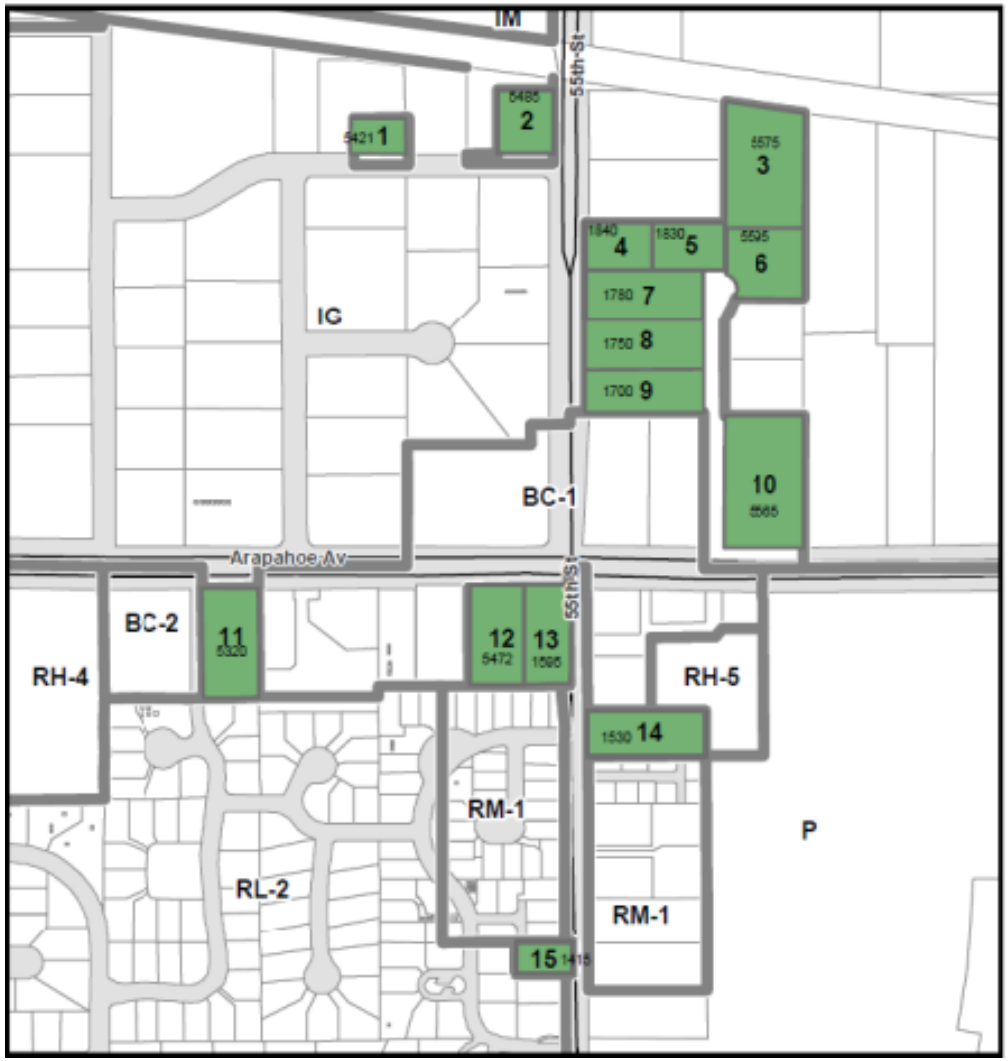
55th and Arapahoe Annexations

Timeline

- 8/2/16 – city staff starts calling owners and tenants to let them know first reading to annex will be 8/16
- 8/7, 14, 21, 28 - notices of annexation hearing on 9/2 published
- 8/5 - notices mailed to all owners of record
- 8/16 - First reading by council
- 8/18/16 - Planning Board recommends annexation
- 8/28-9/4, 11, 18 - notice of change of hearing published
- 8/25 - notices mailed to owners of record that annexation hearing on 10/4 rather than original date of 9/2
- Neither individual notices or posting of properties required and no permission from property owners to post properties

City of Boulder Vicinity Map



Key Issues

- Is the proposed annexation consistent with State of Colorado statutes pertaining to the annexation of a property into the City of Boulder?
- Is the proposed annexation consistent with the BVCP?
- Is the initial zoning consistent with the BVCP?

	Individual Property Applicant	Group Annexations	Flood Recovery Annexations	Unilateral Annexations
Application Fees	Yes	Sometimes waived	Waived	Waived
Annexation Maps, Title Work, NCWCD Inclusion fees	Paid by Applicant	Paid by Applicant	Paid by Applicant	Paid by City
Development Excise Taxes (if applicable)	Yes	Sometimes waived	Waived	Waived
Utility Plant Investment Fees and Tap fees	Yes	Yes	Yes - three options (Pay in full, finance, or defer to time of connection	Yes - Deferred to time of connection
Annexation Agreement with terms and conditions (easement dedications, ditch rights, public improvements, etc.)	Yes	Yes	Yes	No
Utility Financing Agreements	No	Sometimes partial financing	Yes - all costs financeable due to flood	Possible with proposed language in Ord. 8140

Why Now?

- The Separation Plan submitted to the Colorado Public Utilities Commission includes these properties as City customers
- Consistent with the Boulder Valley Comprehensive Plan to annex enclaves, particularly those that are substantially developed
- Consistent with the Planning Board Recommendation
- All legal requirements for annexation of enclaves have been met
- Uniform application of laws
- Prevents Boulder citizens from having to build and pay for $3.3 million of duplicate electric facilities
- Prevent county approvals with direct impact on city from occurring without city input

Impact on Property Owners

- Property taxes should go down since the city mil levy is lower (less than 12 mils) than the Rocky Mountain Fire District's (about 20 mils)
- Existing uses can continue regardless of city zoning requirements
- No requirement for connection to city utilities until redevelopment; per Comp Plan; county should require annexation for redevelopment
- Will have to comply with City code requirements as do the properties surrounding the enclaves
- Existing Marijuana businesses not subject to density restrictions of Boulder marijuana businesses so can continue
- Annexation revenue neutral for land use and utility connections (no fees to property owners or increased costs just by annexation)

Requests of Potential Purchasers of Properties and Businesses City Staff Does Not Recommend

- Lower sales and use taxes than other city businesses
- No city laws applicable for 10 years
- No requirement to connect to utilities for 10 years
- City pay all utility fees for each property

Concerns of Property Owners and Marijuana Businesses

- Fire Suppression systems are not required unless the Fire Category of the building is changed to a more hazardous Fire Category
- Developments that were in the process of approvals with the county and state Marijuana Enforcement Division are included in the grandfathering
- City restrictions on marijuana business size, location, and amount of marijuana are waived for existing businesses

Concerns for Property Owners and Marijuana Businesses – cont'd

- The time for completion of applications or meeting conditions for obtaining a marijuana license can be extended by the city manager if there are delays not caused by the business.
- Tenant improvements can be made up to 25% of the value of the building without triggering compliance requirements
- Maintenance (roof repairs/replacement, HVAC, etc) do not trigger compliance requirements

Errata

- Due date for applications would be around January 1, so changed “60 days” to “90 days” in Section 5
- Add a provision to Section 6 to include in “existing lawfully” a replacement marijuana business
- Add a provision to Section 6 that waives the limit on the number of marijuana business licenses

Current Status

- Goals:
  - Revenue neutral from annexation
  - Non-marijuana business will not notice a change to property taxes or operation of existing businesses
  - Allow people in the process of obtaining building permits from the county or new or changed marijuana business licenses from the state to proceed as they have planned and invested in
- Were not able to meet:
  - Desires of investors that had long-term plans to add more marijuana businesses but had not invested yet
  - Requests for waiver of taxes or code compliance or years or for the city to pay utility fees

Next steps

- Realize several have fallen through cracks and not been inspected by county or MED (Marijuana Enforcement Division)
- Staff recognizes will not extra support to come up to state and city standards
- Plan a meeting with all businesses within week after ordinance is finalized
- to help marijuana businesses to be successful through the licensing process

Marijuana Advisory Panel

- Ordinance 8139 overlaps with the ordinance to implement the requests of the Panel
  - Public hearing set for December 6
- Several changes requested by the Panel are the same as requested by the businesses within these enclaves
- Several changes requested by businesses in enclaves were rejected by the Panel
  - Business manager/keyholder definition should not be changed to exclude those with keys
- We are trying to coordinate the changes to the marijuana codes from the Panel and the enclave businesses to the extent possible

Questions?