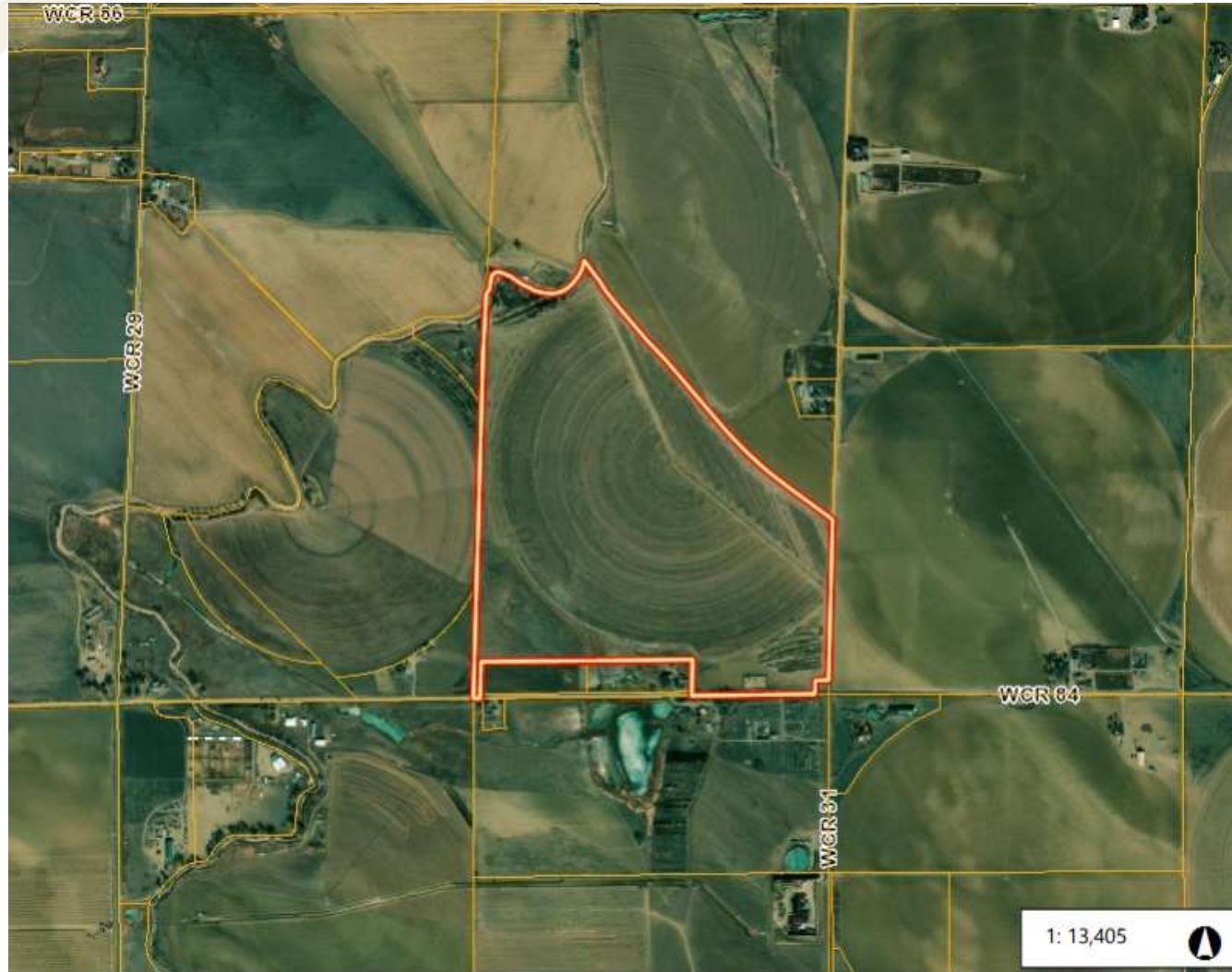


# Balmer Farm Property Divestment



April 20<sup>th</sup>, 2022



# Balmer Farm Property Divestment

- Greeley acquired the 139 +/- acres Balmer Farm in 2016.
  - Part of the Danielson Farms acquisition, which included two other farms totaling 332 acres and 3 shares of Water Supply and Storage (WSSC).
- Total Purchase price in 2016 for 332 acres and 3 shares WSSC: \$3,925,000
  - WSSC – \$1,800,000 (\$600,000 per share)
  - Improvements – \$500,000
  - Land – \$1,625,000 (\$4,890 per acre)
- Current offer for dry land only – \$850,000 (\$6,200 per acre)



# Balmer Farm Property Divestment

- Buyer is acquiring the property as an investment
- \$10,000 earnest money
- 5% brokerage commission
- Buyer pays for most diligence, Greeley pays for title commitment
- City obtains dry-up and revegetation covenants
- Leaseback (2 shares of WSSC)
  - 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 Balmer Farm divestment





Questions?

