



LOST CANYON RANCH

Land Acquisition Concept Paper

Submitted July 20, 2023 by

**The Town of Castle Rock and
The Conservation Fund**



LAND ACQUISITION PROGRAM
CONCEPT PAPER

Project Summary Information

Project Title:

Applicant
Organization(s):

Applicant
Name(s):

Partner Organization (if applicable):

Partner Name (if applicable):

Amount Requested:

Estimated Total Project Cost:

Estimated Grant Period (years):

Brief Project Description (limit to space provided without expanding the text box; use 10 pt font)

LOST CANYON RANCH

LAND ACQUISITION – CONCEPT PAPER

I.

The Town of Castle Rock, the Conservation Fund (TCF), and Douglas County are teaming up to acquire and conserve the Lost Canyon Ranch, a historic 681-acre canyon ecosystem located adjacent to Castlewood Canyon State Park. The property lies within unincorporated Douglas County at 6581 Lost Canyon Ranch Road in the southeast corner of Castle Rock. It's surrounded on the north and west by residential neighborhoods, large-acreage estate lots on the south, and shares a $\frac{3}{4}$ mile boundary with Castlewood Canyon State Park on the northeast side. Its location presents a wealth of potential trail connections to the surrounding Metro District green spaces and the adjacent State Park.

The Conservation Fund is leading negotiations with the current owner on behalf of Castle Rock and Douglas County. TCF contracted for an appraisal and expects a final report in early August. TCF and the Town expect the appraisal to be approximately \$14-\$14.5 million. If the negotiated price is acceptable to the owner, then TCF will secure the property with a purchase contract. The parties anticipate a closing by middle of 2024 and TCF is prepared to buy and hold the property if necessary. Once TCF acquires the property, it will convey the parcel to the Town and a conservation easement to Douglas Land Conservancy.

Its natural, scenic, and cultural resources are the foundation of Lost Canyon Ranch's conservation values. The property includes the undisturbed forested canyon created by Willow Creek, a tributary of Cherry Creek flowing southwest to northeast, which widens in the northeast corner of the property. The creek is a narrow drainage with cottonwoods, peachleaf willows, willow shrubs and cattails that was dammed more than 30 years ago. The southern slope of the canyon is a denser mix of ponderosa pine, Douglas fir and junipers than the northern slope. Both canyon side slopes lead up to outcroppings of sandstone and Castle Rock conglomerate that make up the edge of the mesas on either side of the creek. Both the northwest and southeast corners are open shortgrass prairie with exposed caprock and include prairie dog towns. The remainder of the property is a mixture of scrub oak-pine woodland habitat. The property provides habitat for many wildlife species including mountain lion, bobcat, bear, mule deer, coyote, fox, golden eagles, owls and other raptors, wild turkeys, migratory songbirds, prairie dogs, porcupine, elk and others.

While the scenic beauty of the property's forested canyon habitat stands out, it is the large rock shelter, known as Franktown Cave, that makes this property unique and both historically and culturally significant, as well as a priority for protection. The quantity and variety of the perishable artifacts found in this cave, which are almost unknown from other recorded sites in the Platte River Basin, attest to the qualification of the cave on the National Register of Historic Places. The Town will consult with the University of Denver (current home of the artifacts), and potentially other historic experts as well as considering the best resources to help interpret properly the Native American history of the property.

The Town and County share the overall goal to protect and preserve the habitat and cultural resources and provide a buffer from expanding development pressures as Castle Rock and Franktown continue to grow and expand their boundaries. This project represents the largest one-time purchase and protection

of open space in the Town's history, creating the potential for unique and close-to-home recreational opportunities unlike any other open space or parkland available in Castle Rock.

II.

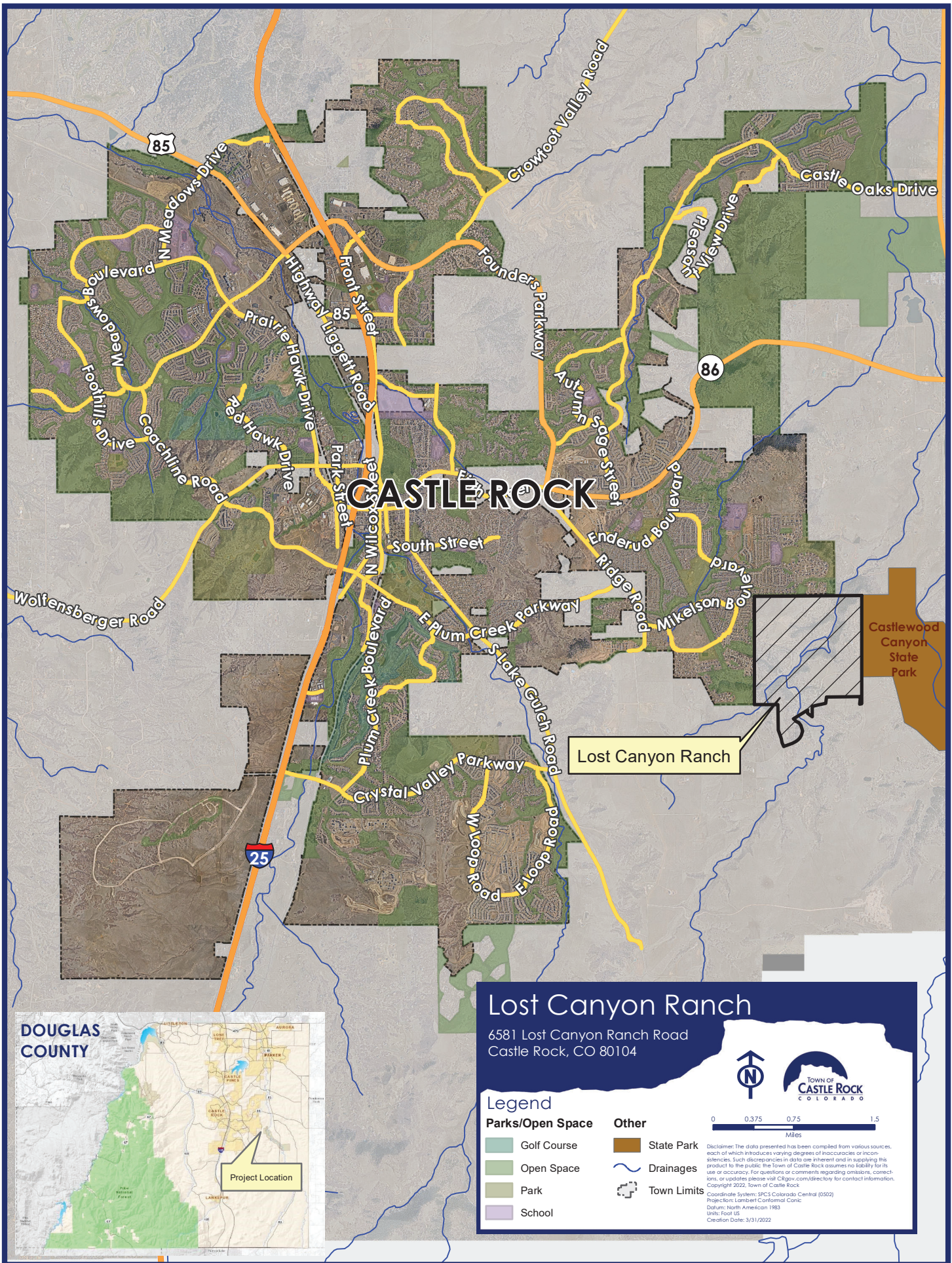
Lost Canyon Ranch is currently under one ownership, which is the estate of the previous property owner who passed away three years ago. The estate beneficiaries do not live in Colorado and have expressed intent to liquidate their out-of-state property holdings, preferably as soon as possible. There have been offers by private developers, churches, and even a movie studio. Any of those options could compromise the conservation values, wildlife habitat and corridors as well as public benefits by changing the land use of the property. The sale of this large contiguous parcel to a developer could result in dividing the parcel into at least 19 individual 35-acre residential-estate lots with individual water wells and leach fields, thus fragmenting wildlife habitat and restricting public access to the historic rock shelter. Protection of this parcel as permanent open space would also provide a buffer for the northwest section of Castlewood Canyon State Park from increasing development activity in Castle Rock and unincorporated areas of Franktown surrounding the park. Conservation will also open up the potential for numerous trail connections to the surrounding neighborhoods.

III.

Castle Rock has been expanding rapidly for several years, with an annual population growth of about six percent per year to a current population estimate of 81,000, which earned Castle Rock the distinction as the 7th fastest growing city in America in 2018. Despite this growth in population and development activity, the Town's Parks and Recreation Department has been able to set aside over 3,400 acres, but the majority of those dedications are small, isolated or surrounded by residential neighborhoods. Acquisition of this parcel represents the department's efforts to respond to ongoing growth by expanding the network of protected open spaces, which is a primary purpose of the approved 2015 Castle Rock Parks and Recreation Master Plan.

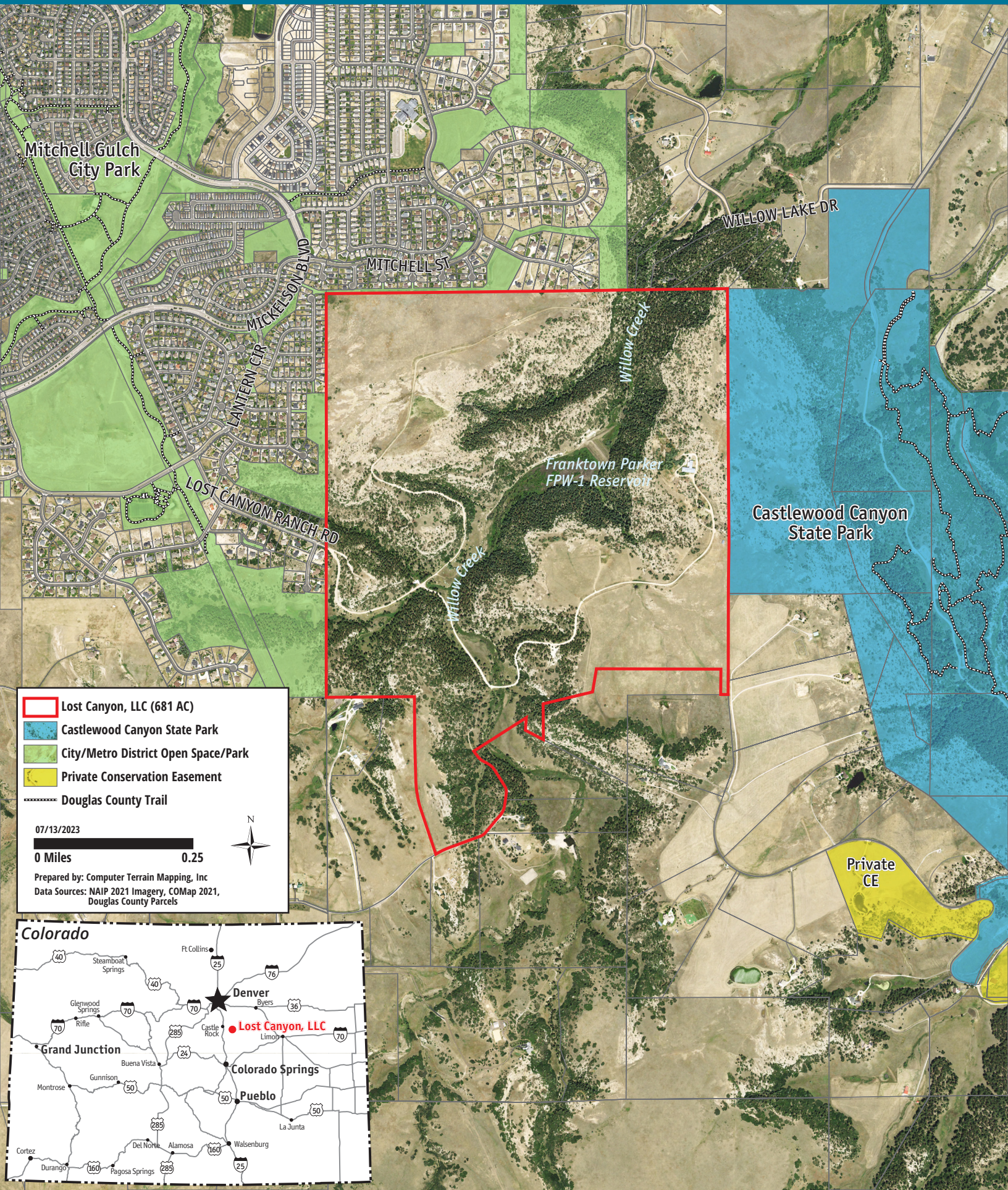
Despite the population changes, bi-annual community surveys have consistently shown a value for additional trails and open spaces, ranking new trail development as the second-highest priority behind purchasing land to preserve open space. This preference relates to a consistent open-ended survey response that growth (overcrowding) is the single most important issue facing Castle Rock. Protection of Lost Canyon Ranch will provide the platform for families and children to connect and interact with nature on a much larger scale than currently exists in the community.

To date, Town staff has not yet involved the community members in this acquisition project to focus on the ongoing private negotiations. However, to maximize community input on the planning to ensure a community-led process, Town staff will utilize a variety of communication tools to engage residents and neighbors, solicit general community feedback and engage the project partners regarding the future management and public use of the property after it has been acquired.



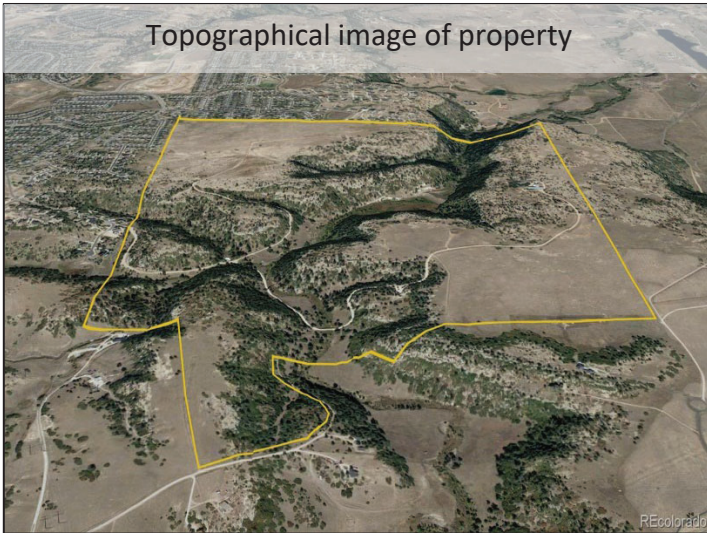
Lost Canyon, LLC Property Douglas County, CO

THE
CONSERVATION FUND



LOST CANYON RANCH PROJECT – TOWN OF CASTLE ROCK

Topographical image of property



View south of Willow Creek canyon



View west of private residence & horse stable



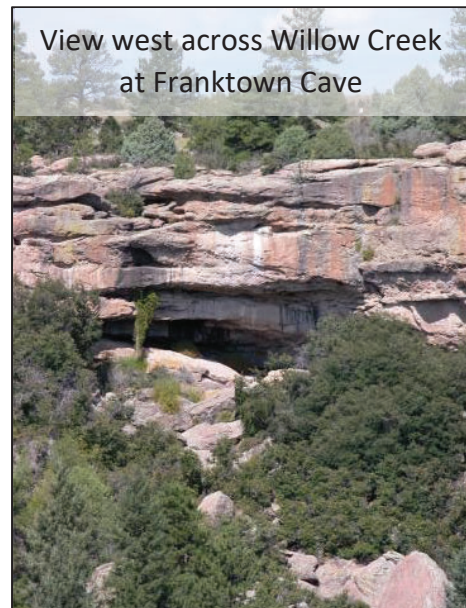
View south with rock outcroppings in foreground



View north of Willow Creek



View west across Willow Creek
at Franktown Cave



LOST CANYON RANCH



Main gate – Note the “No Trespassing” signs



Seasonal pond on east side of property



LAND ACQUISITION PROGRAM

TRANSACTION & DUE DILIGENCE INFORMATION

Please supply information known to date so that staff may provide proper guidance.

Project	Applicant(s)

What is the current and anticipated future ownership structure of the property? Outline the transaction timeline.

Describe any known boundary disputes or encumbrances (ex: utility or access easements, leases, or liens).

What development or reserved rights exist or are planned (ex: building envelopes, subdivisions, proposed activities/uses)?

Is there water associated with the property? What water rights exist? Will they be acquired or tied to the property in the conservation easement?

Are any mineral rights or energy resources held by a third party?	Yes	No	Does mining exist or has it historically taken place on the property?	Yes	No
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Are there any known hazardous materials or uses associated with the property?	Yes	No	Does the property offer physical and legal right of access for proposed uses?	Yes	No
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Provide additional detail regarding questions checked yes or other pertinent information:

PROJECT BUDGET & DETAILS

APPLICATION SCOPE OF WORK

Source of Funds (CASH)	Date Secured	GOCO Funds	Matching Funds
GOCO	1-Dec	\$2,000,000.00	
Town of Castle Rock			\$6,500,000.00
Douglas County			\$6,000,000.00
[Partner Source]			
Source of Funds (IN-KIND)			
[Applicant]			
[Partner Source]			
[Partner Source]			
<i>subtotal</i>		\$2,000,000.00	\$12,500,000.00
TOTAL SOURCE OF FUNDS			\$14,500,000.00

Use of Funds (CASH)	Description	GOCO Funds	Matching Funds	Total Funding
Property Acquisition		\$2,000,000.00	\$12,500,000.00	\$14,500,000.00
<i>vendor/service provider</i>				\$0.00
				\$0.00
<i>subtotal</i>		\$2,000,000.00	\$12,500,000.00	\$14,500,000.00
Use of Funds (IN-KIND)				
Category	Description	Matching Funds		
<i>vendor/service provider</i>				\$0.00
<i>subtotal</i>				\$0.00
TOTAL USE OF FUNDS*				
<i>subtotal</i>		GOCO Funds \$2,000,000.00	Matching Funds \$12,500,000.00	\$14,500,000.00

* The Total Use of Funds must equal the Total Source of Funds in the section above.

OTHER LEVERAGED RESOURCES (OPTIONAL)

CASH OR IN-KIND	Description	Total Funding
Category		
<i>vendor/service provider</i>		\$0.00
<i>subtotal</i>		\$0.00

TOTAL PROJECT VALUE	\$14,500,000.00
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GOCO % of project cost 14%
GOCO % of project value 14%