



## Legislation Text

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### **A Resolution Authorizing the Donation of Real Property for a Public Purpose to the Stratmoor Hills Sanitation District**

#### **Presenter:**

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#### **Summary:**

Colorado Springs Utilities (“Utilities”) plans on presenting the attached resolution authorizing the Mayor to execute the documents necessary to donate a portion of an easement that is surplus property (“Easement”) to Stratmoor Hills Sanitation District (“Stratmoor”) as the one logical, potential purchaser/donee to City Council for approval on the consent calendar at the September 27, 2016 City Council meeting. The Easement was acquired in 1976 for a Utilities’ wastewater main (“Existing Main”), which will be transferred to Stratmoor pursuant to a proposed agreement with Utilities. The Easement was acquired without cost to Utilities, and the Existing Main will be owned by Stratmoor as a part of Stratmoor’s wastewater collection system (“Stratmoor’s System”).

#### **Previous Council Action:**

By Resolution No. 104-15, City Council approved a Sewage Treatment and Disposal Agreement between Colorado Springs Utilities and Stratmoor.

#### **Background:**

Stratmoor is a Colorado statutory district providing wastewater collection services for an unincorporated area of El Paso County, Colorado. Stratmoor’s System is connected to Utilities’ wastewater collection and treatment system (“Utilities’ System”). Utilities receives daily wastewater flows from Stratmoor’s System and provides wastewater treatment related services for Stratmoor pursuant to a Sewage Treatment and Disposal Agreement dated November 13, 2015 (“Wastewater Agreement”). The daily wastewater flows from Stratmoor’s System are measured at the point of connection between Utilities’ System and Stratmoor’s System (the “Wastewater Redelivery Point”).

The Existing Main has also historically been used to deliver flows from Utilities’ customers located upstream of Stratmoor’s System. Pursuant to a proposed agreement with Utilities, Stratmoor will acquire ownership of the Existing Main and will agree to accept the daily wastewater flows from any Utilities’ customer connected upstream of Stratmoor’s System, and redeliver such flows to the Wastewater Redelivery Point at no cost to Utilities.

As a result of the proposed agreement and the transfer of ownership of the Easement to Stratmoor, Utilities will eliminate all liabilities and costs associated with owning, operating and maintaining the Existing Main, which is located outside of Utilities’ service area. Utilities will also maintain its existing

wastewater service revenue stream and any opportunities for future, additional wastewater service revenue in Stratmoor's service area. Without Utilities' ownership of the Existing Main, the Easement is considered by Utilities to be surplus property. Utilities has no use for the Easement and no other City department or enterprise expressed interest in acquiring the Easement.

The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests ("RES Manual") authorizes the disposal of properties for less than fair market value upon a finding of a public purpose and for the transfer of property to an appropriate single, logical purchaser/donee. Stratmoor intends to use the Easement for the public purpose of operating and maintaining the Existing Main for the benefit of its customers located in the greater Colorado Springs area. As the owner of the Existing Main, Stratmoor will be the one logical, potential purchaser/donee of the Easement.

Consequently, Utilities requests that City Council approve the attached proposed resolution authorizing the Mayor to execute the documents necessary to donate the Easement to Stratmoor as the one logical, potential purchaser/donee to City Council on the consent calendar at the September 27, 2016 City Council meeting.

**Financial Implications:**

As a result of the proposed agreement and the transfer of ownership of the Easement to Stratmoor, Utilities will eliminate all future liabilities and costs associated with owning, operating and maintaining the Existing Main.

**Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

No other City department or enterprise expressed interest in acquiring the Easement.

**Alternatives:**

Option 1: Approve the proposed resolution to donate the Easement to Stratmoor.

Option 2: Deny the proposed resolution to donate the Easement to Stratmoor.

**Proposed Motion:**

Approval of the proposed resolution authorizing the Mayor to execute the documents necessary to donate the Easement to Stratmoor as the one logical, potential purchaser/donee.

N/A