



Planning, Development & Transportation


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MEMORANDUM

DATE: January 9, 2013

TO: Mayor and City Councilmembers

THRU: Darin Atteberry, City Manager 

FROM: Mark Jackson, Planning, Development and Transportation Deputy Director
(on behalf of the Xcel Pipeline Project City Staff Team: see below)

RE: Update: Xcel Energy Pipeline Easement Requests and Background Info

City Staff and Xcel Energy Project Team members first presented plans for the pipeline replacement project to City Council on November 29, 2011. Since that time, City Staff provided City Council and Executive Management with regular update memos, per Council's direction.

Public Service Company of Colorado (PSCo) is requesting utility easements and temporary construction easement across four Natural Areas and one Stormwater property at the January 15, 2013 City Council meeting. This is anticipated to be the only time Xcel or City Staff brings project related items to City Council for formal action regarding this project. All other project approvals for excavation within the street rights of way, or to meet Stormwater requirements will be handled administratively per City Code.

November 29, 2011 Council Work Session

City Staff and Xcel Energy Project Team members presented initial plans for the pipeline replacement project to City Council on November 29, 2011. At that time Council provided the following input and direction:

- **Public Process:** Council requested that Xcel make the public aware of the project, the impacts of the project and why the project is necessary.
Action Taken: Xcel Energy implemented a robust public awareness and involvement campaign, including public open houses, online and email newsletters, updates, and stakeholder outreach. Xcel also presented information to many City Advisory Boards including Land Conservation Stewardship Board, Water Board, Natural Resources Advisory Board, and Transportation Board. Xcel worked with City communications staff to augment communications and information plans.
- **Favorable Agreement:** Council requested Staff put together a through agreement that anticipated Xcel's future needs and impacts to the natural areas.
Action Taken: Natural Areas Staff worked closely with Xcel to craft an alignment and

agreement that protects and mitigates impacts to the Natural Areas as fully explained in the January 15 Council materials.

- **Xcel Pays All City Costs:** Council requested Staff make sure that Xcel pays for all City costs associated with the replacement project.

Action Taken: Xcel is paying for all pipeline project construction costs and mitigation. They are also paying appropriate City permit fees associated with street cuts where the pipeline alignment is within the road rights of way.

- **Mitigation:** Council requested that Staff leverage the cost saving to Xcel for crossing a Natural Area to benefit other projects. Council gave examples such as trail connections, undergrounding power lines, and curb, gutter, and sidewalk improvements.

Action Taken: Natural Areas Staff negotiated a cash agreement with Xcel Energy of \$2 million that can be used for a trail connection to Loveland or for other City purposes. Xcel is also offering “in kind” compensation for related projects and services (such as sharing conduit in conjunction with some of our utility projects) that is valued at approximately \$625,000.

In addition, Xcel agrees to work with other City departments to collaborate on projects co-located within the right of way such as a planned spot widening at Shields St. south of Harmony Road. Xcel will also enter into future conversations with City Electric Utilities Staff about possible use of abandoned pipeline as conduit.

- **Better Definition of Pipeline Alignment:** Council requested Staff provide better maps and identify potential impacts.

Action Taken: Xcel worked closely with City Staff from Natural Areas, Parks Planning, Utilities, Engineering and Streets Departments to identify an alternative alignment that minimizes impacts to the community. The original pipeline alignment was to travel east on Horsetooth Road from Shields Street to Timberline. It would then continue north on Timberline to approximately Vine Drive. This would have cut into newly renovated, busy arterial streets and impacted key business and recreation areas, as well as schools.

The proposed alignment travels east on Horsetooth Road to just west of McLelland Drive, then north through easements to Swallow Street; in McLelland Drive north to Thunderbird Drive; then east to Harvard Street, then north again to Drake Road. From Drake Road the alignment will travel east to Timberline, continuing along its original alignment to its terminus near Vine Drive. (See Attachments 1 & 2). This is advantageous to the City as it minimizes tearing up recent pavement improvements to Horsetooth and Timberline had the original alignments for the Xcel project been followed.

January 15, 2013 Easement Requests

PSCo is requesting utility easements and temporary construction easement across four Natural Areas and one Stormwater property at the January 15, 2013 City Council meeting.

The first Agenda Item (Agenda Item # 15) is related to PSCo’s request for Utility Easements and Temporary Construction Easements across four Natural Areas owned by the Natural Areas Department (NAD) to Construct Operate, and Maintain approximately 2.6 miles of High

Pressure Gas Pipeline. As proposed, the gas transmission pipeline will require new easements to cross four City Natural Areas: Coyote Ridge, Colina Mariposa, Hazaleus, and Kingfisher Point. Existing easements for the gas pipeline are located within Kingfisher Point and portions of Coyote Ridge. The portion of the pipeline to be constructed within NAD properties will affect approximately 31 acres. All areas impacted by the proposed project will be restored as outlined in NAD's General Resource Protection Standards. Existing vegetation not otherwise avoided by boring is dominated by non-native grasslands that have low resource value. Restoration of the alignment will utilize only native grasses and forbs. More detailed information is contained within the AIS.

The second Agenda Item (Agenda Item #16) is for a utility easement and a temporary construction easement across the eastern portion of two properties owned by the City for stormwater purposes located adjacent to McClelland Drive. Construction of the pipeline will occur during a similar timeframe as the construction of the MAX BRT improvements within McClelland Drive. The majority of the pipeline will be bored underneath the City property to avoid above-grade disturbances. The project has been designed to avoid all environmentally sensitive areas. Once construction is completed and any surface disturbance has been restored, the project is not expected to have any impact to the area. More detailed information is available within the AIS.

Board or Commission Recommendations

On December 20, 2012, the Water Board voted unanimously to approve the recommendation that City Council approve an Ordinance authorizing the conveyance of a permanent utility easement and temporary construction easement on the City properties to PSCo.

The West Main Project was discussed with the Land Conservation and Stewardship Board (LCSB) during the October 10, 2012, September 12, 2012, and August 10, 2012 meetings. NAD staff will request a formal recommendation from the LCSB to City Council at the January 9, 2013 meeting. The recommendation and minutes from this meeting will be provided prior to the January 15, 2013 City Council meeting.

Public Outreach

Three open houses were held in Larimer County to share the overall plan with the public. A total of 3,409 property owners within 750 feet of the preferred and alternate pipeline routes within Fort Collins were notified of the meetings. Open houses were held as follows:

- February 29, 2012 at the Walt Clark Middle School in Loveland from 4 to 7 pm.
- March 8, 2012 at the Fort Collins Marriott in Fort Collins from 4 to 7 pm
- October 25, 2012 at the Lincoln Center in Fort Collins from 4 to 7 pm

In addition, Xcel published regular e-newsletter and email updates, and met with several City advisory boards as mentioned above.

Xcel plans to conduct a concentrated public awareness and information campaign in advance of construction beginning spring of 2013. City of Fort Collins will assist with and participate in this information sharing and public awareness plan.

Trail Status

The \$2,000,000 in mitigation funds, which includes \$172,672 in compensation to Natural Areas, may be used to fund the construction of a 10' wide concrete regional trail along the east side of Shields Street from Fossil Creek Drive south to Loveland across Natural Areas that are being disturbed due to the gas line project or for other uses as determined by City Council.

Timeline/Schedule

Construction of the pipeline within the Fort Collins area is anticipated to begin spring of 2013 and last into 2014. 2013 efforts will begin on the southern end of the alignment and likely terminate at Drake Road. The remainder of the pipeline project is scheduled to be completed in the Fort Collins area in 2014.

Conclusion

Xcel has been very responsive to Council's Work Session direction. The mitigation actions and modifications that Xcel has agreed to address the Council's feedback and direction and are positive outcomes for the City.

The alternative alignment that Xcel has agreed to is advantageous to the City as it avoids tearing up relatively new pavement on Horsetooth and Timberline arterials and it minimizes impacts to streets and traffic during construction. It also lessens the risk of damage to the pipeline in the future because portions of the alignment are set apart from other utility infrastructure that is within the City's roadway rights-of-way.

Additionally, the City will receive a \$2 million compensation package.

Impacts of the project on City natural areas are very manageable as the pipeline will be installed on the edge of the natural areas closest to Shields and most of the area is unrestored farm land. Part of the compensation would be used to restore the natural area disturbance. Also, Xcel will bore the pipe under environmentally sensitive sections and have modified the pipeline route to avoid Cathy Fromme Prairie.

Xcel staff has been very cooperative and responsive to City concerns and suggestions. They have modified the pipeline route to minimize impacts and accommodate City street improvement projects and will provide a cash compensation package as well as in-kind compensation. They are also working with Utilities to facilitate use of the old pipeline as conduit for future Utility projects.

Attachments:

1. Project alignment map, showing previous route considerations, plus the new preferred alternate alignment (red)
2. Map of pipeline route specific to the McLelland Route easement request

City of Fort Collins Xcel Project Staff Team (to date):

PDT

Karen Cumbo, PDT Director

Mark Jackson, PDT Deputy Director

Laurie Kadrich, Community Development and Neighborhood Services Director

Larry Schneider, Streets Superintendent

Darren Moritz, Street Maintenance Program Manager

Rick Richter, Interim City Engineer

Dean Klingner, Interim Engineering Capital Projects Manager

Lindsay Ex, Environmental Planner

Community Services

Marty Heffernan Community Services Director

John Stokes, Natural Areas Director

Mark Sears, Natural Areas Program Manager

Daylan Figgs, Senior Environmental Planner

Justin Scharton, Environmental Planner

Craig Foreman, Park Planning and Development Director

Zoe Whyman, Natural Areas Community Relations Manager

Utilities

Doug Martine, Project Engineering Supervisor, Utilities Electric Systems

Jon Haukaas, Water Engineering Field Operations Manager, Utilities Water Systems

Brian Varrella, Utilities Master Plan and Floodplain Administration

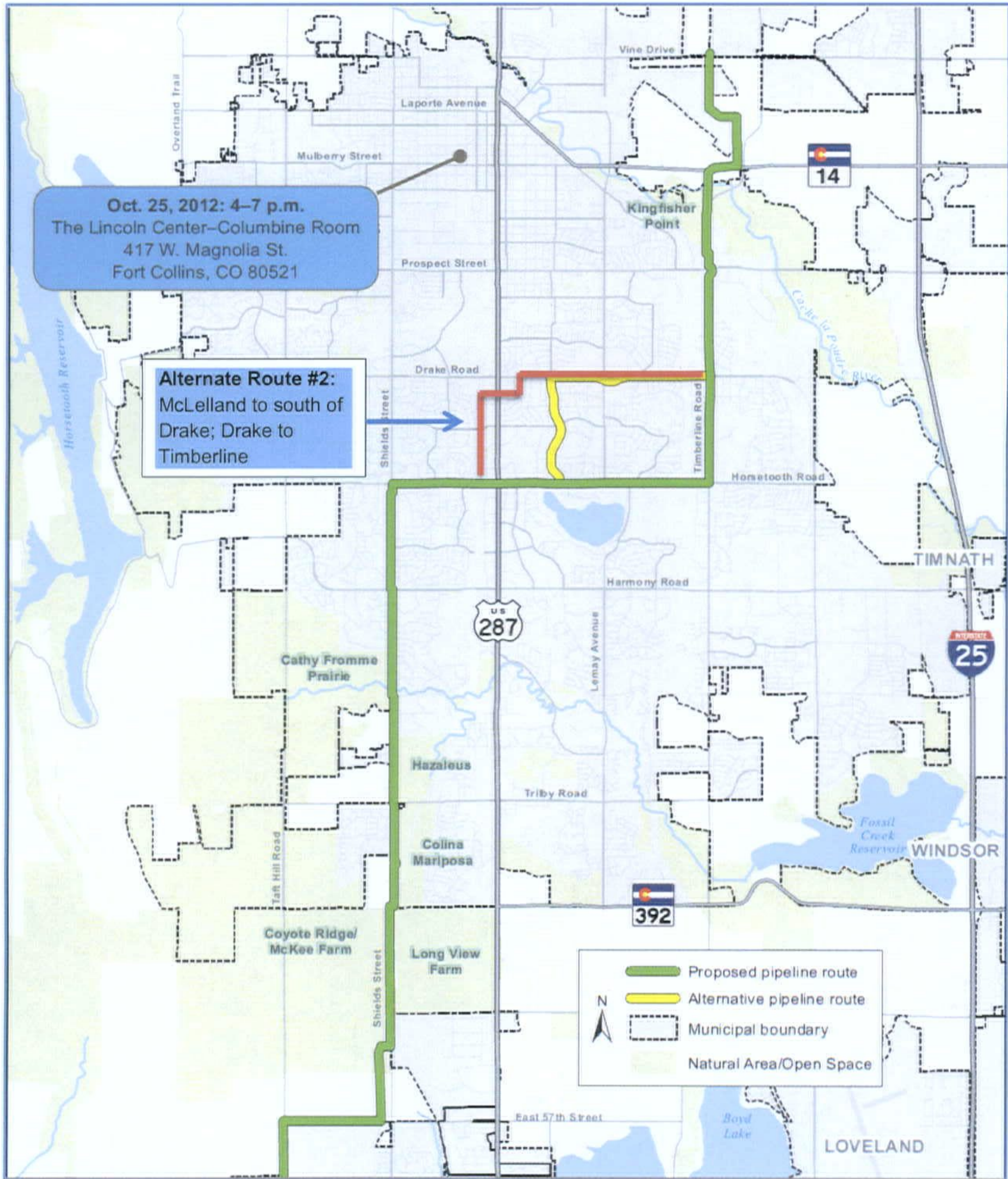
Mark Kempton, Utilities Master Plan and Floodplain Administration

Real Estate Services

Lindsay Kuntz, Real Estate Specialist III

Tawnya Ernst, Real Estate Specialist III

**Attachment 1: Original Proposed Xcel Pipeline Alignment,
with first alternative alignment (yellow-dismissed)
and preferred alternate alignment #2 -red**



(Source: Xcel Energy Project Team, October 2012)

Public Service Co Pipeline Project - McClelland Route

