



## Legislation Text

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**File #:** 22-040, **Version:** 1

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222 E. Pikes Peak Ave

**Presenter:**

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**Summary:**

The City proposes to use a public private partnership model to create a mixed-use development comprised of a new multimodal downtown transit center to replace its existing Downtown Transit Terminal currently located at the southwest corner of Nevada Avenue and Kiowa Street. The project also would include public parking facilities and private uses. Private uses could include new residential, office, retail, restaurant, or hospitality development. The site location is northeast of the intersection of Nevada Avenue and Pikes Peak Avenue in the core of the downtown. The site is owned by the Norwood Development Group, and it is located within the City Auditorium Block Urban Renewal Area.

All involved parties, including the City of Colorado Springs (City), the City Parking Enterprise, Norwood Development Group (Norwood), and the Colorado Springs Urban Renewal Authority (CSURA), have reached a cooperation agreement to proceed with a collaborative planning and engineering process to prepare concept and schematic plans. These plans will develop and refine the project design, provide a cost estimate, and determine respective responsibilities among the partners. The process will enable the parties to prepare formal agreements that will address how they will proceed with development.

City Staff and representatives of the Norwood Development Group will present the proposed project, the agreement provisions, next steps, and timeline.

**Background:**

The City proposes to use a public private partnership model to create a mixed-use development comprised of a new multimodal downtown transit center to replace its existing Downtown Transit Terminal currently located at the southwest corner of Nevada Avenue and Kiowa Street. The new development is intended to operate as a multimodal transportation center to serve as a hub for Mountain Metro Transit local bus operations; Bustang and Greyhound intercity bus operations; taxis and transportation network companies; bike share; and pedestrians. The center will be designed to be welcoming and include parking facilities and an attractive and convenient customer waiting area/lobby, with easy and safe bus access, circulation, ingress, and egress. Additionally, the City desires to cooperate with Norwood to enable development of integrated or adjacent private uses including shared parking facilities and new residential, office, retail, restaurant, or hospitality development. The City, Parking Enterprise and Norwood will determine their respective responsibilities as they relate to the various project components in a collaborative planning and

design process.

To determine an appropriate location, the City completed the Downtown Transit Station Relocation Study in December 2017. The study assessed 29 sites against operational, safety, customer need, and economic development goals. The study process included a technical committee, stakeholder groups, and public meetings. The 2017 Study recommended three finalist sites, all of which would meet transit operational needs, as well as the other project goals. A Mayor-appointed steering committee prioritized the three final sites and offered project guidance.

After completion of the 2017 Study, the City assessed three additional sites against the project goals. Through this additional assessment, the City identified the property owned by Norwood Development Group located at the northeast corner of Nevada Avenue and Pikes Peak Avenue. Norwood has expressed interest in working with the City on development of the property.

The City anticipates that, in addition to replacing the City's current outdated transit facility, the project will continue to help catalyze economic revitalization of the downtown area around the property. It will connect and extend key commercial corridors on Tejon Street and Pikes Peak Avenue across Nevada Avenue to the east, while providing a centralized hub of multimodal transportation that will more effectively serve the City's downtown today and into the future. It is anticipated that the project will expand the community's use of public transportation by creating a more efficient system and a more desirable experience and amenitized environment.

The City, Parking Enterprise and Norwood contemplate that construction would be undertaken, in part, using funding from the Federal Transit Administration (FTA) and the Colorado Department of Transportation (CDOT). The parties will be required to follow applicable federal and state grant requirements. The parties further understand that to the extent that the project is pursued as an FTA joint development project, it would be required to meet the eligibility requirements set forth by the FTA, and other relevant standards that may apply.

The property currently is located within the City Auditorium Block Urban Renewal Area and subject to the City Auditorium Block Urban Renewal Plan. The parties anticipate that Norwood likely will require tax increment financing to offset the cost of certain public improvements that will be required for the project. Norwood intends to work with CSURA either to amend the existing City Auditorium Urban Renewal Plan or to exclude the property from the existing Urban Renewal Plan and adopt a new Urban Renewal Plan that includes the property. The parties contemplate that CSURA will play a critical role in facilitating the project by (1) evaluating the property for the existence of blight and potential inclusion into an amended or new Urban Renewal Plan Area; (2) determining what properties should be included in the amended or new Urban Renewal Plan Area; (3) considering the provision of tax increment financing to help offset the cost of certain public improvements that will be part of the project; and (4) providing additional feedback regarding the project.

Pursuant to the agreement, Norwood as the property owner will negotiate exclusively with the City regarding the items set forth in the agreement for an agreed-upon period of time in exchange for the City's advancement of the project's predevelopment design costs. And, if warranted, the parties will proceed with the planning, studies, due diligence, and next steps necessary to establish the terms and conditions of subsequent definitive project agreements that will facilitate federal and state funding for the DTC and development of the overall project.

These planning and engineering activities set forth in the agreement will produce concept and schematic designs, provide a cost estimate, and determine respective responsibilities among the partners.

**Previous Council Action:**

December 14, 2021, City Council approved the 2022 City Budget, including \$500,000 for Downtown Transit Center planning and design activities. June 24, 2019, City Council received a presentation update on the Downtown Transit Center project including the status of discussions with the owner of the initial project site under consideration. September 26, 2017, City Council approved a resolution of support for the final Mayor-appointed Downtown Transit Center Steering Committee recommendation. July 25, 2016, Council received a presentation update on the Downtown Transit Station Relocation Study. November 24, 2015, Council approved the 2016 Budget, including \$100,000 to implement the Downtown Transit Station Relocation Study. May 27, 2014, Council approved Resolution 50-14 to authorize a funding transfer of \$38,000 into the Downtown Transit Station Relocation Study Project.

**Financial Implications:**

The 2022 City Budget includes \$500,000 for Downtown Transit Center design and scoping, which will fund the agreement's planning and design activities. Funding to implement the transit center component of the project is available from the Federal Transit Administration and Colorado Department of Transportation.

**City Council Appointed Board/Commission/Committee Recommendation:**

N/A

**Stakeholder Process:**

The Downtown Transit Center location study process included a stakeholder working advisory group, focus groups and public meetings.

**Alternatives:**

N/A

**Proposed Motion:**

N/A

N/A