Town Council

Board Meeting Date: 6/22/2021

File #: 21-241, **Version:** 1

SUBJECT: General Business
PUBLIC HEARING: Approval of a Resolution and Two Ordinances Annexing Property to the Town and Zoning the Property (Hammer Annexation)

1. Findings of Fact: A Resolution of the Board of Trustees of the Town of Erie Making Certain Findings of Fact Regarding the Proposed Hammer Annexation

2. Annexation: An Ordinance of the Board of Trustees of the Town of Erie Annexing to the Town the Real Property Known as the Hammer Annexation

3. Initial Zoning: An Ordinance of the Board of Trustees of the Town of Erie Zoning Certain Recently Annexed Property, also Known as the Hammer Annexation, as Heavy Industrial

DEPARTMENT: Planning and Development

PRESENTER: Audem Gonzales, Senior Planner

TIME ESTIMATE: 30 minutes

STAFF RECOMMENDATION:
Because it will give the Town more effective monitoring and regulation of oil and gas wells that already exist, staff recommends adopting the resolution and ordinances for the Hammer annexation and initial zoning applications

SUMMARY AND BACKGROUND OF SUBJECT MATTER:
The subject property is generally located southwest of the Highway 52 and Interstate 25 intersection. Specifically, it is located at the northeast corner of the WCR 7 and WCR 12 intersection. The applicant proposes to annex approximately 45 acres of land into the Town of Erie municipal boundary. The property is within the Town of Erie's growth boundary.

Background
On January 8, 2019, the Board of Trustees approved an Annexation Agreement and Master Encroachment License ("MEL") with Anadarko E&P Onshore LLC. The Agreement covers 47 acres of property owned by Anadarko that is directly west of the Town owned 293-acre property planned for the I-25 Gateway development. Under the Agreement, Anadarko was to annex the property into the Town after drilling 23 new wells (under Weld County and COGCC rules), but before the wells were

placed into production (under Erie's more restrictive rules). The annexation agreement also requires:

- The property shall be located within a Town of Erie Urban Renewal Area.
- The property shall be initially zoned to an industrial zone district.
- The owner shall convey 40' of right-of-way along WCR 7 within 30 days of the effective date of the annexation.
- The Town and Owner shall enter into a Master Encroachment License Agreement.

The Board's rationale for approving the Agreement and the MEL was (1) the Town was unable to stop the oil and gas wells from being drilled because it was permitted by Weld County and the Colorado Oil and Gas Conservation Commission (COGCC) outside the Town's jurisdiction, (2) annexing the wells into the Town would at least give the Town more control over them once they were producing, and (3) Tax Increment Financing (TIF) revenue from the wells would facilitate development of the Town's planned I-25 Urban Renewal Area (URA). However, Weld County has so far blocked creation of the I-25 URA. Unless that changes, there will be no TIF revenue accruing to the Town of Erie Urban Renewal Authority to address blight conditions on the property to facilitate development. If the property is annexed into the Town, the Town would benefit from normal property tax due the Town from the property.

Board Priority(s) Addressed:

- ✓ Prosperous Economy
- ✓ Effective Governance
- ✓ Fiscally Responsible

ATTACHMENTS:

1. Staff Report
2. Resolution No. 21-089 (Findings of Fact)
3. Ordinance No. 13-2021 (Annexation)
4. Ordinance No. 14-2021 (Initial Zoning)
5. Annexation Map
6. Other Applicant Materials
7. Referral Comments
8. Notifications
9. Staff Presentation