



Date: March 1, 2022

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
Mike Hyman, Town Attorney

Title: **Discussion/Direction, Proposed Castle Rock Municipal Code (CRMC)
Update – Title 17**

Executive Summary

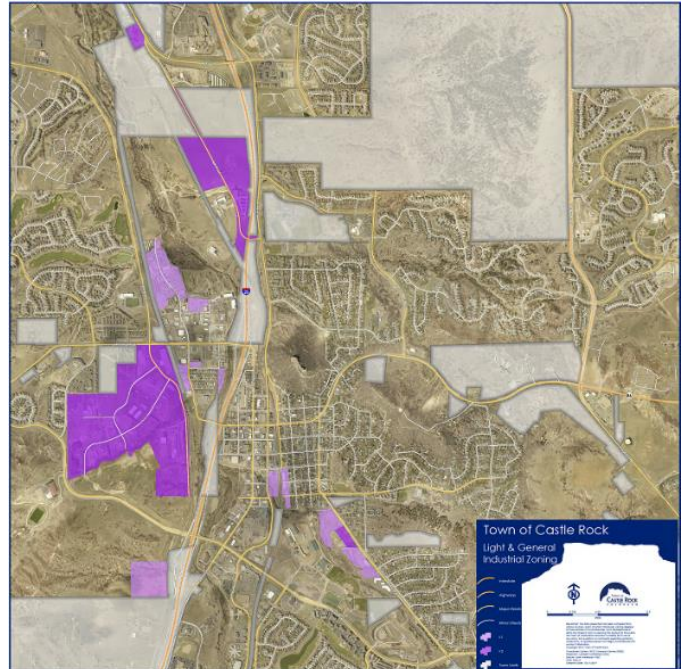
Over time, Town staff identifies sections of the Castle Rock Municipal Code (CRMC) that are in need of updating, correcting or clarifying. Additionally, Town staff may have recommendations for new sections to address issues that arise or improvements that can be made. Throughout 2021, Town staff has identified areas of the CRMC which are in need for updates in order to improve clarity and consistency of interpretation, and to bring some sections up to date with recent state law changes. Additionally, staff is also proposing a new industrial zoning district from discussions in 2019, as well as updates to in-home daycare and clarification in the Accessory Dwelling Unit chapter. This memo outlines these proposed amendments to Title 17 of the CRMC. Town staff will continue to annually review various code sections and bring recommendations for improvements forward to Town Council as needed.

Discussion

Staff has identified two main areas for proposed changes in Title 17. Each are detailed below and either come from past discussions with Council or from Staff identified areas that need improvement.

Industrial Zone Changes – CRMC Title 17

In 2019, Council approved changes to Title 17 related to new uses in straight zones and clarifications on some use definitions. At that time, Staff discussed the need to do a comprehensive review of the uses allowed in the Industrial Zones. Staff reviewed the existing industrial zoning framework with the goals of promoting primary employment and light industrial uses while preserving property rights for existing I-1 and I-2 zoned properties. This process was spurred after a review of existing allowed uses in industrial areas identified a large number of non-industrial uses in the straight-zoned industrial areas, and this mix of uses did not promote a true industrial/primary employment center. As a result, Staff set out to develop a new Industrial-Employment (I-E) Zone District that is consistent with the 2030 Vision and Comprehensive Master Plan adopted by Town Council, and will support diversifying the local economy through job creation and economic development, as well as supporting the establishment of employment based businesses in Town.



This new zoning district allows a variety of commercial and light industrial uses that are considered to be employment generators, and encourages light industrial uses with limited impacts to adjacent residential and commercial developments. Of note, uses like retail, restaurant and mini-storage are not allowed in this new zone, which is in keeping with the goal of creating a zone district for industrial-employment focused businesses. Staff is proposing to allow a small amount of retail and alcoholic beverage sales, if they are accessory to the main use and limited in size to 20% of the building area. This would allow a manufacturer to have some onsite showroom space for their product in this new zone.

The proposal also includes a provision that would prohibit any new rezoning to I-1 or I-2, but would preserve the property rights of those properties already zoned I-1 or I-2. The proposed changes would essentially leave the current I-1 and I-2 zoning districts intact in their current form, and would allow the properties to continue operating as they have been, and to also expand under their present zoning designation.

The creation of this new Industrial-Employment zone does not prohibit a land owner from requesting a custom Planned Development (PD) zoning if they desire to add uses that are prohibited in this new I-E zone.

Town staff held an open house regarding the proposed changes in November, 2019, however finalization and implementation was postponed due to shifting priorities due to the pandemic during 2020 and most of 2021. All land owners in current I-1 and I-2 zoned land were invited to the open house, and it was publically noticed on the Town webpage for any community members to attend. Staff received some questions on how this would affect current land zoned I-1 and I-2. Staff explained that it does not change their zoning, allowed uses, or ability to expand, as this change would only apply to new property seeking industrial zoning. A handout from the open house and list of the proposed uses shown at that meeting are attached as Attachment A.

As some time has passed since the initial open house, staff recently discussed this proposal in February 2022 with the EDC Developer Roundtable group. Overall the proposed new Industrial Employment zone was well received, with feedback given to consider increasing the amount of accessory retail and accessory alcoholic beverage sales from 10% to 20%. Staff has reviewed this and incorporated this change into the draft zone under consideration.

Summary of Sections Affected

Section 17.02.010: Changes to the zoning district chart to identify I-1 and I-2 districts as zone districts to which properties can no longer be zoned and to establish the I-E (Industrial-Employment) District as a zoning district.

Section 17.28.010: Added language identifying the date of approval of the changes identifying I-1 and I-2 districts as zone districts to which properties can no longer be zoned to and clarifying the existing development rights of those districts remain. Added language to establish and define the I-E District.

Section 17.28.070: Established new development standards for the I-E District.

Clarity and Consistency Modifications – CRMC Chapter 17

Town staff reviewed other code sections in the CRMC in order to determine areas of code where there were inconsistent or confusing interpretations, code sections that were modified previously in error resulting in unintended consequences, and areas of the code which were not consistent with State law. These changes are not intended to change existing public policy, but rather to clarify and ease interpretation.

- Section 17.16.020: Modifies the temporary use provisions for manufactured buildings to clarify when a manufactured building can be utilized as a temporary use.
- Section 17.18.020 & 17.18.030: Modifies Large In-home daycares to be a use allowed by right in residential zoning districts and for the same to be a UBSR when they are directly adjacent to one another in order to be compliant with new State Law.
- Section 17.28.030: Inserted directives with respect to the overlay zones to reference the underlying zoning of each individual straight zoning district within the overlay to provide more clarity as to which uses were established with the original zoning and which uses were modified with the approval of the specific overlay and corrected previous errors in the zoning matrix in order to meet the intent of the overlay district.
- Section 17.30.020: Correct reference to section 17.39.010.
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- Section 17.34.030: Remove outdated references to expired Land Use Intergovernmental Agreement between Douglas County and Town.
- Section 17.43.050: Clarified the coverage requirement of the Front Street Overlay District (FSOD) to state building coverage instead of lot coverage for consistency with other areas of the CRMC
- Section 17.54.040: Clarifies parking requirements for Group Homes in both single-family and multi-family structures
- Section 17.54.050: Modifies accessible parking requirements in Title 17 in order to harmonize them with the ANSI requirements in Title 15; currently the two codes conflict.
- Section 17.61.030: Modifies the definition of Accessory Dwelling Unit (ADU) in order to clarify the criteria that determine when an ADU exists; and adds definitions for “Bathroom”, “Facility for Sleeping”, “Kitchen”, and “Provisions for Living.”
- Section 17.61.040: Clarifies that the addition of an ADU with a permit for a new single-family home does not require a Use By Special Review (UBSR).
- Section 17.61.050: Adds criteria for determining whether or not a space is an ADU, and further clarifies under what circumstances physical separation exists for an ADU.
- Section 17.62.030: Correct reference to section 17.39.010.

Recommendation

Staff recommends code changes to each of the sections outlined in this memo. A draft ordinance is attached for consideration for Title 17 updates to the CRMC.

Staff recommends Council direct staff to bring this ordinance back for 1st and 2nd reading at an upcoming Council meeting.

Proposed Motion

“I move to direct staff to finalize the draft ordinance to add a new Industrial Employment Zone to Title 17, as well as clean up and clarify other portions of Title 17 of the Code as presented this evening, and bring those back for 1st reading.”

Attachments:

Attachment A – Draft Title 17 Update Ordinance