



AGENDA MEMORANDUM

To: Mayor and Members of Town Council

From: Sandy Vossler, Senior Planner, Development Services Department

Thru: Tara Vargish, Director, Development Services Department

Title: A Resolution of the Town Council Stating its Opposition to the Pine Canyon PD Zoning Submitted by JRW Family Limited Partnership, LLLP, to the Douglas County Department of Community Development

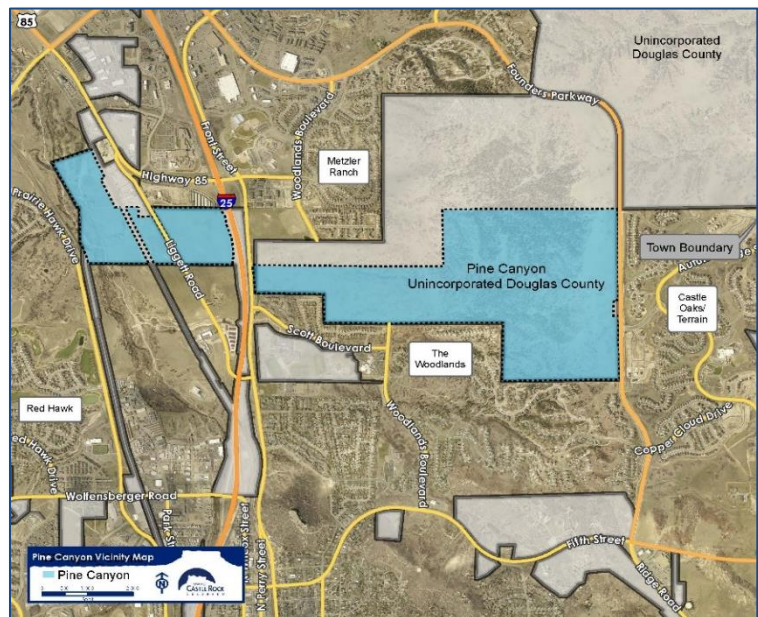
Executive Summary

In May 2020, Town Council directed staff to complete a preliminary review of the Pine Canyon Planned Development (PD); a rezoning application submitted to Douglas County. In addition, staff was directed to prepare a Resolution of Opposition stating the Town's position regarding the rezoning request.

The purpose of this report is to provide Town Council with a summary of staff's current review findings and present a Resolution for Town Council action (**Attachment B**). This preliminary analysis evaluated the Pine Canyon PD documents submitted to date to Douglas County. Town staff based comments on the policies and criteria found in the following Douglas County documents:

- Douglas County Zoning Regulations
- Douglas County Subdivision Regulations
- Douglas County 2040 Comprehensive Master Plan
- Douglas County Parks, Trails and Open Space Master Plan
- Douglas County Transportation Master Plan

In addition, provisions of the Colorado Department of Public Health and Environment, Urban Drainage and International Fire Code are applicable to the review of this proposal. Town staff anticipates receiving from Douglas County the formal request for external comments before



Vicinity Map

the end of September. Staff will have 21 days to provide comments back to the County. Analysis of the formal referral may result in identification of additional concerns and issues.

Development Proposal Summary

In April 2020, the owners of Pine Canyon withdrew an Annexation Petition and PD Zoning application from the Town of Castle Rock. A land use application requesting rezoning of the property to Planned Development was received by Douglas County Community Development in May 2020. Douglas County Planning has completed two reviews of the Pine Canyon PD proposal and expect to refer the application for external comments in September. To date, Town staff has monitored and downloaded submittal materials from the Douglas County project portal, and completed this preliminary analysis based on the available documents. Staff comments will be finalized and submitted to Douglas County upon formal referral request.

Pine Canyon consists of several parcels of land, approximately 540 acres, within unincorporated Douglas County. The property is located on both sides of Interstate 25, extending east to Founders Parkway and west to the Burlington Northern/Santa Fe Railroad. The Woodlands and Escavera neighborhoods are located to the south, Castle Oaks/Terrain is to the east, and the proposed Pioneer Ranch development is located to the north of the property in unincorporated Douglas County (**Attachment A**).

The PD rezoning proposal to the County promotes urban level development and the zoning allows mixed use, office, commercial, hotel/resort and residential development. The development plan includes 1,800 dwelling units of single-family detached, attached and multi-family and approximately 600,000 square feet of non-residential development. The development plan assumes access to Liggett Road, Front Street, Woodlands Boulevard and Founders Parkway. A 12-acre school site is identified, as are three local (neighborhood) parks and a riparian park. The plan proposes central water and sanitary systems through facilities to be constructed, operated and maintained by the Owner and/or yet to be formed metropolitan districts. The development will be entirely dependent on groundwater and the applicant is asking for County approval of an appeal (variance) to the minimum water supply requirements. The applicant indicates that discussions with CDOT have resulted in an anticipated location for a regional transit facility.

History of Past Staff and Town Council Meetings

In December 2013, the landowner, JRW Family Limited Partnership, LLLP, submitted an annexation petition, proposed Planned Development (PD) zoning application and an Annexation and Development Agreement (DA) request to the Town of Castle Rock. Several reviews of the proposal were completed, and the ninth set of staff comments and redlines were sent to the applicant in February 2018. Critical areas that were not yet resolved by the applicant were lack of defined mitigation of transportation impacts, disconnected open space and the request for more open space on the east side of the development, and concern on the size of school public land dedication. Instead of working through these items, the applicant chose to make no further submittals to the Town.

On April 17, 2020, the applicant submitted a written request to the Town to withdraw the Pine Canyon annexation petition, zoning and DA applications. Subsequently, in May 2020 the

landowner submitted an application to Douglas County requesting a rezoning of the property to a PD.

On May 19, 2020, Town staff presented an overview to Town Council of the project and the application to Douglas County for the proposed rezoning.

On May 22, 2020, Douglas County staff sent the applicant initial review comments that identified several areas that needed to be addressed by the applicant, prior to the proposal being deemed complete enough to route for external referrals. Items noted included Douglas County staff concerns that the proposal did not demonstrate compliance with the Douglas County Master Plan, did not address Approval Criteria for Planned Development Districts in Douglas County Zoning Codes, and that the proposal will impact existing Town of Castle Rock infrastructure, services, and facilities requiring considerable effort and coordination to address these impacts, on the part of the applicant.

On July 7, 2020, Town staff presented an overview to Town Council of the project and shared Douglas County Department of Community Development, Planning Services and Department of Public Works first review comments.

On July 22, 2020, Town staff had a remote meeting with the applicant and Douglas County staff to discuss the current transportation vision for the development. The discussion topics included the development's proposed Transit Mobility Hub and their proposed access locations to Town and State roadways. Unfortunately, the meeting failed to focus on the lack of off-site traffic mitigation associated with the project's substantial traffic demand.

On July 31, 2020, the applicant resubmitted their PD zoning and water appeal to Douglas County.

Subsequently, on August 24, 2020, Douglas County staff returned a second set of review comments to the applicant letting them know that additional information was still needed before this proposal could be routed to external referral agencies for the 21-day referral.

At this time, Town Staff has completed an assessment of the current proposal, however the Town is awaiting the resubmittal to the County and the forthcoming formal request for referral comments. The Resolution of Opposition is based on project information that has been submitted to date by the applicant to Douglas County.

Town of Castle Rock Preliminary Review and Findings

Technical reviewers from Development Services (Planning and Zoning), Public Works, Castle Rock Water, Parks and Recreation and the Castle Rock Fire District have completed an initial review of the proposal submitted to Douglas County, based on the County's development criteria listed in the Executive Summary of this report. Staff has identified the elements of the Pine Canyon PD proposal that do not comply with Douglas County's minimum standards and that pose significant impacts to the Town of Castle Rock

A detailed, itemized memorandum of staff comments will be compiled and submitted to Douglas County following receipt of the formal referral request with the applicant's revised

proposal. The remainder of this report summarizes staff's most critical findings of non-compliance with Douglas County regulations and policies and direct impacts that are the foundation of the Resolution of Opposition that is being presented to Town Council for action.

Castle Rock Water

Castle Rock Water reviewed the proposal, specifically considering criteria for water resources and quality, water and sanitary sewer facilities, drainage and floodplain impacts. The following aspects are of significant concern to Castle Rock Water:

Water and Sanitary Sewer:

1503.01 Compliance with the Douglas County Comprehensive Master Plan (the CMP): The project is not in compliance with the CMP.

Goal 2-1: Improve and enhance existing infrastructure.

- Policy 2-1A.1: Limit urban development to the municipal planning area. The plan does not direct the applicant to develop within the designated municipal planning area of the Town of Castle Rock.
- It fails to provide for adequate renewable water supply to meet the projected buildout and demand.
- Policy 2-6A.3: Locate residential development away from intensive industrial uses..., including wastewater treatment plants... The proposed development, as planned, requires a new wastewater treatment plant, whereas the current Plum Creek Water Reclamation Authority facility has capacity, and was planned to include capacity, for the Pine Canyon development. There is no need for a second wastewater plant except for the developer choosing not to annex and develop within the designated municipal planning area, the Town of Castle Rock.

Goal 2-9: Ensure development occurs concurrently with essential services and infrastructure.

- Objective 2-9A: Encourage urban development in areas with existing and planned capacity in services and infrastructure.
- The planned development creates a separate and duplicate system of infrastructure within the limits of the Town of Castle Rock Municipal Planning Area that is not required to support urban development. Castle Rock has always included the Pine Canyon area in its master planning efforts, to include water supply forecasting, water treatment, storage and distribution, and wastewater treatment, and stormwater management. As such, if allowed, the planned development will benefit from current transportation infrastructure and future improvements, but will not be contributing to the cost burden. Additionally, the community will not have a voice in local planning or community issues that have the potential to directly affect them.

Goal 2-16: Encourage coordinated comprehensive master plans between the County and municipalities.

- Policy 2-16B.1: Support the annexation of existing, unincorporated planned developments within the MPAs. Allowing the development as planned is not consistent with the stated goal or policy. Castle Rock Water has planned for the development of

the Pine Canyon area within its municipal planning area with the expectations that services would be from the Town.

Goal 5-6: Provide quality emergency services to County resident in the most efficient and cost-effective manner possible.

- Policy 5-6B.2: Required new developments to be served by a fire district with adequate fire protection facilities, equipment and service capabilities, unless determined impractical. Pine Canyon will be served by the Town of Castle Rock Fire Department. Castle Rock Water works closely with the TCR Fire Department to ensure the integrity of the system and adequacy of the distribution system to meet fire flow demands. Pine Canyon must ensure the adequacy of its duplicate and redundant water distribution system to provide the same level of service. The Pine Canyon community again will benefit from town services but without the fiscal obligation to support such services.

Goal 7-1 Prolong the Life of Water Resources.

- Policy 7-1A.2: Support development that uses water resources wisely.
- Policy 7-1C.1: Encourage developments to obtain service from existing water providers. Approval of the Pine Canyon development plan and water plan is inconsistent with this policy. Castle Rock Water has always included the Pine Canyon Development in its master planning (water, wastewater, water resources).
- Policy 7-1C.2: Promote conjunctive water use systems. The planned water system does not promote conjunctive water use. The Castle Rock Water has conjunctive use systems in service, and is spending millions on further expansion of its capability to capture, store, treat and use conjunctive water resources. Furtherance of the program is best accomplished by full inclusion of Castle Rock residents in the fiscal obligations created by such aggressive long term planning and execution.
- Policy 7-1C.3: Work with water providers to explore opportunities to bring renewable water supplies to the County: The proposed development is planning to use non-renewable groundwater sources and has an ambitious plan for water reclamation for irrigation that may not be achievable. Castle Rock Water as a regional leader is not only looking for ways to ensure renewable water sources are the future of the Town's supply, but in bringing those projects to fruition. The efforts of Castle Rock Water to secure the Town's water future are undermined by the proposed development plan within its municipal planning area. Integration of Pine Canyon into the Town's long-term water supply initiatives is a better way to ensure and prolong the viability of Denver Basin water resources for all residents of Douglas County.

1503 Approval Criteria for Planned Development Rezoning:

- 1503.01: Whether the application is in compliance with the requirements of this Resolution and the Douglas County Comprehensive Master Plan. See comments above for why the planned development is not in compliance with the DC CMP.
- 1503.10: Whether the application is in conformance with Section 18A, Water Supply – Overlay District, herein. The proposed development does not meet the Water Demands Standards in section 1805A.02.

Floodplain:

- The property encompasses major drainageways with tributary areas greater than 130 acres. Stream stabilization measures will be necessary and should be described in the Pine Canyon PD Statement of Commitments with thresholds for implementation.
- The development will impose significant impacts to downstream floodplains within the Town of Castle Rock, including East Plum Creek and its tributaries, due to adverse hydrologic results of urbanization. Such changes adversely degrade downstream systems, threatening property, public safety and water quality. Appropriate impact fees and/or improvements should be expressly detailed in the Pine Canyon PD Statement of Commitments to address the off-site impacts.
- Portions of East Plum Creek within the project boundaries should follow the recommendations of the East Plum Creek Watershed Master Plan.

Drainage:

- Downstream channel stabilization may be required due to point discharge of the outfalls of proposed full spectrum and water quality ponds.
- Drainage reports will need to address and verify no impacts to the drainageways, or to the downstream properties and existing storm infrastructure within the Town of Castle Rock.
- The drainage reports must also verify no impacts due to flow diversions and increase of flow due to higher density land use.

Public Works

Public Works staff evaluated road alignments and connections as shown on the Pine Canyon PD and assessed the Traffic Impact Analysis (TIA). In the first review comments sent to the applicant, Douglas County recognized that the proposed will impact existing Town infrastructure, services, and facilities and that considerable effort and coordination by the applicant will be required to address the impact. To date, such coordination efforts have not occurred which is evident by the staff's analysis and comments. The Town's Traffic Engineering team determined that:

Traffic Impact Analysis:

- The report underestimates the forecasted traffic volumes used to assess impacts.
- The report underestimates the capacity and ability of the off-site roadway systems to accommodate the proposed zoning.
- The potential impacts of the Mobility Hub are significantly underestimated since the TIA utilizes count information from one park and ride located in Monument, which is not a sufficient trip generator use for CDOT's multi-modal Mobility Hub. In addition, the mixed use development adjacent to the Hub includes 600 multi-family dwelling units and 600,000 square feet of commercial/office/industrial space.
- The report does not account for all affected off-site intersections, the realignment of Liggett Road at Highway 85, the required spacing of full movement intersections on 4-lane major arterials and the Town's roundabout requirements.
- The Pine Canyon PD Statement of Commitments needs a considerable number of revisions and more specificity to accurately reflect the owner/developer's obligations for

off-site roadway and intersection improvements, traffic control methods, etc., as well as phasing triggers, Town of Castle Rock approval authority, etc.

- The following note must be added to PD Plan and Statement of Commitments:

The Town of Castle Rock controls Access to Town streets. Access points shown on the PDP are conceptual and have not been approved by the Town. Each access point from a Town controlled street will be evaluated by the Town and, if granted, will need to comply with the Town's street design criteria manual.

Parks and Recreation

After considering the applicable sections of the Douglas County 2040 Comprehensive Master Plan and the Douglas County Subdivision Regulations, the Parks and Recreation Department has determined that

- The **Douglas County Comprehensive Master Plan Goal 2-3** to provide connected parks, trails, and recreational facilities appropriate to the scale of the development has not been met under the current proposal.
- **Douglas County Subdivision Regulation (DCSR) 1003.11.2** requires regional parks to contain active uses, such as athletic field, playgrounds, picnic areas and other developed amenities in addition to habitat areas. **DCSR Section 1003.11.2 Regional Parks Section 4** states that land will not be considered for regional park land dedication acceptance if it is an exclusive utility or other easement, public street right-of-way, pedestrian walkway required under other regulations, or contains topographical or hazardous obstructions that would preclude development as a regional park.
- The proposed Walter J. Scott Riparian Park and Preserve does not meet the required Douglas County Regional Park land dedication as it is obstructed from safe vehicular access required for regional park development due to the lack of an existing or proposed grade separated crossing of the Union Pacific Railroad. The riparian park property does, however, meet the Open Land requirement described in **DCSR 1003.12.5 and 1003.11.5**. Per the Subdivision Regulations, Open Land does not satisfy the required park land dedication.
- **DCSR Section 1003.11.2.1** requires a minimum regional park requirement of 50 acres. The intent of park land dedication as described in the regulations section 1003 states that "lands need to be suitable for the development of active play areas, trails or in some instances serve to preserve unique landforms or natural areas". A regional park should be provided on the east side of I-25 easily accessible to residents and within the forested area of the property to preserve a portion of the unique forest natural area.
- **DCSR 1003.12.1** requires neighborhood parks to be a minimum of 5 acres and be within walking distance of residents. A local park of a minimum of 5 acres is needed to serve the approximate 600 multi-family residences proposed for PA 17-PA 19, west of I-25.

Castle Rock Fire District/Castle Rock Fire and Rescue Department

The proposed PD was reviewed for conformance with the adopted **Douglas County Comprehensive Master Plan, Douglas County Zoning Resolution and the Fire Code**. The Castle Rock Fire and Rescue Department opposes the unincorporated Pine Canyon development, based on the information provided to date, for the following reasons:

- The PD proposal seeks urban-level development without the necessary fire protection water supply and without coordination with the adjacent Town of Castle Rock to ensure safe and reliable Fire and Rescue service, making the development incompatible to adjacent Town residents and unsafe for current residents and future Pine Canyon residents.
- The lack of coordination with adjacent developments and the Town of Castle Rock for building code, wildfire protection, and transportation access puts adjacent properties, residents and Department staff at risk.
- More information is necessary to know if the proposed Water and Sanitation District or metropolitan district(s) can provide the required infrastructure, fire flows, hydrant installation, testing and maintenance.
- The Fire Department will rely heavily on the Douglas County Sheriff's Office for Fire Code enforcement and investigative support for this urban level development in unincorporated Douglas County.
- There is a significant amount of open space and parks that will require substantial and continual mitigation and maintenance to limit the potential of catastrophic wildland fire.
- Discussion and coordination with the Fire District is necessary to determine the feasibility and requirement of an on-site fire station, as well as the funding source for the facility, equipment and service to the community.
- The Statement of Commitments must address additional funding to compensate for plan review, inspections, permit fees and necessary staffing for this urban level development in unincorporated Douglas County.

Development Services

Planning and Zoning evaluated the current Pine Canyon PD proposal based the Urban Land Use and Community Resources policies of the Douglas County Comprehensive Master Plan (CMP), as well as the PD District and Rezoning requirements of the Douglas County Zoning Resolution. Staff determined that the current proposal does not comply with substantive policies and requirements, briefly summarized as follows:

- The Town looks forward to further coordination with Douglas County to achieve the vision, goals and policies established in both the County and Town Master Plans. Pine Canyon is classified as a Municipal Planning Area (MPA) by the **Douglas County CMP, Section 2**, which further indicates that these are planning areas established by the municipality's master plans and not planned for municipal development, but are considered important to jurisdictions because of the potential impact development could have from an economic, visual, environmental, urban service, or water quality perspective. The Douglas County CMP policies for MPAs state that these areas are of mutual concern between the County and municipality, that municipal sales tax base will be protected by encouraging annexation and development within the municipality, and

that the potential land use impacts of new unincorporated development adjacent to municipalities will be mitigated (**Policy 2-16A.1, 2-16A.2, 2-16B.2, 2-16B.5 and 2-16B.6**). The Town's 2030 Comprehensive Master Plan indicates that the Pine Canyon property has been classified as an area of future incorporated development, as it is shown within the future Town boundaries with anticipated residential and mixed uses. The property is also well within the Town's 3-mile plan. Additionally, Castle Rock Water has anticipated the development of Pine Canyon within the Town of Castle and accounted for it in water and sewer service capacities.

- The proposal brings no renewable water supply and the available ground water is insufficient to meet the County's minimum water supply requirements, which does not comply with the CMP policies, specifically **Section 1 of the Douglas County CMP**, to achieve sustainable growth over a 20- to 30-years period; a community identified value.
- The proposal does not comply with CMP policies to lessen the burden on existing recreation facilities (**Policy 2-3A.3**). At proposed densities, Pine Canyon will be home to approximately 4,500 – 5,000 residents, however, no community recreation center is included in the plan and the trail system relies on connection to Town trails and sidewalks to complete linkages and provide grade separated crossings.
- The CMP **Policy 2-5A.1** calls for locating development away from environmentally and visually sensitive lands, such as primary ridges, bluffs and horizon lines and conservation of wildlife habitat and movement corridors. **Policy 8-1A.3** of the Douglas County CMP states that Class 3 Hazard Areas should be limited to low-intensity land uses such as agriculture, grazing, open space and certain recreational uses. **DC CMP Section 9** states that stricter review and mitigation of development and other land uses is required of applications in, or adjacent to, important wildlife resources, including moderate or high-value wildlife habitat areas, wildlife habitat conservation areas, movement corridors and overland connections as designated on the Wildlife Resources Map. The proposed PD plan, proposes urban-level density residential development and commercial hotel, spa, restaurant, conference center facilities within the Wildlife Resources Moderate Habitat Value area and within the Class 3 Hazards and Environmental Constraints area as identified in the Douglas County CMP.
- The proposal does not meet the minimum requirements for a dedicated school site. Douglas County School District determined that a 20.65-acre land dedication is necessary to accommodate the anticipated student generation, however the plan identifies only a 12.7-acre site.
- The PD proposal does not comply with the **Douglas County Subdivision Regulations (DCSR) Section 1003**, for park land dedication in terms of minimum acreage, location and accessibility. As noted in further detail in the Parks and Recreation comments above, the Walter J. Scott Riparian Park does not comply with the County Subdivision Regulations for acceptance as a regional park, therefore a regional park dedication needs to be accommodated elsewhere in the PD (**DC SR 1003.11.2**). The local parks do not meet the Douglas County minimum requirements for area based on the density proposed, and a local park needs to be added east of I-25 to serve the residents of the 600 dwelling units planned (**DC SR 1003.11.1**).
- The PD Plan is generally compatible with the adjacent residential development along the southern boundary (**Douglas County Zoning Resolution (DC ZR) Section 1501 and Section 2502.07**). The Plan establishes a transition area where the proposed residential development will match or exceed the lot size of any existing adjacent single-family dwelling unit within 300 feet of the southern boundary. To achieve true

compatibility, Town staff is requesting that acreage of open space also be matched or exceeded and be located to create seamless continuity of open space and the greatest preservation of vegetation possible.

- The transit mobility hub is described in some detail within the project narrative, however the PD Plan and the development standards do not provide sufficient detail to determine if the location is appropriate and what the impacts to surrounding uses may be.
- The location of the water treatment and holding tank needs to be shown on the plan in order to ascertain potential impacts to surrounding residents (**DC ZR Section 15**).
- The location of the wastewater treatment facility does not comply with the County's regulations for separation from residential development. The proximity of the facilities relative to the regional trail constructed by the Town and the local trail proposed by the applicant is unacceptable (**DC SR 1003.11.3**). Further, anticipated acreage for the facility should be removed from the riparian park total acreage.

Staff Recommendation

Town staff is not opposed to development of this parcel; however, the current urban level development proposal does not comply with Douglas County policies and requirements governing unincorporated development, nor does the PD Plan and stated commitments demonstrate how it will mitigate the impacts that this new community will have on the existing Town residents, services, infrastructure, and amenities that surround it.

After a detailed review of the information provided to date by the Applicant to Douglas County, Town staff recommends approval of a formal resolution of opposition to the proposed Pine Canyon Planned Development (**Attachment B**). This proposed resolution outlines the concerns that have been identified to date. Once Douglas County forwards the formal request for referral comments to the Town, Town staff will have 21 days to review any revised or additional information and incorporate additional comments into the written response to the County. The proposed resolution also allows the Town Manager and Development Services Director to take further action, as needed, to oppose this proposal.

Proposed Motion

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

Attachments

Attachment A: Vicinity Map

Attachment B: Resolution

T:\Development Review\Pine Canyon Ranch - County Ref COU20-0005\Town Council 9-15-2020