



# STAFF REPORT

## Planning Commission

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### CASE #CU-106-14

<b>PC Date:</b>	September 2, 2014	<b>Case Planner:</b>	Caitlin Hasenbalg Long
<b>CC Date:</b>	October 6, 2014		
<b>Location:</b>	5601 Holly Street Commerce City, CO 80022		
<b>Applicant:</b>	Old Dominion Freight Line	<b>Owner:</b>	Same as Applicant
<b>Address:</b>	500 Old Dominion Way, Thomasville, NC 27360	<b>Address:</b>	Same as Applicant

### Case Summary

<b>Request:</b>	Conditional Use Permit for a transportation terminal in the I-1 zone district.
<b>Project Description:</b>	The subject property has been used as a transportation terminal since the 1980s. The regulations for transportation terminals have since changed, making the existing use a legal non-conforming use. At this time, Old Dominion is proposing a 3,000 square foot addition, which triggers the need for the non-conforming use to come into compliance with the current standards of the Land Development Code.
<b>Issues/Concerns:</b>	<ul style="list-style-type: none"><li>• Impacts to adjacent properties</li></ul>
<b>Key Approval Criteria:</b>	<ul style="list-style-type: none"><li>• Compliance with the Comprehensive Plan</li><li>• Conditional Use Permit Approval Criteria</li></ul>
<b>Staff Recommendation:</b>	Approval with Conditions
<b>Current Zone District:</b>	I-1 (Light Intensity Industrial District)
<b>Comp Plan Designation:</b>	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

<b>Site Size:</b>	26 acres
<b>Current Conditions:</b>	Existing transportation terminal
<b>Existing Right-of-Way:</b>	East 56th Avenue to the south; Holly Street to the east; East 58th Avenue to the north.
<b>Neighborhood:</b>	56th Avenue Industrial Park
<b>Existing Buildings:</b>	68,682 square foot transit warehouse and 30,627 square foot office
<b>Buildings to Remain?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Site in Floodplain</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### Surrounding Properties

<u>Existing Land Use</u>		<u>Occupant</u>	<u>Zoning</u>
<b>North</b>	Industrial	Houg Special Services, Inc.; former G.I. Trucking (now vacant)	I-1
<b>South</b>	Industrial	Bighorn Metalworks; Professional Pipe Line Solutions	I-2
<b>East</b>	Industrial	Various multi-tenant industrial buildings; SACFD station	I-1
<b>West</b>	Industrial	Former Estes Express Lines (now vacant); Glacier Ventures	I-1, I-2

### Case History

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

<u>Case</u>	<u>Date</u>	<u>Request</u>	<u>Action</u>
Z-148-78	Jun. 1978	Zone change from I-1 to I-2	<b>Approval with Conditions</b>
A-871-85	Oct. 1986	Landscape variances	<b>Approval with Conditions</b>
A-904-87	Jul. 1987	Sign number variance	<b>Approval with Conditions</b>
Z-586-93	Nov. 1993	Zone change from I-2 to I-1	<b>Approval</b>
S-190-93	Apr. 1994	Subdivision to consolidate multiple parcels	<b>Approval</b>

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

During the 1980s, Northwest Transport Services, Inc. was growing significantly and acquired the various properties that comprise the current subject property, expanding the transportation terminal. In 1985, Northwest Transport received landscape variances in case #A-871-85 for the amount of landscaping that would be required for a proposed addition to the north end of the transportation terminal building as well as a proposed addition 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.

In 1994, Northwest Transport consolidated its various properties into a single lot in case #S-190-93. As part of that consolidation, they also rezoned to I-1 the small portion that was previous rezoned to I-2 in case #Z-586-93. That ensured that the entire property would have the same zoning, which accommodated the transportation terminal use.

Northwest Transport Services, Inc. sold the property in 1999, and Old Dominion Freight Line purchased it in 2008. Old Dominion has been in operation at this site since that time.

## 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 normally handles and less than a full truckload. This typically means 1 pallet to half and truck load per shipment picked up from or delivered to a customer. We have approximately 50 drivers in the Denver metro area who deliver shipments to hundred of customers every day. When a customer in Denver has a less than truckload shipment, they contact us for pick up and as our drivers deliver they will pick up the outgoing shipments as well. 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 retail store items."*

*There are three Old Dominion Freight Line locations within the State of Colorado. Terminal locations are located in Commerce City CO, Colorado Springs CO and Grand Junction CO, which make up a network of 224 terminals across the United States.*

*The Commerce City terminal employs approximately 300 people either in the office, working the dock, local delivery or over the road movement to our other service centers. We average about 75 to 100 inbound and outbound drivers at the facility each day bringing in trailers for delivery or relay to the next terminal. The drivers utilize the main corridors of I-270, I-70, I-25 and I-76 in and out of Commerce City. From the terminal drivers will utilize Holly Street to either 56<sup>th</sup> Ave to access I-270 or to Quebec to access I-70. In addition, we send approximately 50 city drivers out each day to deliver and pick up shipments to and from shippers in and around Commerce City and other locations around the metro area."*

Regarding the on-site operations of the transportation terminal, the applicant states that the facility consists of an administrative office, a cross dock warehouse, and maintenance shop building. The majority of the site is used to park empty trailers that are waiting to be hooked into incoming or outgoing trailers. The offices house administration and clerical staff, while the cross dock handles general merchandise by switching product from one truck to another in the "Less Than Truck Load" operation, meaning that the entire load does not originate or ship to one single location. Product does not stay on site and is rarely warehoused for more than a few hours. The shop performs preventative maintenance, such as belt changes, and mirror, bumper, and windshield replacement. Heavy repair such as engine overhaul, framework, and painting is done off-site.

Old Dominion is requesting approval of a Conditional Use Permit for their existing transportation terminal use to become a conforming use in the I-1 zone district and allow for future expansion. At this time, they are proposing a 3,000 square-foot addition to the existing facility for an IT/Data Center. The applicant states *"The company has always housed its data at the headquarters in North Carolina. The company is approaching \$3 billion in revenue and has reached a point where data and security are becoming a priority. ODFL has decided to locate its first remote data center at either Commerce City, or Salt Lake City. Whichever city hosts the remote location will immediately become a central hub for the company and no doubt see more investment because of the data centers. The potential expansion of the IT and additional terminal doors onto the Estes property will just help deliver more goods and more jobs to Commerce City."*

The proposed IT room will not contain work stations or offices, but will house servers and high end computer equipment. This addition will not change the existing circulation pattern of trucks or employee parking, and landscaping will be provided along the east side of the addition facing Holly Street to mitigate its visual impact. Two new high-tech employees are anticipated with the IT room addition.

The success of the IT center will likely invite a future terminal expansion to the west containing additional dock doors. Due to this potential expansion, Old Dominion has requested to phase the proposed landscape improvements. The areas that would not be impacted by a future expansion will be installed prior to issuance of a Certificate of Occupancy for the IT room, while those areas along East 58th Avenue that would be impacted by a future expansion will be installed prior to issuance of a Certificate of Occupancy for any future expansion, or within 18 months of the landscape plan approval, whichever occurs first.

## 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:		
Section	Goal	Description
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).
<b>Analysis:</b>	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. In addition, granting the CUP allows the existing use of the property to become a conforming use.	
Section	Goal	Description
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.
<b>Analysis:</b>	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. Retaining this existing use aligns with the goal to attract additional businesses within the same industry.	

<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.
<b><u>Analysis:</u></b>	This transportation terminal currently employs over 300 employees that work directly at this site or travel through it. Granting the CUP would give this existing business the stability of a conforming use, encouraging future expansion and strengthening its position in the community.	

### **Land Development Code:**

Transportation terminal 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 the current use to obtain a conditional use permit, approved by city council, prior to approval of the building permit.

Old Dominion is the only business located on the site, and all operations are contained within the primary structure. No new businesses are proposed. Since the applicant is proposing a 3,000 square-foot addition to the existing primary structure, they applied for this conditional use permit for the current transportation terminal use as required by the provisions of the Land Development Code. During the review of this application, 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 56<sup>th</sup> Avenue; the cross dock along Holly Street, and the maintenance shop on the south side of the property along East 56<sup>th</sup> Avenue. There is a covered fueling station interior to the site. Employees access the property from Holly Street and from East 56<sup>th</sup> Avenue, and park along the south and east sides of the site. Trucks access the property from East 58<sup>th</sup> 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 be located on the east side of the existing cross dock, just north of the office building, and will have a landscape area along the east side of the addition, including trellises with plantings, to help mitigate its visual impact. A cast concrete wall, similar in appearance to the proposed addition, will screen the new mechanical equipment from Holly Street. The applicant is also proposing to improve the existing landscaping in additional areas around the site, including at the intersection of Holly Street and East 58<sup>th</sup> Avenue.

### **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 for a 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 56<sup>th</sup> Avenue, and East 58<sup>th</sup> 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 this particular use. The Public Works Department did not have comments on this case, indicating that the level of truck traffic expected from this use is acceptable for the existing roads and that a traffic study is not warranted at this time.

### 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 1994. Traffic conditions, parking, and public improvements will be considered during the development review process for any expansion to the site.
<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 coming into compliance with the previously approved landscaping in case #A-871-86. In addition, the applicant is proposing to install additional landscaping along the south side of the existing office building and along the east side of the planned IT room addition. Any new adverse impacts due to future expansions will be reviewed during the development process to ensure mitigation.
<input checked="" type="checkbox"/>	The characteristics of the site are suitable for the proposed use;	This site was designed, constructed, and intended for use as a transportation terminal. Therefore, the characteristics of the site are suitable for a transportation terminal 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 subject property is already developed, and is adequately served by existing city services. Impacts to public services will be considered during the development review process for any future expansion of the use.
<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. Old Dominion plans to install and maintain the previously approved landscaping.
<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.
<input checked="" type="checkbox"/>	One of the following criteria must be met: The use complies with the general purposes, goals, objectives, policies, and standards of the comprehensive plan and all other plans or programs adopted by the City.	As shown in the analysis provided earlier, the use complies with the general purposes, goals, objectives, policies, and standards of the Comprehensive Plan.

**Summary:**

Old Dominion is requesting approval of the Conditional Use Permit for a transportation terminal to allow them to construct a 3,000 square-foot IT room addition to house backup servers for corporate data. This addition would then allow for the future expansion of the terminal as a more regional hub for the company.

The site 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 overall site layout and the buildings located on the property promote circulation, facilitate the transfer of goods, and provide a balanced offering of careers between the truck drivers, dock workers, maintenance employees, administration and clerical staff, and the hiring of new high-tech personnel for the IT room. The proposed IT room addition will not change any circulation patterns for either truck or employee traffic, and new landscaping is being provided to reduce the addition's visual impact to Holly Street. Future expansions will be reviewed through the development process to ensure that any potential impacts are mitigated sufficiently.

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 56<sup>th</sup> Avenue. 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.

## **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 favorable recommendation, subject to the following condition(s):

**CONDITIONS:**

- A. Landscaping shown as part of Phase 1 on the approved landscape plan 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 prior to issuance of a Certificate of Occupancy for the IT room addition.
- C. Landscaping shown as part of Phase 2 on the approved landscape plan shall be installed prior to issuance of a Certificate of Occupancy for any future expansions on the property, or within 18 months of the date of landscape plan approval, whichever occurs first.

## **\*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 **5601 Holly Street** contained in case **CU-106-14** 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 conditions:

- A. Landscaping shown as part of Phase 1 on the approved landscape plan 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 prior to issuance of a Certificate of Occupancy for the IT room addition.*
- C. Landscaping shown as part of Phase 2 on the approved landscape plan shall be installed prior to issuance of a Certificate of Occupancy for any future expansions on the property, or within 18 months of the date of landscape plan approval, whichever occurs first.*

## **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** 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** 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.