



Legislation Text

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A Resolution Authorizing the Acquisition of Approximately 1,018 Acres of Property, Commonly Referred to as The Wild Horse Ranch Through the Trails, Open Space and Parks Program

Presenter:

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Summary:

Since 1996, when the City's first Open Space Plan was adopted, the City of Colorado Springs has prioritized and worked to acquire property in and around the Corral Bluffs area for its special open space values. This item provides the opportunity for the TOPS program to make a large open space acquisition of approximately 1,018 acres of property "Property", which has been marketed as "Wild Horse Ranch". The Property appraised for a value of \$7.5 million in October of 2022.

Background:

The 2014 Park System Master Plan ("Master Plan") identifies the Corral Bluffs area as an Open Space Candidate Area. In fact, this area has long been identified for land conservation in advance of development. It was first identified over 20 years ago in the 1996 City Open Space Plan and also in the 1997 El Paso County Open Space Master Plan. Beginning with a TOPS program purchase of the Case property in 2009, the Anderson property in 2010, the Kyle property in 2017, and the Bishop Ranch property in 2018, the Colorado Springs Utilities Jimmy Camp Connection properties in 2020 and the Greco inholding also in 2020, the TOPS Program has diligently and patiently worked to assemble adjoining property in this resource rich area.

The Master Plan also includes several goals that are supported by this proposal. First it provides enhanced open space opportunity on the City of Colorado Spring's east boundary, just as development is preparing to move forward under a revised and restated Banning Lewis Ranch annexation agreement intended to revitalize development on the adjoining 21,000 acres. Second it provides for enhanced partnership opportunities through our work with The Conservation Fund (TCF), whose relationship with the seller made this negotiation and opportunity possible for consideration.

Wild Horse Ranch is comprised of two tax assessor parcels identified by tax schedule numbers 44000-00-457 and 54000-00-022, with approximately 1,018 acres in portions of Sections 13 and 24, all in Township 14 South, Range 65 West, and portions of Section 19, Township 14 South, Range 64 West of the 6th P.M., in the County of El Paso, Colorado. Wild Horse Ranch is located on the south side of Highway 94 and abuts the Banning Lewis Ranch future development. It is within the Corral Bluffs Expansion Open Space Candidate Area and designated as a top priority for open space acquisition in the 2014 Parks, Recreation, and Trails Master Plan. Acquisition of Wild Horse Ranch would provide future recreation opportunities, protect wildlife corridors, and help to shape the future growth of the City.

The City worked with TCF to enter into a purchase contract with Waldo Morris WHR LLC for the Wild Horse Ranch Property. TCF will acquire the Property and then convey it to the City at the fair market value. Upon the conveyance to the City, TCF will require a professional services fee for its staff time devoted to the transaction of 2% of the fair market value or \$150,000. TCF has discounted this fee which is more typically 5% in recognition of the successful partnership with the City of Colorado Springs in the recent acquisition projects at the Pikeview Buffer Open Space (currently being master planned as the Blodgett Open Space project) and the Fishers Canyon Open Space properties. On this project, the City will reimburse TCF for its ownership costs, if any, and the direct costs TCF incurs. The ownership costs for Wild Horse Ranch may include any applicable insurance, maintenance, and utilities costs. Direct costs may include a survey, appraisal, Phase I environmental site assessment, mineral report, mapping, legal fees and additional due diligence studies if needed.

The special significance of the Corral Bluffs Open Space was highlighted in October of 2019 when scientists from the Denver Museum of Nature and Science (DMNS) published the first of a series of scientific papers in the prestigious journal Science concerning their fossil discoveries. They had discovered intact fossils documenting the emergence of mammals after the catastrophic asteroid that caused the die off of the dinosaurs. No other location in the world has produced such a treasure trove of quality fossils from this time period documenting the recovery of the Earth after the asteroid impact. This find is accurately described as unprecedented and was the focus of a PBS documentary called "Rise of the Mammals" that has aired on PBS's NOVA program several times. The DMNS also dedicated an exhibit to the fossils from Corral Bluffs, which was called After the Asteroid: Earth's Comeback Story.

TCF had been in communication with the seller on a separate land transaction in another part of Colorado when they learned of this potential opportunity and contacted staff of the Parks, Recreation and Cultural Services Department. Unfortunately, the Property went under contract quickly with another party and the TOPS program's interest was placed on hold. However, that contract did not close and the TOPS Program had a second opportunity to consider moving forward on a possible acquisition of this Property.

Pursuant to TOPS and City real estate acquisition procedures, an appraisal was completed October 7, 2022, for the Property which indicated a value of \$7.5 million based on a comparative sales approach for the Property. This equates to a value of approximately \$7,347/acre. The Property is currently zoned for residential use.

Previous Council Action:

N/A

Financial Implications:

The Conservation Fund is under contract to acquire the Property contingent on a favorable Parks, Recreation and Cultural Services (PR&CS) Advisory Board recommendation and City Council approval with an agreement that the City would purchase the Property for its appraised value of \$7.5 million. Acquisition of the Property requires an appropriation in the amount of \$7,655,000 from TOPS Open Space Category revenues to purchase the Property and pay for the real estate transaction costs such as the title insurance, closing costs, professional services fee to TCF and recording fees. TOPS has also procured a mineral estate title report for this Property as part of the due diligence review. Including projected 2023 open space funds of approximately \$4.5 million, and a fund balance

of approximately \$5.1 million, the TOPS open space fund is anticipated to have a sufficient balance to support this acquisition if approved.

City Council Appointed Board/Commission/Committee Recommendation:

At its February 1, 2023, meeting the TOPS Working Committee voted unanimously to recommend this proposed acquisition. The Parks Advisory Board received a presentation on this opportunity at its February 9, 2023, meeting and will take action at its March 9, 2023, meeting.

Stakeholder Process:

TOPS Working Committee meetings, Parks Advisory Board meetings and City Council Regular Sessions provide opportunities for public comment. The TOPS Working Committee held public meetings on January 4, 2023, and February 1, 2023. The Parks Advisory Board held a public meeting on February 9, 2023, and will consider this proposal at its March 9, 2023, meeting.

Alternatives:

Alternatives include disapproving the resolution, advising staff of support for this acquisition, requesting additional information or suggesting an alternative approach to the transaction.

Proposed Motion:

A motion to approve a resolution authorizing the acquisition of approximately 1,018 acres of real property commonly referred to as the Wild Horse Ranch from The Conservation Fund for the Trails, Open Space and Parks (TOPS) Program from the TOPS Program fund balance

N/A