

Banning Lewis Ranch Citizen Q A Addendum(3-29-18)

Question	Response	Author	City Department
<p>The first agreement said owners responsible for costs associated with design, construction, and installation of all wastewater facilities needed to serve the property. Now Utilities and the taxpayer will be responsible. Why?</p>	<p>The property owners within Banning Lewis Ranch will be responsible for those costs they are required to pay under City Code, the Utilities Rules and Regulations, the Utilities’ Tariffs, and Utilities’ Line Extension and Service Standards as they exist or are changed in the future. As a result, property owners within BLR will be obligated to construct transmission facilities and pay the same fees as all development within the City to expand or buy into the existing wastewater treatment facilities. Since the time of the original annexation agreement, changes in the engineering design and Colorado Springs Utilities agreements with Lower Fountain have resulted in reduced capital cost for sanitary sewer treatment facilities in the Ranch. The Fiscal Impact Study shows that these changes combined with the costs paid by the development and rates paid by the customers in Banning Lewis Ranch will produce net positive revenue to Colorado Springs Utilities and its rate payers of \$435 million. Further, Colorado Springs Utilities’ analysis indicates that if the current annexation agreement is maintained and development does not occur within Banning Lewis Ranch, there will be substantial lost revenue to Colorado Springs Utilities, which will not benefit rate payers.</p>	<p>Talbott</p>	<p>City Attorney</p>
<p>Is the proposed decrease in annexation fees consistent with your stated commitment to having development pay for itself?</p>	<p>The fees and development obligations in the Amended and Restated Agreement will be paid by the developer and will cover all infrastructure needs for BLR. The fiscal impact analysis demonstrates that the Amended and Restated Agreement would result in development at BLR paying for itself over the short, intermediate, and long term.</p>	<p>Hoiles</p>	<p>Economic Development</p>
<p>If the current annexation agreement were too burdensome, how was the Oakwood Homes development possible? If Norwood wants only what is fair, if they pay what Oakwood is paying what is unfair about that?</p>	<p>Oakwood Homes purchased property in BLR from a bank that foreclosed on a prior developer that had built infrastructure, paid fees, and received credits for dedications made in accordance with the existing annexation agreement. Oakwood has been able to develop due to the substantial value of this infrastructure and credits against the annexation agreement fees. Oakwood is nearing the end of that infrastructure and credits. The burdens on a new development subject to the existing annexation agreement have proven too costly.</p>	<p>Hoiles</p>	<p>Economic Development</p>
<p>What is the justification for amending the original annexation agreement, and in so doing shift more of the development cost to the citizens?</p>	<p>Taxpayers will not be picking up the tab for development costs. The Amended and Restated Agreement will require developers to build and maintain the same infrastructure as all other development within the City, as is required by the current City Code or as it is amended in the future. The fiscal analysis indicates that the City will receive approximately \$49 million in additional (net) revenue after 30 years, after all operating and capital expenditures. Additionally, City Utilities will receive \$435 million net revenue.</p>	<p>Gardner</p>	<p>Economic Development</p>
<p>Owners initially required to convey land and construct and fully equip four police stations. Now they pay a police service fee due at building permit, and all or portion of fee may be offset by dedication of land for new station. Why are they not paying the full costs?</p>	<p>Annexation agreements have typically required developers to pay police and fire fees to offset the cost of new police and fire stations. These fees have been calculated by each of these departments to fund the capital costs for police and fire stations. The Amended and Restated Agreement conforms to that requirement for BLR owners. One of the objectives in amending the Agreement is to create a more level playing field for BLR and all other developments. The fiscal impact analysis demonstrates that the City will receive approximately \$49 million in additional (net) revenue after necessary capital expenditures for police and fire stations.</p>	<p>Talbott</p>	<p>Economic Development</p>
<p>Isn't it true that some development has been proceeding in recent years under the current agreement?</p>	<p>Oakwood Homes purchased property in BLR from a bank that foreclosed on a prior developer that had built infrastructure, paid fees, and received credits for dedications made in accordance with the existing annexation agreement and shared obligation study. Oakwood has been able to develop due to the substantial value of this infrastructure and credits against the annexation agreement fees. Oakwood is nearing the end of that infrastructure and credits. The burdens on a new development subject to the existing annexation agreement have proven too costly.</p>	<p>Lawson</p>	<p>Economic Development</p>

<p>Will the police and fire fees (\$2,355 per acre) in the proposed amended agreement actually cover the full cost of land, buildings and equipment for all public safety facilities projected for the area? Is there a spreadsheet showing this?</p>	<p>Annexation agreements have typically required developers to pay police and fire fees to offset the cost of new police and fire stations. The Amended and Restated Agreement conforms to that requirement for BLR owners. One of the objectives in amending the annexation agreement is to create a more level playing field for BLR, as compared to other developments. The fiscal impact analysis indicates that the City will receive approximately \$49 million in additional (net) revenue after necessary capital expenditures for police and fire stations. The City sets the police and fire fees based upon the current costs to build police and fire stations and the fees in the amended agreement are the City's standard fees. Police and Fire fees are adjusted periodically based upon a construction cost index. The data is contained within the TischlerBise Study.</p>	<p>Gardner</p>	<p>Economic Development</p>
<p>Is it fair for citizens to subsidize BLR in any way, especially when citizens are already committed to pay \$1.4 billion for SDS to provide water for BLR?</p>	<p>Citizens will not be picking up the tab for BLR development costs. The Amended and Restated Agreement will require developers to build and maintain infrastructure, as is required by City Code. It is actually critical that the Banning Lewis Ranch develop to support the cost of Southern Delivery System (SDS), the major water system already in place. The development of Banning Lewis Ranch was projected as part of the construction of SDS. Colorado Springs Utilities' analysis indicates that without the development of Banning Lewis Ranch, the cost of SDS to existing residents and rate payers will increase. The fiscal analysis indicates that the City will receive approximately \$49 million in additional (net) revenue after 30 years, after all operating and capital expenditures. Additionally, City Utilities will receive \$435 million net revenue.</p>	<p>Gardner</p>	<p>Economic Development</p>
<p>If the developer and builder is not required to pay for utilities infrastructure costs, will the ratepayer (public) cost-sharing is reflected in this analysis?</p>	<p>Colorado Springs Utilities analysis indicates that rate payers will benefit by an additional \$435 million dollars in net revenue over 30 years as a result of the amended and restated annexation agreement. This is in addition to \$49 million net revenue benefits to the City.</p>	<p>Lawson</p>	<p>Economic Development</p>
<p>How many council members received campaign funds from the developers?</p>	<p>Information regarding campaign finances for City Council candidates can be viewed by the public on the City's Campaign Finance website here: https://campaignfinance.coloradosprings.gov/CampaignFinance</p>	<p>Prichard</p>	<p>City Council</p>
<p>The initial agreement indicated that owners would build and dedicate all required streets and pay platting fees for BLR Pkwy and off-site roadway fee. Why does the amended agreement say owners may be eligible for cost recovery at taxpayer expense?</p>	<p>Per City Code, cost recovery may be available for the construction of arterial streets that will be used by vehicles originating outside the developed area or that will benefit an adjacent property. This is standard procedure for the review of developments in the City. If this situation occurs, the cost recovery would be added to the City's Arterial Street Cost Recover List. Funding of the City's Arterial Street Cost Recovery is at the discretion of City Council, or a requirement for reimbursement from the adjacent owner.</p>	<p>Talbott</p>	<p>Public Works</p>
<p>The initial agreement indicated that owners would pay 100% of costs for BLR parkway. Now in new agreement they would be eligible for cost recovery and are not required to use the same amount of land. Why stick taxpayers with the costs?</p>	<p>The recovery would only be available if BLR Parkway was being used by non-BLR traffic as well as local traffic, and if City Council chooses to provide money for the cost recovery fund and after existing cost recoveries have been paid. The reduction in ROW width will actually save taxpayer money in lower maintenance costs and place that excess property on the tax rolls benefitting the City. Since the original ROW is not needed for road construction, the remaining unused portion would need to be maintained.</p>	<p>Talbott</p>	<p>Public Works</p>
<p>A detailed explanation and comparison of the two studies would go a long way in addressing citizen concerns that the City is now proposing to decrease annexation fees without sufficient justification.</p>	<p>The City is not proposing a decrease in annexation fees. Under current practice, the City collects police and fire annexation fees and places them in an escrow for use in future police and fire station construction. These fees are included in the Amended and Restated Agreement and will be paid by the developers in Banning Lewis Ranch. The Amended and Restated Agreement includes developer obligations imposed by City Code, as may be amended in the future. These obligations will be assessed based on specific development proposals. These developer obligations in the Amended and Restate Agreement address the improvements previously covered in the original annexation agreement. The original annexation agreement fees are not available to the City for General Fund purposes, and are designated to provide only for the specific BLR infrastructure that was required by the original annexation agreement.</p>	<p>Hoiles</p>	<p>Planning</p>