

**DATE:** July 2, 2013  
**STAFF:** Karen Cumbo  
Rick Richter

**AGENDA ITEM SUMMARY**  
FORT COLLINS CITY COUNCIL

**16**

**SUBJECT**

First Reading of Ordinance No. 095, 2013, Amending Ordinance No. 068, 2013, Authorizing the Conveyance of a Non-exclusive Utility Easement in a Portion of South Shields Street to Public Service Company of Colorado, to Increase the Easement Term from Fifteen to Twenty Years.

**EXECUTIVE SUMMARY**

The purpose of this Ordinance is to amend Ordinance No. 068, 2013, extending the period from fifteen to twenty years. Ordinance No. 068, 2013, authorizing conveyance of a Non-Exclusive Utility Easement to Xcel, was adopted in May, and follow-up conversations with Xcel (Public Service Company) require this extension.

This easement addresses the location of West Main pipeline at the northwest corner of Harmony Road and Shields Street and provides for the location in the right of way instead of on private property. The City has agreed to pay for any relocation of the approximately 2000 feet of line adjacent to the property that may be necessary in the next twenty years. This is a low-risk option and will be consistent with the location of the pipeline in the Shields Street right of way. In order to document this agreement between the City and Xcel, staff is recommending a Non-Exclusive Pipeline Easement within the Shields Street right of way.

**BACKGROUND / DISCUSSION**

Public Service Company of Colorado (PSCo), an Xcel Energy company, is requesting easements within the Shields Street right of way to construct, operate, and maintain a high pressure gas pipeline. The proposed project is part of the larger West Main Natural Gas Pipeline Replacement Project (West Main Project) that encompasses Larimer, Weld, and Boulder Counties. The project will replace an existing eight-inch gas pipeline that is 83 years old and at the end of service life with a 16-inch high pressure gas pipeline. The proposed project will traverse the city north to south and will impact the road surface and traffic along Shields Street, Horsetooth Road, and Timberline Road.

PSCo is authorized in Section 6 of the City Code to construct operate and maintain gas facilities within the public right of way. However, in this case, PSCo, in exchange for relocating its proposed gas line from a private easement to the public right of way, is requesting a pipeline easement that would release it from the obligation to relocate this pipeline within the proposed easement at its expense.

**FINANCIAL / ECONOMIC IMPACTS**

The extension of the easement period from fifteen to twenty years is not expected to appreciably affect the likelihood of City financial responsibility.

**ENVIRONMENTAL IMPACTS**

The proposed re-alignment for the project will avoid impacts to the private property and place the pipeline within the public right of way.

**STAFF RECOMMENDATION**

Staff recommends adoption of the Ordinance on First Reading.

**PUBLIC OUTREACH**

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Xcel conducted three open houses in the region, and established a West Main project website ([www.xcelenergywestmainpipeline.com](http://www.xcelenergywestmainpipeline.com)) to provide information on the project. The City did not conduct additional public outreach on this proposed extension.

**ATTACHMENTS**

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1. Location map

# Location Map of Utility Easement to Public Service Company



 Easement Location



ORDINANCE NO. 095, 2013  
OF THE COUNCIL OF THE CITY OF FORT COLLINS  
AMENDING ORDINANCE NO. 068, 2013, AUTHORIZING THE CONVEYANCE  
OF A NON-EXCLUSIVE UTILITY EASEMENT IN A PORTION OF  
SOUTH SHIELDS STREET TO PUBLIC SERVICE COMPANY OF COLORADO,  
TO INCREASE THE EASEMENT TERM FROM FIFTEEN TO TWENTY YEARS

WHEREAS, the City is the owner of the current Shields Street right-of-way lying within the southwest quarter of Section 34 and the southeast quarter of Section 35, Township 6 North, Range 69 West of the 6<sup>th</sup> Principal Meridian, County of Larimer, State of Colorado, between Harmony Road and a point 548 feet north, more or less, of the intersection between Troutman Parkway and Shields Street (the "City Property"); and

WHEREAS, on May 7, 2013, the City Council adopted Ordinance No. 068, 2013, authorizing the conveyance of a non-exclusive utility easement to Public Service Company of Colorado ("PSCo") (the "Easement") on a portion of the City Property for the benefit of its West Main High Pressure Natural Gas Line Replacement Project (the "Project"); and

WHEREAS, Ordinance No. 068 authorized the Easement for the limited term of fifteen years, after which the natural gas pipeline would be governed by all requirements and limitations applicable to utility lines, and particularly natural gas pipelines, in City rights-of-way; and

WHEREAS, Xcel has asked that the City extend the term of the Easement to twenty years, rather than fifteen years; and

WHEREAS, staff has reviewed this request and has not identified any appreciable detriment to the City that would result from the increased term length; and

WHEREAS, authorization of a longer term of the Easement would be consistent with the terms that had been negotiated with PSCo, and would allow the Project to proceed as planned; and

WHEREAS, Section 23-111(a) of the City Code provides that the City Council is authorized to sell, convey, or otherwise dispose of any and all interests in real property owned in the name of 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 City Council hereby finds that the City's conveyance to PSCo of the Easement on the City Property as provided in Ordinance No. 068, 2013, for a term of twenty years, is in the best interests of the City.

Section 2. That the Mayor is hereby authorized to execute such documents as are necessary to convey the Easement to PSCo on terms and conditions consistent with Ordinance No.

068, 2013, for a term of twenty years as provided in this Ordinance, together with such additional terms and conditions as the City Manager, in consultation with the City Attorney, determines are necessary or appropriate to protect the interests of the City, including, but not limited to, any necessary changes to the legal descriptions of the Easements, as long as such changes do not materially increase the size or change the character of the Easements.

Introduced, considered favorably on first reading, and ordered published this 2nd day of July, A.D. 2013, and to be presented for final passage on the 16th day of July, A.D. 2013.

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Mayor

ATTEST:

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City Clerk

Passed and adopted on final reading on the 16th day of July, A.D. 2013.

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Mayor

ATTEST:

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City Clerk