

Council Agenda Summary

May 17, 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 Section 4, Township 7 North, Range 66 West of the 6th P.M. in Weld County, Colorado (Balmer Farm).

Summary:

In 2016, the City of Greeley purchased a 139 +/- acre farm in Weld County, (known internally as the "Balmer Farm"). The 139-acre land parcel was part of the larger Danielson Farms acquisition, which included two other farms totaling 332 acres along with three shares of the stock in the Water Supply and Storage Company ("WSSC Water Rights"). Greeley paid a dry land value of \$4,890 per acre for the land in 2016. Since that time, the City has leased the Balmer Farm, along with the WSSC Water Rights, to a tenant farmer in order to maintain the beneficial use of the WSSC Water Rights on the historically irrigated land. The farm has been listed for sale with Hayden Outdoors since November of 2020; and in 2022, the City negotiated a purchase offer for the Balmer Farm for \$850,000 or \$6,100 per acre. The City will retain the WSSC Water Rights; no water rights are part of the sale. A dry-up covenant, revegetation covenant, and a water leaseback for the two shares of WSSC Water Rights to the buyer are part of the overall agreement.

The Water and Sewer Board authorized the sale at its April 20, 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?	\$850,000
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 June 7, 2022.

Attachments:

Ordinance
Purchase Contract and Exhibits
Presentation slides