Jun. 22, 2009 -- Property Transaction Proposal Division of Wildlife

Stengel Shooting Range Conservation Easement and Deed Donation

Delta

80 acres

About 15 miles east of Delta and 5 miles west of Hotchkiss

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

In the event that the [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 transaction without considering the recommendations of the CDC, if such recommendations are timely made.

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

Action Required

Recommend support for the donation of the Stengel Shooting Range Conservation Easement and Quitclaim Deed Donation (80 acres).

«CD® Staff Questions»

1. Please explain the necessity of the quitclaim deed as part of this transaction. Is the intent for the Stengel family to transfer any interest in the Stengel Shooting Range to the division?

The intent of the Stengel family and the Division is two-fold, hence the two completely different documents: the conservation easement and the quitclaim deed. Both basically "add on" the new 80 acres to the 305 acres previously conveyed to the Division in 2006. The conservation easements (old and new), control uses and protect habitat on the property in perpetuity. The quitclaim deeds (old and new) convey ownership of the property, subject to two limitations. It is important to understand the limitations in order to answer the "transfer any interest" portion of the question.

The quitclaim deed is necessary because it makes the Division the owner of the property subject to limitations. The limitations are two-fold. First, Gerhart Stengel and Chris Stengel retain the right to the use and enjoyment of the property during their lifetimes. Essentially they "control" the property until they die, subject to the terms of the conservation easements and subject to certain other use restrictions in the deeds (e.g. only a single additional house can be constructed on the property). The second limitation begins upon the death of the latter of the two. Upon the latter death, the Division gains use, enjoyment and control of the property, subject to the condition that the property continue to be operated as a shooting range for a period of 21 years thereafter. Therefore, the Division has total ownership after the life estates are terminated, but the property must remain a shooting range for the additional 21 year period. If the Division fails to do so, title of the property will revert to heirs of the Stengel family. After operating the shooting range for the requisite 21 years, the Division owns the property without restrictions of any kind.

2. The map indicates that the property occupied by the shooting range is already protected by a conservation easement. Please clarify whether or not this is accurate.

The map is a bit confusing because this project began in 2008, and was thus referred to as the Stengel 2008 Easement. The "Stengel 2008 Easement" is the current project and the subject of this 2009 Property Transaction Proposal. The parcels are not currently under easement. They are being added to 1) allow the extension of one range to 1,000 feet, and 2) provide additional safety zones at the ends of the ranges.

3. What is the purpose of this transaction and how does it benefit the donors?

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The Stengel family is strongly committed to hunter safety and hunter education and has a long and constructive relationship with the Division. Their desire is to remain resident on the property during their lifetimes and continue operation of the shooting ranges and the existing education and safety programs. After their deaths, the condition regarding maintenance of the shooting ranges for an additional 21 years furthers their intentions. The benefit the donors obtain is the continuation of their vision for the property for as long into the future as they can direct.

Capital Development Committee June 22, 2009—Property Transaction Proposal

Department of Natural Resources Division of Wildlife

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|--------------------|--|--|--|--|--|--|--|
| Action Required | Pursuant to C.R.S. 33-1-105(3)(a), recommend to the Colorado Wildlife | | | | | | |
| | Commission support for the Division of Wildlife's proposal to acquire by | | | | | | |
| | donation | | | | | | |
| General Informatic | | | | | | | |
| Name | Stengel Shooting Rang | Stengel Shooting Range: Conservation Easement and Quitclaim Deed | | | | | |
| | Donations | · · · · · · · · · · · · · · · · · · · | | | | | |
| Number of acres | 80 | | | | | | |
| Location | Five miles west of Hotchkiss on Highway 92 | | | | | | |
| County | Delta | | | | | | |
| | | | | | | | |
| Costs//Source of F | niding | | | | | | |
| Purchase Price | Donation | Funding Source* N/A | | | | | |
| | | | | | | | |
| | Fiscal Year | N/A | | | | | |
| | Line Item | N/A | | | | | |
| | Appropriation | N/A | | | | | |
| | Remaining Unexpended | N/A | | | | | |
| | Balance | | | | | | |
| Annual Operation | \$200.00 for monitoring. | The annual operations costs will come from the | | | | | |
| Costs | | Wildlife Management Line Item under the | | | | | |
| | | Division Operations Group in the Long Bill. | | | | | |

Summary of Proposal:

The purpose of these transactions is to expand the existing Stengel SHA with an additional 80 acres of donated property that includes a shooting range. More specifically, the purse is to protect in perpetuity the conservation values of the property and in particular the value of the property as a shooting range and firearms training center for Western Colorado in the face of continued area development. The range is used extensively by the Hunter Education Program, by the Division of Wildlife for firearms training, and by resident and non-resident hunters.

The following summary of the 2006 Stengel SHA donations is provided for background and because it is a template for the current 80 acre conservation easement and fee title donation. The first 2006 donation was a perpetual conservation easement burdening 305 acres of Stengel property. The conservation easement preserves the Stengels' land in a primarily open and undeveloped condition compatible with the shooting ranges that they presently operate. In addition to the existing single family residence located on the Stengel property, the 2006 easement allows one additional residence to be constructed for one of the Stengel children.

Q:\u00f30-Real Estate Unit\PROJECT AUTHORITIES\Capital Development Committee documents\2009\06-22-2009\Cynthia's Working Folder\Stengel Shooting Range.doc

The second 2006 donation to DOW is somewhat unique, and requires more explanation. In addition to the conservation easement, the Stengels also donated to DOW fee title ownership of their property and water rights, but only after Gerhart, Lucille and Chris Stengel (their son) have lived out their lives on the land, and then only if DOW continues the operation of a shooting range on the property for an additional 21 years. To accomplish this, the Stengel Trust conveyed a life estate in joint tenancy to Lucille (now deceased), Gerhart and Chris, with the remainder of the fee title to the land and water rights going to DOW subject to a reverter. The reverter provides that if, at any time during the 21 years following the death of the last of the three Stengels, DOW does not operate for the benefit of the public a shooting range on the land, then the land and water rights would revert to the Stengels' then-surviving heirs.

The current proposal mirrors the language and intent of the 2006 easement and fee title donations.

According to the maps referenced below, the Property generally lies outside the scope of potential Wind, Solar, and Geothermal energy potential.

<u>Solar</u>: July, 2007 National Renewable Energy Laboratory (NREL), US Dept. of Energy; <u>Geothermal</u>: November, 2003 US Department of Energy, Office of Energy Efficiency and Renewable Energy, Geothermal Technologies Program;

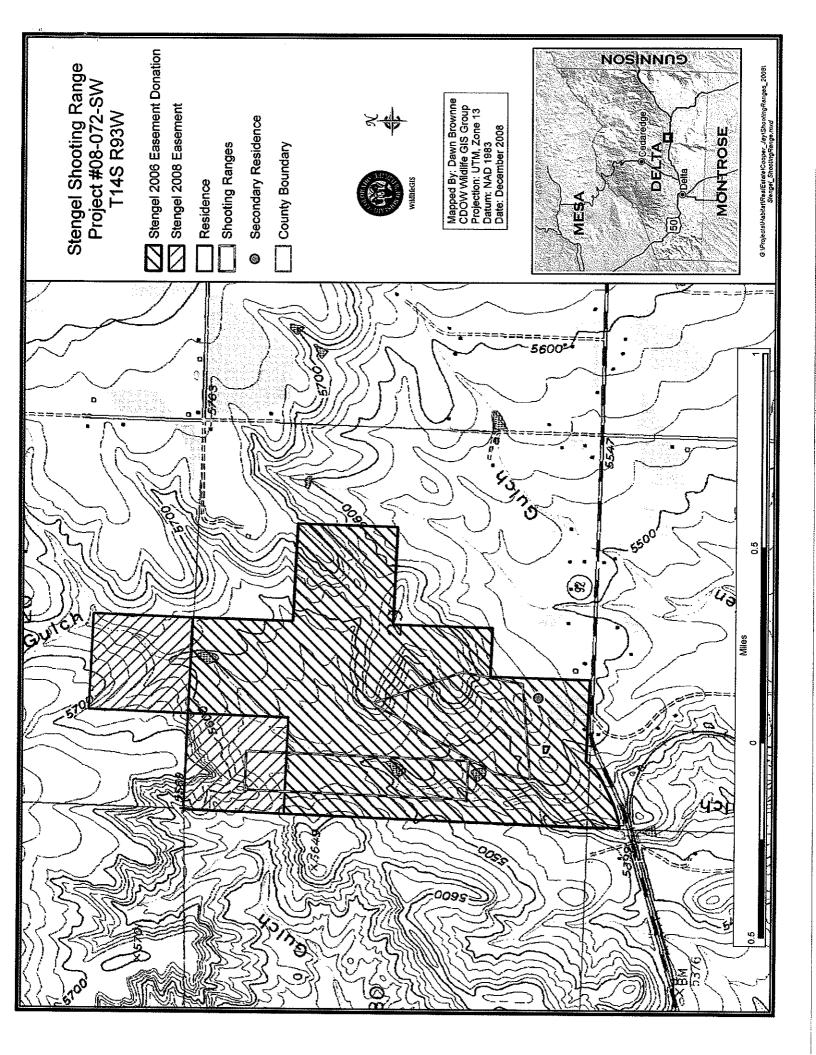
<u>Wind</u>: March, 2004, Colorado Governor's Office of Energy Management and Conservation, from US Department of Energy, National Renewable Energy Laboratory.

Wind, geothermal and solar energy development will be prohibited by the Conservation Easement.

The title commitment indicates that the mineral rights have been reserved in previous conveyances for Section 29 and for Section 20. With respect to previously severed mineral rights, the easement gives the Division of Wildlife the same legal rights as the Grantor to control impacts to the surface of the Property from mineral development by third parties who are developing such minerals. With respect to mineral rights retained by the owner, the easement prohibits "mining, drilling, or exploring for or extracting minerals, oil, gas, or other hydrocarbons, soils, sand, gravel, rock, ground water, or other materials on or below the surface of the Property."

Attachments:

- Map
- Concurrence letters



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STATE OF COLORADO

Bill Owens, Governor DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WILDLIFE

AN EQUAL OPPORTUNITY EMPLOYER

Bruce McCloskey, Director 6060 Broadway Denver, Colorado 80216 Telephone: (303) 297-1192



Senator Gail Schwartz Colorado State Capital 200 E. Colfax Ave Denver, CO 80203

April 20, 2009

RE: Stengel Conservation Easement/Life Estate Donation

Dear Senator Schwartz,

The Colorado Division of Wildlife (CDOW) is working with Gerhart (Casey) Stengel, who wishes to donate a conservation easement on 80 acres of his property, located about 6 miles west of Hotchkiss in Delta County. The donation will be to the CDOW and is being added to a previous donation of a life estate and conservation easement to protect the property's wildlife values and allow for operation of a shooting range.

The CDOW has a history of working with the Stengels. Casey has been involved with the Division of Wildlife for numerous years as a volunteer Hunter Education Instructor, on the Operation Game Thief (OGT) board of directors and host of many firearms training sessions including the annual "West Slope Shoot". Casey has also previously donated a life estate and conservation easement on 305 acres of his land. This donation was completed in 2007 and allows the Stengel's to reside on the property throughout their lifetime. Upon their passing the property reverts to the DOW.

To facilitate this donation, we are requesting your support for the additional 80 acre donation of the easement and life estate. I am including a concurrence statement and signature line for you at the bottom of this letter. This letter will be included in the real estate package sent to members of the Wildlife Commission and Capital Development Committee for their consideration. I have also sent a similar request to Representative Tipton and the Delta Board of County Commissioners. The letter can be sent to:

Jay Cooper, Real Estate Specialist Colorado Division of Wildlife 6060 Broadway Denver, CO 80216 Fax: (303) 291-7456

It would be extremely helpful if the letter were to Jay by May 15.

Mr. Stengel desires to donate the conservation easement to preserve the land in a primarily open and undeveloped condition compatible with the shooting ranges that he presently operates.

If you have any questions, please contact me at (970)641-7069. Thank you for your consideration and support.

Sincerely,

J Wenum

Area Wildlife Manager-Gunnison

Cc:

Jay Cooper-DOW Real Estate Tom Spezze, SW Region Manager

I support the above referenced Conservation Easement and life estate donation of 80 additional acres by Gerhart (Casey) Stengel to the Colorado Division of Wildlife.

Senator Gail Schwartz-Dist. 5

STATE OF COLORADO

BIII Owens, Governor DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WILDLIFE

AN EQUAL OPPORTUNITY EMPLOYER

Bruce McCloskey, Director 6060 Broadway Denver, Colorado 80216 Telephone: (303) 297-1192



Representative Scott Tipton Colorado State Capitol 200 E. Colfax Denver, CO 80203

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DEPARTMENT OF NATURAL RESOURCES, Russell George, Executive Director
WILDLIFE COMMISSION, Jeffrey Crawford, Chair • Torn Burke, Vice Chair • Ken Torres, Secretary
Members, Robert Bray • Rick Enstrom • Philip James • Claire O'Neal • Richard Ray • Robert Shoemaker
Ex Officio Members, Russell George and Don Ament

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J Wenum

Area Wildlife Manager-Gunnison

Cc: Jay Cooper-DOW Real Estate
Tom Spezze, SW Region Manager

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I support the above referenced Conservation Easement and life estate donation of 80 additional acres by

Gerhart (Casey) Stangel to the Colorado Division of Wildlife.

Representative Scott Tipton, Dist. 58

STATE OF COLORADO

Bill Owens, Governor
DEPARTMENT OF NATURAL RESOURCES

DIVISION OF WILDLIFE

AN EQUAL OPPORTUNITY EMPLOYER

Bruce McCloskey, Director 6060 Broadway Denver, Colorado 80216 Telephone: (303) 297-1192





APR 2 4 2009

Delta Board of County Commissioners Commissioner Olen Lund 501 Palmer St. Delta, CO 81416

April 20, 2009

RE: Stengel Conservation Easement/Life Estate Donation

Dear Commissioners,

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an McCracken

Wayne Wolf

Commissioner Dist

Delta County Board of Commissioners

Date