



Property Development in Commerce City

February 12, 2018

Opening Remarks

Agenda

- What is Planning and Development Review?
- Comprehensive Plan Overview
- Land Development Code Overview
- Permits and Approvals
- Example Cases
- Development Trends
- Economic Development Overview



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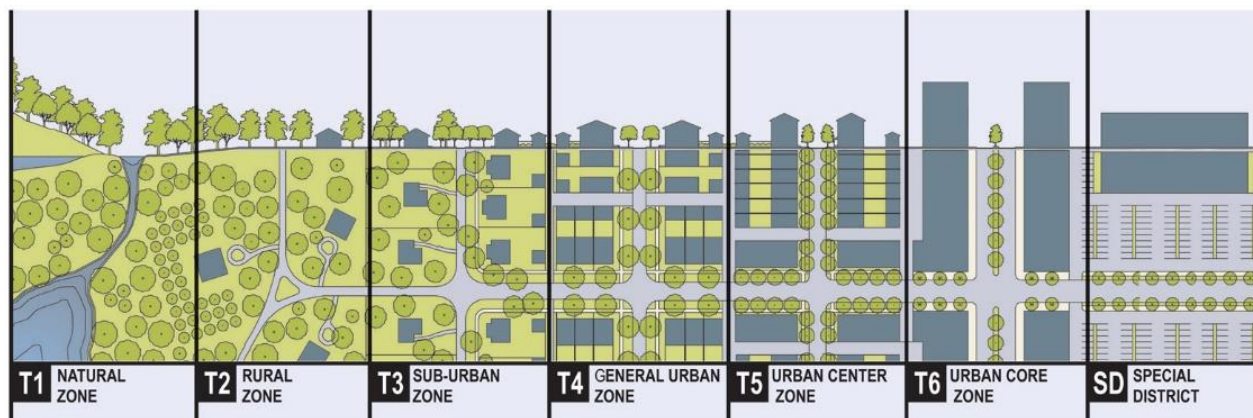


Land Use Planning Dev. Review



What Is Land Use Planning?

- The regulation of use, density, & various other aspects of the built environment.
- The goal of city planning is to maximize the health, safety, and economic well-being for all residents, and create communities of lasting value.



Land Use Regulatory Authority

- Unlike some other states, Colorado does not have a statewide land use plan
- Land use planning regulations are locally designated
- The land use regulatory authority emanates from the “police power” of the state
- The exercise of this police power must bear a rational relationship to the health, safety, and welfare of the community
- This police power must be exercised in a manner consistent with federal and state constitutional rights



Legal Authority for Development Regulations

- State enables many development specific regulations. For example:
 - [Title 29 Government](#) - Local, Article 20 Local Government Regulation of Land Use, Part 1 Local Government Land Use Control Enabling Act, § 29-20-101, et seq.
 - [Title 30 Government](#) - County, Article 28 County Planning and Building Codes, §§ 30-28-101 to 30-28-404
 - [Title 31 Government](#) - Municipal, Article 23 Planning and Zoning, § 31-23-101, et seq.
 - [Colorado Constitution](#) - Home rule authority, Colo. Const. art. XX, § 6 (local) & art. XIV, § 16 (county)

Why Should a Community Plan?

- To facilitate the growth, development, and redevelopment of the city
- To protect the public and preserve quality of life
- To develop community vision and achieve goals
- To protect private property rights & reduce nuisances
- To encourage & continue economic development
- To facilitate decision making on land use
- To protect environmentally sensitive lands & habitats
- To protect property from natural hazards & mitigate effects



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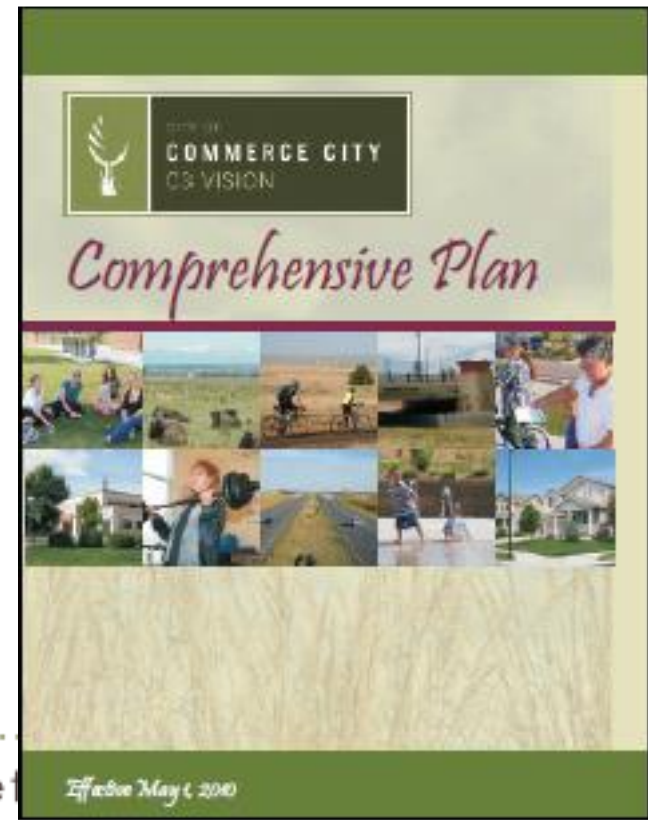


Land Use Regulations



Comprehensive Plan

- Legal Authority: The legal authority for Commerce City's Comprehensive Plan falls within three areas: State Law, City Charter, and Zoning Code.
 - State Law- CRS Articles 30 and 31
 - City Charter- Section 10.7
 - LDC- Article II



Comprehensive Plan

- A vision of what the community wants to be
- Comprehensive in scope and topics (including housing, economic development, land use, transportation, parks, etc.)
- Long range- usually 20-30 year horizon
- Policy document that guides implementing regulations and development approvals.
- Informs:
 - Land use decisions
 - Areas for reinvestment
 - Employment growth



Comprehensive Plan

Includes the following:

- Community Goals and Objectives
- Background Analysis and History
- Future land Use Plan and Map
- Updated every 7-10 years. Current Comp plan dates from 2010. Currently on 2019 CIPP project list.



Future Land Use Plan Map

Future Land Use Plan

COMMERCE CITY
C3 VISION

Legend

- DIA Growth Boundary
- County Boundary
- Denver International Airport
- DIA Noise Contours - 60 LDN
- Current Roadway
- Future Roadway
- National Wildlife Refuge, Ben Lake State Park
- Wildlife Refuge Visitors Center
- 100 Year Floodplain
- Future Roads
- Planned Transit Station
- Possible Transit Station
- Future Transit Line
- Future Light Rail Line
- Future Adams County Government Administrative Complex
- Future Adams County Regional Public Safety Training Center
- Existing School
- Future School Site

Centers

- Activity Center
- Employment Campus / Business Center
- Regional Commercial Center
- Community Commercial Center
- Local Commercial Center

Future Land Use

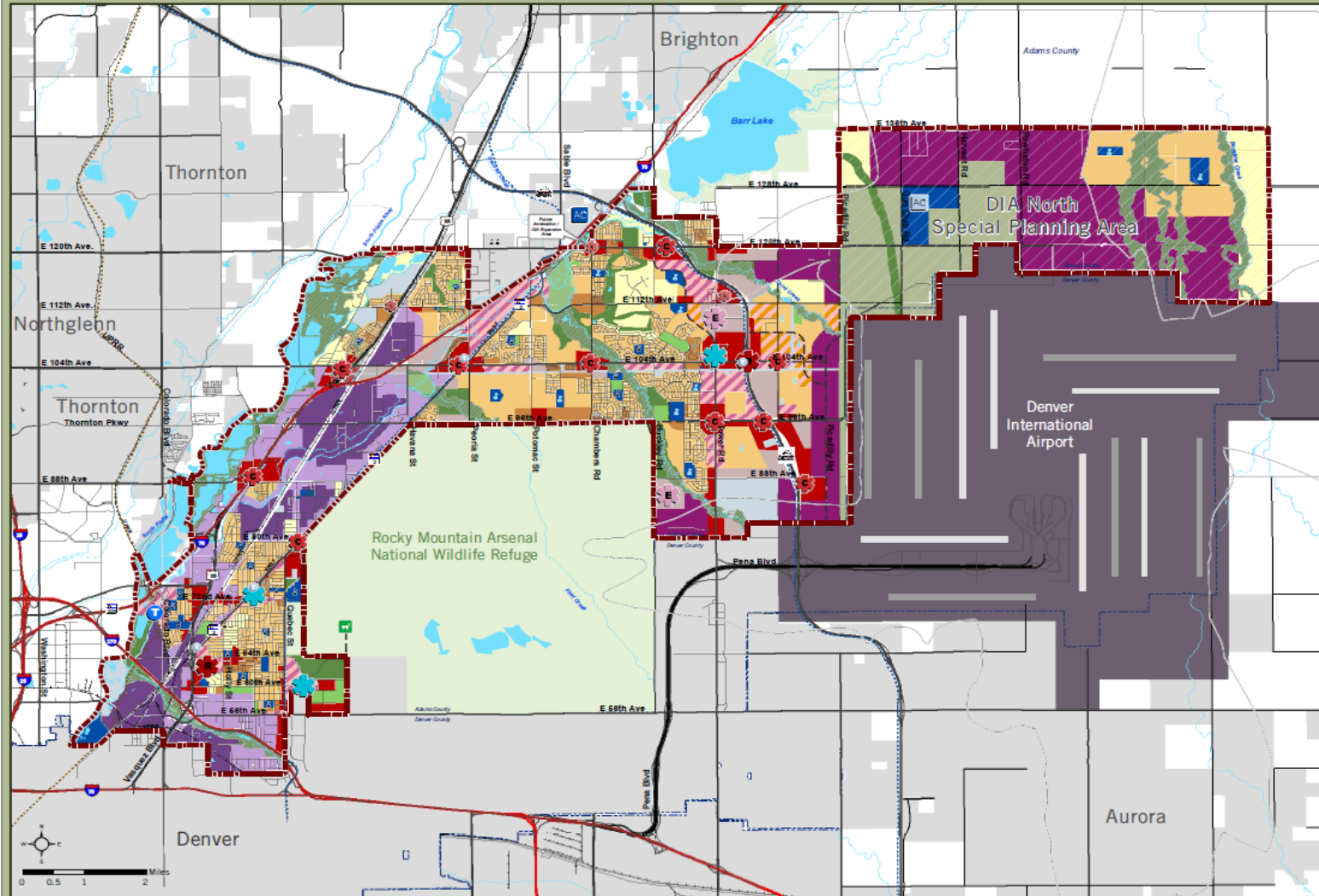
- Residential - Low
- Residential - Medium
- Residential - High
- Mixed-Use - R-4.20
- Mixed-Use (Corridor and Commercial)
- Commercial
- Office / Flex
- DIA Technology
- Industrial / Distribution
- General Industrial
- DIA Reserve
- Utility
- Public Space
- Park
- Open Space

Figure 3.2

Source: Adams County
Tax Assessor, Adams County
GIS, Commerce City GIS,
U.S. Census TIGER files,
Clarion Associates, 2008

9/27/10

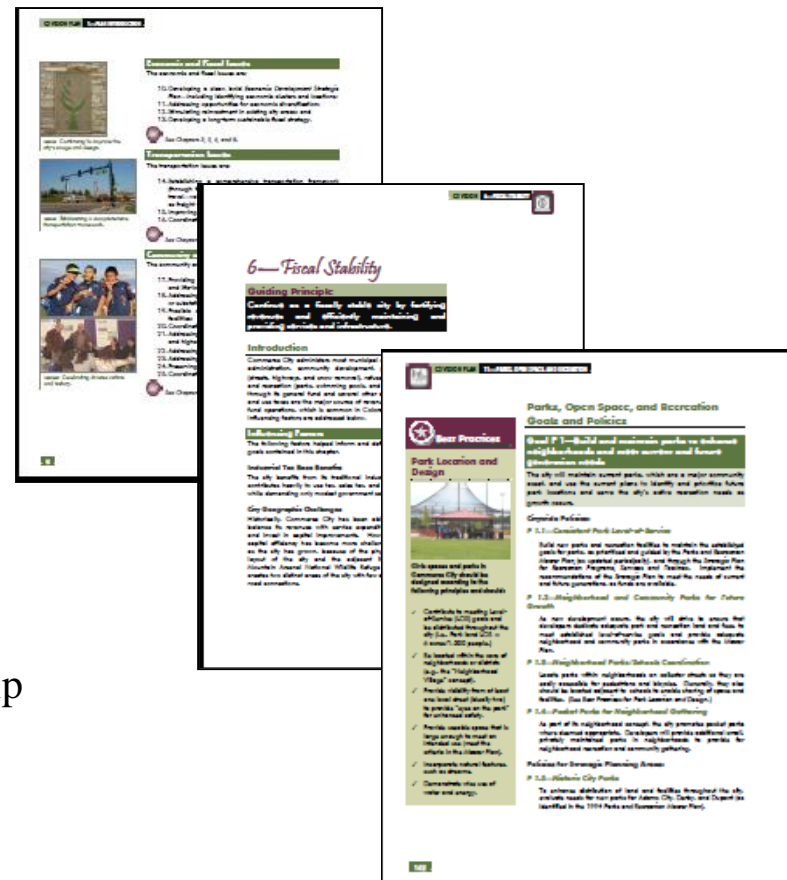
CLARION, BGC, PHU



Comprehensive Plan

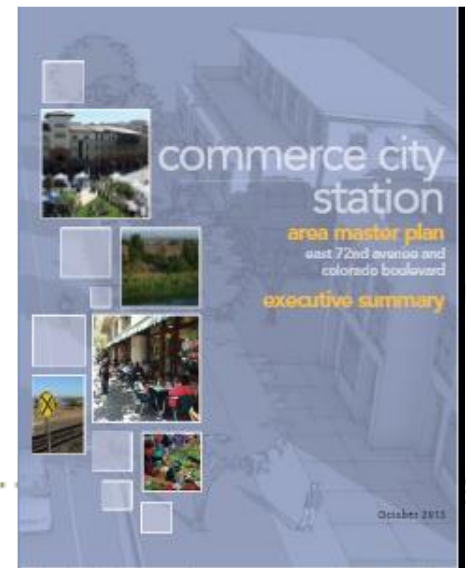
• Components of the Comp Plan:

1. Land Use
2. Economic Development
3. Fiscal Stability
4. Housing and Neighborhoods
5. Redevelopment and Reinvestment
6. Transportation
7. Safety and Wellness
8. Parks, Open Space, and Recreation
9. Public Facilities and Infrastructure
10. Appearance and Design
11. Cultural Facilities and Tourism
12. Environmental Conservation and Stewardship



Sub Area Plans

- The City also creates sub-area plans to address more specifics in a smaller area
 - To date the city has prepared sub-area plans for
 - Derby
 - Adams City and Adams Heights
 - Dog Track
 - Irondale (in process)



City Wide Plans

- In addition to the overall City Wide Comprehensive Plan and the sub-area/neighborhood plans, the City also has other City-Wide specific plans which build off of the Comprehensive Plan. They include:
 - Prairieways Action Plan (Parks and Trails)
 - City Wide Transportation Plan
 - Economic Development Strategic Plan
 - City Wide Public Art Plan
 - Walk-Bike-Fit Plan
 - Historic Preservation Plan



Basis for Zoning

- Zoning is the most common tool to prescribe the allowable development on land. Divides an area into zones or districts, which each have a unique set of standards for land uses and development regulations
- Key is to balance the general health, safety, and welfare of the public with private property owners rights to use their land to their best interest.
- Zoning was validated through a United States Supreme Court case, Village of [Euclid vs. Ambler Realty Co. \(1926\)](#).
- State Laws - Including Home Rule Authority (see slide 7)
- City Charter - [Chapter X](#)
- LDC - [Zone Districts and Uses](#)
 - Separates uses into zoning districts (residential, commercial, industrial, etc.) with respective requirements including use-by-right, use-by permit, conditional use, and excluded uses.

Land Development Code (Zoning Code)

Commerce City Zoning Districts: (note that higher numbers are usually more intense)

- 7 Residential:
 - AG, R-1, R-2, R-3, R-4, R-U, and Mobile Home (MHP)
- 3 Commercial:
 - C-1, C-2, C-3
- 4 Industrial:
 - I-1, I-1S, I-2, and I-3
- 3 Miscellaneous:
 - Mixed-Use (MU-1), Public, and Floodplain (FP)
- PUD Zoning

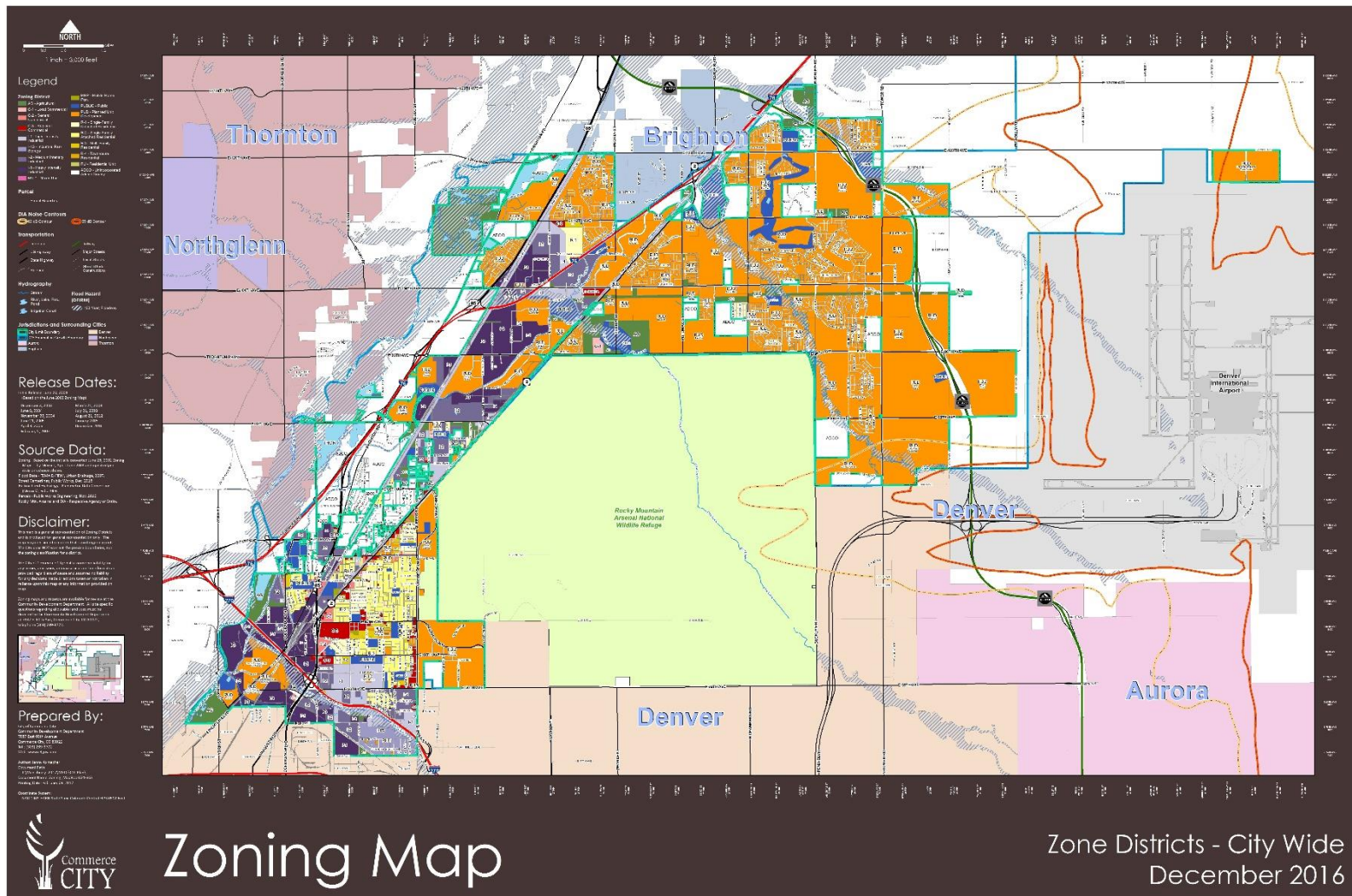


Zoning Districts

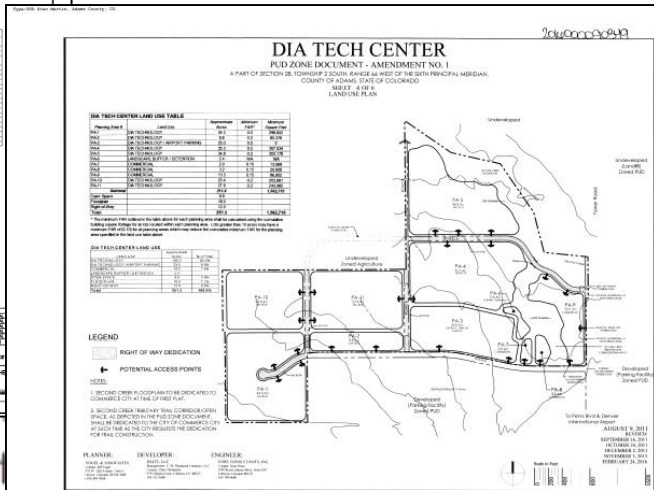
- Allowable Land Uses can be found in Article V of the LDC. Example:

USES ALLOWED BY ZONING DISTRICT															
R = ALLOWED BY RIGHT P = USE BY PERMIT C = CONDITIONAL USE OG = OIL & GAS PERMIT BLANK CELL = EXCLUDED															
USE CLASSIFICATION	SPECIFIC USE TYPE	NAICS CODE	R-1	R-2	R-3	R-4	MHP	C-1	C-2	C-3	MU-1	I-1	I-2	I-3	AG PUBLIC
Wholesale Establishments (Including Accessory Offices)	Auto crushing													C	
	Auto dismantling, storage or used parts sales (inoperable vehicles)													C	
	Building materials, garden equipment, and supply dealers	4441										R	R	R	
	Food Production	4244										R	R	R	
	Grocery and related product wholesale	4244										R	R	R	
	Junkyards, open or enclosed													C	
	Machinery, equipment and supplies, wholesale	4234											R	R	
	Metal and mineral (except petroleum) wholesale	4235											R	R	
	Retail sales in conjunction with wholesaling									C		R	R	R	
	Salvage yard	493190												C	
	Warehousing and wholesaling establishments excluding explosives and live animals											R	R	R	
	Wholesale establishments incidental to other principal uses									C		R	R	R	
	Wholesale houses and distributors (including warehouse clubs)	45291								R		R	R	R	
PUBLIC, INSTITUTIONAL & CIVIC USES															
Airport/Heliport	Public or private airport or heliport											C	C	C	C
Ambulance Service	Garage and office for ambulance service							R	R	R		R	R	R	R
Clubs and Lodges	Private lodge or club							P	R	R	R	R	R	R	
	Gun club (indoor)											R	R	R	R
	Gun club (outdoor)													C	C
Community Services	Events center < 15,000 sf							R	R			R	R	R	
	Events center > 15,000 sf									R		R	R	R	

[Link to online interactive property map](#)



- 



PUD Zoning

- PUD process includes 3 phases:
 - **PUD Concept Schematic** - An informal concept review reviewed by Planning Commission in non-binding manner
 - **PUD Zone Document** - Full entitlement of land to be reviewed by Planning Commission and then approved or denied by City Council in public hearing
 - **PUD Development Permit** - Detailed development review of a specific project approved administratively.
 - *NOTE: Each PUD is different and has different requirements, standards, design, etc.*
- 33 PUD's are in the Northern Range

Land Development Code (Zoning Code)

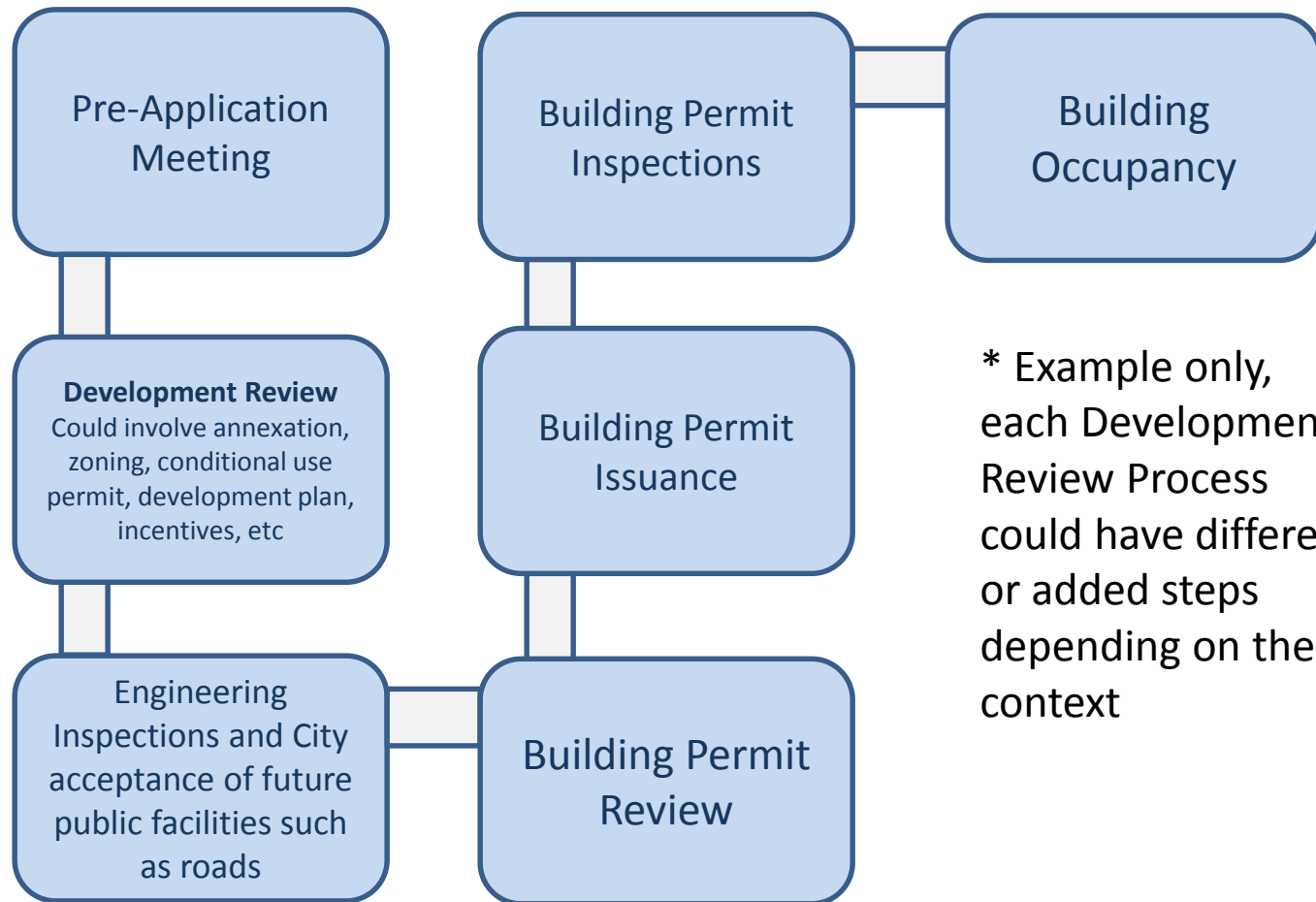
LDC Covers a wide range of development regulations:

- Density/Bulk standards (setback, massing, and height)
- Subdivision standards
- Design Standards
 - Residential
 - Commercial
 - Industrial
- Parking
- Landscaping
- Lighting

Land Development Code (Zoning Code)

- Impact fees are a common way to collect funds from new developments to offset the impact on public services, often with restrictions
- Historically, Impact Fees have been set to be competitive with surrounding jurisdictions
- Commerce City impact fees:
 - School Fee (residential uses)
 - Public Park Fee (residential uses)
 - Road Impact Fee (all uses north of 80th Avenue)
 - Water Acquisition Fee - (all uses citywide)
 - Drainage Fee - (all uses within various Urban Drainage and FEMA basins)
 - Fire Impact Fee

Development Process



* Example only,
each Development
Review Process
could have different
or added steps
depending on the
context

City Council's Role in Development Review Process

- Legislative Role
 - Establishment of policies for future application
 - Adoptions of plans & ordinances
 - Comprehensive plan / LDC Amendments / Annexations
- Quasi-Judicial Role
 - Application & interpretation of previously determined policies to specific properties
 - Conditional Use Permits / Non-Administrative Plats / Re-Zonings / variances and appeals (BOA)
- In all cases, there are approval criteria
- Limits to City Council discretion



Limitations of Quasi-Judicial Role

- Council as fair and impartial “judge”
- Council must evaluate application:
 - On the basis of the *record* developed at the *public hearing*
 - Against established criteria
- Limitations on bias and *ex parte* contact or information
- Violation can invalidate decision and create liability
- See Council Policy #22



City Council Actions

- City Council will typically hear land use related matters during the 1st council meeting of the month.
- Council approves the following case types:
 - Annexations
 - Zone Changes
 - Conditional Use Permits
 - Amendments to the Comprehensive Plan & Land Development Code
 - Non-Administrative Plats & Vacation of Right-of-Way
 - Certain administrative cases upon appeal
- Council will also provide guidance to staff during separate study sessions on various matters.



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Administrative Review

- Community Development Permits and Approvals:
 - Administrative Subdivisions
 - Landscape Plans
 - Master Model review
 - Development Plan
 - Minor Modifications
 - Oil and Gas Permits
 - Floodplain Permits
 - Grading Permits
 - Traffic Studies
 - Public Improvement Agreements
 - Drainage Studies



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Background on Agreements with SACWSD

Agreements with SACWSD and Commerce City impact potential annexations

1. 2004 Intergovernmental Agreement (IGA) with SACWSD

- Gives City control over water resources in the historic core of the City
- Properties that haven't joined SACWSD and/or need water to develop, or improve, may be required to annex

2. 2014 Implementation Agreement

- Establishes specific criteria for public water and sewer service for small parcels within the historic city
- Smaller parcels and low water users are exempted from the annexation requirement based on the criteria established in the IA

3. 2016 IGA with SACWSD, City of Commerce City, ECAGID, ERAGID and NIGID

- Requires all properties that join one of the general improvement districts (GIDs), ECAGID, ERAGID, or NIGID to annex
- The GIDs fund infrastructure improvements, such as water and sewer line extensions, in areas of new growth and development



Development Related Boards

All appointed by City Council

- Planning Commission
 - An advisory board that provides recommendation to City Council on land use cases except annexations
 - Per the charter, PC has oversight responsibility for the Comprehensive Plan
- Board of Adjustment
 - Quasi judicial board that interprets the Land Development Code through final decisions
 - Variances, Use-By-Permits, and Height Exceptions
- Derby Review Board
 - Conducts design review for signage, exterior remodels, lighting, material upgrades, and additions
 - Approves commercial catalyst funds (allocated by City Council)



Permits and Approvals



Permits and Approvals

- Once the dev. Review is complete, owner, developer, or contractor are eligible to apply for a variety of permits depending on construction
- Administrative review and approval

Building Permits

- Governed by a series of city-adopted building codes
- Permitting is coordinated by the Building Safety Division including permit applications, plan reviews, and inspections
- Permits are routed to internal and external entities for review, eg, PW, fire districts, planning, Tri-County, SACWSD, etc.
- After approval, inspections occur
- Upon approval of final inspections, a Certificate of Occupancy is issued (CO)

Permits and Approvals

Various permit types:

- Building Permits
- Right-of-way permits
- Grading Permits
- Development Permits





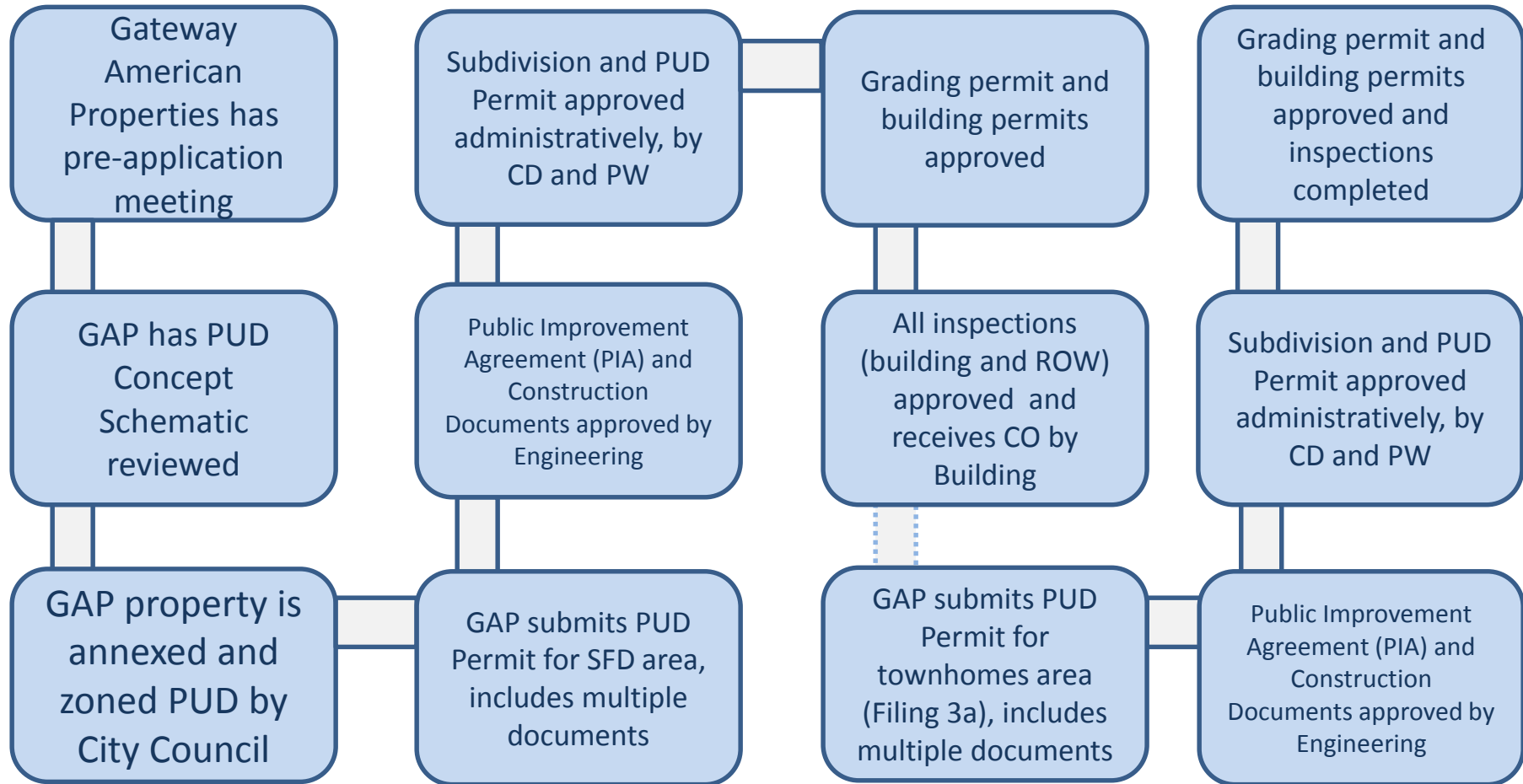
Example Cases



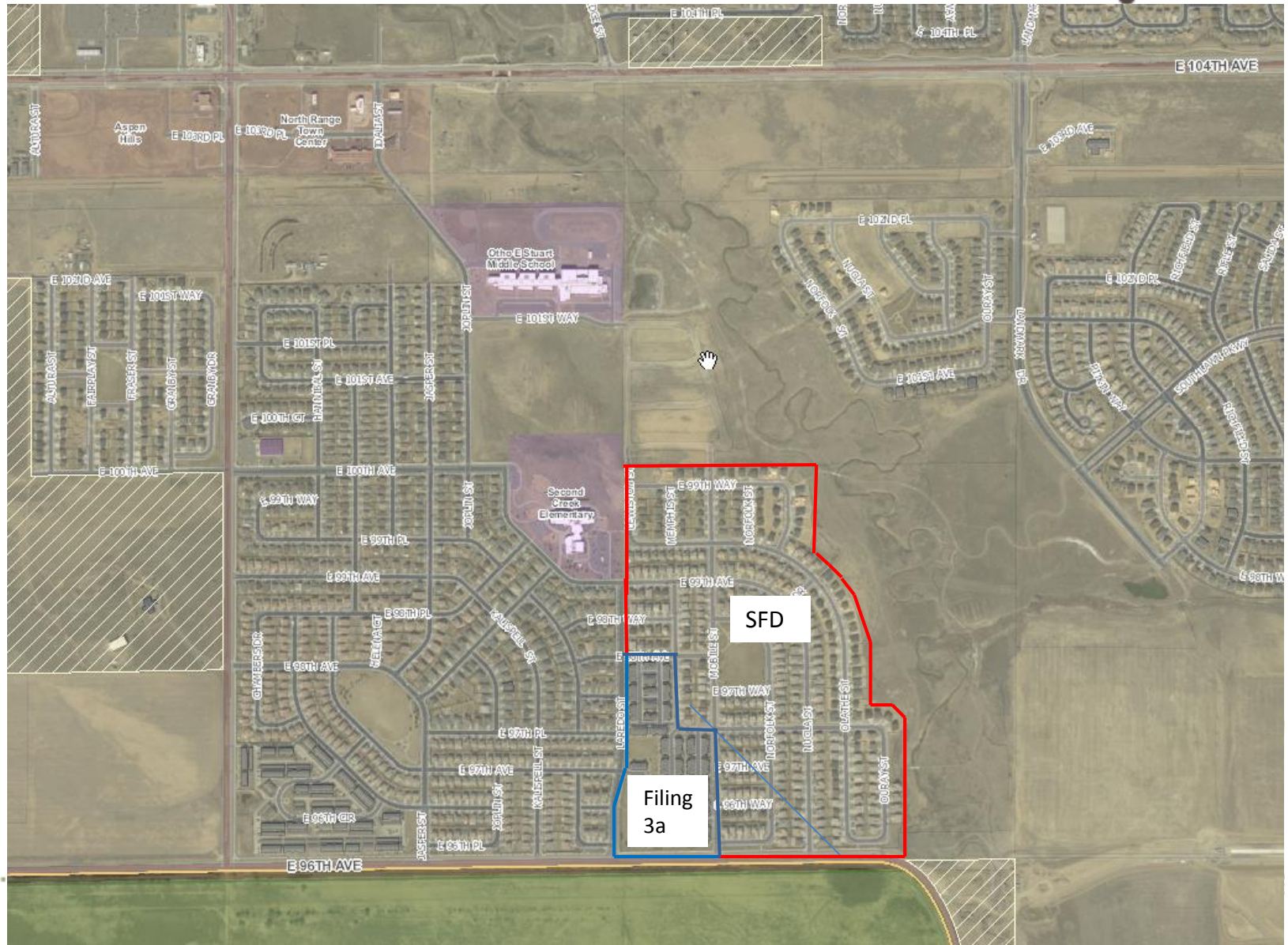
Example #1 Fronterra Filing #3



Example #1 – Fronterra #3



Example #1 Fronterra Filing #3

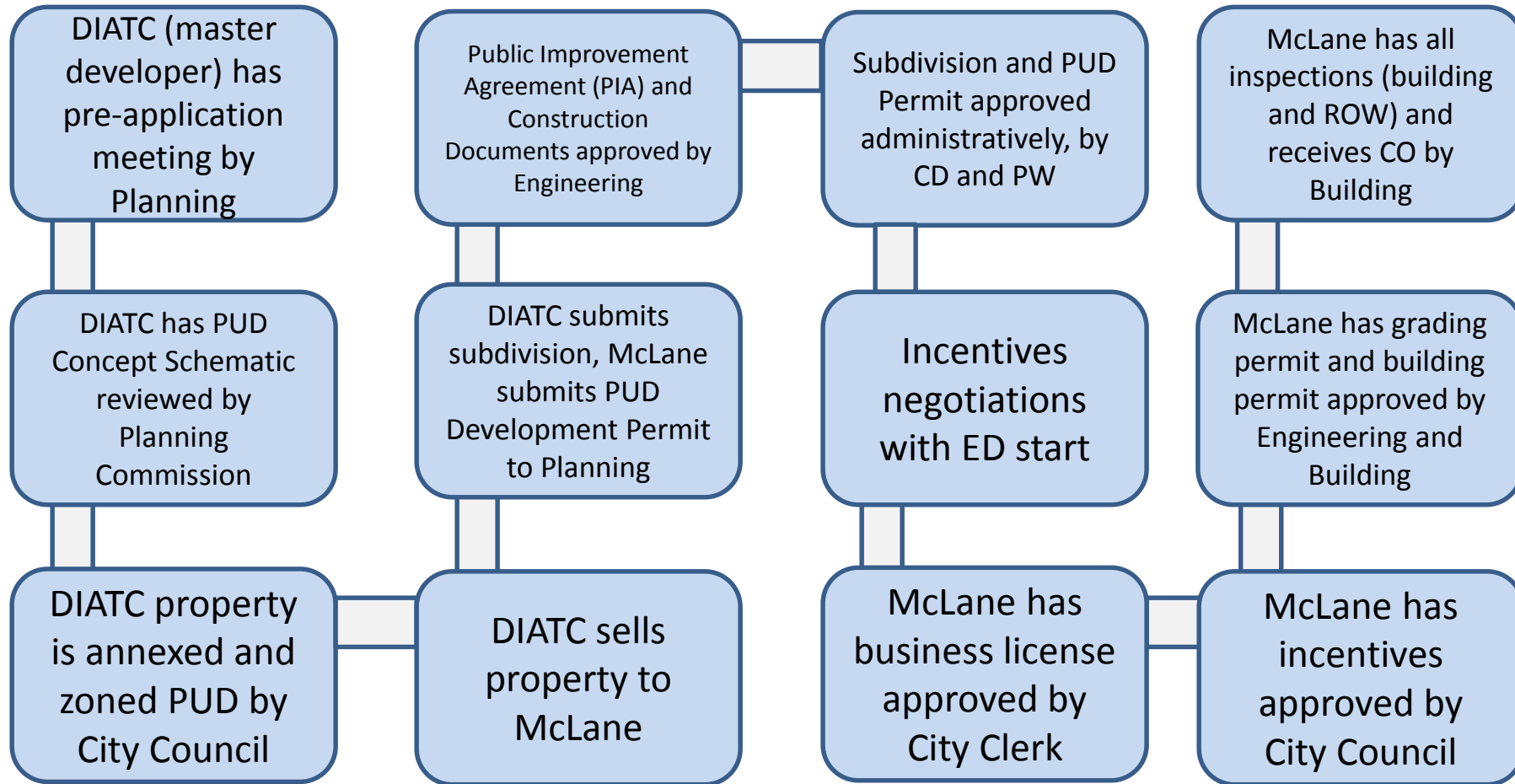


Example #2 – McLane

New 220,000 sf industrial building on 20 acres in the DIATC development, located at 81st Avenue and Quintero St.



Example #2 – McLane

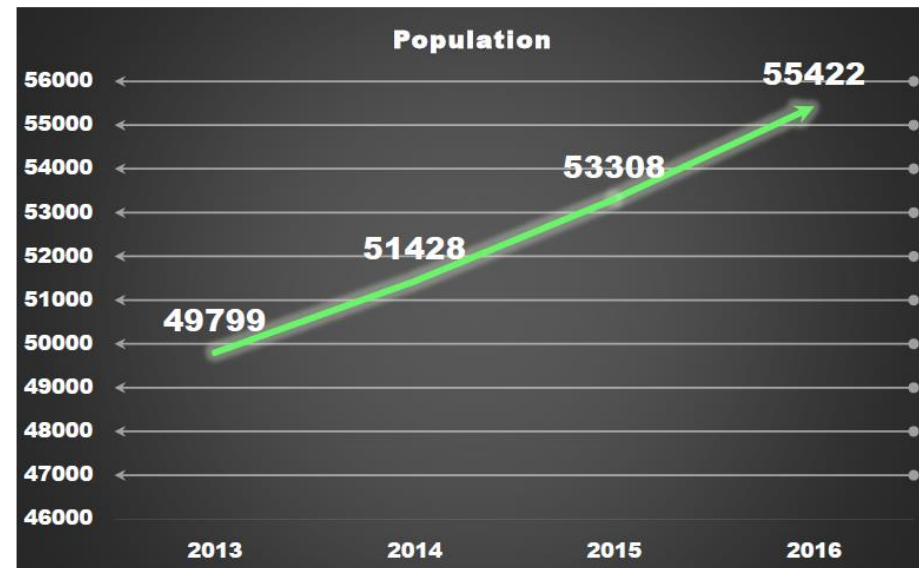
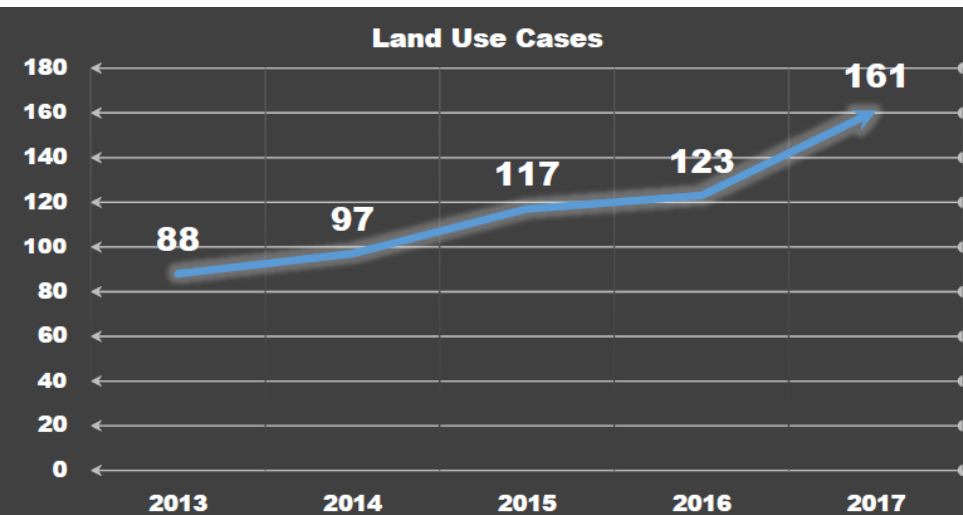
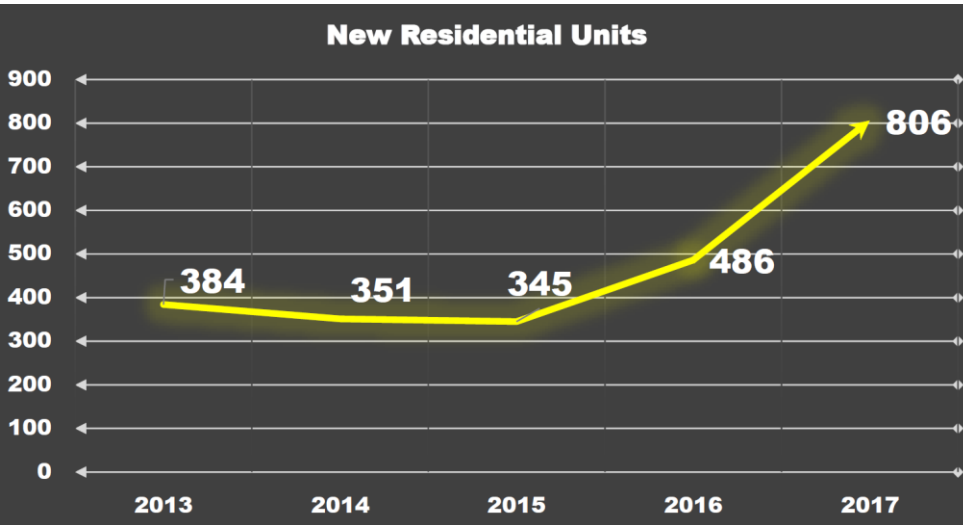




Development Trends



Development Trends



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Development Trends

- Based on pre-application meetings and projects already submitted, Development Review is expected to continue at a high pace for at least the next 2-4 years
 - High level of interest in industrial and residential development
 - Not as much activity in retail and office projects



Looking to 2018

- Development Review – Levels of Services
- Oil & Gas activity
- Historic Preservation Ordinance
- Continued progress on the MHGP
- Derby Redevelopment
- Irondale Neighborhood and Infrastructure Plan
- Long Range Planning and Infrastructure in the Northern Range
- Healthy Places Grant
- Long term impacts of residential growth





Economic Development in Commerce City

February 12, 2018

What is Economic Development?

A program, group of policies, or set of activities that positively influence economic change in a community by or through:

- Wealth generation
- Economic diversification
- Job growth and preservation
- Building the local tax base
- Building a quality of life for the community



For more background on ED:

[Click here](#)



Economic Development Division

Program Areas

BUSINESS RETENTION & EXPANSION-BRE	BUSINESS ATTRACTION	SMALL BUSINESS INCUBATION/START-UP	REAL ESTATE DEVELOPMENT
<ul style="list-style-type: none"> • Direct assistance for specific projects • 40 site visits per year • Annual awards recognition event • Relationship building through business organizations/ chamber memberships 	<ul style="list-style-type: none"> • 80-100 inquiry responses per year • Statewide prospect distribution system • Business incentives program • Marketing/social media • Site selector and real estate broker relationships • Aerotropolis marketing effort 	<ul style="list-style-type: none"> • Small business resource center --Adelante mtgs --SBDC training and one-on-one counseling • Small business pitch competition • Enterprise zone tax credits marketing 	<ul style="list-style-type: none"> • Meet with property owners • Encourage annexations in growth areas • Market available development opportunities • Liaison with other city departments/ utility/special districts

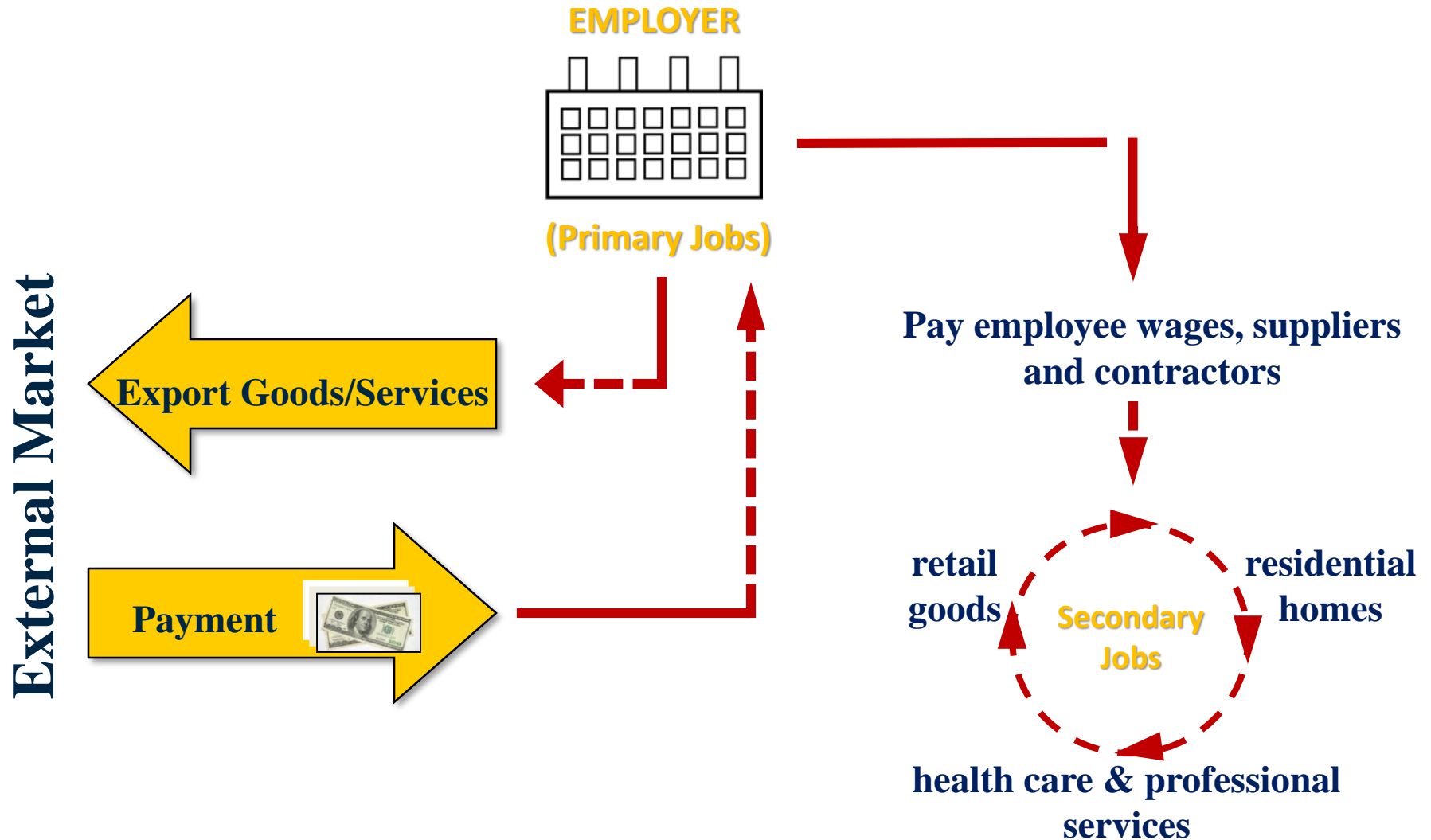


Two employment sectors:

- “Basic sector” (export): goods and services outside the local area. These are primary jobs.
- “Non-basic sector” (local): that mainly serve local markets. These are non-primary or secondary jobs.



Primary jobs bring new wealth to a community



Top Site Selection Factors - Survey Results

- Proximity to markets
- Ease of international travel
- Local labor skills and availability
- Tax and regulatory environment
- Quality of life issues
- Cost of doing business
- Strong and stable political leadership
- Incentives
- Infrastructure
- Proximity to major universities
- Concentration of existing industries



SOURCE: Site Selection Magazine

Business Assistance/Incentive Tools

City

- Dedicated assistance throughout site selection, development and business opening
- Reduced development costs
 - partial permit fee rebates
 - sales/use tax rebates for construction materials
- Additional city sales/use tax rebates
- Executive/employee relocation assistance if needed
- Supply chain referral program
- Workforce hiring and training assistance with partners
- Site security referrals from city police department

County

- Personal Property Tax Rebates (*needs \$/\$ match from the city*)

State

- Enterprise Zone Program - state income tax credits
 - 3% new personal property investment
 - Employee hiring/training credits
 - R&D expenditure credits
- No state sales/use tax for manufacturing equipment purchases (2.9% savings)
- CO First/Existing Industry employee training grants
- “Job Growth” incentive tax credits or Strategic Fund grants (*needs \$/\$ match from the local community*)



Recent BREa Projects

- 76,000 SF facility
- 25 jobs
- \$7.1 million in CI



- 55 acres
- 234,000 SF facility
- 92 jobs
- \$14.5 million in CI



- Test track-E-470 land
- 138 jobs
- Average salaries >\$100k
- \$4.4 million in CI



- 20.25 acres
- 216,000 SF facility
- 255 jobs
- \$30 million in CI



- 45,000 SF additions
- 77 jobs-7 new



- 587 retained or new jobs to the city
- 571,000 SF new industrial construction
- \$56 million in new capital investment

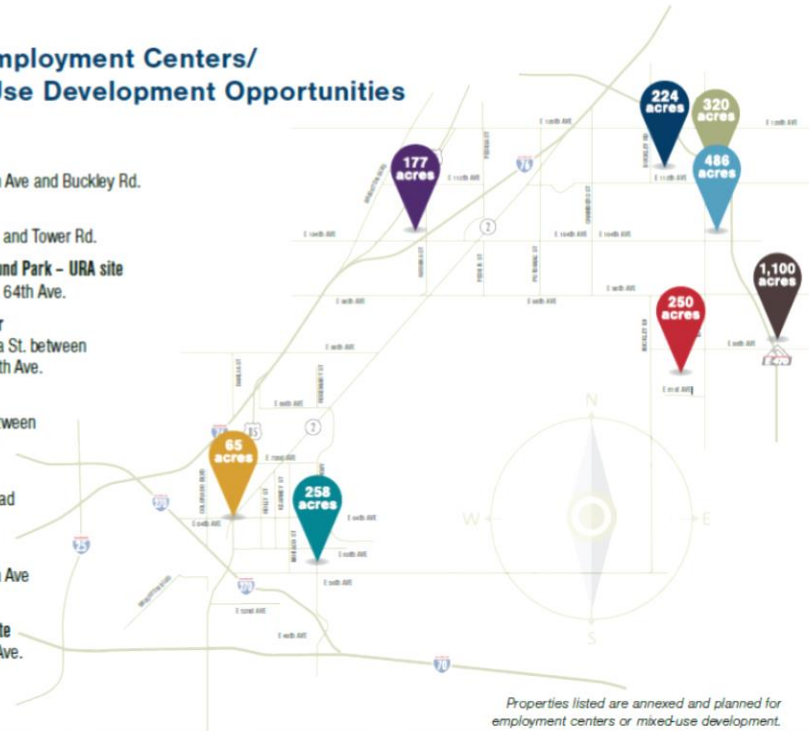
Next, it's all about the real estate . . .

Designated Employment Centers/ Large Mixed-Use Development Opportunities

40+ acres

- ◆ **Buckley Crossing**
224 acres NE of E. 112th Ave and Buckley Rd.
- ◆ **DIA Tech Center**
250 acres at E. 81st Ave. and Tower Rd.
- ◆ **Former Mile High Greyhound Park – URA site**
65 acres at Hwy 2 and E. 64th Ave.
- ◆ **Havana Industrial Corridor**
177 acres around Havana St. between E. 104th Ave. and E. 112th Ave.
- ◆ **Prime Sites**
1,100 acres at E-470, between E. 88th and E. 96th Ave.
- ◆ **Reunion Town Center**
486 acres E. of Tower Road at E. 104th Ave.
- ◆ **TR Ranch**
320 acres NE of E. 112th Ave and Tower Rd.
- ◆ **Victory Crossing – URA site**
258 acres NE of E. 56th Ave. and Quebec St.

URA-Urban Renewal Authority site



Commerce City's Existing Commercial Real Estate Product Mix

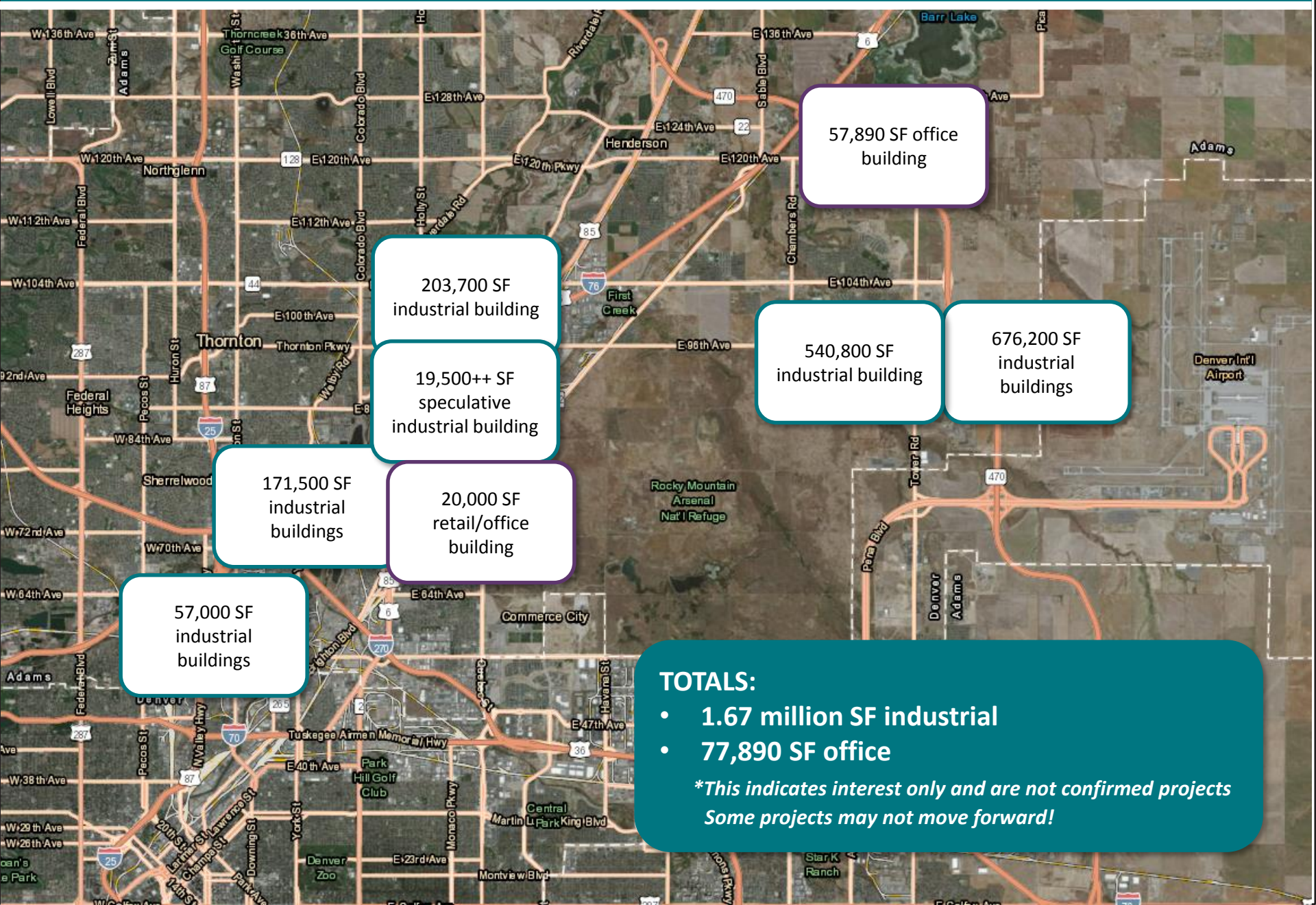
Commercial Vacancy and Lease Rates by Property Type

	Total Existing SF	Vacancy Rate
Office	445,311 SF	16.4%
Retail	1,470,328 SF	3.4%
Flex	243,132 SF	4.7%
Industrial-warehouse/distribution	7,378,785 SF	2.1%
Industrial-all other	2,381,002 SF	1.1%

SOURCE: 4Q 2017 CoStar Realty Information



New Development Interest

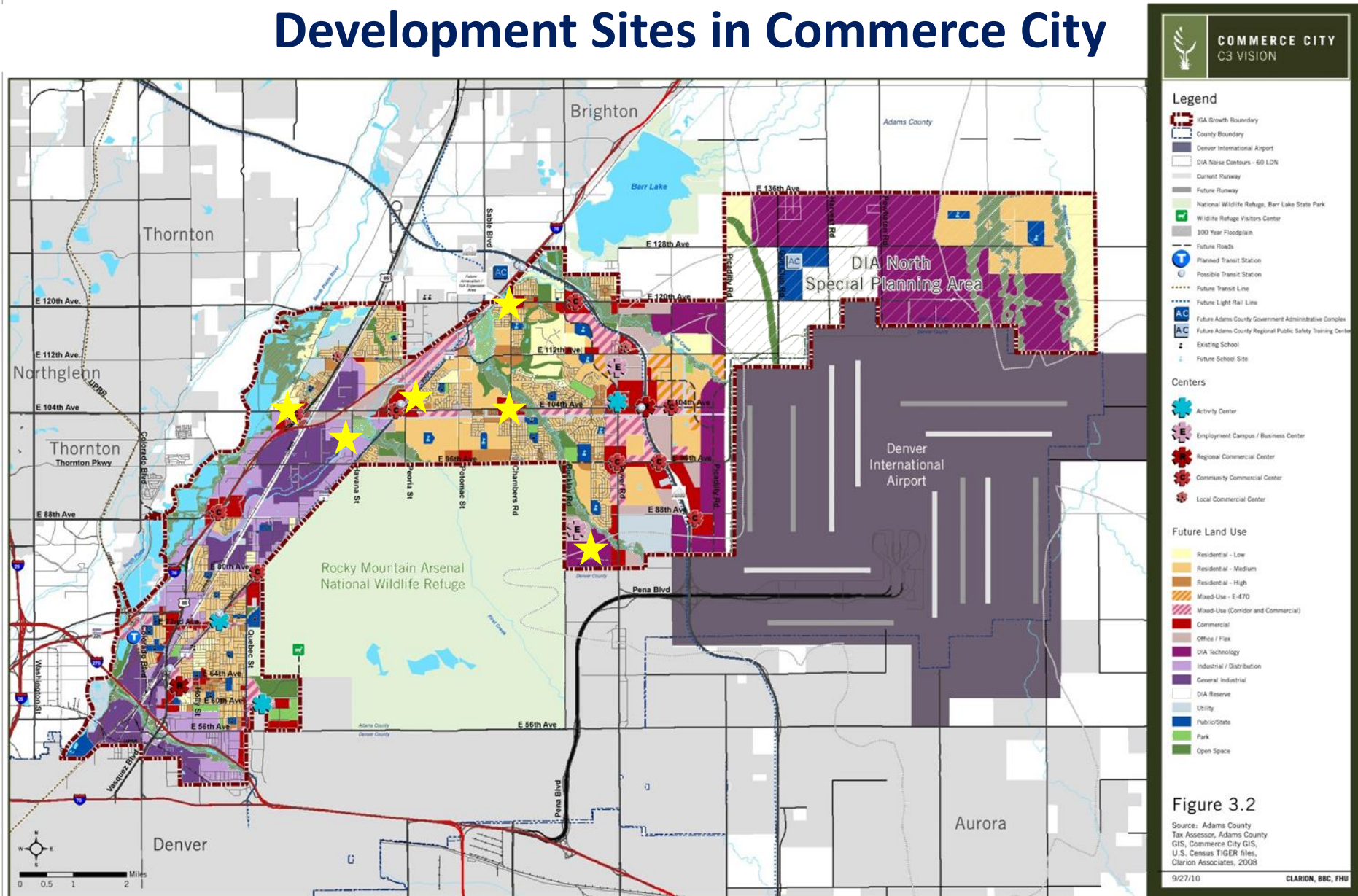


Shovel Ready Sites for New Development

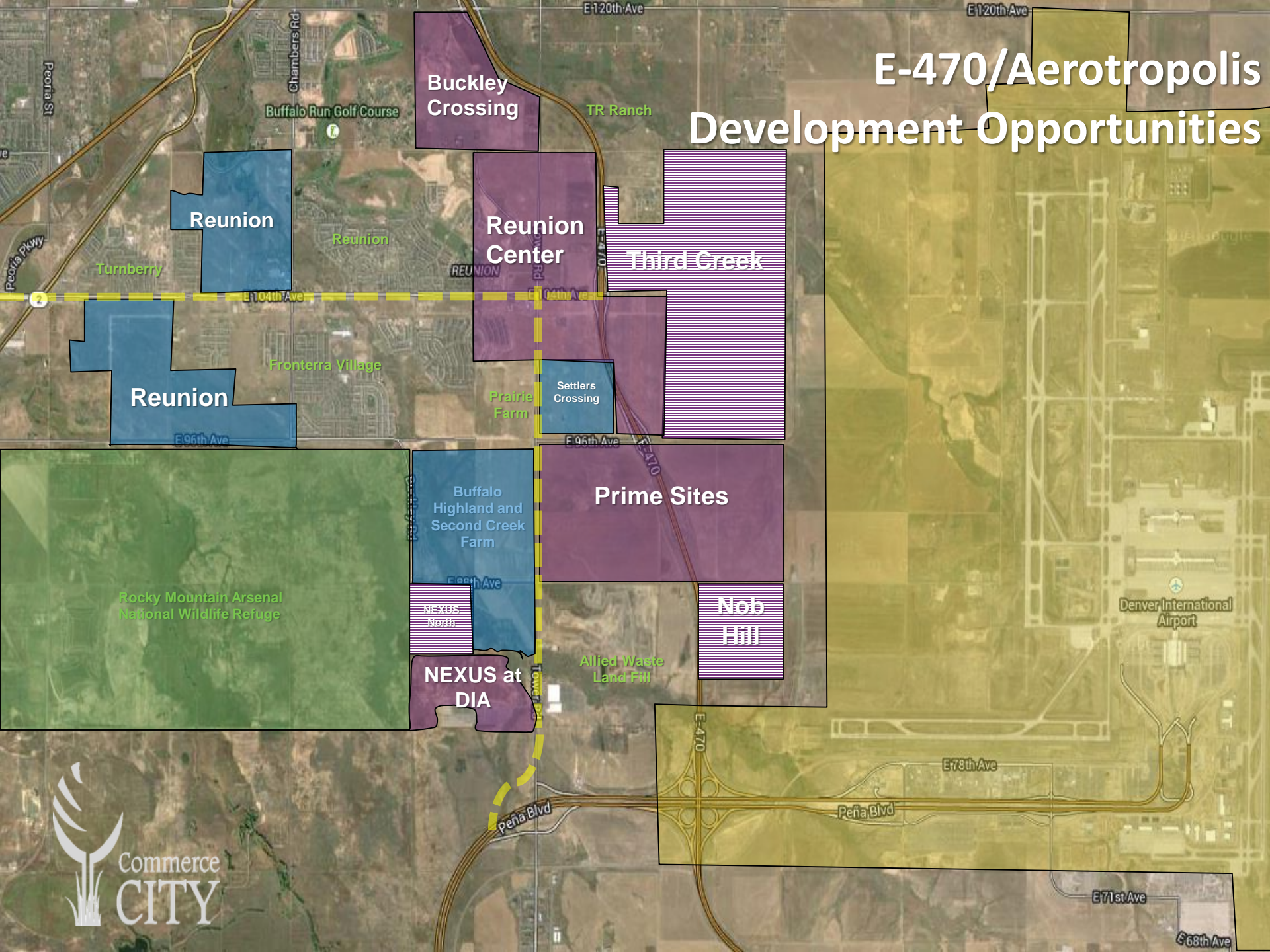
- ✓ Site is already being marketed for sale or lease by the property owner or representative
- ✓ Appropriate zoning is in place
- ✓ Site has access to utility infrastructure at or near property lines (water, sewer, telecom)
- ✓ All applicable entitlements/permits in place
- ✓ Site characteristics will not impede moving forward with development in a short time period. Impediments may be the presence of wetlands, floodplains, environmental concerns or endangered species on the property.



Shovel-Ready, Established Commercial/Industrial Development Sites in Commerce City



E-470/Aerotropolis Development Opportunities



REDEFININGCommerce.com

Commerce City thanks
our existing retailers and
welcomes new retailers
wishing to offer a
diversity of goods and
services to our growing
community. . . .

cricket
authorized dealer

KING
Soopers



Great Clips®
Relax, you're at Great Clips.



Walmart

Aaron's



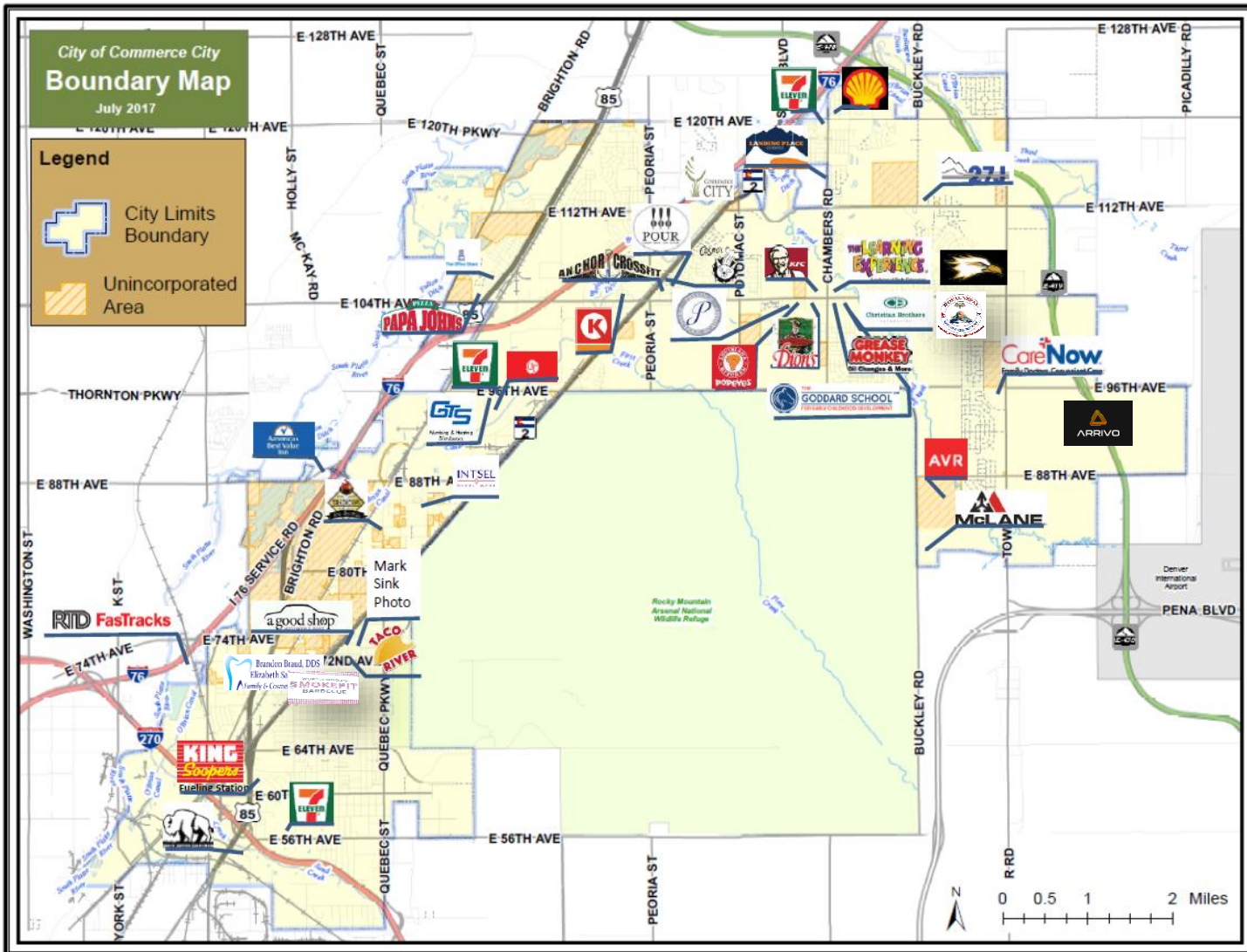
Walgreens

SUPERCUTS®



BBVA Compass

New and Proposed Project Activity



RETAIL Opportunities in Commerce City, Colorado

Commerce City Demographics

	Current	2020
City Population	53,364	59,663 (11.21% growth)
Retail Trade Area	147,912	164,541 (10.87% growth)

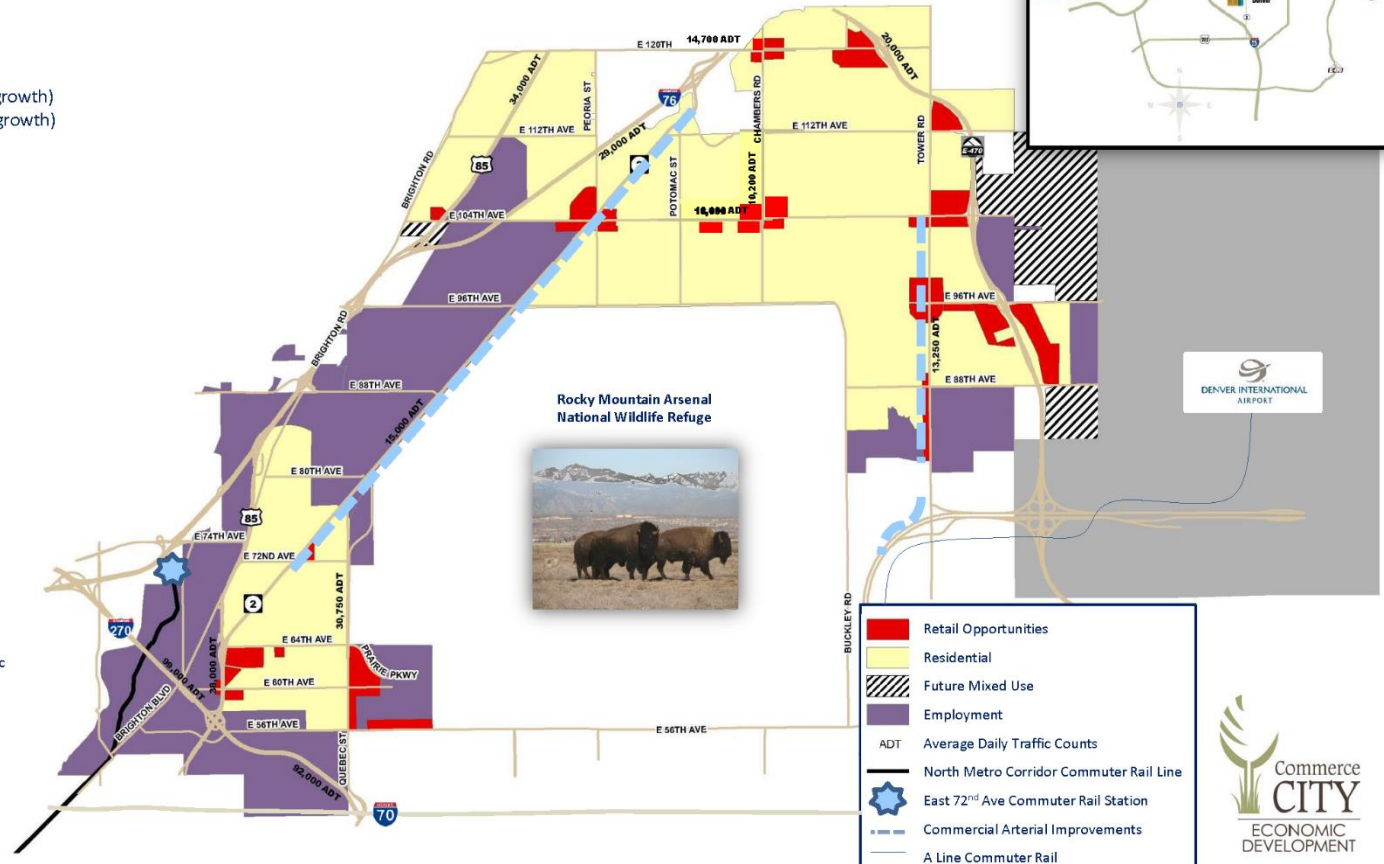
Retail Trade Area Demographics

Average Household Income	\$79,438
Number of Households	46,716
Average Household Size	3.33
Median Age	30.4

Residential Development – Northern Trade Area

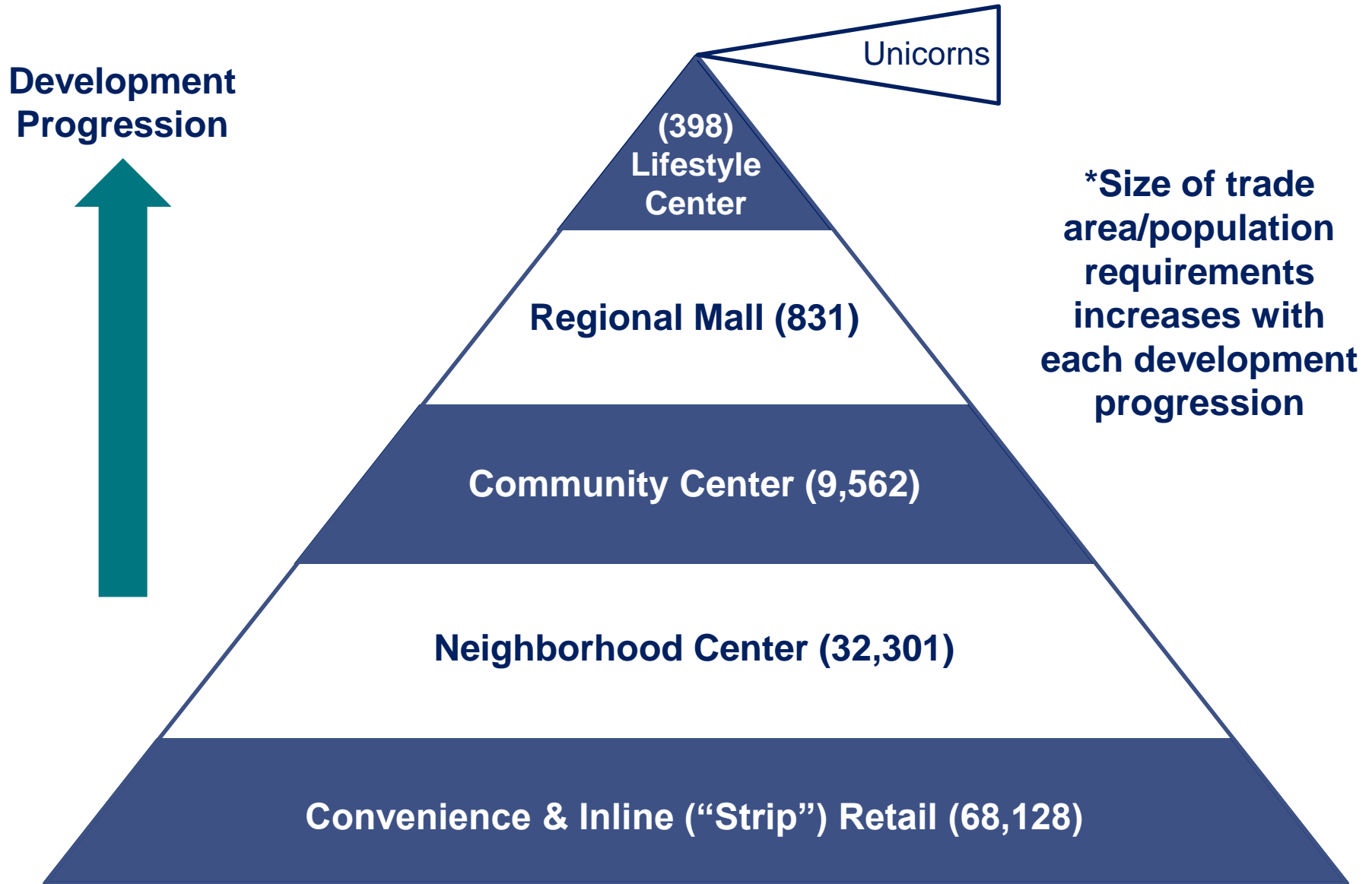
Entitled Lots at Full Build-Out	35,063
Permitted Lots	11,008
Certificates of Occupancy	10,305
Active Housing Developments	20

SOURCE: The Retail Coach, Community and Retail Trade Area Demographic Profiles.



REDEFININGCommerce.com

RETAIL DEVELOPMENT



(#) represents the number of U.S. shopping centers of that type.

Sources: Appraisal Institute, CoStar and ICSC, January 2014

Retail Development – Site Selection Factors

****First fundamental question****

What areas of the country is the corporate office looking to expand in?

Site considerations:

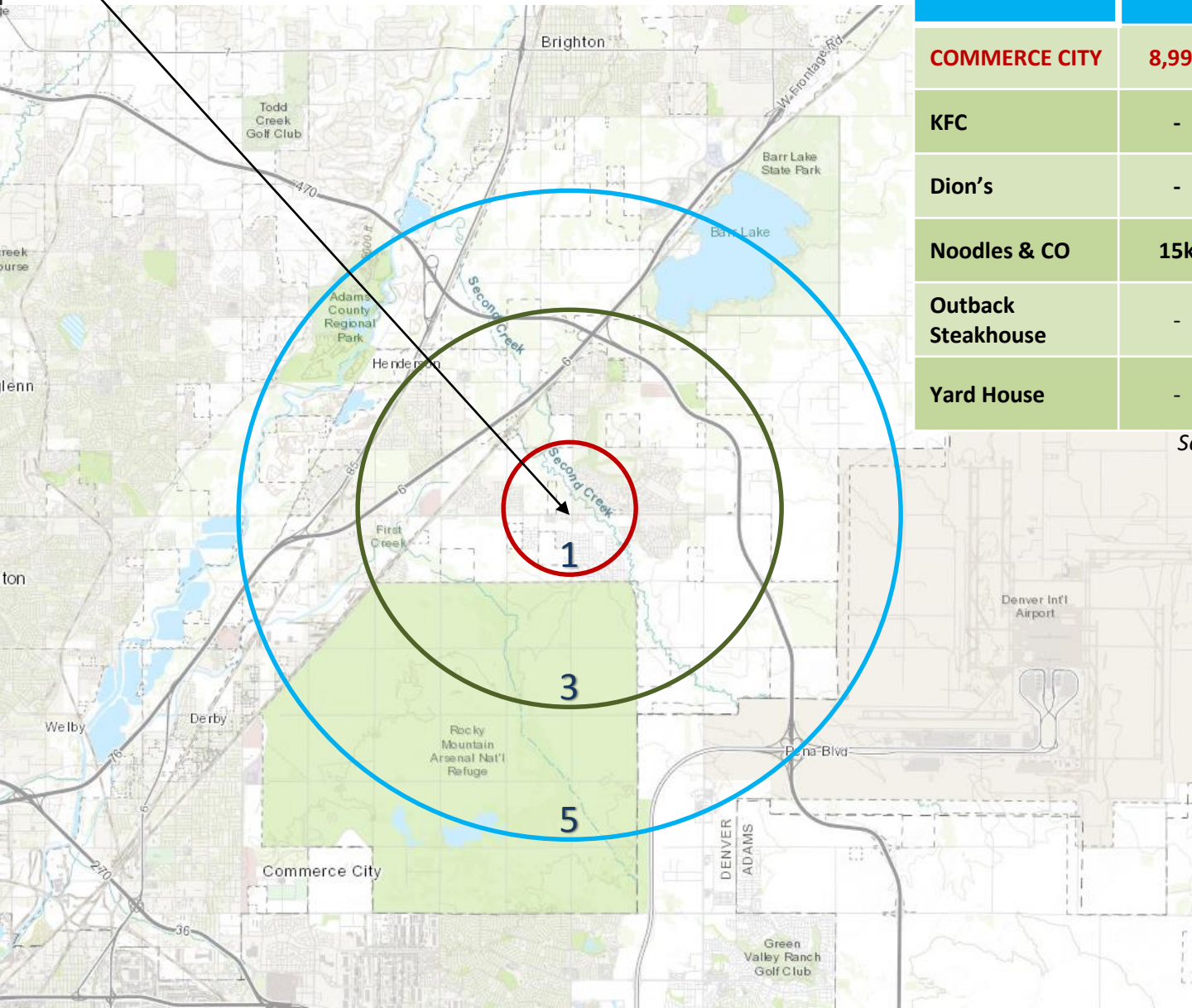
- ✓ **SEE IT** – Good visibility, high multi-direction traffic counts.
- ✓ **DRIVE IT** – Easy and intuitive access.
- ✓ **BUY IT** – Retail or service product must be of a quality and price to make it attractive to the local and drive by market.

- What is the current population and projected growth in the area
- How many vehicles per day travel next to considered sites
- What are the per capita and median incomes in the area
- Are there competitors near the considered sites
- What is the daytime employment in the area



Retail Development Attraction

E. 104th Avenue / Chambers Rd.



	Population requirements			Traffic counts
	1-mile	2 or 3-mile	5-mile	
COMMERCE CITY	8,997	20,376	34,745	18K
KFC	-	20k	-	20k
Dion's	-	-	-	20k
Noodles & CO	15k	-	-	30k
Outback Steakhouse	-	-	70k	25k
Yard House	-	-	75 - 150k	30k

Source: ESRI and Retail Tenant Directory

Retail Development Activities

- **Provide information from data and market information tools**
 - Retail Tenant Directory online database
 - ESRI Business Analyst online database
- **Developed marketing materials specific to retail**
 - Testimonials
 - Data driven maps
- **Commercial real estate broker and brand representative relationship building**
 - Retail conferences—ICSC RECon
 - DSGP Suite – hosted real estate brokers and representatives
 - One-on-one meetings
- **Utilize business incentives**
- **Meet with property owners to encourage increase in shovel-ready commercial sites.....**



Testimonial - Dion's CEO

Dion's Restaurant opened its second Denver metro location at E. 104th Avenue and Chambers Road in early 2017.

Commerce City staff works diligently with site selectors and business representatives to provide concierge-level services throughout the site selection and site development process.

TESTIMONIAL

"We're running higher than projections, although we're still in the startup period. I do think we're going to settle in higher than projected for the long run. The Commerce City site is the busiest of our three Colorado locations."

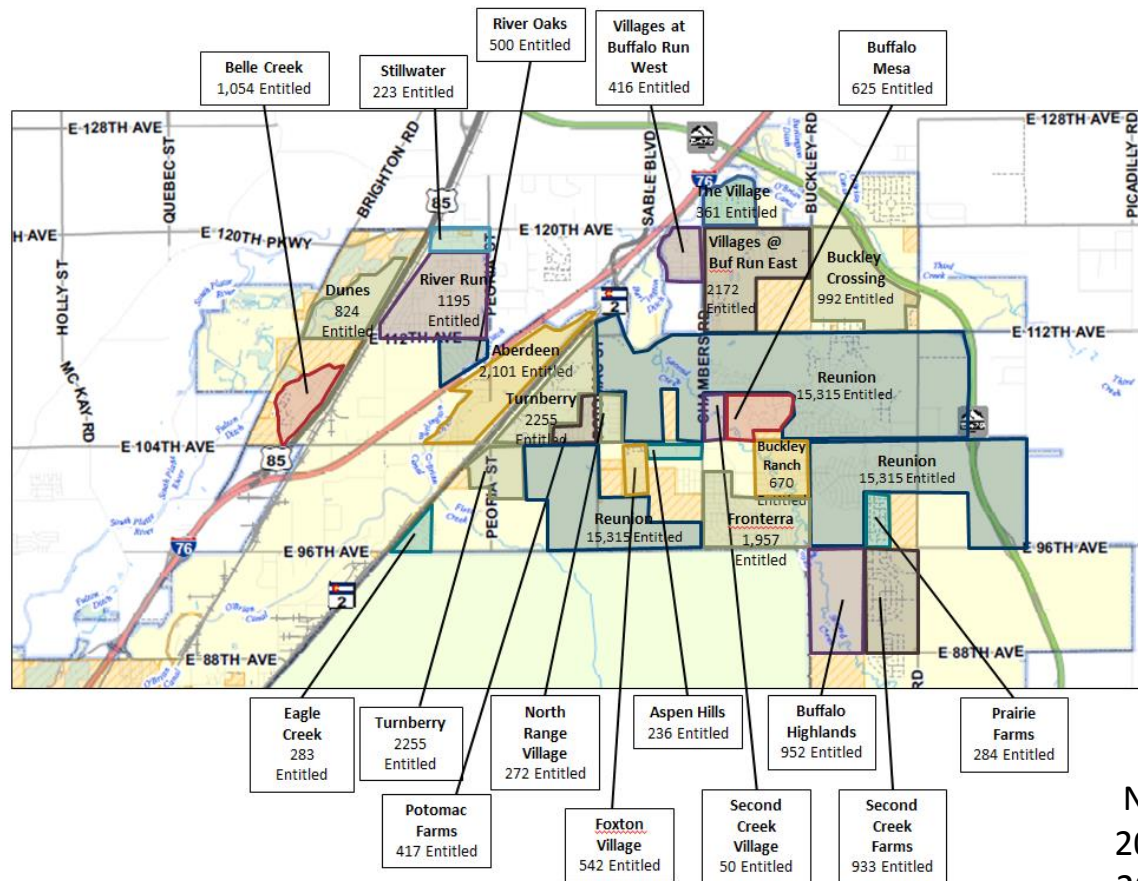
"We've experienced great support from the local community and we're quite pleased with the quality of employees and applicants."

— Mark Herman, CEO, Dion's Restaurant

(Mark Herman talks about building the newest Dion's Restaurant in Commerce City – watch this [video interview](#)).



Marketing the Housing Growth



New Residential Units	
2015.....	253
2016.....	522
2017.....	854



2018 Attraction Activities

MARKETING THE OPPORTUNITIES TO END USERS		
<i>Enhance the Story</i>	<i>Increase Visibility</i>	<i>Work the Numbers</i>
Share housing & employment growth	CREJ Retail Summit & EXPO participation	Target list of national restaurant brands
Create more testimonials	ICSC RECon outreach	Target list of Colorado-based restaurant brands
Add additional attraction tools	Join CREM - Commercial RE Marketing Network - for more lead generation	Outreach to industry trade groups
	Increase Social Media use @CommerceCityED	Increase frequency of conversations with real estate contacts
INCREASING THE SUPPLY OF AVAILABLE REAL ESTATE		
*Keep working with landowners/developers for steady supply of buildable lots and new inline center space.		





Questions and Discussion

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Closing Remarks