



Meeting Date: February 2, 2021

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Manager

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

Title: **Design Review Board Membership and Responsibilities**

Executive Summary

Following discussion at the December 3, 2019 Town Council meeting, Council directed staff to prepare an outline of the composition, powers, and duties of the Design Review Board (DRB) to review and discuss in detail at a study session on January 21, 2020. At the May 19, 2020 Town Council meeting, Council determined that there was no need at that time to further discuss the authority and composition of the Design Review Board. However, on January 19, 2021, Council requested that staff bring a discussion item back to Council as to whether the Design Review Board should have final approval on downtown development projects.

This report provides a summary of the history and decisions that led to previous Council's adoption of the Downtown Plan of Development (DPD), Downtown Development Authority (DDA), and Downtown Overlay District (DOD), which included formation of the Design Review Board (DRB) and provides questions and recommendations for review and discussion with Council.

Discussion

History:

In 2002, following adoption of the 2020 Vision and Comprehensive Master Plan, Town Council created the theme that Castle Rock is a "world class community with small town character." As Castle Rock continued to grow at a rapid pace, Town Council recognized that downtown represents "small town character" in Castle Rock. To place emphasis on that theme, in the summer of 2006, Town Council appointed the Downtown Advisory Commission (DAC) with the goal to identify and recommend options and opportunities to improve the downtown environment. The Commission consisted of representatives from Town Council, Town staff, downtown property owners, downtown business owners, and representatives from Douglas County, the Douglas County School Board, and Douglas County Library Board. A series of meetings occurred where numerous options and recommendations arose, and the group consensus was that a strong effort was needed to encourage investment and reinvestment to improve downtown character. In 2008 the DAC led an effort for downtown property owners to vote and form a downtown district boundary and create the Downtown Development Authority (DDA) including an

additional 3 mills of property tax within the boundary. The DDA was identified as the leadership group using Tax Increment Financing (TIF) authority under State Statute to encourage and assist with ongoing investment, reinvestment and improvements in downtown. Significant progress occurred following creation of the DDA with several high profile projects sharing TIF.

In accordance with the efforts to improve downtown, in 2008 Town Council adopted the Downtown Plan of Development to be implemented by the DDA, and in 2010 Council adopted the Downtown Overlay District (DOD) administered by Town staff. The DOD established architectural, landscaping, building design, and site development guidelines to encourage compatible land uses and ensure higher quality development in downtown to protect property values and to provide safe and efficient pedestrian and automobile access. The DOD encourages mixed-use within the same structure or block and high-intensity commercial development. In 2013 Council adopted an update to downtown signage to outline standards for sandwich board signs on sidewalks, banner signs, LED signs, murals, and roof signs **(Attachment F)**. The code encourages signs that maintain the historic character of downtown.

Design Review Board Makeup and Authority:

The Design Review Board was formed in 2010 following Council adoption of the DOD and consists of seven members:

- One member from the Planning Commission with a one-year term;
- Two members from the Downtown Development Authority Board with a one-year term;
- Two members from the Historic Preservation Board with a one-year term, and;
- Two property owners within the Downtown Development Authority boundary. Downtown property owners may not be members of the aforementioned boards and they serve a two-year term.
- If at any time a Design Review Board member loses qualification for appointment, that member shall concurrently lose a seat on the Design Review Board. The Board and Commission members nominate representatives to the DRB and those nominations are reviewed and appointed by Town Council, and serve at the pleasure of Council. The two downtown property owner positions undergo the same appointment procedures as other Board and Commission members that Council appoints. Each DRB member serves a one-year term with the exception of properties owners who serve a two-year term.

All involved with formation and adoption of the DOD determined that the code should not be “prescriptive,” similar to building codes in Santa Fe, New Mexico, Charleston, South Carolina or Saint Augustine, Florida. Instead, in 2010, Council found the code should provide flexibility through use of building materials, building colors, and building height. Council decided that the DRB was the best group to determine appropriateness of site planning, architecture, and building design and those allowances were included in the DOD code language.

In accordance with the 2010 Council adoption of the DOD, the DRB has authority to review all Site Development Plan applications within the DOD boundary and to conduct those reviews and decisions at a public hearing meeting. Project design review is based on the Council adopted Vision and Comprehensive Master Plan, Castle Rock Design, and the Downtown Master Plan.

In addition to the required neighborhood meetings for quasi-judicial applications, a downtown site development plan application requires public hearings with DRB to provide a thorough review of the guiding documents and code standards and allows for community input on applications. The DRB may approve, approve with conditions, or deny an application based on the code standards. If a site development plan is denied by the DRB, the applicant may appeal to the Town Council within 30 days of the DRB action. The Town Council reviews any appeal and considers the DRB action following notice and public hearing procedures in the code.

The DRB has authority to grant variances to lot width, setbacks for front yard, side yard, and rear yard, landscape standards, DOD design standards, and fence height, outdoor display of merchandise, and accessory structures and uses. Section 17.42.100.C (**Attachment A**) outlines the process the DRB must consider when reviewing a variance request. Before any variance is granted or denied, the DRB makes a finding stating the exceptional conditions, the practical difficulties or unnecessary hardship involved and why there is, or is not, any adverse effect on public health, safety and welfare. Unless otherwise stated in the DRB resolution, the applicant has six months to apply for a building permit to match the approved variance and all new construction must be completed within two years from the date the building permit was issued.

The DRB has authority to review building heights in the DOD, as listed in Section 17.42.070.C (**Attachment B**), and the building height depends upon where the building is located within downtown. There are three districts in the DOD, the Core District and the North and South Districts.

The **Downtown Core District** is bounded by 5th Street on the north, railroad tracks on the east, 2nd Street on the south and I-25 on the west. Building height in the Downtown Core District is limited to four stories, with a maximum height of 60 feet. A landowner may request one additional floor, with the corresponding increase in building height, in the Downtown Core District. The Board, at its discretion, may grant an additional floor request after considering the following criteria:

1. Whether the project will incorporate design elements found in adjacent Landmark structures, and;
2. The impacts of the increased building height on adjacent properties;

The **North District** is bounded by Wolfensberger Road on the north, railroad tracks on the east, 5th Street on the south and I-25 on the west. The **South District** is bounded by 2nd Street on the north, railroad tracks on the east, the Safeway center on the south and I-25 on the west. Building height in the North and South Districts is limited to six stories, with no maximum height limitation. The Board, at its discretion, may grant two additional floors in the North and South Districts.

Since the DRB conducts hearings open to the public, they adopt bylaws to govern how public hearings are conducted. Staff attached the DRB bylaws for Council review (**Attachment C**).

Analysis

Staff included a list of DRB actions starting in 2010 through 2020 (**Attachment D**) and a list of downtown projects that received funding from the Town (**Attachment E**). A majority of DRB actions relate to site plan approval, façade improvements, landscape improvements, canopy

construction and signage. The Riverwalk and Encore projects also requested additional building height, and the DRB approved additional building height for those projects.

Based upon the projects approved by DRB to date, staff suggests that projects exceeding 10,000 sq. ft. could be considered "major projects". Projects reviewed at public hearings and approved by the DRB that exceed 10,000 sq. ft. include:

- 695 Jerry Street mixed use retail and office building at 24,120 sq. ft.
- Acme Water Tower mixed use retail and restaurant buildings at 11,937 sq. ft.
- The Move office building at 72,800 sq. ft.
- Mirage Dental mixed use medical office building at 18,477 sq. ft.
- Riverwalk North retail, residential, and parking garage building at 171,206 sq. ft.
- Riverwalk South retail, office, residential, and parking garage building at 221,360 sq. ft.
- 505 Jerry Street apartment building at 18,163 sq. ft. ***this project was not constructed***
- Encore retail, office, residential and parking garage building at 465,500 sq. ft.

The DOD currently states that Council does not review any downtown development application. However, Town Council reviews and acts on downtown projects if the applicant is requesting funding from the Town or shareback funding through TIF. Projects approved by the DRB that also required Council funding approval include:

- The Move with a \$900,000 loan ***the loan was repaid with interest***
- Mercantile Commons with a TIF shareback agreement
- 221 Wilcox with a TIF shareback agreement ***the project was not constructed***
- 5th Street Apartments with a TIF shareback agreement ***the project was not constructed***
- Riverwalk with a TIF shareback agreement
- Encore with a TIF shareback agreement

Questions

Staff is seeking input on the following questions:

1. Does Council want to review and discuss changes to the DRB makeup?
Adoption of the DOD in 2010 included a section outlining the DRB makeup. The basis of staff recommendation and Council acceptance at that time was to appoint a Board focused solely on site and building design for all downtown applications and to act on variance requests, similar to the expertise that various Boards and Commissions offer to Council. Council found that a Board made up of individuals with a background in site and building design, engineering, land development, and real estate or business would be appropriate to review and act on downtown applications versus Council. In addition, Council found that a Board with the authority to review and act on downtown applications would aid with expediency of review and action to further encourage investment and reinvestment downtown. That was the basis in 2010 for Council's decision to appoint a member from the Planning Commission, the DDA, the HP Board and property owners to place an emphasis on downtown development.
2. Does Council want to review and discuss changes to DRB authority?

In 2010 Council decided to appoint downtown owners to the DRB with expertise in land development activity. Around the same time, Council decided they did not want to continue reviewing all commercial site plan applications at public hearings located outside downtown. Council granted authority to Town staff to administratively review and act on all commercial site plans, not residential, outside downtown less than 10 acres and / or less than 100,000 sq. ft. in size. That decision was made based upon several factors including, but not limited to, feedback from property owners and the development community about the uncertainty of time needed to publicly review smaller land use applications and the technical expertise associated with review of land use applications. Council found that land use applications of a specific size could be handled by staff with expertise in engineering and design related issues to provide certainty and consistency to land use applicants in a high growth community.

Recommendation

Staff reviews projects approved by DRB and projects that require TIF shareback agreements approved by Council. Staff is seeking feedback from Council on the following recommendations:

- Staff recommends Council act on all major projects and the DRB act as a recommending body to Town Council on major projects. This is similar to the Planning Commission's authority as a recommending body on all site plans outside the DOD boundary.
- Staff recommends that major projects be defined as any downtown project that exceeds 10,000 sq. ft. in building area.

This recommendation allows smaller downtown development applications such as site plans, façade improvements, landscape improvements, and signage improvements to be reviewed and acted upon by the DRB, while providing Council with authority to act on any major project in downtown.

Attachments

Attachment A: CRMC 17.42.090, 17.42.100, 17.42.110
Attachment B: CRMC 17.42.070
Attachment C: Design Review Board Bylaws
Attachment D: Design Review Board Actions
Attachment E: Projects with Financial Assistance
Attachment F: CRMC 19.04.053 - Downtown Sign Code