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## MEMORANDUM

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**To:** Chairman Popiel and Members of Planning Commission

**From:** Caitlin Hasenbalg Long, City Planner  
Stacy Wasinger, City Planner

**Date:** August 22, 2019

**Subject:** Junk Yards, Salvage Yards, and Multi-Tenant Outdoor Storage Yards

In recent years, staff has had on-going issues and concerns with the increase and expansion of junk yards, salvage yards, and multi-tenant outdoor storage yards in areas around the City. Development pressure from Denver, the availability of I-3 zoned land along the Front Range, and relatively low land values in Commerce City have all increased the desire for these types of land uses. Other jurisdictions may allow these uses but have limited available industrial land, increasing the likelihood that these uses locate in Commerce City. Legal non-conforming uses that have existing for many years but were never permitted and non-permitted expansions of previously legal uses complicate the conversation, and there has been unclear direction on what level of required site improvements should be implemented if these uses are to be permitted. The purpose of this study session is to review the existing code definitions and requirements and receive direction from Planning Commission on how to proceed regarding these land uses.

Currently, the Land Development Code (LDC) defines junk yard, material recovery resource facility (i.e. recycling facility), outdoor storage, and salvage yard (see Exhibit A). The LDC currently only allows junk yards and salvage yards as a Conditional Use Permit (CUP) in the I-3 zone district. The CUP process typically requires site improvements similar to other types of industrial uses if those improvements do not already exist, which can be a significant expense compared to the investment or the land value of these type of land uses. A list of typical site improvements can be found in Exhibit B. Multi-tenant outdoor storage is not currently defined in the LDC but is functionally a large outdoor storage area on a vacant lot that is

fenced and divided between multiple tenants but is not associated with another primary use or structure for each tenant. The LDC does allow users of multi-tenant industrial buildings to have on-site individual outdoor storage in the I-2 and I-3 zones but an associated structure on the site is required for each tenant. There are no specific standards which the building must meet to qualify as a "tenant space." It is not permitted to have a vacant lot used solely for any type of outdoor storage under current LDC regulations. These uses are often established without review and require active enforcement to remedy.

Staff researched previous CUPs for junk and salvage yards and similar uses; since 1988, 14 CUPs for junk yards, salvage yards, and recycling facilities have been approved in the City. Of those approved uses, 6 sites appear to still be in operation. Some additional uses may be legally non-conforming, having been in existence prior to the CUP regulations. A comparison of nine other jurisdictions shows that most other jurisdictions permit these uses by right or CUP in at least one zoning district (see Exhibit C). However, some cities do prohibit junk yards, salvage yards, and outdoor storage as a principal use in some instances and most include supplemental regulations and/or design standards for these uses. Additionally, while many of these jurisdictions may allow these uses in industrial zones according to their codes, in practice they do not have much industrially zoned land left within their boundaries to house these types of uses.

There are some opportunities presented with the establishment of these multi-tenant outdoor storage yards, including demand from small businesses for start-up space, a flexible business model, and some investment in areas difficult to develop due to lack of infrastructure. These uses could also be functionally temporary in that they could redevelop into other uses when future public infrastructure is developed in these areas. This would allow for initial investment and use of the properties while waiting for redevelopment to be practically feasible for many sites. There are also some challenges associated with these uses that should be considered in this discussion, including life and safety emergency response and potential environmental contamination. In particular, emergency response to these uses can result in multi-day incidences, with insufficient infrastructure for Police and Fire to adequately respond. Additionally, enforcement of these uses is difficult because they often are established quickly and may have multiple owners and multiple tenants. Because tenants change frequently, new violations have to be issued and these sites represent recurring issues. It also takes considerable staff time to enforce and administer for these uses. Once a violation is issued, bringing the property into compliance often involves Neighborhood Services, Planning, Building Safety, Public Works, and Economic Development staff in addition to the Commerce City Police Department and South Adams County Fire District. Other concerns with these uses include lack of public infrastructure in place and these uses bringing little to no investment and tax revenue to the City. These uses may not represent the highest and best use of the I-3 zoned land within the City and may violate state or federal regulations such as floodplain, landfill, and hazardous material regulations, resulting in possible environmental contamination and potentially burdening the property with costly mitigation requirements for future developers. Required site improvements such as paving and drainage facilities, street improvements, and landscaping are often expensive for owners considering that the business model involves expending little on site improvements. Therefore, even

when a property is identified in violation, the site is rarely brought up to City code requirements for these uses as a result.

To summarize, staff seeks input from Planning Commission regarding how to regulate junk yards, salvage yards, and multi-tenant outdoor storage yards with three potential options for each use provided. For junk yards and salvage yards, which are uses allowed in the I-3 zone with a CUP, the potential options include: Option 1, no change to regulations (I-3 with CUP); Option 2 to explore code changes to prohibit; and Option 3 to explore code changes to allow with looser regulations. For multi-tenant outdoor storage yards, which are currently not permitted in any zone as a primary use, the options include: Option 1, no change to regulations (prohibited except in connection with multi-tenant industrial building, with active enforcement); Option 2 to explore code changes to create standards for multi-tenant industrial building space; and Option 3 to explore code changes to allow outdoor storage as primary use (no structure required) either by right (administratively) or by CUP in the I-2 and I-3 zones. As a reminder, the study session is for discussion and feedback only, and no vote or formal action needs to be taken at this time. A study session with City Council is also scheduled for September 9 to further discuss this topic and share the Planning Commission's recommendations.