



Legislation Text

File #: 23-079, **Version:** 2

Ordinance No. 23-11 amending Budget Ordinance No. 22-90 (2023 Appropriation Ordinance) For A Supplemental Appropriation To The Trails, Open Space And Parks Fund In The Amount Of \$7,655,000 To Complete The Acquisition Of Approximately 1,021 Acres Of Property For The Purpose Of Public Open Space And Trails

Presenter:

Britt Haley, Director, Parks, Recreation and Cultural Services Department

Summary:

A supplemental appropriation to the Trails, Open Space and Parks Fund in the amount of \$7,655,000 to complete the acquisition of approximately 1,021 acres of property for the purpose of public open space and trails

Background:

The 2014 Park System Master Plan ("Master Plan") identifies the Corral Bluffs area as an Open Space Candidate Area. In fact, this area has long been identified for land conservation in advance of development. It was first identified over 20 years ago in the 1996 City Open Space Plan and also in the 1997 El Paso County Open Space Master Plan. Beginning with a TOPS program purchase of the Case property in 2009, the Anderson property in 2010, the Kyle property in 2017, and the Bishop Ranch property in 2018, the Colorado Springs Utilities Jimmy Camp Connection properties in 2020 and the Greco inholding also in 2020, the TOPS Program has diligently and patiently worked to assemble adjoining property in this resource rich area.

The 2014 Park System Master Plan (Master Plan) includes several goals that are supported by this proposal. First it provides enhanced open space opportunity on the City of Colorado Spring's east boundary, just as development is preparing to move forward under a revised and restated Banning Lewis Ranch annexation agreement intended to revitalize development on the adjoining 21,000 acres. Second it provides for enhanced partnership opportunities through our work with The Conservation Fund (TCF), whose relationship with the seller made this negotiation and opportunity possible for consideration.

Wild Horse Ranch is comprised of two tax assessor parcels identified by tax schedule numbers 4400 000 457 and 5400 000 022, with approximately 1,021 acres in portions of Sections 13 and 24, all in Township 14 South, Range 65 West, and portions of Section 19, Township 14 South, Range 64 West of the 6th P.M., in the County of El Paso, Colorado. Wild Horse Ranch is located on the south side of Highway 94 and abuts the Banning Lewis Ranch future development. It is within the Corral Bluffs Expansion Open Space Candidate Area and designated as a top priority for open space acquisition in the 2014 Parks, Recreation, and Trails Master Plan. Acquisition of Wild Horse Ranch would provide future recreation opportunities, protect wildlife corridors, and help to shape the future growth of the City.

The City worked with TCF to enter into a purchase contract with Waldo Morris WHR LLC for the Wild Horse Ranch Property. TCF will acquire the property and then convey it to the City at the fair market value. Upon the conveyance to the City, TCF will require a professional services fee for its staff time devoted to the transaction of 2% of the fair market value or \$150,000. TCF has discounted this fee which is more typically 5% in recognition of the successful partnership with the City of Colorado Springs in the recent acquisition projects at the Pikeview Buffer Open Space (currently being master planned as the Blodgett Open Space project) and the Fishers Canyon Open Space properties. On this project, the City will reimburse TCF for its ownership costs, if any, and the direct costs TCF incurs. The ownership costs for Wild Horse Ranch may include any applicable insurance or maintenance costs. Direct costs may include a survey, appraisal, Phase I environmental site assessment, mineral title report, mapping, legal fees and additional due diligence studies if needed.

TCF had been in communication with the seller on a separate land transaction in another part of Colorado when they learned of this potential opportunity and contacted staff of the Parks, Recreation and Cultural Services Department. Unfortunately, the property went under contract quickly with another party and the TOPS program's interest was placed on hold. However, that contract did not close and the TOPS Program had a second opportunity to consider moving forward on a possible acquisition of this 1,021 acre property.

Pursuant to TOPS and City real estate acquisition procedures, an appraisal was completed October 7, 2022, for the property which indicated a value of \$7.5 million based on a comparative sales approach for the 1,021 acres. This equates to a value of approximately \$7,347/acre. The property is currently zoned for residential use.

Previous Council Action:

N/A

Financial Implications:

The Conservation Fund is under contract to acquire the property contingent on a favorable Parks, Recreation and Cultural Services (PR&CS) Advisory Board recommendation and City Council approval with an agreement that the City would purchase the property for its appraised value of \$7.5 million. Acquisition of the property requires an appropriation in the amount of \$7,655,000 from the TOPS Open Space category to purchase the property and pay for the real estate transaction costs such as the title insurance, closing costs, professional services fee to TCF and recording fees. TOPS has also procured a mineral estate title report for this property as part of the due diligence review. The source of funds will be the available TOPS fund balance, if approved.

City Council Appointed Board/Commission/Committee Recommendation:

At its February 1, 2023 meeting, the TOPS Working Committee voted unanimously to recommend this proposed acquisition. The Parks Advisory Board received a presentation on this opportunity at its February 9, 2023 meeting and will take action at its March 9, 2023 meeting. This item was presented to the City Council Budget Committee on February 14, 2023.

Stakeholder Process:

TOPS Working Committee meetings, Parks Advisory Board meetings and City Council Regular Sessions provide opportunities for public comment. The TOPS Working Committee held public

meetings on January 4, 2023 and February 1, 2023. The Parks Advisory Board held a public meeting on February 9, 2023 and will consider this proposal at its March 9, 2023 meeting.

Alternatives:

Alternatives include advising staff of support for this acquisition, requesting additional information or suggesting an alternative approach to the transaction.

Proposed Motion:

A motion to approve a supplemental appropriation of \$7,655,000 to complete the Wild Horse Ranch property acquisition of approximately 1,021 acres to include the purchase price and associated real estate transaction costs from the TOPS Open Space category fund balance.

A supplemental appropriation to the Trails, Open Space and Parks Fund in the amount of \$7,655,000 to complete the acquisition of approximately 1,021 acres of property for the purpose of public open space and trails