

EXHIBIT C

TRIANGLE LOGISTICS CENTER ZONE CHANGE REQUEST

This application proposes to change the zoning for the approximately 8.79-acre property located at approximately 48th Avenue and Ivy Street, Adams County Parcel No. 0182317300029, from AG to I-2 (the "Property") to facilitate use of the Property that is consistent with the recommendations in the adopted Plans.

The Property is located on the north side of 48th Avenue and east of Ivy Street. Today the Property is zoned AG, an agricultural zone district allowing single-family detached dwelling uses and limited production of agricultural crops and livestock. Existing context surrounding the Property is heavily industrial and surrounding zoning includes: I-3, I-1, I-1s, I-2, and AG. The Property was previously a landfill that has since been capped and filled over and has remained vacant and undeveloped. The request is to rezone the Property to the I-2 Zone District, a Medium-Intensity Industrial district, to facilitate the development of a large logistics and distribution project. The successful rezoning will blend in with, support, and sustain the existing industrial character of the neighborhood.

PROJECT DESCRIPTION:

The Property is owned by Dr. Reddy. The developer processing the development plan, CA Ventures, is under contract to buy the Property and is scheduled to close on the purchase of the Property in late April, 2022 at which time the environmental remediation Work Plan commitments described herein will be finalized. The sale of the Property will be completed prior to the rezoning and other permit processes.

The project is located on northwest and northeast of the corner of 48th Avenue and Ivy Street. More specifically, the site is located in Adams County Parcel No. 0182317300008 and 0182317300029. Both parcels border Denver to the south and the western parcel borders Denver to the west as well. The project is generally bounded by the following:

- North – Union Pacific Railroad
- West – Forest Street and Denver Parcel 0118400014000 (5100 N Dahlia Street)
- South – Chevron USA 2nd Filing (western parcel); 48th Avenue (eastern parcel)
- East – Union Pacific Railroad

The Project Site consists of approximately 56.5 acres of vacant land on the west side of Ivy Street and approximately 8.79 acres of vacant land on the east side of Ivy Street. The site was previously a landfill that has since been capped and filled over. The proposed development is for six distribution building totaling approximately 839,500 SF. Truck and employee parking, landscaping and associated infrastructure are part of the project. The western parcel is currently zoned I-3 and will not require rezoning. The eastern parcel is currently zoned AG and will be rezoned to I-2 as part of this project.

RELEVANT PROJECT ENVIRONMENTAL INFORMATION:

The Property is part of the Sand Creek Superfund site which was added to the National Priority List (NPL) in the 1980s. After the Responsible Parties – BNSF and BFI performed remediation on the site (installation of a Landfill gas Extraction System (LFGES) and the installation of a clean soil cap, plus continued monitoring and reporting to the EPA), the EPA delisted the site in 1996. The site remains on the EPA monitoring program and a current environmental covenant prohibits any other uses on the land except for environmental remediation – see Appendix A attached extract from the EPA website on the Sand Creek Landfill.

CA ventures has reached agreement with the EPA and CDPHE to enter into a Prospective Purchase Agreement (PPA) in which, in exchange for EPA's approval, CA agrees to a Remediation Work Plan: modify and maintain the LFGES, perform annual O&M, install clean soil cap/barrier. The PPA has also been circulated for signatures within EPA.

A Work Plan to address the remediation of the current landfill was been approved by CDPHE and the EPA on March 7th, 2022 . In summary, there are two remediation measures – 1) Improve the current soil cap with engineered fill and 2) Modify and improve the existing landfill gas extraction system (LFGES) including the construction of a new flare station to replace the existing one. After the construction activities described above are completed, the EPA will review and sign-off on the construction being compliant with the Work Plan. The long-term operation and maintenance (O&M) of the LFGES will occur, with required periodic reporting to the EPA. For more details please see the approved Work Plan:

<https://terracon.sharefile.com/d-s3ca46fd565414209aa7ec4d45288fc80>

Please also refer to Appendix A hereto which contains copies of emails from CDPHE and EPA staff confirming their approval and acceptance of the Work Plan; as well as the negotiated contracts with CDPHE concerning Notice of Environmental Use Restrictions.

EPA/CDPHE agrees to amend the Environmental Covenant to allow for industrial development subject to the approved Work Plan. The new document is called Release and Termination of Environmental Covenant and Notice of Environmental Use Restriction ("NEUR) and is currently circulated for signatures

ADDITIONAL ENVIRONMENTAL UPDATES PROVIDED AS OF July 21, 2022:

Background:

The 60 acres triangular shape site bounded by the BNSF railroad to the northeast, 48th Street to the south and Forest Street to the west is part of the former Sand Creek Industrial Superfund site. It was listed on the National Priority List (NPL) in 1983 by the EPA. Unilateral Orders were issued by the agency and named BNSF and BFI as Responsible Parties (RPs) to perform remedial action. As a result, the RPS installed a Landfill Gas Extraction System (LFGES) to extract and treat landfill gas, imported soil cap and agreed to institutional controls in the form of environmental land use covenants. Subsequent to the RPs remedial action, the site was delisted from NPL in 1996, but remained on EPA's monitoring program and subject to EPA's Environmental Covenants (EC), which stipulated that land use other than remediation must receives approval from the EPA.

Path to Development

The property has been dormant for over 30 years as a vacant landfill with remediation operation and maintenance performed by the RPs. As a result of such remediation, methane gas level has declined, and the EPA upgraded the site into the agency's Superfund Redevelopment Program¹. This nationally coordinated effort provides EPA with a process to return Superfund sites to productive use.

Agreements with Environmental Agencies

The developer, CA Industrial LLC, has reached agreements with the EPA and CDPHE (Colorado Department of Public Health and Environment, acting as state level program manager). The development approval is based on the following agreements:

- 1) **Administrative Settlement Agreement** amongst the Department of Justice, EPA, CDPHE (Agencies) and the developer were signed April 28, 2022. This agreement is also commonly referred to as the **Prospective Purchaser Agreement (PPA)**.

The PPA has been provided to Commerce City Community Development Staff via ShareFile.

The Agencies approved the site for industrial development, and agreed to provide certain legal covenants and contribution protection to the developer. In exchange, the developer agreed to:

- a) Modify and upgrade the existing Landfill Gas Extraction System (LFGES)
 - b) Install clean soil cap to be consistent with the development plan
 - c) Install vapor mitigation system under each building floor slab
 - d) Provide annual operation and maintenance (O&M) report of the LFGES to the Agencies
 - e) Provide financial assurance to the EPA for completion of remediation and ongoing O&M
 - f) Include "environmental justice" features in the development plan such as a) reduction of greenhouse gas, b) encourage low impact transportation by upgrading bus shelters, installing bike racks and changing facilities, LEED certified design, open space with native vegetation etc.
 - g) Follow the development plan and construction/remediation process as approved in the Work Plan
- 2) **Work Plan** – The EPA and CDPHE approved a 200+ pages Work Plan which describes in technical details the modifications to the LFGES, the new industrial park development plan, engineering and ground improvement methods, remediation process and cost estimate.

The Work Plan has been provided to Commerce City Community Development Staff via ShareFile.

- 3) **Notice of Environmental Use Restriction (NEUR)** – The prior Environmental Covenant restricted all types of land use except remediation. This new and amended Environmental Covenant, also known as NEUR, allows industrial development to occur subject to the approved Work Plan, including: a) Remedial plans approved by EPA in consultation with CDPHE, b) Materials Management Plan approved by CDPHE and c) Construction or Redevelopment Plans and designs approved by CDPHE.

The NEUR has been provided to Commerce City Community Development Staff via ShareFile.

Aligning Objectives of EPA and Commerce City

The proposed plan aligns with EPA redevelopment objectives of returning former Superfund sites back to productive use. In addition, the amendment of the triangular parcel east of Ivy from agricultural (AG) to industrial (I-2) is consistent with land use in the immediate neighborhood.

Furthermore, the redevelopment plan aligns with the Southern Industrial Focus Area of Commerce City's Comprehensive Plan. The "comp plan" stated this area "*faces challenges from the lack of infrastructure and poor connectivity contributing to difficulty getting around*"² and "*adaptive reuse, along with brownfield reclamation of abandoned or underused industrial land are factors in land conservation and reducing sprawl*"².

The proposed redevelopment plan aligns with these objectives by improving access and connectivity, modernized and improves environmental remediation and transform the neighborhood into a sustainable neighborhood with long term economic and job growth potential.

Footnotes:

1. *EPA Sand Creek Superfund Site Redevelopment Initiative*
<https://cumulis.epa.gov/supercpad/SiteProfiles/index.cfm?fuseaction=second.redevelop&id=0800260>
2. *Commerce City Comprehensive Plan Chapter 8-Redevelopment and Reinvestment, p 119*

The Zone Change meets all of the following criteria:

A. The proposed zone district and allowed uses are consistent with the policies and goals of the comprehensive plan, any applicable adopted area plan, or community plan of the city;

The proposed zoning addresses and is aligned with many goals and policies of the **Commerce City Comprehensive Plan (2010)**:

The Commerce City Comprehensive Plan designates the future land use for the Property and surrounding area as General Industrial. Related zonings for these areas are I-2 and I-3.

Land Use and Growth Goals and Policies:

- *Policy LU 2.1—Infill Development Promoted*
Promote infill development and redevelopment to use utilities and services efficiency, to support multi-modal transportation, to revitalize neighborhoods, and to maintain prosperous businesses. Infill means development on vacant unplatted parcels scattered throughout the city, or in county enclave areas.

The Property is currently vacant, undeveloped land. Successful rezoning would facilitate development of the under-utilized land. This will enhance community perception and character of the area while also providing improved public infrastructure.

- *Goal LU 4—Retain existing industrial areas and land for future jobs*
- *Policy LU 4.2—Historic City and Irondale Industrial Areas Strengthened*
Promote and strengthen industry and jobs where they are currently located in the Historic City and Irondale, particularly in the following locations:
 - Southern Industrial Area,
 - Clermont,
 - South of East 56th Avenue/Tiffany,
 - Irondale, and
 - South Platte River Valley.
- *Southern Industrial Future Area policies:*
Retain the general industrial use of the area;
 - Improve image along I-270;
 - Improve access and connectivity (including along Sand Creek trail) and infrastructure and roadways;
 - Extend Holly Street across I-270 between East 52nd and 56th Avenues; and
 - Encourage environmental clean up of some properties.

The Property is located in the Southern Industrial Area (Sub focus area of Historic City Focus Area), which the plan highlights as a focus area. The proposed I-2 zone district will allow and promote the industrial land use that is prominent in this area. The proposed project will retain the general industrial use of the area, improve access and connectivity, and encourage environmental cleanup.

Economic Development Goals and Policies:

- *Goal ED 1—Increase economic diversification and opportunities for clean, prosperous business*
The city will recruit and retain new businesses and major corporations in the targeted industry sector/clusters, as a part of the Economic Development Strategic Plan.
- *Policy ED 1.2—Recruitment of Businesses*
The city will aggressively recruit businesses within identified targeted industries (as identified through the ***Economic Development Strategic Plan***). They are currently identified as the following:
 - Advanced Manufacturing
 - **Logistics and Distribution**
 - Business and Professional Services
 - Retail/Hospitality/Leisure
 - DIA Technology
- *Goal ED 2—Retain and increase a strong employment base*
The city will retain and expand its existing industrial base, and attract and recruit new businesses that contribute positively to city revenues.
- *Policy ED 2.3—Strengthen Employment Land Base*

Retain and strengthen the industrial base in the Historic City and Irondale Areas.

The proposed project is a Logistics and Distribution development, which is a target industry in the plan. The project will generate jobs through direct employment and indirectly through the construction and engineering of the development. It will retain and strengthen the industrial base in the Historic City Area (Southern Industrial Area). This development supports the overall goals of long-term economic growth.

Fiscal Stability Goals and Policies:

- “Commerce City benefits fiscally from traditional land uses, which contribute to revenues.” (pg. 103)
- Industrial uses generated 49% (majority) of Sales and Use Tax in 2008, which was the largest source of Sales and Use tax generation. (pg. 103)
- *Goal FS 2 – Retain and increase revenue-producing land uses*
The city will retain its industrial and employment base, and attract and recruit new businesses (including commercial), that contribute positively to city revenues.
- *Policy FS 2.2 – Core Employment Uses*
Retain and strengthen the industrial and employment land base by ensuring the new development is consistent with the designations on the Future Land Use Plan map.

Successful rezoning would allow the parcel to be utilized for Industrial uses as recommended and designated by the Future Land Use Plan map. This will further implement the fiscal stability goals of the Commerce City Comprehensive Plan and allow for developments that will positively contribute to the city’s revenues.

Redevelopment and Reinvestment Goals and Policies:

- “**Reinvestment** means city actions towards revitalizing existing neighborhoods and business areas through roads, sidewalks, targeted industries and other improvements to spur private investment and continued improvements.” (pg. 119)
- “**Infill** means development of new housing, retail, or businesses on vacant parcels that are scattered throughout and completely surrounded by developed areas of the city.” (pg.119)
- *Goal RR – 1 Increase focus on infill development*
The city recognizes the benefits of infill to balance and retain the character of stable neighborhoods with the increasing economic development opportunities.
- *Policy RR 1.1 – Historic City and Irondale Infill*
The city will promote high-quality infill through incentives and infrastructure improvements on vacant properties in the Historic City and Irondale.
- *Policy RR 2.1 – Historic City Industry Retained*
Allow light industry, warehousing, flex, office, and community-serving retail; support but do not expand residential uses in existing industrial areas including:
 - Historic City (Southern Industrial Focus Area)

The proposed I-2 zone district will allow this underutilized land to be invested in through developments that match and contribute to the existing character of the neighborhood. The proposed project will transform a long vacant and blighted parcel into a productive use. It will provide safe and functional access to the area through the creation of a sidewalk network and improving access and connectivity.

The proposed zone district and project addresses and is aligned with many of the goals and action items of the **Commerce City Economic Development Strategic Plan (2010)**. In summary, successful rezoning and redevelopment would allow:

- Opportunity to build a major development in the target industry of Logistics and Distribution.
- Expand current industrial base
- Improve an under-utilized and undeveloped land and provide opportunity for positive infill.
- Positive development and investment
- Supports long-term economic growth

The Property is located in the Colorado Enterprise Zone. This program encourages private-sector business activity to boost job growth and capital investment in distressed areas of the state. The proposed project will contribute to revitalization and investment in an area designated by both the city and state as a key area for economic partnership.

B. The proposed zone district and allowed uses are compatible with proposed development, surrounding land uses and the natural environment;

The Commerce City Comprehensive Plan designates the future land use for the Property and surrounding area as General Industrial. The proposed I-2 zone district and allowed uses is compatible to the proposed development for a Logistics and Distribution development, which is a target industry in the plan. Existing context surrounding the Property is heavily industrial and surrounding zoning includes: I-3, I-1, I-1s, and I-2.

The old CDPHE / EPA environmental remedy (that is being replaced per the Work Plan) only allows for ongoing environmental remediation on vacant land. The new Work Plan and NEUR allow for, in addition to improved more modern remedy methods, the redevelopment of the site as a modern industrial, warehousing and distribution center. This redevelopment and the uses and employment it will bring are wholly consistent with and serve as an implementation of LDC criteria that ***“The proposed zone district and allowed uses are compatible with proposed development, surrounding land uses and the natural environment...”***

C. The proposed zone district will have, or future development can provide, efficient and adequate provision of public services, including but not limited to, water, sewerage, streets, and drainage;

The Property is served by existing 48th Ave. and Ivy St., both public streets. In addition, it is within the Triangle Logistics Center Commercial Metropolitan District which has the authority to provide public water, sanitary sewer and stormwater management facilities, as well as enhancements to the existing street grid. This assures the future development can provide necessary public services.

D. The proposed zone district will have, or future development can provide, efficient and adequate provision of public uses including but not limited to, parks, schools, and open space;

Because the Property is in an industrial area and is proposed to be rezoned to I-2, residential uses are prohibited and future development will not generate impacts for public uses such as parks, schools or open space.

E. There is a community need for the zoning district in the proposed location, given need to provide or maintain a proper mix of uses both within the city and the immediate area of the proposed use; and

The Comprehensive Plan addresses the community need to target industrial uses at this location for consistency of land uses in the vicinity, economic development objectives and taking advantage of infill development opportunities to conserve land and mitigate sprawl. There is an opportunity for major investment and revitalization for the area through the development and utilization of what is currently vacant land. Successful rezoning and development will address the community need for reinvestment in the area that will enhance community perception and character while bringing in and generating new jobs.

F. The area for which Zone Change is requested has changed or is changing to such a degree that it is in the public interest to allow a new use or density.

It is in the public interest to rezone the Property to I-2 to allow for new uses on the Property where the surrounding area has changed from historic agricultural uses to the current industrial park, warehousing, distribution and logistics hub that makes up much of the General Industrial future land use identified in the Comprehensive Plan; as well as Southern Industrial Focus Area.