



Date: March 21, 2023

## **AGENDA MEMORANDUM**

**To:** Honorable Mayor and Members of Town Council

**Through:** David L. Corliss, Town Manager

**From:** Tara Vargish, Director Development Services  
Kevin Wrede, Planning Manager

**Title:** **Castle Rock Municipal Code (CRMC) Updates – Title 17 (Second Reading - Approved on First Reading on March 21, 2023, by a vote 7-0)**

---

### **Executive Summary**

The Ordinance was approved on First Reading on March 21, 2023, with a vote of 7-0.

On March 1, 2022, Town Council directed staff to prepare an ordinance incorporating needed updates to Title 17, including a new industrial zoning district for industrial employment uses. Throughout 2022, staff has identified a few more clarifications and corrections needed for Title 17, and has included them in these proposed changes.

Over time, Town staff identifies sections of the Castle Rock Municipal Code (CRMC) that are in need of updating, correcting or clarifying. Additionally, Town staff may have recommendations for new sections to address issues that arise or improvements that can be made. Town staff have identified areas of the CRMC which are in need for updates in order to improve clarity and consistency of interpretation, and to bring some sections up to date with recent state law changes. Additionally, staff is also proposing a new industrial zoning district from discussions in 2019 through 2022, as well as updates to in-home daycare and clarification in the Accessory Dwelling Unit chapter. This memo outlines these proposed amendments to Title 17 of the CRMC.

Town staff will continue to annually review various code sections and bring recommendations for improvements forward to Planning Commission and Town Council as needed.

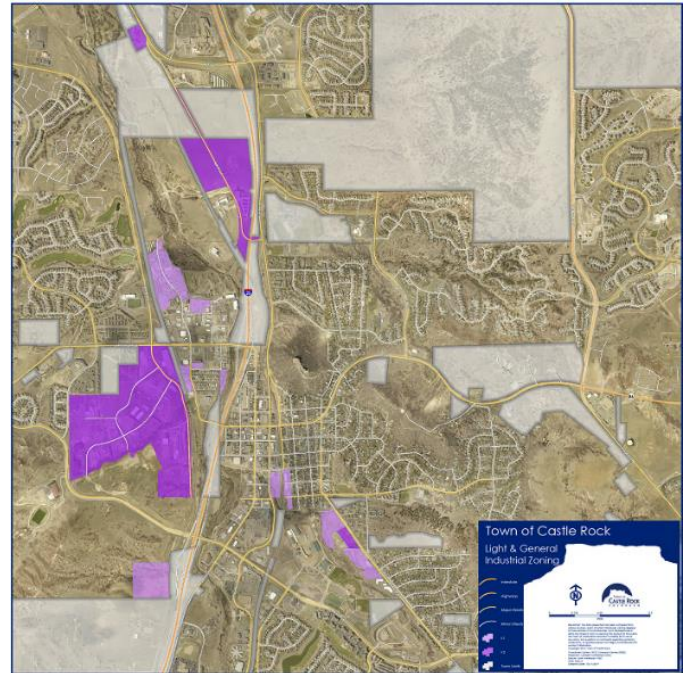
On March 9, 2023, the Planning Commission voted 6 to 0, to recommend approval of this ordinance to Town Council.

### **Discussion**

Staff has identified two main types for proposed changes in Title 17; creating a new industrial zoning district to the code to promote industrial-employment type uses, and then various code clarifications and corrections in numerous sections of Title 17. Each are detailed below and either come from past discussions with Council or from Staff identified areas that need improvement.

### **Industrial Zone Changes – CRMC Title 17**

In 2019, Council approved changes to Title 17 related to new uses in straight zones and clarifications on some use definitions. At that time, Staff discussed the need to do a comprehensive review of the uses allowed in the Industrial Zones. Staff reviewed the existing industrial zoning framework with the goals of promoting primary employment and light industrial uses while preserving property rights for existing Light Industrial (I-1) and General Industrial (I-2) zoned properties. This process was spurred after a review of existing allowed uses in industrial areas identified a large number of non-industrial uses in the straight-zoned industrial areas, and this mix of uses did not promote a true industrial/primary employment center. As a result, Staff set



out to develop a new Industrial-Employment (I-E) Zone District that is consistent with the 2030 Vision and Comprehensive Master Plan adopted by Town Council, and will support the local economy through job creation and economic development, by promoting the establishment of employment based businesses in Town.

This new zoning district allows a variety of commercial and light industrial uses that are considered to be employment generators, and encourages light industrial uses with limited impacts to adjacent residential and commercial developments. Of note, uses like retail, restaurant, stand alone storage yards, and mini-storage are not allowed in this new zone, which is in keeping with the goal of creating a zone district for industrial-employment focused businesses. Staff is proposing to allow a small amount of retail and alcoholic beverage sales, if they are accessory to the main use and limited in size to 20% of the building area. This would allow a manufacturer to have some onsite showroom space for their product in this new zone. Additionally, accessory storage yards are allowed for a primary use, as many light industrial and warehouse business need some storage yard capacity.

The proposal also includes a provision that would prohibit any new rezoning to I-1 or I-2, but would preserve the property rights of those properties already zoned I-1 or I-2. The proposed changes would essentially leave the current I-1 and I-2 zoning districts intact in

their current form, and would allow the properties to continue operating as they have been, and to also expand under their present zoning designation.

The creation of this new Industrial-Employment zone does not prohibit a land owner from requesting a custom Planned Development (PD) zoning if they desire to add uses that are prohibited in the new I-E zone.

Town staff held an open house regarding the proposed changes in November 2019, however finalization and implementation was postponed due to shifting priorities due to the pandemic during 2020 and most of 2021. All land owners in current I-1 and I-2 zoned land were invited to the open house, and it was publically noticed on the Town webpage for any community members to attend. Staff received some questions on how this would affect current land zoned I-1 and I-2. Staff explained that it does not change their zoning, allowed uses, or ability to expand, as this change would only apply to new property seeking industrial zoning.

As some time has passed since the initial open house, staff discussed this proposal in February 2022 and in February 2023 with the EDC Developer Roundtable group. Overall the proposed new Industrial Employment zone was well received, with feedback given to consider increasing the amount of accessory retail and accessory alcoholic beverage sales from 10% to 20%, as well as to allow accessory storage yard areas for industrial users. Staff has incorporated these changes into the current proposal under consideration.

The overall goal of creating this new Industrial-Employment zone district is to make it more accessible to be chosen for future rezonings or small scale infill annexations. By having this zone district in our code, future development proposals can see that these are uses that the Town would like to see in new industrial areas, and it makes it easier for an applicant to utilize an existing zone district that is already in the Code. Applicants are still allowed to request a custom Planned Development Plan zoning with industrial uses, however this is often a more costly route and one that small in-fill lots don't usually plan to pursue.

### Summary of Sections Affected

To establish this zoning district in Town, the following sections of the CRMC are recommended to be updated as follows:

Section 17.02.010: Changes to the zoning district chart to identify I-1 and I-2 districts as zone districts to which properties can no longer be zoned after June 1, 2023, and to establish the I-E (Industrial-Employment) District as a zoning district.

Section 17.28.010: Added language identifying the date of approval of the changes identifying I-1 and I-2 districts as zone districts to which properties can no longer be zoned to as June 1, 2023, and clarifying the existing development rights of those districts remain. Added language to establish and define the I-E District.

Section 17.28.070: Established new development standards for the I-E District.

### **Clarity and Consistency Modifications – CRMC Chapter 17**

Additionally, Town staff reviewed other code sections in Title 17 in order to determine areas of code where there were inconsistencies or confusing interpretations, code sections that were modified previously in error resulting in unintended consequences, and areas of the code which were not consistent with State law. These changes are not intended to change existing public policy, but rather to clarify and ease interpretation and implementation of the Code.

- Section 17.04.060: Clarifies the placement of public hearing signs to be posted at the nearest right of way when possible and visible to the public.
- Section 17.04.105: Corrects that administrative variances for setback or height relate to the “change” of the setback or height, as setbacks are normally reduced, and height is normally increased. No changes are being made to the current limit of only a 10% or smaller change can be requested administratively.
- Section 17.14.010: Corrects typos in the definition of storage yard and building height, and replaces the definitions of small and large day cares with “family child care home” in compliance with the State regulatory definitions for these uses.
- Section 17.16.020: Modifies the temporary use provisions for manufactured buildings to clarify when a manufactured building can be utilized as a temporary use.
- Section 17.18.020 & 17.18.030: Modifies large family child care homes to be a use allowed by right in residential zoning districts and for the same to be a UBSR when they are directly adjacent to one another in order to be compliant with new State Law. Corrects the distance allowed between group homes to be 750 feet.
- Section 17.24.020 & 17.24.040: Clarifies that the minimum lot area in R-3 applies to multi-family developments.
- Section 17.28.030: Corrects and clarifies how the overlay districts modified some allowed or prohibited uses in the underlying original zone district. Provides clear direction and corrects previous errors in the zoning matrix to reference the underlying zoning district if the overlay district did not specifically reference changes to a use.

- Section 17.30.020 & 17.30.030: Clarifies that public improvements and public right-of-way are allowed in this PL-1 district. Correct reference to section 17.39.010 in both PL-1 and PL-2 zones.
- Section 17.34.030: Remove outdated references to expired Land Use Intergovernmental Agreement between Douglas County and Town.
- Section 17.43.050: Clarified the coverage requirement of the Front Street Overlay District (FSOD) to state building coverage instead of lot coverage.
- Section 17.54.040: Clarifies parking requirements for Group Homes in both single-family and multi-family structures to be the same as a single-family or multi-family structure.
- Section 17.54.050: Modifies accessible parking requirements in Title 17 in order to match with the ICC requirements in Title 15.
- Section 17.61.030: Modifies the definition of Accessory Dwelling Unit (ADU) in order to clarify the criteria that determine when an ADU exists; and adds definitions for “Bathroom”, “Facility for Sleeping”, “Kitchen”, and “Provisions for Living.”
- Section 17.61.040: Clarifies that the addition of an interior ADU with a permit for a new single-family home does not require a Use By Special Review (UBSR).
- Section 17.61.050: Adds criteria for determining whether or not a space is an ADU, and further clarifies under what circumstances physical separation exists for an ADU.
- Section 17.62.030: Correct reference to section 17.39.010.

### **Recommendation**

Planning Commission voted 6 to 0, to recommend to Town Council approval of this ordinance.

### **Proposed Motion**

#### **Approval**

*“I move to approve the Ordinance, as introduced by title.”*

## **Alternate Motions**

### **Approval with Conditions**

*"I move to approve the Ordinance with the following conditions:" (list conditions)*

### **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 Title 17 Updates