

AGENDA MEMORANDUM

To: Planning Commission

From: BrieAnna Simon, Senior Planner, Development Services Department

Title: **Pine Canyon Planned Development Plan and Zoning Regulations** [535 acres, located on both the east and west sides of Interstate 25 (I-25). The portion of the property east of I-25 is generally north of Scott Boulevard, south of Black Feather Trail, west of Founders Parkway, and east of Front Street]

Executive Summary

JRW Family Limited Partnership LLLP is proposing to annex and rezone the 535 acres known as Pine Canyon. The applicant proposes to zone the property as a planned development (PD), and is seeking approval of the Pine Canyon Planned Development Plan and Zoning Regulations (Attachment C).

The Pine Canyon PD proposes to allow 1,800 dwelling units for a gross density of 3.37 dwelling units per acre (du/ac), a maximum of 600,000 square feet (s.f.) of commercial and light-industrial uses and approximately 178 acres, 32% of the site, of open space and park land.

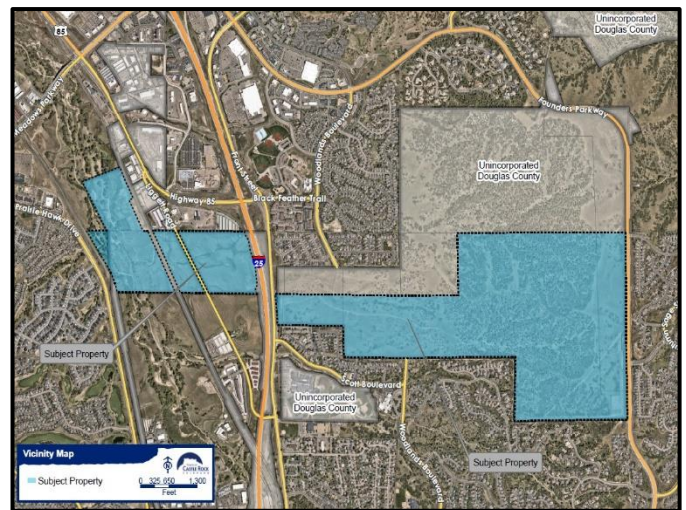


Figure 1: Vicinity Map

Key Benefits of Proposed Annexation and Zoning

- Allows Town determination of growth patterns and development standards
- Development makes key road connections, improving circulation and emergency response
- Development would pay impact fees per residential unit or commercial square foot constructed
- Development would pay all system development fees, including Castle Rock Water's renewable water fee
- Development would tie into Castle Rock Water's existing wastewater treatment system
- Development would also meet all of the Town's water conservation standards
- Provides 32% Open Space and Public Land Dedication
- Preserves cultural resources on the property

- Makes regional trail connections
- Provides a buffer on southern edge to existing Castle Rock homes and requires similar lot sizes

Background

The Property Existing Conditions and Surrounding Uses

The parcel proposed for annexation is currently under the jurisdiction of Douglas County. The 535-acre site is in central Douglas County surrounded by the Town of Castle Rock. It is located on both the east and west sides of Interstate 25 (I-25). The portion of the property east of I-25 is generally north of Scott Boulevard, south of Black Feather Trail, west of Founders Parkway, and east of Front Street. The portion of the property west of I-25 is generally east of Prairie Hawk Drive, south of Highway 85 and bisected by Liggett Road (Figure 1).

Town Council held a public hearing on December 17, 2024 for a Pre-Annexation Agreement. The Pre-Annexation Agreement outlined several topics specific to the future annexation and zoning for the property and lays out the agreed upon terms for both the Town and JRW. The Pre-Annexation also outlined a target schedule for processing of the land use items. The proposal tonight meets all of the obligations outlined in the Pre-Annexation Agreement.

Town Council held a public hearing on February 18, 2025, 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), C.R.S. Further, Town Council held a public hearing on April 1, 2025 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.

Use and Surrounding Zoning

The subject property is currently undeveloped and being used for agricultural purposes. The property is currently zoned A1-Agricultural One within Douglas County. This zoning generally allows for a wide range of farming, ranching or tree farming activities.

The project area is adjacent to the Town of Castle Rock zoning on 60 percent of the project area boundaries. The northern boundary of the project area on the east side of I-25 is adjacent to unincorporated Douglas County, which is zoned in the County as A1-Agricultural One. This area currently has an annexation and zoning application under review with the Town of Castle Rock but is still within the review process at this time.

The eastern boundary of the project area is adjacent to the Castle Oaks Amendment No. 1 Planned Development Plan which allows for single-family residential. The northern boundary of the project area on the west side of I-25 is adjacent to straight zoned parcels for I-2 General Light and Metzler Ranch Planned Development Plan (1996). Both these planning areas allow for general light-industrial uses.

The southern boundary of the project area on the east side of I-25 is adjacent to Woodlands Planned Development Plan, Scott Ranch Planned Development Plan, and Scott II Major Modification Planned Development Plan. The zoning in these areas allow for a mix of single

family residential and multi-family residential. The southern boundary of the project area on the west side of I-25 is adjacent to straight zoned parcels for I-2 General Light Industrial and PL-1 District. The regulations for these areas are outlined in the Town's Municipal Code. The west side of the project area is adjacent to the Meadows Fourth Amendment which allows for open space directly adjacent to the project area.

Discussion of Proposal

Pine Canyon Annexation

The Pine Canyon annexation petition and plat map were accepted and filed with the Town Clerk on February 5, 2025. 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 February 18, 2025 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 April 1, 2025 and Town Council found the property to be eligible to be considered for annexation into the Town.

The area proposed for annexation is approximately 534.6-acres and is currently zoned A1-Agricultural One in Douglas County.

Pine Canyon Planned Development Zoning

The applicant is requesting that the property be zoned Planned Development (PD) (Attachment D). The Pine Canyon Planned Development Plan and Zoning Regulations establish 11 residential planning areas, two mixed use/multi-family planning areas, one resort spa or residential planning area, one school planning area and one business/light-industrial planning area. Additional planning areas are set aside for parks and open space areas.

Residential Development

The proposed zoning would allow 800 single-family detached units, along with 1,000 multi-family units at a gross density of 3.37du/ac. Lot sizes are dependent on the housing type, and would have a minimum of 4,500 s.f. The zoning also restricts areas from over-lot grading in sensitive areas of the property. This will preserve mature trees and have less impact on the existing natural resources compared with traditional over-lot grading developments in Town.

Commercial Development

Planning Area 18 and Planning Area 17 area proposed to be a mix-used area. This will allow for both multi-family residential units integrated with commercial uses. Planning Area 19 is proposed to be an area of business/light industrial uses. Permitted uses include retail, restaurant, office, manufacturing and distribution facilities. The maximum non-residential square footage allowed is 600,000.

Planning Area 6 is proposed to allow a resort spa hotel, up to 225 rooms with a full service spa, with the intent to be an anchor in the Pine Canyon community. The proposed zoning is flexible and allows that if a resort is not built, this planning area can be developed with up to 75 branded residences instead. These 75 units would be out of the total 800 single family units, which would reduce the number of homes built in the residential planning areas.

Open Space, Public Land, Park and Trails

Per the Pre-Annexation agreement the development was required to meet the Town's minimum 20 percent open space. The proposed zoning accounts for 171 acres of open space or 32% of the site. As planning areas develop, additional open space will be provided to the Town during the site development plan process..

OSP 8 and OSP 9 include a 62.1 acre private Homestead and farm land that will continue to be a Homestead farm with educational opportunities. This property will be used to actively farm the land, while providing a grazing area for cattle. The Homestead will partner with local agencies to provide educational programs for the community.

Prescriptive Buffer

Based on input from the surrounding residents, the development plan was revised to create a prescriptive buffer on the southern property boundary of the PD between Planning Areas 4, 10 and 11, and the existing Woodlands neighborhood.

The buffer area will be provided from the Pine Canyon residential lot line to project's property line adjacent to the Woodlands residential neighborhood. This buffer area will include a trail and meet the Town's landscaping requirements. The existing CORE Electric overhead transmission lines also run in this buffer area.

Technical Reports and Analyses

Fire

The proposed project area is located with the Town of Castle Rock Fire Protection Service Area. The project area will be served by Town of Castle Rock Fire, which has capacity to serve the proposed development. If this property annexes into the Town, it will be served by Castle Rock Water, allowing Castle Rock Fire to have a reliable and renewable water supply for necessary fire services.

Parks and Recreation

The development is constructing three (3) local or neighborhood parks totally 22.9 acres. These parks will be open to the public, and will be privately owned by the Metro District or HOA. Based on the density proposed for this development, Town code would require 42.02 acres of Public Land Dedication (PLD) for uses such as parks, police and fire, water facilities, and other Town lands. Town staff is recommending approval of the PD zoning as proposed with 22.9 acres of parkland, which matches the proposal they submitted to Douglas County. The proposed Development Agreement for Pine Canyon is drafted to recognize that this dedication is 16.25 acres short and will not obligate the developer to pay any additional cash-in-lieu for PLD. Staff recommends this due to the overall benefit of having this property develop within the Town's jurisdiction, subject to the Town's permitting and development process, and connected to and participating in the Town renewable water supplies.

The other portion of PLD that the Town calculates is for future school use. Based on the proposed density and Douglas County School District's student/land density ratios, 20.56 acres of PLD are required for future school land in Pine Canyon. The School District has

agreed that the proposed 12.7-acre parcel will be sufficient. The 12.7-acre parcel will be provided through PLD for the Town to hold. No additional school PLD is requested.

In regard to trails and open space, the development is proposing 148.1 acres of open spaces, which is 28% of the development. Code requires 106.9 acres to meet the 20% minimum open space requirement. It is expected that additional open space will be added by each planning area as they go through the site development plan process, which may include things like buffers, pocket parks, trail connections, multi-family common spaces, etc, which will be above and beyond the 28% identified now. Trail corridors are proposed through the development including a pedestrian underpass at I-25 that the developer will be providing.

At this time, the ownership and maintenance of all open space and parks are planned to be by the developer, metro district or HOA. The 12.7-acre future school PLD site will be owned and maintained by the Town until it is needed for a school site. At the time of SDP, the park parcels ownership may transfer to the Town, but maintenance will be held by the metro district or HOA. All parks and recreation development impact fees will be paid to the Town at time of building permit to offset the park usage impacts and uses this development will bring to the town-wide park facilities.

On the western side of the development, a 64.1-acre open space/agricultural area is proposed. This area has been split into three smaller areas. The first area, OSP8 would be the larger parcel used primarily for private agricultural use, the second would be a private 2.2-acre homestead, and the third would be a public trail corridor for the existing Town trail. The developer intends to use the agricultural and homestead areas to continue the current uses of grazing cattle, growing crops, and may have other farm animals on site and work with local groups such as Future Farmers of America or 4-H in an educational capacity. Should the agricultural uses on the site cease to continue, the land will be dedicated to the Town for open space.

Traffic Impact Analysis and Mitigation

A Traffic Impact Analysis (TIA) was submitted to the Town with this application. As part of the pre-annexation agreement between the Town and the applicant, the Town has agreed to accept the TIA as it is, however will require updated TIAs at the time of site development plans. Additional analysis will be required as planning areas are advanced. Proposed uses and trip generation data may require additional traffic infrastructure mitigation. All development is required to work with the Town on roads and road connections as each planning area develops. The development will also pay transportation impact fees on all building permits issued for the development. These fees will be used for the construction of road improvement projects throughout Town.

Utilities

The development would tie into Castle Rock Water's existing wastewater treatment system, and a separate treatment facility, as proposed in Douglas County, would not be needed or built. The Town's applicable water and sewer requirements set forth in the Town of Castle Rock Water Criteria Manual and Wastewater Criteria Manual will apply to the property.

Drainage

The Town's applicable drainage requirements set forth in the Town of Castle Rock Stormwater Criteria Manual will apply to the Property. The Town will receive a drainage easement over the private floodplain that won't be dedicated through the agricultural tract.

Water Conservation

The development will meet all of the Town's water conservation standards, including the ColoradoScape requirements established in 2022. The Town's applicable landscape and irrigation requirements set forth in the Town of Castle Rock Landscape and Irrigation Criteria Manual (as amended) will apply to the Property, and have been incorporated into the PD Zoning's standards and noted within the annexation agreement.

Water Resources

Town staff is recommending approval of the PD Zoning with a nonrenewable groundwater dedication of approximately 757 acre-feet, which is short of the normal nonrenewable groundwater dedication required for a development of this size. As agreed to in the pre-annexation agreement with the Town, the Town will reserve existing excess nonrenewable groundwater already owned by the Town to ensure the appropriate amount of nonrenewable groundwater is available for the benefit of the development. The development will pay all system development fees at current and future rates, including Castle Rock Water's renewable water fee. The development will meet all of the Town's water conservation standards including the ColoradoScape requirements put in place at the end of 2022. Town staff believe that getting this development into the Town's water system and off of sole reliance on nonrenewable groundwater is important for the region and the long-term sustainability of water supply for the Town and this development. Additionally, having Town water services to this area will greatly improve the water supply for Castle Rock Fire, who is the responding fire agency.

As agreed to in the pre-annexation agreement with the Town, JRW has requested the right to retain 106 acre-feet of groundwater solely for irrigation, stock watering, domestic and other agricultural purposes for the use of the existing homestead, located on the far west side of the property, west of the BNSF railroad and east of East Plum Creek. JRW has agreed to a restrictive covenant on these groundwater rights, limiting their use for agriculture and irrigation for this 62.1-acre homestead, and it would grant the Town first right of refusal to purchase them in the future. The Town will also grant JRW a lease agreement to allow them to lease, at the Town's going rates, a very small amount of water (~1 acre-foot) to augment their agricultural use of the 106 acre-feet of groundwater.

Annexing this development into the Town, so it can be served by the Town's water system and off of sole reliance on nonrenewable groundwater is important for the region and the long-term sustainability of the water supply for the Town and this development. Castle Rock Water staff is supportive of this development and the above agreements.

Notification and Outreach

Public Notice

Public hearing notice signs were posted on the property on April 9, 2025. Written notice letters were sent to property owners within 500 feet of the property, at least 15 days prior to the public hearings.

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.

Neighborhood Meetings

The Town and applicant together held three neighborhood meetings. A neighborhood meeting was scheduled and noticed for February 11, 2025, March 11, 2025 and April 16, 2025. All meetings were held via a hybrid format with participation both in person and online. These meetings had questions on traffic generation and roadway connections, the need for a resort/hotel in this area, buffer areas, and number of additional units. Town staff provided an overview of the past history of annexation discussions with the applicant, and their recent applications with the County. Staff also discussed that this property will develop either in the County or in the Town, and that staff would rather this property develop within the Town's jurisdiction and subject to the Town's regulations.

External Referrals

External referrals were sent to local service providers and Douglas County agencies. There are no outstanding external referral comments.

Analysis

PD Plan Review and Approval Criteria and Analysis 17.34.030

A. Community vision/land use entitlements.

1. Conforms to the most recent versions of the Town's Vision, Comprehensive Master Plan and long range or master plans.
2. Complies with design principles found in Chapter 17.10.

Analysis: The proposed Planned Development Plan meets this criterion. It generally conforms to the Town's Vision and Comprehensive Master Plan and complies with Town's long range and master plans. It also conforms to all other relevant requirements and land development principles of the Town's Municipal Code.

B. Relationship to surrounding area

1. Provides appropriate relationships between use areas, both internal and surrounding, with adequate buffer areas provided if warranted.
2. Provides innovative and creative plan design and layout.
3. Provides a variety of housing types, densities and open space.
4. Identifies areas as mixed use and/or depicts areas that are buffer areas to comply with Chapter 17.50 (Residential/Nonresidential Interface), where a proposed PD Plan is adjacent to residential property, as that term is defined in Chapter 17.50, or, for residential developments, where the proposed PD Plan is adjacent to nonresidential property, as that term is defined in Chapter 17.50.

Analysis: The proposed Planned Development Plan meets this criterion. Open space buffers will exist on the periphery of the PD. 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. The proposed zoning provides a mix of housing opportunities and facilities to meet the different needs of the new residents.

C. Circulation and connectivity.

1. Provides an adequate circulation system in terms of capacity and connectivity, which is designed for the type of traffic generated, safety, and separation from living areas, convenience, accessibility, noise and exhaust control.
2. Provides for emergency vehicle access.
3. Accommodates an adequate, functional and safe street system for vehicular traffic generated by the development and passing through the development.
4. Provides for pedestrian and bicycle traffic in a safe and convenient manner, separation from vehicular traffic, and access to points of destination and recreation.

Analysis: The proposed Planned Development Plan meets this criterion by providing appropriate internal pedestrian and vehicle circulation, capacity and connectivity. Additionally, it provides a new east-west road network in this area, and will provide part of the missing north-south road and sidewalk connection on Woodlands, which are critical to improve traffic in this area. The Traffic Impact Study obligates the developer to required offsite improvements. The road improvements will be phased to correspond to development within the Planned Development Plan. 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. Services, phasing and off-site impact.

1. Addresses fiscal impact of the project.
2. Provides an appropriate phasing plan which minimizes unnecessary utility extensions and adequately addresses other fiscal concerns of the Town.
3. Adequate water resources have been conveyed or purchased. Existing or proposed water and wastewater systems can support the proposed development pattern, uses and density.
4. Existing or proposed stormwater systems can support the development and will comply with applicable regulations. Provides phased improvements in a logical and efficient manner.
5. Provides adequate consideration to the future extension of streets and utilities to adjacent properties.
6. Identifies and appropriately mitigates all traffic impacts, on- and off-site.

Analysis: The proposed Planned Development Plan meets this criterion. The PDP provides adequate and efficient utility plans for water, stormwater and wastewater, which considers existing conditions of the site and necessary ingress and egress improvements.

E. Open space, public lands and recreation amenities.

1. Provides adequate trails, parks, recreation and open space.
2. Provides an adequate trail system in terms of internal circulation and appropriate external connections.
3. Provides functional open space for recreation, views, density relief, convenience, function and preservation of natural features, including significant tree stands, ridges, and stormwater areas. Open space reservations and public land dedications are of an appropriate configuration and location within the site and comply with any applicable requirements of Chapter 16.08, CRMC and this Title.

Analysis: The proposed Planned Development Plan meets this criterion. The plan provides over 32% of the site as open space and park land, including miles of trails and new sidewalks along roadways. The plan includes several new park areas, including significant tree stands.

Additionally, the PD has view plane regulations that will limit overlot grading in seven planning areas with the most significant trees, allowing many of these to be preserved.

F. Preservation of Natural Features.

1. Demonstrates sensitivity and limits disturbance to the site in terms of plan design and density to the site's major environmental characteristics including drainageways, topography, view sheds and vegetation.
2. The proposed PD Plan and zoning accommodate the Skyline/Ridgeline Protection Regulations in Chapter 17.48 and reasonably mitigates visual impacts upon off-site areas.
3. Consideration shall be given to wildlife impacts in the layout of open space areas. Where designated threatened or endangered species are present, the development must conform to all applicable state and federal restrictions and permitting requirements.

Analysis: The proposed Planned Development Plan meets this criterion. As previously noted, the Planned Development Plan preserves areas of natural drainage and slopes, mature vegetation, and areas of wildlife habitat and corridors. Instead of being subject to the Skyline/Ridgeline Protection Regulations in Chapter 17.48, the PD's View Plane Protection Area regulations will apply and preserve many of the mature trees, providing a visual buffering of new structures.

Budget Impact

The Pine Canyon Pre-Annexation Agreement included a credit for application fees that have been previously paid to the Town, as well as the Town covering the costs of mailing notices for the annexation and zoning neighborhood hearings. This development will pay their required building and impact fees, as all other developments within the Town pay.

Findings

All staff review comments and external referral comments have been addressed. Staff finds the proposed Pine Canyon Planned Development Plan and Zoning Regulations:

- Generally conforms with the objectives of the Town Vision and the Comprehensive Master Plan,
- Meets the review and approval criteria of the Municipal Code, Chapter 17.32 and Chapter 17.34 for a Planned Development Plan
- Conforms with the obligations outlined in the Pre-Annexation Agreement.

Recommendation

Staff recommends that Planning Commission recommend approval of the Planned Development Plan, as proposed, to Town Council.

Proposed Motion

Option 1: Approval

"I move to recommend approval of the Planned Development Plan, to Town Council."

Option 2: Approval with Conditions

"I move to recommend approval of the Planned Development Plan, to Town Council, with the following conditions:" (list conditions)

Option 3: Continue item to next hearing (need more information to make decision)

"I move to continue this item to the Planning Commission meeting on [date], at [time]."

Attachments

Attachment A: Vicinity Map

Attachment B: Planned Development Plan

Attachment C: Pre-Annexation Agreement

Attachment D: Public Comment