

Transaction Report

Fiscal Year

2013-14

Annual report detailing acquisitions and disposals of
trust lands

Colorado State
Board of Land
Commissioners

Colorado State Board of Land Commissioners Transaction Report | FY 2013-14

Introduction

The Colorado State Board of Land Commissioners is pleased to present its Fiscal Year 2013-14 Transaction Report. The State Land Board conducts real estate transactions, including disposals and acquisitions¹. As required by Section 36-1-153.5, C.R.S, the State Land Board provides a summary report by November 1st detailing all real estate transactions closed during the prior fiscal year.

Summary

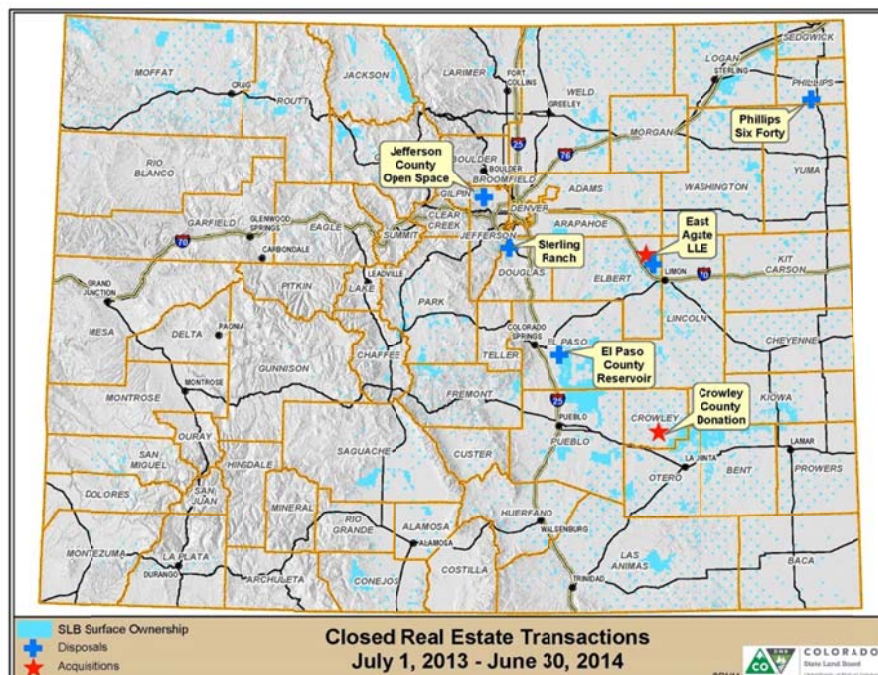
During FY 2013-14, the State Land Board completed six transactions: one acquisition, four disposals and one land-for-land exchange.

The State Land Board acquired approximately 4,500 acres in two separate transactions for the School Trust. The value of these acquisitions totaled \$2.6 million and included acreage in Crowley and Elbert County.

The State Land Board disposed of approximately 3,200 acres in four separate transactions for the School Trust. The value of these parcels totaled \$26.5 million across six different counties. Two of these dispositions were conducted in accordance with Section 36-1-124.5, C.R.S.

A summary list of the FY 2013-14 transactions is provided on the following page. Descriptions of each acquisition and disposal are provided on the pages following along with a map showing the location of each transaction.

FY 2013-14 Real Estate Transactions



¹ A land-for-land exchange contains both an acquisition and a disposition.

Closed Real Estate Transactions
July 1, 2013 - June 30, 2014

TRANSACTION (TA) NAME	TA TYPE	COUNTY	ACRES MORE OR LESS	EXCHANGE VALUE	CLOSED	TRUST	LEGAL DESCRIPTION
ACQUISITIONS							
Crowley County donation	RPA	Crowley	160.16	\$ -	3/28/2014	S	L. 7&8, B. 2, Town of Sugar City AND E2SE4 & SW4SE4, S. 3 AND NW4NE4, S. 10, T22S, R56W, Crowley Co., CO
East Agate LL Exchange	LLE	Elbert	4,348.00	\$ 2,608,800	6/3/2014	S	S. 19, T7S, R57 W, AND S. 11, S2 S. 12, S. 13, S2, S2 N2, S14, E2, NW4, S. 23, S. 24, S 25 excpet NW4NW4, T7S, R58W, Elbert County, CO.
		TOTALS	4,508.16	\$ 2,608,800			
DISPOSALS							
TRANSACTION NAME	TA TYPE	COUNTY	ACRES MORE OR LESS	EXCHANGE VALUE	CLOSED	TRUST	LEGAL DESCRIPTION
Phillips Six Forty	NSE	Phillips	640.00	\$ 2,639,200	11/14/2013	S	T6N, R45W, S. 16, Phillips Co., CO
Sterling Ranch	NSE	Douglas	640.00	\$ 9,500,000	12/30/2013	S	T6S, R69W, S. 36, Douglas Co., CO
Jefferson County Open Space	NSE	Jefferson	797.00	\$ 3,001,574	4/2/2014	S	NW4, T6S, R79W AND All S. 16, T2S, R72W, Jefferson Co., CO
City of Colorado Springs/ El Paso County Reservoir	NSE	El Paso	1,127.56	\$ 11,339,370	5/22/2014	S	S. 7, 8, 17, 18, AND S. 9, 16, 17 T15S, R64W, El Paso County Co., CO
East Agate LL Exchange	LLE	Elbert	10.00	\$ 11,000	6/3/2014	S	NENENE, S. 26, T7S, R 58W, Elbert Co., CO
		TOTALS	3,214.56	\$ 26,491,143			

Summary of Acquisitions

Crowley County

The Crowley County acquisition included three parcels totaling 160 acres. The Pavlica family wished to honor the memory of their grandfather and patriarch, who obtained the properties through the Homestead Act, by donating the parcels of land to the State Land Board in order to benefit Colorado schools. Two of these parcels were adjacent to existing School Trust property.

East Agate LL Exchange

The East Agate property transaction was accretive to existing trust assets, supported multiple lines of business and allowed for the disposition of an encumbered 10-acre homesite. The transaction met the following criteria:

Evaluation of East Agate Transaction

Criteria	Comments
In-holdings in or adjacent to SLB lands	Combines ≈4,400 acres adjacent to ≈1,900 acres of checkered Board ownership, creating a combined contiguous ranch holding of ≈6,400 acres
Parcels that would provide access to landlocked SLB parcels	Provides access to four parcels (1,900 acres) of isolated trust land that do not currently have legal, physical access
Severed surface estate over SLB minerals	Reunites 800 acres of Board-owned mineral estate with the surface estate
Renewable energy opportunities	Provides significant opportunities for wind and solar development in an area very active with wind farms
Standalone agricultural land / self-supporting ranch	Combined property is of sufficient size to create potential for a standalone, self-supporting ranch
Land with high option value potential (ecosystem services, recreation, water, etc.)	Provides opportunity for recreational hunting of big game, such as mule deer and antelope, as well as game bird

Summary of Disposals

Philips Six Forty

This transaction concerned the disposition of a 640-acre state trust parcel located 10 miles south of Holyoke, CO. The Philips Six Forty School Trust parcel contained extensive lessee-owned improvements, including a residential dwelling, outbuildings, two center pivot irrigation sprinklers and related equipment. Other than these improvements, the land experienced declining groundwater availability and rising production costs that would soon result in a decline in land value and rental revenue.

Sterling Ranch

This transaction concerned the disposition of a 640-acre School Trust parcel in western Douglas County, adjacent to the Roxborough development. Subject to the terms of a development services agreement with Sterling Ranch, LLC, the property was disposed of through a public bid process.

Jefferson County Open Space

This transaction involved the disposition of two School Trust parcels, the Blue Mountain parcel and the Deer Creek parcel, in the foothills of Jefferson County. The 640-acre Blue Mountain property is located north of Jefferson County's White Ranch Open Space Park and just off Coal Creek Canyon Road (Hwy 72). The 160-acre Deer Creek property is located one mile south of Deer Creek Canyon Road. Both of these properties are adjacent to municipal and county open space parcels, as well as residential development.

This transaction was conducted as a "HB 1165" transaction (Section 36-1-124.5, C.R.S.), which allows the State Land Board to dispose of properties to local government entities. The School Trust received fair market value for the properties, consistent with an independent appraisal.

City of Colorado Springs / El Paso Reservoir

This transaction concerned the disposition of 1,127 acres of School Trust property to Colorado Springs Utilities (CSU). The property will be used as a reservoir in CSU's Southern Delivery System (SDS) project that provides a safe, economical and reliable water supply to Colorado Springs and nearby communities. The reservoir site was selected by as the least-environmentally-damaging practicable alternative reservoir site by CSU and the US Bureau of Reclamation.

The CSU reservoir site is part of a much larger State Trust holding. The newly created reservoir will add value to adjoining State Trust property for municipal water service as well as recreation and visual impacts.

This transaction was conducted as a "HB 1165" transaction (Section 36-1-124.5, C.R.S.), which allows the State Land Board to dispose of property to local government entities. The School Trust received fair market value for the property, consistent with an independent appraisal.

East Agate LL Exchange

This reflects the disposition portion of the East Agate LL exchange as described above.