



Legislation Details (With Text)

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Title:	A Resolution Authorizing the Acquisition of Property Owned by Dennis K. Eastep, Lisa E. Eastep, and Carol Eastep to be Used for Southern Delivery System Project Improvements and Finding a Public Purpose in a One-Year Below-Market Lease of Such Property to Dennis K. Eastep and Lisa E. Eastep.				
	Presenter: Lyman Ho, SDS Land Acquisition Manager, Colorado Springs Utilities Aram Benyamin, Chief Executive Officer, Colorado Springs Utilities				

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Attachments: 1. CSU-PurchaseBelowMarketLease-Eastep-RES-2020-02-25, 2. 4- Exhibit Sheets, 3. Signed Resolution 17-20.pdf

Date	Ver.	Action By	Action	Result
3/10/2020	1	City Council	adopted	Pass

A Resolution Authorizing the Acquisition of Property Owned by Dennis K. Eastep, Lisa E. Eastep, and Carol Eastep to be Used for Southern Delivery System Project Improvements and Finding a Public Purpose in a One-Year Below-Market Lease of Such Property to Dennis K. Eastep and Lisa E. Eastep.

Presenter:

Lyman Ho, SDS Land Acquisition Manager, Colorado Springs Utilities
Aram Benyamin, Chief Executive Officer, Colorado Springs Utilities

Summary:

Southern Delivery System (SDS) staff requests City Council approval of a resolution authorizing the acquisition of real properties and improvements owned by Dennis K. Eastep, Lisa E. Eastep, and Carol Eastep (The Eastep Property) to the City of Colorado Springs for the Gary M. Bostrom Reservoir, formerly known as the Upper Williams Creek Reservoir (UWCR), which is part of the Southern Delivery System (SDS) project.

Background:

On December 10, 2013, City Council approved Resolution No. 134-13 authorizing negotiations to acquire properties necessary for the SDS UWCR project. The Eastep Property acquisitions join approximately 2,200 acres of property already acquired for the SDS UWCR project. Presuming approval of The Eastep Property acquisitions today, approximately 2 additional properties will be required for the reservoir and buffer area.

The Eastep Property is being acquired in a consensual transaction. The Eastep Property acquisition consists of 120 acres of land, which is located at 13420 and 13550 Bradley Road, Colorado Springs, Colorado 80928 and known as El Paso County Tax Schedule Numbers 45000-00-121 and 45000-00-122 and a modular home, a utility shed, and a garage, identified as Tax Schedule Number 93100-08-113 and described as SEC 05-15-64 HOMETTE 1978 70X14 VIN 03590323L 06M071397 (APN 45000-00-121). This acquisition is needed for the reservoir site and buffer area. Initially, early conversations with the owners indicated that condemnation might be necessary to acquire the property and improvements, however Utilities has reached an agreement that allows for the acquisition of the properties and improvements. The owners have accepted the City's negotiated purchase price of \$1,500,000 for all real property and improvements and a one-year below fair market value lease back to the Dennis K. Eastep and Lisa E. Eastep. This settlement avoids using eminent domain, although eminent domain was authorized by City Council in September 2017 for this property.

Pursuant to the provisions of the Colorado Constitution and the Colorado Springs City Charter, the City is empowered to acquire real property necessary for Utilities projects. Additionally, Section 8.6 of The City of Colorado Springs Procedure Manual for the Acquisition and Disposition of Real Property Interests (the "RES Manual") requires that whenever the total acquisition amount is determined to exceed \$50,000, City Council shall approve the transaction. City Council approval is also required for all below-market leases under Section 10.2(d)(iii)(2) of the RES Manual.

Colorado Springs Utilities requests that City Council adopt the attached resolution that authorize the acquisition of The Eastep Property for the above-stated purchase price and a one-year below fair market value lease of the property to Dennis K. Eastep and Lisa E. Eastep. Additionally, the attached resolution authorizes the City's Real Estate Services Manager to execute all documents necessary to close the transaction. This item supports the City's strategic goal of investing in future infrastructure.

Previous Council Action:

Since September 8, 2009, City Council has passed a number of resolutions authorizing the acquisition of more than 200 property transactions for the SDS project.

Financial Implications:

This property acquisition has been accounted for in 2020 Utilities' project budget. If City Council does not approve the Resolution, Utilities will be lacking a portion of the reservoir site and buffer area considered as a minimum amount to protect the UWCR watershed.

City Council Appointed Board/Commission/Committee Recommendation:

City Council previously approved Resolution No. 134-13 determining the necessity, and authorizing the acquisition of, and entry into possession and use agreements for, certain real property for Southern Delivery System Project Improvements.

Stakeholder Process:

Staff has been in contact with property owners impacted by the SDS project and will continue to communicate with stakeholders on a regular basis. In addition, negotiations with property owners were conducted in accordance with the federal Uniform Act, the RES Manual, and all applicable law.

Alternatives:

Approve the attached Resolution authorizing the acquisition of real property and below market lease or do not approve the attached Resolution, however, choosing this alternative will result in delayed

land acquisition and potential increased land acquisition costs for developing UWCR.

Proposed Motion:

Move approval of the proposed Resolution authorizing the acquisition of real property owned by Dennis K. Eastep, Lisa E. Eastep, and Carol Eastep to be used for SDS Project Improvements and a one-year below market lease of the property to Dennis K. Eastep and Lisa E. Eastep.

N/A