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Title: Discussion on Banning Lewis Ranch Annexation Agreement

(Legislative)

Presenter:
Peter Wysocki, Director of Planning and Development

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Attachments: 1. Figure 1-BLR AX AGR Comparison table_2017-12-11_Council Packet, 2. Figure 2-Draft-BLR-AX-Agmt-12-08-17, 3. 010918 BLR powerpoint, 4. BLR 1988 Annexation Agreement

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Discussion on Banning Lewis Ranch Annexation Agreement

(Legislative)

Presenter:

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Summary:

Over the past 18 months, City staff and the major landowners of Banning Lewis Ranch have been reviewing the original annexation agreement. Significant effort has been made to amend the original agreement to be malleable and pertinent for the anticipated long-term development of the area. Figure 1 summarizes obligations stipulated by the original annexation agreement and proposed changes. Figure 2 is a draft amended annexation agreement. The proposed changes reflect City Code requirements (and any future amendments) and standard annexation practices. It is important to note that the proposed changes do not de-obligate current or future owners/developers from constructing, dedicating land or paying there pro-rata (fair share) of the cost of improvements required by City Code or warranted due to their respective developments.

Previous Council Action:

There have been no previous attempts or Council considerations to amend the original annexation agreement.

Background:

The area known as Banning Lewis Ranch (BLR) was annexed into the City of Colorado Springs in 1988. It consists of approximately 20,000 acres and is generally bordered by Marksheffel Road, East Woodmen Road, Fountain Boulevard and eastern boundary of the City limits. Development of the area is subject to an annexation agreement approved by the City Council on September 23, 1988.

Since being annexed in 1988, the area has realized very little development, certainly much less and at a much slower pace than originally anticipated. The only major development is occurring in the northern portion of BLR by Oakwood Homes, where approximately 450 acres have been developed with various types of single-family residential homes, recreational amenities, roads, utilities and a school. Development in the rest of BLR has been essentially non-existent. The general consensus of the owners is that the obligations required by the 1988 annexation agreement are too onerous and inhibit development of the property. Upon review, City staff concurs that the obligations are too onerous due to four (4) primary reasons: (1) the lack of a phasing plan that stipulates triggers and equal assessment/distribution of the obligations among the property owners and eventual development projects; (2) base zoning that establishes very high residential densities and residential/non-residential land use ratios that are not attainable; (3) when the annexation was contemplated in the mid-1980's and ultimately approved in 1988, BLR was more than two (2) miles away from developed areas of the City; hence, the infrastructure requirements are far beyond what is now necessary or will be necessary, particularly based on market conditions and actual land use densities/intensities; and (4) the obligations are not equitable with other annexations and developments within the City.

There are three (3) primary reasons why development in BLR is advantageous, if not critical, for the City.

First, there are significant economic benefits. As presented at previous Council Work Sessions, fiscal and economic impact analyses prepared by TischlerBise, Inc., conclude positive economic impacts to the City. In other words, direct, indirect and induced economic impacts generated by new jobs, payroll, property tax and sales tax outweigh the costs of providing City services within BLR. Furthermore, development of BLR significantly reduces sales tax and property tax leakage to areas outside of the City limits.

Second, if development does not occur within BLR, development will continue to leapfrog into the unincorporated areas of El Paso County. This leapfrog phenomenon will be fiscally detrimental to the City and will result in stress on City infrastructure and services, without the City receiving property tax and sales tax revenues from the development and new consumers to offset the costs of providing services and maintaining infrastructure. There are approximately 6,000 acres available for new development and future growth within the City limits. Included in the 6,000 acres, are lands that are already entitled (approved) for development and lands encumbered by geological conditions that may not be suitable for development. Granted that some new development will be through infill and redevelopment; however, based on the project growth of the City, the 6,000 acres will accommodate growth for less than ten years.

Third, in order to remain a competitive city in terms of quality of life, affordability and economic development, the City must provide conditions that are favorable for attainable housing through all income levels and that land is available for future commercial and industrial development. Staff believes that development in BLR provides an opportunity and "checks the boxes" on all those accounts.

Financial Implications:

N/A

Board/Commission Recommendation:

The Parks Board and the City Planning Commission will be briefed; however, no formal action is required on annexation agreements by either.

Stakeholder Process:

Two (2) City Council public hearings and two (2) town hall meetings are planned to be held in late January/February/March to provide for public comments and input.

Alternatives:

N/A

Proposed Motion:

No formal action by Council is requested at this time. This is a discussion item only.