

RESOLUTION NO. \_\_\_\_ – 18

A RESOLUTION AUTHORIZING THE DISPOSAL OF SURPLUS CITY PROPERTY TO PROJECT JUNGLE (“PURCHASER”) AS THE ONE LOGICAL, POTENTIAL PURCHASER

WHEREAS, City of Colorado Springs (“City”), by and through its enterprise, the Colorado Springs Municipal Airport (“Airport”), currently owns, by fee title, 900 acres, more or less, of real property situated in Colorado Springs, El Paso County, Colorado, as generally depicted and described on **Exhibit A**, which is attached and incorporated into this Resolution, (“Peak Innovation Park”) and is an area of land designated as a mixed use business park development for the benefit of the Airport; and

WHEREAS, the City currently owns, by fee title, 18.0 acres, more or less, of real property situated in the southwest quarter of Peak Innovation Park, as generally depicted and described on **Exhibit B**, which is attached and incorporated into this Resolution, (the “Property”); and

WHEREAS, the Airport is the controlling department of the Property; and

WHEREAS, Peak Innovation Park, which includes the Property, was purchased with Federal Aviation Administration (“FAA”) grant funds on November 6, 1970, for the purpose of noise abatement and runway approach protection; and

WHEREAS, on June 14, 2006, the FAA issued the Airport a letter releasing Peak Innovation Park land from aeronautical use requirements which frees that land for Airport business park development. See **Exhibit C**; and

WHEREAS, no other department or city enterprise has expressed an interest in the Property; and

WHEREAS, City Code § 7.7.1804 (B) (2001) and Chapter 5 of *The Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interest* (“Real Estate Manual”) authorize the disposal of surplus property to one logical, potential purchaser upon City Council approval; and

WHEREAS, the Property has been vacant since its initial acquisition in November, 1970, without interest from any party; and

WHEREAS, in April 2007, the City, via its request for procurement (RFP) process, retained COPT Cresterra Master, LLC (“Cresterra”) as its master developer for the Airport business park; and

WHEREAS, Upon mutual termination of its contract with Cresterra, the City, via its RFP process, retained UFCS, Airport, LLC, (“Urban Frontier”), in May 2016, as its master developer for the Airport’s business park. Urban Frontier rebranded the business park as “*Peak Innovation Park*”; and

WHEREAS, since 2006, the Property has been marketed by the Airport and both of its master developers; and

WHEREAS, the master developer’s primary obligations are to coordinate the development of the Airport business park as a mixed-use business park, including: (i) providing market and economic research and/or analysis for the development of the business park, (ii) providing site work and design standards, (iii) providing marketing and promotion of the Property to and communications with prospective Lessees and/or Buyers, (iv) conducting negotiation of leases and/or sales of the business park property, and (v) providing the facilitation of necessary approvals and coordinate financing on behalf of the City for improvements to the business park property; and

WHEREAS, the development of a business park for the benefit of the Airport is unprecedented within the City and necessarily requires the City to sell a certain percentage of the land to private companies and other organizations on a case-by-case basis and subject to City Council’s and the FAA’s approval; and

WHEREAS, Purchaser initiated discussions for the sale of the Property with the Airport for the purpose of constructing a warehouse distribution facility within the Colorado Springs and El Paso County, Colorado area (Local Warehouse Distribution Facility); and

WHEREAS, pursuant to City Code § 7.7.1804 (B) and Chapter 5, § 5.4 of the Real Estate Manual, Purchaser is the one logical, potential purchaser for the following reasons:

- Purchaser does not desire a leasehold interest in the Property, and without an agreement to sell the Property, Purchaser may seek other opportunities outside of Peak Innovation Park and/or Colorado Springs;
- Selling the Property to Purchaser is anticipated to significantly benefit the Airport and the community due to the development type, projected employment opportunities, and need for immediate infrastructure. These factors provide a high probability of producing a catalyst for further economic development of Peak Innovation Park;

- Selling the Property to Purchaser for the intended use as a Local Warehouse Distribution Facility fits within the compatible land uses of the Airport;
- Selling the Property to Purchaser, in particular, for the intended use as a Local Warehouse Distribution Facility on 18 acres, more or less, of land is significant Airport business park development and therefore supports the Airport's reason for requesting the FAA release of the land from aeronautical use requirements;
- There are minimal utilities located within the Property site area and the access roadway, known as Grinnell Road, to the south-western portion of Peak Innovation Park is an undeveloped dirt path. Purchaser has the financial ability to pay the costs of installing main line utilities through Peak Innovation Park and to the Property site. Additionally, Purchaser has the financial ability to pay the costs of constructing a full movement, four-way intersection at Grinnell Road and Powers Boulevard. No other company has contacted the Airport with the ability to provide such large-scale infrastructure improvements which will also benefit multiple adjacent parcels;
- The installation of main line utilities, secondary internal roadways, and a full movement, four-way intersection are anticipated to increase the marketability and land value of Peak Innovation Park, because the development of the Property by Purchaser lowers the infrastructure improvement costs associated with the adjacent parcels and provides for efficient, faster development of adjacent parcels to include the development of "pad-ready" sites;
- Selling the Property to Purchaser for the intended use as a Local Warehouse Distribution Facility enhances the probability of attracting increased air-cargo services at the Airport, and therefore selling the Property to Purchaser, in particular, creates a strong synergy with the Airport;
- Purchaser is a Fortune 500 corporation and this particular company brought into Peak Innovation Park as an "anchor" development, elevates the Airport's business park prestige and recognition. This, in turn, creates a high probability of increased air travel to/from the Airport;
- The Airport has a federal, statutory obligation to be and remain self-sustainable. For the foregoing reasons and in light of the fact that no other company offering a development of Purchaser's size has contacted the Airport with interest in the Property and the fact that Purchaser's development will likely benefit Peak Innovation Park and the Airport as a whole, selling the parcel to Purchaser affords the Airport with a higher probability of continuing to comply

with its federal, statutory obligations and sustaining the long-term viability of the Airport; and

WHEREAS, the Airport met with the FAA to discuss releasing the Property to Purchaser as fee simple sales transaction, and the FAA verbally agreed the intended use would be compatible with the Airport and thereby concurs with the sale of the Property to stimulate growth of Peak Innovation Park and the Airport; and

WHEREAS, the Airport followed the City process for retaining an appraiser, who is in the process of providing the fair market value ("FMV") of the Property. In compliance with FAA regulations, City Code § 7.7.1084(B), and the Real Estate Manual, the City shall negotiate a value equal to or greater than FMV for the sale of the Property; and

WHEREAS, the Airport recommends disposal of the Property to Purchaser, as the one logical potential purchaser in accordance with the Real Estate Manual.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:**

Section 1. City Council finds that the sale of the Property, described and depicted in **Exhibit B** is in compliance with the City's Real Estate Manual, the City Charter, the City Code, and all other applicable laws.

Section 2. In accordance with City Code § 7.7.1804 (B) and the Real Estate Manual, Chapter 5, City Council finds, for the reasons set forth in the recitals above, Purchaser, is the one logical, potential purchaser of the Property.

Section 3. In accordance with Chapter 5, § 5.4 of the Real Estate Manual, City Council hereby authorizes the sale of the Property to Purchaser, for not less than FMV as established by the City's real estate appraisal and subject to the applicable terms and conditions of the Real Estate Manual; FAA regulations, including all required deed restrictions; and all contractual obligations negotiated by the parties.

Section 4. Pursuant to the Real Estate Manual, Chapter 2, § 2.11, the City's Real Estate Services Manager is authorized to execute all documents necessary to complete the disposition of the Property and to obtain the Mayor's signature on the Quitclaim Deed to convey the Property to Purchaser.

Dated at Colorado Springs, Colorado this \_\_\_\_ day of \_\_\_\_\_, 2018.

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Council President

ATTEST:

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Sarah B. Johnson, City Clerk