

Transaction Report

Fiscal Year

2020-21

Annual report detailing acquisitions and
disposals of trust lands

Colorado State
Board of Land
Commissioners



COLORADO
State Land Board

Introduction

The Colorado State Board of Land Commissioners (State Land Board) is pleased to present its Fiscal Year 2020-21 Transaction Report. The State Land Board conducts real estate transactions, including disposals, acquisitions and land-for-land exchanges. As required by Section 36-1-102, C.R.S, the State Land Board provides an annual summary report no later than November 1 detailing all real estate transactions closed during the prior fiscal year.

Summary

During FY 2020-21, the State Land Board completed 13 transactions consisting of six acquisitions, four disposals, and three land-for-land exchanges. 12 transactions involved properties in the School Trust, and one involved the Internal Improvements Trust. Figure 1 maps locations of the properties, and Table 1 provides details of each transaction.

The State Land Board acquired 31,033 acres valued at \$25.7 million. Disposals totaled 2,864 acres with the total value approaching approximately \$17 million across various counties.

Figure 1: FY 2020-21 Real Estate Transactions

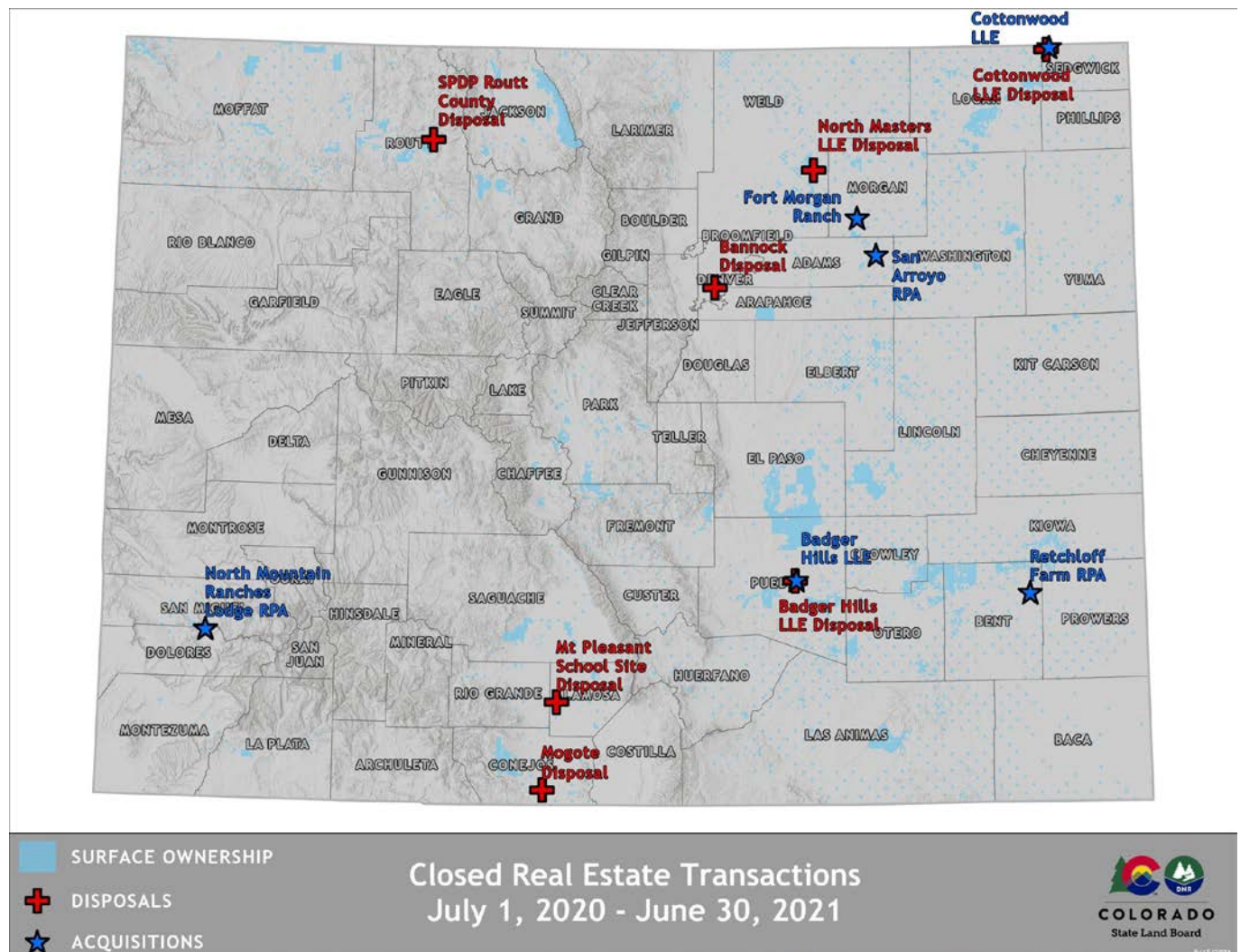


Table 1: Closed Real Estate Transactions Detail | FY 2020-21

Closing Date	Transaction Name	Type	County	Acres +/-	Exchange Value	Trust
11/3/2020	Mt Pleasant School Site Disposal	Disposal	Alamosa	1	\$30,000	School
11/20/2020	SPDP Routt County Disposal	Disposal	Routt	1.02	\$12,750	School
12/1/2020	Mogote Disposal	Disposal	Conejos	200	\$206,202	Internal
12/7/2020	San Arroyo RPA	Acquisition	Adams	4,626	\$3,141,250	School
12/15/2020	FLCC RPA (1 of 3 closing)	Acquisition	Bent	NA	\$417,600	School
12/17/2020	Retchloff Farm RPA	Acquisition	Bent	197.74	\$480,029	School
12/22/2020	North Masters LLE	Acq. LLE	Weld	NA	\$400,000	School
12/22/2020	North Masters LLE	Disp LLE	Weld	320	\$250,000	School
1/29/2021	FLCC RPA (2 of 3 closing) Water Shares	Acquisition	Bent	NA	\$417,600	School
2/1/2021	Badger Hills LLE	Disp LLE	Pueblo	204.14	\$91,063	School
2/1/2021	Badger Hills LLE	Acq. LLE	Pueblo	360	\$81,491	School
2/18/2021	Cottonwood LLE	Disp LLE	Sedgwick	2,136.6	\$1,340,000	School
2/18/2021	Cottonwood LLE	Acq. LLE	Sedgwick	1,767	\$1,340,000	School
3/22/2021	North Mountain Ranches Lodge RPA (TJ Bar)	Acquisition	Dolores	0.110	\$202,875	School
5/4/2021	Fort Morgan Ranch	Acquisition	Morgan	24,082	\$19,265,600	School
5/27/2021	Bannock Disposal	Disposal	Denver	1.63	\$15,000,000	School
Total of Acquisitions				31,032.9	\$25,746,445	
Total of Dispositions				2,864.4	\$16,930,015	
Net Change in Trust Acreage		Gain		28,168.5		

*Land for Land Exchange - when an exchange of physical assets happens as part of the transaction

Summary of Acquisitions

San Arroyo

The State Land Board has a strategy to increase the size of the agency's agricultural portfolio in certain parts of the State through the appropriate reinvestment of non-simultaneous funds. Staff searched for a well priced ranch that would fit this strategy for several years. The acquisition of this property contributes to the accomplishment of the agency's goals to increase recurring revenue, partner with lessees on preferred stewardship practices, and support future generations of agriculture lessees.

Fort Lyon Canal Company (FLCC) Water Shares

This transaction is part of the execution of the ongoing strategy to acquire water rights at reasonable prices. This involved the purchase of 338 shares of FLCC from a current lessee. The transaction served the best interests of the State Land Board by acquiring a water asset whose value is rapidly increasing and by securing irrigated cropland whose value is increasing.

Retchloff Farm

The State Land Board acquires water when it can be used to support agriculture, has the potential to be repurposed at a future date, and may increase in value. In this case, the Board had the opportunity to purchase both land and water under a single transaction. This property will be advertised for lease by competitive bid and is expected to bring in a minimum of \$70 per acre; a meaningful premium to other acreage in the area.

North Mountain Ranches Lodge

The State Land Board owns and manages three ranches on the border of San Miguel and Dolores Counties, totaling 10,967 acres. The ranches provide significant opportunities for hunting, and in 2008, the Board contributed to the building of a 4,690 square foot hunting lodge, retaining 75% ownership in the lodge. This transaction acquired the remaining 25% and furnishings.

Fort Morgan Ranch

Fort Morgan Ranch is a 24,000 acre ranch in Morgan County. This acquisition supports the agency's effort to acquire high quality agricultural land that should generate higher grazing lease revenues than the agency's standard rates. The property represents well managed working lands and adding it to the agriculture portfolio supports the agency's land management and stewardship goals.

Summary of Disposals

Mt. Pleasant School Site

This is a one-acre parcel located in Alamosa County on which the Mt. Pleasant School is located. The building had been used historically as a one room schoolhouse. In 1965, the Alamosa School District closed the school, and the building was used as a community center and various other uses. Through time, the building fell into disrepair. Alamosa County presented Staff with an offer to purchase the parcel where the Mt. Pleasant School building is located for the appraised value to preserve and refurbish the building and operate it for the benefit of the community.

SPDP Routt County

The Small Parcel Disposal Process (SPDP) is an annual review by District Managers to identify underperforming or encumbered parcels for disposal. These parcels generally have low economic value and may present management problems in certain cases. One of these parcels was purchased by the Steamboat Springs School District for their programmatic benefit.

Mogote

Two properties identified in the SPDP. These two parcels generated interest from private parties. Proceeds will be reinvested in trust assets that are anticipated to generate higher financial return.

Bannock

In 2016 the Board acquired the properties at 1025 and 1089 Bannock Street in Denver from Rocky Mountain Public Broadcasting in exchange for property the Board owned in Denver's Arapahoe Square neighborhood. The trade allowed the Board to acquire property in a neighborhood with significant upside in value due to the development potential for high-density residential buildings. This strategy was confirmed with the sale of the property in 2021.

Summary of Land-for-land Exchanges

North Masters

An exchange of 320 acres of state trust land in eastern Weld County for one and a half shares of Morgan Prewitt Reservoir Company and additional cash. This transaction helps achieve several goals of the agency's Strategic Plan, including bringing diversity to the portfolio, acquiring water rights supportive of agriculture, disposal of encumbered property, and increasing the value of the trust.

Badger Hills

An exchange of 204 acres of state trust land in Pueblo County and the issuance of a 99-year right-of-way on an additional 110 acres of state trust land to Xcel Energy in exchange for 360 acres of rangeland. This transaction is focused on the goal of increasing renewable energy on state trust land to contribute to the state's goal of moving the electric grid to 100% renewable sources by 2040.

Cotttonwood

An exchange consisting of 2,136 acres of state trust land and additional cash for 1,767 acres of land and 64 shares of the Julesburg Irrigation District. The transaction made more contiguous several parcels that had previously been separated by lands owned by others, eliminating concerns about access and good management. The exchange resulted in State Land Board ownership of 2,680 contiguous acres as well as the agricultural improvements, all of which will increase annual lease revenue.