



# STAFF REPORT

## Planning Commission

---

### CASE #Z-939-17

<b>PC Date:</b>	January 3, 2017	<b>Case Planner:</b>	Domenic Martinelli
<b>CC Date:</b>	February 6, 2017		
<b>Location:</b>	5846 & 5850 Dahlia St Commerce City, CO 80022		
<b>Applicant:</b>	San Soucie Enterprises	<b>Owner:</b>	David Soucie
<b>Address:</b>	433 South Basalm Street Lakewood, CO 80226	<b>Address:</b>	Same as Applicant

### Case Summary

<b>Request:</b>	A rezoning of the property currently zoned I-2 (Medium Intensity Industrial District, to I-1 (Light Intensity Industrial District) and C-3 (Regional Commercial District).
<b>Project Description:</b>	The applicant is requesting to rezone the subject property from I-2, a medium intensity industrial district, to one C-3 lot and one I-1 lot. The applicant is requesting to subdivide the subject property into two separate lots as part of case S-668-17, and will be constructing a new commercial building on the C-3 lot as part of development plan case D-318-17. 5846 Dahlia St will be the new commercial lot that is created as part of the subdivision case. The existing building & tenants on-site will remain as part of the I-1 lot.
<b>Issues/Concerns:</b>	<ul style="list-style-type: none"><li>• Shared access and shared parking</li><li>• Internal site navigation</li></ul>
<b>Key Approval Criteria:</b>	<ul style="list-style-type: none"><li>• I-1 Zone District Standards</li><li>• C-3 Zone District Standards</li><li>• Sec. 21-3232 Zone Change Approval Criteria</li><li>• Commercial Design Standards</li></ul>
<b>Staff Recommendation:</b>	Approval
<b>Current Zone District:</b>	I-2 (Medium 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 Summary          | <input checked="" type="checkbox"/> Vicinity Map  |
| <input checked="" type="checkbox"/> Development Review Team Recommendation | <input checked="" type="checkbox"/> Traffic Study |
| <input checked="" type="checkbox"/> Site Plan                              |   |
| <input checked="" type="checkbox"/> Applicant's Supplemental Exhibits      |   |

## Background Information

### Site Information

<b>Site Size:</b>	0.29 acres & 0.94 acres (1.227 acres total)
<b>Current Conditions:</b>	The subject property is currently developed with a 9,520 square foot building.
<b>Existing Right-of-Way:</b>	Dahlia St. (West), E 58 <sup>th</sup> Pl. (South)
<b>Neighborhood:</b>	56 <sup>th</sup> Ave Industrial Park
<b>Existing Buildings:</b>	Yes
<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>	Commercial	Bear's Car Wash & Detail Center	I-2
<b>South</b>	Industrial	Stewart & Stevenson	I-2
<b>East</b>	Storage / Parking	San Soucie Enterprises	I-2
<b>West</b>	Right-of-Way	US HWY 85 & Dahlia St	ROW
<b>*Southwest</b>	Dilapidated	None	C-3

\*This property was rezoned to C-3 per case Z-933-16, and a development plan was approved by staff per case D-294-16 for a retail marijuana business. As of January 2017, no improvements have been made to the site.

### Case History

The subject property has two existing variance cases on record. The context and conditions of these two cases no longer provide significant relevance, based on the pending land use applications & proposed reconfiguration of the site.

The property also has two additional land use cases being processed concurrently with the zone change request.

<u>Case</u>	<u>Date</u>	<u>Request</u>	<u>Action</u>
A-1304-96	June 4, 1996	Variance & Height Exception for a free-standing pole sign.	<b>Approval with Conditions</b>
A-1304-97	February 4, 1997	Condition Extension for case A-1304-96.	<b>Approval with Conditions</b>
S-668-16	February 6, 2017	Subdivision of the subject property into two lots	<b>Pending Approval</b>
D-318-17	February 6, 2017	Development Plan for 5846 & 5850 Dahlia St.	<b>Under Staff Review</b>

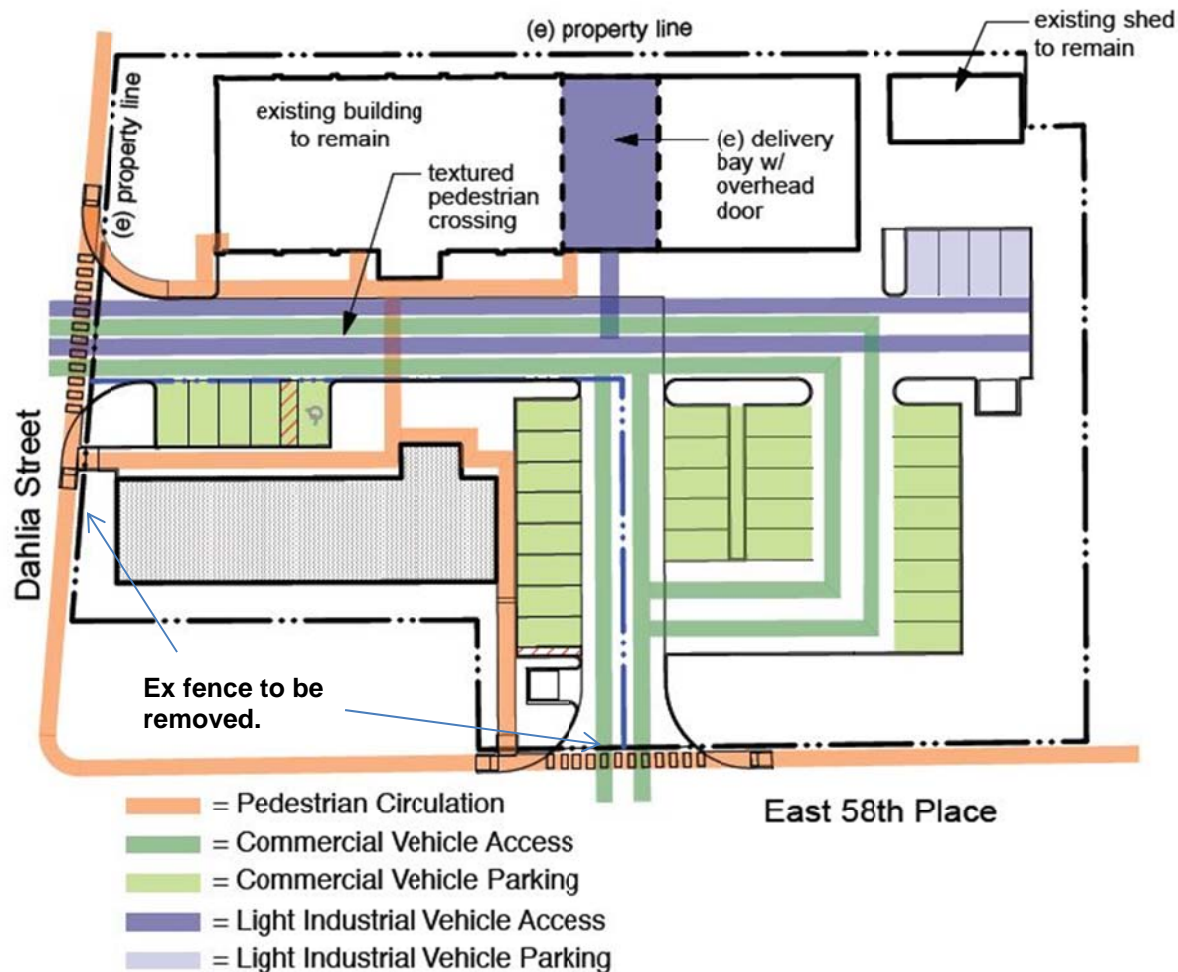
Case A-1304-96 was a 30 foot front setback variance & a 10 foot sign height variance that was approved with conditions by the board of adjustment. The sign exists on the Southwest corner of the site today, and is currently used by Metro PCS. The applicant for the current proposal has not proposed any new signage or modification of existing signage at this time.

Case A-1304-96-97 was a condition extension for the aforementioned case.

## Applicant's Request

The applicant is requesting a zone change for the subject property at 5846 & 5850 Dahlia St. from I-2 to C-3 & I-1. According to the applicant, the requested zone change is proposed in order to construct a 32' tall two-story building on Lot B. The first level will be retail with related office and storage to

support the primary retail use. The retail will have a storefront facing Dahlia Street. The second will be office space for lease with stair and elevator access from the west end of the building.



The applicant is also requesting the remainder of the property be downzoned from I-2 to I-1. The applicant states that the proposed I-1 zoning for 'Lot A' is a suitable mix with commercial zoning and also a suitable transition to neighboring I-2 zoning along the east property line. The applicant will retain the current uses that occupy the existing structure: 3,541sf of retail and office at the west end of the building and 5,999sf of light industrial for the east portion of the building. Currently, a PCS Metro store occupies the storefront space, the property owners, San Souci Enterprises, use the offices and the light industrial space is rented by a design-build construction company for fabricating custom building components. Other potential light industrial uses include a network cable contracting company. The development plan includes a 15' landscape buffer and 6 foot screen fence along the adjoining I-2 property to the east to assure proper physical and visual separation from the proposed I-1 and C-3 zoning. This buffer will physically and visually separate outdoor storage and any other existing or future use of the I-2 property to the east. The applicant also states that the proposed project to bring 20-25 new jobs to this area of the city, and believes that *"creating an economically viable initial investment on this site will fuel interest in the growth of this area. The future of the proposed I-1 portion of the site has great potential to building on the energy of the commercial development."*

## Development Review Team Analysis

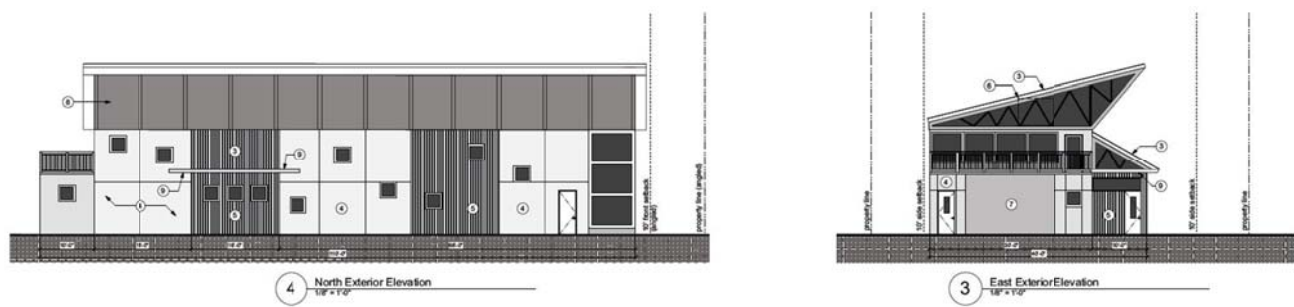
The Development Review Team (DRT) has reviewed the requests with the approval criteria for zone changes within Article III of the Land Development Code (LDC), and the zone district standards for I-1 zones & C-3 zones within Article IV. The following analysis addresses the proposed uses & requirements, approval criteria for zone change, and the recommendation of city staff based upon the analysis.

### **Proposed Use + Requirements:**

Once subdivided, the existing 1.23 acre subject property will contain one 0.29 acre lot zoned for C-3 uses, and one 0.94 acre lot for I-1 uses. Per the applicant's request, a 32' high 4,080 gross square foot commercial building is proposed to be constructed on the C-3 lot, and the existing industrial building and uses will remain on the proposed I-1 lot. Both of these lots will be connected through a shared parking & access agreement, and each individual lot will be paved with asphalt, and have the minimum amount of parking required by LDC Section 21-7233, Table VII-3 for each individual use. By meeting the minimum amount of parking required for each lot, the applicant will not need approval of a minor modification for a shared parking agreement.

While it is uncommon for industrial properties to be down-zoned to commercial & less intense industrial uses, staff believes that the circumstances that surround this specific site contribute to a situation where the highest and best use of this property occurs with a down-zoning to less intense uses. By choosing to rezone the remainder of the property to I-1, instead of remaining I-2, significant internal conflicts that could arise from a property zoned for medium intensity industrial being integrated with a commercial parcel are eliminated. By downzoning to I-1, the lot will no longer have the potential to utilize outdoor storage, contractor yards & truck repair, which could conflict with required customer parking, and internal vehicle and pedestrian circulation of the site. The existing tenants & operations on site currently comply with the uses allowed by-right within the I-1 zone district. The applicant has also indicated that a network cable and fiber optics installation company is being considered as a tenant for the I-1 lot, but also has a need for outdoor storage of vehicles & material. Per LDC Section 21-5254(4), outdoor storage is allowed on an adjacent property so long that it is directly related to such adjacent property owner or lessee's business. Under this scenario, any future user of the I-1 lot would be allowed outdoor storage on the adjacent I-2 lot, which is currently owned by San Soucie enterprises. In order to screen any potential outdoor storage from the property, a 15' landscape buffer and 6' privacy fence will be installed along the east property line of the I-1 lot.

**Figure 1: Proposed elevations for commercial building**



The comprehensive land use designation for this property is indicated as Industrial / Distribution. The proposed I-1 zoning for 5850 Dahlia aligns with the future land use designation. The proposed C-3 lot

(5846 Dahlia St.) also conforms to the comprehensive plan, as retail uses are allowed as a secondary use under the Industrial / Distribution future land use category. The new proposed building will meet all applicable requirements of the C-3 zone district, including bulk standards, parking standards, commercial design standards, and landscape standards. The building on the I-1 lot is currently a legal non-conforming structure based on LDC Section 21-5510, due to not meeting setback requirements along the north property line for an I-1 (20' for rear) or I-2 zone district (25' for rear). Since no modifications are proposed to the structure, it will continue to remain in its legal non-confirming status until major alterations are proposed, which would then trigger conformance with I-1 setback standards. Since new pavement, parking & landscaping are proposed for the I-1 lot, these aspects will conform to I-1 zone district standards, but these improvements will not trigger compliance with setback requirements, since the building itself will not be modified.

**Figure 2: Existing Conditions**



A traffic study was conducted for the proposed development, and determined that while the road network in the area is already suffering from poor Levels of Service (LOS), the proposed development will provide no significant increase on top of the existing levels. The intersection with the northbound off-ramp that connects onto Dahlia at E 58<sup>th</sup> Place is currently operating at a Level B northbound, and a Level C southbound. While closing this northbound off-ramp would provide improvements to the LOS in the area, a closure of this intersection is not planned at this time according to CDOT. A study of the US 85 corridor is planned for the future, which could examine and provide recommendations regarding the on-ramp.

No comments were received from referral agencies in opposition to the proposed zone change. Overall, the DRT, including the Economic Development Division, recognize that while downzoning industrial properties is generally not encouraged, the surrounding area is in close proximity of a number of commercial businesses to the north, and has been gradually becoming commercial over time. The majority of the outdoor storage space on the site is currently underutilized, and the proposed commercial development would provide productive use of this space. The site is also highly visible from US 85 on a prominent intersection in the city, which makes it very attractive to commercial development. Based on these circumstances, the DRT agrees that a portion of this site may be suitable for commercial rather than industrial development. The zone change and proposed

use are consistent with the Comprehensive Plan, will not negatively impact surrounding properties, and will provide an enhanced and improved property which has the potential to positively improve the character of the neighborhood on a highly visible corner.

Criteria Met?	Sec. 21-3232. Rezoning or Zone Changes	Rationale
<input checked="" type="checkbox"/>	The change is consistent with any City adopted plans for the area;	The proposed I-1 and C-3 zoning designations are consistent with the City's Comprehensive Plan. The Industrial/Distribution future land use designation allows for light intensity industrial uses as a primary use, and retail uses as secondary use to support the businesses and industry in the area.
<input checked="" type="checkbox"/>	The change is compatible with proposed development, surrounding land uses and the natural environment;	The proposed C-3 & I-1 zoning designations are consistent & compatible with the surrounding area. The wash facility to the north & the proximity to the Walmart shopping center & commercial pad sites demonstrate consistency with commercial uses. Additionally, the proposed I-1 uses allow the existing uses on the site by-right, and provides an adequate transition from high density commercial to medium intensity industrial to the east and south.
<input checked="" type="checkbox"/>	There is, or will be, adequate public services, (water, sewerage, streets, drainage, etc.);	The site is adequately served by existing water, sewer & utility lines. The redevelopment of the property in accordance with current standards will ensure the property is adequately served by public services.
<input checked="" type="checkbox"/>	There is, or will be, adequate public uses (parks, schools, and open space);	There are adequate parks, schools, and open space for the subject property. No additional public uses will be required due to this zone change.
<input checked="" type="checkbox"/>	The change is needed to provide/maintain a proper mix of uses in the area/City;	The requested zone change will allow for a visually impactful redevelopment of a highly visible property, and make use of space that currently is not being utilized today. Retail uses are needed in primarily industrial areas to better serve the needs of the workforce.
<input checked="" type="checkbox"/>	The area for which the change is requested has changed/is changing and it is in the public interest to allow a new use or density.	The character of the surrounding neighborhood has been increasingly changing to commercial uses over the last 20 years. There have been several zone changes (including recent ones) from I-2 / I-3 to C-2 / C-3 for the development of the Walmart shopping center, Parkway Market Center, Walgreens, and various other commercial and retail uses. Along a prominent arterial corridor with high visibility, a retail development that supports the nearby industrial businesses is appropriate. Additionally, the utilization of the property as industrial / distribution provides an adequate transition to the medium intensity industrial uses to the east and south.

## 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>
Economic Development	ED 3	<u>Recruit new employment and commercial development:</u> Attract and promote new commercial and employment uses to the Historic City that will provide jobs and services for residents and revenues for city operations. The city will reserve undeveloped lands for future commercial and employment activities, as designated on the future land use plan.
<u>Analysis:</u>	The proposed zone change and redevelopment will allow for the recruitment of new commercial development in the proposed tenant spaces along a highly visible arterial frontage. It will provide use for underserved land in the vicinity, and the redevelopment of the site could provide up to 25 new jobs.	
<u>Section</u>	<u>Goal</u>	<u>Description</u>
Redevelopment and Reinvestment	RR 1	<u>Increase focus on infill development:</u> The city recognizes the benefits of infill to balance and retain the character of stable neighborhoods with increasing economic development opportunities.
<u>Analysis:</u>	As a currently developed property with underutilized storage space, this proposal would provide a positive infill project in an area that is highly visible along a major arterial route and entryway to Commerce City. It would also provide increasing economic development opportunity not only through increased jobs, but signal to developers that the surrounding area provides additional commercial and industrial redevelopment opportunity.	
<u>Section</u>	<u>Goal</u>	<u>Description</u>
Appearance & Design	AD 3	<u>Improve development quality for neighborhoods, commercial centers, and industrial uses:</u> Commerce city will ensure high quality design, development, and redevelopment for new residential, commercial, and industrial uses.
<u>Analysis:</u>	The proposed development stands as a high quality project that meets and exceeds commercial design standards and landscaping standards. With an innovative design type, high quality building materials, and positive street presence, it will help further development quality that appears in future development projects in the area.	

## Development Review Team Recommendation

Based upon the analysis above, the Development Review Team believes that the application meets the criteria for a Zone Change set forth in the Land Development Code and recommends that the Planning Commission forward the Zone Change request to the City Council with a favorable recommendation.

## **\*Recommended Motion\***

### ***To recommend approval:***

I move that the Planning Commission enter a finding that the requested Zone Change for the property located at **5846 & 5850 Dahlia St.** contained in case **Z-939-16** meets the criteria of the Land Development Code and, based upon such finding, recommend that the City Council approve the Zone Change.

## **Alternative Motions**

### ***To recommend approval subject to condition(s):***

I move that the Planning Commission enter a finding that, subject to certain conditions, the requested Zone Change for the property located at **5846 & 5850 Dahlia St.** contained in case **Z-939-16** meets the criteria of the Land Development Code and, based upon such finding, recommend that the City Council approve the Zone Change subject to the following conditions:

*Insert Condition(s)*

### ***To recommend denial:***

I move that the Planning Commission enter a finding that the requested Zone Change for the property located at **5846 & 5850 Dahlia St.** contained in case **Z-939-16** 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 Zone Change.

### ***To continue the case:***

I move that the Planning Commission continue the requested Zone Change for the property located at **5846 & 5850 Dahlia St.** contained in case **Z-939-16** to a future Planning Commission agenda.