



AGENDA MEMORANDUM

To: Mayor and Members of Town Council

From: Tara Vargish, P.E., Director, Development Services Department
Sandy Vossler, Senior Planner, Development Services Department

Title: Ordinance Annexing to the Town of Castle Rock, Colorado, 44.94 Acres of Land Owned by the Town and Located in the Northwest Quarter of Section 14, the East Half of Section 15, and the East Half of Section 22, Township 8 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado (Crystal Valley Interchange - East Annexation) (First Reading)

Executive Summary

The Town of Castle Rock (Town) proposes to annex approximately 45 acres of land located east of Interstate 25, to be known as Crystal Valley Interchange – East (CVI-East) Annexation (Attachments A and C). The annexation area includes the east frontage road from North Brookside Circle to Douglas Lane and numerous parcels surrounding the Crystal Valley interchange (Attachment B and Figure 1). All parcels are owned by the Town of Castle Rock and will be used for public right-of-way (ROW), drainage facilities, and utility extension. Parcel remnants are anticipated to remain undeveloped. No additional uses are proposed.

The Town proposes to zone all parcels within the annexation area as Public Land – 1 (PL-1). This is a straight zone district established in Section 17.30.020 of the Municipal Code that allows public right-of-way, utilities and public improvements as permitted uses (Attachment D).

Annexation of Town-owned property that is not solely public right-of-way is not subject to the substantial compliance and eligibility requirements of the Colorado Revised Statutes. In addition, Town Council has the authority to act on the Annexation



Figure 1 Vicinity Map

Ordinance without Planning Commission recommendation, therefore none has been provided.

Planning Commission considered the proposed PL-1 zoning at a public hearing on Thursday, April 23, 2026, at 6 p.m. No members of the public addressed the Commission on the proposal. Planning Commission voted 6 to 0 to recommend approval to Town Council.

Key Benefits of Proposed Annexation

- To allow Town jurisdiction over, and consistent application of, the Municipal Code, technical criteria, zoning and law enforcement and provision of emergency services.
- To give the Town development jurisdiction over design, permitting and construction of public infrastructure improvements.

Background

The Town has acquired the parcel over a long period of time. The Colorado Department of Transportation (CDOT) abandoned and conveyed the east frontage road from North Brookside Circle to Douglas Lane to the Town in 1988. The numerous parcels at and surrounding Crystal Valley Parkway and the new interchange have been acquired more recently. Annexation will bring the Town-owned parcels under the Town's jurisdiction and provide for consistent code and law enforcement, emergency services and maintenance operations.

Existing Conditions and Surrounding Uses

The east frontage road has historically been public right-of-way under both CDOT and the Town's ownership. Properties abutting the road include incorporated properties zoned as Plum Creek Point PD, Creekside PD, Sanders Business Park PD, Business/Commercial (B) Zone District, Burt at Castle Rock PD, Your Storage Center PD, Plum Creek West PD and Brookside Business Center Amended PD. The primary uses allowed in these zone districts are business, commercial and retail. There are four unincorporated parcels abutting the roads that are zoned Agriculture-1 (A-1) in Douglas County. A-1 zoning allows agricultural uses, churches, libraries, fire/sheriff stations, schools and open space.

The Crystal Valley Parkway, and adjacent, parcels located west of the Union Pacific ROW are also zoned A-1. This portion of the annexation area abuts Plum Creek Pointe Amendment PD to the north and A-1 zoned parcels to the south. To the east, beyond the Union Pacific ROW, are the Heckendorf Ranch PD and the Lanterns PD. The permitted uses are residential, office and commercial.

Discussion of Annexation Proposal

All parcels included in the annexation area are owned by the Town of Castle Rock, having been acquired at various times. The east frontage road was conveyed to the Town by the Colorado Department of Transportation in 1988. Most of the parcels have more recently been conveyed to the Town by Douglas County in anticipation of the design and construction of the new Crystal Valley interchange. Some parcels have been acquired from private property owners. The Town proposes to zone the annexed parcels as Public Land-1 (PL-1) and use the land for public right-of-way and public improvements such as drainage facilities and utility

extension. Parcel remnants outside of these improvements will remain undeveloped. No additional uses are proposed.

Pursuant to the Colorado Revised Statutes (C.R.S.), the CVI-East annexation petition, map and annexation impact report were filed with the Town Clerk on March 26, 2026. The annexation impact report has also been filed with the Douglas County Board of County Commissioners.

The C.R.S. do not require Substantial Compliance and Eligibility public hearings to be held when the area proposed to be annexed is owned by the annexing municipality and is not solely a public street or right-of-way.

To be eligible for annexation, 1/6th or 16.7% of the perimeter of the annexation area must be contiguous with the annexing municipality. As shown in Table 1 below, 72.4% of the perimeter of the CVI-East annexation area is contiguous with the Town boundaries.

The parcels are currently zoned Agricultural-1 (A-1). Upon annexation, all of the properties will be zoned Public Land-1.

	Total Perimeter	1/6 Total Perimeter	Contiguous Perimeter	Percent Contiguity
Crystal Valley Interchange - East				
Parcel 1	16,804.31 ft	2,800.72 ft	13,325.94 ft	79.3%
Parcel 2	7,212.66 ft	1,202.11 ft	4,064.39 ft	56.4%
TOTAL	24,016.97 ft	4002.83 ft	17,390.33 ft	72.4%

Table 1: Perimeter Contiguity

Technical Reports and Analyses

Fire/Police - The proposed annexation area is currently located with the Town of Castle Rock Fire Protection Service Area and is serviced by Douglas County Sheriff Department. Once annexed the area will be served by Town of Castle Rock Fire and Police agencies.

Parks, Recreation and Open Space – The parcels are being zoned as Town of Castle Rock public land, specifically PL-1.

Traffic Impact Analysis and Mitigation - A Traffic Impact Analysis (TIA) was not required to be submitted for the proposed annexation and PL-1 zoning.

Utilities and Drainage - Utility and drainage facilities necessary to serve this property will connect to Castle Rock water, wastewater and storm sewer treatment and distribution systems and will meet the Town technical criteria.

Water Conservation - Development of public ROW and public infrastructure within the annexation area will be required to meet Town water conservation standards and landscaping and irrigation technical criteria.

Water Resources - All groundwater rights associated with the annexation parcels are retained by the Town.

Notification and Outreach

Public Notice

Public hearing notice signs were posted adjacent to the property, facing the east frontage road on April 7, 2026. Written notice letters were sent to property owners within 1500 feet of the property, at least 15 days prior to the public hearings.

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

Neighborhood Meetings

One neighborhood meeting was held on June 10, 2025 (Attachment E). The second and third neighborhood meetings were waived by the Town Manager. Eight people attended the neighborhood meeting. Questions included verification of the limits of the annexation area, the reason for the annexation, the impact to future annexations west of Interstate 25, and the potential for fencing the annexed parcels. Other unrelated questions were asked about Dawson Trails PD and Brickyard PD, timing and configuration of the new Crystal Valley interchange on and off ramps, and the alignment of Prairie Hawk Drive through Miller's Landing PD.

External Referrals

External referrals were sent to local service providers, Douglas County agencies, Union Pacific Railroad, and the Colorado Department of Transportation. There are no outstanding external referral comments.

Annexation Analysis

Staff has completed an analysis of the proposed annexation. The remainder of this report focuses on how the annexation proposal complies with the State of Colorado statutory requirements, the goals and principles of the Town's 2030 Vision and Comprehensive Master Plan, and the criteria in the Town's Municipal Code.

Colorado Revised Statutes – Municipal Annexation Act of 1965 (the Act)

The Town has complied with the process prescribed by the Municipal Annexation Act of 1965. As previously noted, Substantial Compliance and Eligibility hearings were not required for this proposed annexation.

At this Annexation hearing, Town Council is asked to determine whether the properties should be annexed to the Town. Section 20.02.040 of the Municipal Code states that Town Council shall consider the policies, guidelines and criteria in the Town [Comprehensive] Master Plan,

as amended, along with any other relevant information in determining whether it is in the best interests of the Town to grant or deny the petitions for annexation.

The following section identifies the applicable principles of the Comprehensive Master Plan and summarizes how the proposed Crystal Valley Interchange – East annexation achieves those principles.

Town of Castle Rock Municipal Code, Title 20

Section 20.02.040 of the Municipal Code sets forth the review and determination criteria for annexations. Town Council shall

- A. Consider the policies, guidelines and criteria in the Town’s Comprehensive Master Plan, as amended, along with other relevant information in determining whether it is in the best interests of the Town to grant or deny the petition for annexation.

Analysis: The proposed annexation meets this requirement. The principles and criteria for annexation outlined in the 2030 Comprehensive Master Plan are outlined and addressed in the following section.

- B. Consider whether the annexation complies with the Douglas County/Town of Castle Rock Intergovernmental Development Plan (IGA).

Analysis: The Intergovernmental Development Plan between the Town of Castle Rock and Douglas County expired several years ago and has never been renewed, therefore IGA is not applicable to this proposed annexation. The proposed annexation was sent to the Douglas County Community Development Department as an external referral request. Douglas County responded with no concerns.

2030 Vision and Comprehensive Master Plan

The principles set forth in the Town’s Comprehensive Master Plan are based on four cornerstones identified through a Town-wide visioning effort that identified the characteristics most important to the community. The following is an analysis of the specific annexation principles found in the Responsible Growth section of the Comprehensive Master Plan.

RG 2.1 Castle Rock Annexation Areas: Annexation of areas with the potential to accommodate growth in a fiscally and environmentally sound manner. Annexation request must take into consideration the following items:

- A. Is a logical extension or infill of the Town boundaries

Analysis: The proposed annexation complies with this principle. As noted previously in this report, the parcels are owned by the Town and will be used as public ROW or for public infrastructure. The annexation area is 72% contiguous with the Town’s boundaries, significantly exceeding the minimum 1/6 contiguity requirement of the Act.

- B. Has demonstrated a significant benefit to the Town

Analysis: Annexing and zoning these parcels in the Town will provide for consistent application of the Municipal Code, technical criteria, law enforcement and emergency services. In addition, it extends the Town's development jurisdiction over design, permitting and construction of public infrastructure improvements on Town property.

C. Will be provided with adequate urban services.

Analysis: The Town has the capacity to provide the annexation area with appropriate urban services.

D. Is fiscally responsible.

Analysis: Annexation of the parcels will not create new financial obligations for the Town. The Town owns and currently maintains the parcels, as well as the current and future public ROW and public infrastructure within the annexation area.

E. Conveys to the Town all water right appurtenant to the ground at the time of annexation.

Analysis: The Town retains all groundwater resources associated with the parcels.

F. Secures renewable water to 100 percent of the expected development on the annexed area.

Analysis: This principle is not applicable, as the Town is not proposing development on the site that requires water resources.

RG 2.2 Annexation of Infill Areas: Consider annexations and development of areas surrounded, or partially surrounded, by the Town boundary that can demonstrate a benefit to the Town, with the goal of encouraging development that creates a contiguous municipal boundary.

Analysis: As noted earlier in this report, the annexation area is 72.4% contiguous with Town boundaries and zoning. Annexing this property brings it under Town jurisdiction for zoning, code enforcement, law enforcement, life/safety and creates a contiguous municipal boundary.

RG 2.3 Annexation for Non-Urban Purposes: Annexations may be pursued by the Town for purposes other than urban development, such as securing land use control over the open space areas. Annexations for open space shall include legal instruments prohibiting future urban development.

Analysis: This criterion is not applicable. The parcels will be developed for urban purposes, including public ROW and public infrastructure. Portions of the annexation area not used for ROW and infrastructure will remain undeveloped.

Budget Impact

Annexation of the parcels will not create new budget impacts to the Town.

Findings and Recommendation

As noted, annexation of Town-owned property that is not solely public right-of-way does not require a Planning Commission recommendation, but instead advances directly to Town Council for action. For this reason, Planning Commission was not asked to make findings or provide a recommendation to Town Council on the annexation proposal.

All staff review comments and external referral comments have been addressed. Based on the annexation criteria and analysis above, staff found the proposed annexation:

- Complies with the requirements of the Colorado Revised Statutes, Municipal Annexation Act of 1965,
- Advances the principles of the Town Vision and Comprehensive Master Plan for Responsible Growth, and
- Meets the annexation requirements found in Title 20 of the Town of Castle Rock Municipal Code.

If Town Council concurs with the findings stated above, staff recommends that Town Council approve the proposed Crystal Valley Interchange – East annexation, as proposed.

Proposed Motion

Option 1: Approval

“I move to approve the Ordinance, as proposed.”

Option 2: Approval with Conditions

“I move to approve the 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].”

Attachments

- Attachment A: Ordinance
- Attachment B: Vicinity Map
- Attachment C: Crystal Valley Interchange – East Annexation Map
- Attachment D: Public Land – 1 Zone District
- Attachment E: Neighborhood Meeting Summary

