



Colorado Legislative Council Staff

Room 029 State Capitol, Denver, CO 80203-1784
(303) 866-3521 • FAX: 866-3855 • TDD: 866-3472
www.colorado.gov/lcs
E-mail: lcs.ga@state.co.us

MEMORANDUM

April 20, 2015

TO: Capital Development Committee

FROM: Matt Becker, Research Analyst, 303-866-4785

SUBJECT: Recent Property Transfers to and from the Department of Corrections

Summary

The Department of Corrections (DOC) has submitted two real property transfers to the Capital Development Committee (CDC) for review. DOC has transferred the former correctional facility at Fort Lyon to the Department of Personnel and Administration (DPA) to support its use as a residential community for the homeless. A quit claim deed for the transaction was executed on January 2, 2015. DOC also plans to receive property from the Department of Military and Veterans Affairs (DMVA) through a quit claim deed that transfers the ownership of the Army National Guard armory in Canon City from DMVA to DOC. This memorandum summarizes both of these property transfers.

Property Transfers Submitted by DOC

While current law does not expressly identify reporting requirements for real property transfers from one state agency to another, DOC has submitted two property transfers for review by the CDC related to the Fort Lyon property near Las Animas and the Army National Guard armory in Canon City.

Fort Lyon. The federal government operated Fort Lyon from 1867 to 2002 as a fort for the U.S. Army, a medical facility for the U.S. Navy, and a U.S. Department of Veterans Affairs (VA) Medical Center. Fort Lyon was conveyed to the state of Colorado in 2002 by the VA for the purpose of operating a correctional facility. DOC operated Fort Lyon from 2002 to 2012 as the Fort Lyon Correctional Facility. In 2013, the Department of Local Affairs repurposed Fort Lyon as a supportive residential community for the homeless. Currently, Fort Lyon provides recovery-oriented transitional housing to homeless individuals from across the state, with an emphasis on serving homeless veterans. On January 2, 2015, DOC transferred a majority of the Fort Lyon property and associated water rights to DPA with the execution of a quit claim deed. A small portion of the property owned by Colorado Correctional Industries was excluded from the

transfer. Copies of DOC's letter to the CDC regarding the Fort Lyon transfer and the quit claim deed are included as Attachment A.

Canon City armory. DMVA is in the process of moving the state's Army National Guard armories and readiness centers from isolated areas to major transportation arteries. In the last few years, DMVA has constructed new readiness centers in Alamosa, Colorado Springs, Fort Lupton, Grand Junction, and Windsor. This transition has prompted DMVA to approach DOC about transferring ownership of the armory located in Canon City. DMVA is no longer occupying the armory, as the 1157th Engineer Firefighter Company relocated to Fort Carson in the fall of 2014. If the transfer is completed, DOC will hold the title to the armory.

Using the statutory requirements for DPA regarding state property acquisitions as a guide,¹ DOC provided the following information about the proposed transfer:

1. *Anticipated use of the property:* DOC will relocate the Canon City Parole Office to the armory building. It will also utilize the large open area within the building for activities related to the Corrections Training Academy. The lower level of the armory will be used for the department's high priority storage needs for the Office of the Inspector General and the Special Operations Response Team.
2. *Maintenance costs related to the property:* Ongoing maintenance and utilities costs for the building are estimated to be \$50,133 per year. However, no new funding is being requested. The costs will be offset by internal reallocations and cost avoidance associated with utility conservation measures and the reduction of leased space for the Canon City Parole Office.
3. *Current value of the property:* The current value of the property is estimated at \$1,751,000 by the State Office of Risk Management.
4. *Conditions or limitations that may restrict the use of the property:* There are no known conditions or limitations that will restrict the use of the property. The building received major improvements from a 2013 controlled maintenance project and a concurrent DMVA project to connect the building to the local sewer system. The recent investment in the property makes it ideally suited for DOC's needs.
5. *Potential liability to the state resulting from the acquisition:* As the property is currently owned by DMVA and originally owned by DOC, no additional liability to the state has been identified.

Under current law, the Adjutant General has the authority to sell, trade, or dispose of real estate with the written approval of the Governor.² The Governor's approval letter is included as Attachment B. DOC's letter regarding the armory transfer is included as Attachment C.

¹Section 24-82-102, C.R.S.

²Section 28-3-106 (1)(s), C.R.S.

Action Required by CDC

No action is required by the CDC for the Fort Lyon property transfer. The property's change of use was authorized by Senate Bill 13-210. If the committee wishes to make a recommendation concerning the Fort Lyon property transfer, a letter can be sent to the executive director of DPA.

The committee must provide recommendations to the Adjutant General concerning the proposed real property disposition of the Canon City armory. A letter with the CDC's recommendations will be drafted and sent to the Adjutant General.



COLORADO
Department of Corrections
Office of the Executive Director

Rick Raemisch | Executive Director
2862 S. Circle Drive
Colorado Springs, CO 80906
P 719.226.4701 F 719.226.4728
DOC_ExecutiveDirector@state.co.us

Representative Edward Vigil, Chairman
Capital Development Committee
200 E. Colfax
Denver, CO 80203

February 27, 2015

RE: Fort Lyon Correctional Facility

Dear Chairman Vigil:

The purpose of this letter is to notify the Capital Development Committee that the Department of Corrections has transferred the property we received from the federal government, to serve as a correctional facility (the former Veterans Administration Fort Lyon Medical Center), to the Department of Personnel and Administration. The Department made this transfer pursuant to HB13-210, codified in C.R.S. 24-32-724, in order for the property and improvements to be made available for a supportive residential community for the homeless. The conveyance document, a quit claim deed, is attached for your information.

Should you or the Committee have any questions, please bring them to my attention.

Respectfully,

A handwritten signature in black ink that reads "Rick Raemisch".

Rick Raemisch
Executive Director
Colorado Department of Corrections

Att:(1)

xc: Kellie Wasko, DOC Deputy Executive Director
Jennifer Bennett, DOC Director of Finance & Administration
Richard Weems, DOC Assistant Director-Facility Management Services
Christina Everist, DOC Legislative Liaison
Kori Donaldson, Colorado Legislative Council Staff



QUIT CLAIM DEED

THIS DEED is made this 2nd day of January, 2015, between the STATE OF COLORADO, acting by and through the COLORADO DEPARTMENT OF CORRECTIONS, whose address is 2862 South Circle Drive, Colorado Springs, CO 80906, and hereinafter referred to as the **Grantor**; and, the STATE OF COLORADO, acting by and through the DEPARTMENT OF PERSONNEL AND ADMINISTRATION, whose address is 1525 Sherman St, Denver, Co 80203, hereinafter referred to as the **Grantee**.

WITNESSETH, that the **Grantor**, at the direction of the Colorado General Assembly, codified as §24-32-724 C.R.S., to provide for a supportive residential community, has hereby remised, released, sold, and QUIT CLAIMED, and by these presents does remise, release, sell, and QUIT CLAIM unto the **Grantee**, its successors and assigns forever, those certain rights, title, interest, claim and demand which the Grantor has in and to that property known as a portion of the Fort Lyon Veterans Administration Hospital Site, more particularly described as follows.

A parcel of land situated within Sections 4 and 9, all within Township 23 South, Range 51 West of the 6th Principal Meridian in Bent County, State of Colorado, being a portion of that land commonly known as the Fort Lyon Veterans Administration Hospital Site and being more particularly described as follows:

Beginning at a point at the Northwest corner of Section 4, thence along the North line of said Section 4, North 88°12' 26" East a distance of 115.04 feet to the westerly line of the Veterans Administration National Cemetery, as shown on that certain "Exhibit A" of the Quitclaim Deed filed with the Bent County Clerk and Recorder on September 23, 2002 under Reception Number 20021405; thence departing said north line of Section 4, South 01° 47' 34" East a distance of 96.93 feet along said westerly line of Veterans Administration National Cemetery; thence continuing along said westerly line the following courses: South 49° 15' 08" West a distance of 14.00 feet; thence South 32° 13' 53" East a distance of 771.29 feet; thence along the southerly line of said Veterans Administration National Cemetery the following courses:

North 87° 13' 19" East a distance of 2,964.00 feet, to a point of non-tangent curvature from which the radius point of said curve bears North 62° 35' 26" East a distance of 73.08 feet, thence

163.28 feet along a curve to the left having a central angle of 128° 00' 56"; thence North 89° 14' 28" East a distance of 197.08 feet to a point of non-tangent curvature, from which the radius point of said curve bears South 08° 29' 59" West a distance of 143.00 feet, thence

223.53 feet along a curve to the right having a central angle of 89° 33' 49"; thence

North $87^{\circ} 37' 06''$ East a distance of 274.40 feet; thence North $00^{\circ} 16' 56''$ West a distance of 886.83 feet to a point on the abovementioned North line of Section 4; thence along said North line of Section 4 North $88^{\circ} 12' 26''$ East a distance of 1,079.94 feet to the corner of Sections 3, 4, 32 and 33; thence along the common line of said Sections 3 and 4 South $02^{\circ} 42' 34''$ East a distance of 2,136.75 feet to the meander corner on said common line of Sections 3 and 4; thence leaving said common line of Sections 3 and 4 to run along the meander line of the North bank of the Arkansas River, as shown on that certain plat of "Township No. 23 South, Range No. 51 West of the 6th Principal Meridian" dated February 2, 1892, the following courses:

South $75^{\circ} 55' 08''$ West a distance of 302.28 feet; thence South $53^{\circ} 00' 08''$ West a distance of 495.00 feet; thence South $36^{\circ} 30' 08''$ West a distance of 382.80 feet; thence South $29^{\circ} 15' 08''$ West a distance of 196.61 feet; thence leaving said meander line to run East of and parallel to a segment of the southeasterly line of the Fort Lyon Veterans Administration Hospital site as shown on that certain Plat of Dependent Resurvey and Survey, by the US Bureau of Land Management, dated September 21, 1967 along the following courses:

South $18^{\circ} 55' 24''$ East a distance of 955.54 feet; thence South $03^{\circ} 47' 36''$ West a distance of 615.59 feet; thence South $36^{\circ} 18' 36''$ West a distance of 299.97 feet; thence South $63^{\circ} 45' 36''$ West a distance of 476.80 feet to a point on the abovementioned meander line of the North Bank of the Arkansas River; thence continuing along said meander line South $20^{\circ} 00' 08''$ West a distance of 393.59 feet to the meander corner on the line between the abovementioned Sections 4 and 9, said meander corner being the northeast corner of Lot 7 of the abovementioned Section 9, thence continuing along said meander line along the following courses:

South $24^{\circ} 57' 08''$ West a distance of 384.12 feet; thence South $38^{\circ} 15' 08''$ West a distance of 495.00 feet; thence South $42^{\circ} 30' 08''$ West a distance of 330.00 feet; thence South $80^{\circ} 15' 08''$ West a distance of 277.61 feet to a point on the North-South centerline of Section 9, said point being the Southwest corner of the abovementioned Lot 7; thence leaving said meander line of the North bank of the Arkansas River North $02^{\circ} 40' 11''$ West a distance of 996.57 feet along the West line of said Lot 7 to the quarter corner on the common line of Sections 4 and 9, said quarter corner being the Northwest corner of said Lot 7; thence along said common line of Sections 4 and 9, South $88^{\circ} 11' 59''$ West a distance of 2,644.48 feet to corner of Sections 4, 5, 8 and 9; thence along the line of Sections 4 and 5 North $02^{\circ} 36' 41''$ West a distance of 5,280.72 feet to the Point of Beginning;

Excepting that portion of the parcel generally known as the Blackford property, having a corrected and expanded legal description, as follows:

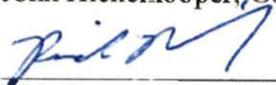
Beginning at the Northwest corner of Section 4, Township 23 South, Range 51 West of the 6th Principal Meridian, as monumented by a E.L.M Brass Cap; thence along the West line of said Section 4 on the true bearing of South 01°08'30" East a distance of 2924.52 feet to the Point of Beginning; thence North 88°49'25" East a distance of 412.78 feet; thence South 00°02'21" East a distance of 24.13 feet; thence South 42°32'47" East a distance of 258.58 feet; thence South 18°02'22" East a distance of 138.64 feet, thence South 72°35'26" West a distance of 54.20 feet; thence South 82°12'51" West a distance of 310.24 feet; thence North 03°00'51" West a distance of 229.37 feet; thence South 89°01'29" West a distance of 92.74 feet; thence North 01°54'02" West a distance of 106.02 feet; thence South 88°49'25" West a distance of 161.55 feet; thence North 01°08'30" West a distance of 66.36 feet to the Point of Beginning, consisting of approximately 3.08 acres. All property corners being monumented by capped #5 rebar with the exception of the west boundary.

Said parcel containing 517.08 acres, more or less, and generally described in the graphic attached hereto as **Exhibit B**.

Together with any and all interests the **Grantor** may have in water rights associated with the Fort Lyon Veterans Administration Hospital Site as well as structures and appurtenances related to collection and delivery of water, decreed, permitted, or otherwise legally available for use on said parcel, such being described on **Exhibit A**, hereto.

TO HAVE AND TO HOLD the same, together with all and singular the appurtenances, privileges and covenants thereunto, belonging or in anywise thereunto appertaining, and all the estate, right, title, interest, and claim whatsoever, of the **Grantor**, either in law or in equity, to the only proper use, benefit and behoof of the **Grantee**, its successors and assigns forever, subject to the reservations and restrictions of that certain Quit Claim Deed, dated September 12, 2002, between the UNITED STATES OF AMERICA, acting by and through the Secretary of Veterans Affairs, as grantor, and the STATE OF COLORADO, acting by and through the Colorado Department of Corrections, as grantee, filed with the Bent County Clerk and Recorder on September 23, 2002 under Reception Number 20021405, as amended August 4, 2014, filed with the Bent County Clerk and Recorder on August 28, 2014 under Reception Number 20140852, such amendment being effective January 31, 2012.

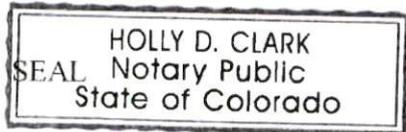
IN WITNESS THEREOF, the **Grantor** has executed this deed on the date set forth above.

State of Colorado
John Hickenlooper, Governor

Rick Raemisch
Executive Director
Colorado Department of Corrections

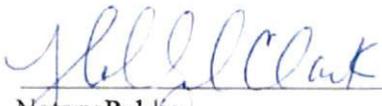
STATE OF COLORADO)
) ss.
COUNTY OF EL PASO)

The foregoing QUIT CLAIM DEED was executed before me this 2nd day of January, 2015, by Rick Raemisch, as Executive Director of the Colorado Department of Corrections.

Witness my hand and official seal.

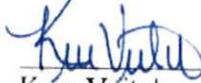


My Commission Expires February 08, 2016



Notary Public
My Commission Expires: 2/8/2016

State of Colorado
John Hickenlooper, Governor



Kara Veitch
Interim Executive Director
Department of Personnel & Administration

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

The foregoing QUIT CLAIM DEED was acknowledged before me this 7th day of January, 2015 by Kara Veitch, as Interim Executive Director of the Department of Personnel and Administration.

Witness my hand and official seal.

SEAL

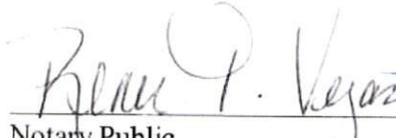

Notary Public
My Commission Expires: _____


Exhibit A
Interest in Water, Structures, and Appurtenances

The Grantor does hereby grant and quitclaim unto the Grantee, its successors and assigns, except as otherwise provided for herein, all of Grantor's right, title, and interest in and to any and all water rights and other rights to use water, water wells and associated structures and appurtenances (including but not limited to pumps, pipelines, ditches, and laterals); any express or implied easements as may be necessary to operate, maintain, repair, or replace wells and appurtenances; diversion capacities; rights derived from historic usage of water appurtenant to, associated with, or used in connection with, property known as the Fort Lyon Veterans Administration Hospital Site lying in Sections 4 and 5, T 23 S, R 51 W, 6th PM, in the County of Bent, state of Colorado, including, but not limited to, the following.

1. Wells located within the property:

| Name | Structure ID | Permit No. |
|--|---------------------|-----------------------|
| Well VA No. 1 <i>(aka VA Softwater Well No. 8)</i> | 6706015 | 45966F |
| Well VA No. 2 | 6706018 | 19268F |
| Well VA No. 5 | 6706019 | <i>None of record</i> |
| Well VA No. 10 | 6706016 | 25798F |
| Well VA No. 11 <i>(aka VA Softwater Well No. 7)</i> | 6706017 | 044126F |
| Well VA No. 249 | 6705080 | 22972R |
| Well VA No. 396 | 6705077 | 11765R |
| Well VA No. 397 | 6705076 | 11766R |

2. Wells located outside of the property or reasonably believed to be located outside of the property, to include express and implied easements for use, operation, maintenance, repair, and replacement:

| Name | Structure ID | Permit No. |
|-----------------|---------------------|-----------------------|
| Well VA No. 22 | 6705078 | 11767R |
| Well VA No. 381 | 6705079 | 11764R |
| Well VA No. 391 | 6706009 | 13438F |
| Well VA No. 393 | 6706008 | <i>None of record</i> |

3. The following water rights.
- a. Water rights decreed to the Grantor for Well VA No. 393, with a priority date of December 31, 1948 and Well VA No. 391, with a priority date of December 31, 1950, decreed in Case No. 81CW201, in Colorado District Court, Water District 2, Bent County, by decree dated December 29, 1987.
 - b. Water rights decreed to Grantor for Well VA No. 22, Well VA No. 249, Well VA No. 381, Well VA No. 396, and Well VA No. 397, with a priority date of

October 25, 1906, decreed in Case No. 81CW200, Colorado District Court, Water Division 2, Bent County, by decree dated December 29, 1987.

- c. Water rights decreed to Grantor for Well VA No. 1, Well VA No. 2, Well VA No. 5, Well VA No. 10, and Well VA No. 11, with a priority date of October 25, 1906, decreed in the consolidated Case Nos. 81CW199 and 81CW202, Colorado District Court, Bent County, by decree dated December 29, 1987

Said grant of ownership to Grantee by Grantor being subject to ownership of record.

End of Exhibit A.



STATE OF COLORADO
DEPARTMENT
OF CORRECTIONS



EXHIBIT B
Fort Lyon Deed Graphic
Facility Site Plan

DRAWN: RKG
CHECKED: JG
ISSUED: April 21, 2014
REVISED: October 31, 2014

SITE PLAN

PL14344

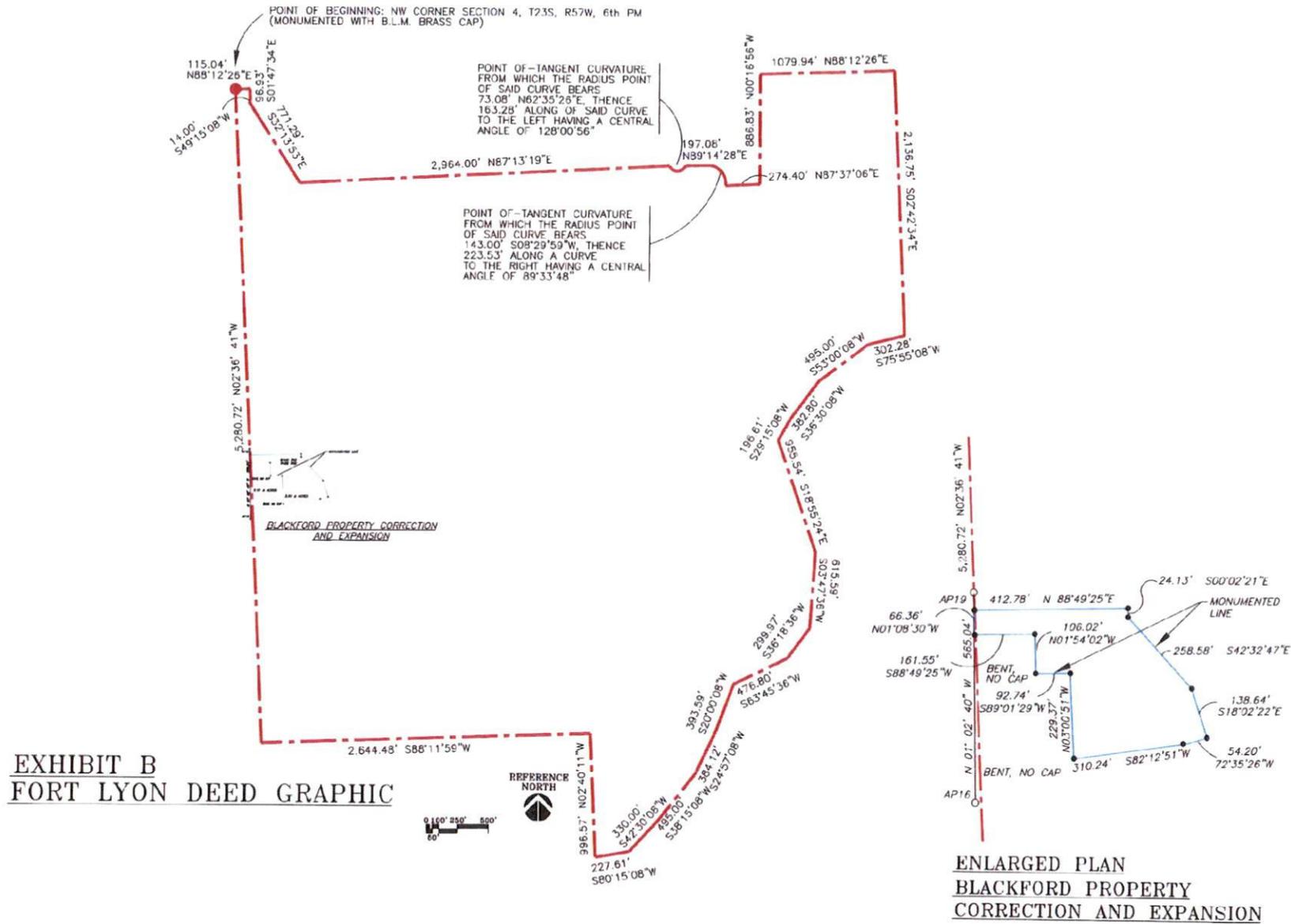


EXHIBIT B
FORT LYON DEED GRAPHIC

STATE OF COLORADO

EXECUTIVE CHAMBERS

136 State Capitol
Denver, CO 80203 - 1792
Phone (303) 866-2471



John W. Hickenlooper
Governor

March 31, 2015

Maj Gen H. Michael Edwards
6848 S. Revere Parkway
Centennial, CO 80112

Dear Maj Gen Edwards,

In accordance with CRS 28-3-106 (s)(I), I grant my approval for the transfer of the Cañon City Armory, located at 100 Main St., Cañon City, Co 81212 from the Department of Military and Veterans Affairs to the Department of Corrections.

I applaud both the DMVA and DOC for finding innovative ways to utilize existing facilities to achieve the goals and missions of your respective departments.

Sincerely,

John Hickenlooper
Governor of Colorado



COLORADO
Department of Corrections
Office of the Executive Director

Rich Raemisch | Executive Director
2862 S. Circle Drive
Colorado Springs, CO 80906
P 719.226.4701 rick.raemisch@state.co.us

Representative Edward Vigil, Chairman
Capital Development Committee
200 E. Colfax
Denver, CO 80203

February 27, 2015

RE: Cañon City Armory Transfer

Dear Chairman Vigil:

In accordance with State Buildings Real Estate Program Policy, the purpose of this letter is to notify the Capital Development Committee that the Department of Corrections (DOC) plans to receive, through transfer (quitclaim deed), the property known as the Cañon City Armory from the Department of Military and Veterans Affairs (DMVA).

The DMVA is in the midst of a transformation that is moving the State's armories and readiness centers closer to major transportation arteries such as Interstates 25 and 70. This transformation makes armories in more isolated areas surplus to need. This change prompted the DMVA to approach DOC about transferring ownership of the armory located in Canon City to the DOC.

The following information is provided to the Capital Development Committee:

- **Anticipated use of the real property:**
The Department would relocate the Canon City Parole Office to this building as well as utilize the large open area within the building for some of the Corrections Training Academy's (CTA) activities. In addition, the lower level of the armory would be used for the Department's high priority storage needs for the OIG (Office of the Inspector General) and the Special Operations Response Team (SORT).
- **Operating and maintenance costs associated with the property:**
No new funding is being requested. The Department estimates ongoing costs of \$50,133 for utilities and maintenance. These costs would be offset by internal reallocations and cost avoidance from utility conservation measures and the current leased space for the Canon City Parole Office.
- **Currently value of the property:**
Per the Department of Risk Management, the Canon City Armory, DoRM #MANG-0924, has a building value of \$1,751,000.



- Any conditions or limitations which may restrict the use of the property:
There are no known conditions or limitations which may restrict the use of the property. This building received major improvements through a 2013 controlled maintenance project as well as a concurrent DMVA project to connect the building to the Fremont Sanitation District's sewer system. The knowledge that the Canon City armory is available for DOC use, as well as the recent controlled maintenance investment in the property, makes this property ideally suited for the DOC's needs.
- Potential liability to the State which will result from such acquisition:
As this is currently a State property held by the DMVA, there should be no additional liability to the State with transferring this property to the DOC, the original owners of the property.

| Projected Operating & Utility Costs | | | |
|-------------------------------------|-------------------|---------------------------|-------------------|
| | Armory Sq. Ft. | Cost per Gross Sq. Ft. | Projected Cost |
| Utilities | 16,248 | \$2.30 ¹ | \$37,750 |
| Maintenance | 16,248 | \$0.76 | \$12,348 |
| Total | | | \$50,089 |

¹ A reduced unit cost for utilities is being used due to usage being limited, in general, to 7 AM to 6 PM, Monday through Friday.

Should you or the Committee have any questions, please bring them to my attention.

Thank you.

Respectfully,



Rick Raemisch
Executive Director
Colorado Department of Corrections

Xc: Kellie Wasko, DOC Deputy Executive Director
Jennifer Bennett, DOC Director of Finance & Administration
Christina Everist, DOC Legislative Liaison
Richard Weems, DOC Assistant Director - Facility Management Services
Kori Donaldson, Colorado Legislative Council Staff

