



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

**Coal Seam
Preliminary/Final PUD, Lot Split, and Variance Application
Resolution PZ 2025-02
Planning & Zoning Commission (P&Z) – May 28th, 2025**

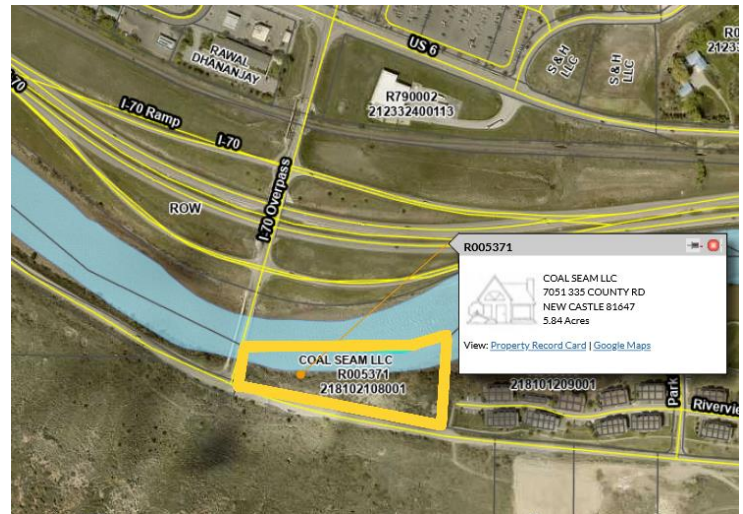
Report Compiled: 5/22/2025

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 Best Western Signature Hotel, Restaurant/Brew Pub, 11 employee residences, retail/commercial spaces;
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 live/work concept east of the I-70 interchange, south of the Colorado River. The endeavor offers several community amenities with economic benefits in a central location in the Colorado River Valley. 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/brew pub that can be accessed by river floats. The restaurant is surrounded by live/work units that 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 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 11th, 2025. Unless the commissioners deem otherwise, the review will proceed with tonight’s public hearing before P&Z who shall make one of three recommendations to Town Council: 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. Within thirty (30) days after the close of the public hearing, or within such time as is mutually agreed by the P&Z and the Applicant, the commission's decision will be made by written resolution. A continuance may be granted pursuant to Section 16.08.040(G).

Within sixty (60) days from the date of the P&Z’s written recommendation on the application, or within such time as is mutually agreed by the Town Council and the Applicant, the Town Council shall approve the application, with or without conditions, or deny the application. 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, retail/office, and dining space in a highly visible location off of Interstate 70 (**Goal E-; Policy E-1E**). At the moment, retail occupants are currently unknown. Because of the limited number of permitted uses, it will be important for the Applicant and Commissioners come to a consensus on future uses so that fewer businesses will be subject to conditional use permit procedures.
2. The proposal provides residential units for its commercial tenants solving for the 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 and a nod towards sustainability (**Goal EN-7**).
6. 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 for reduced rent to the local workforce. An affordable housing covenant is provided in Exhibit A, page TBD.
7. A fiscal impact study was performed comparing revenues and costs projected to the Town (**Exhibit A, page 276**). 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 \$400k to \$500k with expenses ranging from \$97k to \$110k. In sum, the development is projected to generate a total of \$4,347,429 over the first 13 years once fully operational. 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). 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 can specify as part of its PUD plan which uses are permitted, conditional, or prohibited (Section 17.100.020(C)). As such, those uses listed in the Highway-Business zone district as conditional use list can become uses by right through the PUD plan. Some of these include:

1. Church/religious institution;
2. School;
3. Museum;
4. Public institution;
5. Retail and wholesale business;
6. Eating and drinking establishment;
7. Personal, social and professional service;
8. Automobile service station;
9. Vehicle sales lot;
10. Retail or service business;
11. Hotel, motel, or lodge.

Note each of the Applicant's proposed uses are found on the list above.

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). The retail/restaurant building will rise roughly 42' above grade (**Exhibit A, page 326-329**). Importantly, the Applicant's architect was careful to limit the structure heights to those similar to the River Park Condominiums (**Exhibit A, page 331**). In this way Grand Hogback viewsheds are preserved. The 40'-50' building height is similar to the height's approved in various land use applications to date including: the River Park Condos, the 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, residential, and retail 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 twelve FTEs which is ideal for a town the size of New Castle. Generally, additional FTEs are considered for every increase of 500 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 a concern not yet addressed in the packet, though it could be something negotiated with the River Park HOA prior to Council approval. The fire department will review all other IFC requirements prior to permitting.

Engineering: The Town Engineer has cited several items that are still insufficient for final review and recommendation. These items shall be updated to the engineer's satisfaction prior to Council review and comment. Some of these items include:

- Coordination with CDOT on the volume increases to the I70 interchange;
- An auxiliary turn lane analysis for access off of CR 335;
- A sight distance analysis at Bruce Rd and the CR 335 interchange;
- Update final design for shared sewage lift station;
- Provide final construction details from Applicant engineer;
- Redesign rockfall berm with rounded top to account for erosion;
- Provide design cross-sections for berms, trails, C&G;
- Provide cross-sections for access to CR 335;
- Update storm drainage design;

Public Works: Water and sewer is available for the property. Public Works cautions against obstructions to any utility easements especially near the rockfall mitigation berm (**Exhibit E, page 317**). 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 (11 units): two spaces/unit = 22 spaces;
- Hotel Use (71 rooms): 1 space/room + 1 space/two employees = 73;
- Restaurant Use (60 seats): 1 space/3 seats = 20;

- Retail (4,498sf): 2 spaces/300sf = 30;

Total Off-Street Parking Required: 145 spaces

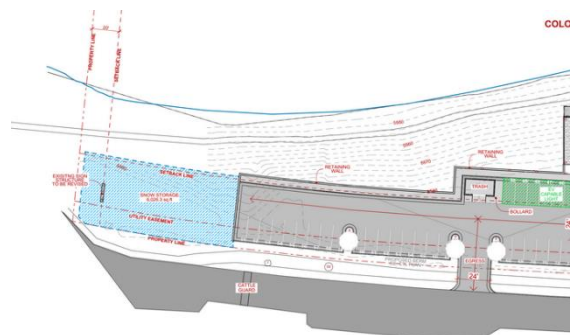
Total Off-Street Parking Planned: 115 spaces

Because of the shortage, the Applicant has requested consideration of a shared parking plan (**Exhibit E, page 321**). A shared parking arrangement is not unprecedented in New Castle. The Lakota Longview application (Romero), for instance, allowed for a 40% reduction in required parking. There the shared parking arrangement was supplemented by yearly audits, performance measures, and mitigation strategies in case the arrangement was ineffective.

In the case of Coal Seam, the parking reduction stands at only 21%. However, a shared parking arrangement at this location could still prove challenging. Shared parking arrangements trade on an equilibrium of peak times among the various uses in a location. For example, office uses generally have offsetting peak times to residential uses, allowing for office users to occupy nearby residential spaces when those residents are off to work elsewhere. Or, restaurant users may occupy office parking at night when offices are closed. The peak parking times balance making shared parking a reasonable way to lower capital expenses, minimize maintenance, and reduce parking lot sprawl.

With Coal Seam, the intended uses all lend themselves to evening parking (with retail as a possible exception). Hotel, residential, and restaurant parking all skew towards evening peaks leaving patrons of these establishments to compete for limited spaces. Moreover, even if the hotel is only 65% occupied, as the application maintains, hotel users will still need to share 5 spaces from the other businesses. All of this may be acceptable if alternatives were available nearby – e.g. on-street parking or parking at Grand River Park. The Town has floated an idea to Balcomb/City Market management about the possibility of sharing 15-30 spaces in their lot. Their response was understandably tepid. If considered, the arrangement would require an available shuttle by the hotel. As a result of these concerns, P&Z should be absolutely clear of the provisions for shared parking and fully confident in a contingency plan if the strategy proves problematic.

Vehicular Circulation: One idea to address parking concerns would be to extend the parking lot further west toward the CDOT bridge. Though this could add up to 7-9 spaces, there are inherent problems with this solution. First, it reduces the required snow storage. Snow management will be an important aspect of this property given that the parking lot is shaded most of the day through winter. Second, a significant retaining wall would be required to extend the lot. The west end of the lot already shows 14' of retainment. The cost of this is prohibitive considering so few parking spaces are gained. Lastly, there is a good possibility that CDOT will require a westbound right turn or splitter lane with a traffic circle at CR 335 and Bruce Rd. once bridge replacement becomes a reality. This modification to CR 335 would likely encroach on a parking lot extension to the west.



Nonvehicular Circulation: The Applicant has made a point not to disrupt 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 at low 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, 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.

V Staff Recommendations

Staff offers the following recommendations to the final PUD application:

- A. Applicant will add a list of permitted and conditional uses and maximum building height to the Site Plan prior to Town Council review.
- B. Prior to the Council review, 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, **Exhibits B, C, D**.
- C. Prior to permit, final construction drawings shall demonstrate compliance with the building heights included in the approved application materials, **Exhibit A, page 325**.
- D. Prior to permit all construction drawings 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.
- E. Parking lot lighting should be on timers to reduce the light duration at night while maintaining security lighting as needed.
- F. Provisions for an emergency access easement shall be designated on the final plat, as emergency egress for residents of the River Park Condominiums and ingress and egress for emergency personnel per the recommendations of the Fire Marshal (**Exhibit A, page 287**). The access road shall be signed "Emergency Access Only".
- G. Prior to Council review, Applicant shall discuss a maintenance agreement with the River Park HOA for the emergency access easement.
- 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 before consideration of the Application by the Town Council. Recordation of the declaration of covenants shall be accomplished at or before recording of the final plat.
- J. A parking management plan shall be added to the covenants prior to final approval with provisions for reserved parking for the residential units.
- K. A subdivision improvements agreement ("SIA") containing an engineer's stamped cost estimate of public improvements, to the satisfaction of the Town Attorney. The form of the SIA shall be finalized before consideration of the Application by the town council. Recordation of the SIA shall be accomplished at or before recording of the Final Plat.
- L. Provide a construction phasing plan for inclusion in a subdivision improvements agreement as necessary. Identify, at minimum, each of the following components:

- Buildout phases if necessary;
 - Schedule that identifies the sequencing of construction, sequencing of occupancy, traffic flow, and traffic control plans during construction;
 - Storage and staging areas for construction equipment and materials;
 - Illustrate drainage and erosion control best management practices (BMP's);
 - Conformance to all requirements and specifications approved by the fire marshal concerning temporary access to the project;
 - Dust and weed management plan;
- M. 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.
- N. All disturbed areas in the project shall be revegetated prior to the 1st growing season following the completion of the entire project and maintained in a predominantly weed free condition.
- O. 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.
- P. 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.
- Q. 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.
- R. The Applicant shall provide an affordable housing covenant that includes definition of the number of restricted units, the calculation of below market rents, the workforce that qualify to live in the units, and the term for which the affordable housing covenant shall be in force. The affordable housing covenant shall be finalized before consideration of the Application by Town Council. Recordation of the affordable housing covenant shall be accomplished at or before recording of the Final Plat.

VI Final Plan Exhibits:

- A. Applicant Final Plan Application – March 21st, 2025
- B. CRFR Fire Marshal Referral, Orrin Moon – March 13th, 2025
- C. Town Engineer Comments, Jefferey Simonson – March 8th, 2025
- D. Town Public Works Director Comments, John Wenzel – March 15th, 2025
- E. Public Hearing Notice, with Legal Description for Final Plan P&Z – April 25th, 2025