

Parks & Open Space

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PARKS & OPEN SPACE ADVISORY COMMITTEE MEETING

Time/Date of Meeting: 6:30 p.m., Thursday, October 27, 2022

TO: Parks & Open Space Advisory Committee

FROM: Sandy Duff – Senior Land Officer

AGENDA ITEM: Heil Valley Ranch-State Land Board Parcel Acquisition

ACTION REQUESTED: Recommendation to the BOCC

For much longer than Parks & Open Space's history of stewarding open space, the land in this community has been important to the diverse Indigenous communities that continue to thrive here. We are partnering with Indigenous people to make meaningful changes to how we do our work that include Indigenous people, incorporate their perspectives, and honor their land stewardship legacy.

Summary

Boulder County proposes to acquire fee title to 586 acres lying within Boulder County's Heil Valley Ranch open space property. These 586 acres are owned by the State of Colorado and are managed by the Colorado State Land Board. The total purchase price is \$10,840,000 including an agreement not to develop the mineral rights. The property has an address of 2400 County Road 73J and is located approximately 3 miles north of the intersection of Geer Canyon Road and Lefthand Canyon Drive, within the 5,143-acre Heil Valley Ranch open space. Staff supports this acquisition.

Background Information

In the 1880s, homesteading of the Heil Valley Ranch area began. Then in 1949, the Heil family purchased the land, and cattle and horses soon roamed the area. Later on, quarrying, hunting, horseback and hay rides were taking place at the property. The University of Colorado leased out the Ingersoll quarry for many years, and the sandstone rock from that quarry were used in buildings and improvements on the CU Boulder campus today. Boulder County acquired Heil Valley Ranch in a phased deal spanning from 1994-1996. The overall purchase of 4,934 acres was \$8.76 million. Then in 2012, Boulder County purchased an additional 209-acre parcel for \$6 million, paying a total of \$14,560,000 for 5,143 acres.

This parcel has no sale history as it was created during Colorado's statehood in 1876 when the Colorado Constitution created the Colorado State Board of Land Commissioners (State Land Board) to manage lands that were granted by the federal government to Colorado in public trust. This included lands in sections 16 and 36 in every township across Colorado.

The State Land Board disposed of the western half of the northwest quarter of Section 36 at Heil Valley Ranch in 1936. That quarter section is now part of the Heil Valley Ranch open space. Boulder County has leased the State Land Board's remaining 560 acres since 1998.

Deal Terms

On June 16, 2022, the State Land Board unanimously approved commencing the process of transferring two parcels of land to Boulder County through a direct to local government transaction. The State Land Board infrequently disposes of trust lands and does so only when there is a clear benefit to the State Land Board's trusts. State Land Board staff believe that the longstanding lease of the property for public open space makes any alternative future use or development unlikely.

The second parcel the State Land Board approved for sale to Boulder County is at Bald Mountain, which is described in a separate staff memo for presentation to you at this same POSAC meeting.

This parcel has been appraised at \$10,550,000, for the land. There are no water rights with this property. Boulder County will not acquire the mineral rights with this property because the State Land Board is constitutionally prohibited from selling them. Instead, the State Land Board has agreed to enter into a 99-year non-development agreement with the county for the appraised value of \$290,000. The combined purchase price of \$10,840,000 equates to \$18,498/acre.

In 2015, Boulder County negotiated for a portion of its annual lease payments for the Heil Valley Ranch and Bald Mountain parcels to be credited toward the county's purchase price of the properties. For ease of closing, the credit will be calculated and applied to the closing on the Bald Mountain parcel. The credit amount will be approximately \$650,000. This transaction will be paid for with open space sales and use taxes, which Boulder County can only use for open space purposes.

Acquisition Summary

| Acres | Water Rights | # Building Rights County Will Acquire | Price per Acre | Water Right Value | Total Purchase Price |
|-------|-----------------|---------------------------------------|-------------------|----------------------|-------------------------|
| 586 | N/A | 16 | \$18,498 acre | N/A | \$10,840,000 |

A Phase I environmental assessment will be completed, and if the results show any mining hazards on the property, staff will notify the State of Colorado's Division of Mining, Reclamation and Safety for formal closure of those hazards. Parks & Open Space will use the Phase I report to determine whether any portions of the property need to be closed to public use for public safety reasons.

Oil & Gas Leases

The property is not subject to an oil and gas lease.

Boulder County Comprehensive Plan Designations

The Boulder County Comprehensive Plan (Comp Plan) provides information about the area's agricultural, cultural, environmental, and other open space resources (including passive recreation, community buffers, and scenic viewsheds). Maps in the Comp Plan indicate the

following designations of these resources near the property: B1 Outstanding Biodiversity Significance – Red Hill for B2 -Very High Biodiversity Significance, Lykins Gulch South St. Vrain Environmental Conservation Area, Significant Natural Communities, Riparian Areas, Critical Wildlife Habitats, Wetlands, and Rare Plant Areas.

Potential Uses

Like all properties acquired for open space, the property will be managed for an open space use. At this time, the property is used for recreational activities through the Heil Valley Ranch trail system. The property will remain open to public use and will be operated under the Rules and Regulations of Boulder County Open space.

Staff Recommendation

Staff recommends approval. Boulder County has been leasing the Heil Valley Ranch State Land Board Parcel since 1998, and this particular open space property is one of the flagship properties in the county's open space program. The county has already constructed a widely used trail system throughout the parcel and has done extensive forestry work on it. Hiking, horseback riding, mountain bike riding, and picnicking are all existing passive recreational uses on this crown jewel.

By securing the fee title of the parcel, the county will be able to protect the property in perpetuity, confident that the property cannot be subdivided and sold. The opportunity has now come up to purchase the property, and it is very important to acquire the property to protect it from development. Heil Valley Ranch was the "poster" property illustrating to the public the need for a countywide open space sales and use tax. Acquisition of this parcel will complete the county's efforts to protect this iconic property.

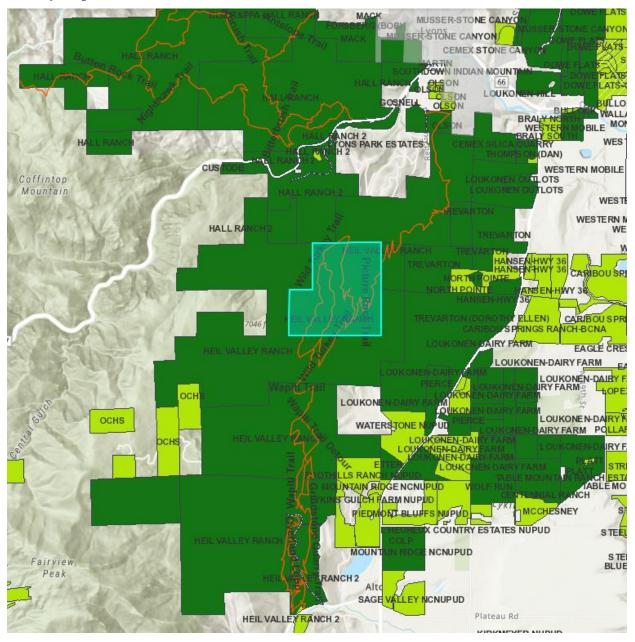
POSAC Action Requested

Recommendation to the Boulder County Commissioners for approval of the acquisition of the State Land Board Heil Valley Ranch parcel as described above and as further described by staff at the POSAC meeting.

Suggested motion language: I move approval of the acquisition of the property as staff has described.

(see next pages for maps)

Vicinity Map



Close-Up Map

