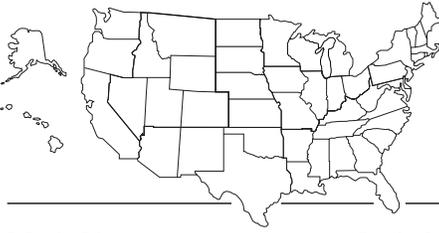


# The LandReport

A Monthly Report for  
the American Landowner



# Newsletter

MAY 2010 • LANDREPORT.COM



## My Fellow Americans:

**THE HITS JUST KEEP ON COMING.** Another month, another marquee sale. Following right on the heels of the Sun Ranch in Montana (and the Schroeder Ranch and the Lane Ranch) comes Colorado's Boot Jack Ranch, which closed in mid-April after two-plus years on the market. Originally listed for \$88 million, the Boot Jack's list price had subsequently been lowered to \$68 million before closing at \$46.5 million—almost 50% off the original ask.

**A LOOK INSIDE THE CRYSTAL BALL.** Bill Fandel of Peaks Realty, who brokered the Boot Jack for the Sotheby's affiliate in Telluride, believes that sellers who rethink pricing off 2008 highs are far more likely to finesse the present marketplace. "In today's market, buyers need to be accommodated. There was a high watermark a few years ago, and you saw it everywhere. Now recalibration is the key. That's what will get a seller liquidity," says Fandel.

**QUALITY ALWAYS FINDS A BUYER.** "There are a lot of listings out there, but only a few truly remarkable pieces of property come on the market," Fandel adds. "The Boot Jack was one of them." Observations like this reaffirm an essential principle of successful landowners: find the jewels in the crown and buy them at the right price.

Buy Land!

Eric O'Keefe  
Editor & Broker

*"In today's market, buyers need to be accommodated. There was a high watermark a few years ago, and you saw it everywhere. Now recalibration is the key. That's what will get a seller liquidity."*

*—Bill Fandel,  
Peaks Realty  
Telluride, Colorado*

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## POLICY



### WEST

#### FOREST SERVICE APPROVES MINING IN RIO GRANDE NATIONAL FOREST

The ups and downs of mineral prices have been an unending worry for landowners whose properties border or are included in mining districts. Is mining on again, off again, or on hold? With spot silver trading in the \$18 range, the answer – at least in Mineral County, Colorado – is ON.

In late April, USFS District Ranger Tom Malacek approved the application by the San Juan Silver Project to begin exploration to obtain information about potential resources on existing mineral claims located on lands within the Rio Grande National Forest. According to *The Mineral County Miner*, approximately 50 drill pads will be developed over the course of the five-year program, and each drill pad will be 0.2± acre. Read more [HERE](#).



### PACIFIC

#### CONSERVATION

#### California Farmland

**HISTORIC FARM SELLS CONSERVATION EASEMENT.** The Sonoma County farm where the world-famous Crane melon was pioneered will be shielded from development, thanks in part to a quarter-cent sales tax. The Sonoma County Agricultural Preservation and Open Space District

has allocated \$365,750 to prevent further development on **49-acre Crane Farm**. “With this easement in place, we can continue to grow the Crane melon, which was developed on this property by my great-great-grandfather more than 100 years ago,” said Jennifer Crane, a sixth-generation member of the family.



### WEST

#### SALE

#### Colorado Ranchland

**TROPHY PROPERTY SELLS.** The iconic **Boot Jack Ranch**, which borders the Continental Divide in Mineral and Archuleta Counties, sold for \$46.5 million. Set at a base elevation of almost 8,000 feet about sea level, the 3,151-acre ranch features unmatched views of the San Juan Mountains,

world class fly-fishing, and is surrounded on three sides by the San Juan National Forest and Weminuche Wilderness. One of the most important assets of the Boot Jack is its senior water rights of 103± CFS, which would yield approximately 70 million gallons per day when fully utilized. At present, 1,162 acres of pasture are irrigated. Structures on the ranch total 77,200 square feet. Plentiful wildlife roam the ranch, including bear, elk, deer, and turkey; approximately 800 head of cattle are pastured each summer.



### GREAT LAKES

#### AG

#### Urban Farming

**MOTOR CITY SET TO GO GREEN.** More than 25,000 acres of metropolitan Detroit now sit vacant, and these 60 square miles – an area larger than the entire city of San Francisco – could prove to be the nucleus of a job-creation engine, according to John Hantz, CEO of **Hantz Farms**.

Hantz’s for-profit company is negotiating with local governments to lease land in several areas in the city, including the Michigan State Fairgrounds. His goal? To establish Detroit as a leader in urban farming, a plan that would facilitate job growth, improve nutritional standards, and beef up tax rolls.

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## POLICY



### NORTHEAST

#### SALAZAR APPROVES CAPE WIND PROJECT

The Interior Department announced approval of the country's first offshore wind power project. At an estimated 450 megawatts, it is anticipated that the project will provide enough electricity to meet a substantial portion of the needs of Cape Cod, Martha's Vineyard, and Nantucket Island.

"After almost a decade of exhaustive study and analyses, I believe that this undertaking can be developed responsibly and with consideration to the historic and cultural resources in the project area," said Interior Secretary Salazar. "Impacts to the historic properties can and will be minimized and mitigated, and we will ensure that cultural resources will not be harmed or destroyed during the construction, maintenance, and decommissioning of the project." Read the DOI announcement [HERE](#).



### NORTHEAST

## COURT

#### Mineral Rights

##### PENNSYLVANIA SUPREME COURT UPHOLDS GAS LEASES.

A group of Pennsylvania landowners failed in their attempts to have leases executed during the early stages of exploration of the **Marcellus Shale** thrown out. In a unanimous opinion, the state's highest court upheld a Susquehanna County judge's ruling validating lease agreements that subtract drilling costs from the calculation of landowners' natural gas royalties. The decision resolved dozens of cases in state and federal courts that had been brought by landowners who were seeking more lucrative royalty agreements.



### MIDWEST

## AUCTION

#### Indiana Farmland

**\$3.7 MILLION FOR 681 ACRES.** More than 250 people, including 76 bidders, helped push the sale of 15 tracts of farmland owned by the Lloyd and Charlotte Campbell Trust to over \$3 million. "The price per acre definitely indicated that farmland prices are higher than in the fall of

2009. Demand is strong, and the number of farms on the market remains at record lows," said Rex Schrader of **Schrader Real Estate & Auction Company**, which handled the auction. The acreage had been owned by the Campbells for three generations, an added factor stoking interest.



### SOUTH

## CONSERVATION

#### Florida Ranchland

**SARASOTA COUNTY BUYS \$38 MILLION CONSERVATION EASEMENTS.** Conservation easements covering two well-known Sarasota area ranches—the Longino and the Walton—were acquired by Sarasota County for \$38 million.

In addition to limiting development, the easements will help to form an unbroken ribbon of preserved land over 106,000 acres between the Myakka River and the Peace River. Sarasota County taxpayers contributed \$12.2 million via a fund for environmental purchases; the remainder of the funding came from the state's **Florida Forever** program through the Southwest Florida Water Management District. Although the current owners grow citrus and run Brangus cattle on the Longino, much of the ranchland is still wild.

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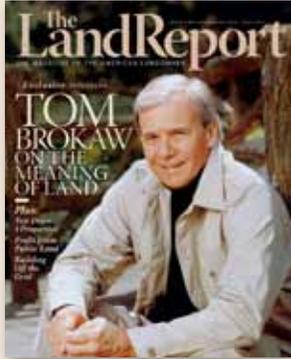
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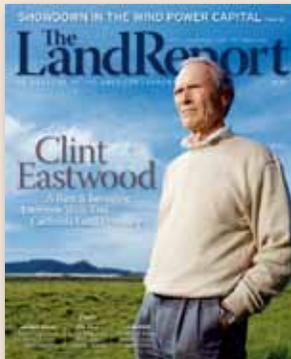
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GREAT PLAINS

AUCTION

## North Dakota Farmland

### 1,600-ACRE DAKOTA FARM SETS NEW STANDARD.

Hettinger County sits in southwestern North Dakota, all-around great terrain for small-grain crops, beef cattle, and upland birds. Acreage in this market typically trades in the \$600 to \$900 range, which is why **Kevin Pifer** was

over the top that his auction house averaged \$1,000 per acre on a 1,600-acre farm. "We never dreamt there would be this much interest and excitement," said Pifer, before adding. "We got \$1,425 per acre for the best quarter of this farm. That's got to be a record in the southwestern part of the state."



SOUTHWEST

SUBSURFACE

## Oil & Gas Leases

### FEDERAL LEASE SALE NETS \$27 MILLION.

The sale of 30 leases on federal lands in Texas, New Mexico, Oklahoma, and Kansas ginned more than \$27.3 million for the Bureau of Land Management from its quarterly oil and gas lease sale. The BLM's regional office in Santa Fe reports

that 10 parcels in Texas brought more than \$15 million and 16 parcels in New Mexico generated almost \$12 million. Read the full report [HERE](#).



INTERNATIONAL

COURT

## Exploitation

### BRAZILIAN LAND BARONS CONVICTED IN HIRED KILLING.

Juries in separate trials convicted two prominent ranchers of ordering the killing of U.S.-born nun Dorothy Stang in 2005.

According to prosecutors, Stang prevented Vitalmiro Moura and Regivaldo Galvao from taking land the Brazilian government had given to small farmers in the state of Para. Stang, a 73-year-old member of the Franciscan Sisters of Notre Dame de Namu, spent three decades toiling to protect settlers' land rights as well as preserve the rainforest. Shot six times at point-blank range, her murder prompted President Luiz Inacio Lula da Silva to send 2,000 troops to Para to deal with violent land disputes that have claimed more than 700 lives over the last 30 years.

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