



**Town of New Castle**  
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**Planning & Code Administration  
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**Staff Report**

**Coal Seam  
Preliminary/Final PUD, Lot Split, and Variance Application  
Ordinance TC 2026-1  
Town Council  
March 3<sup>rd</sup>, 2026**

Report Compiled: 2/26/2025

**Project Information**

**Name of Applicant:** Coal Seam, LLC

**Phone/Email:** 970-618-3555/abdi@aspenbuilt.net

**Property Owner:** Coal Seam, LLC

**Property Address** 7051 CR 335

**Proposed Use:** 71 room Hotel, Restaurant, 4 – one bedroom employee residences

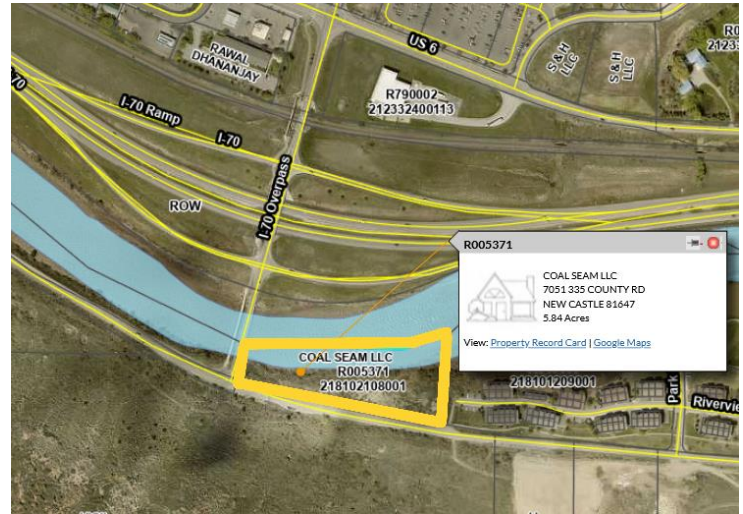
**Allowed Zoning:** Highway Business/PUD per Ordinance 99-5

**Proposed Zoning:** Mixed Use PUD

**Surrounding Zoning:** Industrial  
Garfield County, Rural Low Density  
Residential, River Park Condos

## I Introductory Summary

Coal Seam, LLC is a local developer proposing a hotel, restaurant, and workforce housing concept east of the I-70 interchange, south of the Colorado River. The endeavor offers several community amenities with economic benefits in a central Colorado River Valley location. The site contemplates a 71 unit Best Western "Signature" hotel, a model which allows franchisees the chance to curate design features to better suit the locale. The hotel will sit adjacent to a restaurant that can be accessed by river floats. The restaurant sits atop four, one-bedroom residential units. The proposal will help offset workforce housing needs while supporting New Castle's commercial base.



The property was originally annexed in 1999 as Lot 1 of a three zone district PUD including the current River Park condominiums and Grand River Park. The property subsequently housed a gas station and laundromat which was ultimately demolished and the land reclaimed. The ordinance approving the initial zoning for Lot 1 upon annexation (Ordinance #99-05) provides that all provisions of the Town's Highway Business zone district apply to Lot 1, subject to the additional provisions and design standards included in the Ordinance. Ordinance #99-5 also indicates that development on Lot 1 is subject to both the preliminary and final PUD Plan application processes. To expediate this process, the Applicant requested these two distinct applications be combined pursuant to Section 17.100.050 (A). On September 27, 2023, The Planning Commission (P&Z) voted unanimously to combine the application steps with the condition that the preliminary and final application steps be considered separately if P&Z finds the combined application to be insufficient for final approval.

The combined application packet was deemed complete on April 11<sup>th</sup>, 2025 and, after multiple continuances and extensions, was approved with conditions by P&Z on December 10<sup>th</sup>, 2025. On January 20<sup>th</sup>, 2026 Council opted to extend the final vote to no later than March 17<sup>th</sup> (if necessary) in order to provide the Applicant ample time to prepare. After its review, Town Council may make one of three decisions: 1) approve the application unconditionally; 2) approve the application with conditions; Or 3) deny the application. A Final PUD application assesses zoning conformance, compliance with Public Works requirements, the suitability of utilities and infrastructure, compatibility with the comprehensive plan, and address any adverse impacts to the town. By final approval, all civil drawings should attain construction level readiness. Town Council's decision will be made by ordinance which shall be introduced twice at a Town Council meeting and, if approved, shall take effect 14 days after final publication pursuant to Article IV of the New Castle municipal code.

## **II Staff Review:**

Throughout the application process, application documents will be reviewed pursuant to the criteria outlined in the Municipal Code (MC) for planned unit developments (PUDs) and subdivisions. At the final plan stage, an application shall show conformity to the following criteria (MC 17.100.050(H)):

1. Consistency with the comprehensive plan;
2. Compliance with zoning and density requirements;
3. Compatibility to neighboring land uses;
4. Availability of town services from public works (including water and sewer services), fire, and police;
5. Adequacy of off-street parking and vehicle, bicycle, and pedestrian circulation;
6. The extent to which any required open space or parks are designed for active or passive use by residents of the subdivision or the public; and
7. Development is consistent with the natural character, contours, and viewsheds of the land.

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

Applicants are expected to demonstrate substantial conformity with the CP in all applications (**Policy CG-1B**). The checklist below, though not exhaustive, provides a tool for reviewers to assess conformance with the CP:

- Foster distinctive, attractive communities with a strong sense of place and quality of life.
- Demonstrate that individual project fits into a fully-balanced community land use structure.
- Ensure a mix of uses that complement the existing New Castle land-use patterns.
- Create walkable communities with non-vehicular interconnection between use areas.
- Guarantee a balance of housing types that support a range of affordability.
- Preserve open space, farmland, natural beauty, critical environmental areas, and wildlife habitat.
- Encourage economic development and supporting hard & soft infrastructure.
- Concentrate development in ways which provide efficient and cost-effective services.

Coal Seam aspires to fulfill many of the values and goals listed above:

1. The project provides a much in demand commercial base with hotel, and dining space in a highly visible location off of Interstate 70 (**Goal E-; Policy E-1E**). Though retail/office occupancy is currently not being considered, the Applicant is proposing a list of potential uses-by-right so that future business prospects are not unnecessarily burdened by lengthy conditional use reviews.
2. The proposal provides four residential units for its commercial tenants to help address New Castle's residential/commercial imbalance (**New Castle Community Vision, CP, page 8; Also Goal CG-4**).
3. A river trail with potential boater access provides a unique river experience (**Goal RT-1**) which helps preserve natural habitat (**POST-4A**). The proposal also preserves the LoVa trail access along CR 335 (**Policy POST-3F**).
4. Building aesthetics will blend with the local topography, landscape colors, and historical mining structures to temper viewshed impacts (**Goal EN-6**).

5. EV charging will be available per state requirements with a nod towards sustainability (**Goal EN-7**). Other sustainability measures were not discussed.
6. Market rate workforce housing will be available for employees of the development as right of first refusal (**Goal HO-1 & 2**). Any remaining units will be made available to Town of New Castle employees then the local workforce. A draft housing agreement is provided in the packet.
7. A fiscal impact study was performed comparing revenues and costs projected to the Town. The study assesses whether the project will provide a net financial benefit for at least the next 15 years. Items on the revenue side include: use tax, tap fees, lodging tax, sales tax, property tax, and incremental revenues; The cost side is mainly derived from the general fund expenditure per person as provided from the Town budget. Revenues during that time range from \$260k to \$355k with expenses ranging from \$62k to \$84k. In sum, the development is projected to generate a total of \$3,989,808 over the first 13 years once fully operational which does not include \$1,053,146 in construction revenue generated at permitting. The Town's Finance Department has reviewed the assumptions with comparable results.

## **2) Does the proposal demonstrate compliance with zoning and density requirements?**

**Zoning:** The property, "Lot 1" is part of the original Riverside Park PUD zoned Highway-Business (HB). It is "an area for highway oriented commercial development along major arterial and collector highways in such a manner as to minimize interruption of traffic flow, safeguard pedestrian movement, and optimize the aesthetic appearance to passing motorists" (Chapter 17.60). Current permitted uses are few (e.g. underground utilities, open space, accessory uses, offices, police station, retail/office, and laundry). However, by virtue of the PUD application process (Section 17.124.010), the Applicant may elect to update the uses which are permitted, conditional, or prohibited (Section 17.100.020(C)). The Applicants proposed permitted and conditional uses are included in the packet. Additionally, Staff recommends that any future proposed uses not found on the permitted or conditional use lists be subject to the conditional use permitting process (see conditions below).

**Setbacks:** The required minimum setback from property lines in the HB zone is 20 feet. All structures are setback from the perimeter property line by the required distance. However, the interior lot lines formed by the subdivision of the hotel property from the restaurant property shows a setback of only 14 feet, or six feet less than what is required. Ordinance #99-5 allows for variations from the Highway Business setback requirements through the preliminary and final PUD plan process. Staff has reviewed the proposed setbacks and does not have a concern.

**Building Heights:** The HB zone allows 30' building heights and two stories for permitted uses. For PUD and conditional use applications, heights are discretionary. The hotel structure is the tallest extending nearly 50' from grade to the ornamental extensions above the roof (**Exhibit A, page 325**). The bulk of the hotel is roughly 42' (i.e. less ornamentation or appurtenances). The restaurant building will rise roughly 42' above grade. Importantly, the Applicant's architect was careful to limit the structure heights to those similar to the River Park Condominiums. In this way Grand Hogback viewsheds are preserved.

The 40'-50' building height is also similar to the height's approved in various land use applications to date including: the River Park Condos, the CRFR Fire House, Shibui, Senior Housing, Longview (Romero), R2 (9NWH).



**3) Does the proposal demonstrate compatibility to neighboring land uses?**

South of Interstate 70 and the Colorado River, the Coal Seam parcel adjoins the Riverpark Condominiums directly to the east, Garfield County rural zoning to the south, and the New Castle Industrial District & Breslin Park to the west. The project is also part of what the Comprehensive Plan deems a community “gateway” affording first impressions and a source of identity to the Town (**CP, page 73**). A hotel, restaurant, and residential proposal – whose architecture and style blends with the local history and topography and that serves a unique function among a diversity of surrounding uses – seems suitable to the neighboring properties.

Specifically, the Applicant adopts architecture styles that compliment New Castle’s history with a focus on structural and material similarity (e.g. architectural mining themes were added to the exterior of the buildings).



Varying roof heights, offsets, and terracing of the buildings are all efforts the Applicant is employing to abate concerns with massing. The parking lot is designed to face south behind the buildings, screening the lot from the river and parts of Town to the south. Per town code 17.76.110(c)(3)&(4), at least ten percent of the parking lot is landscaped and screened from adjoining residential uses.

**4) Is there availability of town services from public works (including water and sewer services), fire, and police?**

**Police:** The Police Department currently consists of 12 FTEs which is suitable for a town the size of New Castle. Generally, additional FTEs are considered for every increase of 1,000 residents. Therefore, the Police Chief concludes that there would be no compromise with police service as a result of a slight population increase.

**Fire:** CRFR has commented on the status and maintenance of the emergency access easement on the southeast end of the lot. The egress provides the quickest route to CR 335 for the properties furthest west in the River Park Condos. Future maintenance of the egress is the responsibility of the River Park Condo Association for the use of their residents. For their part, Coal Seam will refrain from any development within the prescribed easement. The fire department will review all other IFC requirements prior to permitting.

**Engineering:** The Town Engineer has re-reviewed all outstanding engineering concerns. The following items remain unresolved but curable before construction permitting:

- Updates to plat monumentation;
- Updated easements on the plat for utility providers;
- Coordinated sewage management with lift station through PW;
- Updated erosion control plan in various areas;
- Clarification of any conflicts with existing Town bike path, driveways and rockfall berm;

**Public Works:** Water and sewer capacity is available for the property. Public Works cautions against obstructions to any utility easements especially near the rockfall mitigation berm. Clearances will be verified prior to Council.

**5) Is there adequate off-street parking and vehicle, bicycle, and pedestrian circulation?**

**Off-Street Parking:** Due to the constraints of surrounding land uses and topography, there are no feasible *on*-street parking alternatives in the immediate vicinity. Therefore, off-street parking will be a critical part of the project's success. Off-street parking requirements relevant to the application are as follows:

- Residential (4 units): two spaces/unit = 8 spaces;
- Hotel Use (71 rooms): 1 space/room + 1 space/two employees = 73;
- Restaurant Use (60 seat capacity): 1 space/3 seats = 20;

**Total Off-Street Parking Required: 101 spaces**

**Total Off-Street Parking Planned: 109 spaces**

The elimination of the retail spaces and reduction in residential occupancy resulted in a significant reduction in the project's parking needs. With the revisions the off-street parking requirements are now satisfied with a surplus of eight spaces. It is important to note that the residents will be "assigned" only one space per unit though two spaces per unit are technically available. The Applicant will manage the assigned residential parking through the association.

**Nonvehicular Circulation:** The Applicant has made efforts to avoid interference with the general LoVa trail alignment. The parking lot will also be wrapped with sidewalks that allow uninterrupted paths to all portions of the property. Additional soft trails will extend from the mixed-use area north towards the river and then to the east and west along the river.

**6) Are the required open space or parks designed for active or passive use by residents of the subdivision or the public?**

The Applicant is not required and does not intend to designate open space to the Town. However, there are connecting trails and waterfront open areas allowing access for patrons. Though no formalized paths continue to either the east or west, historic use paths along the entirety of the riverbank do exist even at runoff flows. Ten percent of the total land area will be landscaped per Section 17.60.090. Additionally, 10% of the parking area will be landscaped. Otherwise, active open space is available to patrons at Grand River or Breslin Parks which can all be reached via the LoVa trail.



**7) Is the development consistent with the natural character, contours, and viewsheds of the land?**

The proposal values the preservation of natural landscape and viewsheds to the south. Structures are purposely stepped from back-to-front to minimize cutting and of the existing slope. South elevations have also been reduced to two levels to improve contouring with the steep topography and soften visual impacts.



To conserve water and limit landscape maintenance such as mowing and fertilizing, Staff encourages drought resistant vegetation and seeding with native grasses to restore disturbed areas to their original state. Sod and landscape irrigation, likewise, should be used sparingly to limit the need for landscape maintenance. Modestly mowed buffers and borders can provide a satisfying manicured look needing little maintenance. No raw water is available to the property, hence landscape irrigation will put some demand on the Town's potable water inventory.

## **V Staff Recommendations**

Staff requests Council consideration of the following recommendations prior to a decision on Ordinance TC 2026-1:

- A. The Site Plan shall be revised to identify it as a site-specific development plan and list all (A) permitted uses, (B) conditional uses, and (C) non-permitted uses approved by Council. Non-permitted uses shall include gas stations, tire shops, car washes, those listed in section 17.36.060 for the C-1 zone district, and any others required by Council. A fourth section shall be added stating:
  - (D) "Any use not specifically defined in the permitted, conditional, or non-permitted use categories shall be a conditional use."
- B. Prior to submission of a building permit for the Property, final construction drawings shall demonstrate compliance with the building heights included in the final Application materials.
- C. All applicable signs shall conform to the conceptual signage depicted in the last-dated Application materials. All other signage shall be subject to the provisions of the sign code, Chapter 17.18.
- D. Exterior surfaces for all structural retaining walls shall be clad with equivalent material types to those approved for the hotel structure.
- E. If the residential units are to be condominiumized for separate ownership, a minor PUD amendment pursuant to section 17.100.110 will be required.
- F. Prior to recordation of the final plat, the Applicant shall demonstrate compliance with all recommendations of the Town Engineer, Town Public Works Director, Town Attorney, and Fire Marshal provided in response to review of the Application.
- G. Parking lot lighting should be on timers to reduce the light duration at night while maintaining security lighting as needed.
- H. All trash dumpsters shall be located within an approved trash enclosure that extends six feet high and includes a bear resistant latching mechanism.
- I. The form of the declaration of covenants for the Property shall be finalized and address any Town Attorney comments prior to recordation. The parking management plan shall reserve at least one full-time parking space for each residential unit including suitable reserved parking signage. Recordation of the declaration of covenants shall be accomplished at or before recording of the final plat.
- J. A subdivision improvements agreement (SIA) containing an engineer's stamped cost estimate of public improvements to the satisfaction of the Town Engineer and Town Attorney and approved by Town Council shall be recorded along with and as a condition of recording the Final Plat.
- K. Landscaping shall incorporate native grasses and plants that minimize maintenance,

mowing, and irrigating. The landscape plan shall be approved by Public Works prior to issuance of building permit.

- L. As illustrated in the submittal materials, an unimproved, single-track trail system shall be made available for patrons of the property as well as to the general public. The Town may consider building a trail connector between the proposed trail system and the current trail system at Grand River Park for the benefit of the New Castle community. Parks fees collected for the residential units may be used by the Town to offset the expense of the connecting trail.
- M. All representations of the Applicant made verbally or in written submittals presented to the Town in conjunction with the Application before the Commission or Town Council shall be considered part of the Application and binding on the Applicant.
- N. The Applicant shall reimburse the Town for any and all expenses incurred by the Town regarding this approval, including, without limitation, all costs incurred by the Town's outside consultants such as legal and engineering costs.
- O. The sale of individual lots, parcels or units may not occur until a plat creating the lot, parcel or unit is recorded with Garfield County and security for the public improvements has been received by the Town.
- P. No grading or excavation for the construction of a building shall occur until a permit is issued for that specific building. Applicant may commence grading and excavation for infrastructure for public improvements in areas of the project for which a plat and subdivision improvements agreement has not yet been recorded, provided that applicant has obtained a grading permit pursuant to the Town Code and posted security to cover the applicable grading and revegetation work.

**VI Final Plan Exhibits:**

- A. Applicant Submittal Materials – March 3<sup>rd</sup>, 2026
- B. CRFR Fire Marshal Referral, Orrin Moon – March 13<sup>th</sup>, 2025
- C. Updated Town Engineer Comments, Jefferey Simonson – February 23<sup>rd</sup>, 2025
- D. Town Public Works Director Comments, John Wenzel – March 15<sup>th</sup>, 2025