



January 4, 2021

ITEM 30 Northeast Land Preservation

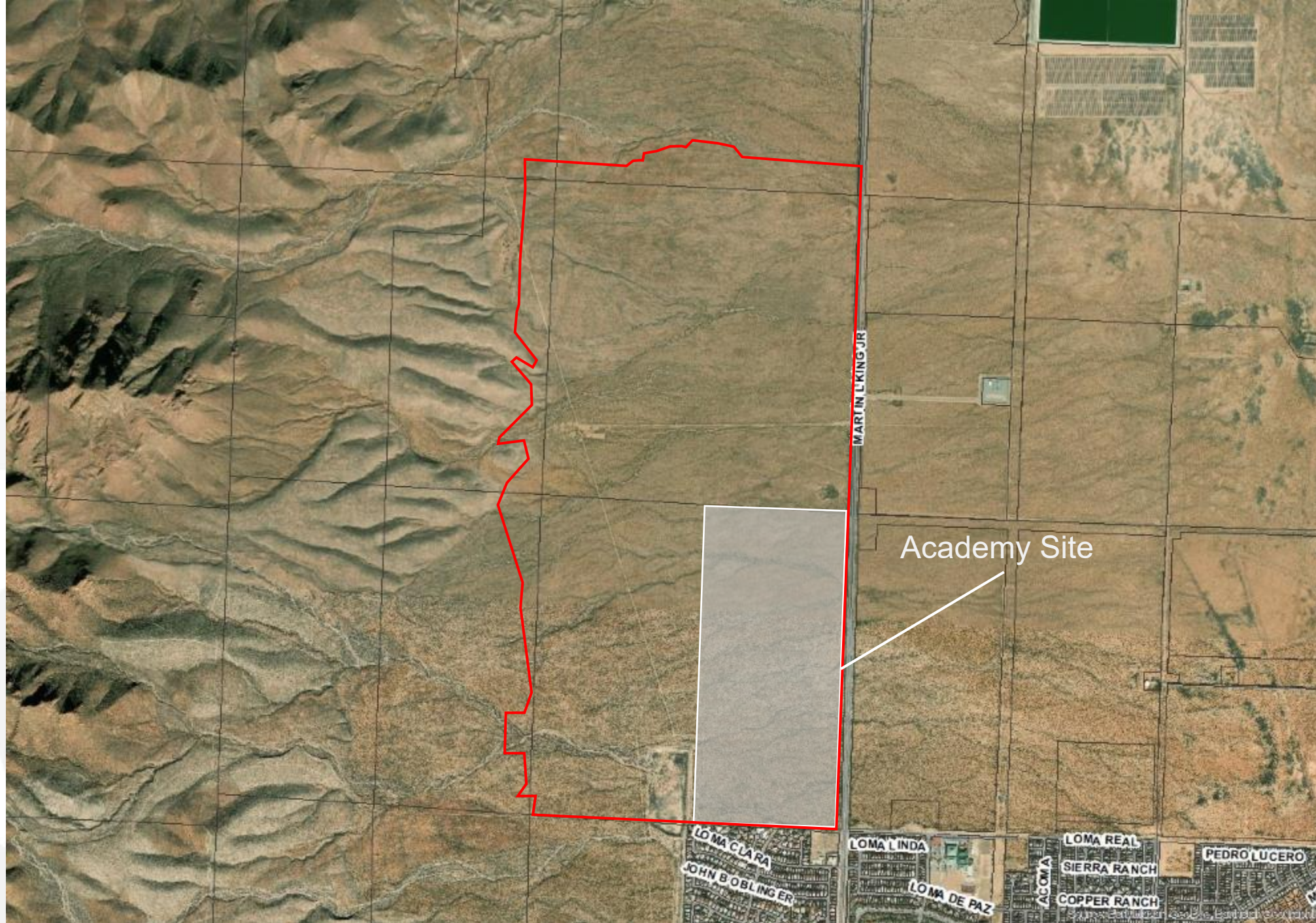
Update on the placement of a conservation easement on 1,200 acres of property west of MLK Jr. Blvd. and east of the Franklin Mountain State Park

Goal 6. - Set the Standard for Sound Governance and Fiscal Management

Presentation Overview

- ❖ Background + Council Direction
- ❖ Action Update
- ❖ Current Issues
- ❖ Recommendation
- ❖ Timeline + Next Steps

Subject Property



Background + Council Direction

On **July 7, 2021**, the City and EPWater entered into an MOU

- Authorized transfer of **306 acres** from EPWater to City inventory
- Future site of **Joint Police/Fire Academy**
- Property transferred under the terms of the Joint Resolution
 - Qualifying “Public Facilities” will be transferred to the City at 25 percent of the appraised value ($\$5.325 \text{ million} \times 0.25 = \mathbf{\$1.33 \text{ million}}$)
 - Paid out of the 2019 Public Safety Bond
- **EPWater committed to the preservation of an additional 1,200 acres** of undeveloped land located to the west and north of the subject property within 180 days (or January 3rd)

Background + Council Direction

- City Council took **separate action** to direct staff to work with EPWater to place a **conservation easement** over the 1,200 acres and any acreage not needed for the public safety facilities
 - On **November 23, 2021**, City Council directed staff to return within 60 days with an update
- City staff communicated Council's direction to EPWater and is working with the utility to accomplish that direction
 - Using Lost Dog and Knapp Conservation Easements as a model

Action Update

- EPWater has communicated concerns regarding **mineral rights**
- EPWater proposes an alternative preservation mechanism:
 1. Use of the **stormwater/open space dual purpose fund**
 - At 100% the value of the land (value determined via updated appraisal)
 - On **September 27, 2021**, EPWater presented its annual Stormwater Utility Update to Council, identifying the property as a pending open space acquisition
 2. Establishment of a **Conservation Covenant**
 3. **Rezoning** of property to **Natural Open Space**

Recommendation

Continue to work with EPWater to accomplish preservation through the establishment of a conservation easement.

- Previous conservation easements (Knapp Canyon and Lost Dog) had third parties that possessed mineral rights over the properties.
 - Conservation Easements can be tailored to exclude certain property and to grant the conservation easement subject to the rights of other parties
- If EPWater opts to compensate the system using the dual-purpose fund created under Ordinance No. 016668, recommend EPWater demonstrates:
 - The System requires compensation;
 - The use of the fund for this purpose complies with Ordinance No. 016668; and
 - Impact to the fund (i.e., impact of a \$15 million charge to the fund)

Alternate Solution

Request the transfer of the property to the City's inventory under the terms of the agreed upon Joint Resolution.

- Under the Joint Resolution, the property may be transferred to the City at the greater of:
 - 25 percent the appraised value of the property; or
 - The original cost of the property plus an annual CPI adjustment from the date of purchase.
- The funding source is the remaining \$3.1 million reserved for open space acquisitions allowing for the transfer of all or a portion of the property, depending on its appraised value
 - Aligns with the December 2nd, 2020, OSAB recommendation

Timeline - Conservation Easement

Baseline Report

- ~ 3 months
- Previously done via P.O. with Frontera
- Assessment of current state of property
- Develop Land Management Plan

Draft Agreement

- 2 months
- Prepare conservation easement agreement and exhibits
 - Survey, Land Exclusion, and Surface Rights Waivers

Final Action

- Ordinance approved by Council authorizing the City Manager to sign the conservation easement agreement

MISSION



Deliver exceptional services to support a high quality of life and place for our community

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople