

**AGENDA
CITY OF LARAMIE, WYOMING
CITY COUNCIL WORK SESSION
CITY HALL
JUNE 6, 2016 6:00 pm**

City Council Meetings are open to the public. Requests for accommodations from persons with disabilities must be made to the City Manager's Office 24 hours in advance of a meeting.

1. PUBLIC HEARING

**1.A. PUBLIC HEARING: Monolith Ranch Proposed Sale
[Derragon]**

Documents: [PH Proposed Sale to MCC 6-7-16.pdf](#)

2. WORKSESSION

**2.A. WORKSESSION: Monolith Ranch Proposed Sale
[Derragon]**

Documents: [Cover Sheet - Monolith Ranch Work Sesssion 6-6-16.pdf](#)

NOTICE OF INTENDED SALE OF REAL ESTATE

COMES NOW the City of Laramie, Wyoming and, pursuant to the provisions of Wyoming Statute section 15-1-112(d), provides public notice of a proposed sale of undeveloped public property described below with an appraised value of \$397,500 to Mountain Cement Company, without calling for bids on the property for the reasons that such sale is for a use which the governing body determines will benefit the economic development of the municipality. The property is described as: 722.60 acres located on the Monolith Ranch owned by the City of Laramie. The proposed price for the land is \$400,000.00.

A public hearing on this proposed sale will be held by the City Council in City Council Chambers at 406 Iverson Street, Laramie at 6:00 p.m. on June 6, 2016. The public is invited to offer comments on the proposed sale of property either in person at the meeting or by mailing comments to Mayor, c/o City Clerk, P.O. Box C, Laramie, WY 82073.

/s/David Paulekas, Mayor

Attest: Angie Johnson, City Clerk

Legal Publish: June 2, 2016
 June 4, 2016

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CITY OF LARAMIE COUNCIL REGULAR MEETING June 6, 2016



Agenda Item: Work Session

Title: Consideration of Possible Sale of Monolith Ranch acreage Public Hearing

Recommended Council MOTION:

No Motion – Public Hearing to receive public comments; Discussion of the Buy/Sell agreement will be considered after the public hearing. The Monolith Ranch Committee will subsequently provide a recommendation to Council. Council will consider the item at the regular meeting on June 21, 2016.

Administrative or Policy Goal:

Stewardship of municipal assets

Background:

Current information – June 6, 2016:

A tour of the Monolith Ranch and Mountain Cement was held on May 13, 2016. The purpose of the tour was to provide information about Mountain Cement’s general operations, the importance of their mining activities for both their present operations and future planning, and how the expansion of mining operations relates to the Monolith Ranch.

Pursuant to Wyoming Statute 15-1-112(d), Mountain Cement has offered \$400,000 to purchase 722.60 acres located on the Monolith Ranch to mine shale for their operations. Economic development is an allowed purpose under this statute.

To refresh memories, the information following is from Mitchell Edwards, legal counsel to Mountain Cement, and was provided to the Council and Monolith Ranch Committee in an email on April 7, 2016. The email followed the public hearing on April 5, 2016 regarding the purchase offer.

Honorable Mayor Paulekas and Members of the Laramie City Council:

Since the City Council meeting on March 15, 2016, when Mountain Cement Company’s offer to purchase approximately 722 acres from the City of Laramie was presented to Council for purposes of setting a public hearing, numerous questions (some good questions, some fair questions, and some misinformed questions, and some unfair questions) have arisen through public correspondence. There has been a substantial amount of bad information relayed in that correspondence. For whatever reason, it seems that the misinformation continues to be circulated. This correspondence is meant to address some of the topics of concern, answer some questions, and address some of the incorrect information.

- 1. Timing of Offer. It seems that there has been some concern raised that MCC’s offer comes at this time in attempt to take advantage of the City’s financial circumstances, particularly reduction in funding from the State of Wyoming. Nothing could be farther from the truth. First, MCC has been working on this particular project since before 2012. As you will recall, MCC approached the City in 2012 and entered into a Surface Damage Agreement with the City to conduct mineral exploration. At that time, MCC informed the City that it*

was conducting the exploration to get quantity and quality analysis of the Shale minerals so that it could determine whether there was sufficient minerals to support future mining operations. We informed the City that should the exploratory analysis prove fruitful that we would be coming back to the City with the intention of purchasing the property from the City. Second, MCC approached the City for the purposes of preparing a purchase offer well over a year ago, the appraisal was done before the downturn in the State's revenues and was based on comparable sales that occurred before the downturn, and MCC's offer was submitted to the City in December 2015 (also before the State budgeting process revealed that the City would be receiving less money from the State).

2. Amount of Purchase Price. It seems that there has also been some comment with regard to the purchase price offered by MCC. MCC's offer is greater than the appraised Fair Market Value, based on an appraisal conducted by a well-respected certified appraiser. It is MCC's opinion that the \$550/acre appraisal is much greater than other recent appraisals in the immediate area for similarly situated property, which show land values of such type to appraise for only \$350/acre. Based on those appraisals the property value would be much less, approximately \$253,000. MCC's believes that it has been more than fair to the City by offering to pay \$400,000 for the acreage. It has been MCC's intent all along to be a good neighbor, and to pursue its dealings with the City in good faith. The price MCC is offering was to avoid any thought that it was trying to take advantage of the City.

3. Value & Economic Contributions. There have been some comments made suggesting that they would be willing to purchase the property for these values, and/or that selling the property to MCC does not benefit the local economy. We would like to point out that this proposed sale of property is not to a neighboring rancher, which would not have any economic impact on the community and which would not provide a continuing revenue stream. For example if a neighboring rancher bought the property for its agricultural operations the only benefit would be approximately \$100 in agricultural property taxes paid to Albany County for distribution between the various districts (with nothing generated for the City) – there would be no sales taxes generated, no ad valorem taxes, no severance taxes, and no employees with substantial wages living in the city. Adversely, as Mr. Furphy indicated, MCC is one of the largest economic contributors to our community. In 2015 alone, MCC paid nearly \$550,000 in property taxes, \$240,000 in ad valorem taxes, \$82,000 in severance taxes, and \$260,000 in direct sales taxes (does not include sales taxes paid by its contractors, subcontractors, etc.). Of the severance taxes approximately \$12,000 was attributed directly to MCC's operations at its Bath Quarry, and of the ad valorem taxes MCC paid approximately \$40,000 directly attributed to its Bath Quarry. These are on-going annual sources of revenue to our community related directly to MCC's operations. In addition, MCC employs 124 people that mostly live, shop, and recreate in Laramie. Those employees are paid a high wage, and have good health and other benefits. MCC's payroll is in the many millions of dollars annually. As it directly relates to this project, in addition to the employees and taxes, MCC will be hiring numerous local firms (such as Western Water Consultants) and individuals (such as Amber Travsky) to assist it in its permitting and other operations, e.g. for wildlife studies, archeological studies, hydrology studies, vegetation studies, land surveys, etc. And during operations, MCC hires firms such as the locally owned Rocky Mountain Reclamation to conduct reclamation. There is no other potential purchaser of this property who would provide an economic incentive to this community. If you question whether such industries are economic contributors to their communities, I'd recommend that you contact the City of Gillette (my home town), to discuss how their extractive industries are economic contributors.

4. Lease v. Purchase. There has been quite a lot of discussion and thought that the City should "lease" the property. It is unclear to MCC where the idea of leasing has come from. A lease is not the appropriate mechanism in this circumstance, and is not an option here. A lease is only appropriate where MCC would be obtaining/leasing the mineral rights. We are not sure if the commenters are confusing "lease" with "surface damage agreement". If the City takes the position that it will not sell to MCC, then MCC would be looking at the potential of a Surface Damage Agreement with the City. If you recall when MCC did its exploration on this

property in 2012, it did not enter into a lease with the City. Rather, it entered into a surface damage agreement. MCC paid the City \$2,000 for the surface damages which was for a term of one year. For numerous reasons which will be addressed below, MCC is in the practice of purchasing the land (which does not reduce MCC's reclamation requirements).

MCC currently only has one active quarry in which it has a surface damage agreement. Based on past and recent conversations with that surface owner, it is clear that they do not like the circumstance of their situation, and are always looking to try to increase their payments under the arrangement. Based on current payments made on that surface damage agreement, MCC estimates that the City would be looking at an annual surface damage payment of approximately \$5,000 per year in such a situation (see below regarding amount of actual disturbance at any given time). A surface damage payment would not give the City any rights to dictate mining operations, reclamation, etc. as that is all dictated by engineering and laws/regulations. If you recall from the 2012 exploration surface agreement, that agreement provided simply: "At the conclusion of all Mineral Exploration Activities, MCC shall restore and reclaim the surface of the Lands disturbed by MCC's Mineral Exploration Activities to the land's original condition to the extent commercially reasonable, but in no event to a lesser condition required by applicable federal and state laws and regulations."

5. Why Purchase? *You ask, then why would MCC want to purchase the property from the City? There are numerous reasons. However, none of those reasons is to reduce MCC's reclamation obligations (Reclamation will be addressed below).*

First, approximately 10 years ago, MCC's parent company, Eagle Materials, was looking at the possibility of doing a \$200+ Million dollar plant improvement/expansion to create a more efficient plant that produced more cement. However, corporate would not even consider investing that kind of money or seeking shareholder approval unless MCC could show that they had secured over 100+ years worth of secured/owned raw materials along with property ownership to ensure the longevity of the plant for return on any capital investment. The plans were put on hold for primarily two reasons: 1) the downturn in the economy in Colorado and Utah (areas where MCC actively sells cement, and along with Wyoming a large part of its market); and, 2) because there was not 100+ years of raw material reserves. At that time MCC set out to secure those reserves and surface ownership to make sure that if the expansion was considered again that we would be prepared. The first raw material we secured was the limestone, which is why MCC purchased 100+ years of limestone from UP/Anadarko, purchased the surface rights to that land from Warren Livestock, and then permitted those mining operations well into the future. The reserve and control of surface is also necessary for the longevity of the plant, regardless of whether expansion is ever put back on the table. Prior owners contemplated closing the plant (which is how the City ended up with the Monolith Ranch to begin with) and we do not want to find ourselves in that situation. If the expansion is put back on the table, it is a substantial economic incentive to this community.

Second, by owning the property MCC has more control over potential liability. For example, it is able to more readily able to control access and to take measures to prevent trespassing. It also allows MCC to ensure that its source will not be impeded by development of the area surrounding its future mining operations. Essentially, MCC preserves the open space for the life of its mining operations.

Third, by owning the property the process of completing the acquisition of federal minerals and permitting can be accomplished in a more timely manner. It does not change the obligations that MCC has in terms of studies, mining requirements, or reclamation requirements.

6. Mining Operations. *It seems that there is a misperception as to MCC's mining operations. MCC will not be mining all 722.60 acres and will not be mining all 722.60 acres at one time. It is approximated that less*

than 500 acres will be actively mined over the lifetime of the mine. The additional property is necessary for a buffer from the mining operations, and to make sure that we aren't leaving the City with a useless, detached piece of property. MCC estimates that the lifetime of the mine will be well over 100 years, based on current production. Essentially MCC's mining operations will continue as they currently exist on the adjacent property to the west. MCC's Bath Shale Quarry is approximately 50 acres of disturbance at any given time (this includes two pits – one for red shale and one for black shale), and that acreage has been the active quarry area for approximately 15 years. The Bath Quarry to the west has been open since approximately 1993. During that nearly 25 years, including the current approx. 50 acres being mined, MCC has mined approximately 120 acres, 35 of those acres are currently fully reclaimed and an additional 29 acres are awaiting final revegetation establishment.

These mining operations are regulated by the DEQ, and include requirements to ensure mitigation of any nuisance type issues, such as requiring dust suppression, noise reduction, lighting, etc. All mining regulations apply to MCC regardless of whether MCC owns the property or not. Owning the property does not relieve or discharge MCC from mining regulations. MCC has not received any complaints from the City, or other neighbors relating to any negative effects/impacts as a result of its current mining operations on the adjacent property. The mined material (shale) is only useful to MCC for the purpose of manufacturing cement – shale contains Alumina, Iron Oxide, and Silica which is used in manufacturing cement. MCC has no other use for the shale. Although technically there would not be restriction on the use of the mineral, usually the permit outlines the purpose of the mining, and that is taken into consideration with respect to the activities. (It defines the mining plan and permitted mining schedule).

7. Reclamation. There has been substantial number of comments that MCC seeks to purchase this property to avoid reclamation obligations. This is a flat out misrepresentation of the law and MCC's practices. MCC's ownership of the property does not reduce or change its reclamation obligations (nor does the City have any ability to otherwise regulate or change the reclamation obligations – whether it retains ownership or not). MCC's reclamation obligation is essentially to reclaim the property back to its original condition. The surface owner has control of a couple parts of reclamation, in that they can inform DEQ that they would like to not require that a road be reclaimed because they want to use the road for agricultural purposes after mining, or to not require a water monitoring well to be plugged and abandoned because they want to use the well to provide water for their cattle. But the pit itself is required to be reclaimed based on the pre-mining surveys/studies for topography, vegetation, etc that are established during the permit process.

To demonstrate this obligation, just look at all the reclamation MCC is required to do on its Etchepare limestone quarry or the Weaver quarry where MCC is the surface owner. MCC's permit for such quarries requires (like all other permits):

The permit then goes on for pages to specify exact requirements in terms of topography, contouring, surface drainages, sloping, wildlife enhancement, soils, shrubs, trees, and other vegetation (specifying exact seed mixtures and species), and etc.

MCC is required by law to bond its reclamation obligations. The current bond at the Bath Shale Quarry for approx. 50 acres of disturbance is just shy of \$1 Million. Those bonds are underwritten by certified financially sound sureties such as SAFECO Insurance Company of America. This ensures that if MCC were not able to reclaim the land as required to its pre-mining condition, then the State can reclaim and exercise on the bond to cover the costs of reclamation. The reclamation and bond amounts are reviewed annually to ensure that the bond is sufficient to cover the reclamation costs. MCC has increased its bond (while decreasing its disturbance area) six times over the last eight years at the Bath Quarry. During that time the bond has increased nearly \$700,000 based on current costs of reclamation. I should also mention that since federal minerals are involved that the BLM also reviews MCC's permit application in accordance with its agreements

with the State of Wyoming for concurrent permit review. This includes concurrence with respect to the reclamation and the reclamation bonding.

8. *Post-mining use. The estimated life of the mining operation is 100+ years. That means unless MCC closes its cement plant that this land will be maintained by MCC as primarily open space for 100+ years. After mining is complete, the requirement will be to return it to its pre-mining condition for agricultural type operations. Unless one has a crystal ball (that works) it is hard to say how Laramie will change over the next 100 years. MCC is not purchasing this land to turn around and sell it for "huge profits" as some commenters have expressed.*

9. *Grazing Impacts. Yes, there will be impacts to grazing on this property. Regardless of whether MCC owns the property or whether the City owns the property, there will be restrictions on grazing of the property in some fashion. During the permit process grazing will have to be restricted for vegetation studies. The DEQ vegetation studies require that the vegetation be allowed to grow without grazing to ensure a proper survey of natural vegetation. Sometimes that restriction can be accomplished in restricting areas grazed or through placement of grazing exclosures (a bunch of fenced boxes). However, those exclosures are not preferable. Grazing also impacts/interferes with the wildlife surveys that are required to be completed, as activity on the property can impact the wildlife surveys for presence of numerous different species of wildlife (large game, small game, birds, etc.).*

During mining there will be restrictions on grazing to keep animals and people out of the active mining area. MCC often works with ranchers on its other properties to allow some grazing to the extent that we can restrict the location of the animals. Following mining, during the reclamation period, grazing will have to be restricted from all reclaimed areas to allow the vegetation to be seeded, reestablish and become sustainable. These current restrictions are in place on the existing Bath Shale Quarry, and would exist regardless of whether MCC or the City owned the property.

With respect to the City's other operations there will be no effect. Essentially, exactly what has been occurring since at least 1993 in terms of shale mining on the adjacent property will continue. MCC's operations have not negatively impacted the City's operations on adjacent land over that time. And contrary to some comments have not impacted the distant Hutton Lakes (in fact mining occurred at Hutton Lakes years ago).

10. *Water Rights. It seems that there is overall confusing regarding the purpose of the City purchasing Monument Ranch to reestablish and enhance the old, prior appropriated, water rights for future conversion from agricultural to municipal uses. The land in question does not have any surface water rights on it that are part of the City's water right portfolio. This is dry grass (really cactus) land. There are two shallow low producing wells on the property, that were for watering cattle. One of those wells is collapsed and not capable of being used. The other well is high in elements that are not suitable for human or animal consumption and would not be converted to municipal use in any event.*

11. *Recreation. It seems that there is also confusion about the potential recreational value of this property. Regardless of whether or not the City owns the property the recreational potential will be severely restricted. It is currently restricted because it conflicts with the City's overall use of the Ranch, and the intended purpose to use the Ranch for agricultural purposes to utilize and enhance its water rights. Furthermore, the City does not have the resources to manage the Ranch or the land for recreational use. What recreational use is allowed on other parts of the ranch is managed by the State, such as Game & Fish. In the future, all access will have to be prohibited and restricted because of mining operations. More importantly though, this land is not proximate to any desirable recreational opportunities on the Ranch. Attached is a copy of the most recent portion of the City's master recreation plan concerning the Ranch property. As you*

can see, this property has NO trails, fishing, hunting, or other recreational opportunities planned on the property. In fact, a large portion of the property is covered by the legend in the lower lefthand corner.

12. City Maintain Land & Use of Funds. There have been numerous comments that the City is not selling land. We all know that is incorrect. With respect to the Ranch, this is a pretty unique issue, and as you know there are not many that have rights to access the Ranch because of minerals or that have the need/capacity to mine. The sale of this property does not mean that it creates any precedent for continuing sales. Additionally, the funds from this sale have to be earmarked to the Enterprise Fund (which controls the Ranch) – meaning the funds can and will be used for further capital development of the Ranch, Ranch water assets, or the City's water and sewer system. There is a direct benefit to all of the citizens of Laramie, and the water rate payers, by the City selling this land - that is not a beneficial part of the Ranch for the development of water resources or other uses.

Finally,

13. Other Consideration. During the comments there have been inquiries and questions regarding the City extracting other consideration from MCC for this transaction, such as allowing recreational opportunities on MCC's property east of Laramie. This simply is not an available opportunity. The property that MCC owns is to secure its plant site, maintain sufficient space for the potential for future plant improvements/expansion, and to secure its raw material resources. To the extent that MCC owns property east of town that property is to secure the future of its limestone mining operations, and is entirely within its regulated mine permit area. MCC cannot allow others to enter the property for numerous liability reasons and laws. Even if it were able to allow others to enter the property it would not be under conditions conducive to recreation (i.e. riding one's bike) - requirements for hard-toed boots, long heavy material jeans, taking safety classes, etc. Finally, once others are permitted to enter property for such uses then there would have to be substantial resources for policing, oversight, and management of that activity. Ironically, when most people think of recreation they have no consideration or thought as to the impacts of such use – it is not a benign use of property.

With respect to monitoring wells, mentioned by Ms. Hayes; MCC has no idea what Ms. Hayes is talking about. MCC has never been approached about monitoring wells. The monitoring wells are anticipated to be located on other property, and would not be beneficial on MCC property since it is not developed. The development of additional monitoring wells, conflicts with the locations and requirements of MCC's mining requirements and its well monitoring requirements under those permits. The only thing that MCC has been approached concerning is building an unproductive, costly, and ineffective concrete detention area the size of Undine Park that would only be effective (if at all) in the event of an apocalypse type event and then only if constantly maintained and replaced. Our position on denying such was in direct support of the City's position with regard to the proposal. Furthermore, MCC has monitoring wells on its property that are continuously monitored for numerous elements – that includes nitrates. Those monitoring reports and data are made publically available and submitted to the DEQ for their monitoring and review. If the City wants that data or reports, it can easily obtain such data. Others have obtained that data, and cite it quite often, because the natural occurrence of nitrates on the native land not in proximity to any mining, roads, or other developments (or impacted by such) show that the base nitrate levels are not what some like to convey as the baseline. It also tends to show that there are substantial naturally occurring sources of nitrate in the area, such as cryptogamic soils and vegetation such as Mountain Mahogany. In any event, the data from MCC's monitoring wells are publically available

We hope this addresses the numerous topics, concerns, questions, and bad information that has arisen over the last month. If you have any additional questions, please feel free to contact us and we will be happy to provide you with any information that is available. We hope that you understand that MCC is putting forth its best efforts with respect to maintaining a good relationship with the City, and being a long-term contributor to this community. There is absolutely no ill-will, hidden agenda, or conspiracy being perpetrated by MCC

through its purchase proposal. The proposal to purchase is in the best interest of all parties, and insures that MCC is a contributing member of this community for the long term.

*Thank you for your time and consideration,
Mitch*

Considerations:

The decision to sell the property is a challenging decision to make. Comments from the public have been received in many forms: email, letters to the editor in the Boomerang and given in person at the April 5 Public Hearing as well as at the April 14 Ranch Advisory Committee meeting regarding the proposed sale, and most public comments have been against the sale. However other entities, such as LEDC on April 5 and the Community Editorial Board of the Boomerang in the newspaper on April 22, recommended in favor of the sale.

The Monolith Ranch was purchased for the water right and has been operated as part of the City's Water Enterprise Fund since the purchase was completed in the early 1980s. Records research is being done to confirm that the purchase was made with enterprise fund dollars.

What may in the community's best interest 50 to 75 years into the future is one of the most challenging decisions for a City Council. There are many questions to be asked and unfortunately, not every question can be answered fully. Knowing when the transfer of the abundant Laramie River water right from an agriculture use to a municipal use will depend on growth in the community and a corresponding need for water. Currently, management of the right continues with an understanding that precise documentation will be necessary when the transfer request is presented to the Board of Control. It is important to remember that not all ranch acreage is necessary to maximize the water consumptive use plan. With this in mind, other uses of ranch acreage can be considered. The difficult question to answer is what other uses may be appropriate on the Monolith Ranch. While not under consideration at this time, perhaps in the future a proposed land use plan could be completed.

To the topic at hand, when the City purchased the Monolith Ranch for the water right, Mountain Cement reserved the option for exploration of share minerals, reserved and owned by the United States and managed by BLM, underlying the surface lands owned by the City of Laramie. An agreement between the City and Mountain Cement was approved in January 2012 related to this exploration.

In this decision making process, Council and Ranch Committee should consider options that are in the mutual interest of the City and Mountain Cement because they do have the right to conduct mining on the property. The questions are difficult: Should the City sell the property? Should the City continue to own the property while Mountain Cement mines the area? Should a mutually beneficial land swap be considered? Answers are certainly not clear nor easy.

Options to Consider:

Option 1:

If the City chooses to sell the land, there appears to be no significant issue with the continued ranching operations other than a decreased carrying capacity of the ranch for livestock.

Option 2:

If the City continues to own the land while mining occurs, the mining operations are required to follow the Wyoming Department of Environmental Quality's mining regulations. Through the DEQ process, the City would have input. Language from the DEQ web site:

The Land Quality Division works to ensure that any land disturbances resulting from mining are minimal, and that affected areas are properly restored once mining is complete.

The LQD has the authority to require permitting and licensing of all operator actions of surface and underground mine facilities. This authority is derived from the Federal Surface Mining Reclamation and Control Act, as well as the Wyoming Environmental Quality Act.

More information can be viewed on the Wyoming DEQ site at this link: <http://deq.wyoming.gov/lqd/>.

Option 3:

If either Option 1 or 2 are not favored, consideration of a land swap may be a solution. Perhaps mutually beneficial land might be located that both parties may be inclined to complete a swap. Through a land swap, of course, title would transfer to Mountain Cement.

Summary and Conclusion:

Determining which option is best for the City in the long term is a challenging decision. There is no one right answer. The purpose for the work session is to discuss options, pose pertinent questions and, hopefully, answer the questions that can be answered.

At the regular meeting on June 21, 2016, Council will consider what course of action should be taken. Determining a course of action is necessary to allow adequate time for Mountain Cement to take the next steps required to move forward with the mining process.

Previous information - April 5, 2016:

Recently, Mountain Cement (MCC) provided a letter of inquiry regarding the possible purchase of 722.60 acres of municipal property located on the Monolith Ranch. The purpose for which the land will be acquired is quarry operations to mine shale for their operations. Recall from previous meetings and work sessions regarding the ranch that MCC retained many of the minerals rights when the City purchased the ranch in the early 1980s.

MCC operates a Portland cement manufacturing facility just south of Laramie. MCC employs 120 people in various positions and is one of the largest private employers and economic contributors in Albany County. In January 2012, MCC and the City of Laramie entered into an agreement relating to MCC's exploration of share minerals, reserved and owned by the United States and managed by BLM, underlying surface lands owned by the City of Laramie.

City staff have thoroughly researched the proposal provided to the City from MCC, including the recent appraisal ordered by MCC and prepared by Hastings & Associates of Cheyenne, Wyoming. The value of 722.60 acres as determined in the Hastings appraisal is \$397,500. MCC is proposed a purchase price of \$400,000. As a result of staff research, the appraisal appears to fairly represent the value of the property under consideration for purchase.

An appraisal report regarding the value of the ranch concluded the current value is \$10,500,000 as a ranching operation. With consideration given to the value, staff is better informed to determine how to improve the ranch value in a cost effective manner. The water rights were appraised and their worth was included in the appraisal. However, consideration was not given to their potential value for municipal use.

Staff believe that the purchase offer presented by Mountain Cement Company is reasonable. Following the public hearing on April 5, 2016, the Council will need to determine if the sale without bids meets the criteria outlined in statute as permissible. Likely, a buy/sell agreement would be presented to Council on April 19, 2016, allowing adequate time for digesting comments provided at the public hearing.

Legal/Statutory Authority:

Sale of the property is permitted by Wyoming Statute 15-1-112

BUDGET/FISCAL INFORMATION:

REVENUE

Source	Amount	Type
Fees/Charges for Service		
Grants for Projects		
Loans on Project		
Other	\$400,000.00	Potential revenue from sale
Total	\$400,000.00	

Responsible Staff:

David M Derragon 721-5304
 Darren Parkin 721-5213

Future dates are subject to change

Public Hearing Held	April 5, 2016
Pub. Hearing Advertised	March 19, 2016
Pub. Hearing Advertised	March 26, 2016
Pub. Hearing Advertised	April 2, 2016
Work Session	June 6, 2016

Attachments: Public Hearing Notice

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A public hearing on this proposed sale will be held by the City Council in City Council Chambers at 406 Iverson Street, Laramie at 6:00 p.m. on June 6, 2016. The public is invited to offer comments on the proposed sale of property either in person at the meeting or by mailing comments to Mayor, c/o City Clerk, P.O. Box C, Laramie, WY 82073.

/s/David Paulekas, Mayor

Attest: Angie Johnson, City Clerk

Legal Publish: June 2, 2016
 June 4, 2016

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