

SUBJECT

Items Relating to the Conveyance of Interests in City-Owned Property Known as Grape Street for the Benefit of the North College Marketplace Project.

- A. Second Reading of Ordinance No. 006, 2010, Authorizing the Conveyance of a Portion of the City-Owned Property Known as Grape Street to 1908 N. College, LLC.
- B. Second Reading of Ordinance No. 007, 2010, Authorizing the Conveyance of a Temporary Construction Easement on a Portion of the City-Owned Property Known as Grape Street to 1908 N. College, LLC.

EXECUTIVE SUMMARY

The North College Marketplace Project ("Project") is a shopping center development that will include various retail companies and will be anchored by a new King Soopers. The Project is located at the northeast corner of College Avenue and Willox Street and the north boundary is the City-owned property known as Grape Street. As part of this Project, Grape Street access will be eliminated at College Avenue and the developer has included a permanent access easement through the Project for users of Grape Street. With this change, these conveyances have been requested by the developer of the North College Marketplace Project to enhance its development. These Ordinances were unanimously adopted on First Reading on February 2, 2010.

ATTACHMENTS

- 1. Copy of First Reading Agenda Item Summary - February 2, 2010
(w/o attachments)

DATE: February 2, 2010
STAFF: Helen Matson

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

10

SUBJECT

Items Relating to the Conveyance of Interests in City-Owned Property Known as Grape Street for the Benefit of the North College Marketplace Project.

- A. First Reading of Ordinance No. 006, 2010, Authorizing the Conveyance of a Portion of the City-Owned Property Known as Grape Street to 1908 N. College, LLC.
- B. First Reading of Ordinance No. 007, 2010, Authorizing the Conveyance of a Temporary Construction Easement on a Portion of the City-Owned Property Known as Grape Street to 1908 N. College, LLC.

EXECUTIVE SUMMARY

The North College Marketplace Project ("Project") is a shopping center development that will include various retail companies and will be anchored by a new King Soopers. The Project is located at the northeast corner of College Avenue and Willox Street and the north boundary is the City-owned property known as Grape Street. As part of this Project, Grape Street access will be eliminated at College Avenue and the developer has included a permanent access easement through the Project for users of Grape Street. With this change, these conveyances have been requested by the developer of the North College Marketplace Project to enhance its development.

BACKGROUND / DISCUSSION

The City of Fort Collins acquired the property known as Grape Street in 1960. This property was never dedicated as right-of-way even though it has been used as a street for many years. Grape Street is a small street that is only on the east side of College Avenue and is just south of the bridge for the Larimer and Weld Canal. Ingress and egress to College Avenue from Grape Street can be difficult at times due to heavy traffic.

The conceptual phase of the Project showed access through Grape Street. The developers ran into difficulties with getting the needed access improvements to College Avenue with the close proximity of the bridge for the Canal. If the access had remained on Grape Street, a portion of the cost would have been paid for partially through the Street Oversizing Fund because this improvement is not just a local expense. Additionally, the City, Larimer County, and Colorado Department of Transportation have agreed to an Amendment to the Access Control Plan, eliminating Grape Street access from College Avenue. Therefore, the plan approved by the Planning and Zoning Board shows access eliminated at Grape Street and moved to the south. This new access point will lead directly to the new King Soopers. In order to accommodate the access to Grape Street, the plans for the Project include a dedicated public access easement going through the Project from Grape Street to College Avenue and from Grape Street to Willox Street.

- A. **First Reading of Ordinance No. 006, 2010 Authorizing the Conveyance of City-Owned Property Known as Grape Street to 1908 N. College, LLC.**

In completing the design of the Project, the developer wanted to include a tenant space that would include a drive-through lane. There was not enough space in the Project boundaries to include a drive-through lane. Since the access for Grape Street is now included in the Project, the developer met with the City staff to discuss the possibility of acquiring a portion of the property known as Grape Street for this drive-through lane. Since Grape Street had never been dedicated as right-of-way, the property cannot be vacated and the developer would need to purchase the desired property. Since access was being provided to Grape Street, this portion is no longer needed as a street. Staff agreed to ask Council for permission to convey 4,052 square feet of property and reserve the same as a utility easement.

The property owned by the City is 589 feet in length and not all of this has been improved as a street. Some of this property will be used for the widening of North College Avenue for the Capital Improvement Project. Approximately 200 feet is the requested length to be conveyed to the developer. There are 3 individually owned parcels on the north

side of Grape Street. There is a strip of 3,878 square feet that will remain as Grape Street. The Development Agreement specifies that the developer will be responsible for maintenance of this portion of Grape Street. City staff has been meeting with the affected property owners to keep them informed and to address their concerns. At this time, the developer has agreed to include requested items in its development.

The City has recently acquired appraisals on properties in the vicinity as part of the Capital Improvement Project to make the necessary street improvements to handle the new anticipated traffic flows for the Project. It was agreed that staff would use this appraisal data to set a value for this strip of land. The City-owned property is not developable as a stand alone parcel but it becomes developable as an assemblage parcel. Staff has valued the land at \$7/SF. The City is reserving a utility easement on the property and it is appropriate to take a 50% reduction to this land value for the easement encumbrance. If Council approves this conveyance, the developer will pay the City \$14,180 for this property.

COPY

B. First Reading of Ordinance No. 007, 2010 Authorizing the Conveyance of a Temporary Construction Easement on City-Owned Property Known as Grape Street to 1908 N. College, LLC.

The developer has started construction of the wetlands and utilities for its Project. As directed by the utility plans for the Project, utilities lying under the eastern portion of the City property need to be removed. Since this property is not a right-of-way, the developer needs to acquire a temporary construction easement, consisting of 2,478 square feet, to remove existing utilities. This eastern portion of Grape Street has never been improved as a street. As a condition to granting this temporary construction easement, the developer has committed to restore the area and to reseed the area to the City's specifications. Because this work is normally done in a street right-of-way with a permit, staff is not charging the developer for this easement.

FINANCIAL IMPACT

COPY

The conveyance of this property will generate revenue to the City of \$14,180 for the acquisition of 4,052 square feet. The developer is responsible for all costs associated with the temporary construction easement and the restoration of the easement area.

SUSTAINABILITY: ECONOMIC, ENVIRONMENTAL AND SOCIAL IMPACTS

Economic Impact

The conveyance of this property to the developer is a continuance of a partnership that began when this Project became a URA funded project. It is anticipated that this Project will make North College more viable and more attractive for additional development in the area. Staff expects sales tax collections to increase.

COPY

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

ATTACHMENTS

- 1. Location Map

COPY

ORDINANCE NO. 006, 2010
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CONVEYANCE OF A PORTION OF
THE CITY-OWNED PROPERTY KNOWN AS GRAPE STREET
TO 1908 N. COLLEGE, LLC

WHEREAS, the City is the owner of real property known as Grape Street, which has historically been used as a public street but was never dedicated as right-of-way; and

WHEREAS, 1908 N. College, LLC (“Developer”) is constructing a project adjacent to Grape Street known as North College Marketplace (the “Project”); and

WHEREAS, as part of the Project, the Developer wishes to acquire and place improvements on a portion of Grape Street containing 4,052 square feet, as described on Exhibit “A”, attached and incorporated herein by this reference (the “Property”); and

WHEREAS, conveyance of the Property to the Developer would eliminate the public access directly from North College Avenue onto Grape Street, but the Developer has agreed to provide public access to the remaining portion of Grape Street through the main access for the Project; and

WHEREAS, the City will retain a utility easement on the Property and a public access easement over a portion of the Property; and

WHEREAS, the Developer has agreed to pay the City \$14,180 for the Property; and

WHEREAS, as additional consideration for the property, the Developer will agree, through the Development Agreement for the Project, to be responsible for maintaining the remaining portion of Grape Street that will still be used as a public street; and

WHEREAS, Section 23-111(a) of the City Code authorizes the City Council to sell, convey, or otherwise dispose of any and all interests in real property owned by the City, provided that the City Council first finds, by ordinance, that such sale or other disposition is in the best interests of the City.

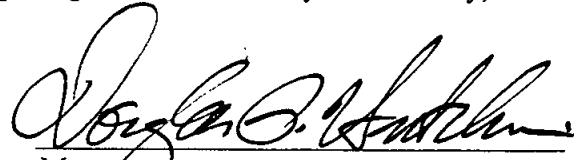
NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the conveyance of the Property to the Developer on terms and conditions consistent with this Ordinance is in the best interests of the City of Fort Collins.

Section 2. That the Mayor is hereby authorized to execute such documents of conveyance as are necessary to convey the Property to the Developer on terms and conditions consistent with this Ordinance, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to

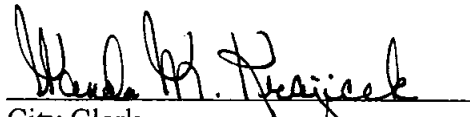
protect the interests of the City or effectuate the purposes of this Ordinance, including but not limited to any necessary changes to the legal description of the Property, as long as such changes do not materially increase the size or change the character of the Property.

Introduced, considered favorably on first reading, and ordered published this 2nd day of February, A.D. 2010, and to be presented for final passage on the 16th day of February, A.D. 2010.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 16th day of February, A.D. 2010.

Mayor

ATTEST:

City Clerk

ORDINANCE NO. 007, 2010
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CONVEYANCE OF A TEMPORARY CONSTRUCTION
EASEMENT ON A PORTION OF THE CITY-OWNED PROPERTY
KNOWN AS GRAPE STREET TO 1908 N. COLLEGE, LLC

WHEREAS, the City is the owner of real property known as Grape Street, which has historically been used as a public street but was never dedicated as right-of-way; and

WHEREAS, 1908 N. College, LLC (the "Developer") is constructing a project adjacent to Grape Street known as North College Marketplace (the "Project"); and

WHEREAS, the Utilities Plan for the Project requires the Developer to remove utilities under an unimproved portion of Grape Street; and

WHEREAS, to complete this utility work, the Developer wishes to acquire a temporary construction easement over a portion of Grape Street containing 2,478 square feet as described on Exhibit "A", attached and incorporated herein by this reference; and

WHEREAS, the Developer will pay all costs for the work in the temporary construction easement area, and will be responsible for restoring the area to a condition satisfactory to the City and reseeding the area in accordance with City specifications; and

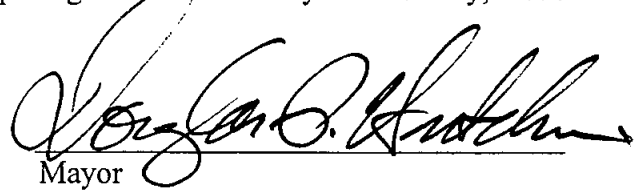
WHEREAS, Section 23-111(a) of the City Code authorizes the City Council to sell, convey, or otherwise dispose of any and all interests in real property owned by the City, provided the City Council first finds, by ordinance, that such sale or other disposition is in the best interests of the City.

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

Section 1. That the conveyance to the Developer of the above-described temporary construction easement over, under and across a portion of Grape Street on terms and conditions consistent with this Ordinance is in the best interests of the City of Fort Collins.

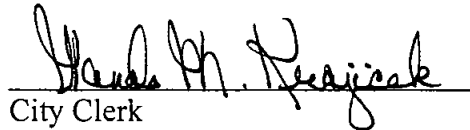
Section 2. That the Mayor is hereby authorized to execute such documents of conveyance as are necessary to convey said temporary construction easement to the Developer upon terms and conditions consistent with this Ordinance, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary or appropriate to protect the interests of the City, including any necessary changes to the legal description of the temporary construction easement, as long as such changes do not materially increase the size or change the character of such easement.

Introduced, considered favorably on first reading, and ordered published this 2nd day of February, A.D. 2010, and to be presented for final passage on the 16th day of February, A.D. 2010.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 16th day of February, A.D. 2010.

Mayor

ATTEST:

City Clerk