



City RTA Capital Improvement Projects
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Memo

DATE: July 14, 2010

TO: Pikes Peak Rural Transportation Authority Board of Directors &
Citizen's Advisory Committee

FROM: City of Colorado Springs - Engineering

RE: **The Processing of Developer obligated Public Roadway Improvements adjacent to PPRTA funded Capital Projects**

SUMMARY:

Public roadway improvements adjacent to undeveloped lands are typically the obligation of the property owners as part of their development costs. If a new PPRTA Capital Project constructs these improvements ahead of development and a reimbursement mechanism to the PPRTA is not established, then essentially PPRTA dollars would be subsidizing private land development. This situation is being encountered now with the Vincent Drive project in the City of Colorado Springs, and with the Marksheffel Road project in El Paso County. It is expected that other examples of this will occur in the future. City staff is of the understanding that the original intent of the PPRTA was to address deficiencies in the transportation systems without paying for developer obligations. Therefore, similar to what is already covered in City Code, there needs to be a mechanism established to reimburse the PPRTA for roadway improvements built with PPRTA funds adjacent to undeveloped land.

BACKGROUND:

In the typical course of land development within the City limits, a property owner (developer) is required to install full Public Roadway Improvements (i.e. curb/gutter, sidewalk, median, etc.) along his/her frontage as a condition of plat approval or building permits. Per City Code Section 7.7.705, the developer has one of three ways to address this issue depending on the timing of his/her project. In the most common case, the developer is first required to post financial assurances for the roadway improvements, install the improvements at his cost, and then when final inspection is completed by the City, these assurances are then released.

When an adjacent capital project is planned in the near future, the developer can install the roadway improvements along his frontage, or if road grades will soon be changing significantly, he can deposit

a check with the City for the amount of the improvements and it is deposited in the Project Account and used to pay project expenses.

In another case, when an adjacent capital roadway project is built but the developer has no plans to develop in the near future, City Code allows for a "Cost Recovery Agreement" to be recorded against said property to be paid when an application for a plat or building permit is eventually made to the City.

FINANCIAL IMPLICATIONS:

Cost recovery funds collected from adjacent property owners could be placed in either that specific project account to help pay for improvements, or in a holding account for upcoming PPRTA Projects.

RECOMMENDATION:

City Staff recommends that the PPRTA CAC and Board of Directors discuss the possibility of creating a "PPRTA Cost Recovery Agreement" similar to that used by the City of Colorado Springs. This would allow for the PPRTA to be reimbursed for typical development costs when PPRTA pays for such improvements in advance of development. This would assure fairness and equity among future developing properties, and would avoid the appearance of PPRTA tax revenues being used to subsidize private land development.