Summary Minutes

Infill and Revitalization Steering Committee

City Hall- Pikes Peak Room (107 N. Nevada Ave., Colorado Springs)

Tuesday February 17, 2015

1:30 p.m.

Members Attending: Gaebler, Donley, Beck, Gibson, Harris, Day, Nelson, Nicklasson, Seibert, Bishop, Shonkwiler

Members Absent: Craddock, Pico

Staff Present: Wysocki, Schueler, Nunez, Schubloom, Tefertiller, Bingman, Geitner

Guests: Rick Hoover, CONO; Gary Casimir; Marla Novak (HBA) Bobby Ingels, (Nor'wood); Walter Lawson; Rich Kramer(UPAC Chair); Bill Cherrier(CSU CFO); Mike DeGrant (Lowell Development); David Beckett (City Attorney's Office –CSU)

Call to Order/ Adjustments to Agenda

Ms. Gaebler called the meeting to order. Members and guests introduced themselves. It was determined that agenda item #4 (Utilities) should be moved to the front of the agenda.

Utilities Topic- Staff Presentation and Discussion

Mr. Schubloom spoke from a comprehensive PowerPoint presentation -available on the Infill Steering Committee website: http://coloradosprings.gov/resident-services/planning-development/information/infill-and-redevelopment

He noted that the gas and electric service area boundaries (at about 491 and 470 square miles respectively, cover a territory much larger than the City. Because these utilities are subject to Public Utilities Commission (PUC) regulation, the rates charged within these boundaries need to be consistent. Conversely, the water and wastewater service areas generally align with City limits except for limited extra-territorial service areas.

Generally, the CSU system is set up well to support infill and redevelopment. However, it helps to have comparable land uses in terms of demand. A significant change in land use or density may trigger additional costs. Line extension polices are generally consistent between water and

wastewater. Water systems are sized to respond to fire flow needs which are locally higher than other peak demands. System development charges apply to water and wastewater and not gas and electric (although there are requirement for developers to advance fund certain capacity improvements if they create additional demand).

Mr. Schubloom and other CSU staff responded several questions during and primarily after his presentation.

Robert Shonkwiler observed that CSU residential water rates were among the highest in the State based on recent article and that these rates can put a damper on redevelopment investment as well as on the financial ability of owners to irrigate their landscaping. Mr. Cherrier acknowledged the high rates as being a product of the need for the City to import water from greater distances, combined with the need to fund the one-time costs of Southern Delivery System (SDS).

Mr. Shonkwiler also asked about the proportional allocation of '"plant investment" costs such as for SDS coming from rates versus system development charges, with the response being that most of the SDS cost (on the order of 90%) is coming from rates and not development charges.

In response to questions about undergrounding, Mr. Schubloom noted that by ordinance adopted in 1967 most distribution lines are required to be placed underground. In the early 1990's an undergrounding task addressed the topic of existing above-ground distribution lines as well as some larger transmission lines. Some subsidization of these costs may be available in accordance with the URR's as amended in response to the 1992 task force. Generally 230Kv transmission lines are extremely expensive to underground (about $6-10M/ mile), 115Kv lines are less but still expensive (about $2M/mile) with local lines being much less costly on a linear basis (about $200K/ mile).

Mr. Bishop asked how CSU is viewed from the outside in terms of economic development. Ms. Nunez responded our rates are considered favorable especially for large electric users. However, Colorado and the City generally have less financial incentives available, compared with other states.

Mr. Seibert asked whether CSU has looked proactively at assessing and addressing capacity issues Downtown. Mr. Schubloom displayed a slide indicating that most wastewater lines in the Downtown area have available capacity to generally support significant growth and redevelopment. This is a significant change in prior modeling and is due to factors including diversion of upstream demand by the J.D. Phillips plant, the impact of conservation, reduced inflow into the system, more sophisticated modeling along with the availability of a dense network of sewer lines.

Mr. Seibert went on to note that "wastewater tends to be the issue with development and redevelopment because it is impacted by down gradient chokepoints. Mr. Schubloom agreed.

Ms. Nicklasson asked whether new Pikes Peak Regional Building Department requirement for downtown sprinkler systems create a water systems/capacity issue. The response was, no this is not a system-wide capacity issue because sprinkling entitles building to a 50% reduction in fire flow demand, and because the water line system is dense Downtown.

Ms. Harris and Ms. Nicklasson asked if the age and condition of facilities Downtown and in other infill areas was a concern that translates into a cost that ends up being borne by infill developers. Mr. Schubloom responded that age per se may not be that important a factor, as some very old infrastructure is considered still viable whereas relatively newer facilities may not be. As noted by Ms. Nicklasson, sometimes the decision to upgrade is elective on the part of the developer. Ms. Nelson observed that in the absence of the infill developer, these situations may have been lived with for a long time. Discussion followed.

With respect to Downtown in particular, Mr. Seibert commented that there can be a "real estate concern" with easement requirements that can be more significant than the direct utilities costs. In tighter, denser urban development and redevelopment areas, the impact of a standard suburban easement width (e.g. 50' versus 20') can be very impactful on development options and costs. Discussion followed including questions from Mr. Shonkwiler regarding mechanical showing within easement of varying widths.

Mr. Donley asked whether addressing of undersized CSU infrastructure could be included in the criteria for capital budget priorities. Perhaps a specific potion could be dedicated to replacing lines in infill priority areas. Mr. Schubloom suggested that this was not the case now, but could potentially be if determined by the Utilities Board as a matter of policy.

Discussion of inactive and reconnection fees followed. In addition to describing recent changes to the regulations that have narrowed these circumstances and costs, Mr. Schubloom noted that the number and extent of inactive meters is very limited compared with the number of all meters. Ms. Nicklasson would like to see spatial information on where inactive meters area and where reconnections have historically occurred.

FBZ and Other Zoning Approaches- Review Edits to Preliminary Recommendations

There was not time on the agenda to discuss this item. Carl asked for any further recommended changes to be provided between meetings.

Mission, Definition and Vision

After limited discussion Mr. Donley recommended that the streamlined definition provided by Ms. Gaebler with the agenda be adopted- with work to continue on the vision. There was concurrence of all Infill Steering Committee members present

Other Updates and Announcements

The Community Viz meeting dates were confirmed:

i. Working Group Dry Run March 4, 2015 3-5 p m.
ii. New Workshop Date April 23, 2015

UPAC Update

Mr. Kramer agreed to provide a brief summary of the ongoing UPAC infill and economic development charge and process at the next Infill Steering Committee meeting

Next Steps and Meetings

The next meetings will be Monday March 2, 2015; and Tuesday March 17, 2015, 1:30 p.m.

At the March 2nd meeting the primary topic will again be Utilities to include comments from invited developers, follow-up information from CSU, and an update on the concurrent UPAC process.