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**MEETING DATE:** July 14, 2026

**STAFF PERSON RESPONSIBLE:** Benjamin Pierce, P.E., Capital Improvement Projects Supervisor

**DESCRIPTION:** Intergovernmental Agreement Between the Board of County Commissioners of the County of Douglas and the City of Castle Pines Regarding Financial Contribution in the Amount of \$15,000,000.00 Toward Construction of the Happy Canyon Road & I-25 Interchange Project, Douglas County Project Number CI 2012-011.

**SUMMARY:** Douglas County and the City of Castle Pines desire to cooperate in advancing construction of the Happy Canyon Road & I-25 Interchange Project, Douglas County Project Number CI 2012-011.

This project focuses on modifying the interchange to address the long-term safety, mobility, capacity, and traffic operation needs at the Happy Canyon Road & I-25 Interchange. Significant housing development in the area adjacent to the existing interchange within both the City of Castle Pines and unincorporated Douglas County is driving the need for these infrastructure improvements. The traffic modeling conducted for the project estimated relatively equal shares of traffic from each local agency going through the interchange at full buildout in the planning year of 2050, therefore it was proposed for Douglas County and the City of Castle Pines to equally share the costs of construction. The City of Castle Pines is the lead agency on designing and constructing the interchange with staff support from Douglas County Public Works - Engineering.

The project construction is currently anticipated to be performed as two separate construction packages. Construction package one consists of a new bridge spanning I-25 north of the existing Happy Canyon Road bridge, and construction package two consists of replacing the existing Happy Canyon Road bridge over I-25, I-25 Interchange ramp modifications, and construction of the intersections of the I-25 ramps and Happy Canyon Road.

The proposed intergovernmental agreement (IGA) explains that the City of Castle Pines will own all improvements to the interchange except for the ramps

which will continue to be owned and maintained by the Colorado Department of Transportation (CDOT). The interchange improvements that will be owned by the City of Castle Pines will be jointly maintained by City of Castle Pines and Douglas County, meaning Douglas County is agreeing to pay for half of all long-term maintenance needs for the interchange except for the proposed architectural aesthetic monumentation and enhanced landscaping which will be maintained solely by the City of Castle Pines. Exhibit A to the proposed IGA includes a detailed map showing the extents of ownership and maintenance for each agency regarding the Happy Canyon Road & I-25 interchange project.

The cost of construction for the interchange improvements is estimated to be \$42,000,000. The City of Castle Pines is currently negotiating an asset transfer agreement with CDOT, which will contribute approximately \$11,000,000 to the project from the CDOT / Bridge and Tunnel Enterprise (BTE) fund to compensate the local agencies for costs associated with replacing CDOT's existing bridge that carries Happy Canyon Road over I-25. This contribution includes \$600,000.00 for anticipated maintenance and repairs that are likely to occur during the initial 20-year period after the new bridge is constructed.

After considering the funds to be received from the asset transfer with CDOT, it was negotiated between Douglas County and the City of Castle Pines that the County's fair share contribution will be for a not-to-exceed amount of \$15,000,000 occurring in two separate lump sum payments. The initial payment of \$8,000,000 will be made once the City awards the construction contract for construction package one, and the remaining \$7,000,000 will be provided once the City has awarded the construction contract for construction package two. It is currently anticipated that construction package one will be awarded in the fall of 2026, and the award of construction package two is anticipated in the spring of 2027.

The contribution from Douglas County to the City of Castle Pines for construction of the Happy Canyon Road & I-25 Interchange Project shall not exceed Fifteen Million Dollars and No Cents (\$15,000,000.00) and is set aside in Fund 235, Business Unit 801513.

**RECOMMENDED  
ACTION:**

Approval of an Intergovernmental Agreement (IGA) Between the Board of County Commissioners of the County of Douglas and the City of Castle Pines Regarding Financial Contribution in the amount of \$15,000,000.00 toward Construction of the Happy Canyon Road & I-25 Interchange Project, Douglas County Project Number CI 2012-011.

**REVIEW:**

Kristina Mann	Approve	7/1/2026
Jeff Garcia	Approve	7/8/2026
Christie Guthrie	Approve	7/8/2026
Doug DeBord	Approve	7/9/2026

**ATTACHMENTS:**

IGA - City of Castle Pines - Happy Canyon Rd