



## Legislation Text

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A Resolution Authorizing a Land Exchange between the City of Colorado Springs and CSJ No. 7, LLC and Urban Enterprises, LLC.

**Presenter:**

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**Summary:**

A resolution to approve a land exchange between the City of Colorado Springs and CSJ No. 7, LLC and Urban Enterprises, LLC in support of the CDOT I-25 /Cimarron Improvement Project and the Southwest Downtown Urban Renewal Plan.

**Previous Council Action:**

In 2001, City Council approved the Southwest Downtown Urban Renewal Plan. On November 26, 2006, City Council adopted a Statement of Intent (SOI) in support of the Southwest Downtown Urban Renewal Area. On August 26, 2008, City Council adopted a new SOI in support of the Southwest Downtown Urban Renewal Area, which replaced the previous SOI. The 2008 SOI provides, among other provisions, for the transfer of certain City-owned real property to the Colorado Springs Urban Renewal Authority (CSURA) in support of the Urban Renewal Plan.

**Background:**

As part of the CDOT I-25 /Cimarron Improvement Project ("Project"), CDOT is required to construct a trail and stormwater BMPs in conformance with the City's Drainage Criteria Manual, Vol. II. CDOT proposed a trail and stormwater vault in the existing Cimarron right of way. The trail proposed by CDOT was ADA compliant, but not truly accessible and not preferred by the City's Park Department. The BMP proposed by CDOT is a vault which will take significant City resources to maintain. If the City obtains the property at the northeast corner of I-25 and Cimarron Street, known as 301 Cimino Drive (the "CSJ Property"), CDOT has agreed to install a trail that the City Parks Department believes will be more accessible and a water quality pond that will require less maintenance effort from the City. The CSJ Property is owned by CSJ No. 7, LLC and Urban Enterprises, LLC. An independent appraisal of the CSJ Property was obtained by the City and indicates the CSJ Property has a fair market value of \$904,000.00.

The City wishes to exchange two (2) City-owned properties in the immediate vicinity for the CSJ Property (see Figure 2). These properties are identified as 25 Cimino Drive and 125 Cimino Drive (the "City Properties"). The City Properties are currently vacant. An independent appraisal of the City Properties was obtained by the City and indicates the City Properties have a combined fair market value that is \$543,600.00 less than the value of the CSJ Property.

On November 26, 2006, City Council adopted a Statement of Intent (SOI) in support of the Southwest Downtown Urban Renewal Area. On August 26, 2008, City Council adopted a new SOI in support of the Southwest Downtown Urban Renewal Area, which replaced the previous SOI. The 2008 SOI provides, among other provisions, for the transfer of half of 25 Cimino and all of 125 Cimino to the CSURA in support of the Urban Renewal Plan. The remaining half of 25 Cimino was to be converted into parking. Under the 2008 SOI all of the City Properties were intended to be part of the Southwest Downtown Urban Renewal Project. The land exchange will accomplish one of the purposes of the 2008 SOI by making the City Properties available for redevelopment in support of the Urban Renewal Plan.

CSJ No. 7, LLC and Urban Enterprises, LLC desire to exchange the CSJ Property for the City Properties. A condition of the land exchange would be that CSJ No. 7, LLC and Urban Enterprises, LLC will assume the responsibility for and release the City from any necessary environmental remediation of the City Properties.

The proposed land exchange would offer the following benefits to the City:

- Acquire needed property for bike/pedestrian trail from Midland/Greenway Trail intersection;
- Relieve the City of any environmental remediation obligations it may have with respect to the City Properties;
- Support the implementation of the Southwest Downtown Urban Renewal Plan and fulfill the intent of the 2006 SOI and 2008 SOI; and
- Exchange can be completed with no financial obligation from the City.

The City, in accordance with the Real Estate Manual, obtained appraisals for all three (3) properties. Environmental studies and cost estimates have also been completed. These costs were supplied to the appraiser. Based on the amounts of these costs the appraiser has valued the CSJ Property and the City Properties accordingly. A financial evaluation of the land exchange is shown in Table 1. As can be seen from this table, the CSJ Property's value exceeds the City Properties' value by \$543,600.00.

CSJ No. 7, LLC and Urban Enterprises, LLC are not seeking remuneration for the difference in the values of the properties; however, they would like the difference recognized by City Council as a donation. As such, if Council approves this land exchange, the Division Manager of Traffic Engineering will bring a resolution to Council after the land exchange has closed in order for Council to accept the donation in accordance with section 4.4 of the Real Estate Manual.

**Financial Implications:**

Without this land exchange, the City may have to acquire the CSJ Property, which has an appraised value of the CSJ Property is \$904,000.00. In addition, if the City does not acquire the CSJ Property as part of the proposed land exchange, the City would likely need to replace the trail that CDOT constructs in the existing Cimarron right-of-way.

**Board/Commission Recommendation:**

Previous URA Board Approvals.

**Stakeholder Process:**

N/A

**Alternatives:**

Approve the resolution authorizing the land exchange.

Deny the resolution authorizing the land exchange.

Modify the resolution authorizing the land exchange

**Proposed Motion:**

Move to approve the resolution authorizing a land exchange between the City and CSJ No. 7, LLC and Urban Enterprises, LLC

**Summary of Ordinance Language**

N/A