

BOARD OF COUNTY COMMISSIONERS BRIEFING PAPER

Topic: Acquisition of Pine Pit Properties for Road & Bridge Storage and Gravel Extraction

Presented by Mike Secary, Director, Road and Bridge

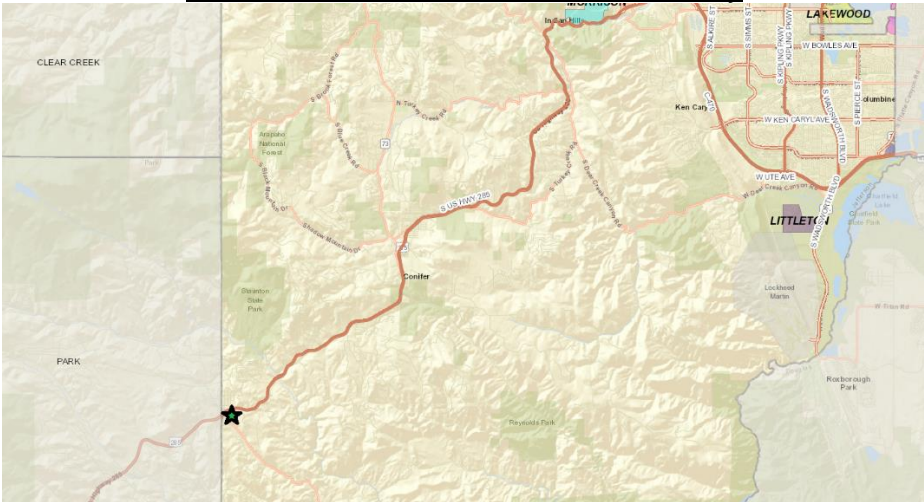
Date: 10/22/2024

- For Information, For Discussion/Board Direction, Consent to Place on Business/Hearing Agenda

Issue: Road and Bridge is requesting approval to acquire approximately 26.03 acres of property, known as the Pine Pit Parcels, from Phyllis Burkgren and Ruth M. Lang for the purpose of storage and gravel extraction.

Background: The property is located at the western extreme of Jefferson County at the intersection of US HWY 285 and Pine Valley Rd. Road and Bridge has leased the Pine Pit Parcels from Phyllis Burkgren and Ruth M. Lang since 1977.

Location of Parcels in Jefferson County



The property has been used for mining operations and equipment storage with no significant concerns about neighboring property uses. The Colorado Division of Reclamation, Mining, and Safety inspected the property on October 9, 2024,

and determined that it is in full compliance with all relevant regulations. The report indicated no significant hydrological impact, well-maintained drainage ponds, and

clearly marked site boundaries.

The strategic location of the Pine Pit Parcels at the County's western boundary makes them a unique asset for ongoing operations. The site's existing infrastructure and resources, including the potential to lease storage space or license gravel extraction rights to other counties, add further value.

Under the terms of the current lease, the County would be obligated to restore the site upon lease termination, which includes removing all structures, equipment, and gravel and restoring the land to a smooth, graded condition. This process is expected to be costly, making the purchase more economical in the long term. The County plans to continue using the site for current operations while extracting virgin material for roadwork and processing elsewhere in the County.

**Discussion:** Both the Sellers and Road and Bridge are motivated to close the transaction before the end of 2024. The Sellers have received an "extremely strong" bid from another buyer for more money and have indicated that they may sell to this bidder if delays occur. However, due to their longstanding positive relationship with Road and Bridge, the Sellers have expressed a strong preference to sell to the County.

Road and Bridge has included this purchase in its 2024 budget considerations, making it time sensitive. To balance due diligence with the time pressure of closing, the County will conduct a final inspection using an inspector from Transportation and Engineering who is unfamiliar with the site to eliminate bias. Additionally, the County will perform a full title review to ensure there are no unforeseen issues with the property. Given that the County has leased the property since 1977, we do not anticipate any significant concerns arising from this review.

This acquisition is crucial for maintaining our western-most operations and provides opportunities for both ongoing use and future potential revenue generation. Approval is therefore sought to proceed with the acquisition.

**Fiscal Impact:**  yes  no

(If "yes", include bulleted list below with concise descriptions for each. If "no", then the bulleted list may be removed).

This purchase totaling \$750,000 will be paid out of the 2024 Road and Bridge operating budget

**Revenue Limits Impact:**  yes  no

**SPA Review:** Support with no concerns, Zoe Jenkins

**County Attorney Review:** Trevor Lambirth, October 17, 2024

**Facilities Review:** Does not apply

**BIT Review:** Does not apply

**Fleet Review:** Does not apply

**Human Resources Review (new FTE only):** No FTE

**Recommendations:** Staff recommends that the Board of County Commissioners approve the purchase and sale agreement with Phyllis Burkgren and Ruth Lang for the purchase of the Pine Pit parcels, and such agreement be placed on a future hearing agenda for formal approval.

**Originator:**

Mike Secary, Director, Road and Bridge

**Contacts for Additional Information:**

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