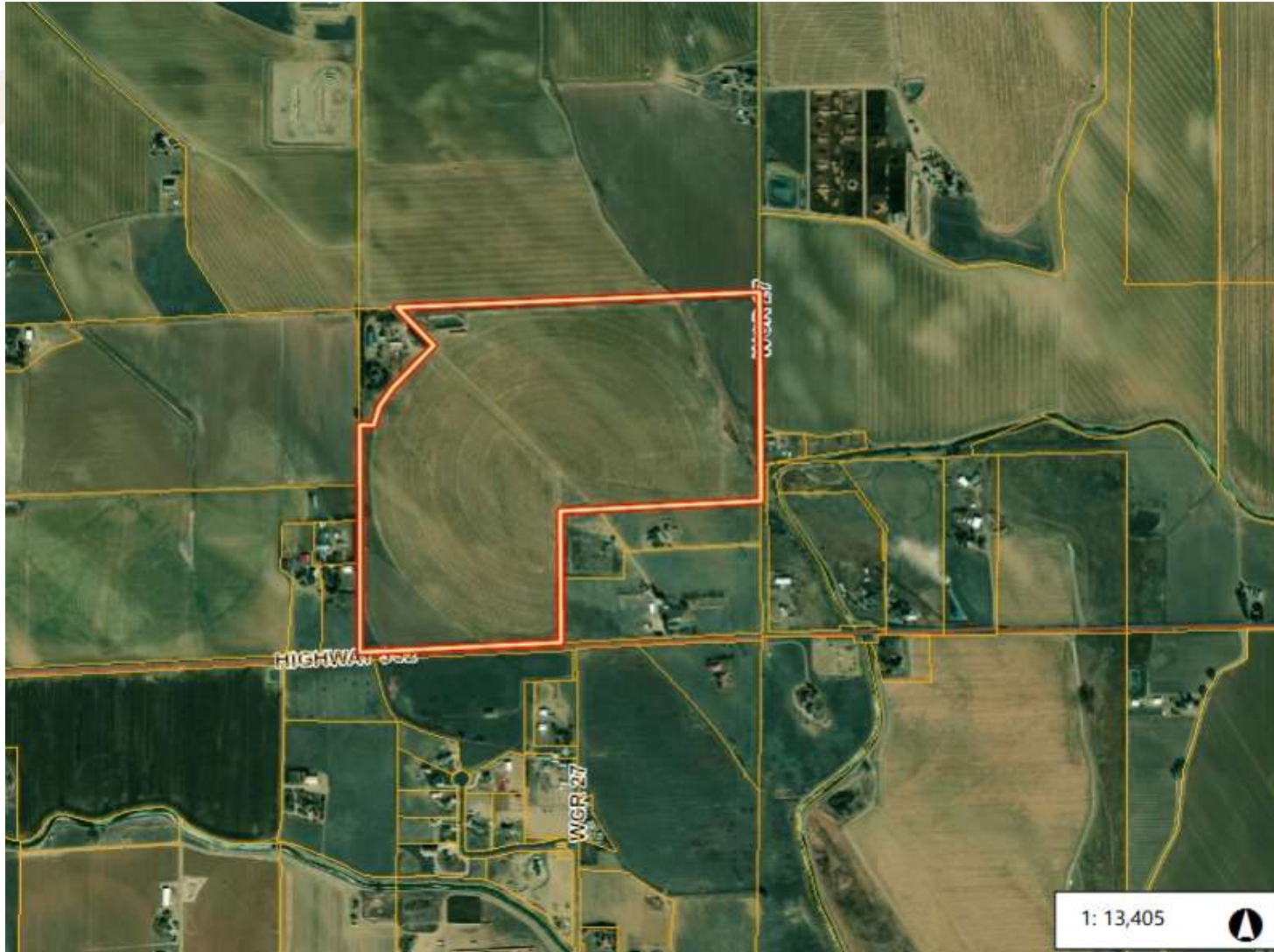


Thayer Farm Property Divestment



June 15th, 2022

Thayer Farm Property Divestment

- Greeley acquired the 131 +/- acres Thayer Farm in early 2020. Purchase included 3 shares of LWIC and 4 shares of WRCC
- Total Purchase price was \$2,770,000
 - In 2019 127acres +/- acres plus water rights appraised for \$2,530,000
 - Water appraised for \$1,320,000
 - Land appraised for \$1,206,500 (\$9,500 per acre)
- Paid above appraisal due to rapidly escalating water and land values. The water rights had an estimated value of around \$1,550,000 by March of 2020
- Current offer for dry land only – \$1,400,000 (\$10,600 per acre)



Thayer Farm Property Divestment

- Offer aligns with dry land values in that area
- Buyer is acquiring the property as an investment
- \$15,000 earnest money
- 5% brokerage commission
- Buyer pays for most diligence, Greeley pays for title commitment
- City obtains dry-up and revegetation covenants
- Leaseback (3 shares of LWIC and 4 shares of WRCC)
 - One year lease, with option to renew annually for four additional years



Recommendation

- Benefits of divestment:
 - Reduces maintenance overhead
 - Could seek to re-appropriate sale proceeds for additional water acquisition
- Staff recommends the Water and Sewer Board approve and recommend to City Council the Thayer Farm divestment





Questions?

