



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 5/14/2019

File #: 19-232, Version: 1

SUBJECT: Consent

A Resolution Of The Board of Trustees of The Town of Erie to Enter Into A Purchase And Sale Agreement for The Purchase Of Real Property, Leases, Easements, Improvements and Related Assets for the Purposes of Open Space.

DEPARTMENT: Parks & Recreation

PRESENTER: Farrell Buller, Deputy Town Administrator

FISCAL INFORMATION:

Cost as Recommended: \$ 7,215,000

Balance Available: \$0

Budget Line Item Number: Trails & Natural Areas Fund - \$6,715,000 (with \$1,900,000 advance from the General Fund)
(210-50-110-604500-100314)

Parks & Improvement Impact Fund - \$500,000 (320-50-110-604000-100314)

New Appropriation Required: Yes

STAFF RECOMMENDATION:

Approve resolution authorizing the Town of Erie to enter into a contract to purchase park and open space land.

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

The Town wishes to acquire approximately 169 acres of open space and park land. The land is located on the southwest corner of Jasper Road and 119th and is currently known as Wise Farms.

The signed Letter of Intent has an agreed upon price of \$7,200,000 and includes the land, water shares and mineral estate. Based on due diligence completed by the Town's real estate consultant the per acre cost of \$42,603 is below the market results for similar comparable properties. Both parties agree that the purchase price is below the fair market value and the difference between the purchase price and the fair market value shall be a charitable contribution to the Town of Erie. The requested appropriation includes additional closing costs of \$15,000.

On April 15, 2019, the potential purchase was presented to the Open Space and Trails Advisory Board during executive session and were in support of the acquisition.

Approval of the resolution will authorize the Town to sign the purchase and sale agreement and authorize the expenditure of funds. The Trails and Natural Areas Fund (TANAF) does not currently have adequate funds on hand to accomplish the purchase. With the approval of this resolution, the additional funds needed of \$1,900,000 will be advanced from the General Fund, with repayment of the advance to take place from TANAF by December 2020.

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Upon approval of this resolution, earnest money in the amount of \$10,000 will be delivered to Land Title Guarantee Company to be held in escrow until the final closing.

ATTACHMENTS:

1. Resolution
2. Purchase and Sale Agreement
3. Map