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## SOUTHERN COLORADO RAIL PARK

### SKETCH PLAN

### LETTER OF INTENT

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**OWNER/APPLICANT:**

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**TSN:** 6600000004, 6600000008, 6600000009, 6600000010, 6600000011, 6600000012, 6600000014,  
6600000040, 6600000041, 6600000046, 6600000047, 6600000048,

**ACREAGE:** APPROXIMATELY 3,100 ACRES

**CURRENT ZONING:** A-5 RR-5 CAD-O

**CURRENT USE:** VACANT LAND/AGGREGATE MINING

### REQUEST

N.E.S. Inc., on behalf of EDW C Levy Co (“Levy”), request approval of a Sketch Plan for the Southern Colorado Rail Park (SCRP) project to include a new railroad spur through the property to service Fort Carson and associated railroad-oriented heavy and light industry and commercial uses.

The purpose of this request for Sketch Plan approval with El Paso County is to facilitate the formation of a Title 32 Metropolitan District, which in turn will allow the creation of public/private partnership via a Title 29 Rail Authority for the construction and operation of the proposed railroad spur. Once the Sketch Plan is approved in the County, it is the Applicants’ intent to annex the property into the City of Fountain, provided the City can supply the required utility services and subject to agreeable terms of annexation. Colorado Springs Utilities has indicated that they can provide the required utility services if needed.

The Applicant acknowledges that the Planning and Community Development Director has modified the submittal requirements to reflect the purpose of the Sketch Plan submittal, and that if the property does not annex to the City and develops in the County, a detailed MDDP, Master Traffic Impact Study, Geology and Soils Report, Noxious Weed Report, Natural Features & Riparian Study, and Wetland delineation study may be required with any subsequent sketch plan amendment, rezone or preliminary plan submittal for review and approval by the County.

## LOCATION

The 3,100-acre property is located south of Charter Oak Ranch Road, south, east, and north of Fort Carson, West of I-25, and the City of Colorado Springs' Ray Nixon power plant. There are 6 out-parcels in the center of the property, totaling approximately 40 acres, that are not included in the subject property. The parcels are owned by four different owners, two property owners controlling two lots each.



## BACKGROUND

Conversations about the viability, and the appropriateness, of a rail-served industrial complex in southern El Paso County began with the staff of El Paso County and the City of Fountain in 2014. Fountain had a vision for a rail project and El Paso County's Office of Economic Development funded a Proof-of-Concept Report<sup>1</sup>, which was completed in 2015. El Paso County has actively collaborated with and funded the effort over the past seven (7) years. The vision has expanded to include economic development specialists at each jurisdictional level, most recently in the form of a Technical Assistance grant by the U.S. Economic Development Administration ("EDA") offices in Denver.

The Proof-of-Concept Report identified a large tract of vacant land adjacent to the Colorado Springs Utilities Ray Nixon coal-fired power generation plant. The property operates a gravel quarry on approximately 400 acres leaving a 2,500 +/- tract of land available for rail development. Formation of a public/private partnership was envisioned as the vehicle to achieve the twofold ambition of a community initiative. Following a series of presentations to elected officials and community partners, a Memorandum of Understanding for Rail-Served Economic Development Initiative was fully approved May 3, 2018 (MOU). The Purposes are the first definition in the MOU:

**Purposes.** *The Parties seek to create opportunity for manufacturing jobs, which are typically high-wage jobs which generate 4-5 additional jobs in the community for each manufacturing job, and to simultaneously create the opportunity for a second railroad access to Fort Carson, which will improve readiness and resiliency at Fort Carson, improving the likelihood that Fort Carson will remain active through any future Base Realignment and Closure process, by pursuing the following tasks:*

- Establish a cooperative relationship with Levy for detailed investigation of the Levy Property, including defining access to the Levy Property for third-party due diligence;
- Negotiate an allocation of the costs of continuing the investigation, which is fair and equitable, considering the interests of each of the Parties;
- Pursue and seek to obtain, at the appropriate time, grant funding, including but not limited to the aforementioned grant from the USEDA, with the Greater Colorado Springs Chamber of Commerce and Economic Development Corporation as the grantee;
- Assess the anticipated fiscal impacts and distribution of benefits to each of the Parties and to Fort Carson;
- Identify or outline responsibilities for oversight and management of any third-party contractors by designated representatives of the Parties; and
- Interface with and provide regular updates to appropriate personnel at Fort Carson.






The Memorandum of Understanding was signed in May 2018, which initiated the project development phase.

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<sup>1</sup> Proof of Concept Report: A Rail-Served Industrial Park, Southern El Paso County, September 18, 2015, prepared for Ms. DeAnne McCann, Manager, El Paso County Office of Economic Development.

## PROJECT DESCRIPTION & CONTEXT

Following execution of the MOU, the project partners formed an Oversight Committee as contemplated. The signatories to the Memorandum of Understanding are:

 The Greater Colorado Springs Chamber of Commerce and Economic Development Corporation	 El Paso County	 City of Fountain	 Edw. C. Levy Co.	 City of Colorado Springs
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The four (4) partners in the public/private partnership each contributed funds for a preliminary investigation of the viability of the identified project location. The Chamber and EDC provides fiscal agency to the public/private partnership and agreed to generate an initial Fiscal Impact Analysis to estimate the potential for job creation at an industrial rail park.

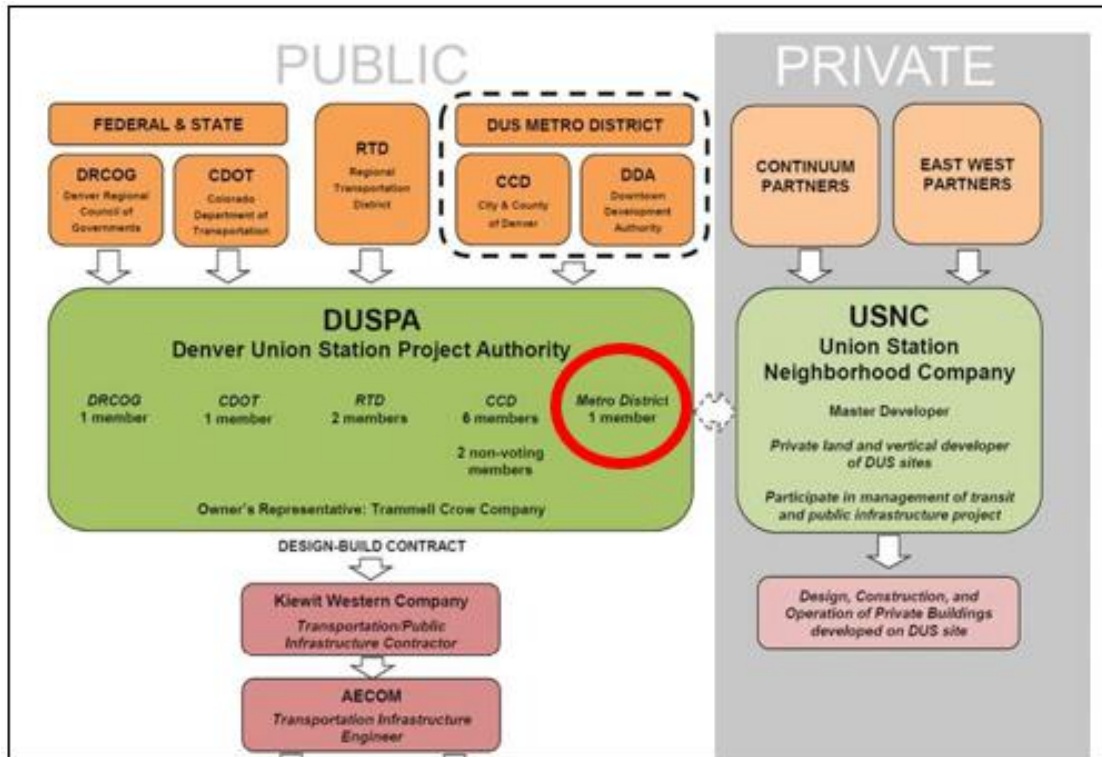
A feasibility study of the proposed “Front Range Dual-Service Rail Park of Southern Colorado” was completed by HDR Engineering and is dated June 26, 2019. The Study states: *“This feasibly study confirms the technical viability of a dual service industrial rail development in Fountain, Colorado.”* The Study also confirmed *“Providing a second, secure rail connection to Fort Carson is both a critical element and primary benefit of the project. This southerly route will enhance the Army’s rail-based rapid deployment capabilities by eliminating multiple points of vulnerability that exist on the current northerly route.”*

The present entitlement process seeks to establish a Title 32 entity for participation in a potential (to-be-formed) Title 29 Rail Authority. The 2015 Proof of Concept Report described this strategy as a working model for success based on legislation created to enable the Denver Union Station project public/private partnership. While Levy is proceeding with initial discussions to annex into the City of Fountain, the creation of a quasi-municipal entity will enable the project proponents to continue the MOU collaboration as conceived.

### **Lessons from Denver’s Union Station Public-Private Partnership**

The graphic below depicts the final configuration of the Union Station project in Denver, which has been a tremendous boon for that region’s economy. The final Public- Private Partnership included multiple parties on both sides. However, the important lesson from the Union Station experience is that the project started as a simple working group. The initial dialogue included the private property owners in the vicinity. The municipal entities then entered into an Intergovernmental Agreement (“IGA”) with the purpose of moving the project forward. The IGA did not form a legal entity, just defined roles, levels of

support and became a platform to engage the private sector in development strategies. Over the next several years, as the elements of the project were defined, appropriate participants were included, until the final public-private partnership was successful in financing the \$500 Million endeavor, including \$155 million in low- interest federal loans from the Federal Rail Administration.

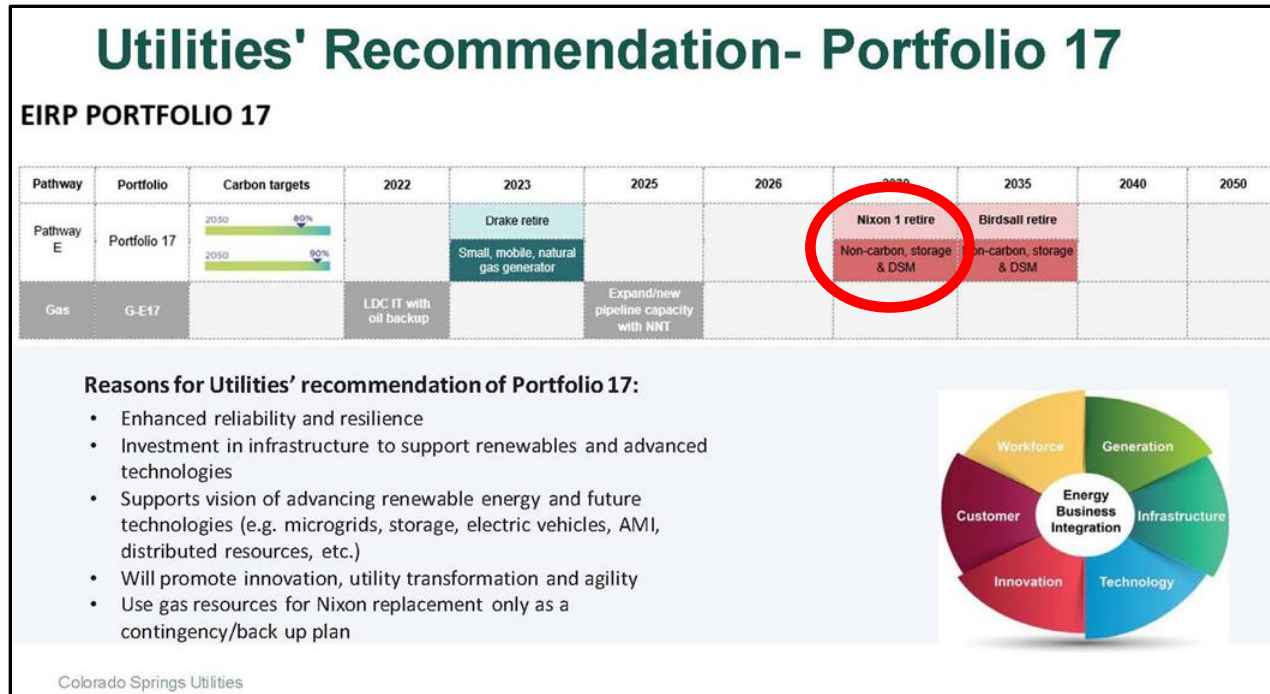


A further boost to this approach was provided by the Colorado General Assembly in its 2015 session, via legislation which provides a structure for public/private endeavors— House Bill 15-1262. Signed into law on May 20, 2015, this Act allows Counties, Municipalities, Special Districts, and other political subdivisions of the State of Colorado to establish an entity to provide public improvements. In other words, El Paso County, the City of Fountain, and the City of Colorado Springs can now form a project-specific entity (by contract) that could partner with the private landowner if and when appropriate. The creation of that public/private partnership, as circled on the graphic above, is established with the creation of a project specific Title 32 Metropolitan District for the private participant.

### **Feasibility Study**

The project team, under the guidance of the Oversight Committee, meeting quarterly, applied the funds provided under the MOU to complete an initial Feasibility Study in 2019. The Feasibility Study showed there are no fatal flaws associated with the development of the Levy tract as an industrial rail park. The feasibility process also engaged and garnered support from leadership at Fort Carson, subject to ongoing review of design development.

Design development was an interactive process with staff at Colorado Springs Utilities (CSU), the owner and operator of the Nixon Power Plant. The Nixon plant is coal-fired and is serviced by a rail spur that enables delivery by either Burlington Northern Santa Fe railroad or Union Pacific Southern Pacific railroad. In 2020, CSU completed an Electric Integrated Resource Plan. The Colorado Springs City Council approved the selection of CSU’s recommended Portfolio 17. The approved Portfolio contemplates retirement of the Nixon plant’s coal-powered generation no later than the year 2030.



### Trackage Agreement

Completion of the design development phase, with tentative agreement on a design configuration in the Fall of 2019, generated the first draft of a Trackage Agreement. In this context, the negotiating party was the landowner Levy, with the contemplated agreement providing a reciprocal grant with CSU to establish the permanent right-of-way from the mainline tracks of the Class 1 railroads, BNSF and UPSP, to the boundary of the Levy tract at Fort Carson. The exact location of the connection between Levy and Fort Carson was an inclusive process in collaboration with the Fort Carson Garrison Commander’s staff. The final version of the Trackage Agreement was approved by the Colorado Springs City Council on February 14, 2023. Following that approval, the project team initiated the first element in creating a Title 29 entity, an application for El Paso County approval of a Title 32 Special District for the Levy tract.

## SKETCH PLAN PROPOSAL

The SCR Plan includes the entire 3,100 acres of the Levy ownership in this location. As noted above, there are 6 out-parcels in the center of the property, totaling approximately 40 acres, that are not included in the subject property. The Sketch Plan includes the general alignment of the proposed railroad spur through the property to service Fort Carson, together with an internal rail loop to provide train storage and expand the area for rail access.

Approximately 650 acres of the property is currently an active gravel mine, operated by Schmidt Construction Company. It is anticipated that the mining operation will continue until all aggregate has been extracted from the property, which will take about 15 years. Once the mining area is reclaimed it will be available for development as part of the SCR Plan.

### Land Uses

The Sketch Plan identifies parcels for heavy railroad-oriented industry in the southern half of the site that has direct access to the rail spur and rail loop. In the northern portion of the site there is a transition to light industrial and commercial service uses. A 10-acre parcel is identified adjacent to Charter Oak Road and next to Gate 19 into Fort Carson, which is expected to serve day-to-day commercial needs of Fort Carson military personnel, civilian employees, dependents, and visitors, as well as employees and visitors of the Rail Park.

### Phasing

The development will be phased as follows:

	START	ACRES	USE
PHASE 1	2025	36.8	Construction of Rail Spur through center of the park
PHASE 2	2030	906.4	Commercial development adjacent to Charter Oak Road and heavy/light industrial development adjacent to rail spur
PHASE 3	2035	949.3	Industrial development in the southern portion of the park
PHASE 4	2040	719.9	Closure of the mining operation in northeast portion of park/completion of commercial and light industrial development

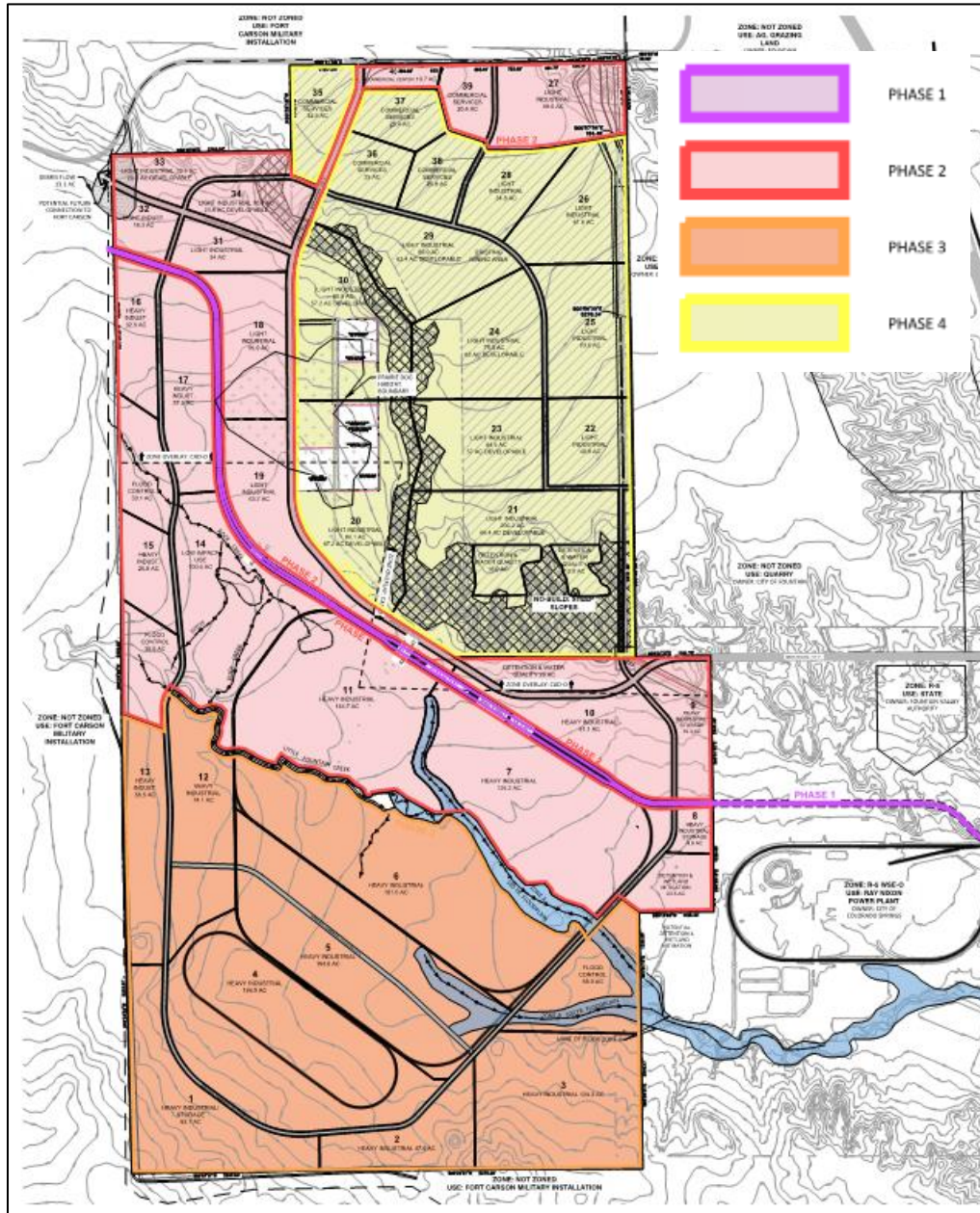
### Floorspace and Employment Assumptions

Estimates of Floor Area Ratios (FARs) have been extrapolated by comparison with similar rail-oriented activities and other industrial and commercial uses in the region. Generally, the FARs for rail-oriented industrial uses are very low as the properties tend to be used primarily for external storage with limited need for buildings.

Estimates of the number of employees have also been extrapolated from data provided by the City of Fountain on business projects that are seeking rail-oriented sites and an "IMPLAN" analysis undertaken by the Colorado Springs Chamber and EDC. The employment data has been used as the basis for the

Traffic Impact Analysis as a more accurate method of evaluating trips for this type of use, rather than the traditional use of building square footage.

### PHASING PLAN





**DUAL-SERVICE RAIL PARK OF SOUTHERN COLORADO: LAND USE MATRIX**

	TIMELINE	PROPOSED LAND USES	ACREAGE	ADJUSTED ACREAGE <sup>1</sup>	APPROX. FAR	APPROX. SQ.FT.	SQ.FT./ EMPLOYEE	# EMPLOYEES
PHASE 1	2025	Rail Spur and Easement	37	n/a	n/a	n/a	n/a	n/a
		<b>PHASE 1 TOTAL</b>	<b>37</b>					
PHASE 2	2030	Commercial	11	9	0.2	74,575	150	497
		Commercial Services	20	16	0.15	106,635	400	267
		Light Industrial	274	219	0.1	954,835	880	1085
		Heavy/Rail-Served Industrial	498	398	0.0388	672,941	880	765
		<b>PHASE 2 TOTAL</b>	<b>803</b>					
PHASE 3	2035	Heavy/Rail-Served Industrial	928	742	0.0388	1,254,210	880	1425
		<b>PHASE 3 TOTAL</b>	<b>928</b>					
PHASE 4	2040	Commercial Services	109	87	0.15	568,197	400	1420
		Light Industrial	575	460	0.1	2,003,760	880	2277
		<b>PHASE 4 TOTAL</b>	<b>684</b>					
		<b>TOTAL</b>	<b>2451</b>	<b>2206</b>		<b>5,635,153</b>		<b>7,736</b>
		Low Impact	101	n/a	n/a	n/a	n/a	n/a
		Drainage/Open Space	234	n/a	n/a	n/a	n/a	n/a
		No-Build Steep Slopes	190	n/a	n/a	n/a	n/a	n/a
		Right-of-Way	121	n/a	n/a	n/a	n/a	n/a
		Misc.	12	n/a	n/a	n/a	n/a	n/a
		<b>TOTAL ACREAGE</b>	<b>3109</b>					

NOTES

1. Reduced 20% for internal local roads and on-site detention

**Access and Traffic**

An arterial road connection through the property is proposed that will ultimately connect Fort Carson and Charter Oak Ranch Road to the north with a new intersection of Powers Boulevard to I-25 to the south. Internally there will be industrial collectors and local roads that will provide access to the proposed industrial and commercial areas of the site.

A Traffic Impact Analysis (TIA) prepared by Wilson & Company is included with the Sketch Plan submittal. The TIA assumes that initial access will be via Charter Oak Ranch Road only to support the initial phases of development. The new I-25/Powers intersection is a long-term project and, while it is anticipated to be in place by the time of the full build out of the rail park, the analysis of the intersection is deferred to a future interstate access request.

The TIA concludes that the Charter Oak Ranch Road access can support the development of Phases 1 and 2 of the development. With the build-out of Phase 3, intersections in the study area will begin to exhibit poor levels of service and it is likely that the planned future connection to I-25 will be needed prior to the completion of Phase 3. In view of the high-level assumptions used at this initial Sketch Plan stage, the TIA recommends that the need for the I-25 connection should be evaluated as development progresses. The TIA concludes that the proposed functional classification of the internal roadways are appropriate based upon projected build-out daily traffic volumes, connectivity and expected use.

### **Utilities/Fire Protection**

Water and Wastewater Feasibility Reports are included with the Sketch Plan submittal. These include commitment letters for service from City of Fountain Utilities Department (water) and Fountain Sanitation District (Wastewater). Both entities commit to serve the railroad park upon annexation to the City of Fountain and indicate that they have service capacity, subject to their current “first come, first served” policy.

The City of Fountain Utilities Department has also committed to provide the property with electricity service upon annexation. It is anticipated that Black Hills Energy will provide natural gas service.

The property is not currently within a fire protection district. The City of Fountain Fire Department has provided a commitment letter for fire protection service to the property upon annexation to the City.

### **Drainage**

A Conceptual Drainage Summary prepared by M&S Civil Engineers is included with the Sketch Plan submittal. The purpose of this summary is to provide general information, criteria, and concepts in support of the potential developed drainage improvements. The summary identifies the existing characteristics of the site, the proposed land uses, and provides background on the proposed methodologies for future drainage studies, while also identifying regulatory requirements and that will impact future development. The next step in the process will be to analyze the existing and future drainage conditions of the watershed, quantify surface runoff, define floodplains, identify drainage impacts, develop alternate solutions, and prepare a conceptual drainage master plan. A subsequent report will be provided that will serve as a technical addendum once the site planning is furthered and solidified.

There are two major natural drainageways on the project site that convey stormwater from the northwest to the southeast; the northern drainageway is known as Rock Creek and the southern is known as Little Fountain Creek. Rock Creek feeds a few old ponds for livestock watering and conveys 16.9 square miles of drainage. Little Fountain Creek is deep and circuitous and conveys 26.8 square miles of drainage downstream. There is a Zone A 100-year floodplain designation on the southern reaches of Little Fountain Creek. Neither drainageway currently contains any improvements for flood control or erosion protection. There is thick vegetation and trees along the drainageways.

The SCRP is primarily located in the Little Fountain Drainage Basin, while a small portion of the northeast corner of the subject site lies within the Fort Carson Drainage Basin. Most of the Fort Carson Drainage Basin area exists within the Fort Carson Military Base and only 1% is on SCRP. No drainage basin planning study has been prepared for the two basins to date.

It is intended that the creek and floodplain areas will be largely undisturbed by development on the site, other than for required rail and road crossings. The Sketch Plan identifies areas for flood control and detention. The proposed development as depicted on the Sketch Plan consists of heavy and light Industrial uses and some commercial property at the north end. These types of developments contain intense storm water runoff properties. A local drainage analysis that will conform with the El Paso

County Land Development Code and the El Paso County Engineering Criteria Manual will be prepared with subsequent development plans, having regard to the layout, location, and size of each land use development. It is anticipated that each development will provide full-spectrum detention and water quality treatment on-site.

### **Floodplain**

According to the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM) Panel No. 08041C0965G and Panel No. 08041C01155G, both revised December 7, 2018, the subject site contains a 100-year floodplain shown as “Zone A” for Little Fountain Creek. “Zone A” being defined as “No Base Flood Elevations Determined”. As such, there is no detailed drainage study for Little Fountain Creek. There is no floodplain shown by FEMA for Rock Creek within the project area. Approximately 679.39 acres located along the northern portion of the site are contained within map No. 0804110961; imagery for this panel is not currently available. This may be due to its relative proximity to Fort Carson.

### **Soils & Geology**

A Soils and Geology Report was conducted by HDR in March 2024. The project area was evaluated for potential concerns associated with future development of the property. The report concluded that the property is suitable for the anticipated development. By avoidance or through the use of typical engineering design and construction practices, any concerns can be mitigated. However, a subsurface evaluation should be performed to fully evaluate the potential geologic and engineering constraints with future development plans. Upon completion of the subsurface evaluation, a follow up report summarizing the geologic conditions and engineering concerns should be prepared to support future development.

Soils on the property consists primarily of Geldt Clay Loam, Razor-Midway Complex, Shamber-Razor Complex, Fort Loam, and Mananzola Silt Clay Loam. These soils are poorly indurated, bedrock formations with high percentages of clay and silt and are easily eroded. Collapsibility is a result of both the composition and softness of the soils. Often located in arid to semiarid climates, these collapsible soils are often associated with alluvial fans, alluvium, colluvium and eolian depositions.

The project site is underlain by the Pierre Shale Middle Unit of Cretaceous Age and the Modern Alluvium of Quaternary Age. The Pierre Shale is characterized by expansive clays, swelling soils and bedrock exposures, which are common hazards for development. The formation includes moderately inclined slopes, such as mesa bluffs and riverbanks, and is prone to slope instability. The Alluvium Three formation can contain clean, medium-grained, well sorted sand layers and sporadic gravel lenses with clasts up to small cobbles. Gravels are generally from crystalline protoliths from conglomerates of the Dawson Formation.

The sand deposits along the Fountain Creek corridor contain known quantities of coarse-grained quartz sands used for the petroleum industry throughout the country and the site is known to have value for construction materials. The site includes permitted sand and gravel mines that should not pose a danger to future development in the area as the operations are setback from the proposed surrounding

development area.

The primary hazard identified is steep and potentially unstable slopes associated with the bluffs in the northeast portion of the property. Future development should evaluate slope stability in determining setbacks from the areas of concern and/or identify a no build areas to mitigate this potential hazard.

The project site is located immediately east of mapped potentially dangerous debris flow regions. Debris flows are characterized by moving masses of loose mud, sand, soil, rock, vegetation, or water that travels down a slope under the influence of gravity. Per the published data, debris flows on the property are minimal and confined to the northwest corner of the property. Future design and construction should account for this potential hazard, including the potential use of debris flow barriers.

### **Environmental Considerations**

A Natural Landforms, Vegetation, Riparian and Wildlife analysis was conducted by HDR in March 2024 with the following findings:

#### **Topography/Natural Features:**

The project area topography slopes down in a southeast direction at approximately 2 percent slope to Little Fountain Creek. Little Fountain Creek flows in a southeast direction, with the southwest portion of the site sloping into the creek at approximately 5 percent slope in a northeast direction. Rock Creek is a smaller stream and crosses into the site from the northwest but does not have a published floodplain. There are steeply sloping areas adjacent to Little Fountain Creek and other dry bed areas to the east of the project site that would be too encumbered for development and would likely be utilized as open space.

The Sketch Plan identifies parts of the property as “no-build areas” due to their steep slope. The Sketch Plan also identifies the Little Fountain Creek channel as open space and includes areas for flood control. The area at the confluence of Rock Creek and Little Fountain Creek is designated for lower intensity uses. This area requires further evaluation to establish appropriate uses with future development plans.

#### **Vegetation:**

The project area is located within the Southern Rocky Mountains and Central Shortgrass Prairie ecoregions. Vegetation in the project area consists of short grass prairie, disturbed vegetation around developed areas, and riparian habitat. The dominant plant species in the short grass prairie are smooth brome, crested wheatgrass, soapweed yucca, blue grama, galleta and western wheatgrass. Riparian habitat is located along Little Fountain Creek and other small drainages in the project area and included plains cottonwood, Siberian elm, green ash, reed canary grass, saltcedar, cattail, and bulrush. Vegetation in disturbed/developed areas consists of smooth brome, cheat grass, thistle species, common mullein, diffuse knapweed, and field bindweed.

### **Wildlife:**

Wildlife observed on the site include pronghorn antelope, red-tail hawk, black-capped chickadee, and black-tailed prairie dog. Several small active black-tailed prairie dog colonies are located on the north end of the project area. There are several areas with mature trees that provide nesting habitat for migratory birds and raptors within or immediately adjacent to the project area. No raptor nests were documented in the project area during the 2024 site visit and no raptor nests are mapped within 0.5 miles of the project site. Two inactive, black-billed magpie nests were observed in the project area in smaller Siberian elm trees. The project area is mapped as elk and pronghorn overall range by the Colorado Parks and Wildlife

### **Federal- and State-Listed Species:**

There are six federally listed threatened or endangered species and one candidate species with the potential to occur in the project vicinity. Of these six species, HDR concludes that only the monarch butterfly has potential to occur as a migrant in the project area. No critical habitat for any federally listed species occurs in the project area. State-listed species that could potentially occur in the project area include bald eagle, burrowing owl, ferruginous hawk, and American peregrine falcon.

The potential exists for ground-nesting migratory birds protected by the Migratory Birds Treaty Act (MBTA) to occur within the project area. However, the project site is disturbed because of heavy industrial activity adjacent to the area as well as grazing activity and, therefore, may only provide limited habitat for ground-nesting birds. In order to comply with the MBTA, HDR recommends that all vegetation removal should be conducted outside of the nesting season for migratory birds (February 1 to August 31). If vegetation removal occurs during the nesting season, surveys of the project area for nesting migratory birds should be conducted and appropriate buffers/mitigation measures initiated.

### **Wetlands and Waters of the U.S.:**

Several jurisdictional streams were observed on the site. Little Fountain Creek is an intermittent creek that occurs on the southern end of the project area and drains into Fountain Creek. Fountain Creek is a stream that originates in Woodland Park and flows through El Paso County to its confluence with the Arkansas River near Pueblo. Rock Creek is an intermittent creek that crosses under Millbrose Road in a culvert and drains into Little Fountain Creek. Several other small drainages occur in the project area but are not likely jurisdictional.

Several areas that are likely wetlands were observed on the site, including one cattail marsh located along Rock Creek near the old homestead and a dried-up freshwater pond west of Millbrose Road. National Wetlands Inventory data classifies the freshwater pond as wetland and shows a few small freshwater emergent wetlands in the vicinity. The Sketch Plan includes an area for potential wetland mitigation.

Based on the potential presence of wetlands and WOTUS observed on the site, HDR recommends the following actions to ensure compliance with the Clean Water Act:

- Conduct an official wetland and waters of the U.S. delineation in areas that would be impacted by project construction.
- Coordinate with the USACE, Southern Colorado Branch Office, if impacts to features identified as wetlands or WOUS would result from the proposed project to determine which Nationwide Permit may be applicable.
- Coordinate with the State of Colorado to determine if aquatic resources in the project area would be protected under the Sackett Gap Waters guidance.

## COMPLIANCE WITH MASTER PLAN

### Your El Paso Master Plan

The SCRPs are identified as a Potential Area for Annexation on the Key Areas map, an area for New Development on the Areas of Change map and an Employment Center on the Placetypes map. The rail park is also an Employment Priority Development Area.

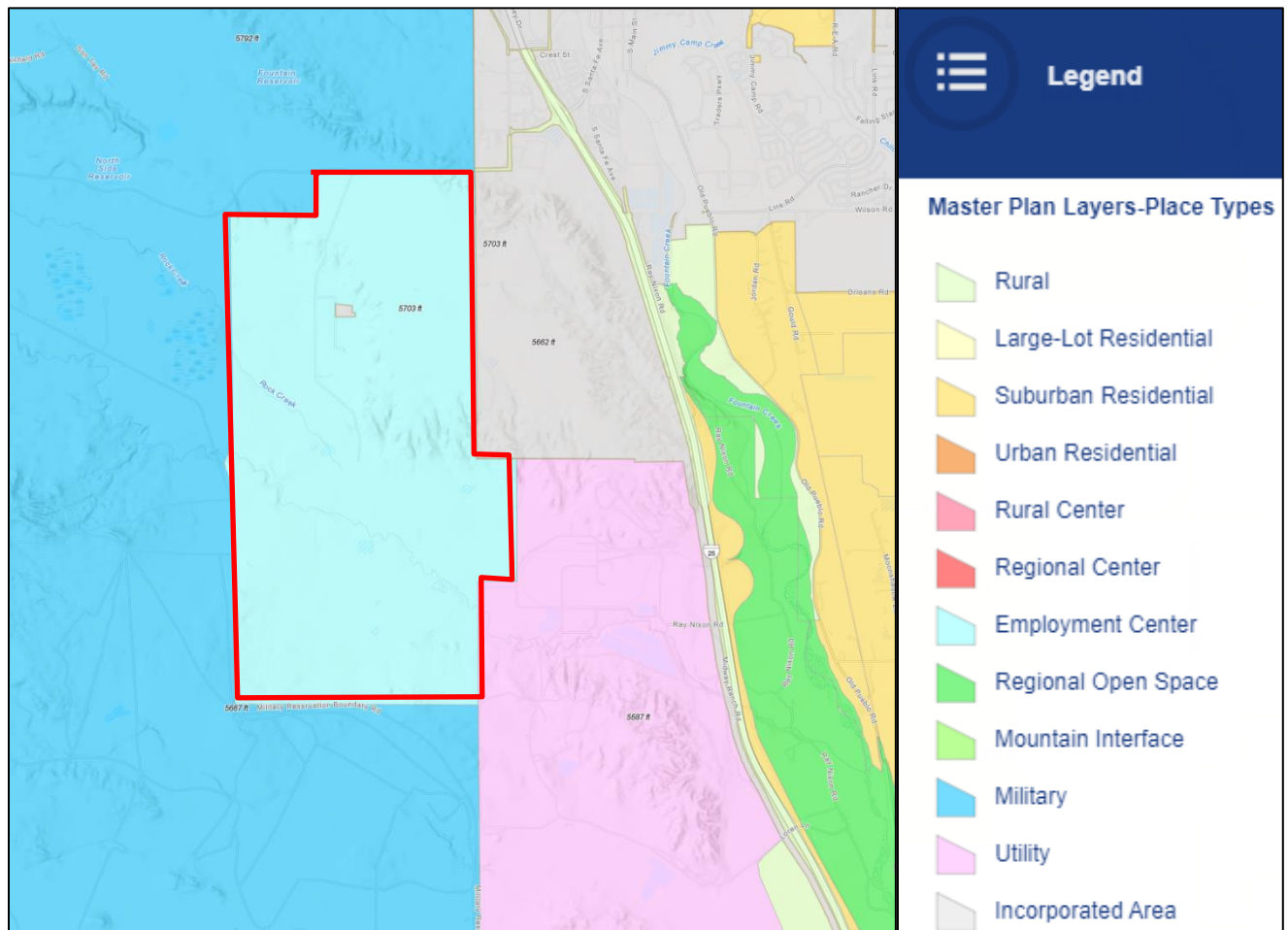
**Potential Areas for Annexation:** This Key Area outlines the portions of the County that are anticipated to be annexed as development occurs. The Master Plan acknowledges that the incorporated municipalities of Colorado Springs, Fountain and Monument will need to annex parts of the unincorporated County to accommodate new development and that the County should continue to coordinate with the individual cities and towns as they plan for growth. As noted above, it is the intent that the rail park property will be annexed into the City of Fountain once the Sketch Plan and Title 32 District are approved. This annexation is necessary so that the rail park can be served by City of Fountain utilities and fire service. A letter of support from the City of Fountain is included with the Sketch Plan submittal which recognizes the potential annexation of the property into the City.

**New Development:** These are areas within the County where significant transformation is anticipated as new development occurs on land currently largely designated as undeveloped or agricultural areas. Undeveloped portions of the County that are adjacent to a built-out area will be developed to match the character of that adjacent development “or to a different supporting or otherwise complementary one such as an employment hub or business park adjacent to an urban neighborhood”. The rail yard property lies between Fort Carson to the north, east and south, and the Nixon powerplant, a quarry and I-25 to the east. The proposed use of a rail-served industrial park is compatible with the adjacent uses and both the new rail spur and associated industrial uses will provide direct benefit to Fort Carson. A letter of support from Fort Carson Garrison Commander is included with the Sketch Plan submittal, which emphasizes the importance of a secondary rail connection to Fort Carson.

**Employment Centers:** The priority function of this placetype is to provide space for large-scale employers to establish and expand in El Paso County. They are typically located on or directly adjacent to Interstate 25 and/or other regional corridors to ensure business and employee access. Uses in this placetype often require large swaths of land and opportunity to expand and grow to meet future needs and demands. Primary land uses include light industrial/business park, heavy industrial, and office, with

supporting commercial retail, commercial service and restaurant uses. The rail park Sketch Plan is consistent with the objectives of this placetype as it identifies parcels for heavy railroad-oriented industry in the southern half of the site that has direct access to the rail spur and rail loop. In the northern portion of the site there is a transition to light industrial and commercial service uses, with a parcel for commercial uses next to Fort Carson Gate 19.

**Employment Priority Development Area:** The Master Plan identifies specific locations throughout the County that should be prioritized first for new employment development in order to maintain a diverse economy with significant employers in a wide range of sectors and no single industry accounting for a majority of its employment base. The proposed “Railyard by Fort Carson” is identified as an Employment Priority Development Area that would be the major distribution hub for the southern end of the County. The Master Plan notes that the proposed railyard could spur vertical integration with the creation of supporting businesses such as manufacturing, warehousing, and roadway distribution due to the proximity to Interstate 25. Depending on scale, these types of businesses could have consequential effects on new employment opportunities for County residents.



The following Implementation Policies are relevant to the SCRP Sketch Plan:

### Economic Development

Goal ED1. Recruit new businesses and spur the development of growing sectors.

- Objective ED1-6: Large employers should be located on major roadways to improve connectivity and minimize their impact on daily traffic.
- Identify areas with enough land to support companies that require a significant development footprint as development continues to occur.

Goal ED4. Utilize economic opportunity zones to support new business development.

- Support the development of the railyard by Fort Carson as a catalyst for the creation of a strong employment hub to serve the entire County.

### Transportation and Mobility

Goal TM1. Establish a transportation network that connects all areas to one another, emphasizing east-west routes, reducing traffic congestion, promoting safe and efficient travel.

- Help facilitate the development of the railyard located adjacent to the Fort Carson spur of the shared BSNF and UP line.

### Military

Goal M1. Support compatible land uses within and in close proximity to bases and associated facilities.

Goal M2. Ensure coordinated planning efforts for transportation impacts and access.

- Objective M2-1: Manage future transportation projects that could affect gate traffic and associated stormwater impacts.
- Objective M2-2: Continue to work with CDOT to prioritize transportation improvements along the routes that serve military bases.
- Objective M2-3: Cooperate with CDOT and the Pikes Peak Area Council of Governments (PPACG) to meet regional military transportation needs.
  - Improve Charter Oak Ranch Road outside Gate 19 at Fort Carson.
  - Develop an alternate rail connection to Fort Carson to support redundant and increased rail service.

The SCRP Sketch Plan will fulfill the above implementation goals and objectives of the Master Plan by creating a location large enough to support companies that require a significant development footprint in a location served by major roadways, which will help to recruit new businesses and spur the development of growing sectors that will serve as a catalyst for the creation of a strong employment



hub to serve the entire County. The SCRP support Fort Carson military base by including appropriate supporting and compatible land use, providing an alternate rail connection to service Fort Carson, improving Charter Oak Ranch Road outside Gate 19 at Fort Carson, and creating a new and improved access to Gate 19 off I-25 through the SCRP.

### **Water Master Plan**

The SCRP property is within the Region 7 as is identified as an expected growth area by 2060. Water suppliers in Region 7 do not rely on any water from nonrenewable Denver Basin wells. The site lies immediately adjacent to the City of Fountain water district boundary. If the property is annexed into the City of Fountain it will also be annexed into the City water service territory. A commitment letter for water service has been provided by City of Fountain Utilities Department which indicates that they have service capacity for SCRP subject to their current “first come, first served” policy.

Policy 6.0.11 of the Water Master Plan seeks to limit urban level development to those areas served by centralized utilities. The intent of this project to annex into the City of Fountain to securer utility service is consistent with this policy.

### **Major Transportation Corridor Plan (MTCP)**

The MTCP 2040 functional classification for I-25 is a Freeway and for Charter Oak Ranch Road a Collector. No improvements are identified to either roadway in 2040 and 2060 corridor preservation is not required. The multimodal transportation map identifies a proposed Primary Regional Trail running along the eastern boundary of the property, but this is inconsistent with the Parks Master Plan (see below).

The MTCP 2060 Preservation Plan identifies the proposed extension of Powers Boulevard on the east side of I-25, to a new interchange on I-25 adjacent to the project site, approximately 2.25 miles south of the US 85 interchange. The alignment and design of this new road extension is being progressed by Pikes Peak Area Council of Governments (PPACG). The SCRP Sketch Plan assumes a connection to this new interchange and a continuation of Powers Boulevard through the property to connect to Charter Ranch Road and, possibly in the future, to Fort Carson. This will provide a second and more direct point of access to the SCRP property to I-25 to support full-build out and will create an alternative and more direct access to Fort Carson Gate 19 from the south (with or without the direct connection).

### **County Parks Master Plan**

The 2022 Parks Master Plan Update does not show a proposed regional trail in the vicinity of the SCRP property. The nearest existing/proposed regional trail is the Fountain Creek Trail on the east side of I-25. The County’s Department of Parks and Community Services has stated that:

*“The El Paso County Parks Master Plan does not show any facilities directly impacted by the project. Proposed and completed sections of the Fountain Creek Regional Trail lie to the east of the project area, east of Interstate 25. No regional park fees are recommended, as the County has elected to not require park fees for commercial subdivisions.”*

## **COMPLIANCE WITH SKETCH PLAN CRITERIA**

The proposed Rail Park Sketch Plan addresses the Sketch Plan Review Criteria in Chapter 7.2.1.D.1.C of the LDC as follows:

### **1. The proposed subdivision is in general conformance with the goals, objectives, and policies of the Master Plan;**

As noted in the above section, the SCRP Sketch Plan is in complete conformance with the Master Plan, as the proposed rail-served industrial park and a new rail spur to Fort Carson is within an Employment Priority Development Area that will meet multiple goals, objectives, and policies of the Master Plan, to include:

- Providing a location to recruit new businesses and spur the development of growing sectors.
- Providing a location large enough to support companies that require a significant development footprint.
- Providing a location for large-scale employers that is located on major roadways to improve connectivity and minimize their impact on daily traffic.
- Supporting the development of the railyard by Fort Carson as a catalyst for the creation of a strong employment hub to serve the entire County.
- Supporting compatible land uses within and in close proximity to military bases and associated facilities.
- Developing an alternate rail connection to Fort Carson to support redundant and increased rail service.
- Ensure coordinated planning efforts for transportation impacts and access.
- Managing future transportation projects that could affect gate traffic, in particular, improve Charter Oak Ranch Road outside Gate 19 at Fort Carson.

The SCRP is also in compliance with the Water Master Plan, MTCP, and Parks Master Plan, as described above.

### **2. The proposed subdivision is in conformance with the requirements of this Code;**

The Sketch Plan meets all the relevant requirements of the Land Development Code.

### **3. The proposed subdivision is compatible with existing and proposed land uses within and adjacent to the sketch plan area;**

The Southern Colorado Rail Park lies between Fort Carson to the north, east and south, and the Nixon powerplant, a quarry and I-25 to the east. Fort Carson abuts the site on three sides and adjacent to the SCRP property are live-fire gunnery ranges and an active military airfield for the

Combat Air Brigade (helicopters). To the east are two electric generation power plants and one of the plants is rail served. Within the property is the 400-acre Schmidt Construction quarry, which will continue to operate for approximately 10-15 years while the rail spur and industrial park is implemented. The quarry operation includes a mechanical rock crusher to generate aggregates both for sale and Schmidt's paving operations.

The proposed use of a rail-served industrial park on the subject property is an appropriate land use given the intense and noisy nature of the adjacent uses. This is perhaps the most suitable location in the entire County for industrial development of this scale. In addition, both the new rail spur and associated industrial uses will provide direct support and benefit to Fort Carson's mission, as well as providing substantial economic and job growth opportunities for the area.

**4. The water supply report provides sufficient information to identify probable compliance with the water supply standards and identifies any need for additional water supplies;**

The Water Feasibility Report includes a commitment letter for water service from City of Fountain Utilities Department upon annexation to the City of Fountain, which indicates that they have service capacity, subject to their current "first come, first served" policy.

**5. Services are or will be available to meet the needs of the subdivision including, roads, police and fire protection, schools, recreation facilities, and utility service facilities;**

Upon annexation to the City of Fountain, water and electricity service will be provided by City of Fountain Utilities Department, wastewater service will be provided by Fountain Sanitation District, and it is anticipated that Black Hills Energy will provide natural gas service. The City of Fountain Fire Department has provided a commitment letter for fire protection service to the property upon annexation to the City. The location of main utility systems is not known at this time and will depend upon utility service provider and end-user requirements.

As this is an industrial/commercial development there will be no impact on schools and no impact on, or requirement for, recreation facilities. Trails/open space may be incorporated as an amenity for employees along the creek corridors, in identified open spaces, and in the low impact area, but this is subject to further evaluation with future development plans.

**6. The soil is suitable for the subdivision;**

The Soils and Geology Report conducted by HDR in June 2023 identified the primary soils on the property as Geldt Clay Loam, Razor-Midway Complex, Shamber-Razor Complex, Fort Loam, and Mananzola Silt Clay Loam. These soils are poorly indurated, bedrock formations with high percentages of clay and silt and are easily eroded. Collapsibility is a result of both the composition and softness of the soils. Often located in arid to semiarid climates, these collapsible soils are often associated with alluvial fans, alluvium, colluvium and eolian depositions. The report concluded that the property is suitable for the anticipated development and that these soil conditions could be mitigated through the use of typical engineering design and construction practices. The report recommended additional subsurface evaluation to fully evaluate the potential soils and engineering

constraints with future development plans.

**7. The geologic hazards do not prohibit the subdivision, or can be mitigated;**

The Soils and Geology Report conducted by HDR in March 2024 concluded that the property is suitable for the anticipated development and that these geologic conditions could be mitigated through avoidance with no build areas or the use of typical engineering design and construction practices. The report recommended additional subsurface evaluation to fully evaluate the potential geologic and engineering constraints with future development plans.

The project site is underlain by the Pierre Shale Middle Unit of Cretaceous Age and the Modern Alluvium of Quaternary Age. The Pierre Shale is characterized by expansive clays, swelling soils and bedrock exposures, which are common hazards for development. The formation includes moderately inclined slopes, such as mesa bluffs and riverbanks, and is prone to slope instability.

The primary hazard identified is steep and potentially unstable slopes associated with the bluffs in the northeast portion of the property. Future development should evaluate slope stability in determining setbacks from the areas of concern and/or identify a no build areas to mitigate this potential hazard.

The project site is located immediately east of mapped potentially dangerous debris flow regions. Debris flows are characterized by moving masses of loose mud, sand, soil, rock, vegetation, or water that travels down a slope under the influence of gravity. Per the published data, debris flows on the property are minimal and confined to the northwest corner of the property. Future design and construction should account for this potential hazard, including the potential use of debris flow barriers.

**8. The subdivision will not interfere with the extraction of any known commercial mining deposit [C.R.S. §§ 34-1-302(1), et seq.];**

Approximately 650 acres of the property is currently an active gravel mine, operated by Schmidt Construction Company. It is anticipated that the mining operation will continue until all aggregate has been extracted from the property, which will take about 15 years. Once the mining area is reclaimed it will be available for development as part of the Rail Park.

**9. The design of the subdivision protects the natural resources or unique landforms;**

The Sketch Plan identifies parts of the property as “no-build areas” due to their steep slope. The Sketch Plan also identifies the Little Fountain Creek channel as open space and includes areas for flood control. The area at the confluence of Rock Creek and Little Fountain Creek is designated for lower intensity uses. The nature of the uses in this area will be compatible with the industrial character of SCRP and the development intensity will be dictated by site constraints which requires further evaluation with future development plans.

**10. The proposed methods for fire protection are adequate to serve the subdivision; and**

The City of Fountain Fire Department has provided a commitment letter for fire protection service to the property upon annexation to the City.

**11. The subdivision is appropriate and the design is based on mitigating the constraints of topography, soil types, geologic hazards, aggregate resources, environmental resources, floodplain, airplane flight overlays, or other constraints.**

An evaluation of the property's suitability for the proposed development in terms of topography, soil types, geologic hazards, aggregate resources, environmental resources, floodplain, or other constraints is included with the various reports submitted with the Sketch Plan. All potential constraints have been identified and appropriate further study/investigation and potential mitigation measures are recommended in association with future detailed development plans for the rail park. In association with future federal grant applications for funding to construct the new rail spur, a detailed environmental analysis will be required.

The northern portion of the property lies within the Commercial Airport Overlay District. Industrial development is an appropriate use in the CAD overlay. The CAD overlay does not impose any additional height or use restrictions from those uses or height restrictions identified in the overlay zoning regulations. Industrial uses are allowed within all the CAD-O sub-zones and commercial uses are allowed in all sub-zones except APZ-1, where it is a special use. The SCRP site does not lie within the APZ-1 sub-zone.