



Meeting Date: March 7, 2023

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: **Ordinance Approving the Initial Zoning for 409.008 Acres of Land Located in the South Half of Section 30 and the North Half of Section 31, Township 7 South, Range 66 West, and the Southeast Quarter of Section 25, Township 7 South, Range 67 West of the 6th Principal Meridian, Douglas County, Colorado, Pursuant to a Zoning Application Submitted by Canyons South, LLC. [Canyons Far South Planned Development]** [409 acres, located east of Founders Parkway, north of Crimson Sky Drive and west of Castle Oaks Drive] (Second Reading)

Executive Summary

The ordinance was approved on first reading on February 21, 2023 with a vote of 7 - 0, with no changes.

At the request of the applicant, Canyons South, LLC., Town Council voted to continue the Canyons Far South Planned Development Plan and Zoning Regulations public hearing scheduled for January 3, 2023 to February 21, 2023. The purpose for the continuance was to allow additional time to address external referral comments from the Colorado Department of Transportation (CDOT). The responses to CDOT's comments are summarized on page 16 of this staff report.

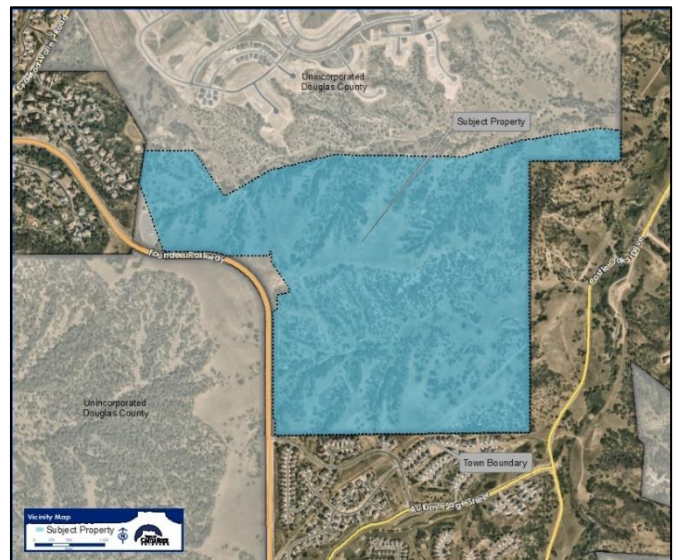


Figure 1: Vicinity Map

Canyons South, LLC. has submitted a Petition for Annexation and accompanying plat map (Attachment B) and is requesting approval of the Canyons Far South Annexation, a 409-acre property located northeast of the intersection of Founders Parkway and

Crimson Sky Drive (Attachment A). The applicant proposes to zone the property as a planned development (PD), and is seeking approval of the Canyons Far South Planned Development Plan and Zoning Regulations (Attachment C and D).

Key Benefits of Proposed Annexation and Zoning

- Provides 59% of the site as Open Space and Public Land Dedication, including a completed Town park for community-wide use
- Low density provides appropriate transition from urban to county development
- Establishes restrictive residential and commercial landscape regulations
- Provides for acquisition of renewable water resources to meet the water demand
- Preserves cultural resources on the property
- Provides regional trail connections
- Provides key road connections, improving circulation and emergency response
- Provides a 300' buffer on southern edge adjacent to existing Castle Rock neighborhood
- Imposes a 5-mill Regional Mill Levy to be remitted to the Town
- Closes the northern Town boundary
- Allows Town determination and provision of growth patterns, development standards, Code enforcement and public safety

Summary of Proposal

The property proposed for annexation is approximately 409 acres and is currently zoned planned development within the Canyons South PD in unincorporated Douglas County. Town Council held a public hearing on June 15, 2021, and found the annexation petition to be in substantial compliance with the provisions of Article II, Section 30(1)(B) of the Colorado Constitution and Section 31-12-107(1), Colorado Revised Statutes (C.R.S.). Further, Town Council held a public hearing on August 17, 2021 and found the property proposed for annexation was eligible to be annexed in accordance with the Colorado Revised Statutes. The Town will now consider whether the property should be annexed to the Town, and whether the proposed Planned Development zoning is appropriate and should be approved.

The Canyons Far South PD proposes 474 single-family dwelling units, for a gross density of 1.16 dwelling units per acre (du/ac). In addition, the plan includes a maximum of 60,000 square feet (s.f.) of neighborhood commercial uses and approximately 240 acres of open space and public land, which is 59% of the site.

The development plan includes restrictive landscape regulations. Front yard landscaping will be limited to Coloradoscape; a xeric design drawing from low water use native plants. No turf will be allowed in residential front yards. Irrigated turf will only be permitted in the backyards, where it will be limited to a maximum of 500 square feet, regardless of the size of the lot. Restrictions on non-residential lots include a prohibition on water features and turf requiring more than 10 inches of water annually is prohibited. Community center pools are permitted. The applicant is required to dedicate all of the

groundwater rights associated with the property to the Town, and will provide renewable water resources necessary to serve the development.

The applicant is requesting that the Canyons Far South Planned Development Plan be vested as a site specific development plan through December 31, 2037. The request is based on the extensive upfront investment costs necessary to design and construct infrastructure necessary to serve the development and the required upfront public land dedication and park development.

Planning Commission Recommendation

The Planning Commission voted 7 – 0 to recommend approval to Town Council of the Canyons Far South Planned Development Plan and Zoning Regulations at a public hearing held on December 8, 2022.

Background

Zoning History

The property is located east of Founders Parkway, west of Castle Oaks Drive, and north of Crimson Sky Drive. The property is currently zoned planned development as part of the Canyons South Planned Development. The Canyons South PD, approved by Douglas County in 2005, was designed as a golf course community with 968 dwelling units on 2,043 acres. The Canyons Far South property is located in the southern third of the Canyons South PD, and was originally zoned to allow approximately 436 dwelling units and 170 acres of open space.

Since 2005, Douglas County has approved several amendments to the Canyons South PD that essentially modified planning areas, open space tracts and densities within the PD boundaries. The most recent amendment to the Canyons South PD, approved March 2022, reallocated all of the residential density to planning areas in the northern two-thirds of the PD (Figure 2 and Attachment E). This amendment left the remaining southernmost planning areas 8, 11, 12 and 15 zoned to allow residential development, but reduced the allowed densities to 0, see blue highlighted use areas in Figure 2, above. These residential planning areas were not rezoned to open space. The open space acreage in the Canyons South PD was not increased with the latest PD amendment.

In 2018 the Canyons South PD property was split between two ownership groups. The northern two-thirds is currently being developed by HT Canyons South Development (HT) in Douglas County, as Macanta. The southern 409 acres of the Canyons South

PD is represented by the Canyons Far South applicant, and is the area proposed for annexation and zoning in the Town. The remainder of this report focuses on the proposed Canyons Far South Annexation and PD Zoning, and includes a brief summary of the obligations included in the Canyons Far South Development Agreement.

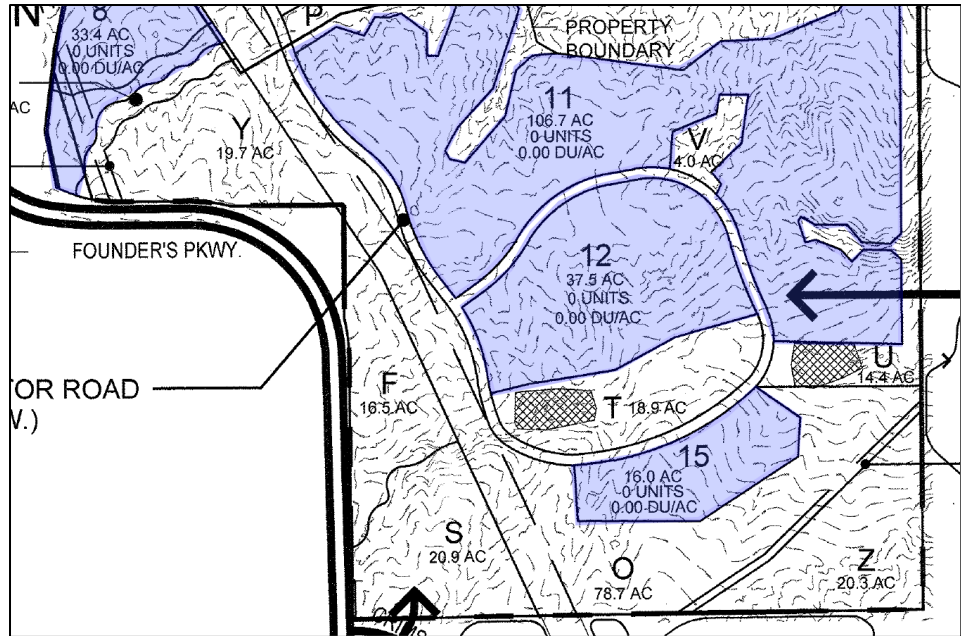


Figure 2: South Portion of Canyons South PD, 7th Amendment

Surrounding Zoning and Uses

The Canyons Far South property is adjacent to unincorporated Douglas County to the north and west. The property is adjacent to the Town of Castle Rock boundaries to the northwest, south and east. It is this adjacency with the Town that satisfies the minimum 1/6th adjacency requirement needed for annexation, per the Colorado Revised Statutes (Attachment C).

The Canyons Far South development plan proposes a gross density of 1.16 du/ac, creating an appropriate density transition between the lower density County development to the north and the adjacent higher density Town development (Attachment F).

The Macanta subdivision abuts the Canyons Far South property to the north. Macanta, zoned PD in Douglas County, is currently being development. The density of the Macanta neighborhood is approximately 0.60 du/ac.

The adjacent neighborhoods of Terrain, Castle Oaks and Timber Canyon are located within the Town boundaries. The Terrain PD abuts eastern boundary of the Canyons Far South property, and is approximately 590 total acres. The gross density is 2.67 dwelling units per acre.

The Castle Oaks PD is approximately 1,185 acres and is adjacent to the southern boundary of the Canyons Far South. The Castle Oaks PD has a gross density of 2.3 dwelling units per acre.

The Timber Canyon neighborhood is located northwest of the Canyons Far South PD. It is approximately 61.5 acres and zoned for a density of 1.0 dwelling units per acre.

Pioneer Ranch is a property that is located west of Canyons Far South, on the west side of Founders Parkway. Pioneer Ranch is a 388-acre property that is currently zoned Agricultural 1 (A-1) in Douglas County. The owner of Pioneer Ranch has submitted a Petition for Annexation to the Town, and is proposing the property be zoned PD to allow 1123 dwelling units, approximately 2.9 dwelling units per acre (du/ac), and 400,000 square feet of commercial uses. The Pioneer Ranch annexation and zoning proposal is under review by the Town.

Existing Conditions

The Land Suitability Analysis Report (LSAR), prepared by DIG Studio in August 2022, assessed the site's existing topography, vegetation, man-made improvements, geology, wildlife habitat, soils, wildfire mitigation and rock outcroppings. The LSAR concluded that the site is suitable for development as is being proposed. The following is a summary of the site features discussed in the LSAR.

The topography of the site consists of plateaus, suitable for development separated by significant drainage corridors and steep slopes along the drainageways (Attachment G). The property generally slopes from the west to the east with all drainage flowing to the east. Elevations range from 6,170 feet on the eastern edge to over 6,540 feet on the western boundary. An area of unique rock outcroppings centrally located on the site will be preserved within a passive use Town park. A geotechnical investigation dated 2005 determined that the drainage corridors and associated steep slopes, as well as the area of rock outcroppings, posed some geologic hazard concerns, therefore those areas have been incorporated in to the open space acreage and excluded from the areas of development. The remainder of the site was determined to be suitable for development.

Vegetation on the property includes a mix of Gambel Oak and Ponderosa Pines, with an understory of blue grama, yucca, western wheatgrass, prickly pear cactus and sage. There are some existing stands of pines, which will be preserved located outside of the residential planning areas (Attachment H). The drainage corridors contain western wheat and blue grama grasses, and stands of scrub oak. There will be minimal disturbance of the drainageway and slope vegetation, except what is necessary to stabilize the channels, install trail connections or provide road crossings. The drainage corridors will continue to provide protective cover, foraging and nesting habitat, as well as wildlife movement corridors.

The wildlife found on the site is typical of that found in shortgrass habitats in Colorado. Large mammals include elk, mule deer, pronghorn, coyotes and red fox. Small mammals include voles, prairie dogs, and ground squirrels. Elk and black footed prairies dogs were observed during site visits. The project area has been assessed for suitable habitat for the Preble's Meadow Jumping Mouse, and no evidence of the

mouse was found. No threatened or endangered species, or suitable habitat for such animals, was found on the site.

Cultural resources on the site include earthen dams and rhyolite check dams constructed by the Civilian Conservation Corp (CCC) (Attachment I) and are considered to be the most historically significant structures on the property. The CCC dams will be preserved and may contribute, to the extent possible, to stabilizing and managing the drainageways. A stacked rhyolite brick water well, likely constructed to serve the CCC camps, was recently discovered on the site. The developer has covered the well and secured the site with temporary fencing. The well and the dams are located outside of the proposed areas of development, and are in areas to be dedicated to the Town as open space. A windmill on the site will be retained as a site element, if it can be secured for safety purposes. No historical or Native American artifacts have been found on the property.

Discussion of Proposal

Canyons Far South Annexation

The Canyons Far South annexation petition and plat map were accepted and filed with the Town Clerk on May 26, 2021. As required by the Colorado Revised Statutes (C.R.S.), the petition was reviewed by Town Council in two separate hearings. The Substantial Compliance hearing was held on June 15, 2021, and the Council found that the petition substantially complied with the requirements of the Colorado Constitution and the C.R.S for annexation. The Eligibility hearing was held on August 17, 2021 and Town Council found the property to be eligible to be considered for annexation into the Town.

Canyons Far South Planned Development Plan and Zoning Regulations

Residential Development

The applicant is requesting that the property be zoned Planned Development (PD) (Attachment D). The Canyons Far South Planned Development Plan and Zoning Regulations establish four residential planning areas and one commercial planning area. The proposed zoning would allow 474 single-family detached or attached dwelling units, at a gross density of 1.16 du/ac. Lot sizes are dependent on the housing type, and would range from a minimum of 4,000 s.f. to a maximum of 11,700 s.f. The maximum residential building height is 35 feet. Setbacks are dependent on the lot size and housing type, and are depicted in the table below.

	Paired Home	Cottage Home	Cluster Home	Small Lot	Medium Lot	Large Lot
Min. Lot Size	4,000 s.f.	4,250 s.f.	4,875 s.f.	5,500 s.f.	6,000 s.f.	7,000 s.f.
Max. Height	35'	35'	35'	35'	35'	35'
Setbacks						

Front	10'	10'	10'	10'	15'	15'
Rear	10'	5'	5'	25'	30'	30'
Side	5'	7.5'	7.5'	5'	7.5'	10'
Side to Shared Wall	0'	N/A	N/A	N/A	N/A	N/A
Side to Street	7.5'	7.5'	7.5'	7.5	10'	12.5'

Figure 3: Development Standards

Commercial Development

Planning Area 5 is proposed to be an area of neighborhood commercial uses with design standards intended to create a pedestrian-oriented village center. Permitted uses include retail, restaurant, office and personal services. Daycare facilities, school and restaurant with drive-through are only permitted if approved by Town Council as a use by special review. Among the prohibited uses are auto services, fuel station, car wash, and outdoor storage.

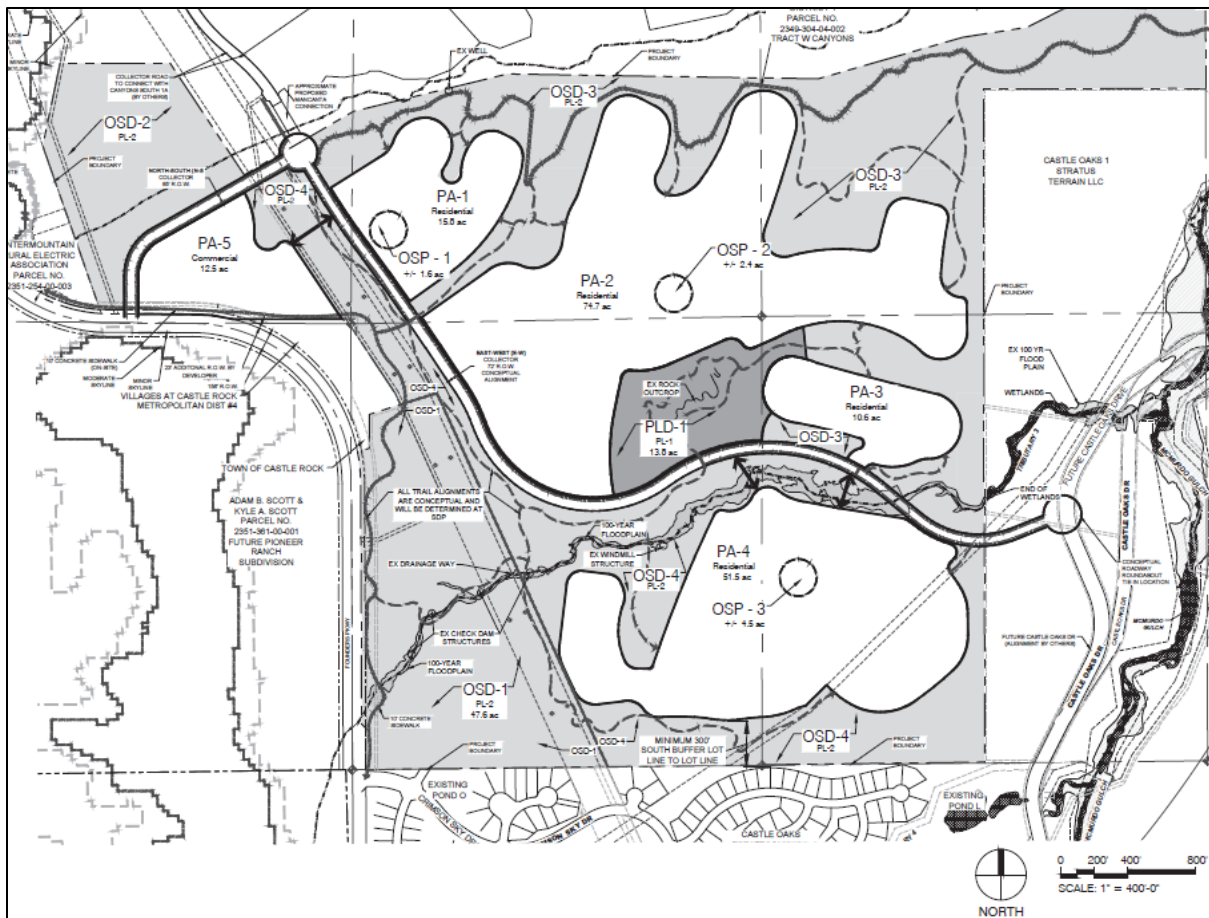


Figure 4: Canyons Far South Planned Development Planning Areas 1-5

The maximum non-residential square footage allowed is 60,000. The maximum building square footage is 25,000, a limitation that is intended to promote smaller scale

buildings. Also, to that end, the maximum building height is 35 feet. Signature architectural elements such as clock towers, windmills, or other entry feature may be a maximum of 45 feet in height.

Commercial building design standards call for four-sided architecture, variations in roof lines and facades to breakup massing, and use of accent materials such as granite, wrought iron, slate, etc. are encouraged. Buildings adjacent to a sidewalk shall be oriented to provide a strong visual and physical connection between the sidewalk and first floor. Signage and landscaping will be used to create an unique sense of entry into the development. Conceptual renderings of the typical street view included in the PD Zoning regulations provide a visual interpretation of the design standards and may be used as a guide for design professionals, and Town staff to achieve the pedestrian oriented village vision.

Open Space, Public Land, Park and Trails

The development plan proposes to set aside 217.6 acres as public open space (OSD). The areas of OSD essentially surround the developable planning areas, providing a transitional buffer to

UTILIZATION TABLE			
	Site Totals	Private Open Space Areas	Percentage of Site
Acreage	409 ac		100.0%
Planning Areas	165.1ac		40.4%
Open Space Private (OSP)		+/- 8.5ac	2.1% (part of PA)
Open Space Dedicated (PL-2)	217.6 ac		53.2%
Public Land Dedicated (PL-1)	13.8ac		3.4%
Right-of-Way*	12.5 ac		3.1%

Figure 5: Site Utilization Table

internal and external development and serving to protect drainage corridors, slopes, mature vegetative stands, and wildlife habitat and movement corridors. All OSD acreage will be dedicated to, and owned by, the Town, and will be zoned as Public Land-2 (PL-2). The PL-2 district permits passive recreational uses and development standards as established in the Town’s Municipal Code Section 17.30.030. The developer also plans to incorporate approximately 8.5 acres of private open space (OSP) into the residential planning areas. The permitted uses allowed in OSP are listed in the Canyons Far South PD Zoning Regulations and include recreation centers, pools, sports courts and other active recreational uses.

A public land dedication (PLD) of 13.8 acres will be made to the Town and will be developed as a community park. The park will be centrally located within the development and zoned PL-1. The park serves to preserve an area of unique rock outcroppings and will include benches, picnic tables and hiking trails for public use.

Canyons Far South proposes a extensive network of trails, both hard and soft surface, throughout the development. The trails will provide pedestrian connections within the development, and will also provide an important link to the Front Range Trail.

Prescriptive Buffer

Based on input from the surrounding residents, the development plan was revised to create a prescriptive buffer between Planning Area 4 and the Castle Oaks/Terrain neighborhood abutting the southern property boundary of the PD. The 300 foot buffer is located wholly within OSD-4, extending from the east side of the Xcel high power line easement to the eastern boundary of the PD.

Berms and vegetation will be added within the buffer area. The berms will vary in height, not to exceed 10 feet. The vegetation will include low-water use native plantings and trees organically arranged to blend with the natural landscape character. A four foot natural surface trail will traverse the buffer area. Conceptual renderings of the buffer area are included in these PD Zoning regulations as a visual guide to the intended character of the buffer area.

Technical Reports and Analyses

Water

Due to elevation changes within the Canyons Far South development there are three distinct water pressure zones. To adequately support the Canyons Far South development, two connections to the red zone will be required in Founders Parkway at the northwest portion of the site. A connection to the blue zone will be required east of the project in Castle Oaks Drive. To the north, a connection to the red zone in the Macanta development is required to complete the loop connecting Crowfoot Valley Road to Crimson Sky, per the Town's Water Master Plan. Finally, an offsite extension of the purple zone water main to the north will be required to connect to the transmission main in Tower Road, adjacent to the existing purple zone tank. All internal water mains are the obligation of the developer in order to deliver the necessary flows and pressures to any point within the development.

Sanitary Sewer

The elevation changes within this site will require two gravity sanitary sewer systems. The north and west portion of the site will require a gravity sewer system to tie into the sanitary sewer in the realigned Castle Oaks Drive and conveyed to the Castle Oaks Lift Station. The second gravity sewer system will be required on the southeastern portion of the site that will convey to the McMurdo Gulch Sanitary Sewer interceptor, where flows will be conveyed to the Castle Oaks Lift Station. An analysis will be required to determine if the existing lift station will require to be upsized to serve this site. All sanitary flows from this site will be conveyed to the Plum Creek Water Reclamation Authority for treatment.

Drainage/Floodplain

There is a Town designated major drainageway that extends west to east across the full width of the Canyons Far South development. This drainageway is the extension of the McMurdo Gulch Tributary 3 and outfalls into FEMA designated special flood hazard floodway, McMurdo Gulch. The developer will be required to preserve and fully stabilize this natural drainageway, in accordance with Town regulations, to ensure flood risk is mitigated, and the natural resources are protected.

This property is located within the Cherry Creek watershed basin, and will be required to provide water quality and full spectrum detention for the 100-percent of the site. The developer will be required to provide storm sewers, inlets, and extended detention basins for water quality and storage, in accordance with Town regulations.

Water Efficiency Plan

The WEP is a model of water efficiency for the Town of Castle Rock utilizing both exterior and interior efficiency programs while still providing an attractive landscaped environment. As of November 17, 2022, the Castle Rock Municipal Code was updated to remove the requirement of a Water Efficiency Plan (WEP) for annexation, however the Canyons Far South development team opted to keep the water efficiency plan as a part of their proposal. The Town approved WEP is an attachment to the DA.

The Canyons Far South WEP provides specifications required for indoor water-saving fixtures and outdoor landscaping that prohibits irrigated turf on commercial properties and residential front yards. Coloroscape landscaping may be installed in residential front yards. A maximum of 500 square feet of irrigated turf will be allowed in residential backyards. No turf grass will be used within the streetscape. Only drought tolerant plants consistent with the Town of Castle Rock Landscape and Irrigation standards will be utilized throughout the development.

Common area parks may utilize approved irrigated turf, in areas created for high-demand, high-traffic recreation purposes. In-ground pools will not be allowed on private residential lots. Homes are to have water efficient indoor fixtures, and each home will also need provide additional optional fixtures, or opt for no turf in backyard to meet a landscape design point system.

Groundwater Rights and Dedication

All groundwater rights associated with the Canyons Far South PD property must be dedicated to the Town upon annexation. It is anticipated that the Canyons Far South owners will convey to the Town approximately 465 acre-feet of groundwater rights. A review of the Water Rights Title Opinion was completed and accepted by staff. Based on the review approximately 6 acre-feet of groundwater requires additional curative action to receive credit.

Renewable Water Resources

The Canyons Far South property is located outside of the Castle Rock Water inclusion area, which means that the applicant is required to dedicate renewable water to meet the planned community's water demand (Attachment J). The estimated wet water demand is 153 acre-feet. As a condition to the issuance of any Plat, the owner shall provide Renewable Water Resources to the Town in an amount sufficient to serve the equivalent number of residential, commercial, or irrigation uses authorized by the Plat.

Canyons Far South Water Bank

The Canyons Far South Development Agreement contains details on the Canyons Far South Water Bank, including the amount of Single Family Equivalent (SFE) Credits, allowances for future deposits of water credits, requirements for water conservation through implementation of the Water Efficiency Plan, limitation on any development until water rights are approved by the Town, and consequences of exhausting the Water Bank.

Transportation and Traffic Impacts

The site is projected to generate about 7,300 vehicle-trips on the average weekday, with about half entering and half exiting during a 24-hour period. During the morning peak-hour, about 125 vehicles would enter and about 277 vehicles would exit the site. During the afternoon peak-hour, about 407 vehicles would enter and about 309 vehicles would exit. The project proposes three access points to the existing road network:

Founders Parkway (State Highway 86) & Internal Collector Roadway: This is the primary access to the site. The traffic analysis anticipates this intersection to operate within the Town's standard for level of service through 2041 (Attachment K). The intersection will require intersection traffic control when necessary. The development agreement obligates the developer to construct a roundabout or a signal at this location when warranted. The development agreement also provides for the Town to recoup 50% of the cost for the developer from the Pioneer Ranch property, if developed.

Castle Oaks Drive & Internal Collector Roadway: This collector-collector class intersection is proposed to be a roundabout. The traffic analysis anticipates this intersection to operate very well with roundabout control. The roundabout and the internal collector roadway are required to be constructed with the first phase of the project. Castle Oaks Drive is planned to be realigned with the North Basin project in Terrain. The roundabout will be constructed on the ultimate alignment of Castle Oaks Drive with interim street connections to the existing alignment.

Internal Collector Roadway & Macanta Blvd: This collector-collector class intersection is also proposed to be a roundabout. The traffic analysis anticipates this intersection to operate very well with roundabout control. Macanta Blvd provides a connection to and through the Macanta Subdivision, providing access to a future school site and also

access to Crowfoot Valley Road. The development agreement provides an obligation to the developer to construct this connection, in the event it is not timely constructed by the Macanta project.

Town staff concurs with the conclusion of the traffic analysis in that the proposed project can be accommodated by the existing and planned roadway improvements along with the recommended improvements.

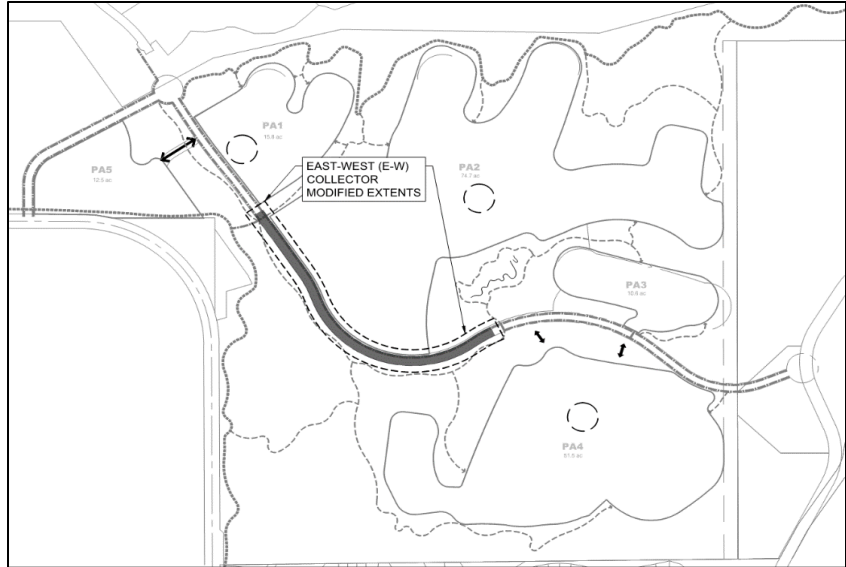


Figure 6: Section of Roadway subject to Variance

Sidewalk Variance: A variance has been requested for the collector class street connecting Founders Parkway to Castle Oaks Drive. To minimize impacts on existing vegetation and topography, the applicant is proposing to omit the standard 8-foot wide concrete sidewalk along the southerly and westerly side of the street. In lieu of the concrete sidewalk, the applicant is proposing to construct a natural soft surface trail paralleling the street. The section where the concrete sidewalk is omitted and the soft surface trail is proposed is approximately 2,350 feet in length and will not have adjacent development.

Where development is proposed on both sides of the street, concrete sidewalks will be available on both sides. Considering the

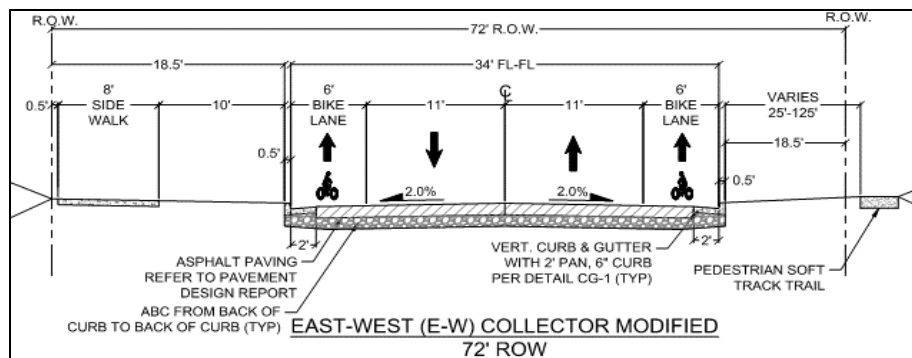


Figure 7: Proposed Collector Profile

property on the street frontage without the formal sidewalk will not be developed and therefore will not generate pedestrian trips to or from that area, staff concurs with the applicant that there should not be adverse impact to the public resulting from the omission of the sidewalk. Town staff supports the variance with the condition that the pedestrian crossings where the street transitions from two sidewalks to one sidewalk are provided with self-actuated flashing beacons and signage.

Parks and Recreation

The Canyons Far South Planned Development Plan enhances parks, trails and open space opportunities in the Town of Castle Rock. Currently the property is private and inaccessible to Town residents. The PDP designates approximately 59% of the property or nearly 240 acres to be set aside for Open Space and Park purposes available to all residents. A planned 13.8-acre neighborhood park will expand the Town's recreation offerings with off-street parking, trails and picnic areas. The park development will be funded through the by the developer, with planning oversight by Town staff. Park construction will occur in the first phase and a large public open space area will be dedicated with the first plat.

Public and private open space will provide buffers between existing and proposed residential neighborhoods and protect wildlife corridors. The open space will be linked through a network of off-street natural surface trails connecting internal parks, neighborhoods, transportation corridors and open spaces. Trails will also link to Town park and open space properties within adjacent neighborhoods, expanding recreational opportunities for existing Town residents. The plan preserves historic structures installed by the Civilian Conservation Corps (CCC) in the 1930's.

The Canyons Far South Planned Development Plan includes a new 10' concrete trail connecting Founders Parkway to the Front-Range Trail along McMurdo Gulch, improving the multimodal trail network within Castle Rock. The Front-Range Trail provides access throughout Castle Rock linking Denver and Colorado Springs. The trail will also provide access to the historic CCC camp located in the adjacent Terrain neighborhood. The Developer will be responsible for trail planning and construction as well as any required wildland fire mitigation on open spaces.

Police and Fire Service

Upon annexation, the property will be served by Castle Rock Police, rather than the Douglas County Sheriff. The property will also be disconnected from the Castle Rock Fire District, and will be served by the Castle Rock Fire Department.

The PD Plan requires that a Wildland/Urban Interface Wildfire Vegetation Management Plan (Plan), or compliance letter, be submitted for each phase of the development. The Plan shall be developed by a design professional familiar with wildfire mitigation techniques and standards. The Plan must be reviewed and approved by the Town Fire Department and comply with the Castle Rock Community Wildfire Protection Plan.

Fiscal Impact Analysis

The Castle Rock Municipal Code, Section 17.32.100, provides that the Town may require an evaluation of the fiscal impacts of any new Planned Development that involves significant changes to uses and densities. The analysis shall generally consist of a comparison of the project's projected direct revenues (property, sales and use tax

generation) to projected costs of providing urban services to the development. The analysis shall examine the revenue/cost comparison not only at full build-out, but at appropriate phases of development as the project builds out over time. The Town of Castle Rock hired Economic & Planning Systems, Inc. (EPS), a third party financial consultant, to conduct this Fiscal Impact Study. The conclusions of the Fiscal Impact Analysis of the Canyons Far South proposed annexation and zoning are summarized as follows (Attachment L).

The proposed Canyons Far South development, which is anticipated to deliver predominantly single family detached housing and retail development, will result in a modest positive fiscal balance for the Town. The ongoing annual net fiscal impact of the Canyons Far South development on the Town's General Fund, Transportation Fund, and Community Center Fund is estimated at a positive \$262,121, \$18,783, and \$1,450 per year at full stabilization, respectively.

The total annual net fiscal impact at full stabilization is estimated at \$282,354, which is a modest positive fiscal balance. The inclusion of a requirement for the development's metropolitan district to impose a 5-mill regional improvement levy, accounts for \$151,141 in revenues to the General Fund annually at buildout, which is 59% of its positive fiscal balance.

At full stabilization of the project, retail development has the highest net fiscal impact for the Town, followed by medium lot single family housing units. The ongoing net fiscal impact of the retail and medium lot housing land uses totals \$115,187 and \$78,872, respectively. The quad/cluster units and cottage lots generate the lowest fiscal impact, with ongoing net fiscal impacts of negative \$7,337 and negative \$1,589, respectively.

The positive fiscal impact of the development is contingent upon the relatively high average household incomes required to afford the higher value medium density and estate lot single family product types, and that support the capture of higher levels of retail sales generating local sales tax revenue.

The land uses with the lowest ongoing net fiscal impacts, paired homes, quad/cluster homes, cottage lots, and small lots, also have the lowest household income assumptions. If the assumed household incomes do not materialize, the development may fail to generate sufficient net new retail sales tax to cover the estimated costs of serving the project.

It should be noted that a fiscal impact analysis only provides an order of magnitude estimate of project revenues and expenses based on the current Town budget. As with any fiscal projection, there should be an assumed margin of error associated with the estimates. Results are best interpreted as an estimate of fiscal impacts based on the Town's current budget. To the extent that the Town is providing services at a level below desired levels based on budget constraints, the analysis may underrepresent the future costs of providing services to the project.

Given that all fiscal models rely on prospective assumptions and there are margins of error in these assumptions, in this case the fiscal model's very slight positive fiscal balance in favor of the Town, it is reasonable to conclude that as a generalized statement the fiscal benefits and costs for the Town from the proposed development are roughly equal.

Development Agreement Summary

A development agreement is a contract between the Town of Castle Rock and the property owner (Owner) that addresses required infrastructure improvements, development phasing, open space conveyances, water rights conveyances, Town service obligations, developer obligations and other relevant items. The development agreement is considered and acted upon by Town Council. The following is a brief summary of the key elements of the Canyons Far South DA.

The major provisions of the Canyons Far South Development Agreement (DA) are listed below.

- Owner shall convey all 465 acre feet of groundwater rights to the Town upon annexation.
- The issuance of any Plat is dependent on the Owner's provision of Renewable Water Resources to Town in an amount sufficient to serve the equivalent number of residential, commercial, or irrigation uses authorized by said Plat.
- A Water Efficiency Plan shall apply to all development within the PD.
- Owner shall design and construct water and wastewater system improvements necessary to serve the development.
- Owner shall be responsible for preserving and fully stabilizing all major drainageways with the project boundaries having a watershed greater than 130 acres.
- Owner shall design and construct a new intersection on Founders Parkway for future access to the site.
- Owner shall design and construct a roadway connection between the property and Castle Oaks Drive.
- Owner shall design and construct a 10-foot concrete sidewalk adjacent to Founders Parkway from Crowfoot Valley Road to Crimson Sky Drive.
- If the Macanta Boulevard connection has not been extended to the property prior to the issuance of the first building permit, the Owner shall, at their expense, design and construct the connection.
- The public lands to be dedicated to the Town are identified on the Planned Development Plan as OSD-1, OSD-2, OSD-3, OSD-4, OSD-5 and PLD-1.
- Owner shall be responsible for the design and construction of required parking, picnic tables and shade structures for the Town park PLD-1 and the soft surface trail network.
- Owner shall be responsible for constructing, installing and maintaining the berms and landscaping in OSD-3.

Vesting

Vested Property Rights are a major provision established in the DA. The Owner has requested and demonstrated that the PD Plan, inclusive of the PD Zoning Regulations, meets the criteria under Chapter 17.08 of the Municipal Code and the Vested Property Rights of the Colorado Revised Statutes for vesting of property rights by agreement for a term in excess of three years. Therefore, as a site specific development plan, vested property rights are established and shall extend through December 31, 2037, allowing the Owner to undertake and complete the development and use of the property in accordance with this Planned Development Plan and Zoning Regulations.

Public Notification and Outreach

Public Hearing Notice

Public hearing notice signs were posted on the property on Friday, November 18th. Written notice letters were sent to property owners within 500 feet of the property, at least 15 days prior to the public hearing. In addition, a public notice of the Annexation and Zoning hearing was published in the Douglas County News-Press on November 17, 2022, in accordance with Section 20.02.020 of the Municipal Code.

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.

External Referrals

Requests for external referral comments were sent to local service providers and Douglas County agencies, as well as the Cherry Creek Basin Water Quality Authority, Colorado Department of Transportation (CDOT), Plum Creek Water Reclamation Authority, Colorado Geological Survey, Colorado Parks and Wildlife, and the Douglas County School District (DCSD).

DCSD had no objections noting that the elementary and middle school sites in the Macanta development satisfied the land dedication requirement for the Canyons Far South PD proposal.

Colorado Department of Transportation provided comments asking for a north/south connection to Crowfoot Valley Road and reservation of additional Founders Parkway right-of-way (ROW). In addition, CDOT required that the intersection of the primary access road with Founders Parkway comply with the Access Control Plan. Town staff and the applicant reviewed and addressed the CDOT comments. Dedication of additional ROW to the Town will occur at time of plat. Connectivity from Castle Oaks Drive to Crowfoot Valley Road is required with the first phase of development. The connection to Founders Pkwy. (Hwy. 86) is consistent with CDOT's Access Control Plan (ACP) and the necessary spacing from Crowfoot Valley Road.

Douglas County Community Development provided comments suggesting more than one point of access, coordinating future trail alignments connections with Douglas County, and providing a buffer to the Macanta neighborhood. The road and buffer comments have been addressed. As the Town finalizes the trail alignments, connections to the Douglas County trails will be addressed.

Comments from Colorado Parks and Wildlife urged that fragmentation and loss of habitat be kept to a minimum through clustering of development, reduced densities and provision of open space. Trails were encouraged to be placed near the edges of open space and not wider than 8 feet. Education of future residents in living with wildlife was suggested. The comments have been addressed through the clustering of development and dedication of over half of the site as natural open space. The proposed density is an appropriate transition from the urban neighborhoods to the south and the lower density County development to the north.

CORE Electric required that a note be added to the PD Plan stating that monuments, ornamental columns, window wells, counterforts, patios, decks, retaining walls and their components are not permitted to encroach into the utility easements. This note was added.

Colorado Geological Survey suggested that debris deposition/inundation hazard in Planning Area 3 be evaluated with a qualified professional, and that updated geologic/geotechnical reports should be submitted at the time of site design. This evaluation and reports will be provided with the applicable Site Development Plan and Plats.

The remainder of the agencies contacted for external comments either did not respond or responded indicating “No Comment.” There are no outstanding external referral comments.

Neighborhood Meetings and Public Outreach

The applicant has conducted three hybrid neighborhood meetings. The first meeting was held on June 14, 2021 and attended by approximately 18 residents. Concerns were raised about cut-through traffic in Castle Oaks/Terrain, increased traffic on Castle Oaks Drive, impacts of the new intersection at Founders Parkway, and the proximity of the road alignment to the neighborhood to the south. Neighbors wanted to see a landscape buffer along the southern boundary, were concerned about impacts to wildlife and what kinds of commercial uses would be allowed.

The second neighborhood meeting was held on December 13, 2021. Approximately 11 residents attended the meeting. The applicant summarized the changes to the plan based on previous input, and highlighted the road connection from Founders Parkway to Castle Oaks Drive, the sidewalk extension from Crowfoot Valley Road to Crimson Sky Drive, and the minimum 200-foot landscape buffer along the southern boundary

adjacent to the Terrain neighborhood and indicated that berms would be constructed and vegetation installed.

Residents questioned why the buffer was reduced to 200-feet and where the berms would be located. There was concern over the proximity of the trail in the buffer being too close to existing lots, the proximity of Planning Area 4 to Terrain and the type of residential development it would allow, and how quality development would be ensured. The third and final neighborhood meeting was held on October 11, 2022 and approximately 12 people attended the meeting. The applicant described revisions to the plan based on feedback at the previous meeting, including a widened, 300-foot, berms and landscaped buffer along the southern boundary, connected trails, and public access to the extensive open space. In addition, the restrictive water conservation plan was discussed with the front yard turf prohibition and back yard 500 square foot limitation. Architectural and development standards were refined to promote quality development with attention to form, massing, articulations, colors, materials and architectural enhancements.

Additional questions were asked and answered concerning what schools the new residents would attend, who the homebuilder would be, how zoning controls the type of uses allowed, what will happen to the prairie dogs to prevent them from moving to Terrain residential lots, and why is any development being proposed on the site.

Following the Planning Commission public hearing, the Town received an email from a resident of Sapphire Pointe urging that the property not be annexed to the Town (Attachment M). The resident cited concerns about additional traffic on Founders Parkway and the proposed signalized intersection on Founders Parkway at the entrance to the development. The resident is concerned that the public land and open space being dedicated to the Town is not usable land.

Analysis

Staff has completed a full analysis of the proposed annexation and proposed Planned Development zoning, taking into account the representations made in the application for annexation and zoning, and the goals and principles of the Town's 2030 Vision and Comprehensive Master Plan, the criterion of the Town's Municipal Code and the requirements of the Town's technical criteria. The remainder of this report focuses on how the annexation and zoning proposals are consistent with the Town's guiding documents and meet the Town criterion for approval, beginning with the request for annexation.

Annexation Analysis

This staff report focuses primarily on the proposed zoning, however the annexation analysis is included as background and context.

The Town has complied with the process prescribed by the Municipal Annexation Act of 1965 (the Act). On June 15, 2021, Town Council found the Canyons Far South Annexation Petition to be in substantial compliance with the prescribed form and content required by the Colorado Revised Statutes and set the date of the Eligibility Hearing for August 17, 2021. After proper public noticing, Town Council held the Eligibility Hearing as scheduled, reviewed the statutory allegations made in the Annexation Petition (Attachment B) and found that the property is eligible to be considered for annexation into the Town of Castle Rock.

The third phase of the process is the Annexation Hearing, the purpose of which is to determine whether the property 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 petition for annexation. The following section identifies the applicable principles of the Comprehensive Master Plan and summarizes how the proposed Canyons Far South annexations achieves those principles.

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 as the characteristics most important to the community. The four cornerstones are Distinct Town Identity, Responsible Growth, Community Services and Thriving Economy. The following is an analysis of the specific principles applicable to this proposed annexation.

Distinct Town Identity

- *ID-1.1: Historic Preservation*

Encourage the adaptive reuse of historic structures, the preservation and enhancement of key historic and archaeological resources and community education and awareness of Castle Rock's heritage.

Analysis: The Civilian Conservation Corps (CCC) was a work relief program that provided young men with employment during the Great Depression. It is understood that a CCC camp was located in the area of the Canyons Far South property and existing on the site within the drainage channels are dams and drop structures. A stacked block water well was recently discovered on the site. All of the structures are in areas to be dedicated as public open space. To the extent possible, the dams and drop structures will be preserved and incorporated in the channel stabilization measures. The Town Parks department is assessing the value of retaining the well. Interpretive signage on the internal trail system will identify the structures and educate the public on their origin and purpose.

- *ID-2.1 Master Planned Developments*

Master Planned communities that offer diverse housing options, mixed use development, transition zones, trail connections, open space buffers and community services and amenities are encourage. Regional and local transportation networks serve to ensure safe and reliable commuter routes.

Analysis: The Canyons is a master planned development and will offer a variety of housing types, neighborhood commercial uses, a transition from urban to county development, trail and road extensions and connections and a well-defined open space buffer to the existing Town neighborhood to the south of the property.

- ID-4.1: Physical Separation

Create and retain defined edges of the Town and maintain Castle Rock’s community character by promoting physical separation from nearby development, including buffering areas of unincorporated Douglas County and other municipalities.

Analysis: Annexation of the Canyons Far South property will create a defined northern boundary to the Town providing a clear separation from the Douglas County Macanta development and the City of Castle Pines to the north. The extensive open space dedication will provide a physical separation for the County development of Macanta.

- ID-6.1 Natural Environment Protection

Identify and preserve important properties that offer unique natural and scenic vistas or other characteristics that distinguish Castle rock from other communities.

Analysis: Annexation to the Town will give the Town the ability to determine zoning and to preserve the unique natural features of this property. Specifically, approximately 59% of the property will be set aside as open space and public land preserving rock outcroppings, historic structures, slopes and channels and established vegetation.

- ID-7.1 Parks and Recreation Facilities

Provide a variety of indoor and outdoor spaces, well distributed throughout the Town, that encourage active community recreation.

Analysis: Extensive internal trails and links to surrounding trails will enhance the trail connections and access to open space in the northeast portion of the Town.

- ID-7.2 Open Space

Establish permanent open space and natural buffers to preserve fragile ecosystems, habitats and corridors. Provide opportunities for passive recreation.

Analysis: As described above, the Canyons Far South PD preserves 59% of the site as open space and will include passive use parks.

- ID-7.3 Trails

Continue to build a connected municipal trails system that meets the needs of a wide diversity of users, connects Castle Rock’s neighborhoods and activity centers, and provides linkages to the regional trails system.

Analysis: Canyons Far South PD will enhance the Town’s extensive trail system by linking neighborhoods and providing connection to the Front Range Trail.

Responsible Growth

The Comprehensive Master Plan specifically states that annexation requests must take into consideration the following items.

- *RG 2.1 - Castle Rock Annexation Areas*

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

Analysis: The Comprehensive Plan, Future Land Use Plan represents future Town buildout boundaries and anticipated land uses. The Canyons Far South property is well within the anticipated Town boundaries (see Figure 8). The property is anticipated to be an area of residential development. Annexation of the property will effectively close and define the Town’s northern boundary.

B. Has demonstrated a significant benefit to the Town.

Analysis: Annexation and zoning of the Canyons Far South property is a step toward

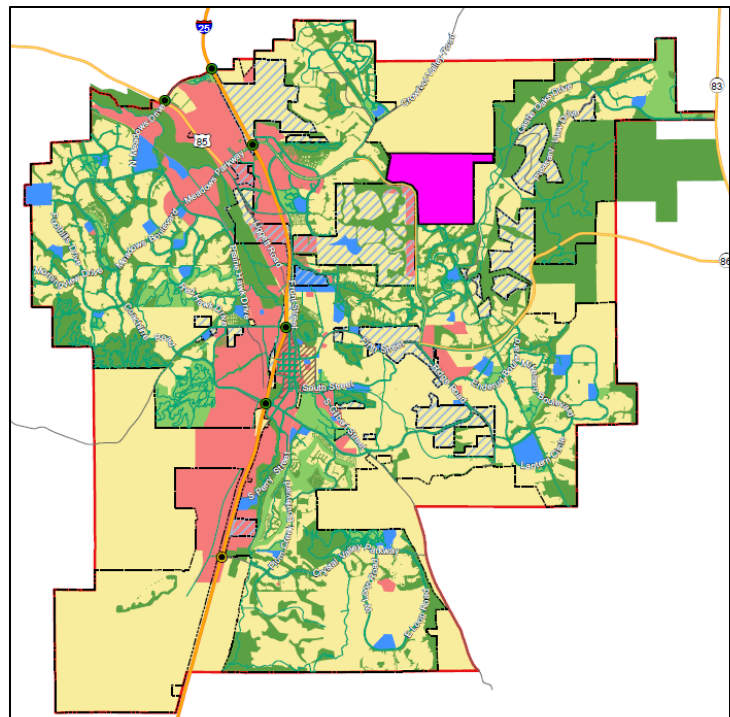


Figure 8: Future Land Use Map

closing the Town boundaries and providing for continuity of Fire and Police services. Approximately 59% of the property will be dedicated as open space and public land, preserving areas of mature vegetation, deep channels and wildlife habitat. The trail system will benefit the entire community and provide important links to the Front Range Trail. Historic CCC dams and drop structures will be preserved and identified. Road extensions north through Macanta to Crowfoot Valley Road and east/west from Founders Parkway to Castle Oaks Drive will provide important transportation connections.

C. Will be provided with adequate urban services.

Analysis: The property is able to be served with appropriate and adequate municipal services.

D. Is fiscally responsible.

Analysis: The owner will be required to pay for all infrastructure improvements necessary for development of the property such as water, wastewater, storm water and/or drainage, and transportation improvements. Additionally, the owner will convey all groundwater rights to the Town and will participate in the acquisition of renewable water rights for the Town, which will be a cost savings to the Town.

The conclusions of the Fiscal Impact Analysis, summarized earlier in this report, estimate a modest positive fiscal balance for the Town at full buildout.

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

Analysis: The owner will dedicate all appurtenant ground water rights, determined to be 465 acre feet, to the Town. As noted previously, the owner will also participate in the purchase and acquisition of renewable water rights to be dedicated to the Town.

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

Analysis: As noted previously, the owner will also participate with the Town in the purchase and acquisition of renewable water rights capable of providing renewable water for 100% of the expected development. The DA limits the issuance of any Plat to the Owner's provision of Renewable Water Resources to Town in an amount sufficient to serve the equivalent number of residential, commercial, or irrigation uses authorized by said Plat.

- *RG2.2 - Annexation of Infill Areas*

Consider the annexation and development of areas surrounded, or partially surrounded, by the Town boundary that can demonstrate a benefit to the

Town, connect to Town water and sewer and create a contiguous municipal boundary.

Analysis: The property lies within the Town's future boundary as anticipated by Comprehensive Master Plan. The property is partially surrounded by the Town, with approximately 40% of the peripheral boundary contiguous with the Town. In addition, the Macanta development on the northern boundary of the property is developing in Douglas County, however is served water by the Town. This property is able to connect to Town services and annexation will create a contiguous municipal boundary.

Planned Development Plan Approval Criteria and Analysis, CRMC 17.34.030:

Staff analysis of the proposed Canyons Far South Planned Development Plan and Zoning regulations has taken into account the representations made in the land use application and supporting reports and analyses. Per Section 17.34.030 PD Plan Approval Criteria, the proposed PD zoning shall be evaluated under the following criteria.

A. Community Vision/Land Use Entitlements

The proposed Canyons Far South PD meets this criterion. The development proposal conforms to the Town of Castle Rock Vision and Comprehensive Master plan by

- *Planning for and accommodating the needs of existing and future residents,*
- *Offering cohesive neighborhoods, with a mix of land uses that support a variety of lifestyle options for Castle Rock residents,*
- *Including a phasing plan that advances orderly, cost-effective and fiscally responsible growth,*
- *Including buffers and a transition Zone that recognizes, and is sensitive to, the scale and character of the surrounding neighborhoods,*
- *Protecting and preserving sensitive drainage corridors and wildlife habitat,*
- *Providing large areas of scenic open space, well-connected trail system, and passive park space,*
- *Preserving historic structures and striving for their adaptive reuse,*
- *Providing all groundwater rights to the Town, and partnering with the Town to acquire renewable water rights to serve the development, and*
- *Providing physical separation from County and City of Castle Pines development to the north and defining the Town's northern boundary.*

B. Relationship to surrounding area.

Open space buffers will exist on the periphery of the PD. In addition, the prescriptive buffer along the boundary with Castle Oaks/Terrain to the south provides a sensitive transition between the existing neighborhood to the south and new neighborhoods

that will develop in Canyons Far South. The development plan is designed so that a majority of the lots within the PD will abut or have direct access to public open space. A variety of lot sizes, densities and housing types will meet the different needs of the new residents.

C. Circulation and connectivity.

The proposed PD plan complies with this criterion by providing appropriate internal pedestrian and vehicle circulation, capacity and connectivity, and the DA obligates the developer to required offsite improvements. The road improvements will be phased to correspond to development within the PD. The road connection between Castle Oaks Drive and Crowfoot Valley Road will be completed with the first phase of development. Additional ROW will be reserved for future widening of Founders Parkway. Internal trails will provide pedestrian and bicycles with safe and convenient links to the internal commercial area and parks, as well as offsite trails and amenities.

D. Service, phasing and off-site impacts.

The proposed PD amendment complies with this criterion. The PD plan, phasing plan and DA establish the necessary onsite and offsite improvements to serve the Canyons Far South development with adequate municipal water, wastewater and sewer services. The developer is responsible for the cost and construction of the infrastructure improvements to serve the property.

The major drainageways must be preserved and stabilized as required by the Town's technical requirements. The groundwater rights will be dedicated to the Town and the owner is required to bring renewable water rights to satisfy the Town's Renewable Water Code.

The Canyons Far South Water Efficiency Plan will reduce the overall water demand of the development by prohibiting turf in residential front yards and limiting the rear yard turf to 500 square feet. Residential amenities such as pools and water features, will further reduce the irrigable turf allowed.

E. Open space, public lands and recreation amenities.

Planned Developments are required to dedicate a minimum of 20% of the property as open space. The Canyons Far South PD includes 217.6 of public open space, approximately 8.5 acres of private open space and 13.8 acres of PLD for public use as a park, for a cumulative total of 59% open space and public land. The public open space and PLD will be dedicated to the Town in phases as development occurs. The areas of private open space will be developed as community amenities such as pocket parks or pools within the Planning Areas and will be owned and maintained by the HOA or Metropolitan District.

Public and private open space will also provide buffers and density relief, preserve natural features such as mature vegetation, rock outcroppings and drainageways. Hard and soft surface trails will connect open space, parks, recreation facilities and link to the commercial use area.

F. Preservation of natural features.

The PD plan complies with this criterion. As previously notes, the PD Plan preserves areas of natural drainage and slopes, mature vegetation, rock outcroppings and areas of wildlife habitat and corridors.

Development on the site will comply with state and federal regulations such as the Migratory Bird Act.

Budget Impact

The proposed annexation and zoning will generate review fees. In addition, there are DA obligations and impact fees required at the time of annexation and with future site plans, plats and subdivision improvement obligations that will offset Town costs. The 5-mill Regional Mill Levy to be remitted to the Town on an annual basis will defray costs incurred by the Town in providing public services and improvements related to the development.

Recommendation

The Planning Commission voted 7 – 0 to recommend approval to Town Council of the Canyons Far South Planned Development Plan and Zoning Regulations at a public hearing held on December 8, 2022.

Proposed Motions

Approval

“I move to approve this Planned Development Plan and Zoning Regulations Ordinance, as presented.”

Approval with Conditions

“I move to approve the Planned Development Plan and Zoning Ordinance, with the following conditions.” (list conditions)

Continue item to next hearing (need more information)

“I move to continue this item to the Town Council meeting on [date], 2023, at [time].”

Attachments

- Attachment A: Vicinity Map
- Attachment B: Canyons Far South Annexation Petition and Plat
- Attachment C: Ordinance No. 2023 - 002
- Attachment D: Canyons Far South Planned Development Plan and Zoning Regulations
- Attachment E: Canyons South Planned Development, 7th Amendment
- Attachment F: LSAR – Surrounding Densities
- Attachment G: LSAR Developable Areas
- Attachment H: LSAR Vegetative Cover
- Attachment I: LSAR Cultural Resources Map
- Attachment J: Castle Rock Water Resources Inclusion Area Map
- Attachment K: Traffic Impact Analysis
- Attachment L: Fiscal Impact Analysis – December 5, 2022
- Attachment M: Resident Email