

Council Agenda Summary

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 Section 22, Township 8 North, Range 65 West Of The 6th P.M., Weld County, Colorado, containing 282.00 acres of land, more or less, commonly referred to as the Hasbrouck Farm and city-owned property located in Section 28, Township 8 North, Range 65 West Of The 6th P.M., Weld County, Colorado, containing 156 acres of land, more or less, commonly referred to as the Varra Farm

Summary:

In 2016, the City of Greeley purchased: 1) a 282-acre farm in Weld County (known as the "Hasbrouck Farm") along with 2.25 shares of the stock in the Water Supply and Storage Company ("WSSC"); and 2) a 156-acre farm in Weld County (known as the "Varra Farm") along with 2 shares of stock in WSSC. In March 2021, city staff negotiated terms with Longs Peak Dairy to purchase 5 1/6 shares of WSSC stock for \$12.9 million. As part of compensation, Longs Peak Dairy agreed to purchase the Hasbrouck and Varra farms for \$2 million, reducing the cash compensation of the WSSC purchase to \$10.9M. As part of the sale of the farms, Greeley would enter into a 10-year primary leaseback of the WSSC Water Rights, which may be extended for up to 5, 1-year terms to the buyer for continued irrigation on the Hasbrouck and Varra Farms. Continued irrigation of the farms through leasebacks benefits the city by offsetting assessments paid on WSSC stock and contributing to the historical consumptive use of the shares, which is an important consideration for future city change of use cases.

On May 19, 2021, the Greeley Water and Sewer Board approved the purchase and sale agreement with Longs Peak Dairy for the purchase of the WSSC stock. In doing so, the Board recommended that City Council authorize the disposition of the Hasbrouck and Varra farms.

Fiscal Impact:

Does this item create a fiscal impact on the City of Greeley?	Yes
If yes, what is the initial, or, onetime impact?	\$2,000,000 credit towards a water purchase
What is the annual impact?	None
What fund of the City will provide Funding?	423 – Water Acquisition Fund
What is the source of revenue within the fund?	Cash-in-Lieu, Bonds
Is there grant funding for this item?	No
If yes, does this grant require a match?	N/A
Is this grant onetime or ongoing?	N/A
Additional Comments:	The \$2 million value for the Hasbrouck and Varra Farms was used to reduce the cash outlay Greeley paid for the purchase of 5 and 1/6 shares of WSSC.

Legal Issues:

Pursuant to 17-4(c) of the City Charter, City Council must approve the sale or exchange of land authorized by the Water and Sewer Board. The City Council has the authority, by ordinance, to approve the sale of real property that is not being used for governmental purpose.

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 July 6, 2021.

Attachments:

Ordinance
Purchase and Sale Agreement