

CITY COUNCIL COMMUNICATION



MEETING DATE: July 28, 2020

ITEM NUMBER: 9.B

SECOND READING: August 11, 2020

{{customfields.ResoOrdNumber}}

TYPE OF ITEM: Consent

PRESENTED BY:

Dale Rademacher, City Manager's Office, Dale.Rademacher@longmontcolorado.gov;
David Bell, PWN Natural Resources, David.Bell@longmontcolorado.gov;
Dan Wolford, PWN Natural Resources, Dan.Wolford@longmontcolorado.gov

SUBJECT/AGENDA TITLE:

A Bill for an Ordinance Amending Chapter 14.52, Section 14.52.030 of the Longmont Municipal Code on Compensation for Disposition of Open Space Property

EXECUTIVE SUMMARY:

Staff presented this item to City Council at the July 14th meeting for information and discussion prior to placing the item on the July 28th meeting for Council's consideration and action. Staff is recommending a language modification to the ordinance adopted by City Council in 2011 for the Disposition of City Open Space. This language modification would provide the City the flexibility to dispose of certain elements of an Open Space property that do not have Open Space values. Examples of such a disposal would include the disposal of a residential lot, houses that do not serve to benefit the Open Space program, or the selling of the fee interest on a particular property while retaining a conservation easement, thus safeguarding the initial intent of the original acquisition while reducing the cost. Any revenue generated by these dispositions would be placed back in to the Open Space Fund for future land acquisitions or for the improvement of existing Open Space properties. All other requirements to dispose of Open Space properties remain including review and recommendation by the Parks & Recreation Advisory Board followed by consideration and action of the City Council.

COUNCIL OPTIONS:

1. Approve the Ordinance.
2. Provide staff with modification to the proposed Ordinance language.
3. Do not approve the Ordinance.

RECOMMENDED OPTIONS:

Option 1

FISCAL IMPACT & FUND SOURCE FOR RECOMMENDED ACTION:

The sales or disposition of an element of the Open Space property could generate additional revenues for the Open Space program, which then could be used to further the program's goals such as additional land acquisition or further enhancements of existing properties.

BACKGROUND AND ISSUE ANALYSIS:

When an Open Space purchase is made, it typically consists of a bundle of rights. During the negotiations, the City may not want to purchase all of these rights, but the seller may make it a condition of the purchase. After the City acquires the property, it may want to sell a particular element of the original acquisition while maintaining the underlying open space values of the property. The City could take that action in order to reduce the overall cost of the acquisition while maintaining and preserving the Open Space values. This could include selling houses, buildings, grain bins, agricultural rights, grazing rights, domestic water taps, or developable lots. Each of these items has a value that contributed to the overall purchase price. It is the intent of this ordinance modification to ensure that the City would have the flexibility to dispose of these non-open space assets, while assuring that the Open Space fund is made whole by requiring that the rights sold would be evaluated on the fair market price of each element.

When reviewing the possibilities of carving off two residential lots from the Newby Open Space property, the City Attorney's Office noted that the existing language of the Ordinance states, "... in no event shall the sales price or transfer cost be less than the original purchase price." This language, if applied, would prohibit the City from disposing of any of the numerous assets without selling them at the original purchase price of the entire property.

Therefore, to remedy this, staff has prepared the revised Ordinance in Section 14.52.030 – Process: Paragraph C. Compensation, Paragraph 1. "Sales or Transfer to Include the Fair Market Value of the Property Interest Conveyed."

The Parks and Recreation Advisory Board reviewed and discussed this language modification at their Board meeting on June 8, 2020, and unanimously recommended that City Council adopt this language modification.

ATTACHMENTS:

- 1 - Proposed Ordinance O-2020 Amending Chapter 14.52, Section 14.52.030 of the Longmont Municipal Code on Compensation for Disposition of Open Space Property
- 2 - Ordinance O-2011-10 on the Disposition of City Open Space