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Project Statement

April 4, 2023

City of Colorado Springs
Planning and Development Department
Attn: Daniel Sexton, Principal Planner
30 S. Nevada Avenue, Suite 701
Colorado Springs, CO 80903

Re: Karman Line (a.k.a. Norris Ranch) – Annexation (Post-Petition) Project Statement

To the City of Colorado Springs Planning and Development Department

Please accept this document as the Project Statement for the Annexation (Post-Petition) application pursuant to the Annexation (Post-Petition) Application Submittal Checklist for the Karman Line master-planned development, formerly known as Norris Ranch.

1. Description of the Proposed Development

Karman Line is located in El Paso County, Colorado, and includes approximately 1,783 acres of vacant agricultural land. The property is located at the northwest corner of Bradley Road and Curtis Road, approximately one mile east-southeast of Schriever Space Force Base and is immediately north of a planned Colorado Springs Utilities reservoir, known as Gary Bostrom Reservoir (aka Upper Williams Creek Reservoir).

In addition to the future reservoir site, which is proposed to be located to the southwest and west of Karman Line, the property is surrounded by approximately 17,000 acres of State Land Board-owned property to the east and southeast, State and Federally-owned land to the northeast, and rural residential-zoned land (five-acre minimum lot sizes) in unincorporated El Paso County to the north and northwest. Adjacent to the subject property to the northwest is an approximately 600-acre parcel, also zoned for rural residential (five-acre minimum lot sizes) as well as an approximately 530-acre parcel zoned PUD (Planned Unit Development), both of which are still located within unincorporated El Paso County.

The land included within the Karman Line development consists of mostly rolling hills and gradual drainageways in the eastern, southern, and northern portions of the property and more significant undulating topography along the western boundary. The western portion of the property features subtle arroyos, more diverse vegetative cover including pine trees and prairie shrubs, as well as pockets of unique rock outcroppings. The elevated topography of the property affords views of the Colorado Front Range extending from areas located north of Colorado Springs to the Spanish Peaks near the Colorado/New Mexico state line. In fact, the north end of the property sits at almost 6,300 feet above sea level, which is comparable in elevation to the south end of the US Air Force Academy near the Interstate 25 and North Academy Boulevard interchange.

The property is positioned in the upper reaches of several drainage basins and sub-basins, most notably Jimmy Camp Creek and Upper Williams Creek. Both drainages possess significant ecological features, including riparian habitat and wildlife migration corridors. In addition, both drainages have been planned by the City of Colorado Springs and El Paso County for future recreational opportunities as part of the greater regional trails system and the aforementioned Colorado Springs Utilities reservoir.

The owner of Karman Line, which is Norris Ranch Joint Venture, LLC, is proposing to develop a master-planned community to include a variety of land uses. More specifically, the associated Land Use Plan proposes to allow for approximately 45 acres of light industrial and office land uses along Curtis Road in the northeastern portion of the property, nearest to Schriever Space Force Base (SFB). The Plan also depicts additional commercial/retail (totaling approximately 105 acres) and mixed-use development (totaling approximately 100 acres) along Curtis Road and Bradley Road, both of which are US Department of Defense Access Roads and have been identified in the Pikes Peak Area Council of Government's 2018 Joint Land Use Study as "Critical Military Routes." The commercial/retail and mixed-use components of the project are intended to serve the traveling/commuting public, area residents, and the employees and enlisted soldiers at Schriever SFB.

Further into the property moving north and west from Bradley Road and Curtis Road, the Land Use Plan transitions the proposed land uses into localized areas of high-density residential (20-22 du/ac) located along the main "spine" road through the development, as well as medium density residential (6-10 du/ac) mainly located central to the development in an area that largely surrounds a planned 30+ acre school site. As the plan for development extends towards the western and northern boundaries of the property, the Land Use Plan anticipates lower residential densities, including low density residential areas (3-6 du/ac) adjacent to the internal medium density areas, and rural residential densities (0.4-1.0 du/ac) in areas located adjacent to the more rural properties in unincorporated El Paso County.

The property owner is requesting approval for annexation into the City of Colorado Springs and approval of the associated Land Use Plan with a maximum number of dwelling units for the overall development of 6,500 units.

2. Justification for Approval based on the Review Criteria

The following is an analysis of how the requested annexation meets the “Annexation Policy Checkpoint Guidelines” as well as the Annexation review criteria included within Section 7.5.2701.A.C, Conditions for Annexation, of the UDC.

Page six of the “Annexation Policy Checkpoint Guidelines” identifies the following guidelines to be reviewed when determining if an annexation should be approved:

Requirements (UDC)		✓
Logical Extension of City Boundary <input type="checkbox"/>	Water Ordinance requirements <input type="checkbox"/>	
Beneficial to city (see guidelines) <input type="checkbox"/>	Sufficient existing or projected utilities across four services <input type="checkbox"/>	
Utilities / PUC Service Territory Requirements <input type="checkbox"/>	Groundwater / easement requirements <input type="checkbox"/>	
Guidelines & Other Considerations		?
Offers housing diversity <input type="checkbox"/>	Sufficiency of existing or planned roadway infrastructure <input type="checkbox"/>	
Sufficiency of existing or planned public safety staffing <input type="checkbox"/>	Proximity/opportunity to serve employment centers <input type="checkbox"/>	
Diversity of development (commercial/industrial/residential) <input type="checkbox"/>	Economic impact on city <input type="checkbox"/>	
Reasonable utilities cost recovery / ROI projections <input type="checkbox"/>	Connectivity / Proximity to transportation options <input type="checkbox"/>	
Desirable parkland/open space <input type="checkbox"/>	Ability to fund / offset costs for needed public facilities (PD/FD/Public Works) <input type="checkbox"/>	

REQUIREMENTS

1. Logical Extension of City Boundaries.

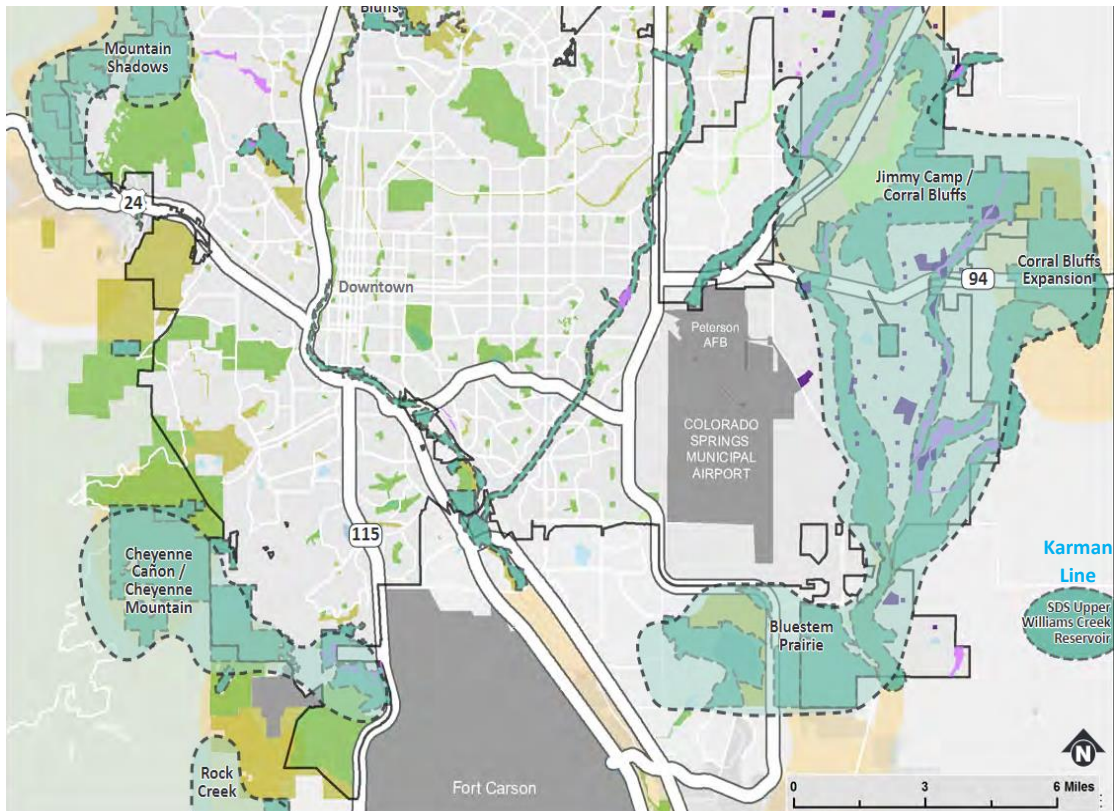
Adjacency to a Colorado Springs Utilities Planned Reservoir

The Karman Line development is located in a very unique area within the greater Pikes Peak region. As mentioned above, the development is located immediately across Bradley Road from the planned Colorado Springs Utilities Gary Bostrom (a.k.a. Upper Williams Creek) Reservoir and immediately adjacent to the east of the planned uppermost inlet of the reservoir on property currently owned by the City north of Bradley Road. The reservoir, once constructed, is anticipated to provide terminal storage of fresh water supplies delivered through the existing Southern Delivery System Raw Water Pipeline. Construction and ongoing use of the reservoir will set the City apart from many other municipalities of its size in the arid West by helping to ensure long-term water supply sustainability for the City of Colorado Springs.

Annexation of the land included within the Karman Line development would transfer land use authority from El Paso County to the City of Colorado Springs. The owner of the development is prepared to partner with the City of Colorado Springs to ensure that development of Karman Line is consistent with the City's vision for the reservoir, including the array of public recreational opportunities historically planned for the reservoir site. Karman Line presents a unique option for the City to begin the land use compatibility discussion as it relates to the Gary Bostrom Reservoir well in advance of actual permitting and construction of the reservoir.

Integral Part of a Key Planned Regional Trail Corridor

A regional trail, which has been identified as the Jimmy Camp Creek Trail, is also proposed to be constructed in this area and, more specifically, the southernmost leg of the trail is planned to extend through the Karman Line development prior to terminating at the planned CSU Reservoir. The same trail is anticipated to extend much further north to the City of Colorado Springs-owned Corral Bluffs Open Space (see map included below as a selection from the City of Colorado Springs Parks System Master Plan with the location of Karman Line identified north of Upper Williams Creek/Gary Bostrom Reservoir). The Karman Line development allows for a much-needed connection of the planned trail between two City of Colorado Springs-owned recreational amenities. Many of the planned internal Karman Line trails will also connect to the overall regional trail system.



Catalyst for Extending Utility Service near Schriever Space Force Base

In addition to being located immediately north of the planned CSU reservoir, the Karman Line development is also located less than one (1) mile southwest of Schriever Space Force Base (SFB) while still remaining outside the U.S. Department of Defense's Readiness and Environmental Protection Integration (REPI) acquisition and land use protection boundary for the Base (which basically aligns with the Curtis Road corridor along the eastern boundary of the Karman Line development). Numerous City officials over the years have spoken to the need to grow the City footprint in the direction of Schriever SFB, but even more importantly to extend utility services into the area to help ensure the safety, security, and success of the Base's missions, which directly contributes to the U.S. Space Force's ability to serve our country and protect all American citizens. In addition, the 2018 Pikes Peak Area Council of Governments Joint Land Use Study, which was developed in partnership with the City among other local governments and the local military installations, emphasized the need to extend utility services to Schriever SFB by stating:

“To improve resiliency at the installation, Schriever AFB is interested in natural gas and other utility infrastructure extensions from its utility providers. The base will continue to evaluate needs for additional electrical capacity and distribution to serve expansion of current missions and new missions.”

The Karman Line development not only willingly accepts the responsibility of being the driving force behind extension of City services towards Schriever SFB, but would be honored to be able to help deliver such a significant option for the Base's long-term sustainability.

Identified by City Planning Staff as a “Potential Area for Annexation”

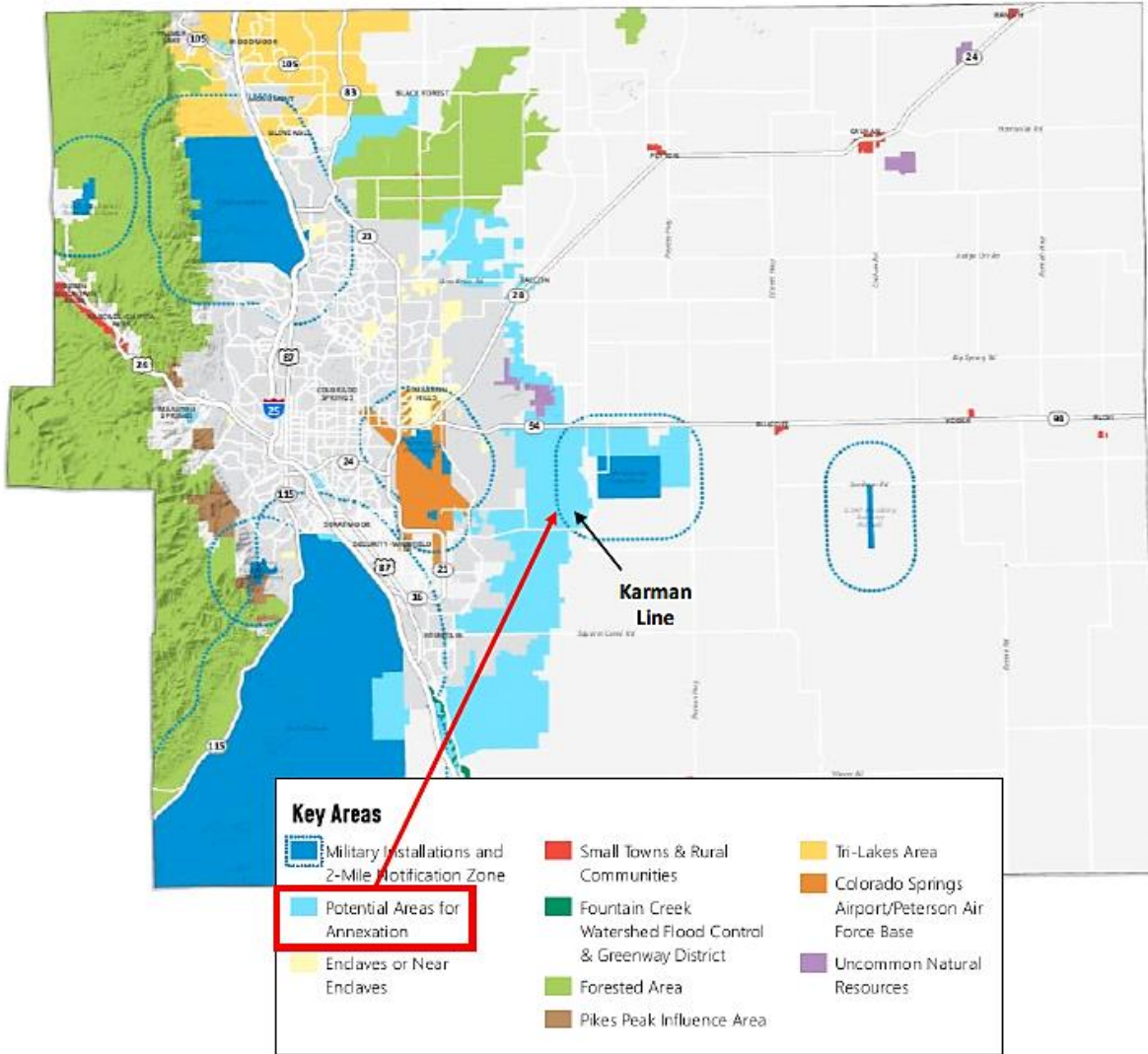
In May of 2021, El Paso County adopted Your El Paso Master Plan which established a new comprehensive plan, land use guide, and development policies for all areas of unincorporated El Paso County. The Master Plan set into place a series of land use considerations aimed at ensuring land use decisions are made in a comprehensive manner. The three components of the land use series include Place Types, Areas of Change, and Key Areas. The Master Plan identifies the property within the Karman Line development as being within the “New Development” Area of Change and predominantly within the Suburban Residential Place Type, both of which support the proposed Karman Line development. The Suburban Residential Place Type supports single-family detached residential development with urban-level lot sizes (less than 2.5 acres) as the primary land use. In addition, the Suburban Residential designation also allows for other supporting land uses including: single-family attached, multifamily residential, parks/open space, commercial retail, commercial service, and institutional.

Even more significant, however, is inclusion of the land within Karman Line in the “Potential Areas for Annexation” Key Area (see a map selection from the County Master Plan on the next page). Mapping of the “Potential Areas for Annexation” was accomplished by El Paso County in direct collaboration with the City of Colorado Springs Planning Director and Comprehensive Planning Manager in anticipation of AnnexCOS and eventual annexation of the land into the City of Colorado Springs. The Master Plan describes the “Potential Areas for Annexation” by saying:

“A significant portion of the County’s expected population growth will locate in one of the eight incorporated municipalities. As the largest municipality in El Paso County, Colorado Springs is expected to grow in population over the next several decades. As a result of this growth, Colorado Springs...will need to annex parts of unincorporated County to plan for and accommodate new development.”

The Plan goes on to state that the “Potential Areas for Annexation” Key Area, “outlines the portions of the County that are anticipated to be annexed as development occurs.”

It is clear from the coordinated mapping with City of Colorado Springs Planning and Development staff that the Karman Line development has been identified by the City as a logical extension of the City’s municipal boundaries. This request for annexation proposes to implement the coordinated intentions that went into mapping the property within the Potential Areas for Annexation. In addition, the associated Land Use Plan proposes to allow for a well-planned development that mirrors the primary and secondary land uses anticipated in the Suburban Residential Place Type as identified in Your El Paso Master Plan.



2. Benefit to the City (see guidelines)

Beneficial Elements “Opportunities”

(For Council consideration during step 3 of proposed process)

- Meets the needs of current and future residents
 - Provides opportunity for housing diversity to include Affordable & attainable.
 - Can reasonably be served by existing or planned public safety and public works infrastructure.
 - City has necessary staffing to provide key city services in the area.
- Improves the City’s economic environment
 - Serves military bases & other employment centers
 - Includes diverse retail/Industrial elements
 - Adds jobs beyond construction timeline
 - Has positive or net-zero impact on city budget (to include TABOR considerations)
 - Financially sustainable for utilities (cost recoup / proximity to existing or planned infrastructure)
- Positively impacts the quality of life of our residents
 - Proximity to transit or investment to build
 - Includes desirable parkland, open space or connectivity

Increase of Housing Supply and Attainable Housing

The City of Colorado Springs comprehensive plan, Plan COS (2019), is the primary document used to guide land development decisions. The Plan should always be considered when determining whether a development will be beneficial to the City. As it pertains to housing, Plan COS includes a number of applicable strategies, including the following:

Strategy TE-1.C-3: *Ensure an adequate supply of attainable housing for the workforce across all industries, and that it is conveniently located near hubs of employment and/or public transportation.*

Strategy TE-2.A-2: *Provide attainable and conveniently located workforce housing for major concentrations of employees.*

Strategy VN-2.A-3: *Support land use decisions and projects that provide a variety of housing types and sizes, serving a range of demographic sectors, and meeting the needs of residents and families through various life stages and income levels.*

Strategy VN-2.A-5: *Amend the City’s zoning code to allow attainable housing in multi-family and commercial zoning districts in order to maximize the availability and distribution of this housing option in the city.*

The Karman Line development proposes to create 6,500 dwelling units in a growing area of El Paso County and approximately one (1) mile from Schriever Space force base. The mix of residential land uses proposed within the development range significantly from perimeter rural residential lots in the northwestern and northern areas of the development to high density residential areas as well as areas identified for mixed use located more

central and southerly to the development. The Karman Line owner anticipates planning for and developing a non-traditional component of housing stock (e.g., for rent, rent-to-own, etc.) that better supports those residents and soldiers who work at or are otherwise stationed at Schriever Space Force Base (SFB), which is a major employer in the region. As of the 2019 publication of the Pikes Peak Area Council of Government's Joint Land Use Study, Schriever (SFB) was estimated to employ approximately 7,000 individuals (including 2,087 military personnel, 4,891 civilians, and 2,692 dependents), and is identified as likely to experience additional mission growth in the future.

The associated Karman Line Land Use Plan proposes to address the current and growing population at Schriever (SFB) through careful planning. The Land Use Plan sets the stage for future zoning of the property which is proposed to better address housing attainability concerns in the region and even more specifically in the area near Schriever which can be effectively implemented through utilization of many of the newly created residential flex zones found in Retool COS (2022).

Supporting the Missions at Schriever Space Force Base

Plan COS includes a number of strategies that are aimed at supporting the military installations in the region. Specifically, the following strategies from the Plan support the proposed Karman Line annexation and associated land use plan:

Strategy TE-3.B-1: *Incorporate appropriate recommendations of the Joint Land Use Study into City plans and initiatives.*

Strategy TE-3.B-2: *Coordinate among military installations and other partners on public improvements and facilities that serve the city and installations.*

Strategy TE-3.B-3: *Provide attainable, diverse, attractive and convenient off-base housing options for active military, contractors, and military retirees.*

Strategy TE-3.B-4: *Encourage new land uses and business opportunities that help attract and integrate former service members and their families into the Colorado Springs community.*

Strategy TE-3.B-5: *Ensure development adjacent to military installations is consistent with their long-term and operational goals.*

Increased to City Tax Base through Development of Non-Residential Uses

The Karman Line development is also poised to create a variety of commercial, office, light industrial, and mixed-use options for an ever-growing regional economy. The associated land use plan features a variety of non-residential or mixed use areas along Curtis Road and Bradley Road. These areas are intended to serve the nearby Schriever SFB population as well as the growing population in the area. Areas to be served will

likely include the southern portion of Banning Lewis Ranch, Lorson Ranch, Waterview, Colorado Centre, the Glen at Widefield, as well as provide destination retail for more remote areas of unincorporated El Paso County, developing areas along Highway 94, and the City of Fountain. Another unique component of the project that is not necessarily found anywhere else in the region is the potential for considerable development of commercial service and retail establishments necessary to support the daily needs of residents and guests visiting the future reservoir across Bradley Road from the Karman Line development.

Supplying Additional Office Space for Schriever SFB and Military Contractors

The associated Land Use Plan also identifies a component of office/light industrial land uses in the area of the development closest to the west gate of Schriever SFB. Recent discussions with military experts suggest that Schriever has an occupancy rate of office space nearing 100 percent, which indicates a need to relocate many of the operations having lower security requirements off base, but within close-enough proximity to ensure security of the Base's missions. A current need also exists to locate a number of military contractors in closer proximity to the Schriever to ensure the best possible collaboration between those contractors and the enlisted soldiers and officers at the Base. The 45.58-acre area designated for office/light industrial could be further expanded if market demands dictate through design, permitting, and channelization of the FEMA regulated floodplain located along the western boundary of the 45.58 acres.

Self-Supporting Land Use Plan Design

The associated Land Use Plan is envisioned to create a community with a sense of place, meaning that many of the land use components are intended to work in tandem with one-another. For instance, the rural residential areas located in the northern and western portions of the property include significant topographic challenges, which fortunately provides for extensive opportunities to feature well-connected open space and trail corridors. In total, the Land Use Plan includes approximately 523 acres of open space and nearly 13 miles of proposed trails. In addition, the commercial, office, and even light industrial components of the land use plan will create more live-work opportunities for those residents living within the Karman Line development. Still another example includes the proposed centralized siting of a 30+ acre planned school site in an area almost completely surrounded by medium and higher density residential, which would provide the potential for effectively shared recreational amenities. A variety of strategies from Plan COS support these concepts and many of the other concepts implemented during development of the Karman Line Land Use Plan, including the following:

Strategy TE-1.D-3: *Provide a mix of uses that are both neighborhood and institutional campus-serving to help integrate them into the community.*

Strategy TE-1.C-5: *Provide for convenient access to quality goods and services that support major employment areas, through a combination of proactive and responsive planning, zoning, and development approval actions.*

Strategy TE-2.C-3: *Identify and develop new and underutilized areas as opportunities for unique attraction of new retail, dining, entertainment, and housing development.*

Strategy VN-3.A-3: *Incorporate existing natural features into project design by providing amenities such as trail connectivity, outdoor dining areas, promenades, and plazas.*

Strategy VN-3.B-1: *Encourage neighborhood and school partnerships to coordinate joint use of school facilities.*

Strategy VN-3.B-3: *Encourage walkable civic, retail, and community gathering places as design elements within neighborhood centers.*

Strategy VN-3.E-2: *Encourage vertical mixed-use design in neighborhood focal points along with neighborhood design meant to encourage a sense of community and provide a walkable environment. Vertical developments, where the various uses are “stacked” on top of each other, are typically used in areas with limited space, while larger sites allow those different components to be built next to each other, such as an apartment building adjacent to a grocery store.*

3. Utilities/PUC Service Territory Requirements

The property is not currently within the service territory of a natural gas provider. The property, however, is within the service territory of Mountain View Electric Association (MVEA) for electrical service. The developer acknowledges that CSU will need to work with MVEA to follow the regulatory requirements for taking over this portion of their service territory. The developer is aware of the financial requirements placed upon the project as part of this process.

4. Water Ordinance Requirements

On February 14, 2023, the City of Colorado Springs City Council adopted Ordinance No. 23-02. Ordinance No. 23-02 created Section 305 (Service Extension Limitation) or Part 3 (Water Service) of Article 4 (Water Code) of Chapter 12 (Utilities) of the Code of the City of Colorado Springs 2001, as amended, pertaining to the extension of water service. Pursuant to “Section 12.4.305: Service; Extension Limitation” the Colorado Springs Utilities Board is required to provide a recommendation of approval and the Colorado Springs City Council is required to approve any extension of water service into any area not within either the existing City limits or the water service boundary as of the effective date of the ordinance. Section 12.4.305(B) of the ordinance states as follows:

“City Council approval shall require a finding that the proposed water extension is warranted based on a substantiated and written record demonstrating that:

1. The City’s available water supply is sufficient to meet at least 128% of existing usage (calculated using a five (5) year rolling average of weather normalized unrestricted usage data) and the projected demand for water services within the proposed extension(s) of services, and not less than 25% of the perimeter of the area is contiguous with the City (as defined by State law); or
2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City; or
3. The area is an enclave (as defined by State law), or the area is owned or leased by the City, or extension of water service to the area will have a de minimis impact on the overall City’s available water supply.”

Each of the three criteria have been evaluated in the context of the proposed Karman Line annexation and land use plan as outlined below:

1. The City’s available water supply is sufficient to meet at least 128% of existing usage (calculated using a five (5) year rolling average of weather normalized unrestricted usage data) and the projected demand for water services within the proposed extension(s) of services, and not less than 25% of the perimeter of the area is contiguous with the City (as defined by State law)

Colorado Springs Utilities staff has calculated the current available water supply for annexation into the City of Colorado Springs at 2,840 acre-feet per year. Based on a standard calculation of 3 dus/acre-foot, the current available water supply could accommodate annexation and water supply service to 8,520 dwelling units.

The Karman Line Land Use Plan is proposing a maximum overall number of residential dwelling units (aka Dwelling Unit Cap) within the development of 6,500 units, which equates to 2,166 acre-feet of water. The Land Use Plan also includes 276.93 acres of land for industrial, commercial, mixed-use, a school site, and an amenity center, all of which equate to 304 acre-feet. In addition, the Plan includes 571 acres of parks and open space, and, when assuming one-half of the parks and open space acreage is irrigated parkland with the remainder being non-irrigated native open space, the estimated water supply demand is 314 acre-feet. In total, the development is anticipated to require 2,784 acre-feet of water at full buildout. It should also be noted that based on the parameters set by Colorado Springs Utilities for reporting the anticipated water demand, the project water demand for the development will actually be less because the residential unites included within the mixed-use calculations are effectively double-counted as they are also included in the overall maximum dwelling unit calculation and associated water demand.

As discussed above, the associated post-petition annexation applications satisfy the 25% contiguity requirement of the ordinance and would only need to be adjusted if another intervening annexation were to be approved along Bradley Road, thereby causing the geometry of the 25% contiguity for the Karman Line annexation to be disrupted. If such intervening annexation were to occur, the applicant is prepared to revise the legal descriptions and associated mapping to satisfy the 25% contiguity requirement.

2. A unique and extraordinary event or circumstance necessitates an extension of water services to serve critical interests of the City

As indicated above, the potential for approval of an intervening annexation petition exists prior to CSU Board, Planning Commission, and City Council consideration of the Karman Line Land Use Plan, annexation, and rezoning applications. In the event such annexation were to occur, thereby potentially reducing “the City’s available water supply... sufficient to meet at least 128% of existing usage”, the applicant requests consideration of the Karman Line post-petition annexation applications and associated land use plan and rezoning as a unique and extraordinary circumstance necessitating the extension of water service to the development.

The Pikes Peak region hosts five (5) federal military installations, including Schriever Space Force Base, which has been previously address in this Project Statement. Schriever SFB is a critical national security installation but exists on a relative island within unincorporated El Paso County, with service from non-municipal utility providers, including service from a central water provider which predominately relies upon groundwater resources to satisfy water supply commitments within the region. Annexation of the Karman Line development would allow the developer to extend Colorado Springs Utilities infrastructure to the property, which is conveniently located within approximately one-half mile of Schriever SFB, thereby creating the opportunity for service redundancy and enhanced sustainability of the base by CSU. By providing service redundancy to Schriever, the City and CSU, in partnership with the developer, would be helping to ensure that the missions of the installation continue without interruption, which should be of critical interest to the City of Colorado Springs.

In addition, Schriever SFB and area surrounding the Base are largely void of commercial services and retail establishments. This issue has come up a various times as something the enlisted soldier, officers, and government contractors would like to see addressed. A lack of gas stations, restaurants, retail shops and other commercial uses in the area creates the need to more vehicular trips to and from Schriever SFB on a daily basis. The Karman Line development proposes to bring much needed commercial uses to the area in support of the soldiers, officers, and contractors at Schriever along with the traveling public who frequent the Curtis Road/Bradley Road corridor.

Yet another significant attribute of the Karman Line development worthy of consideration under the phrase “unique and extraordinary circumstance” is the intent of the developer to provide up to 6,500 additional dwelling units within minutes of the gate

at Schriever SFB. The applicant intends to develop a variety of residential density types, including the potential for a for-rent single family residential product, which would inevitably provide more diverse housing options for Space Force soldiers and officers stationed at Schriever. The current housing inventory in the area of Schriever SFB is very limited and predominately features detached single family residences on larger acreage properties in the unincorporated County at prices at or in most case well above the average home price in the Pikes Peak Region. Creating additional housing inventory within the Karman Line development, including a full spectrum of single family attached, single family detached, and multi-family residential units will reduce the traffic burden on a variety of roads and highways leading to the base as well as reduce the commuting costs for those soldiers, officers, and contractors who chose to reside within the development.

As mentioned numerous times throughout this Project Statement, the Karman Line development is uniquely located directly across Bradley Road to the north of a planned Colorado Springs Utilities reservoir which is proposed to provide in-line storage of raw water as part of the overall Southern Delivery System. As planned, the reservoir is also slated for a variety of recreational opportunities, and more specifically including an alignment of the Jimmy Camp Creek Trail which will also traverse the Karman Line development via a planned trail connection as depicted on the proposed Land Use Plan. The ability of the City of Colorado Springs to have land use authority over the Karman Line development via annexation is critical given its proximity to the planned reservoir and its potential for creating additional residential neighborhood, providing non-residential services, and expanding recreational opportunities in the area.

3. The area is an enclave (as defined by State law), or the area is owned or leased by the City, or extension of water service to the area will have a de minimis impact on the overall City's available water supply."

The Karman Line property is not an enclave as defined by State law and is not owned or lease by the City. Colorado Spring Utilities staff has indicated that the annexation post-petition applications for the successive annexation of Bradley Road to achieve 25% contiguity of the development to the City of Colorado Springs would have a de minimis impact on the overall City's available water supply. However, annexation of the Karman Line development itself does not fall within the de minimis impact allowance; therefore, this specific criteria is only partially met with respect to full annexation of the property and Bradley Road.

5. Sufficient existing or projected utilities across four services

Colorado Springs Utilities has committed to providing all four utility services to the Karman Line development. The developer is proposing to construct extensions of the necessary water and wastewater infrastructure from the Marksheffel Road and Bradley Road area to the project. Similarly, the developer has reserved an area in the

northwestern portion of the property for siting of a electrical substation, which is planned to serve the development as well as other future CSU customers located in the vicinity.

6. Groundwater/easement requirements

All groundwater rights will be deeded to the City of Colorado Springs upon annexation. Any necessary utility, drainage, or public easements will be provided with the subsequent plat application.

GUIDELINES AND OTHER CONSIDERATIONS

1. *Offers housing diversity*

The planned development includes a variety of land uses. The single family residential land use proposed in Karman Line includes development of approximately 2,652 dwelling units over the course of 6 phases and ranging in density from “Residential Very Low Density” up to “Residential Medium Density”, as depicted on the associated land use plan. In addition, approximately 3,848 multifamily residential dwellings are proposed within the “Residential High Density” and “Mixed-Use” areas of the development and are proposed within four phases of the overall development.

2. *Sufficiency of existing or planned public safety staffing*

This area of El Paso County is currently under a mutual aid agreement between the El Paso County Sheriff’s Office and the City of Colorado Springs Police Department (CSPD). That agreement would remain in place even after annexation of the property into the City of Colorado Springs. In addition, there is military police present in very close proximity to the property at Schriever Space Force Base. CSPD has reviewed the associated land use plan and has not requested land for a substation nor have they requested additional police protection in the form of an arrangement with Schriever SFB. The applicant is, however, welcomes any desire by the City for the applicant to facilitate such discussions and is prepared to work with CSPD and/or the El Paso County Sheriff’s Office and the military police to locate a police substation within the development.

At the request of the Colorado Springs Fire Department, the applicant has revised the associated land use plan to depict a three-acre Public Safety (Fire Station) site located central to the projects east side (nearest to the planned higher density residential areas, all of commercial/industrial areas, and Schriever SFB).

The applicant acknowledges and accepts the requirement of paying public safety fees associated with development of the property for the benefit of the City to support increased funding for emergency response services.

3. *Diversity of development (commercial/industrial/residential)*

In addition to the aforementioned residential land uses and mixed-use areas of the project, the overall Karman Line development also includes another 163.1 acres of planned

commercial development and 45.6 acres of planned industrial development. The diversity of land uses is intentional as a method of providing the greatest amount of support and establishing synergistic compatibility with nearby Schriever Space Force Base. These areas will allow for development of increased services and retail options for the employees and enlisted soldiers at Schriever Space Force Base along with the significant number of daily commuters traveling along Curtis Road and Bradley Road. The industrial and commercial areas can also be used to provide additional off-base office space for non-secure military functions and/or nearby defense contractor office space.

4. *Reasonable utility cost recovery/ROI projections*

The associated annexation agreement includes provisions for ensuring CSU is able to recover all costs of serving the development. As mentioned above, the developer will be required to extend utilities to the project and in doing so may elect to establish a cost recover for such extensions against any additional developments that may occur that are able to utilize the same infrastructure. The annexation agreement also specifically includes requirements for offset service costs to CSU associated with serving the development.

5. *Desirable parkland/open space*

The associated Karman Line Land Use Plan includes development of 8 planned parks, including a 43.4-acre community park which is strategically located adjacent to a planned school site in the center of the development and would be well within the 2-mile service standard of the City Parks Department. In addition, the seven planned neighborhood parks are located throughout Karman Line in a manner that allows for recreational opportunities within very close proximity to all planned residential development, including two parks within the area proposed for mixed-use and higher density multi-family residential development.

6. *Sufficiency of existing or planned roadway infrastructure*

The existing streets serving the proposed development are Curtis Road and Bradley Road, both of which are currently owned and maintained by El Paso County as Defense Access Roads. Both roads have adequate capacity to serve the planned development of Karman Line. The applicant recognizes that additional improvements to both roadways will likely be required during buildout of the project. Subsequent traffic impact studies will be required detailing phasing of the necessary improvements following annexation into the City of Colorado Springs.

The “Strong Connections” contained in Plan COS depicts the subject property as being just outside of the “Future Streets” typology due to the plan not extending beyond the current boundaries of the City of Colorado Springs. For this reason, the City may choose

to rely upon the El Paso County Major Transportation Corridors Plan (MTCP), which was drafted with input from City Planning and Engineering staff. Map 14 of the MTCP depicts Bradley Road and Curtis Road as two-lane minor arterials in the 2040 Plan.

The MTCP does not identify any multimodal improvements along Curtis Road or Bradley Road, however, these improvements may be warranted in the future to allow those who live within Karman Line and work at Schriever to utilize alternative modes of transportation to get to and from work. The proposed Land Use Plan also depicts over 13 miles of pedestrian trails connecting the commercial and industrial land uses to the residential areas which will encourage biking or walking to work, shopping, and entertainment areas.

7. *Proximity/opportunity to serve employment centers*

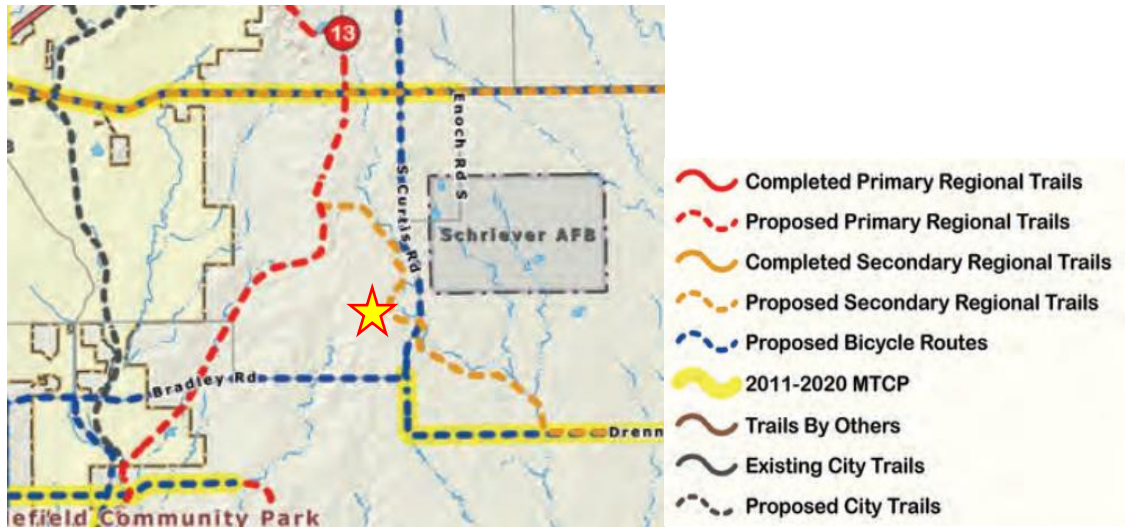
As mentioned above, the Karman Line development will be located less than one mile southwest of the west gate of Schriever Space Force Base, which is reported to employ approximately 2,087 military personnel and 4,891 civilians, for a combined total of almost 7,000 employees making it one of the largest employers in the Pikes Peak Region. The Karman Line development is strategically planned to serve the Base in a number of ways, including providing additional off-base office space, convenient retail and mixed use options, and a supply of new and diverse housing stock within very close proximity of the installation.

8. *Economic impact on city*

The Karman Line Fiscal Impact Analysis prepared by Data-Driven Economic Strategies dated August, 2024 identifies a positive net gain to the City of Colorado Springs. The analysis ran two scenarios, one based upon the methodologies previously accepted by the City in association with the Banning Lewis Ranch annexation which chose select general fund expenditures to evaluate, and second which evaluated all city general fund expenditures. The results of that analysis resulted in a positive “Net Financial Impact” to the City of \$50,556,413 under the first scenario and \$7,094,054 under the second scenario over the 25-year horizon.

9. *Connectivity/proximity to transportation options*

As discussed above, there is a planned regional trail along Jimmy Camp Creek that is shown as crossing through the Karman Line development, which will ultimately connect Corral Bluffs Open Space located north of Highway 94 with the planned CSU Reservoir located south of Bradley Road. That trail alignment has been established as part of the associated land use plan. In addition, the El Paso County Parks, Trails and Open Space Master Plan also depicts a future bicycle route along the east and south sides of the property parallel with Curtis Road and Bradley Road. The planned internal trail system will connect to these trail and bike corridors to allow for enhanced non-motorized multimodal transportation in the area.



Currently, Mountain Metropolitan Transit (MMT) does not provide service to the Schriever SFB or any of the surrounding nearby areas. The applicant is prepared to work with the Base and MMT to establish a bus stop within the development should it be deemed appropriate and viable by the parties involved as an additional transportation option to the residents and employees in the development and within Schriever SFB.

10. *Ability to find/offset costs for needed public facilities (PD/FD/Public Works)*

The Karman Line Fiscal Impact Analysis prepared by Data-Driven Economic Strategies dated August, 2024 identifies a positive net gain to the City of Colorado Springs. The analysis ran two scenarios, one based upon the methodologies previously accepted by the City in association with the Banning Lewis Ranch annexation which chose select general fund expenditures to evaluate, and second which evaluated all city general fund expenditures. The results of that analysis resulted in a positive “Net Financial Impact” to the City of \$50,556,413 under the first scenario and \$7,094,054 under the second scenario over the 25-year horizon. The positive net impact to the City can be used to help offset any additional costs to the City to provide additional public services and facilities. This comes in addition to the applicant proposing to provide a Fire Station site within the development, as discussed above.

A. The area proposed to be annexed is a logical extension of the City's boundary

Please see the discussion above in the Requirements section for an analysis justifying annexation of the property as a logical extension of the City’s boundary.

B. The development of the area proposed to be annexed will be beneficial to the City. Financial considerations, although important, are not the only criteria and shall not be the sole measure of benefit to the City.

Please see the discussion above in the Requirements section for an analysis of the many benefits of the project to the City of Colorado Springs.

C. There is a projected available water surplus at the time of request

Colorado Springs Utilities staff has calculated the current available water supply for annexation into the City of Colorado Springs as being 2,840 acre-feet per year. Based on a standard calculation of 3 dus/acre-foot, the current available water supply could accommodate annexation and water supply service to 8,520 dwelling units.

The Karman Line development is proposing the following mix of land uses, maximum dwelling units, and associated acreages:

- Single Family Residential – 200 units on 604.51 acres
- Residential (Duplex & Triplex) – 1,500 units on 209 acres
- Apartments, Condominiums & Townhomes – 1,000 units on 82.39 acres

In addition, the development is planning to provide the following land uses with associated acreages:

- Parks & Open Space – 571 acres
- Industrial – 45.58 acres
- School Site- 20.1 acres
- Amenity Center- 6.7 acres
- Commercial – 105.12 acres
- Other (Mixed Use) – 99.43 acres

The Land Use Plan established a maximum overall number of residential dwelling units within the development of 6,500 units, which equates to 2,166 acre-feet of water. The Plan also includes 276.93 acres of land that includes industrial, commercial, mixed-use, a school site, and an amenity center, all of which equate to 304 acre-feet. Lastly, a total of 571 acres of parks and open space is depicted in the associated Land Use Plan, and, when assuming one-half of the acreage is irrigated park land with the rest being non-irrigated native open space, the estimated water supply demand is 314 acre-feet. In total, the development is anticipated to require 2,784 acre-feet of water at full build out. It should also be noted that based on the parameters set by Utilities for reporting the anticipated water demand, the projected water demand for the Karman Line development will actually be less because the residential units included within the mixed-use calculations are effectively double-counted as they also included in the overall maximum dwelling unit calculation and associated water demand.

D. The existing and projected water facilities and/or wastewater facilities of the City are expected to be sufficient for the present and projected needs for the foreseeable

future to serve all present users whether within or outside the corporate limits of the City.

Colorado Springs Utilities staff has identified infrastructure capacity improvements necessary to support the proposed Karman Line development. The owner acknowledges the requirement to finance, design, and construction such improvements and recognizes the potential for cost recovery should additional development make use of the associated infrastructure improvements and extensions. Full analysis of the most appropriate option for providing wastewater service to the development is still being conducted by Utilities staff (in association with the BLR Studies Alternatives Analysis). There were no significant issues raised, however, regarding the ability of Utilities to provide wastewater service to the development.

E. The annexation can be effected at the time the utilities are extended or at some time in the future

Pre-annexation discussions between the project team and City and Colorado Springs Utilities (CSU) staff members indicate that utilities necessary to serve the project can be extended to the Karman Line development in a relatively reasonable timeline. Delays associated with delivery of critical electrical infrastructure components to serve full buildout of the project could infringe upon timelines previously considered “standard”, but initial development of the property may not necessarily be impacted. Extension of water and wastewater infrastructure is available and the alignment of such infrastructure is pending final determination by CSU. In general, water supply infrastructure will likely need to be extended from the west along Bradley Road while the infrastructure needed to deliver wastewater service to the project is under extensive consideration by CSU as part of a greater wastewater infrastructure evaluation process (as mentioned above, this is in reference to the BLR Studies Alternatives Analysis). CSU staff has indicated that the results of the evaluation process are likely forthcoming later in the second quarter of 2023.

F. The City shall require as a condition of annexation the transfer of title to all ground water underlying the land proposed to be annexed. Should such ground water be separated from the land or otherwise be unavailable for transfer to the City, the City, at its discretion, may either refuse annexation or require payment commensurate with the value of such ground water as a condition of annexation. The value of such ground water shall be determined by the Utilities based on market conditions as presently exist.

The applicant agrees to transfer title to all ground water lying under the Karman Line development as required. Furthermore, the applicant agrees to coordinate with the City to ensure all available groundwater rights are perfected. In the event that no such groundwater rights are available to the applicant and, therefore, to the City of Colorado Springs, the applicant agrees to negotiate with the City with respect to payment of a

reasonable and appropriate sum of money commensurate with the value of the unavailable groundwater.

G. All rights of way or easements required by the Utilities necessary to serve the proposed annexation, to serve beyond the annexation, and for system integrity, shall be granted to the Utilities. Utilities, at the time of utility system development, shall determine such rights of way and easements.

The applicant agrees to grant all necessary utility easements to CSU, including all off-site easements necessary to extend service to the property. Acquisition of such easements shall correspond with the requirements for construction and maintenance of the respective service line as determined by CSU.

H. If the proposed annexation to the City overlaps an existing service area of another utility, the applicant shall petition the PUC (Public Utilities Commission) or other governing authority to revise the service area such that the new service area will be contiguous to the new corporate boundary of the City.

The applicant acknowledges the requirement to petition for exclusion from the service area of any overlapping service provider to ensure that the respective service areas for the overlapping service provider and CSU are contiguous and not overlapping.

3. Pre-Application Issues List

City staff has confirmed that there are no Pre-Application Issues that are required to be included and addressed in this section.