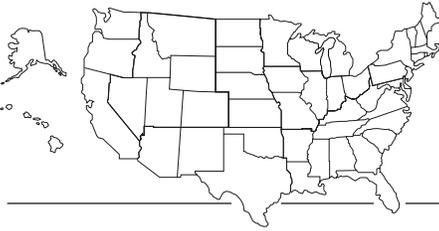


# The LandReport

A Monthly Report for  
the American Landowner



# Newsletter

JULY 2010 • LANDREPORT.COM



## My Fellow Americans:

Here's an update on two studies developed by our research team: the Land Report Top 10, which coincides with each issue of the magazine, and The Land Report 100, which runs on an annual basis.

Let's begin with the Top Ten list, which debuted in the Summer 2010 issue. The Land Report Top Ten answers the question, "What is the most expensive piece of property on the market today?" This summer that property was Rancho Dos Pueblos, the historic Santa Barbara estate that Kerry Mormann has listed for \$90 million. Close behind you'll find the largest working ranch on the market nationwide, New Mexico's Bell Ranch, which Patrick Bates has listed at \$83 million. Links to all ten properties are available via the sidebar at right. Give them a click and take a tour of any or all.

I'd also like to give you a heads-up on our landmark study, The Land Report 100, which will be the focus of our fall issue. I can confirm major changes from the 2009 edition, including significant transactions involving trophy properties and high-profile landowners. It's a must-read for serious landowners, and advertisers value its long shelf life and frequent mention by other media.

If you are privy to an important transaction and are cleared to share the particulars, forward the pertinent details to Research Editor Nancy Myers at [research@landreport.com](mailto:research@landreport.com). A two-year subscription to the magazine is yours for the effort. If you or your company are interested in learning about advertising opportunities, reach out to John Gibbs at [jgibbs@landreport.com](mailto:jgibbs@landreport.com) or (415) 577-5198.

Buy Land!

Eric O'Keefe  
Editor & Broker

### LAND REPORT TOP X

**1. Ranch Dos Pueblos:**

\$90 million

**2. The Bell Ranch:**

\$83 million

**3. Two Trees Farm:**

\$75 million

**4. Robert Taylor Ranch:**

\$65 million

**5. Aspen Valley Ranch:**

\$59 million

**6. Flying Dog Ranch:**

\$56 million

**7. Santa Barbara Ranch:**

\$50 million

**7. Tyndal Point:**

\$50 million

**9. Villa Montana:**

\$49 million

**10. SOLD! Boot Jack Ranch:**

\$46.5 million

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## LAND VALUES



### SOUTH

#### BP OIL SPILL MUDDIES BEACHFRONT.

Property values along the 600-mile stretch impacted by this summer's tragedy in the Gulf of Mexico will decline at least 10 percent. To make matters worse, they will be mired in this trough for as long as seven years. So says Norm Miller, an economist at the University of San Diego and the vice president of analytics at CoStar Group Inc. According to *The New York Times*, Miller based his prediction on recent sales of shoreline property from Louisiana to the Florida Panhandle. "The number of transactions has really dropped off a cliff," Miller told *The Times*.



### PACIFIC

#### TIMBERLAND

#### Public Land

#### STATE OF OREGON ACQUIRES PRIME TIMBER TRACT.

The Oregon Department of Forestry and a conservation partner purchased 68,000± acres known as Crescent Butte in a phased sale from Fidelity National Timber Resources. The tract was part of a 290,000-acre parcel that Fidelity added to its investment portfolio in 2006. "We really wanted to try to create a model that would allow for the preservation of the substantial portion of the real estate holdings and at the same time provide us with a couple of interesting development opportunities that would provide the return on investment," explains Greg Lane, executive vice president of Fidelity National Timber Resources. Plans for remaining chunks of the original 290,000 acres include helping the Klamath Tribes acquire ancestral lands.



### WEST

#### FOR SALE

#### Public Land

#### WYOMING GIVES UNCLE SAM NOTICE.

Unless the Interior Department gets its act together, the State of Wyoming plans to sell a two-square-mile in-parcel in the heart of Grand Teton National Park to the highest bidder. The 1,366-acre holding, which is valued at \$100 million, has belonged to the state since it was granted statehood in 1890.



TENNESSEE  
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## TAX POLICY



### UNITED STATES

#### ESTATE TAX UPDATE.

In life and in death, George Steinbrenner won big. His New York Yankees claimed seven World Series, and his billion-dollar estate won't be subject to federal taxes. The one-year loophole that enabled Steinbrenner's heirs to save an estimated \$550 million expires on Dec. 31. Current proposals before Congress run the gamut from a 35-percent tax rate on estates worth more than \$5 million to one where the top exemption would be \$3.5 million for an individual (or \$7 million per couple) with a tax rate of 45 percent. Also on the table is talk of a retroactive tax that would include 2010.



### GREAT PLAINS

#### AUCTION

#### Public Land

#### WIND CAVE NATIONAL PARK TO EXPAND BY 5,500 ACRES.

A decades-long family feud came to an end when a court-ordered auction led to the sale of the Casey and Milliron ranches in Southwest Dakota. The 5,523-acre North Unit was purchased for \$1,360 per acre by the

Conservation Fund, which plans to deed the land to Wind Cave National Park using funds allocated in the federal government's fiscal year 2011 budget. The 2,478 acres known as the South Unit was reacquired by a group of Casey heirs for \$710 per acre. Total proceeds from the two-property auction were \$9.27 million.



### MIDWEST

#### AG

#### Iowa Farmland

#### IOWA CROPLAND PRICES HOLDING STEADY.

Investor interest in top-tier farmland remains strong. "Land is still a good investment for buyers, but they want the high-quality properties that hold value," Lee Vermeer Farmers National told the *Cedar Rapids Gazette*. "We are seeing values on the

top quality ground at or even above the peaks we saw in 2008. In some cases, it's beyond that point, above the \$7,000 per-acre mark." Interest in high-quality investments continues to steer buyers away from the less-productive land.



### GREAT LAKES

#### EASEMENT

#### Minnesota Timberland

#### RECORD-SETTING CONSERVATION DEAL.

A ten-year undertaking bore fruit this summer when Blandin Paper Company (UPM) announced the sale of a working forest conservation easement that protects 187,876 acres of Minnesota forests, wetlands, and

shoreline. Of the \$44 million purchase price, \$34.25 million came from state appropriations and the Conservation Fund provided \$9.75 million of private funding. "This landmark agreement fits the company's vision for vibrant forests that not only contribute to the economic well-being of the region, but also are a source of pleasure and recreation for all," said Joe Maher, general manager of UPM's Blandin paper mill in Grand Rapids.

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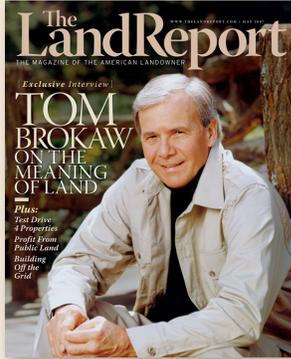
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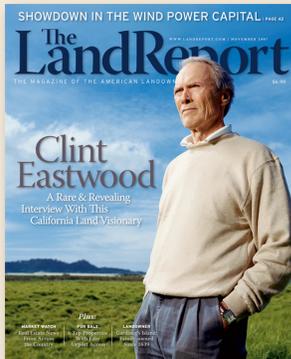
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**MINERAL RIGHTS**

unknown and will be based on variables such as the price of natural gas. The settlement sets Range's total amount at \$28 million with some \$7 million going to attorneys' fees.

### Marcellus Shale

**ROYALTY OWNERS REAP \$20M.** Fort Worth-based Range Resources has settled a lawsuit with 2,000+ owners of mineral rights covering some 1.3 million acres in Pennsylvania's Marcellus Shale. The royalty owners will divide \$1.75 million once the settlement is finalized, but the total payout is



**SOUTH**

**SALE**

net profit generated from the land after the Rock Creek affiliate achieves "certain financial returns." The transaction is expected to close in Q3.

### Timberland

**INTERNATIONAL PAPER TO SELL 163,000 ACRES.** The Memphis-based pulp-and-paper company will receive a minimum of \$160 million from an affiliate of Rock Creek Capital for timberlands in the Southeast. In addition, the company will also receive 20 percent of the



**SOUTHWEST**

**COURT**

RED RIVER WATER FIGHT CONTINUES. A federal judge dismissed a Texas water district's lawsuit against the Oklahoma Water Resources Board that attempted to force the board to give the district access to surface and stream water in southeastern Oklahoma. The Tarrant Regional Water District, which includes Fort Worth, wanted to divert more than 400,000 acre-feet of water (130± billion gallons) from tributaries of the Red River to North Texas. Water district officials will appeal the decision of Judge Joe Heaton to the 10th U.S. Circuit Court of Appeals in Denver.

### Water Rights

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