

2023 Agricultural Stewardship Program Report

Prepared for the Larimer County Board of County Commissioners

December 31, 2023

Executive Summary

- Thornton acquired farm land and water rights in Larimer County in 1985 and 1986 as part of a water supply project.
- Since 1986, Thornton has contributed over \$18 million to the local Larimer and Weld County economies through its Agricultural Stewardship operations, including Voluntary Payments in Lieu of Taxes to Larimer and Weld County agencies, and the use of local vendors on Thornton's projects and operations.
- Thornton owns eight farms on approximately 1,590 acres in Larimer County.
- In 2023, there were 788 acres included in Thornton's Revegetation Program in Larimer County. To date, 749 acres have been approved as established selfsustaining dryland grasses by the Natural Resources Conservation Service. Thornton's 2023 Revegetation Program successfully maintained these selfsustaining dryland grasses through grazing.
- The remainder of the farms in Larimer County will stay in irrigated agriculture until
 the water is needed for municipal use in Thornton. It is currently estimated that
 additional conversions from irrigated agriculture to self-sustaining dryland grasses
 will not be needed until approximately 2030.
- Thornton currently owns ten farm houses in Larimer County, six of which were leased to Larimer County residents in 2023.
- In 2023, for the fifth year in a row, Thornton utilized the transmountain water associated with a small number of Water Supply and Storage Company shares for its own use.
- In 2023, Thornton continued to make progress on the Thornton Northern Properties Stewardship Plan (TNPSP) that will help inform the long-term uses of Thornton's farm properties. In 2023, 13 meetings were held with local town planners, community members, farm tenants, the Water Optimization Study Group, and the Steering Committee to solicit feedback on the TNPSP as well as review and finalize recommendations on future potential land uses for Thornton's properties in the plan.

Introduction

In 1985 and 1986, Thornton purchased over 20,000 acres of farms and associated water rights in Weld and Larimer Counties. Thornton purchased the assets for a water supply project that would be used to meet the demands of the growing city. Since Thornton's acquisitions of farms and water, Thornton has operated under a good neighbor policy of working with farmers, residents, businesses, and governmental entities to effectively manage its properties and provide benefits to the Larimer and Weld County communities. This report is a summary of Thornton's 2023 operations and activities in Larimer County.

Since 1986, Thornton has operated a local Agricultural Stewardship Office (formerly known as the Farm Management Office). Thornton's Agricultural Stewardship staff recently marked the 5-year anniversary of working out of the newly constructed office in the Town of Ault. The office is located on 313 acres of Thornton owned land that was annexed into the Town of Ault in 2017. The function of the Agricultural Stewardship Office is to oversee the operation, leasing, management, and maintenance of Thornton's properties in Larimer and Weld Counties. Thornton cash-leases its farms to local farmers, and several farmers who originally sold farms to Thornton continue to lease farms from the city. Other Thornton farms have been removed from irrigated agriculture, and Thornton has converted, or is in the process of converting, these farms to self-sustaining dryland grasses. This conversion of farms from irrigated agriculture to a non-irrigated use is required by Thornton's Water Court Decree and must be satisfactorily accomplished before Thornton can deliver water to Thornton customers.

The Thornton Agricultural Stewardship Office pro-actively manages Thornton's properties, tenants, vendors, and responds to issues and concerns when they arise. Since 1986, Thornton has spent over \$18 million on its Agricultural Stewardship operations, which include activities ranging from tree trimming, to structural fixes, to reroofs, to plumbing/heating and electrical repairs, to culvert replacements. In addition, since 1987, Thornton has made voluntary payments in lieu of taxes to taxing authorities in Larimer and Weld Counties. The 2023 voluntary payment to Larimer County taxing authorities was \$38,047 (excluding voluntary payments in lieu of taxes submitted to Larimer County in the amount of \$13,883 which were returned to the City by the County on September 19, 2023). Since 1987, a total of approximately \$997,429 has been paid to Larimer County taxing authorities.

Over the years, Thornton has worked cooperatively with local governmental entities on a variety of projects and issues. For example, Thornton worked with Larimer County and the city of Fort Collins on the Dry Creek Drainage Improvement Project. The goals of this project were to protect people and properties within the Dry Creek Basin, and to reduce or eliminate the FEMA regulatory floodplain for Dry Creek within city limits. As part of the project, a detention facility was constructed on Thornton Farm #6, which is located along Dry Creek, just south of LCR 58.

Thornton looks forward to its continued contribution to and cooperation with the Larimer County community.

Thornton's 2023 Agricultural Stewardship Operations

Revegetation Project

Thornton currently owns eight farms on approximately 1,590 acres in Larimer County. To date, a total of 788 acres in Larimer County have been taken out of irrigated agricultural production and have been or are in the process of being revegetated to self-sustaining dryland grasses. Through 2023, 749 acres in Larimer County have been approved as established stands of self-sustaining dryland grass by the Natural Resources Conservation Service (NRCS). Thornton implements its revegetation program in Larimer County with contractors and vendors that are selected through a competitive bid process that is advertised locally. Since 2006, all revegetation contractors and vendors have been from the local Larimer and Weld County communities. Since 2006, Thornton has spent approximately \$3,900,000 with these local vendors on its revegetation project. Attached is a current map of the Thornton properties located in Larimer County.

Thornton's revegetation program has resulted in the successful establishment of a self-sustaining, dryland cover, on the farms that have been removed from irrigated agricultural production. Each farm is unique, and the revegetation process is highly dependent on natural moisture. Thornton evaluates and adjusts its revegetation methods on a yearly and farm-by-farm basis.

In 2023, Thornton expanded its grazing program. Thus, all revegetated Farms in Larimer county were grazed by cattle to maintain the health of the dryland grasses and to control weeds. Thornton expects to continue grazing cattle on these farms in the future.

Thornton's current plans are to complete revegetation and obtain NRCS approval on a total of 788 acres in Larimer County by 2025. The remainder of the farms in Larimer County will stay in irrigated agriculture until the water is needed for municipal use in Thornton. It is currently estimated that additional conversions from irrigated agriculture to self-sustaining dryland grasses will not be needed until after 2030. This timeline is a planning estimate and is subject to change to meet Thornton's water supply needs.

A significant portion of the Water Supply and Storage Company (WSSC) water that was used to irrigate Thornton's revegetated farms continues to be used within the WSSC irrigation system on farms that are still in irrigated agriculture. Tenants of Thornton-owned farms have priority in renting this surplus water. After those requests have been fulfilled, most of the remaining water is rented to other farmers throughout the WSSC system on a first come, first serve basis.

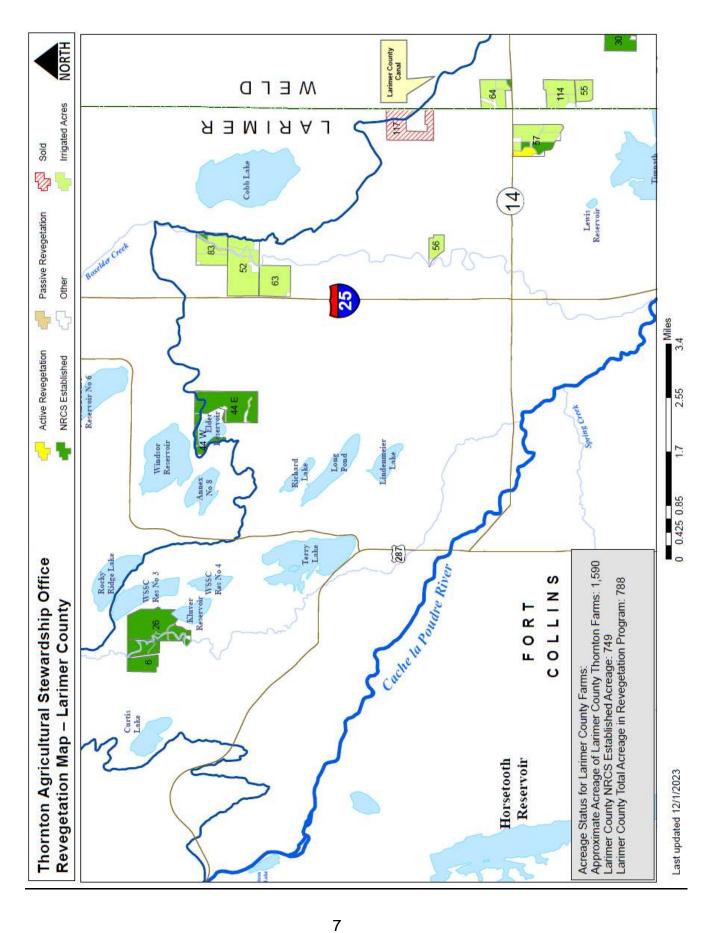
The following are pictures of Farms in Larimer County, as well as a map of Thornton's Larimer County farms.

Farm #44—Located at the corner of Douglas Road and North County Road 11. Farm 44 was added to the grazing program this year and cattle are pictured in the background of the photograph.



Farm #63—Located on the corner of North Frontage Road I-25 and East County Road 54. In 2023, this Farm was used to produce onions.





Thornton's Farms in Irrigated Agricultural Production

The Thornton farms that remain in irrigated agricultural production in Larimer County are leased to local farmers on a cash-lease basis at market rates. Water from ditch company shares or wells is provided with the leases for irrigated land. Thornton generally provides three-year leases to allow farmers to adequately plan their operations. These farms had the following approximate crop distribution in 2023:

Crop	Percent
Silage Corn (used for dairy/cattle feed)	78%
Onions	10%
Sunflowers	2%
Sugar Beets	10%

Thornton's Residential Houses

In 2023, of the ten farm houses owned by Thornton in Larimer County, six were leased. These houses are leased on an annual basis. Thornton's houses provide affordable housing options for approximately 11 residents in Larimer County. Thornton's house tenants take pride in their homes, and generally stay in the houses for over five years. The city has tenants who have been leasing houses from Thornton since 1986.

Thornton Northern Properties Stewardship Plan

In 2023, the city continued work on the Thornton Northern Properties Stewardship Plan (TNPSP). The overall goal of this plan is to identify the best long-term uses of over 18,000 acres owned by Thornton in Larimer and Weld Counties. Thornton's goal is to develop a plan that will successfully incorporate a vision that achieves outcomes that are in the best interest of Thornton and the local communities where the properties are located.

In 2023, the TNPSP group held four site specific regional working group meetings to get feedback from local town planners and community members. An additional two community wide meetings and one farm tenant meeting were held to solicit feedback from local community members and current farm tenants. The Water Optimization Study Group meet three times in 2023 to develop their recommendations on how best to utilize the "continued irrigation" provision in Thornton's decree to help farmers, conservation groups, and other interested parties restore (with non-Thornton water) irrigation on prime farmlands. The TNPSP Steering Committee, which consists of local Larimer and Weld County stakeholders, met three times in 2023 to review the input gathered at the Water Optimization Study Group, regional working group, community, and farm tenant meetings as well as to provide guidance on finalizing the strategies, pathways, and development of recommendations on potential future land uses. All of this work was combined into a single report titled "Future Land Use Analysis and Water Optimization Study Market Feasibility Report" in December of 2023. In 2024, this report will be utilized to finalize the TNPSP and the plan will be presented to the Thornton City Council.