



STAFF REPORT

Planning Commission

CASE #CU-106-14-15

PC Date:	June 16, 2015	Case Planner:	Caitlin Hasenbalg Long
CC Date:	July 20, 2015		
Location:	5601 Holly Street Commerce City, CO 80022		
Applicant:	Old Dominion Freight Line	Owner:	Same as Applicant
Address:	500 Old Dominion Way, Thomasville, NC 27360	Address:	Same as Applicant

Case Summary

Request:	Amendment to Conditional Use Permit to expand an existing transportation terminal in the I-1 zone district.
Project Description:	The subject property has been used as a transportation terminal since the 1980s. Over time, the zoning requirements changed, and the use became non-conforming. In 2014, Old Dominion received approval of this Conditional Use Permit for the existing transportation terminal, making it a legal and conforming use in the I-1 zone district. At the present time, Old Dominion proposed an expansion to the existing use, including a new 46,200 square foot cross dock addition with 88 doors and the relocation of the shop and fueling station within the site. The applicant has acquired several surrounding properties, which are proposed to be consolidated into a single lot in concurrent case #S-638-15. One of these properties is also proposed to be rezoned from I-2 to I-1 in case #Z-925-15 to match the I-1 zoning of the rest of the site. An amendment to the CUP is also needed to include the new properties in the scope of the previously-approved use.
Issues/Concerns:	<ul style="list-style-type: none">• Impacts to adjacent properties
Key Approval Criteria:	<ul style="list-style-type: none">• 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:	Industrial/Distribution

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

- | | |
|---|--|
| <input checked="" type="checkbox"/> Applicant's Narrative Summaries | <input checked="" type="checkbox"/> Vicinity Map |
| <input checked="" type="checkbox"/> Development Plan | <input checked="" type="checkbox"/> Amended Truck Routes |

Background Information

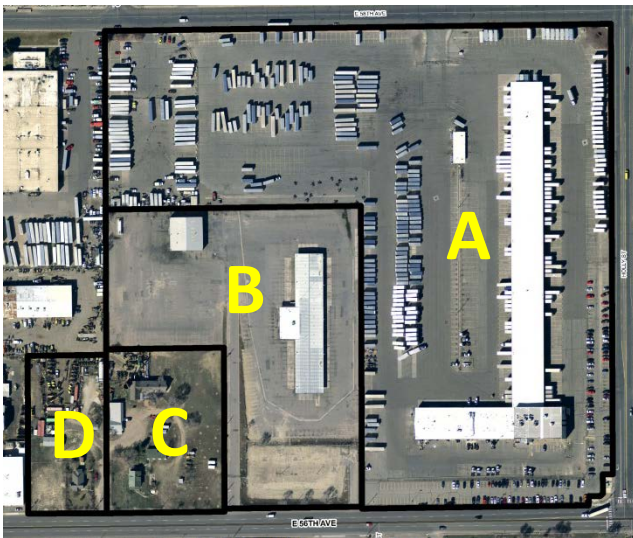
Site Information

Site Size:	38 acres
Current Conditions:	Developed with an 80,450 square foot transportation terminal (cross dock and offices)
Existing Right-of-Way:	Holly Street to the east; East 56 th Avenue to the south; East 58 th Avenue to the north
Neighborhood:	56 th Avenue Industrial Park
Existing Buildings:	Yes: 80,450 square foot cross dock and office
Buildings to Remain?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Site in Floodplain	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Surrounding Properties

<u>Existing Land Use</u>		<u>Occupant</u>	<u>Zoning</u>
North	Industrial	Houg Special Services, DATS Trucking	I-1
South	Industrial	UPS Freight	I-1
East	Industrial	Reis Environmental, South Adams County Fire Station No. 2	I-1
West	Industrial	CT Power, Iceberg Rentals, Kendo, Rocky Mountain Powertrain	I-2

Case History



To fully understand the case history associated with the land included in the scope of this conditional use permit, it is necessary to first break the property into sections based on the historic property lines.

Parcel A is associated with the address 5601 Holly Street, and includes Old Dominion's transportation terminal which was the subject of the current Conditional Use Permit CU-106-14.

Parcel B is associated with the address 5375 E 56th Avenue, and is the former location of the Estes Trucking terminal. That building has since been demolished.

Parcels C and D are associated with the addresses 5181 and 5171 E 56th Avenue, and are being purchased by Old Dominion from Robert F Johnson. This is the location of the former Johnson Dairy. Both of these parcels contain existing legal non-conforming residential uses.

There are ten relevant cases in the history of the subject properties, as shown below:

<u>Case</u>	<u>Date</u>	<u>Parcel</u>	<u>Request</u>	<u>Action</u>
Z-002-78	Jan. 1968	Parcel D	Zone change from I-1 to I-2	Approval
Z-148-78	Jun. 1978	Parcel A	Zone change from I-1 to I-2	Approval with Conditions
A-871-85	Oct. 1986	Parcel A	Landscape variances	Approval with Conditions
S-140-86	Mar. 1986	Parcel B	Subdivision into 2 lots	Approval with Conditions
A-904-87	Jul. 1987	Parcel A	Sign number variance	Approval with Conditions
Z-586-93	Nov. 1993	Parcel A	Zone change from I-2 to I-1	Approval
S-190-93	Apr. 1994	Parcel A	Subdivision to consolidate multiple parcels	Approval
A-1226-95	1995	Parcel D	Use-by-Permit for Cell Tower	Approval with Conditions
A-1319-96	1996	Parcel D	Use-by-Permit for Cell Tower	Approval with Conditions

<u>Case</u>	<u>Date</u>	<u>Parcel</u>	<u>Request</u>	<u>Action</u>
CU-106-14	Oct. 2014	Parcel A	Conditional Use Permit: transportation terminal in I-1	Approval with Conditions

Parcel A: Records indicate that the majority of the property has been zoned I-1 since 1962. At that time, the property consisted of various parcels and lots. In 1978, a previous owner rezoned a portion of the property, which lies approximately in the middle of block along Holly Street, from I-1 to I-2 in case #Z-148-78 to accommodate his use. That development did not materialize, and the existing transportation terminal was built at the northwest corner of E 56th Avenue and Holly Street in 1980.

During the 1980s, Northwest Transport Services, Inc. grew significantly and expanded the transportation terminal, acquiring the various properties that comprise the current property. In 1985, Northwest Transport received landscape variances in case #A-871-85 for the amount of landscaping that would be required for proposed additions to the north end of the transportation terminal building to the east side of the office building. In place of landscaping along the perimeter of the property, Northwest Transport was granted variances to only install live landscaping in small strategic areas, with a paver hardscape installed around the remainder of the site. They also requested and received a variance in case #A-904-87 to allow three signs on the property in 1987. The landscape variances were addressed by CU-106-14, and the Land Development Code currently allows greater signage than was granted by the sign variances.

In 1994, Northwest Transport consolidated its various properties into a single lot in case #S-190-93. They also rezoned to I-1 the small portion that was previous rezoned to I-2 in case #Z-586-93. This ensured that the entire property had the same zoning to accommodate the transportation terminal. In the early 1990s, the zoning code was changed to require a Conditional Use Permit for transportation terminals in the I-1 zone district. As an existing use, the transportation terminal on this site was allowed to continue as a legal non-conforming use.

Northwest Transport Services, Inc. sold the property in 1999, and it was subsequently used by FedEx before Old Dominion Freight Line purchased it in 2008. Old Dominion has been in operation at this site since that time. In 2014, to allow for the addition of a 3,000 square foot IT room on the site, Old Dominion applied for a conditional use permit in case #CU-106-14 to make the non-conforming use legal and conforming. This was granted in October, 2014. To date, the property is in compliance with conditions imposed regarding minor landscape improvements to the site.

Parcel B: This property was subdivided from a larger property in case #S-140-86. That larger property extended from E 56th Avenue to E 58th Avenue, west of the Northwest Transport Services property which Old Dominion occupies today. The subdivision created two lots: a northern lot, along E 58th Ave, and a southern lot along E 56th Ave. The northern lot was created for use as additional parking for the adjacent Northwest Transport Services. That lot was consolidated with Northwest Transport Services' other properties in 1993, as described in the section above. The southern lot remained an independent transportation terminal, most recently used by Estes Trucking. This property was acquired by Old Dominion in 2014, and the abandoned terminal was demolished early in 2015.

Parcel C: The existing home on the property was built in 1901, and appears to have been used residentially since that time. There is no record of any land use cases for this property. Old Dominion is under contract to purchase this property as well as adjacent Parcel D. The buildings located on this property will be demolished to allow for the proposed expansion.

Parcel D: Records indicate that the existing home on the property was built in 1938, and appears to have been used residentially since that time. In 1968, this property was rezoned from I-1 to I-2 as part of a larger rezoning in case #Z-002-68 intended to accommodate various industrial uses in the area which were non-conforming in the I-1 zone district. The only additional land use cases were two Use-by-Permit requests for cell towers to be located on the subject property, which still exist and are proposed to remain. Along with Parcel C, this property is currently under contract to be purchased by Old Dominion, and the buildings will be demolished to allow for the proposed expansion.

Applicant's Request

Old Dominion Freight Line was founded in 1934 with a single truck route in Virginia. After expanding through the south and east, Old Dominion began operating nationwide in the early 1980s. The company continues to expand and increase the density of terminal locations to provide more efficient service throughout the United States. Their vision is to be the premier transportation solutions company in domestic and global markets served.

Old Dominion is a "Less than Truck Load" (LTL) freight carrier which caters to small businesses. According to the applicant, an LTL carrier like Old Dominion *"handles shipments that are larger than a parcel company and less than a full truckload. This typically means 1 pallet to half a truck load per shipment. We have approximately 150 inbound and outbound trailer trips per day, plus 65 daily trips for local deliveries. When a customer in Denver has a less than truckload shipment, they contact us for pick up and outgoing shipments at the same time. Once their pickups are completed, they return to our terminal with these LTL shipments where we consolidate them into full loads for our service centers around the country. We typically handle general commodity items, such as foodstuffs, auto parts, and any type of item found at a local retail store."*

Old Dominion went through the Conditional Use Permit process for their current site in 2014 to make the legally non-conforming transportation terminal use legal and conforming in the I-1 zone district. A small server room addition was also constructed as a backup location for corporate data. At this time, Old Dominion has submitted plans to construct a large 88-door dock expansion extending west from the existing terminal in a "T" shape. The company has acquired several adjacent properties, which are proposed to be consolidated into one lot in case #S-638-15. One of those properties is also undergoing a zone change from I-2 to I-1 in case #Z-925-15 to match the zoning of the rest of the properties prior to consolidation. The additional land area is needed to accommodate the proposed dock addition and allow the company to invest in and expand operations at their Commerce City facility. An amendment to the existing CUP is needed to include the additional land area in their current request.

There are three Old Dominion Freight Line locations within the State of Colorado. Terminals are located in Commerce City, Colorado Springs, and Grand Junction, which contribute to the overall network of 224 terminals across the United States. According to the applicant, *"by investing an additional \$20,000,000 into the Commerce City terminal, Old Dominion will be modernizing the buildings, the site, and its operations. Better parking, landscaping, efficient LED site lighting, new heating and cooling units all help to make our building more energy efficient... The size of this terminal will make Old Dominion a more viable long term employer, similar to their large locations in Seattle, Portland, Salt Lake, and Phoenix. Each of those locations underwent similar additions which have produced synergistic growth. As the terminal expands its suite of services, new routes emerge, the cost*

to ship freight lowers, which in turn generates more business. More than \$60,000,000 in business is currently generated by this facility [annually]. The scope of jobs available at facilities such as this one can become quite broad and help the city with a balanced offering of careers and services."

The Commerce City terminal currently employs 311 people, who work in the office, on the dock, and as local delivery and long haul drivers to the other service centers. After the 88 door expansion becomes operational, 40 to 50 new hires are anticipated, which would include 4 office personnel, 25 dock workers, 15 drivers, and 4 maintenance people.

The dock expansion will allow for the freight moving through the facility to be unloaded and reloaded more quickly. The industry standard term for how quickly new merchandise is offloaded is "door pressure." The additional doors will allow more trailers to be pulled up to the dock at the same time to be loaded simultaneously. This decreases the "door pressure," reducing the number of trucks leaving partially loaded and making the operation more efficient. It also impacts the internal circulation, reducing the number of trips within the site. Initially, no additional trucks will arrive once the new dock doors are added. However, as operational efficiency improves, it will slowly generate more trips off-site as routes expand.

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 Industrial/Distribution uses, which includes warehouse, office, and distribution facilities. As a type of distribution facility, this transportation terminal does coincide with the intended uses of this area. Granting the CUP amendment will allow the existing use to expand.	

<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>	Old Dominion is an existing logistics and distribution business in the city with desire to expand this facility to accommodate the needs of a national company. The proposed expansion will add new jobs in this targeted industry and increase the long-term capacity of the site to continue to meet this growing company's needs.	

<u>Section</u>	<u>Goal</u>	<u>Description</u>
Fiscal Stability	FS 2.2	Core Employment Uses: Retain and strengthen the industrial and employment land base by ensuring that the new employment is consistent with the designations on the Future Land Use Plan map.
<u>Analysis:</u>	This transportation terminal currently employs over 300 employees that work directly at this site or travel through it. Granting the CUP amendment will allow this existing business to expand its operations, adding jobs, increasing revenue, and strengthening its position in the community.	

Land Development Code:

Transportation terminals have certain supplemental regulations for the use which can be found in the Land Development Code (Sec. 21-5270). These regulations require that all new businesses shall be contained within the primary structure. In addition, this section requires that any building permit that increases the size of any covered structure, truck bay, or building larger than 200-square feet on the property will require a non-conforming use to obtain a conditional use permit, approved by city council, prior to approval of the building permit.

Old Dominion is still the only business to be located on the site, and all operations are proposed to remain within the primary structure. No new businesses are proposed. The applicant received approval of a Conditional Use Permit in 2014 in association with a proposed 3,000 square foot addition as required by the provisions of the Land Development Code. At this time, a 46,200 square foot dock addition is proposed, expanding the previously approved use onto land which was not included in the scope of the original CUP. During the review of this amendment, staff found the current use of the subject property to be in compliance with all other standards and requirements of the I-1 zone district.

Site Layout:

The existing property is approximately 26 acres, and includes the office at the southeast corner of the site near the intersection of Holly Street and East 56th Avenue; the cross dock along Holly Street, and the maintenance shop on the south side of the property along East 56th Avenue. There is a covered fueling station interior to the site. Employees access the property from Holly Street and from East 56th Avenue, and park along the south and east sides of the site. Trucks access the property from East 58th Avenue. They then park at the dock to unload or reload their goods, or park in the parking areas to the east and west of the building. The proposed addition will extend from the west side of the existing cross dock, and will include a small office and forklift maintenance area. The shop and fueling station will be relocated within the site to promote better internal circulation, and additional employee parking will be provided along East 56th Avenue to accommodate the long-term growth of the company. The applicant is also proposing to install landscaping around the perimeter of the site to improve the image of this site, which will be one of Old Dominion's largest outposts in the country.

Neighborhood Context:

The subject property in this case is located in an area developed for industrial purposes, with adjacent properties being zoned I-1 and I-2, including the Rocky Mountain Industrial Park to the east. The Future Land Use Plan identifies this area for light industrial and distribution uses, which is consistent with Old Dominion's request to expand the existing transportation terminal. Many of the uses in this area are also transportation terminals for various trucking companies similar to the applicant.

Truck Traffic:

As shown on the Amended Truck Routes attachment, the applicant's fleet utilizes City-approved truck routes to access the subject property, including Holly Street, East 56th Avenue, and East 58th Avenue. The location of the transportation terminal and its proximity to several approved truck routes ensures that there is minimal impact to adjacent properties due to truck traffic from the expansion. Due to the consolidation of properties, there will be a reduction in curb cuts along East 56th Avenue, and no new access points created on either Holly Street or East 58th Avenue. A traffic impact assessment was submitted for this expansion and reviewed by the Public Works Department.

Approval Criteria:

Criteria Met?	Sec. 21-3230. Conditional Use Permits	Rationale
<input checked="" type="checkbox"/>	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 existing use has not resulted in substantial or undue adverse effect on adjacent property or the character of the neighborhood. Old Dominion has owned this property since 2008, and it has been in use as a transportation terminal since it was originally built by Northwest Transport in 1980. The proposed expansion will make operations more efficient, and will provide improvements to circulation, parking, and landscaping.
<input checked="" type="checkbox"/>	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 is proposing to mitigate any potential impacts by bringing the site into compliance with current landscaping standards to the maximum extent feasible. This includes landscaping along all public rights-of-way with evergreen species to help screen the view of the interior of the site, as well as upgrading fencing.
<input checked="" type="checkbox"/>	The characteristics of the site are suitable for the proposed use;	The proposed expansion will include adjacent properties, allowing for a placement of structures that provides efficient internal traffic circulation. It also includes additional employee parking to accommodate anticipated long-term growth of the company. The characteristics of the site are suitable for the proposed expansion of the existing use.
<input checked="" type="checkbox"/>	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 expansion 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.
<input checked="" type="checkbox"/>	The applicant has provided adequate assurances of continuing maintenance;	The applicant has adequately maintained the improvements on the property since their acquisition of it in 2008. This expansion will actually provide many site upgrades, modernizing the structures and bringing them into compliance with current code requirements.
<input checked="" type="checkbox"/>	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.
<input checked="" type="checkbox"/>	The proposed use complies with the general purposes, goals, objectives, policies, and standards of all City plans, programs, and ordinances	The existing use complies with all applicable regulations, requirements, and standards, including those specifically for transportation terminals found in the Land Development Code. It also complies with the general purposes, goals, objectives, policies, and standards of the Comprehensive Plan.

Summary:

Old Dominion is requesting approval of an amendment to their existing Conditional Use Permit for a transportation terminal to incorporate recently acquired properties into the scope of the permit. They propose a large addition to the cross dock, which will increase operational efficiency and make this location more regional hub for the company.

The main site on Parcel A was originally developed as a transportation terminal in the early 1980s, and so the characteristics of the site are suitable for its continued use as a transportation terminal. The additional land to be incorporated will allow the construction of an 88 door dock addition to increase operational efficiency, the relocation of the shop and fueling station to promote better circulation within the site, and additional employee parking to accommodate the long-term needs of the company. The expansion will facilitate the transfer of goods, allowing Old Dominion to grow, expanding routes served and increasing revenues. Many new jobs are anticipated, including a balanced offering of careers between the truck drivers, dock workers, maintenance employees, and administration and clerical staff. New landscaping is being provided to beautify the site, bringing it into compliance with the current requirements, softening the operation's visual appearance from public streets, and setting a good precedence as a dedicated member in the community.

The surrounding area is developed for industrial purposes, including several other transportation terminals, and is identified for future distribution-type industrial uses. Several important truck routes run through this part of the city, including Holly Street and East 56th Avenue. This project is also replacing an older transportation terminal (the former Estes Trucking site on Parcel B) with a new dock building and a more modern operation, eliminating the dilapidated building on that site and its associated dock doors and truck traffic. 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 amendment to the Conditional Use Permit.

The four recommended conditions include the three conditions regarding landscaping on the original Conditional Use Permit approval, as well as one additional condition requiring an environmental investigation of a former landfill located on the property, as recommended by Tri-County Health Department.

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 Amendment request to the City Council with a recommendation for **approval**.

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 Amendment to the existing Conditional Use Permit for the property located at **5601 Holly Street** contained in case **CU-106-14-15** meets the criteria of the Land Development Code and, based upon such finding, recommend that the City Council approve the Amended Conditional Use Permit subject to the following conditions:

- A. Landscaping shown as part of Phase 1 on the approved landscape plan for CU-106-14 shall be installed prior to issuance of a Certificate of Occupancy for the IT room addition.*
- B. A landscape escrow shall be paid for landscaping shown as part of Phase 2 for CU-106-14 prior to issuance of a Certificate of Occupancy for the IT room addition.*
- C. The landscaping shown as part of Phase 2 on the landscape plan submitted in conjunction with CU-106-14 shall be installed within 18 months of the date of approval of CU-106-14-15, unless this condition is waived by the Community Development Director because the construction of the proposed terminal expansion submitted in conjunction with CU-106-14-15 is substantially underway. In that event, the landscaping shown on the landscape plan submitted in conjunction with CU-106-14-15 shall be installed prior to the issuance of a Certificate of Occupancy for the expanded terminal.*
- D. A site investigation plan addressing flammable gas, the nature and extent of solid waste, and contaminated soils and groundwater shall be completed and submitted to Tri-County Health Department and the Solid Waste Section of the Hazardous Materials and Waste Management Division of the Colorado Department of Public Health and Environment (CDPHE) for review and approval prior to the issuance of any building permits for the proposed expansion.*

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 **5601 Holly Street** contained in case **CU-106-14-15** 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 **5601 Holly Street** contained in case **CU-106-14-15** 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.