



AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: Tara Vargish, Interim Director, Development Services

From: Brad Boland, AICP, Planner II, Development Services

Title: A RESOLUTION APPROVING THE ALEXANDER PLACE ANNEXATION AND DEVELOPMENT AGREEMENT

Executive Summary

Martinez Real Estate Company, LLC, the property owner and applicant, is requesting to enter into an Annexation and Development Agreement (DA) for property known as Alexander Place, currently addressed as 382 Alexander Place, which is located east of the Shoppes at Castle Rock and the Montana Vista Office Building. (Figure 1).

The property is currently under consideration for annexation and zoning under separate applications. Martinez Real Estate Company, LLC is proposing a senior continuum of care development per those applications. If the property is approved for annexation and zoning, Martinez Real Estate Company, LLC must subsequently enter into a development agreement (DA) with the Town to define the obligations of the property owner and the Town as they relate to the mutual interest in annexation and zoning.

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

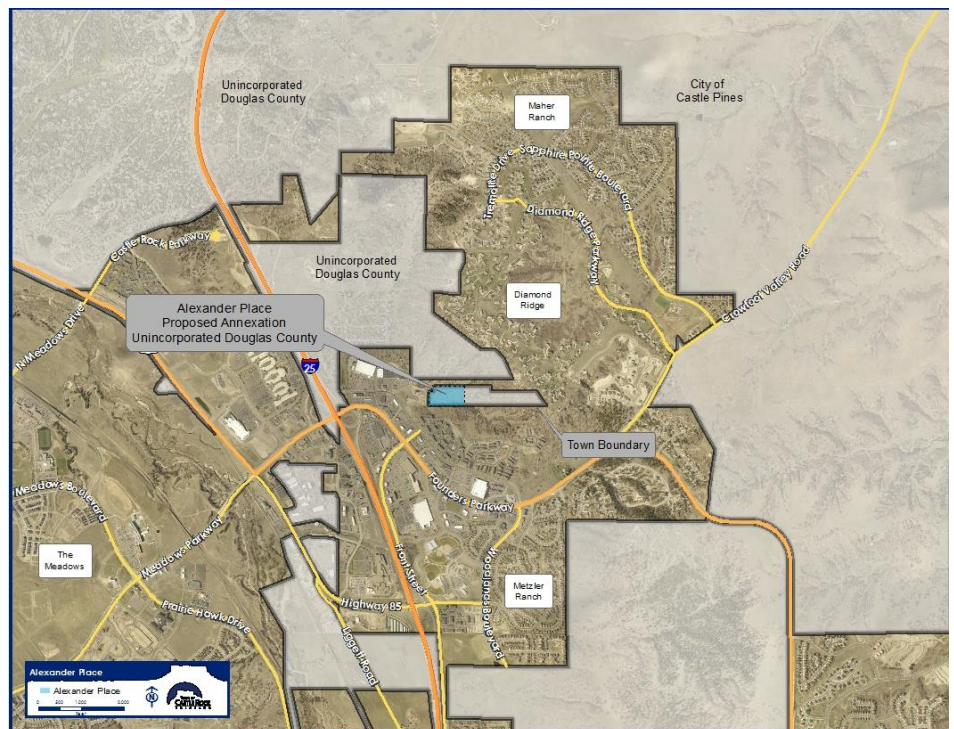


Figure 1: Vicinity Map

Proposed Development Agreement

The proposed DA addresses required infrastructure improvements, public land and water rights conveyances, Town service obligations and other relevant items. These obligations are intended to be mutually beneficial as well as enhance public health, safety and welfare.

Infrastructure Improvements

Alexander Place will be required to pay for all required infrastructure improvements necessary for its development such as water, wastewater, stormwater drainage, and transportation improvements.

Transportation improvements consist of the extension of Alexander Place from where it becomes a dirt road through the east edge of the property. The property owner will also be required to reimburse the Town a total of \$9,650 for the construction of intersection control improvements at the intersection of Founders Parkway and Allen Way and contribute \$10,000 in lieu of construction of the proposed intersection improvements at Founders Parkway and Front Street.

Public Land Conveyance

Under the Town public land regulations, a total of 2.92 acres of public land dedication ("PLD") is required to offset the impact of development of the project. It was determined that there was no portion of the property that would be suitable for PLD under Town criteria. Therefore, the property owner shall pay \$196,020 in lieu of PLD at time of plat for Phase 1 and \$58,370 in lieu of PLD at time of plat for Phase 2.

Water Rights Conveyance

The property owner will convey to the Town, via Special Warranty Deed, title to the water rights for the property at time of recordation of the Annexation and Development Agreement. The water rights to be conveyed by the property owner equal 4.48 single-family equivalent (SFE). The subject property is identified on the Castle Rock Water Inclusion and Exclusion Map as an infill property and the application for annexation was made prior to the adoption of Ordinances 2018-16 and 2018-17 requiring renewable water at time of annexation. As such, the property owner may request to pay cash-in-lieu to bridge the difference between the conveyed water rights and the anticipated water demand of the development. Town Council may grant such a request if it finds that the proposed annexation brings a benefit to the Town. Town staff has determined that the anticipated water demand of the development to be 23.18 SFE, requiring a cash-in-lieu payment equivalent to 18.7 SFE. A payment of \$96,600 shall be made at the time of the recordation of the annexation and DA. This amount includes the required cash-in-lieu amount per SFE as set by the Town's municipal code and additional moneys to account for the acquisition, development, and transimission of water to serve the development. In return of the conveyed water rights and cash-in-lieu payment, the Town will establish a water bank credit of 23.18 SFE for the property and, in conformance with its water bank credit, provide a municipal water supply.

In order to maximize the utilization of the water bank credit and reduce the demand for long-term renewable water the property owner has created and agreed to implement a water efficiency plan to reduce the water needs of Alexander Place. Any unused portion of water bank credit remaining after full buildout shall revert to the Town, at no cost or obligation to the Town.

Town Service Obligations

The Town will provide the property with access to municipal services, to include water, wastewater, stormwater drainage, parks and recreation as well as transportation and street maintenance. The

Town will also provide general administrative services including code enforcement and Fire and Police protection services.

Commence of Development Clause

In the event the owner has not completed construction of at least \$500,000 in facilities, excluding soft costs (for example, permitting and financing) by December 31, 2030, then the right of the property owner under the DA and the Town Regulations to undertake further development of the property, or to obtain permits for construction of private improvements shall be suspended (the "Development Suspension"). The Development Suspension may be released by Town Council, in its discretion, upon a showing of good cause for the delay, and the demonstration by the owner of the ability to commence and complete development of the property in accordance with the PD Plan. If the Town Council determines that the Development Suspension should not be released, thereafter the Town may initiate modifications to the PD Plan through the Town Regulations.

Discussion

Background

Martinez Real Estate Company, LLC, property owner and applicant, has submitted an application for annexation and initial zoning of an 8.37-acre property. The applicant is proposing a senior continuum of care development.

Service and Infrastructure Capacity

The Concept Utility Letter and Phase I Drainage Report for the site indicate that the proposed use can be accommodated into the Town's water, waste water and storm drain systems. In addition, the Transportation Impact Analysis (TIA) indicates that the traffic impacts from the proposed land use of senior housing can be handled by the existing and future road network. The property is able to be served by the Town's Police and Fire Districts.

Budget Impact

The proposed Development Agreement will generate review fees.

Finding

Staff finds that the proposed obligations outlined in the Annexation and Development Agreement are adequate to support the property's annexation and zoning proposal.

Recommendation

Staff recommends approval of the Alexander Place Annexation and Development Agreement.

Proposed Motion

I move to approve the Resolution as introduced by title, first and final reading.

Attachments

Attachment A: Resolution
Exhibit 1: Legal Description
Exhibit 2: DA