



Legislation Text

File #: 19-564, **Version:** 1

A Resolution Declaring Real Property to be Surplus and Authorizing the Disposal of Real Property to Holders of Rights of First Refusal for the Appraised Value

Presenter:

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Summary:

Colorado Springs Utilities (Utilities) and City Real Estate Services Office staff request City Council approval of a resolution declaring real property to be surplus and authorizing the disposal of real property to holders of rights of first refusal for the appraised value.

Background:

As a result of extreme drought conditions and watering restrictions from 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. City Council authorized the purchase of fifteen properties east of Colorado Springs to build the SDS terminal storage near Jimmy Camp Creek 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. Four of the ten owners with ROFRs have elected to exercise their rights to repurchase their properties (the "Properties"):

1. TSN 5300000037 - N. Meridian Road
2. TSN 5300000322 - 3250 N. Meridian Road
3. TSN 5300000472 - 2980 N. Meridian Road
4. TSN 5300000513 - 2970 N. Meridian Road

The attached resolution authorizes the disposal of the Properties at the appraised values based on appraisals obtained by Utilities with the assistance of the City Real Estate Services Office in accordance with the Real Estate Services Manual

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 will be sold for their appraised values, as follows:

1. TSN 5300000037 - N. Meridian Road: \$172,000
2. TSN 5300000322 - 3250 N. Meridian Road: \$216,300
3. TSN 5300000472 - 2980 N. Meridian Road: \$406,000
4. TSN 5300000513 - 2970 N. Meridian Road: \$147,000

City Council Appointed Board/Commission/Committee Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

1. Approve the attached Resolution declaring real property to be surplus and authorizing the disposal of real property to holders of rights of first refusal for the appraised value.
2. Do not approve the attached resolution and retain ownership of the Properties.

Proposed Motion:

Move approval of the proposed Resolution declaring real property to be surplus and authorizing the disposal of real property to holders of rights of first refusal for the appraised value

N/A