



Legislation Text

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A Resolution Authorizing the Transfer of Control of Real Property Acquired for the Jimmy Camp Creek Reservoir from Colorado Springs Utilities to the City of Colorado Springs Parks, Recreation, and Cultural Services Department

Presenter:

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Summary:

Colorado Springs Utilities (Utilities) and City of Colorado Springs Parks, Recreation and Cultural Services Department (Parks) request City Council approval of a resolution authorizing the transfer of control of real property from Utilities to Parks.

Background:

As a result of extreme drought conditions and watering restrictions in 2002-2004 indicating that additional water storage was needed to ensure sufficient supply for customers, City Council directed Utilities to acquire property for a future terminal storage reservoir for the SDS project. The City, on behalf of Utilities, authorized the purchase of fifteen properties east of Colorado Springs to build the Jimmy Camp Creek Reservoir in conjunction with SDS. Ten of the fifteen properties were purchased subject to rights of first refusal (ROFR) granting the prior property owners the ability to repurchase the properties if Utilities did not construct the reservoir project or had no use for the properties.

In 2009, the Upper Williams Creek Reservoir (now Gary M. Bostrom Reservoir) site was approved as the SDS terminal reservoir site by the United States Army Corps of Engineers. This designation was the result of the SDS federal environmental permitting process. In its 2017 Integrated Water Resource Plan, Utilities formally announced it would not build the Jimmy Camp Creek Reservoir and indicated that it had no use for the properties and began to evaluate the possible disposal of the Jimmy Camp Creek properties. Former owners of four of the properties have elected to exercise their ROFR to repurchase the properties. Parks desires to purchase the remaining properties, as well as any of the four ROFR properties that do not close.

Utilities obtained appraisals for each of the properties with the assistance of the City Real Estate Services Office which have served as the basis for determining the value of the properties for either a sale under the ROFRs or an intra-city transfer from Utilities to Parks.

The attached resolution authorizes the transfer of control of the Properties from Utilities to Parks per the requirements of City Charter §6-80 and RES Manual Chapters 5 and 11.

Previous Council Action:

City Council previously authorized the purchase of the Jimmy Camp Creek properties to facilitate the Southern Delivery System (SDS) project.

Financial Implications:

The Properties have been appraised, and the appraised values are as follows:

1. TSN 53000-00-037: \$172,000*
2. TSN 53000-00-124: \$388,000
3. TSN 53000-00-322: \$216,300*

4. TSN 53000-00-349: \$394,000
5. TSN 53000-00-127: \$299,000
6. TSN 53000-00-200: \$167,000
7. TSN 53000-00-315: \$175,600
8. TSN 53000-00-141: \$581,000
9. TSN 53000-00-472: TBD, pending review of property restriction*
10. TSN 53000-00-170: \$403,000
11. TSN 53000-00-513: TBD, pending review of property restriction*
12. TSN 53000-00-515: \$396,500
13. TSN 53000-00-133: \$115,000
14. TSN 54000-00-045: \$144,500
15. TSN 53000-00-514: \$124,500

*Properties for which the former owner has indicated its intent to exercise a Right of First Refusal (these will only be transferred to Parks if sale falls through).

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

1. Approve the attached resolution authorizing the transfer of control of real property.
2. Do not approve the attached resolution and Utilities will remain the controlling department of the properties.

Proposed Motion:

Move approval of the proposed Resolution authorizing the transfer of control of real property acquired for the Jimmy Camp Creek reservoir from Colorado Springs Utilities to the City of Colorado Springs Parks, Recreation and Cultural Services Department.

N/A