



Legislation Text

File #: CPC A 20-00143, **Version:** 3

Ordinance No. 21-55 annexing to the City of Colorado Springs that area known as Advanced Technology Campus Addition No.1 consisting of 160 acres located southwest of Drennan Road and Foreign Trade Zone Boulevard.

(Legislative)

Related Files: CPC A 20-00143R, CPC A 20-00143, CPC MP 20-00160, CPC ZC 20-00159

Presenter:

Katie Carleo, Planning Supervisor, Planning & Community Development
Peter Wysocki, Director of Planning & Community Development

Summary:

Owner: City of Colorado Springs

Representative: Kimly-Horn, John Heiberger

Location: Southwest of Drennan Road and Foreign Trade Zone Boulevard

This project includes concurrent applications for annexation, establishment of zoning, and associated master plan located southwest of Drennan Road and Foreign Trade Zone Boulevard. The proposed zoning will establish a PF/AO/APZ-2 (Public Facility with Airport and Accident Potential Zone-2 Overlay) zone district for the proposed development of a new Colorado Springs Utilities facility, Advanced Technology Campus, to establish future laboratory building, substation, solar array, and other utility facilities.

Background:

The Advanced Technology Campus Addition No. 1 Annexation (**ATC ANNEXATION PLAT**) will annex 160 acres of property into the municipal limits of the City of Colorado Springs. The property is intended for the future development of a Colorado Springs Utilities facility. This property is owned by the City of Colorado Springs, Colorado Springs Utilities.

Landowners, in this case the City, seeking voluntary annexation must petition the municipality to request annexation into the City. Colorado Revised Statutes (C.R.S.) require even those parcels owned by a municipality to make notice and petition for annexation. The Annexation Petition for this property was heard and accepted by City Council on November 10, 2020. The City's authority to annex land is established by Colorado Revised Statutes (C.R.S. 31-12-101) which sets requirements and procedures which municipalities must follow. A property is eligible for annexation if the contiguity requirement is met; not less than one-sixth of the perimeter of the proposed area for annexation is contiguous with the existing boundary of the annexing municipality. This property meets those requirements with 100% contiguity and fully eliminates this enclave.

C.R.S. (Colorado Revised Statute) 31-12-105 governs the annexation process for municipalities to annex a portion of land in which is owned by that municipality. In this process the annexation is not required to follow the notification process outlined in C.R.S. 31-12-108 and have the associated resolution hearing date and four consecutive Saturdays of public notice in the newspaper. Rather, the annexation is allowed to move straight to the public hearing. City staff has ensured these items followed the standard City public notification process.

Staff fully supports that this annexation request meets all the requirements for annexation as identified by City Code Section 7.6.203. This section of code also outlines requirements for annexation agreements with the City. Since the property is owned by the City there is no annexation agreement as part of this annexation as we would not establish an agreement with ourselves. This process has been confirmed with direction from the City Attorney.

The proposed zoning request will establish a PF/AO/APZ-2 (Public Facility with Airport and Accident Potential Zone-2 Overlay) zoning district for the entirety of the annexing acres. It is required by City Code 7.5.603.B that any annexed property be accompanied by a zoning designation. The subject property is proposed to establish a new Colorado Springs Utilities (CSU) facility (**PROJECT STATEMENT**) built and maintained by CSU. The subject property will establish the Public Facility zoning designation as standard for any City property with the use for city infrastructure. The surrounding properties are zoned within the industrial use categories for city zoning as well as the western property being zoned Airport Planned Development for the supporting airport uses. Although all property adjacent to this site is vacant, establishing this public facility use is compatible with the surrounding industrial and airport commercial zoning and future uses that could be established in those zones.

A master plan is required with annexation per City Code Section 7.5.403 for any annexation that is over thirty acres. The master plan (**CSU ADVANCED TECHNOLOGY CAMPUS MASTER PLAN**) and supporting detailed explanation of utility development (**DESCRIPTION OF PHASES**) details the facilities infrastructure that will be established as part of this development. The utility infrastructure supports existing and future development growth within the City of Colorado Springs. The overall project is divided into five phases; at this time CSU is pursuing administrative approval of a Development Plan for development in 2021 of phase one and the subdivision of the entire property.

PlanCOS purposefully does not address annexation policy or site-specific options in detail and instead recommends a systematic update of the City's current (2006) City Annexation Plan. PlanCOS anticipates changes that would focus on the kinds of strategic, logical, targeted, and fiscally effective annexations such as this one. The overall intent for the establishment of public facilities to support the growth in our community aligns with PlanCOS and the overall general direction. It is the finding of the Planning and Development Department that this annexation along with associated zoning conforms to the PlanCOS goals and objectives.

Previous Council Action:

On November 10, 2020 City Council accepted the original petition for the proposed annexation.

On June 22, 2021, this Ordinance was approved on first reading on the Consent Calendar by a vote of 9:0:0:0.

Financial Implications:

A Fiscal Impact Analysis (FIA) is required for all annexation requests and is completed by the City Budget Office. The FIA was completed on April 13, 2021. The fiscal review criteria of the City Code states city costs related to infrastructure and service levels shall be determined for a ten-year time horizon for the appropriate municipal funds. This is a standard FIA modeling by the City Budget Office and does not reflect any potential supplemental funding mechanisms the Developer may gain towards the overall development of the project. The FIA methodology estimates the City expenditures attributed to this annexation for the period 2021-2030.

The Advanced Technology Campus project annexes a 160-acre property into the City. This Fiscal Impact Analysis evaluates the master planned Colorado Springs Utilities (CSU) technology campus, solar fields, detention pond, and a future power substation facility. Most City departments did not identify increases in the marginal costs of providing services to this amended development. The costs identified were related to Public Safety response in the Police Department and Fire Department. All infrastructure maintenance will be serviced by CSU, which will not create obligations within the City's Budget. The result of the fiscal impact analysis is a small negative cumulative cashflow for the City during the 10-year timeframe. The reason for this outcome is the nature of the master plan for the annexation. As a CSU technology campus with laboratories, solar farms, open space, and a public facility zoning, there will be no sales and use tax nor property taxes generated by this annexation. Since there is no residential zoning within the annexation, no population driven revenues are predicted either.

The Summary of Expenditures and Revenues is attached, along with the Expenditure and Revenue Notes to provide the methodology for calculating the expenditures and revenues. **(FISCAL IMPACT ANALYSIS_CSU ATC)**

City Council Appointed Board/Commission/Committee Recommendation:

This item was heard before City Planning Commission on April 15, 2021 as part of the Consent Agenda on Public Hearing. The Planning Commission approved the associated applications with a unanimous approval.

Stakeholder Process:

The public process included posting the site and sending postcards to all property owners within a 1000-foot buffer, eleven property owners total, and prior to all public hearings. No public comments were received.

Staff input is outlined in the following section of this report. Staff sent plans to the standard internal and external review agencies for comments. All comments received from the review agencies are addressed. Commenting agencies included Colorado Springs Utilities, City Engineering, City Traffic, City Fire, City Police, Peterson Air Force Base, City Airport Advisory Commission, Economic Development, E-911, and El Paso County Development Services. Further details are discussed below as it relates to specific areas of the application.

- Southeastern Water Conservancy District: This property has completed its required inclusion application into the Southeastern Colorado Water Conservancy District through the Bureau of Reclamation. The Inclusion process was completed with the Bureau of Reclamation with a final Letter of Assent being issued on February 8, 2021.
- Airport Advisory Commission: This property is within the Airport Overlay as well as a small

portion in the northeast corner of the property is within the Accident Potential Zone-2 (APZ-2) subzone of the Commercial Airport Overlay District for the City airport. The Airport Advisory Commission reviewed the proposed applications and at their meeting held December 16, 2020 approved the establishment of the PF/AO/APZ-2 (Public Facility with Airport and Accident Potential Zone-2 Overlay) zone district. There was a detailed review of the master plan, with no objection from the Advisory committee. At the time when Phase 3 is anticipated to be implemented, the Airport requests an evaluation regarding potential exhaust plume impacts and any possible adverse effect to aircraft, as it appears this area may be under the flight path for Runway 17L/35R and in an area where aircraft would be flying at a low altitude. The Airport supports approval and a note for further review at development plan has been added to the master plan.

- Geological Hazard: Per City Code Section 7.6.203 a geological hazard report is required with the establishment of an annexation and master plan; a waiver may also be applied and reviewed by City Engineering. A geological hazard waiver was completed by the applicant and City Engineering has reviewed and approved the waiver.
- Peterson Air Force Base: All proposed applications were reviewed by the Community Planner for Peterson Air Force Base. There were no concerning comments and supported the comments and approval by the Airport Advisory Commission.
- Economic Development: The proposed parcels are within several special zone designations as identified through the Economic Development Division with the City. Staff has had discussions with the Economic Development staff who have provided information indicating that several of the identified zones do not apply to this City development and support the establishment of the use for the City's future growth. Further, The applicant has been supported by the Rapid Response program through the City Economic Development Department for this application and will continue to work closely with the City for development support.
 - Qualified Opportunity Zone (OZ) - The property is within the Qualified Opportunity Zone, a federal tax incentive to promote private investment in low income areas. Projects within OZs are not required to utilize OZ funding for their efforts and the zones do not specify permitted or prohibited uses. While this project will not utilize Opportunity Zone private investment, development of the proposed parcels will achieve important alternative investment in this OZ.
 - Commercial Aeronautical Zone (CAZ) - The CAZ does not specifically identify permitted or prohibited uses within its boundaries, but rather it is established to provide tax incentives to new businesses in the area that support aeronautical uses. The proposed annexation for the City's utility expansion would assist in powering aeronautical business needs on a proposed site that has been undeveloped to date.
 - Foreign Trade Zone (FTZ) - The property also falls within the City's Foreign Trade Zone, which is meant to attract and promote international commerce and create and retain jobs in the U.S through customs duty abatements. The FTZ framework does not specifically identify permitted or prohibited uses, and the utility expansion project aligns with the FTZ goals of supporting local jobs and will contribute to meeting the utility needs of businesses expanding into the global market.
 - Pikes Peak Enterprise Zone - The site is within the Pikes Peak Enterprise Zone, a state tax credit administered through El Paso County. El Paso County Economic Development does not have any formal concerns or comments with regard to the proposed annexation to the City limits of Colorado Springs.

- El Paso County: A comment letter was received from El Paso County Development Services, no action items were included in the comment letter. The county engineering division notes that there are portions of Foreign Trade Zone Boulevard that remain within unincorporated El Paso County. The City is in discussions related to annexation south of this property that would look to 'clean-up' this right-of-way bringing it into the City at a later date.

Alternatives:

1. Uphold the action of the City Planning Commission;
2. Modify the decision of the City Planning Commission;
3. Reverse the action of the City Planning Commission; or
4. Refer the matter back to the City Planning Commission for further consideration

Proposed Motion:

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Approve the annexation of the Advanced Technology Campus Addition No.1 Annexation based upon the findings that the annexation complies with all of the Conditions for Annexation Criteria as set forth in City Code Section 7.6.203.

An ordinance annexing to the City of Colorado Springs that area known as Advanced Technology Campus Addition No.1 consisting of 160 acres located southwest of Drennan Road and Foreign Trade Zone Boulevard.