



**AGENDA ITEM:** Intergovernmental Agreement Between the Town of Castle Rock and the Board of County Commissioners of Douglas County for the Acquisition and Management of Lost Canyon Ranch in the amount of \$5,500,000.

**MEETING DATE:** April 9, 2024

**STAFF PERSON RESPONSIBLE:** Dan Dertz, Director, Open Space and Natural Resources

**DESCRIPTION:** Intergovernmental Agreement (IGA) between the Town of Castle Rock and the Board of County Commissioners of Douglas County for the Acquisition and Management of Lost Canyon Ranch in the amount of \$5,500,000.

**SUMMARY:** Douglas County and Castle Rock have a successful history in partnering on several acquisitions using funding from the Parks, Trails, Historic Resources and Open Space (PTHROS) Sales and Use tax. The Town of Castle Rock would like to continue this partnership by entering an IGA regarding a 682-acre parcel known as Lost Canyon Ranch. Lost Canyon Ranch is located directly south of the Town of Castle Rock's Castlewood Ranch neighborhood in unincorporated Douglas County and adjacent to Castlewood Canyon State Park. The partnership includes Great Outdoors Colorado (GOCO) and The Conservation Fund.

Preserving this 682-acre ranch creates a new recreation opportunity in Douglas County. This property also provides critical habitat for wildlife and will serve as a wildlife movement corridor between Castle Rock, Castlewood Canyon State Park, and Douglas County's Prairie Canyon Ranch Open Space.

The County Open Space Advisory Committee unanimously recommended approval of the acquisition on February 1, 2024.

**BOARD ACTION RECOMMENDED:** Approval of the IGA with the Town of Castle Rock for the acquisition and management of Lost Canyon Ranch. The County will contribute \$5,500,000.00 toward the purchase of Lost Canyon Ranch from the PTHROS Sales and Use Tax.

**RESOLUTION NO. 24-01**  
**THE DOUGLAS COUNTY OPEN SPACE ADVISORY COMMITTEE**  
**OF THE COUNTY OF DOUGLAS, STATE OF COLORADO**

**A RESOLUTION RECOMMENDING THAT THE BOARD OF COUNTY COMMISSIONERS**  
**APPROVE THE ALLOCATION OF UP TO \$5,500,000 TOWARD THE PARTNERSHIP TO**  
**ACQUIRE THE 682-ACRE LOST CANYON RANCH**

**WHEREAS**, the voters of Douglas County approved a countywide sales and use tax for the preservation of open space lands and for the provision of trails and parks in Douglas County; and

**WHEREAS**, the sales and use tax enabling resolution (Douglas County Resolutions R-994-062 and R-22-085) providing for the purchase of land for public access, historic and cultural qualities, preservation of community buffers and scenic vistas, environmental qualities, unique natural resources, wildlife habitat and corridors, and connections to other open space; and

**WHEREAS**, the 682-acre Lost Canyon Ranch property is being purchased by the Town of Castle Rock for \$14,488,021, with a \$3,000,000 grant from Great Outdoors Colorado, \$200,000 from private donations through The Conservation Fund, and with financial assistance from Douglas County. Douglas County will hold the conservation easement on the property and have significant access for guided educational activities, as well as having oversight of the historical and cultural resources, and

**WHEREAS**, the property will be available for public access for passive outdoor recreation and education and trail connections and associated recreation for the use and enjoyment of the public and,

**WHEREAS**, the property contains natural habitat that is unique and diverse and,

**WHEREAS**, the property has significant scenic character of the local rural landscape and,

**WHEREAS**, the property has significant public benefit as it serves as a community separation buffer between the urban area of Castle Rock and the rural nature of Douglas County and,

**WHEREAS**, the property preserves historically important land and,

**WHEREAS**, the acquisition of this property meets the criteria set forth in the sales tax resolution which permits the use of these funds for the joint acquisition of open space lands with municipalities located within the County through an intergovernmental agreement for open space lands.

**NOW, THEREFORE, BE IT RESOLVED** that the Douglas County Open Space Advisory Committee hereby recommends that the Board of County Commissioners of the County of Douglas, State of Colorado, approve County funding, not to exceed \$5,500,000, for the partnership with Castle Rock described herein regarding Lost Canyon Ranch, and establish the terms of the partnership through an intergovernmental agreement, subject to language in the conservation easement necessary to protect water that further protects the conservation values of the property.

**PASSED AND ADOPTED** this 1st day of February 2024, in Castle Rock, Douglas County, Colorado.

**DOUGLAS COUNTY OPEN SPACE ADVISORY  
COMMITTEE**

BY: Jay C. Day 2/1/24

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE TOWN OF  
CASTLE ROCK AND THE BOARD OF COUNTY COMMISSIONERS OF  
THE COUNTY OF DOUGLAS, STATE OF COLORADO, REGARDING A  
FINANCIAL CONTRIBUTION TO THE TOWN FOR THE  
ACQUISITION OF LOST CANYON RANCH**

**THIS INTERGOVERNMENTAL AGREEMENT** (“Agreement”) is made and entered into this day of February \_\_, 2024 (the “Effective Date”), by and between the Town of Castle Rock, Colorado, a Colorado home rule municipality (the "Town"), and the Board of County Commissioners of Douglas County, State of Colorado, (the "County"), hereinafter collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, the Parties are legally empowered under Section 29-1-201, et seq., C.R.S. to enter into this Agreement; and

**WHEREAS**, the Town has identified certain real property in Douglas County, Colorado owned by Lost Canyon, LLC, more particularly described in ***Exhibit A*** and generally depicted on ***Exhibit B***, which are attached hereto and incorporated herein by reference, and containing a total of approximately 681.07 acres (the “Property”), as property the Town desire to obtain for open space, trail and conservation uses; and

**WHEREAS**, the Town is working with The Conservation Fund, a non-profit corporation dedicated to the preservation of this country’s most critical lands and waters, to acquire the Property; and

**WHEREAS**, prior to the conveyance of the Property to the Town, The Conservation Fund will place a conservation easement on the Property in favor of the Douglas Land Conservancy, for the purpose of ensuring the preservation of the Property as open space for the use and enjoyment of the public (the “Conservation Easement”); and

**WHEREAS**, the preservation of the Property as public open space will benefit the existing and future residents of both the Town and the County for the foreseeable future; and

**WHEREAS**, it is anticipated that the purchase price for the Property will be \$14,326,021.00; and

**WHEREAS**, the Town further expects to incur a total of \$162,000.00 in costs for conducting due diligence on the Property; and

**WHEREAS**, to help defray these costs, the Town has received a grant in the amount of \$3,000,000.00 from the Great Outdoors Colorado Trust Fund and a contribution in the amount of \$200,000.00 from an unnamed private foundation, by and through The Conservation Fund; and

**WHEREAS**, the Town has requested County assistance in funding the acquisition of the Property; and

**WHEREAS**, in recognition of the public purpose to be served by the preservation of open space, the County is willing to commit an additional \$5,500,000.00 in funding towards the acquisition of the Property.

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which are mutually acknowledged, the Parties hereto agree as follows:

**Section 1. Acknowledgment and Incorporation of Recitals.** The foregoing recitals are hereby acknowledged by the Parties to be true and correct and are incorporated into this Agreement.

**Section 2. Town's Contributions and Responsibilities.**

A. Acquisition of Property. The Town is responsible for managing all aspects of the acquisition of this Property. The Town is responsible to prepare documents, complete all necessary permitting requirements, and obtain necessary approvals. Except as expressly provided in Section 3, below, the Town and its other funding partners shall be responsible for paying all costs associated with such acquisition. The Town anticipates closing on the Property by April 25, 2024 (the "Closing Date").

B. Annexation of Property. Following the acquisition of the Property by the Town, the Town Manager shall initiate the process for the annexation of such Property. It is the Town's intent to complete the annexation of the Property by September 1, 2024.

C. Invoice for County's Contribution. Section 3 identifies the County's maximum contribution for the Property. The Town shall prepare a written invoice and submit it electronically to the County. The invoice shall request one hundred percent (100%) of the County's contribution for payment directly to the Town or for deposit into an escrow account established by Town, at the Town's sole discretion. The Town's invoice may be submitted no sooner than the date upon which this Agreement is executed by the Parties. The Town and its other funding partners are solely responsible for any amounts needed to cover the purchase over and above the County's contribution.

D. Management of the Property. Following acquisition, the Town agrees to own, manage, and maintain the Property and any associated improvements, including those improvements currently located on the Property, as well as any improvements that the Town may construct on the Property to facilitate its use for passive outdoor recreational and educational activities. The County has no financial responsibility to contribute or reimburse the Town for any activities associated with the Town's ownership, including the construction and maintenance of multi-use non-motorized trail improvements, site amenities, parking facilities, educational markers and monuments, and the repair and maintenance of existing buildings and improvements.

E. Construction of Trail System. Because both the County and the Town desire that the general public have access to the Property, the Town, subject to the annual appropriation of sufficient funds therefor, shall use best conservation practices to design, install, and maintain a trail system on the Property. The trail system shall be designed in such a manner so as to ensure public access throughout the entire Property as may be permitted by the Conservation Easement and best and reasonable conservation practices. The Parties acknowledge that certain sections of the Property that contain environmentally sensitive, archeological, or historic features will not be made available for public access. Within thirty-six (36) months after closing on the Property, the Town shall use best and reasonable efforts to design, install, and open the first segment of a trail system, including any necessary trails, signage, and trailhead parking and similar facilities.

F. Annual Report. Beginning on April 1, 2025, and on or before April 1 of each year thereafter through and including April 1, 2034, the Town shall provide the County with an annual report documenting the work performed by the Town on the Property and all related activities during the preceding year. Such report shall describe, in general terms, the Town's use of the Property, all activities associated with, and expenses incurred in the design, installation and maintenance of trails on the Property, estimates regarding public attendance on the Property, efforts undertaken to comply with the Conservation Easement, and any other information requested by the County regarding the Property. A copy of such report shall be provided to the County Open Space Advisory Council (COSAC). The Town shall promptly respond to all County and/or COSAC inquiries regarding the Property and compliance with the provisions of this Agreement.

G. Restrictions on Access. The Town shall use best property management practices to stop and/or deter encroachment or improper access onto the Property, including requiring the removal of any encroachments by adjacent property owners, removing unauthorized access points and unauthorized trails, installation and/or maintenance of fencing along the boundary of the Property, and educating adjacent property owners about Town efforts to prohibit encroachment.

H. Promotion to All County Residents. The Town shall use best and reasonable marketing and educational practices to educate all County residents about the availability of public trails and other outdoor recreational opportunities on the Property, provide invitations to the Douglas County School District and their students for educational field trips, and promote the general use and enjoyment of this regional attraction.

### **Section 3. County Contribution and Responsibilities.**

A. County Contribution. The County contribution for the Property is anticipated to be available immediately upon the execution of this Agreement by the Parties. The County hereby represents that sufficient funds for its contribution have been included in the County's 2024 Adopted Budget and have been appropriated for the purposes described in this Agreement, in accordance with Section 29-1-110, C.R.S. The County's contribution shall not exceed Five Million Five Hundred Thousand Dollars and No Cents (\$5,500,000.00). The County contribution shall be used solely for acquisition and no other purpose unless agreed to by both Parties by executing an amendment to this Agreement. The County contribution is payable to the Town within thirty (30) days after the County has received a written invoice from the Town.

B. No Additional Financial Responsibility. The County has no other financial responsibility to contribute or reimburse the Town whatsoever, including but not limited to: pre-acquisition activities and construction activities associated with proposed improvements. The Town and its other funding partners are responsible for all other costs associated with acquisition of the Property and improvements thereto, including for any unforeseen delays, inflation costs, and all other costs or claims that may be incurred.

**Section 4. Term and Time of Performance.** This Agreement shall commence upon the Effective Date and shall continue until twelve (12) months following the Closing Date; provided, however that this Agreement will terminate on or before December 31, 2024, if the Town has not closed on its agreement to acquire the Property.

**Section 5. Remedies.** The Parties hereto acknowledge and agree that each Party may exercise all rights and remedies in law or in equity, by a decree in specific performance, or such other legal or equitable relief as may be available, including a return of the funds described in Section 3 of this Agreement if the town is unable to close on its agreement to acquire the Property by the deadline set forth in Section 4 of this Agreement. This Section shall survive the termination of this Agreement.

**Section 6. Notice.** Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if sent by certified mail or registered mail, postage and fees prepaid, addressed to the Party to whom such notice is to be given, at the address set forth below, or at such other address as has been previously furnished in writing, to the other Party. Such notice shall be deemed to have been given when deposited in the United States mail.

Town: Town of Castle Rock  
100 N. Wilcox Street  
Castle Rock, Colorado 80104  
Attention: David L. Corliss, Town Manager  
Email: [DCorliss@crgov.com](mailto:DCorliss@crgov.com)  
With an electronic copy sent to: [legal@crgov.com](mailto:legal@crgov.com)

County: Douglas County  
100 Third Street  
Castle Rock, Colorado 80104  
Attention: Doug DeBord, County Manager  
Email: [ddebord@douglas.co.us](mailto:ddebord@douglas.co.us)  
With an electronic copy sent to: [attorney@douglas.co.us](mailto:attorney@douglas.co.us)

**Section 7. Additional Documents.** The Parties agree to execute any additional documents or take any additional action that is necessary to carry out the intent of this Agreement.

**Section 8. Colorado Law.** The laws of the State of Colorado shall govern this Agreement. Venue for any action hereunder shall be in the District Court, County of Douglas,

State of Colorado and the Parties waive any right to remove any action to any other court, whether state or federal.

**Section 9. Separate Entities.** The Parties enter into this Agreement as separate, independent governmental entities and shall maintain such status throughout.

**Section 10. No Third-Party Beneficiaries.** The enforcement of the terms and conditions of this Agreement and all rights of action relating to such enforcement, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person under such Agreement. Any beneficiary of the terms and conditions of this Agreement are not intended beneficiaries but are incidental beneficiaries only.

**Section 11. No Waiver of Governmental Immunity Act.** The Parties hereto understand and agree that the Parties, their commissioners, board members, officials, officers, directors, agents and employees, are relying on, and do not waive or intend to waive by any provisions of this Agreement, the monetary limitations or any other rights, immunities and protections provided by the Colorado Governmental Immunity Act, sections 24-10-101 to 120, C.R.S., or otherwise available to the County and the Town.

**Section 12. Entirety.** This Agreement merges and supersedes all prior negotiations, representations and agreements between the Parties hereto relating to the subject matter hereof and constitutes the entire agreement between the Parties concerning the subject matter hereof.

(remainder of page intentionally left blank)

**IN WITNESS WHEREOF**, this Agreement is executed by the Parties hereto as of the date first written above.

**TOWN:**

ATTEST:

TOWN OF CASTLE ROCK

\_\_\_\_\_  
Lisa Anderson, Town Clerk

\_\_\_\_\_  
Jason Gray, Mayor

Approved as to form:

Approved as to content:

\_\_\_\_\_  
Michael J. Hyman, Town Attorney

\_\_\_\_\_  
David L. Corliss, Town Manager

**COUNTY:**

BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY

\_\_\_\_\_  
Abe Laydon, Chair

ATTEST:

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Emily Wrenn, Clerk to the Board

\_\_\_\_\_  
Douglas J. DeBord, County Manager

APPROVED AS TO FORM:

APPROVED AS TO FISCAL CONTENT:

\_\_\_\_\_  
Jeffrey A. Garcia, County Attorney

\_\_\_\_\_  
Andrew Copland, Director of Finance