

AGENDA ITEM SUMMARY

April 21, 2020

City Council

STAFF

Tommy Brennan, Senior Real Estate Specialist
Coy Althoff, Utilities Engineer
Ryan Malarky, Legal

SUBJECT

Second Reading of Ordinance No. 051, 2020, Authorizing the Sale of Real Property Located Adjacent to the Utilities Service Center at 700 Wood Street.

EXECUTIVE SUMMARY

This item is coming to Council on Second Reading because it is necessary to move the agreement forward in order to complete the transaction and receive the sale proceeds.

This Ordinance, unanimously adopted on First Reading on April 7, 2020, authorizes the sale of City-owned real property located at approximately 525 North Whitcomb Street, adjacent to the City's Utilities Services Center located at 700 Wood Street. The property is a small offsetting portion of the Utility Service Center development and consists of 1,680 square feet. The buyers are the owners of real property at 525 North Whitcomb Street. The sale price is \$6,720 and the proceeds will be placed in the Light and Power Fund.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

ATTACHMENTS

1. First Reading Agenda Item Summary, April 7 2020 (w/o attachments)(PDF)
2. Ordinance No. 051, 2020 (PDF)

AGENDA ITEM SUMMARY

City Council

April 7, 2020

STAFF

Tommy Brennan, Senior Real Estate Specialist
Coy Althoff, Utilities Engineer
Ryan Malarky, Legal

SUBJECT

First Reading of Ordinance No. 051, 2020, Authorizing the Sale of Real Property Located Adjacent to the Utilities Service Center at 700 Wood Street.

EXECUTIVE SUMMARY

The purpose of this item is to authorize the sale of City-owned real property located at approximately 525 North Whitcomb Street, adjacent to the City's Utilities Services Center located at 700 Wood Street. The property is a small offsetting portion of the Utility Service Center development and consists of 1,680 square feet. The buyers are the owners of real property at 525 North Whitcomb Street. The sale price is \$6,720 and the proceeds will be placed in the Light and Power Fund.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

In November 1998, the City purchased approximately 1.7 acres abutting the Utilities Service Center site from Burlington Northern & Santa Fe Railway Company to help facilitate the Utilities Service Center Master Development Plan. In 2007, the City conveyed a portion of this land to the former owners of the adjacent property located at 525 North Whitcomb to clean up an existing garage encroachment. In 2008, the City conveyed an additional 7-foot wide strip of City-owned property to the current owners of 525 North Whitcomb Street, Colleen J. Scholz and Peter M. Scholz. The purpose for that transaction was to clean up a fence encroachment.

The home at 525 North Whitcomb Street was demolished and rebuilt in 2009. At some point later, the Scholzes constructed an outbuilding on the 1,680-square-foot portion of City-owned property. City staff has not identified a current or future use for the 1,680 square feet and believes the best solution is for the 1,680 square feet to become part of the 525 North Whitcomb Street property. Colleen and Peter Scholz have executed a Purchase and Sale Agreement with the City to purchase the 1,680 square feet to clean up this most recent encroachment that is contingent upon City Council approval of the sale.

CITY FINANCIAL IMPACTS

The proposed sale price is \$6,720, which is fair market value due to the parcel's size, location and lack of utilization by any party other than the Scholzes. The proceeds from the sale of this property will be placed in the Light and Power Fund.

ATTACHMENTS

1. Location Map (PDF)

ORDINANCE NO. 051, 2020
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE SALE OF REAL PROPERTY LOCATED ADJACENT
TO THE UTILITIES SERVICE CENTER AT 700 WOOD STREET

WHEREAS, in November 1998, the City purchased 1.7 acres of real property from the Burlington Northern & Santa Fe Railway Company, which land is adjacent to the City's Utilities Service Center located at 700 Wood Street: and

WHEREAS, the 1.7 acres was purchased to facilitate the Utilities Service Center Master Development Plan; and

WHEREAS, the 1.7 acres is also adjacent to real property located at 525 North Whitcomb Street; and

WHEREAS, at some point after 2009, the current owners of 525 North Whitcomb Street, Colleen and Peter Scholz, constructed an outbuilding on 1,680 square feet of the City-owned property (the "Property"); and

WHEREAS, the City has no current or future identified use for the Property; and

WHEREAS, because there is no foreseeable City use of the Property, staff is recommending the Property be sold to the Scholzes and the proceeds be placed in the Light and Power Fund; and

WHEREAS, staff has identified the fair market value of the Property to be \$6,270; and

WHEREAS, Section 23-111 of the City Code authorizes the City Council to sell, convey or otherwise dispose of any interest 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 and, for real property that is part of the City's utility systems, that the disposition will not materially impair the viability of that utility system as a whole and will be for the benefit of the citizens 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 makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That the City Council hereby finds that the sale of the Property to Colleen and Peter Scholz as provided herein is in the best interests of the City, will not impair the viability of the City's utility systems, and will be for the benefit of the citizens of the City.

Section 3. That the Mayor is hereby authorized to execute a deed and such other documents as are necessary to convey the Property to the Scholzes on terms and conditions consistent with this Ordinance, together with such other additional terms and conditions as the City Manager, in consultation with the City Attorney, determines are necessary and 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 of the parcel to be conveyed.

Introduced, considered favorably on first reading, and ordered published this 7th day of April, A.D. 2020, and to be presented for final passage on the 21st day of April, A.D. 2020.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 21st day of April, A.D. 2020.

Mayor

ATTEST:

City Clerk