



Legislation Text

File #: 21-144, **Version:** 2

Ordinance No. 21-34 amending Ordinance No. 20-92 (2021 Appropriation Ordinance) for a Supplemental Appropriation to the Trails, Open Space and Parks Fund in the Amount of \$2,797,113 for the Phase II Acquisition of Approximately 61 Acres of Property Known as the Pikeview Frontage Property from The Conservation Fund for the Purpose of Public Open Space and Trails in the Mountain Shadows Candidate Open Space Area.

Presenter:

Britt I. Haley, Parks, Recreation and Cultural Services Department, TOPS Program Manager

Summary:

On June 9, 2020 the Colorado Springs City Council unanimously approved and authorized the purchase of a 153 acre property known as the Pikeview Quarry Buffer Property (Property) in two phases from The Conservation Fund. This supplemental appropriation request would fulfill the contract and purchase the balance of the Property consisting of approximately 61 acres, located between the Oak Valley Ranch subdivision and the Pikeview Quarry with frontage on Allegheny Road.

Background:

On June 9, 2020 the Colorado Springs City Council unanimously approved and authorized the purchase of a 153 acre property known as the Pikeview Quarry Buffer Property (Property) in two phases. This was conducted in a first time partnership with The Conservation Fund (TCF). TCF is a national nonprofit organization, committed to assist municipalities, local governments and land trusts with the acquisition and conservation of open space properties. TCF and the City completed a “buy and hold” agreement, whereby TCF purchased the property and immediately sold Phase I, consisting of approximately 92 acres to the City. TCF agreed to hold the remaining approximately 61 acres of property for purchase by the City at the same price for up to eighteen (18) months. This supplemental appropriation request would fulfill the contract and purchase the balance of the Property, which is located between the Oak Valley Ranch subdivision and the Pikeview Quarry with frontage on Allegheny Road.

TOPS program staff working with City Budget staff have determined that sufficient TOPS open space category funds are available to complete the transaction by April 30, 2021. This is consequential because payment of the five percent interest that would accrue on those additional months would be avoided.

The property is located on the City’s western edge in the Mountain Shadows Candidate Open Space area. It shares a northern boundary with the Blodgett Open Space and it now extends the City’s open space ownership from the Blodgett Open Space to the Flying W Ranch, located on the Property’s south boundary. As early as 1997, the City’s open space master planning documents have identified this area as having some of the highest natural resource values in our community. Additionally, one of

the identified priorities of the TOPS Working Committee has been to focus on candidate open space parcels that would protect and connect the City's mountain backdrop. The TOPS Working Committee recommended the entire acquisition at its May 2020 meeting and the Parks, Recreation and Cultural Services Advisory Board (Parks Board) recommended the acquisition at its May 2020 meeting as well. The TOPS Working Committee will consider this supplemental appropriation request at its March 3, 2021 meetings and the Parks Board will consider the supplemental appropriation at its March 11, 2021 meeting.

Previous Council Action:

On June 9, 2020 the Colorado Springs City Council unanimously approved and authorized the purchase of a 153 acre property known as the Pikeview Quarry Buffer Property in two phases.

Financial Implications:

Based on Parks and Budget staffs' preliminary analysis, the estimated and preliminary TOPS available fund balance at the end of 2020 is \$4.3 million. Of this amount approximately \$3.7 million is designated for the Open Space Category after the open space acquisitions accomplished in 2020. Additionally, the 2021 budget projects the collection of additional open space acquisition revenues of over \$3 million. The agreement with TCF includes the appraised value of the 61 acres, plus a 5% transaction fee to cover TCF's expenses associated with staffing the acquisition, legal review and other associated costs. Additionally, the agreement includes a five percent per annum interest rate on the Phase II acquisition. This calculates as follows:

• Phase II purchase price	\$2,749,984
• 5% transaction cost	\$137,500
• 5% interest on 5 months:	\$80,208
• Estimated Real Estate Closing costs	\$2,500
Subtotal:	\$2,970,192
• Minus funds previously appropriated for Phase I-	\$173,079
Total Supplemental Appropriation request -	\$2,797,113

City Council Appointed Board/Commission/Committee Recommendation:

The TOPS Working Committee recommended the entire acquisition at its May 6, 2020 meeting and the Parks Board recommended the acquisition at its May 14, 2020 meeting as well. The TOPS Working Committee will consider this supplemental appropriation request at its March 3, 2021 meetings and the Parks Board will consider the supplemental appropriation at its March 11, 2021 meeting.

This supplemental appropriation request will be reviewed by the City Council Budget Committee at the March 9, 2021 meeting.

Stakeholder Process:

The TOPS Working Committee meetings and Parks Board meetings provide opportunities for public comment. Additionally, this transaction received six public meetings during the consideration of the

acquisition.

Alternatives:

City Council could modify or deny the request for a supplemental appropriation.

Proposed Motion:

A motion to approve a supplemental appropriation to complete Phase II of the Pikeview Quarry Buffer Property open space acquisition in the amount of \$2,797,113 to include the purchase price, interest payment, and associated transaction costs from the TOPS Open Space Category.

A Supplemental Appropriation in the Amount of \$2,797,113 for the Phase II Acquisition of Approximately 61 Acres of Property Known as the Pikeview Frontage Property for the Purpose of Public Open Space and Trails.