



Meeting Date: February 2, 2021

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
Julie Kirkpatrick, PLA, ASLA, Long Range Project Manager

Title: **Update: Residential Unit Data (through December 31, 2020)**

Executive Summary

The purpose of this quarterly residential unit data update is to provide an overview of development activity and estimated population projections. On November 3, 2020, staff presented an updated residential unit data report through the third quarter of 2020. This update includes data through the fourth quarter of 2020, ending on December 31, 2020. The data outlines the maximum zoning entitlements and growth areas approved by Council and provides an update on the pace of activity in each area of Town. The current estimates show an approximate population of 75,006, which is an increase of about 1,033 persons from the previous quarter. There were 289 additional single family and 0 multi-family units receiving certificates of occupancy within the fourth quarter of 2020 as compared to the previous quarter. Additionally, the rezoning of Oakwood Apartments added 45 more residential units and Sellers Landing condominiums has been corrected for 94 units and is now included within the overall zoning entitlements of the Town.

Discussion

Castle Rock, through most of its history, is a growth community. The growth we are experiencing is consistent with residential and commercial building activity across the Front Range and throughout the State of Colorado. Therefore, the pace of growth is an ongoing discussion. Growth in Castle Rock remained steady for 100 years between its founding in 1881 and 1980 when it grew from an original population of 88 to approximately 4,000 residents. Castle Rock did not see significant residential growth after WWII, a trend common among other Front Range communities. Instead, the opening of the Outlet Mall in 1992 initiated a residential growth rate that continues today. The population more than doubled between 1990 and 2000 when it grew from approximately 8,000 residents to more than 20,000 residents. The population doubled again through 2010 when it reached approximately 49,000 residents and continues to grow with the current population estimated at approximately 75,000 residents.

Castle Rock's growth rate over the past 20 years has generally exceeded the economic conditions regionally and nationally. Given the pace of growth to date, data shows that existing larger planned communities such as Meadows, Founders, Castle Oaks / Terrain, and Crystal Valley Ranch have taken decades to reach this point in development. Predicting the pace of growth is difficult because it is influenced by many factors, most notably the economy, interest rates, the homebuilding market, topography and soil conditions as well as political decisions related to development regulations.

The data outlined herein provides information through the fourth quarter of 2020. The analysis compares the maximum number of zoned residential units to the number of units that received a certificate of occupancy. Zoning entitlements can be amended and home building is on-going. Therefore, we update this report quarterly to provide information to Town Council and our residents.

Development Types and Impacts

The Town's existing zoning entitlements include approximately 130 planned developments (PD) and associated PD amendments. The Town consists of very few "straight" zoned areas such as R-1 Single-Family Residence District. Single family detached residential in PD's accounts for the majority of the Town's built environment. Areas within the planned developments that allowed for higher density attached or multi-family development were built with fewer homes than the maximum allowed within any section of a planned development. Therefore, some areas may not every reach their maximum allowed number of residential units.

Unlike other communities in the Denver metro area, Castle Rock is not flat. Factors to consider regarding potential build-out include the Skyline-Ridgeline Ordinance, severe and moderate slopes, major drainage corridors and cap rock. Many of the planned developments were zoned prior to the Skyline-Ridgeline Ordinance; therefore, parts of the Town that were zoned to allow homes now have building height and location restrictions to protect our skylines and ridgelines.

In staff's opinion, based upon discussions with the master planned community development teams and the information provided herein, staff suggests the likelihood of full build-out to reach the entitled number of units is highly unlikely.

Entitlement Data

Each planned development (PD) on **Table A** shows the PD's name, date of original zoning approval and corresponding PD number depicted on the Town's Zoning District Map to help identify the areas included with the unit counts. The map in **Attachment A** shows the geographic location of each PD area. **Attachment B** is an updated map showing the potential development of major planned developments within town. **Table B** compares estimates since 2017.

Residential areas within the Town that are straight-zoned are primarily located within the downtown and Craig and Gould subdivision, denoted as “Central Castle Rock” in **Table A**. The “Maximum Zoned Units” and “Units Built (CO)” counts were further divided into single family (SF) or multi-family (MF). The SF numbers include single family detached and single family attached units, such as townhomes or paired homes. The multi-family numbers include single building attached units such as apartments or condominiums. In several cases, zoning for planned developments allows either single family or multi-family units within a specific planning area.

Table A: Comparison of Maximum Zoned Units to Built Units, through December 31, 2020

Please note that these are estimates, and numbers are subject to change due to factors listed in this memo, as well as any future zoning amendment approvals.

PD #	Planned Developments (year zoned)	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
		SF	MF	Total	SF	MF	Total
5	Arbors (2002)	38	80	118	0	0	0
130	Alexander Place (2020)	26	99	125	0	0	0
7,8	Auburn Ridge (2013)	0	289	289	0	90	90
12	Brookwood (2003)	72	0	72	60	0	60
16	Cambridge Heights (2003)	0	100	100	0	0	0
17	Castle Highlands (1984)	132	358	490	126	296	422
19	Castle Meadows (1989)	70	218	288	0	0	0
3,20,21,22,23,117	Castle Oaks /Terrain (2002)	1992	775	2767	1812	0	1812
25,26,27,28,104	Castle Pines Commercial / Promenade (1987)	0	1550	1550	0	1009	1009
29	Castle Ridge East (1996)	30	0	30	28	0	28
30,31	Castle Rock Estates - Diamond Ridge (1995)	126	0	126	126	0	126
33,87,88,89,90	Castleview Estates - The Oaks of Castle Rock (1985)	248	326	574	132	0	132
34	Castlewood Ranch (1998)	1300	0	1300	1280	0	1280
straight zones, downtown	Central Castle Rock (varies)	1538	1280	2818	1531	791	2322
40	Covenant At Castle Rock (2014)	58	0	58	58	0	58
42,43,44,45,46	Crystal Valley Ranch (2000)	2670	753	3423	1747	0	1747
47	Dawson Ridge (1986)	2447	5453	7900	0	0	0

		MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
PD #	Planned Developments (year zoned)	SF	MF	Total	SF	MF	Total
52,9	Founders Village - Inc. Founders 24 and Bella Mesa (1985)	1754	3667	5421	2422	0	2422
54,55	Hazen Moore (2000)	243	0	243	160	0	160
56,57	Heckendorf Ranch (1985)	406	224	630	297	0	297
59	Hillside (2009)	120	0	120	0	0	0
118	Lanterns (2003)	1200	0	1200	1	0	1
62	Liberty Village (2004)	1245	0	1245	1006	0	1006
63,64,65	Maher Ranch (1988)	2309	100	2409	766	96	862
70,72,73,74	Meadows (1985)	6642	4002	10644	6925	240	7165
75	Memmen Young Infill (1985)	559	476	1035	0	0	0
76,77,78,79,80	Metzler Ranch (1996)	1056	660	1716	740	580	1320
97,98,99,101,103	Plum Creek (1983)	3025	0	3025	1188	360	1548
100	Plum Creek Ridge (2006)	92	70	162	113	0	113
102	Plum Creek South (1985)	307	198	505	137	0	137
106,107,108	Red Hawk (1996)	658	268	926	793	0	793
129	Ridge Estates (2020)	52	0	52	0	0	0
110,111	Scott II (1987)	85	220	305	78	220	298
113	Sellers Landing PD (1982)	0	94	94	0	77	77
115	Stanbro PD (1987)	32	92	124	0	0	0
119	Villages at Castle Rock (1981)	0	626	626	0	0	0
121	Wolfensberger - formerly Graham PD (1996)	0	56	56	0	56	56
122,123,124,112	Woodlands - Inc. Scott Ranch (1983) Woodlands Crossing (1987)	1160	0	1160	537	0	537
125,126	Young American (1983)	78	1128	1206	375	186	561
		MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
		SF	MF	Total	SF	MF	Total
TOTAL UNITS		31,770	23,162	54,932	22,438	4,001	26,439
POPULATION ESTIMATES		96,581	46,324	142,905	67,004	8,002	75,006

Table B: Total Estimates Comparison

	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
End of Year	SF	MF	Total	SF	MF	Total
2017 units	31,744	22,800	54,544	19,444	3,328	22,772
2017 population estimates	96,502	45,600	142,102	57,902	6,656	64,558
2018 units	31,744	22,800	54,544	20,498	3,828	24,326
2018 population estimates	96,502	45,600	142,102	61,106	7,656	68,762
2019 units	31,744	22,924	54,668	21,479	3,924	25,403
2019 population estimates	96,502	45,848	142,350	64,089	7,848	71,937
2020 units	31,770	23,162	54,932	22,438	4,001	26,439
2020 population estimates	96,581	46,324	142,905	67,004	8,002	75,006

	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
End of Quarter 2020	SF	MF	Total	SF	MF	Total
1 st Quarter 2020 units	31,744	22,924	54,668	21,681	3,924	25,605
1 st Q population estimates	96,502	45,848	142,350	64,703	7,848	72,551
2 nd Quarter 2020 units	31,744	22,924	54,668	21,892	3,924	25,816
2 nd Q population estimates	96,502	45,848	142,350	65,344	7,848	73,192
3 rd Quarter 2020 units	31,770	23,023	54,793	22,149	3,924	26,073
3 rd Q 2020 population estimates	96,581	46,046	142,627	66,125	7,848	73,973
4 th Quarter 2020 units	31,770	23,162	54,932	22,438	4,001	26,439
4 th Q 2020 population estimates	96,581	46,324	142,905	67,004	8,002	75,006

Qualifiers

The data contained within **Table A** includes qualifiers, which can sometimes be difficult to predict. In some developments there is no land available to construct additional units. Examples include:

- Castle Highlands was zoned/entitled for 490 residential units in 1984. The existing number of platted lots and constructed homes is 422 with little land remaining to build the remaining homes allowed per the zoning entitlement.
- Dawson's Ridge was zoned/entitled for 7,900 residential units in 1986. The main loop road Infrastructure (roads, water, sanitary sewer, etc.) was constructed after zoning approval, but development stopped due to various financial issues. Although this development was entitled in 1986 with road and utility infrastructure constructed immediately and some lots platted, not a single building permit has

been pulled in the past 35 years. Any construction on this property would require substantial investment to remove and rebuild the crumbling infrastructure.

- Memmen Young Infill was zoned/entitled for 1,035 residential units in 1985. The site includes severe topography, cap rock and areas that are subject to the Skyline/Ridgeline Ordinance, making it unlikely to reach full buildout.

The timing of these and other developments is unknown. Market conditions and site conditions impact development which may result in a reduction of unit counts at final development.

Based upon review of historical data and updated data contained herein, staff noted that several themes emerged:

- Because changing market conditions result in adjustments throughout the lifetime of a development, we cannot predict a precise build-out number or year for larger planned developments or the community as a whole.
- We cannot predict a reduction to the entitled number of units unless the development team requests a rezone to reduce the unit count.
- We can accurately outline known circumstances, meaning we can identify the difference between maximum entitled unit counts and the total platted lot counts, where no additional lots can be constructed.
- We can update the data with new information to determine how local trends are effecting the pace and location of growth in the community.

Findings

The data shows that the Comprehensive Master Plan adopted in 1999 and updated in 2002 and in 2017, was on track with projections that the Town may grow to an estimated 86,000 to 159,000 residents. The Town's current data, through December 2020, is estimating a maximum zoned/entitled population of 142,905 residents. On average, given the amount of land available for development, the likelihood of the larger planned developments reaching the maximum density allowed through entitlements is low because there are a larger number of entitled units remaining than available land to build those units.

Additional, we will soon get final census reporting for our community for April 1, 2020. Various factors play into each community's population that the federal Census report will have, and it will likely vary from the internal number that staff tracks. We anticipate that our numbers may be higher, as we track every residence that has a certificate of occupancy, and do not survey or report on vacancies or second-home type scenarios. The focus of this report is on the maximum zoning entitlements and then population estimates are made on available residential units in Town.

The Town of Castle Rock is an attractive community to live, work and play in, and we expect it will continue to attract residential and commercial growth for many years to come.

Attachments

Attachment A: Town of Castle Rock PD Zoning Map

Attachment B: Potential Development Map of Major Planned Development Areas
(Data through Dec. 31, 2020)

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