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Project Statement

June 28, 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) – Land Use Plan Project Statement

To the City of Colorado Springs Planning and Development Department,

Please accept this document as the Project Statement for the Land Use Plan application pursuant to the Land Use Plan (New Master Plan) Application Submittal Checklist for the Karman Line master-planned development, formerly known as Norris Ranch.

Project Overview

Karman Line is located in El Paso County, Colorado, and includes approximately 1,783 acres of vacant agricultural land and 232.2 acres of right-of-way (a large portion of which is the associated annexation of Bradley Road east from the existing City incorporated boundaries to the project area), for a total of 1,976.2 acres. 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 Land Use Plan proposes to allow for approximately 45.6 acres of light industrial/office (LI/OFF) 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 (C) land uses (totaling approximately 114.1 acres) and mixed-use (MX) (with a residential component of 20-22 du/ac) (totaling approximately 97.7 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 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 a total of 83.2 acres of residential high density (RH) (20-22 du/ac) located along the main "spine" road through the development, as well as 209.8 acres of residential medium density (RM) (6-10 du/ac) mainly located central to the development in an area that largely surrounds a planned 30.1-acre school site. As the plan for development extends towards the western and northern boundaries of the property, the Land Use Plan anticipates 335.3-acres of residential low density (RL) (3-6 du/ac) and 263.4-acres of residential very low density (RVL) (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 Land Use Plan with a maximum number of dwelling units for the overall development of 6,500 units. The annexation post-petition legal descriptions, as submitted, account for the required 25% perimeter contiguity of the area being annexed pursuant to Colorado Springs City Council Ordinance No. 23-02. In the event that other annexations (e.g., the Amara development) along Bradley Road occur during the review and hearing preparation process of the proposed Karman Line annexation, the applicant is requesting conditional approval from Colorado Springs Utilities to allow the proposed annexation, land use plan, and A (Agricultural) rezoning to proceed with the requirement that the aforementioned legal descriptions be revised to adjust to any such subsequent annexation along Bradley Road prior to the Planning Commission hearing.

COMPLIANCE WITH LAND USE PLAN CRITERIA

Please see below for an analysis of compliance of the Karman Line Land Use Plan with the City of Colorado Springs Unified Development Code (UDC), specifically the Land Use Plan Criteria as outlined in Section 7.5.514.C.3 of the UDC.

a. Consistency with the Colorado Springs Comprehensive Plan and other plans and policies adopted by City Council

The City of Colorado Springs comprehensive plan, Plan COS (2019), is the primary document used to guide land development decisions particularly with respect to Land Use Plan (master plan) applications. The Plan should always be considered when reviewing Land Use Plan applications. Please note that elements of the City's comprehensive plan have been included and addressed throughout this Project Statement to allow for more appropriate application of the Plan to topical considerations (e.g., transportation, mutually supportive land uses, use-to-use compatibility, etc.). Those discussions should also be included in this section, as appropriate.

Addressing Housing Attainability and Providing Diverse Housing Types

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 the Pikes Peak Region, and more specifically located approximately one (1) mile from Schriever Space Force Base (SFB). 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 Karman Line Land Use Plan proposes to address the current and growing population at Schriever (SFB) and in the Pikes Peak Region as a whole through careful planning and by offering a diverse selection of densities and housing types. 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

The City's comprehensive Plan, Plan COS, also 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 land use plan and associated annexation:

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.*

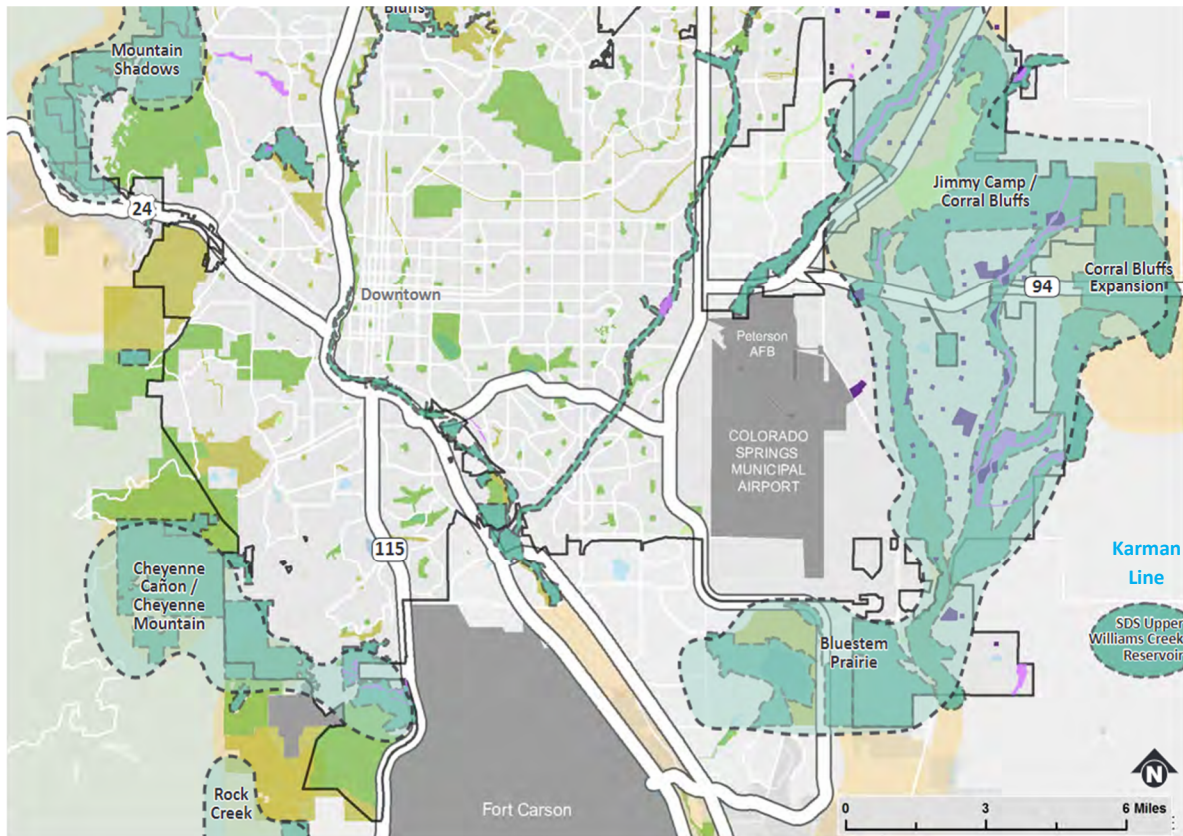
The Karman Line development proposes to include a considerable light industrial/office component along Curtis Road that can be used for siting new or existing off-base US Department of Defense functions and/or defense contractor functions without encroaching into the identified spectrum field of Schriever SFB (the boundary of which has recently been described as being consistent with the Curtis Road alignment in this area). The owner of Karman Line is committed to working with the Department of Defense and the leadership of Schriever SFB to ensure that the development does not cause any adverse impacts to the missions of the Base and that the development serves as a compatible and complementary neighbor to the Base by providing much needed housing, commercial services, retail, office space, and recreational amenities.

ConnectCOS as an Element of the City's Comprehensive Plan

The City's master transportation plan, ConnectCOS, is the guiding comprehensive planning document regarding existing and planned transportation corridors. The Plan, however, does not specifically depict Curtis Road and Bradley Road in the included Corridor Congestion Map (p. 17) with respect to congestion scoring. However, nearby Marksheffel Road and Highway 94 are identified as being low congestion corridors, scoring in the 0 – 10th percentile.

City of Colorado Springs Parks System Master Plan

The Jimmy Camp Creek Regional Trail is 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.



b. Consistency with development standards the zone district in which the property is located, or would be located after a requested zone district change

The current proposal for rezoning of the property included within the Karman Line Land Use Plan is to place it within the A (Agricultural) zoning district as a holding zone. The applicant recognizes that additional rezoning of the property will be required to accomplish development of the property pursuant to the proposed Land Use Plan. At the time of subsequent rezoning to the “development” zoning district the anticipated development will need to be consistent with the development standards of the respective zoning district. At this time, no decisions have been made as to whether the appropriate path for rezoning for the purposes of horizontal and vertical development will be conventional zoning, utilization of the new flex zoning districts, or planned unit development (PUD). Most, if not all, of those decisions will be driven by market demand and infrastructure availability/capacity at the time hard zoning.

With respect to the proposed A (Agricultural) zone district, the stated purpose of the Agricultural zone district from the new City of Colorado Springs Unified Development Code (UDC) is as follows:

“This zone district accommodates large lot residential development and agricultural purposes on lands that are, in most cases, on the periphery of the City limits but may become more urban in the future. Land uses are as indicated in Table 7.3.2-A: Base and NNA-O District Use Table. The activities permitted in the A zone district should not be

detrimental to adjacent urban land uses. The types, size, and intensity of permitted uses encourages and protects agricultural uses until urban development occurs. This zone district may serve as a holding zone for future development of recently annexed properties.” (Emphasis added)

The applicant’s intent to rezone the property included within the Karman Line Land Use Plan to the A (Agricultural) zoned district is directly supported by the above referenced purpose statement from the UDC, specifically that portion emphasized.

c. Compatibility with the land uses and development intensities surrounding the property

The planned land use pattern within the proposed Karman Line Land Use Plan strategically addresses use-to-use compatibility concern by siting non-residential uses along the existing arterial roadways in areas that are adjacent to existing and planned non-residential use, which will effectively mitigate any potential noise and traffic impacts caused by the development. In areas in which there are existing rural residential uses, the Land Use Plan proposes compatible residential very low density (RVL) development serving as a density transition from the adjacent rural residential areas in the unincorporated County at the project perimeter to the more dense internal residential densities.

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. The Karman Line development proposes to include a considerable light industrial/office component along Curtis Road. The 45.6-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 45.6 acres. This area of the development is buffered from all existing and proposed residential neighborhoods by a very broad floodplain and by government-managed lands that are proposed for conservation to protect and support the missions of Schriever SFB. This area is strategically located to accommodate the siting of new or existing off-base US Department of Defense functions and/or defense contractor functions without encroaching into the identified spectrum field of Schriever SFB (the boundary of which has recently been described as being consistent with the Curtis Road alignment in this area).

d. Impacts of the permitted or requested uses, appropriate to the type of development, the neighborhood, and the community

The proposed Karman Line Land Use Plan includes a variety of land use densities, which would allow for a diverse combination of housing types. The proposed residential densities range from residential very low density (RVL) (0.4-1.0 du/ac) all the way up to (RH) (20-22 du/ac) (20 - 22 dus/acre). Each residential density range area is strategically located within the Land Use Plan to

ensure perimeter use-to-use compatibility as well as internal compatibility and pedestrian accessibility in areas near the proposed school site and in close proximity to the goods and services anticipated in the commercial areas of the development. The Plan also includes a mixed-use component that could better accommodate live-work arrangements as well as minimize both internal and external traffic generation.

The owner of Karman Line envisions a more attainable inventory of for-rent and/or rent-to-own single family detached or attached housing as a significant component within the development. The intent is to better accommodate and support the soldiers and contractors employed at Schriever SFB as well as provide options for ownership in the market that allow for entry into the housing market for some individuals and families that may not be able to afford to purchase a home in other more expensive areas of the City.

The proposed Land Use Plan incorporates land use buffers throughout the development. Preservation of the various drainage features allows for many of these buffers to be implemented between areas having different residential densities, while planned roadways, stormwater detention facilities, and parks are used to create and enhance transitions and allow for urban level buffering between varying land use types.

The layout of the proposed land uses and areas of development presented in the proposed Land Use Plan indicate the applicant's intent to avoid sensitive areas. Of particular note is the western portion of the property in which the land use plan (sheet 2) is designed in a manner that avoids or otherwise works in unison with the various drainageways (see sheet 4) and existing trees and shrubs present on the property (see sheet 6). This area of the plan is proposed for rural and low density residential development with appropriately sized stormwater detention facilities to ensure that developed stormwater flows are minimized thereby mitigating impacts to these sensitive features.

In addition, the land use plan is designed to preserve the floodplain depicted on sheets 2 and 4 of the Land Use Plan set. This area of the property is currently precluded from development and may only be partially developed in the future after extensive design and permitting with FEMA and the City of Colorado Springs.

The Ecological Assessment prepared by ECOS Ecosystem Services, LLC, dated March 27, 2023, provides an evaluation of potential threatened or endangered species habitat on the property. The conclusions from the site surveys suggest there is no habitat on the property that would preclude development of the site as planned, but that seasonal construction limitations may be appropriate due to the potential presence of migratory species. This would not affect the design of the land use plan or any of the land use designations within the plan.

e. Adequacy of proposed ingress/egress points and traffic circulation, both on and off the site

The mixed-use and non-residential land uses planned for the Karman Line development are located along or in close proximity to one of two arterial roadways. The two roadways are Curtis Road running along the eastern boundary of the development and Bradley Road, which borders the property to the south. The combination of both roadways provides for ample access into the development and immediate access for the traveling public to frequent the planned commercial and other non-residential services. The planned light industrial/office uses are separated via a floodplain in the northeastern portion of the property, but would still maintain suitable access from Curtis Road to allow for business-oriented traffic to safely and effectively access the site without creating unnecessary impacts to existing or planned residential uses. The 2016 El Paso County Major Transportation Corridor Plan shows 2,700 average daily trips for a stretch of Curtis Road north of the west gate of Shriever SFB and 2,100 average daily trips for a stretch of Bradley Road just west of the project site. Significant increases in average daily trips are anticipated for both roadways which suggests future market demand for the commercial/retail areas planned within the Karman Line development.

The design of the Karman Line Land Use Plan includes the alignment of four primary collector level roads. One of the roads extends into the northwestern portion of the property and serves many of the medium, low, and rural density residential areas of the development. A second collector level road extends to the northern boundary of the property and connects to Barbwire Road (a County maintained roadway). This same road provides primary access to the planned school site and terminates towards the southeastern portion of the property at the centralized intersection adjacent to many of the mixed-use, high density, and medium density residential areas.

The main collector level road serving the development is planned to provide access from both Bradley Road and Curtis Road and would serve as a buffer between many of the high density and medium density residential areas. The last of the four collector level roadways connects at both ends to this same road as serves the activity corridor in the southeasternmost portion of the property where most of the planned commercial, mixed-use, and high density residential areas are located.

A fifth lower-level collector roadway is planned for the southwestern-most area of the development and is proposed to serve commercial/retail uses fronting Bradley Road and mixed-use, medium density residential and low density residential areas extending further into the development.

f. Capacity of the existing streets, utilities, parks, schools, and other public facilities to serve the proposed development

Streets

As mentioned above, 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.

Utilities

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. The reservoir, once constructed, is anticipated to provide terminal storage of fresh water supplies running 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 construction of the reservoir.

Utilities staff provided the applicant with guidance for extending services to the property and did not express any concerns regarding adopted plans, policies, or available service capacity assuming construction and installation of the respective infrastructure improvements.

Colorado Springs Utilities (CSU) has committed to serving the Karman Line development with the requirement that the developer extend the necessary infrastructure to the project. Staff has stated that CSU has capacity to provide water service to the project pursuant to the new water supply/annexation ordinance and capacity to provide wastewater service. In addition, CSU staff has provided very positive feedback regarding the development's proximity to Schriever SFB and the potential for constructing looping infrastructure in this area of planned growth for the City of Colorado Springs.

CSU has requested siting of a new substation within the property, which has been depicted in the northwesternmost portion of the proposed Land Use Plan. In addition, the developer will coordinate with CSU to plan for and construct the necessary electrical and natural gas infrastructure necessary to serve the property, and would be willing to oversize infrastructure, as appropriate, to allow for additional service to other development in the area, assuming cost recovery options are made available.

Parks

As discussed above, the project is located adjacent (across Bradley Road) from the planned CSU recreational reservoir known as Gary Bostrom Reservoir (aka Upper Williams Creek Reservoir) and would be partially bisected near the western portion of the property by the planned Jimmy Camp Creek Regional Trail. The proposed Land Use Plan supports both planned facilities and even plans for a connection of the Trail through the property. The applicant's intent in providing non-residential, and even mixed-use, development along Bradley Road was informed by the plan to construct the CSU reservoir. The planned non-residential uses are proposed to compliment the proposed recreational offerings of the reservoir while

Schools

The Karman Line development is located within Ellicott School District No. 22. The applicant's representatives met with the District No. 22 administration to present the proposed project and to gain feedback on the siting of any additional school facilities within the development. The school administration has requested a 30-40 acre site to locate a new school. The proposed land use plan identifies the school site internal to the project in an area surrounded areas planned for varying residential densities.

The school district was very excited about the potential for being able to locate a new school further west in their overall district boundaries to better serve the growing population in that area

and to allow for more engagement opportunities for the students in the District with other school districts and in more trade and skill advancement opportunities not otherwise offered further east in the District to better prepare the students for their desired career field.

Other Public Facilities

All of the public facilities anticipated for the Karman Line development have been discussed with the respective reviewing entities. None of the entities have raised concerns regarding the ability of the project to be consistent with their applicable long-range plans.

g. Promotion of transitions in height, intensity, or character between proposed non-residential or mixed-use development and nearby low-density residential zone districts.

The proposed Land Use Plan is envisioned to create a mutually supportive community, meaning that many of the land use components are intended to work in tandem with one-another, including with respect to height, intensity, and character. For instance, the residential very low density areas located in the northern and western portions of the property include significant topography, 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 and light industrial/office components of the land use plan will create more live-work opportunities for those residents living within the Karman Line development and are uniquely sited to complement the proposed residential land uses, rather than conflicting with them in terms of character, intensity, and even the likely allowed heights. By siting the commercial, mixed use, and light industrial/office land uses along the eastern and southeastern portions of the development the viewshed from the proposed residential areas to the Colorado Front Range will be uninhibited by the typically larger non-residential structures.

The proposed centralized siting of a 30.1 acre planned school site in an area of the development that will be almost completely surrounded by residential medium and high density will provide for relief in terms character compatibility from the more intense land uses to the south and even create 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.*

COMPLIANCE WITH ORDINANCE NO. 23-02

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 has 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 units 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.