

# CBT Market Price Consideration

June 19, 2013

## Purpose

- Cash-in-lieu fee based on C-BT Unit Market Price
- Market price of C-BT unit sales rising quickly
- 2006: LUC Direction to Staff
  - Any +/- 5% change in 6-month moving avg.
  - Small Transactions receive more weight
  - Emphasize rapidly developing trends

### CBT Unit Market Price Summary April 2013

Current Market Price: \$10,667

#### All Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$9,058	-15.1 %
Dec 2012	9	\$10,667	\$9,600	-10.0 %
Jan 2013	12	\$10,833	\$10,109	-5.2 %
Feb 2013	6	\$10,500	\$10,380	-2.7 %
Mar 2013	45	\$12,833	\$11,208	5.1 %
Apr 2013	107	\$14,556	\$11,878	11.4 %

#### 20 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$8,829	-17.2 %
Dec 2012	9	\$10,667	\$9,371	-12.2 %
Jan 2013	12	\$10,833	\$9,870	-7.5 %
Feb 2013	6	\$10,500	\$10,245	-4.0 %
Mar 2013	45	\$12,833	\$11,208	5.1 %
Apr 2013	5	\$13,500	\$11,667	9.4 %

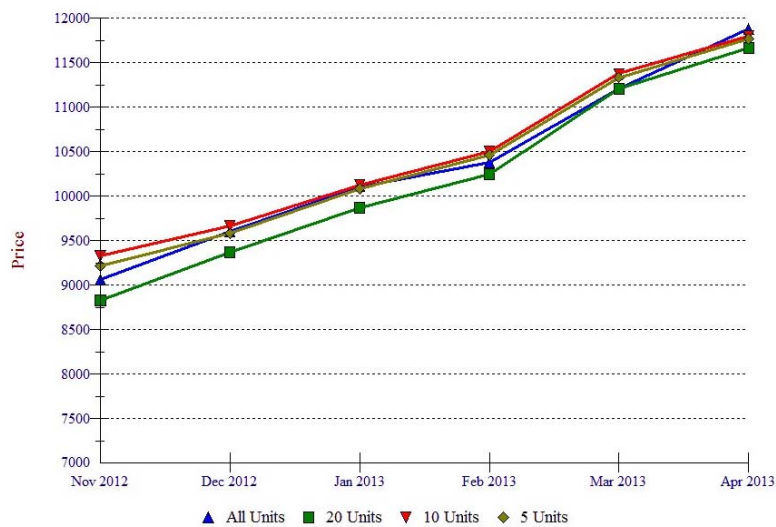
#### 10 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$9,328	-12.6 %
Dec 2012	9	\$10,667	\$9,663	-9.4 %
Jan 2013	12	\$10,833	\$10,129	-5.0 %
Feb 2013	6	\$10,500	\$10,504	-1.5 %
Mar 2013	13	\$13,500	\$11,375	6.6 %
Apr 2013	5	\$13,500	\$11,800	10.6 %

#### 5 Units

Month	Units Sold	Avg Price per Unit	6 Month Moving Avg	Difference from Current Market Price
Nov 2012	0		\$9,218	-13.6 %
Dec 2012	9	\$10,667	\$9,580	-10.2 %
Jan 2013	6	\$10,667	\$10,088	-5.4 %
Feb 2013	6	\$10,500	\$10,463	-1.9 %
Mar 2013	3	\$13,500	\$11,333	6.2 %
Apr 2013	5	\$13,500	\$11,767	10.3 %

### CBT Sale Price 6-Month Moving Avg April 2013



## Recommendation

- Recommend adopting LUC Resolution R-2-2013U

- Market Price: \$11,800 per CBT Unit

- Cash-in-lieu

- Determined by formula

$$\frac{\text{CBT Market Price}}{\text{Yield of 1 CBT Unit}} * 1.05 = \text{cash-in-lieu fee}$$

- Cash-in-lieu fee: \$12,400 per acre-foot

## Questions?

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