

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: Dave Corliss, Town Manager

From: Tara Vargish, P.E., Director, Development Services

Title: **Ordinance Approving the First Amendment to the Dawson Trails Development Agreement (First Reading)**

Executive Summary

ACM Dawson Trails VIII JV LLC (the “Master Developer”) requests approval of a First Amendment to the Dawson Trails Development Agreement originally dated September 6, 2022 (recorded February 8, 2023). The Amendment updates select provisions related to rear yard landscaping installation responsibilities within the Water Efficiency Plan and the timing of building permits and certificates of occupancy (COs) relative to completion of the Castle Valley Interchange (CVI).

Specifically, the Amendment:

1. Allows rear yard landscaping in residential areas to be installed either by the builder or the homeowner, provided Town water efficiency standards are met;
2. Allows up to 1,500 residential units to receive vertical building permits and COs prior to CVI opening; and
3. Allows commercial building permits to be issued prior to CVI opening, while continuing to prohibit commercial COs until CVI is open to the public.

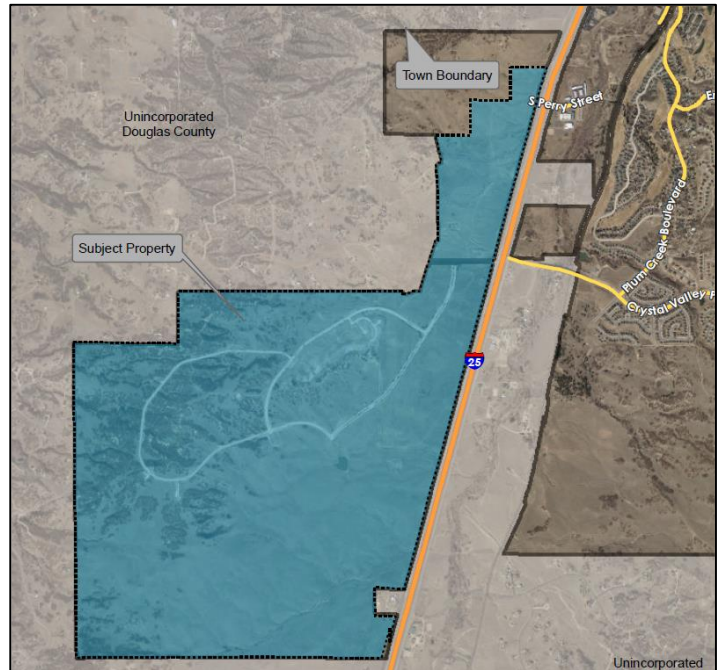


Figure 1: Site Vicinity Map

CVI is currently expected to be substantially complete in 2027. Residential and commercial vertical construction in Dawson Trails is tracking on a similar timeline. As of this date, two Site Development Plans (SDPs) totaling 485 residential units have been approved, with an additional SDP for 100 townhomes under review. The Costco SDP has been approved, and the King Soopers SDP is currently under review. Additional commercial SDPs are anticipated in the coming months.

Staff review of anticipated construction schedules indicates that most early-release residential units are unlikely to be ready for occupancy prior to the current CVI completion date; however, schedule shifts could result in limited early occupancy. The proposed Amendment provides flexibility and certainty for development while maintaining public safety and transportation objectives.

Proposed Development Agreement

The current Dawson Trails Development Agreement addresses infrastructure improvements, development phasing, open space conveyances, water rights conveyances, Town service obligations, and related matters. These obligations are intended to be mutually beneficial and to promote public health, safety, and welfare.

The First Amendment refines implementation requirements while maintaining the Town's overarching objectives related to water efficiency, emergency access, and transportation infrastructure concurrency.

Water Efficiency Plan Update

The Amendment removes the requirement in the Dawson Trails Water Efficiency Plan that rear yard landscaping for single-family homes be designed and installed solely by the builder. Castle Rock Water has determined that measurable water savings can still be achieved whether rear yards are installed by the builder or completed later by the homeowner, provided applicable water efficiency standards are met. This change removes a prescriptive builder-level requirement specific for Dawson Trails, while retaining the Town's broader water efficiency policies and the intent of the original Development Agreement.

Building Permit and Occupancy Limitations - Residential

The Amendment replaces Section 8.01 (Fire Apparatus Access Road) in its entirety. The revised section maintains the requirement that fire apparatus access roads are the responsibility of the Master Developer and must be constructed in accordance with Town standards and the International Fire Code, as amended. At least one approved access point must be maintained at all times.

Once an approved water supply for fire protection is in place, the Amendment allows vertical building permits and COs for up to 1,500 residential units prior to CVI being substantially complete. This provision provides flexibility should CVI construction

schedules change, ensuring that residential occupancy is not unnecessarily delayed due to factors outside of the builders' control.

Residential site construction typically takes 18 months or longer before vertical building can begin. Based on current schedules, residential vertical construction may begin in early 2027, with COs anticipated in mid-2027—generally aligning with CVI opening. Staff anticipates that only a small portion of units could be ready for occupancy before CVI opens; however, the higher cap provides the certainty needed to support continued investment in infrastructure and neighborhood development.

Building Permit and Occupancy Limitations - Commercial

The Amendment replaces Section 8.04(d) in its entirety. The existing Development Agreement allows only the Costco building to proceed with vertical construction prior to CVI opening and restricts Costco's CO until CVI is open.

The Amendment expands this allowance by permitting all commercial building permits to be issued prior to CVI opening, while maintaining the restriction that no commercial building may receive a CO or open to the public until CVI is complete. Because commercial uses will generate a different volume than residential vehicle trips, commercial occupancy is appropriately tied to completion of the interchange.

Several proposed commercial buildings are large-format projects that may require nine months or more of construction. Allowing building permits to be issued in advance will better align commercial openings to shortly follow CVI completion.

Other Provisions

The Amendment retains the Master Developer's responsibility for the design, construction, and agency approvals of Plum Creek Parkway interchange improvements if Northern Dawson Trails Boulevard opens between CVI and Plum Creek Parkway prior to CVI completion.

All other provisions of the Dawson Trails Development Agreement remain in full force and effect.

Budget Impact

No direct budget impact is anticipated. The Amendment clarifies phasing, permitting, and developer responsibilities already associated with public safety access and transportation infrastructure timing.

Finding

Staff finds that the proposed Amendment provides clarity and updated implementation provisions related to water efficiency and CVI-related timing for vertical building

construction and occupancy, while maintaining the Town's core public health, safety, and welfare objectives.

Recommendation

Staff recommends approval of the First Amendment to the Dawson Trails Development Agreement, which:

1. Removes the requirement that residential rear yard landscaping be installed only by the builder;
2. Allows building permits and certificates of occupancy for up to 1,500 residential units prior to CVI opening; and
3. Allows commercial building permits to be issued prior to CVI opening, while withholding certificates of occupancy for commercial uses until CVI is open to the public.

Proposed Motions

Option 1: Approval

"I move to approve the Ordinance as introduced by title."

Option 2: Approval with Conditions

"I move to approve Ordinance as introduced by title, with the following conditions:" (list conditions)

Option 3: Continue item to next hearing (need more information to make decision)

"I move to continue this item to the Town Council meeting on [date], 2026, at [time]."

Attachments

Attachment A: Dawson Trails DA Amendment 1

Attachment B: Ordinance