

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 7

DATE: November 29, 2005

STAFF: Daylan Figgs
Mark Sears

SUBJECT

First Reading of Ordinance 160, 2005 Authorizing the Lease of Portions of Soapstone Prairie Natural Area to Folsom Grazing Association.

RECOMMENDATION

Staff and the Natural Resources Advisory Board recommend the adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

Folsom will pay an annual rate \$38,448 (\$10.68/AUM) or \$115,344 over the life of the lease. Additionally Folsom agrees to provide, on an annual basis, up to \$1,000 in labor for dalmation toadflax control and \$1,000 in labor for ranch improvements. A ranch manager employed by Folsom will live on site for the duration of the lease and will be responsible for site security, maintenance of fence and stock tanks, participation in rangeland monitoring programs, gathering information on weather patterns and participating in up to six public tours of the ranch annually. The City will credit Folsom up to \$600 per month for services provided by the ranch manager.

EXECUTIVE SUMMARY

This Ordinance authorizes a grazing lease on approximately 16,450 acres (12,588 Soapstone, 3,862 Colorado Lease Lands) located within the Soapstone Prairie Natural Area to the Folsom Grazing Association beginning on January 1, 2006 and ending December 31, 2008. The lease was awarded through a competitive request for proposal process.

The duration of this lease corresponds to the opening of Soapstone Prairie to the public in 2009. The interim lease was designed to continue grazing as a habitat management tool while other portions of the Soapstone Management Plan were developed. This ensures that any future grazing plans will be developed to minimize conflicts with recreation use and other management objectives of the Natural Area.

BACKGROUND

In 2003, the City acquired 12,579 deeded acres in Colorado from the Soapstone Grazing Association as well as the ability to lease 3,873 acres of land owned by the State Land Board, for a total of 16,452 acres in Colorado. The Soapstone Grazing Association retained ownership of the 10,483 acres of the original Soapstone Ranch that are located in Wyoming.

As part of the purchase agreement, Soapstone Prairie Natural Area is currently leased for grazing by the Folsom Grazing Association and the Soapstone Grazing Association (both associations are made up of former members of Soapstone Grazing Association). Folsom was selected for the grazing lease through an Request for Proposals process in August 2005.

The term of this lease shall be for a period of one year, commencing as of 12 noon on the 1st day of January, 2006. The term of the Lease shall automatically renew each year for an additional year, continuing until 12 noon on the 31st day of December, 2008. However, either party may cancel this lease at any time upon 180 days advanced written notice. Also, the City reserves the right to perform management activities at any time during the year including the grazing season as well as the right to open Soapstone Prairie Natural Area to public use at any time during this lease. These provisions will allow Natural Areas staff to design and construct necessary public improvements during this grazing lease.

The duration of this lease corresponds to the opening of Soapstone to the public in 2009. This interim lease was designed to continue grazing as a habitat management tool while other sections of the Soapstone Management Plan were developed. During this interim period, an overall management plan will be developed that integrates grazing and other habitat management activities with recreational use of the property such as hiking, bicycling, horseback riding, education, and wildlife viewing.

The Natural Resources Advisory Board (NRAB) considered the lease at its September 5, 2005 meeting, and voted unanimously to recommend approval of the Ordinance. The minutes of the NRAB meeting are attached.

**MINUTES
CITY OF FORT COLLINS
NATURAL RESOURCES ADVISORY BOARD
Regular Meeting
200 W. Mountain, Suite A
October 5, 2005**

For Reference: Nate Donovan, NRAB Chair - 472-1599
Ben Manvel, Council Liaison - 217-1932
John Stokes, Staff Liaison - 221-6263

Board Members Present

Linda Knowlton, Gerry Hart, Glen Colton, Clint Skutchan, Randy Fischer, Ryan Staychock, Rob Petterson, Nate Donovan

Board Members Absent

Joann Thomas

Staff Present

Natural Resources Dept: John Stokes, Mark Sears, Terry Klahn, Daylan Figgs

Guests

Ann Hutchinson
Several CSU students
Elizabeth Pressner

Agenda Review

Randy Fischer has a few items to bring up under "New Business".

Public Comments

None

Review and Approval of Minutes:

September 7, 2005 –The minutes of the September 7, 2005 meeting were unanimously approved as written

September 21, 2005 - With the following changes the minutes of the September 21, 2005 meeting were unanimously approved:

- Show Jerry Hart as absent instead of present

Soapstone Lease, Daylan Figgs

Figgs showed a powetpoint presentation that gave history and background of the ranching/grazing operations at Soapstone and provided details regarding the new lease.

- Petterson: Are the fees in line with what other grazing leases charge?
- Figgs: Yes, private lease rates are somewhat higher.
- Knowlton: How do you see this working when the area opens up to the public?
Where's the grazing going to be, and how will it relate to the public?

- Figgs: We're still talking about that. Will it be intermingled, or will there be trail closures? There are places where cattle grazing may not be compatible, such as parking lots, day use areas, maybe campgrounds. The management plan needs to address that.
- Hart: Can the lease permit be modified to reflect the management plan?
- Figgs: Yes, year to year. We wanted to maintain flexibility.
- Knowlton: Right now how much change is there to the grazing? Shorter periods of grazing, fewer cows?
- Figgs: The number of cattle may go down by about 100. The length of the season is about the same. We looked at it pasture by pasture. It rotates differently and how we rest the pastures.
- Knowlton: Was he amenable to the change?
- Figgs: It was understood in the rfp process.
- Stokes: We did a RFP. Four were submitted. It was a formal process with each bidder. We evaluated their responses. Folsom Grazing is the successor grazing association to Soapstone. They came in with far and away the best proposal. We all have to rate those proposals independently.
- Skutchan: If you have to back off the grazing, what's the concern?
- Figgs: They have indicated there is a bottom line point. There's a lot of other interest. Everyone's bottom line is different.
- Skutchan: That's a very specialized niche, it might be hard finding someone who can fulfill them. What is the back up plan?
- Figgs: We would have to assess if all of the features are needed, stocking rates, etc. The back up plan would be to continue to look for a grazer.
- Skutchan: They have a year to back out?
- Stokes: It's a relatively short term lease for grazing. Typically agricultural leases are longer. They have to tool up. Its all tied into other land in Larimer County. It gets complicated on their end. Our approach is to write the management plan for the next 3 years. This is a three (3) year term for us to get a little breathing space, and continue to have the property grazed.
- Colton: Is all of the fencing in place?
- Figgs: It's pretty much all in place. For rest phases we may have to add some fence. We're looking at fencing options. We're trying to lower the cost as much as we can. The fences will be wildlife friendly. The lessee understands it's a natural area, and not a ranch.
- Staychock: Do you see any opportunities to use grazing animals that are not cows?
- Figgs: We've had discussions about sheep, intense grazing in a small area.
- Staychock: Would you use moveable fence?
- Figgs: We had a discussion with a gentleman who has done sheep grazing. He uses moveable fence if needed, but usually can get away with a herder.
- Donovan: Is there a target date for the public opening?
- Stokes: 2009.
- Donovan: When you talk about pastures, would most or all of the animals that are part of the lease be on a certain pasture, or would they be broken up?

- Figgs: Usually on two to three pastures. It depends on the size.
- Fischer: Who would be the decision maker on the staff level that would interface with the grazing association manager to make running decisions when its time to be moving things around?
- Figgs: Primarily, me.
- Fischer: I'm trying to get a level of comfort. Given climatic variables and the possible need to take cattle off earlier, who has the ultimate authority to say that?
- Figgs: The City of Fort Collins does. Its spelled out in the lease.
- Stokes: When we went through the midst of the drought, they removed 70% of the stock. They've been pretty conservative on how they manage that place. They've done a good job.
- Fischer: What about predator control. If there's a perceived need to do that, who will make that decision?
- Figgs: They're not allowed to in the lease. I suppose that decision would be made by discussions in the natural areas program.
- Stokes: Its disallowed in the lease. They never expressed any concern.
- Fischer: Is the term of the lease tied to when this opens to the public. Is the idea that we would not open to the public till the lease is finished, or the other way around?
- Stokes: The lease is a 3 year lease. It starts in 2006. We hope to open to the public in 2009. We're hoping by 2008 we'll be ready to re-craft the lease. Our objective number 1 is to enhance the habitat. Grazing and fire are processes that are integral. What we'll do in 2008 is re-evaluate where we are, see how we can make it all work together.
- Fischer: My point is I don't want to lock us into a position where we cant allow public access sooner.
- Stokes: No, we wouldn't do that.
- Knowlton: When will the overall management plan be finished?
- Stokes: In 2008, so we can open in 2009.
- Donovan: What state of drafting is the lease in?
- Figgs: Its complete.
- Donovan: Can we see it? (Donovan & Staychock would like email copies of the lease).
- Staychock: When it comes to the master plan my concern is in the fencing. It doesn't seem like it would be too difficult to get volunteers to make the fences.
- Figgs: We make sure there is free flow. Gates are commonly left open when there are no cattle present. Our goal is to make sure our fences are easily passed through by wildlife.
- Staychock: How long has Frank been up there?
- Figgs: About ten years.
- Staychock: Is there some entity who has been there for a long time, that maybe we can gather input from?
- Figgs: The people of Folsom have been ranching in Colorado for a long time. Two members have been there for over 40 years, several more for twenty years. There's a lot of history in the grazing association.

- Stokes: We're trying to collect stories, and doing interviews. We've applied for a state historic grant to do a cultural resource survey. We would like to do it simultaneously with the County on their Red Mountain Property. We plan to do more oral interviews.
- Stokes: Keep in mind, one of our options is to work with the County to do a unified grazing plan. We'll be talking to them for the next couple years.
- Skutchan: What about the Wyoming property?
- Stokes: The Gallegos are pretty independent. They didn't bring in a rfp at all. The City of Cheyenne has talked about a unified management approach. The vision is we'll be able to have cross-boundary recreation access.

Linda Knowlton made the following motion:

Move the that Natural Resources Advisory Board recommends that City Council pass an Ordinance granting Folsom Grazing Association the right to lease 16,450 acres located on Soapstone Prairie Natural Areas as specified herein for the consideration of \$115,344.

The motion was seconded by Ryan Staychock and passed unanimously.

- Hart: I would speed up the public access as much as I could.
- Fischer: I would echo that. 2009 is too far out. It needs to get opened to the public. I don't advocate opening areas before we're ready, but I would try to expedite the preparations for public access. There's a whole variety of reasons it would be beneficial to get it open.
- Stokes: I agree. I have no objection to that.
- Staychock: I would also echo that, and would suggest that we keep the grazing.

Ordinance Creating the Land Conservation & Stewardship Board, John Stokes

- Knowlton: Why do you need our recommendation?
- Stokes: I don't necessarily. But this board had indicated some desire to see it at a regular meeting so that it could, if it desired, make a recommendation to Council. This will be an ordinance. There are four core functions of the new Land Conservation & Stewardship Board.
- Knowlton: I'm wondering about the propriety of us doing that. Have other boards made recommendations about the creation of boards?
- Fischer: We've discussed our own bylaws. We are the predecessors of that board.
- Fischer: I'm not sure how the clause relates. Is there something grammatically incorrect?

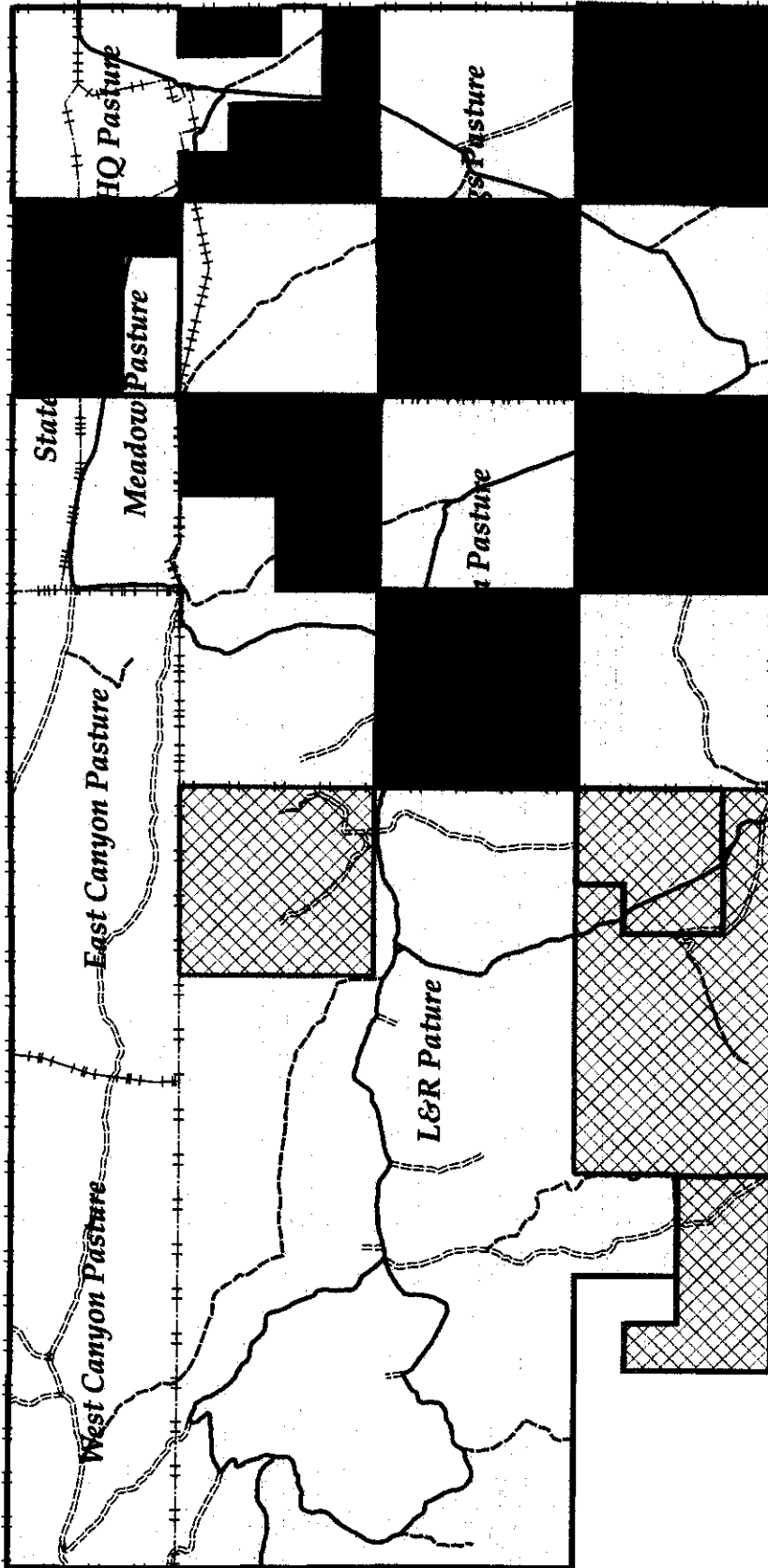
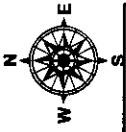
Randy Fischer made the following motion:

Move that the Natural Resources Advisory Board recommend Council adoption of the functions of the Land Conservation & Stewardship Board as stated here, with a possible clarification of Item 2.

The motion was seconded by Jerry Hart and passed unanimously.



Soapstone Prairie Natural Area



Legend

- State Land Board (stippled box)
- Excluded Pastures (cross-hatched box)
- Roads (dashed line)



Scale 1:24,000

ORDINANCE NO. 160, 2005
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE LEASE OF PORTIONS OF
SOAPSTONE PRAIRIE NATURAL AREA TO
FOLSOM GRAZING ASSOCIATION

WHEREAS, the City of Fort Collins, Colorado (the "City"), is the owner of approximately 12,579 acres of land known as Soapstone Prairie Natural Area (the "City Property"), and is the lessee of 3,873 acres of land owned by the State Land Board (the "Land Board Property") all in northern Larimer County, Colorado (together referred to herein as "Soapstone Prairie Natural Area" or the "Natural Area"); and

WHEREAS, in order to continue grazing as a habitat management tool while the management plan for Soapstone Prairie Natural Area is being completed, staff has proposed to lease portions of the City Property described on Exhibit "A" attached hereto and incorporated herein by this reference (the "Lease Property") and sublease the Land Board Property described on Exhibit "B" attached hereto and incorporated herein by this reference (the "Sublease Property") to a local grazing association through 2008; and

WHEREAS, after requesting and reviewing proposals for said lease arrangement, City staff has selected Folsom Grazing Association, the current lessee on portions of the proposed lease area, for the grazing lease; and

WHEREAS, staff has negotiated with Folsom Grazing Association a lease for the period beginning in January 2006 and renewable annually through the end of 2008, by which the City will lease the City Property for grazing; and

WHEREAS, a copy of the negotiated grazing lease agreement dated November 21, 2005 (the "Grazing Lease Agreement") is on file in the Office of the City Clerk and available for public review;

WHEREAS, in order to sublease the Land Board Property to Folsom Grazing Association through 2008 a sublease form must be completed and approved by the State Land Board; and

WHEREAS, pursuant to Section 23-114 of the Code of the City of Fort Collins, the Council is authorized to lease any and all interests in real property owned in the name of the City, provided that Council first finds that the lease is in the best interests of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the proposed lease of the Leased Property and sublease of the Sublease Property to Folsom Grazing Association is in the best interests of the City.

Section 2. That the City Manager is hereby authorized to execute a lease agreement in substantially the form of the Grazing Lease Agreement, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City and consistent with the terms of this Ordinance.

Section 3. That the City Manager is hereby authorized to execute a sublease agreement to sublease the Sublease Property to Folsom Grazing Association, in a form acceptable to the State Land Board and consistent with the terms of this Ordinance.

Introduced, considered favorably on first reading, and ordered published this 29th day of November, A.D. 2005, and to be presented for final passage on the 20th day of December, A.D. 2005.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 20h day of December, A.D. 2005.

Mayor

ATTEST:

City Clerk

LEGAL DESCRIPTION

Township 11 North, Range 68
West of the 6th P.M.

Section 5: ALL

Township 12 North, Range 68 West of the 6th P.M.

Section 19: All in State of Colorado

Section 20: S 1/2 SW 1/4 and SW 1/4 SE 1/4

Section 21: All in State of Colorado

Section 28: NE 1/4 NW 1/4, W 1/2 NE 1/4 and N 1/2 SE 1/4

Section 29: ALL

Section 30: NW 1/4

Section 31: ALL

Section 33: ALL

Township 11 North, Range 69 West of the 6th P.M.

Section 1: ALL

Section 4: NE 1/4

Township 12 North, Range 69 West of the 6th P.M.

Section 20: All in State of Colorado

Section 21: All in State of Colorado

Section 22: All in State of Colorado

Section 23: All in State of Colorado

Section 24: All in State of Colorado

Section 25: ALL

Section 27: ALL

Section 28: ALL

Section 29: ALL

Section 32: ALL

Section 33: ALL

Section 34: ALL

Section 35: ALL

TOWNSHIP 11 NORTH - RANGE 68 WEST

Section 4	Lot 1	78.22	acres
	S2NE	80.00	"
	Lot 2	78.18	"
	S2NW	80.00	"
	S2	320.00	"
Section 6	Lot 1	78.80	"
	S2NE	80.00	"
	Lot 2	39.70	"
	Lot 3	75.90	"
	SENE	40.00	"
	NESW	40.00	"
	Lot 4	76.30	"
	SESW	40.00	"
	SE	160.00	"

TOWNSHIP 12 NORTH - RANGE 68 WEST

Section 20	Lots 1 - 4	50.78	"
	S2N2	160.00	"
	N2S2	160.00	"
	SESE	40.00	"
Section 28	E2NE	80.00	"
	NWNW	40.00	"
	S2NW	80.00	"
	SW	160.00	"
	S2SE	80.00	"
Section 30	NE	160.00	"
	S2	314.88	"
Section 32	All	640.00	"

TOWNSHIP 12 NORTH - RANGE 69 WEST

Section 36	All	640.00 acres
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The Premises are leased only for the following purposes by Lessee:

A.	For grazing purposes	3,872.76 acres
B.	For Irrigated agricultural purposes	0.00 acres
C.	For dryland agricultural purposes	0.00 acres
D.	For other purposes	0:00 acres
	Total	3,872.76 acres