

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 11, 2010

Board Item: V-E-2

CONVEYANCE OF PROPERTY TO GRAND COUNTY WATER AND SANITATION DISTRICT AGREEMENT 13182A

Action by Consent

Action

Information

Denver Water received a proposal from Grand County Water and Sanitation District (GCWSD) to purchase, in fee simple, 4.751 acres of Denver Water property. GCWSD desires to purchase the property for its existing water tank and appurtenances, currently within an easement on this property. The property has been recently designated as surplus property. This proposal resolves an impasse resulting from the vast difference between the appraised property values. GCWSD's appraisal reflected a value of \$30,000.00, while Denver Water's appraiser's opinion reflected a value of \$510,200.00. This price difference results from two very different conclusions of "highest and best use" by two independent appraisers.

Unable to resolve the monetary differences in the appraised values, GCWSD's proposal defined the consideration as follows:

- GCWSD will pay \$12,000 per acre for the 4.751 acres of property: (\$57,012.00)
- GCWSD will assume financial responsibility for all of Denver Water's current and future County Road 72 responsibilities to improve and control dust - a requirement of the Grand County Special Use Permit for Denver Water's Moffat Headquarters. Denver Water's current proportionate share of the County Road 72 improvements is estimated to be \$390,549.00. GCWSD will pay Grand County's \$1,200 fee to amend the Special Use Permit for the Moffat Headquarters and delete Denver Water's County Road 72 road responsibilities.

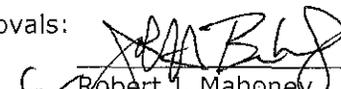
Total consideration offered by GCWSD: \$448,761.00

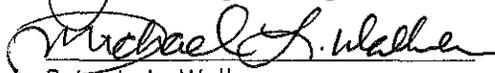
Denver Water considers GCWSD's offer reasonable since it resolves the differences in property values and relieves Denver Water of the substantial monetary responsibility to improve and control dust on County Road 72, a financial commitment likely to increase year-by-year.

RECOMMENDATION

It is recommend that the Board approve Agreement 13182A to declare this property, determined to be no longer useful or required for present or future waterworks purposes, as surplus and approve the conveyance of property to GCWSD in exchange for the above-referenced monetary and other good and valuable consideration.

Approvals:

for 
Robert J. Mahoney
Director of Engineering

for 
Patricia L. Wells
General Counsel


James S. Lochhead
CEO/Manager