

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: Bill Detweiler, Director, Development Services

From: Donna Ferguson, Planner II, Development Services

Title: **Ordinance Annexing to the Town Of Castle Rock, Colorado a 4.568 Acre Property Located in the Northeast One-Quarter of Section 34, Township 7 South, Range 67 West of the Sixth Principal Meridian, County of Douglas, State of Colorado** [*Castle Rock Industrial Park Annexation*] (Second Reading)

Executive Summary

First reading of this application occurred on June 20, 2017; Town Council voted 6-0 to approve the annexation as presented. The second reading was previously scheduled for July 18, 2017 but the applicant chose to table the hearing until today in order to settle a site development matter.

Polo Properties Holdings, LLC is proceeding with an application for Annexation for property known as Castle Rock Industrial Park which was previously owned and brought forward for Annexation



Figure 1: Location Map

consideration by Castle Rock Industrial Park, LLC. The property resides within an industrial area of Town and is sandwiched between the Union Pacific Railroad and Highway 85 where Liggett Road spurs off of Highway 85 (Figure 1).

Annexation into the Town of Castle Rock would permit the property to access Town infrastructure and services and help the Town fill in an industrial land use area within its boundary and grow its tax base. Applications for Annexations require public hearing before Town Council for review and approval.

The Proposed Annexation

The proposed annexation property is 4.568 acres in size and currently under the jurisdiction of Douglas County. It is addressed as 2801 Highway 85 and owned by Polo Properties Holdings, LLC who took ownership of the property from Castle Rock Industrial Park, LLC on February 1, 2017. It is currently an industrial site being used for large vehicle storage.

Discussion

Background

Castle Rock Industrial Park's Annexation Petition was accepted and filed with the Town Clerk on August 30, 2016. The Annexation Petition was then reviewed by Town Council in two hearings as prescribed by State statute; a Substantial Compliance hearing on October 4, 2016, and an Eligibility hearing on November 15, 2016. Town Council found the Annexation Petition to be in substantial compliance with Section 30 of Article II of the Colorado Constitution and also found it to meet the required statutory findings concerning its eligibility for annexation.

Existing Conditions

The subject property lies within an industrial area made up of a patchwork pattern of Town and County properties (Figure 2). It is an industrial site currently being used for large vehicle storage but was formally the site of a concrete mixing business. The property contains large concrete pads and concrete wall dividers but no buildings. There is also a well which has been abandoned and an old septic system. The property has access to both Highway 85 and Liggett Road which are both Town owned streets that have minimal street improvements. However, annexation of the subject property would provide an opportunity for the Town to exact additional street improvements such as street lights, sidewalks and street landscaping.

To the north of the subject property resides vacant industrial land, to the east and across Highway 85 lies property owned by the Douglas County School District which contains bus storage and an ancillary office and service building, to the south is an auto body repair business and to the west and across the railroad is a single family home on property zoned agricultural and under the jurisdiction of Douglas County.

Proposed Zoning

The proposed zoning district classification for the property is I-2 General Industrial. Town Council will review the proposed zoning under a separate Zoning application.

Proposed Development Agreement

The proposed Development Agreement (DA) addresses required infrastructure improvements, public land conveyances, water rights conveyances, Town service obligation and other relevant items. Town Council will review the proposed DA under a separate Development Agreement application.

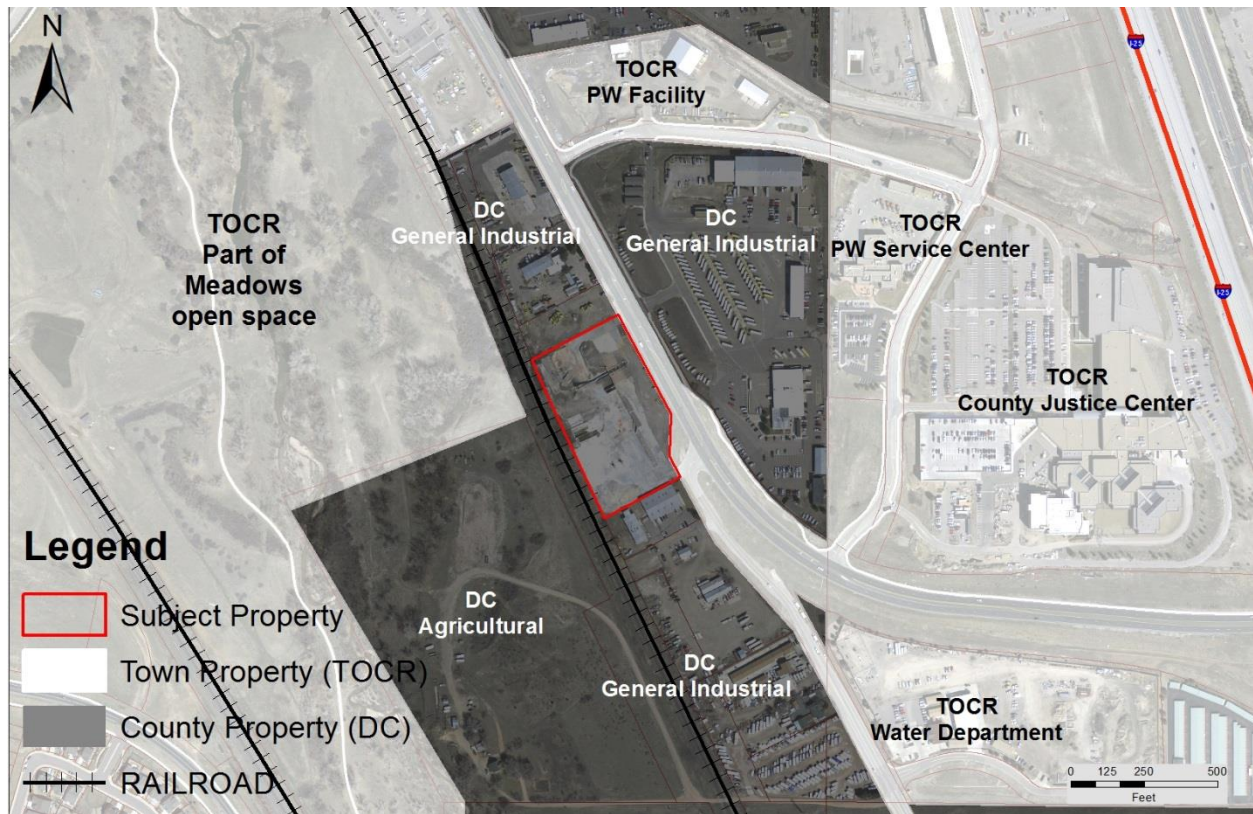


Figure 2: Surrounding Zoning & Use Map

Water Dedication

If the annexation is approved, the applicant will dedicate the groundwater underlying the property to the Town. The groundwater yields 2.38 single family equivalents (SFE). This underlying ground water will be conveyed to the Town, free and clear of encumbrances, at the time of annexation.

Neighborhood Outreach, External Referrals and Notices

On November 17, 2016 Bob Hier, representing Castle Rock Industrial Park, LLC, held a neighborhood open house at the office of Hier and Company Inc. to share and discuss the proposed applications for annexation and zoning. One neighbor attended the open house. The neighbor asked about the site's ultimate development. Mr. Hier answered candidly that they were in talks with a potential buyer for a flexible industrial use and that they were proposing to zone the property General Industrial (I-2). The neighbor responded by nodding her head and saying that the zone district and the use made sense for the area.

External referrals were sent to Douglas County, other various jurisdictional partners as well as the Town's utility service providers with no objections being reported.

Posted, written and published notices were performed in accordance with the Town of Castle Rock Municipal Code.

Review and Approval Criteria

The application for Annexation was reviewed and processed as prescribed in Title 20 of the Town's Municipal Code.

The application for Annexation was also reviewed and found to be consistent with the objectives of the Town's Vision.

Lastly, the application for Annexation was reviewed against and found to meet the following Annexation criteria outlined under the Comprehensive Plan's Growth Management Principle and Policies for Infill Development and Annexations (GM-5):

- A. The annexation is a logical extension of Town boundaries.

Approximately 33% of the boundary of the proposed site is contiguous with Town property. In addition, the annexation of the property would fill a hole within the Town limits. Town services and infrastructure are located adjacent to the site and provide for an efficient use of Town resources.

- B. The annexation and proposed development will have a demonstrated benefit to the Town.

The annexation of the Castle Rock Industrial property will provide needed upgrades to Highway 85 and Liggett Road, both Town owned roads, when the property develops. Additionally, all surplus water rights acquisitions will be dedicated to the Town.

- C. The annexation and proposed development can be provided with adequate urban services that are capable of being integrated into the Town's existing or planned utility, transportation, public safety and general services systems in a financially responsible manner.

The site will be connected to existing utilities that are already in place adjacent to the site.

- D. The annexation and proposed development shall not have a negative fiscal impact on the Town.

Because the annexation property is less than 10 acres in size an annexation impact report was not required for this application for Annexation. However, the annexation of the property and its proposed development as a commercial/industrial use is expected to enhance the municipal tax base. Furthermore, the project will be required to pay for the required public improvements necessary for its development as well as the appropriate impact and review fees. As such, it is not expected that the annexation and proposed development will have a negative fiscal impact on the Town.

- E. The annexation and proposed development shall preserve the environmental quality of life provided for Castle Rock residents.

The proposed development is small but will comply with the Town's requirement of public lands dedication in order to preserve the environmental quality of life provided for Castle Rock residents.

- F. In accordance with existing Town ordinances and any other Town water policies in effect at the time of petition, the annexor shall convey to the Town all water rights appurtenant to the ground and any additional needed to serve the proposed development at the time of annexation. In addition, all conveyed water rights shall be of sufficient quality as determined by the Town.

The applicant will dedicate 2.38 SFE of water to the Town. If the water credit is exhausted prior to full development of the property, the owner will be required to provide additional water resources or pay to the Town cash-in-lieu of water rights in accordance with Town Regulations. Additionally in order to maximize the utilization of the water credit and reduce the demand for long-term renewable water, the owner is encouraged to establish a water efficiency plan.

- G. The annexation and proposed development shall be consistent with the land use and other policies set forth in the Town's Comprehensive Master Plan.

The annexation is consistent with the policies in the Town's Comprehensive Master Plan land use policies. These will be elaborated in the Zoning action for this annexation.

Hyperlinks to the review and approval criteria are provided below.

Town Vision: <http://www.crgov.com/documentcenter/view/7349>

Comprehensive Master Plan: <http://www.crgov.com/2442/Comprehensive-Master-Plan>

Title 20 Municipal Code: https://www.municode.com/library/co/castle_rock/codes/municipal_code?nodeId=TIT20ANDI

Budget Impact

The proposed annexation will generate review fees. Zoning and site development impact fees will offset costs to the Town of Castle Rock at a later date.

Staff Findings

Staff finds that the proposed annexation was reviewed and processed as prescribed in Title 20 of the Municipal Code, meets the objectives of the Town's Vision, and meets the review and approval criteria as outlined in the Comprehensive Plan. It has additionally been determined that the annexation is also otherwise desirable to the Town by providing continuity of the Town's jurisdictional boundaries with adjacent parcels presently within the Town limits.

Recommendation

On April 13, 2017 the Planning Commission voted 4-0 to recommend approval of the annexation as presented.

Proposed Motion

I move to approve the Ordinance as introduced by Title on 2nd reading.

Attachments

Attachment A: Ordinance
Exhibit 1: Legal Description
Attachment B: Annexation Plat