

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
Sandy Vossler, Senior Planner, Development Services

Title: **[title to be inserted by Legal based on title of the resolution]** (Territorial Road Annexation, 4.7 acres)

Executive Summary

The purpose of this staff report and Eligibility hearing is to demonstrate to Town Council that the proposed Territorial Road Annexation meets the State of Colorado requirements under the Municipal Annexation Act of 1965 (Act), and is eligible to be annexed to the Town of Castle Rock.

The Territorial Road Annexation consists of several parcels, totaling 4.7 acres, located within the Territorial Road ROW and adjacent to the Dawson Trails Planned Development and Twin Oaks, a subdivision in Douglas County (Figure 1 and Attachment A).

Included in this annexation are parcels owned by the Town and parcels owned by the Dawson Trails developer, ACM Dawson Trails VIII JV LLC (ACM Dawson Trails). The purpose of the annexation is two-fold. Annexation of the Town-owned parcels is part of a larger initiative to annex eligible Town-owned properties into the Town and to bring them under Town jurisdiction. The annexation of the parcels owned by ACM Dawson Trails VIII JV, LLC (ACM Dawson Trails) will bring them under Town jurisdiction and will integrate them into the adjacent Dawson Trails planning areas and zoning (Attachment C).



Figure 1: Territorial Road Annexation Vicinity Map

On June 3, 2025, Town Council found the Petition to be in Substantial Compliance with the applicable requirements of the Act and voted 7-0 to schedule the Eligibility hearing for Tuesday, July 15, 2025.

Staff finds that the proposed annexation meets the State of Colorado requirements of the Act, as detailed in the Analysis and Finding sections below, and recommends that Town Council approval of the Eligibility Resolution (Attachment B).

Background

Most of the parcels proposed for annexation were originally included in the Territorial Road right-of-way (ROW) (Figure 2, shaded yellow). The remainder of the parcels (shaded blue) have been acquired by the Town in anticipation of the Crystal Valley Interchange (CVI) construction. Once the CVI alignment was determined (Figure 2, outlined in red), the Town and ACM Dawson Trail entered into swap agreement, approved by Town Council in 2023, and exchanged portions of the Territorial Road ROW and the adjacent Dawson Trails planning areas. As co-competitors, both the Town and ACM Dawson Trails, are seeking to annex and zone their respective parcels.

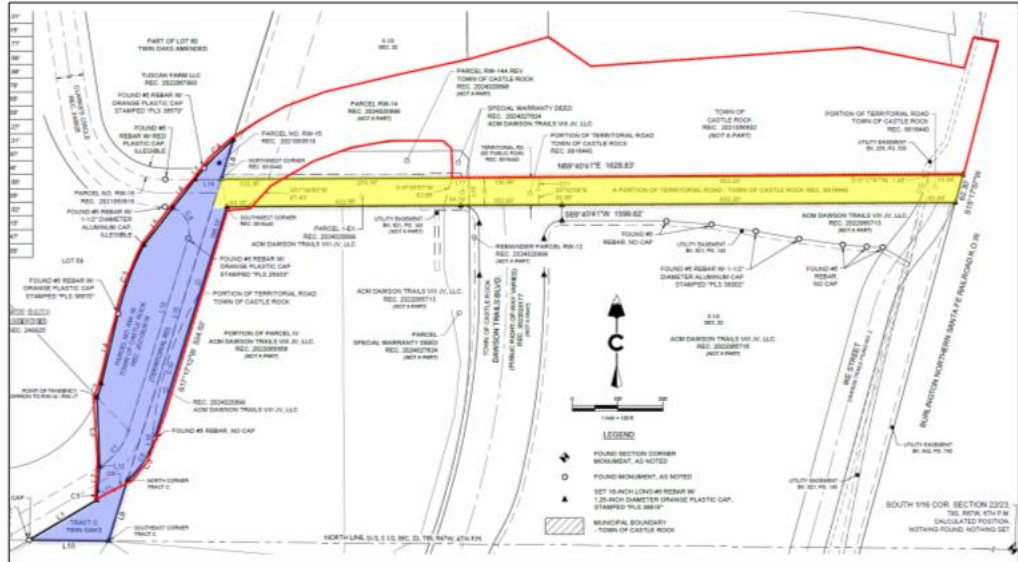


Figure 2: Parcels Proposed for Annexation and Crystal Valley Interchange

Discussion

Process of Annexation

Annexation is a three-step process. In the first two steps, Substantial Compliance and Eligibility, Town Council determines whether an annexation request meets the statutory requirements for annexation, as established in the Colorado Revised Statutes, specifically the Municipal Annexation Act of 1965. In the third step, Town Council determines whether an annexation request complies with the Town's guiding documents and the Municipal Code, and whether the property should be annexed into the Town.

The annexation process is summarized as follows:

Step 1 - Substantial Compliance. Town Council determines if the annexation petition is in the prescribed form and contains the necessary statutory criteria. For example, in order to be compliant with the statutes, a finding must be made that the petitioners constitute more

than 50% of all the landowners and that the petitioners own more than 50% of the total area of the property, excluding certain public ownership. Town Council must also set a date, time and place for an Eligibility hearing.

The Substantial Compliance hearing was held on June 3, 2025 and Town Council voted 7-0 to approve Resolution No. 2025-070, finding the annexation petition to be in Substantial Compliance with the State requirements, and setting the Eligibility hearing for July 15, 2025.

Step 2 - Eligibility. After four consecutive weeks of public notice in a newspaper of general circulation, Town Council will determine if the statements (referred to as “allegations” in the statute) in the annexation petition are supportable and that the property is eligible for annexation under the Act. The Eligibility hearing must occur between 30 and 60 days after the Substantial Compliance approval and at least 30 days after the date of the 1st newspaper publication.

The Eligibility hearing scheduled for July 15th is 42 days after the Substantial Compliance hearing and is 33 days after the 1st newspaper publication on June 12th.

Step 3 - Annexation and Zoning. Once an annexation petition has been found to be both substantially compliant and eligible for annexation, the Annexation and Zoning hearings may be scheduled for Planning Commission and Town Council. Substantial Compliance and Eligibility determine whether the parcel can be annexed; this final step determines whether a parcel should be annexed.

Only after the annexation request is found to be Eligible can the Town proceed to Step 3 – Annexation and Zoning and hold hearings to determine whether the property should be annexed.

The Properties

The proposed Territorial Road Annexation is currently at Step 2 – Eligibility. The parcels include property that was the Territorial Road right-of-way (ROW), property that was acquired by the Town for the construction of the Crystal Valley Interchange and property that was platted and dedicated to the Town under the former Dawson Ridge Planned Development.

Notification and Outreach

Neighborhood Meetings

Neighborhood meetings were held on August 21, 2024 and April 14, 2025, for the purpose of discussing the parcels to be annexed. The attendees at both meetings were generally residents of Twin Oaks and Keene Ranch, adjacent subdivisions in Douglas County. Town staff discussed the reason for the annexation, the parcels included and how they would be zoned. There were no objections or concerns expressed about the annexation.

Public Notice

As required by the Act, the Town published notice of the Eligibility hearing in the Douglas County News Press for four consecutive weeks, prior to the Eligibility hearing date. The first publication occurred on June 12th, a minimum of 30 days prior to the Eligibility hearing date. Subsequent publications occurred on June 19th, June 26th and July 3rd.

The Town provided notice to all taxing authorities associated with the parcels proposed for annexation to include the Douglas County School District, Board of County Commissioners, law enforcement, library district, and Castle Rock Fire District and Cedar Hill Cemetery. An Annexation Impact Report was not required since the annexation area is under 10 acres, per the requirements of §31-12-108.5 C.R.S.

A minimum of 15 days prior to the Eligibility hearing, written public notices were sent to all property owners within 500 feet of the parcels, public notice signs were posted on the property, and public notices were published on the Town's website. Homeowner associations within ½ mile were also notified.

Analysis

The Eligibility Resolution presented does not commit the Town to approve the annexation, but only declares that the parcels, as shown on the annexation map, are eligible to be annexed. Town Council is required to set forth its findings of fact and conclusions based on the requirements found in §31-12-110 C.R.S., itemized below, and specifically addressed in the Findings section.

1. Whether or not the requirements of the applicable parts of §31-12-104 and 31-12-105 C.R.S. have been met,
2. Whether or not an election is required under §31-12-107(2) C.R.S., and
3. Whether or not additional terms and conditions have been imposed.

Findings

Staff recommends that Town Council accept and make findings that the following conditions are true and the requirements of §31-12-104 and 31-12-105 C.R.S. have been met for the proposed annexation:

1. Not less than one sixth (1/6) of the perimeter of the area to be annexed is contiguous with the existing boundaries of the Town of Castle Rock, Colorado.

This is a true and accurate statement. The perimeter of the combined parcels to be annexed is 4,340.04 linear feet (LF). The 1/6th minimum requirement for contiguity is 723.34 LF. The actual contiguous perimeter is 898.99 LF, which exceeds the 1/6th minimum.

2. A community of interest exists between the areas proposed to be annexed and the Town of Castle Rock, Colorado.

This is a true and accurate statement. All of the parcels owned by the Town of Castle Rock are either right-of-way, or intended to be used for future Town of Castle Rock ROW projects. Annexing the parcels to the Town are part of a larger effort to incorporate Town-owned property, wherever possible, to allow for the orderly development of the Town, enforcement of the Town Code and provision of emergency services.

The parcels owned by ACM Dawson Trails are part of the Territorial Road ROW. The parcels will be integrated into the adjacent Dawson Trails Planning Areas and zoned under the Dawson Trails Planned Development and developed to Town standards.

3. The proposed areas to be annexed are urban or will be urbanized in the near future, and the area to be annexed is integrated with, or is capable of being integrated with the Town of Castle Rock, Colorado.

This is a true and accurate statement. The parcels will be integrated in to the Town of Castle Rock and will be urbanized as Town ROW, or as mixed used development under the Dawson Trails Planned Development. Town services are capable of serving the annexed parcels.

4. In establishing the boundaries of the territory to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate or two or more contiguous tracts or parcels of real estate, has been divided into separate parts or parcels without the written consent of the landowner(s) thereof, unless such tracts or parcels are separated by a dedicated street, road or other public way.

This is a true and accurate statement. The co-petitioners, the Town of Castle Rock and ACM Dawson Trails, own 100 percent of their respective land parcels proposed to be annexed. The petitioners have not provided any evidence that their land has been divided into separate tracts or parcels without their consent.

5. In establishing the boundaries of the area to be annexed, no land held in identical ownership, whether consisting of one tract or parcel of real estate, or two or more contiguous tracts or parcels of real estate, comprising 20 acres or more (together with the buildings and improvements situated thereon has a valuation for assessment in excess of \$200,000.00 for ad valorem tax purposes for the year next preceding the annexation) is included in the proposed area and is included without the written consent of the landowners.

This is a true and accurate statement. The Town of Castle Rock and ACM Dawson Trails are sole landowners of their respective properties proposed for annexation. As co-petitioners, both entities consent to the annexation. Further, the combined acreage of the parcels is less than 20 acres and there are no buildings or other improvements situated thereon.

6. No annexation proceedings have been commenced for the annexation of part of all of the property to another municipality.

This statement is true and accurate. No annexation proceedings have commenced for all or part of the parcels, to be known as the Territorial Road Annexation, to be annexed to another municipality.

7. The territory proposed to be annexed has not been the subject of an election for annexation to the Town within the preceding twelve (12) months.

This is a true and accurate statement. No annexation, no annexation petition and no annexation election have commenced or have been held in the preceding twelve (12) months relative to any of the parcels within the proposed annexation area.

8. The territory proposed to be annexed is not presently a part of any incorporated city, city and county or town.

This is a true and accurate statement. The territory proposed for annexation is currently in unincorporated Douglas County.

9. The areas proposed for annexation will not result in the detachment of area from any school district, or the attachment of the same to another school district.

This is a true and accurate statement. The proposed annexation area will remain in the Douglas County School District boundaries.

10. The areas proposed for annexation will not have the effect of extending the municipal boundary of the Town of Castle Rock, Colorado more than three miles in any direction from any point of such municipal boundary within one year.

This is a true and accurate statement. None of the parcels proposed for annexation will extend the boundary of the Town of Castle Rock more than three miles in any direction.

11. In establishing the boundaries of the area for annexation, if a portion of a platted street or alley is to be annexed, the entire width of said street or alley have been included in the area to be annexed.

This is a true and accurate statement. Where applicable, the entire width of street ROW is included in the area to be annexed.

12. No election is required.

This is a true and accurate statement. The Town of Castle Rock has not received a petition from qualified electors requesting an annexation election, therefore, no election is required.

13. Additional terms or conditions will not be imposed.

This is a true and accurate statement. No additional terms or conditions will be unilaterally imposed on the area proposed for annexation.

Budget Impact

The finding of eligibility does not have a financial impact or set any obligations for the Town. Financial impacts will be addressed through the annexation hearing process, the third and final step in the annexation process.

Staff Recommendation

Based on the findings above, the proposed annexation area meets the eligibility requirements of the Act, and staff recommends that Town Council approve the Resolution finding the property eligible for annexation.

Proposed Motion

"I move to approve the Resolution, as introduced by Title."

Attachments

Attachment A: Vicinity Map

Attachment B: Resolution

Attachment C: Annexation Petition and Map