



Legislation Text

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A Resolution authorizing a land exchange between the City of Colorado Springs and High Valley Land Company, Inc. (“High Valley”) and acknowledging acceptance of a donation of approximately 346.24 acres of land to be held and administered as part of the Trails, Open Space And Parks (“TOPS”) Program

Presenter:

Britt I. Haley, Parks, Recreation and Cultural Services Director Nominee

Summary:

This property exchange proposal involves a significant conservation property donation of 352.32 acres by High Valley Land Company (“HVL”) to the Trails, Open Space and Parks (TOPS) Program, a sale of a 4.71-acre site owned by HVL to the Colorado Springs Fire Department for a fire station, and a sale of 44.82 acres of the Larry Ochs Sports Complex property to HVL with a time limited option for HVL to purchase the remaining approximately 13 acres at that site for fair market value at a future date. In accord with the City’s Real Estate Procedures Manual, this type of transaction is characterized as a property exchange because the parties are the same for the multiple real estate transactions.

Background:

Although the City’s Trails, Open Space and Parks (TOPS) sales and use tax program has been in place for 25 years, the proposed open space donation of 352.32 acres would be the first TOPS land acquisition to occur in the northeast quadrant of the city, which borders the Black Forest area. Northern Colorado Springs is quickly urbanizing to meet the demands of a growing population. The State Demography Office predicts that the population of El Paso County will surpass that of Denver County by 2050, with much of the development occurring in the north and eastern regions of El Paso County. This 352.32-acre Kettle Creek and Pine Creek Habitat Project could set the stage for additional strategic investments by TOPS to build a legacy of open space and greenways in the northeast quadrant of the city.

The habitat parcels offer outstanding views of Pikes Peak and feature a variation of prairie grasslands and rugged riparian habitat. The 2014 Park System Master Plan identifies this area as a candidate greenway property and due to the beautiful creeks that traverse the property; they are also identified by the United States Fish and Wildlife Service as protected habitat for the threatened Preble’s Meadow Jumping Mouse. Consequently, the four parcels are included in formal habitat conservation plans which were developed to allow for the mouse habitat to be preserved while development could continue in the Briargate area. Kettle Creek and Pine Creek offer important conservation opportunities and natural resource values, including:

Habitat Preservation: The property features significant wildlife habitat, including upland habitat with rolling grassland, healthy stands of ponderosa pine and encompassing view sheds to the north and to the west. The Kettle Creek waterway is a live stream year-round. Its grassy bottomland provides

critical habitat for the Preble's Meadow Jumping Mouse.

Further, Kettle Creek is one of nine headwaters of streams in El Paso County, originating in Black Forest and flowing in all directions from Black Forest. Kettle Creek is the largest, and most diverse riparian system south of the Platte-Arkansas (Palmer) Divide and trends west and southwest across Monument Valley in front of Pikes Peak. The Colorado Natural Heritage Program identified Monument Creek and its tributaries, including Kettle Creek, as having very high biodiversity significance, with the most important environmental factor being the maintenance of consistent, natural hydrology that supports the riparian system.

Connectivity: From a recreation and transportation perspective, this property could provide an opportunity for the continuance of the city's planned La Foret Regional Trail, identified in the 2014 Park System Master Plan and in the El Paso County Master Plan. It could also provide connectivity to a planned TOPS property acquisition which is located adjacent to the northernmost parcel primarily on the east side of State Highway 21.

Essential Buffer Space: An open space acquisition by the City of Colorado Springs in this location would be significant for demonstrating the importance of land conservation in a developing area of the city and can prompt northern landowners to prioritize open space conservation efforts. The surrounding areas to the south, east and west of Kettle Creek are currently under construction for extensive residential and commercial growth. Open space is greatly needed in this part of the City and limited opportunity exists to secure significant and meaningful parcels of land.

Larry Ochs Sports Complex Property: The City used park land dedication fees to purchase the Larry Ochs Sports Complex property in 2003, for \$2,657,160 with the intent to construct a much-needed sports complex facility for the northeastern part of our community. Unfortunately, the property has not been able to fulfil its intended use as a sports complex. After unsuccessful attempts to pursue that option, including neighborhood meetings in 2016 which yielded opposition to a Sports Complex and an unsuccessful exchange attempt in 2017 to swap for other sports complex land at Victory Ridge, staff recommends this proposal to sell 44.82 acres back to HVL for a negotiated price of \$5,147,500. The proceeds would return to the park land dedication fees fund. The Parks Department would retain ownership of the southernmost 13 acres of that property for future park uses but provide a one-year window during which HVL could also acquire the remaining 13 acres. If HVL notifies the City of its desire to exercise that opportunity, a separate appraisal would be completed by the City and the property would be sold at the then identified fair market value to HVL.

Previous Council Action:
N/A

Financial Implications:
Donation: The property owners propose to donate the 352.32 acres to the TOPS Program and they plan to seek tax incentives offered for the Internal Revenue Service for donation of conservation property. The owners have shared that a 2022 appraisal of the four parcels yielded a fair market value \$6.3 million. This valuation is consistent with the pricing the TOPS Program has identified for similarly burdened properties, meaning properties that feature habitat restrictions associated with threatened and endangered species

While there is no acquisition cost since this property is a generous donation to the TOPS Program, it

is important to acknowledge that the true price of open space is perpetual stewardship. Staff estimates that up to \$100,000 per year would be useful to properly steward the property, to provide fencing, land management, to improve the habitat and to interpret the wildlife opportunities to the public.

The sale of 44.82 acres of the Larry Ochs Sports Complex property would deposit \$5,147,500 into the Public Space and Development Fund (also known as the PLDO Fund). One time closing costs associated with the real estate transaction are estimated to be approximately \$2,500.

City Council Appointed Board/Commission/Committee Recommendation:

The TOPS Working Committee voted unanimously with one member absent to recommend the Kettle Creek and Pine Creek habitat property donations. The Parks, Recreation and Cultural Services Advisory Board voted unanimously to recommend the exchange proposal to include the property donations and property sales outlined in this memorandum.

Stakeholder Process:

The two TOPS Working Committee meetings and two Parks, Recreation and Cultural Services Advisory Board meetings provide opportunities for public comment. City Council will also have meetings that provide for that input.

Alternatives:

City Council may decline the acquisition of the Kettle Creek and Pine Creek habitat properties. Additionally, City Council may decline to proceed with the sale of 44.82 acres of the Larry Ochs Sports Complex Property. The fire station property acquisition was approved by City Council in the 2022 budget process.

Proposed Motion:

A motion to approve the resolution authorizing a land exchange between the City of Colorado Springs and High Valley Land Company, Inc. ("High Valley") and acknowledging acceptance of a donation of approximately 346.24 acres of land to be held and administered as part of the Trails, Open Space And Parks ("TOPS") Program.

N/A