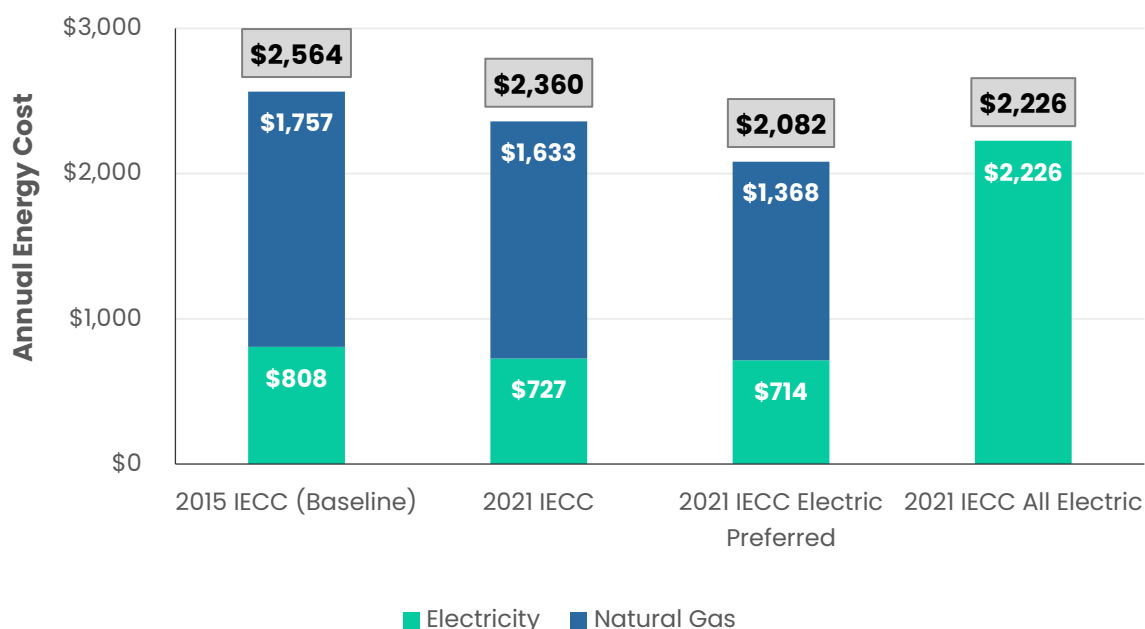


Figure 23: Comparison of single-family home annual energy costs all code packages.

The all-electric code package removes all natural gas costs (\$1,757 per year with the 2015 IECC) and increases electricity costs by \$1,418 per year. Changes in electricity costs due to cheaper renewable energy or other fluctuations are not captured in this analysis. Energy cost savings from the all-electric code package have the potential to be even greater if electricity costs become cheaper.

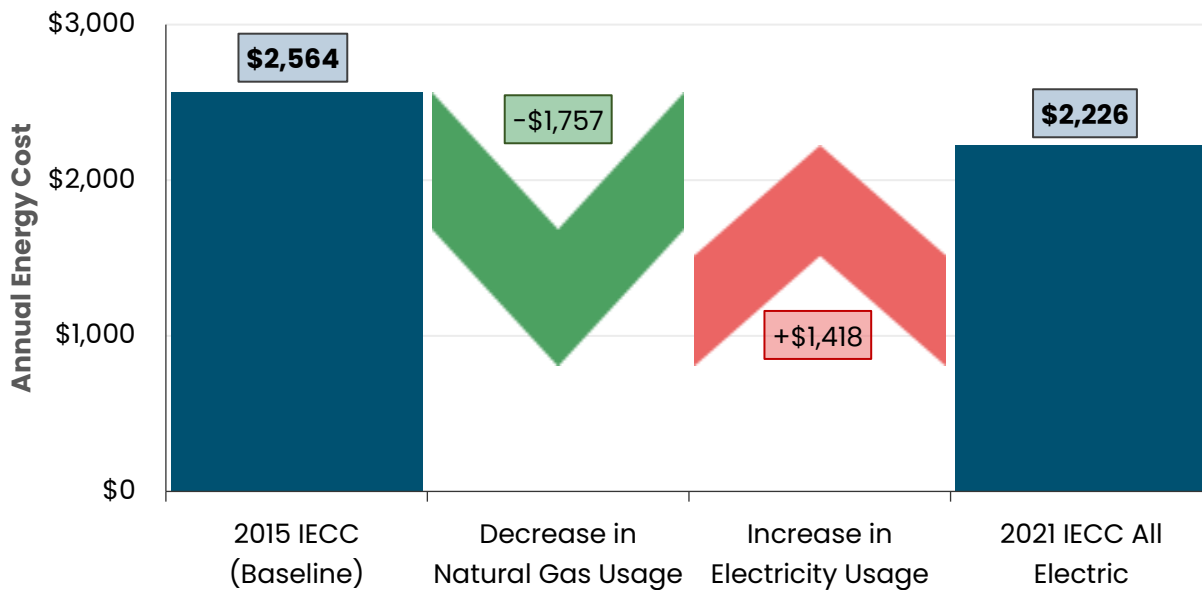


Figure 24: Cost savings breakdown of single-family home annual energy costs between the 2015 IECC and the 2021 IECC with all-electric provisions.

GHG Emissions

The all-electric code package provides the greatest GHG emissions reductions compared to the 2015 IECC. With no natural gas usage and a 100% renewable electric grid in 2030, an average single-family home in Eagle County built to the 2021 IECC all-electric code would produce 28 mt CO₂e over 40 years (Figure 25). This code package would avoid 242 mt CO₂e compared to the 2015 IECC, which equates to a 90% emissions reduction from the 2015 IECC. This highlights how building electrification paired with renewable energy is a powerful strategy for reducing GHG emissions.

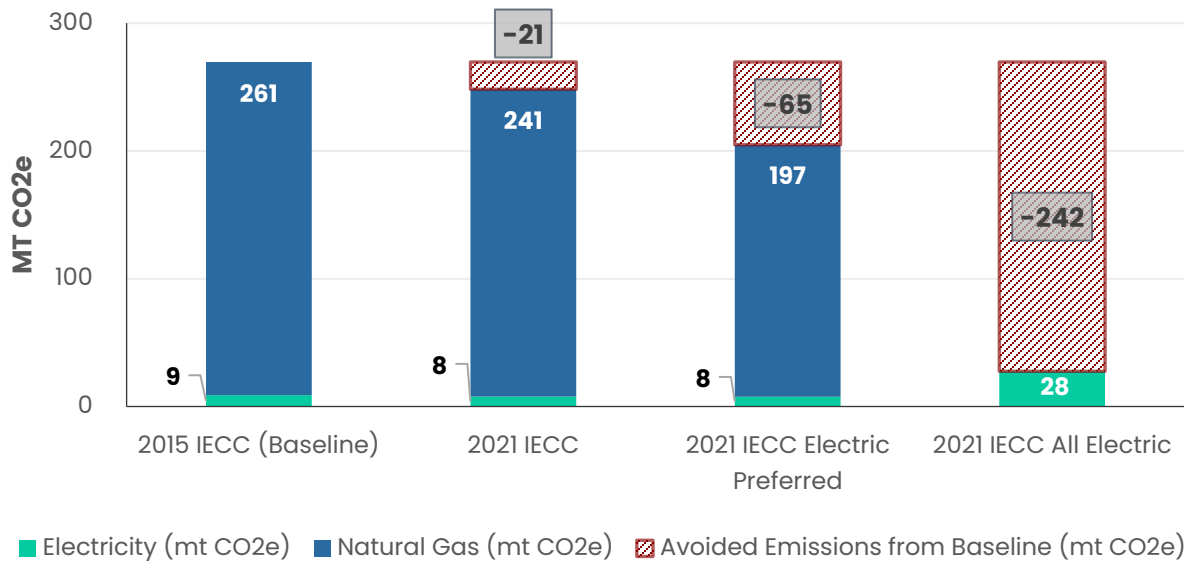


Figure 25: Comparison of cumulative 40-year GHG emissions from each code package for a single-family home.

2.4.3 MULTIFAMILY BUILDING ENERGY MODEL: 2015 IECC BASELINE AND 2021 IECC + ALL-ELECTRIC COMPARISON

To develop the multifamily energy model for the all-electric standard, the team selected efficiency packages to model which total 10 points in the tables in additional efficiency requirements in section C406, for base code compliance, and reflect all-electric construction.

- C406.3 Reduced lighting power.
- C406.8 Enhanced envelope performance.
- C406.7.4 Heat pump water heater.

Energy Use

The all-electric option for the multifamily building includes the building envelope improvement and reduced lighting power additional efficiency provisions. Additionally, it includes air source heat pumps, a heat pump water heater, and all-electric appliances. The all-electric code package provides the modeled multifamily building with the greatest reduction in energy use out of all code packages, with a 46% decrease from the 2015 IECC (Figure 26).

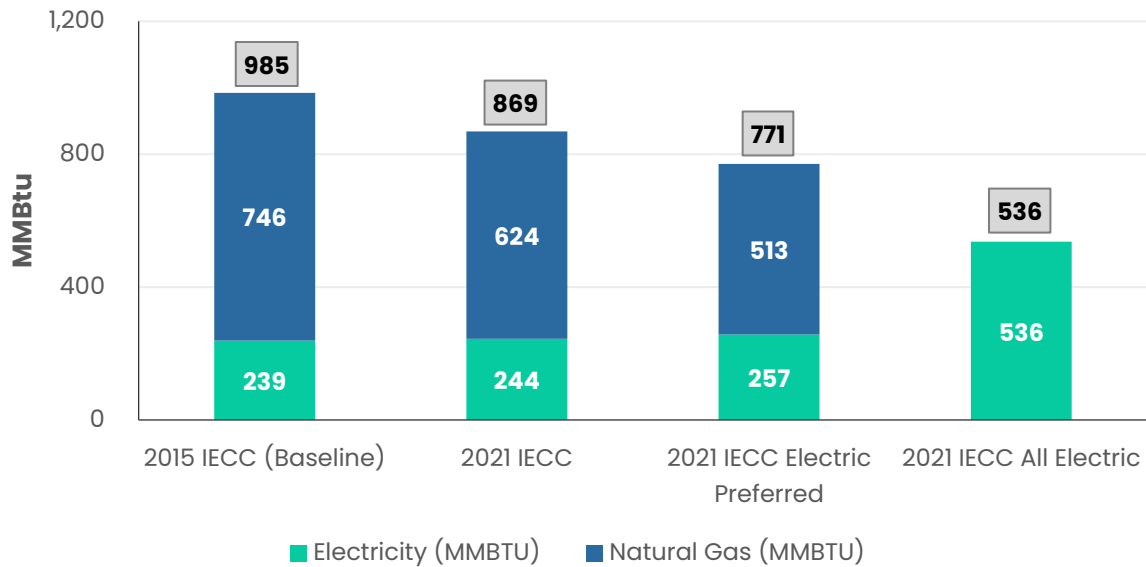


Figure 26: Comparison of multifamily annual energy use between all code packages.

Cost Savings

Annual energy costs with the all-electric code package are only slightly lower than energy costs with the electric-preferred code package. This is due to the significant increase in electricity usage due to switching all equipment away from natural gas. Heating, hot water, and appliances consume the most electricity for the multifamily building with the all-electric code package. Overall energy costs with the all-electric package decreased by 15% from the 2015 IECC (Figure 27).

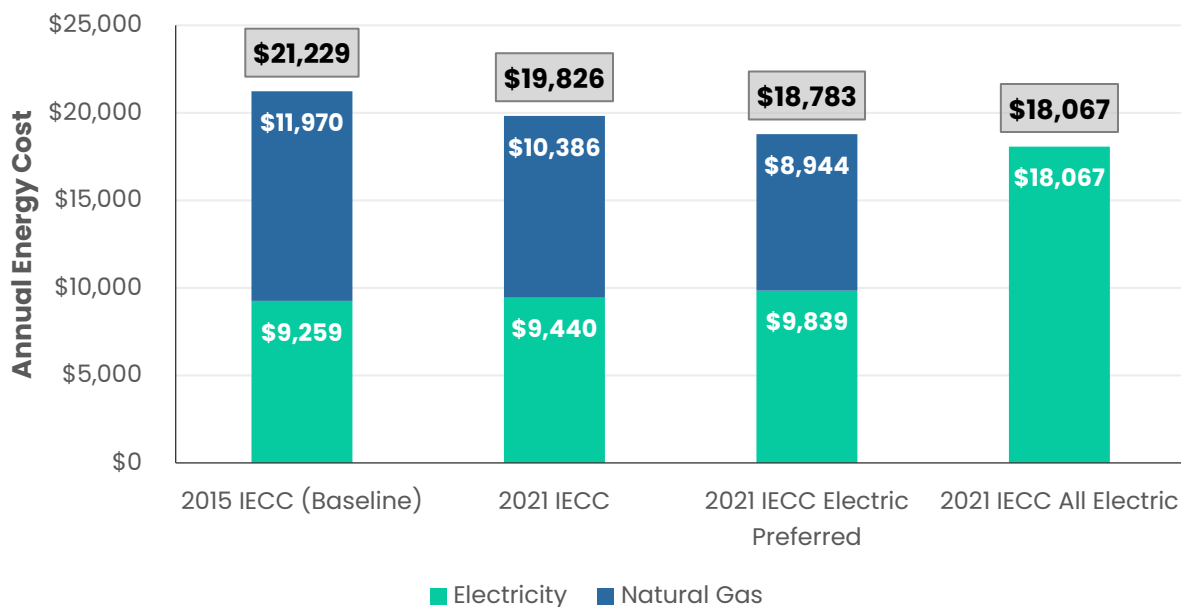


Figure 27: Comparison of multifamily annual energy costs for all code packages.

Replacement of all natural gas appliances and equipment reduces annual energy costs by \$11,970. The electricity needed to power the electric equipment is modeled to cost \$8,808 per year (Figure 28). Over 40 years, the modeled multifamily building built to the all-electric code package would save \$126,458 in energy costs.

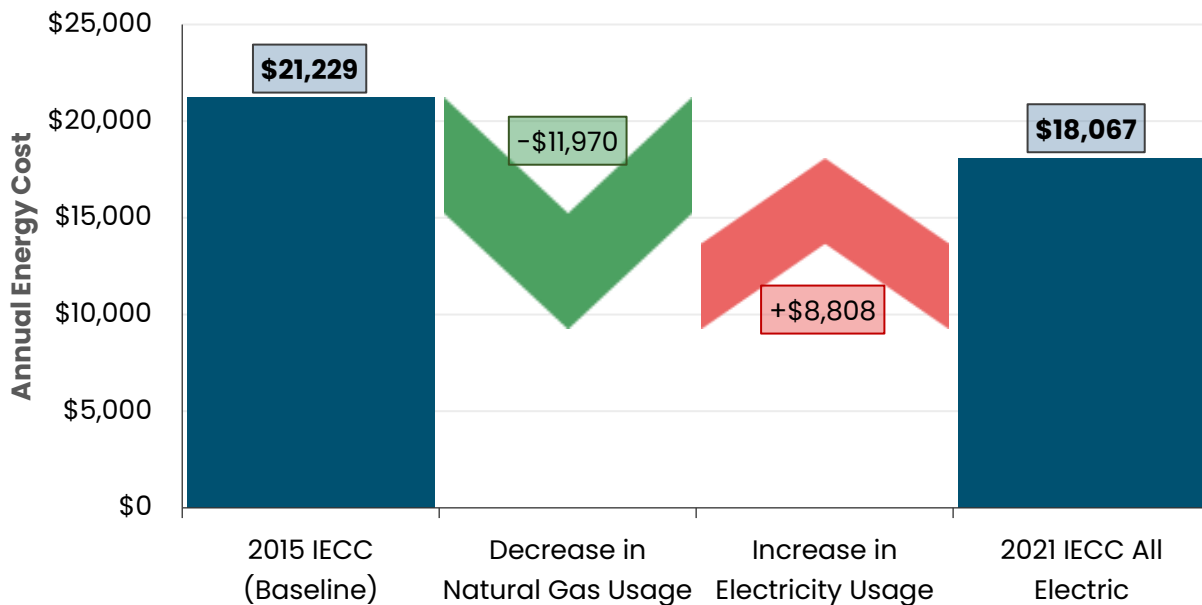


Figure 28: Cost savings breakdown of multifamily annual energy costs between the 2015 IECC and the 2021 IECC with all-electric provisions.

GHG Emissions

The modeled multifamily building built to the 2021 IECC with all-electric provisions would produce 218 mt CO₂e over 40 years. This is an 87% reduction from the 2015 IECC (Figure 29).

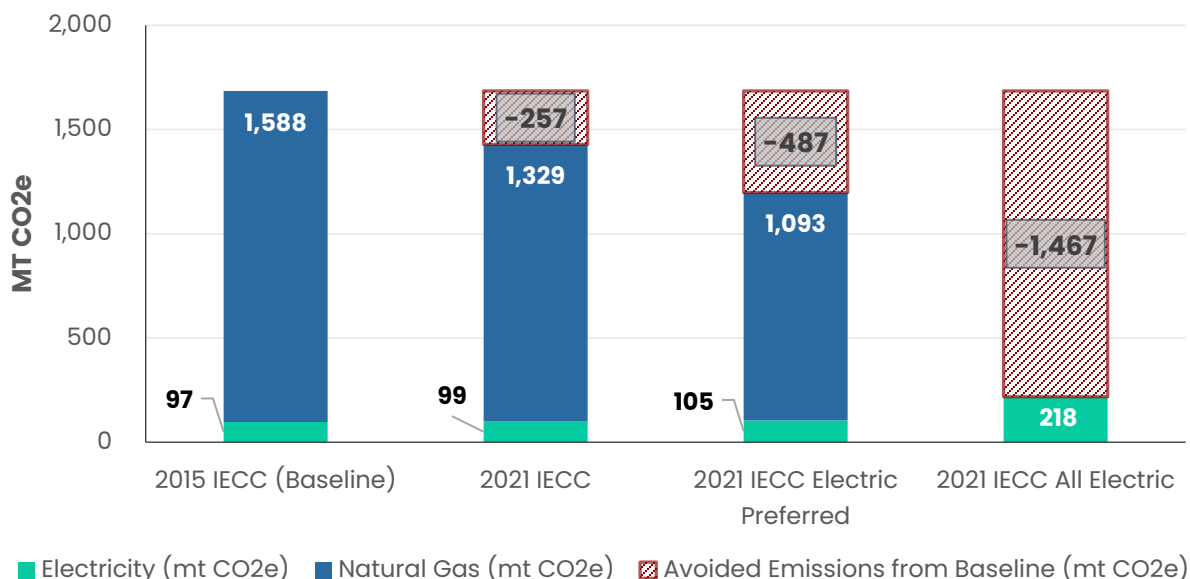


Figure 29: Comparison of cumulative 40-year GHG emissions from each code package for the multifamily building.

2.4.4 COMMERCIAL BUILDING: 2015 IECC BASELINE AND 2021 IECC + ALL-ELECTRIC

To develop the commercial energy model for the all-electric standard, the team selected efficiency packages to model which total 10 points in the tables in additional efficiency requirements in section C406, for base code compliance, and reflect all-electric construction.

- C406.3 Reduced lighting power.
- C406.8 Enhanced envelope performance.

Energy Use

The 2021 IECC all-electric code package provides the greatest reduction in energy use in the modeled commercial building compared to the 2015 IECC, resulting in a decrease of 54% (Figure 30). Electricity energy consumption increased by 89% between the all-electric package and the 2015 IECC baseline.

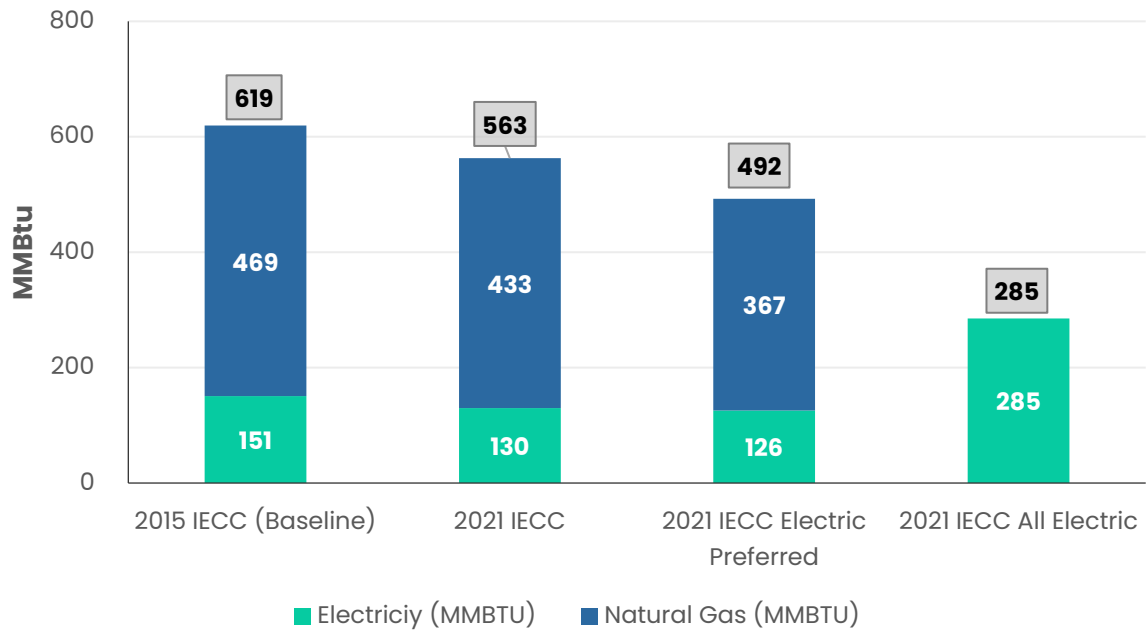


Figure 30: Comparison of commercial building annual energy use between the 2015 IECC and the 2021 IECC with all-electric provisions.

Cost Savings

Annual energy costs with the all-electric code package are 26% lower than annual energy costs from the 2015 IECC (Figure 31). The all-electric package provides an additional \$849 in annual savings over the electric-preferred package. Electricity costs are \$3,746 higher with the all-electric scenario compared to the 2015 IECC. However, the efficiency of electric equipment over natural gas provides \$2,936 in total annual energy cost savings. The all-electric scenario is cheapest option and would save the commercial building \$117,040 in energy costs over 40 years.

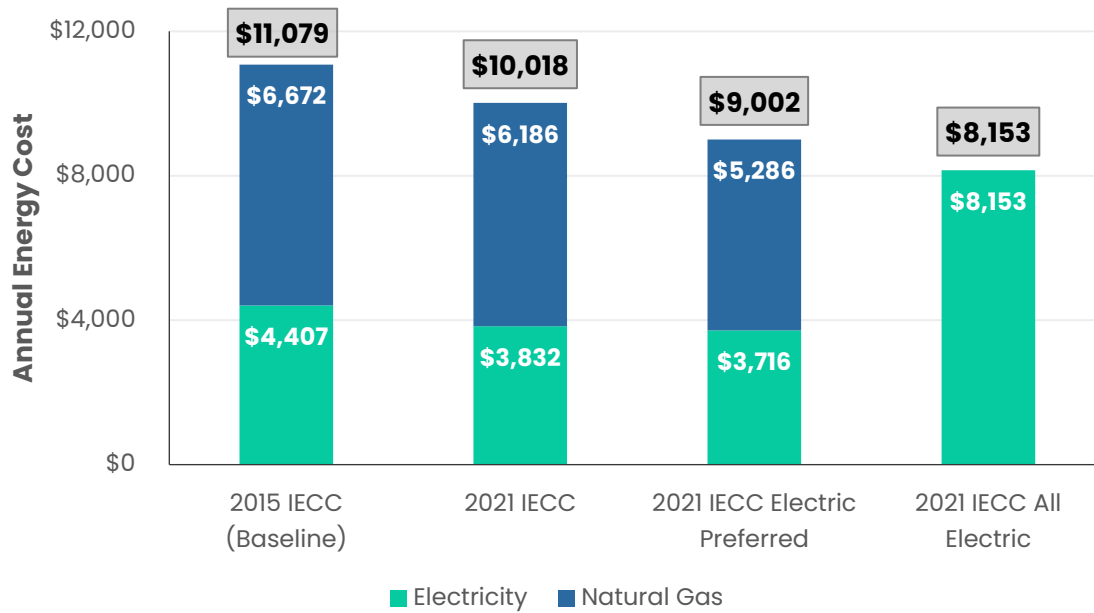


Figure 31: Comparison of commercial annual energy costs between the 2015 IECC and the 2021 IECC with all-electric provisions.

The savings from eliminating natural gas equipment from the building are partially offset by the cost of additional electricity. Total savings from this scenario are dependent on future electricity costs.

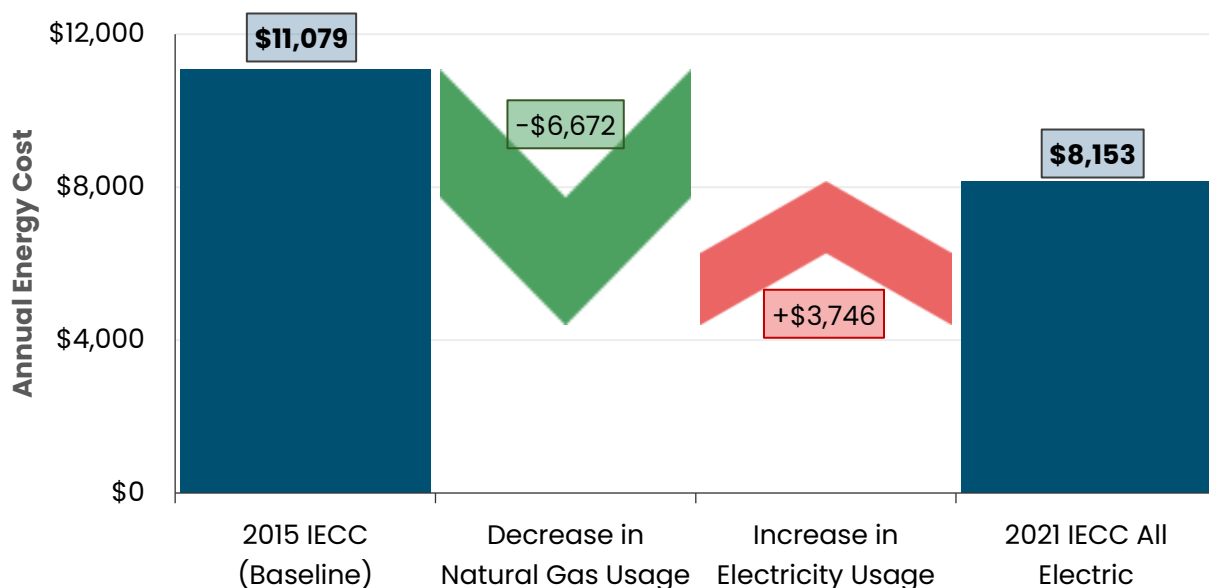


Figure 32: Cost savings breakdown of commercial building annual energy costs between the 2015 IECC and the 2021 IECC with all-electric provisions.

GHG Emissions

The all-electric code package provides the greatest reduction in GHG emissions over 40 years. When modeled with the 2021 IECC all-electric scenario, the building would produce 116 mt CO₂e, an 89% reduction (Figure 33).

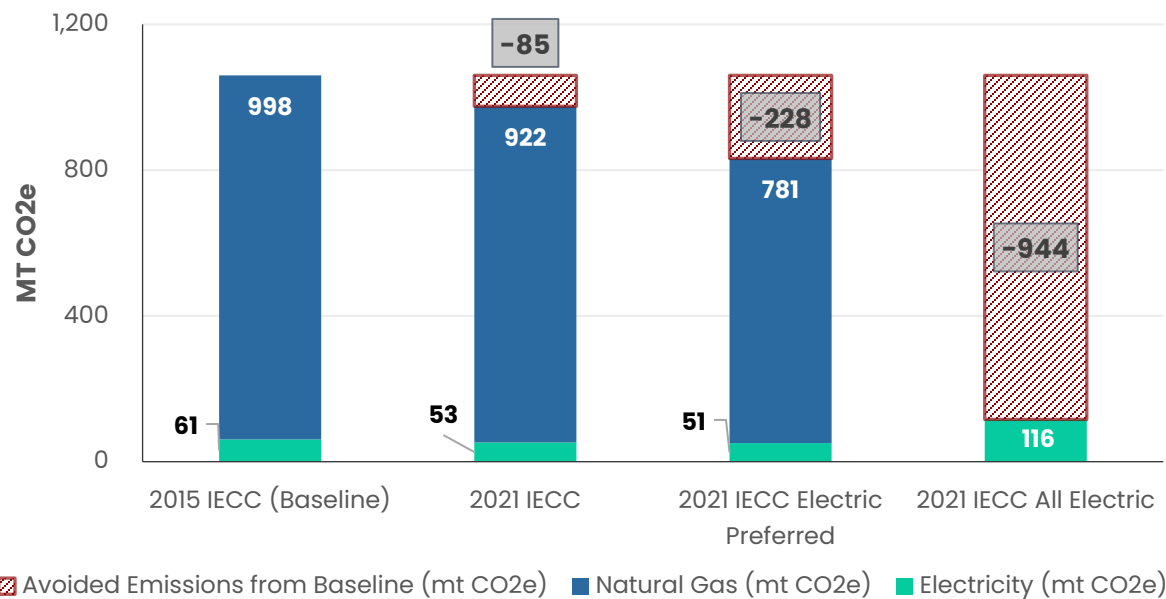


Figure 33: Comparison of commercial building 40-year GHG emissions between the 2015 IECC and the 2021 IECC with all-electric provisions.

2.5 Contractor Outreach Results

Outreach via email and phone calls was conducted to four general contractors (GCs) chosen for their project experience and industry knowledge of building in both front range and mountain communities. Representatives from each company received a questionnaire via email of open-ended questions on cost differences between buildings built to the 2015 and 2021 IECCs, and the cost to build in the mountains as opposed to the front range (see Appendix C).

Two of the four contractors responded to the questionnaire, however, neither completed the questionnaire in full. Both contractors who responded referenced a lack of experience building to the 2021 code and were unable to provide cost estimates or cost comparisons between the two code standards. They were, however, able to share insight on the upfront cost of building, specifically, the higher cost to build in mountain communities. The information received is summarized below:

- There is a 10%–30% increase in construction costs when building in mountain communities, compared to the front range. Studies that only investigate the cost to build in front-range communities will show lower upfront costs than what has been experienced building in mountain communities. Cost increases are driven by several factors including but not limited to:
 - Higher performance windows and insulation for a building envelope dictated by stricter envelope requirements for Climate Zone 6. (Note: front range communities are in Climate Zone 5).
 - Extra fuel costs and delivery fees for getting materials from Denver to mountain communities.
 - Various elements of labor costs such as those associated with faraway projects (hotels, local project supervisors, etc.), accounting for the cost of living, availability of labor, and competing wages with other companies.
- One contractor reported inflation rates to increase roughly 1.5% per month or a total of 15% since January 2022. The other contractor reported general cost increases due to inflation but noted that inflation has not affected markups for projects built in mountain communities as opposed to front-range communities.

Anecdotal information received from general contractors did not provide the project team with insights on the cost to build to the different energy code standards. However, the additional context provided by these local contractors help provide a more holistic picture of how labor rates and other economic factors impact the upfront cost of building to each code standard evaluated.

3. Results Discussion & Conclusion

3.1 Upfront Cost for Updating Energy Codes

The upfront cost to build to the 2021 IECC as opposed to the 2015 IECC does not represent a significant increase in the upfront construction costs for a single-family home, multifamily building, or commercial building.

For those building types and code packages where upfront cost data were available, all were cost-effective, meaning the additional upfront costs of these codes are paid back via energy savings at the building level over a 30-year period (see Table 12). For multifamily and commercial buildings, studies show that there may be an overall incremental cost decrease to build to the 2021 IECC as compared to the 2015 IECC.

The code option with the largest upfront cost burden is the electric-preferred standard if a builder chooses to build with natural gas. The additional efficiency packages that must be implemented to earn compliance with this code add additional costs beyond base code compliance.

For all-electric construction, studies show in all cases that there is no additional upfront cost of building all-electric beyond the cost to build to the 2021 IECC, especially when rebates for all-electric equipment are accounted for.

An important conclusion drawn from the outreach to local contractors is that there is a higher cost to build in the mountains than in the rest of the state due to labor rates and the cost to ship materials. In addition to the higher cost of labor and materials, builders in Eagle County have experienced a 1.5% inflation rate per month on building materials since the beginning of 2022. These two factors will likely show an increased cost to build in Eagle County beyond what is summarized in this report. However, it should be noted the cost increases from inflation, labor, and materials will impact building construction as a whole, and should not be directly attributed to changes in the energy code. The upfront cost impacts summarized here only evaluate the energy code changes, which are one small part of the overall building code. **In reality, costs due to code updates are also dependent on the code compliance pathway and optimal building design determined by the developer.**

Building Type	Code Package	Incremental Construction Costs	30-Year Energy Savings*	Cost-Effective?
Single-Family Home	Base 2021 IECC	\$1,470	\$6,134	Yes
	2021 IECC + Electric-ready	\$925 - \$2,700	Cost is the same as base 2021 IECC.	Yes
	2021 IECC + Electric-preferred	\$870 - \$2,028	\$14,458	Yes
	2021 IECC + All-electric	\$4,000 - \$6,000	\$10,144	Yes
Multifamily	Base 2021 IECC	(\$9,195) - \$14,910	\$42,086	Yes
	2021 IECC + Electric-ready	\$18,900	Cost is the same as base 2021 IECC.	Yes
	2021 IECC + Electric-preferred	Not available.	\$73,378	-
	2021 IECC + All-electric	\$42,000 - \$70,000	\$94,844	Yes
Commercial	Base ASHRAE Standard 90.1 - 2019	(\$10,849) - \$3,918	\$31,830	Yes
	2021 IECC/ASHRAE 2019 + Electric-ready	Not available.	Cost is the same as base 2021 IECC.	-
	2021 IECC/ASHRAE 2019 + Electric-preferred	Not available.	\$62,310	-
	Base 2021 IECC/ASHRAE 2019 + All-electric	(\$18,100)	\$87,780	Yes

Table 12: Summary table of incremental construction costs reported in studies found in a literature review and applied to the building type specifications (square footage, number of units, etc.) modeled by Lotus.^{17,18}

3.2 Energy Code to Support Climate Goals

The adoption of the 2021 IECC will, in every case, yield a reduction in energy use, annual energy cost, and GHG emissions compared to the 2015 IECC.

In addition, if Eagle County were to pursue supporting amendments such as electric-preferred and/or all-electric new construction, the result is the same with just a few exceptions. As the code increases in stringency (Figure 34), the annual energy consumption, and GHG emissions decrease in all cases. Annual energy costs also decrease in most cases.

¹⁷ See Appendix B for report details and assumptions. This does not reflect the 10-30% increase estimated by contractors.

¹⁸ To calculate the 30-year energy savings, the annual energy use modeled by Lotus was multiplied by 30.

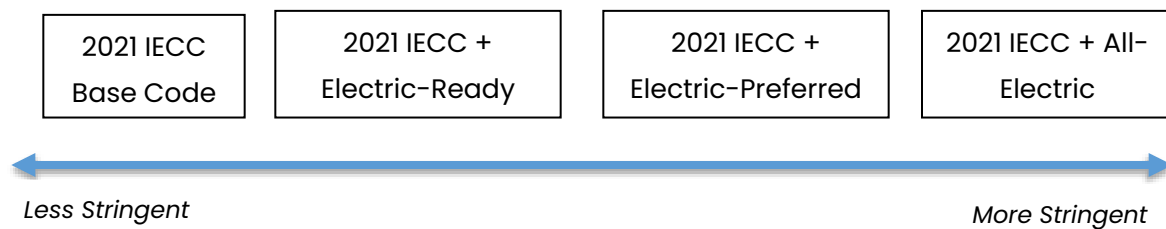


Figure 34: Code options evaluated shown on a spectrum from less stringent to more stringent.

For both multifamily and commercial buildings, the modeling results show that the 2021 IECC with all-electric provisions has the lowest energy use, the lowest cost, and the greatest GHG emissions savings.

For the single-family home model, the 2021 IECC with all-electric provisions leads to buildings with the lowest energy use and the greatest GHG reductions. The most cost-effective code package is the 2021 IECC with electric-preferred amendments, however, there is a minimal cost difference between the 2015 IECC base scenario, the electric-preferred scenario, and the all-electric scenario.

From the modeling, it can be concluded that an all-electric code package would make the most significant progress toward Eagle County Government's emission reduction goals. For multifamily and commercial new construction, an all-electric code is also cost-effective and can show even greater savings if electricity becomes cheaper. The modeling does not consider costs for electric vehicle infrastructure, onsite renewable energy installation, or battery storage, though each may be utilized to improve a building's energy use.

In summary, Eagle County should consider the adoption of the 2021 IECC as a minimum standard for its next code adoption. To advance the County's climate goals, the 2021 IECC with an electric-preferred or all-electric amendment should be considered because they do not represent a prohibitive additional upfront cost and they both yield additional energy use savings, energy cost savings, and GHG emissions reductions over time.

Code Package	Upfront / Incremental Cost to Build (\$)	Total Annual Energy Use (MMBtu)	Total Annual Energy Use Reduction from Baseline (%)	Total Annual Energy Cost	Total Annual Energy Cost Savings from Baseline	40-year Cumulative Emissions (mtCO ₂ e)	40-year Cumulative Emissions Reduction from Baseline (%)
Single-Family Home							
2015 IECC Baseline	N/A	144	N/A	\$2,564	N/A	270	N/A
2021 IECC	\$1,470	132	-8%	\$2,360	(\$204)	248	-8%
2021 IECC Electric-Ready	\$925 - \$2,700*	132	-8%	\$2,360	(\$204)	248	-8%
2021 IECC Electric-Preferred	\$870 - \$2,028*	111	-23%	\$2,082	(\$482)	205	-24%
2021 IECC All-Electric	\$4,000 - \$6,000*	68	-53%	\$2,226	(\$338)	28	-90%
Multifamily Building							
2015 IECC Baseline	N/A	985	N/A	\$21,229	N/A	1,685	N/A
2021 IECC	(\$657) - \$1,065 per unit	869	-12%	\$19,826	(\$1,403)	1,429	-15%
2021 IECC Electric-Ready	\$1,350 per unit*	869	-12%	\$19,826	(\$1,403)	1,429	-15%
2021 IECC Electric-Preferred	Not available.	771	-22%	\$18,783	(\$2,446)	1,198	-29%
2021 IECC All-Electric	\$3,000-\$5,000 per unit*	536	-46%	\$18,067	(\$3,161)	218	-87%
Commercial Building							
2015 IECC Baseline	N/A	609	N/A	\$11,079	N/A	1,060	N/A
2021 IECC	(\$10,849) - \$3,918	563	-9%	\$10,018	(\$1,061)	975	-8%
2021 IECC Electric-Ready	Not available.	563	-9%	\$10,018	(\$1,061)	975	-8%
2021 IECC Electric-Preferred	Not available.	492	-21%	\$9,002	(\$2,077)	832	-21%
2021 IECC All-Electric	(\$18,100)	285	-54%	\$8,153	(\$2,926)	116	-89%

Table 13: Annual energy use, annual energy cost, and GHG emissions for each building type, under each code package. The upfront cost to build to 2021 IECC compared to 2015 IECC.

*Indicates the baseline is the 2021 IECC. All other data uses the 2015 IECC as the baseline.

3.3 Future Considerations

The project team recognizes that several current information gaps should be filled to create a more holistic understanding of the costs associated with energy code updates. A few of these gaps could be addressed by further insight from local contractors. It is possible that the response rate would improve from intentional outreach from the County, and/or if the County paid the contractors for their time and their data.

Future opportunities also lie in more specific cost studies. There is a data gap for code update impacts on commercial building new construction costs. Additionally, no current report addresses a specific breakdown of cost impacts for additional efficiency packages required by electric-preferred provisions. A study addressing these may come from a larger entity such as PNNL or ICF, or the County could contract with a consulting group for further exploration.

Lastly, building code updates will have an impact on climate change mitigation, but they cannot be the sole strategy to impact emissions. Other strategies include implementing a benchmarking ordinance more applicable to Eagle County's building stock than the state-legislated requirements¹⁹ and developing an approach to efficiency improvements and electrification of existing buildings within the County.

¹⁹ For more information see: <https://energyoffice.colorado.gov/climate-energy/energy-policy/building-benchmarking#:~:text=The%20bill%20requires%20owners%20of,assess%20energy%20and%20water%20consumption>.

Appendix A: Modeling Assumptions

Building energy modeling was conducted to understand the potential energy use, operational cost, and greenhouse gas (GHG) impacts of the four code packages Eagle County is evaluating (Table 1). Each of the code packages were modeled for a single-family, multi-family, and commercial building. The modeling results for each building type and code package option were compared to a baseline model of each building type, modeled in compliance to the 2015 IECC.

SINGLE-FAMILY HOME ASSUMPTIONS

Input	2015 IECC	2021 IECC	2021 IECC + Electric Preferred	2021 All Electric
Building Envelope				
Wall Type	Wood Stud	Wood Stud	Wood Stud	Wood Stud
Wall Insulation	R-20 Open Cell Spray Foam	R-20 Open Cell Spray Foam	R-20 Open Cell Spray Foam	R-20 Open Cell Spray Foam
Wall Continuous Insulation	R-5 XPS	R-5 XPS	R-5 XPS	R-5 XPS
Interzonal Wall Insulation	R-13 Fiberglass Batt	R-20 Open Cell Spray Foam	R-20 Open Cell Spray Foam	R-20 Open Cell Spray Foam
Wall Exterior Finish (Solar Absorptivity, Emissivity)	0.75, 0.9	0.75, 0.9	0.75, 0.9	0.75, 0.9
Roof Material (Solar Absorptivity, Emissivity)	0.75, 0.9	0.75, 0.9	0.75, 0.9	0.75, 0.9
Unfinished Attic Insulation	R-30 Cellulose, Vented	R-60 Cellulose, Vented	R-60 Cellulose, Vented	R-60 Cellulose, Vented
Interzonal Floor Insulation	R-30 Fiberglass Batt	R-30 Fiberglass Batt	R-30 Fiberglass Batt	R-30 Fiberglass Batt
Foundation Type	Slab	Slab	Slab	Slab
Foundation Insulation	4ft R10 Exterior XPS	4ft R10 Exterior XPS	4ft R10 Exterior XPS	4ft R10 Exterior XPS
Window Area	15% of Net Wall Area	15% of Net Wall Area	15% of Net Wall Area	15% of Net Wall Area
Window U-factor	0.3	0.3	0.3	0.3
Door U-factor	0.2	0.2	0.2	0.2
HVAC				

Air Leakage	3 ACH50	3 ACH50	3 ACH50	3 ACH50
Mechanical Ventilation	Exhaust	Exhaust	Exhaust	Exhaust
Central Air Conditioner	SEER 14	SEER 16	SEER 16	Air Source Heat Pump, SEER 16
Space Heater Fuel	Natural Gas	Natural Gas	Natural Gas	Electricity
Space Heater Efficiency	79.2% AFUE (Adjusted for elevation from 92.5% AFUE)	81.3% AFUE (Adjusted for elevation from 95% AFUE)	81.3% AFUE (Adjusted for elevation from 95% AFUE)	3.55 COP
Ducts	R-8	R-8	In Conditioned Space	R-8
Cooling Set Point	75 F	75 F	75 F	75 F
Heating Set Point	72 F	72 F	72 F	72 F
Water Heater Type	Gas Premium	Gas Premium, Condensing	Gas Premium, Condensing	Heat Pump Water Heater
Water Heater Efficiency	0.67 Thermal Efficiency (Adjusted for elevation from 0.78)	0.77 Thermal Efficiency (Adjusted for elevation from 0.9)	0.77 Thermal Efficiency (Adjusted for elevation from 0.9)	2.35 Energy Factor
Water Distribution	R-5, TrunkBranch, PEX	R-5, TrunkBranch, PEX	R-5, TrunkBranch, PEX	R-5, TrunkBranch, PEX
Lighting	80% LED	100% LED	100% LED	100% LED
Appliances				
Refrigerator	Side freezer, EF = 19.6	Side freezer, EF = 19.6	Side freezer, EF = 19.6	Side freezer, EF = 19.6
Cooking Range	Gas	Gas	Gas	Electric
Dishwasher	318 rated kWh	318 rated kWh	318 rated kWh	318 rated kWh
Clothes Washer & Dryer	EnergyStar	EnergyStar	EnergyStar	EnergyStar

Table A1: Single-family home energy model assumptions.

MULTIFAMILY BUILDING ASSUMPTIONS

Input	2015 IECC	2021 IECC	2021 IECC + Electric Preferred	2021 All Electric
Building Envelope				
Wall Type	Wood Stud	Wood Stud	Wood Stud	Wood Stud
Wall Insulation	R-13 Fiberglass Batt	R-13 Fiberglass Batt	R-23 Closed Cell Spray Foam	R-23 Closed Cell Spray Foam
Wall Continuous Insulation	R-10 XPS	R-10 XPS	R-10 XPS	R-10 XPS
Wall Exterior Finish (Solar Absorptivity, Emissivity)	0.75, 0.9	0.75, 0.9	0.75, 0.9	0.75, 0.9
Roof Material (Solar Absorptivity, Emissivity)	0.75, 0.9	0.75, 0.9	0.75, 0.9	0.75, 0.9
Finished Roof Insulation	R-13 Fiberglass, R-15 XPS	R-13 Fiberglass, R-15 XPS	R-38C Fiberglass Batt, R-24 Polyiso	R-38C Fiberglass Batt, R-24 Polyiso
Foundation Type	Slab	Slab	Slab	Slab
Foundation Insulation	4ft R15 Exterior XPS	4ft R20 Exterior XPS	4ft R20 Exterior XPS	4ft R20 Exterior XPS
Window Area	18% of Net Wall Area	18% of Net Wall Area	18% of Net Wall Area	18% of Net Wall Area
Window U-factor	0.39	0.39	0.35	0.35
Door U-factor	0.2	0.2	0.2	0.2
HVAC				
Air Leakage	3 ACH50	3 ACH50	3 ACH50	3 ACH50
Mechanical Ventilation	Exhaust	Supply	ERV, 70%	Supply
Central Air Conditioner	SEER 14	SEER 14	SEER 14	Air Source Heat Pump, SEER 16
Space Heater Fuel	Natural Gas	Natural Gas	Natural Gas	Electricity
Space Heater Efficiency	66.8% AFUE (Adjusted for elevation from 78% AFUE)	68.5% AFUE (Adjusted for elevation from 80% AFUE)	68.5% AFUE (Adjusted for elevation from 80% AFUE)	3.55 COP
Ducts	R-6	R-6	R-6	R-6
Cooling Set Point	75 F	75 F	75 F	75 F
Heating Set Point	72 F	72 F	72 F	72 F
Water Heater Type	Gas Premium	Gas Tankless, Condensing	Gas Tankless, Condensing	Heat Pump Water Heater

Water Heater Efficiency	0.67 Thermal Efficiency (Adjusted for elevation from 0.78)	0.82 Energy Factor (Adjusted for elevation from 0.96)	0.82 Energy Factor (Adjusted for elevation from 0.96)	2.35 Energy Factor
Water Distribution	R-2, TrunkBranch, PEX	R-2, TrunkBranch, PEX	R-2, TrunkBranch, PEX	R-5, TrunkBranch, PEX
Lighting	80% LED	95% LED	95% LED	100% LED
Appliances				
Refrigerator	Side freezer, EF = 19.6	Side freezer, EF = 19.6	Side freezer, EF = 19.6	Side freezer, EF = 19.6
Cooking Range	Gas	Gas	Gas	Electric
Dishwasher	318 rated kWh	318 rated kWh	318 rated kWh	318 rated kWh
Clothes Washer & Dryer	EnergyStar	EnergyStar	EnergyStar	EnergyStar

Table A2: Multifamily building energy model assumptions.

COMMERCIAL BUILDING ASSUMPTIONS

Input	2015 IECC	2021 IECC	2021 IECC + Electric Preferred	2021 All Electric
Building Envelope				
Wall Type	Wood Stud	Wood Stud	Wood Stud	Wood Stud
Wall Insulation	R-13 Fiberglass Batt	R-21 Fiberglass Batt	R-21 Fiberglass Batt	R-21 Fiberglass Batt
Wall Exterior Insulation	R-8, 2 in. Polystyrene	R-9, 1.5 in. Polyurethane	R-9, 1.5 in. Polyurethane	R-9, 1.5 in. Polyurethane
Wall Exterior Finish (Solar Absorptivity)	0.6	0.6	0.6	0.6
Roof Material (Solar Absorptivity)	0.6	0.6	0.6	0.6
Finished Roof Insulation	R-30, 5 in. Polystyrene	R-42, 6 in. Polyiso	R-42, 6 in. Polyiso	R-42, 6 in. Polyiso
Foundation Type	Slab	Slab	Slab	Slab
Foundation Insulation	R-10, 2 ft deep	R-20, 4 ft deep	R-20, 4 ft deep	R-20, 4 ft deep
Window Area	40% of Net Wall Area	40% of Net Wall Area	40% of Net Wall Area	40% of Net Wall Area
Window U-factor	0.36	0.3	0.3	0.3
Door U-factor	0.77	0.5	0.5	0.5
HVAC				
Central Air Conditioner	SEER 13	SEER 13	SEER 14.3	Air Source Heat Pump, SEER 14

Space Heater Fuel	Natural Gas	Natural Gas	Natural Gas	Electricity
Space Heater Efficiency	0.68 Thermal Efficiency (Adjusted for elevation from 0.8 thermal efficiency)	0.68 Thermal Efficiency (Adjusted for elevation from 0.8 thermal efficiency)	0.75 Thermal Efficiency (Adjusted for elevation from 0.88 thermal efficiency)	2.9 COP
Cooling Set Point	75 F	75 F	75 F	75 F
Heating Set Point	72 F	72 F	72 F	72 F
Water Heater Type	Gas Storage	Gas Storage	Gas Storage	Heat Pump Water Heater
Water Heater Efficiency (Non-Residential)	0.68 Thermal Efficiency (Adjusted for elevation from 0.8 thermal efficiency)	0.577 Thermal Efficiency (Adjusted for elevation from 0.68 thermal efficiency)	0.577 Thermal Efficiency (Adjusted for elevation from 0.68 thermal efficiency)	2.06 Energy Factor
Water Heater Efficiency (Residential)	0.68 Thermal Efficiency (Adjusted for elevation from 0.8 thermal efficiency)	0.81 Thermal Efficiency (Adjusted for elevation from 0.95 thermal efficiency)	0.81 Thermal Efficiency (Adjusted for elevation from 0.95 thermal efficiency)	2.06 Energy Factor
Water Distribution	R-12	R-12	R-12	R-12

Table A3: Commercial building energy model assumptions.

Appendix B: Upfront Cost Literature Review Reports and Assumptions

LIST OF SOURCES REVIEWED FOR COST ANALYSIS

Authoring Entity	Title	Publish Date	Resource Type	Property Type Assessed	Code(s) and/or Topics Examined	Relevancy to Eagle County
Pacific Northwest National Laboratory (PNNL)	Cost-Effectiveness of the 2021 IECC for Residential Buildings in Colorado – 2015 IECC Baseline	Dec. 2021	Study/Report	Residential	2021 IECC and 2015 IECC	High
	National Cost Effectiveness of the Residential Provisions of the 2021 IECC	June 2021	Study/Report	Residential	2021 IECC and 2018 IECC	Medium
	Cost-Effectiveness of ANSI/SHRAE/IES Standard 90.1-2019 for Colorado	July 2021	Study/Report	Commercial	ASHRAE 90.1-2019 and ASHRAE 90.1-2016	Medium
Home Innovation Research Labs (HIRL)	2021 IECC Residential Cost Effectiveness Analysis	June 2021	Study/Report	Residential	2021 IECC and 2018 IECC	Low
ICF International (ICF)	Cost Effectiveness of the Residential Provisions of the 2021 IECC	Jan. 2022	Study/Report	Residential	2021 IECC and 2018 IECC	Medium
Utah Clean Energy (UCE)	Memorandum in Support of UCEs and Salt Lake City's (SLC) Joint Application to Include Electric Ready Provisions in the State Building Code.	Nov. 2021	Memorandum	Residential	2021 IECC + electric-readiness	High

Group14/ PNNL	Residential Construction Cost Analysis	Feb. 2022	Study/Report	Residential	2021 IECC + Amendments	Medium
Group14	Electrification of Commercial and Residential Buildings	Nov. 2020	Study/Report	Residential and Commercial	All-electric new construction	Medium
Southwest Energy Efficiency Project	Benefits of Heat Pumps for Colorado Homes	Feb. 2022	Study/Report	Residential	All-electric new construction	Medium
David Petroy, Energy Consultant	HVAC Incremental Cost Data	Sept. 2022	Data Analysis	Residential	All-electric heating systems	High

Table B1: List of sources reviewed for a cost analysis.

2021 IECC COST-EFFECTIVE STUDY ASSUMPTIONS

Study	Builder profit margin	Energy rates	Modeled Single-Family Home Size (square ft)	Other methodology notes
PNNL National Study	Unknown	Electricity: \$0.125/kWh Gas: \$0.584/therm	3 bedrooms 2,376 SF*	1.4% inflation rate. - Additional economic parameters (i.e., property tax rate, home price escalation rate, and down-payment rates.). 256 total permutations of building models.
ICF	17.5%	Electricity: \$0.1301/kWh Gas: \$1.051/therm	3 bedrooms 2,500 SF	- Deemed several administrative code changes to have negligible costs. - Updated material costs from the HIRL report.

Table B2: Baseline 2021 IECC cost-effective studies and assumptions.

*The PNNL study also analyzed a 2 bedroom, 1,200 SF multifamily unit.

Appendix C: Contractor Questionnaire

Purpose:

Lotus Engineering & Sustainability is working with Eagle County to model the greenhouse gas (GHG), operational cost, and upfront cost of building to the 2021 IECC as compared to the 2015 IECC. In addition to the IECC 2021 base code, the County is investigating two more stringent code options that go above and beyond the IECC 2021 base code.

While a number of studies have been conducted on the upfront cost of building to the IECC 2021 as opposed to the 2018 or 2015 codes, Eagle County would like to ensure that the data from these reports is reflective of the on-the-ground costs for builders operating in Eagle County or surrounding mountain communities.

We recognize that over the last year construction costs have risen across the board stemming from supply chain issues and labor shortages. Please keep in mind, while answering the questions below, that we are interested in investigating the **incremental costs to build to the IECC 2021 code as compared to the IECC 2015 code**. We are not investigating the cost to meet the general requirements of the IBC or other I-Codes, simply the additional costs to meet the new efficiency requirements in the IECC.

To this end, we are looking for your help! We have a few questions below we are hoping your team can answer for us.

Note all data shared by your team will be kept confidential.

Please send your responses in 10 business days to Kim Schlaepfer (kim@lotussustainability.com) and Claire Kantor (claire@lotussustainability.com).

General Cost Questions

1. Typically, do you experience a higher cost to build in Eagle County (or Summit / Pitkin Counties) than you do on the front range of CO?
 - a. If you could estimate the higher cost to build in the mountain communities listed above vs the front range, what percentage increase would you assign?
 - b. What do you see as the primary driver of increased construction costs in the mountains (i.e., labor costs, material costs)?

2. Do you add a mark-up for projects built in the mountain communities as opposed to the front range?
3. In 2022, with inflation, have you marked up projects in the mountains and/or the front range to cover higher costs?
 - a. If so, what percentage is your mark-up for the front range inflation?
 - b. If so, what percentage is your mark-up for mountain building?
 - c. Do you see inflation as a larger issue in the mountains as opposed to the front range?
4. Do you have experience building all-electric buildings? If so, have you experienced a cost premium to build all-electric vs mixed fuel?
 - a. If yes, what do you see as the major contributing factors of the cost premium? (Educating labor/workforce, technology costs and availability, and/or other reasons?).
 - b. If yes, have supply side issues impacted your all-electric building plans?
 - i. Do you experience the same supply side issues with mixed-fuel buildings?

2021 Code Questions

Single-Family Home

1. Are you currently working on a single-family home project built to the 2021 I-Codes?
What type of project?
 - a. Approx. SF
 - b. Location
 - c. Is the IECC 2021 applicable to your project?
 - i. What compliance pathway are you pursuing? Total building performance, prescriptive, etc.?
2. Are there any community-specific additional energy or efficiency requirements on the project that will make its energy performance "above code"? What are those things?
3. Can you provide an estimate of the cost to comply with the **Energy Conservation Code** requirements? These include envelope efficiency, HVAC efficiency, mechanical ventilation, additional efficiency packages, insulation, fenestration, etc.
 - a. Please indicate which building systems/elements are included in your cost estimate.
4. Can you provide the estimated total construction cost for the project?
5. Have you worked on an equivalent size / type project in the last 5 years that was built to the 2015 code?

- a. If so, can you provide equivalent information (size, location, IECC applicability, estimate for IECC code, and total construction cost) for this project?
6. Can you estimate the average cost for pre-wiring a home for an all-electric system?
7. Can you estimate the average cost of an electric panel capacity upgrade to accommodate all-electric systems?
8. Can you estimate the average cost of a natural gas hookup to an average home?

Multi-Family Building

1. Are you currently working on a multi-family building project built to the 2021 I-Codes?
What type of project?
 - a. Approx. SF
 - b. Location
 - c. Is the IECC 2021 applicable to your project?
 - i. What compliance pathway are you pursuing? Total building performance, prescriptive, etc.?
2. Are there any community-specific additional energy or efficiency requirements on the project that will make its energy performance "above code"? What are those things?
3. Can you provide an estimate of the cost to comply with the **Energy Conservation Code** requirements? These include envelope efficiency, HVAC efficiency, mechanical ventilation, additional efficiency packages, insulation, fenestration, etc.
 - a. Please indicate which building systems/elements are included in your cost estimate.
4. Can you provide the estimated total construction cost for the project?
5. Have you worked on an equivalent size / type project in the last 5 years that was built to the 2015 code?
 - a. If so, can you provide equivalent information (size, location, IECC applicability, estimate for IECC code, and total construction cost) for this project?
6. Can you estimate the average cost for pre-wiring a multi-family building for an all-electric system?
7. Can you estimate the average cost of an electric panel capacity upgrade to accommodate all-electric systems?
8. Can you estimate the average cost of a natural gas hookup to an average multi-family building?

Commercial Building

1. Are you currently working on a multi-family building project built to the 2021 I-Codes? What type of project?
 - a. Approx. SF
 - b. Location
 - c. Is the IECC 2021 applicable to your project?
 - i. What compliance pathway are you pursuing? Total building performance, prescriptive, etc.?
2. Are there any community-specific additional energy or efficiency requirements on the project that will make its energy performance "above code"? What are those things?
3. Can you provide an estimate of the cost to comply with the **Energy Conservation Code** requirements? These include envelope efficiency, HVAC efficiency, mechanical ventilation, additional efficiency packages, insulation, fenestration, etc.
 - a. Please indicate which building systems/elements are included in your cost estimate.
4. Can you provide the estimated total construction cost for the project?
5. Have you worked on an equivalent size / type project in the last 5 years that was built to the 2015 code?
 - a. If so, can you provide equivalent information (size, location, IECC applicability, estimate for IECC code, and total construction cost) for this project?
6. Can you estimate the average cost for pre-wiring a commercial building for an all-electric system?
7. Can you estimate the average cost of an electric panel capacity upgrade to accommodate all-electric systems?
8. Can you estimate the average cost of a natural gas hookup to a commercial building?

2015 Code Questions

1. Are you currently working on a project built to the 2015 I-Codes? What type of project (SFH, multi-family, commercial, hotel, etc.)?
 - a. Approx. SF
 - b. Location
2. Is the IECC 2015 applicable to your project?
 - a. What compliance pathway are you pursuing? Total building performance, prescriptive, etc.?
3. Are there any community-specific additional energy or efficiency requirements on the project that will make its energy performance "above code"? What are those things?

4. Can you provide an estimate of the cost to comply with the **Energy Conservation Code** requirements? These include envelope efficiency, HVAC efficiency, mechanical ventilation, additional efficiency packages, insulation, fenestration, etc.
 - a. Please indicate which building systems/elements are included in your cost estimate.
5. Can you provide the total construction cost for the project?



WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Administration	Sara Law- Sustainability Coordinator/PIO	May 20, 2024

BACKGROUND

This memo is intended to provide the justification for the Sustainability Committee's support for Electric Preferred as the most cost-effective solution to reduce greenhouse gas emissions and advance the City's Climate Action Plan.

On July 20th, 2021 City Council adopted Resolution 2021-27 adopting a Climate Action Plan for the City of Salida. In subsequent years, City Council began the implementation for an Energy Action Plan with our Partners in Excel Energy and codified our Sustainability Committee. As part of these steps, the Salida Municipal Code empowers the Sustainability Committee to both assist the City Council to implement its Climate Action and Energy Action Plans and update and advocate for the advancement of local guidelines and codes to lower energy consumption. § 2-18-40 (b) and (d), Salida Municipal Code.

Pursuant to this charge, the Committee recommends the City Council pass a resolution supporting Chaffee County's adoption of electric preferred amendments to the County's Energy Conservation Code. Salida's Climate Action Plan specifically recommends the city adopt energy efficiency standards for new construction that exceed the minimum standards. In addition to this, the Committee determined that the electric preferred amendments to the Energy Conservation Code would be a modest and meaningful step the City should take towards achieving its overarching goal to reduce energy-related carbon emissions by at least 50% by 2030, but the amendments would also reduce the energy burden for homeowners and businesses, while preserving developer choice and options to meet energy efficiency goals.

The United States' most recent National Climate Assessment concluded that while greenhouse gas emissions are falling, the current rate of decline is not nearly enough to meet targets necessary to avoid the greatest risks of climate change. Moreover, the Assessment indicated that every fraction of a degree of additional warming we can avoid decreases climate-related risks in the future. Since time is of the essence, the City's biggest bang for its buck in terms of reducing greenhouse gas emissions is in the City's largest source of greenhouse gas emissions – energy use from buildings. Residential and commercial building energy use in Salida make up 38% of Salida's GHG emissions according to the 2018 Salida GHG Emission Inventory. Importantly, nearly 75% of energy use in Salida buildings is fueled by methane, the primary component of gas fossil fuel, which is 28 times as potent as carbon dioxide at trapping heat in the atmosphere. The electric preferred amendments would effectively curb GHG emissions in new homes and commercial spaces by encouraging all-electric construction or, alternatively, requiring that new construction using gas include additional energy efficiency measures.

The Committee believes adopting the electric preferred amendments presents a fair compromise between maintaining developers' choice to include gas appliances in new construction, while at the same time reducing GHG emissions and utility bills for new home and business owners through electrification and additional energy efficiency. In addition, adopting more energy efficient energy code standards now future-proofs new home and business owners from increasing costs of fossil fuels and from future rules and laws, which may mandate a more aggressive transition to clean energy.



WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Administration	Sara Law- Sustainability Coordinator/PIO	May 20, 2024

The Sustainability Committee also recommends that the Council not lose sight of the intergenerational equity at stake when it comes to reducing GHG emissions to limit the impacts of climate change. As a tourist based economy, we are arguably more subject to the consequences of climate change to our industries like skiing, rafting, biking etc. The decisions that Council makes now to reduce GHG impacts future generations of Salidans from the impacts of climate change.

Key Questions

The section below intends to provide latest research, literature, and case studies on how electric preferred could impact Salida's housing affordability, provide an update on Colorado's, long term energy forecasting and supply, and address the benefits of such a decision to Salida's business sector.

1) Housing Affordability

Local and regional cost studies conclude that the electric preferred amendments to the Energy Code are unlikely to have significant cost impacts to affordable housing. Instead, affordable housing proposals coupled with energy efficient designs are more likely to reduce the energy burden for low-income homeowners and renters and may be more competitive for state and federal housing grants. In 2022, Eagle County, Colorado contracted Denver-based consultant, Lotus Engineering and Sustainability, to evaluate the benefits and costs of potential updates to the county's energy code, including electric preferred, in a code update analysis report. At the time Lotus' report was drafted, data wasn't available to quantify benefits and costs for every energy code update scenario, however, Lotus concluded that the upfront costs to build to the potential update standards were not significantly higher than the upfront costs to build to the 2021 IECC standards. This conclusion is in line with other regional reports, including [Rocky Mountain Institute's 2020 analysis](#), which found that upfront costs to build all electric, single-family homes were lower than mixed fuel homes in six out of seven of the cities it evaluated and the net present value of new all-electric, single family homes is lower than mixed-fuel homes in all seven of the cities it evaluated. Moreover, [Lotus' report](#) found that under any energy code update scenario building occupants could expect to benefit from annual energy cost savings and reductions in greenhouse gas emissions. Although electric appliances can in some cases be more expensive than their gas equivalents the big savings on upfront costs come from avoiding gas connection and piping costs. Notably, in 2023 the Colorado Legislature passed and the Governor signed [SB23-291](#), which among other things requires gas utility companies to remove incentives that lower the cost of establishing gas service to new properties. In other words, the cost of establishing gas connections at new homes and commercial spaces is continuing to rise.

Finally, there is an array of affordable housing grants that require or incentivize applicants to submit proposals that incorporate energy efficiency. Both the federal Low Income Tax Credit and Colorado's Prop 123 affordable housing program prioritize and preference applications that can show the proposed housing developments will be energy efficient and address federal and state climate change objectives. Adopting the electric preferred amendments to the energy code would likely increase Salida's odds of being awarded critical affordable housing grants.

2) Impact on Local Businesses

As is the case in the affordable housing context, the Lotus report also found that updates to the energy code further incentivizing electrification and energy efficiency would be unlikely to significantly increase the cost to new commercial space development. In fact, Lotus' analysis revealed that all-electric commercial buildings have an upfront cost savings as compared to mixed-fuel commercial buildings. Similar to new residential buildings, new commercial buildings constructed according to updates to the 2021 energy code would also reduce the energy burden for local businesses and their greenhouse gas emissions. It's important to reiterate that the electric preferred amendments to the



WORK SESSION MEMO

DEPARTMENT	PRESENTED BY	DATE
Administration	Sara Law- Sustainability Coordinator/PIO	May 20, 2024

energy code would only apply to newly constructed commercial spaces, not existing commercial space. Lastly, adopting electric preferred amendments would also make it more likely for local commercial developers to take advantage of once-in-a-generation tax incentives through the Inflation Reduction Act, such as the [Section 179D tax deduction](#) and [Section 45L tax credits](#), which are only available to developers that can meet heightened energy efficiency requirements.

3) Colorado Energy Forecast

Encouraging the development of electric homes and businesses in Colorado and in Salida, in particular, will not pose electricity supply challenges for the electric utilities charged with supplying this power. In a May 6, 2024 email communication with Imogen Ainsworth, Xcel Energy's contracted facilitator for Salida's Energy Action Plan, Ainsworth confirmed there are no concerns with Xcel's grid capacity as it relates to the electric preferred adoption. Moreover, under Colorado law, every four years the electric utilities serving Salida must forecast and produce an Electric Resource Plan (ERP) that ensures each utility's electric supply meets current and forecasted electric demand. For example, Xcel Energy produced its [most recent plan in 2021](#), which forecasted electric supply and demand out to 2030. In addition to ensuring Xcel's electric supply meets current and future electric demand, Xcel Energy also maintains an 18% planning reserve margin above peak energy demand. In other words, Xcel Energy maintains the capability to produce more energy than it expects to need at peak demand to ensure reliability. No electric utilities serving the City of Salida have reported an inability to meet current or future electric needs in this community.

CITY OF SALIDA, COLORADO
RESOLUTION NO. 35
(Series of 2024)

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO
SUPPORTING THE CITY'S ADOPTION OF THE MODEL ELECTRIC
PREFERRED AMENDMENTS TO THE 2021 INTERNATIONAL ENERGY
CONSERVATION CODE ("IECC") AND THEREBY URGING CHAFFEE COUNTY
AND ITS BUILDING DEPARTMENT TO FORMALLY ADOPT THE SAME**

WHEREAS, the City of Salida, Colorado ("City") is a statutory city, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, pursuant to C.R.S. § 31-15-401, the City by and through its City Council ("Council"), possesses the authority to adopt laws and ordinances within its police power in furtherance of the public health, safety and welfare; and

WHEREAS, in 2021 the City of Salida adopted a Climate Action Plan, and in 2023 the City of Salida adopted an Energy Action Plan with a goal to reduce energy-related carbon emissions by at least 50% by 2030 from a 2021 baseline and achieve net-zero carbon energy use by 2050.

WHEREAS, the City Sustainability Committee has been working to help the City of Salida implement its Climate Action Plan and Energy Action Plan; and

WHEREAS, the City Sustainability Committee has studied, among other areas, how residential and commercial buildings contribute to greenhouse gas ("GHG") emissions; and

WHEREAS, the City Sustainability Committee has concluded that adopting the model electric preferred amendments to the 2021 International Energy Conservation Code ("IECC") will have an immediate positive effect on reducing GHG emissions caused by newly constructed residential and commercial buildings, as well as lowering utility bills; and

WHEREAS, the City Sustainability Committee recommends that the City of Salida update its Energy Conservation Code to include the model electric preferred amendments; and

WHEREAS, the City Council recognizes that, under the current "Building Inspection" Intergovernmental Agreement between the City and Chaffee County, approved by the City Council via Resolution 2013-82, the City is required to maintain the same or similar standard versions of the technical building codes as the County, including the International Energy Conservation Code ("IECC"); and

WHEREAS, the City Council wishes to decrease the GHG emissions caused by residential and commercial buildings in the City by adopting the model electric preferred amendments to the 2021 IECC, thereby positively affecting the health and welfare of its residents, customers and citizens.

NOW, THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, THAT:

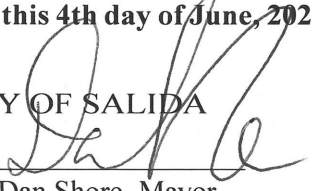
Section 1. The Salida City Council incorporates the foregoing recitals as its conclusions, facts, determinations and findings.

Section 2. The Salida City Council hereby urges the Board of Chaffee County Commissioners and the Chaffee County Building Department to formally adopt the model electric preferred amendments to the 2021 IECC, with all due speed.

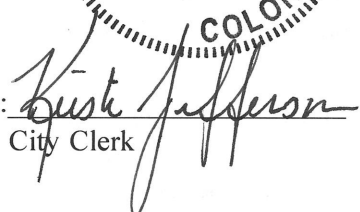
RESOLVED, APPROVED, AND ADOPTED this 4th day of June, 2024.



CITY OF SALIDA

By: 
Dan Shore, Mayor

ATTEST:


City Clerk



CHAFFEE COUNTY 2024 COMMUNITY GREENHOUSE GAS INVENTORY REPORT

Prepared by: Lotus Engineering and Sustainability

Prepared for: Chaffee County and the City of Salida

104 Crestone Avenue

Salida, Colorado 81201

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Executive Summary

INTRODUCTION

Chaffee County is committed to reducing greenhouse gas (GHG) emissions and has a vision to steward resources that enhance community resilience and the natural environment for the community and for future generations.¹ Both Buena Vista and Salida have separate commitments and/or models surrounding their dedication to sustainability within their municipalities. To better understand how different activities are contributing to carbon pollution in the community, Chaffee County and City of Salida received shared funding through the Colorado Energy Office Energy Efficiency and Conservation Block Grant to conduct a 2024 GHG inventory. This inventory will inform County, City, and Town staff, policy makers, and residents about the county's community-wide emissions sources, as well as the opportunities to make impactful emissions reductions.

Chaffee County and the City of Salida elected to use the ClearPath 2.0 software for public-facing emissions reporting, while Buena Vista and Poncha Springs retained Lotus' original inventory workbook. As a result, minor differences exist between municipal and countywide totals presented in this report.

INVENTORY BOUNDARY

The community-wide inventory assesses emissions across five geographic boundaries:

- City of Salida
- Town of Buena Vista
- Town of Poncha Springs
- Unincorporated Chaffee County
- Total Chaffee County (including all three municipalities and unincorporated Chaffee County)

Emissions are analyzed into the five different sectors and related source activities which include:

- Stationary Energy (building fuels and electricity)
- Transportation (on-road vehicles, aviation, waterborne, and electric vehicles)
- Solid Waste and Wastewater (waste decomposition and treatment)
- Industrial Processes and Product Use (refrigerant leakage)
- Agriculture, Forestry and Other Land Use (AFOLU)

KEY FINDINGS

TOTAL EMISSIONS BY JURISDICTION

The 2024 Chaffee County GHG inventory emissions are separated by each jurisdiction. Total jurisdiction emissions are as follows:

- Chaffee County: **291,274 metric tons of carbon dioxide equivalents (mt CO₂e)**
- Salida emissions are **79,864 mt CO₂e**

¹ See: <https://www.chaffeecounty.org/government/sustainability/index.php>

- Buena Vista emissions are **54,926 mt CO₂e**
- Poncha Springs emissions are **12,983 mt CO₂e**
- Unincorporated Chaffee County emissions are **146,476 mt CO₂e**

Figure 1 represents the percentage of emissions contributed from each jurisdiction for the entire boundary area.

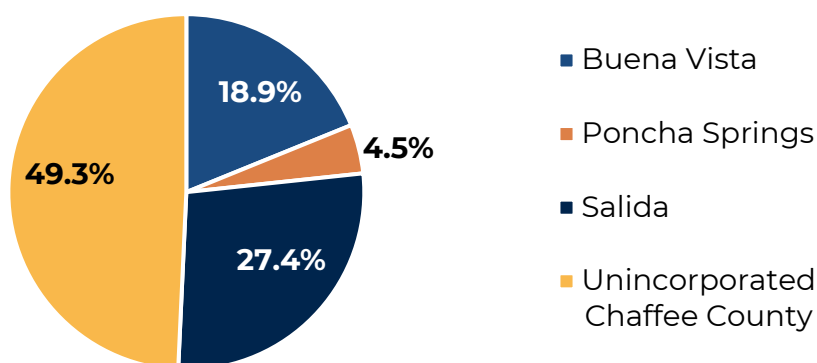


Figure 1: Percentage of Jurisdictional Emissions.

Of the County's emissions, Buena Vista makes up 19 percent, Poncha Springs makes up about 5 percent, Salida is comprised of 27 percent, and the unincorporated areas of Chaffee County made up most Chaffee's emissions at 49 percent of the total emissions. Figure 2 shows the emissions breakdown by sector for each jurisdiction, and Figure 3 illustrates sector emissions for the County as a whole.

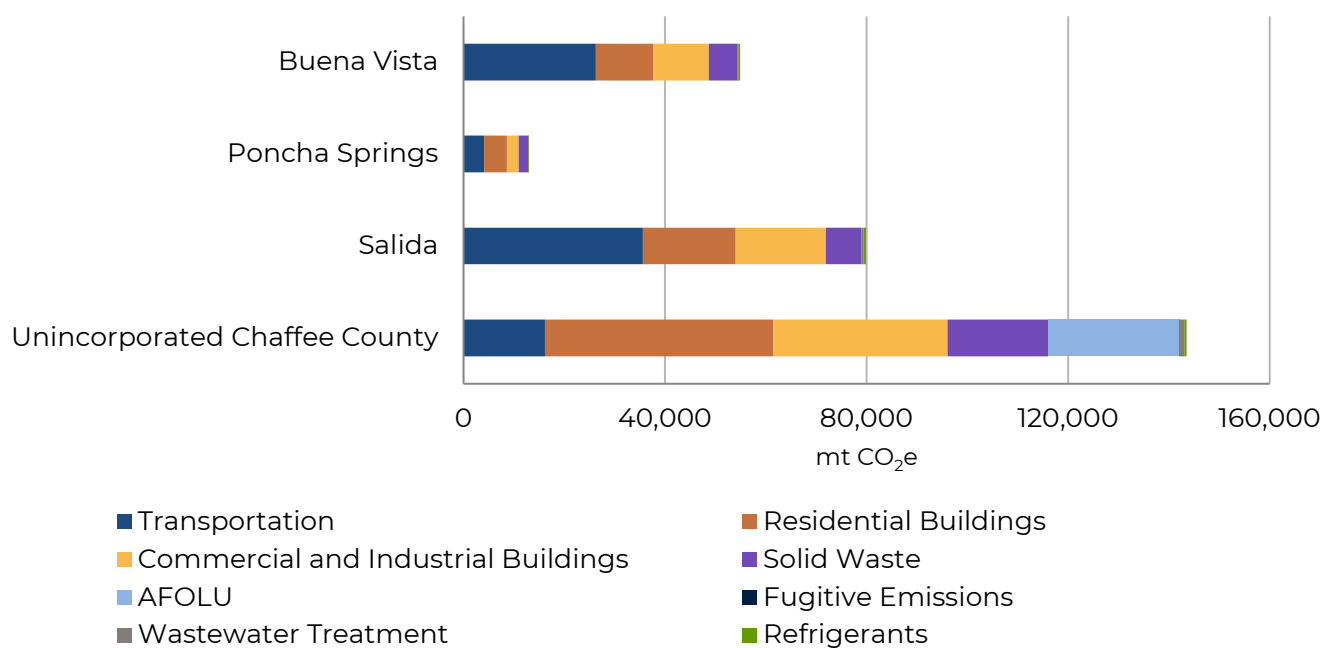


Figure 2: Jurisdictional Breakdown of Sector Emissions.

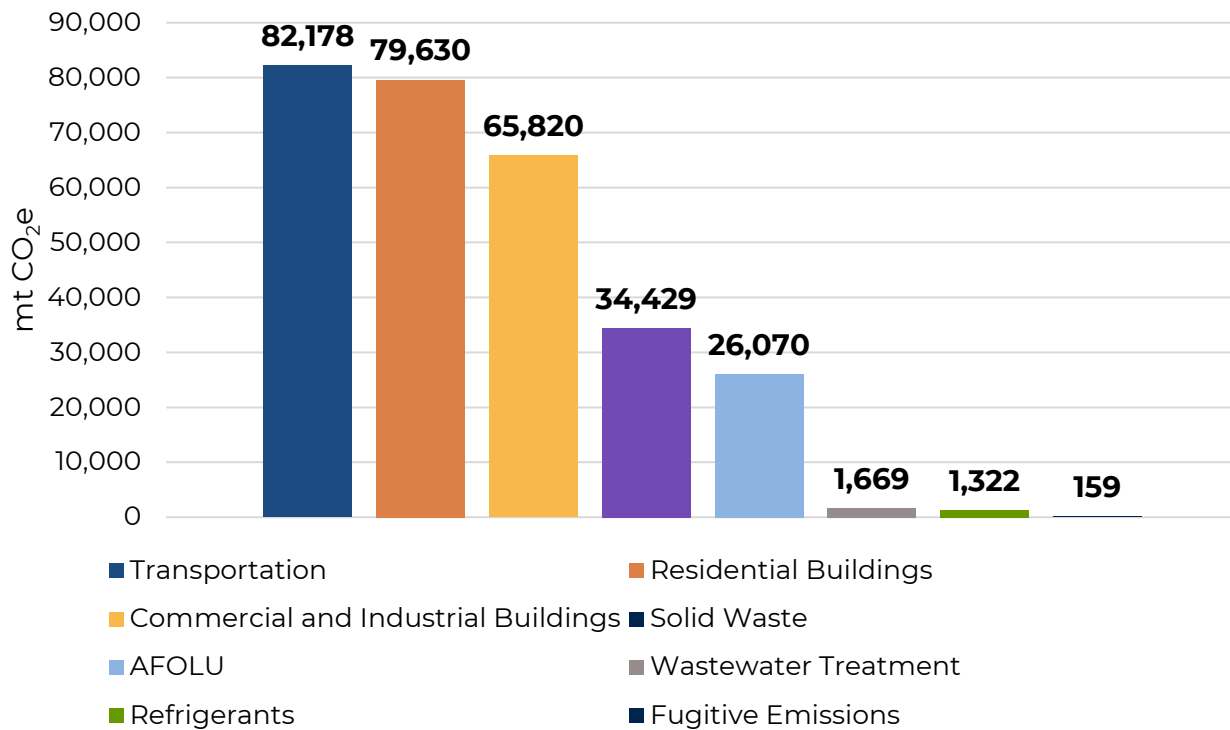


Figure 3: Total Chaffee County Sector Emissions.

KEY FINDINGS:

- Transportation and residential building energy use are the largest emissions for the region, with Salida being responsible for 43 percent of the transportation emissions and unincorporated Chaffee County being responsible for over half of the residential building energy use emissions.
- Higher transportation emissions are attributed to gas- and diesel-powered vehicles likely due to population density, concentration of goods and services, and tourism. Residential energy use is attributed to building electricity and natural gas usage; high emissions can be caused by inefficient heating and cooling appliances, size of home, and/or residential energy use habits.
- Unincorporated areas of Chaffee County make up just under 50 percent of the county's total emissions profile. With an estimated population of 10,030, their emissions per capita equates to 14.6 mt CO₂e per resident. Compared to similar communities, like San Miguel County (38.24 mt CO₂e per resident) or Routt County (12.81 mt CO₂e per resident), the emissions would be considered mid-range but compared to the United States and Colorado as a whole, per capita emissions are high. See Table 5.
- To put Chaffee County's total emissions into perspective (291,274 mt CO₂e), it is equivalent to the annual energy use of approximately 39,117 average U.S. homes for one year (enough energy to power all homes in Chaffee County for roughly 3.5 years). It is also equivalent to driving 741,746,589 miles, or ~2.6 million round trips between Denver and Salida, in a gasoline powered car.²

² See: [EPA GHG Equivalencies Calculator](#)

EMISSIONS REDUCTION RECOMMENDATIONS

BUILDINGS

Building energy use represents the largest share of emissions across the community when residential and commercial sectors are combined (50 percent of total emissions). These emissions primarily come from natural gas, electricity, and propane use. Opportunities to lower emissions include:

- Improving energy efficiency in residential and commercial buildings;
- Adopting the latest building energy codes to promote energy efficiency in new construction;
- Increasing the adoption of high efficiency electric equipment for building heating, water heating, and air conditioning; and
- Expanding access to renewable energy resources.

TRANSPORTATION

Carbon pollution from cars and trucks on the road is the second largest source of emissions within Chaffee County (28 percent). To reduce emissions from the transportation sector, the community may consider:

- Improving transit systems and multimodal transportation options;
- Prioritizing vehicle electrification; and
- Collaborating with entities such as the Arkansas Headwaters Recreation Area (AHRA) and Monarch Mountain to support management strategies for seasonal transportation volume increases.

SOLID WASTE AND WASTEWATER

Emissions created from transporting and landfilling solid waste are also significant (13 percent). Strategies for lowering waste emissions include:

- Prioritizing diverting waste from the landfill through expanded recycling and composting programs; and
- Improving landfill methane management.

AGRICULTURE, FORESTRY, AND OTHER LAND USE (AFOLU)

Though a smaller contributor to emissions than other sectors (nine percent), it is especially relevant for a place like Chaffee County that has a strong ranching culture and large swaths of public lands. Emissions reduction recommendations include:

- Addressing emissions from livestock;
- Applying compost and biochar to soils to help sequester carbon; and
- Stewarding natural assets that act as carbon sinks.

Full Report

INTRODUCTION

Chaffee County houses about 20,000 people and includes three municipalities: City of Salida, Town of Buena Vista, and the Town of Poncha Springs. The County is situated in the high desert valley of the Arkansas River near the Sawatch mountains. With much of the County's culture and economy centered on recreating in its vast acreages of public lands, protection of the local environment is imperative. But, like many Colorado mountain communities, the County is faced with intensified climate risks and hazards, shifting economic stress and increasing building and infrastructure vulnerability. These interactions make local climate action and emissions reduction planning especially important for long-term environmental health. Additionally, having a clear understanding of emissions helps communities and decision-makers evaluate risks, meet reporting or funding requirements, and plan for a more resilient and economically stable future.

The County has a long-established commitment to sustainability and the environment. In their 2020 Comprehensive Plan,³ Chaffee laid out a new vision for the future, with goals and updates to further strengthen civic culture, support innovation and creativity, and act holistically within the lens of sustainability. Within Chaffee County, the City of Salida is also pursuing these efforts as part of their own Climate Action Plan.

Chaffee County's commitment to sustainability goes beyond its creation of a community greenhouse gas (GHG) inventory and Sustainable Development Plan and is also represented by its ongoing efforts to promote energy efficiency, divert waste from landfills, improve transit systems, and support green businesses. Chaffee County and the City of Salida contracted Lotus Engineering and Sustainability, LLC (Lotus) to create the community's first multi-jurisdictional GHG inventory.

³ [Together Chaffee County: 2020 Comprehensive Plan.](#)

Chaffee County's Community Values

Community values from Chaffee's Comprehensive Plan

- **We are a caring community.** We value our strong sense of community where we know our neighbors, are welcoming and friendly, and support each other when in need.
- **We are good stewards.** We value the natural beauty in our backyard provided by the Arkansas River, surrounding mountains, and valley. We care for the environment that supports our communities and natural systems.
- **We are civically minded and engaged.** We value the willingness of people to work together and collaborate towards the betterment of our community.
- **We are authentic.** We value our rich heritage, distinctive communities and creative residents that contribute to our unique local character that sets us apart from other places.
- **We are a healthy and active community.** We prioritize the physical and mental wellbeing of all community members.
- **We are a great community for children and families.** We value being an ideal place to raise a family where we support young people and parents by providing services, affordable housing, a strong educational foundation and safe environment.
- **We are a safe community.** We value living in a County with close-knit communities where familiarity fosters trust. We respect our diversity, and we strive to ensure everyone has access to economic opportunities that offer financial security.

THE COMMUNITY INVENTORY: SCOPES, SECTORS, AND SOURCES

This GHG emissions inventory quantifies and distinguishes emissions generated by the community within Chaffee County. As a result, the inventory and report highlight emissions across five geographic boundaries. See Figure 4.

- City of Salida
- Town of Buena Vista
- Town of Poncha Springs
- Unincorporated Chaffee County
- Total Chaffee County (including unincorporated Chaffee County)

Direct and indirect emissions are grouped into three “scopes” based on where the activities they come from physically occur:

- **Scope 1** includes emissions generated directly within the community, such as fuel burned in buildings and vehicles.
- **Scope 2** includes emissions from electricity and other grid-supplied energy used by the community.
- **Scope 3** includes emissions that occur outside the community boundary but that result from local activities, such as fuel consumed for aviation.



Figure 4: Chaffee County Boundary.

Emission sectors are the broad categories of activities that produce greenhouse gas emissions. In this inventory, the following sectors are examined:

- **Stationary Energy:** emissions sourced from buildings and facilities. This includes electricity (including electricity transmission and distribution losses (T&D)) and natural gas usage, and propane and diesel combustion.
- **Transportation:** emissions originating from gas and diesel vehicles, aviation, electric vehicles, and T&D losses from electric vehicles.
- **Solid Waste and Wastewater Treatment:** emissions released from organic material decomposition and treatment. This sector is inclusive of transportation, collection, and waste processing.
- **Refrigerants:** emissions stemming from refrigerant leaks in building heating, ventilation, and air conditioning (HVAC) systems.
- **Agriculture, Forestry, and Other Land Use (AFOLU):** net emissions and removals from natural resource management and land use practices.

Individual sources are the specific, emissions-producing activities within each sector. Table 1 summarizes the sectors and emissions sources included in the inventory and identifies the scope under which each source is reported.

Table 1: Emissions sectors, sources, and scopes.

Sector	Source	Scope
Buildings (stationary energy)	Building Electricity Use	2
	Building Natural Gas Use	1
	Building Stationary Diesel Use	1
	Building Propane Use	1
	Transmission & Distribution Losses	3
Transportation	On-road fossil fuel use	1
	On-road energy use for electric vehicles	2
	Off-road vehicle fuel use	1
	Landing and takeoff aviation emissions	1/3
Waste and Wastewater	Solid Waste (including compost) generated and disposed of within the boundary	1
	Wastewater Treatment	1
	Solid Waste (including compost) generated in the boundary and disposed of outside the boundary ⁴	3
Refrigerants	Building Refrigerants (Industrial Processes and Product Use)	1
Agriculture, Forestry, and Other Land Uses (AFOLU)	Net flux of carbon emissions and removals	1
	Fertilizer use and livestock emissions	1

Emissions avoided through recycling and composting are not integrated into total emissions. They are noted as “Information Only - Avoided emissions”. Avoided emissions from net carbon removals from land use are also noted as “Information-only.” Solar generation from resident participation in renewable energy credit retaining programs is subtracted from total emissions to avoid counting that electricity use as an emissions source.

⁴ Scope 3 emissions only for communities, there are no Scope 3 waste emissions for the overall County.

METHODOLOGY

Lotus obtained activity data for each sector and emissions factors from the most reputable and best available sources. Estimates from assumptions were made only when necessary and with Chaffee’s and the City of Salida’s approval.

Chaffee County and City of Salida elected to use ClearPath 2.0,⁵ an online emissions reporting platform created by ICLEI and ClimateView, while Buena Vista and Poncha Springs retained a custom workbook-based methodology developed by Lotus. Both inventories follow the Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories (GPC) and were informed by the same datasets. However, since the latter two community inventories were developed independently from the ClearPath 2.0 platform, there are minor differences in calculation methodologies, emissions factors, and data treatment. This may result in some jurisdictional inventory totals not reconciling precisely with countywide inventory totals.

INVENTORY RESULTS

CHAFFEE COUNTY

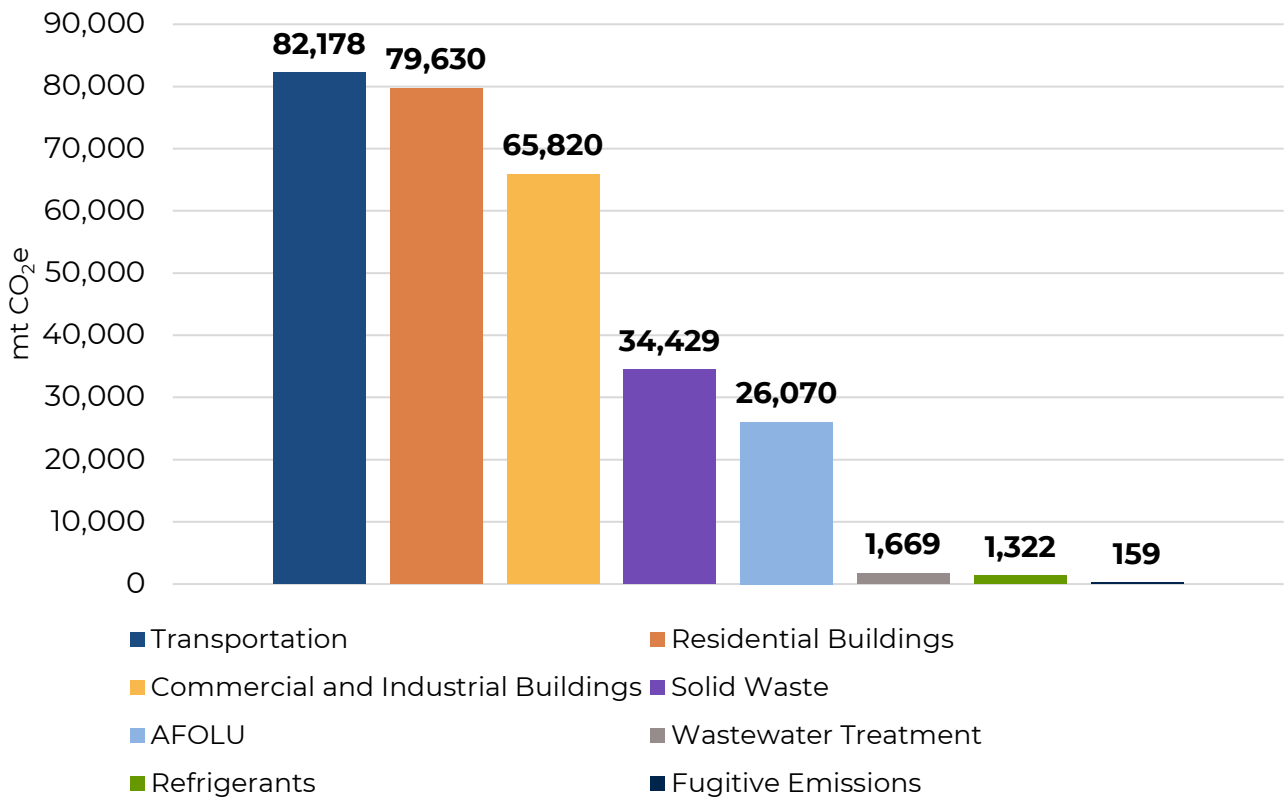


Figure 5: Chaffee County Emissions by Sector.

Emissions for Chaffee County totaled **291,274 metric tons of carbon dioxide equivalents (mt CO₂e)** for calendar year 2024. Figure 5 represents the contributed emissions by

⁵ See: [ClearPath 2.0](#)

transportation, residential and commercial buildings, solid waste, AFOLU (Agriculture, Forestry, and Other Land Use), fugitive emissions, refrigerants, and wastewater treatment.

TOWN OF BUENA VISTA

Emissions for Buena Vista totaled **54,926 mt CO₂e** or 19 percent of Chaffee’s total emissions. Figure 6 represents the contributed emissions by transportation, residential and commercial buildings, solid waste, fugitive emissions, refrigerants, and wastewater treatment.

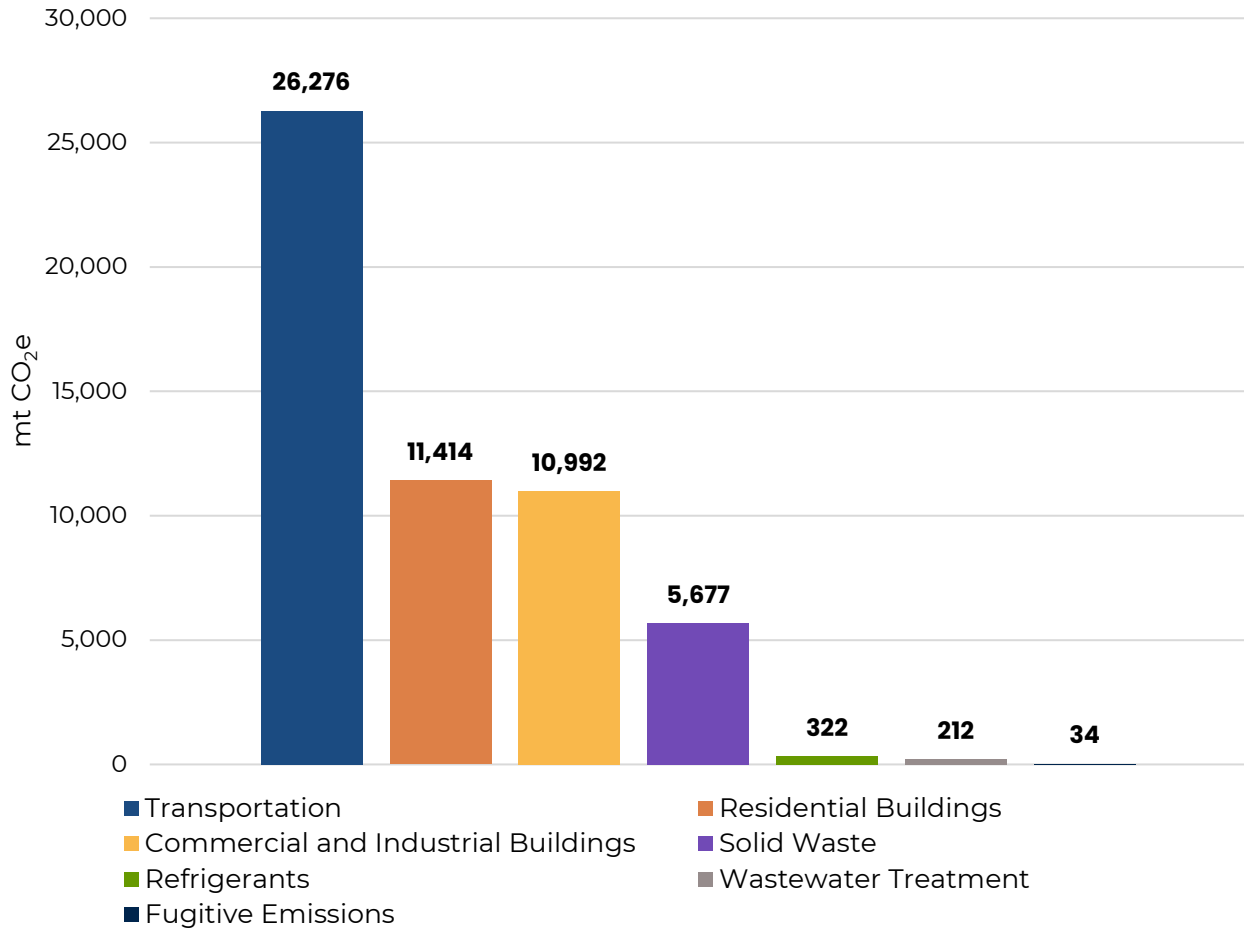


Figure 6: Total Buena Vista Sector Emissions.

TOWN OF PONCHA SPRINGS

Emissions for Poncha Springs totaled **12,983 mt CO₂e** or four percent of Chaffee’s total emissions. Figure 7 represents the contributed emissions by transportation, residential and commercial buildings, solid waste, fugitive emissions, refrigerants, and wastewater treatment.

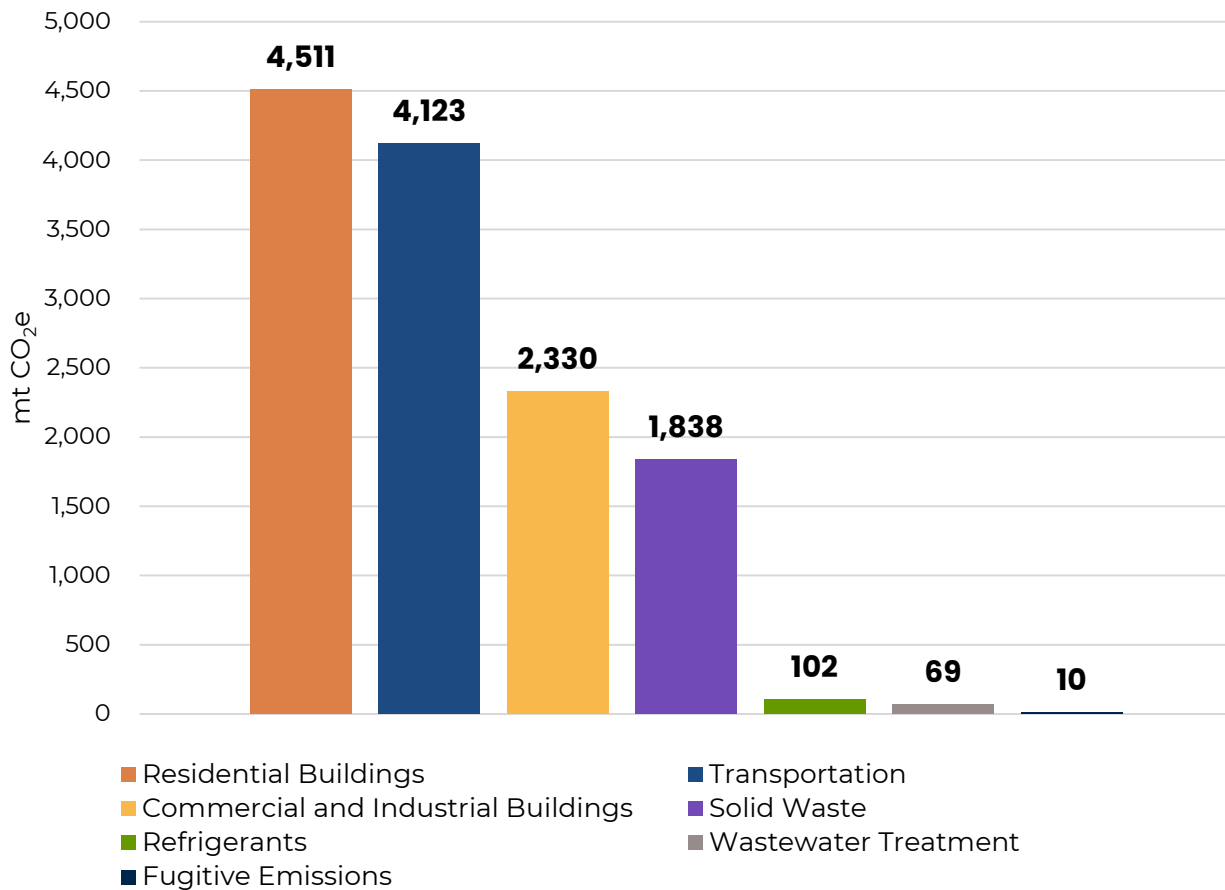


Figure 7: Total Poncha Springs Sector Emissions.

CITY OF SALIDA

Emissions for Salida totaled **79,864 mt CO₂e** or 27.4 percent of Chaffee's total emissions. Figure 8 represents the contributed emissions by transportation, residential and commercial buildings, solid waste, fugitive emissions, refrigerants, and wastewater treatment.

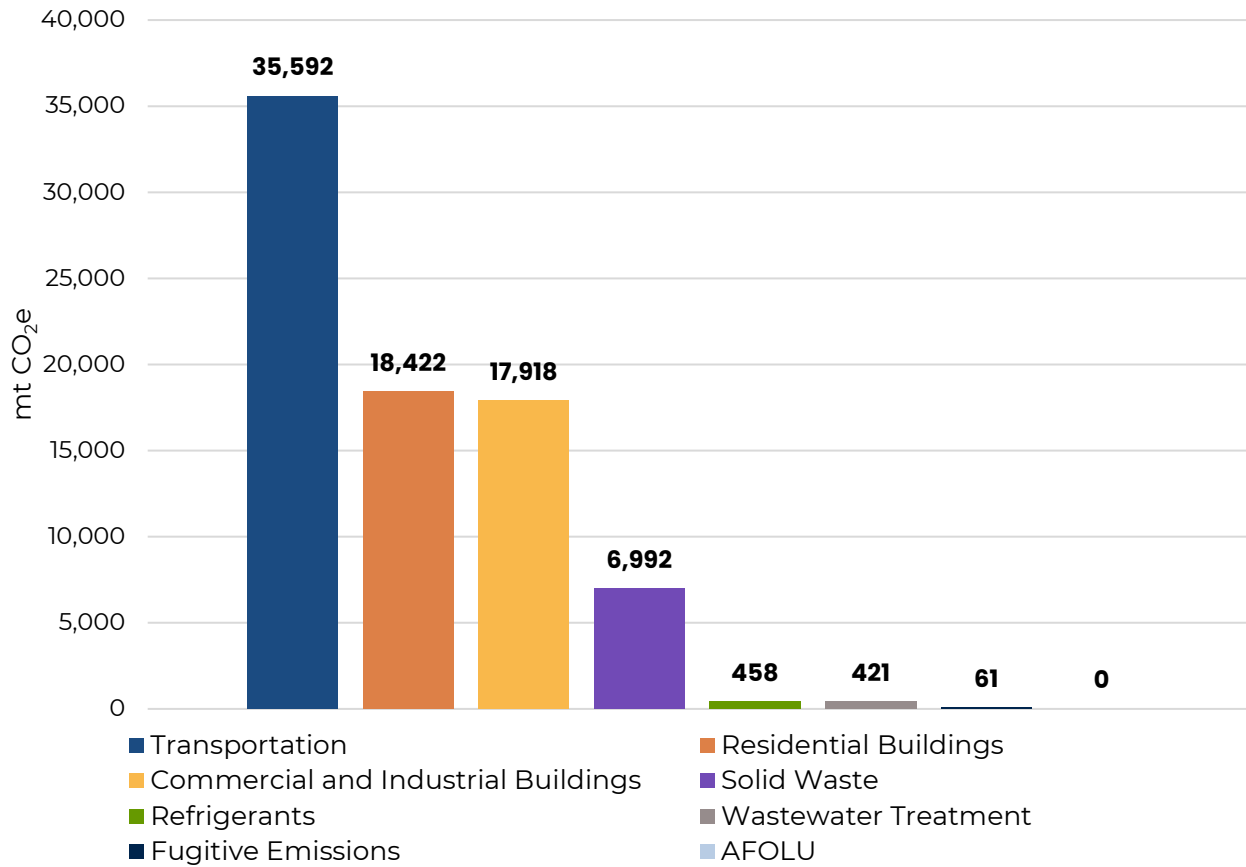


Figure 8: Total Salida sector emissions.

UNINCORPORATED CHAFFEE COUNTY

Emissions for unincorporated Chaffee County totaled **143,503 mt CO₂e** or 49 percent of Chaffee's total emissions. See Figure 9, which represents the proportion of total emissions contributed to Chaffee County from each community and from unincorporated areas.

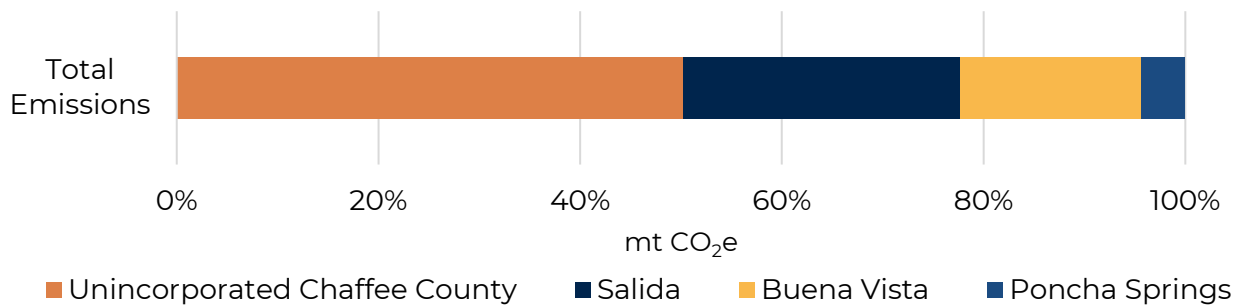


Figure 9: Total Unincorporated Chaffee County Sector Emissions.

Table 2: Scopes and Sources.

Source	Scope	Salida (mt CO ₂ e)	Buena Vista (mt CO ₂ e)	Poncha Springs (mt CO ₂ e)	Unincorporated Chaffee County (mt CO ₂ e)	Total Chaffee County (mt CO ₂ e)
Electricity (Buildings) ⁶	2	17,345	11,337	3,530	35,431	67,643
Natural Gas	1	18,097	10,121	3,032	16,395	47,645
Stationary Diesel	1	0	1	0	0	1
Propane	1	898	34	122	29,107	30,161
Wood	1	N/A	0	0	N/A	N/A
Natural Gas Leakage	1	61	34	10	55	159
Gasoline Vehicles	1	18,042	17,545	2,730	1,901	40,219
Diesel Vehicles	1	16,739	8,053	1,383	13,917	40,092
Other Fuel Vehicles	1	N/A	10	2	353	364
Electric Vehicles	2	66	88	9	15	178
Aviation Jet Fuel	1	563	465	0	0	1,028
Aviation Gasoline	1	182	115	0	0	297
Wastewater - Centralized Treatment	1	421	212	69	745	1,446
Wastewater - Septic	1	0	0	0	223	223
Landfilled Waste	1	5,677	1,838	6,992	19,921	34,429
Refrigerants	1	458	322	102	440	1,322
Enteric Emissions	1	0	0	0	20,658	20,658
Manure Management	1	0	0	0	2,090	2,090
Urea	1	0	0	0	27	27
Biomass Emissions	1	0	0	0	2,938	2,938
Managed Soils	1	0	0	0	357	357

⁶ Transmission and distribution (T&D) loss emissions were calculated in the inventory workbook but are not shown separately in this report to maintain consistency with the ClearPath reporting framework used by participating communities.

EMISSIONS BY SCOPE

CHAFFEE COUNTY

Scope 1 emissions make up the largest share of the emissions within all of Chaffee County, ranging from 57 to 77 percent. These emissions are primarily generated from on-site fossil fuel combustion in buildings, gasoline and diesel-powered transportation, waste disposal in boundary, wastewater treatment, refrigerant leakage from cooling systems, and land uses such as agriculture. Scope 2 emissions, which result from purchased electricity consumption, represent a smaller share overall. Electricity in Chaffee County is provided by Xcel Energy and Sangre de Cristo Electric Association, which sources power from Tri-State Generation and Transmission. Within Chaffee County and its jurisdictions, all Scope 2 emissions range from 21 to 27 percent. Scope 3 emissions accounted for just 0.3 percent of total countywide emissions because only a limited number of Scope 3 sources were included in the inventory. Most waste generated in Chaffee County is processed within county boundaries, so waste emissions are reported as Scope 1 emissions in the countywide inventory. However, when emissions are allocated to individual communities, waste generated in Buena Vista, Poncha Springs, and Salida is classified as Scope 3 because it is transported outside municipal boundaries for disposal at the county landfill. Composting emissions are an exception: because compost is processed within Salida city limits, they are reported as Scope 1 emissions for Salida and Scope 3 emissions for all other communities whose compost is transported there. See Figure 10, Figure 11, and Table 2.

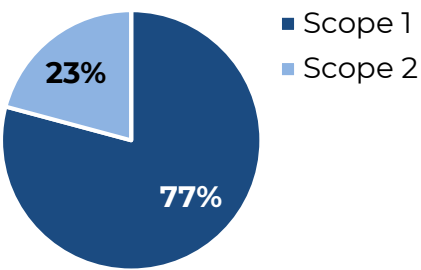
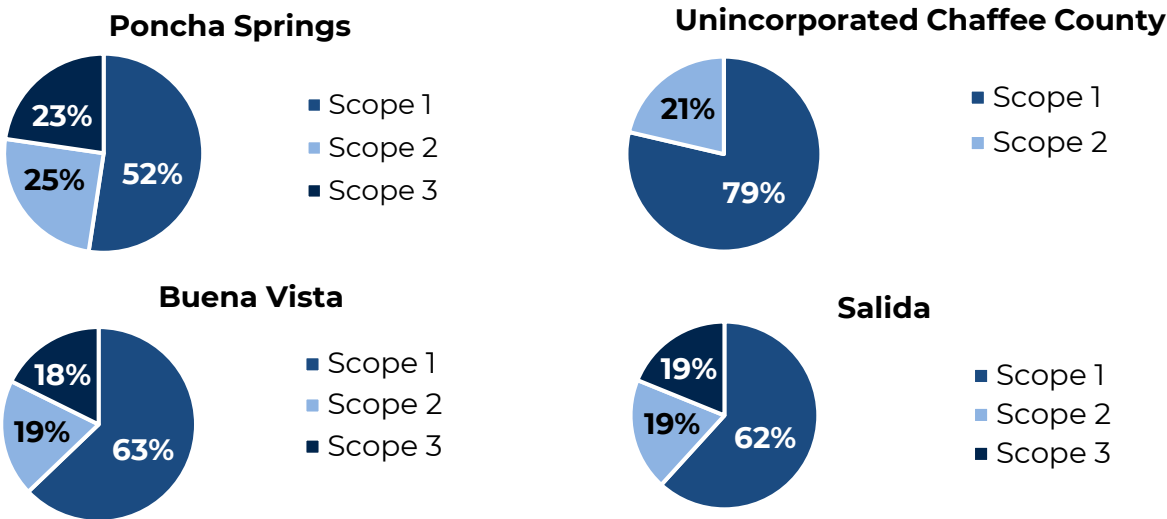


Figure 10: Chaffee County Scope Percentages.

Figure 11: Jurisdictional Emissions by Scope.



EMISSIONS BY SECTOR

A detailed emissions breakdown by sector and source provides further information on emissions profiles of Buena Vista, Poncha Springs, Salida and unincorporated Chaffee County. Refer to Figure 12 for a jurisdictional breakdown of each sector's emissions for Chaffee County.

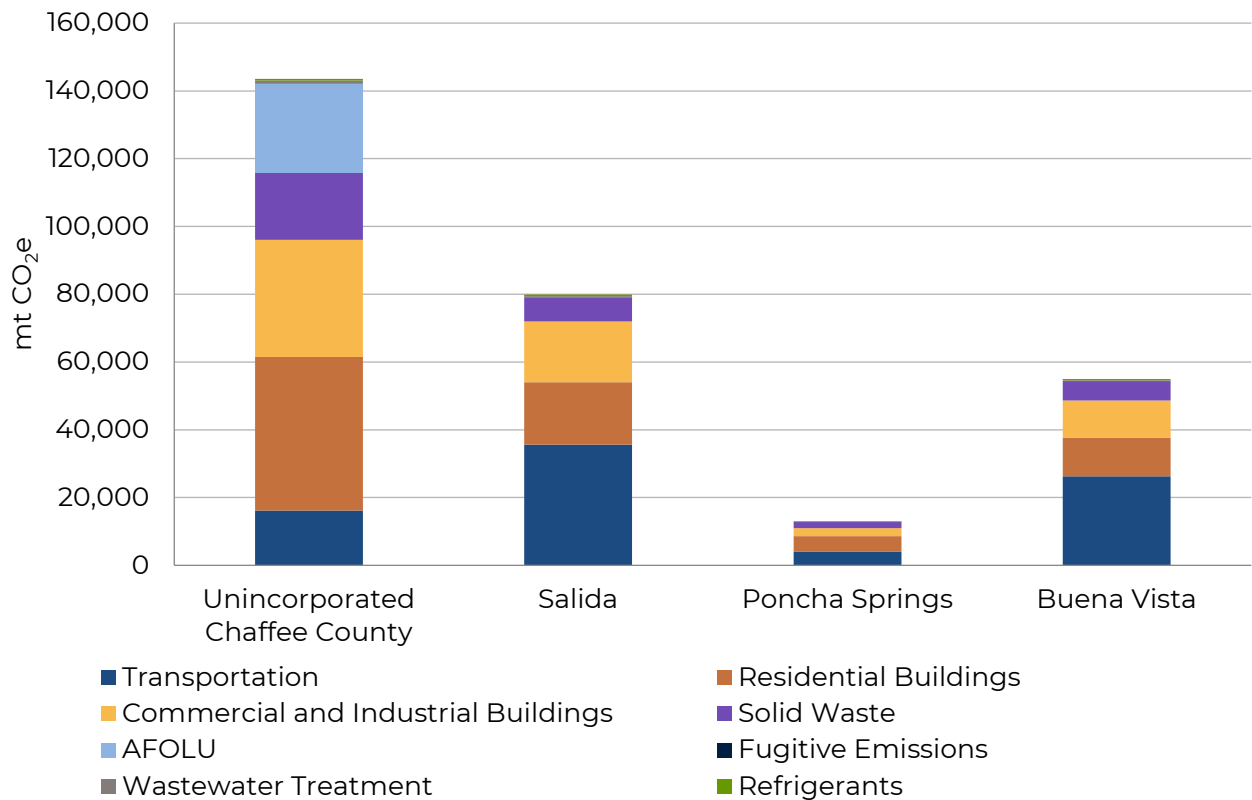


Figure 12. Jurisdictional Emissions by Source.

BUILDINGS

To calculate emissions from building energy use, Lotus obtained emission factors from the local electric utilities and utilized EPA emissions factors for other fuel sources.⁷ The electric emissions factor is a number that represents the amount of greenhouse gases (in carbon dioxide equivalents) released with each unit of electricity that is generated and used. The higher the emission factor, the more fossil fuels are being used to generate electricity. The electricity utilities, Xcel Energy and Sangre de Cristo Electric Association, both provide Chaffee County energy. Sangre De Cristo Electric Association purchases electricity wholesale from Tri-State Generation and Transmission,⁸ a wholesale power provider.

⁷ See: [EPA Climate Hub](#)

⁸ See: [Tri-State Electric](#)

Chaffee County

Chaffee’s building energy, including residential, commercial, and industrial energy use, makes up about 45 percent of building emissions, with residential building emissions contributing 24 percent and commercial and industrial as 20 percent. Most of these emissions come from building electricity use (67,643 mt CO₂e), followed by natural gas usage (47,645 mt CO₂e). See Figure 13.

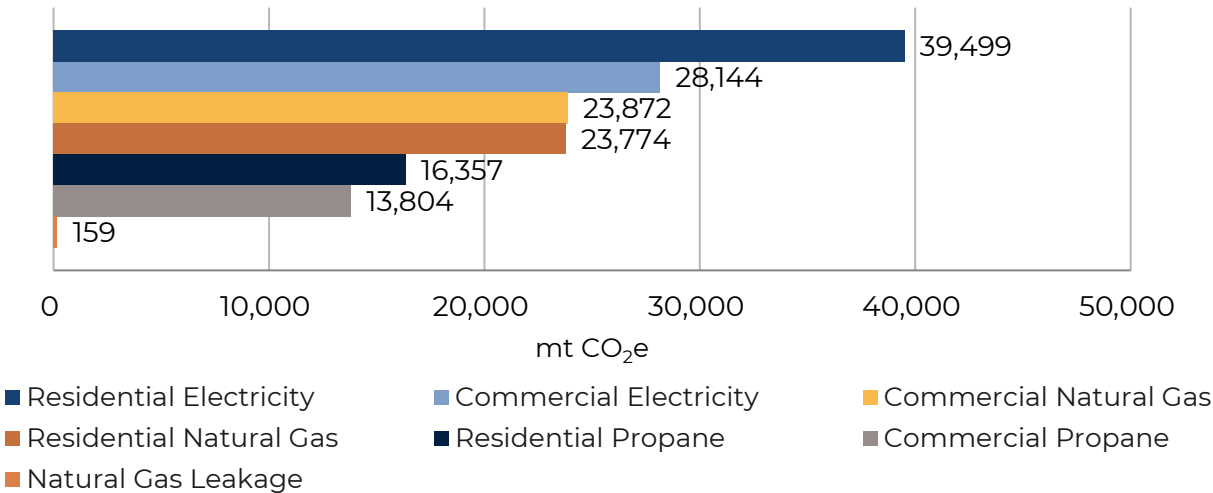


Figure 13: Total Chaffee County Stationary Energy Emissions Detail.

City of Salida

Building energy usage is a larger share of emissions within the City of Salida, with residential and commercial electricity use comprising 48 percent of its emissions. When separated out into individual sources, residential natural gas usage (10,257 mt CO₂e) is the highest source of building emissions for the City, then commercial electricity (9,704 mt CO₂e), commercial natural gas (7,840 mt CO₂e), and residential electricity (7,641 mt CO₂e). See Figure 14.

Town of Buena Vista

In Buena Vista, commercial and residential electricity use comprise over 50 percent of its emissions. This is followed by residential natural gas (5,383 mt CO₂e) and commercial natural gas (4,738 mt CO₂e). Natural gas leakage, residential propane, commercial propane, commercial diesel, residential wood, coal, and oil and gas make up the rest of Buena Vista’s stationary energy emissions profile. See Figure 14.

Town of Poncha Springs

For Poncha Springs, residential electricity use is the largest source of building emissions, comprising about 34 percent of its emissions. When separated into other high emitting sources, residential natural gas (1,988 mt CO₂e) is next, followed by commercial electricity (1,231 mt CO₂e), and commercial natural gas (1,045 mt CO₂e). T&D losses, residential propane, commercial propane, natural gas leakage, residential wood, commercial diesel and coal and oil and gas, make up smaller shares of Poncha Spring’s overall emissions (Figure 14).

Unincorporated Chaffee County

Building energy usage is the second largest source of emissions within unincorporated Chaffee County, with the residential sector making up 30 percent of its emissions. Out of all the jurisdictions in the County (Salida, Buena Vista, and Poncha Springs), the unincorporated areas of Chaffee have the highest electricity emissions, contributing 35,432 mt CO₂e. This is followed by residential propane (15,678 mt CO₂e) and commercial natural gas (10,249 mt CO₂e). Commercial electricity (11,422 mt CO₂e) and residential natural gas (6,146 mt CO₂e) follow behind. Natural gas leakage, commercial propane, and commercial diesel make up smaller shares within the unincorporated areas of Chaffee County. See Figure 14.

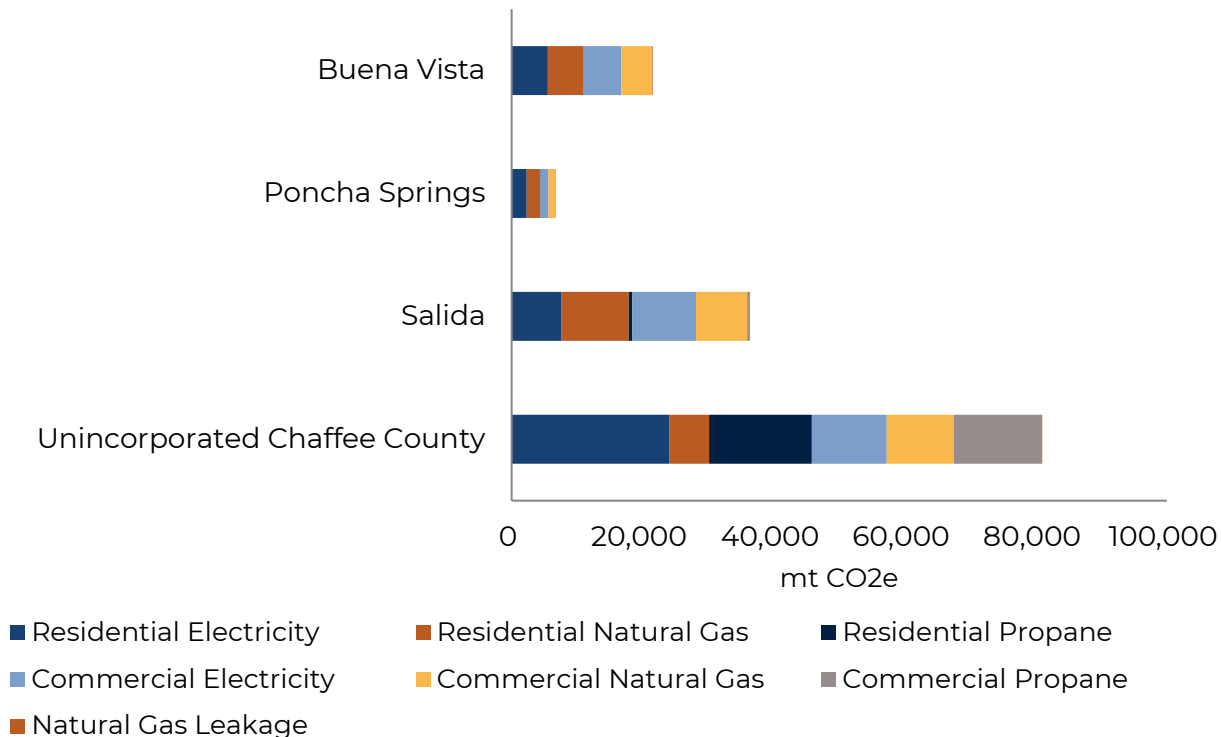


Figure 14: Total Jurisdictional Stationary Energy Emissions Detail.

Building Emissions Reduction Recommendations

When residential and commercial sectors are combined, building energy use represents the largest share of emissions (45 percent of total emissions). These emissions come from natural gas, electricity, and propane used to operate, heat, and/or cool a building. To reduce carbon pollution from this sector, Chaffee County can focus on the following strategies:

- **Enhance energy efficiency:** The lowest emitting unit of energy is the one that is never used. Ensuring that residential and commercial buildings are actively conserving energy and working efficiently is an important first step to lowering building emissions. The County and its jurisdictions may consider expanding energy efficiency programs for community members.
- **Adopting the latest building energy codes:** Adopting up-to-date energy codes helps to ensure new buildings are built to the latest safety and energy efficiency standards.

- **Prioritize decarbonization:** Shifting away from fossil-fuel reliant infrastructure by increasing the adoption of high efficiency electric equipment for building heating, water heating, and air conditioning.
- **Support renewable energy:** Community participation in renewable energy adoption avoids significant energy emissions. Expanding renewable energy and battery storage programs can help build community resilience and increase avoided emissions from fossil-fuel dependent electricity.

TRANSPORTATION

Transportation emissions are estimated by first figuring out how far people are driving in a year, using data on vehicle miles traveled (miles that are driven annually and/or daily). For this inventory, a travel model was used as a foundation, combining local data, with regional transportation data to estimate total travel activity. Travel activity includes trips starting in the region and ending outside of it, trips starting outside the region and ending within it, and trips both starting and ending within the region. It does not include trips where someone is just passing through, they would have to stop for the emissions to be counted. Aviation emissions are typically based on fuel use and activity data from airport operations, including flights and ground equipment. All included travel activity is broken down by different types of vehicles, like cars, trucks, and buses, each with different fuel efficiencies, to estimate total fuel use. Standard emission factors are then applied to that fuel used to calculate emissions. For electric vehicles, emissions are based on how much electricity they use and the emissions from generating that electricity. All these sources are combined to produce a total transportation emissions estimate.

Chaffee County

Gasoline emissions, including ethanol, totaled 34,751 mt CO₂e, followed by 33,959 mt CO₂e for diesel vehicles. About two thirds of diesel emissions come from freight and single-unit trucks. Collectively, this sector makes up 28 percent of the County's total emissions. Aviation and airport ground support equipment occurs only in Buena Vista and Salida, totaling 1,325 mt CO₂e. Off road vehicles make up 11,975 mt CO₂e, or 13 percent of transportation emissions and is only attributed to the County's emissions. As a result, vehicle transportation represents a larger portion of overall emissions in the county than other jurisdictions where these sources, along with tourism attractions on public lands, are less present (Figure 15).

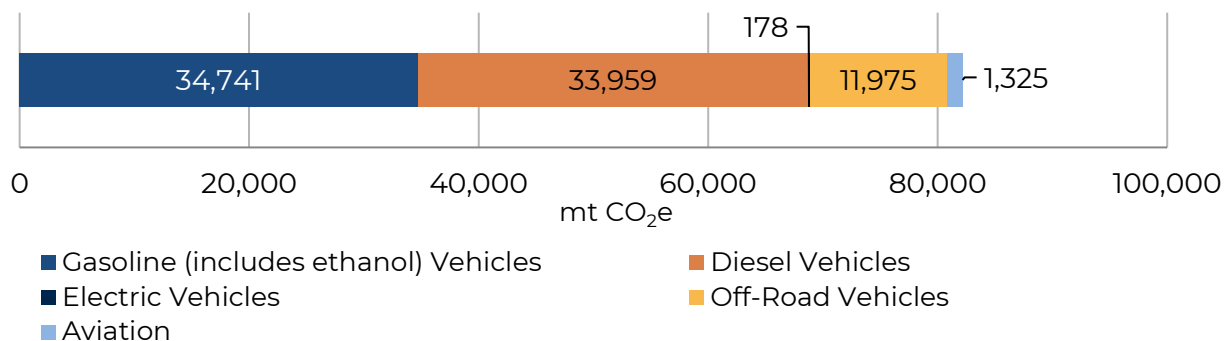


Figure 15: Total Chaffee County Transportation Emissions Detail.

City of Salida

Gasoline emissions, including ethanol, totaled 18,042 mt CO₂e, followed by 18,739 mt CO₂e for diesel vehicles, and 66 mt CO₂e for electric vehicles. Collectively, the City's on-road gasoline emissions make up 51 percent of the City's transportation sector emissions. Aviation and airport ground support emit 746 mt CO₂e. See Figure 16.

Town of Buena Vista

Gasoline emissions, including ethanol, totaled 17,555 mt CO₂e, followed by 8,053 mt CO₂e for diesel vehicles and 88 mt CO₂e for electric vehicles. Generally, the Town's on-road gasoline emissions make up 67 percent of the Buena Vista's transportation sector emissions. Aviation and airport ground support emit 580 mt CO₂e. See Figure 16.

Town of Poncha Springs

Gasoline emissions, including ethanol, totaled 2,732 mt CO₂e, followed by 1,383 mt CO₂e for diesel vehicles, and nine mt CO₂e for electric vehicles. In total, the Town's on-road gasoline emissions make up 66 percent of the Poncha Springs' transportation sector emissions. See Figure 16.

Unincorporated Chaffee

Gasoline emissions, including ethanol, totaled 8,852 mt CO₂e, followed by 8,869 mt CO₂e for diesel vehicles, and 15 mt CO₂e for electric vehicles. Collectively, the Town's on-road diesel emissions make up 89 percent of the unincorporated area's transportation sector emissions. See Figure 16.

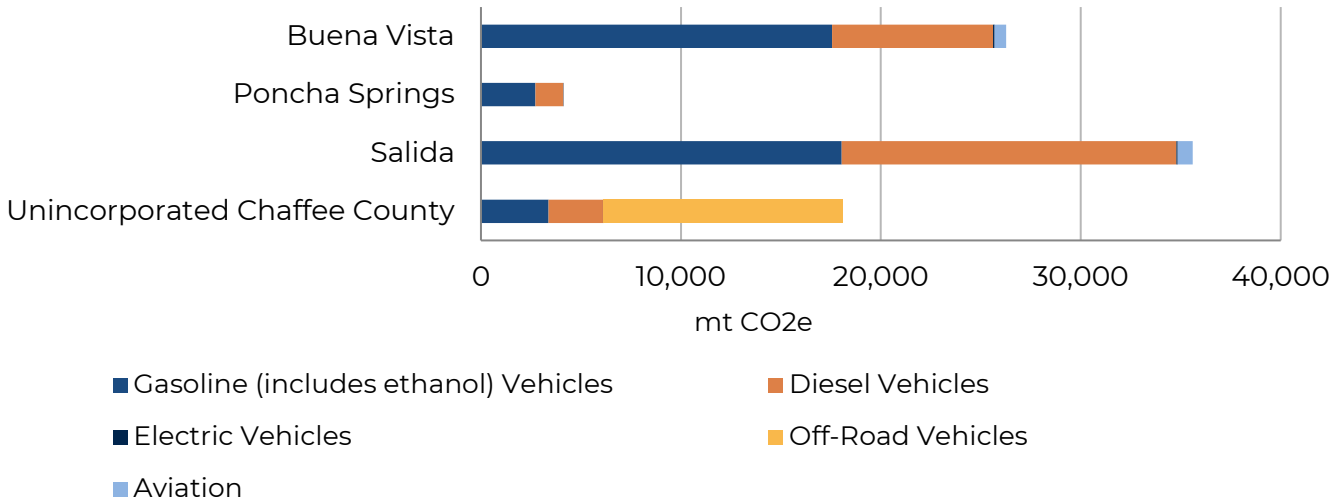


Figure 16: Total Jurisdictional Transportation Emissions Detail.

Transportation Emissions Reduction Recommendations

The transportation sector, specifically gasoline and diesel cars and trucks on the road, is the second-largest source of greenhouse gas emissions in Chaffee County. Transportation accounts for 28 percent of the total community's emissions. The county's rural geography and tourism economy promotes a reliance on personal vehicles and importing goods via trucking, which creates unique challenges and opportunities for reducing emissions, including:

- **Expand transit and multimodal transportation options:** Providing residents and visitors with alternatives to driving can help reduce vehicle miles traveled and associated emissions. Opportunities include enhancing transit services, improving bicycle and pedestrian infrastructure, and supporting mobility connections between communities and recreation destinations.
- **Prioritize vehicle electrification:** Electric vehicles produce fewer emissions than conventional gasoline-powered vehicles and will become even cleaner as Colorado's electricity grid continues to transition toward renewable energy. Expanding charging infrastructure and supporting electric vehicle adoption can help accelerate emissions reductions. Additional reductions can be achieved by improving freight efficiency and supporting the transition to lower-emission and zero-emission medium- and heavy-duty trucks.
- **Manage tourism-related transportation impacts:** Seasonal tourism contributes significantly to transportation activity within the county. Collaborating with partners such as AHRA, Monarch Mountain, and other recreation providers to support shuttle services, carpooling, transportation demand management, and visitor education efforts may help reduce congestion and transportation emissions during peak seasons.

WASTE AND WASTEWATER

Most waste in Chaffee County is brought to the Chaffee County Landfill and sorted for landfill, recycling, and compost. Landfill emissions account for 34,429 mt CO₂e. The rest of the emissions (1,669 mt CO₂e) are attributed to wastewater centralized treatment and septic systems. Together, waste and wastewater emissions made up 12 percent of Chaffee's overall emissions. Each jurisdiction followed similar emissions

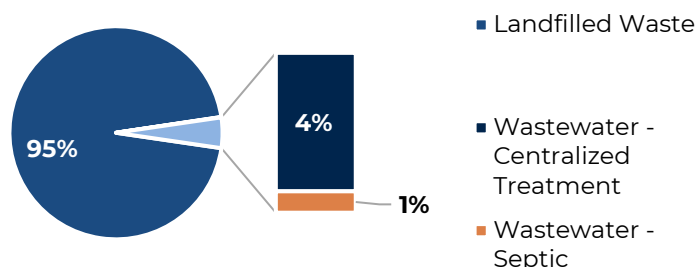


Figure 17: Total Chaffee County Waste Emissions.

themes as the County, with landfilled waste dominating the emissions breakdown, with it being responsible for 95 percent of the waste and wastewater emissions. See Figure 17.

Solid Waste and Wastewater Emissions Reduction Recommendations

Solid waste and wastewater activities account for 12 percent of community emissions. Most emissions originate from methane generated as organic materials decompose in landfills. Because methane is a potent greenhouse gas, reducing waste-related emissions can provide meaningful climate benefits. To reduce carbon pollution from this sector, Chaffee County can focus on the following strategies:

- **Expand waste diversion programs:** Landfilled waste accounts for 95 percent of the emissions in this sector. Recycling, composting, reuse, and waste reduction programs can decrease the amount of material sent to the landfill and reduce methane generation. Additional opportunities may exist to expand access to diversion programs for residents, businesses, and visitors.

- **Improve landfill methane management:** Capturing, monitoring, and reducing methane emissions from landfill operations can significantly lower emissions from the waste sector. Continued evaluation of landfill management practices may identify opportunities to improve methane mitigation and reduce fugitive emissions.

IPPU – REFRIGERANTS

Refrigerant use emissions come from estimated rates of refrigerant leakage in commercial buildings. Refrigerant emissions are often categorized as Industrial Processes and Product Use (IPPU) sector emissions, in which the scope is commercial and industrial building types. This inventory assumes roughly 80 percent of commercial buildings use air conditioning, square feet per ton of cooling is 300, and the refrigerant leakage rate is five percent. Refrigerants make up a minuscule number of emissions, accounting for 0.5 percent.

AGRICULTURE, FORESTRY AND OTHER LAND USE (AFOLU)

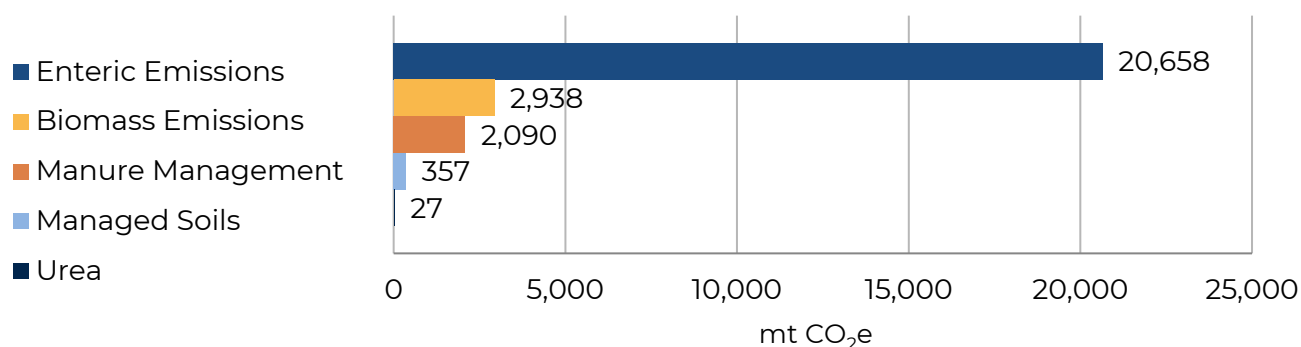


Figure 18: Total Chaffee County AFOLU Emissions.

To calculate the emissions from livestock and agricultural practices within Chaffee County, Lotus used US Agricultural Census data from the United States Department of Agriculture (USDA)⁹ and data from the EPA SIT Agriculture Module.¹⁰ Approximately eight percent of AFOLU emissions, or 26,070 mt CO₂e come from enteric emissions,¹¹ livestock manure management, urea, biomass emissions (wildfires and controlled burns), and managed soils. Enteric emissions from livestock contributed most of the emissions, resulting in 79 percent of the AFOLU emissions or 20,658 mt CO₂e. See Figure 18.

To calculate land use emissions, Lotus used the Climate Action Reserve GRASS tool.¹² This annual soil carbon sequestration data provides some insight into the impact of the AFOLU sector on total emissions. The net carbon sequestration occurring from land use change and other natural ecosystems on public or private lands within Chaffee County should not be viewed as offsetting human-caused emissions. Of land in Chaffee County, 82 percent is publicly owned, and 18 percent is privately owned, making the land not only a community

⁹ [United States Department of Agriculture. Census of Agriculture. 2022 Census Volume 1, Chapter 2: County Level Data. Colorado.](#)

¹⁰ United States Environmental Protection Agency. [State Inventory Tool](#). Agriculture Module. Version 2024.1.

¹¹ **Definition:** By-product of natural digestive process occurring in the wild and domesticated animals, such as cattle, goats, sheep, and buffalos. Enteric emissions is one of the important sources of methane from livestock.

¹² [Climate Action Reserve Grassland calculation tool](#)

resource, but a national asset.¹³ Emissions are only calculated and attributed to Chaffee County, but reported here as information-only.

AFOLU Emissions Reduction Recommendations

While AFOLU is a smaller contributor than buildings and transportation (nine percent of total emissions), it is particularly important in Chaffee County due to its agricultural heritage, ranching community, and extensive public and private lands. The sector also presents unique opportunities to remove carbon from the atmosphere through natural systems. To reduce carbon pollution from this sector, Chaffee County can focus on the following strategies:

- **Reduce emissions from livestock and agricultural operations:** Methane from digestion (enteric emissions) contribute 79 percent of the sector's emissions. Opportunities may include supporting improved manure management practices, grazing management strategies, and other operational improvements that reduce methane and nitrous oxide emissions while maintaining agricultural productivity.
- **Protect and enhance natural carbon sinks:** Forests, grasslands, wetlands, and healthy soils naturally remove carbon dioxide from the atmosphere and store it over time. Chaffee’s land is 82 percent public-owned land making stewarding these natural assets through conservation, restoration, and sustainable land management practices necessary and help increase carbon sequestration while supporting ecosystem health.

INFORMATION-ONLY EMISSIONS AND INFORMATION-ONLY AVOIDED EMISSIONS

Emissions benefits from recycling, renewable energy and land-use change were calculated to provide additional insight. Refer to Table 3.

Table 3: Information-Only Emissions and Avoided Emissions.

Type	Activity Data	Emissions	Units
Recycling (tons)	3,298	(3,034)	mt CO ₂ e
Composted food/green waste (tons)	264	(38)	mt CO ₂ e
Renewable energy (kWh)	15,014,518	(2,641)	mt CO ₂ e
Avoided Land Use Change ¹⁴ (Acres)	61,248	(24,539)	mt CO ₂ /yr

NORMALIZED EMISSIONS

Normalized metrics,¹⁵ like electricity use per building unit, total emissions per person, help put the GHG emissions into a simpler perspective. These metrics also allow for a more direct comparison across different community sizes or timelines, providing specific

¹³ Chaffee County Land Use
¹⁴ According to the EPA; land use change avoids emissions by increasing carbon storage by using land differently or maintaining carbon storage by avoiding land degradation.
¹⁵ Normalized metrics are intensity ratios that can be used in GHG emissions accounting to scale the net generated emissions by business metrics or other financial or community indicators, such as emissions per person or emissions per job.

community context. Table 4 represents details of the metrics for Chaffee County, Buena Vista, Poncha Springs, and Salida.

Table 4: Normalized Emissions per Jurisdiction.

Metric	Salida	Buena Vista	Poncha Springs	Chaffee County	Units
Total Jurisdiction emissions per person	14.10	19.24	14.04	14.96	mt CO ₂ e/resident
Total emissions per Gross Domestic Product (GDP)	N/A	N/A	N/A	0.00022	mt CO ₂ e/\$
Residential electricity per occupied housing unit	6,243.54	6,739.54	12,994.29	7,876.36	kWh/occupied housing unit
Residential natural gas use per housing unit	707.37	668.02	616.21	395.20	Therms/housing unit
Commercial and Industrial electricity use per building floor place	9.30	5.15	5.29	6.77	kWh/sqft

TOURISM IMPACTS

Travel and tourism directly influence emissions-generating activities in Chaffee County. The Arkansas River is a nationally recognized rafting and kayaking destination, while Monarch Mountain attracts skiers from across Colorado during the winter season. Although this GHG inventory was not designed as a tourism impact analysis, Lotus examined visitor activity within the Arkansas Headwaters Recreation Area (AHRA) and at Monarch Mountain to better understand the scale and seasonality of recreation-related travel. While the data does not identify transportation modes or travel distances, it still provides useful context for future transportation planning and emissions reduction efforts tied to outdoor recreation.

ARKANSAS HEADWATERS RECREATION AREA

Lotus analyzed vehicle count data from AHRA river access sites alongside commercial rafting usage data provided by Colorado Parks and Wildlife. The analysis highlights how visitation and transportation activities fluctuate throughout the year, particularly during peak recreation seasons (see Figure 19). July represented the peak month for overall vehicle activity and commercial river use, indicating that summer recreation places a substantial temporary demand on transportation infrastructure.

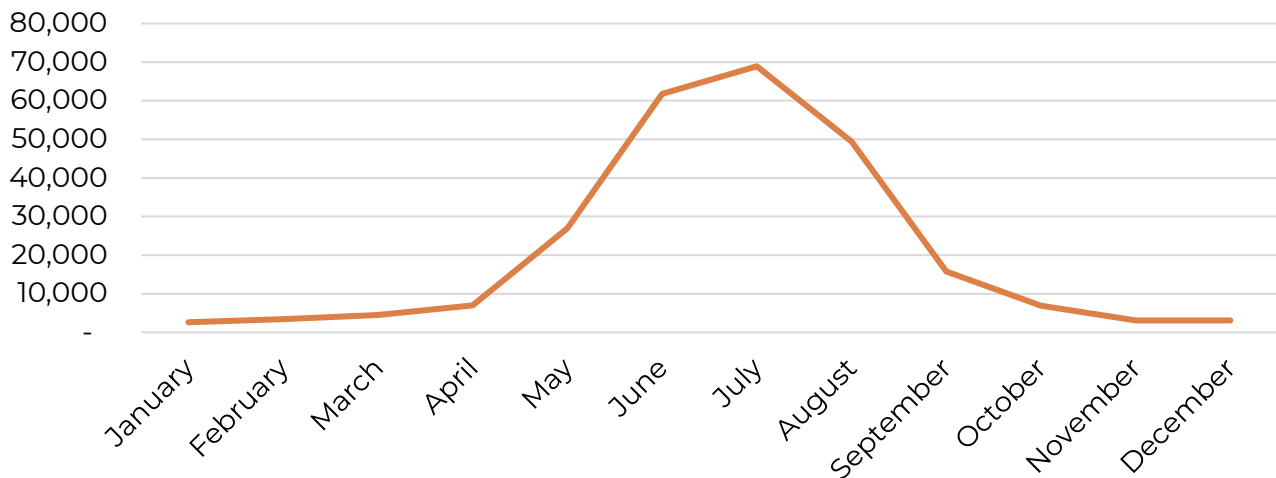


Figure 19: Chaffee County AHRA 2024 Monthly Vehicle Counts.

Using general estimates informed by local rafting companies, Lotus also examined how much vehicle activity may be associated with commercial rafting operations versus other recreational users. This high-level analysis shows that certain AHRA locations experience disproportionately high levels of activity. Vehicle counts are highest at the Salida East location, a popular river access point, then relatively evenly spread among Stone Bridge, Collegiate Peaks, and Ruby Mountain (see Figure 20). However, when commercial rafting activity is incorporated using an assumed average of 12 passengers per commercial vehicle, commercial activity is estimated to account for approximately 20 percent of total vehicle activity within the Fisherman's Bridge to Stone Bridge section, more than double the estimated share for any other river section identified in the AHRA report.

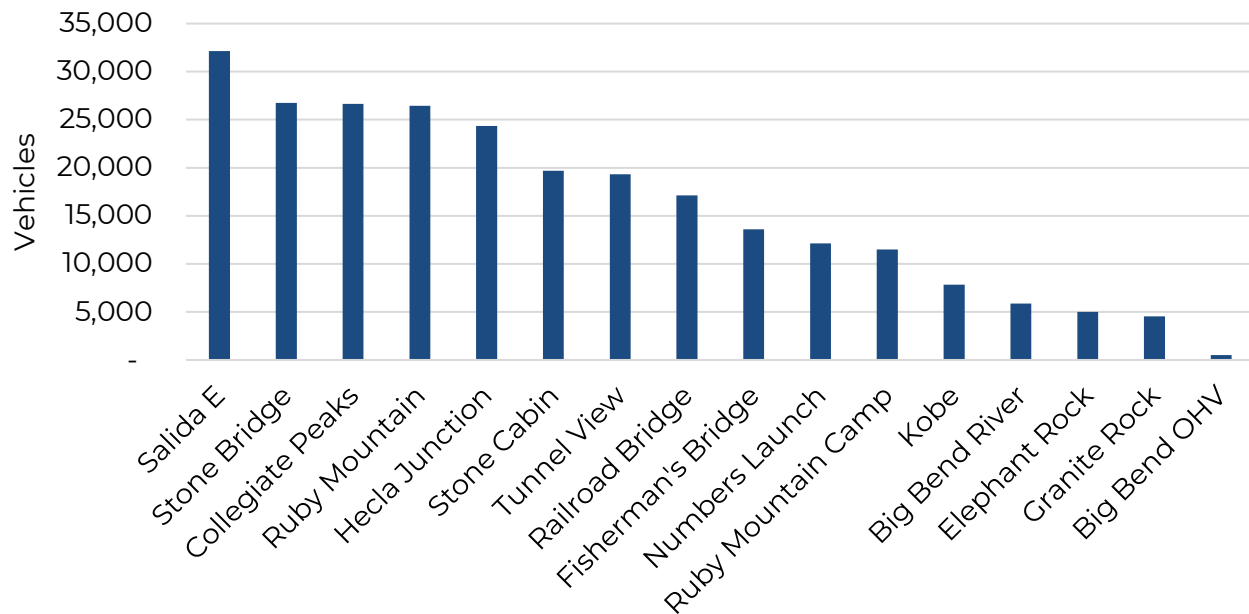


Figure 20: 2024 Vehicle Counts by AHRA Location.

Overall, vehicle count and activity data at AHRA locations in Chaffee County provides additional context on the scale of transportation activity connected to rafting operations, including employee shuttles, client transportation, and personal vehicles accessing popular river recreation sites. Because the analysis relies on limited datasets and broad assumptions, the results should be considered directional rather than definitive, and a more detailed transportation or tourism study would be needed to develop more precise and defensible estimates.

MONARCH MOUNTAIN SKI AREA ANALYSIS

Monarch Mountain Ski Area provided data on daily ski pass sales and the home zip codes associated with pass purchasers. This information was used to better understand where visitors were traveling from, and to illustrate the regional draw of winter recreation in Chaffee County. Visitor origins were grouped by country for international guests, while domestic visitor locations were mapped to identify the states, cities, and ZIP codes most associated with ski area visitation. The resulting heat map shown in Figure 21 highlights the geographic concentration of skier origins and demonstrates the broad travel patterns connected to recreation-related transportation activity in the county.

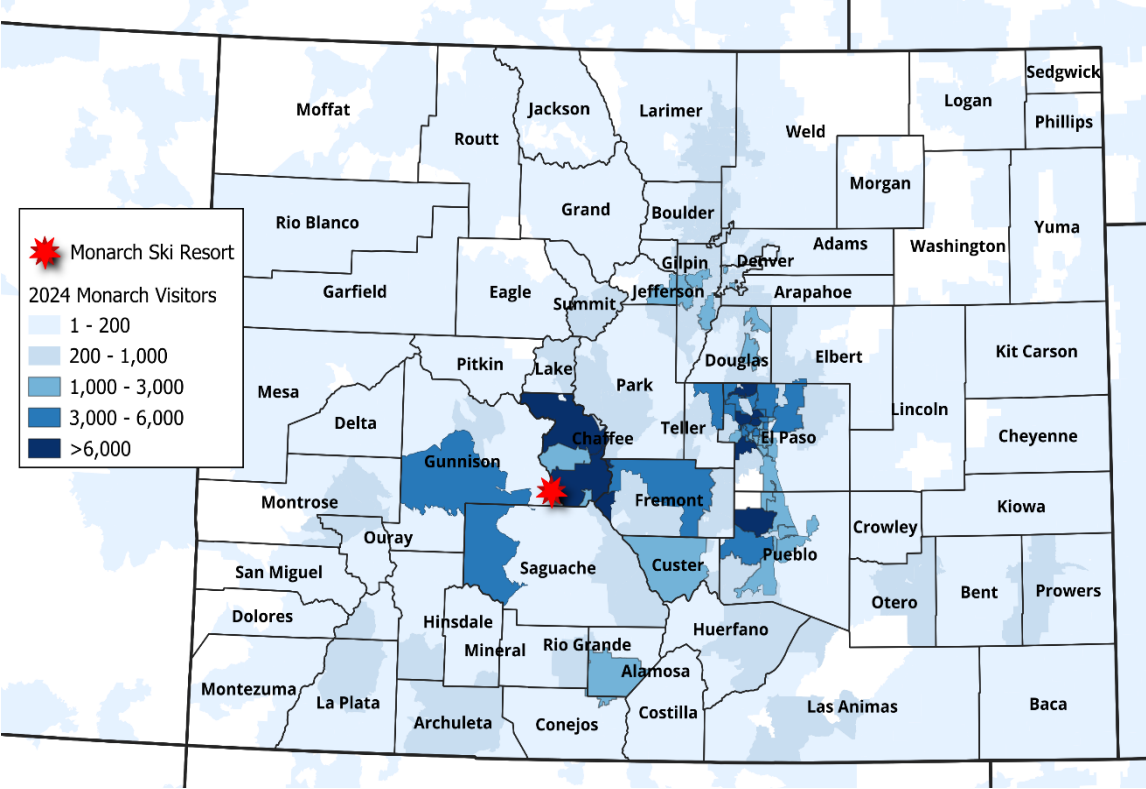


Figure 21: Heat map of Colorado indicating number of Monarch Mountain visitors.

Most 2024 Monarch visitors came from cities and counties surrounding Chaffee, the top 10 being:

- | | |
|-------------------------------------|-------------------------------|
| 1. Colorado Springs (49,871 visits) | 6. Buena Vista (3,273 visits) |
| 2. Salida (10,713 visits) | 7. Cañon City (3,056 visits) |
| 3. Pueblo (9,693 visits) | 8. Peyton (3,052 visits) |
| 4. Denver (8,780 visits) | 9. Littleton (2,298 visits) |
| 5. Monument (3,749 visits) | 10. Golden (2,216 visits) |

The top 10 locations for visitors to Monarch Mountain are:

- | | |
|------------------------------|-------------------------------|
| 1. Colorado (143,140 visits) | 6. California (7,427 visits) |
| 2. Texas (42,755 visits) | 7. Missouri (5,928 visits) |
| 3. Kansas (15,242 visits) | 8. Illinois (3,498 visits) |
| 4. Oklahoma (9,459 visits) | 9. Arkansas (2,931 visits) |
| 5. Florida (7,767 visits) | 10. New Mexico (2,887 visits) |

PEER COMMUNITY COMPARISON

Comparing emissions across peer communities provides additional context for understanding local results. Table 5 and Table 6 compare county and municipal emissions across Colorado and the Mountain West, focusing on communities with similar recreation-based economies, climates, elevations, or demographics. While all inventories generally follow the same Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories (GPC) framework used in this inventory, differences in data sources and methodologies may still exist.

One important consideration is the electricity emissions factor used by each utility provider. Communities connected to cleaner electric grids may report lower emissions than similar communities using the same amount of energy from grids with more fossil fuel generation. Emissions profiles are also shaped by factors such as population, infrastructure, economic activity, land ownership, and proximity to metropolitan areas. As a result, comparisons should consider community context, not just total emissions.

Table 5: Peer County Emissions Comparison.

County	Population	Community Emissions (mt CO ₂ e)	Per Capita Emissions (mt CO ₂ e/person)
Chaffee County, CO (2024)	19,476	291,274	14.96
Ouray County, CO (2023) ¹⁶	4,879	127,100	26.05
San Miguel County, CO (2023) ¹⁷	7,874	301,000	38.23
Routt County, CO (2023)	25,064	321,090	12.81
Blaine County, ID (2023)	24,248	433,977	17.8

¹⁶ See: [EcoAction Partners 2023 Regional Greenhouse Gas Inventory](#)

¹⁷ *Ibid.*

Table 6: Peer City/Town Emissions Comparison.

City or Town	Population	Community Emissions (mt CO ₂ e)	Per Capita Emissions (mt CO ₂ e/person)
Salida, CO (2024)	5,666	79,863	14.10
Steamboat, CO (2023)	13,508	242,362	17.90
Crested Butte, CO (2022) ¹⁸	1,434	23,670	16.51
Durango, CO (2022) ¹⁹	19,300	269,100	19.94
Ketchum, ID (2023)	3,490	89,268	25.58

FUTURE IMPROVEMENT OPPORTUNITIES

Like with almost any GHG inventory, there are opportunities to refine future data collection and improve estimate accuracy. Several areas for improvement were identified within the transportation, wastewater, waste, and energy sectors.

For wastewater emissions, direct data on populations served by onsite wastewater treatment systems (OWTS) was limited, so OWTS permit records and average household occupancy assumptions were used to estimate septic system usage in unincorporated areas. Similarly, waste generation for individual communities was estimated using population-based assumptions due to limited localized waste data. Additional parcel-level, utility, or waste collection data could help improve the precision of future estimates.

For transportation emissions, limited traffic data required emissions to be estimated using available traffic counts and broader traffic trends rather than a fully calibrated countywide transportation model. Future inventories could benefit from additional measured traffic data and transportation modeling more closely tailored to local travel patterns.

Utility-provided electricity data represented the best available estimates of countywide energy use, though more geographically specific datasets, such as ZIP code-level reporting, could help further refine future emissions allocations.

CONCLUSION

Chaffee's 2024 GHG inventory highlights that the County's emissions are focused on a few core sectors rather than evenly spread across the County's entire profile. Transportation is the largest source, closely followed by residential building energy use. Solid waste, commercial and industrial buildings, and AFOLU make up the next biggest emissions portion, while wastewater treatment, refrigerants, and fugitive emissions provide relatively small contributions.

Across the inventory sectors, the data points to similar underlying drivers between jurisdictions; on-road transportation and fossil fuel reliant infrastructure for residential and commercial buildings. This baseline GHG inventory is continuing Chaffee's sustainability momentum, and achieving greater emissions reductions will require the County to

¹⁸ See: [Town of Crested Butte Greenhouse Gas Emissions Inventory](#)

¹⁹ See: [Durango 2022 Greenhouse Gas Emissions Inventory](#)

continue progress on vehicle electrification and building decarbonization, where improvements are feasible, meaningful, and sustainable for the years to come.



DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

Administration and Human Resources

- **Sustainability & Strategic Initiatives**
 - Continued administration of sustainability-related grants and projects, including EECBG reimbursement activities and implementation support.
 - Advanced Urban Forestry grant through coordination with the Tree Board and Human Resources on the Tree Steward position description and program development.
 - Finalized our municipal facilities assessment and working to set up an energy baseline with a timeline for energy efficiency improvements.
 - Supported planning and outreach efforts for upcoming Green Week and educational opportunities in coordination with the County.
- **Boards, Committees & Community Engagement**
 - Coordinated production of the City's ICMA conference video, including interview preparation, filming schedules, story development, and collection of B-roll footage.
 - Developed public information materials and business outreach communications related to the Poncha Trunk Line sewer replacement and other ongoing infrastructure projects.
 - Assisted with messaging and outreach for Historic Preservation Commission recruitment. Applications are currently being accepted through October 6th.
 - Finalized the City's Community budget survey that will go live in mid-September.
 - Continued planning and partnership coordination for the Salida Community Dinner as part of the statewide 150 Tables Across Colorado initiative. Efforts include sponsorship management, marketing, ticket sales coordination, community conversation design, and partner outreach intended to strengthen community connections and support local engagement.
- **Turnover**
 - **(YTD 1/1/26 – 9/8/26): 23.92%**
 - Prior Year YTD Comparison (1/1/25 – 9/8/25): 14.64%
 - *Note: Excludes temporary and seasonal employees*
 - Employee Headcount
 - 9/8/2026: 210 vs 9/8/2025: 221
- **ADP Timekeeping Upgrade**
 - Ongoing implementation to upgrade the ADP system from their Essential Time platform to the enhanced Workforce Manager platform. This upgrade will provide more robust and streamlined scheduling capabilities within and across departments, improving efficiency in scheduling and comp time management. Implementation will take place throughout the remainder of 2026 and will go live in Q1 2027.
- **Staff Development**
 - Onsite training conducted by CIRSA for Managing Interactions with Angry Citizens and First Amendment Auditors.



DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

- **Staff All-Hands Meeting**
 - The Employee Engagement Committee organized an All-Hands staff meeting at the SteamPlant. The City's Strategic Plan was reviewed, and staff voted on the City's new mission statement.
- **Recruitment & Staffing (August 2026)**
 - **Hires/Onboarding:** 1 total (1 part-time)
 - Departments: 1 PT Arts & Culture
 - **Separations:** 4 total
 - 4 Voluntary
 - **Fulltime Hires:**
 - No FT Hires in August

Arts and Culture

- No report available at this time.

City Clerk

- The Deputy City Clerk/Court Clerk position has been advertised, and we have received several applications. Candidate interviews are scheduled for September 15th, with the goal of extending an offer shortly thereafter.
- Since the August update, staff have received 25 additional CORA requests, bringing the 2026 total to 107 requests. We are currently implementing the NextRequest open records request system for the Police Records Department, which will provide the public with centralized access to all requested records.
- I am currently processing two (2) new liquor license applications and processing several liquor license renewals.
- Municipal Court currently has 32 cases scheduled for the September 17th docket.

Community Development

- No report available at this time.

Finance

- Proposed 2027 Budget will be presented to Finance Committee September 14th and work sessions held with Council during the October meetings.
- Received second quarter reimbursement for the More Housing Now grant for \$123,135.
- Draws on the Hwy 50 Sewer Line project continue with \$1.6m for Pay App 4.
- Renee Thonhoff will be retiring at the end of the year; the Staff Accountant position will be posted in September.



DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

- Key operating metrics are provided below, offering a snapshot of the Finance Office's daily activities:

Finance Office - Key Operating Metrics												
	2026											
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Number of front desk customers served	203	149	163	195	186	172	157	193	217	239	245	219
Number of invoices paid	689	540	558	560	542	511	358	729	407	791	516	433
Number of utility bills processed	4,452	4,446	4,451	4,472	4,474	4,479	4,483	4,501	4,512	4,511	4,523	4,537
Number of utility bills emailed	1,668	1,720	1,744	1,786	1,807	1,832	1,846	1,870	1,893	1,916	1,951	1,981
Number of online utility payments received	3,011	3,152	3,195	3,102	3,186	3,098	3,134	3,200	3,266	3,117	3,219	3,199
Number of delinquent utility accounts processed	426	333	313	266	345	268	356	358	258	357	303	308
Number of journal entries prepared	65	39	38	38	40	40	26	26	27	32	31	22
Number of payroll checks processed	321	330	331	311	326	337	342	337	344	364	380	358
Number of utility service orders processed	91	56	59	28	46	40	45	54	38	50	57	46
Number of new construction utility accounts set up	5	7	2	9	5	5	3	14	3	4	3	8
Number of Accounts Receivable billings	27	43	42	51	39	38	48	52	37	43	50	40
Percent of Utilities customers paying via digital payment methods	67.6%	70.9%	71.8%	69.4%	71.2%	69.2%	69.9%	71.1%	72.4%	69.1%	71.2%	70.5%
Percent of utility bills emailed versus printed and mailed	37.5%	38.7%	39.2%	39.9%	40.4%	40.9%	41.2%	41.5%	42.0%	42.5%	43.1%	43.7%

Fire

Salida Fire Department Open House:

The Salida Fire Department is excited to invite the community to our annual Open House on Saturday, October 3rd, from 11:00 a.m. to 2:00 p.m. at Station 11.

This event is a great opportunity for residents of all ages to meet the firefighters who serve our community, learn more about the work we do, and get a behind-the-scenes look at the equipment and resources used during emergency responses. Whether you're interested in learning about fire safety, curious about what happens inside a fire station, or simply looking for a fun family activity, we hope you'll join us.



DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

Visitors will have the opportunity to:

- Enjoy food and drinks, while supplies last
- Tour Station 11 and learn more about daily firehouse operations
- Take apparatus rides and get an up-close look at our emergency vehicles
- Watch rescue demonstrations that showcase some of the tools and techniques firefighters use during emergencies
- Try on firefighter protective gear and experience what it's like to wear the equipment our crews use on calls
- Meet local firefighters and ask questions about fire safety, emergency preparedness, and the services provided by the department
- Bring the whole family and help us kick off Fire Prevention Week 2026! We look forward to spending the afternoon with our community and showing you more about the people, equipment, and services that make up the Salida Fire Department.

Fire Prevention Week 2026:

Fire Prevention Week 2026 will take place October 4th through October 10th, and the Salida Fire Department will once again be taking fire-safety education directly into our local schools the 5th through the 8th.

Throughout the week, our on-duty crews will visit area schools to spend time with young students and discuss important topics related to fire prevention, fire safety, and emergency preparedness.

For many children, meeting firefighters and learning about fire safety in a familiar school environment can make a lasting impression. Our crews will help students understand what they can do to prevent fires, how to recognize potentially dangerous situations, and what actions they should take if an emergency occurs.

Fire-safety education is especially important for children because knowing what to do ahead of time can help reduce confusion and fear during an actual emergency. Our goal is to give students practical information they can remember and use at home, while also encouraging them to talk with their families about fire safety.

The school visits also provide an opportunity for firefighters to connect with the next generation of our community. Building that relationship helps children become more familiar with emergency responders and understand that firefighters are there to help them when they need it.

Fire Prevention Week is a reminder that fire safety is a year-round responsibility. A few minutes spent talking about fire safety and emergency preparedness can help families feel more confident and prepared if an emergency ever occurs.





DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

We are looking forward to another great week of working with our local schools and helping students develop the knowledge and confidence they need to stay safe.

South Arkansas Fire Protection District – New Mitigation Equipment:

The South Arkansas Fire Protection District has added an important new resource to its wildfire-mitigation capabilities with the recent purchase of a Bobcat and trailer.

The new equipment will be used to support wildfire mitigation, fuels-reduction projects, and other efforts throughout the district aimed at reducing wildfire hazards and improving community resilience.

The purchase was made possible through a FRWRM grant, Forest Restoration and Wildfire Risk Mitigation. The program provides funding to help communities and organizations reduce wildfire risk, improve forest health, and increase their ability to withstand and recover from wildfire.

Wildfire mitigation is an important part of preparing for the increasing challenges posed by wildfires. Reducing hazardous vegetation and fuels before a fire starts can help address conditions that may contribute to rapid fire growth and spread. Mitigation projects can also improve access and working conditions for firefighters when an emergency does occur.

The addition of a Bobcat gives the district another tool to complete this type of work more efficiently. Having dedicated equipment available can provide greater flexibility when tackling vegetation management, fuels reduction, access improvements, and other mitigation projects across the district.

The South Arkansas Fire Protection District is grateful for the FRWRM funding that helped make this purchase possible. This new equipment will strengthen the district's ability to complete mitigation projects and continue working proactively to reduce wildfire hazards throughout the community.

Wildfire preparedness is a shared responsibility, and the work done before a fire starts can make an important difference when conditions become challenging.

Chaffee County Fire Restrictions Reduced:

Effective August 21st, fire restrictions in Chaffee County were reduced from Stage 2 to Stage 1.

The reduction in restrictions reflects improving conditions; however, Stage 1 fire restrictions remain in effect, and residents and visitors should continue to exercise caution with activities that could potentially start a wildfire.

A reduction in fire restrictions does not mean the wildfire threat has disappeared. Weather conditions, vegetation, wind, and other factors can change quickly, and even a small ignition can become difficult to control under the right conditions. Continued awareness and responsible fire behavior remain important as we move through the season.

Residents and visitors are encouraged to know and understand the current restrictions before participating in activities involving fire, heat, or equipment that could create an ignition.



DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

When recreating or working outdoors, remember to:

- Check current fire restrictions before starting any activity involving fire or potential ignition sources.
- Follow all local regulations and restrictions.
- Use extra caution around dry grass, brush, timber, and other combustible vegetation.
- Make sure any permitted fire is fully extinguished before leaving the area.
- Be aware that hot equipment, sparks, cigarettes, vehicles, and other ignition sources can start wildfires.
- Keep an eye on changing weather and conditions, particularly during periods of warm, dry, or windy weather.
- Report smoke or fire when appropriate and provide emergency responders with accurate information about the location.

We encourage everyone who lives, works, or recreates in Chaffee County to stay informed and do their part to prevent wildfires. One careless spark can have a significant impact on our communities, forests, wildlife, and firefighters.

Thank you to our residents and visitors for continuing to take wildfire prevention seriously and for helping us protect the places we all enjoy.

Parks and Recreation

- No report available at this time.

Police

- We are still making progress on the new building. The interior painting has been started. They will be working on installing the cabinetry in the coming weeks. Things are still on track to be completed by the end of the year.
- Sergeant Nick Tolsma has resigned from the department, his last day was 09/01/2026. He is moving on to a new agency. We will be working to fill his supervisor's position internally. Once that is completed, we will post the position and hire an officer.
- K-9 Officer Sigala is partially back from her injury and is working on getting Sarge recertified and available for deployment. We hope to have him back very soon.

Public Works



DEPARTMENT UPDATES

DEPARTMENT	PRESENTED BY	DATE
Administration	Christy Doon - City Administrator	September 15, 2026

- **Planning and Construction**

- General Capital Improvement Projects
 - South Ark Neighborhood
 - Curb, gutter, and sidewalk installation is underway (see pic)
 - Road construction preparation underway
 - South Ark River Restoration – completed (see public information article)
- Streets
 - West 291 Entry (Mesa Ln to M St) – Sidewalks and curb installation is under construction. Paving to start after Labor Day with changes in detour planned back to 3rd Street.
 - 50-291 Intersection (CDOT Project) – CDOT design and property owner coordination underway.
 - SRTS CDOT Local Agency Project – Anticipated clearance to bid in near future



South Ark Neighborhood Curb Installation

- Utilities
 - US-50 Sewer Line – Connection in Poncha Springs completed. Work starting near Two Rivers
 - Mesa Tank – Bid review underway and preparation for Council review of award.

- **Operations**

- Streets
 - F Street Plaza support and set-up including street sweeping and other maintenance
 - Other seasonal maintenance including curb painting, signs, and pavement markings
 - Tree maintenance and support
- Utilities
 - Water planning and collaborative management discussions underway with stakeholders
 - Development support at S Ark Neighborhood and Poncha projects
 - Sanitary sewer line cleaning and inspection underway