

Council Agenda Summary

July 19, 2022

Key Staff Contact: Sean Chambers, Water & Sewer Director, 970-350-9815

Title:

Introduction and First Reading of an Ordinance Authorizing the Sale of City-Owned Property Located in SE¼ of Section 18, Township 6 North, Range 66 West of the 6th P.M. in Weld County, Colorado (Thayer)

Summary:

In 2019, the City of Greeley purchased a 131 +/- acre farm in Weld County, (known internally as the "Thayer Farm"). The farm was acquired for the three shares of stock in the Larimer and Weld Irrigation Company and four shares of stock in the Windsor Reservoir and Canal Company (Water Rights). Greeley had an appraisal done on the farm and Water rights in 2019 and the land appraised for \$9,500 per acre. Since that time, the City has leased the Thayer Farm, along with the Water Rights, to a tenant farmer in order to maintain the beneficial use of the Water Rights on the historically irrigated land. In 2022, the City negotiated a purchase offer for the Thayer Farm for \$1,400,000 or \$10,600 per acre. The City will retain the Water Rights; no water rights are part of the sale. A dry-up covenant, revegetation covenant, and a leaseback of the Water Rights to the buyer are part of the agreement.

The Water and Sewer Board authorized the sale at its June 15, 2022, meeting and recommended that City Council authorize the same.

Fiscal Impact:

Does this item create a fiscal impact on the City of Greeley?	Yes
If yes, what is the initial, or, onetime impact?	\$1,400,000
What is the annual impact?	None
What fund of the City will provide Funding?	Water Acquisition Fund – Revenue Received
What is the source of revenue within the fund?	Cash-In-Lieu
Is there grant funding for this item?	No
If yes, does this grant require a match?	
Is this grant onetime or ongoing?	
Additional Comments:	

Legal Issues:

Section 17-4(c) of the City Charter requires that any sale or exchange of water, water and sewer facilities or land, including the sale of real property previously acquired by the Water and Sewer Department with enterprise funds, be approved by City Council. The divestment of real property not being used or held for a governmental purpose

may be authorized by ordinance. The City Attorney's Office has reviewed and approved the enclosed ordinance as to legal form.

Other Issues and Considerations:

None

Strategic Work Program Item or Applicable Council Priority and Goal:

Infrastructure & Growth: Establish the capital and human infrastructure to support and maintain a safe, competitive, appealing, and successful community.

Decision Options:

- 1) Introduce the ordinance as presented; or
- 2) Amend the ordinance and introduce as amended; or
- 3) Deny the ordinance; or
- 4) Continue consideration of the ordinance to a date certain.

Council's Recommended Action:

A motion to introduce the ordinance and schedule the public hearing and final reading for August 2, 2022.

Attachments:

Ordinance
Purchase Contract and Exhibits
Presentation