ITEM NO. 8

INFORMATION FOR MEETING
OF THE SUPERIOR BOARD OF TRUSTEES

AGENDA ITEM NAME: Resolution – Approving a Purchase and Sale Agreement for the CenturyLink Property for Open Space

MEETING DATE: April 27, 2020

PRESENTED BY: Matt Magley, Town Manager
Kendra Carberry, Town Attorney
Justin Spring, The Conservation Fund

PRESENTED FOR: Action

BACKGROUND:
The Town, working with The Conservation Fund (TCF), has finalized a Purchase and Sale Agreement (PSA) with CenturyLink for the purchase of approximately 182 acres for open space. The property is located on the south edge of Superior along Highway 128. The property is currently zoned under the Rock Creek Ranch Planned Unit Development (PUD) as Regional Activity Center (RAC), which is a commercial zoning. The property currently is undeveloped.
The Town’s comprehensive open space land acquisition strategy is based largely on priorities and information presented by the Open Space Advisory Committee (OSAC) in the 2018 Open Space Summary Report Update. The Committee and the Town Board have continued to re-affirm these priorities over the years since the Report was finalized, and its recommendations guide ongoing efforts to prioritize acquisition. The CenturyLink property is identified as the highest priority property recommended for acquisition by the Committee.

From the Open Space Summary Report Update:

2003 Smith Wildlife Survey: The survey found the property to be 96% mixed-grass prairie with some small weedy/disturbed areas and a cattail marsh. Smith Environmental performed the survey of this property on December 15, 2003 and did not observe wildlife of any kind. However, that day was reported to be very cold with wind gusts on the ridge of 30 miles per hour. The survey noted that several species would normally inhabit this parcel, including prairie dogs, cottontail rabbits, and coyotes.

OSAC Observations: Observations showed this parcel to have a fair buffering potential and good air and noise quality. From this large parcel, there are excellent views including downtown Denver, Longs Peak, the Continental Divide and the Front Range. This ridgeline is visible throughout Superior. Many town residents are surprised when they learn this land is not owned by the town. Town residents appreciate the ridgeline aesthetics this property provides as well as the existing social trails on the property. Nighttime light pollution is better than many other parcels. This parcel has no known historic value. It contains no surface water but it does have a small wetland area. There are a few mature trees and the majority of the parcel is mixed prairie grass and mostly pristine. It has a diverse wildlife habitat and it is very likely used by wildlife as a migration corridor. It has the potential to be a high regional draw and would be ideal for passive use for its ridgeline views. The mayor and town manager periodically check with CenturyLink leadership to gauge interest in selling the property. This property has pieces in both Boulder and Jefferson county.

The agenda item for tonight is the Board’s consideration of a purchase and sale agreement for the CenturyLink parcel as open space. The purchase price is $15,063,000, with a $500,000 earnest money deposit after the agreement is approved and executed. The Town and TCF are working with Boulder County, Jefferson County, and the City and County of Broomfield on a potential conservation easement on the property and funding partners, which could contribute a total of $4 million towards the purchase. The conservation easement would be brought forward at a future date for Board consideration. This price per acre is $82,763 and is consistent with previous Town open space acquisitions. A summary of past open space purchases by the Town is attached. At a future date, after closing, staff will bring forward an ordinance for consideration to rezone the property to Open Space-Natural. If approved, this will be the largest open space purchase ever made by the Town.
Highlights of the PSA include:

- 45-day investigation period. The Town has already performed inspections of the property in the past through past appraisals and the Open Space Summary Report, and does not anticipate needing much time to verify that the property is largely unchanged and undisturbed.
- General insurance requirements
- Delivery of a ALTA/ACSM Land Title Survey by CenturyLink
- Option of the Town to have a Phase I Environmental Site Assessment completed
- $500,000 Earnest Money to be made to CenturyLink within 7 days of the approval of the agreement
- Closing will occur within 15 days after the end of the Investigation Period
- The Town will pay half of the estimated 2020 property taxes up to an amount of $50,000
- Town agrees to file a rezoning application for the property within 45 days after the closing for the Board’s consideration to rezone the property to Open Space-Natural
- A temporary deed restriction will be in place with CenturyLink until the Town executes a conservation easement
- The Town will be assigned the Verizon cell tower lease. The lease generates income for the 2019-2020 lease year of $18,272. This future income stream will benefit the Town.

**BUDGET IMPLICATIONS:**
The 2020 Open Space end of year fund balance is budgeted to be at $6.257 million, which would be used towards the purchase of the property. A portion of the proposed purchase price is intended to be financed with the remaining 2005 voter approved bond authorization, or $5,325,000 ($12 million initial authorization - $6,675,000 debt issued in 2006). The Board approved the 2020 Bond issuance on April 13. Revenues generated from the 0.3% open space tax are more than adequate to pay debt service on the 2006 Bonds (refinanced in 2015) and the 2020 Bonds. The Town may have to borrow from the Water Fund balance for the closing until the possible conservation easement is finalized. If the Town is not able to secure funding partners for the purchase, the interfund loan from the Water Fund would be paid back over an eight to nine year time frame. The purchase of this property will dedicate open space tax funds for the next 20 years to repay debt and will limit opportunities for any other acquisitions.

**MOTION:**
Move to approve a Resolution approving the purchase and sale agreement for the purchase of the CenturyLink property for open space.

**ATTACHMENTS:**
- Resolution
- Purchase and Sale Agreement
- Open Space Purchase Summary