

West Colorado Annexation Options and Potential Fee Change

City Council Work Session

July 21, 2014

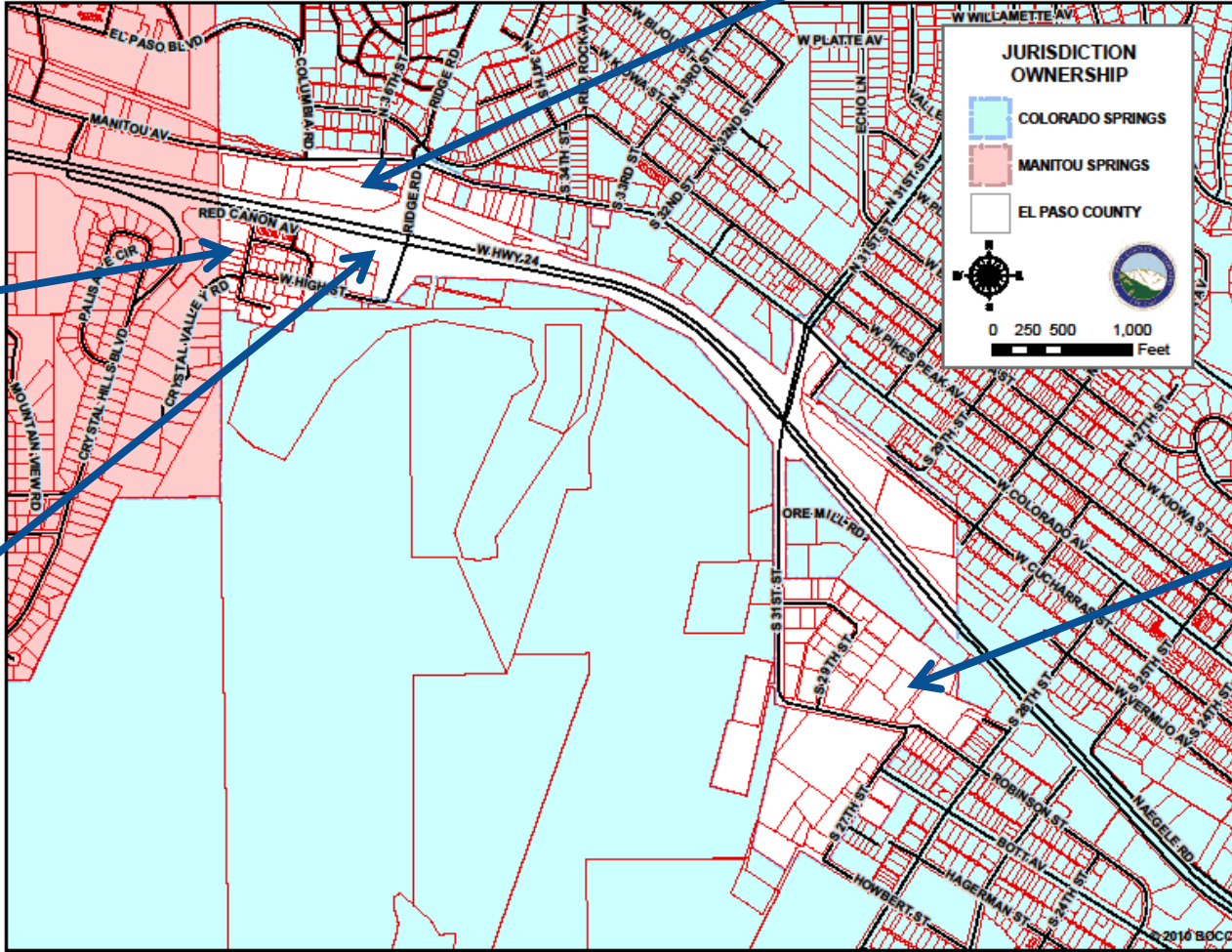
Overall Study Area

West Colorado

High Street

Hwy.
24
RO
W

Robinson Street



City Annexation Plan- 2006



- Strongly Recommended for Annexation
- Recommended for Annexation
- Eligible for Annexation, but not recommended

An enclave
but not an
enclave

Aerial Views





(City)

(County)

(City)

Taco Bell

(City)

(County)

(City)

Process

- Council-led Committee
 - City/County/ Manitou Springs
 - Planning, Public Safety, Elected Officials etc.
 - Westside residents and merchants
 - However, no unincorporated landowners
 - Colorado Springs Utilities
- Analysis and Evaluation of Options
- Recommendations

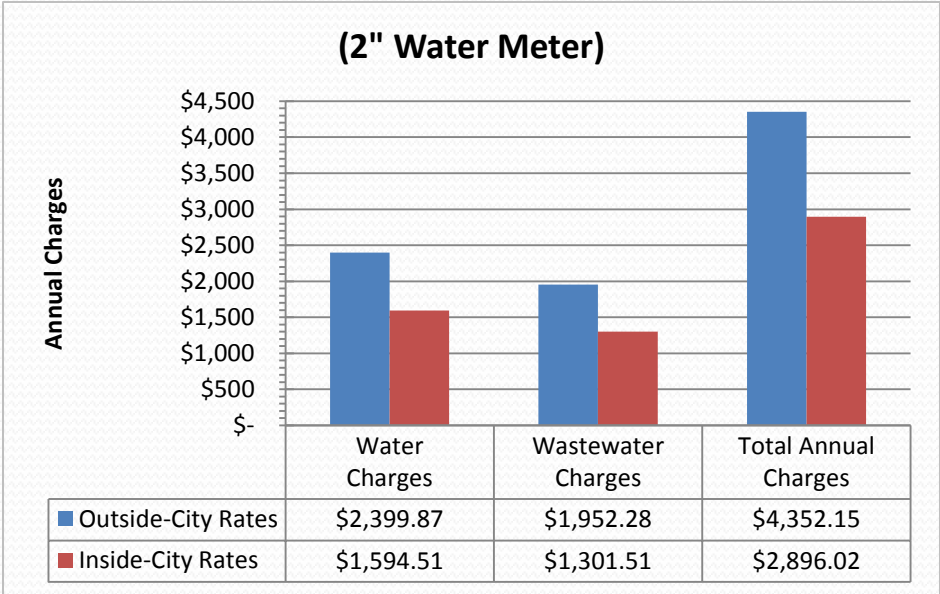
Reasons to Support Annexation

- Logical jurisdiction
 - Service efficiency
 - Taxation fairness
- Coordinated approach to roadway
 - Eventual option for maintenance district?
- Encourage/support redevelopment
- Encourage phase-out of septic systems

Potential Advantages to Owner

- Lower water/sewer rates and charges
- Potential insurance advantages
- Potential enhanced public safety response
- Enhanced redevelopment options

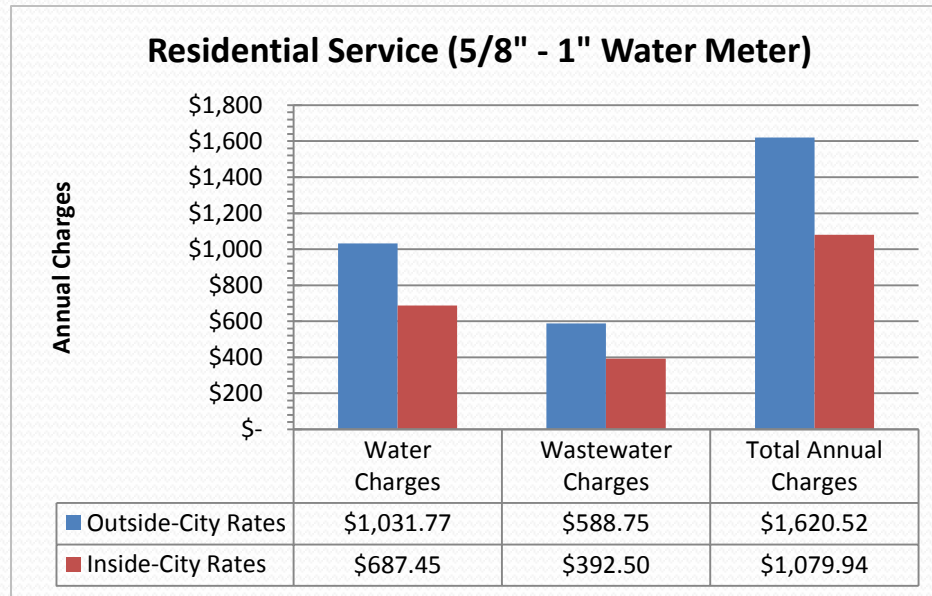
Utilities Savings – Commercial Meter



Estimated Annual Savings		
Water	Wastewater	Total
\$805	\$651	\$1,456

^Based on 2014 rates and 3,000 cubic feet per month for both water and wastewater

Utilities Savings – Residential Meter



Estimated Annual Savings		
Water	Wastewater	Total
\$344	\$196	\$540

**Based on 2014 rates and 1,100 cubic feet per month for water and 700 cubic feet per month for wastewater*

Potential Disadvantages

- Sales, property and LART taxes (as applicable)
- Costs of annexation
 - Direct
 - Required improvements

Challenges

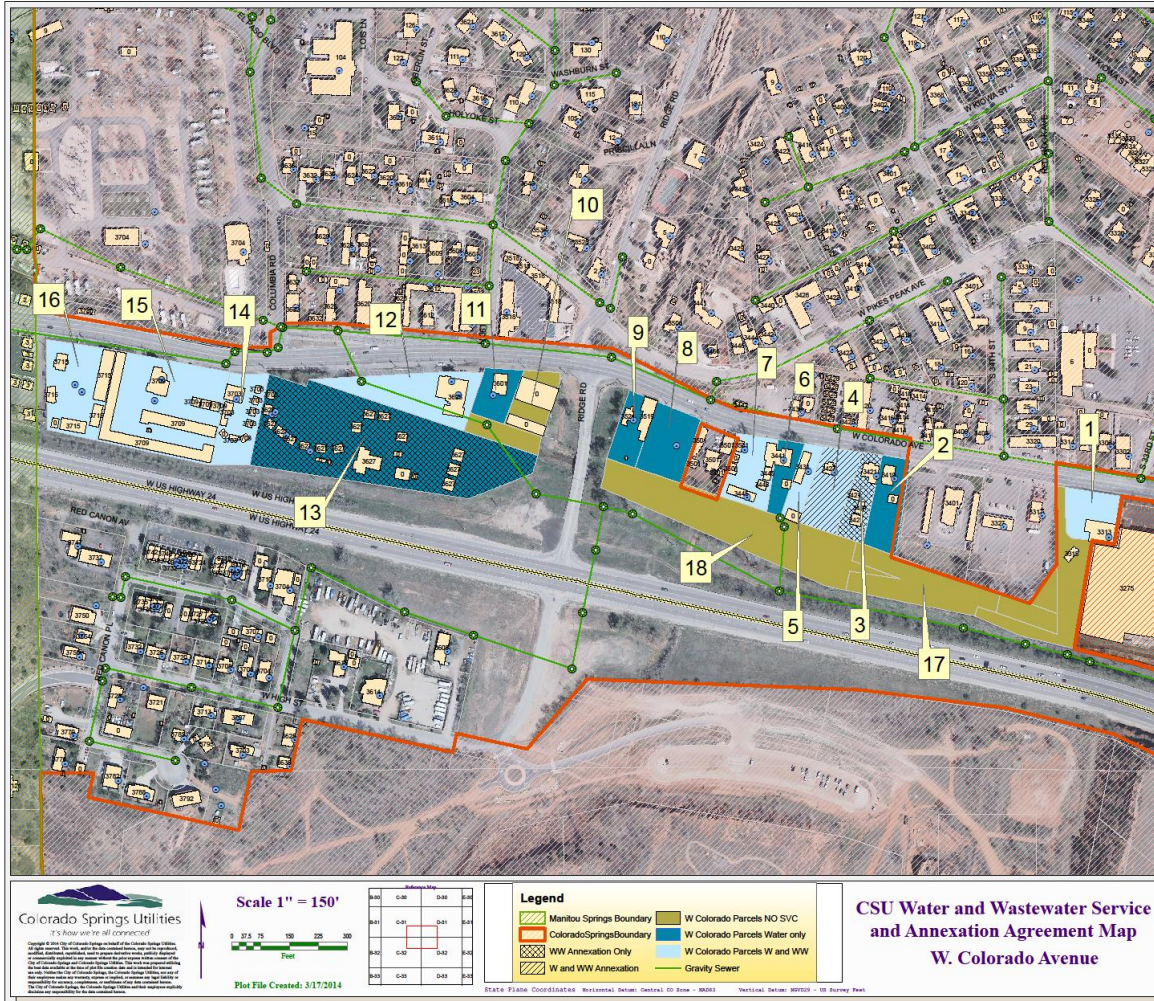
- Coordination of Annexations Difficult
 - Unless parcels are privately assembled
- Circumstances and Costs Vary
- Limited Need/ Incentive to Annex
 - Costs (except for water and/or sewer) are lower in County
 - Triggers mostly limited to major change in land use and/or failed septic systems

Four Areas:

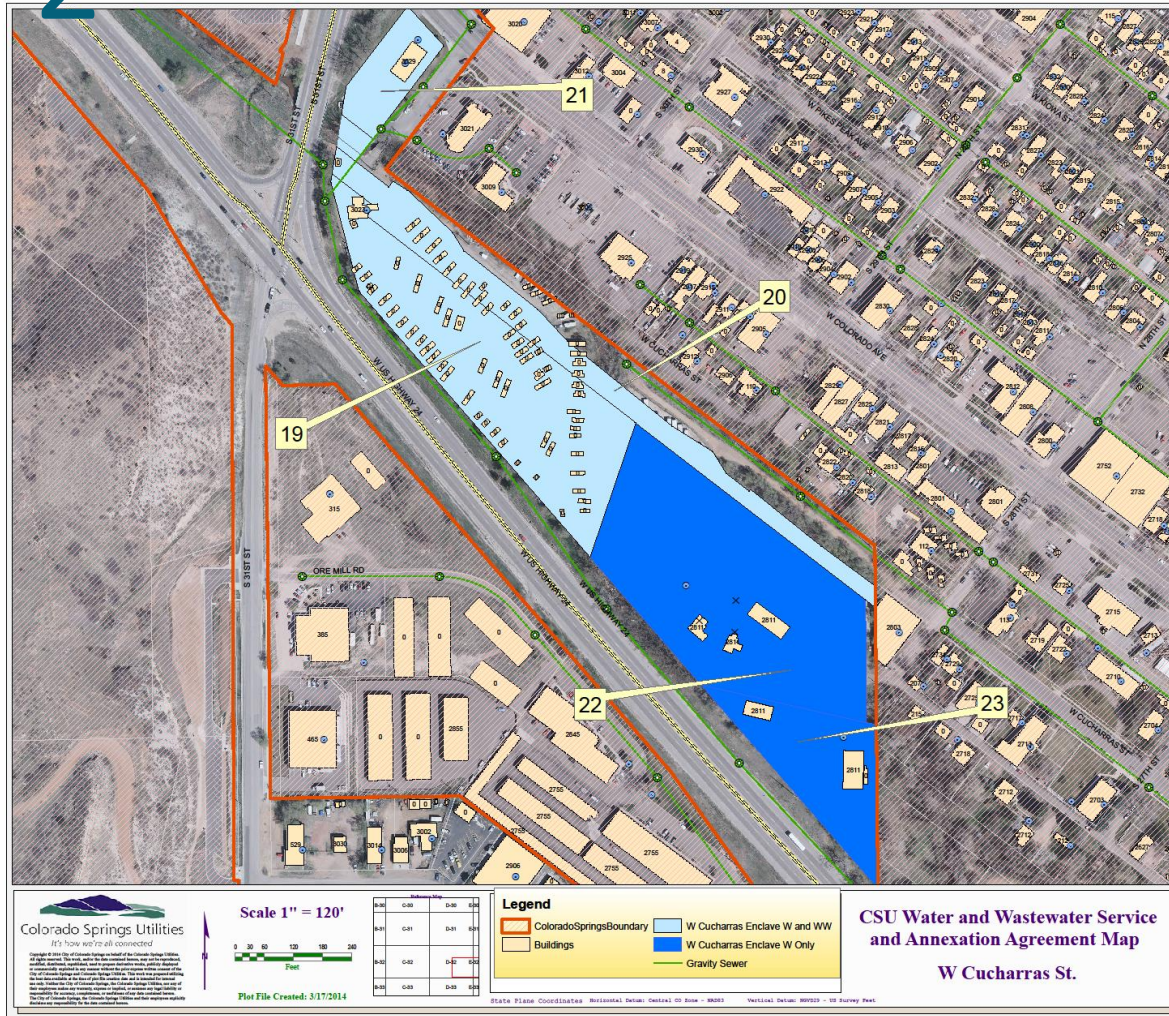
- West Colorado
 - 23 private properties
 - Roadway itself
- CDOT Highway 24
- High Street
 - Stable, mostly residential
- Robinson Street
 - complex challenges



Focus Area- Man 1



Map 2



Considerations and Factors

- Eligibility
 - Most eligible, but not enclaves
- City water and sewer
 - Most have water; some have sewer
- Pre-annexation agreements
 - Only in a minority of cases
- Fiscal impacts
 - Limited property/ sales/LART revenues- at this time
- Floodplains
 - Most impacted but buildable; a few are unbuildable

Options

- Forced annexations (enclave/ pre-annexation agreements only)
- Election process
- Annexation of rights-of-way only
- No affirmative action
 - Depend on market and septic system triggers
- Limited dedications/ acquisitions
- Voluntary group annexations
- Voluntary- case-by-case

General Recommendations

- Focus on Immediate West Colorado Area
 - Location of Avenue improvements, and greatest potential for redevelopment
- Annex the roadway
 - After transfer from CDOT to EPC
- Encourage/ incentivize voluntary annexations
 - Particularly if coordinated
 - Waive/ reduce City application fees
 - Potential for flexible imposition of CSU-related obligations

Annexation Processing Fees and Costs

- Application Fee
 - About \$6,000 plus a per-acre fee
 - For annexation and zone change
 - Addresses Planning , Engineering, Legal time and costs etc.
- Plus Legal Notices (4)
 - \$1,000+
- Plus Annexation Plat
 - \$1,000+ (could be expensive in this area)
- Plus Soft Costs
- Plus any CSU Fees and Costs (if applicable)
- Plus any Other Required Obligations per Annexation Agreement

Fee Waiver Considerations

- Greater relief for coordinated applications
 - Involving more than one property and/or significant redevelopment
- Time limit- sunset

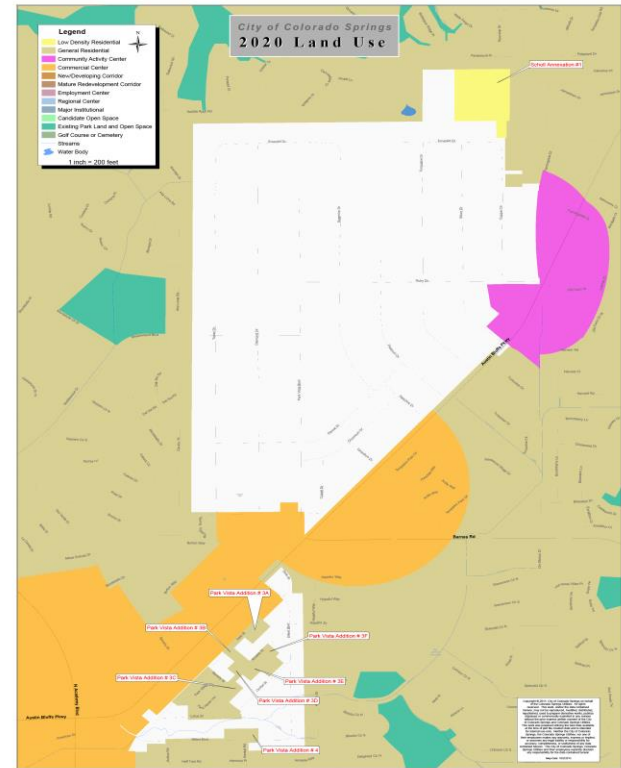
Fiscal Impacts of Fee Waiver

- Maximum theoretical direct General Fund impact of about \$140K
 - If all annexations were separate- and all occurred
 - Would be offset by any tax revenues

Equity Consideration

- Other annexors would still need to pay
 - Including other mature areas and enclaves

Park Vista
Example



Next Steps?

- Prepare limited fee waiver resolution
 - Option for applicability to coordinated applications only
- Pursue right-of-way annexation in coordination with the County
- Pursue dedication of undevelopable parcels
- Property owner mailing and possible information meeting
 - Possibly sponsored buy OWN and/or Avenue Merchants