



Legislation Text

File #: 22-371, **Version:** 1

Title

A Resolution Authorizing the Acquisition of Real Property Owned By Monica C. Padeway to be Used for the Central Substation Project

Presenter:

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Summary:

Colorado Springs Utilities (“Utilities”) requests that City Council approve a resolution that will allow Utilities to purchase the property owned by Monica C. Padeway (the “Property Owner”) located at 4006 Goldenrod Drive, Colorado Springs, Colorado 80918, also known as El Paso County Tax Schedule Number 6327206045 (the “Property”).

Background:

Utilities is modernizing the electric grid for sustainability and system resiliency and reliability. Over the years, our customers’ electricity demands have evolved and peak loads continue to increase. Utilities has identified three substations that are severely space constrained and no longer located at ideal points on the grid to accommodate future demand. The Central Substation Project (“Project”) will replace these three aging substations with one facility to improve system reliability, resiliency, and efficiency. Additionally, it will provide for long-term operation and maintenance (O&M) savings. Without this replacement Utilities is at risk for significant reliability and service issues to existing infrastructure.

Staff, over a three-year process, evaluated several sites. Each potential site was evaluated for community impact, legal constraints, and operational compatibility, flexibility and accessibility - as well as cost factors. The unique operational and space requirements for the Project drastically limited options within a part of Colorado Springs that is already well established and fully developed. The proposed Project site was selected because it is the most operationally and economically compatible with the needs of our community. The Property, which is located at the corner of Goldenrod Drive and Austin Bluff Parkway, is part of the proposed Project site.

The Property Owner listed the Property for sale on June 2, 2022, for a list price of \$439,900. Utilities determined that, based on current market conditions, it was appropriate to offer \$20,000 over the list price, subject to City Council approval. The Property Owner accepted the offer of \$459,900 and signed a purchase contract on June 7, 2022, contingent upon City Council approval. Utilities had the Property appraised by an independent residential appraiser. The appraisal indicates a market value for the Property of \$458,000 as of June 17, 2022.

Pursuant to the provisions of the Colorado Springs City Charter, the City is empowered to acquire

real property necessary for Utilities' projects. Section 9.6 of The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 (the "RES Manual") provides that if the total acquisition amount is greater than \$100,000, City Council must approve the transaction.

Additionally, Section 4.1 of the RES Manual provides:

[W]here property is listed or offered for sale by the owner, the City may enter into a contract to purchase the property at the list or offer price contingent on the Value Finding or Appraisal resulting in a value that is equal to or more than the list or offer price.

Staff is requesting authorization to acquire the Property for the total acquisition amount of \$459,900. Due to unusual market conditions, staff is also requesting that City Council waive the requirement in Section 4.1 of the RES Manual regarding the purchase price being equal to the list price.

Previous Council Action:

N/A

Financial Implications:

This property acquisition is accounted for in Utilities' 2022 project budget.

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

Staff has been in contact with property owners impacted by the Central Substation Project and will continue to communicate with stakeholders on a regular basis. Utilities Board has been briefed on the proposed acquisition of the Property. In addition, negotiations with property owners are conducted in accordance with the RES Manual, and all applicable laws.

Alternatives:

Approve the resolution.

Deny the resolution.

Proposed Motion:

Motion to approve the proposed Resolution authorizing the acquisition of real property owned by Monica C. Padeway to be used for the Central Substation Project.

Summary of Ordinance Language

N/A