

STATE OF COLORADO

BOARD OF LAND COMMISSIONERS

Department of Natural Resources

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**Managing
State Trust Lands
Since 1876**

DATE: Wednesday, January 21, 2009
TO: Members of the Joint Budget Committee
Members of the Senate Education Committee
Members of the House Education Committee
Other Interested Persons
FROM: Tobin Follenweider, Chief Financial Officer,
State Board of Land Commissioners
RE: 2009 Investment and Development Fund Report

Bill Ritter, Jr.
Governor

Harris D. Sherman
Department of Natural Resources
Executive Director

John Brejcha
State Board of Land Commissioners
Acting Division Director

This memorandum serves as the draft of the 2009 Investment and Development Fund report required by 36-1-153, C.R.S. Since 2005, the Board has authorized 21 projects and \$3.0 million in expenditures from the Fund. Projects enhance land value and annual income for the School Trust beneficiaries.

The following are the accomplishments and projected performance of the Investment and Development Fund for the School Trust:

- Accomplishments
 - \$1.6 million increase in average annual income
 - \$6.0 million increase in asset value
- Total Projected Fund Performance
 - Net Present Value (NPV) \$17.5 million
 - Annual rate of return (IRR) of individual projects between 8% and 400%
 - Projected increase in annual revenue of \$3.5 million for all approved projects
 - Projected increase in land value¹ of \$18.2 million for all approved projects
- Budget and Expenditures
 - Twenty-one approved (21) projects (11 completed)
 - Fourteen (14) revenue enhancement projects
 - Seven (7) value enhancement projects
 - \$12.0 million total investment
 - \$3.0 million from Investment and Development Fund
 - \$9.0 million from other sources²
 - 4.0 FTE hired or reallocated to fund activities

¹ Please note that land value projections have been adjusted based on current economic conditions

² Other sources include SLB base budget, property replacement funds, and/or other funds to complete the project and realize the return