

AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL

ITEM NUMBER: 10

DATE: April 18, 2006

STAFF: Pat Hyland
Steve Comstock

SUBJECT

Second Reading of Ordinance No. 062, 2006, Authorizing the Conveyance of a Right-of-Way Easement and Temporary Construction Easement for the Construction of a Natural Gas Pipeline on Meadow Springs Ranch.

RECOMMENDATION

Staff recommends adoption of the Ordinance on Second Reading.

EXECUTIVE SUMMARY

This Ordinance, unanimously adopted on First Reading on April 4, 2006, authorizes conveyance of a right-of-way easement and temporary construction easement for construction of a natural gas pipeline at Meadow Springs Ranch at the northeastern-most corner of the Ranch, in Weld County, Colorado.

**AGENDA ITEM SUMMARY
FORT COLLINS CITY COUNCIL**

ITEM NUMBER: 18

DATE: April 4, 2006

**STAFF: Pat Hyland
Steve Comstock**

SUBJECT

COPY

First Reading of Ordinance No. 062, 2006, Authorizing the Conveyance of a Right-of-Way Easement and Temporary Construction Easement for the Construction of a Natural Gas Pipeline on Meadow Springs Ranch.

RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

FINANCIAL IMPACT

All costs for the installation of this natural gas pipeline will be paid by Entrega Gas Pipeline, LLC, the Grantee of the pipeline right-of-way easement. The total amount of consideration to be paid to the City for the right-of-way easement and the temporary construction easement is \$12,257.

COPY

EXECUTIVE SUMMARY

Presently, there are several existing pipelines running through Meadow Springs Ranch at the northeastern-most corner of the Ranch, in Weld County, Colorado. Entrega Gas Pipeline, LLC is constructing a new interstate natural gas pipeline from Meeker, Colorado, to the Cheyenne Hub in Weld County, Colorado. This Ordinance authorizes conveyance of a right-of-way easement and temporary construction easement for construction of a natural gas pipeline at Meadow Springs Ranch.

BACKGROUND

On December 17, 2004, Entrega Gas Pipeline provided an "Environmental Assessment: Meadow Springs Ranch," which has been reviewed by the City's Natural Resources Department. Staff has concluded that the project is likely to have only minor, temporary impacts to wildlife and native vegetation communities of the Meadow Springs Ranch Property.

On August 9, 2005, the Federal Energy Regulatory Commission issued an Order issuing Certificates for Docket Nos. CP04-413-000, CP04-414-000, and CP04-415-000 pursuant to Section 7(c) of the Natural Gas Act and Part 157 of the Commission's Regulations, for a certificate of public convenience and necessity to construct and operate the new interstate pipeline.

The consideration offered by Entrega of \$12,257 is broken down as follows:

Right-of-Way Easement at \$7.88 per running feet for 874.5 feet	\$ 6,890
Temporary Construction Easement Areas	
0.230 acre at \$1,000 per acre	\$ 280
2.437 acres at \$1,000 per acre	\$ 2,487
Use of Access Road: 1.3 miles at \$2,000 per-mile	<u>\$ 2,600</u>
Total	\$ 12,257

Staff considers the values represented in the offer by Entrega to be reasonable and fair, considering the additional work to be performed by Entrega pursuant to the Agreement to be entered between Entrega and the City of Fort Collins, and applicable Federal environmental guidelines, which include:

- Care for livestock in the area during construction;
- Temporary gates and fences to preclude escape of livestock;
- Removal of rock encountered during construction;
- Restoration to as good as or better condition as before construction;
- Re-seeding and re-vegetation, including noxious weed control measures, according to Federal Energy Regulatory Commission (FERC) specifications;
- Range improvements, as necessary to restore to original or better condition;
- Removal of all trash, debris, litter and other items left or placed on the property;
- Maintenance of access roads in as good or better condition than existed prior to use; and
- Payment to the City for any damages to fences, improvements, growing crops and timber which may be caused by the pipeline company.

In order to expedite the Council's authorization of the easements, First Reading of the proposed Ordinance by the City Council is being considered on April 4, 2006. However, the proposed Right-of-way Easement and Temporary Construction Easement will be presented to the Land Conservation and Stewardship Board on April 5, 2006, a day after First Reading. The minutes of the Board from April 5, 2006, will be presented to City Council when the Ordinance is presented for Second Reading on April 18, 2006.

Entrega Gas Pipeline, LLC, intends to begin the construction of the natural gas pipeline in June, 2006.

COPY

ORDINANCE NO. 062, 2006
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CONVEYANCE OF A
RIGHT-OF-WAY EASEMENT AND TEMPORARY CONSTRUCTION
EASEMENT FOR THE CONSTRUCTION OF A NATURAL GAS
PIPELINE ON MEADOW SPRINGS RANCH

WHEREAS, the City is the owner of the property known as Meadow Springs Ranch, located in northern Larimer County and northwest Weld County, Colorado; and

WHEREAS, Entrega Gas Pipeline, LLC, is proposing to purchase a right-of-way easement under and on that certain portion of Meadow Springs Ranch, more particularly described on Exhibit "A," attached hereto and incorporated herein by this reference (the "Right-of-Way Easement") and a temporary construction easement on that certain portion of Meadow Springs Ranch more particularly described on Exhibit "B," attached hereto and incorporated herein by this reference (the "Temporary Construction Easement") for the construction of the pipeline pursuant to a Federal Energy Regulatory Commission (FERC) Order issued on August 9, 2005; and

WHEREAS, the estimated combined fair market value of the Right-of-Way Easement, and the Temporary Construction Easement (the "Easements") is \$12,257; and

WHEREAS, Entrega Gas Pipeline, LLC, has agreed to pay the City \$12,257 for the Easements; and

WHEREAS, City staff believes that the conveyance of the Easements and construction of the pipeline will not have any adverse effects on Meadow Springs Ranch; and

WHEREAS, the Water Board has reviewed the proposed conveyance at its March 23, 2006 meeting, and recommended that the Council approve the conveyance of the Easements; and

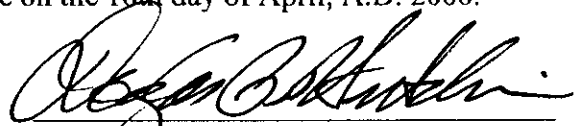
WHEREAS, Section 23-111 of the City Code provides that the City Council is authorized to sell, convey or otherwise dispose of an interest in real property owned by the City, provided the Council first finds or ordinance that any sale or disposition of that real property interest will not materially impair the viability of any City utility system as a whole, of which the property is a part, will be for the benefit of the City's citizens, and will be 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 above-described conveyance of the Right-of-Way Easement and the Temporary Construction Easement will not materially impair the viability of the City's utility as a whole and will be for the benefit of the City's citizens, and further finds that they will be in the best interests of the City of Fort Collins.

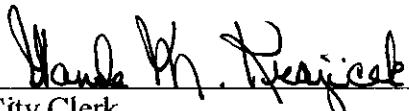
Section 2. That the Mayor is hereby authorized to execute such documents of conveyance as are necessary for the City to convey the Right-of-Way Easement and the Temporary Construction Easement, consistent with the terms of this Ordinance, upon such terms and conditions as the City Manager, in consultation with the City Attorney, determines to be necessary and appropriate to protect the interests of the City in this matter, including any necessary corrections to the legal descriptions thereof that do not result in a material increase or change in character of the intended right-of-way or easement areas.

Introduced, considered favorably on first reading, and ordered published this 4th day of April, A.D. 2006, and to be presented for final passage on the 18th day of April, A.D. 2006.



Mayor

ATTEST:



City Clerk

Passed and adopted on final reading on the 18th day of April, A.D. 2006.

Mayor

ATTEST:

City Clerk