

Canyons South

Annexation Narrative

April 2021

Request

The owners of Canyons South (“CSLLC”) are seeking annexation of the property currently known as Canyons South (the “Property”) into the Town of Castle Rock. Following the required Substantial Compliance and Eligibility hearings, CSLLC anticipates submitting a request to rezone the Property through a PD application. The following narrative describes key characteristics of our Conceptual Plan (the “Plan”) and compliance with the Town Vision and Comprehensive Plan. While greater detail regarding specific zoning, design, layout, commitments, dedications, etc are required to be included as part of the PD application, the below narrative begins to identify many of those important details, in this annexation narrative, including a number of compelling public benefits of the conceptual development plan (Plan).

Location

The Property is located approximately 1.5 miles east of Interstate 25 and is generally bordered by property located in the jurisdiction of the Town of Castle Rock to the east, south and west, making it a very logical and suitable for annexation into the Town and as identified in the Town’s Comprehensive Plan growth boundaries. The Property shares borders with the Macanta residential development (in the jurisdiction of Douglas County) to the north, Founders Parkway to the west, the Terrain community to the south, and Terrain/ Castle Oaks Drive to the east. More specifically, the Property is located in Sections 30 and 31 of Township 7 South, Range 66 West of the 6th Principal Meridian together with a part of Section 25 of Township 7 South, Range 67 West of the 6th Principal Meridian. The site is surrounded with existing development and is a very logical extension of residential development particularly given the existence of in-place infrastructure surrounding the property.

Existing Conditions

The topography of the site consists of rolling hills with two east/west drainageways bisecting the Property. The Property drains to the east eventually connecting to Cherry Creek but has no visible creek or active waterways on the property. Vegetation on the site is primarily made up of native grasses with groupings of Gamble Oak (scrub oak brush). There are also groupings of ponderosa pine trees located in the drainageways on the western and northern boundaries. The primary development areas sit on the flatter plateaus where the grasslands dominate and are situated away from the steeper topography, the significant ponderosa pines and much of the Gamble Oak.

Vision for Canyons South

The Property is approximately 409 acres in size and is currently in the jurisdiction of Douglas County as part of a larger PD. The proposed development plan for Canyons South consists of 474 SFD lots, a neighborhood retail center, community parks, miles of trails, and a significant amount of public open space.

The overall density is in the range of 1.15 units per acre which is significantly less compared to the typical Town densities of 2 - 3+ units per acre of other projects. While still at the conceptual planning phase, we anticipate the future PD will offer a wide variety of lot sizes, including clustered product, alley load, and traditional single-family lots ranging in size providing a greater range of housing product to meet today's evolving lifestyle needs. We are also planning a neighborhood retail center at our primary point of entry off Founders Parkway. This neighborhood center is envisioned to provide complementary retail services at a neighborhood scale.

In addition to the "built" environment plans for the property, we are planning a significant amount of open space and trails throughout the community. An overall goal of the Plan is to meet the shifting market demand and seamlessly integrate the importance of outdoor activities and "healthy living" opportunities. We also recognize the immense value that Town residents place on connected trails and increased open space which you will see as significant broader contributions of the Plan. Included in the trails plan are a concrete trail that will connect Founders Parkway to Castle Oak Drive as well as a sidewalk that will complete the sidewalk transportation network in the adjacent area by connecting Crimson Sky Drive (the Terrain community) to Crowfoot Valley Road. We should note the sidewalk connecting to Crowfoot Valley Road to the east extends well beyond our property boundaries. Another guiding principle of our conceptual design process has been to ensure the outdoor amenity assets are accessible to not only the residents of Canyons South but also to the much broader Town of Castle Rock communities and residents. In total open space will cover over 60% of the overall property acreage, or approximately 250 acres, a significant percentage of the overall property, particularly when measured against other developments in the area.

Another particular area of focus is the interface the Property has with the Terrain community, located on the southern boundary. Our plan will provide for a 300' open space buffer between homes within the Terrain community, which sits right on our property line, and our closest proposed home. In addition to this horizontal distance separation, we are also planning landscape and earth berming design that will provide additional visual buffering along our southern edge. The preservation of open space buffering will also be very apparent and on the eastern, western, and northern property boundaries, all which will help retain the small town feel and a broader transitional edge to minimize the visual impacts. Our buffer on the western edge of the property, between Founders Parkway and our nearest residential area, is anticipated to be at least 600', with residential development from the southern property corner sitting over 1200' from Founders Parkway. Retaining a small-town feel and high-quality design and transitional open space edges are fundamental principles of our conceptual plans for the Property. We believe the use of visual buffers, both distance and landscape, will help drive the character and high-

quality design the Town and its residents are seeking in new residential development. In addition to the commitment to high quality community design, we are working on design guidelines that will be presented as part of the PD plan review and community discussion processes. Another key attribute of our conceptual plan is the holistic view we are taking in developing a water efficiency program. While still being discussed with Town staff, the plan will feature limitations on exterior water demand and usage through restrictions on the amount of irrigated turf, the use of spray irrigation, and a limitation on the use of certain water intensive plant materials. Further definition, and resulting calculations, of these requirements and limitations will be provided during the PD process. We forecast our total water demand, and benefits of the water efficiency and landscaping requirements, will be market leading for the Town of Castle Rock and a model example across Colorado Front Range communities.

Impacts

Infrastructure

The property is surrounded by existing infrastructure and Town utilities. Primary roadways and access will be provided by Castle Oaks Drive to the east and Founders Parkway to the west. Residents will also be able to access Crowfoot Valley Road through the adjacent Macanta community to the north. The Town has potable water lines running along both the eastern and western edges of the Property. Additionally, the Town owns and operates the water lines within the Macanta community to the north and it is contemplated that connections to those lines will be made to provide additional looping for the water infrastructure. The Town currently owns and operates wastewater conveyance system adjacent to the property along Castle Oaks Drive. It is anticipated the Property will utilize that existing line and infrastructure for conveyance of wastewater. A Concept Utility report will be provided as part of the PD application, as required per Town guidelines.

Parks, Recreation, and Open Space

CSLLC has engaged the Town in discussions regarding park land dedication and park development. It is anticipated that further refinement of the plans for open space and park development will occur during the PD application review and discussion process. However, it is currently anticipated that the park and open space areas, in total, greatly exceed the Town's dedication requirement, per the Town Code, and when developed should mitigate any impact on park use demand on nearby parks. It should also be noted that the conceptual plan includes a number of 'pocket parks' which will include both active and passive uses. The more active use pocket parks will have play structures and other features that will more than adequately provide park areas to meet the potential demand within the community.

Wildlife

In designing the overall development plan for Canyon South, CSLLC gave strong consideration to preserving the existing wildlife corridors and habitat on the property. The two primary corridors for

wildlife follow the drainage patterns from west to east, one along the northern portion of the Property providing a substantial buffer and trail connectivity and open space integration opportunity to the Macanta neighborhood to the north and the second corridor near the southern portion of Canyons South connecting to the property, just west of Founders Parkway and then extending east to Castle Oaks Drive.

Compliance with Vision 2030

The Town of Castle Rock 2030 Comprehensive Plan was developed to chart the course for the Town's and its growth and policy objectives for the next 10 years ahead. The vision in the Comp Plan states, "the Town's built environment should enhance the Town's natural environment and achieve the community's overall vision of being a world class community with small-Town character". In shaping the Plan for Canyons South, the CSLLC team embraced this overall Town vision and the supporting four "Cornerstone" values of the 2030 Comp Plan to ensure the Canyons South property will be aligned with, integrated into and provide significant benefits for the overall Castle Rock community.

We believe the Canyons South application for annexation, and future PD plan, certainly embraces the four Cornerstone building block values and organizing framework of; Distinct Town Identity, Responsible Growth, Community Services and a Thriving Economy. In addition, we will ensure the Canyons South Plan is in harmony with the 2030 Comp Plan Goals that help achieve the Town's overall vision which include:

- Achieve a quality-built environment
- Plan for and act to manage the impacts of growth
- Protect and enhance the natural environment
- Focus on quality development and seek out and encourage great projects
- Achieve a high level of effective public outreach, notification, and community involvement
- Ensure quality community services to support public health, safety and welfare
- Maintain a high quality of life for the residents and businesses
- Achieve and maintain water conservation and long-term water resource programs
- Achieve capable surface transportation systems, and plan for multimodal opportunities
- Create a regulatory environment based upon goals, values and fairness; all to assist with economic development

The Comp Plan's Four Cornerstone Values and supporting Goals listed above can be utilized as touchstones as part of the Town's day-to-day decision-making process in evaluating the forth coming PD submittal. We are confident that when the plan for Canyons South is viewed through the lens of the Town's adopted goals, it will be very evident that it embodies many of these attributes, and will be a beneficial addition to the Town of Castle Rock community. Following summarizes how we anticipated

the plan and guiding principals for Canyons South meet the Town's Four Cornerstones Building Blocks and supporting Principles:

Distinct Town Identity

The Plan provides a buffered and low density non-urban development edge transition on the Town's northern boundary. In addition, the extensive buffer setbacks and preservation of the major drainage ways and natural features and vegetation of the site will preserve natural open space on all edges of the property and scenic vistas. A key signature attribute of the Plan will be the highly accessible and well distributed system of high-quality parks, preserved open spaces and connected trails. The Plan will also be driven by Design Guidelines, which will be described in subsequent applications, and will provide for high-quality architectural character that is compatible with the surrounding projects and the beauty of the site.

Responsible Growth

The Plan carefully accommodates the needs of existing and future residents while enhancing the Town's own character and maintaining a distinct identity, while providing quality of life and environmental resources as an asset to the Town and its residents.

CSLLC views a key aspect of 'responsible growth' to be development in an area that is logical to the jurisdiction and can provide efficient development of infrastructure. The Property, given its adjacency, and infill development characteristics, certainly fill that quality. In addition, the Plan will provide for high-quality open space areas to accommodate community events, active and passive recreation, trail linkages, natural buffers, and environmental preservation. The open space areas within the conceptual plan were thoughtfully laid out to be accessible while ensuring the natural environment is preserved. The natural gulches provide unique natural landscape and features while also providing habitat protection and environmental preservation. Trail linkages are envisioned to provide residents community wide access to trails that will allow for enjoyment of passive recreation with the open space areas. In addition, the interconnected trail system will offer an alternative multimodal means of transportation by connecting the small neighborhood retail site and adjacent schools in a safe and healthy manner, not only for future Canyons South residents but also those residents that reside in the adjacent Macanta, Terrain, Timber Canyon, and other neighboring communities. Also key with responsible growth will be a partnership with the Town to identify best available opportunities to invest in a renewable water supply. In addition to the renewable water initiative, CSLLC will dedicate 465 AF of Denver Basin water rights as part of the annexation.

Community Services

CSLLC will fund and develop all infrastructure facilities internal to the property as well as partnering with the Town to invest in developing and maintaining efficient infrastructure facilities sized to accommodate

residents throughout the Town. We will work with the Town in analyzing potential impacts it may have on the Town's existing infrastructure and to develop a program to mitigate potential impacts. We should note that CSLLC has previously provided a \$270,000 contribution to help fund the Town of Castle Rock fire station located on Crowfoot Valley Road. Lastly, CSLLC dedicated has dedicated land parcels for Douglas County Schools, for future development of both an elementary and middle school.

Thriving Economy

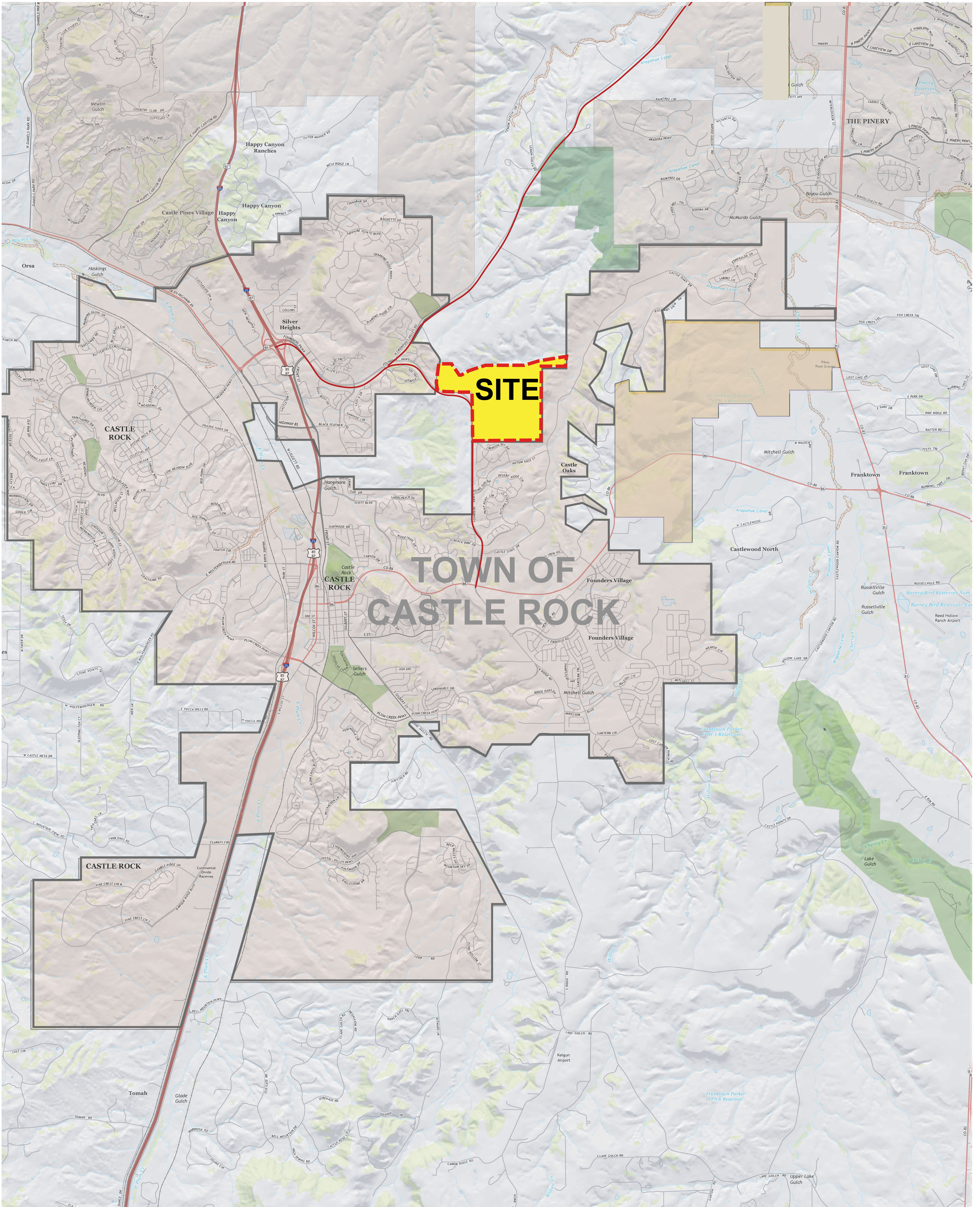
The Canyons South property is bordered by the Town on the east, west and south making it a logical extension of the Town and suitable for annexation. In addition to the Property's logical geographical fit for annexation, there are many tangible elements of the Plan that will bring significant economic benefits to the Town. The preliminary Canyons South development plan anticipates a mix of lot, home sizes, and housing options, along with the potential to incorporate a high-design neighborhood retail amenity. Home values are forecasted to range from the mid-\$400Ks to over \$1MM. As part of the eventual home construction the Property will generate a significant amount of fees and revenue from building permits and impact fees. It is estimated, based on Town's 2021 fee schedule, the build-out of Canyons South is forecasted to generate over \$28MM of fee revenue to the Town, made up of \$13MM for water and sewer taps, \$6MM+ for building permits and use tax, and \$9MM+ for impact fees. Further detail as to the impact of the annexation and zoning on Town facilities will be analyzed and reviewed with the various Town departments. Financial considerations and construction obligations will be included in the draft of the Development Agreement between the Town and CSLLC.

In addition to the economic benefits just mentioned, the Plan will propose cohesive neighborhoods that offer a variety of lifestyle options for Castle Rock residents and meet the short- and long-term, and multi-generational needs of the community while providing new housing options for residents who can continue to live in the Castle Rock community.

Conclusion

In summary, Canyons South is a unique property which merits consideration for annexation and zoning and into the Town of Castle Rock. The proposed Plan, and density, will clearly demonstrate it is consistent with the policies and intent of the Town's 2030 Comprehensive Plan and Vision. We also feel the Property has unique characteristics and special attributes that are complementary surrounding neighborhoods while also having differentiating characteristics. We believe there is a great amount of public benefit from the annexation and zoning, including the dedication of high-quality open space and trails, while preserving much of the natural landscape and wildlife habitat, while keeping a focus on delivering high quality residential development. Additionally, the development of and partnership with the Town in implementing a market leading water efficiency program is another key attribute of the proposed annexation. We believe that when viewed across the Town's goals and vision, an annexation and zoning of the Property is logical and appropriate for the Town of Castle Rock.







that is shaped by the Town of Castle Rock Comprehensive Master Plan. Lastly, the development of water efficiency and partnership with the Town to provide a market leading water efficiency and conservation program will help set the Property apart from and help define the success and sustainable characteristics that will benefit the Town of Castle Rock and its residents for generations to come.



CANYONS SOUTH

ANNEXATION CONTEXT

Planning Areas

 PA1	18.1 ac 4.4% of site
 PA2	47.6 ac 11.5% of site
 PA3	32.0 ac 7.7% of site
 PA4	46.0 ac 11.1% of site
 PA5	9.9 ac 2.4% of site
 PA6	8.7 ac 2.1% of site
Totals	162.3 ac 39.2% of site

