



STAFF REPORT

Planning Commission

CASE #CU-115-16

PC Date:	December 6, 2016	Case Planner:	Caitlin Hasenbalg Long
CC Date:	December 19, 2016		
Location:	10381 Havana Street Henderson, CO 80640		
Applicant:	Diversified Transfer and Storage	Owner:	Michael Jeronimus
Address:	5140 Race Court Denver, CO 80216	Address:	1012 13th Street Golden, CO 80401

Case Summary

Request:	Conditional Use Permit for a new transportation terminal in the I-1 zone district.
Project Description:	The applicant proposes to build a cold-storage transportation terminal on the subject property, zoned I-1. This facility, intended for temperature-sensitive foods and related products, would include nearly 107,000 square feet of warehouse space at full build-out, 7,000 square feet of office space, and a 9,000 square-foot maintenance shop for light repair and washing of trucks. The applicant anticipates having 50 total employees, and estimates 159 weekly truck trips.
Issues/Concerns:	• Traffic impacts • Impacts to adjacent properties
Key Approval Criteria:	• Compliance with the Comprehensive Plan • Conditional Use Permit Approval Criteria
Staff Recommendation:	Approval with Conditions
Current Zone District:	I-1 (Light Intensity Industrial District)
Comp Plan Designation:	Office/Flex

Attachments for Review: *Checked if applicable to case.*

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| ☒ Applicant's Narrative | ☒ Vicinity Map |
| ☒ Development Plan | ☒ Circulation Plan |
| ☒ Traffic Impact Study | ☒ Amended Truck Routes |
| ☒ Traffic Signal Needs Study | |

Background Information

Site Information

Site Size:	9.6 acres
Current Conditions:	Vacant
Existing Right-of-Way:	Havana Street to the east; East 104 th Avenue to the north
Neighborhood:	First Creek
Existing Buildings:	None
Buildings to Remain?	☐ Yes ☒ No
Site in Floodplain	☒ Yes ☐ No

Surrounding Properties

Existing Land Use		Occupant	Zoning
North	Open Space	Vacant CDOT right-of-way	N/A
South	Public/Utility	First Creek drainage channel	I-1
East	Industrial	Undeveloped	I-1
West	Public/Utility	Interstate 76	N/A

Case History

There are three relevant cases in the history of the subject property, as shown below:

Case	Date	Request	Action
AN-79-87	Jul. 1987	Annexation from Adams County	Approval
Z-455-87	Jul. 1987	Annexation zoning from ADCO A-3 to CC-I-1	Approval with Conditions
Z-455-87-10	Jan. 2011	Zoning condition removal	Approval

The subject property was annexed and zoned I-1 in 1987 as part of a larger parcel that extended from I-76 and East 104th Avenue on the north to East 100th Avenue on the south, and from Havana Street on the east to Dayton Street on the west. The zoning at that time included several conditions of approval. The portion of the larger parcel south of the Xcel transmission line was rezoned in 2001 as the Kushniroff Planned Unit Development (PUD); however, this small northern portion remained undeveloped. In 2011, a request to remove the previous conditions was approved. The adjacent area to the southwest was platted and planned as First Creek Park, which also channelized the First Creek and removed various properties from the floodplain, including most of the subject property.

Applicant's Request

Diversified Transfer and Storage (DTS) was founded in 1988, and provides distribution and storage services to meet truckload and LTL ("Less than Truck Load") transportation requirements. DTS has over 3.2 million cubic feet of dry, cold, and freezer storage at their three facilities, located in Billings, Montana; Salt Lake City, Utah; and Denver, Colorado. This proposed new cold food storage and distribution facility will replace the one currently located in Denver.

The applicant states: *"The storage facility is intended for temperature sensitive foods and related products. Specific types of foods include frozen bakery, ice cream, frozen prepared meals and vegetables, yogurt, fruit juices, hops, fruit puree, frozen and fresh meats, cheeses, soups, pasta, desserts, dairy products, candy and confections. The duration food is stored is based on customer needs and the shelf life of various food products. Frozen foods are normally stored 30 to 120 days*

based on the retailer opportunity for special purchases, such as seasonal items including prepared pies and turkeys for holidays. Chill storage is generally less than 1 month due to the shorter shelf life of fresh food. The facility would also store paper supplies for grocery stores and packaging materials for food manufacturers, including plastic containers, seals, and cardboard case packaging.

The site's primary cold storage use is in support of DTS' trucking operations. The over-the-road fleet provides transportation of food and related items that are temperature sensitive to health food retailers, national wholesale grocers, food service suppliers, microbreweries, grocery retailers, food manufacturers, candy manufacturers, and local artisan manufacturers using fresh and frozen foods. The service area includes the Greater Denver area, as well as New Mexico, Western Nebraska, Southern Wyoming, and Western Colorado. Truck arrivals and departures are staggered throughout the day with loading and unloading taking approximately 2 hours each.

The storage facility would provide 12 loading docks for trucks to back up to a 35-degree transfer area accessing freezers and coolers at a range of temperatures, from 0 to 70 degrees, including frozen, chill and ambient storage for manufacturers and distributors. The warehouse space would be constructed in three phases, ultimately containing 106,803 s.f. A 6,969 s.f. office space attached to the warehouse would be built in Phase 1 for clerical and management staff, recruiting, retention, and human resources. Phase 1 would also all site improvements, including parking for trailers and cars, circulation, and water detention, and a 9,120 s.f. maintenance shop with three repair bays and one bay for washing trucks. Routine, preventative maintenance of truck tractors and refrigerated trailers will be performed on-site, including oil changes, lube, tires, brakes, lights, and freon recharging. DTS will take trucks to an off-site vendor for major repairs or body work."

Development Review Team Analysis

Comprehensive Plan:

The Development Review Team (DRT) began by reviewing the Conditional Use Permit (CUP) request against the goals found in the City's Comprehensive Plan. That analysis is provided below:

Comprehensive Plan

The DRT recommendation for this case is supported by the following Comprehensive Plan Goals:

<u>Section</u>	<u>Goal</u>	<u>Description</u>
Land Use	LU 1a	Future Land Use Plan as Guide: Use the Future Land Use Plan (FLUP) to guide development patterns and mix of uses and amendments to the Land Development Code (LDC).
<u>Analysis:</u>	The Future Land Use Plan identifies the subject property for Office/Flex uses, which allows a mix of flex, high-tech space, and production uses, and generally correlates with the C-3, I-1, and I-2 zone districts. The proposed transportation terminal will house offices for the site employees along with specialized storage and distribution facilities.	
<u>Section</u>	<u>Goal</u>	<u>Description</u>
Economic Development	ED 1.2	Recruitment of Business: The City will aggressively recruit businesses within identified targeted industries (as identified through the Economic Development Strategic Plan). The industries identified include Logistics and Distribution.
<u>Analysis:</u>	DTS is an existing logistics and distribution business with desire to move into the city and build a new facility on a site which has remained vacant for nearly 30 years. The proposed facility will add new jobs in this targeted industry and the site will accommodate the long-term needs of this growing company.	

Land Development Code:

Transportation terminals are identified as a use by right in the I-2 and I-3 zone districts, and as a conditional use in the I-1 zone district. Therefore, approval of this Conditional Use Permit is required in order for the proposed development to occur. The development of the site has been reviewed concurrently in case D-320-16, and staff has found the proposal to be compliant with all other standards and requirements of the I-1 zone district.

Site Layout:

The property is approximately 10 acres, and includes the main warehouse building towards the west side of the site, along East 104th Avenue and I-76; the offices at the northeast corner of the warehouse along East 104th Avenue; and the maintenance shop on the east side of the property along the former Havana Street. All access to and from the site (both trucks and passenger vehicles) occurs at the southeast corner of the property onto Havana Street. Trucks enter the site and then either proceed north to the maintenance building, park in the parking areas in the middle of the site, or back into the dock to unload or reload goods. Employees enter the site and proceed along the southern edge of the property, around the west side of the warehouse building, and park in the parking lot to the north of the site. There are numerous signs proposed on site to identify what types of vehicles are allowed in what areas to minimize potential conflicts between trucks and automobiles. Pedestrian access will be provided from East 104th Avenue, and the emergency access road on the former Havana Street right-of-way will connect to the sidewalk on East 104th Avenue to promote greater pedestrian circulation. Landscaping is provided around the perimeter of the site to soften the facility's appearance and screen some of the interior use. Despite the channelization of First Creek, the outlet of the detention pond still lies in the floodplain; a Floodplain Development Permit is under review to ensure the floodplain will not be negatively impacted.

Neighborhood Context:

The subject property in this case is located in an area partially developed with industrial uses. Directly south lies the drainage channel for the First Creek, then the Xcel power transmission lines, and beyond is the Kushniroff PUD, which includes a mix of I-1 and I-2 zoning and is developed with warehouses, transportation terminals, and outdoor storage. To the east along the south side of East 104th Avenue are various vacant lots zoned I-1 and a distribution facility for Cummins, while the north side of East 104th Avenue includes underutilized and undeveloped I-2 zoned properties. The area west of I-76 is zoned a mix of I-2 and I-3, and is developed with uses including Titan Machinery, Recycling Connections, Groendyke Transport, and Schlumberger.

Truck Traffic:

The subject property does not have direct access onto East 104th Ave. From the site, traffic can either go south on Havana Street to East 96th Avenue or east on Joliet Street to East 104th Avenue. The Joliet route is a City-approved truck route, as shown on the Amended Truck Route Map included in the packet. Although Havana Street is not identified as a truck route, it does pass through an area dominated by industrial development and truck-oriented uses.

Based on the Traffic Impact Report, while the impact to existing traffic is expected to be minimal, the intersection at Joliet Street and East 104th Avenue already operates at a Level Of Service (LOS) "F" during the PM peak hour for left turns from northbound Joliet Street onto westbound East 104th Avenue, meaning that there are very long delays for vehicles turning in this direction. This is also a potential indication that one of the nine warrants for installation of a traffic signal is met. Therefore, staff requested that an additional Traffic Signal Needs Study be performed to further investigate all

nine warrants to determine if a traffic signal is needed at this time. The results of this study did indicate that based on current traffic speeds and volumes, a traffic signal is warranted at the intersection of Joliet Street and East 104th Avenue.

The Traffic Impact Report indicates that the proposed facility is expected to generate approximately 357 total vehicle trips per day, with half of all exit trips turning left (west) from Joliet Street onto East 104th Avenue. Approximately 30% of trips would turn right (east) from Joliet Street onto East 104th Avenue, and the remaining 20% would go south on Havana Street. The applicant has agreed to contribute to the cost of a traffic signal based on their proportional traffic impact. Both the Traffic Impact Report and the Traffic Signal Needs Study are included in the packet for the Planning Commission's review.

Approval Criteria:

Criteria Met?	Sec. 21-3230. Conditional Use Permits	Rationale
☒	The proposed use will not result in a substantial or undue adverse effect on adjacent property, the character of the neighborhood, traffic conditions, parking, public improvements, either as they presently exist or as they are envisioned to exist in any adopted City plan, program or ordinance;	The proposed use will not result in substantial or undue adverse effect on adjacent property or the character of the neighborhood. All parking and utilities will be provided through the development of the site, and the applicant is agreeable to contributing toward installation of a traffic signal to improve traffic in the area and mitigate impacts.
☒	Any adverse effect has been or will be mitigated to the maximum extent feasible, including but not limited to sufficient landscaping and screening to ensure harmony for adjoining uses;	The applicant will comply with all screening and landscaping requirements. The truck parking area is located in the middle of the site where it will be less visible from adjacent streets.
☒	The characteristics of the site are suitable for the proposed use;	The proposed use is suitable for the site. The subject property is situated between, a freeway, a principal arterial, a drainage tract, and an emergency access road, making it unlikely to be seen by local traffic. Landscaping will be used to minimize the visual impact from adjacent rights-of-way. Drainage, circulation, and parking will all be adequately provided.
☒	The proposed use will be adequately served by and will not impose an undue burden on any of the existing improvements, facilities, and services of the city or its residents or the applicant has committed to provide such improvements, facilities, utilities and services in sufficient time to serve the proposed use;	The proposed facility has been reviewed during the development review process to ensure that adequate public services are provided. All referral agencies' comments have been addressed by the applicant.
☒	The applicant has provided adequate assurances of continuing maintenance;	The applicant intends to purchase the land and construct, operate, and maintain the facility long-term. In addition, a PIA will be signed to provide assurances for landscaping along city rights-of-way.
☒	No evidence suggests that the use violates any federal, state, or local requirements.	There is no indication that the use violates any federal, state, or local requirements.
☒	The proposed use complies with the general purposes, goals, objectives, policies, and standards of all City plans, programs, and ordinances	The proposed use complies with all applicable regulations, requirements, and standards found in the Land Development Code. It also complies with the general purposes, goals, objectives, policies, and standards of the Comprehensive Plan.

Summary:

Diversified Transfer and Storage is requesting approval of a Conditional Use Permit for a transportation terminal in the I-1 zone district to allow the development of the site with a 116,000 square foot cold storage facility, along with offices, a maintenance shop with wash bay, and truck parking. This new site will allow an existing business to move from Denver to Commerce City, bringing as many as 50 jobs at full build-out.

The surrounding area is developed or zoned for industrial purposes, including several other transportation terminals, and the subject property is identified for future office/flex uses, including limited light industrial. The applicant has agreed to contribute towards the cost of installation of a traffic signal at East 104th Avenue and Joliet Street, which the City will install in the future as additional development occurs. Therefore, there is no expected adverse impact to adjacent properties, the character of the neighborhood, traffic conditions, parking, or public improvements.

Based on the information provided by the applicant as well as analysis of the Comprehensive Plan, the Land Development Code, and the Approval Criteria for Conditional Use Permits, the DRT recommends approval of the Conditional Use Permit, subject to one condition, which requires that a PIA be executed before building permits are issued for the proposed facility.

Development Review Team Recommendation

Based upon the analysis above, the Development Review Team believes that the application meets the criteria for a Conditional Use Permit set forth in the Land Development Code and recommends that the Planning Commission forward the Conditional Use Permit request to the City Council with a recommendation for **approval with one condition**.

Recommended Motion

To recommend approval subject to condition(s):

I move that the Planning Commission enter a finding that, subject to certain conditions, the requested Conditional Use Permit for the property located at **10381 Havana Street** contained in case **CU-115-16** meets the criteria of the Land Development Code and, based upon such finding, recommend that the City Council approve the Conditional Use Permit subject to the following condition:

- A. The applicant shall pay a percentage of the costs of design and installation of a traffic signal, reflecting the percent change in traffic caused by the development, at the intersection of East 104th Avenue and Joliet Street.*

Alternative Motions

To recommend approval:

I move that the Planning Commission enter a finding that the requested Conditional Use Permit for the property located at **10381 Havana Street** contained in case **CU-115-16** meets the criteria of the Land Development Code and, based upon such finding, recommend that the City Council approve the Conditional Use Permit.

To recommend denial:

I move that the Planning Commission enter a finding that the requested Conditional Use Permit for the property located at **10381 Havana Street** contained in case **CU-115-16** fails to meet the following criteria of the Land Development Code:

List the criteria not met

I further move that, based upon this finding, the Planning Commission recommend that the City Council deny the Conditional Use Permit.