

A RESOLUTION AUTHORIZING THE ACQUISITION OF PROPERTY OWNED BY DENNIS K. EASTEP, LISA E. EASTEP, and CAROL EASTEP TO BE USED FOR SOUTHERN DELIVERY SYSTEM PROJECT IMPROVEMENTS AND FINDING A PUBLIC PURPOSE IN A ONE-YEAR BELOW-MARKET LEASE OF SUCH PROPERTY TO DENNIS K. EASTEP AND LISA E. EASTEP

WHEREAS, Colorado Springs Utilities (“Utilities”) initially funded the design of the Southern Delivery System Project (the “Project”); and

WHEREAS, on behalf of Utilities, the City of Colorado Springs acquires and holds title to the real property acquired for the Project; and

WHEREAS, certain real property owned by Dennis K. Eastep and Lisa E. Eastep and Dennis K. Eastep dba Customized Electric, aka Customize Electric (the “Real Property Owners”), consisting of 120 acres of land, which is located at 13420 and 13550 Bradley Road, Colorado Springs, Colorado 80928 and known as El Paso County Tax Schedule Numbers 45000-00-121 and 45000-00-122 (“Real Property”), has been identified as necessary for the completion of the Southern Delivery System Project; and

WHEREAS, the Real Property is legally described on Exhibit A attached hereto and depicted on Exhibit B attached hereto; and

WHEREAS, Carol Eastep is the owner of certain improvements located on and attached to the Real Property, including a modular home, a utility shed, and a garage, identified as Tax Schedule Number 93100-08-113 and described as SEC 05-15-64 HOMETTE 1978 70X14 VIN 03590323L 06M071397 (APN 45000-00-121) (“Carol’s Improvements”); and

WHEREAS, the Real Property and Carol’s Improvements are collectively referred to herein as the “Property” and the Real Property Owners and Carol Eastep shall be referred to herein collectively as the “Property Owners”; and

WHEREAS, by City Council Resolution No. 134-13, the City of Colorado Springs, through its enterprise Colorado Springs Utilities, was authorized to negotiate acquisition of the Property; and

WHEREAS, the acquisition of the Property is in the public interest and is necessary for the construction of the Southern Delivery System Project; and

WHEREAS, pursuant to section 4.1 of *The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests* (“Real Estate Manual”), City Council approval is required for acquisition of real property interests if the purchase price exceeds \$50,000.00; and

WHEREAS, the City desires to offer and the Property Owners desire to accept a purchase price of \$1,500,000.00 for the Property, and additional relocation assistance as required; and

WHEREAS, Colorado Springs Utilities requests the approval of City Council to purchase the Property for a purchase price of \$1,500,000.00; and

WHEREAS, Dennis K. Eastep and Lisa E. Eastep have requested to occupy and possess the Property for a period of one year in order to allow them time to relocate to a new home; and

WHEREAS, Colorado Springs Utilities requests the approval of City Council to enter into a one-year lease agreement for the Property with Dennis K. Eastep and Lisa E. Eastep at a rental rate below fair market value for a term ending one year from the date of the closing of the acquisition of the Property; and

WHEREAS, pursuant to The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests ("RES Manual"), the City Council shall make certain findings regarding a public purpose for a below-market lease.

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

Section 1. That the City Council finds the acquisition of the Property is in compliance with the City's Real Estate Manual, the City Charter, City Code, and all other applicable laws.

Section 2. That in accord with the Real Estate Manual, the City Council hereby authorizes the acquisition of the Property from the Property Owners for the purchase price of \$1,500,000.00 to be used in connection with the Southern Delivery System Project.

Section 3. That in accord with §10.2(d)(iii)(2) of the RES Manual, City Council hereby finds a public purpose in granting a one-year lease agreement to Dennis K. Eastep and Lisa E. Eastep for the use of the Property at a rental rate below fair market value for a term ending one year from the date of closing of the acquisition of the Property.

Section 4. That the City's Real Estate Services Manager is authorized to execute all documents necessary to complete the acquisition of the Property contemplated herein and the lease agreement with Dennis K. Eastep and Lisa E. Eastep at a rental rate below fair market value as described herein. Dennis K. Eastep and Lisa E. Eastep will be responsible for obtaining insurance for the Property, paying all utility bills during the term of the lease agreement, and maintaining the Property in a habitable condition.

DATED at Colorado Springs, Colorado, this _____ day of _____, 2020.

ATTEST:

Richard Skorman, Council President

Sarah B. Johnson, City Clerk