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Project Statement

April 4, 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) – Annexation (Post-Petition) Project Statement

To the City of Colorado Springs Planning and Development Department

Please accept this document as the Project Statement for the Annexation (Post-Petition) application pursuant to the Annexation (Post-Petition) Application Submittal Checklist for the Karman Line master-planned development, formerly known as Norris Ranch.

1. Description of the Proposed Development

Karman Line is located in El Paso County, Colorado, and includes approximately 1,783 acres of vacant agricultural land. 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 associated Land Use Plan proposes to allow for approximately 45 acres of light industrial and office 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/retail (totaling approximately 105 acres) and mixed-use development (totaling approximately 100 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/retail 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 localized areas of high-density residential (20-22 du/ac) located along the main "spine" road through the development, as well as medium density residential (6-10 du/ac) mainly located central to the development in an area that largely surrounds a planned 30+ acre school site. As the plan for development extends towards the western and northern boundaries of the property, the Land Use Plan anticipates lower residential densities, including low density residential areas (3-6 du/ac) adjacent to the internal medium density areas, and rural residential densities (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 associated Land Use Plan with a maximum number of dwelling units for the overall development of 6,500 units.

2. Justification for Approval based on the Review Criteria

A. The area proposed to be annexed is a logical extension of the City's boundary

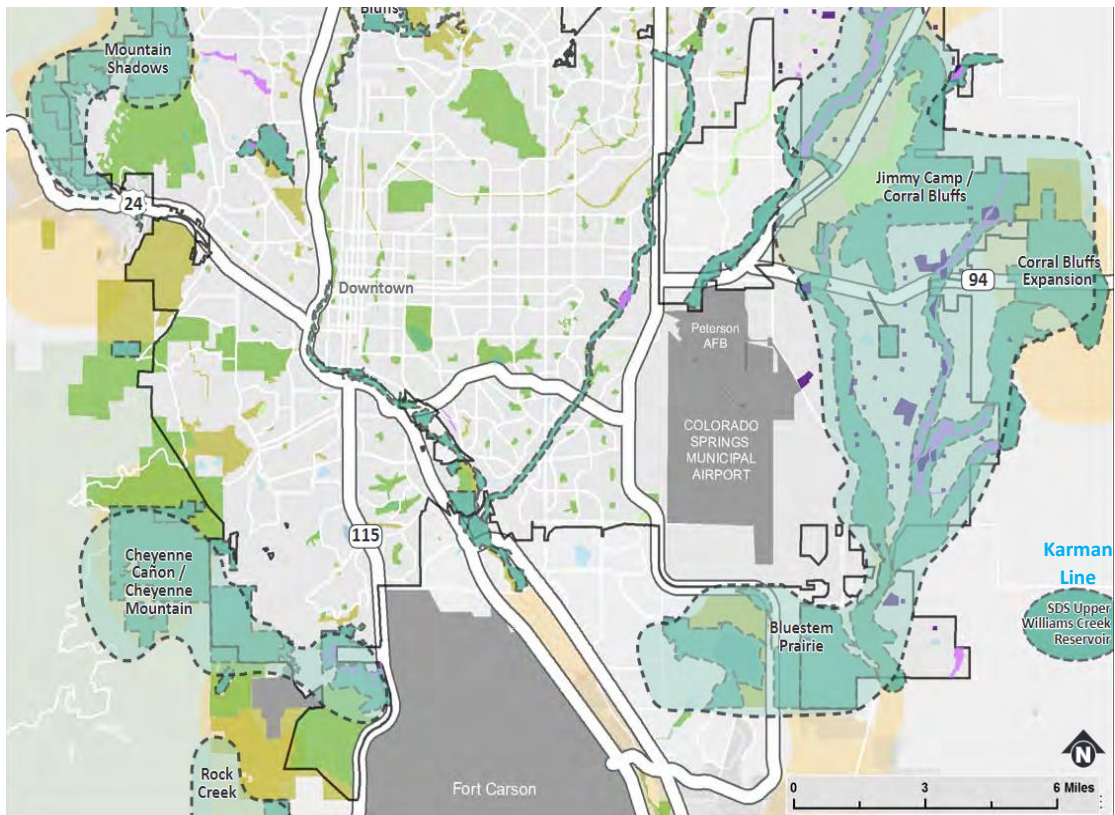
Adjacency to a Colorado Springs Utilities Planned Reservoir

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.

Integral Part of a Key Planned Regional Trail Corridor

A regional trail, which has been identified as the Jimmy Camp Creek Trail, is also 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.



Catalyst for Extending Utility Service near Schriever Space Force Base

In addition to being located immediately north of the planned CSU reservoir, the Karman Line development is also located less than one (1) mile southwest of Schriever Space Force Base (SFB) while still remaining outside the U.S. Department of Defense's Readiness and Environmental Protection Integration (REPI) acquisition and land use protection boundary for the Base (which basically aligns with the Curtis Road corridor along the eastern boundary of the Karman Line development). Numerous City officials over the years have spoken to the need to grow the City footprint in the direction of Schriever SFB, but even more importantly to extend utility services into the area to help ensure the safety, security, and success of the Base's missions, which directly contributes to the U.S. Space Force's ability to serve our country and protect all American citizens. In addition, the 2018 Pikes Peak Area Council of Governments Joint Land Use Study, which was developed in partnership with the City among other local governments and the local military installations, emphasized the need to extend utility services to Schriever SFB by stating:

“To improve resiliency at the installation, Schriever AFB is interested in natural gas and other utility infrastructure extensions from its utility providers. The base will continue to evaluate needs for additional electrical capacity and distribution to serve expansion of current missions and new missions.”

The Karman Line development not only willingly accepts the responsibility of being the driving force behind extension of City services towards Schriever SFB, but would be honored to be able to help deliver such a significant option for the Base’s long-term sustainability.

Identified by City Planning Staff as a “Potential Area for Annexation”

In May of 2021, El Paso County adopted Your El Paso Master Plan which established a new comprehensive plan, land use guide, and development policies for all areas of unincorporated El Paso County. The Master Plan set into place a series of land use considerations aimed at ensuring land use decisions are made in a comprehensive manner. The three components of the land use series include Place Types, Areas of Change, and Key Areas. The Master Plan identifies the property within the Karman Line development as being within the “New Development” Area of Change and predominantly within the Suburban Residential Place Type, both of which support the proposed Karman Line development. The Suburban Residential Place Type supports single-family detached residential development with urban-level lot sizes (less than 2.5 acres) as the primary land use. In addition, the Suburban Residential designation also allows for other supporting land uses including: single-family attached, multifamily residential, parks/open space, commercial retail, commercial service, and institutional.

Even more significant, however, is inclusion of the land within Karman Line in the “Potential Areas for Annexation” Key Area (see a map selection from the County Master Plan on the next page). Mapping of the “Potential Areas for Annexation” was accomplished by El Paso County in direct collaboration with the City of Colorado Springs Planning Director and Comprehensive Planning Manager in anticipation of eventual annexation of the land into the City of Colorado Springs. The Master Plan describes the “Potential Areas for Annexation” by saying:

“A significant portion of the County’s expected population growth will locate in one of the eight incorporated municipalities. As the largest municipality in El Paso County, Colorado Springs is expected to grow in population over the next several decades. As a result of this growth, Colorado Springs...will need to annex parts of unincorporated County to plan for and accommodate new development.”

The Plan goes on to state that the “Potential Areas for Annexation” Key Area, “outlines the portions of the County that are anticipated to be annexed as development occurs.”

It is clear from the coordinated mapping with City of Colorado Springs Planning and Development staff that the Karman Line development has been identified by the City as a logical extension of the City’s municipal boundaries. This request for annexation proposes to implement the objectives that went into the coordinated mapping of the Potential Areas for Annexation. In addition, the associated Land Use Plan proposes to allow for a well-planned development that mirrors the primary and secondary land uses anticipated in the Suburban Residential Place Type as identified in Your El Paso Master Plan.



B. The development of the area proposed to be annexed will be beneficial to the City. Financial considerations, although important, are not the only criteria and shall not be the sole measure of benefit to the City.

Increase of Housing Supply and Attainable Housing

The City of Colorado Springs comprehensive plan, Plan COS (2019), is the primary document used to guide land development decisions. The Plan should always be considered when determining whether a development will be beneficial to the City. 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 El Paso County and approximately one (1) mile from Schriever Space force base. 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 associated Karman Line Land Use Plan proposes to address the current and growing population at Schriever (SFB) through careful planning. 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

Plan COS 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 annexation and associated land use plan:

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.*

Increased to City Tax Base through Development of Non-Residential Uses

The Karman Line development is also poised to create a variety of commercial, office, light industrial, and mixed-use options for an ever-growing regional economy. The associated land use plan features a variety of non-residential or mixed use areas along Curtis Road and Bradley Road. These areas are intended to serve the nearby Schriever SFB population as well as the growing population in the area. Areas to be served will likely include the southern portion of Banning Lewis Ranch, Lorson Ranch, Waterview, Colorado Centre, the Glen at Widefield, as well as provide destination retail for more remote areas of unincorporated El Paso County, developing areas along Highway 94, and the City of Fountain. Another unique component of the project that is not necessarily found anywhere else in the region is the potential for considerable development of commercial service and retail establishments necessary to support the daily needs of residents and guests visiting the future reservoir across Bradley Road from the Karman Line development.

Supplying Additional Office Space for Schriever SFB and Military Contractors

The associated Land Use Plan also identifies a component of office/light industrial land uses in the area of the development closest to the west gate of Schriever SFB. 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. A current need also exists to locate a number of military contractors in closer proximity to the Schriever to ensure the best possible collaboration between those contractors and the enlisted soldiers and officers at the Base. The 45.58-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 45.58 acres.

Self-Supporting Land Use Plan Design

The associated Land Use Plan is envisioned to create a community with a sense of place, meaning that many of the land use components are intended to work in tandem with one-another. For instance, the rural residential areas located in the northern and western portions of the property include significant topographic challenges, 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, office, and even light industrial components of the land use plan will create more live-work opportunities for those residents living within the Karman Line development. Still another example includes the proposed centralized siting of a 30+ acre planned school site in an area almost completely surrounded by medium and higher density residential, which would provide 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.*

C. There is a projected available water surplus at the time of request

Colorado Springs Utilities staff has calculated the current available water supply for annexation into the City of Colorado Springs as being 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 development is proposing the following mix of land uses, maximum dwelling units, and associated acreages:

- Single Family Residential – 200 units on 604.51 acres
- Residential (Duplex & Triplex) – 1,500 units on 209 acres
- Apartments, Condominiums & Townhomes – 1,000 units on 82.39 acres

In addition, the development is planning to provide the following land uses with associated acreages:

- Parks & Open Space – 571 acres
- Industrial – 45.58 acres
- School Site- 20.1 acres
- Amenity Center- 6.7 acres
- Commercial – 105.12 acres
- Other (Mixed Use) – 99.43 acres

The Land Use Plan established a maximum overall number of residential dwelling units within the development of 6,500 units, which equates to 2,166 acre-feet of water. The Plan also includes 276.93 acres of land that includes industrial, commercial, mixed-use, a school site, and an amenity center, all of which equate to 304 acre-feet. Lastly, a total of 571 acres of parks and open space is depicted in the associated Land Use Plan, and, when assuming one-half of the acreage is irrigated park land with the rest 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 build out. It should also be noted that based on the parameters set by Utilities for reporting the anticipated water demand, the projected water demand for the Karman Line development will actually be less because the residential units included within the mixed-use calculations

are effectively double-counted as they also included in the overall maximum dwelling unit calculation and associated water demand.

D. The existing and projected water facilities and/or wastewater facilities of the City are expected to be sufficient for the present and projected needs for the foreseeable future to serve all present users whether within or outside the corporate limits of the City.

Colorado Springs Utilities staff has identified infrastructure capacity improvements necessary to support the proposed Karman Line development. The owner acknowledges the requirement to finance, design, and construction such improvements and recognizes the potential for cost recovery should additional development make use of the associated infrastructure improvements and extensions. Full analysis of the most appropriate option for providing wastewater service to the development is still being conducted by Utilities staff (in association with the BLR Studies Alternatives Analysis). There were no significant issues raised, however, regarding the ability of Utilities to provide wastewater service to the development.

E. The annexation can be effected at the time the utilities are extended or at some time in the future

Pre-annexation discussions between the project team and City and Colorado Springs Utilities (CSU) staff members indicate that utilities necessary to serve the project can be extended to the Karman Line development in a relatively reasonable timeline. Delays associated with delivery of critical electrical infrastructure components to serve full buildout of the project could infringe upon timelines previously considered “standard”, but initial development of the property may not necessarily be impacted. Extension of water and wastewater infrastructure is available and the alignment of such infrastructure is pending final determination by CSU. In general, water supply infrastructure will likely need to be extended from the west along Bradley Road while the infrastructure needed to deliver wastewater service to the project is under extensive consideration by CSU as part of a greater wastewater infrastructure evaluation process (as mentioned above, this is in reference to the BLR Studies Alternatives Analysis). CSU staff has indicated that the results of the evaluation process are likely forthcoming later in the second quarter of 2023.

F. The City shall require as a condition of annexation the transfer of title to all ground water underlying the land proposed to be annexed. Should such ground water be separated from the land or otherwise be unavailable for transfer to the City, the City, at its discretion, may either refuse annexation or require payment commensurate with the value of such ground water as a condition of annexation. The value of such ground water shall be determined by the Utilities based on market conditions as presently exist.

The applicant agrees to transfer title to all ground water lying under the Karman Line development as required. Furthermore, the applicant agrees to coordinate with the City to ensure all available groundwater rights are perfected. In the event that no such groundwater rights are available to the applicant and, therefore, to the City of Colorado Springs, the applicant agrees to negotiate with the City with respect to payment of a reasonable and appropriate sum of money commensurate with the value of the unavailable groundwater.

G. All rights of way or easements required by the Utilities necessary to serve the proposed annexation, to serve beyond the annexation, and for system integrity, shall be granted to the Utilities. Utilities, at the time of utility system development, shall determine such rights of way and easements.

The applicant agrees to grant all necessary utility easements to CSU, including all off-site easements necessary to extend service to the property. Acquisition of such easements shall correspond with the requirements for construction and maintenance of the respective service line as determined by CSU.

H. If the proposed annexation to the City overlaps an existing service area of another utility, the applicant shall petition the PUC (Public Utilities Commission) or other governing authority to revise the service area such that the new service area will be contiguous to the new corporate boundary of the City.

The applicant acknowledges the requirement to petition for exclusion from the service area of any overlapping service provider to ensure that the respective service areas for the overlapping service provider and CSU are contiguous and not overlapping.

3. Pre-Application Issues List

City staff has confirmed that there are no Pre-Application Issues that are required to be included and addressed in this section.