

ORDINANCE NO. 131, 2024
OF THE COUNCIL OF THE CITY OF FORT COLLINS
AUTHORIZING THE CONVEYANCE OF PROPERTY RIGHTS
RELATING TO THE ACQUISITION OF PROPERTY IN THE
LOVELAND COMMUNITY SEPARATOR

A. To meet shared land conservation goals, the City, the City of Loveland (“Loveland”) and Larimer County (“County”) have been collaborating for more than two decades on funding partnerships to acquire various open space properties and conservation easements.

B. The City, Loveland and the County have been working toward the purchase a 142-acre property (the “Property”) in the Loveland Community Separator adjacent to the existing 785-acre Prairie Ridge Natural Area. The legal description of the Property is as follows:

The S ½ of Section 28, Township 6 North, Range 69 West of the 6th P.M., County of Larimer, State of Colorado. Except those parcels described in deeds recorded: May 31, 2000 at Reception No. 2000035785 and October 19, 2016 at Reception No. 20160071291, and except any portion lying within County Road 19.

C. Concurrently with first reading of this Ordinance, the City Council has adopted Resolution 2024-110 authorizing an intergovernmental agreement between the City, Loveland and the County regarding the conservation of the Property (the “IGA”).

D. The County has agreed to contribute \$400,000 towards the \$6,809,328 total cost of acquisition of the Property and related costs in exchange for the City’s and Loveland’s agreement to convey to the County a conservation easement (the “Conservation Easement”) over the Property. In addition, the State Board of the Great Outdoors Colorado Trust Fund (“GOCO”) is providing Loveland a grant of \$1,100,000 toward the acquisition and GOCO will have approval authority for the Conservation Easement. The Conservation Easement will ensure that any development on the Property is limited in size and area to designated “building envelopes”, and that the Property will be managed to protect its conservation values in perpetuity. The City, Loveland and the County have also agreed that as part of the Conservation Easement, Loveland will retain the ability to construct soft surface trails on the Property. The general form of the Conservation Easement is attached as Exhibit A.

E. The City will also convey a right of first refusal to Loveland in case the City ever wishes to sell all or a portion of its fee interest in the Property, in which case Loveland would be able to purchase the fee interest up for sale at fair market value. The right of first refusal is reciprocal, so if Loveland sells all or a portion of its fee interest in the property, the City has the ability to purchase it at fair market value. The IGA provides for the right of first refusal.

F. The City and Loveland also intend to continue their lease arrangement with the Sauer family, which is the seller of the Property (the “Sauers”). Since the initial acquisition of the 785-acre Prairie Ridge property, the City and Loveland have entered into a series of lease agreements with the Sauers enabling the family to continue dryland farming portions of the Prairie Ridge Natural Area as Loveland gradually performs restoration work there. Currently, the Sauers lease 560 acres of Prairie Ridge Natural Area. As a condition of the City’s and Loveland’s purchase of the Property, the Sauers requested a modification to the existing lease to include Property and to extend the lease term in a new lease (the “Lease”).

G. The Lease will vacate the City and Loveland’s existing lease with the Sauers and enter into a new lease that incorporates the new and existing acreage, totaling 700 acres. The Lease will require rent for dryland farming, have a 10-year term and specify how the Sauers will work with Loveland to restore agreed-upon areas of the Property and Prairie Ridge Natural Area. The form of the Lease is attached hereto as Exhibit B.

H. At its August 14, 2024 meeting, the Land Conservation and Stewardship Board voted unanimously to recommend that Council approve a farming lease with the Sauers and convey a conservation easement to the County for the Property.

I. City Code Section 23-111(a) authorizes the City Council to sell, convey or otherwise dispose of any interest in real property owned by 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.

In light of the foregoing recitals, which the Council hereby makes and adopts as determinations and findings, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. The City Council hereby finds that the City’s conveyance of a conservation easement on the Property, granting of a right of first refusal on the Property to Loveland, and conveying a 10-year dryland farming lease to the Sauers on the Property and the adjacent Prairie Ridge Natural Area as provided herein are in the best interests of the City.

Section 2. The City Council hereby authorizes the Mayor to execute such documents as are necessary to convey a conservation easement to the County on terms and conditions consistent with this Ordinance, including Exhibit A, together with such terms and conditions and modifications as the City Manager, in consultation with the City Attorney, determines are necessary or appropriate to protect the interests of the City.

Section 3. The City Council hereby authorizes the Mayor to execute such documents in addition to the IGA as may be necessary to grant a right of first refusal to Loveland on terms and conditions consistent with this Ordinance, together with such 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.

Section 4. The City Council hereby authorizes the City Manager to execute such documents as may be necessary to grant a 10-year dry farming lease to the Sauer family on terms and conditions consistent with this Ordinance, including Exhibit B, together with such terms and conditions and modifications as the City Manager, in consultation with the City Attorney, determines are necessary or appropriate to protect the interests of the City.

Introduced, considered favorably on first reading on September 3, 2024, and approved on second reading for final passage on September 17, 2024.

Mayor

ATTEST:

City Clerk

Effective Date: September 27, 2024
Approving Attorney: Ted Hewitt