

AGENDA

Planning and Zoning Commission Regular Meeting
Tuesday, August 25th, 2015
Regular Meeting **6:00**
Evans Community Complex – 1100 37th Street
City Council Chambers

Planning and Zoning packets are prepared several days prior to the meetings. This information is reviewed and studied by the Commission, eliminating lengthy discussions to gain basic understanding. Timely action and/or short discussion on agenda items do not reflect lack of thought or analysis. An informational packet is available for public inspection on the website at www.evanscolorado.gov

REGULAR MEETING

- 1) **CALL TO ORDER by Chairman Phillips at 6:01pm**
- 2) **ROLL CALL by Pat Zietz**

Chairman: Robert S. Phillips, III ✓
Vice-Chairman: Deborah Linn ✓
Commissioners: Laura Speer ✓
Julie Lowe ✓
Billy Castillo ✓

✓ Signifies present

Staff Present: Sean Wheeler, City Planner
Dawn Anderson, City Engineer-Acting Public Works Director
Pat Zietz, Administrative Specialist

- 3) **APPROVAL OF MINUTES:** Minutes of July 28, 2015 Work Session
Commissioner Speer, can we change the minutes please? I would like to have it added into the minutes that we did have a tie vote. Pat Zietz – I will add that in and amend the minutes.
Commissioner Speer: Just for clarity, thank you.

Chairman Phillips: Any recommendation for the acceptance of the minutes with the necessary correction? Vice Chairman Linn: I'll go ahead and approve the minutes with the exceptions noted. Chairman Phillips: Anyone second? Commissioner Lowe: I'll second. Chairman Phillips: Does everyone vote the same? All approved, motion passed. Minutes approved.

- 4) **APPROVAL OF THE AGENDA**
Chairman Phillips: Approval of the agenda? Commissioner Speer: I move that we approve the agenda. Vice Chairman Linn: I second that. Chairman Phillips: Everyone vote the same way? Approval passed.
- 5) **AGENDA ITEMS:**

A. PUBLIC HEARING – Synergy Evans Wells Use by Special Review (Oil and Gas Site Development)

Sean Wheeler: Thank you Chairman Phillips and members of the Planning Commission.

Sean read the Staff Report - **SEE EXHIBIT A: SYNERGY EVANS WELLS OIL & GAS USR – PC**

In summary, we just wanted to note that we feel that the applicant, the consultant and city staff have tried to work together to come up with a list of ways to support the project moving forward and as you can see we did note in the review criteria the section in the staff report on page 5 that our sense is that they have in fact satisfied all of the review criteria, certainly if you have any questions about that we can try and address those. Our conditions of approval are contained at the end of the staff report and there are fourteen of those which we are recommending. That concludes the staff comments. I do want to say, this afternoon we did receive a set of suggested changes to the conditions of approval form from the consultant and just doing a quick read through, I've just had them within the last half an hour, I'm not sure we support some of the changes that are recommended but as an option, certainly the Planning Commission can recommend any changes to conditions of approval. Essentially we will take forward our original conditions for recommendations from the consultant and any recommendations from the Planning Commission as well in terms of modifying those. That becomes a question of how Council wants to vote on the language of the certain conditions of approval. That is where we're at. I will conclude my presentation, if you have any questions for me I will be happy to try and answer.

Chairman Phillips: We will now open the Public Hearing, let us hear from the applicant.

Thank you Chairman Phillips and members of the Planning Commission. My name is Vince Harris, I'm with Baseline Corporation. Our address is 1950 Ford Street, Golden Colorado 80401. We are a planning, engineering and surveying consulting firm that has been assisting Synergy with numerous applications over the years. Luckily this is a new application coming into Evans. I am happy to be here tonight along with Synergy. With us tonight we have a few folks with us but I'll just note that Craig Rasmuson, he's with Synergy Resources Corporation, he's right here in the front row. We also have Rick Behning, he's an engineer with Baseline and I think between the three of us we can probably answer questions but if we need someone else to come up with other resources, we have them here tonight.

Vince briefly went through: This application is about a 90 acre parcel located in this area right here, it's located north of 49th street, west of 35th avenue and then south of 37th street. It is isolated and does not have any direct street frontage.

SEE EXHIBIT B: SRC EVANS PC POWERPOINT_2015-8-25

At this point in time before I move on I guess I'll probably work on our redlining I should say and the conditions that we presented to staff today, before I go through those I would like to have Craig Rasmuson come up and he'll do just a short over view of who Synergy is and what they do and how they fit into the community. He'll give you that sort of perspective and we'll go through the conditions once he's done that, so this is Craig Rasmuson.

Good evening and thanks for having us, we appreciate your time and consideration tonight. Again as Vince said, I'm Craig Rasmuson, Chief Operating Officer for Synergy Resource Corporation. Synergy is located just down the road, in fact that haul route eventually goes just past our office. We're at 20203 Hwy 60 so we're between the river and Hwy 85 on a big farm there on the west side of Hwy 60 as 60 goes south to 85 towards Platteville. We've been around since late 2008. If you all recall, back in late 2008 is when we had a big economic down turn, ironically that helped Synergy get off the ground.

Craig Rasmuson described their company, how they came to be here, and where all they service.

- Located in Weld County and Northern Adams County
- Top 10 oil producer in the state of Colorado
- Have drilled and completed wells in nine other municipalities on the Front Range
- Worked with tough locations like the Erie's and the Mead's, Winsor; multiple locations in Johnstown, Greeley, and Severance
- Today's technology allows us to get the tougher minerals, get on location, consolidate to one location, one parcel of property
- The access road easement to the east, they have a verbal handshake with the surface owner there now, that will help Evans get the 120 feet of right-of-way
- Haven't received any pushback on the project

I'll let Vince go through the redline additions and answer any questions you may have at that time.

Vince moved forward to the redline changes to the conditions, starting on the PowerPoint, "Approval Condition #1" of the presentation see: **EXHIBIT B** below.

After going through the conditions, Vince went to the map explaining they will be developing on the northern portion of the site. There are yellow dots on that map, those are wells that are currently in this area. Synergy will be working with the owners of these wells to plug and abandon those wells. This map shows all the well bore paths in the vicinity.

With that we recommend approval of the applications we have submitted with the conditions that we are suggesting and are red lined from our perspective. I will be available to answer questions at the appropriate time. Thank you for your time.

Chairman Phillips: Thank you

6) AUDIENCE PARTICIPATION:

Chairman Phillips: Anyone else want to speak in favor of this proposal? Now is the time. Anyone who has oppositions to the proposal?

My name is...Meyer. I own the farm just to the south, I got wind of this about a week ago.

- 1) We've got no kickback from anybody. Conversation took place between Mr. Meyer and Synergy, part of the conversation was eligible on the recording.

When asked by Chairman Phillips to address the commissioners and state name and address, it was rolled out very quickly. According to the sign-in sheet, he was:

Randy Meyer
Meyer Farms LLC
3400 W 16 St, Bldg 45
Greeley, CO 80634

Mr. Meyer continued to address Synergy directly. Staff again requested him to direct his questions directly to the Commissioners. His concerns are:

- 1) What happens if they cannot come to agreement on the easement?
- 2) What are they going to do with all this gas coming out?
- 3) Question on the mailing and the certified. Questions on the electronic version posted on-line.
- 4) Main concern with the in and outs and the easements and how they are going to get the gas out.
- 5) Not against the vertical wells being taken down, feels like Synergy is coming in and ramrodding through.

Chairman Phillips: Would someone from Synergy like to come to the podium and address Mr. Meyers concerns?

Mr. Rasmuson came to the podium:

- 1) I don't feel like we need to address the "Plan C", we have conversations in place with the developers and the land owners. I know a representative from DCP Midstream has reached out to Mr. Meyer and had meetings with him trying to gain an easement from him. Explanation on the haul route and the volume coming out of this project.
- 2) If I can't go south of the pipeline, it needs to go south because of all the development in the area is already to the east and north. Access road wise we feel confident with what we have today.

Chairman Phillips: Thank you

Commissioner Speer: I would like to call a point of order here. Just to confirm we have reopened the Public Hearing. And also I do have a few questions for Synergy. I didn't know anything in this packet about a pipeline and also, so I under the assumption that you would have trucks daily coming in and out of this facility.

Mr. Rasmuson: Correct, when these wells are drilled they bring up both oil and gas. Obviously there is a lot of gas that goes into the DCP facility which is the major gatherer of gas in this county. That being said, all the gas has to be taken out via pipe. We also hoped to bring the oil out in pipeline...our intent in the industry is to get the trucks off the road...

Commission Speer: How many trucks do you anticipate coming in and out of there on a daily basis? Commission Linn: I thought it said 200. Commission Speer: 200 a day? Mr.

Rasmuson: That would be during the completion operations when we're having to haul the sand in, for this amount of wells it will take 45 days. Commissioner Speer: And afterwards on a daily basis? Mr. Rasmuson: For just hauling oil you probably can expect 12 per day. Commissioner Speer: What precautions have you taken to ensure these people don't go north? Mr. Rasmuson: They are going to have strict orders they have to go south, these are their orders. Discussion/Explanation on the routes on 35th and Prairie View, right out only. Engineering would review the construction plan for the design of the access issues. Commissioner Lowe: Sean I would like to follow up on the 35th avenue, do we have plans in place with this heavier traffic? Sean: The City has plans for road improvement, one of the things we will be in discussion with Synergy about will be of their contributions financially to the road network...the cost of the impact will be absorb by the applicant, not the City... Commissioner Lowe: Discussion on the heavy traffic on Prairie View and sending the truck traffic south. Sean: Reply regarding haul route requirements.

Commissioner Speer: I still have questions, discussion on jobs created. Mr. Rasmuson explained about staff on site and impact on sub-contractor employment. Commissioner Speer: Sean what is the projected revenue from this project and will it be a continuous revenue? Response: This will depend on the fluctuating oil and gas industry, Sheryl Trent also reported in her staff comments of the economic benefit. Vince pulled up a slide showing their figures on revenue, see **Exhibit B below**. Mr. Rasmuson went into a fuller explanation. Commission Speer: My last question is about the landscaping. I think it would be prudent for the City to at least have a requirement on the landscaping for the entrance to the facility so that it's not another eye sore. Sean went through what the City's intent would be for landscaping. We don't know how that road will look with the traffic so it might be a little difficult to plant trees. Discussion on timing and requirement of the landscaping. Letters of credit and signed Development Agreement...

Commission Linn: I have a few questions. What do you estimate will be the life of the wells? Discussion on timing, commodity price...modeling is for 30 year wells. Commission Linn: Will you be fracking. Mr. Rasmuson: Yes. Discussion ensued regarding fracking and sink holes. Commissioner Linn: The footage from the proposed road, which is the Prairie View that you will be taking, to the location of the first set of wells. How many feet is that? Mr. Rasmuson: 300 feet. Discussion on spacing and footage.

Another gentlemen in the audience asked to be heard.

Good evening my name is Kelly Begg and I'm with Tuscany III LLC. The property our company owns is to the north of the area bordered by red (from the map in the PowerPoint). And then we have another piece of property that's to the west that was a portion of Harry Weidemans property. His concerns were regarding notification and the timing, would like to have earlier notice. Appreciated the opportunity to give his statement.

Chairman Phillips: Anyone else that would like to be heard on this item? Public Hearing closed at 7:22pm.

Discussion on the project and concerns, Commissioners feel uncomfortable regarding all the open ended issues, traffic impact, zoning, safety issues and no emergency plans for residents, something so large within city limits, no statement of sink holes, notification to residents, no deadline on landscaping and timing of their redlined comments. Do not feel it is well prepared or complete. Not willing to support it at this time. Further discussion on notification.

Discussion regarding zoning and Use by Special Review. Sean explained the change Council made in May of 2015 regarding allowing developers to bring these applications to the City for Use by Special Review in areas that are zoned Residential/Commercial. It is within the rights of the Planning Commission to look at the conditions of approval and not endorsing the recommended changes. Discussion between staff and commissioners on landscaping and deadlines. Planning Commission has the right to add to conditions and requirements, you can't go below state standards but you can exceed them.

Staff explained the City follows the States guidelines on notification and our City Code. Notices were mailed 10 days prior, notice in the paper was posted 14 days prior, and the sign was posted by the applicant.

Point of clarification, the Planning Commission has not re-opened the Public Hearing.

Discussion on tabling the project, reiteration on the road impact, possibly another in/out into the development. Suggestion on having a right turn only or making it a condition of approval.

See **Exhibit C below** for the review from staff regarding this discussion on the concerns of this project.

Chairman Phillips: I will entertain a motion. Commissioner Speer: At this time I recommend supporting motion of denial to the City Council for the Use by Special Review with Synergy Resources Corporation. Vice Chairman Linn: I second. Chairman Phillips: I have a motion and second. Vote by everyone the same? Vice Chairman Linn-yes, Commissioner Castillo-yes, Commissioner Lowe-yes, Commissioner Speer-yes. Chairman Phillips: Let it be motioned that the denial has been asked. Thank you all for coming out and your participation.

Chairman Phillips: At this time we'll have audience participation, anybody have anything else that was not considered on the current agenda?

7) STAFF UPDATE

A. City Council Items Update

Sean Wheeler: We don't have any updates at this time on City Council activity.

B. Community Development Project List

Sean Wheeler: With regards to the Development Review Team, we are moving forward with the Rush Trucking Company, I was contacted today by the Kum & Go Corporation- they have tentatively submitted a plan for the former Western Sizzlin' site. On the subdivision plan for the west of the school, that one continues to move forward. We have not received an application as of yet. In terms of other development, ARB did get approval from Council; they are currently working with the City Engineer to review detention and other engineering concerns. We several plans going through DRT now as you can see.

Plan is to have a Work Session next month with more information on development. Bella Vista is close to submitting an application for Public Hearing or PUD for their site. That conclude staff comments at this time, I would be happy to answer any questions you might have.

See Exhibit D below (DRT Project Status Updates)

8) GENERAL DISCUSSION

Commissioner Speer: What is your policy on sending out notices on those Public Hearings?
Sean Wheeler: It's based on the Code. Commissioner Speer: Okay, but what's the date. Is it 10 days in advance, 14 days in advance? Sean Wheeler: its 14 days for the newspaper, 10 days for the posting or 14...I can look it up. And we do a mailing 10 days in advance.
Commissioner Speer: Would you, since you are more familiar with the code, would you be able to locate that code and send it? Not the whole code but whatever the code number is so I can look at it? Sean Wheeler: its 19.64 and I can tell you right now. Sean read the code from the City's website to the Commissioners. Discussion on dates required by the code. We are in the process of updating our code. Discussion on social media and the possibility of posting Public Hearings on the City's website and where the sign was posted for this hearing.

See EXHIBIT E: MUNICIPAL CODE 19.64 – PUBLIC NOTICE

Commissioners would like to suggest Public Hearings on the website, change our notice requirement – 30 days. Suggestion to add the link to the website to the Public Hearing notices.

Commissioner Speer would like Sean Wheeler to present the commissioners with his staff report of their decision to denial of the project. She would like to make sure they are adequately aware of their concerns.

See **Exhibit C below** for the review from staff regarding this discussion on the concerns of this project.

9) ADJOURNMENT: Motion by Vice Chairman Deborah Linn to adjourn, seconded by Billy Castillo. Meeting adjourned at 8:10pm

EXHIBITS

DRAFT

EXHIBIT A: SYNERGY EVANS WELLS OIL & GAS USR – PC

PLANNING COMMISSION – AUGUST 25TH, 2015

AGENDA ITEM: Synergy Evans Wells Oil and Gas Use by Special Review (USR)
PREPARED BY: Sean Wheeler, City Planner
ACTION: Review for recommendation to City Council
REVIEWED BY: Dawn Anderson, Public Works Director
CITY COUNCIL DATE: September 1, 2015

SITE INFORMATION		
Location:	The site is located on the south side of 37 th Street and west of 35 th Avenue, in the area known as the Tuscany 3 rd Filing. (See attached Vicinity Map)	
Applicant:	Synergy Resources Corporation	
Existing Land Use:	Unimproved	
Proposed Land Use:	Oil and Gas Facilities: 30 wellheads and related tank batteries, VOC towers, landscaping and other site improvements required for access, etc.	
Surrounding Land Uses:	North	Unimproved
	South	Unimproved
	East	Unimproved
	West	Unimproved / Residential (Arrowhead Subdivision) Weld County
Existing Zoning:	R-1 Residential	
Proposed Zoning:	R-1 Residential	
Surrounding Zoning:	North	R-1 Residential
	South	R-1 Residential
	East	Weld County
	West	Weld County
Future Land Use Designation:	R-1 Residential	

PROJECT DESCRIPTION

The applicant seeks Special Review approval to install oil and gas facilities on undeveloped land south of 37th Street and west of 35th Avenue. The use requires approximately 24-acres out of a total of 91-acres owned by Synergy Resources. The project will include the installation of 30 horizontal wells along with associated tank batteries, VOC burners, etc. related to extraction uses. Synergy will cap other existing wells in the area as part of their operation. The site is centrally located in an un-platted area zoned R-1 (Residential) under the Tuscany Subdivision annexation. Synergy has worked with Evans Staff to resolve issues raised related to the compatibility of an industrial facility within a residential zone. The attached application materials include a detailed project description along with the draft site plan showing the locations of the wells and tank batteries, landscaping, etc.

OIL & GAS EXPLORATION AND DEVELOPMENT (Chapter 16.28, Evans Municipal Code)

1. Analysis / Issues: The Municipal Code classifies certain types of development as requiring Use by Special Review approval. Chapter 16.28 provides the standards for Oil & Gas uses and identifies them as one of these types of development. Special Review consideration allows for an assessment of potential impacts on other land uses, transportation systems, public facilities, etc. Meetings with the applicant have proven successful and productive in resolving concerns raised during the preliminary review.

A. Battery & Wellhead Placement / Setbacks (Municipal Code Chapter 16.28.060): The proposed use is consolidated in a central area of the property with the wellheads to the north and tank batteries placed farther south and down slope. Last year the City adopted new setback standards for these uses and Synergy has indicated they can comply with the new requirements. Chapter 16.28.060 provides the setback requirements for new facilities with a three hundred-foot minimum distance between new oil and gas facilities and wellheads and building units, or a three hundred-foot setback from property lines, whichever is greater. Staff has not received any verbal or written objections to approval of the request at the writing of this report from surrounding property owners.

B. Bonding / Insurance: The Municipal Code requires oil and gas operators to provide bonding in the amount of \$100,000 per well head to fund clean-up operations with site related accidents. The Code offers an alternative for coverage under a “blanket bond” as described in Subsection 16.28.090. Operators must also carry insurance and provide a copy of their policy in the amount of one million dollars (\$1,000,000.00) to cover the applicant and the City against all claims made for damages. Synergy has indicated it will provide for bonding and insurance. Staff does not anticipate any compliance issues.

C. Compatibility: The site is zoned primarily R-1 (Residential) with a small section of the property in the R-2 zone. Along the western boundary are other areas zoned for R-2, R-3 and C-3 (Commercial) uses. The property is part of the 3rd filing of the Tuscany Subdivision, which the City annexed in 2000 and zoned for these uses. Staff’s initial assessment was that an industrial use placed in a residential zone could significantly impact future residential and commercial development. This project can address the compatibility question by providing significant

landscaping and other improvements through conditions of approval. Such conditions can also exceed the minimum standards described in the Municipal Code, if a higher standard is deemed necessary to off-set negative impacts. A condition of approval for landscaping is included with the below recommendations.

D. 2010 Comprehensive Plan: Related to the above compatibility issue are the requirements of the 2010 Comprehensive Plan. The Plan supports development that provides for economic growth, but it also addresses the need for creating quality residential areas. In subsequent meetings with Synergy, they have made commitments to provide improvements that benefit surrounding properties.

These could help prompt further development under the residential and commercial zoning in the larger area. Along with landscaping, Synergy has agreed to improve access internal to the site, and to provide funds to off-set impacts to the greater street network along haul routes. In addition, the City has asked Synergy to dedicate and extend the trail network on an undeveloped area of their site, which is adjacent to residential uses. Staff's assessment is that the proposed development can address the compatibility concerns.

E. Economic Impacts: An assessment of the potential economic issues from the proposed use made by the Evans Economic Development Director are attached for consideration. Her report presents both the positive and negative issues to consider, which may prompt recommendations for conditions of approval in addition to those already recommended. Synergy has the report and can address specific concerns in their discussions with the Planning Commission and City Council during the public hearings.

F. Engineering: The City Engineer and Ditesco (Engineering Consultant) have reviewed the information provided by Synergy. Written reports are attached for reference, and the City Engineer will be available during the public hearing to address specific technical questions that may arise. Specific engineering issues include the following items.

1) **Drainage:** Given the size of the site and the nature of the proposed use once constructed, Staff does not anticipate any significant impacts to drainage issues as a result of this development.

2) **Access / Right-of-Way Dedications:** Synergy initially proposed to access the property directly off the south side of 37th Street. Staff opposed this plan because of the impacts to existing traffic and infrastructure on 37th Street. In working with Synergy, they have agreed to acquire access to the east to connect to an existing ROW dedication onto 35th Avenue. Road improvements must be designed to accommodate construction traffic, production company truck traffic and emergency vehicles to a standard satisfactory to the City Engineer. In addition, Synergy has agreed to dedicate 120-feet of ROW on the north side of their site. This dedication will provide for the eventual extension of an arterial street network through the site. This will benefit the property east of the site that is considering annexation and development for residential uses.

3) **Haul Route / Traffic Impacts:** Staff met with Synergy to discuss the potential haul routes and impacts to City streets along with road improvements to support the use. Once traffic is directed onto 35th Avenue, heavy truck traffic will move to the south to 49th Street, and from there to the east or west. Public Works Staff is working with the applicant to

address impacts to Evans streets from this haul route in terms of needed road improvements. These are required in order to support the use, including the costs to improve the City streets. Collateral necessary to guarantee the improvements are included as a condition of approval for this use as recommended below.

G. Fire District: The Evans Fire Protection District requires the applicant to meet the standards established in the International Fire Code and those in Chapter 16.28. The Fire District requires the use of fire rated sound absorption materials. They note the design documents provided reference the 2006 IFC and that the City Council has adopted the 2012 version of the IFC. The applicant must contact the fire district to discuss the disparity between the codes with the developer if they are granted approval for the Special Review.

H. Landscape Screening (Chapter 19.47 Municipal Code): This chapter of the City Code provides the standards for landscaping required with Oil and Gas facilities. The below assessment is based on the initial landscaping proposed, and Staff anticipates having an updated landscape plan for the public hearing that may address the concerns referenced below by the City's Parks and Grounds Superintendent. At the writing of this report, he notes the following items.

1) Tree Count: The plan to install 36 trees does not meet the standard for providing at least 6 trees for each Oil & Gas facility under the City Code. There are gaps in the proposed tree groupings that could be filled in with other species, such as pinion and juniper groups. Staff has asked the applicant for a revised plan.

2) Fencing: Staff recommends the use of solid fencing for screening purposes, with pickets on alternate sides of the rail to allow wind passage. A 6-foot fence on a berm (3+ feet in height) provides an immediate screen while the trees/shrubs mature. On the north, east and west sides of the site, a solid fence would be useful for screening if placed north of the well heads. This would be located in perimeter areas, as the code requires chain link fencing with barbed wire in Chapter 16.28.150 (I.) around the facilities themselves. For that reason, the entire site is not anticipated to be surrounded with the solid fencing, rather it should be placed in conjunction with the landscape areas to fill in open views or enhance landscaping over all.

3) Irrigation: Non-potable irrigation is required per the code. A redesign of the irrigation systems at other sites where wells are to be capped and abandoned is also required. This will fill in the gaps in the current irrigation system allowed by the City to provide for access drives, etc. at these sites. With the wells being removed, landscaping can be placed in these areas as required by a reclamation plan, and the new landscaping will require irrigation. Chapter 16.28.120 (Well Site Restoration) details the requirements for Site restorations. It specifically notes that this shall include leveling and reseeding all on-site roads, access roads and areas disturbed by well activity. To assure site revegetation, the City may require special treatment, such as temporary irrigation, windbreaks, soil treatments, the addition of topsoil and protective groundcover and erosion control measures. In areas where the permanent irrigation system is in place, a modification to this system is not considered a significant issue but will help to ensure the establishment of new landscaping.

4) Power Line: Plantings around the power lines are subject to the utility company standards for safety reasons. The well heads are significantly shorter than the tank batteries. On the north, east and west end of the well head sites and this should guide plant selection. Staff has advised Synergy to also consult with the utility provider for options as well.

5) Collateral: Collateral is required for the cost of all landscape improvements by code at 120% of the cost estimate. Given the time of year, Staff supports delaying the landscape installation till next spring, subject to inspection and approval by the city. This also allows for construction of the roads, surface improvements, etc. as well.

I. Site Plan:

Synergy has advised Staff that they want to increase the number of proposed wellheads from the initial request for 22 wells to a total of 30. Synergy provided updated site plans and associated documents for the public hearing to reflect the increased number of facilities that were considered in the writing of this report.

SUMMARY

Synergy has worked with City Staff in various ways to address the concerns raised during the initial review. The project met with a delay because of the zoning determination made in December. However, in the interim Synergy revised plans to address City concerns and requirements. Based on compliance with the above recommendations, Staff's assessment is the project can meet the requirements of Chapter 16.28 of the Evans Municipal Code.

SECTION 19.44.020B (REVIEW CRITERIA)

For reference, the Review Criteria for Use by Special Review are found in Section 19.44.020B of the Municipal Code. The individual review criterion are shown below in italics, with Staff's assessment immediately following each:

- 1. The proposed use is found to be unlikely to harm the health, safety, or welfare of the City or its residents.* Based on the information provided by the applicant, Staff's assessment is that the use can meet this requirement.
- 2. The proposed use would benefit the City in terms of employment, tax revenue or other similar effects, as compared to the absence of the proposed use.* Based on the information provided by the applicant, Staff's assessment is that the use can meet this requirement.
- 3. The proposed use shall be consistent with the Evans Comprehensive Plan and shall be compatible with the surrounding area.* Based on the information provided by the applicant and compliance with the recommended conditions of approval, Staff's assessment is that the use can meet this requirement.
- 4. The location, size, design and operating characteristics of the proposed use shall be compatible with the existing and proposed future land uses within the general area in which the proposed use is to be located, and will not create significant noise, traffic or other conditions or*

situations that may be objectionable or detrimental to other permitted uses in the vicinity. Reasonable conditions may be placed on uses by special review to protect the public health, safety and welfare by mitigating impacts. The recommended conditions of approval address concerns raised during this review. Staff's assessment is that the use can meet this requirement, if the applicant agrees to the conditions of approval as recommended.

5. *The site shall be physically suitable for the type and intensity of the proposed land use.* This criterion speaks to the compatibility issue, which is addressed under the recommended conditions of approval below.

6. *The proposed land use shall not adversely affect traffic flow and parking in the neighborhood.* There are no anticipated conflicts with this standard, if the applicant agrees to (and complies with) the conditions of approval recommended by the City Engineer to address the impacts under this criterion.

7. *The location of other approved uses by special review in the neighborhood shall be determined, in order to avoid an over-concentration of such uses.* Other facilities exist in the area of this site and approval of the request will result in the closing of several wells. The request is also subject to review by the State for compliance with regulations. With the closing of other wells and satisfaction of State requirements, the request satisfies this criterion.

8. and 9. (Not applicable)

10. *Oil and gas facilities shall only be installed, erected, and/or constructed in accordance with Chapter 16.28, Oil and Gas Exploration and Development. Landscaping plans must be presented with the application and must be approved by City Council at the Use by Special Review hearing. Such plans must show the proposed types and locations of all natural plantings, ground coverings and screening, including the size and number of trees.* The applicant has agreed to provide landscaping for this use based on the requirements of the Municipal Code, and the request satisfies this criterion.

STAFF RECOMMENDATION

Should the Planning Commission determine that a recommendation to support approval is appropriate, Staff recommends including the following Conditions be included with the motion.

CONDITIONS OF APPROVAL

- 1.** All representations of the applicant are considered conditions of approval unless modified by the City.
- 2.** The applicant shall comply with all requirements of the City Engineer related to road and other infrastructure improvements including the submittal of construction plans and details; an opinion of costs; a schedule of improvements and all other elements determined appropriate by the City Engineer.

3. The applicant shall provide sufficient collateral in the form of a Letter of Credit for all engineering improvements required by the Municipal Code, and shall construct all approved on (and off-site) road improvements under the direction of the City Engineer, prior to the release of collateral. The Letters of Credit shall meet the requirements of the Evans Municipal Code.
4. The applicant shall obtain an access easement between their property to a point east of their site being a dedicated section of City right-of-way for access onto 35th Avenue.
5. The applicant shall obtain access and grading permits as required by the City Engineer for development of the site.
6. No access is granted onto 37th Street for the use. All heavy production or construction truck traffic shall use haul routes east to 35th Avenue and south to 49th Street. No heavy production or construction truck traffic is allowed to transit north of the site.
7. The applicant shall submit an amended plat for the site and dedicate 120-feet of public right-of-way along the north end from the east to the west property lines. The exact location of the right-of-way to be approved with an amended plat application.
8. Within 30 days of approval by the City Council, the applicant shall provide a landscape plan in compliance with the Evans Municipal Code. Approval of the landscape plan shall require provision of collateral in the form of a Letter of Credit as required by the Evans Municipal Code in an amount determined by the City. Landscaping shall be installed as soon as possible in 2016 and include an appropriate irrigation system using a non-potable source for water, unless an extension is granted by the Director of Public works or a designated representative.
9. Landscape improvements shall include modifications to all sites where wells are being capped, to ensure the reclaimed areas receive irrigation sufficient for the landscaping to establish and remain healthy.
10. The applicant shall cap all wells described for closure in the case file and notify the City when this is done. The capping of wells shall include removal of access roads and an irrigation system for landscaping as required in Condition 9.
11. The applicant shall provide evidence of bonding and insurance in compliance with the Evans Municipal Code.
12. The applicant shall pay the cost of the public hearing notice and mailing as required by Chapter 19.64 of the Evans Municipal Code.

DRAFT MOTIONS:

“I recommend supporting a motion of approval by the City Council for the Use by Special Review request for the Synergy Resources, with conditions of approval 1- 12, as found in the staff report or modified by the Planning commission.”

“I recommend supporting a motion of denial by the City Council for the Use by Special Review request for the Synergy Resources.”

Attachments: Project Description / Application Materials; Economic Impact Report; City Engineering Report; Vicinity Map; Zoning Map; Pubic Works Letter

DRAFT

Synergy (SRC) Evans Wells Use by Special Review Permit

City of Evans
Planning Commission
August 25, 2015

Applicant:
Synergy Resources Corporation



DK

Introductions

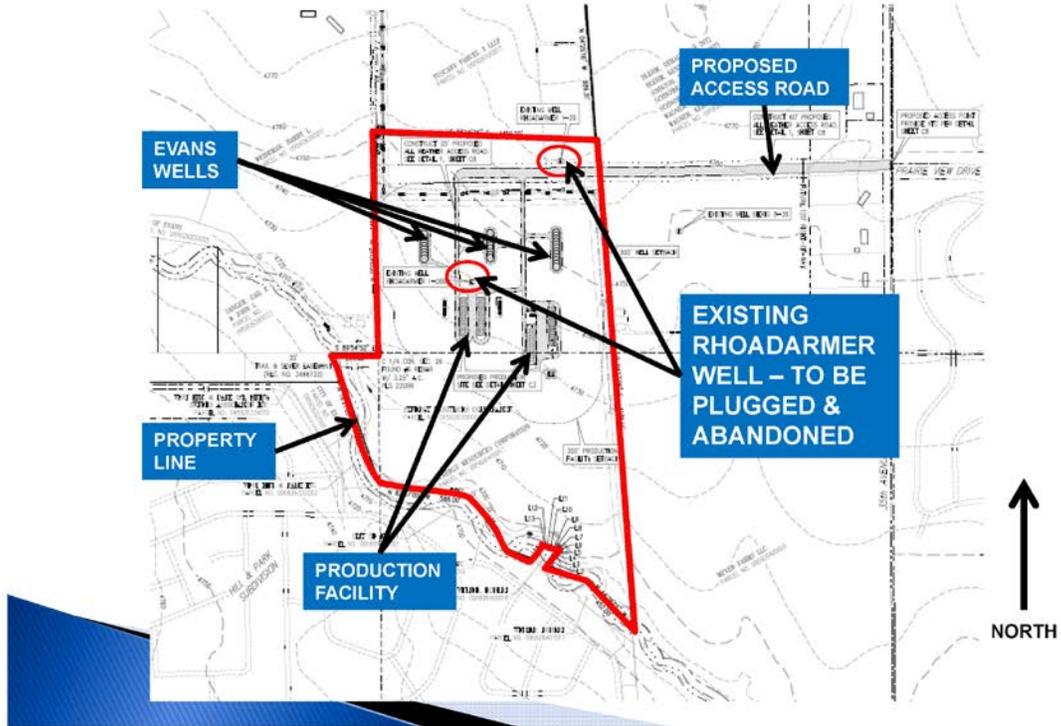
- ▶ Vince Harris, AICP – Baseline Corporation
- ▶ **Rick Behning, PE – Baseline Corporation**
- ▶ Craig Rasmuson – Synergy Resources Corp.



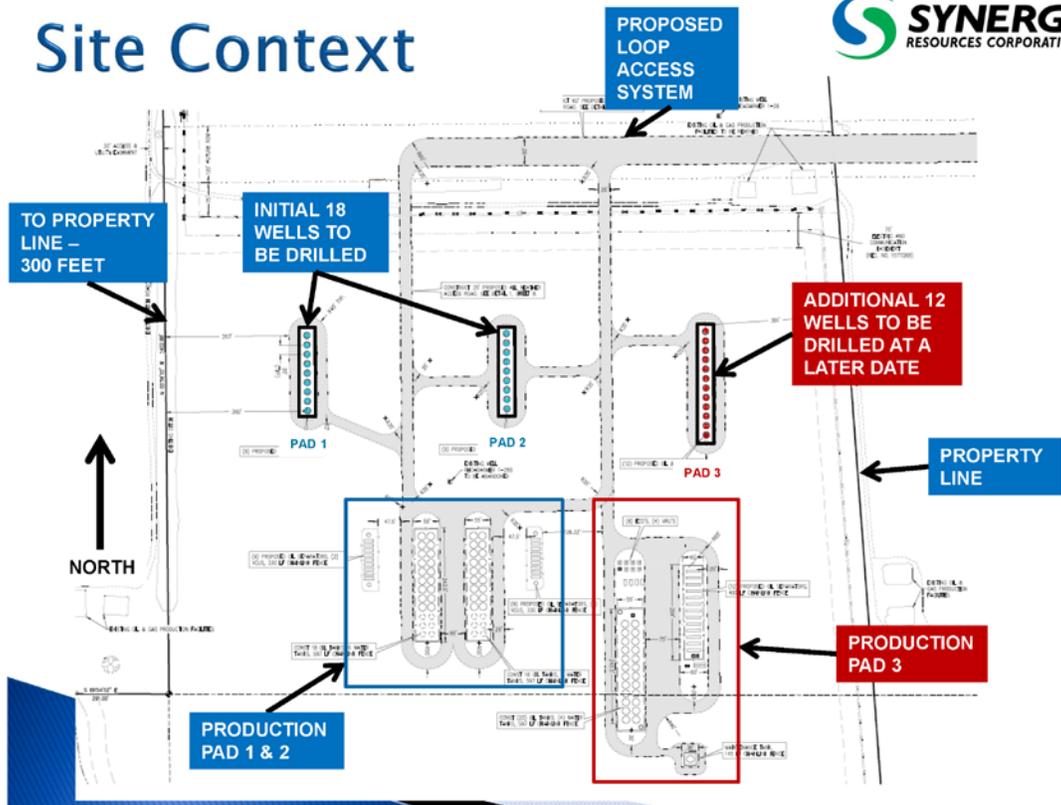
Vicinity Map



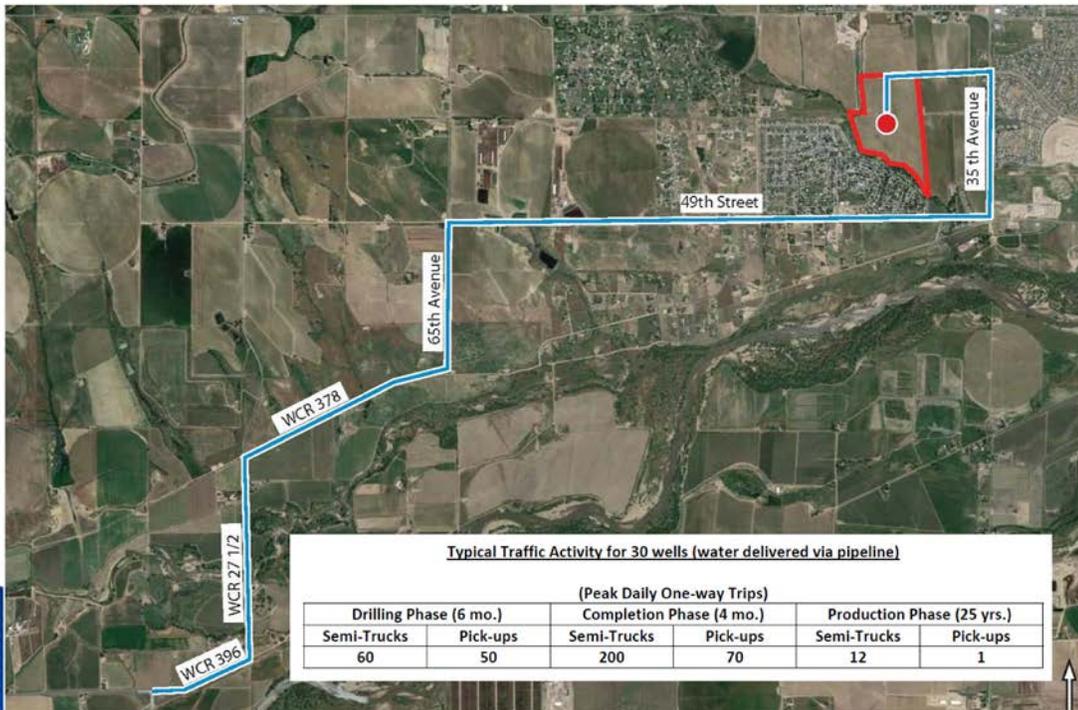
Site Context



Site Context



Evans Wells – Access Route



Evans Wells – Equipment



Evans Wells – Equipment



Evans Wells – Equipment



Evans Wells – Use by Special Review Application



- ▶ Proposal complies with COGCC regulations
- ▶ Complies with Evans Oil & Gas Wells Regulations: (Section 16.28)
- ▶ All application elements have been addressed in the site plan, narrative, and supportive documents
- ▶ Section 19.44 outlines the review criteria to evaluate this USR application – we find that the application complies

Approval Condition #1



All representations of the applicant are considered conditions of approval unless modified by the City.

The intent of this condition is unclear. We suggest it be removed.

Approval Condition #2



The applicant shall comply with all requirements of the City Engineer related to road and other infrastructure improvements including the submittal of construction plans and details; an opinion of costs; a schedule of improvements and all other elements determined appropriate by the City Engineer.

The applicant shall **work with the City Engineer to** comply with all **the applicable** requirements of the City Engineer **of Evans Code as it relates** to road and other infrastructure improvements including the submittal of construction plans and details; an opinion of costs; a schedule of improvements and all other **applicable** elements **as** determined appropriate by the City Engineer.

Approval Condition #3



The applicant shall provide sufficient collateral in the form of a Letter of Credit for all engineering improvements required by the Municipal Code, and construct all approved on (and off-site) road improvements under the direction of the City Engineer, prior to the release of collateral. The Letters of Credit shall meet the requirements of the Evans Municipal Code.

The applicant shall provide sufficient collateral in the form of a Letter of Credit for all engineering improvements required by the Municipal Code, and **that are incorporated into a Development Agreement**, and **the applicant (Synergy) shall** construct all **applicable and** approved on **site** (and off-site) road improvements under the direction of the City Engineer, prior to the release of collateral **in accordance with the Development Agreement**. The Letters of Credit shall meet the requirements of the Evans Municipal Code.

Approval Condition #4



The applicant shall obtain an access easement between their property and to a point east of their site being a dedicated section of City right-of-way for access onto 35th Avenue.

The applicant shall obtain an access easement **from the neighboring property owner** between their **Synergy's eastern property line** and ~~to a point east of their site being a~~ **the** dedicated section of City right-of-way for access onto 35th Avenue **for access to and from the Synergy property.**

Approval Condition #5



The applicant shall obtain access and grading permits as required by the City Engineer for development of the site.

The applicant shall obtain access and grading permits as required by the City Engineer **Code** for development of the site.

Approval Condition #6



No access is granted onto 37th Street for the use. All heavy production or construction truck traffic shall use haul routes east to 35th Avenue and south to 49th Street. No heavy production or construction truck traffic is allowed to transit north of the site.

Synergy agrees to comply

Approval Condition #7



The applicant shall submit an amended plat for the site and dedicate 120-feet of public right-of-way along the north end from the east to the west property lines. The exact location of the right-of-way to be approved with an amended plat application.

The applicant shall submit an application for a Final Plat to dedicate 120-feet of public right-of-way along the north end of the property between the east and the west property lines. Any additional public improvements as may be appropriately required per the City of Evans Code as part of the plat review and approval process will also be included.

Approval Condition #8



Within 30 days of approval by the City Council, the applicant shall provide a landscape plan in compliance with the Evans Municipal Code. Approval of the landscape plan shall require provision of collateral in the form of a Letter of Credit as required by the Evans Municipal Code in an amount determined by the City. Landscaping shall be installed as soon as possible in 2016 and include an appropriate irrigation system using a non-potable source for water, unless an extension is granted by the Director of Public works or the designated representative.

Within 30 days of approval by the City Council, the applicant shall provide a landscape plan in compliance with the Evans Municipal Code. Upon approval of the landscape plan, the applicant (Synergy) shall require provision of collateral in the form of a Letter of Credit as required by the Evans Municipal Code in an amount determined by the City. Landscaping shall be installed as soon as possible in 2016 upon completion of drilling and construction of the wells and the production facility. This will may include an appropriate irrigation system using a non-potable source for water, unless an extension is granted by the Director of Public Works or the designated representative.

Approval Conditions #9 & 10



Landscape improvements shall include modifications to all sites where wells are being capped, to ensure the reclaimed areas receive irrigation sufficient for the landscaping to establish and remain healthy.

The applicant shall cap all wells described for closure in the case file and notify the City when this is done. The capping of wells shall include removal of access roads and an irrigation system for landscaping as required in Condition 9.

When other existing offsite wells and facilities are eliminated, such properties will be reclaimed via the applicable COGCC regulations, City of Evans regulations, Surface Use Agreements, and Use by Special Review conditions for abandonment and reclamation.

Approval Condition #11



The applicant shall provide evidence of bonding and insurance in compliance with the Evans Municipal Code.

Synergy agrees to comply.

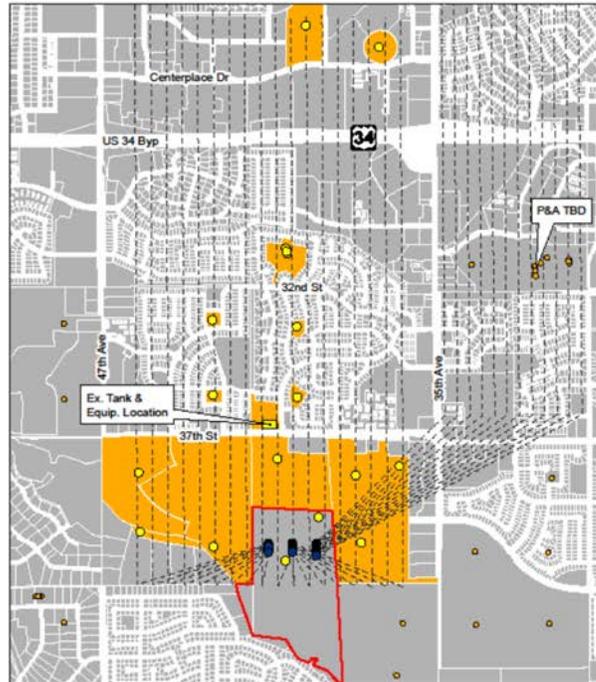
Approval Condition #12



The applicant shall pay the cost of the public hearing notice and mailing as required by Chapter 19.64 of the Evans Municipal Code.

Synergy agrees to comply.

Thank You



- Synergy Resources Corp. Evans Site
 - Proposed Synergy Evans Wells
 - Potentially Plugged & Abandoned Well
 - Producing Well
 - Potentially Reclaimable Parcels (~276 acres)
 - Proposed Synergy Horiz. Well Bores
- Data source: Colorado Oil & Gas Conservation Commission, Weld County
- 0 0.25 0.5 Miles
-



SRC Evans Wells

Existing Wells to Potentially be Plugged & Abandoned

API	Well Name	City	Well Co Parcel #	Surface Owner
05-123-11188	GILBERT 1	GREELEY	95914400005	GATE WAY PLACE PHASE II LTD
05-123-11666	GILBERT 2	GREELEY	95914419001	SYNERGY RESOURCES CORPORATION
05-123-11716	WIEDEMAN J26-3	EVANS	95926200012	TUSCANY PARCEL 3 LLLP
05-123-11726	WIEDEMAN J26-4	EVANS	95926200012	TUSCANY PARCEL 3 LLLP
05-123-11729	RHOADARMER 1-26	EVANS	95926400017	SYNERGY RESOURCES CORPORATION
05-123-12735	BIERIG 1-26	UNINC WELD	95926100056	WESTERN EQUIPMENT & TRUCK INC, BLEHM GERALD A, BLEHM MICHAEL J
05-123-13266	WIEDEMAN J26-6	EVANS	95926200011	WIEDEMAN HARRY L
05-123-14787	WIEDEMAN 4	EVANS	95926200005	EVANS CITY OF
05-123-15604	WIEDEMAN J23-11	EVANS	95923060001	TUSCANY LLC
05-123-15605	WIEDEMAN J23-14	EVANS	95923042001	TUSCANY LLC
05-123-15607	MANTEL J23-10	EVANS	95923003018	ASHCROFT HEIGHTS HOMEOWNERS ASSOCIATION
05-123-15608	MANTEL J 23-15	EVANS	95923032048	ASHCROFT HEIGHTS HOMEOWNERS ASSOCIATION
05-123-16612	RHOADARMER 2-26	EVANS	95926100013	TUSCANY PARCEL 3 LLLP
05-123-17835	UPRC 23-7H6	EVANS	95923023007	ASHCROFT HEIGHTS HOMEOWNERS ASSOCIATION
05-123-18627	UPV 23-2H6	EVANS	95923023007	ASHCROFT HEIGHTS HOMEOWNERS ASSOCIATION
05-123-18628	UPV 23-8H6	EVANS	95923023007	ASHCROFT HEIGHTS HOMEOWNERS ASSOCIATION
05-123-24888	RHOADARMER 1-26B	EVANS	95926400017	SYNERGY RESOURCES CORPORATION
05-123-24918	BIERIG 1-26B	UNINC WELD	95926100056	WESTERN EQUIPMENT & TRUCK INC, BLEHM GERALD A, BLEHM MICHAEL J
05-123-25622	BIERIG 8-26	UNINC WELD	95926100056	WESTERN EQUIPMENT & TRUCK INC, BLEHM GERALD A, BLEHM MICHAEL J
N/A	Prod Facility at 37th Street & Stampede Dr.	EVANS	95923031006	ASHCROFT HEIGHTS HOMEOWNERS ASSOCIATION

*All wells and facilities will be plugged and abandoned and removed in conformance with local and state regulations.

Economic Impact



Job creation summary:

- Jobs Created: 100+
 - Full Time: 2
 - Part Time: 100+
- Average Annual Salary: \$75,000+/year
- Benefits Provided to Employees? – Yes
 - Health Care – Yes
 - Retirement – Yes
 - Other – Yes (Varies between service companies)

Property tax (Ad valorem taxation on production and equipment):

- Increase in property tax in year 1: ~ \$233,608
- Increase in property tax over 10 years: ~ \$2,840,957

EXHIBIT C:

PLANNING COMMISSION

Synergy Wells USR Discussion:

The Evans Planning Commission met on Tuesday, August 25th 2015 to review the Use by Special Review request from Synergy Natural Resources. The Planning Commission asked Staff and the applicant for information regarding a number of aspects related to the request. Their discussion focused on the following issues of concern for various Commissioners:

- **Road Impacts:** Commissioners asked about the potential impacts to existing city streets from this use, and how the applicant would address the impacts. Commissioners also inquired from the applicant what alternatives if the proposed access easement was not obtained. Specifically, would they then use 37th Street or take some other approach.
- **Haul Routes:** Commissioners asked how would large truck traffic be prohibited from going north on 35th Avenue? Would the city use signs or traffic control devices? Also, they expressed concerns about traffic moving to the east onto Prairie View Drive, instead of to the south to 49th Street. The issue here was that Prairie View Drive is already used by large trucks and the impacts to neighborhoods is not good for residents.
- **Landscaping:** Commissioners expressed concerns about landscaping, when it would be installed and to what level? Would the applicant provide landscaping sufficient to screen or buffer the use from adjoining residential uses and zoning? The PC also asked about when landscaping would be installed and how the city would ensure that it is done sooner rather than later?
- **Environmental Impacts:** Planning Commissioners asked about fracking and the potential for environmental impacts from the use and the potential of sinkholes resulting from the use.
- **Zoning Conflicts:** Commissioners asked if the use conflicted with the zoning on this site and adjacent parcels for residential development.
- **Open Ended Conditions of Approval:** Commissioners expressed concerns that the conditions of approval were to open ended, and if details needed to be resolved before approval, such as proof that access is available to the applicant.
- **Traffic / Safety Impacts:** Commissioners asked how traffic from the use would impact the city, and how the applicant would address that? Also, is the density of the use too high in an otherwise residential zone?
- **Public Notice Requirements:** Commissioners asked about the city's requirements for public notice, and how information on the request is made available to concerned citizens.

Two neighboring property owners also spoke in regard to the project, and asked what options the applicant had if they did not get access as proposed, and how they would screen the use? One neighbor also expressed concerns about the public notice not providing sufficient time for them to find out more about the project.

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EXHIBIT D: PROJECT STATUS UPDATES

Project Status Updates

Project	Review Type	Location	Staff Assigned	Status	Date Accepted	Comments Due	Current Activity	Notes
ARB Transload Facility	Subdiv. Plat	GWE Plant Site	Sean, Fred	Pending Submittal	N/A	N/A	None	None
ARB Transload Facility	Site Plan	GWE Plant Site	Sean, Fred, Dawn, Ditesco	Under Review	Various	N/A Continuous Review	Requires Updated Site Plan	Eng. Review Underway
ARB Transload Facility	Amended Annex. Agr.	GWE Plant Site	Sean, Fred, Scott, Ditesco	Sent to Council	May, 2015	N/A	2 nd Reading 21-Jul-15	Approval 21-Jul-15
ARB Transload Facility	Variance	GWE Plant Site	Sean, Fred, Scott	Approved	March, 2015	N/A	Approved	Approved April, 2015
Bella Vista MHP PUD	PUD / Site Plan Review	333 37 th St.	Sean	Submittal 20-Aug (Incomplete) 07-15, application remains incomplete.	N/A	N/A	None	None
Driftwood Condos	Site Dev.	2485 37 th St	Sean, Fred, Dawn, Ditesco		01-28-15 (Incomplete)	Ongoing	Consultant updating Eng. items and amended plat.	Punch List of outstanding issues provided.
Innovative Foods	Amended Plat	4320 Industrial Pkwy.	Sean, Fred	Platting Process	July, 2015	Notified	Active Review	Anticipate mylar submit.

Stonegate Industrial Park	Amended Dev. Agr. Site Plan	SE Corner 17 th Ave and 42 nd St.	Sean, Dawn	Pending Updated Materials	N/A	N/A	Waiting on plans.	No submittal as of July 24, 2015
Synergy 22 Wells	USR	Tuscany 3 rd Filing	Sean, Fred, Dawn, Ditesco	USR /Site Plan Public Hearing	May, 2015 Updated App.	Aug.19, 2015	25-Aug-15 PC	1-Sep-15 CC
Werning	PUD Amend.	Large PUD, South of SP River	Sean	Amendment to PUD Zoning	Waiting on Applicant	Draft Amendment sent Feb. 2015	No Response to draft PUD Plan.	CC – May 19, 2015 for extension.

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US HIGHWAY CORRIDOR DEVELOPMENT

Project	Review Type	Location	Staff Assigned	Status	Date Accepted	Comments Due to Applicant	Current Activity	Notes
CDOT PARK N RIDE	Site Dev.	Highway 85 (South End)	None	Under Construction	N/A	N/A	Under Construction	None
Kum & Go	SP	31st St.	Sean	Submitted 08-28-15	08-28-15	Review for Completeness	Staff DRT Review 09-08-15	N/A
Rush Truck Center	Amended Plat	625 31st St.	Sean	Platting Process	7/9/2015	Provided 7/22/2015	Initial Review Complete	Pending Revised Plat
Rush Truck Center	Site Plan	625 31st St.	Sean	Site Plan Review	August 3rd, 2015	August 28th, 2015	Revised Staff Memo per DRT	Send Comments to Rush on approval of Revised Draft

COLOR KEY:

	Current Application, Active File
	Project Approved / Under Construction
	Pending Review – Anticipate Submittal or Application Update.

EXHIBIT E: MUNICIPAL CODE 19.64 – PUBLIC NOTICE
<http://www.evanscolorado.gov/municipalcode/1964-public-notice>

CHAPTER 19.64
Public Notice

19.64.010 Public hearing notice.

City staff shall provide notice of public hearings for the land use applications listed in accordance with the table below, and as described within this Chapter:

<i>Type of application</i>	<i>Notice required</i>			
	<i>Certified mail</i>	<i>Regular mail</i>	<i>Published notice</i>	<i>Sign notice</i>
Zoning Amendment	Required	Required	Required	Required
Variance	Required	Required	Required	Required
Use by Special Review	Required	Required	Required	Required
Preliminary Plan		Required	Required	Required
Final Plat			Required	Required
Planned Unit Development		Required	Required	Required

The applicant shall submit estimated costs for postage and publication. City staff shall send an invoice to the applicant for any balance of the cost of postage and publication. Receipt of payment shall be a condition of approval of the application. (Ord. 329-05)

19.64.020 Certified mail notice.

Notice of a public hearing for a land use application for which certified mail notice is indicated as "required" in the table of Section 19.64.010 of this Chapter shall be mailed via certified mail and regular, first-class, postage prepaid mail to owners of record of property abutting the property for which the public hearing is to be held. Such notice shall be mailed at least ten (10) days prior to the public hearing before the Planning Commission or Zoning Board of Appeals and at least ten (10) days prior to the public hearing before the Council. (Ord. 329-05)

19.64.030 Regular mail notice.

Notice of a public hearing for a land use application for which regular mail notice is indicated as "required" in the table of Section 19.64.010 of this Chapter shall be mailed via regular, first-class, postage prepaid mail to owners of record of property within five hundred (500) feet of the property for which the public hearing is to be held, excluding owners of property mailed notice in accordance with the Section 19.64.020 of this Chapter. Such notice shall be mailed at least ten (10) days prior to the public hearing before the Planning Commission or Zoning Board of Appeals and at least ten (10) days prior to the public hearing before the Council. (Ord. 329-05)

19.64.040 Published notice.

Notice of the public hearing shall be published at least one (1) time in a newspaper of general circulation in the City, at least ten (10) days prior to the public hearing before the Planning Commission or Zoning Board of Appeals and at least ten (10) days prior to the public hearing before the Council. (Ord. 329-05)

19.64.050 Sign notice.

Notice of the public hearing shall be posted on the premises at least ten (10) days prior to any such hearing date. Such sign shall be a minimum size of eighteen (18) inches by twenty-four (24) inches and composed of letters not less than one and one-half (1½) inches in height. The notice shall contain the following information:

NOTICE
PUBLIC HEARING
Land Use Proposal
(Phone Number)

(Ord. 329-05)

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19.64.60 Additional or Combined Notices.

A. Nothing in this Chapter shall prevent or preclude the City from providing notice of public hearings in addition to the requirements of this Chapter.

B. Nothing in this Chapter shall prevent or preclude the City from providing notice of multiple public hearings in one notice. (Ord. 329-05)

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