



## Legislation Text

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**File #:** 24-063, **Version:** 1

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A Resolution Authorizing The Acquisition Of Approximately 11.962 Acres Of Real Property From BNSF Railway

**Presenter:**

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**Summary:**

The proposed resolution would authorize the City of Colorado Springs (City) to acquire approximately 11.962 acres of real property adjacent to Nevada Ave from BNSF Railway (BNSF) for the Nevada Ave Improvements project and Birdsall Power Plant security enhancements.

**Background:**

On November 8, 2022, citizens in the Pikes Peak Region approved the extension of the PPRTA Capital Program. The “Nevada Ave Reconstruction - Rock Island Railroad to Commerce St” and the “Nevada Ave Reconstruction - Commerce St to Templeton Gap Floodway” projects are both PPRTA 3 Capital “A List” projects. These projects are collectively referred to as the Nevada Ave Reconstruction project, its scope is to improve vehicular operations at signalized intersections and provide improved transit, bicycle and pedestrian infrastructure to support the North Nevada Redevelopment vision. The City plans to initiate the Nevada Ave Reconstruction project in 2025 as PPRTA 3 funds become available.

BNSF Railway (BNSF) currently owns property adjacent to the Nevada Ave right-of-way between (approximately) Mt View Ln to the north and Commerce St to the south. The City and BNSF have informally discussed the sale of this property for several years. The property is valuable to the City in that it can provide for improved transportation facilities and improved security of the Birdsall Power Plant.

In late 2023, the City and BNSF negotiated the total purchase price of \$3,100,000 for this property. The price is supported by an independent real estate appraisal obtained by the City pursuant to the City of Colorado Springs Procedural Manual for the Acquisition and Disposition of Real Property Interests.

The City desires to execute this real estate transaction in advance of PPRTA 3 funding becoming available while this real estate offer is still available from BNSF and is not subject to an escalated time- related cost. In addition, Colorado Springs Utilities (Utilities) has provided partial funding for this transaction.

The property would be purchased with City general funds, subject to a supplemental appropriation, and funds provided to the City by Utilities. The IGA outlines the process by which the City will be reimbursed for costs incurred for the real estate transaction with BNSF. When PPRTA 3 funding is

available in 2025, PPRTA will reimburse the City's portion of this transaction in the amount up to \$2,600,000.

Staff requests that City Council approve the Resolution for acquisition of the Real Property from the BNSF. Additionally, the attached Resolution authorizes the City's Real Estate Services Manager and the Public Works Director to execute all documents necessary to complete the acquisition.

**Previous Council Action:**

On July 26, 2022, City Council endorsed the extension of the Pikes Peak Rural Transportation Authority Capital Program in Resolution No. 97-22. Subsequently, on November 8, 2022, the citizens approved Ballot Issue 7A extending the PPRTA Capital Program until December 31, 2034, and the issue included this Project.

**Financial Implications:**

The source of funds, subject to a supplemental appropriation not to exceed \$2,600,000, is the General Fund unrestricted fund balance. The City and General Fund will be fully reimbursed by PPRTA in 2025. The PPRTA reimbursement up to \$2,600,000 will be recognized as revenue in 2024, therefore there is zero impact to the 2024 General Fund unrestricted fund balance.

**City Council Appointed Board/Commission/Committee Recommendation:**

The PPRTA Board was briefed on the pending IGA on January 10, 2024, whereby the City will be reimbursed for this acquisition cost. The PPRTA Board is scheduled and anticipated to formally approve the IGA on February 14, 2024.

**Stakeholder Process:**

The BNSF Railway has been engaged with City Real Estate Services to come to agreement on the terms and conditions of the transaction that is the subject of the Intergovernmental Agreement.

**Alternatives:**

City Council may approve, modify, or deny approval of the Resolution.

**Proposed Motion:**

Move to approve the resolution authorizing the City of Colorado Springs to acquire approximately 11.962 acres of real property from the BNSF Railway.

N/A