



Meeting Date: October 21, 2025

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services

Title: **Resolution: Crystal Valley Ranch Filing 14, Block 2, Lot 1 - Proposed Property Conveyance** (*located north of Crystal Valley Parkway, east of Rhyolite Park and west of Lake Gulch Road*)

Executive Summary

This resolution is being presented to Town Council to convey certain real property, described as Crystal Valley Ranch Filing 14, Block 2, lot 1, back to the prior landowner in conformance with the Development Agreement obligations approved by Town Council in 2007 as part of the Crystal Valley Ranch Second Amended and Restated Development Agreement (DA). Additionally, the resolution authorizes the Town Manager to execute a Memorandum of Understanding with the developer on the development plan with additional buffers and cul-de-sacs adjacent to existing residential development, and lays out a target schedule to swap an additional strip of land to provide the buffer and process the necessary rezoning of this area.



Figure 1: Vicinity Map

Notification and Outreach

Public Notice

Public hearing notice signs were posted on the property on July 31, 2025. Written notice letters were sent to property owners and Homeowner Associations (HOA) within 500 feet of the property, at least 15 days prior to the public hearing on Sept 2, 2025. At that hearing, Town Council continued the public hearing item to October 21, 2025. No additional mailing was required. Town staff published notice of the Town Council public hearing on the Town's website.

Background

Crystal Valley Ranch Filing 14, Block 2, Lot 1 is a 21-acre property that is located north of Crystal Valley Parkway, east of Rhyolite Park and west of Lake Gulch Road. The property was zoned in 2011 as part of the Crystal Valley Ranch Planned Development, 4th Amendment. Permitted uses on the property include single-family attached and detached, townhomes and multifamily residences.

In 2007 an amendment to the Crystal Valley Ranch Development Agreement (DA) was approved by Town Council. Under the provisions Article VII Public Lands, of the amended DA (Attachment C), the subject lot was dedicated to the Town of Castle Rock to be held as a potential school site until such time as the Douglas County School District (DCSD) either used it for a school or provided written notice to the Town that the district did not intend to use the site for a school. In the event that the School District provided such notification, the Town is required to re-convey the property to the original owner for development under the applicable zoning regulations.

The 21-acre parcel has been vacant since being zoned and later dedicated to the Town of Castle Rock. Over the years the Town's Parks and Recreation Department has installed disc golf improvements on the land to temporarily take advantage of the vacant property and provide residents with an outdoor recreation amenity. It is the Town's intent to relocate those disc golf improvements to facilitate conveying the property back to the original developer.

Discussion

On January 28, 2025, the Douglas County School District RE-1 entered into an agreement (Attachment D) with the developer Maple Grove Land Limited Partnership, where DCSD determined that this parcel was surplus and no longer needed for a school site. That agreement required DCSD to send a letter to the Town, per the requirements of the Development Agreement, to initiate the re-conveyance of the parcel back to the developer. Additionally, at such time as the Town conveys the land to the developer, the developer is obligated to pay DCSD \$500,000 as a cash-in-lieu payment to be a substitute for the school site.

Douglas County Superintendent of Schools, Erin Kane, sent the Town a letter dated February 3, 2025, (Attachment E) notifying the Town that due to changing enrollment patterns the DCSD Board of Education has determined that the subject property would not be used by the School District for a school, satisfying the DA requirement to re-convey the parcel to the original developer.

At the September 2, 2025, Council meeting, the following 3 options were discussed as it relates to future development of the parcel"

Option 1:

Option 1 would be to convey the parcel "as is" to the Developer. The developer has submitted a preapplication for residential development of the parcel for 112 single family lots, with similar lot sizes and road connectivity to the adjacent existing homes to the east. This layout would align with the current development proposal from the applicant, shown in this sketch with roadway connections to the neighborhood to the east, and no roadway connection to Rhyolite Park on the west



Option 1 Sketch

Option 2:

A second option for Council consideration is to swap an approximately 45 feet width of land on the west side of the current parcel with the developer for similar acreage on the east side of this parcel. That would allow the future developed area to have an increased buffer on the east side with the existing homes. This layout includes a road connection to Rhyolite Park on the west, and replaces a proposed roadway behind existing homes with a landscaped buffer area on the east. This option is more procedurally complicated than



Option 2 Sketch

the reconveyance outlined in the Development Agreement, as it would require a land swap with the developer and the Town for this 45 ft wide strip of land on the west side for similar acreage on the east, and would require this 45 ft strip to be rezoned to match the current parcel. This option would provide some buffering with existing neighbors on the east side of the parcel.

Option 3:

A third option is very similar to Option 2, however the northern most road connection to the existing neighborhood is turned into a cul de sac, eliminating that as a route for existing or new residents to use. An emergency vehicle access would likely be needed in this location to satisfy Fire access requirements. This option, like Option 2, would require a swap of land with the Town and rezoning of the 45 ft wide strip of land on the west side of the parcel.



Option 3 Sketch

Under any of these options, once the land has been conveyed to the Developer, the development of the property will require a site development plan submittal, review and future public hearings before Planning Commission for recommendation, and before Town Council for final decision on the layout.

Council continued the public hearing from Sept. 2, 2025, to Oct 21, 2025, to allow for further coordination with the developer. That coordination has led to a draft Memorandum of Understanding (MOU) with the developer on a development plan (Option 3 above) with additional buffers and cul-de-sacs adjacent to existing residential development. The MOU also lays out a target schedule to swap the additional strip of land to provide the buffer and process the necessary rezoning of this area.

Staff Recommendation

Staff recommends Council approval of the proposed resolution that conveys the existing parcel back to the developer, per the terms of the Development Agreement, and also approves the

Memorandum of Understanding with the developer to layout the preferred option (Option 3 above), as well as provide direction to swap land with the Town to provide an additional buffer for the development, and layout the general timelines for the associated rezoning.

Proposed Motion

Option 1:

"I move to approve the Resolution as introduced by title."

Option 2:

"I move to approve the Resolution with the following changes: _____"

Option 3:

"I move to continue to public hearing to _____ (date) _____, to allow for further information to be provided on _____. "

Attachments

Attachment A: Resolution

Attachment B: Vicinity Map

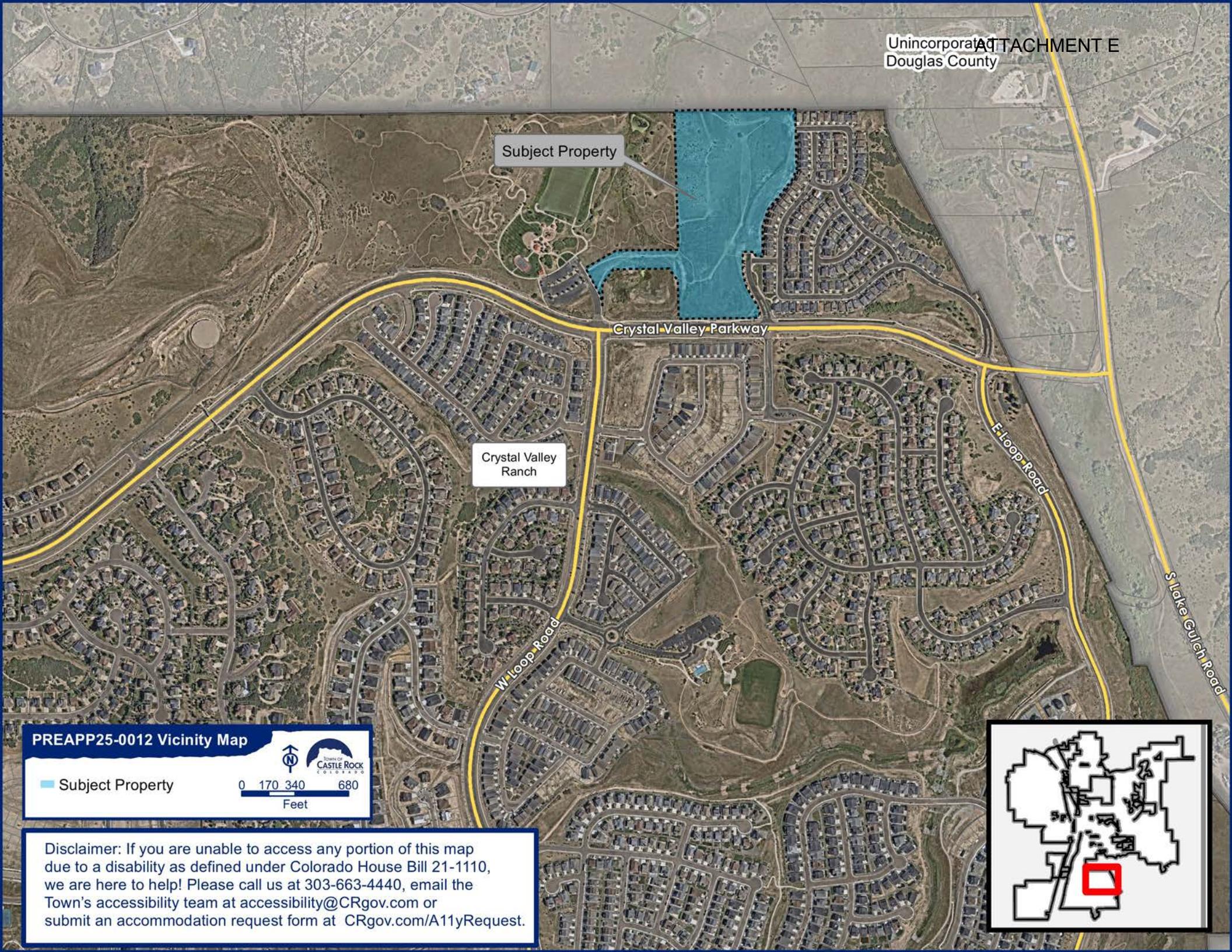
Attachment C: CVR DA, Article VII, Section 7.01

Attachment D: Agreement between DCSD and Developer

Attachment E: DCSD Written Notice Letter

Attachment F: Public Comment

Attachment G: Photos of CVR F14 Lot 1



shall not be entitled to any credit or offset against any Development Exaction as a result of the payments made under this Section 6.18.

6.18 Crystal Valley Parkway. Approval of any Plats that result in total platted units of 1297 in CVR shall be conditioned on the concurrent expansion of Crystal Valley Parkway to four lanes and associated improvements, including the South Lake Gulch Road acceleration/deceleration lanes.

6.19 Facilities Control. Upon dedication of Facilities by Owner and acceptance by Town, Town shall have the exclusive management control of the Facilities and all capacities therein. Town may use or allow others to use the capacities in the Facilities, provided that the capacities developed by Owner at Owner's cost shall be reserved for the benefit of the Property, or if used by Town to serve other properties, Town shall provide replacement or alternative capacities in such a manner as to not impede development on the Property.

6.20 Subdivision Improvements Agreement. The Town Regulations require that a subdivider enter into a SIA at the time of approval of a Plat. The SIA addresses with greater specificity the Facilities to be constructed to serve the Plat and the financial guarantees to assure construction of the Facilities. Unless modified in the SIA, the provisions of this Article VI will apply to the development of such Facilities, irrespective of whether or not reference to this Article VI is made in the SIA.

ARTICLE VII PUBLIC LANDS AND FACILITIES

7.01 Required Dedication. The provisions in this Agreement for dedication of Public Lands shall supersede the requirements in the Town Regulations for dedication of a portion of the area of each Plat for Public Land. All Public Lands designated on the Development Plan that have not previously been dedicated shall be conveyed to the Town in accordance with the following schedule:

| Parcel | Acreage | Trigger |
|----------------------------------|---------|---|
| OSD – Butte | 44.0 | Pursuant to the Purchase Contract (see 7.11, below) |
| OSD – (Area surrounding Butte) | 89.3 | Concurrently with conveyance of the Butte (see 7.11, below) |
| PLD – Middle School Site | 20.9 | The first to occur of the following: (1) recordation of the first plat in PA-3, (2) within 30 days notice that School District funding is in place for school, or (3) December 31, 2009 |
| PLD – School/Park Site/Well Site | 20.2 | With recordation of the this Agreement |
| OSD – Regional Detention Pond | 3.4 | At substantial completion of the Crystal Valley Parkway Widening or December 31, 2007, whichever occurs first |
| PLD/UD – Well Site | 2.0 | With recordation of first plat within PA-6, PA-7, or PA-17 or December 31, 2008, whichever occurs first |
| PLD/UD – Well Site | 2.0 | With recordation of first plat within PA-15E-South, PA-16A, PA-16B, PA-17 or December 31, 2008, whichever occurs first |
| PLD/UD – Well Site | 3.8 | With recordation of first plat in PA-4 or December 31, 2008, whichever occurs first |
| OSD – Trail ⁹ | 14.9 | With first plat in PA-15E-North |
| OSD - Trail ⁹ | 21.6 | With first plat in PA-15 Southwest, or PA-15E-South |

Irrespective of the dedication to the Town of the 20.9-acre middle school site, in the event that the Douglas County School District RE-1 gives written notice to Town that it will never utilize the site for a school, then in that event the site may be

⁹ Owner shall be responsible for the design and construction of the trail. Upon completion and final acceptance of the trail by Town, Town will assume all maintenance responsibilities.

developed in accordance with the Development Plan, and Town shall re-convey the site to the Owner with the same quality of title as the Town received.

7.02 Conveyance. All Public Lands shall be conveyed to Town by special warranty deed, subject to matters of record but free and clear of liens, or other title impediments that would preclude Town from utilizing the property for its intended purposes, as reasonably determined by Town. Real property taxes shall be pro rated through the date of conveyance and paid by Owner. Unless otherwise provided in the Town Regulations to the contrary, the grantor shall furnish the Town with a policy of title insurance, issued by a title company licensed to do business in the State of Colorado, in an amount reasonably approximating market value of the Public Land in its undeveloped condition and reflecting its current zoning as the highest and best use.

If so requested by Town or required by the Town Regulations, Owner shall complete a Phase 1 environmental audit of all Public Lands prior to conveyance and acceptance by Town, and shall be solely responsible for any remedial environmental measures of hazards identified in the audit. Section 7.11 and the provisions of the referenced Real Estate Purchase Contract contain additional provisions and terms related to the conveyance of the real property that is the subject of that agreement.

7.03 Exclusion of Covenants. Owner shall exclude all Public Lands from application and effect of restrictive covenants, which may otherwise be imposed on the Property. If any Public Lands are inadvertently made subject to such covenants, this Agreement shall constitute the irrevocable consent of the Owner and the Board of Directors of any homeowners association to the exclusion of the Public Lands from the application of such covenants. However, prior to constructing or placing any structures on Public Land, Town shall give Owner and the applicable homeowner's association a reasonable opportunity to review and comment on the design and plans for any such improvements, but Town shall retain the ultimate authority to determine what improvements are placed on Public Lands.

7.04 School Impact Fee. Owner has negotiated separately with the Douglas County School District to provide supplemental funds to the District to defray the impacts on school construction attributable to development of the 2006 Annexation

AGREEMENT TO SURPLUS DEDICATED SCHOOL SITE

This Agreement to Surplus Dedicated School Site ("Agreement") is made and entered into this 28th, day of January, 2025 ("Effective Date"), by and between Douglas County School District RE-1 ("District"), a public school district of the State of Colorado, and CVR PA3A LLC, a Colorado limited liability company, as successor in interest (as it pertains to the reconveyance contemplated by this Agreement) to Maple Grove Land limited Partnership, a Minnesota limited partnership, Putnam CVR LLC, a Minnesota limited liability company, and Wayne E. Brown Family L.L.C., a Minnesota limited liability company ("Owner").

RECITALS

WHEREAS, the District is a public school district whose Board of Education ("Board") has the authority to sell and convey District property which may not be needed within the foreseeable future for any purpose authorized by law, and upon such terms and conditions as the Board may approve; and

WHEREAS, the Owner is the successor in interest with respect to the reconveyance interest in that certain Crystal Valley Ranch Second Amended and Restated Development Agreement with the Town of Castle Rock ("Town") dated February 21, 2012 and recorded in the Official Records of Douglas County, Colorado at Reception No. 2012013156 (the "Development Agreement"), pursuant to which Owner conveyed certain real property located in Douglas County, Colorado and more particularly described as Lot 1, Block 2, Crystal Valley Ranch Filing No. 14 (the "School Site") to the Town to be held for the benefit of the District as required by the then-current Town Municipal Code; and

WHEREAS, the Development Agreement provides that in the event the District gives written notice to the Town that it will never use the School Site for a school, then the Town shall re-convey the Site to Owner; and

WHEREAS, due to a change in enrollment patterns, the District has determined that it will never use the School Site for a school and that cash in lieu of land dedication in the amount of Five Hundred Thousand Dollars and No/100 (\$500,000.00) (the "Cash in Lieu Payment") is acceptable as a substitute for the School Site; and

WHEREAS, the Owner desires to have the District relinquish its interest in the School Site by providing written notice to the Town and, upon acquisition of the School Site from the Town, to pay the Cash in Lieu Payment to the District; and

WHEREAS, the District desires to cause the Town to re-convey the School Site in consideration for the Cash in Lieu payment subject to the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, incorporated by reference herein, the mutual covenants set forth in this Agreement, and other good and sufficient consideration, the parties agree as follows:

1. Request to Surplus Property. The District shall recommend surplus of the School Site to the Board at its January 28, 2025 regular meeting.
2. Written Notice of Non-Use. If the Board approves the District's recommendation to surplus the School Site, then within five (5) business days thereof, the District shall notify the Town in writing, with a copy to Owner, that it does not intend to use the School Site for a school and shall use reasonable efforts to cooperate with Owner in acquisition of the School Site from the Town; provided that District shall not be obligated to incur any out-of-pocket expenses in providing such cooperation. If the School Board rejects the District's recommendation, then this Agreement shall terminate.
3. Participation in Closing; Cash in Lieu Payment. Contemporaneous with and as a condition of its closing of escrow on the acquisition of the School Site from the Town in accordance with the Development Agreement ("Closing"), the Owner shall pay the Cash in Lieu Payment to the District in good funds. The Owner shall provide a copy of this Agreement to the title company conducting the Closing and shall include the District as a party to closing for the purpose of receiving the Cash in Lieu Payment.
4. Termination. Subject to earlier termination as provided herein, this Agreement shall terminate on the earlier of the Closing or May 1, 2025.
5. Miscellaneous.
 - a. **Entire Agreement.** This Agreement represents the entire agreement of the Parties hereto, and no Party has relied upon any fact or representation not expressly set forth herein. This Agreement supersedes all other prior agreements and understandings of any type, both written and oral, between the Parties with respect to the subject matter hereof.
 - b. **Notice.** All notices, requests, consents and other communications required or permitted under this Agreement shall be (as elected by the person giving such notice) hand delivered by messenger or courier service, by electronic mail, or pre-paid first-class certified mail, return receipt requested, addressed to the

respective party at the address set forth in the first paragraph of this Agreement or to such other addresses as any party may designate by notice complying with the terms of this Section. Each such notice shall be deemed delivered (i) on the date delivered if by personal delivery, (ii) on the date received if by electronic mail; or (iii) three (3) days after postmark if mailed as provided in this Section:

To District: Douglas County School District
 Attn: Rich Cosgrove
 620 Wilcox Street
 Castle Rock, CO 80104
 Email: rdcosgrove@dcsdk12.org

To Owner: CVR PA3A LLC
 1700 Lincoln Street, Suite 2100
 Denver, Colorado 80209
 Email: gregg@cvranch.com

- c. **Governing Law/Venue.** The laws of the State of Colorado shall govern the performance and interpretation of the Agreement. Venue for any dispute concerning the Agreement or to enforce any provision herein shall be exclusively in the federal court located in Colorado or the state court located in Douglas County, Colorado.
- d. **Recording.** Upon full execution hereof, the District may record this Agreement in the real property records of Douglas County, Colorado.
- e. **Amendments to Agreement.** No changes, alterations or modifications to any of the provisions hereof shall be effective unless contained in a written agreement signed by both Parties.
- f. **Waiver.** A failure to assert any rights or remedies available to a Party under the terms of this Agreement, or a waiver of the right to remedies available to a Party by a course of dealing or otherwise shall not be deemed to be a waiver of any other right or remedy under this Agreement, unless such waiver of such right or remedy is contained in a writing signed by the Party alleged to have waived his other rights or remedies.
- g. **No Assignment.** Except as otherwise provided, herein, this Agreement may not be assigned by a Party without the other Party's prior written consent.

- h. **Counterparts.** This Agreement and any amendments may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of executing this Agreement, facsimile or scanned signatures shall be as valid as the original.
- i. **Cooperation.** Each Party agrees to perform all other acts and execute and deliver all other documents as may be reasonably necessary or appropriate to carry out the purposes of this Agreement.
- j. **Severability.** If any provision of this Agreement is ruled to be invalid or illegal, such ruling shall have no effect upon the remaining provisions, which shall be considered legally binding and given full effect.
- k. **Days.** Whenever the term "day" or "days" appears in this Agreement, it shall be construed as business day(s) not including holidays or weekends.
- l. **No Third-Party Rights.** This Agreement is for the benefit of the District and the Owner and creates no rights in third parties.

[Signatures appear on next page.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DOUGLAS COUNTY SCHOOL DISTRICT

By: Erin Kane
Name: Erin Kane
Title: Superintendent

CVR PA3A LLC,
a Colorado limited liability company

Signed by:
By: Gregg Brown
EED406B6C8CE40A...

Gregg Brown, Manager



February 3, 2025

Via Email

Tara Vargish, PE
Director Development Services
Town of Castle Rock
tvargish@crgov.com

Re: Written Notice Concerning Lot 1, Block 2, Crystal Valley Ranch Filing No. 14, Douglas County, Colorado ("School Site")

Dear Ms. Vargish:

In accordance with Section 7.01 of the Crystal Valley Ranch Second Amended and Restated Development Agreement ("Development Agreement") between the Town of Castle Rock ("Town") and CVR PA3A LLC as the successor in interest to Maple Grove Land Limited Partnership, Putnam CVR, LLC, and Wayne E. Brown Family, LLC ("Developer"), this letter serves as written notice that due to changing enrollment patterns, the Douglas County School District Board of Education has determined that it will not use the School Site for a school. We understand that upon receipt of this letter, the Town will re-convey the site to the Developer.

Thank you for your attention to this matter and please contact Rich Cosgrove (richard.cosgrove@dcsdk12.org), the District's Chief Operations Officer, or Kristin Edgar (kedgar@celaw.com), the District's outside counsel, if you have any questions.

Sincerely,

Erin Kane

Erin Kane
Superintendent

cc: Gregg Brown (via email to gregg@cvranch.com)
Jeremy Rothstein (via email to jrothstein@sennlaw.com)
Mike Hyman (via email to mhyman@crgov.com)
Rich Cosgrove (via email to richard.cosgrove@dcsdk12.org)
Kristin Edgar (via email to kedgar@celaw.com)