

AGENDA ITEM SUMMARY

FORT COLLINS CITY COUNCIL

ITEM NUMBER: 17

DATE: March 4, 2008

STAFF: John Stokes

SUBJECT

First Reading of Ordinance No. 027, 2008, Authorizing the Lease of Natural Area Property at 1425 Overland Trail.

RECOMMENDATION

Staff recommends adoption of the Ordinance.

The Land Conservation and Stewardship Board reviewed and recommended approval of the lease at its regularly scheduled meeting on February 13, 2008.

FINANCIAL IMPACT

This lease will generate \$3,000 annual income. The tenant will also assist the Natural Areas Program with maintenance activities on the property, including weed control and mowing, thereby reducing Natural Areas Program maintenance costs.

EXECUTIVE SUMMARY

The Andrijeski Farm was purchased on September 1, 2004 as part of the City's Land Conservation and Stewardship Master Plan. The farm is located within the City's Growth Management Area at 1425 North Overland Trail. In 2007, this property was incorporated into the Reservoir Ridge Natural Area. Since its acquisition, this parcel has been leased for agricultural production. It is the recommendation of Natural Areas staff to again lease the property to Roger and Keith Amey for agricultural purposes for one year, with the option of up to four annual renewals at the mutual agreement of both parties.

BACKGROUND

This lease involves a 154-acre portion of the Reservoir Ridge Natural Area located at 1425 North Overland Trail. Formerly known as the "Andrijeski property," this property was incorporated into the Reservoir Ridge Natural Area in 2007 when the acquisition of an adjacent CSU property created contiguous land ownership.

This parcel was purchased in 2004 as a high priority property in the local land conservation focus area and it is within the City's Growth Management Area. At the time of purchase, Roger and Keith

Amey leased the property for agricultural production, and that lease was extended through 2007. In December 2007 and January 2008, Natural Areas staff conducted a Request for Proposals process (RFP P1101) soliciting proposals for agricultural use of the property. Roger and Keith Amey were selected to continue leasing the property. They will be using the eastern portion of the property for irrigated hay and crop production. The tenants will provide their own irrigation water. The western portion of the property will be used for prescriptive grazing limited to 25 animal unit months (AUMs). Cattle will only be present during the period from June 1 through September 1.

Natural Areas staff will continue to manage the wetland and pond system on the western portion of the property, which hosts a small population of federally threatened *Spiranthes diluvialis* (Ute ladies'-tresses orchid). This portion of the property is designated as a Special Lease Area, and will be grazed by the tenant only at the request and discretion of Natural Areas staff. Additionally, a second small wetland area is designated as a Special Lease Area and removed from the annual grazing rotation in order to allow recovery of wetland characteristics.

Leasing the property for agricultural production reduces management and maintenance costs for the Natural Areas Program, allows time to implement management options, and maintains the property as a working landscape for local farmers. The lease allows the Natural Areas Program to open the property to the public on a limited basis and develop amenities (trails, parking lots, etc) at staff's discretion.

ATTACHMENTS

1. Land Conservation and Stewardship Board minutes - February 13, 2008.

****Draft Minutes** Excerpt
CITY OF FORT COLLINS
LAND CONSERVATION & STEWARDSHIP BOARD
Regular Meeting
200 W. Mountain, Suite A
February 13, 2008**

Agriculture Lease Agreement for Andrijeski Property

- Erica Saunders: This lease involves a 157- acre portion of the Reservoir Ridge Natural Area located at 1425 North Overland Trail formerly known as the "Andrijeski property". This property was incorporated into the Reservoir Ridge Natural Area late last year when the acquisition of an adjacent CSU property created contiguous land ownership.
In December 2007 and January 2008, Natural Areas staff conducted a Request for Proposals (RFP) process soliciting proposals for agricultural use of the property. Roger and Keith Amey were selected to continue leasing the property. They will be using the eastern portion of the property for irrigated hay and crop production. The western portion of the property will be used for prescriptive grazing limited to 25 animal unit months. Natural Areas staff will continue to manage the wetland and pond system on the western portion of the property, which hosts a population of federally threatened *Spiranthes diluvialis* (Ute ladies'- tresses orchid). This portion of the property is designated as a Special Lease Area, and will be grazed by the tenant only at the request and discretion of Natural Areas staff.
This is a one-year lease with up to four annual renewals. This lease will generate \$3,000 annual income and since the tenant will control weeds on the property and mow the yard around the house, Natural Areas Program maintenance costs are reduced.
- Stanley: Is the property in good shape?
- Saunders: Yes, although the property contains primarily non-native species including smooth brome. There are wetland areas designated as Special Lease Areas to give them an opportunity to recover. There is a Canada thistle problem in the wetlands area.
- Haines: How many cattle will graze the property?
- Saunders: Cattle are limited to 25 AUMs.
- Haines: What is the fair market value?
- Saunders: We did not set a minimum or maximum price. We solicited for proposals and that was the price that Roger and Keith Amey proposed.
- Stanley: What is the benefit of grazing?
- Saunders: There could be litter build up with no grazing. We have had sheep grazing on the property in the past because they help control weeds because their diet consists of a larger percentage of forbs, while cattle consume more grass.
- Eckert: Where are the Ute Ladies' tresses orchids, and Canadian thistle?

- Bachand: Both thrive in the wetland area. Cow grazing can help the orchids along with their hoof action on the soil, stirring up seeds. There are also plans for a prescribed burn to help control the Canadian thistle.
- DeBell: How long has the property been grazed?
- Saunders: It has been grazed for as long as the Natural Areas has owned the property.
- Sears: Roger and Keith Amey leased the property from the Andrijeski's before the City of Fort Collins Natural Areas owned it. Our reason for leasing is that it makes management of the property less expensive.
- DeBell: Is there an issue with cattle packing the soil?
- Sears: Rick Bachand will take that into account when he develops a restoration plan for the property.
- Stokes: The eastern section of the property is cropped land and is turned over every year.
- Haines: Leasing is a good option, do the Amey's live near?
- Saunders: Yes, they live off Vine Street in Fort Collins.
- Stokes: The Amey's are one of the last farmers in this area.
- Eckert: Do we consult with the Fish and Wildlife Service because the Ute Ladies' tresses orchid is a threatened plant?
- Stokes: We do not have to consult with the Fish and Wildlife Services because plants fall under a more relaxed set of regulations than do animals. I'll schedule a time when Crystal Strouse, the Natural Areas botanist, can come and talk to the Board regarding plants in our Natural Areas.

Eckert motioned that the Land Conservation and Stewardship Board recommend that City Council approve an ordinance granting an agriculture lease on 157 acres of the Reservoir Ridge Natural Area. Boyd second, and it was unanimously approved.

ORDINANCE NO. 027, 2008
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE LEASE OF NATURAL AREA
PROPERTY AT 1425 OVERLAND TRAIL

WHEREAS, the City of Fort Collins is the owner of the property legally described as the South ½ of the North ½ of Section 5, Township 7 North, Range 69 West of the 6th P.M., County of Larimer, Colorado, also known as 1425 Overland Trail (the "Property"); and

WHEREAS, the City purchased the Property for Natural Areas purposes and it is now included in the Reservoir Ridge Natural Area; and

WHEREAS, the City has owned the Property subject to an agricultural lease since 2004; and

WHEREAS, City staff has proposed that the City continue to lease approximately 154 acres of the Property as more particularly described on Exhibit A, attached hereto and incorporated herein by reference (the "Lease Area"), for agricultural purposes; and

WHEREAS, City staff conducted a request for proposals process soliciting proposals for agricultural use of the Lease Area; and

WHEREAS, as a result of proposal process, City staff selected Roger and Keith Amey to lease the Lease Area; and

WHEREAS, leasing the Lease Area for agricultural production reduces management and maintenance costs for the Natural Areas Program; and

WHEREAS, City staff has also proposed that the Lease Area be leased at an annual lease rate of \$3,000; and

WHEREAS, staff has proposed that the Lease Area be leased on an annual basis for a total possible lease period of five years; and

WHEREAS, staff has negotiated terms and conditions which have been incorporated into a proposed lease agreement, a copy of which is dated February 29, 2008, and is on file in the office of the City Clerk and available for inspection (the "Lease Agreement"); and

WHEREAS, the terms of the negotiated agreement allow the City to develop and to allow limited public use of the Lease Area; and

WHEREAS, the Land Conservation and Stewardship Board, at its regular meeting of February 13, 2008, recommended that the Council authorize the proposed lease; and

WHEREAS, under Section 23-114 of the Code of the City of Fort Collins, the Council is authorized to lease any and all interests in real property owned in the name of the City, provided that Council first finds that the lease is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the Council hereby finds that the lease of the Lease Area as described above is in the best interests for the City of Fort Collins.

Section 2. That the City Manager is hereby authorized to execute the Lease Agreement and such other lease documents and other documents as may be necessary to carry out the terms of this Ordinance, together with such terms as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to protect the interests of the City, including any necessary corrections to the legal descriptions shown thereon that do not result in a material increase or change in character of the intended lease property.

Introduced, considered favorably on first reading, and ordered published this 4th day of March, A.D. 2008, and to be presented for final passage on the 18th day of March, A.D. 2008.

Mayor

ATTEST:

City Clerk

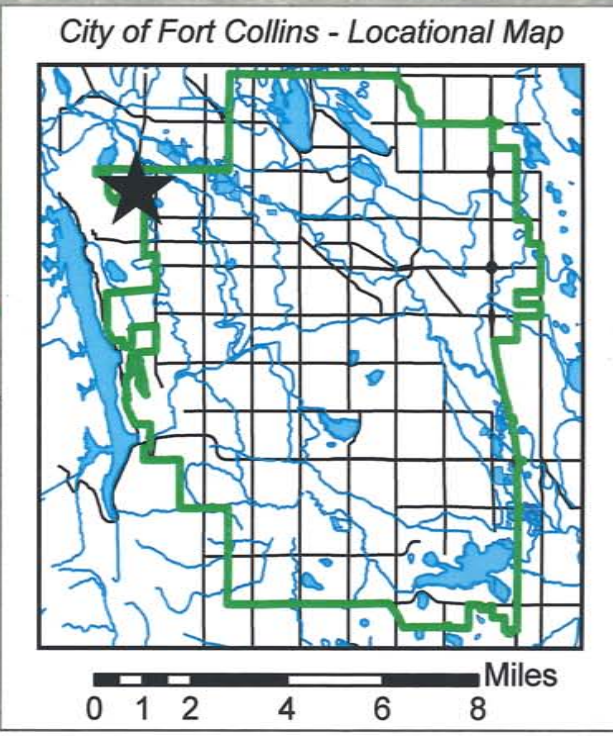
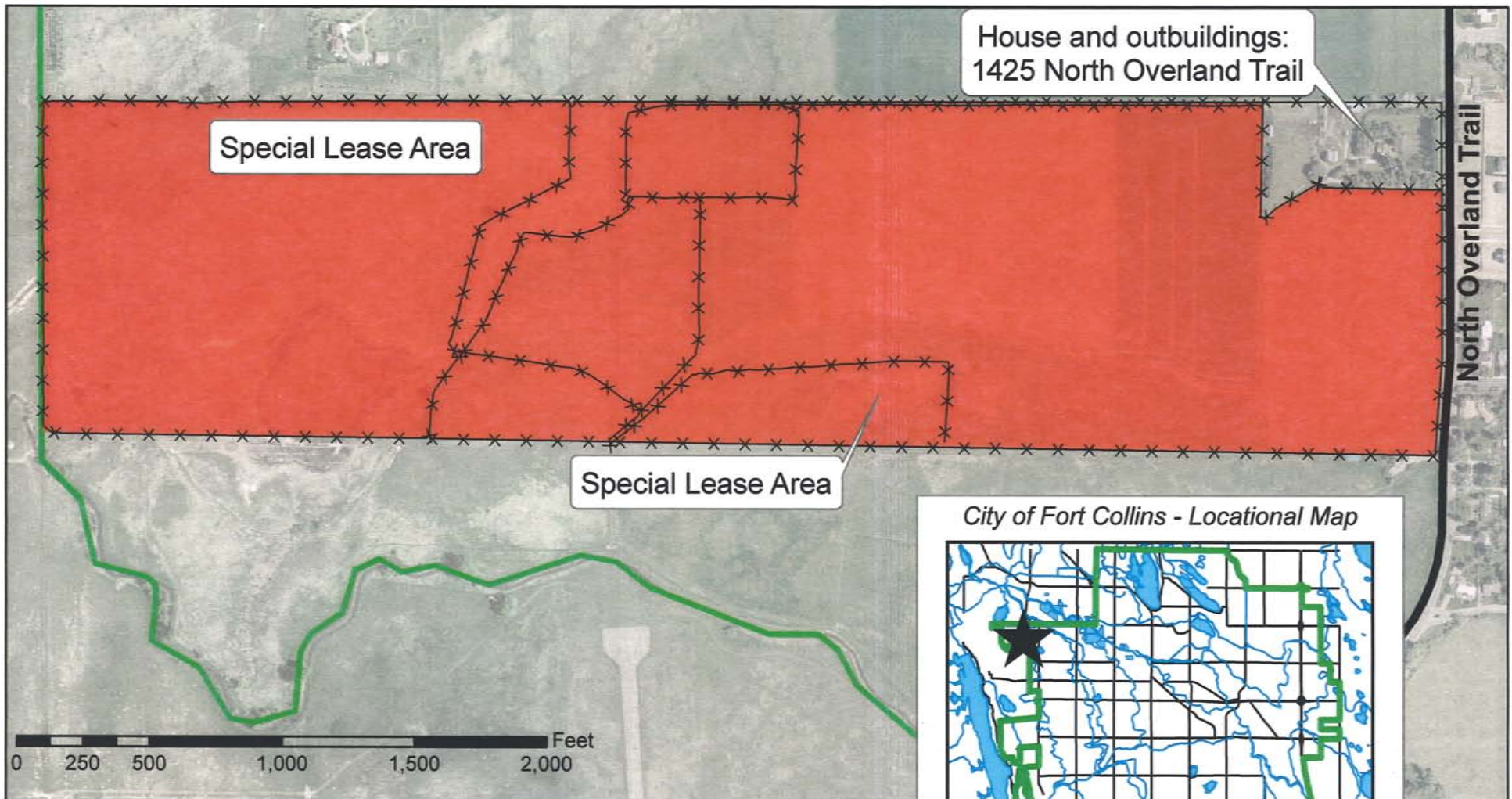
Passed and adopted on final reading on the 18th day of March, A.D. 2008.

Mayor

ATTEST:

City Clerk

Exhibit A - 1425 North Overland Trail Lease Area



- ### Legend
- Lease Area
 - x-x-x Property Fences
 - Major Roads
 - Growth Management Area Boundary

