

# Amara Annexation

City Council Work Session  
October 24, 2022

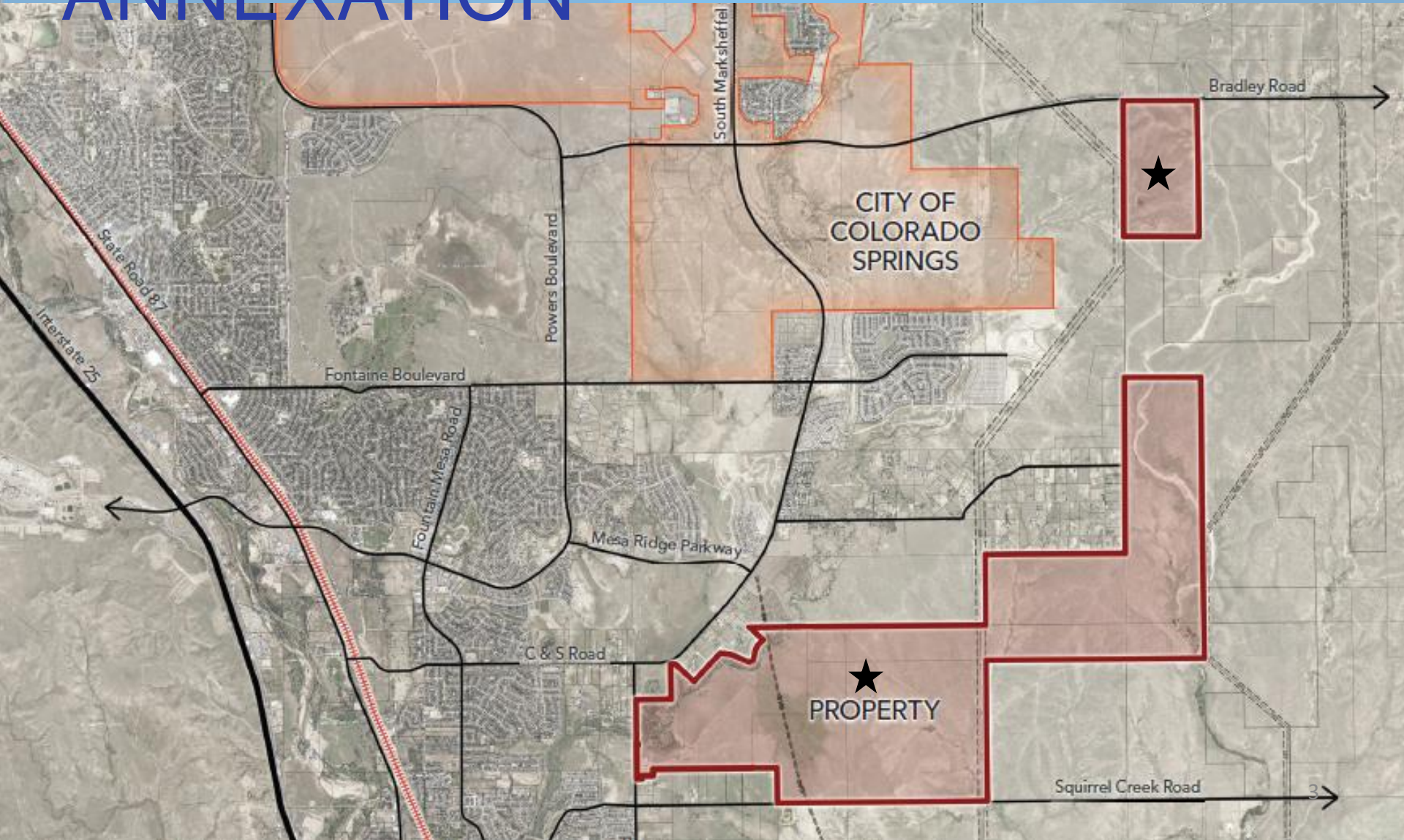


# Today's Topics



1. Schedule
2. Recap of the annexation statutory requirements and annexation agreement
3. Presentation/discussion on Fiscal Impact Analysis and Economic Impact Report

# AMARA ANNEXATION



# AMARA ANNEXATION



## Applications

- Annexation
  - Serial annexation that includes Add. No. 1 -11 (12 separate annexation plats)
  - Total annexation ~3200 acres
- Master Plan (req. per City Code Section 7.5.403)
  - Establishes outline of the land use pattern
  - Mix of commercial, institutional, single-family, multi-family residential, and civic uses
  - Proposed 9500-unit maximum dwelling cap
- Zone Establishment
  - Proposed A(Agricultural) as 'holding zone'
  - Future zone changes required to establish specific densities and uses

# SCHEDULE



## Tentative Schedule:

October 11 – City Council Budget Committee review of the FIA/EIR

October 11 – City Council Regular meeting - resolution scheduling the annexation public hearing for November 22

**October 24 – City Council Work Session on FIA/EIR**

**October 25 – City Council Town Hall meeting at 5 PM**

**November 9 – Planning Commission meeting**

**November 22 – City Council regular meeting public hearing**

**December 13 – City Council regular meeting final action**

# APPROACH TO LARGE ANNEXATION



- Recognize that large annexations will take years to develop (demand is not immediate)
- Establish a master plan-level framework for land use, transportation and other services
  - Details reviewed and required as development occurs
- Flexible and adaptable over time based on demand and levels of service
- Rely on City Code and other documents for levels of public improvements (e.g. roadway design, signalization, stormwater) and defer finalization of conditions to future land use processes and triggers (based on demand and level of service)
- Park Land Dedication Ordinance and School Land dedication Ordinance
- Citywide Community Impact fees

# APPROACH TO LARGE ANNEXATION



To place the annexation agreement into context, the following primary topics and concerns were evaluated:

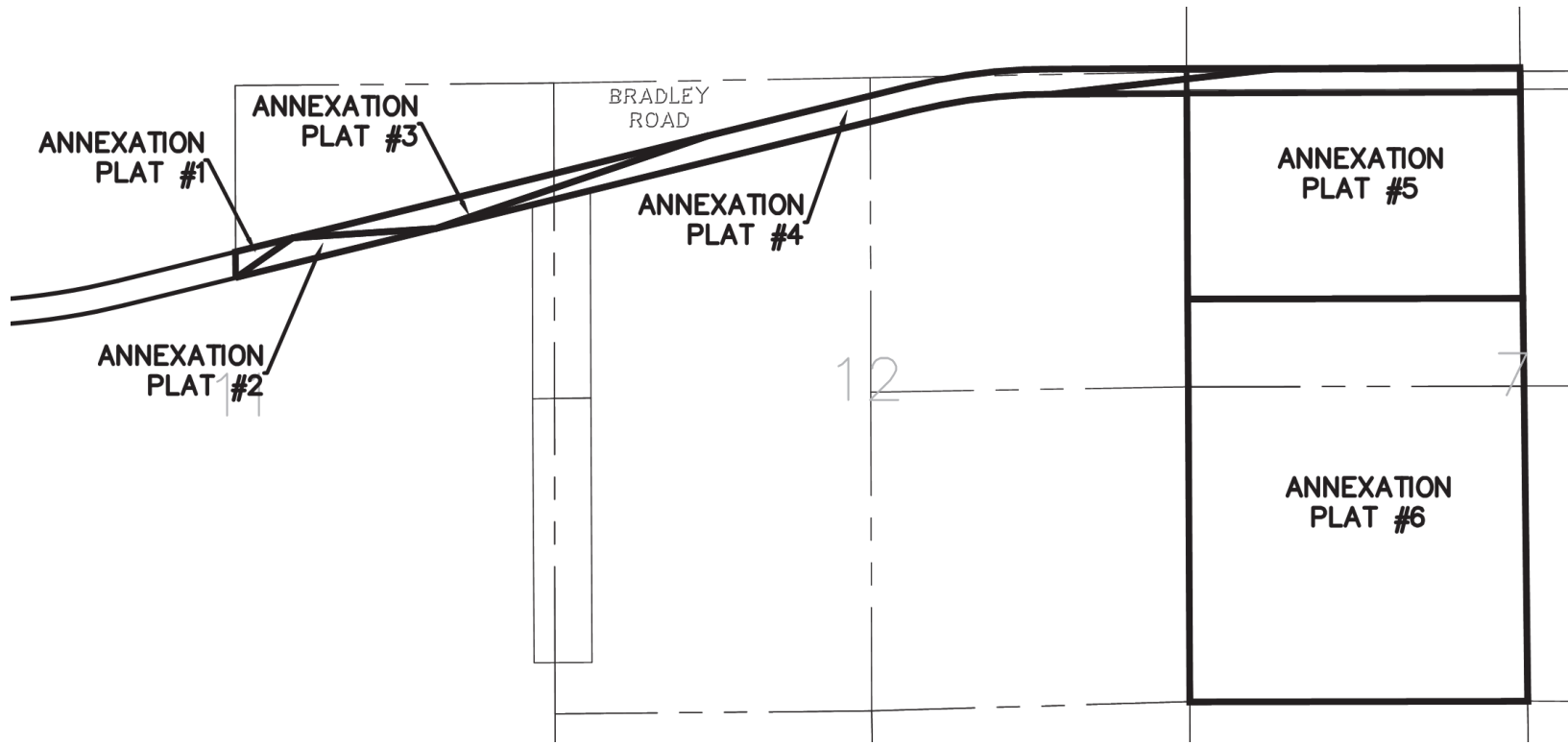
- Conditions for Annexation (City Code 7.6.203), including:
  - *Utility services, logical extension of the City's boundary, fiscal/economic impacts*
- Land use master plan
- Transportation and mobility
- Demand on City services
  - *park system, police, fire – immediate and long-term operational needs*
- Extension of utilities
- Current and future demand/obligations of water and water rights
- Invasion of territory of existing dry utility providers
- Timing/financial responsibility/cost sharing of infrastructure improvements
- Initial public safety services, distance from current City infrastructure/operations/services

# TECHNICAL REQUIREMENTS



Amara does not “touch” existing City Limits – Flagpole Annexation necessary  
**Flagpole Annexation** (Colorado Revised Statute 31-12-105(e.3))

- Real property not contiguous with City boundary
- Use roadway as a ‘flagpole’ to gain contiguity (Add. No. 1 – 4)



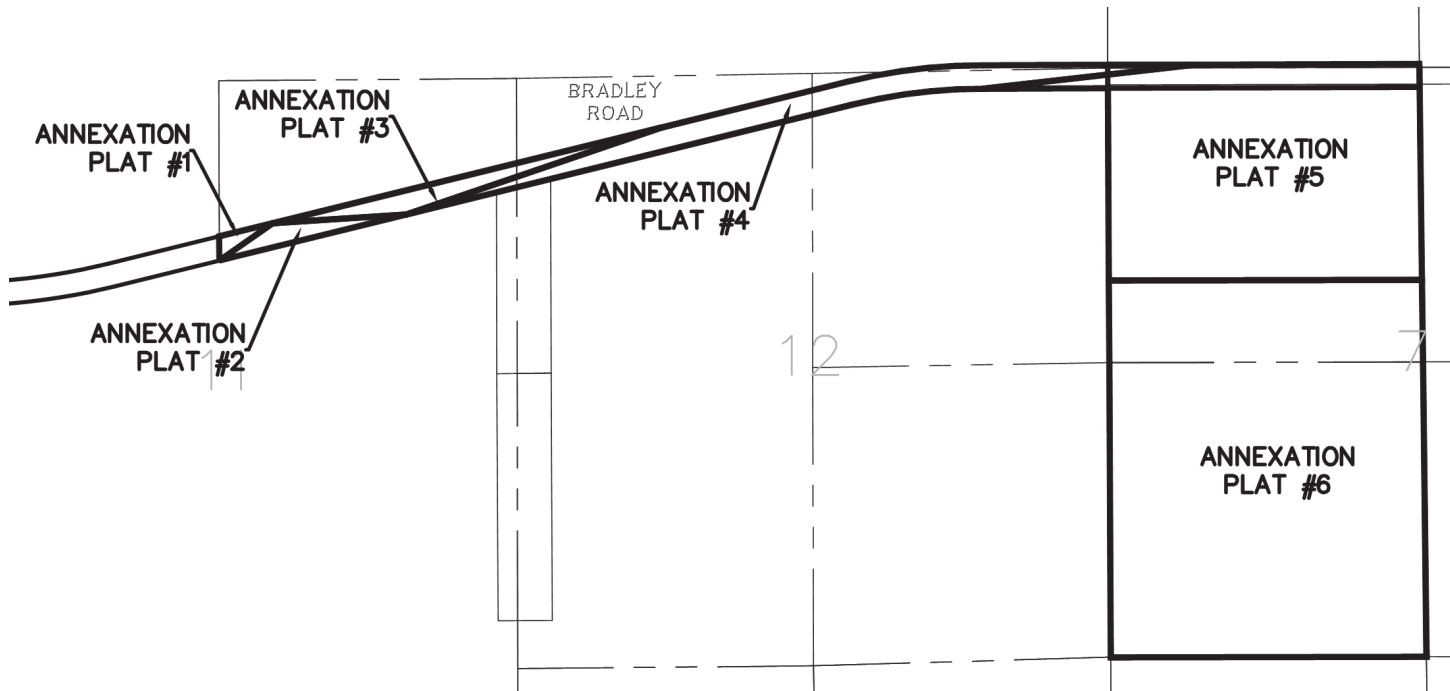


# TECHNICAL REQUIREMENTS



## Serial Annexation (Colorado Revised Statute 31-12-105)

- Allows to “portion-off” pieces of the whole annexation boundary if the portion does not meet the state statute required contiguity
- Additions 1 – 11 (total portions needed for whole boundary)
- All portions meet the required contiguity



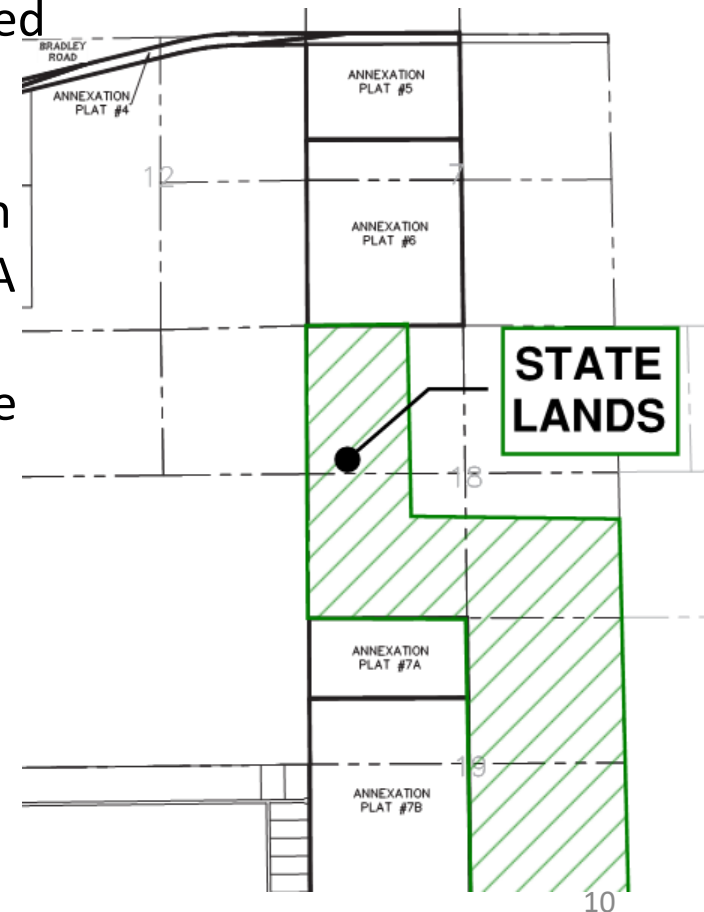
# TECHNICAL REQUIREMENTS



## Public Lands (C.R.S. 31-12-104(a))

“contiguity shall not be affected by the existence of... public lands, whether owned by the state, the United States or an agency thereof.”

- Proposed annexation incorporates this provision and ‘jumps’ state lands between Add. No. 6 – 7A
- Contiguity is not affected
- Remaining annexations continue to establish the required one-sixth contiguity in the serial annexation configuration



# TERMS OF AGREEMENT FOR DEVELOPMENT CSPD, CSFD & PLDO



## **Colorado Springs Police Department**

- Future development will comply with Public Safety Impact Fee
- No station location within Amara, location better served north of Amara

## **Colorado Springs Fire Department**

- Future development will comply with Public Safety Impact Fee
- 2 permanent fire station locations, 1 temporary station location (phase 1)
  - Will remain in operation until the permanent station is developed in phase 3

## **School Land Dedication Ordinance**

School Districts: Fountain Fort Carson District 8, Widefield District 3 and Ellicott District 22

- School sites identified on the master plan to be dedicated

## **Parkland Dedication Ordinance (PLDO)**

- Must comply with PLDO, as amended, at time of development
- Approximately 130 acres for parks
- 9 Neighborhood Parks totaling 58 acres, built/owned/maintained by Owner
- 2 Community Park sites totaling 70 acres, responsibility of the City
- Parks Board approval of master plan (parks) – unanimous approval June 9, 2022<sub>11</sub>

# TERMS OF AGREEMENT FOR DEVELOPMENT Transportation



- Traffic Impact Study (reviewed and accepted by City Traffic)
  - Trip generation
  - Traffic analysis
  - Short and long term improvements
  - Phased implementation of improvements
- Annexation Agreement
  - Responsibilities of the developer
  - The financial contributions to off site roadways
  - Timing (phasing) for:
    - New roadways
    - Improvements to existing roadways and intersections
- Phased improvements to existing infrastructure and internal infrastructure to support the development

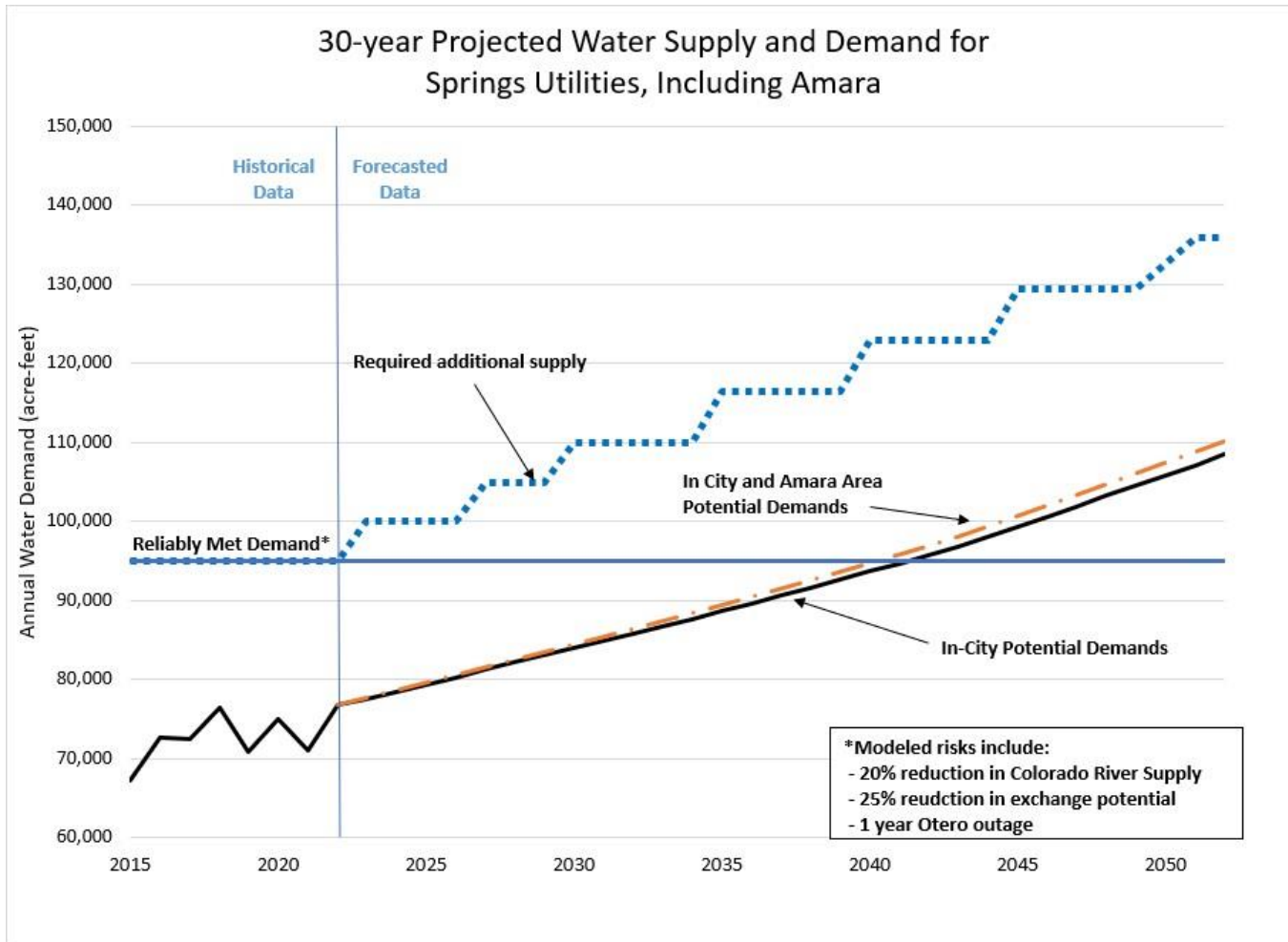
# 7.6.203: Conditions for Annexation



## C. Projected available water surplus at time of request

- Based on first-come, first-serve policy, Amara's demand can be met today
  - Amara's projected demand at buildout is 3,500 acre-feet/year
- Additional water supplies must be developed in accordance with Integrated Water Resource Plan to meet future demand
  - Springs Utilities can meet 95,000 acre-feet/year of demand based upon adopted risk metrics
  - Current average demand is 73,000 acre-feet/year
  - Springs Utilities must develop additional water resources to meet full buildout demands of the City
  - Springs Utilities continues to monitor emerging risks that impact water supply

# 7.6.203: Conditions for Annexation

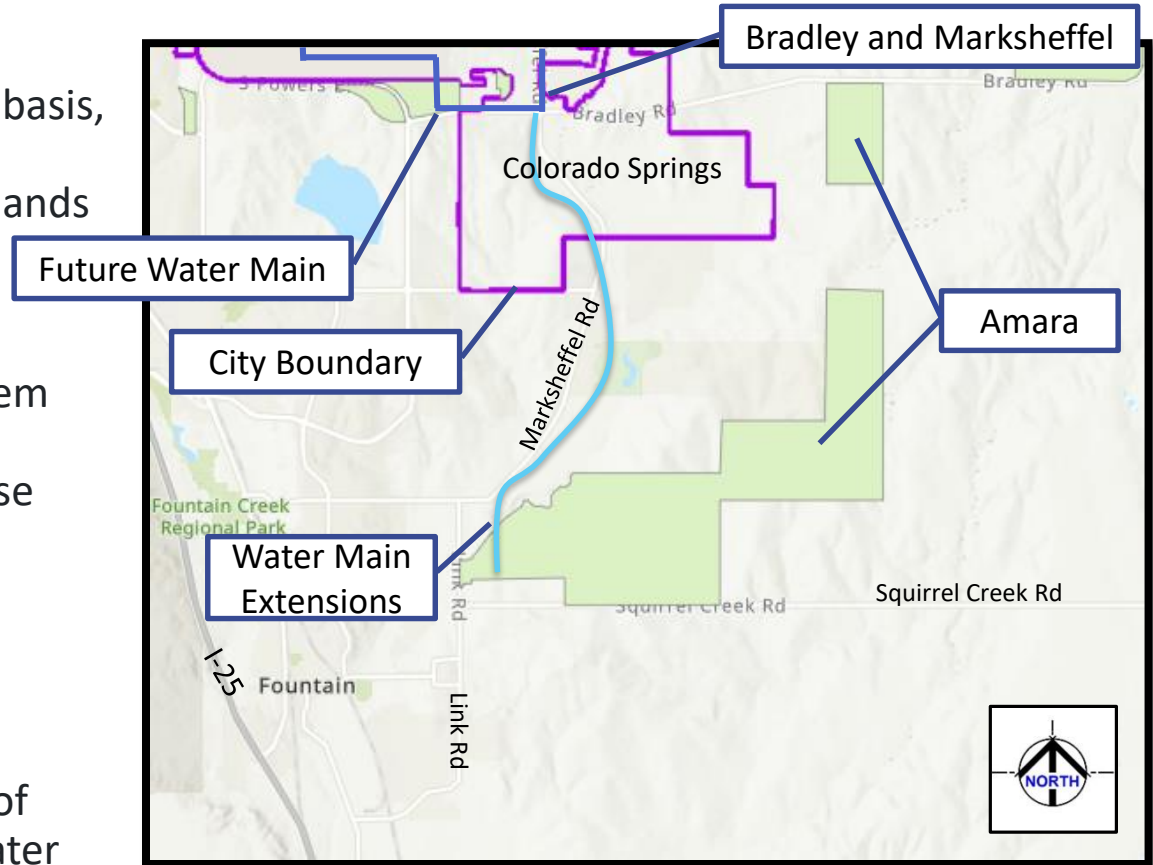


# 7.6.203: Conditions for Annexation



## D. Water Facilities

- Based on first-come, first-serve basis, Bailey Water Treatment Facility projected to meet Amara's demands for the foreseeable future
- Developer to extend water system from terminus of existing water distribution system at its expense
- Redundant supply installed at developer's expense
- Potential partnership with City of Fountain to support regional water service



# 7.6.203: Conditions for Annexation



## Water Facility Cost Responsibilities

### Springs Utilities

- Water Treatment Facilities
- Storage Tanks

### Owner/Developer

- Transmission Mains
- Pump Stations
- Onsite Distribution Mains
- Service Lines

### Cost Recovery Mechanisms

- Development Charges
- Water Resource Fee
- Cost Recovery Agreements



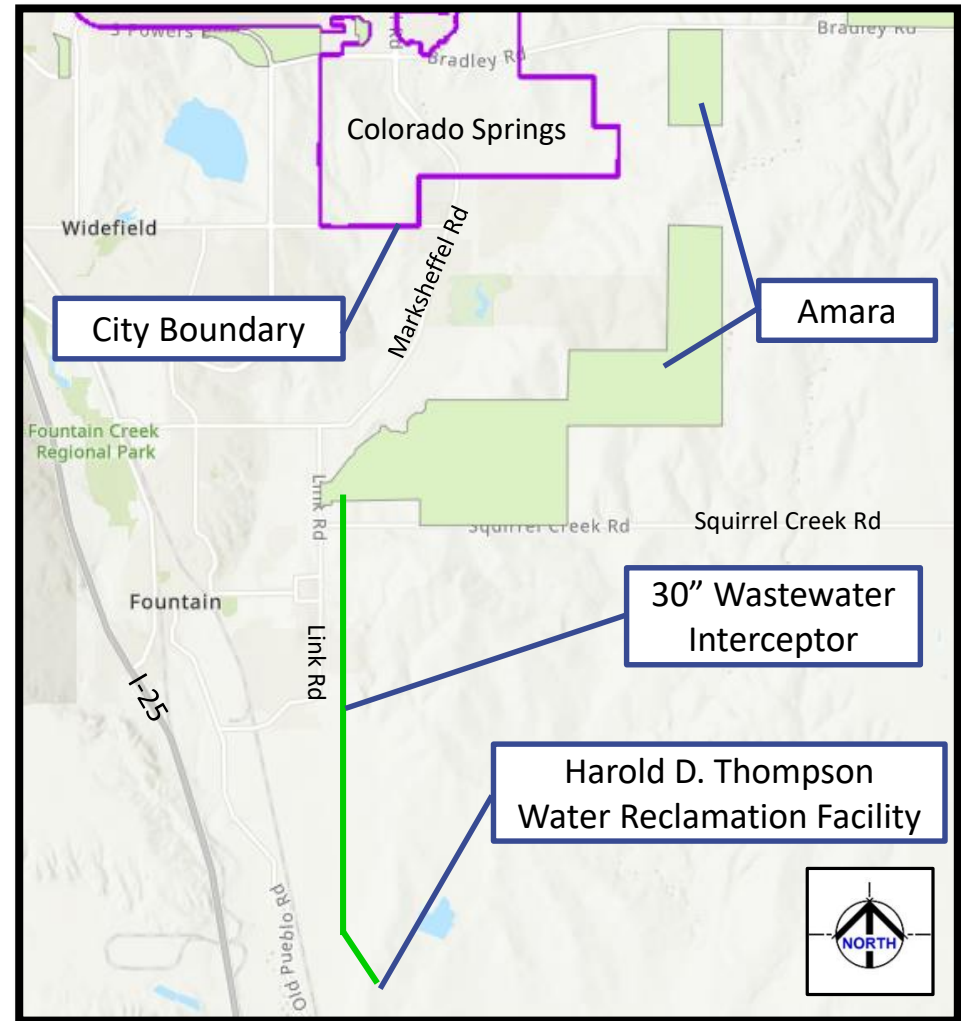


# 7.6.203: Conditions for Annexation



## D. Wastewater Facilities

- Sufficient wastewater treatment capacity exists to meet Amara's demands for the foreseeable future between proposed wholesale wastewater service agreement with a third-party utility and Springs Utilities' system
- Wastewater collection through existing 30-inch wastewater interceptor south of Amara
- Wastewater treated at Harold D. Thompson Water Reclamation Facility



# 7.6.203: Conditions for Annexation



## Wastewater Facility Cost Responsibilities

### Springs Utilities

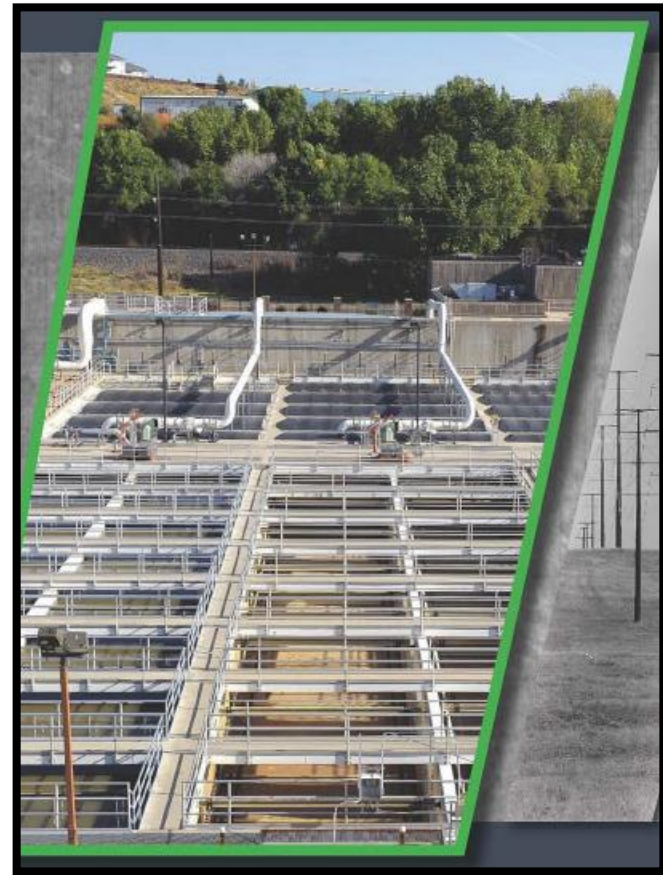
- Wastewater Treatment Facilities

### Owner/Developer

- Wastewater Interceptors
- Wastewater Trunk Lines
- Local Collection Mains
- Lift Stations

### Cost Recovery Mechanisms

- Development Charges
- Cost Recovery Agreements



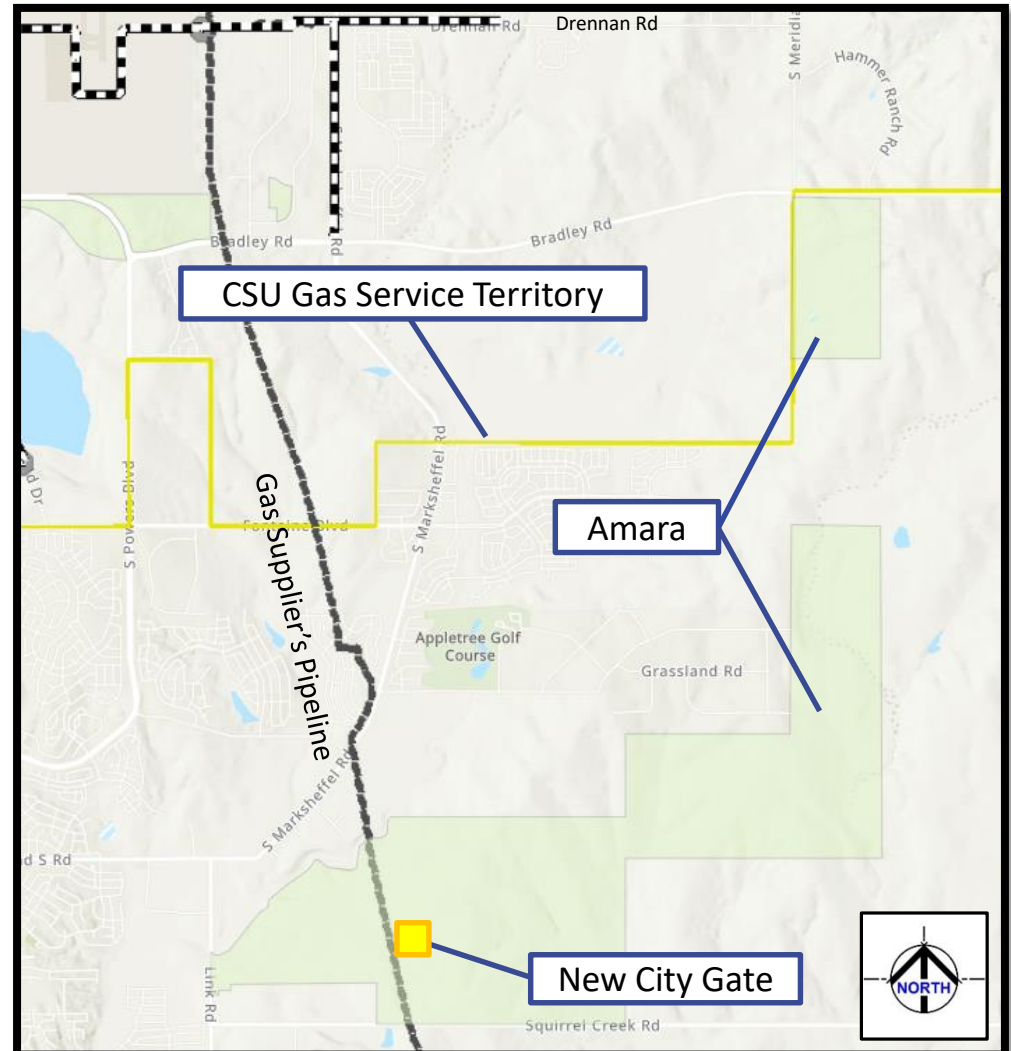
# 7.6.203: Conditions for Annexation



## E. Utilities Extensions

### Natural Gas

- With the following improvements, Springs Utilities can meet Amara's demand
  - New onsite natural gas City Gate (interconnect between gas supplier's pipeline and Springs Utilities' distribution system)
  - 150-pound main extensions, regulator stations and onsite distribution mains
  - Planned expansion of Springs Utilities' existing propane air plant
- Springs Utilities continues to monitor risks associated with Clean Heat Plan



# 7.6.203: Conditions for Annexation



## Natural Gas Facility Cost Responsibilities

### Springs Utilities

- City Gate
- Propane Air Plant Expansion

### Owner/Developer

- 150-pound mains
- Regulator stations
- Distribution mains
- Service lines

### Cost Recovery Mechanisms

- Contribution in Aid of Construction



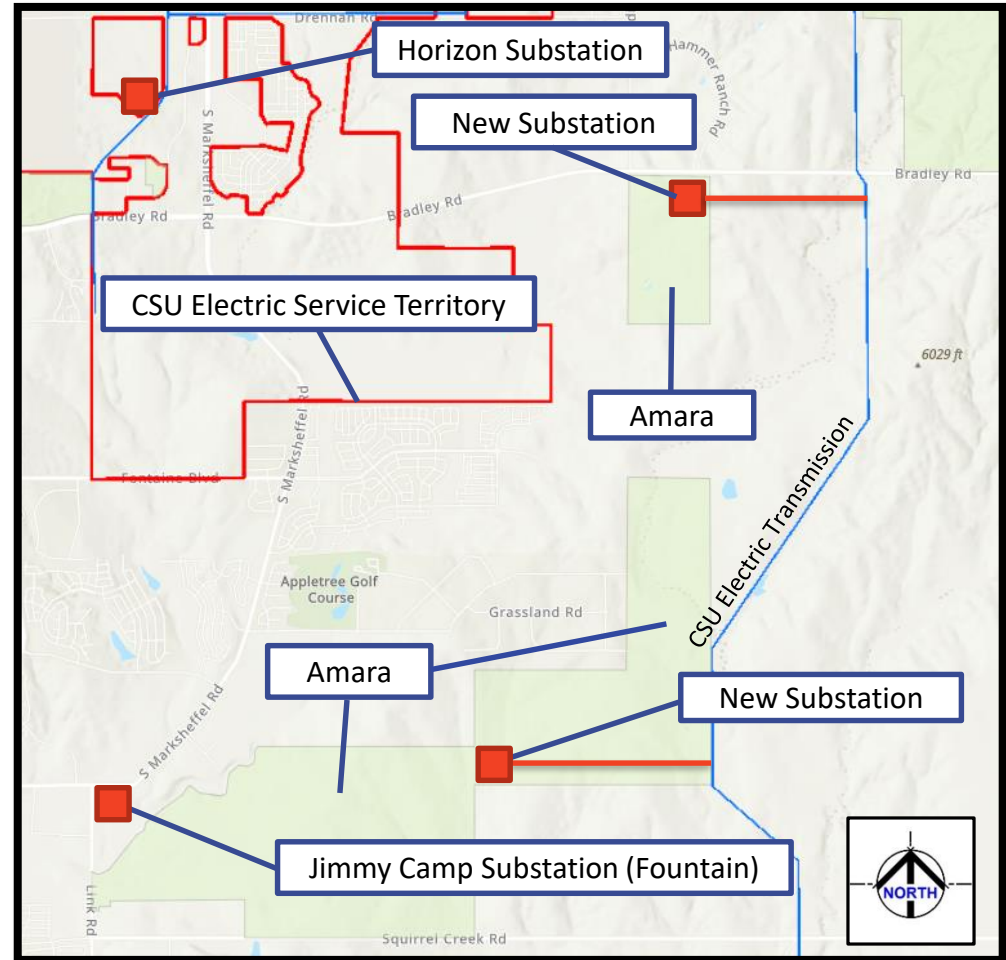
# 7.6.203: Conditions for Annexation



## E. Utilities Extensions

### Electric

- With the following improvements, Springs Utilities can meet Amara's demand
  - Potential interim wholesale service agreement with Fountain
  - Radial 600-amp feed from Horizon Substation (optional)
  - New transmission lines and substations
  - Existing Springs Utilities' transmission lines adjacent to Amara
- Springs Utilities continues to monitor risks associated with Clean Energy Plan



# 7.6.203: Conditions for Annexation



## Electric Facility Cost Responsibilities

### Springs Utilities

- Generation Facilities
- Transmission Lines
- Substations

### Owner/Developer

- 600-amp feeder (optional)
- Distribution Lines
- Service Lines

### Cost Recovery Mechanisms

- Contribution in Aid of Construction



# 7.6.203: Conditions for Annexation



## **F. Groundwater**

### **Current Conditions**

- No decreed groundwater rights appurtenant to property
- Two (2) existing permitted groundwater wells from an unspecified source(s) for an unspecified use(s)

### **Proposed Conditions**

- Springs Utilities supports rehabilitation and re-permitting of existing wells for temporary construction water or future non-potable irrigation use
- Continued use of wells subject to City Council approval

# 7.6.203: Conditions for Annexation



## **G. Rights of Way and Easements**

- Owner shall obtain and/or dedicate all property and easements required for utility-system facilities to serve the property and ensure integrated utility systems
- Requirements captured in annexation agreement

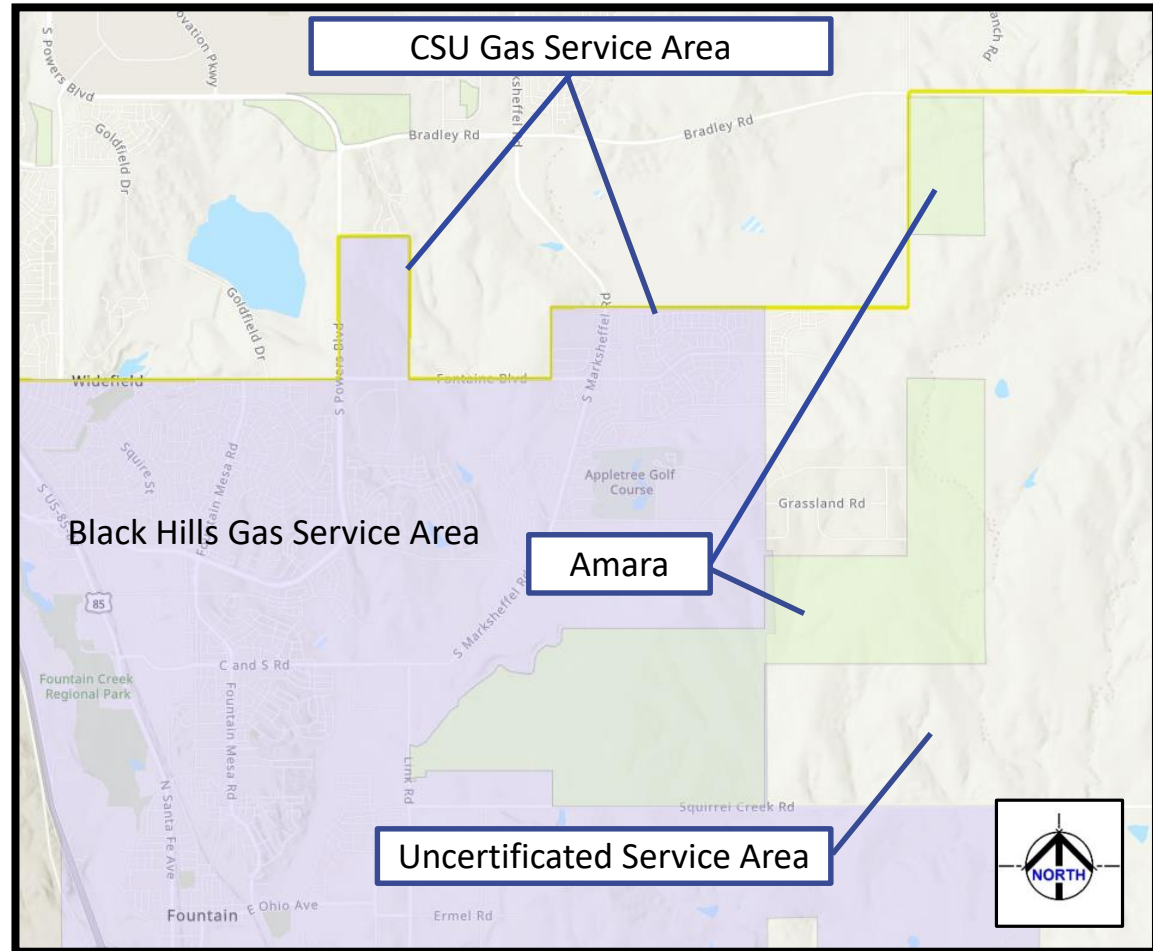


# 7.6.203: Conditions for Annexation



## H. Service Area Overlap

- Property overlaps multiple utility providers' service areas
- Springs Utilities currently in discussions with these providers
- Black Hills Gas Area

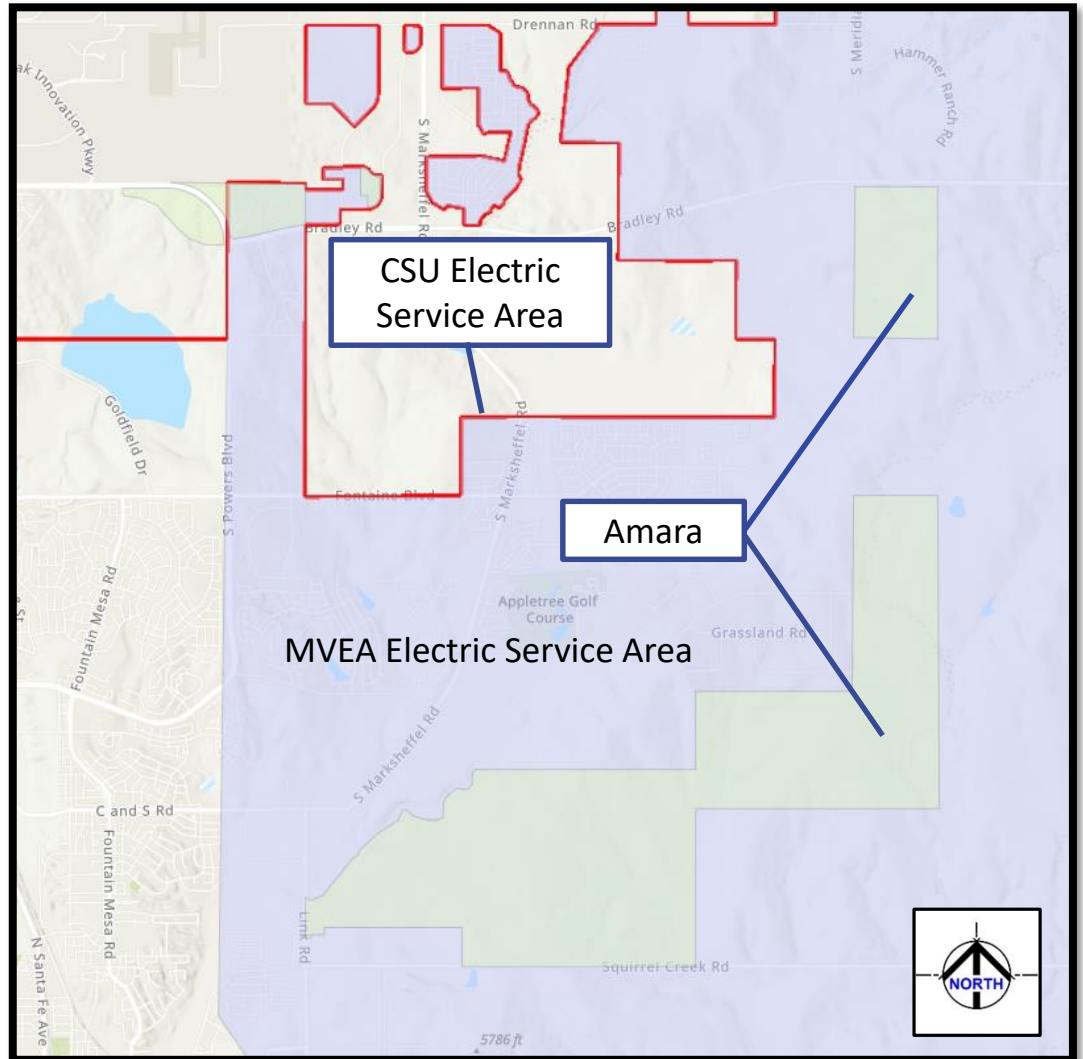


# 7.6.203: Conditions for Annexation



## H. Service Area Overlap

- Mountain View Electric Association (MVEA)



# 7.6.203: Conditions for Annexation



## H. Service Area Overlap

- Colorado Revised Statutes (CRS) specifies just compensation for electric service area invasion
  - Depreciated value of electric facilities
  - System re-integration costs
  - 25% of existing revenue lost (10-year period)
  - 5% of future revenue loss (10-year period)
- No CRS provisions for natural gas
  - Subject to annexation, Springs Utilities will negotiate with Black Hills to compensate Black Hills for invasion costs
- Owner/annexor responsible for all costs if invasion occurs

# Springs Utilities Capital Cost for Amara Capacity



**Electric** **\$78M - \$118M**

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- Generation
- Transmission Lines
- Substations



**Natural Gas** **\$17M - \$25M**

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- City Gate
- Propane Air Plant & Expansion
- Transmission Upgrades



**Wastewater** **N/A**

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- Third Party Agreement



**Water** **\$16M - \$24M**

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- Treatment Facilities
- Storage Tanks
- Supply/Resources - Collected through Water Resource Fee

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**Total** **\$111M - \$167M**

*\*Estimated costs are rough order of magnitude and may vary based on external factors, including but not limited to market conditions, material costs, phasing, and negotiated agreements with third-parties, including existing service providers impacted by the annexation subject to its approval*

# AMARA ANNEXATION



## Discussion and Questions