

## AGENDA MEMORANDUM

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

**Through:** Dave Corliss, Town Manager

**From:** Tara Vargish, P.E., Director, Development Services

**Title:** **An Ordinance Approving the Canyons Far South Development Agreement and Purchase Option Agreement; and Vesting a Site Specific Development Plan through December 31, 2037 (Second Reading)**

### Executive Summary

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

Town Council voted to continue the public hearing for the Canyons Far South Development Agreement from January 3, 2023 to February 21, 2023. The purpose for the continuance was to allow the Development Agreement ordinance to be heard with the Annexation and Zoning ordinances.

Low Enterprises (the "Parties") is requesting to enter into a Development Agreement (DA) with the Town for property known as Canyons Far South Planned Development, that is located east of Founders Parkway, west of Castle Oaks Drive, north of Crimson Sky Drive and south of Crowfoot Valley Road (Figure 1) (Attachment A). In addition, the Parties are requesting vested property rights through December 31, 2037.

The property is currently under consideration for annexation and zoning as a Planned Development (PD) under separate land use applications. If the Canyons Far South Annexation and Planned Development Plan and Zoning Regulations are approved, the Parties must enter into a Development Agreement with the Town to define the obligations of the property owners and the Town relative to the development of the property.

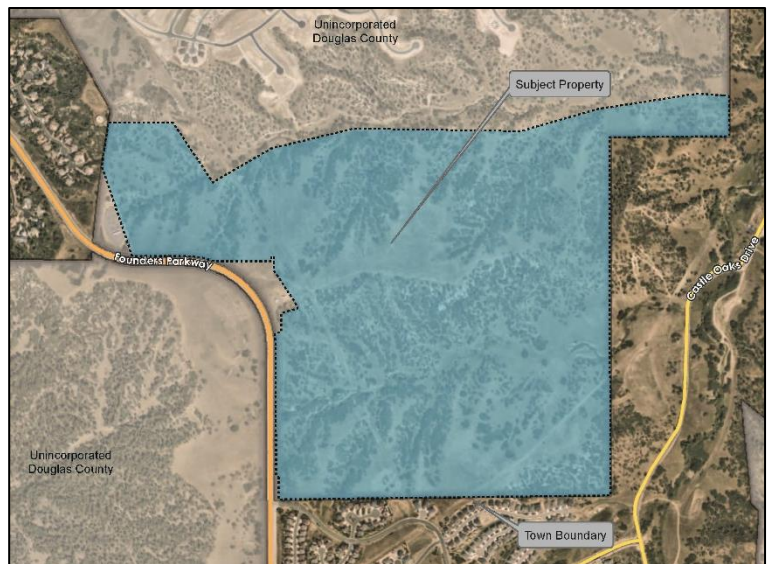


Figure 1: Site Vicinity Map

A DA is a legally binding contract between the property owners and the Town that requires public hearings before Town Council, who shall review and make a decision upon the proposed DA.

### **Proposed Development Agreement**

The Canyons Far South Development Agreement addresses infrastructure improvements, development phasing, open space conveyances, water rights conveyances, Town service obligations and other relevant items (Attachment B). These obligations are intended to be mutually beneficial, as well as enhance public health, safety and welfare. Some of the key components of the DA are briefly summarized below.

#### **Vested Property Rights – Section 10.01**

The Canyons Far South Planned Development Plan, inclusive of the embedded PD Zoning Regulations, constitutes a site specific development plan pursuant to Chapter 17.08 of the Castle Rock Municipal Code and §24-68-101, *et seq.*, C.R.S., and establishes vested property rights that shall extend through December 31, 2037, to undertake and complete the development and use of the property in accordance with this Planned Development Plan.

#### **Commencement of Development – Section 2.05**

The owner must complete the construction of at least \$500,000 in public improvements, excluding soft costs, and the issuance of the first building permit for a single-family residential structure by December 31, 2032, otherwise the right of the owner under this Development Agreement and Town Regulations to undertake further development of the property, or to obtain permits for construction shall be suspended by the Town Council.

#### **Water Rights Conveyance and Water Credit - Sections 5.02 and 5.03**

Concurrent with the recordation of the Development Agreement, the owner shall convey the groundwater rights to the Town by special warranty deed. The groundwater rights are converted into development entitlements that are referred to as Water Credit. Water Credit is expressed as a single-family equivalent (SFE).

The total groundwater rights to be deeded to the Town is 465 acre feet; however, only 454.11 acre feet has been determined to have marketable title. Therefore, with the conveyance of the marketable 454.11 acre feet of ground water rights, a Water Credit of 412.83 SFE will be established for the property.

#### **Renewable Water Resources – Section 5.07**

The property is identified as an excluded property per the Town of Castle Rock Inclusion Map. As such, the owner must satisfy the requirements of Section 4.04.045A of the Municipal by doing one or a combination of the following to provide sufficient Renewable Water Resources to support the estimated wet water demand of 153 acre feet, as established in the Water Efficiency Plan:

- Acquire sufficient Renewable Water Resources; or
- Enter into a mutually-agreeable purchase option agreement with the Town to purchase at Town's cost, Renewable Water Resources and/or Irrigation Demand Reduction Measure identified and purchased by the Town and earmarked for the Property. A purchase option agreement is attached as an exhibit to the Development Agreement.

The requirement to provide Renewable Water Resources is distinctly separate from, and in addition to, the groundwater rights dedication requirement described above.

Water Efficiency Plan – Section 5.08

A Water Efficiency Plan (WEP) has been developed for Canyons Far South and shall be implemented by the owner for all residential and non-residential development within the PD (Attachment B, Exhibit 3). The Water Efficiency Plan will be incorporated into all conveyance documents for the property, private covenants and restrictions. All residential and non-residential development is subject to the requirements of shall be required to implement and follow the Water Efficiency Plan requirements.

The Canyons Far South WEP restricts residential use of irrigated turf to a maximum of 500 square feet in rear yards only, and allows only Coloradoscape landscaping in the front yards. Residential pools are prohibited.

Water, Wastewater and Stormwater – Section 7.01

The owner is required to construct the following Town water and wastewater improvements

- A 16" water line from Crowfoot Valley Road to Crimson Sky Drive, and
- A 12" water line from the Purple Zone Water Storage Tank 11 to a stub-out point located north of the Pioneer Ranch property.

Lift Stations – Section 7.03

The owner shall pay a wastewater lift station fee of \$715 per SFE for the purpose of reimbursing the Town for a pro rata share of the costs the Town has incurred in association with the construction of the Castle Oaks Lift Station.

Drainageway Improvements – Section 7.04

The owner shall be responsible for preserving and fully stabilizing all major drainageways within the PD boundaries having a watershed area greater than 130 acres.

Transportation Improvements – Section 8.01 through 8.05

- Founders Parkway Right-of-Way Conveyance: The owner shall convey, at no cost to the Town, the necessary right-of-way for Founders Parkway, as determined necessary by the Colorado Department of Transportation (CDOT) and depicted on the PDP.

- Founders Parkway Intersection Control: The owner shall design and construct a new intersection for future access to the property on Founders Parkway, to include a roundabout or traffic signal, turn lanes, acceleration and decelerations lanes and striping as identified in the Traffic Impact Analysis.
- Castle Oaks Drive Roadway Connection: In the first phase of the project, the owner shall design and construct a roadway connection between the property and Castle Oaks Drive, as depicted in the PD Plan.
- Founders Sidewalk Improvement: In the first phase of the project, the owner will design and construct a 10-foot concrete sidewalk adjacent to the east and north sides of Founders Parkway from Crowfoot Valley Road to Crimson Sky Drive, as depicted in the PD Plan.
- Macanta Boulevard Connection: The owner acknowledges that a connection from the property to Macanta Boulevard, located in the adjacent Macanta subdivision, is necessary for the development of the Canyons Far South project. In the event that Macanta Boulevard has not been extended to the property's collector road prior to the issuance of the first building permit for the project, the owner shall design and construct the extension of Macanta Boulevard as depicted in the PD Plan.

Public Lands and Improvements – Sections 9.01 and 9.02

- The public land tract identified as OSD-2 in the PD Plan shall be conveyed to the Town within 30 days following the effective date of this Development Agreement.
- All other public land tracts will be dedicated to the Town either with the first Plat that contains the public land, or with the first Plat adjacent to the public land, whichever occurs first.
- The owner shall be responsible for the design and construction of the following improvements on the public lands as described below:
  - Any required parking facilities, picnic tables and shade structures for the Town park, identified as PLD-1 on the PD Plan,
  - Berms and landscaping to serve as a buffer within OSD-3,
  - A natural surface trail system, as per the Town's Soft Surface Sustainable Trail Development Guide, located generally as shown on the PD Plan, and
  - A 10-foot wide concrete surface, all-weather trail connecting Founders Parkway and Castle Oaks Drive, in an alignment generally shown on the PD Plan.

Wildland Urban Interface Mitigation

All public lands and other parcels to be conveyed to the Town shall be assessed, at no cost to the Town, by a professional that is familiar with Wildland Urban Interface (WUI) mitigation. The owner shall contract with a contractor familiar with WUI mitigation to perform all identified treatments deemed necessary to meet the current Community Wildfire Protection Plan, as a condition of acceptance of the property by the Town.

### **Budget Impact**

The Canyons Far South Development Agreement formalizes the developer/owner's financial obligations to adequately address impacts of the development on Town infrastructure and services.

### **Finding**

Staff finds that the proposed obligations outlined in the Canyons Far South Development Agreement are adequate to support the proposed Canyons Far South Planned Development.

### **Recommendation**

Staff recommends approval of the Canyons Far South Development Agreement and Vesting a Site Specific Development Plan through December 31, 2037, as proposed.

### **Proposed Motions**

#### **Option 1: Approval**

*"I move to approve this Development Agreement Ordinance, as presented."*

#### **Option 2: Approval with Conditions**

*"I move to approve Development Agreement Ordinance, 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 Town Council meeting on [date], 2023, at [time]."*

### **Attachments**

Attachment A: Vicinity Map

Attachment B: Ordinance