



Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

**Planning & Code Administration
Department**
Phone: (970) 984-2311
Fax: (970) 984-2716

Staff Report

**Castle Valley Ranch PA 12
Sketch Plan
Planning Commission – February 14th, 2024**

Report Compiled: 2/8/2024

Project Information

Applicant: Maarjan Hashami

Applicant's Mailing Address: 17774 Preston Rd.
Dallas, TX 75254

Phone/Email: 469-531-4115/maarjan@tcfuels.com

Property Owner: TC Midwest LLC

Owner Mailing Address 17774 Preston Rd
Dallas, TX 75254

Proposed Use: 56–64k sf of Commercial Space:

- Fueling Station
- Bank
- Community Market
- Market
- Café
- Boutique Hotel
- Open Space & Plaza

Parcel Acreage: 10.77 acres

**Open Space/Floor Area
to Land Ratio :** ~ 2 acres/13-15.2

Proposed Zoning: M/U - 1

Surrounding Zoning: SF homes (N Wild Horse Dr., Redstone Dr, CVB);

Open Space (VIX Park)
Residential zoning (CVRI)
School (Kathryn Senor Elementary)

I Introduction

TC Midwest LLC approached the Town in early 2023 to discuss commercial development on Planning Area 12 (PA12) off the Castle Valley Blvd. (CVB) roundabout near Kathryn Senor Elementary (**Exhibit A, pg. 4**) and across from Pyramid Dr. In those early conversations, the Applicant noted how the prospects of PA12 dovetailed with their history of development in the Valley (**Exhibit A, pg. 1**). With one of the only remaining commercial parcels available, Staff agreed that a central multifunctional commercial property having amenities within walking distance to the surrounding community, could be a valuable addition to the neighborhood. After a number of congenial discussions and numerous plan edits, the Applicant officially submitted a sketch plan application on November 7th, 2023 to pursue this vision.

The proposal contemplates the 7 buildings in 4 phases (**Exhibit A, pg. 8**) all bracketed by a circuitous parking lot/driveway arrangement intersecting at the CVB roundabout to the west and N Wild Horse Dr to the east. Project phasing is summarized as follows:

- Phase 1 – Bank, Fueling Station, Community Market, Restaurant w/ outdoor seating and, a central park/plaza;
- Phase 2 – Flexible, market based development; Potential for Town partnership;
- Phase 3 – Boutique Hotel;
- Phase 4 – Park/Open Space;

The sketch plan is the first of three application steps required for new planned unit developments (“PUDs”) & subdivisions. The sketch plan review assesses initial compliance with town codes, provisions for utilities and infrastructure, substantial conformance to the comprehensive plan, and adverse impacts to the Town. The review provides the Applicant preliminary, nonbinding feedback from Staff, the Planning Commission, and Town Council before significant expenses are incurred. Though no approvals are made at this initial step, constructive feedback can be anticipated.

II Staff Review:

Throughout the application process, the submittal documents will be reviewed pursuant to the criteria below as outlined in the Municipal Code (MC) for planned unit developments (PUDs) and subdivisions. An proposal should show general conformity to the following (MC 17.100.040(E)):

1. Consistency with the comprehensive plan;
2. Compatibility of proposed zoning, density, and general development plan to neighboring land uses and applicable town code provisions;
3. Availability of town services from public works, fire, and police;
4. Vehicle, bicycle, and pedestrian circulation; and
5. Preservation of the natural character of the land.

1) *Is the proposal consistent with the comprehensive plan?*

According to CVR PUD regulations (MC 17.104.010):

“The purpose and intent of the Castle Valley Ranch PUD zone district regulations are to:

- A. Encourage variety in the physical development pattern of Castle Valley Ranch;
- B. Provide a variety of housing densities greater than would be normally possible;
- C. Encourage the use of a more creative approach to the development of land;
- D. Encourage a more efficient, aesthetic and desirable use of open space;
- E. Encourage a more efficient use of energy through solar orientation, native vegetation, and water conservation;
- F. Provide a variety of dwelling and building designs;
- G. Provide high standards of development and provide amenities appropriate to the densities involved in the project;
- H. Provide an integrated open space system throughout areas as outlined on the Castle Valley Ranch PUD zoning plan as well as throughout individual districts;
- I. Provide for a variety of housing types in order to best meet the housing demands of all age groups;
- J. Maintain and preserve the general alignment of drainage ways for aesthetic, energy and functional purposes;
- K. Provide pedestrian networks throughout the open space districts as well as throughout individual districts thereby providing an integrated network throughout the entire development;
- L. Provide landscape areas and tree plantings throughout the entire development.”

The CVR planning concept is consistent with the major elements of the currently adopted Comprehensive Plan (“CP”). Applicants are expected to clearly demonstrate substantial conformity with the CP in all applications (**Policy CG-1B**). Substantial conformance to the CP may include:

- ☐ Fostering distinctive, attractive communities with a strong sense of place and quality of life.
- ☐ Demonstrating a fully-balanced community and land use structure.
- ☐ Ensuring a mix of uses that complement existing land-use patterns.
- ☐ Creating walkable communities and encourage multi-modal transportation.
- ☐ Balancing housing types that support a range of affordability.
- ☐ Preserving open space, natural beauty, and critical wildlife habitat.
- ☐ Encouraging economic development.
- ☐ Providing efficient and cost-effective services.

Per the submittal narrative (**Exhibit A, page 1**), the development proposes relevant commercial amenities intending a socio-economic focal point in the core of Castle Valley Ranch (CVR). The centralized location is poised to enhance connectivity of services and amenities to the surrounding community reinforcing key values of the Comprehensive Plan such as “Smart Growth” (**Goal CG-5**) and Economic Development (**Goal E-1**). The heart of the proposal (**Exhibit A, page 4**) is the central event plaza meant for year-round community gatherings flanked by surrounding retail shops, restaurants, and services. The plaza will function as a place for picnics, music venue, food trucks, or even weddings. The commercial uses directly adjacent to Castle Valley Blvd. will support commuters, recreationists, and/or residents with various goods.

The projected phasing aligns with a number of New Castle goals and values favorable for Smart Growth and quality of life (**Goal CG-5**) including a focus on conservation of the natural environment (**Goals EN-1 thru EN-8**), sensitivity to architectural aesthetics, and promoting trails and open space (**Goal RT-1**). The Applicant aspires to create a space

commensurate with community, outdoor recreation, and sustainability. Generous open space, interconnected trail systems, and thoughtful use of resources contribute to these ends.

Economic Impact: Historically the Town has struggled with an imbalance between residential and commercial development. Like the valley-wide effort for affordable housing, New Castle has long encouraged development of commercial square footage to attract businesses and thereby expand the goods and services available to its residents. The current application is one step to neutralize this disparity. Retail and hotel establishments will also improve the tax revenues, with 3.5% and 5% rates respectively. Limited capital costs for utility infrastructure and subsequent maintenance should be incurred by the Town since few of these components will be conveyed to the Town. With added employees, the proposal should add vitality to this part of the community. To be sure, the Applicant is required to include a fiscal Impact study as part of the preliminary plan application.

Trails/Open Space/Recreation: The site plan establishes a baseline commitment to pedestrian friendly communities, trails, and active open space (**Exhibit A, pages 4**). The central plaza will be the focus for outdoor entertainment, dining, recreating, or just relaxing. Sidewalks and/or trails from the surrounding neighborhoods, trails, and schools are all anticipated to lead towards this central area.

Parking areas should provide hi-visibility crosswalks to prioritize pedestrian safety. Likewise, the Applicant should be strategic in traffic calming to deter speeding and short-cutting around the property.

Currently two continuous trails will connect N Wild Horse Dr with CVB. Both paths will have connecting spurs (presently not drawn) to access the various commercial amenities by foot or bike.

Finally, a play area park on the north end of the property will balance with the Town's pump track and dog park. Whether this park is dedicated to the Town is yet to be decided.

Environmental Impact: New Castle is committed to stewardship of the natural environment and recognizes the potential negative impacts of new development. The Town will work with Colorado Parks and Wildlife (CPW) and the Applicant to identify and protect critical environmental resources (**Goal EN-1**). Though CPW defers comment until the preliminary stage, the surrounding areas of the property have historically been recognized as year-long habitat for various birds and mammals. It will be important to minimize conflicts by, for instance, prohibiting dogs off-leash, minimizing light trespass, preserving native habitat, and limiting use of fences. In some cases, added landscape buffers in certain locations may offset these impacts with enhanced vegetation and/or landscape features.

New Castle also endorses sustainable building that minimizes the consumption of fossil fuels and maximizes use of renewables (**Goal EN-7**). All buildings will comply with the recently adopted Colorado Electrical and Solar Ready codes. It will be important for the Applicant to discuss how sustainable building measures are featured in the proposal as the application progresses. Net-zero/all-electric alternatives are achievable options manifested in new developments throughout the Valley. No less should be expected of this proposal.

Raw water is being considered as the means to irrigate landscaping (**Exhibit A, pg. 10**). Raw water is non-potable water which bypasses the town's treatment facility thereby eliminating the processing step. The Applicant also receives a 25% reduction in water tap fees as a result of implementation. Opting for raw water is ultimately economic and sustainability win for all involved.

2) Does the proposal demonstrate compatibility with the proposed zoning, density, and general development plan to neighboring land uses and applicable town code provisions

Land Use: The Applicant has elected to develop under the CVR **MU-1** zoning criteria. According to MC 17.104.080, MU-1 is a “mixed use district providing a mix of residential and nonresidential land uses within close proximity to each other that are suitably located within the community core. The following land uses are permitted by right:

- SF and multifamily dwellings;
- Childcare facilities;
- Places of worship;
- Administrative and tech;
- Banks;
- Personal service shops;
- Restaurants and taverns;
- Gasoline service;
- Retail;
- Offices;
- Parking;
- Parks
- Recreational facilities;
- Trails and open space;

Warehousing, manufacturing, and industrial uses are not permitted in MU-1 zoning regulations.

The Master PUD allows for the following density standards:

- Maximum floor area/land ratio of 0.6:1;
- Maximum building height of 40’;
- Maximum accessory building height of 25’
- Minimum front yard setback 15’;
- Minimum side yard setback of 5’;
- Minimum rear yard setback of 10’
- Minimum distance between buildings of 10’;

Mixed-use districts in CVR emerged from early discussions about Smart Growth and its implementation in undeveloped areas of New Castle (**Goal CG-5**). A key thesis of Smart Growth is the blending of residential and commercial in order to reduce traffic and environmental impacts, increase pedestrian access, foster social connections, and overall improve the quality of life. Live-work structures – buildings with residential units above commercial establishments – are often co-extensive with the mixed-use concept. The current property could, in theory, be an ideal location for the live-work model. However, the Applicant’s restrictive covenants (viz. an obligation to develop commercial only) contractually prohibits residential on this parcel. Though independent of the vested rights with the Town, the restrictive covenants are no less binding on the Applicant. In light of this, the Planning Commission will still need to consider whether a commercial only development or a bona fide mixed-use venture is the better fit for CVR.

For Phase 1, the Applicant has elected strictly permitted uses per the vested rights, with structures complying with density, separation, and height constraints. Uses within Phases 2 & 3 are indefinite though multi-functional buildings are anticipated. The Phase 3 boutique hotel is neither permitted by right nor prohibited and therefore will require special attention if approval is considered. Occupancy of later phases will track market demand, but could be a central location for child-care services, small offices, or a Town partnership for a recreation center adjacent to VIX park.

Setbacks and building heights will be provided at the preliminary application. These provisions aside, the Planning Commission should prioritize ways of mitigating the potential visual impacts of building massing to the surrounding neighborhoods. Massing alternatives, structure orientation, landscape screening, and roof articulation, for example, are ways visual impacts can be diminished. Some of these elements have been included in the renderings (**Exhibit A, pages 20, 22-23, 28-29**).

Staff also recognizes that Phases 2 & 3 are currently conceptual and will remain so for the unforeseeable future. Future factors could impact anticipated uses and designs in ways both functionally and aesthetically detrimental to the Town without some form of accountability. Therefore, Staff recommends that all future phases, including site plan, building design, and engineering, be reviewed prior to building permit application.¹

Off-Street Parking: Parking specifications and the parking plan for Phase 1 are prepared in **Exhibit A, pg. 5**. As designed, off-street parking is underrepresented by 10 spaces. The bulk of this deficit will be found in the restaurant parking lot(s) with a 17 space shortage. Patrons will likely be compelled to use empty bank or fueling station spaces when the nearer lots are full. EV supply equipment (EVSE) will also be required at a rate of one per lot or three total for Phase 1. Fueling bays are counted towards the parking total, a reasonable request given the nature of fueling stations. Pursuant to Section 17.104.100 (M), P&Z may approve joint use parking arrangements to allow parking from one lot to overflow to another during off-business hours (e.g. restaurant parking overflow to the bank parking lot during the evening). Ultimately, the purpose of off-street parking in the PUD “is to ensure that safe and convenient off-street parking is provided to serve the requirements of all land uses in the Castle Valley Ranch PUD and to avoid congestion in the streets” (MC 17.104.100). P&Z will need to consider whether the available parking proposed is commensurate with the commercial square footage envisioned.

3) *Is there availability of town services from public works, fire, and police?*

Police: There is little indication that police service would be compromised with the added commercial traffic. However, the Police Department currently consists of eight officers (plus one in training) with an ideal department size of 11 officers. Generally, additional officers are considered for every 1,000 resident increase.

Fire: In response to the current multi-year drought and the ongoing expansion of the wildland-urban interface, Colorado River Fire Rescue now emphasizes the resiliency of structures and improving defensible space (**Goal EN-8**). Recently, such measures were codified with the adoption of the 2021 International Fire and Wildland-Urban Interface

¹ In Section 7D of the SIA for Ordinance 2002-19 (LCR Filing 1), P&Z and Council were given similar authority in the design of the Lakota Recreation Center.

Codes. Structures are required to use materials with higher ignition resistance than more conventional materials, particularly in buildings. Limiting the combustion properties of a structure reduces fuel loads thereby inhibiting flame spread and buys time for firefighting during a wildland fire incident. Vegetation on lots of new structures will also be required to be thinned to provide separation from structures and other combustible materials.

Public Works: The CVR Master PUD is approved for 1,400 residential units and 100,000sf of commercial space. These totals were primarily the result of calculations performed on the basis of water dedicated from Elk Creek. At present, the PUD has no commercial space developed. The current sewer treatment plant is sufficiently sized to process the full build-out of both CVR and Lakota.

Raw Water: Raw water is available at the roundabout on CVB and is expected to irrigate all common areas within the new PUD. The raw water infrastructure will need to be extended and looped with the installation of the N Wild Horse road connection.

Streets/Snow Storage: The proposed design does not contemplate conveying public roads to the Town. The proposed looped driveway shows a standard 24' width with perpendicular parking on both sides. Snow storage is currently omitted at this point, but will be vital to plan early given the density of the development. Adequate snow storage is crucial for public safety, cost savings, and quality of life. Circulation around the later phases is only conceptual at this stage (**Exhibit A, pp. 8, 13**). However, parking and drive lanes do not seem to fit consistently on the current sketch. Staff recommends that the Applicant provide an improved driveway alignment consistent with the design of Phase 1 prior to the Council meeting. Finally, the intersection with N Wild Horse Dr. would typically align with future Silverado Tr. Since Silverado Tr. is yet to be built, the alignment of the west entry to the property should be considered a place holder until the location of the intersection is better formalized.

Open Space: The Applicant has made efforts to integrate active open space in two locations (**Exhibit A, page 4**). The Parklet to the north and the central Event Plaza will be available to all residents and will complement the proposed commercial uses.

4) Is there adequate vehicle, bicycle, and pedestrian circulation?

Because of the high density and disrupted lines of sight it will be important for the interior driveway loop to provide high visibility pedestrian crosswalks, preferably with bump outs, placed in priority locations. This should ease the feeling of one having to forge a moat of parking in order reach the project's interior. Peripheral paths with connecting spurs will be designed to allow foot/bike access to all amenities. These paths will be modestly landscaped and dimly lit along their routes with a soft trail surface.

5) Is the natural character of the land preserved?

Topography: Grade (**Exhibit A, page 6**) slopes gradually downhill from east to west dropping 30-40' in 700ft (~4% slope). Such slopes are rarely problematic from a design standpoint and therefore structural steps or terracing of landscaping should be minimal, if necessary. Nevertheless, the Applicant should demonstrate material balance of expected cut-and-fill before construction commences. The structural designs appear to preserve and

match existing grade features and follow uniformly with the current slope.

To conserve water and limit landscape maintenance such as mowing, staff requests the applicant consider drought resistant vegetation and seeding of native grasses to restore disturbed areas to their original state. Sod with landscape irrigation, likewise, should be used sparingly to limit the need for landscape maintenance.

IV Staff Recommendations

- A. Include details for managing potential hazards related to the operation of a fuel station, including storage location, managing fuel spills, possible air pollutants, and including draft covenants which include best practices for daily upkeep and appearance of the fueling station and its immediate surroundings.
- B. Provide a lighting plan demonstrating that all parking lot and exterior building lighting will be dark-sky compliant per the Comprehensive Plan. Parking lot lighting should be on timers to reduce the light duration at night while maintaining security lighting as necessary.
- C. Applicant shall demonstrate compliance to section 17.104.100(P) related to off-street parking specifications within the CVR PUD. Particularly, plans shall include:
 - Entry access divider at N Wild Horse Dr.
 - Screening of parking from adjacent residential zones;
 - At least 10% landscaping of parking lots;
 - Parking lot/driveway snow storage;
- D. Consider relocating all refuse containers (i.e. dumpsters) to the rear of buildings or out-of-sight of CVB.
- E. Provide temporary turnarounds for emergency personnel as recommended in the referral letter from CRFR.
- F. Minimize construction traffic along N Wild Horse Dr. with provisions for a temporary construction easement that includes an impervious road surface that accommodates construction vehicle circulation for the buildout of PA 8 & 9 (R2 Partners LLC) and PA 12 (TC Fuels Midwest LLC) until the completion of either PA 12 or PAs 8 & 9, whichever is first.
- G. Extend raw water infrastructure from existing stub-outs into the new development with an extension along N Wild Horse Dr.
- H. Specify on the plat open space maintained by the HOA and open space maintained by the Town, if applicable.
- I. Provide a water sampling station per the recommendations of the Town Engineer and Public Works Director.
- J. A preliminary and final PUD application shall be submitted to the Town in accordance with Sections 17.100.050 and 17.100.060 for future phases 2-4.

- K. Following final PUD approval, minor alterations to architectural plans, including changes to design features and exterior materials, and any other alteration addressed in Section 17.100.110 of the Code will be processed in accordance with said section.
- L. The development shall comply with all currently adopted building code and municipal code requirements, including all sign code regulations in effect at the time of building permit application, as well as all recommendations of the Town Engineer and Town Public Works Director provided in response to review of the Application. All site specific development applications subject to the provisions of the International Fire Code or matters requiring fire alarms and/or fire suppression shall be submitted to the Fire Marshal for review and comment.

V Next Steps

Comments and recommendations made by staff and the planning commission should inform future revisions made to the application prior to Council review.

After Council sketch review, but prior to the preliminary plan application, the applicant shall conduct a **community open house meeting** with the public. The Applicant shall notify the town of the date of the community open house and notice the community open house according to the Town's public hearing notice procedures set forth in Section 16.08.040, except that notice to mineral owners is not required.

The sketch plan review conducted pursuant to this Section 17.100.040 will remain in effect for one (1) year from the date of Council's review. If the applicant does not submit a preliminary PUD plan application within said year, the applicant may be required to submit a new sketch plan application before filing a preliminary plan application. Similarly, if applicant's preliminary PUD plan application includes substantial and material (e.g., proposes new uses, higher density development, new or additional variances, etc.) changes from the original sketch plan, the Town Administrator may require the applicant to conduct a new sketch plan review.

VI Sketch Plan Exhibits:

- A. Applicant Sketch Plan Submittal – February 2, 2024
- B. Land Development Application – January 18, 2024
- C. Comments from Fire Marshal – February 5, 2024
- D. Comments from Public Works Director – February 6, 2024
- E. Comments from Town Engineer – February 7, 2024