



**City of Aurora
Council Agenda Commentary**

Item #: 4b
 SS: 12/22/14
 1st: _____
 2nd: _____

Item Title: Proposal for a New Annexation Area
Item Initiator: Bailey, Nancy - Contract Development Proj Mgr - General Management
Staff Source: Watkins, Robert - Director Of Planning - Planning & Development Service
City Manager/Deputy City Manager Signature: Skip Noe
Outside Speaker:
Council Goal: 2012: 5.0--Be a great place to locate, expand and operate a business and provide for well-planned growth and development

ACTIONS(S) PROPOSED *(Check all appropriate actions)*

- Approve Item as proposed at Study Session
- Approve Item with Waiver of Reconsideration
- Approve Item and Move Forward to Regular Meeting
- Approve Item as proposed at Regular Meeting
- Information Only

PREVIOUS ACTIONS OR REVIEWS:

Study Session Meeting Date: 11/17/2014

Actions Taken: Recommends Do Not Recommend

Minutes Attached
 Minutes Not Available
 Forwarded without Recommendation
 Recommendation Report Attached

Policy Committee Name: Planning, Economic Development and Redevelopment Policy Committee

Meeting Date: 09/10/2014

Actions Taken: Recommends Do Not Recommend

Minutes Attached
 Minutes Not Available
 Forwarded without Recommendation
 Recommendation Report Attached

HISTORY *(Dates reviewed by City council, Policy Committees, Boards and Commissions, or Staff. Summarize pertinent comments. ATTACH MINUTES OF COUNCIL MEETINGS, POLICY COMMITTEES AND BOARDS AND COMMISSIONS.)*

This item was presented to the Planning, Economic Development and Redevelopment Policy Committee on September 10, 2014. It was presented to the full Council in Study Session on November 17, 2014.

Staff received a request in June 2014, on behalf of several landowners who wish to annex 2,983 acres (4.66 square miles) to the city. The land ownership group includes Steven Cohen, Marc Cooper, James Spehalski and Andy Chaikovsky, and they are represented by Michael Sheldon and Diana Rael. The landowners have indicated they intend to develop these properties in a typical suburban format with

primarily residential uses and densities along with retail uses at major corners, within a timeframe of 10 to 30 years.

The properties are located northeast of Hayesmount Rd. and Yale Ave. The location of these properties is outside the city's existing planning and annexation boundaries and outside all the boundaries of the city's master infrastructure plans for roads, water, sewer and storm drainage. Staff recommended to Council that various studies would need to be conducted to evaluate this annexation. Staff presented estimates of the costs of these studies. Staff also noted that if this annexation were to proceed, the city's Comprehensive Plan and the DRCOG Urban Growth Area boundary would both need to be amended. The Study Session discussion with Council resulted in Council direction to return to Study Session to provide Council cost information to study a larger area for an expanded annexation boundary (see Map 1, East Annexation Expanded Study Area).

ITEM SUMMARY *(Brief description of item, discussion, key points, recommendations, etc.)*

Annexation Study Area Information

In order to assist Council with deliberations, staff has provided some additional maps of the proposed annexation study area, including the following:

1. East Annexation Expanded Study Area: The proposed new annexation study area is 54.7 square miles, bounded by the existing annexation boundary of Hayesmount Rd./Monaghan Rd./Aurora Reservoir on the west, 6th Avenue on the north, Schumaker Rd. (to Alameda Ave.) and Quail Run Rd. (to County Line Rd.) on the east, and County Line Rd. on the south.
2. Land Ownership Areas: The map contains some important ownership blocks. First, there are the 4.7 square miles contained in the proposed annexation. The Prosper project, proposed to develop in Arapahoe County, contains 7.7 square miles. The State Land Board owns another 41 square miles. Approximately 4 square miles of the area is divided into rural residential lots which are under separate, individual ownership. See below for a further discussion of the State Land Board property.
3. Land Use: Most of the land in the study area is vacant or used for agriculture. There are areas with subdivided rural residential lots, some of which have single family homes on them. There are several scattered other uses, including oil and gas facilities, the Gun Club shooting range, an industrial use, and rural junk yard areas. The large Ridgeview Academy, State Youth Services facility is in the area.
4. School Districts: This map shows the three school districts within the expanded study area; Cherry Creek, Aurora Public Schools and Bennett. Cherry Creek is south of Alameda Ave., west of Watkins Rd. and north of Quincy Ave. APS is south of Quincy Ave., west of Watkins Rd. and south to County Line Rd. The rest of the annexation study area is in the Bennett School District.
5. South Platte Watershed Major Basins: The definition of watersheds provides one type of description of the physical characteristics of a large land area. Watersheds are areas where water flows by gravity to the lowest point. Watersheds, therefore, provide a basis for thinking about drainage and the provision of water and sewer utilities and for defining development phasing.
6. Rangeview Metropolitan District: The Rangeview Metropolitan District (Rangeview) is a Title 32 quasi-municipal, political subdivision of the State of Colorado and was formed in 1986. Rangeview was organized to develop water resources, water systems and facilities, wastewater collection and treatment facilities for customers in its service area. See below for a further discussion of Rangeview.

Colorado State Land Board

The Colorado State Land Board (Board) owns the Lowry Range directly adjacent to the east side of the Aurora Reservoir. The Lowry Range site consists of approximately 41 square miles, with approximately 34 square miles south of Quincy Ave. and 7 square miles north of Quincy Ave.

The entire 34 square miles south of Quincy Ave. were nominated by Aurora and Arapahoe County in the late 90's to be included in the Stewardship Trust, a designation that provides conservation and a protected status for Board owned properties with significant conservation values, and which limits the methods used to generate revenue from the land to those that will not diminish the conservable value. That nomination was accepted by the Board in 1998. The Board is being asked by their staff to remove approximately 20 square miles of the property south of Quincy Ave. from the Stewardship Trust for more intensive development, including for the future additional Aurora reservoir area. See Map 7.

State Land Board staff are also asking the Board to include approximately 1.8 square miles of the Coal Creek stream corridor north of Quincy Ave. into the Stewardship Trust; this property was not originally included in the Trust.

Rangeview Metropolitan District

Rangeview estimates that its Lowry surface water supplies yield approximately 3,300 acre feet annually. In conjunction with its water service provider (Pure Cycle Corporation), Rangeview expects to have available for use in its service area addition renewable water supplies from Pure Cycle's portfolio of senior Arkansas River supplies.

Rangeview was the original water services provider for the Lend Lease development on the State Land Board (Board) land. Although that development is no longer being pursued, Rangeview continues to maintain a lease with the Board whereby Rangeview has the exclusive right to provide water service to the Board properties until 2081. Aurora's preferred site for the future East Reservoir is located on the Board properties directly east of Aurora Reservoir. Rangeview has the exclusive right to store water on this property, and Aurora Water is currently in negotiations with Rangeview to secure that right and exclude that location from Rangeview's water service lease.

Rangeview is also the water provider for the Sky Ranch development, the Arapahoe County fairgrounds, and the Ridgeview Academy. Additionally, Pure Cycle owns 930 acres of land associated with the Sky Ranch development. Rangeview has the flexibility to expand its service area further.

Proposed Study

Staff proposes to undertake a study of the proposed annexation area that would address future land use and development, address development phasing in relation to infrastructure, identify major conservation and open space areas, and analyze transportation and development impacts. It would plan for primary transportation infrastructure to serve the area. A financial analysis would be provided to address impacts and needed infrastructure and services.

Staff suggests that this study can be broken into phases as follows:

- Phase I - Complete the study for an area including the proposed annexation and the Prosper project.
- Phase II - Complete the study for the rest of the area north of Quincy Ave.
- Phase III - Study the development potential of the State Land Board holdings south of Quincy Ave. once a number of issues are resolved which are associated with this area.

Phase I would be specific in terms of comprehensive planning for land use, zoning, transportation, wet utilities, and other infrastructure and services. Phase II would provide a complete Comprehensive Plan amendment but might be more general than Phase II. Phase III would not be part of the recommended study. Planning for Phase III would occur once definite decisions were made to proceed with development south of Quincy Ave. The attached table provides a summary of the projected study costs by Phase.

Schedule

The attached timeline presents the components of the study and annexation process and shows how they might be processed concurrently. It is expected that Phase I can be completed in 2015, and Phase II would be completed in 2016.

QUESTIONS FOR COUNCIL

LEGAL COMMENTS

The City Council has determined that the annexation of lands to the city shall be shown not to create any additional cost or burden on the then-existing residents of the city to provide such public facilities in any newly annexed area. "No annexation shall be accepted until the city council, upon the recommendation of the city manager, determines that the current requirements for such public facilities in the area proposed to be annexed have been fulfilled and that the future requirements for such public facilities can be fulfilled." City Code Section 146-301(B). (Bajorek).

Julie Heckman

PUBLIC FINANCIAL IMPACT *(If Yes, EXPLAIN)*

Yes No

Approximate costs for the recommended studies were included as part of the agenda item. Phase I costs range from \$635,000 - \$655,000 in 2015. Phase II costs range from \$370,000 to \$375,000 and will be incurred in 2016. Appropriation for these studies are not included in the 2015 adopted budget.

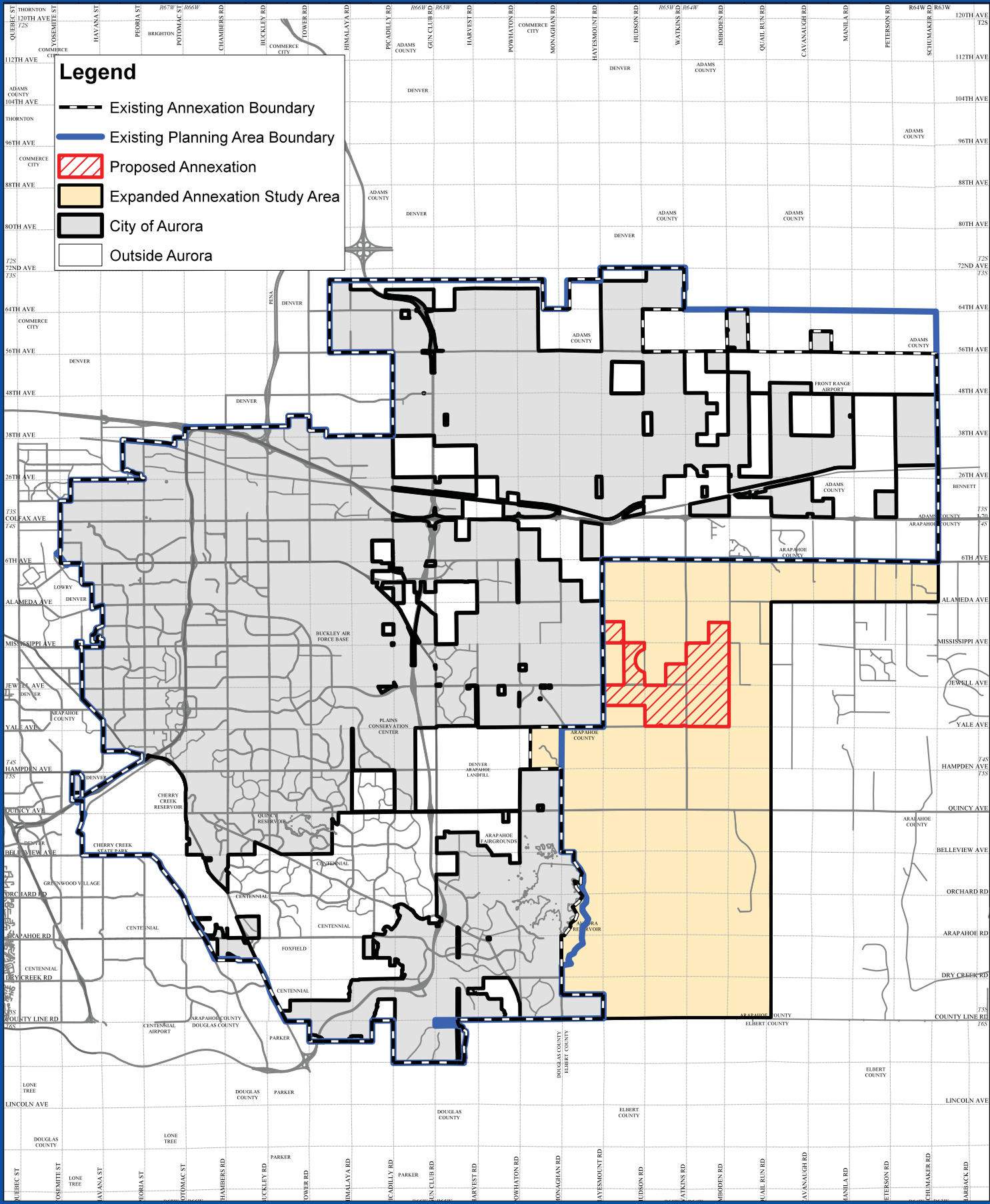
PRIVATE FISCAL IMPACT *(If Significant or Nominal, EXPLAIN)*

Not Applicable Significant Nominal

N/A

EXHIBITS ATTACHED:

Attach 1 - New Annexation Area Maps 1-6.pdf
Attach 2 - Map 7 - SLB Adjustments to Trust.pdf
Attach 3 - Annexation Study Cost Estimates.pdf
Attach 4 - Timeline for Annexation Studies.pdf
9-10-2014 PEDR Apprv Min-E. Annexation.pdf



Legend

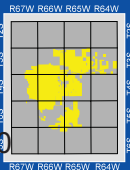
- Existing Annexation Boundary
- Existing Planning Area Boundary
- Proposed Annexation
- Expanded Annexation Study Area
- City of Aurora
- Outside Aurora

Map 1: East Annexation Expanded Study Area

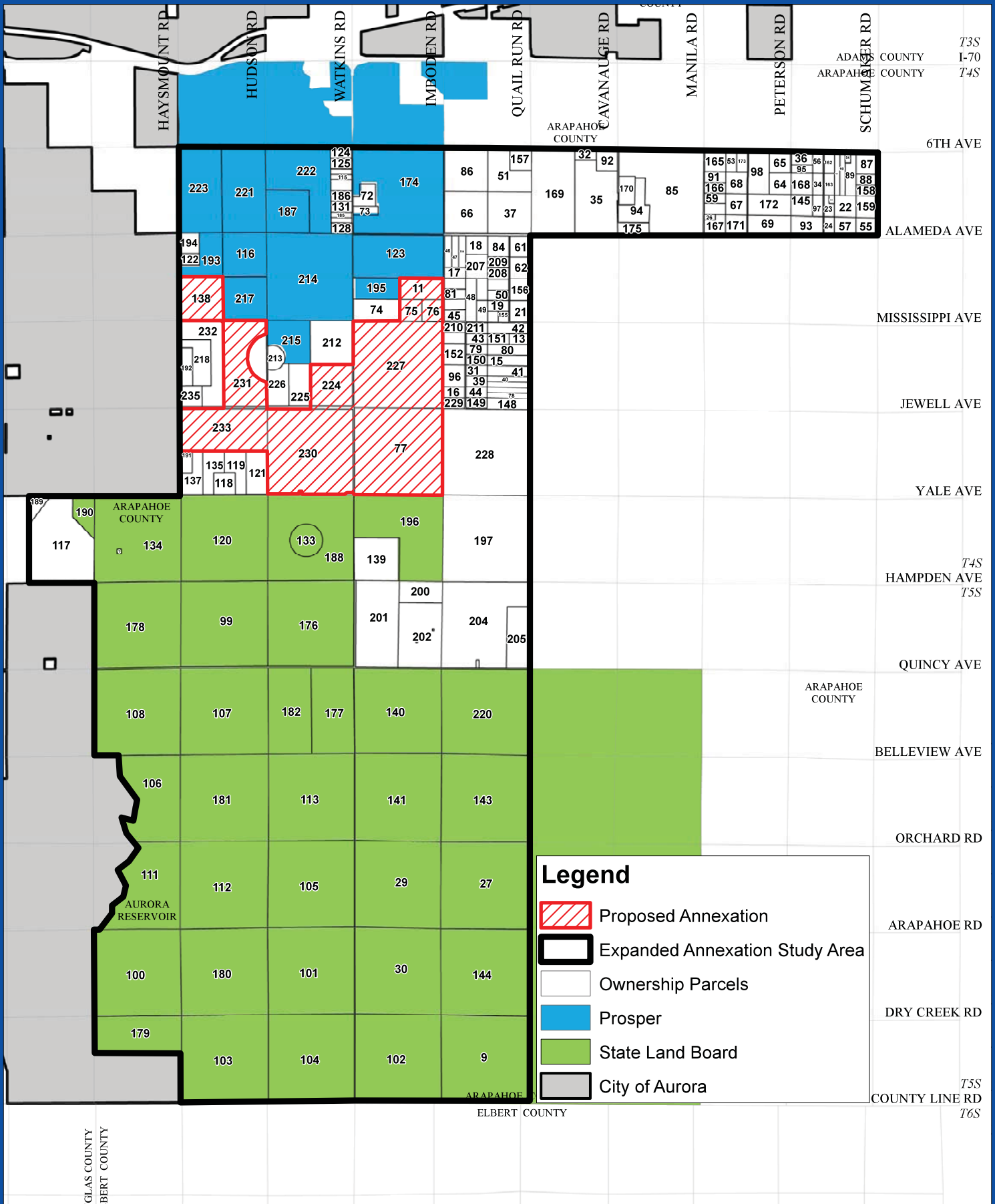


Miles 0 0.5 1 2

Projection: Lambert Conic Conformal
 Coordinate System: State Plane, Colorado Central
 Datum: North American Datum (NAD) 1983 (Feet)
 Ellipsoid: Clark 1995



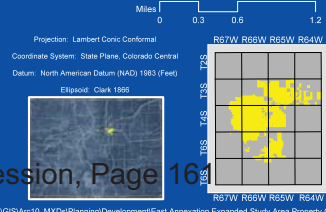
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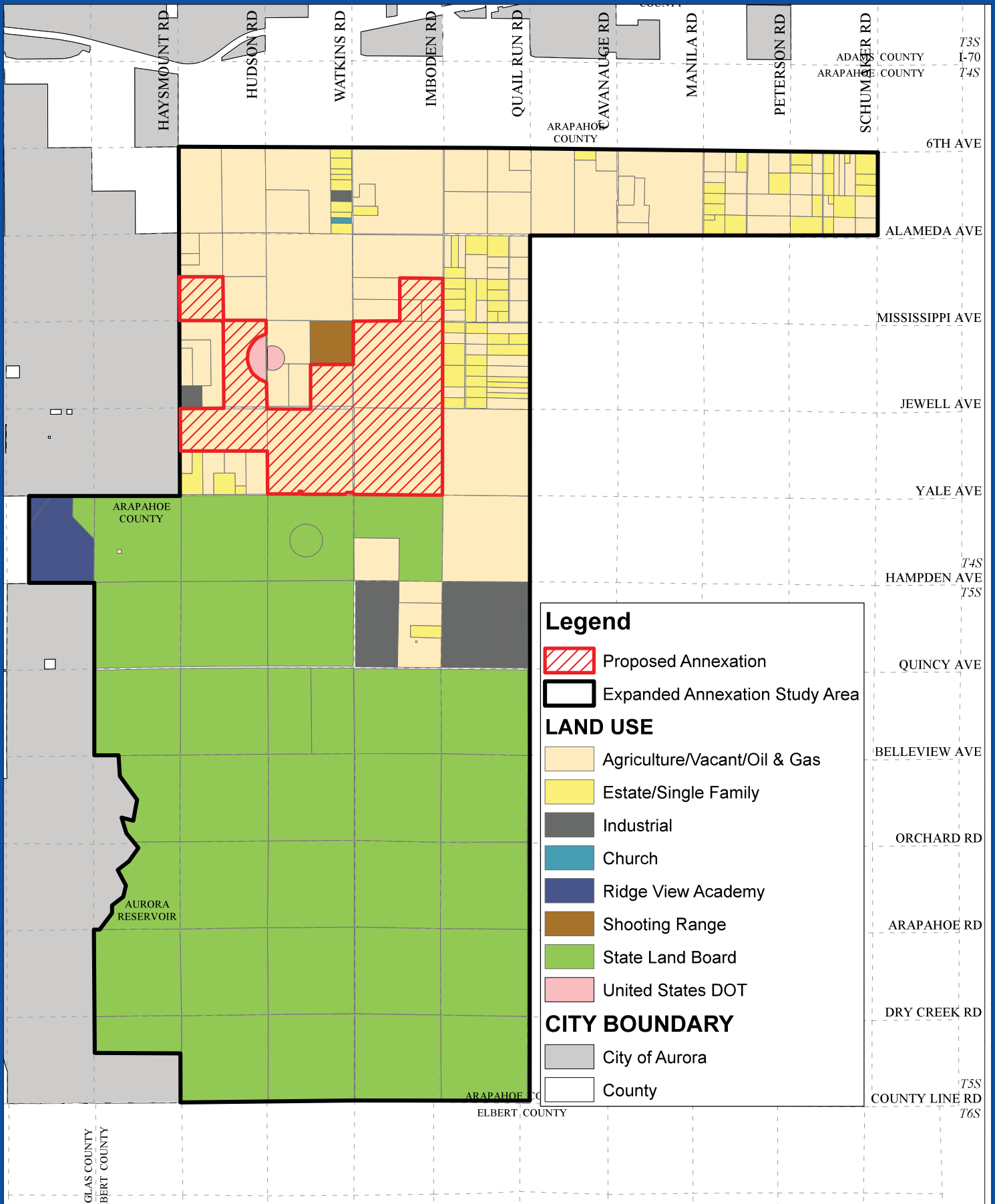


Map 2: East Annexation Expanded Study Area Land Ownership Areas















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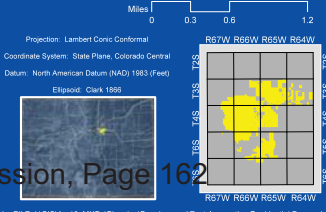
Legend

-  Proposed Annexation
-  Expanded Annexation Study Area
- LAND USE**
-  Agriculture/Vacant/Oil & Gas
-  Estate/Single Family
-  Industrial
-  Church
-  Ridge View Academy
-  Shooting Range
-  State Land Board
-  United States DOT
- CITY BOUNDARY**
-  City of Aurora
-  County

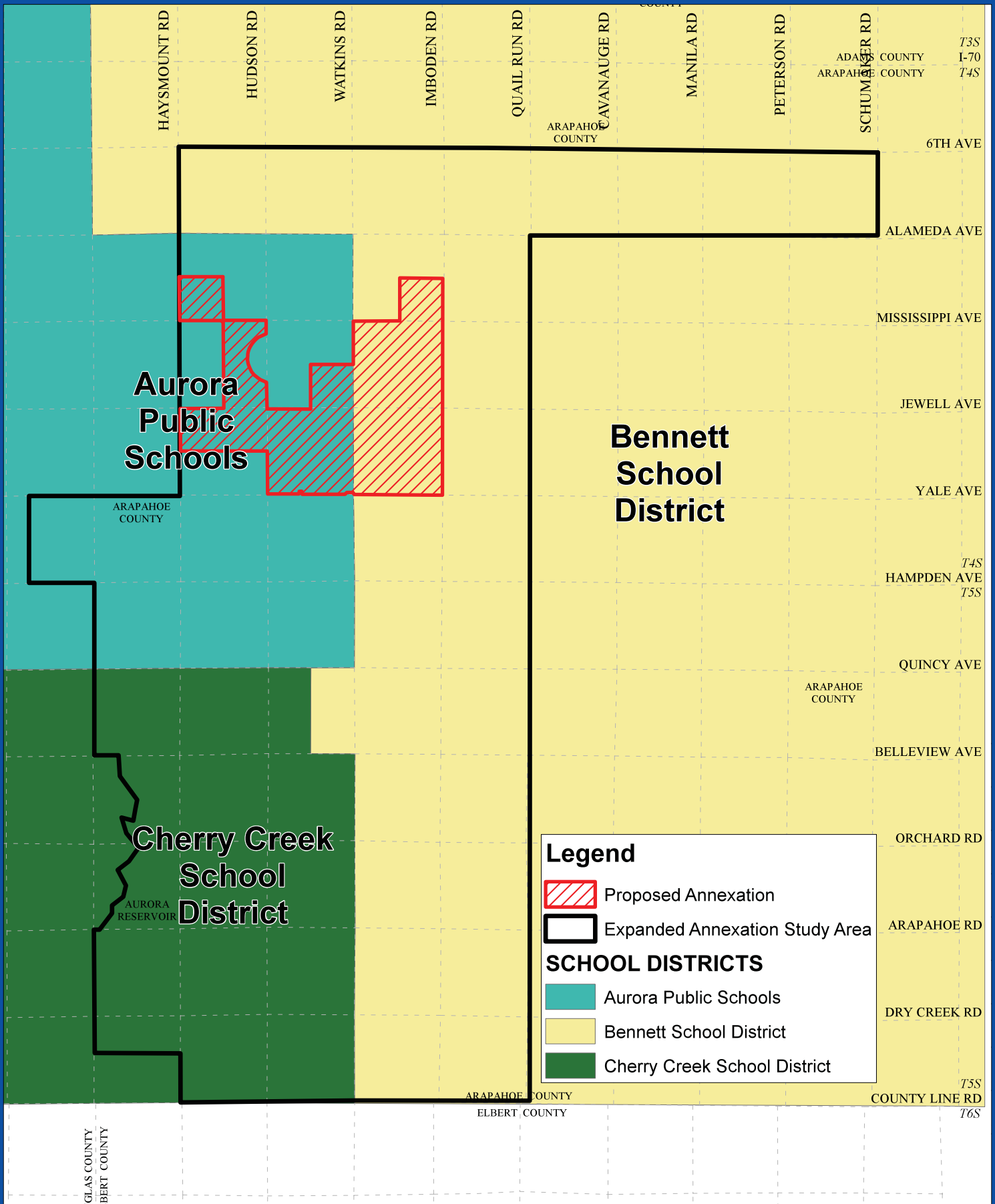
Map 3: East Annexation Expanded Study Area Land Use



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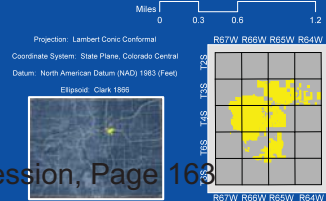
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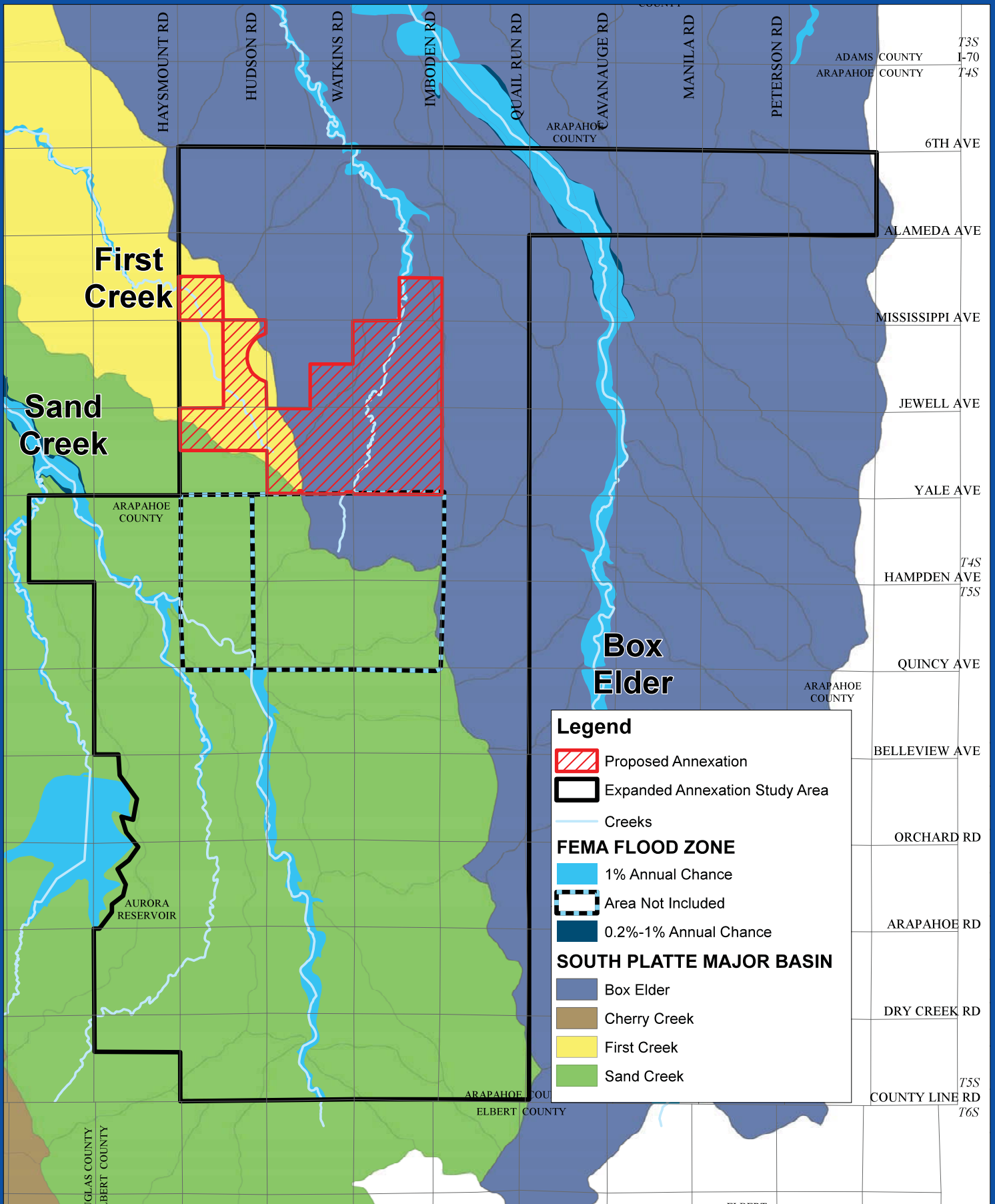


Map 4: East Annexation Expanded Study Area School Districts



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Legend

- Proposed Annexation
- Expanded Annexation Study Area
- Creeks

FEMA FLOOD ZONE

- 1% Annual Chance
- Area Not Included
- 0.2%-1% Annual Chance

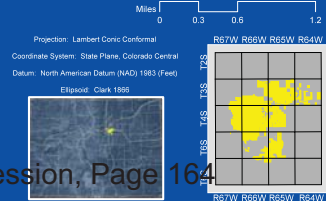
SOUTH PLATTE MAJOR BASIN

- Box Elder
- Cherry Creek
- First Creek
- Sand Creek

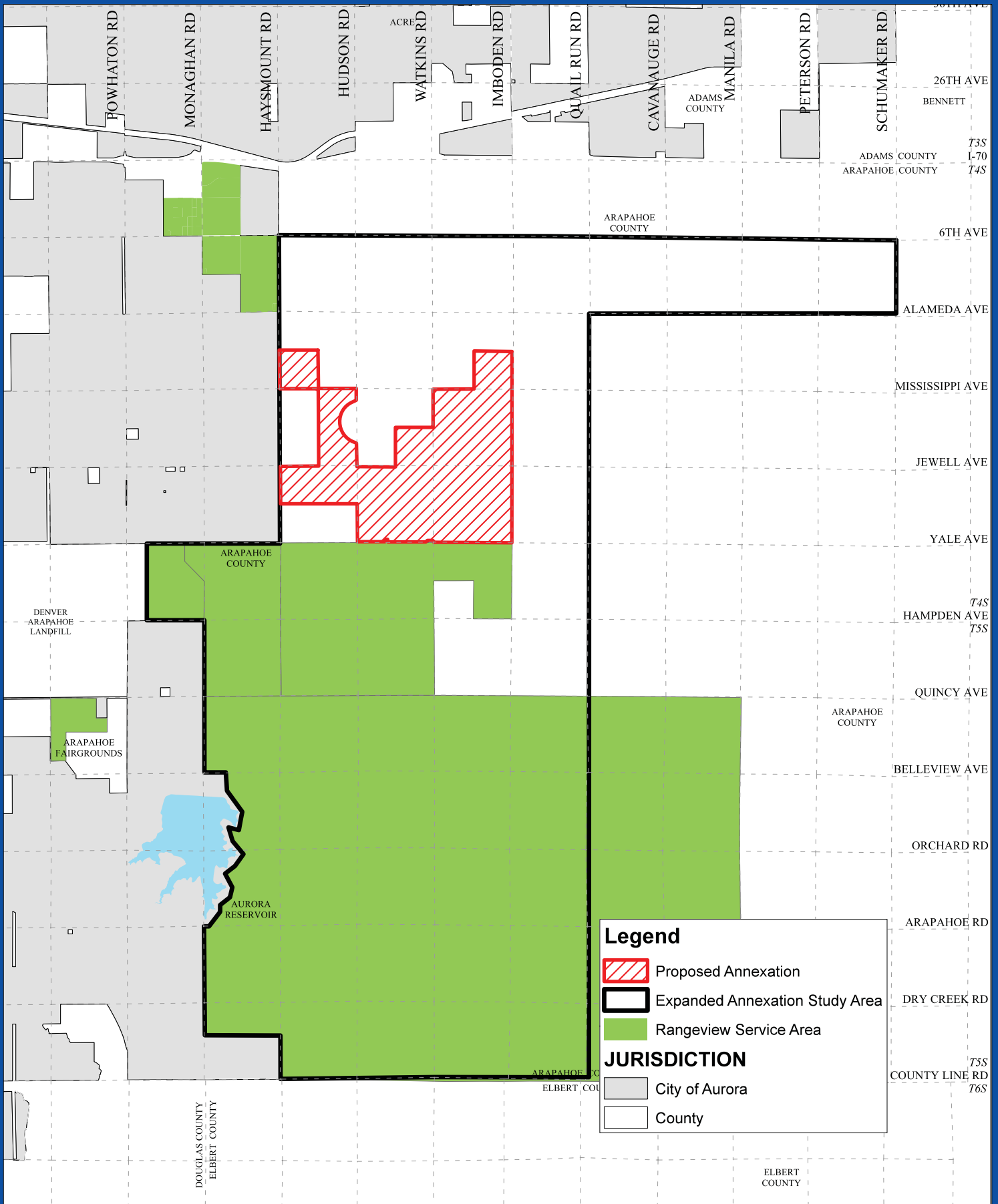
Map 5: East Annexation Expanded Study Area South Platte Watershed Major Basins



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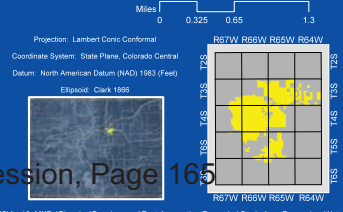
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Map 6: East Annexation Expanded Study Area Special Districts- Rangeview Water

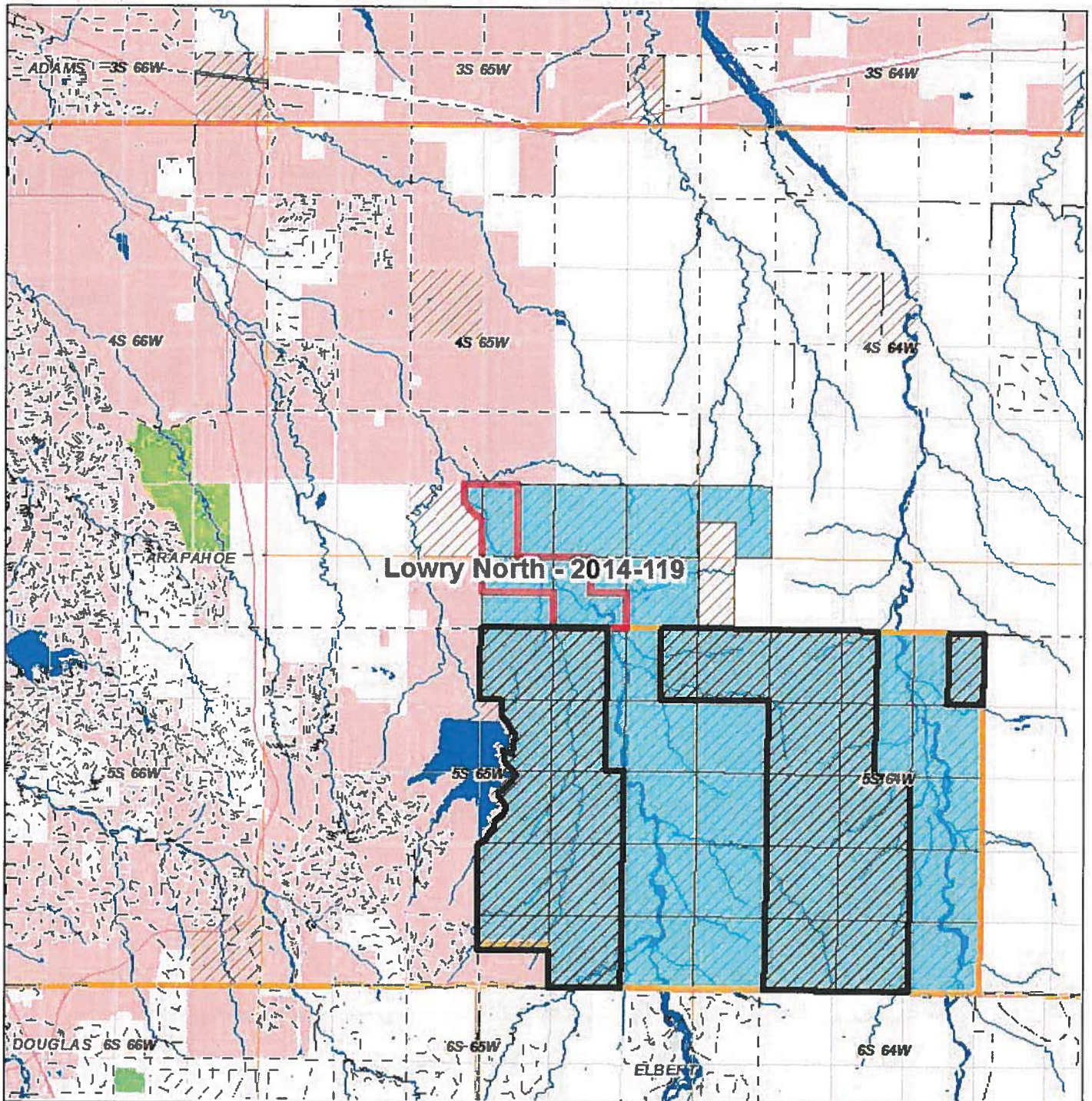


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Stewardship Trust Realignment Project



Lowry North - 2014-119

Lowry North

Land Ownership

Stewardship Trust ID No: ARA 2014-119

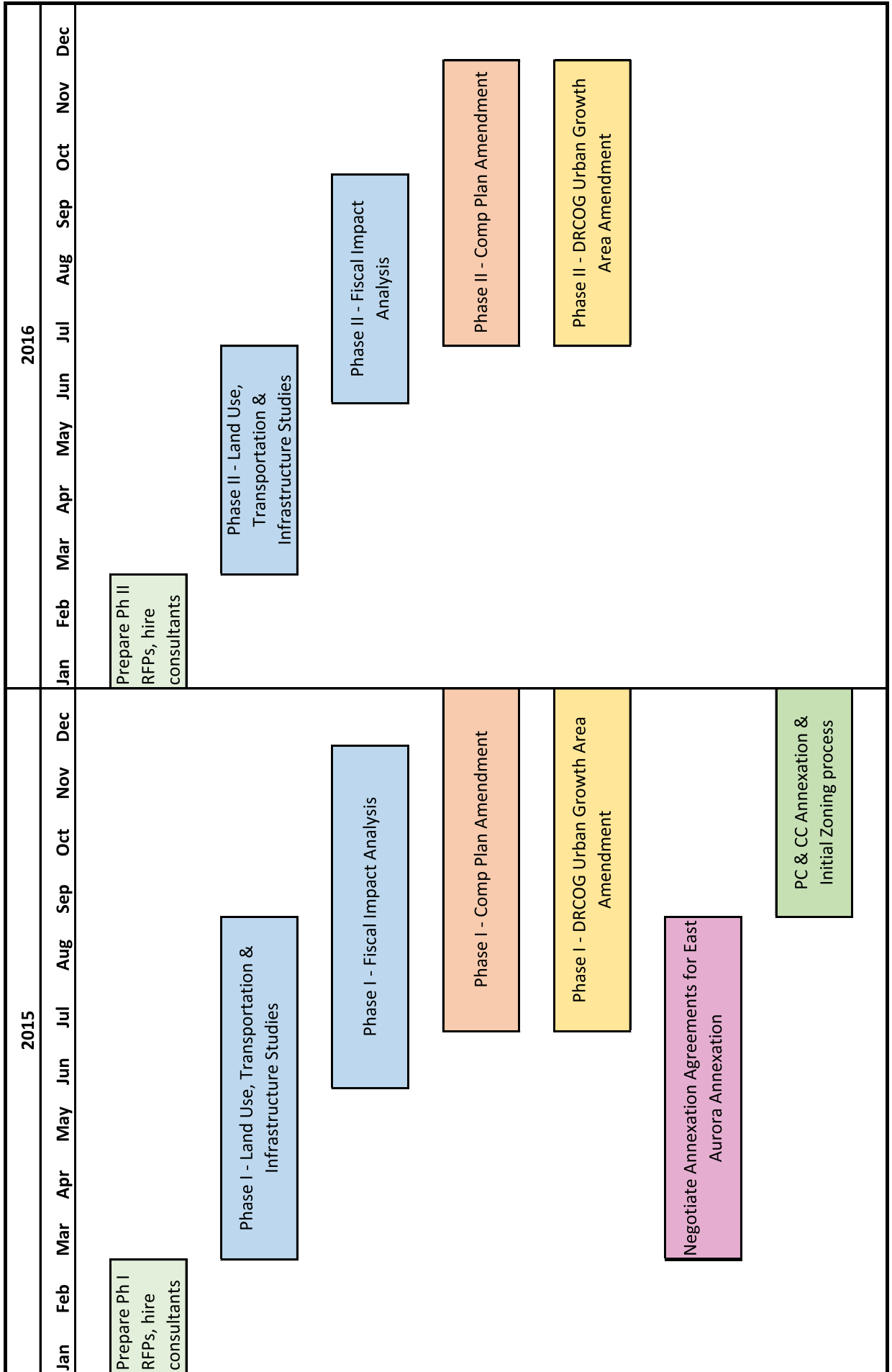
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|---|---------------------------|-------------------------|--------------------|
| Nominated for Stewardship Trust | State Wildlife Area | Township/Range Boundary | Local Road |
| Proposed Removal from Stewardship Trust | USFS Wilderness Area | Section Line | Major River |
| Current Stewardship Trust Land | US Forest Service | County Boundary | Tributary River |
| SLB Surface Ownership | National Park Service | Cities | Lakes / Reservoirs |
| SLB Sub-Surface Ownership | Bureau of Land Management | State Highway | Private Land |
| State Park | Protected Property | Major Road | |



**New Annexation Area Study and East Aurora Annexation
Cost Estimates for Studies
December 2014**

Element	Estimated Cost Phase I 2015	Estimated Cost Phase II 2016	Estimated Cost Phase III TBD
Land Use: <ul style="list-style-type: none"> • The boundary of the proposed area based on a range of physical, economic, and institutional considerations. • A general land use plan and zoning approach similar to the existing approach for E-470 Corridor and Northeast Plains. • Identification of major conservation and open space areas. • A proposal for development phasing and growth management in the new area. 	\$145,000-165,000	\$80,000-85,000	n/a
Transportation Planning: <ul style="list-style-type: none"> • An extension of the Aurora eastern transportation plans into the new area • An analysis of the impacts of the new area on the existing transportation network and plans. 	\$80,000	\$40,000	n/a
Fiscal Impact: <ul style="list-style-type: none"> • Financial analysis in relation to needed infrastructure and services for the new area. • Fiscal impact of the new area. 	\$50,000	\$25,000	n/a
Project Manager (contract) <ul style="list-style-type: none"> • To provide coordination and oversight. 	\$75,000	\$75,000	n/a
Subtotal of above	\$350,000-370,000	\$220,000-225,000	n/a
Wet Utilities (study costs to be paid out of the Water Enterprise) <ul style="list-style-type: none"> • Stormwater Drainage Basin Master Plans • Wastewater Master Plan • Integrated Water Master Plan 	<ul style="list-style-type: none"> • \$130,000 • \$ 65,000 • \$ 90,000 	<ul style="list-style-type: none"> • \$69,000 • \$33,000 • \$48,000 	n/a
Grand total of all costs	\$635,000-655,000	\$370,000-375,000	n/a

New Annexation Area Study and East Aurora Annexation Phased Timeline December 2014



**PLANNING, ECONOMIC DEVELOPMENT & REDEVELOPMENT
POLICY COMMITTEE MEETING
September 10, 2014**

Members Present: Chair Marsha Berzins, Council Member Brad Pierce, Council Member Molly Markert

Others Present: Nancy Freed, Nancy Sheffield, Mike Hyman, Bob Watkins, Andrea Amonick, Jim Sayre, Vinessa Irvin, Karen Hancock, Nancy Bailey, Loretta Daniel, Mindy Parnes, Chad Argentar, Stephen Rodriguez, John Fernandez, Tim Gonerka, Dick Hinson, Gail Jetchick, Dexter Harding, Michael Sheldon

PROPOSED EAST AURORA ANNEXATION

Summary of Issue and Discussion:

Nancy Bailey, Administrator with the Office of Development Assistance explained to the Committee that in June 2014 staff received a request from several landowners who wish to annex their property to the city. The properties are located northeast of Hayesmount Road and Yale Avenue, and cover 2,983 acres or 4.66 square miles. A vicinity map showing the location of these properties in relationship to the existing city limits was presented to the Committee. The landowners have indicated they intend to develop these properties in a typical suburban format with primarily residential uses and densities along with retail uses at major corners, within a timeframe of 10 to 30 years.

Staff have begun an initial analysis of this annexation request and have identified several areas that will need more detailed evaluation. The annexation request is not in conformance with the Aurora 2009 Comprehensive Plan and would require an amendment to the Plan. This Amendment would be presented to both Planning Commission and City Council for consideration. The proposal involves a significant change to the Plan, and its consideration needs to include an evaluation of impacts and service needs. The Amendment process would likely take a year to complete. Ms. Bailey mentioned there was a correction in the backup material about the statement that the properties are located within the Rangeview Water District which they are not. Nancy Freed, Deputy City Manager of Operations informed the committee that this parcel of land is not in the city's Master Plan to serve. The proposed annexation is not in conformance with the Denver Regional Council of Government (DRCOG) Mile High Compact and Metro Vision Plan principals, which promote infill development and focus on defined urban centers.

Ms. Bailey explained that staff is seeking guidance from the Committee regarding the best way for staff to proceed. Bob Watkins, Director of Planning and Development Services presented issues regarding the properties and mentioned the maps provided in backup materials are from the city's Comprehensive Plan that was adopted by ordinance and by City Council in 2009.

Mr. Watkins explained that the "Planning Area and Annexation Boundary" map sets the boundary area for annexation and allows City Council the option to either approve or not approve annexation. Current policy states that Council would not adopt or approve annexation beyond that boundary without an amendment to the Comprehensive Plan. Since its location is east of the annexation boundary, this proposal requires an amendment to the Comprehensive Plan. If it were determined to be desirable to amend the Comprehensive Plan to expand the city's annexation boundary, the analysis should also include whether a larger "squared off" area should be encompassed to anticipate longer-term future growth.

Mr. Watkins referenced the Urban Growth Area map that does not include the proposed annexation. The process to address this would be to request an amendment through DRCOG of the Urban Growth Area map and Aurora allocations. Aurora's current Growth Area Allocation is 21.9 square miles total within the established Urban Growth Area. The allocation is divided among nine sub-areas, although 4.9 square miles is in a reserve account which can be allocated to any of the sub-areas. The proposal may be controversial at the regional level.

Chair Berzins ask why Mr. Watkins felt that this will create controversy at the regional level. Mr. Watkins explained that the focus of Metro Vision is on infill development around urban areas similar to the areas around Fitzsimons. Mr. Watkins added that he is on a committee now and the majority of the discussion is how we get infill development to occur, not on expanding the overall foot print of urban development. Chair Berzins asked when the 2009 Comprehensive

Plan is due to be renewed. Mr. Watkins said that it probably is ready to be renewed. Staff has delayed it due to the staffing needs associated with that and offered that maybe the time to start thinking about renewal is when the Aurora Line opens. Ms. Freed offered that there is a water planning effort going on at the state level which will become part of an analysis for water infrastructure requirements in the city. Also, the city will need to update the city's Storm water Drainage Basin Master Plan, Wastewater Master Plan and Integrated Water Master Plan.

DRCOG would likely need to run regional modeling to assess transportation and air quality impacts which is a federal requirement. DRCOG anticipates that this will take at least a year to complete. Mr. Watkins added that each of the issues presented will require lengthy work and will require substantial conversions in trying to resolve how to annex this land. DRCOG will need to give approval of amending the urban growth area. Staff has not mentioned this proposal to DRCOG yet. If the Committee wanted this to move forward, staff would have to sit down with the DRCOG staff to determine what is involved to amend the adopted DRCOG plans to accommodate this annexation proposal.

Mr. Watkins talked about the transportation impacts and said that there is a very limited roadway network in place to support extensions of development east of the existing city limits. The city has adopted transportation plans for the eastern area in the form of the Northeast Area Transportation Study (NEATS) and the Southeast Area Transportation Study (SEATS). These plans describe major transportation improvements needed to support development within the current planning and annexation areas. Revisions to NEATS and SEATS will be needed to evaluate and plan for the proposed annexation. The major improvements described in NEATS and SEATS include arterial connections and improvements to crossings and interchanges for E-470 and I-70. The eventual development in this proposed annexation area would be required to build their half of the improvements. The proposed annexation area is also outside the RTD service boundary. CM Pierce asked if there was a methodology on exchanges of growth allocation to the urban growth area. Mr. Watkins replied that there is and it applies to each sub-area; an increase in one sub-area may require a reduction in another. Each of those has an allocation and there is a five mile radius that can be applied to any of those. There was never any intention that those go beyond the Urban Growth Area boundaries.

Chair Berzins expressed that she believes that this needs to go on to full Council to get a decision. CM Markert offered that at this time she is not in favor of this annexation and does not want to spend staff time and city monies to move this along. CM Pierce said that staff should continue discussions and conduct the studies that may help council with a decision. He is also in agreement that the land owners should cover the cost to conduct and revise the studies. Chair Berzins asked staff to send them an e-mail prior to this going to Study Session on who is going to pay the cost of the studies. Ms. Freed added that it is very important that staff has the fiscal analysis to evaluate this annexation.

Outcome:

The committee asked staff to forward this item to Study Session and prior to the Study Session meeting, staff should meet with the landowners to discuss the landowners paying for the analysis, then reply to the Committee members via e-mail on what is determined in that meeting.

Follow-up Action:

Staff will e-mail the committee and then forward on to Study Session.
