

# Transaction Report

Fiscal Year

# 2012-13

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Annual report detailing acquisitions and disposals of trust lands

Colorado State  
Board of Land  
Commissioners

## Colorado State Board of Land Commissioners Transaction Report | FY 2012-13

### Introduction

As required by Section 36-1-153.5, C.R.S., the **Colorado State Board of Land Commissioners** is pleased to present its Fiscal Year 2012-13 Transaction Report. The State Land Board is authorized to conduct real estate transactions including both disposals and acquisitions<sup>1</sup> and is required to provide a summary report by November 1<sup>st</sup> detailing all real estate transactions closed during the prior fiscal year.

### Summary

During FY 2012-13, the State Land Board completed thirteen transactions. Four were acquisitions and nine were disposals.

The State Land Board acquired about 400 acres in four separate transactions. The value of these acquisitions totaled \$15.6 million and included acreage in Arapahoe County, Eagle County and Routt County. Two of the acquisitions were for commercial use while the other two were part of land-for-land exchanges. All acquired lands are in the School Trust.

The State Land Board disposed of about 4,600 acres in nine separate transactions. The value of these parcels totaled \$16.5 million across nine different counties. All of the disposal transactions concerned School Trust land. Included in the disposals were some large multi-party exchanges with federal and local agencies which took several years to complete and produced significant re-investment dollars for the School Trust.

A complete list of the FY 2011-12 transactions is provided on the following page. Descriptions of the acquisitions and disposals are provided on the pages following.

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<sup>1</sup> A land-for-land exchange contains both an acquisition and a disposition.

**Closed Real Estate Transactions  
July 1, 2012 - June 30, 2013**

| TRANSACTION<br>(TA)<br>NAME | TA<br>NO. | TA<br>TYPE | DISTRICT    | COUNTY        | ACRES<br>MORE OR<br>LESS | EXCHANGE<br>VALUE       | PATENT/<br>DEED | CLOSED     | TRUST | LEGAL<br>DESCRIPTION  |
|-----------------------------|-----------|------------|-------------|---------------|--------------------------|-------------------------|-----------------|------------|-------|---|
| <b>ACQUISITIONS</b>         |           |            |             |               |                          |                         |                 |            |       |   |
| 5975 South Quebec           | 12-009    | RPA        | Real Estate | Arapahoe      | 5.07                     | \$ 14,700,000.00        | N/A             | 9/2/2012   | S     | Lot 1&Tract A, 102,795 sf. Class A Office bld. Quebec Plaza, Arap Co., CO     |
| Market Place Buildi         | 12-004    | RPA        | Real Estate | Eagle         | 1.22                     | \$ 250,000.00           | N/A             | 12/31/2012 | S     | 21 commercial condo units, T5S, R81W, S. 16, Eagle Co, CO                     |
| Grassy Creek                | 11-002    | LLE        | 1-Northwest | Routt         | 385.16                   | \$ 463,676.00           | 8485            | 3/13/2013  | S     | T5N, R87W, S. 1/T6N, R87W, S. 25, Routt Co, CO                                |
| Eagle Valley Land E         | 11-016    | LLE        | Real Estate | Eagle         | 7.47                     | \$ 225,000.00           | Deed            | 5/9/2013   | S     | T5S, R81W, S. 22, Eagle Co., CO   |
|                             |           |            |             | <b>TOTALS</b> | <b>398.92</b>            | <b>\$ 15,638,676.00</b> |                 |            |       |   |
| <b>DISPOSALS</b>            |           |            |             |               |                          |                         |                 |            |       |   |
| TRANSACTION<br>NAME         | TA<br>NO. | TA<br>TYPE | DISTRICT    | COUNTY        | ACRES MORE<br>OR LESS    | EXCHANGE<br>VALUE       | PATENT/<br>DEED | CLOSED     | TRUST | LEGAL<br>DESCRIPTION  |
| Salado                      | 10-008    | NSE        | 4-Southwest | Las Animas    | 2,560.00                 | \$ 530,000.00           | 8478            | 7/27/2012  | S     | 11, 16, 24, 36 -29S-63W<br>PARTS OF<br>36-29S-64W<br>ALL<br>16-30S-63W<br>ALL |
| North Prowers-<br>Phase II  | 10-005    | NSE        | 7-Southeast | Prowers       | 320.00                   | \$ 123,200.00           | 8481            | 11/30/2012 | S     | 3-21S-46W<br>SW<br>4-21S-46W<br>SE  |
| NW Saddle Mtn               | 12-001    | NSE        | 1-Northwest | Routt         | 5.40                     | \$ 295,880.00           | 8482            | 12/28/2012 | S     | 18-6N-85W<br>FRACTIONAL PART NW<br>(METES & BOUNDS LEGAL)                     |
| Rocky Flats                 | 11-005    | NSE        | Real Estate | Jefferson     | 617.00                   | \$ 9,437,000.00         | 8474            | 12/31/2012 | S     | T2S, R79W, S. 16, Jeff. Co, CO  |
| Grassy Creek                | 11-002    | LLE        | 1-Northwest | Routt         | 307.41                   | \$ 461,115.00           | Deed            | 3/13/2013  | S     | T5N, R86W, S. 13&14, Routt Co., CO  |
| Pueblo County Alle          | 12-008    | NSE        | Real Estate | Pueblo        | 0.02                     | \$ 10,000.00            | 8483            | 1/30/2013  | S     | T20S, R65W, S. 36, Pueblo Co, CO  |
| Huerfano County             | 12-010    | NSE        | Real Estate | Huerfano      | 140.47                   | \$ 73,440.00            | 8486            | 5/7/2013   | S     | T27S, R66W, S. 16, Huerfano Co., CO   |
| Eagle Valley Land E         | 11-016    | LLE/NSE    | Real Estate | Eagle         | 640.00                   | \$ 5,215,000.00         | 8484            | 5/9/2013   | S     | T4S, R82W, S. 16, Eagle Co, CO  |
| Mead/Guardian An            | 12-006    | NSE        | Real Estate | Weld          | 4.21                     | \$ 324,969.00           | 8487            | 5/13/2013  | S     | T3N, R68W, S. 16, Weld Co, CO   |
|                             |           |            |             | <b>TOTALS</b> | <b>4,594.52</b>          | <b>\$ 16,470,604.00</b> |                 |            |       |   |

## Summary of Acquisitions

### **5975 South Quebec**

The State Land Board worked for over nine months to locate a commercial investment that would provide a stable long-term return for the School Trust with minimal risk. The State Land Board consequently acquired 5975 South Quebec, a multi-tenant 102,795 square foot Class A office building located in south metro Denver. The Quebec building is 89% leased at acquisition to eight tenants and is anticipated to produce an annual net operating income (NOI) of \$1.3 million and an unleveraged internal rate of return (IRR) of 9.6% over the next 12 years. The building purchase price was \$14.7 million.

### **Market Place Building**

This transaction involved the purchase of a 21,499 sq. ft. commercial building located on 1.23 acres of state trust property at Dowd Junction between Avon and Vail in Eagle County. The acquisition was part of the settlement of a lawsuit over the non-payment of rent by the building owners and will provide a future redevelopment opportunity for the State Land Board.

### **Grassy Creek Exchange**

This was a land for land exchange with Peabody Coal Company located in Routt County. The State Land Board exchanged a 307 acre state trust parcel that was encumbered by several potential liabilities associated with the underground Twenty Mile Coal Mine for 385 acres, which adjoined existing state trust land and provided better access to contiguous SLB parcels.

### **Eagle Valley Land Exchange**

The Eagle Valley Land Exchange took four years to complete. This exchange benefited the State Land Board as well as the residents and communities in Eagle/Vail. The parties to the exchange were the US Forest Service (White River National Forest), the State Land Board, Eagle County, and the Eagle River Water and Sanitation District. The State Land Board and the Eagle River Water and Sanitation District had parcels that were in-holdings in the National Forest. The US Forest Service wanted to acquire these parcels to consolidate its holdings and allow for more efficient land management. In exchange, the US Forest Service traded several smaller parcels to the other parties to the exchange. The State Land Board exchanged a 640 acre parcel to the US Forest Service and received \$5,215,000 as well as a 7.6 acre parcel north of Minturn (the future site of a new CDOT maintenance facility to replace the aging CDOT facility on the State Land Board's Dowd Junction parcel).

## Summary of Disposals

### **Salado**

This transaction concerns the disposition of six isolated and remote parcels totaling 2,560 acres in Las Animas County. These parcels produced minimal revenue and four of the parcels had no legal access. The State Land Board received \$530,000.

### **North Prowers-Phase II**

This transaction was the disposition of an isolated 320 acre state trust parcel in northern Prowers County. The State Land Board did not have legal access to the parcel and had several parties interested in acquiring it. A competitive bid process resulted in a price of \$123,000 of \$385/acre.

## Summary of Disposals (continued)

### **NW Saddle Mountain**

The NW Saddle Mountain transaction involved the disposition of an isolated 5.7 acre parcel from a 3,670 acre state trust property located about west of Steamboat Springs. The State Land Board received \$300,000.

### **Rocky Flats**

The Rocky Flats transaction was a three year effort to dispose of the section of trust land adjoining the Rocky Flats National Wildlife Refuge, managed by the U.S. Fish and Wildlife Service. There were over 10 parties involved in this transaction: the State Land Board, Jefferson County, Boulder County, City of Boulder, Jefferson Parkway Public Highway Authority (JPPHA), U.S. Fish and Wildlife Service (USFWS), U.S. Bureau of Land Management (BLM), The La Farge mining company, Natural Resources Damage Trustees, Department of Natural Resources Executive Directors Office, and others. The transaction was part of a larger effort to achieve open space protection and regional transportation goals for the northwest quadrant of the Denver metropolitan area. The State Land Board received \$9.4 million.

### **Grassy Creek Exchange**

This reflects the disposition portion of the Grassy Creek Exchange with Peabody Coal, as described above.

### **Pueblo County Alley**

This transaction concerned a small city parcel in Pueblo. The parcel was part of an original Section 16 located in downtown Pueblo which was platted into lots in the late 1880's. Over time, all of the platted lots were sold with the exception of lots encumbered by a railroad right-of-way. After the right-of-way was abandoned by Atchison Topeka and Santa Fe Railway Company in the 1990s, the State Land Board was left with a number of odd-shaped lots running through part of downtown Pueblo. The State Land Board has conducted a number of transactions over the past decade to address these remnant parcels. This particular parcel totaled just 1,056 sq. ft. and was sold to Pueblo County.

### **Huerfano County**

Spanish Peaks Airport via Huerfano County requested the ability to acquire a School Trust section for an airport expansion. The existing airport operates on an 85-acre perpetual State Land Board right-of-way and the airport required additional land to comply with new Federal Aviation Administration (FAA) requirements.

### **Eagle Valley Land Exchange**

This reflects the disposition portion of the Eagle Valley Land Exchange, as described above.

### **Mead/Guardian Angels**

This action involved four (4) acres of School Trust land near Mead. The parcel was identified as a growth site by the local Catholic parish, known as Guardian Angels. The Guardian Angels requested that the Board dispose of the property through its standard public bid process. The State Land Board received \$325,000.