



Meeting Date: November 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 September 30, 2021)
with Potential Buildout Estimates**

Executive Summary

The purpose of this quarterly residential unit data update is to provide an overview of development activity and estimated population projections. On August 17, 2021, staff presented an updated residential unit data report through the June 30, 2021. This update includes data through the third quarter of 2021, ending on September 30, 2021. 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 77,283, which is an increase of about 739 persons from the previous quarter. There were 243 additional single family and 0 multi-family homes receiving certificates of occupancy within the third quarter of 2021 as compared to the previous quarter. Staff has also updated the potential buildout estimates. The potential high and low buildout calculations provide more realistic unit and population estimates to aid in planning for future Town resources.

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 77,300 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 third quarter of 2021. 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 ever 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 buildout 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. **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 September 30, 2021

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
130	Alexander Place (2020)	26	99	125	0	0	0
5	Arbors (2002)	38	80	80	0	0	0
7,8	Auburn Ridge (2013)	0	286	286	0	186	186
12	Brookwood (2003)	72	0	72	60	0	60
16	Cambridge Heights (2003)	0	100	100	0	0	0
17	Castle Highlands (1984)	132	200	332	127	200	327
19	Castle Meadows (1989)	10	200	210	0	0	0
3,20,21,22,23,117	Castle Oaks /Terrain (2002)	1992	775	2767	1902	0	1902
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	182	0	182
34	Castlewood Ranch (1998)	1300	0	1300	1282	0	1282
straight zones, downtown	Central Castle Rock (varies) NO maximum zoning	1538	1501 *	3039	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	2026	0	2026

		MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
PD #	Planned Developments (year zoned)	SF	MF	Total	SF	MF	Total
47	Dawson Ridge (1986)	2447	5453	7900	0	0	0
52,9	Founders Village - Inc. Founders 24 and Bella Mesa (1985)	1754	3667	5421	2493	0	2493
54,55	Hazen Moore (2000)	243	0	243	161	0	161
56,57	Heckendorf Ranch (1985)	406	224	630	299	0	299
59	Hillside (2009)	120	0	120	0	0	0
118	Lanterns (2003)	1200	0	1200	73	0	73
62	Liberty Village (2004)	1245	0	1245	1056	0	1056
63,64,65	Maher Ranch (1988)	2309	100	2409	768	96	864
70,72,73,74	Meadows (1985)	6642	4002	10644	7047	240	7287
75	Memmen Young Infill (1985)	559	476	1035	0	0	0
76,77,78,79,80	Metzler Ranch (1996)	1056	660	1716	741	580	1321
97,98,99,101,103	Plum Creek (1983)	3025	0	3025	1188	360	1548
100	Plum Creek Ridge (2006)	92	70	162	119	0	119
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 / Echelon (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
	* includes 221 MF additional units in downtown (The View)	MAXIMUM ZONED UNITS			UNITS BUILT (CO)		
		SF	MF *	Total	SF	MF	Total
TOTAL UNITS		31,710	23,204	54,876	23,187	4,001	27,188
POPULATION ESTIMATES		96,398	46,408	142,806	69,281	8,002	77,283

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 2021	SF	MF	Total	SF	MF	Total
1 st Quarter 2021 units	31,710	23,374	55,046	22,676	4,001	26,677
1 st Q population estimates	96,398	46,748	143,146	67,728	8,002	75,730
2 nd Quarter 2021 units	31,710	22,983	54,655	22,944	4,001	26,945
2 nd Q population estimates	96,398	45,966	142,364	68,542	8,002	76,544
3 rd Quarter 2021 units	31,710	23,204*	54,876	23,187	4,001	27,188
3 rd Q population estimates	96,398	46,408	142,806	69,281	8,002	77,283

* includes 221 MF additional units in downtown (The View)

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.

Several of the master planned communities have vesting rights while others do not. Some of the planned communities have vesting rights that have expired, but that does not allow for a significant change because all developments include legal agreements with the Town, referred to as Development Agreements (DA's,) that specifically outline required improvements and timing for those improvements. The agreements are a contract between the Town and the owner that would be difficult to eliminate even though the vesting expired.

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 on larger planned developments or the community as a whole.
- We cannot show 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, and make estimates for the "realistic" potential buildout.
- We can update the data with new information to determine how local trends are affecting the pace and location of growth in the community.

Potential Buildout Estimates

Because of the many qualifiers associated with the maximum zoned units versus units built calculations, staff analyzed the zoning entitlements further for each planned development zoning area. Staff evaluated the potential buildout based on availability of land, site constraints, and overall feasibility of the development to realistically build the total amount of units allowed within each planned development. The high buildout and low buildout potential offers a more realistic range of units for each area when the planned development is fully built (**Attachment B**). While the current maximum units allowed per the zoning entitlements equates to a future Town population of approximately 142,800 persons, a more realistic future population would be closer to 122,000 to 111,700 persons, or about 44,000 to 39,500 total homes.

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 September 30, 2021, is estimating a maximum zoned/entitled population of 142,806 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. Potential buildout analysis determined a more realistic buildout population of 122,000 to 111,700 persons.

In August, the US Census Bureau released the 2020 Census data, stating the Town's population was 73,158 on April 1, 2020. Staff's previous estimations of the Town's population through March 31, 2020 was 72,551, which is a difference of 607 persons or approximately 1%.

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: Unit Data through September 30, 2021 with Potential Buildout Chart

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