

**Proposed Changes to the Annexation Section of UDC**  
**Chapter 7, Section 7.5.701**

<b>Change</b>	<b>Old Language</b>	<b>New Language</b>	<b>Purpose</b>
No obligation to reserve expanded to include resources and capacity for water and wastewater	There is no obligation imposed by general law upon the City to permit any of the City's water to be used outside its boundaries. Neither is there an obligation under general law to reserve water for undeveloped land presently within the City's boundaries. § 7.5.701A3f	There is no obligation under general law to reserve water resources or capacity in the City's water system and wastewater system for undeveloped land presently within the City's boundaries. § 7.5.701A1  Water belonging to the City is in no way allocated to a particular parcel of land until the land is developed and water applied to actual use upon that land. § 7.5.701A1	Consistent with standard practice  Acknowledges constraints on wastewater capacity
Change from only looking at water and wastewater to review of all four services  Includes consideration of what annexation's impact on performance criteria for all four services  Acknowledges proposed exception to exclusive provider requirement in 12.1.111  Points to water extension ordinance to determine whether sufficient water to support annexation	There is a projected available water surplus at the time of request. § 7.5.701C1c  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; § 7.5.701C1d	Unless an exception granted under section 12.1.111 will be in effect at the time of annexation, whether at the time of request there is projected available surplus capacity and resources across all Utilities' service lines for the foreseeable future to serve all present users and the projected new users from the area proposed to be annexed, taking into account City Code section 12.4.305, and that performance criteria, as defined for each service line in standards adopted by	Recognizes the constraints on 4 services

		<p>Utilities, will not be impaired. § 7.5.701A2b(3)</p> <p>Whether the existing and projected utility facilities of the City are expected to be sufficient for the present and projected needs for the foreseeable future to serve all present and projected users whether within or outside the corporate limits of the City. § 7.5.701A2b(4)</p>	
Cleans up ambiguous language	The annexation can be effected at the time the utilities are extended or at some time in the future § 7.5.701C1e	Whether utility services and facilities can be extended to serve the property proposed to be annexed at the time of annexation or sometime in the future. § 7.5.701A2b(5)	
<p>Old version only included groundwater rights.</p> <p>New version includes transfer of groundwater, water rights appurtenant to the property, and water rights historically used on the property.</p>	The City shall require as a condition of annexation the transfer of title to all groundwater underlying the land proposed to be annexed. Should such groundwater 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 groundwater as a condition of annexation. The value of such groundwater shall be determined by the	The City shall require as a condition of annexation the transfer to the City of title to all water rights appurtenant to, including without limitation all groundwater underlying, the land proposed to be annexed. Should such groundwater or appurtenant water rights 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 groundwater and/or	<p>Makes transfer of water rights more robust.</p> <p>Ensures City has right to receive all water rights associated with annexing property</p>

	<p>Utilities based on market conditions as presently exist.  § 7.5.701C1f</p>	<p>appurtenant water rights as a condition of annexation. The value of such water rights shall be determined by Utilities based on market conditions as presently exist. City Council may, in its discretion, waive the requirement to convey groundwater rights or pay the value of groundwater and/or appurtenant water rights by resolution.  § 7.5.701A4a</p> <p>The City shall require as a condition of annexation the transfer to the City of title to any additional water rights historically used on or for the benefit of the area to be served that Utilities determines are necessary to ensure it has sufficient water supplies to serve the property or payment of any fees in leu thereof, as determined by City Council.  § 7.5.701A4b</p>	
<p>Clarifies obligation to obtain necessary easements to serve the annexation</p>	<p>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</p>	<p>The City shall require as a condition of annexation that all rights of way or easements required by Utilities necessary to serve the proposed annexation, to serve beyond the annexation, and for system integrity, shall be granted to Utilities by the applicant or other property owner on</p>	<p>Change makes it clear that the annexor has to transfer the easements it has control over and annexor has to go get the easements on properties it does not have control over. This is consistent with</p>

	§ 7.5.701C1g	forms approved by Utilities. Utilities, at the time of utility system development, shall determine such rights of way and easements § 7.5.701A4c	other development in the City.
Clarifies annexor’s obligations with respect to if an annexation overlaps an existing service territory of another utility service provider	<p>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.</p> <p>§ 7.5.701C1h</p>	<p>If the proposed annexation to the City overlaps an existing service area of another utility under the jurisdiction of the Colorado Public Utilities Commission (PUC), if no exception has been granted under section 12.1.111 and if required by the City, the applicant shall petition the PUC to revise the service area such that the new service area will be contiguous to the new corporate boundary of the City and the applicant shall pay any and all fees or costs associated with revising the service area, including without limitation any required condition assessment, system improvements, and just compensation due to the existing service provider. If the proposed annexation overlaps the service territory of a special district, the applicant shall either have the property removed from the service territory of the special district or shall obtain permission from the special district</p>	<p>Acknowledges possibility of exception to exclusive provider requirement in 12.1.111.</p> <p>Allows City to decide whether annexor or City will apply to PUC for boundary adjustment.</p> <p>Makes it clear that annexor will pay any costs associated with adjusting the service territory boundary, including the costs of condition assessments, system improvements, and just compensation to the other service provider.</p>

		<p>for the property to receive utility services from Utilities and shall pay any and all fees and costs associated therewith. City Council may waive or modify the requirements in this subsection by resolution. § 7.5.701A4d</p>	
<p>Adds more robust financial analysis requirements</p>	<p>(This is in the outside city service section): Estimated immediate and long range costs to the City under development plans proposed by the annexor, which cost estimates shall include, but need not be limited to:</p> <p>a. The Cost Of Extending Existing City Services: Examples of capital improvements are bridges, arterial streets, major drainage improvements, parks and park improvements and the maintenance and operation of such improvements;</p> <p>b. Capital Improvements: The nature and the cost of City financed capital improvements made necessary by the proposed annexation when developed;</p> <p>c. Time Schedule: The time schedule as proposed by the annexor over which such costs would be extended.</p> <p>2. Revenues expected to be</p>	<p>The estimated immediate and long-range costs to the City under development plans proposed by the annexor, which cost estimates shall include, but need not be limited to:</p> <p>(i) The cost of extending City services. Examples of required improvements are bridges, arterial streets, major drainage improvements, parks and park improvements, regional and urban trails systems, and the maintenance and operation of required improvements.</p> <p>(ii) The nature and cost of City-financed capital improvements made necessary by the proposed annexation when developed. The City may also include the expense that would be incurred by other governmental entities, such as school districts.</p>	<p>Acknowledgment that there is cost associated with annexation.</p> <p>Changes are consistent with the analyses currently undertaken when an annexation is being reviewed.</p> <p>Acknowledges that there may be non-financial costs and benefits that should be considered.</p>

	<p>generated by proposed development within the area proposed to be annexed;</p> <p>3. Other benefits to the City for which there is no readily acceptable method of computation except subjective judgment. § 7.5.701J1</p>	<p>(iii) The time schedule as proposed by the annexor over which such costs would be extended. § 7.5.701A3b(6)</p> <p>The revenues expected to be generated by proposed development within the area proposed to be annexed. This may include ad valorem taxes from the land and improvements situated and to be situated on the land, sales, and use taxes from commercial development, increased revenue sharing or other grant funds resulting from increased population, and increased income taxes. § 7.5.701A3b(7)</p>	
<p>Added Utilities-specific financial analysis</p>		<p>Whether the Utilities’ revenues expected to be generated by the development of the proposed annexation will offset the estimated immediate and long-range costs to Utilities for the acquisition of utility resources, extension of utilities services, development of utilities infrastructure, and operations and maintenance as required by Utilities Rules and Regulations. § 7.5.701A3b(8)</p>	

<p>Bolstered “other benefits” element of analysis</p>	<p>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;</p> <p>§ 7.5.701C1b</p>	<p>Other benefits to the City for which there is no readily acceptable method of computation except subjective judgment, such as increased employment opportunity, improved wastewater management, improved drainage control, improved public transportation, and increased diversification of the City’s economic base.</p> <p>§ 7.5.701A3b(9)</p>	
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