

**UNITY ON WOLFENSBERGER ATTAINABLE HOUSING  
FEE REDUCTION/WAIVER AGREEMENT**

**DATE:** May 6, 2025.

**PARTIES:** **TOWN OF CASTLE ROCK**, a Colorado home rule municipal corporation, 100 N. Wilcox Street, Castle Rock, Colorado 80104 (the “Town”).

**WELLSPRING COMMUNITY**, a Colorado nonprofit corporation, 826 Park Street, #200, Castle Rock, CO 80109 (the “Developer”) (collectively, the Town and the Developer shall be referred to as the “Parties”).

**RECITALS:**

A. Unity on Wolfensberger is a planned mixed-use project, to be located in the Town at 200 Wolfensberger Road (the “Unity on Wolfensberger Project” or “Project”).

B. The Project consists of the conversion of the former Quality Inn & Suites as follows:

- (i) The first floor will be converted to serve as Developer’s new headquarters, including approximately 16,165 square feet of office space, multiple classrooms and work opportunity spaces, and a pool and exercise area; and
- (ii) The second floor will be converted to twenty-four (24) for-sale residential condominium units, of which fourteen (14) will be made available to individuals with intellectual and developmental disabilities, six (6) will be made available to neurotypical individuals, and four (4) will be made available to the Developer’s staff.

C. The Developer is creating this integrated housing development for individuals with intellectual and developmental disabilities.

D. The total construction costs for the Project are estimated to be \$3,200,000.

E. The Developer expects to finance the Project through the Colorado Medicaid Home and Community-Based Supported Living Services Waiver (HCBS-SLS) and the Home and Community-Based Services Waiver for Persons with Developmental Disabilities (HCBS-DD), as well as a Project-specific fundraising campaign.

F. The Developer has applied to the Town for a reduction of Town development impact fees and a waiver of Town land use fees and cash fees-in-lieu of land dedication pursuant to the Castle Rock Municipal Code (“CRMC”) to further help finance the Project.

G. According to CRMC Section 3.16.050, a qualifying attainable housing project shall be eligible to receive up to a 100% reduction, per qualifying attainable housing unit, in the amount of the otherwise applicable development impact fees.

H. According to CRMC Section 15.01.030, any land use fees imposed pursuant to the Town's Development Services Fee Schedule may be waived if there are unique and compelling circumstances that render the imposition of such fees inequitable with respect to a particular application, site or building.

I. Pursuant to Ordinance 2025-015 approving the 826 Park Street and 200 Wolfensberger Road Planned Development Plan and Zoning Regulations, the Town Council has authorized the waiver of the land dedication/cash fee-in-lieu of land dedication requirements in under CRMC Chapter 16.08 with respect to the Project.

J. The Project, as an attainable housing project, qualifies for: (i) a reduction of development impact fees under CRMC Section 3.16.050; (ii) a waiver of land use fees under CRMC Section 15.01.030; and (iii) a waiver of the land dedication/cash fee-in-lieu of land dedication requirements under CRMC Chapter 16.08.

K. The Developer has applied to the Town for a reduction of \$437,454.35 in Town development impact fees, a waiver of \$34,817.92 in Town land use fees, and a waiver of \$66,368.00 in Town cash fees-in-lieu of land dedication in order to fully finance the Project, which fee reduction and waivers have been approved by the Town Council subject to the terms and conditions set forth in this Fee Reduction/Waiver Agreement (the "Agreement").

#### **COVENANTS:**

**NOW, THEREFORE**, in consideration of these mutual promises, the Parties agree and covenant as follows:

**Section 1. Development Impact Fee Reduction.** The Town hereby agrees to reduce the total development impact fees due and owing on the Project pursuant to the authority granted by CRMC Section 3.16.050 and in accordance with the schedule attached as ***Exhibit 1*** (the "Reduced Impact Fees"). The total amount of Reduced Impact Fees is \$437,454.35.

**Section 2. Land Use Fee Waiver.** The Town hereby agrees to waive the total land use fees due and owing on the Project pursuant to the authority granted by CRMC Section 15.01.030.B and in accordance with the schedule attached as ***Exhibit 1*** (the "Waived Land Use Fees"). The total amount of Waived Land Use Fees is estimated to be \$34,817.92. To the extent that the total amount of actual Waived Land Use Fees exceeds this estimated amount, the Town agrees to waive such excess fees.

**Section 3. Cash Fee-In-Lieu of Land Dedication Waiver.** The Town hereby agrees to waive application of the land dedication/cash fee-in-lieu of land dedication requirements set forth in CRMC Chapter 16.08 with respect to the Project pursuant to the authority granted by Ordinance No. 2025-\_\_\_ and in accordance with the schedule attached as ***Exhibit 1*** (the "Waived

Cash Fees-In-Lieu”). The total amount of Waived Cash Fees-In-Lieu is estimated to be \$66,368.00. To the extent that the total amount of actual Waived Cash Fees-In-Lieu exceeds this estimated amount, the Town agrees to waive such excess fees.

**Section 4. Conditions of Reduction/Waiver.** This agreement to reduce development impact fees and waive land use fees and cash fees-in-lieu of land dedication is subject to the following conditions:

A. The Developer shall fully comply with the provisions all rules and regulations promulgated by the Colorado Department of Health Care Policy & Financing (Health First Colorado) governing funding through the HCBS-SLS and HCBS-DD waiver programs.

B. The Developer shall apply for and use commercially reasonable efforts to pursue receipt of a building permit for the Project by December 31, 2025.

C. The Developer shall operate the Project in such a manner so as to ensure that a minimum of fourteen (14) of the twenty-four (24) for-sale residential condominium units will be made available to individuals with intellectual and developmental disabilities through and including December 31, 2035.

**Section 5. Default and Remedies.** In the event that either Party should default in the performance of its obligations under this Agreement, and such default shall remain uncured for more than 30 days after notice of default is given to the defaulting party (or in the event of a default for which the cure would, by its nature, take more than 30 days to cure, if the defaulting Party shall fail to commence such cure within 30 days after receipt of notice of such default, or fail to use commercially reasonable efforts to complete such cure), the non-defaulting party shall be entitled to pursue any and all legal and equitable remedies. Notwithstanding the foregoing, for any continued failure of the Developer to comply with any one more of the conditions of the fee reduction/waiver set forth in Section 4, following the applicable cure period set forth above, the Town’s sole and exclusive remedy shall be to demand and receive payment of all Reduced Impact Fees, Waived Land Use Fees, and Waived Cash Fees-In-Lieu (collectively, “Reduced/Waived Fees”) within 30 days’ written notice of demand from the Town; provided, however, that if Developer fails to timely pay such Reduced/Waived Fees, the Town will deliver notice of such failure to any lender or investor entitled to notice of default pursuant to Section 8 (as applicable, a “Noticed Party”), and if such Noticed Party does not deliver such Reduced/Waived Fees within an additional 30 days from receipt of such notice, the Town may apply to any court, state or federal, for specific performance of this Agreement or an injunction against any violation of this Agreement. Without limiting the foregoing, no Noticed Party will have any obligation to cure any events of default under this Agreement, but the Town will accept any such cure as if made by the Developer hereunder.

**Section 6. Binding Effect; Term.** The obligations of the Developer under this Agreement shall be binding upon the Developer’s successors and assigns to the Project. The term of this Agreement will commence upon the date first set forth above and continue until the earlier to occur of (a) Developer’s or any Noticed Party’s return of Reduced/Waived Fees pursuant to Section 5, or waiver of any right to such Reduced/Waived Fees, or (b) December 31, 2025;



provided, however, that unless this Agreement terminates pursuant to clause (a) above, such termination shall not affect the Town's waiver of the Reduced/Waived Fees set forth in this Agreement.

**Section 7. Amendments.** Any and all changes to this Agreement, in order to be mutually effective and binding upon the Parties and their successors and assigns, must be in writing executed by the Town and the then-current owner(s) of the Project.

**Section 8. Notice.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the party to whom such notice is to be given, at the address set forth below, or at such other address as has been previously furnished in writing, to the other party. Such notice shall be deemed to have been given when deposited in the United States mail.

If to the Town:           Town of Castle Rock  
                                  Attn: Director of Development Services  
                                  100 N. Wilcox Street  
                                  Castle Rock, Colorado 80104

If to the Developer:   Wellspring Community  
                                  826 Park Street, #200  
                                  Castle Rock, CO 80109

**Section 9. Entire Agreement.** This Agreement constitutes the entire agreement between the parties relating to the subject matter thereof, and there are no prior or contemporaneous agreements, either oral or written, relating to the subject matter hereof except as expressly set forth herein.

**Section 10. Force Majeure.** Each Party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by a cause beyond its control, including, but not limited to: any incidence of fire, flood, or strike; acts of God; action of the government (except the parties hereto); war or civil disorder; violence or the threat thereof; severe weather; commandeering of material, products, plants or facilities by the federal, state or local government (except the parties hereto); and national fuel shortage, when satisfactory evidence of such cause is presented to the other Party, and provided further, that such nonperformance is beyond the reasonable control of, and is not due to the fault or negligence of, the Party not performing.

**Section 11. Subordination.** This Agreement and all amounts payable from time to time hereunder will at all times be, subordinate, subject and inferior to any indebtedness secured by the subject property and the rights of any lender or investor with respect thereto and in the event of a foreclosure, deed in lieu of foreclosure, or similar disposition of subject property by a lender or investor, no consent will be required by the Town and this Agreement will automatically terminate.

(Signature pages to follow)

**IN WITNESS WHEREOF**, this Agreement is executed by the Parties hereto as of the date first written above.

**ATTEST:**

**TOWN OF CASTLE ROCK**

\_\_\_\_\_  
Lisa Anderson, Town Clerk

\_\_\_\_\_  
Jason Gray, Mayor

**Approved as to form:**

**Approved as to content:**

\_\_\_\_\_  
Michael J. Hyman, Town Attorney

\_\_\_\_\_  
Tara Vargish, Director of Development Services

**WELLSPRING COMMUNITY,**  
a Colorado nonprofit corporation

By: Nicole DeVries

Title: Executive Director

STATE OF COLORADO )

) ss:

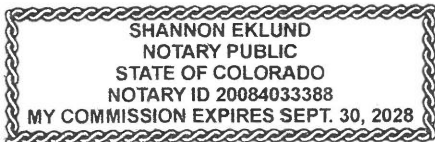
[CITY AND] COUNTY OF DOUGLAS )

The foregoing Agreement was acknowledged before me this 30<sup>th</sup> day of April, 2025, by Nicole DeVries, as Executive Director of Wellspring Housing, a Colorado nonprofit corporation.

Witness my hand and official seal.

My commission expires: 9/30/2028.

Shannon Eklund  
Notary Public



**EXHIBIT 1**  
**FEE WAIVER SCHEDULE**

	<u>Project Fees</u>	<u>Fee Waiver</u>
Permit & Other Fees	\$34,817.92	(\$34,818)
Parks & Recreation Impact Fee	\$157,512.00	(\$157,512)
Public Land Dedication Cash Fee-in-Lieu	\$66,368.00	(\$66,368)
Municipal Facilities Impact Fee	\$7,717.88	(\$7,718)
Fire Impact Fee	\$22,334.86	(\$22,335)
Police Impact Fee	\$13,922.92	(\$13,923)
Transportation Impact Fee	\$235,966.69	(\$235,967)
<b>Total</b>	<b>\$538,640.27</b>	<b>(\$538,640)</b>