



Meeting Date: April 15, 2025

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: Dave Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
Kevin Wrede, Planning Manager

Title: Summary of the Interchange Overlay (IO) District – Purpose, History, Key Elements, and Implementation Updates

Executive Summary

The Interchange Overlay (IO) District was established by the Town of Castle Rock in 2010 to promote economic development at key I-25 interchanges. First introduced in 2006, the IO concept was developed to leverage high-traffic areas as economic catalysts by allowing higher development densities and flexible, mixed-use zoning. The IO District provides a voluntary zoning option that encourages the integration of commercial, office, residential, and industrial uses, supported by urban design principles and multimodal access.

The IO ordinance allows greater building heights, reduced parking and open space requirements, and streamlined regulations to support compact, pedestrian-oriented development. It also enforces quality architectural and landscape standards to create visually appealing gateway areas that reflect Castle Rock's character.

Since adoption, two major areas—Castle Meadows PD (177 acres) and Miller's Landing PD (48 acres)—have been rezoned to IO near the Plum Creek Parkway interchange. These rezonings did not include density caps, though future rezonings may introduce such limits based on site-specific considerations.

The IO District remains a central component of Castle Rock's long-term strategy to expand its tax base, attract high-value development, and increase employment opportunities in key regional centers, all while maintaining flexibility in how growth is managed and implemented.

Background

The concept of the Interchange Overlay District was introduced as early as 2006, when Town leadership identified the need to maximize the land use potential surrounding Castle Rock's I-25 interchanges. After presenting the idea at the December 2006 joint Town Council/Planning Commission meeting, staff was directed to explore utilizing existing and proposed Interstate 25 interchanges as a catalyst for economic development in the form of increased development densities. Key motivations included:

- Capturing regional traffic and commerce: With over 70,000 vehicles traveling I-25 daily, the Town sought to leverage this exposure to strengthen its tax base.
- Supporting Castle Rock's identity and vision: Interchange areas serve as "front doors" to the community. Enhancing these nodes would not only attract business but also reinforce the Town's unique identity as a free-standing, full-service community.
- Encouraging high-quality urban development: The Town recognized that its limited number of interchanges were vital assets and should be developed strategically to allow for vertical density and mixed-use configurations.
- Creating a planning mechanism tailored to regional centers: The IO was envisioned as an alternative to traditional zoning—a regulatory framework specifically designed to support urban-style form, greater design flexibility, and integrated land uses.

Town staff and consultants explored best practices from other Colorado communities (e.g., Denver's Cherry Creek, Broomfield, Highlands Ranch) and national planning models to create a code that would accommodate Castle Rock's unique geography, market, and transportation system. The goal was to increase development densities at key interchanges to attract businesses, expand the tax base, and promote job creation within Castle Rock.

By 2008, the IO concept was incorporated into the Town's Comprehensive Master Plan, and two years later, in 2010, the Interchange Overlay District was finalized and adopted into the Castle Rock Municipal Code.

Interchange Overlay (IO) District

In 2010, the Town Council adopted Ordinance 2010-16 (Attachment A), which formally codified the Interchange Overlay District (IO) specific to areas surrounding key I-25 interchanges, including Founders Parkway/Meadows Parkway, Wolfensberger, and Plum Creek Parkway. The IO district was created to:

- Implement the Town's Comprehensive Master Plan, specifically promoting compact, high-density development near I-25 interchanges.
- Support economic development by enabling flexible, mixed-use zoning that encourages mixed residential, office, commercial and industrial uses.
- Activate underutilized land and encourage reinvestment in key areas.
- Create attractive and welcoming gateways to Castle Rock with high-quality design standards.

The IO District ordinance was created to be a voluntary zoning tool that property owners in specific areas could request to rezone to through the Planned Development (PD) process. Some key elements of the IO district include:

1. Encouragement of Mixed Use

- Residential, commercial, office, and industrial uses are allowed within a single structure or site.

- Promotes live/work environments and walkability.

2. Urban Design & Form-Based Code

- Allows building heights up to 6 stories, or 90 feet, unless a greater height is authorized through the PD.
- Reduced open space requirement from 20% to 15%.
- Reduced parking minimums to support pedestrian-oriented development.
- Exemptions from Skyline/Ridgeline and certain interface regulations to allow vertical density, recognizing the need for increased building heights and densities to maximize economic potential within interchange areas.

3. Multimodal Access

- Requires pedestrian and bike connectivity.
- Supports integration of transit facilities, park-n-rides, and future rail access.

4. Design Quality

- Mandates architecture, landscape, and site planning standards to ensure aesthetic quality, safety, and compatibility.

Since the IO District's adoption in 2010, two significant areas have been rezoned under this framework:

- Castle Meadows PD, 177 acres, zoned in 2016, vested through 12/31/2035
- Miller's Landing PD, 48 acres, zoned in 2017, vested through 12/31/2036

Both of these properties are located on the west side of the Plum Creek Parkway/I-25 interchange. These rezonings were approved without defined density caps, in keeping with the intent of the IO regulations. Each of these PDs were approved with vested property rights, through 2035 and 2036 as shown above, which means the Town cannot unilaterally amend their PD Plans during this time. As each property moves forward with site development plans, the densities will be defined and they will have to mitigate offsite impacts. The Town retains the authority to impose density limits during future IO rezonings based on infrastructure capacity, compatibility with adjacent development, or other planning considerations.

Summary

The Interchange Overlay District is a targeted economic development tool designed to attract investment and high-value commercial activity to Castle Rock's key I-25 interchanges. The IO zoning framework is designed to:

- Encourage diverse business and industrial development.
- Enhance Castle Rock's tax base by leveraging high-traffic volumes along I-25.
- Support economic diversification and job creation.
- Establish high-density, mixed-use environments integrating commercial, residential, and transit-oriented developments.
- Promote sustainable development practices and quality architectural standards.

By adopting Ordinance 2010-16, the Town of Castle Rock positioned itself to attract economic investment while balancing urban growth with environmental and community priorities. The ordinance remains a cornerstone of the Town's strategic planning efforts to foster a vibrant and sustainable economic future. It offers property owners a voluntary path to pursue more intensive development while giving the Town the ability to guide growth through customized development agreements. As new rezoning requests come forward, the IO District provides the flexibility to respond to market demand while ensuring quality development and strong return on public infrastructure investments.

Attachments

Attachment A: Ordinance 2010-16