



Legislation Text

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A Resolution Authorizing the Acquisition of Real Property Owned By JCJK Real Estate, LLC To Be Used For The Central Bluffs Substation Project.

Presenter:

Jessica K. Davis, Land Resource Manager, Colorado Springs Utilities
Travas Deal, Chief Executive Officer, Colorado Springs Utilities

Summary:

Colorado Springs Utilities (“Utilities”) requests that City Council approve a resolution that will allow Utilities to purchase the property identified below for the Central Bluffs Substation Project.

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 Bluffs 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 Project site was selected because it is the most operationally and economically compatible with the needs of our community. The property listed below is part of the Project site:

2910 Austin Bluffs Pkwy: The Property located at 2910 Austin Bluffs Pkwy, Colorado Springs, Colorado 80918, also known as El Paso County Tax Schedule Number 6327206056, is owned by JCJK Real Estate, LLC. Utilities had the Property appraised by an independent commercial appraiser. The appraisal indicates a market value for the Property of \$1,900,000. After negotiations, JCJK Real Estate, LLC and staff agreed upon the purchase price of \$2,150,000.

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.

Staff is requesting authorization to acquire the property for the total acquisition amount of \$2,150,000.

There is one remaining property to be acquired for the Project, all other parcels have been purchased.

Previous Council Action:

On July 12, 2022, City Council passed Resolution No. 92-22 authorizing the acquisition of 4006 Goldenrod Drive for the Project. On February 14, 2023, City Council passed Resolution No. 19-23 authorizing the acquisition of 4002 Goldenrod Drive and 2918 Austin Bluffs Parkway for the Project. On March 14, 2023, City Council passed Resolution No. 33-23 for the acquisition of 2914 Austin Bluffs Parkway and 2930 Austin Bluffs Parkway for the Project. On May 9, 2023, City Council passed Resolution No. 68-23 for the acquisition of 2922 Austin Bluffs Parkway.

Financial Implications:

This property acquisition is accounted for in Utilities' 2023 project budget.

City Council Appointed Board/Commission/Committee Recommendation:

Utilities Board has considered these acquisitions at its regular meeting on June 21, 2023.

Stakeholder Process:

Utilities conducted neighborhood meetings on July 20 and October 18, 2022 to inform the neighborhood about the Project. Utilities has sent out mailers to all of the properties within a one-mile radius of the Project site. Staff has met with and had regular communication with property owners impacted by the Central Bluffs 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 properties to be used for the Central Bluffs Substation Project.

N/A