

March 19, 2015 -- Property Transaction Proposal

Colorado Parks and Wildlife

Headwaters Ranch Perpetual Public Access Easement

Lake County

180 acres

2.25 miles north of Leadville

Section 33-1-105 (3)(a), C.R.S. states:

In the event that the [Parks and Wildlife] Commission plans to acquire the fee title to any real property or to acquire an easement for a period to exceed 25 years or at a cost to exceed \$100,000 or to enter into any lease agreement for the use of real property for a period to exceed 25 years or at a cost to exceed \$100,000, or to sell or otherwise dispose of the fee title to any real property which has a market value in excess of \$100,000, the Commission shall first submit a report to the Capital Development Committee [CDC] which outlines the anticipated use of the real property, the maintenance costs related to the property, the current value of the property, any conditions or limitations which may restrict the use of the property, and, in the event real property is acquired, the potential liability to the state which will result from such acquisition. The CDC shall review the reports submitted by the Commission and make recommendations to the Commission concerning the proposed land transaction within 30 days from the day on which the report is received. The Commission shall not complete such transactions without considering the recommendations of the CDC, if such recommendations are timely made.

The required report is attached. CDC staff questions about the report are listed below.

Action Required

Recommend support for the acquisition of a public access easement on the Headwaters Ranch (\$0 for 180 acres).

CDC Staff Questions

1. In the proposal, development costs are estimated to be \$20,800. Does this include construction of the two public parking areas along Highway 91? If not, how much will it cost to construct the parking areas? How will the construction be funded? Have plans for construction been developed?

CPW anticipates that as an outside estimate two parking lots would be built. Initially just one lot may be built, and a second one added in the future if it turns out that there is a need for a second lot. Each lot is estimated at \$10,000, and this expenditure is contingent on CPW's decision to fund these lots in the future. An estimated \$800 is anticipated for signage.

2. The proposal references three comparable appraisals. We did not find them attached. If available, please submit them.

This is an error on the PTP. Because this access easement is at no cost to CPW, a separate appraisal for the access easement was not ordered; and no comparable sales for this separate interest were reviewed. We did request the appraiser to venture an unofficial opinion on the value of the public access easement for fishing. The appraiser concluded that there is very poor sales evidence to render this unofficial opinion in that of those comps reviewed as to CE value, only three of them have public access easements as part of their terms and they differ from each other considerably. That said, the appraiser was able to unofficially conclude that the best indication of value for this access easement is approximately \$200,000.

Capital Development Committee

March 2015—Property Transaction Proposal

Department of Natural Resources
Division of Parks and Wildlife

Action Required	Pursuant to C.R.S. 33-1-105(3)(a) and C.R.S. 33-10-107(2) recommend to the Colorado Parks and Wildlife Commission support for the Division of Parks and Wildlife’s proposal to acquire a perpetual public access easement for fishing on the East Branch of the Arkansas River on the Headwaters Ranch property.
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General Information	
Name	Headwaters Ranch
Number of acres	180
Location	North side of Highway 91, approximately 2.25 miles north of Leadville.
County	Lake

Costs / Source of Funding			
Purchase Price	No Monetary Consideration	Funding Source	N/A
	<i>Spending authority has already been approved for this project in the Long Bill.</i>		
	Fiscal Year		
	Line Item		
	Appropriation		
	Remaining Unexpended Balance		
Annual Monitoring and Operation Costs	\$1,000 for enforcement and maintenance.		
Development Costs	\$20,800		

Summary of Proposal:

To convey to the Division, for no monetary consideration, a perpetual public access easement for fishing on approximately 180 acres of the Headwaters Ranch. For more than three miles, fishing will be allowed on the East Fork of the Arkansas River in the area between Highway 91 and 20 feet beyond the bank on the opposite (south) side of the river (i.e. both sides of the river). There will be two public parking areas along Highway 91. In addition, the ranch owners (Birdseye Land & Water LLC) will convey to Land Trust of the Upper Arkansas a perpetual conservation easement on a total of 550 acres (which includes the fishing access area). CPW will pay \$500,000 toward the purchase of the Conservation Easement to be held by LTUA. In addition, Trust for Public Land will provide additional funding for the CE acquisition cost of \$400,000 in Great Outdoors Colorado (GOCO) funds.

The property exhibits a wide range of important habitats, including riparian shrub lands and wetlands, forests, sagebrush scrublands, and grasslands that provide food, shelter, breeding ground and migration corridors for numerous wildlife species. Specifically, nearly one-third of the property is designated as riparian wetland and shrub land habitat by the Colorado Division of Water Resources. USFWS did a fish survey a year ago that included portions of the property and found an extremely healthy native fish population, including many very large brown trout.

Additional information:

- Current use and proposed future use. The property has few buildings (none residential) or occupancy at present. It is used for limited grazing for horses and occasional snowmobile tours in the winter. The future uses are uncertain, although the owners have reserved the right to construct houses and other limited improvements in three five acre building envelopes (one of which would be outside the fishing access easement area). The property cannot be developed beyond the potential for three houses in the five acre building envelopes.
- Date landowner purchased the Property. Principal owner purchased the property in 1999. It was transferred to an LLC with others (including the principal owner) in 2013.
- If within 10 years, price paid for the Property. 1999 purchase price is not known.

According to a review of the first map referenced below, the Property lies outside the scope of regions of known or potential geothermal resources. Also, according to a review of the second map referenced below, the Property lies outside the Central Solar Power and the Wind Resource Generation Development areas.

Geothermal: November, 2003 US Department of Energy, Office of Energy Efficiency and Renewable Energy, Geothermal Technologies Program.

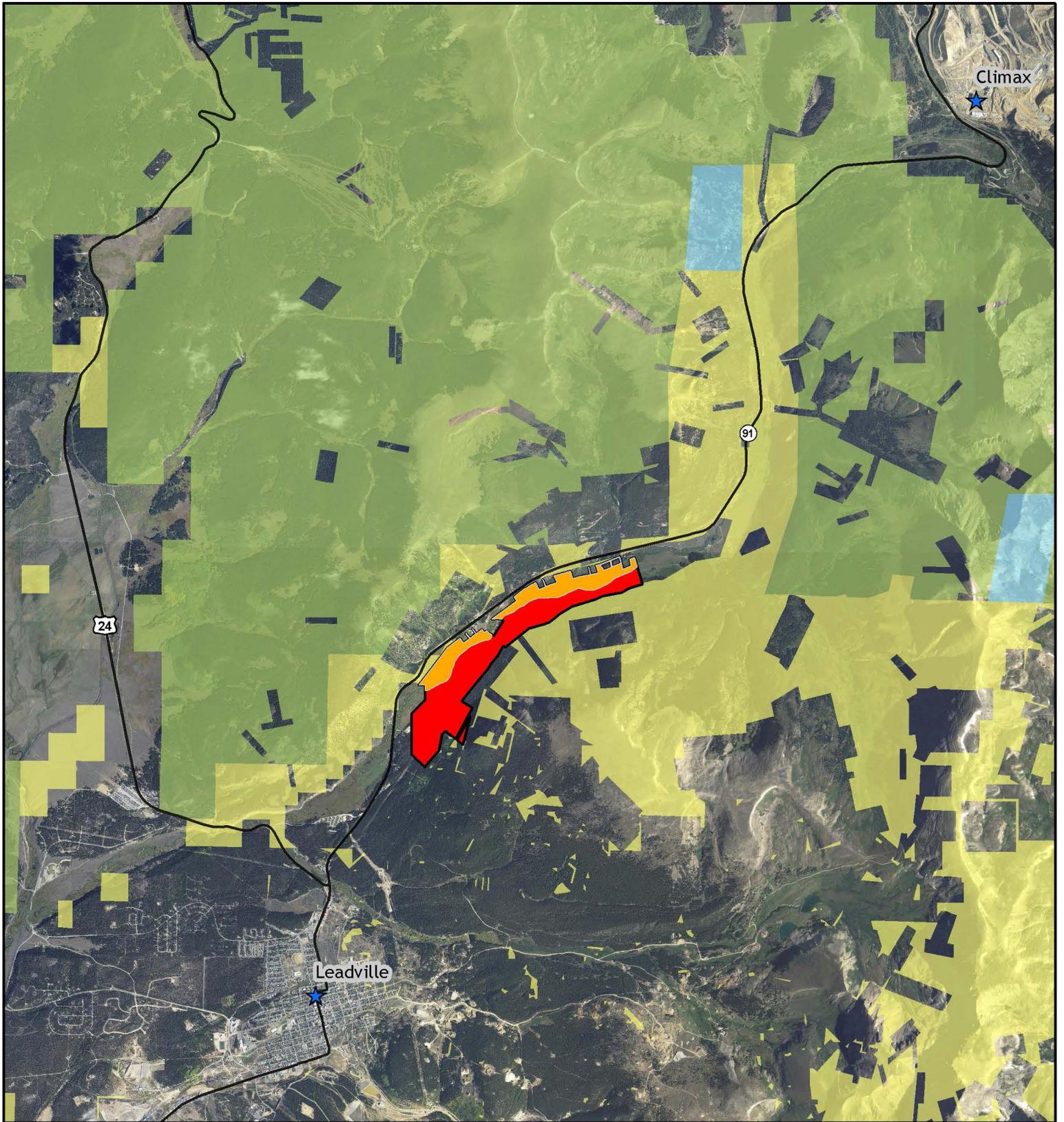
Wind and Solar: A map entitled “SB07-91 Renewable Resource Generation Development Areas” from “Renewable Energy Development Structure,” a report of the Colorado Governor’s Energy Office dated December 2009.

Mineral Interest Ownership:

According to the title materials and the Mineral Assessment Report by ERO Resources Corp. dated December 4, 2012 and updated December 15, 2014, all surface and subsurface mineral rights are owned by the property owner. Further, the opinion of ERO Resources is that the removal, by surface or subsurface methods, of coal, industrial minerals, metallic minerals, coal bed methane, oil and gas, or geothermal resources is “so remote as to be negligible.”

Attachments:

- Map
- Concurrence letters
- Three (3) comparables from appraisal

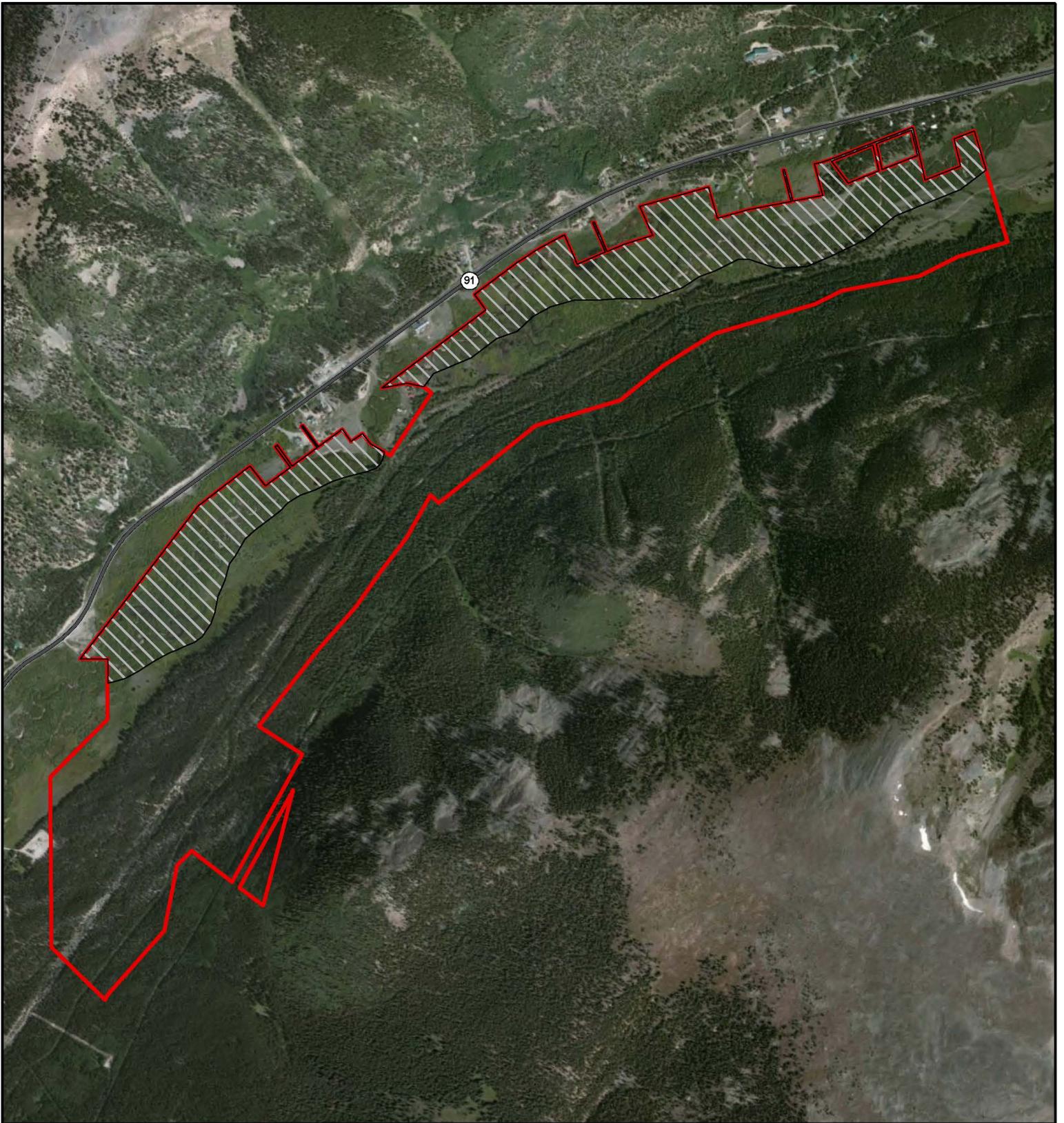


Headwaters Ranch 2013 RFP
13-038-SE | Lake County

- Public Access Easement to CPW
- Conservation Easement to LTUA

Land Manager: State BLM USFS



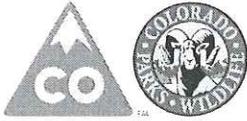


Headwaters Ranch 2013 RFP 13-038-SE | Lake County

Public Access Easement is the area between Colo. Highway 91 and twenty feet beyond the southeasterly bank of the Arkansas River.

-  Public Access Easement to CPW
-  Conservation Easement to LTUA





COLORADO

Parks and Wildlife

Department of Natural Resources

Salida Office
7405 US Highway 50
Salida, CO 81201
P 719.530.5520 | F 719.539.3372

February 20, 2015

Dear Senator Donovan,

This is a follow up request to my letter of January 21, 2015. Colorado Parks and Wildlife (CPW) is in the process of accepting a perpetual public access easement on approximately 180 acres on the East Branch of the Arkansas River for three miles along Highway 91 on the Headwaters Ranch north of Leadville. The purpose of this public access easement will be to allow for fishing access by the public on that portion of the East Branch of the Arkansas River which runs through property owned by Birdseye Land and Water LLC, known as the Headwaters Ranch.

Prior to any State acquisition, CPW is required by the State Capital Development Committee to advise the appropriate State Senator, State Representative and the Board of County Commissioners to receive written concurrence with the conveyance. I have received concurrence from Lake County Board of Commissioners.

Colorado Parks and Wildlife respectfully requests your approval to move forward with this public access easement transaction. If you approve, please sign the appropriate line at the bottom of this letter and return to me at the above address or fax number. If you have any questions or would like to discuss the matter further, please call me at either my direct office number, 719-530-5522 or my cell phone number, 719-530-1819. Thank you for your time and consideration.

Sincerely,

James L. Aragon
Area Wildlife Manager

 Feb 27 2015
Approval, State Senator Kerry Donovan

CONCURRENCE FROM THE COUNTY BOARD OF COMMISSIONERS
COMMISSIONERS TO RECEIVE WRITTEN CONCURRENCE WITH THE CONVEYANCE. I HAVE RECEIVED
TO APPROVE THE EASEMENT TO STATE REPRESENTATIVE AND THE BOARD OF COUNTY
COMMISSIONERS TO RECEIVE WRITTEN CONCURRENCE WITH THE CONVEYANCE.





COLORADO

Parks and Wildlife

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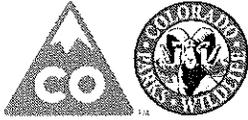
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Sincerely,

James L. Aragon
Area Wildlife Manager


Approval, State Representative Millie Hamner





COLORADO

Parks and Wildlife

Department of Natural Resources

Salida Office
7405 US Highway 50
Salida, CO 81201
P 719.530.5520 | F 719.539.3372

January 21, 2015

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James L. Aragon
Area Wildlife Manager

Approval, Lake County Board of Commissioners

