

Dec. 2, 2010 -- Property Transaction Proposal

Department of Natural Resources

Division of Parks and Outdoor Recreation

Roxborough Park Ranch

Douglas County

58.31 Acres

Within Roxborough State Park, west of the towns of Louviers and Sedalia

Section 33-10-107 (2), C.R.S. states:

In the event that the Board [of Parks and Outdoor Recreation] plans to acquire the fee title to any real property at a cost to exceed \$100,000 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 such property, the Board 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 Board and make recommendations to the Board concerning the proposed land transaction within 30 days from the day on which the report is received. The Board 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 purchase of the Roxborough Ranch Fee Title Acquisition (\$583,100 CF for 58.31 acres).

CDC Staff Questions

1. How will Parks make up the shortfall for the acquisition if it does not receive the \$183,100 GOCO open space grant?

First we would attempt to raise additional funding from private donation sources, or failing that we would use a combination of additional lottery and federal funds, which would involve diverting some of these capital funds which otherwise would have been used for statewide trails projects or capital development/ infrastructure projects. At the time of this submission, we have been notified by GOCO that the Projects Committee of the GOCO Board has already voted on and approved a resolution to award the open space grant, and this resolution will be submitted to the full GOCO Board for approval at their next meeting on December 8, 2010.

2. What is the Roxborough Park Ranch property's current use?

The subject property (58 acres) is currently zoned as agricultural land for property tax purposes, however the "highest and best use" of the property according to the appraisal is single-family residential with the possibility of constructing one house. An agricultural zoning designation in Douglas County permits a legal density of one dwelling unit per 35 acres.

3. Does Parks have future plans to acquire the other inholdings in Roxborough Park indicated on the map?

Yes, we do plan to acquire the other inholdings in the future, if and when opportunities arise to acquire them at a reasonable price and if we have the support of the local community, including adjacent landowners and elected officials. Most of the remaining inholdings are small in size (less than an acre) and would not command a high purchase price. Our preference would be to use GOCO grant funds for such acquisitions, or in the alternative, lottery and federal funds, or some combination thereof. With respect to the U.S. Forest Service inholding, there would likely be the potential to do a land exchange as opposed to a purchase.

4. At a time when the division is considering closing state parks due to funding shortfalls, why is the division continuing to add properties to its real estate portfolio, which carry with them maintenance costs?

Since FY 2008-09, Parks has been able to accommodate decreases in general fund support through cuts to FTE, reduction in administration, reductions in services at parks, increases in fees, and refinancing general fund support

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with severance tax revenues. Through these efforts, we have been able to maintain services to the public with minimal disruption. In the current fiscal year and in the Governor's proposed FY 2011-12 budget, the current size of the parks system is maintained.

However, the Parks Board has requested closer study of four parks for possible closure, as part of its five-year financial plan for State Parks. The Board wishes to develop an effective management plan in these uncertain fiscal and economic times.

With regard to the Goodwin property, the parcel has no immediate planned improvements and will have a minimal impact on the annual operational budget at Roxborough, estimated at approximately \$400. Given this minimal impact to the annual operating budget and that Parks is contributing only 17 percent to the purchase price of the property, the Board felt the Goodwin property is a wise investment. Notably, the Board approved action on this parcel at the same meeting it approved its five-year financial plan.

5. The request references potential conveyance of a conservation easement on a seven-acre parcel held by the owners of the Roxborough Park Ranch property. When might this take place?

Pending a successful closing on the purchase of the subject property in January 2011, we will immediately proceed to hire an appraiser to complete an appraisal for the conservation easement, which could be completed within two or three months (April 2011). During that time, we will negotiate the terms of the easement with the landowners and complete other required due diligence. When the appraisal is completed and if it is deemed acceptable to the landowners and State Parks, it is possible that we could close on the conservation easement by June 2011.

**COLORADO STATE PARKS
REAL ESTATE PROPOSAL
FISCAL YEAR 2010/2011**

PROJECT NAME: Roxborough Park Ranch

TRANSACTION TYPE: 58.31 acres fee title purchase

PROPERTY OWNER: David A. Goodwin Trust and Nancy O. Goodwin Trust

REGION/PARK: High Plains Region – Roxborough State Park

COUNTY: Douglas

LOCATION: The property lies within Roxborough State Park which is located on the edge of the foothills in northwest Douglas County, about 26 miles southwest of Denver. The Park lies east of the Pike National Forest, south of C-470 and Chatfield Reservoir/State Park, and west of Highway 85 (Santa Fe Dr.) and the towns of Louviers and Sedalia. The property is located a short distance south of the southern end of the Roxborough Park subdivision, on the west side of Douglas County Road 5.

PROPERTY DESCRIPTION: The entire ranch consists of approximately 65 acres and is mostly vacant except for one barn (~ 1,000 sq. ft.) on the northeast side. Colorado State Parks plans to purchase 58.31 acres on the west side that are completely vacant. Varying between 6,000 – 7,000 feet in elevation, the property is rolling to steep foothills with heavy ponderosa pine forest interspersed with more open areas and rock outcroppings. Willow Creek flows across the majority of the property. Although the landowners are not interested in selling the remainder parcel (~7 acres) to State Parks at this time, they are agreeable to conveying a conservation easement on that parcel to State Parks that will severely restrict future development of that parcel.

WATER RIGHTS: There are no water rights associated with the property.

MINERAL RIGHTS: Any mineral rights owned by the sellers will be included in the sale.

ACCESS: Pedestrian and vehicle access to the property will be provided primarily via Douglas County Road 5 which passes near the northeast corner of the property.

PROJECT PURPOSE: This property is currently ranked as the highest priority acquisition project in the state. As the largest private in-holding in the Park, acquisition of the property will fill the largest existing gap in the Park and allow Park staff to more easily maintain the southern portion of the Park. From a wildlife perspective, the elimination of this inholding will reconnect habitats and migration corridors. From a scenic open space perspective, acquisition of the property will prevent it from being sold to another private landowner for residential development. From a public

recreation perspective, a hiking trail could easily be constructed on the property that would add to the current Park trail system and enhance the overall recreation experience for Park visitors.

PROJECT HISTORY:

State Parks has a long history with the sellers, having purchased two other parcels from them in the past that are now part of the Park. Negotiations for the subject parcel began a year ago with David Goodwin, who passed away in February. Discussions continued thereafter with his wife Nancy who feels that State Parks is in the best position to maintain the land in its natural state. At this time, closing is tentatively set for January, 2011, at which time a purchase contract for the subject parcel and a conservation easement for the remainder parcel will be executed by the parties. The Parks Board approved the project at their November 5th, 2010 meeting.

PROPERTY VALUE:

The negotiated purchase price is \$583,100, which is supported by an appraisal obtained by State Parks in May.

FUNDING:

The purchase price will be paid from several sources:

- 1) FY09-10 and FY10-11 Great Outdoors Colorado (GOCO) grant for Park Improvements and Buffer Acquisitions (\$200,000);
- 2) GOCO Open Space Grant; application submitted in August, 2010; final decision expected in December, 2010 (\$183,100);
- 3) State Parks: combination of direct distribution lottery funds and federal funds (\$100,000; exact split TBD)
- 4) Friends of Roxborough non-profit association (\$100,000)

DEVELOPMENT COSTS:

No buildings or facilities will be constructed on the property. An existing hiking trail near the east boundary may potentially be improved and extended south from the county road at an estimated cost of \$2,000, but this won't be for several years. Signs will be posted soon after closing at an estimated cost of \$500.

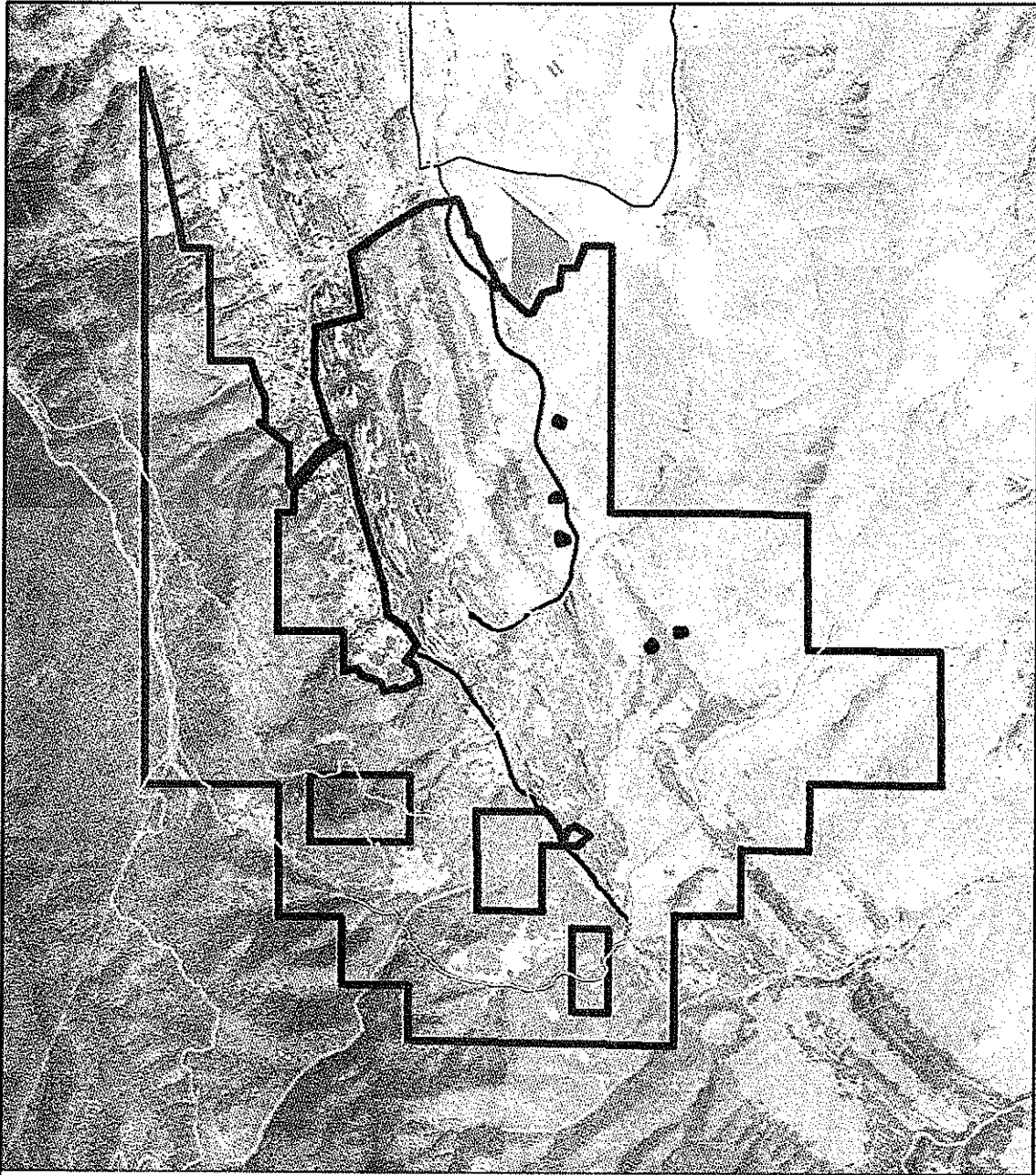
OPERATIONS COSTS:

Due to the lack of any buildings or facilities on the property, annual operations costs will be minimal and consist primarily of weed control, forestry management, and revegetation (~\$400) to be paid for out of the existing natural resource budget allocated to the park.

PUBLIC SUPPORT:

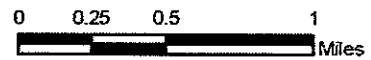
State Parks has already received letters of support for the project from the Douglas County Commissioners, Douglas County Open Space, the Colorado Division of Wildlife, the Friends of Roxborough, and One Roxborough. Additional letters are being solicited from local legislators Senator Ted Harvey (District 30) and Senator Mark Scheffel (District 4) and Representative-Elect Chris Holbert (District 44). Copies of all letters will be provided at the CDC meeting.

Park Map

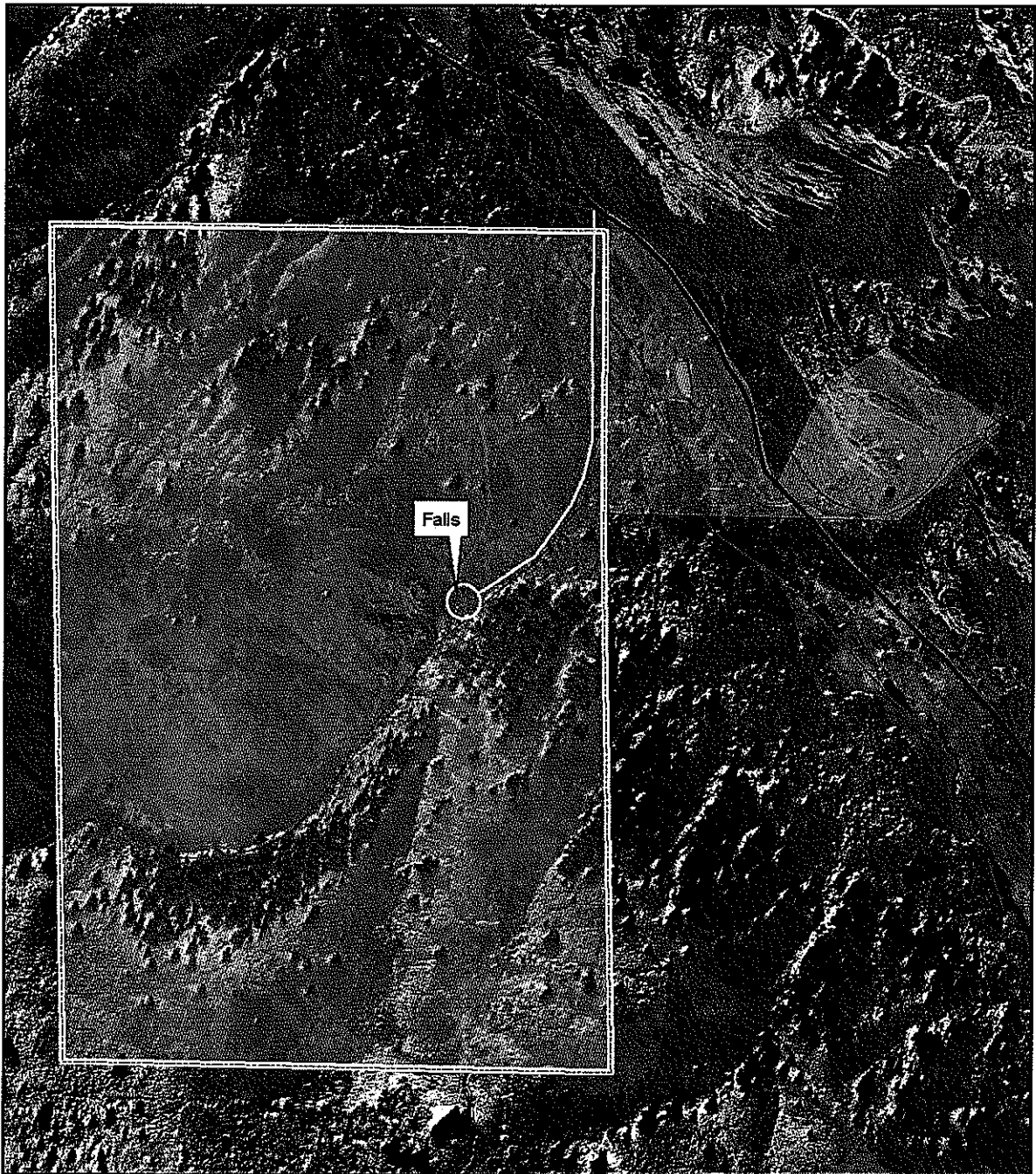


Park Map




-  Roxborough Park Ranch
-  Park Boundary
-  Park Roads
-  Trails
-  Streams






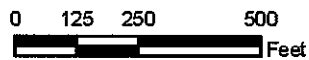
Parcel Map



Parcel Map

-  Subject Parcel
-  Roxborough Park Ranch
-  Park Roads

-  Potential Trail
-  Trails
-  Streams



Photos

