

**AIR QUALITY ADVISORY BOARD
REGULAR MEETING
MONDAY, MAY 21, 2012**

DATE: May 21, 2012
LOCATION: 215 N. Mason Conference Room 1-A
TIME: 5:30 – 8:30 pm

For Reference Greg McMaster, Chair - 484-3348
Ben Manvel, Council Liaison - 217-1932
Lucinda Smith, Staff Liaison - 224-6085

Present: Scott Groen, Hugh Mackay, Nancy York, Dennis Georg, David Dietrich, Rich Fisher, Greg McMaster

Absent: John Schroeer – Michael Lynn

Staff present – Lucinda Smith, Alexis Hmielak, Beth Sowder

Guests: Mike Behm from Energy Board, Tom Moore, Fort Collins Resident

Call meeting to order:

Greg McMaster called the meeting to order at 5:35 pm.

Agenda Review – none

Public Comments: - none

Review and Approval of April 16, 2012 minutes

Hugh Mackay pointed out one typo on the last page of the minutes.

<p>Nancy York moved and Dennis Georg seconded a motion to approve the April 16, 2012, AQAB minutes as amended. Motion passed unanimously</p>
--

Student Housing Action Plan – (SHAP)

Beth Sowder, Neighborhood Services Manager, presented summary information on the Student Housing Action Plan (SHAP).

- As background, Greg McMaster stated there is a group addressing CSU housing because enrollment is anticipated to increase to 35,000 in 2020, as is staff and faculty. There is also a limited supply of multi-family and student housing, very low vacancy rates and challenges resolving neighborhood concerns regarding potential development.
- The SHAP mission is to develop community-driven strategies that encourage and provide an adequate supply of quality student housing while maintaining neighborhood quality and compatibility. Other considerations are to look for compatibilities and relationships with surrounding neighborhoods.
- The purpose of SHAP is to study and identify strategies, address increasing need for student housing, identify possible key factors for development and develop action items and strategies.
- It is a collaborative project with the City of Fort Collins, CSU, Front Range Community College, neighbors and property owners, developers, Fort Collins Board of Realtors, Northern Colorado Rental Housing Association, and CSU students.

- The Center for Public Deliberation is a non-profit department at CSU dedicated to enhancing local democracy through improved public communication and community problem solving. They will collaborate with SHAP on community outreach and engagement.
- They have had a number of outreach and focus groups since June 2011 to January 2012, presentations at several City advisory boards and commissions and a City Council work session. In April, 2012, they had large group deliberative dialogue.
- In February Council expressed interest in the following:
 - Supplemental criteria such as the impacts of increasing living areas in current structures.
 - A prioritized list from what we hear back from focus groups.
 - Expand stakeholders.
 - Provide a map for future student housing.
 - Dennis Georg asked to receive a copy of this map so the AQAB can compare it to the PDOD overlay map.
 - Continue a collaborative approach.
 - Provide information about current actions.
- The large group deliberative discussion identified the top items that need to be discussed:
 - Expand transit infrastructure so students live close to transit and have bike capacity.
 - CSU should be more involved in developing solutions.
 - Create a comprehensive plan strategy.
 - Be more clear with language in the Land Use Code changes so people understand the intent.
 - Dennis Georg suggested they involve the developers and investors in this process so they are more aware of neighborhood compatibility.
 - Community/Student collaboration.
 - Improve design standards and process.
 - Keep students close to campus or transportation.
 - Increase enforcement/accountability of landlords.
 - Improved education of the SHAP plan to stakeholders.
 - Incentivize development of low cost housing.
- Top actions were categorized:
 - Comprehensive plan/land use including how they are compatible with neighborhood plans.
 - Lucinda Smith suggested they also look at land use and transportation together because they are linked and affect air quality.
 - Messaging/education
 - Transportation
 - Strengthen accountability
 - Partnerships
- Next steps:
 - Identification of action items
 - Public open houses
 - Input/feedback from boards and commissions
 - Bring final action items to Council in the fall

Discussion

- Greg McMaster pointed out that any action as a result of stakeholder input does have to fit into City Plan (i.e. land use code, transportation, etc). He wondered how can that bigger picture come into play to develop this plan.
 - Beth Sowder stated City staff has been meeting and getting involved in stakeholder conversations. Some action items may develop because of City staff being there clarifying

what the City can actually do. Once actions are identified they will go forward with things that are doable.

- Greg McMaster stated there are several aspects of the student housing growth to consider. First, there is a tipping point for a neighborhood where it cannot absorb more population growth and CSU will have to have plans to house students outside those neighborhoods. Second, it is hard to see how current transportation to and from campus, even with the Mason Corridor, could move that many students.
- Hugh Mackay suggested, since ten of student housing projects are close to CSU or on a single trip bus route away, they should see if they fall in the PDOD map because a building project could get points if it is within walking distance of the Mason Corridor.
- Dave Dietrich was concerned about light and noise pollution and suggested land use codes about light and noise should address noise from a growing population and require downward facing lighting. Beth Sowder stated they work through the police department for noise.
- Dennis Georg suggested treating this like an opportunity, not a problem. The things that he considers an impact to the AQAB are energy and resources and all types of transportation. Impacts to the City in general would be safety, communication, parks and recreation. Funding is also an issue to pay for these projects. He suggested working with people higher up in CSU and with the financial side of CSU.
- Dennis also felt it is easier for the AQAB to weigh in on specific projects rather than the project in abstract. He thought the AQAB would be interested if SHAP had a set of criteria like the Planned Development Overlay District (PDOD) for student housing so everyone has sense of opportunities to developers. A lot of these developments are in the PDOD area and thought the PDOD specifications should also apply to student housing outside the PDOD.
- Rich Fisher wondered where the additional people are going to go to get their services because there is no capacity for them right now.
- Greg McMaster suggested incentivizing large complexes to do green building with less energy use.
- Dave Dietrich stated many other universities have their own bus systems and asked if CSU is considered helping to pay for more transportation so students can get to class from wherever their housing is.
- Mike Behm asked where CSU funding comes from. Dennis Georg stated some transportation money comes from development fees. Lucinda stated some could come from a street oversizing fund when the project impacts transportation.
- Beth Sowder asked how the AQAB would like to proceed with this issue. Dennis Georg stated if there are any specific action items concerning transportation or energy the AQAB would be interested in weighing in. Otherwise the SHAP group is working with the right people to advance the project and the AQAB is ancillary.

Air Quality Impacts from Oil and Gas Drilling

- Rich Fisher stated he and David Dietrich prepared a draft white paper regarding the risks of oil and gas production in the northern Colorado area. They reviewed articles and comments and prepared a brief, bulleted white paper that informs City Council of the risks and opportunities they can take. He pointed out the City of Fort Collins is not a regulator but the City does have some opportunities to be proactive.
- Rich Fisher and David Dietrich invited Tom Moore, Air Quality Program manager, Western Governor's Association, to this AQAB meeting for a presentation and discussion about regional air quality issues resulting from oil and gas production. Tom Moore is with the Western Regional Air Partnership and works at CSU foothills campus and services the western US. He is a technical

Contractor for ENVIRON International Corporation funded by the Western Energy Alliances, U.S.EPA, Wyoming DEQ, and Northern Dakota DoH. He came to inform the AQAB of the big picture of oil and gas development. Tom does not regulate anything but works for the Association of Governors who are struggling with the issue of oil and gas and are trying to figure a solution that helps everyone.

Presentation – Oil and Gas Air Emission Inventories for the Intermountain West

- The upstream oil and gas sector includes oil and gas wells producing liquid hydrocarbons from the huge Niobrara Formation. Most of the wells are natural gas. Processing to clean the liquids is done at a gas plant where the value of gas is established. Some gas is burned in the fields to move the liquids and gases along the line before it is treated.
- There are many upstream emissions inventory sources from a range of activities used to explore, produce, process, transport, store and distribute oil and gas. There are also a lot of land use issues associated with the byproducts of oil and gas production.
- History and Significance of oil and gas emissions
 - The Colorado Regulatory program is one of the toughest in the country. However, a recent Western Regional Air Partnership (WRAP) 3-phase study in the Colorado ozone nonattainment area where we live in indicates the oil and gas sector could account for up to 50% of the volatile organic compounds and 10% of the NO_x in the nonattainment area. Both of these gases are precursors to ozone. Percentages could be even higher in other Rocky Mountain States. More work is needed to understand and quantify oil and gas emissions.
 - The Western Regional Air Partnership (WRAP) Phase III study is a collaborative study with the Western Energy Alliance that has provided much data and covers all major criteria pollutants, including NO_x, VOCs, SO_x. The area being studied includes high activity basins in the intermountain west (NM, CO, UT, WY, MT, ND). The goal of WRAP Phase III is to provide a regionally consistent, comprehensive oil and gas point and area source inventory for the Rocky Mountain region.
 - Data sources come from state and EPA permit databases, equipment/process data from industry surveys and high-quality production statistics from commercially available tools.
- Tom Moore pointed out when you bring up gas you also bring up approximately 4%-5% of methane. This amount would radically change the profile of GHG in our area. They have estimated it but have no actual data. The oil and gas industry estimates 2%, but this is still a very large GHG amount.
- Methodology of the statistics combines various data:
 - Unpermitted sources surveys to oil and gas producers
 - Combined survey responses for all participating companies
 - HIS database (oil and gas production and well and spud counts)
 - Scaled-up unpermitted sources emissions for entire basin
 - Complete oil and gas emissions inventory for entire basin
 - Permit data from state databases and EPA permit data (Title V) or other permit data
- Challenges and limitations to estimating emissions
 - Some sources are missing and hard to get
 - Contaminated water is a disposal issue (Every fracking job uses about 5 million gallons of water). There are about 40,000 wells in Colorado that are being fracked on a periodic basis and are using and contaminating huge amounts of water).
 - Use of emissions controls are difficult to evaluate basin wide and “green completions” are an unknown term.

- Distinctions by geological formation types
- Leveraging Phase III results
 - Elements of the Phase III project have already been used extensively for evaluating emissions and air quality impacts from oil and gas development.
 - Almost 50% of NOx emissions from oil and gas are not permitted or controlled by the state. Most are many smaller operations such as loading stations for trucks.
 - Phase III results are in wide use for EI development and air quality analyses and are considered very high quality.
- Well activity patterns change over time. Drivers include new resource discoveries, price of natural gas, price of oil/condensate.
- What's Next
 - Industry may fund a Phase IV to allow for tracking the effects of regulations and providing current inventory data for ongoing air quality modeling.
 - There are data gaps to close from Phase III. Additional data will be harder to get.
 - Targeted studies to supplement Phase III and Phase IV results with improved assumptions and data
- There are lots of challenges in managing upstream oil and gas air emissions.
 - The Federal Clean Air act did not imagine this type of development. Most individual emissions sources are below the Federal Clean Air Act de minimus levels.
 - The large basins have 10,000s of sources.
 - There are numerous production owners and businesses frequently bought and sold and different state agencies regulating well drilling and operating practices.
 - Gathering systems (pipelines) operators are separate from well owners and are not regulated in same way as wells.
 - Every state regulates well drilling separately from air emissions.
 - All natural gas wells are liquid hydrocarbon wells -
 - Gas value is established at the processing plant.

Discussion

- Lucinda Smith commented she did not realize how many processes were unpermitted.
- Dennis Georg stated Council issuing a moratorium on oil and gas drilling within the city limits is only a first step. He liked the white paper Rich Fisher and Dave Dietrich wrote because it is proactive and results focused. This is an opportunity to encourage the City Council to move forward in a proactive manner to align the City's interests and goals for the future, including initiatives in BFO to help achieve them. He suggested the white paper be given to Council as a starting point for steps staff should take during the moratorium to help address the problems created by oil and gas exploration. The boards would advise Council about these actions.
- Lucinda Smith pointed out any action the AQAB is asking staff or Council to do will have to be done quickly and during June. The AQAB could ask for feedback from Council what actions staff should pursue.

Dennis Georg moved and Scott Groen seconded the following motion:
 The Air Quality Advisory board supports the passage of Ordinance No. 048, 2012. In addition, the AQAB offers the attached paper that: 1) identifies an air quality challenge the City will face with the development of regional oil and gas resources; and 2) lists opportunities for actions to address these challenges. The AQAB encourages Council to direct City staff to use this paper as an initial outline to develop an air quality strategy for timely consideration, up to and including the City budgeting process.

Motion passed unanimously

PDOD Update

Megan Bolin, City Planner, provided a brief overview of the Planned Development Overlay District (PDOD) and asked for feedback from the AQAB. Council is considering adopting this as a pilot program on July 17, 2012.

Background:

- The PDOD is a proposed alternative zone district that would provide flexibility for infill development and redevelopment.
- The project began over a year ago and staff has presented to the AQAB twice during that time.
- PDOD would be a new overlay zone district within the Land Use Code (LUC) that would provide an alternative, creative and holistic approach that takes the context of surrounding development into consideration. PDOD blends the planning concept of Planned Unit Developments (PUDs) with performance-based zoning to produce the intended outcome of flexibility while, at the same time, assuring high-quality development.
- PDOD is optional for sites located within a defined boundary and only projects within the PDOD boundary area will be able to use it. This tool would be most effective in infill/redevelopment areas that are challenged by existing site constraints such as irregular lot shape or size, topography, and/or context.
- PDOD is intended to encourage density along transit corridors.
- Staff has received initial support to pursue a pilot program for the PDOD, essentially allowing it to be implemented on a temporary, 6-month trial basis. The goal of the pilot would be to determine if it is working as intended before the City considers adopting it on a permanent basis.
- Next steps
 - Outreach to boards and commissions, community and business organizations.
 - June 21 – Planning & Zoning recommendation on PDOD pilot.
 - July 17 – Council first reading
 - August – Council second reading and pilot begins.

Discussion:

- Greg McMaster stated that, at the public open houses about PDOD, some people were concerned PDOD could allow projects that might not be compatible to residential areas.
 - Megan Bolin stated PDOD will still require projects to conform to the building compatibility standards in Article 3 of the Land Use Code and be respectful of its surrounding neighborhood. In addition, PDOD projects will not impact single family alterations because they will be reviewed separately. A special task force will also review PDOD projects.
- Nancy York stated neighborhoods need to be notified long before work begins.
 - Megan Bolin stated PDOD projects will have the same development review process through the Planning and Board as with regular projects with the same notification process. They will also hire a development outreach coordinator as a liaison between developer staff and neighborhood.
- Hugh Mackay stated he was in favor of the PDOD model and wondered what the AQAB should do, if anything, regarding the pilot program. He hoped that construction of student housing would also be reviewed and held to PDOD compatibility standards.
- Greg McMaster stated the City try the pilot and see how it goes.

- Dennis Georg stated he saw some things in the matrix that might be more constrictive. However, from a developer's perspective, let them try the PDOD model and see. The City is not forcing them to do anything. Some properties along the Mason Street Corridor may enhance their ability to develop.
 - Megan Bolin stated if a developer wants to try PDOD and it won't work for them, they can revert back to the old process without any penalty or fees.
- To answer Nancy York, Megan stated PDOD will not be used in residential neighborhoods.
- To answer Mike Behm who asked why a 6 month pilot period, Megan Bolin stated they wanted to keep project volume to a manageable size. If we don't see projects come in because of timing or if market isn't ready, we will allow Council the option to extend the pilot period. We'll document why developers aren't using PDOD and that will be part of the evaluation.

Hugh Mackay moved and Dennis Georg seconded a motion that the Air Quality Advisory Board recommends City Council support the pilot PDOD program.

Vote passed 5 – 1

Nancy York abstained because she would like more information about PDOD.

Brief updates & announcements

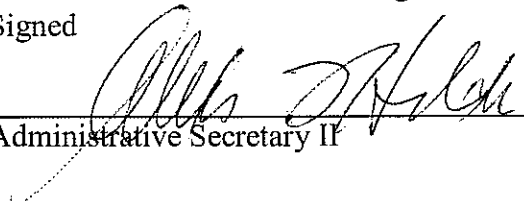
- Bike Advisory Committee report. As Michael Lynn was not present there was no report.
- Planning next meeting
 - Revisiting the oil and gas white paper and establishing priorities what the City might be able to do.
 - Lucinda suggested the AQAB might consider how it weigh in on BFO round one other than at the public houses. The board could make a recommendation on round one and share with The BFO Results Team

Adjourn

Nancy York moved and Hugh Mackay seconded a motion to adjourn.
 Greg McMaster adjourned the meeting at 8:20 p.m.

Approved by the Board on June 18, 2012

Signed


 Administrative Secretary II

6 18 12
 Date / /