



Colorado Springs Utilities
It's how we're all connected

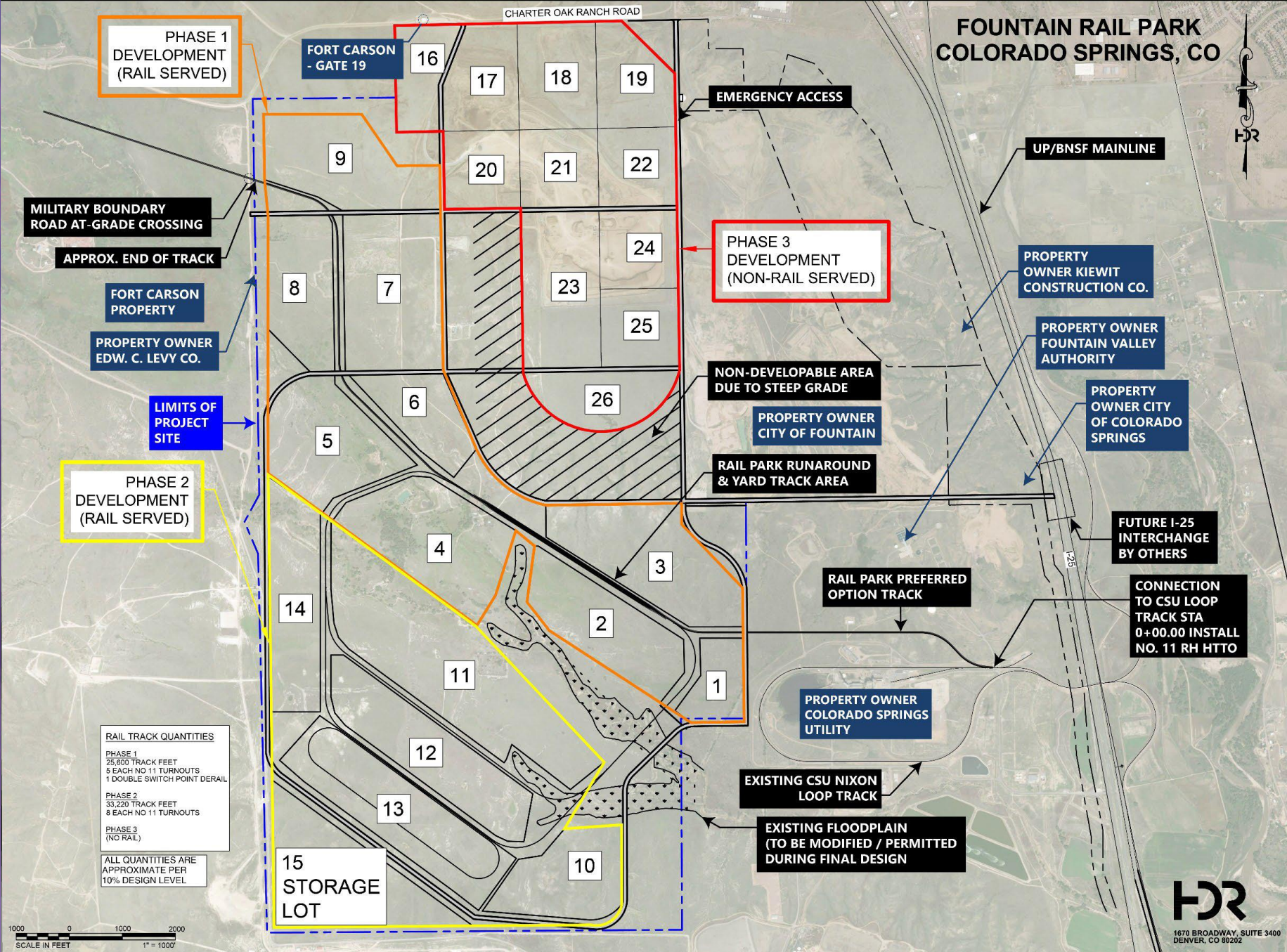
Rail Served Industrial Park Trackage and Development Agreement

Bethany Burgess, Utilities Division Chief

February 14, 2023

FOUNTAIN RAIL PARK COLORADO SPRINGS, CO

CHARTER OAK RANCH ROAD



PARCEL NUMBER	USE TYPE	ACREAGE (AC)	DEVELOPMENT PHASE	POTENTIAL PRODUCT
1	Industrial Yard	37	1	Steel Products
2	Industrial Yard	92	1	Forest Products
3	Heavy Industrial	119	1	Manufacturing
4	Light Industrial	119	1	Warehouse / Rail Served
5	Light Industrial	100	1	Warehouse / Rail Served
6	Heavy Industrial	54	1	Manufacturing
7	Heavy Industrial	125	1	Manufacturing
8	Light Industrial	76	1	Manufacturing
9	Light Industrial	102	1	Warehouse / Rail Served
Phase 1 Total Acreage:		824	acres	
10	Heavy Industrial	75	2	Concrete / Asphalt Plant
11	Industrial Yard	210	2	Aggregate Products
12	Light Industrial	108	2	Manufacturing
13	Light Industrial	126	2	Warehouse / Rail Served
14	Light Industrial	89	2	Manufacturing
15	Light Industrial	120	2	Warehouse / Rail Served
Phase 2 Total Acreage:		728	acres	
16	Commercial	43	3	Retail
17	Commercial	60	3	Retail
18	Commercial	68	3	Office
19	Industrial / Warehousing	57	3	Warehouse / Through Dock
20	Industrial / Warehousing	48	3	Warehouse / Through Dock
21	Heavy Industrial	50	3	Biomass Technology
22	Industrial / Warehousing	50	3	Warehouse / Through Dock
23	Industrial / Warehousing	100	3	Warehouse / Through Dock
24	Light Industrial	50	3	Warehouse / Through Dock
25	Light Industrial	50	3	Warehouse / Through Dock
26	Light Industrial	57	3	Manufacturing
Phase 3 Total Acreage:		633	acres	
Phase 1, 2 & 3 Total:		2,185	acres	

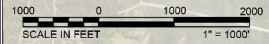
PHASE 1 DEVELOPMENT (RAIL SERVED)

PHASE 3 DEVELOPMENT (NON-RAIL SERVED)

PHASE 2 DEVELOPMENT (RAIL SERVED)

RAIL TRACK QUANTITIES
 PHASE 1
 25,600 TRACK FEET
 5 EACH NO 11 TURNOUTS
 1 DOUBLE SWITCH POINT DERAIL
 PHASE 2
 33,220 TRACK FEET
 8 EACH NO 11 TURNOUTS
 PHASE 3
 (NO RAIL)
 ALL QUANTITIES ARE APPROXIMATE PER 10% DESIGN LEVEL

15 STORAGE LOT



HDR
 1670 BROADWAY, SUITE 3400
 DENVER, CO 80202

Background

- Project is intended to establish dual rail served industrial park to promote industrial manufacturing in the Colorado Springs region; also will support Fort Carson operations
- Utilities began working with other community stakeholders and project representatives in 2017 to evaluate feasibility of sharing existing rail spur and spur extension
- Utilities provided Letter of Condition Support in October 2017, to acknowledge Utilities' willingness to support project subject to ensuring operations and ratepayers were not adversely impacted

Trackage and Development Agreement Terms

- Grants easements subject to the City Charter for construction of new rail spur extension off of Utilities' existing spur
- Grants easements subject to the City Charter for use of existing spur
- Requires project to pay fair market value for all interests conveyed under the agreement as calculated at the time of construction
- Requires coordination of use to ensure Utilities' operations are not impaired by rail park train traffic

Trackage and Development Agreement Terms

- Provides for enhanced security at rail park's expense
- Requires cost sharing for future operations and maintenance costs based on use
- Requires parties to work in good faith to identify a location and grant an easement for a road near the northern boundary of the main property line for Clear Springs Ranch in the future to provide secondary access to the rail park
- Requires rail park to fund and construct improvements to Utilities' existing rail spur loop to allow for more efficient train operations
- Requires rail park to fund, construct, and obtain approvals for all required crossings of spur extension.



Colorado Springs Utilities[®]

It's how we're all connected

Presentation to City Council
by
Edw. C. Levy Co. /
Schmidt Construction Company
Steven K. Mulliken

Utilities Clear Springs Ranch
Trackage Agreement,
February 14, 2023

FRONT RANGE DUAL-SERVICE RAIL PARK OF SOUTHERN COLORADO

PROJECT FEASIBILITY STUDY

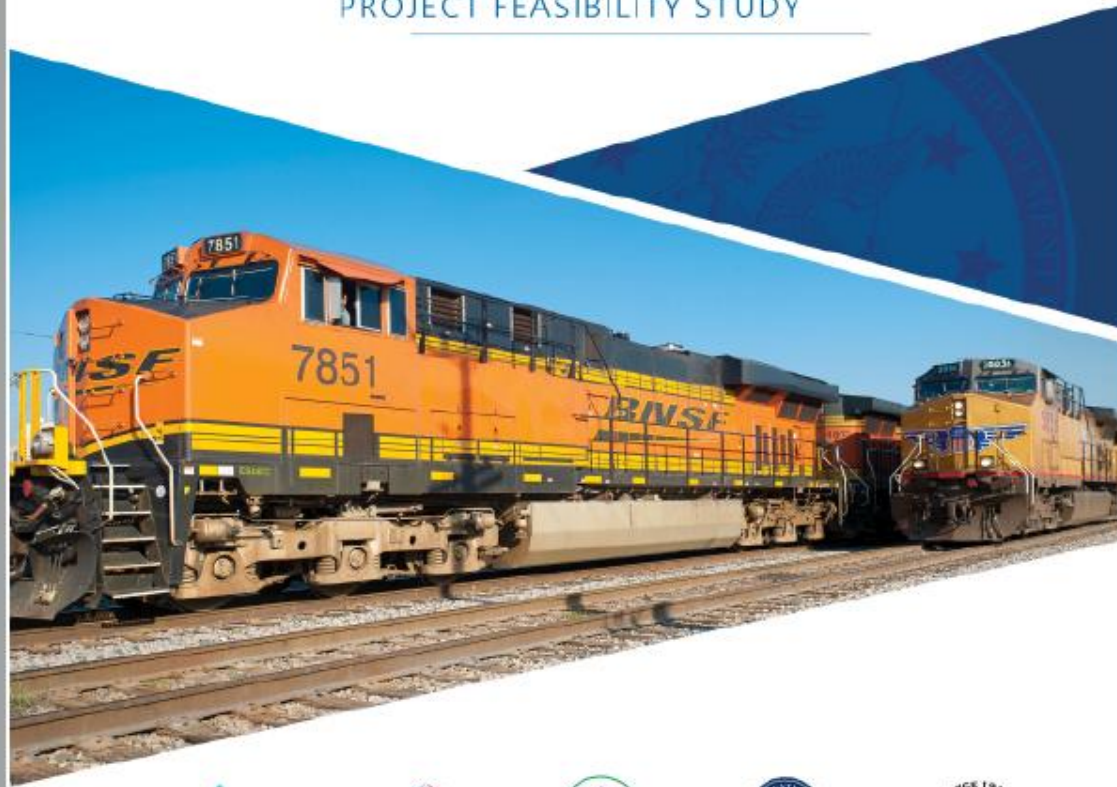
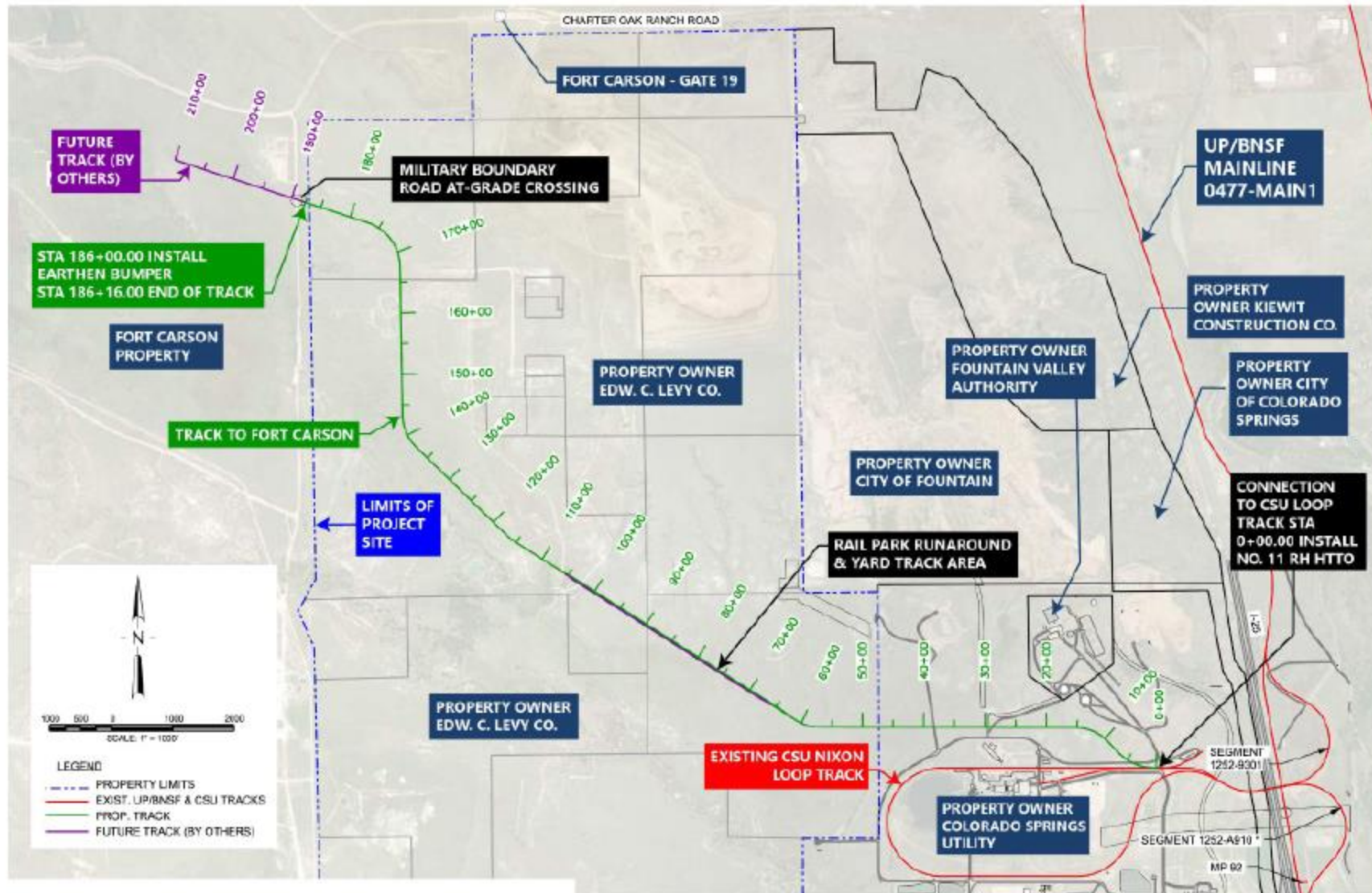


Figure 5-4: Rail Park Footprint and Connection to CSU Nixon



CREATION OF JOBS

- We will be growing substantially in population, and we will need employment to support the growing population.
- The Rail Park will create an estimated 6,000 jobs.

As of 2021, the population in the 30-minute drive time radius increased by 12,814 (6.5 percent) since 2016, growing by 12,814. Population is expected to increase by 8.3 percent between 2021 and 2026, adding 17,483. This outpaces both the nation and state of Colorado's projected growth rates, as well as the region.

Fiscal Impact Analysis

RR Project Time Estimate for Delivery of Land to Purchaser

ASSUMPTIONS

Abbreviation	Business type	Type	Acres	# of Users	Est. Total
AA	Aerospace/Automotive	Super User	50-100+	12	660
CP	Chemical Processing	Large User	20+	7	175
DC	Defense Contractor	Small User	10+	14	154
FB	Food, Beverage & Bottling	Very Small	5	21	105
GM	Green Manufacturing				1094
LT	Logistics & Transportation	Phase One			
OM	Other Manufacturing	1,317 acres total including some non-rail served			
RR	Railyard/Railroad	155 Average Acres per Year			
3R	Reuse/Recycle/Repurpose				
SM	Steel Manufacturing				

IMPLAN OUTPUT # of JOBS

Scenario	Direct	Indirect	Induced	Total
Vision	6,385	2,447	2,963	11,795
Possible (70%)	3,647	1,361	1,671	6,679
Likely (50%)	3,201	1,227	1,485	5,913

Absorption	2025	2026	2027	2028	2029	2030	2031	2032
Super User	FB & LT	GM	SM & LT	GM & FB	SM	DC & LT	DC & SM	
Large User	3R	CP	LT	FB	GM	SM	OM	
Small User	OM & 3R	FB & 3R	CP & LT	GM & SM	3R & LT	OM & FB	GM & CP	
Very Small	RR,OM,AA	CP,AA,OM	LT,CP,3R	CP,FB,DC	CP,3R,AA	GM,DC,OM	FB,RR,LT	
	Phase 1 Cumulative Builtout Acreage							
	155	310	465	620	775	930	1085	1240

SUPPORT FOR FORT CARSON

- The existing rail spur is problematic, having seven critical points of failure.
- The project provides the estimated \$12,000,000 to extend the line to Fort Carson.
- Grants Utilities a new utility easement to Fort Carson if needed for redundancy.

5.3.1.1 Fort Carson Current Rail Service

The existing rail spur and rail head are located at the northern end of the Fort Carson Cantonment. The rail spur, which meets the mainline at the Kelker Junction yard, was established when Fort Carson was created in 1942, shortly after the attack on Pearl Harbor. The United States Army owns the spur. As shown, the deployment capacity of the railhead requires the some of the rail cars to be located outside the Fort proper. This factor, along with the many crossing points of the rail spur, generated the assessment provided by Major General Matthew McFarlane in a letter to Fountain City Manager Scott Trainor in support of a Defense Communities Infrastructure Program grant request.





DEPARTMENT OF THE ARMY
US ARMY FORCES COMMAND
HEADQUARTERS, 4TH INFANTRY DIVISION AND FORT CARSON
6105 WETZEL AVE, SUITE 312
FORT CARSON, CO 80913

June 11, 2020

City of Fountain
Attention: Mr. Scott Trainor, City Manager
116 South Main Street
Fountain, CO 80817

Dear Mr. Trainor:

Fort Carson understands that the Colorado Springs community is submitting a USDOD DCIP Grant Application for the Front Range Dual-Service Rail Park of Southern Colorado. Two Cities and a County government have joined with an international private company to collaboratively develop this industrial rail project on the eastern boundary of Fort Carson.

Fort Carson is in need of a second rail connection to facilitate the movement of military equipment in support of military deployments around the world. Our only rail connect off of Fort Carson has seven points of vulnerability and if interrupted, eliminates our ability to rail military equipment until the existing rail infrastructure is fixed. A second rail connection would dramatically increase the reliability of rail operations for Fort Carson.

Fort Carson has raised with Army leadership our concern regarding the installation's current rail capacity. This community led effort to develop a rail business park would support Fort Carson's potential future need to connect to rail off our eastern boundary and directly enables our highest priority readiness-related military construction project, the development of our southern railhead. We will be interested to see how this community led rail business park project develops.

Sincerely,

A handwritten signature in black ink, appearing to read "MATTHEW W. McFARLANE", is written over a faint, larger version of the same signature.

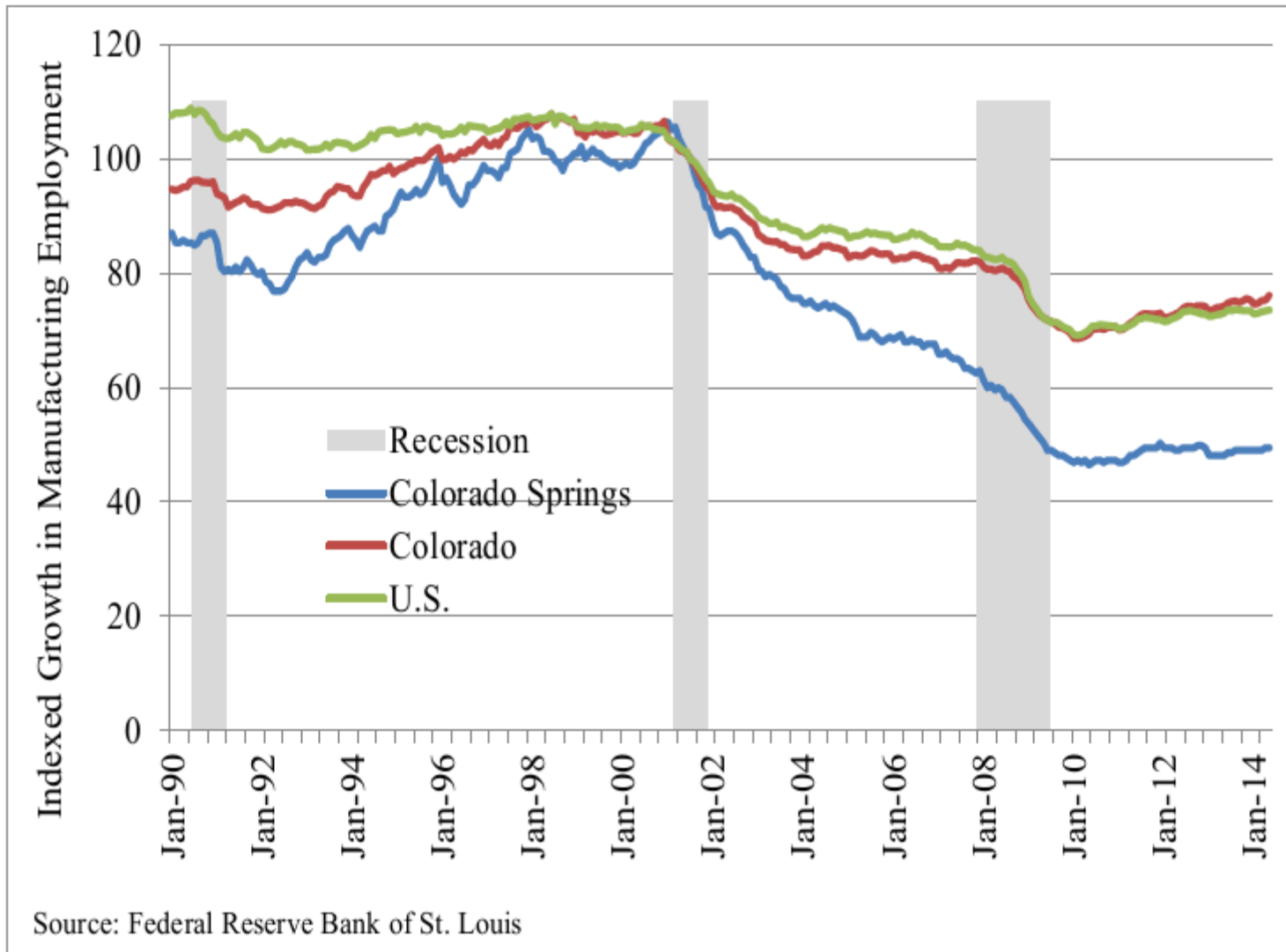
MATTHEW W. McFARLANE
Major General, USA
Commanding

Helps our highways by
removing truck traffic,
including convoys
from Fort Carson.

ADDS A MEGA-SITE FOR MANUFACTURING

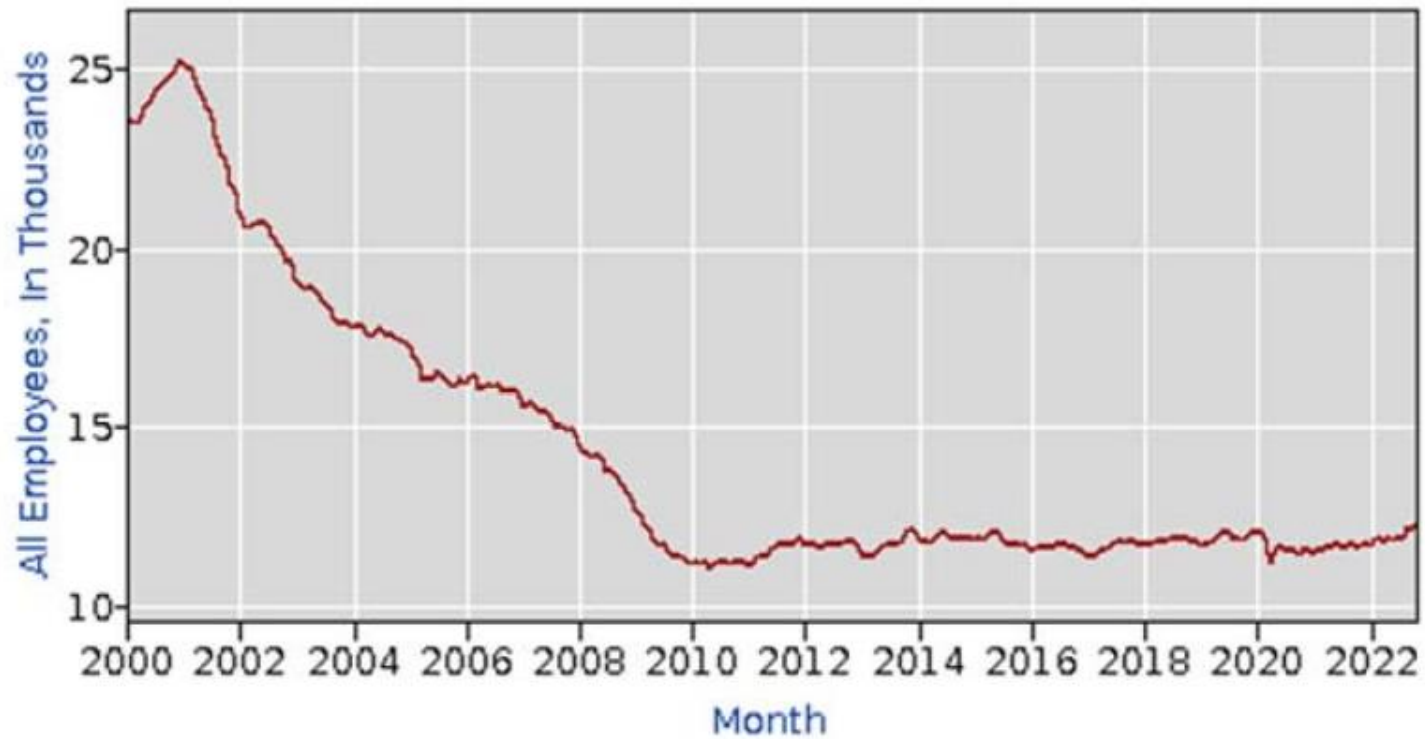
- We have steadily been losing manufacturing nationally, at the State level, and at a greater pace locally.
- Loss of manufacturing is a strategic concern.
- Sites for manufacturing are rare, and neighbors don't like manufacturing near them.
- The Rail Park is perfectly suited for manufacturing:
 - Located between a power plant and Fort Carson's firing ranges.
 - Is not visible from I-25.
 - Has dual-service, served by both UP and BNSF
- There is an existing work force available with educational and training support available.

Figure 1-1: Loss of Manufacturing Jobs 2002 to 2013



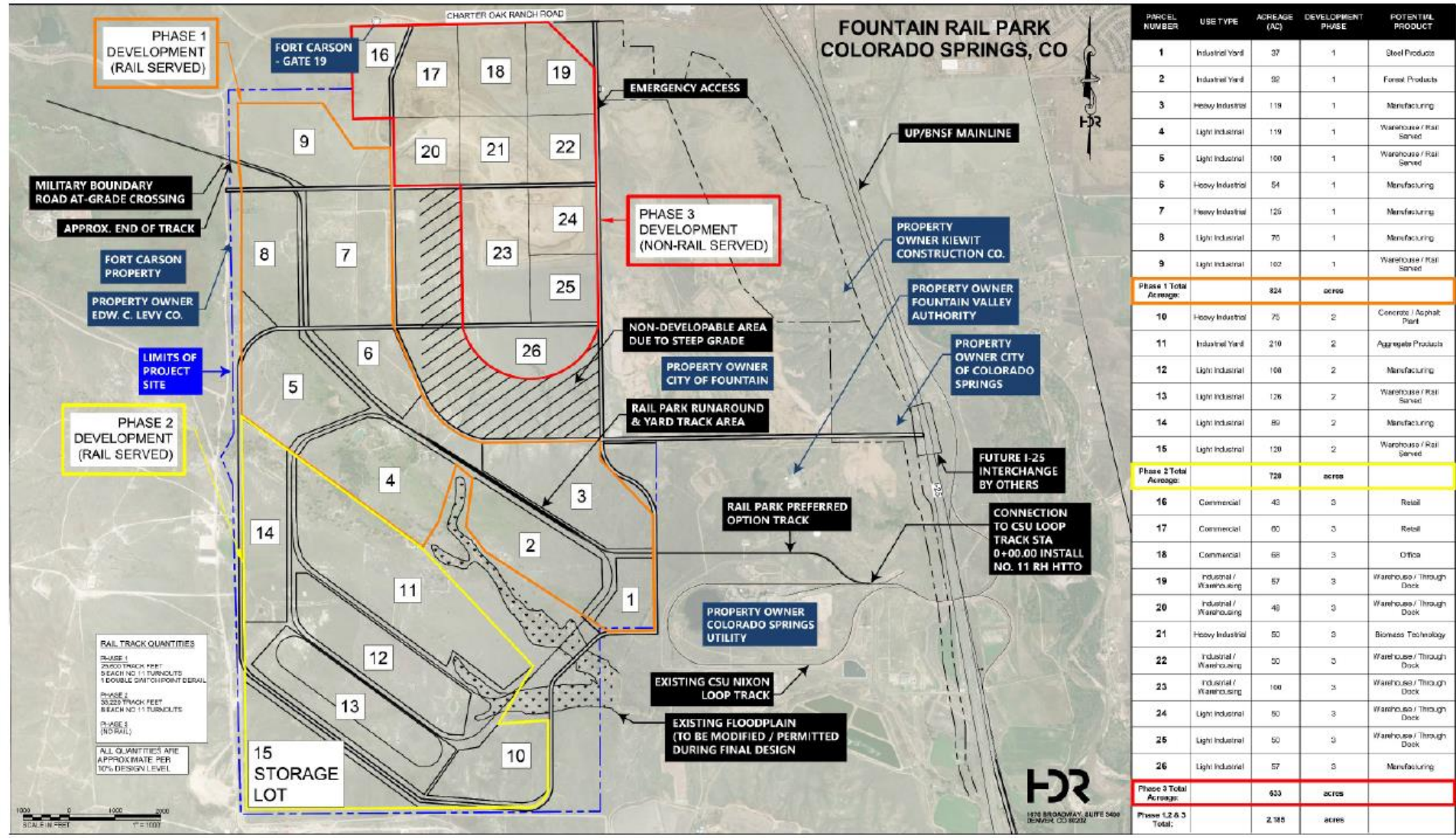
Source: Federal Reserve Bank of St. Louis

Manufacturing Employees in Colorado Springs



From January 2000 to January 2022, Colorado Springs lost 11,800 manufacturing jobs (over 50% decline)

Figure 4-1: Conceptual Land Use Plan for the Front Range Dual-Service Rail Park



Military personnel exiting into the civilian workforce is an incredibly unique asset to the region. For example, Fort Carson alone has on average 400 military personnel exiting active duty with the potential to enter into the civilian workforce every month. Moreover, over 65% of these transitioning military personnel indicate a desire to stay in the region (Fort Carson Transition Center, 2022).

Helps diversify
our economy and
makes us
more resilient.

Colorado's 5th Congressional District Rail Project Benefits

	STATE	REGIONAL	FORT CARSON	LOCAL
Establishes regional "destination" for heavy industrial / manufacturing uses				
Offers competitive "dual-service" rail rates				
Creates ± 6,000 quality employment opportunities for post-service veterans from 5 nearby military installations				
Supports planned base expansion at Gate 19				
Reduces regional truck traffic, improving safety and reducing road wear				
Enhances training capabilities at Fort Carson by improved access to Piñon Canyon Training area				
Improves rapid deployment capability at Fort Carson				
Provides harmonious, productive land use adjacent to a power plant and military training facility				

Questions?