



Legislation Text

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A Resolution Authorizing the Approval of a Land Exchange of an Easement Located Near the Intersection of Delta Drive Hancock Expressway and a Property Located at the Intersection of Marksheffel Road and Barnes Road to be Used for the Kelker to South Plant Transmission Project

Presenter:

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Summary:

Colorado Springs Utilities (“Utilities”) requests that City Council approve a resolution that will allow Utilities to acquire an easement located near the intersection of Delta Drive and Hancock Expressway and dispose of a property at the intersection of Marksheffel Road and Barnes Road for the Kelker to South Plant Transmission Project.

Background:

On June 26, 2020, the Utilities Board approved the new Electric and Gas Integrated Resource Plans (IRPs). The IRPs commit Utilities to a new energy future that is cost-effective, resilient and environmentally sustainable. Aligned with our Energy Vision, the IRPs achieve an 80% carbon reduction by 2030 and decommission all Utilities coal generation by 2030, including the downtown Martin Drake Power Plant no later than 2023. The IRPs call for grid modernization, integration of more cost-effective renewable energy and incorporation of new technologies like energy storage.

The Kelker to South Plant Transmission Project (“Project”) will provide a new overhead single circuit 115kV transmission line from Kelker Substation to South Plant Substation. This added transmission infrastructure is needed to support the Downtown network electric infrastructure. The Project is approximately 5 miles long and staff has been working with 19 private property owners, Colorado Department of Transportation, Union Pacific and Burlington Northern and Santa Fe Railway (BNSF) Railroads, and City departments to acquire the property rights needed for the Project.

Utilities desires to purchase the Easement, which crosses the properties identified as Tax Schedule Numbers 6434200026, 6434200020, 6434200002, and 643420401 and is approximately 8.60 acres, (the “Easement”) and the property owner desires to sell the Easement to the City for a purchase price of \$375,000, which is supported by an independent real estate appraisal. Additionally, the property owner desires to purchase the property owned by Utilities which is identified as Tax Schedule Number 5300000624 (“Utilities Property”) and valued at \$256,000, which is also supported by an independent real estate appraisal for access and future development to Barnes Road. Utilities and the property owner wish to do a land exchange of the Easement for the Utilities Property for the benefit of both Parties. The Easements to be acquired by Utilities are necessary for the for the Kelker to South Plant Transmission Project, which is in the public interest.

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

real property necessary for Utilities' projects. Section 6.1 of The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests, Revised 2021 (the "RES Manual") states the City may agree to convey property to an identified party in exchange for acquiring other property and that any Land Exchange must be approved by City Council in the same manner as the Acquisition and Disposition of property.

Section 6.7 of the RES Manual states if the City property being disposed of is valued less than the property being received as part of a Land Exchange, City shall, subject to City Council approval: pay the difference in value to the Land Exchange partner; or accept the property being received as a partial Gift; or accept the difference in value of the property being received as a partial Donation.

Staff is requesting authorization for the land exchange and approval of the payment of \$119,000 to the property owner for the difference between the Fair Market Value of the Utilities Property and the Easements. These values are supported by independent real estate appraisals.

Previous Council Action:

None.

Financial Implications:

This land exchange, including the \$119,000 to be paid to the property owner, is accounted for in Utilities' 2024 project budget.

City Council Appointed Board/Commission/Committee Recommendation:

Utilities Board will consider this acquisition at its regular meeting on February 21, 2024.

Stakeholder Process:

Staff has met with and had regular communication with property owners impacted by the Kelker to South Plant Transmission Project for over a year and will continue to communicate with stakeholders on a regular basis. Staff has negotiated the land exchange agreement with the property owner. Negotiations with property owners were 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 land exchange to be used for the Kelker to South Plant Transmission Project.

N/A