



AGENDA MEMORANDUM

To: Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
BrieAnna Simon, Senior Planner, Development Services Department

Title: Ordinance Amending the Town’s Zone District Map by Approving the 826 Park Street Expansion & 200 Wolfensberger Road Planned Development Plan and Zoning Regulations

Executive Summary

Castle Oaks Evangelical Covenant Church, Wellspring Community, and Unity on Wolfensberger are proposing to rezone the Castle Oaks Evangelical Covenant Church and existing Quality Inn site to a new Planned Development Plan Zoning. The applicant proposes to zone the property as a planned development (PD), and is seeking approval of the 826 Park Street Expansion & 200 Wolfensberger Road Planned Development Plan and Zoning Regulations (Attachment B).

Planning Commission Recommendation

The Planning Commission voted 7 – 0 to recommend approval to Town Council of the 826 Park Street Expansion & 200 Wolfensberger Road Planned Development Plan at a public hearing held on April 24, 2025.

Background

Zoning Regulations

The proposed development is located in the central portion of the Town of Castle Rock. The property is located at 200 Wolfensberger Road and 826 Park Street. The existing Castle Oaks Evangelical Covenant Church at 826 Park Street is currently zoned I-1 Light-Industrial Zoning Regulations of the Municipal Code. The I-1 Light-Industrial area is zoned for industrial development, where place of worship is a Use by Special Review. The existing Quality Inn site located at 200 Wolfensberger Road is currently zoned is zoned B - Business/Commercial



Figure 1: Vicinity Map

Zoning Regulations of the Municipal Code. The B - Business/Commercial Area is zoned for mixed-use development, where multi-family is a Use by Special Review.

Surrounding Uses

The subject lots are currently part of a developed area within the Town. The property is bordered by B Business/Commercial zoned development including to the north The Park Co. Sports Bar and Kitchen, to the east Guadalajara Family Mexican, and to the west Unity on Park, Nytech Heating and Cooling, McDonalds, and a retail center. The property is adjacent to MH – Manufactured Home District to the south.

Discussion

Existing Conditions

The existing Castle Oaks Evangelical Covenant Church 0.946-acre site is located at 826 Park Street. Town Council approved the Use by Special Review (UBSR) in 2012, finding it in compliance with the Use by Special Review requirements for setbacks, landscaping, and the general goals and policies of the Town’s Comprehensive Master Plan.

The existing 1.98-acre Quality Inn site, located at 200 Wolfensberger Road, received approval in 2022 for an administrative Site Development Plan (SDP) Amendment to operate as a commercial hotel. This approval confirmed that the project complied with the Zoning Regulations in the Town’s Municipal Code. Although the building has been operating as a hotel, the current applicant is in the process of purchasing the property with the intent to convert it into a multi-family residential building. The proposed renovation will transform the structure into a 24-unit, for-sale condominium complex, with half of the units designated for individuals with intellectual and developmental disabilities (I/DD).

Proposed Zoning

The applicant is proposing to amend the zoning to create a new Planned Development Plan and Zoning Regulations specific to these two properties. The proposed use for the subject parcels is for a church and a multi-family facility within a newly created Planned Development Plan zone. Within the current zoning for these parcels both multi-family and place of worship are a Use by Special Review. The proposed zoning will make these uses a permitted use by-right. The associated permitted uses will include:

- Place of Worship up to 6,000 square feet and 250 seats
- Multi-family residential units
- I/DD Housing units
- I/DD Office

By making multi-family a permitted use, this will allow Wellspring Community to renovate the old Quality Inn located at 200 Wolfensberger Road in Castle Rock for the Unity on Wolfensberger project. Unity on Wolfensberger is proposing to create 24 condominium units, of which 14 will be dedicated for households with disabilities, especially those with intellectual and developmental disabilities (I/DD). Within the building four units will be owned by Wellspring for their staffing and six units will be owned by neurotypical (non I/DD) adults. The renovation

will also consist of converting the first floor of the building into Wellspring's new headquarters, including classrooms, work opportunity spaces, and office space.

Development Standards

The proposed church and multi-family uses within the PD will be required to comply with the following development standards:

- No proposed building shall be constructed closer than 15 feet from the front property line; side and rear setbacks are a minimum of zero feet.
- Maximum building height: 40 feet
- Maximum lot coverage: 40%
- Maximum Dwelling Units: 24 units within Planning Area 1. Of these units a maximum of 12 units will be used for traditional multi-family. All remaining units will be utilized by I/DD housing units.

Any new buildings, additions, or renovations will be required to comply with the "Castle Rock Design: Guidelines for Design and Development in the Town of Castle Rock". The 2022 administrative Site Development Plan (SDP) Amendment to operate a commercial hotel and the 2012 Use by Special Review (UBSR) to operate a place of worship facility confirmed that both existing buildings complied with the current Town architectural standards when approved.

Parking Regulations

The applicant is proposing to create an I/DD parking ratio for the multi-family building in Planning Area 1. Typically, I/DD residents do not own vehicles or drive on their own. The Wellspring program offers buses that shuttle program participants between facilities and programs. The applicant is proposing a parking ratio of 0 parking spaces per I/DD unit, along with 1 visitor parking space for every four I/DD units. The neurotypical units (i.e., traditional multi-family) will meet the Town's current parking ratio of 2 spaces per unit.

The Planned Development Plan also proposes the following parking ratios for the remaining uses within the development:

- I/DD Office – 2 spaces provided per 1,000 square feet of gross floor area
- Place of Worship – 1 space provided per 3 fixed seats within the sanctuary

The applicant has acknowledged that their proposed future development will adequately meet the proposed parking ratios being required with this Planned Development Plan.

Interface Regulations

The southern project boundary is subject to Residential/Non-Residential Interface Regulations as outlined in Section 17.50 of the Town's Municipal Code. No new construction is planned on this southern edge, however future development expansions will be subject to these regulations.

Fire

The proposed project area is located within the Town of Castle Rock Fire Protection Service Area. The project area will be served by Town of Castle Rock Fire, which has capacity to serve the proposed development.

Parks and Recreation

Parks and Recreation staff have reviewed the proposed zoning for this project and have calculated the PLD requirements based on 24 residential units and 8,717 SF of business uses within the Quality Inn conversion portion of the project as well as the 9,300 SF expansion for the church and office expansion. The total PLD required with the PDP is 0.56 Acres which equates to \$66,368 as cash-in-lieu dedication. The applicant is requesting this cash-in-lieu dedication to be waived as part of the fee waiver.

Traffic Impact Analysis and Mitigation

A Traffic Conformance letter was submitted on July 23, 2024. Trip generation will be less than 200 VPD and will not require a Traffic Impact Analysis (TIA).

Utilities

The Town's applicable water and sewer requirements set forth in the Town of Castle Rock Water Criteria Manual and Wastewater Criteria Manual will apply to the property.

Drainage

The Town's applicable drainage requirements set forth in the Town of Castle Rock Stormwater Criteria Manual will apply to the property.

Water Conservation

The proposed zoning specifies that all associated Landscape and Irrigation within this development will comply with the Town of Castle Rock Landscape and Irrigation Criteria Manual as amended.

Water Resources

The proposed zoning meets the Town Municipal Code as it relates to water resources.

Notification and Outreach

Public Notice

Public hearing notice signs were posted on the property on April 9, 2025. Written notice letters were sent to property owners within 500 feet of the property, at least 15 days prior to the public hearings.

Town staff published notice of the Planning Commission and Town Council public hearings on the Town's website and provided information about the proposal on the Town's *Development Activity* interactive map.

Neighborhood Meetings

The applicant has held two neighborhood meetings. A neighborhood meeting was scheduled and noticed for February 12, 2024. There was no public attendance at this meeting. The second neighborhood meeting was held via a hybrid format on March 26, 2025. Nine people

attended this meeting asking about the future amenities provided within the multi-family facility. The Town Manager waived additional neighborhood meetings for this project due to lack controversy.

External Referrals

External referrals were sent to local service providers and Douglas County agencies. There are no outstanding external referral comments.

Analysis

PD Plan Review and Approval Criteria and Analysis 17.34.030

A. Community vision/land use entitlements.

1. Conforms to the most recent versions of the Town's Vision, Comprehensive Master Plan and long range or master plans.
2. Complies with design principles found in Chapter 17.10.

Analysis: The proposed Planned Development Plan meets this criterion. It generally conforms to the Town's Vision and Comprehensive Master Plan and complies with Town's long range and master plans. It also conforms to all other relevant requirements and land development principles of the Town's Municipal Code.

B. Relationship to surrounding area

1. Provides appropriate relationships between use areas, both internal and surrounding, with adequate buffer areas provided if warranted.
2. Provides innovative and creative plan design and layout.
3. Provides a variety of housing types, densities and open space.
4. Identifies areas as mixed use and/or depicts areas that are buffer areas to comply with Chapter 17.50 (Residential/Nonresidential Interface), where a proposed PD Plan is adjacent to residential property, as that term is defined in Chapter 17.50, or, for residential developments, where the proposed PD Plan is adjacent to nonresidential property, as that term is defined in Chapter 17.50.

Analysis: The proposed Planned Development Plan meets this criterion. The existing non-residential development provides an adequate buffer adjacent to the existing residential development. While the proposed zoning provides a needed mix of housing opportunities and programing facilities for the Town.

C. Circulation and connectivity.

1. Provides an adequate circulation system in terms of capacity and connectivity, which is designed for the type of traffic generated, safety, and separation from living areas, convenience, accessibility, noise and exhaust control.
2. Provides for emergency vehicle access.
3. Accommodates an adequate, functional and safe street system for vehicular traffic generated by the development and passing through the development.
4. Provides for pedestrian and bicycle traffic in a safe and convenient manner, separation from vehicular traffic, and access to points of destination and recreation.

Analysis: The proposed Planned Development Plan meets this criterion. The existing site provides a vehicular entrance into the property and vehicular circulation within the site.

D. Services, phasing and off-site impact.

1. Addresses fiscal impact of the project.
2. Provides an appropriate phasing plan which minimizes unnecessary utility extensions and adequately addresses other fiscal concerns of the Town.
3. Adequate water resources have been conveyed or purchased. Existing or proposed water and wastewater systems can support the proposed development pattern, uses and density.
4. Existing or proposed stormwater systems can support the development and will comply with applicable regulations. Provides phased improvements in a logical and efficient manner.
5. Provides adequate consideration to the future extension of streets and utilities to adjacent properties.
6. Identifies and appropriately mitigates all traffic impacts, on- and off-site.

Analysis: The proposed Planned Development Plan meets this criterion. The PDP provides adequate and efficient utility plans for water, stormwater and wastewater, which considers existing conditions of the site and necessary ingress and egress improvements.

E. Open space, public lands and recreation amenities.

1. Provides adequate trails, parks, recreation and open space.
2. Provides an adequate trail system in terms of internal circulation and appropriate external connections.
3. Provides functional open space for recreation, views, density relief, convenience, function and preservation of natural features, including significant tree stands, ridges, and stormwater areas. Open space reservations and public land dedications are of an appropriate configuration and location within the site and comply with any applicable requirements of Chapter 16.08, CRMC and this Title.

Analysis: The proposed Planned Development Plan meets this criterion. The existing development has pedestrian walkways which connects each lot to the public right-of-way.

F. Preservation of Natural Features.

1. Demonstrates sensitivity and limits disturbance to the site in terms of plan design and density to the site's major environmental characteristics including drainageways, topography, view sheds and vegetation.
2. The proposed PD Plan and zoning accommodate the Skyline/Ridgeline Protection Regulations in Chapter 17.48 and reasonably mitigates visual impacts upon off-site areas.
3. Consideration shall be given to wildlife impacts in the layout of open space areas. Where designated threatened or endangered species are present, the development must conform to all applicable state and federal restrictions and permitting requirements.

Analysis: The proposed Planned Development Plan meets this criterion. The plan is currently part of a developed area within the Town. The proposed development provides redevelopment opportunities that meet the character of the existing area.

Budget Impact

The proposed Planned Development Plan on it's own does not have a budge impact on the Town. Wellspring Community has submitted a separate request for a fee waiver for the conversion of the Quality Inn to an I/DD and multi-family facility. Town code provides for development impact fee (§3.16.050) and system development fee (§13.12.080J) reductions of up to 100 percent for attainable housing projects. Per code, "A qualifying attainable housing project and unit shall be defined as a housing project or unit participating in an attainable or affordable housing program through the Douglas County Housing Partnership, Colorado Housing Finance Authority or other certified local, state or federal attainable housing program." Waivers of this type require Town Council approval, which is scheduled to be heard the same night as the rezoning.

Building Permit Waiver

Per Section 17.38.020 an approved Site Development Plan (SDP) is required prior to issuing any building permits for construction or site improvements. The applicant has submitted a Site Development Plan for the Unity on Wolfensberger facility, which will convert the existing hotel into a 24-unit multi-family building with I/DD and traditional multi-family units. The SDP application is still under review at this time. However, the applicant would like to request a waiver to issue a building permit prior to Site Development Plan approval. This will allow the applicant to proceed with the interior and building renovation, while the Site Development Plan moves through the review process. The applicant acknowledges that any issuance of a building permit prior to Site Development Plan approval is at their own risk.

Findings

All staff review comments and external referral comments have been addressed. Staff finds the proposed 826 Park Street Expansion & 200 Wolfensberger Road Planned Development Plan and Zoning Regulations:

- Generally conform with the objectives of the Town Vision and the Comprehensive Master Plan,
- Meets the review and approval criteria of the Municipal Code, Chapter 17.32 and Chapter 17.34 for a Planned Development Plan

Recommendation

The Planning Commission voted 7 – 0 to recommend approval to Town Council of the 826 Park Street Expansion & 200 Wolfensberger Road Planned Development Plan at a public hearing held on April 24, 2025.

Proposed Planned Development and Zoning Motion

Option 1: Approval

"I move to approve the Planned Development and Zoning Ordinance, as introduced by title."

Option 2: Approval with Conditions

"I move to approve the Planned Development and Zoning Ordinance, 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], at [time]."

Proposed Building Permit Waiver Motion

Option 1: Approval

"I move to approve the waiver request for the issuance of a building permit prior to Site Development Plan approval."

Option 2: Approval with Conditions

"I move to approve the waiver request for the issuance of a building permit prior to Site Development Plan approval, 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], at [time]."

Attachments

- Attachment A: Vicinity Map
- Attachment B: Ordinance
- Attachment C: Planned Development Plan
- Attachment D: Waiver Request
- Attachment E: Trip Generation Letter