

CITY COUNCIL COMMUNICATION



MEETING DATE: December 20, 2021

ITEM NUMBER: 9.A

SECOND READING:

{{customfields.ResoOrdNumber}}

TYPE OF ITEM: Consent

PRESENTED BY:

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SUBJECT/AGENDA TITLE:

A Resolution Of The Longmont City Council Authorizing Agreements Between The City And Adam Farm Property, LLC, For The Purchase Of Real Property For Open Space Purposes

EXECUTIVE SUMMARY:

In August 2019, City Council directed staff to negotiate for the acquisition of the Adam Farm Property as a future Open Space property. Through these negotiations, City staff has reached an agreement with the Adam Farm Property, LLC, to purchase their family farm and the associated native basin water rights. This farm is approximately 130 acres and the native water includes six (6) shares from the Oligarchy Ditch Company. This purchase agreement will allow the Adam family to retain four (4) developable lots, over which the City will retain a conservation easement. The lots will need to be split in a Firestone Land Use process prior to final closing. In addition, the family will retain a 10-year farm lease on the property. The total acquisition price for the land and water is \$5,500,000. If Council approves this purchase, Boulder County intends to acquire a conservation easement over the property from the City for \$2,000,000. This will reduce the City's full cost to \$3,500,000.

COUNCIL OPTIONS:

1. Approve the attached Resolution as written
2. Modify the attached Resolution
3. Do not approve the attached Resolution

RECOMMENDED OPTIONS:

Option 1

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

The attached purchase agreement results in the fee simple acquisition of 130 acres of land and six (6) shares of Oligarchy Ditch Water Rights for \$5,500,000 from the Open Space Fund. The City and Boulder County are in negotiations to grant Boulder County a Conservation

Easement over the property for \$2,000,000. If successful, those funds would be deposited into the Open Space Fund balance.

BACKGROUND AND ISSUE ANALYSIS:

The Adam Farm Property is shown on the attached map and consists of 130 acres of property located generally southeast of Union Reservoir and immediately south of the Newby Open Space properties. This historic farm is immediately west of, and contiguous with, the St. Vrain State Park. In addition to protecting 85 acres of prime agricultural lands, the Adam Farm Property acquisition will preserve approximately .65 miles of the St Vrain Creek corridor and nearly .25 of a mile of Liberty Gulch. Additionally, this acquisition provides an opportunity to develop a trail system between Union Reservoir, St. Vrain State Park, and the St Vrain Greenway. Its location also helps define and shape our community by limiting development and expanding our community buffer.

In accordance with previous Council Communications, staff is negotiating with Boulder County concerning a conservation easement over the property. Boulder County desires to acquire a conservation easement over and across the property for a cost of \$2 million dollars; staff is asking City Council to consider that issue concurrently with action on this purchase agreement. Having the County hold a conservation easement on the City Open Space property is consistent with current City Council policy to help ensure that this property would be held as Open Space for future generations, as well as to reduce the City's cost to acquire this property.

Prior to these negotiations with the Adam Family, the property was annexed into the Town of Firestone. City staff has notified the Town that we are in the process of negotiating to acquire the Adam Farms Property. Should Council approval this contract, the Adam's family will go through Firestone's land use process to create 4 residential lots. The City will retain a conservation easement over these lots to ensure they are complimentary with the surrounding residential lots and the City's Open Space values. Additionally, the purchase agreement will allow for a 10-year farmland lease back of the property to the Adam Farm Property, LLC.

The City will provide the initial fees for the cost of Firestone's land use process. At closing, the City shall receive a credit against the purchase price for the actual amount of the land use process.

The minerals on this property were previously severed and are currently under lease. As allowed in the existing mineral lease, the property has six oil and gas wells on it, one plugged and abandoned and five shut-in wells. The location and placement of these wells are subject to an existing surface use agreement, which is similar to the City's consolidated drill sites. The seller has indicated the remaining wells are intended to be plugged and abandoned.

The City will purchase all of the native water- six (6) shares of the Oligarchy Ditch. During the terms of the agricultural lease back, these water rights will be provided to the Adam's family.

The Adam Farm Property provides wildlife and riparian corridors, urban shaping, potential trail connections, agricultural preservation, and stunning views of the Continental Divide and the Eastern Plains, making it a logical acquisition for the City's Open Space program. At the June 2021 Parks and Recreation Advisory Board Meeting, the Board recognized the importance of these values and unanimously recommended City Council to approve this Open Space land acquisition.

ATTACHMENTS:

Att1 – Resolution

Att2 - Contract to Buy and Sell Real Estate

Att3 - Vicinity Map

Att4 – Parks and Recreation Advisory Board Minutes, June 2021

