

PINE CANYON

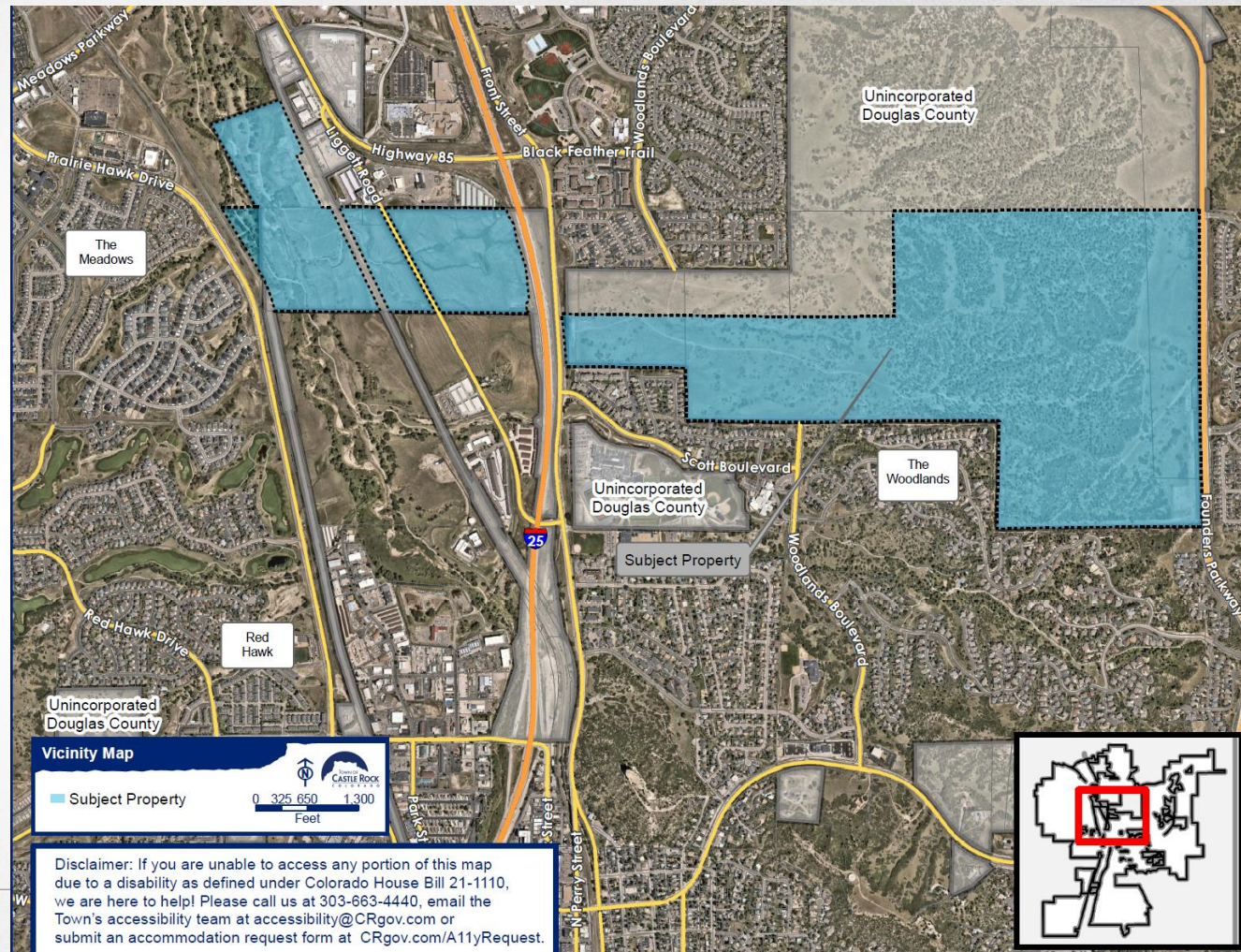
PRE-ANNEXATION AGREEMENT

TOWN COUNCIL
DECEMBER 17, 2024



VICINITY MAP

- 535 acres
- West of Founder's Parkway
- East of BNSF Railroad
- Bisected by I-25, Liggett Rd and the UP Railroad
- Generally south of Blackfeather Trail and north of Scott Blvd



BACKGROUND

- Property is in unincorporated Douglas County
- Current zoning for Agriculture One, Rural Residential, and General Industrial
- 2013 -2020 applications for Annexation and Zoning with the Town
- 2020-currently JRW has applications into Douglas County for:
 - PD Zoning, Water Appeal, and Metro District Service Plan
 - Town opposes urban level development within the unincorporated County
 - Sept 16, 2024 Board of County Commissioners continued the public hearings to allow JRW and the Town opportunity to explore a path toward Annexation and Zoning in the Town
 - Dec 17, 2024 applications tabled in the County
- Drafted Pre-Annexation Agreement for consideration tonight

WATER CONCERNS WITH DEVELOPMENT IN COUNTY

- If in County, development would be solely off of nonrenewable groundwater.
- Reverses two decades of local water policy and a \$300M investment in renewable water by Town.
- County standards nonrenewable groundwater much weaker than Castle Rock Water's standards.
- Castle Rock Water has planned for service to this area for over 20 years.
- System capacity for fire fighting not up to same standards as Castle Rock Water
- Detrimental impacts to our water, wastewater and stormwater systems.
- Confusion among residents about watering days and times and unpermitted run off from watering.
- Using reuseable water supplies to water non-functional grass.
- Installation of more grass/turf when other communities are prohibiting new lawns.
- Duplication of infrastructure.
- Unnecessary expansion of government by creating a redundant water and sanitation district.
- Eventual failure of systems will create a Bell Mountain, Louviers or Sedalia-type situation in future.
- No system development fees for Castle Rock Water despite the impacts.
- Interference with our existing groundwater wells and system and with our aquifer storage and recovery system.

ADDITIONAL CONCERNS WITH DEVELOPMENT IN THE COUNTY

- Located in heart of Castle Rock:
 - All traffic and other impacts are felt by the surrounding areas, unlike stand-alone urban developments in the County (e.g., Sterling Ranch, Highlands Ranch)
- Transportation impacts on Town-owned roadways, without mitigation or impact fees for regional transportation projects
- Impacts to Town owned community parks, trails and open space, without mitigation or impact fees for capital parks/trail/open space projects
- Town's ordinances and regulations would not apply to the property
 - Future site development would not be under Town regulations
 - Future rezoning considerations would not be under Town regulations
 - Roads, stormwater, and other infrastructure will not be built to Town standards

PRE-ANNEXATION AGREEMENT

A contract between JRW and the Town:

- Outlines the terms and conditions for future annexation and zoning
- Acknowledges the rights and obligations of each party throughout the process
- JRW applications in the County will be continued/tabled, while they work with Town on Annexation and Zoning

Specific Elements:

- Annexation and Zoning Process
- Zoning Content
- Water Agreement
- Metro District Service Plan
- Target Dates
- Termination

ANNEXATION & ZONING PROCESS

If Pre-Annexation Agreement Approved:

- JRW to submit formal annexation petition and application to the Town within 45 days
 - JRW to submit formal PD Zoning application after finding of Substantial Compliance
 - Town to credit fees previously paid for both annexation and zoning reviews, no additional review fees
 - Town to notice, host and present at 3 neighborhood meetings
 - JRW will not need to update its Traffic Impact Study at the time of Zoning, but will update it at the time of each Site Development Plan, if required per Town regulations
 - Nothing in agreement will require Town approval or otherwise restrain Town's Quasi-Judicial decision making authority.
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JRW is willing to annex if they are able to obtain substantial

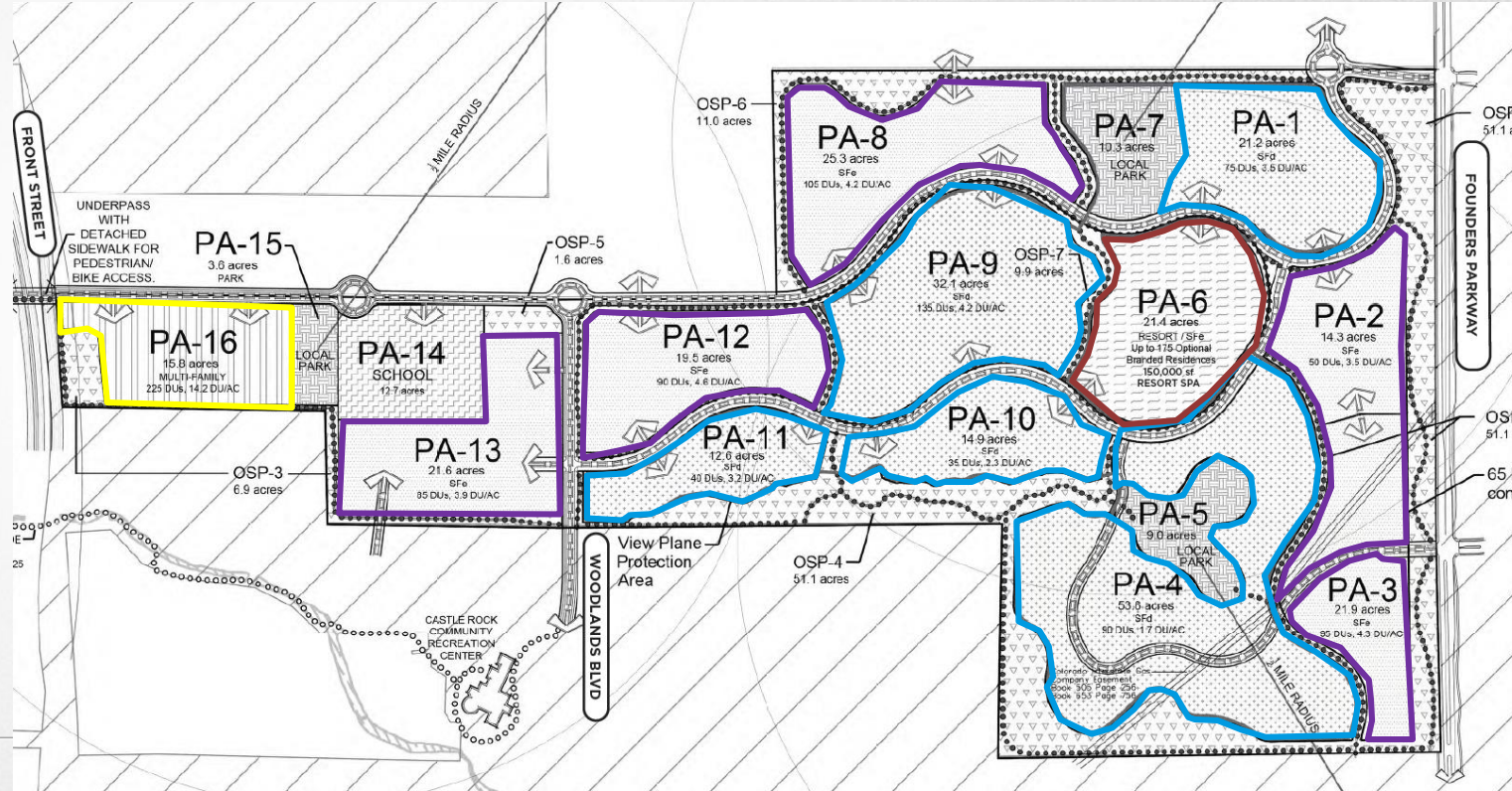
- Residential: 800 SF/SFA units and 1,000 MF units
- Non- residential: 600,000 sq feet, all on west side of I-25

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PROPOSED ZONING

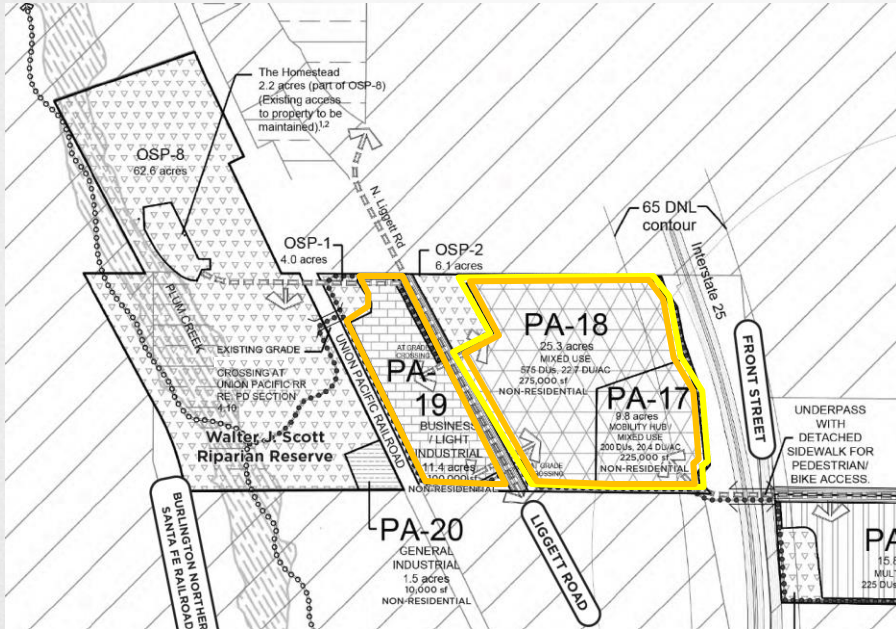
East Side of I-25: Residential (800 SF/SFA and 225 MF), Resort Spa

- 375 SF Detached PA-1, PA-4, PA-9, PA-10, PA-11
- 425 SF Detached, Attached, or Townhomes PA-2, PA-3, PA-8, PA-12, PA-13
- 225 room Resort Spa PA-6
- 225 MF units PA-16
- School, Park sites, Open Space, Trails



PROPOSED ZONING

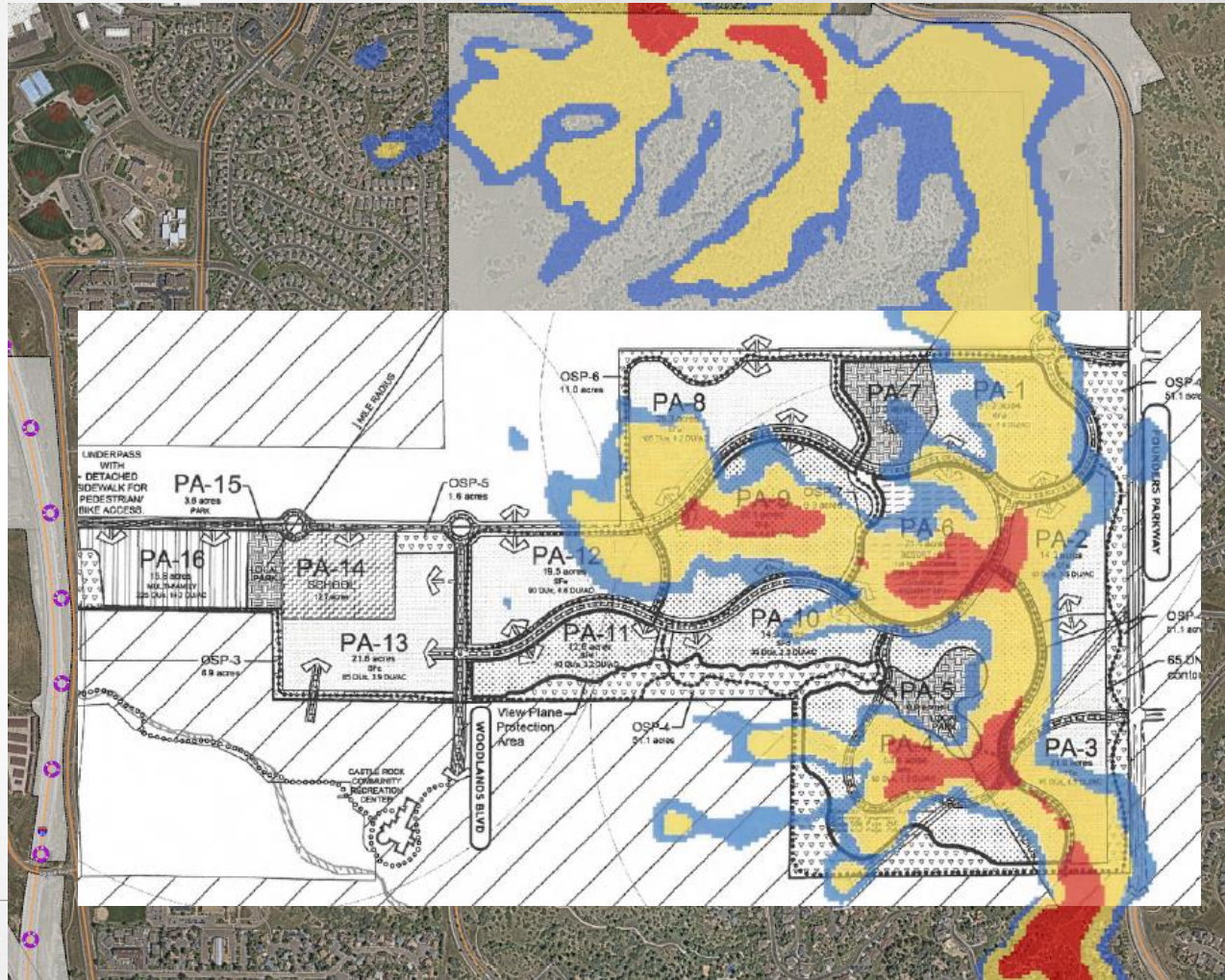
West Side of I-25: Residential 775 MF, 600,000 sqft nonresidential



- Multifamily: 200 MF units PA-17, 575 MF units PA-18
- 500,000 sqft anticipated Office/Retail/Commercial PA-17 and PA-18
- Mobility Hub is allowed use in PA-17, not required
- 100,000 sqft anticipated Business/Light Industrial PA-19
- PA-20 no longer Metro District water/wastewater facility
- Open Space and Homestead along creek

PROPOSED ZONING

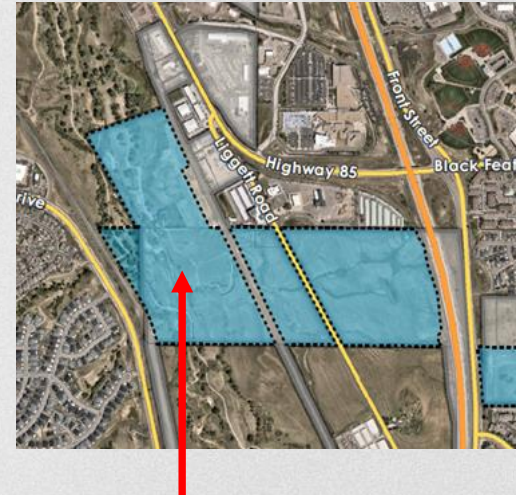
- Tree Preservation regulations in zoning in place of Skyline/Ridgeline
- No clear cutting/overlot grading for homes in areas that would have been in Skyline/Ridgeline
- Site Development Plans will identify lot locations and tree preservation



PROPOSED WATER AGREEMENT

Pre-annexation agreement includes following water provisions:

- Castle Rock Water to provide all water, wastewater, and stormwater service, as per normal approach.
- JRW to dedicate 757 acre feet (AF) of nonrenewable groundwater.
- Castle Rock Water reserves 1,220 AF of our nonrenewable groundwater to achieve code criteria – approximate \$2.4M value.
- Development to pay all system development fees.
- Reserve 106 acre feet not non-tributary water for agricultural uses on JRW's 61 acres near the creek.
- Restrictive Covenant placed on this 106 acre feet of water, can never be sold to 3rd party or used for anything else except that Castle Rock will have a first right to purchase.
- Castle Rock Water to provide lease agreement for augmentation of 106 acre feet of agricultural water (~1 acre foot per year to creek), JRW to handle any water court requirements.
- Development to meet all Castle Rock Water requirements including Coloradoscaping.



61 acres reserved for agricultural purposes

TARGET DATES

TBD	3 Neighborhood Meetings – dates to be determined
Jan 31, 2025	JRW submit Annexation Petition and application materials
Feb 18, 2025	Town Council Substantial Compliance Resolution
Feb 19, 2025	JRW submit PD Zoning application
April 1, 2025	Town Council Eligibility Hearing
April 13, 2025	Finalize negotiation of Development/Annexation Agreement
April 24, 2025	Town Planning Commission Hearing on Annexation and PD Zoning
May 1, 2025	Town approval of Town Initiated Amendment (effective upon approval of PD Zoning)
May 6, 2025	Town Council First Reading on Annexation, Development/Annexation Agreement, and PD Zoning Ordinances
May 20, 2025	Town Council Second Reading and Adoption of Annexation, Development/Annexation Agreement, and PD Zoning Ordinances
June 19, 2025	Expiration of Legal Challenge Periods (Depending on Date of Publication)
June 20, 2025	Legal Effective Date of Annexation

METRO DISTRICT

- JRW intends to create a Metropolitan District to finance the construction of public improvements to serve the development
- If annexed, the Service Plan would be subject to Town Council approval and would follow the Town's model service plan

TERMINATION

- If the Town acts in bad faith or does not honor the terms of the Pre-Annexation Agreement, and denies or fails to act upon the Pine Canyon annexation and zoning applications by July 31, 2025, then JRW may move forward with the County applications for Pine Canyon, but only if JRW has acted in good faith and abided by the terms of the Pre-Annexation Agreement.

RECOMMENDATION

Annexation and Zoning within the Town eliminate concerns Town staff have with the unincorporated Douglas County development, and:

- Allows for development to Town standards for roadways, trails, parks, stormwater and other infrastructure
- Requires site development plans and any future rezoning requests to go through normal Town processes
- Ensures payment of impact and system development fees with future building permits
- Requires collection of use and sales tax
- Provides consistency by being subject to Town regulations and under the same jurisdiction as surrounding neighborhoods.

Staff recommends approval of the Pine Canyon Pre-Annexation Agreement to Town Council as the best path forward, laying out the rights and obligations of both JRW and the Town.

PROPOSED MOTIONS

Motion to Approve:

“I move to approve the Pine Canyon Pre-Annexation Agreement, as presented.”

Alternative Motions:

“I move to approve the Pine Canyon Pre-Annexation Agreement, with the following conditions:” (list conditions)

“I move to continue this item to the Town Council meeting on [date], 2025, at [time].”



QUESTIONS & DISCUSSION