



TO: Denver City Council Land Use, Transportation and Infrastructure Committee
FROM: Abe Barge, Principal City Planner
Laura Brudzynski, Manager of Housing Policy and Programs
DATE: December 28, 2017
RE: (A) Denver Zoning Code Text Amendment #2 to create the River North Design Overlay (DO-7) and 38th and Blake Incentive Overlay (IO-1) Zone Districts
-AND-
(B) Official Zoning Map Amendment Proposal #2017I-00121 to rezone properties with existing mixed-use zoning in the River North and 38th and Blake Station Area to include the DO-7 and IO-1 Overlay Zone Districts
-AND-
(C) Denver Revised Municipal Code Amendment to create a new Chapter 27, Article VI 'Incentives for Affordable Housing' establishing affordable housing requirements for the 38th and Blake Incentive Overlay (IO-1)

Staff Report and Recommendation

A. Denver Zoning Code Text Amendment

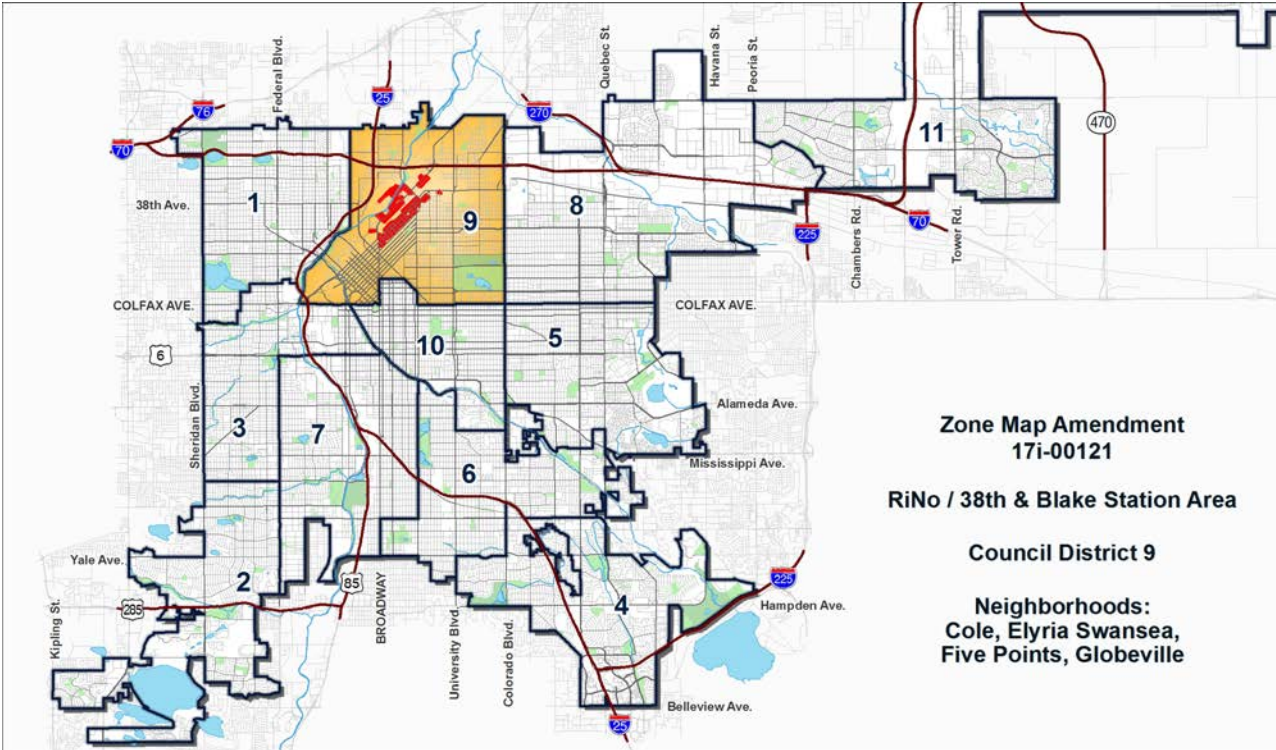
Based on the review criteria for a text amendment stated in the Denver Zoning Code (DZC), Section 12.4.11 (Text Amendment), Community Planning and Development (CPD) staff recommends **approval** for Denver Zoning Code Text Amendment #2.

B. Denver Zoning Code Map Amendment

Based on the review criteria for a map amendment in the Denver Zoning Code (DZC), Section 12.4.10 (Map Amendment), CPD staff recommends **approval** for map amendment proposal #2017I-00121.

C. Denver Revised Municipal Code Amendment

Office of Economic Development (OED) and CPD staff recommend **approval** for the Denver Revised Municipal Code (DRMC) amendment to create a new Chapter 27, Article VI establishing affordable housing requirements for the 38th and Blake Incentive Overlay (IO-1).



Summary and Purpose

This staff report summarizes a series of related Denver Zoning Code and Denver Revised Municipal Code (DRMC) amendments that are proposed to require higher design quality for new development in RiNo and create a system to incentivize provision of affordable housing by allowing increased building height in the 38th and Blake Station area. The amendments directly implement recommendations included in the adopted 2016 *38th and Blake Station Area Height Amendments*. Because the Denver Zoning Code includes very specific criteria for consideration of code amendments, the majority of this report focuses on proposed zoning amendments, while noting their relationship with the proposed DRMC amendments that would provide the specific affordable housing and other requirements for use of incentive height enabled by the IO-1 overlay.

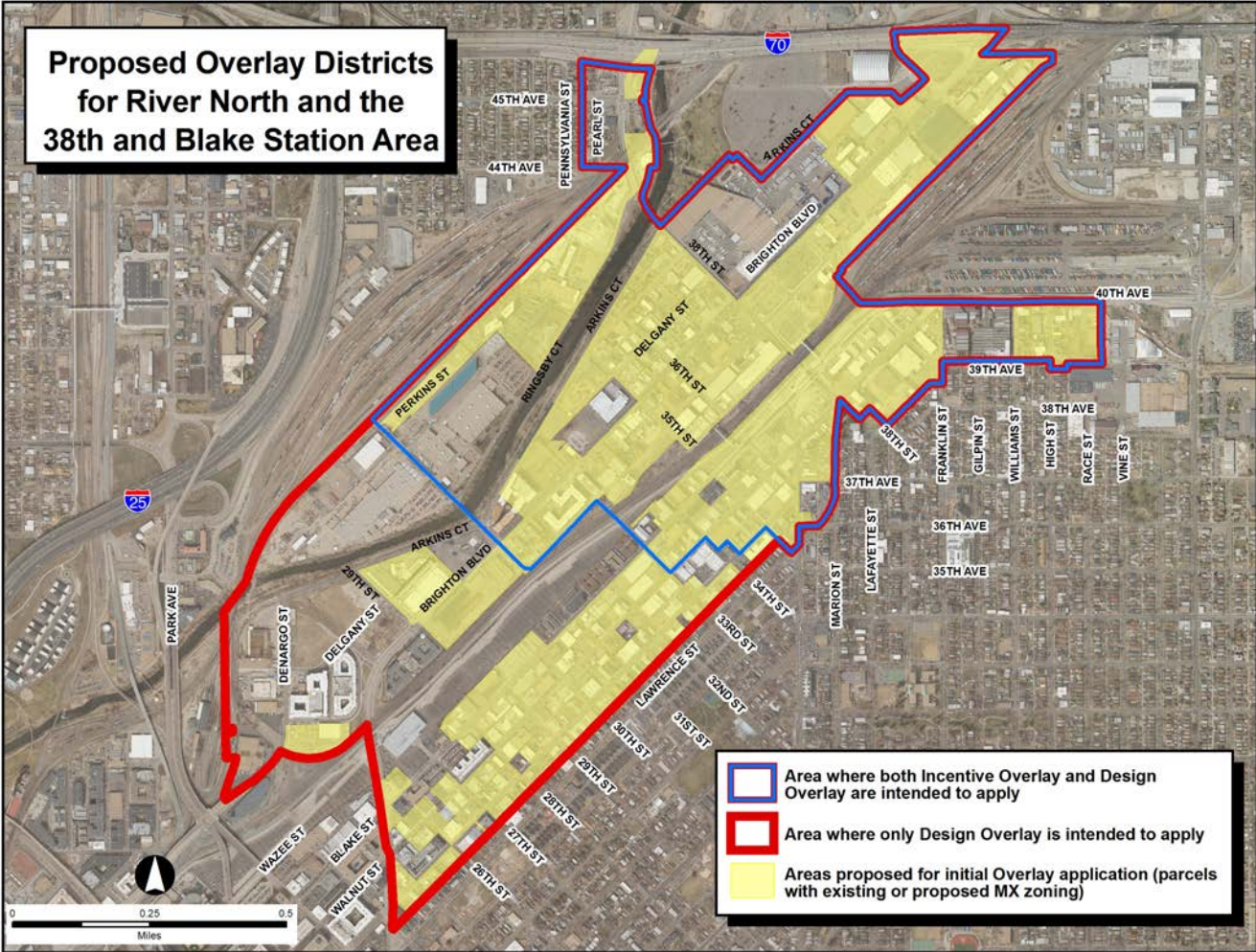
A. Denver Zoning Code Text Amendment #2

City Council President Albus Brooks is sponsoring a text amendment to the Denver Zoning Code to establish overlay zone districts that implement the specific objectives of the adopted 2016 *38th and Blake Station Area Height Amendments*. The text amendment would:

1. **Establish River North Design Overlay (DO-7):** This design overlay district would implement *38th and Blake Station Area Height Amendments* objectives for enhanced design quality. It would also accommodate a related request from the River North Art District to establish heightened design standards throughout the River North Business Improvement District. The River North Design Overlay would apply only to underlying mixed-use zone districts (C-MX, I-MX, etc.)
2. **Establish a New Category of Overlay:** The new 'Incentive Overlay District' category of overlay zone district would enable adjustment of zoning code standards to incentivize specific development outcomes such as increased affordable housing, publicly-accessible open space or other outcomes consistent with adopted policy objectives.
3. **Establish the 38th and Blake Incentive Overlay (IO-1):** The first incentive overlay district would implement specific *38th and Blake Station Area Height Amendment* objectives by enabling increased height for projects that provide specific community benefits, including affordable housing. The 38th and Blake Incentive Overlay District would apply only to underlying mixed-use zone districts (C-MX, I-MX, etc.)

Relationship of Denver Zoning Code Text and Map Amendments

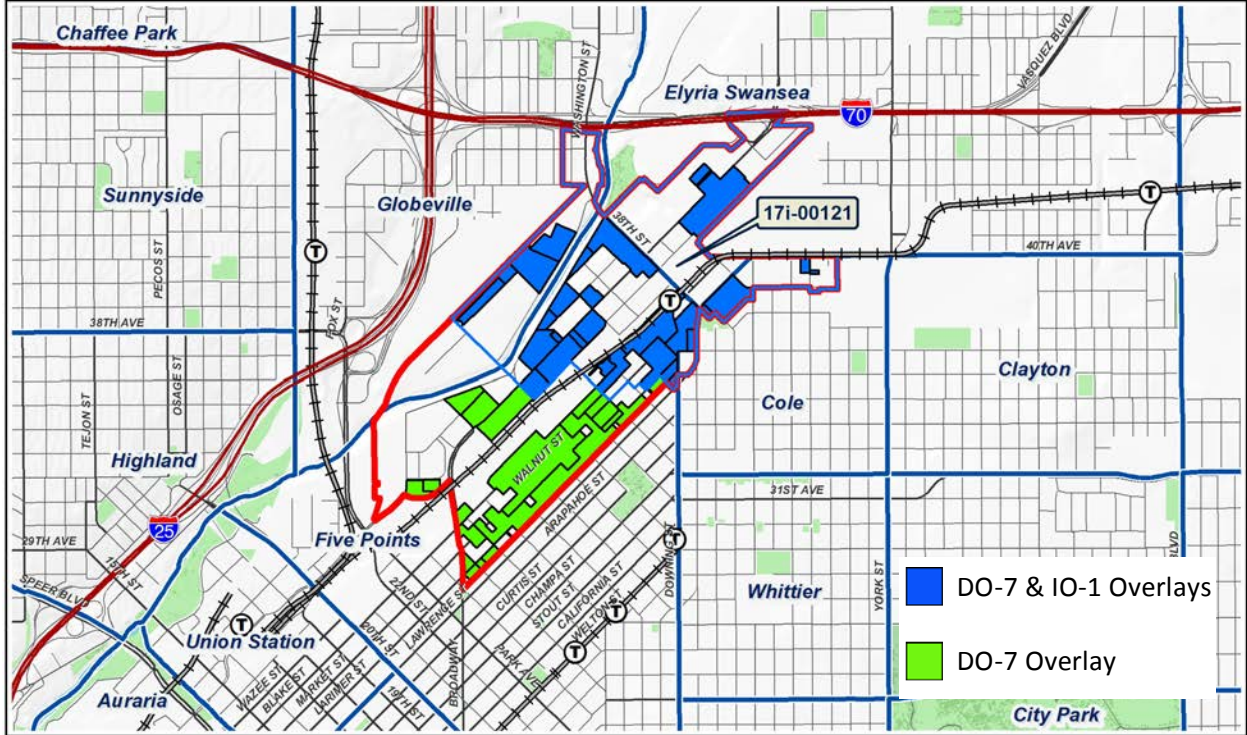
Two map amendments are proposed to rezone properties for use of the DO-7 and IO-1 overlays. Map amendment 2017I-00121 (addressed in this staff report – see below) would rezone existing mixed-use properties to include the overlays. Map amendment proposal 2017I-00122 (addressed in a separate staff report) would rezone some properties to appropriate mixed-use districts and apply the overlays. Both map amendments will proceed on a coordinated adoption schedule. The map on the next page summarizes application of the DO-7 and IO-1 overlays if both map amendments are adopted. Properties within the intended overlay boundaries that are not proposed for initial overlay application include properties with custom zoning or where property owners have elected to maintain existing industrial zoning. Such properties may submit future map amendment applications to rezone to a mixed-use district that enables overlay application.



Application of overlay zone districts if both map amendment 2017I-00121 (addressed in this staff report) and 2017I-00122 (separate staff report) are adopted.

B. Denver Zoning Code Map Amendment #2017I-00121

City Council President Albus Brooks is also sponsoring a map amendment to rezone properties within existing mixed-use zone districts (C-MX and I-MX) to include the proposed DO-7 and IO-1 overlay districts (38th and Blake Station Area) or DO-7 overlay district in the remaining portion of the River North Business Improvement District south of the station area. If the new overlay zone districts are approved, all zoning standards that are not specifically addressed by the overlay districts will remain in effect, including the existing Billboard Use Overlay (UO-2).



Properties with existing mixed-use zoning that are included in proposed map amendment 2017I-00121

The table below provides additional details related to the map amendment request:

Council District:	Council District 9
Neighborhoods:	Globeville, Cole, Elyria and Swansea, Five Points
RNOs:	Inter-Neighborhood Cooperation (INC), RiNo, River North Art District, United Community Action Network Inc., Curtis Park Neighbors, Globeville Civic Association #2, Globeville Civic Partners, The Points Historical Redevelopment Corp, Five Points Business District, Rail Yard Lofts Homeowner’s Association, Inc., Denver Neighborhood Association, Inc., Cross Community Coalition, Elyria and Swansea Neighborhood Association, Elyria Swansea/Globeville Business Association, Opportunity Corridor Coalition of United Residents, Globeville K.A.R.E.S., Rio Norte, Cole Neighborhood Association, Denver Arts and Culture Initiative, Comunidades Unidades Globeville Elyria & Swansea, North Neighborhoods Democratic Council, Ballpark Collective, Blake27 Urban Brownstones
Area:	Approx. 250 acres
Current Zoning:	Multiple C-MX and I-MX zone districts with the Billboard Use Overlay (UO-2)
Proposed Zoning:	Application of the DO-7 (River North Design Overlay) and IO-1 (38 th and Blake Incentive Overlay) with preservation of the existing Billboard Use Overlay (UO-2)

C. Denver Revised Municipal Code Amendment to Establish Affordable Housing Requirements Linked to DZC 38th and Blake Station Area Incentive Overlay (IO-1)

Finally, City Council President Albus Brooks is sponsoring an amendment to the Denver Revised Municipal Code (DRMC) to establish a new DRMC article that sets affordable housing and related requirements for regulatory or other systems that propose to incentivize the construction of additional affordable housing beyond existing requirements. The initial proposal for a new DRMC Chapter 27, Article VI ‘Incentives for Affordable Housing’ is focused on affordable housing and related requirements associated with height incentives in the proposed DZC UO-1 38th and Blake Incentive Overlay (see B. above). However, the amendment is also structured to provide a placeholder for potential future proposals to incentivize affordable housing through additional DZC incentive overlay districts or other mechanisms.

For policy consistency and administrative efficiency, affordable housing requirements within the proposed DRMC Chapter 27, Article VI extensively cross-reference existing affordable housing requirements. Many cross-references create links between proposed Article VI and recently-adopted Article V ‘Dedicated Funding for Affordable Housing’ to relate proposed incentive requirements to formulas and procedures related to Denver’s new Affordable Housing Linkage Fee. Key relationships between the existing DRMC Chapter 27 Article V and the proposed Article VI include:

- Affordable housing unit and fee formulas that are tied to citywide linkage fee formulas
 - Incentive formulas require multiples of existing citywide formulas to clearly establish that additional affordable units or fees are required when using incentives.
 - Any future revisions to citywide formulas (including income thresholds or changes related to the consumer price index) will automatically apply to incentive formulas.

- Affordable housing unit location, size and term requirements that are tied to requirements for units provided through the citywide linkage fee ‘build alternative’
 - Affordable housing provided to meet citywide or incentive requirements must be comparable in mix and size to the market rate units that generated the requirement (i.e, if market rate units are one and two bedrooms, cannot be studios or micro units).
 - Affordable housing provided to meet citywide or incentive requirements must be located on site or near the market rate units that generated the requirement (units required for incentive height in the IO-1 overlay must be provided within the overlay, which covers the area near the 38th and Blake commuter rail station).
 - Specific financial arrangements are required to ensure that off-site units promised to meet citywide or incentive requirements are actually delivered.
 - Any future revisions to citywide affordable housing procedures (including terms for restriction on affordability) will apply to affordable housing incentives.

Context

The area proposed for application of both the DZC DO-7 and UO-1 overlays, includes the area surrounding the new 38th and Blake commuter rail station on the University of Colorado A Line, within the Cole, Globeville, Elyria and Swansea and Five Points neighborhoods. Interstate 70, the Denver Coliseum and National Western Center area located to the north.

The area proposed for application of only the DO-7 overlay includes the remainder of the River North Business Improvement District within the Globeville and Five Points neighborhoods. North Broadway and Denargo Streets for the southern boundary, with Coors Field and Lower Downtown located a short distance further south.

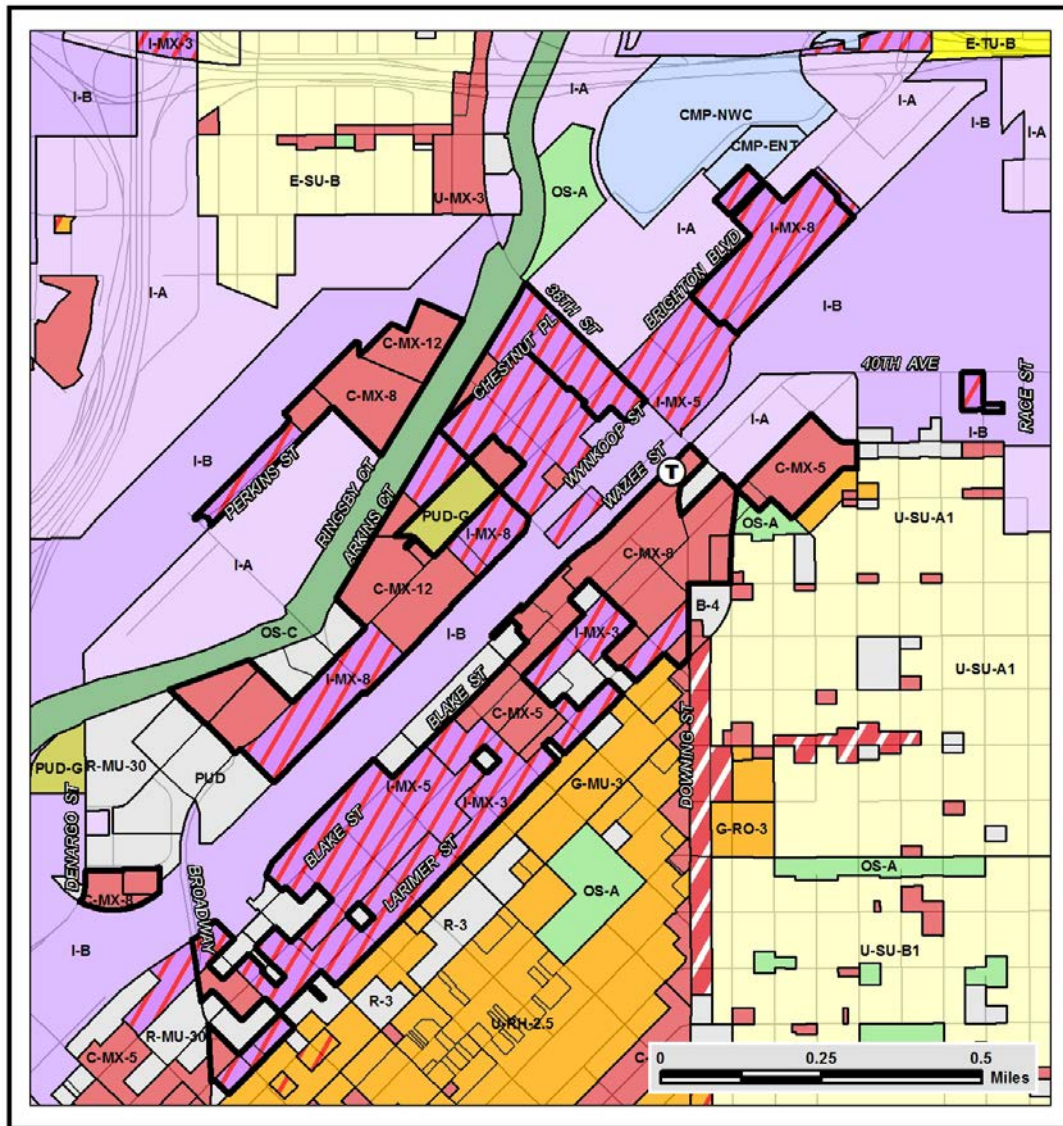
The following table summarizes the existing context proximate to the map amendment area:

	Existing Zoning	Existing Land Use	Existing Building Form/Scale	Existing Block, Lot, Street Pattern
Map Amendment Area	C-MX and I-MX zone districts with heights from 3 to 12 stories	Industrial, Multi-unit Residential, Office, Parking	Primarily one and two-story industrial warehouse and commercial buildings with some multifamily residential (including row houses) and newly developed mixed-use projects up to one-story in height	Rectilinear block pattern follows the original Denver street grid with named streets running roughly parallel to the South Platte river on a northeast to southwest axis. Block sizes vary widely and many numbered streets do not connect through to adjacent areas. Vehicle access is typically from the
Northwest	I-A, I-B	Industrial	One-story industrial buildings	
Southeast	U-SU-A1, G-MU-3, U-RH-2.5	Primarily single and multi-unit residential	One to three-story residential buildings	

Existing Zoning	Existing Land Use	Existing Building Form/Scale	Existing Block, Lot, Street Pattern
			street.

1. Existing Zoning

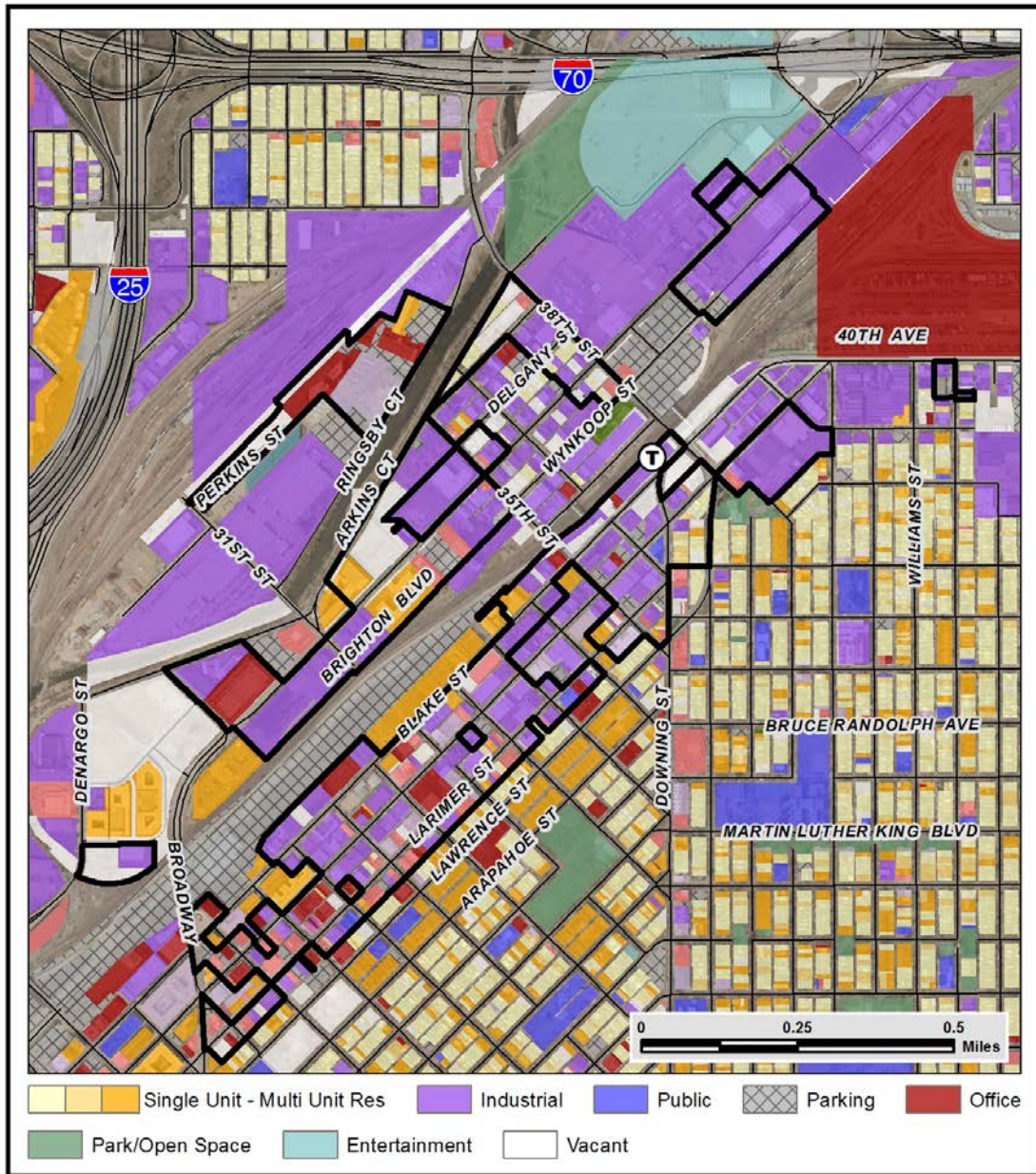
Existing zoning includes C-MX and I-MX zone districts with Denver Zoning Code mixed-use design requirements (build-to, transparency, etc.) that provide a foundation for proposed DO-7 overlay requirements and a height limit in building stories that works with proposed IO-1 overlay incentive heights. Most properties in the area are zoned to include the Billboard Use Overlay (UO-2), which allows for “outdoor general advertising device” signs within the applicable area. Additional standards and limitations regarding minimum separation and distance requirements also apply.



Existing Zoning Map

2. Existing Land Use

Existing land use is primarily industrial with some multi-unit residential office and parking uses. The land use mix in the area is quickly changing to favor mixed-use residential (primarily) and office projects.



Existing Land Use Map

3. Existing Building Form and Scale

The area covered by the map amendment area contains a wide range of building forms and scale, ranging from vacant land and surface parking lots to industrial and multifamily residential buildings. Generally, the area on the northwest side of the railroad tracks has very diverse building forms and scales from one story homes to mid-rise buildings, while the area on the southeast of the A Line commuter rail tracks features a more consistent pattern of low to mid scale buildings with fewer vacant properties. Building form and scale has been changing rapidly on both sides of the tracks, often leading to sharp transitions, such as lower scale buildings (including single family homes) located adjacent to multi-story commercial buildings.



The Source Hotel (left) is currently under construction adjacent to the GreenBox mini-storage facility on Brighton Blvd. on the northwest side of the A Line commuter rail. This area would be included within both the DO-7 and IO-1 overlay districts.



Some portions of Brighton Blvd. (especially to the north of 38th) include predominantly lower-scale industrial and commercial buildings. This area would be included within both the DO-7 and IO-1 overlay districts (image courtesy of Google Earth).



The multi-story commercial Catalyst development is under construction at 35th and Brighton Blvd. This area would be included within both the DO-7 and IO-1 overlay districts.



The Catalyst development transitions towards new lower-scale residential development to the rear. This area would be included within both the DO-7 and IO-1 overlay districts.



Low-scale warehouse buildings are typical of the area southeast of the A Line commuter rail platform. This area would be included within both the DO-7 and IO-1 overlay districts (image courtesy of Google Earth).



Larimer Street is currently developed with primarily low-scale commercial and mixed-use buildings. This lower-scale area (south of 33rd Street) would be included only within the DO-7 overlay (image courtesy of Google Earth).

Summary of City Agency Referral Comments on DZC Amendments

As part of the DZC review process, proposed text and map amendments referred to potentially affected city agencies and departments for comment. A summary of agency referral responses follows:

Public Works – Surveyor: Approved – No Comments.

Asset Management: Approved – No Comments

Environmental Health – Approved. See Comments Below.

Notes: The Denver Department of Environmental Health (DEH) concurs with the rezoning request in the areas currently zoned mixed use C-MX and I-MX. However, environmental conditions in the subject area are varied, include former leaking underground storage tanks, urban fill areas former dry cleaners and asbestos in soil and may require remediation during current and future soil disturbing activities.

General Notes: Most of Colorado is high risk for radon, a naturally occurring radioactive gas. Due to concern for potential radon gas intrusion into buildings, DEH suggests installation of a radon mitigation system in structures planned for human occupation or frequent use. It may be more cost effective to install a radon system during new construction rather than after construction is complete.

Denver's Noise Ordinance (Chapter 36–Noise Control, Denver Revised Municipal Code) identifies allowable levels of noise. Properties undergoing Re-Zoning may change the acoustic environment, but must maintain compliance with the Noise Ordinance. Compliance with the Noise Ordinance is based on the status of the receptor property (for example, adjacent Residential receptors), and not the status of the noise-generating property. Violations of the Noise Ordinance commonly result from, but are not limited to, the operation or improper placement of HV/AC units, generators, and loading docks. Construction noise is exempted from the Noise Ordinance during the following hours, 7am–9pm (Mon–Fri) and 8am–5pm (Sat & Sun). Variances for nighttime work are allowed, but the variance approval process requires 2 to 3 months. For variance requests or questions related to the Noise Ordinance, please contact Paul Riedesel, Denver Environmental Health (720-865-5410).

Scope & Limitations: DEH performed a limited search for information known to DEH regarding environmental conditions at the subject site. This review was not intended to conform to ASTM standard practice for Phase I site assessments, nor was it designed to identify all potential environmental conditions. In addition, the review was not intended to assess environmental conditions for any potential right-of-way or easement conveyance process. The City and County of Denver provides no representations or warranties regarding the accuracy, reliability, or completeness of the information provided.

Public Outreach Process

Important milestones in the public outreach and review process for the proposed amendments included:

	Date
City Council Adoption of 38 th and Blake Station Area Height Amendments (plan development included extensive public process beginning in 2016)	9/19/16
Stakeholder meetings to clarify scope of text amendments to implement objectives of the adopted 38 th and Blake Station Area Height Amendments	12/16 – 1/17
Stakeholder meetings to clarify specific incentive overlay elements with property owner/development industry stakeholders	2/17-6/17
Stakeholder progress update meeting on development of design and incentive overlays to implement objectives of adopted 38 th and Blake Station Area Height Amendments	7/6/17
Planning Board information item	7/19/17
City Council Land Use, Transportation and Infrastructure Committee (LUTI) Information Item	8/8/17
Postcards sent to all property owners affected by legislative map amendment proposal to rezone properties to mixed use districts matching plan recommendations for base height in the 38 th and Blake Station Area (note that the related map amendment is packaged as separate proposal 2017I-00122)	8/29/17
Initial draft of proposed map amendments posted to web site	9/1/17
Presentation for the INC Zoning and Planning (ZAP) Committee	8/26/17
Stakeholder progress update meeting on development of the design overlay	9/11/17
Open house for property owners affected by legislative map amendment proposal to rezone properties to mixed use districts matching plan recommendations for base height in the 38 th and Blake Station Area (note that the related map amendment is packaged as separate proposal 2017I-00122)	9/12/17
Stakeholder meeting to discuss results of incentive overlay financial feasibility study with property owner/development industry stakeholders	10/12/17
Public review draft of text amendment posted to web site	10/20/17

Postcards sent to all property owners potentially affected by proposed map amendment to apply design and incentive overlays (this proposal 2017I-00121 and related proposal 2017I-00122) with invitation to public meeting.	10/31/17
Public meeting and open house on proposed text and map amendments (all property owners invited by mail, surrounding RNOs and other stakeholders invited by email)	11/8/17
Planning Board information item	11/15/17
Property legally posted for a period of 15 days and CPD written notice of the Planning Board public hearing sent to all affected members of City Council and registered neighborhood organizations:	11/20/17
Public Planning Board hearing, concluding with a (5-2) board recommendation of approval for the Denver Zoning Code text and map amendments (Planning Board does not make specific recommendations on proposed amendments to the Denver Revised Municipal Code)	12/06/17

Following City Council Land Use, Transportation, and Infrastructure (LUTI) Committee review, proposed text and map amendments are typically referred to City Council for final action at a public hearing, tentatively scheduled for February 12, 2017.

Public Comments

As of the date of this staff report, two letters have been received from registered neighborhood organizations (RNOs), and several letters have been received from other stakeholders. The letters are included as Attachment G to this staff report.

Denver Zoning Code Criteria for Review / Staff Evaluation

Summary of All Applicable Denver Zoning Code Review Criteria

Design Overlay District Review Criteria. DZC Section 9.4.5 enables design overlay districts, but does not establish specific review criteria beyond stating that “any changes or modifications to the standards in a design overlay zone district are considered zoning text amendments subject to the review procedures stated in Section 12.4.11, Text Amendments” (see review criteria below).

Incentive Overlay District Review Criteria. Establishment of ‘Incentive Overlay Zone District’ as a new category of overlay zone district is subject to the review procedures stated in 12.4.11 Text Amendments (see review criteria below). The text amendment creates DZC Section 9.4.6.2.B, establishing review criteria for approval of an individual Incentive Overlay District:

1. Application of an Incentive Overlay District will provide community benefits that furthers one or more adopted city policies; and
2. Such community benefits have been determined by the City to be best achieved through incentives, rather than requirements; and
3. Application of an Incentive Overlay District will ensure clear and predictable outcomes consistent with the applicable neighborhood context, building forms, and the stated purpose and intent of the applicable zone district; and
4. Application of an Incentive Overlay District will apply equally to all similar properties in an area or district to provide equitable outcomes consistent with adopted City policies.

General Review Criteria for All Denver Zoning Code Text Amendments. Section 12.4.11 of the Denver Zoning Code (DZC) sets forth the following general review criteria for consideration of any text amendment:

1. Consistency with Adopted Plans
2. Uniformity of District Regulations and Restrictions
3. Public Health, Safety and General Welfare

General Review Criteria for All Denver Zoning Code Map Amendments. Section 12.4.10 of the Denver Zoning Code (DZC) sets forth the following general review criteria for consideration of a legislative map amendment (note that Sec. 12.4.10.8 “Additional Review Criteria for non-Legislative Rezoning” does not apply to this legislative map amendment):

1. Consistency with Adopted Plans
2. Uniformity of District Regulations and Restrictions
3. Public Health, Safety and General Welfare

1. The Proposed Denver Zoning Code Text and Map Amendment are Consistent with Review Criteria for an Incentive Overlay District

The proposed 38th and Blake Incentive Overlay District is consistent with the review criteria to be established in DZC Section 9.4.6.2.B (see above) because it implements city policies that seek to incentivize specific community benefits by enabling greater building height around the 38th and Blake station. The 38th and Blake Height Amendments specifically recommend adoption of “a regulatory framework for integration of housing affordability within the station area by providing certain density incentives” (plan page 10). The incentive overlay will be applied only to underlying mixed-use (U-MX, C-MX and I-MX) zone districts, and will enable specifically-mapped building height increases, ensuring clear and predictable outcomes consistent with the applicable neighborhood context, building forms, and the stated purpose and intent of the applicable zone district. Finally, the incentive overlay will apply only to properties zoned with a building height limit in stories within the specific area mapped in the 38th and Blake Station Area Height Amendments to provide equitable outcomes consistent with adopted city policies (see map on plan page 7).

2. The Proposed Denver Zoning Code Text and Map Amendment are Consistent with the City’s Adopted Plans

Adopted plans provide both citywide guidance for zoning code text amendments and area-specific recommendations that relate to potential text and map amendments for the River North and 38th and Blake Station areas. They include:

Denver Comprehensive Plan 2000

The proposed text and map amendment are consistent with *Denver Comprehensive 2000 Plan* goals and objectives, including the following:

Environmental Sustainability

- Strategy 2-F: Conserve land by: promoting infill development within Denver at sites where services and infrastructure are already in place; designing mixed-use communities and reducing sprawl, so that residents can live, work and play within their own neighborhoods; creating more density at transit nodes (page 39).
- Strategy 4-A: Promote the development of sustainable communities and centers of activity where shopping, jobs, recreation and schools are accessible by multiple forms of transportation, providing opportunities for people to live where they work (page 41).

Land Use

- Strategy 2-A: (*paraphrased*) Initiate comprehensive review and detailed revision of the Denver Zoning Ordinance . . . The process should balance the perspective of citizens, neighborhoods, businesses, developers and City agencies. The proposed revisions should ensure that the Denver Zoning Ordinance will be (page 58):
 - flexible and accommodating of current and future land-use needs
 - accessible, understandable and easy to use
 - supportive of Denver’s competitive economic strengths and its interest in attracting new development of all types

- Strategy 3-B: Encourage quality infill development that is consistent with the character of the surrounding neighborhood; that offers opportunities for increased density and more amenities; and that broadens the variety of compatible uses (page 60).
- Strategy 3-D: Identify and enhance existing focal points in neighborhoods, and encourage the development of such focal points where none exist (page 60).
- Strategy 4-A: Encourage mixed-use, transit-oriented development that makes effective use of existing transportation infrastructure, supports transit stations, increases transit patronage, reduces impact on the environment, and encourages vibrant urban centers and neighborhoods (page 60).

Mobility

- Mobility Strategy 4-E: Continue to promote mixed-use development, which enables people to live near work, retail and services (page 78).

Denver's Legacies

- Strategy 2-B: Focus design standards and review efforts on new and evolving districts that are undergoing the most dramatic change. Periodically evaluate their need and effectiveness, recognizing that locations of review focus may change over time (page 98).
- Strategy 2-C: Identify community design and development issues, and target specific concerns with appropriate controls and incentives (page 98).
- Strategy 2-D: Define and administer development and design goals clearly and efficiently to ensure they serve as effective tools and incentives to add quality, not cost. Provide development review services in an integrated and flexible package of controls and incentives (page 99).
- Strategy 2-E: Ensure that the Zoning Code reinforces quality urban design (page 99).

Neighborhoods

- Strategy 1-E: Modify land-use recommendations to ensure flexibility to accommodate changing demographics and lifestyles. Allow, and in some places encourage, a diverse mix of housing types and affordable units, essential services, recreation, business and employment, home-based businesses, transportation and open space networks (page 150).

Blueprint Denver (2002)

The proposed text and map amendment are consistent with *Blueprint Denver* goals and objectives, including the following:

Blueprint Area of Change

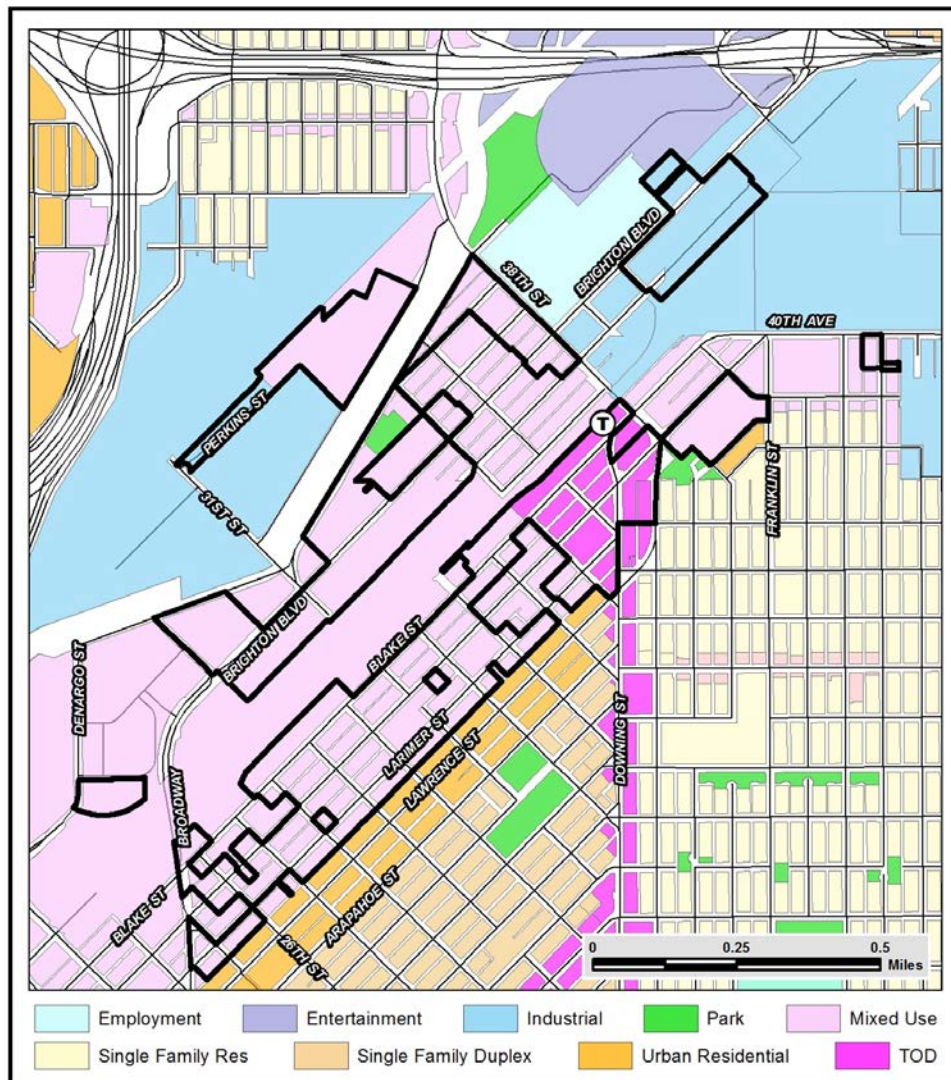
Blueprint Denver designates the River North and 38th and Blake Station areas as an Area of Change, where growth and development should be channeled. Related goals and strategies include:

- Encouraging development within Areas of Change to “allow sufficient development intensity and appropriate mixes of uses so that planned land uses will be economically feasible” (page 128).
- Considering zoning changes to implement design standards that help “ensure that the quality of design is an asset to the surrounding neighborhood” as part of a zoning system that allows “enough density and a mix of uses so that a good development proposal will be economically feasible” (page 74).
- Creating new or modified zone districts where there is not an existing zone district “that allows the appropriate uses, densities, and design standards for certain Areas of change” (page 130).

Blueprint Denver Future Land Use

Blueprint Denver designates a variety of recommended Future Land Uses in the River North and 38th and Blake Station Area, including:

- **Mixed Use.** *Blueprint Denver* designates most of the River North and 38th and Blake Station area with a Mixed Use Future Land Use. These areas are intended to have a sizable employment and housing base with a higher intensity than other residential area. Land uses are not necessarily mixed in each building, or even within each block, but should be within walking distance of each other in the overall neighborhood (page 41).
- **Transit Oriented Development.** *Blueprint Denver* designates properties on the southeast side of the 38th and Blake commuter rail station with a Transit Oriented Development (TOD) Future Land Use. These areas are intended to offer an alternative to traditional development patterns by providing housing, services and employment opportunities in a configuration that facilitates pedestrian and transit access. TOD areas are intended to include mid to high-density development, reduced emphasis on automobile parking, and variety of housing types and prices, including affordable housing opportunities (page 44).
- **Industrial.** *Blueprint Denver* designates some properties near the eastern, western and northern perimeter of the area with an Industrial Future Land Use. *Blueprint* describes a variety of goals for the Industrial Future Land Use from areas where warehousing and industrial uses remain viable to areas with “the potential to be more diverse employment areas” (page 40). In the “North Industrial Area” (portion of Globeville and Elyria and Swansea), *Blueprint Denver* suggests converting industrial areas near transit to a greater mix of uses (page 135).

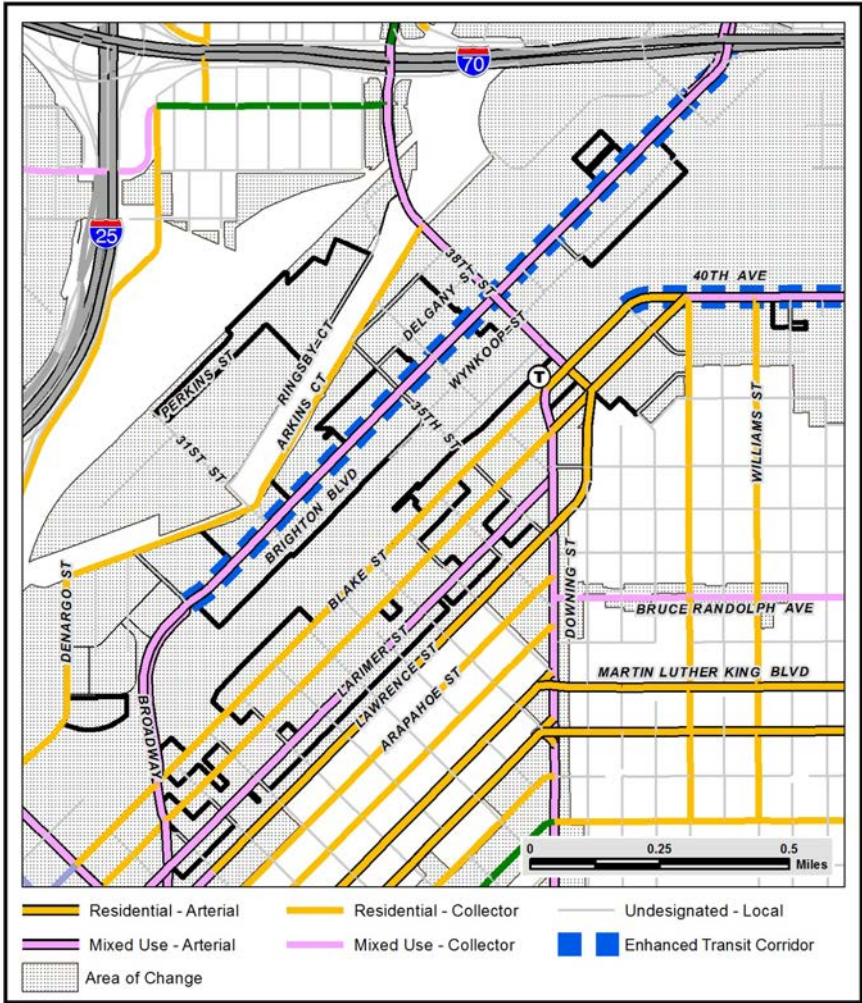


Blueprint Denver Future Land Use Map

Blueprint Denver Street Classification

Blueprint Denver street classifications vary throughout the area, with most higher-level street classifications running from southwest to northeast. These streets include Lawrence (Residential Arterial), Larimer (Mixed-use Arterial) Blake Street (Residential Collector/Residential Arterial) and Brighton Blvd. (Mixed-use Arterial). Mixed-use Arterials emphasize a variety of travel choices such as pedestrian, bicycle and transit use. They are located in areas that are, or are intended to become, high-intensity mixed-use commercial, retail and residential areas with substantial pedestrian activity.

Brighton Blvd. is also classified as an Enhanced Transit Corridor that will provide enhanced mobility through access to efficient forms of transportation including walking, biking, buses, and rail transit. In late 2016, the City of Denver kicked off the Brighton Boulevard Reconstruction project, which will redevelop the corridor to reflect the changing character of the neighborhood. The new Brighton Blvd. will feature protected bike lanes, continuous sidewalks, new stoplights, protected turn lanes, and landscaping.



Blueprint Street Classification Map

38th and Blake Station Area Height Amendments (2016)

City Council President Albus Brooks, and the Department of Community Planning and Development worked with neighborhood stakeholders on a public 2015-2016 process to amend several overlapping plans in the rapidly changing area surrounding the 38th and Blake Station on the University of Colorado A Line. The amendments updated the following plans (information on each of these plans is provided on the following pages):

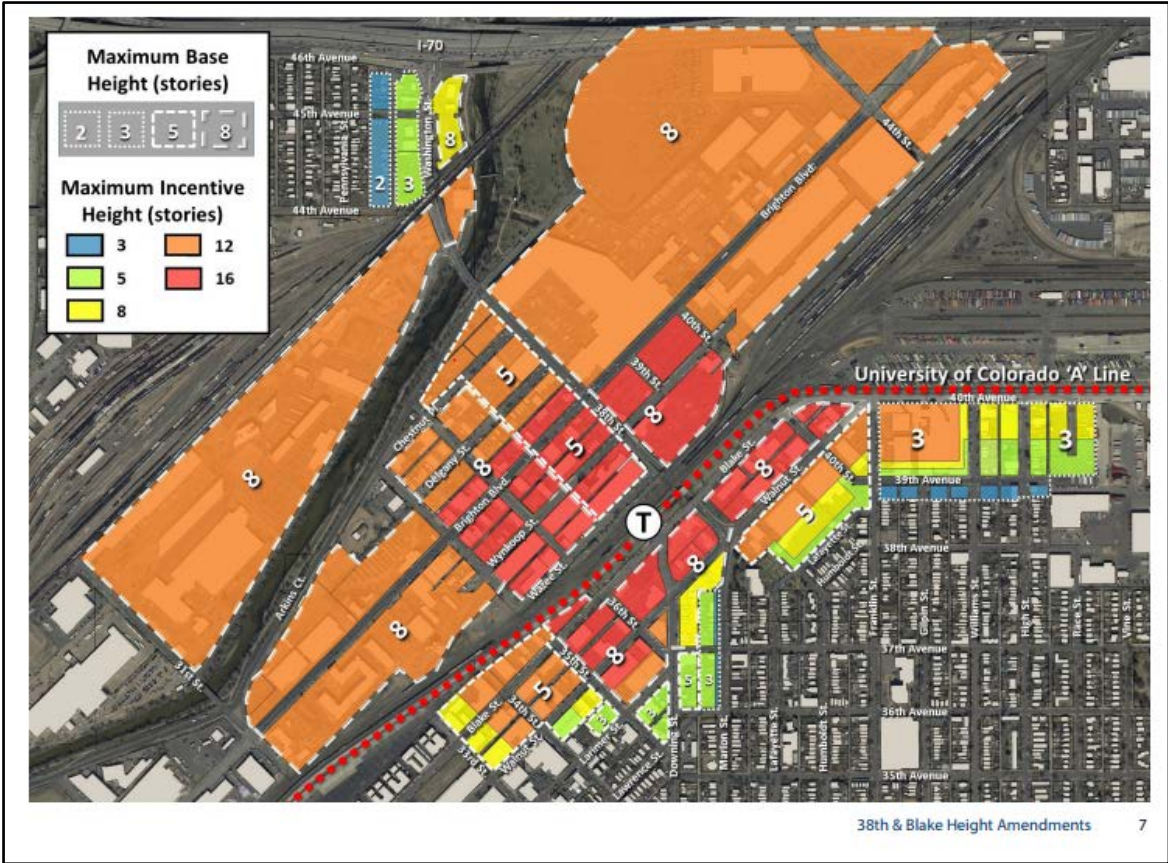
- River North Neighborhood Plan (2003)
- 38th & Blake Station Area Plan (2009)
- Northeast Downtown Neighborhoods Plan (2011)
- Globeville Neighborhood Plan (2014)
- Elyria & Swansea Neighborhoods Plan (2015)

The plan amendment primarily clarified the vision for building height in the area, proposing a system to recognize previously adopted height guidance (from the 2009 station area plan and other relevant area plan documents) as maximum ‘base heights’ for the area. To recognize increased support for higher-density mixed-use development, the plan amendments also proposed a taller maximum ‘incentive heights’ as a “density bonus to deliver specific community benefits within the station area such as higher design quality and integration of affordable housing (page 7). Plan recommended base heights range from 2 to 8 stories (previously recommended plan heights) and incentive heights range from 3 to 16 stories (an updated vision for greater building height near the station with scale transitions to adjacent neighborhoods). The plan amendments did not update specific land-use guidance for the station area.

The proposed text and map amendment are consistent with the goals and objectives of the *38th and Blake Station Area Height Amendments*, including the following:

- “Promote taller building heights to support transit oriented development that provides community benefits and incorporates appropriate height transitions...” (page 6).
- “Adopt a new regulatory approach to ensure greater design quality throughout the station area” (page 8). Specific objectives include:
 - Establish a comfortable pedestrian scale and reduce building massing through variations in building-height, upper story setbacks, or other mass and scale alternatives techniques (relates to mass reduction tool in the proposed DO-7 overlay district).
 - Capitalize on the multitude of multi-modal public transit investments by mitigating the impacts of vehicular parking with techniques such as screening parking with active uses, no parking minimums, and other parking best practices (relates to limitations on visible parking above street level and parking exception near transit tools in the proposed DO-7 overlay district).
 - “Develop regulatory tools, such as a Design Overlay District, to implement recommendations for greater design quality throughout the station area.” (page 11)

- “Establish the river corridor as an amenity and resource with comfortable pedestrian scale and eyes on the river for safety and vibrancy” (page 9). Specific objectives include:
 - Explore design regulations that create variety and interest through varied building forms along the river (relates to mass reduction tool in the proposed DO-7 overlay district).
 - Require new development to front or address the South Platte Riverfront (relates criteria for Primary Street designation of zone lot lines adjacent to the river in the proposed DO-7 overlay district).
- “Adopt a new regulatory approach to integrate affordable housing and mixed income development within the 38th and Blake Station area” (page 10). Specific objectives include:
 - Establishing a “regulatory framework for integration of housing affordability within the station area by providing certain density incentives, or a density bonus to achieve the Maximum Incentive Height shown on the Future Maximum Building Heights Map” (relates to the proposed IO-7 overlay district).
 - Encouraging “partnership between City and private development to achieve goals related to affordable housing” (relates to the proposed IO-7 overlay district).
 - Coordinating “with city-wide affordable housing funding efforts” (relates to proposed affordable housing requirements in the proposed IO-7 overlay district, which are proposed to relate to multiples of the citywide affordable housing linkage fee).
 - “Develop regulatory tools to require affordable housing within the station area that utilize the increased Maximum Incentive Height illustrated on the “Future Maximum Building Heights Map” on page 7.” (page 11)
- “Adopt zoning map amendments to rezone properties within the 38th & Blake study area, consistent with the height and regulatory recommendations of this plan.” (page 11)

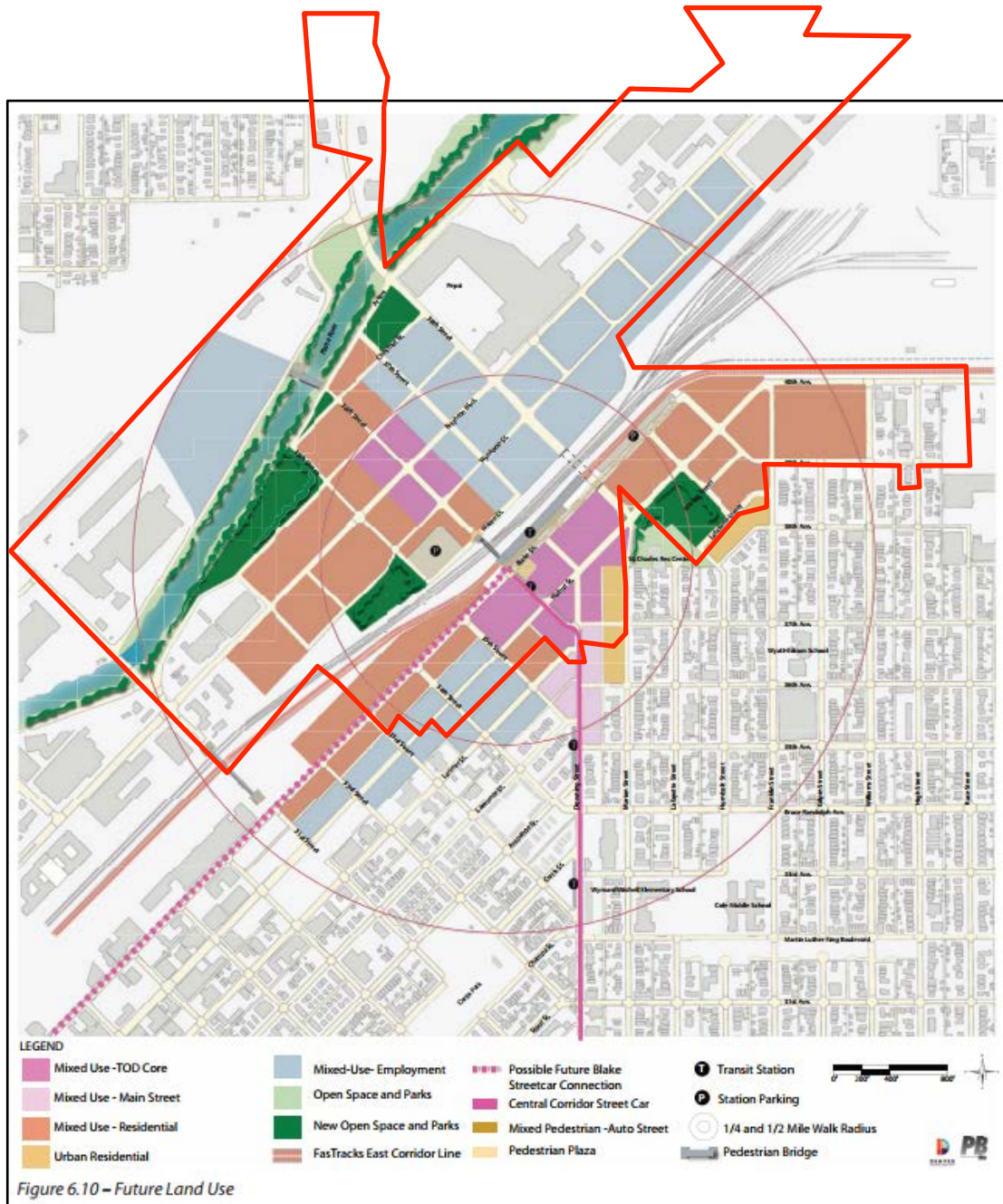


38th and Blake Height Amendments – Concept Height Map

38th and Blake Station Area Plan (2009)

The proposed text and map amendment are consistent with the goals and objectives of the 38th and Blake Station Area Plan, including the following:

- A vision for two “TOD (transit-oriented development) Cores” on the northwest and southeast sides of the RTD station and track right-of-way, surrounded by blocks of mixed-use residential and mixed-use employment that step down in intensity as they get closer to single-unit residential areas (page 49).
- Provision of financial incentives to include flexible zoning provisions and density bonuses (page 71).
- Availability of equitable housing and transportation choices (page 14).

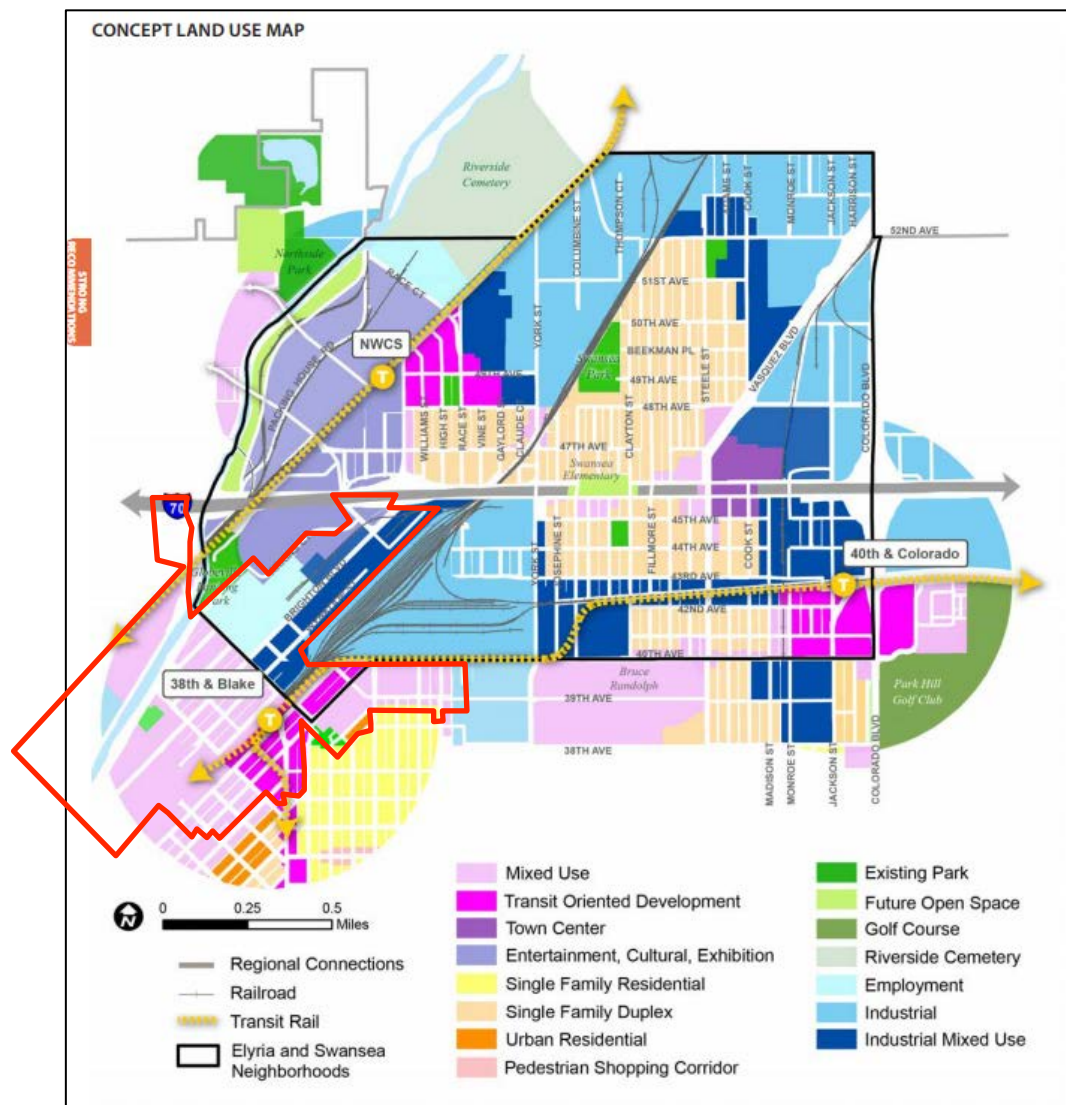


38th and Blake Station Area Plan – Future Land Use Map

Elyria and Swansea Neighborhood Plan (2015)

The proposed text and map amendment are consistent with the goals and objectives of the *Elyria and Swansea Neighborhood Plan*, including the following:

- Future land use recommendation for transit oriented development near the 38th & Blake RTD Station, including “higher density housing, services and employment opportunities near rail stations to provide for a diverse population with safe and convenient pedestrian access to rail transit.”
- Recommendations for councilmember-initiated rezonings to implement the plan vision (page 29).
- Recommendations for “discussion and collaboration with the community and applicable neighborhood associations” to consider whether taller heights may be appropriate nearest the 38th and Blake RTD Station (page 31).



Elyria and Swansea Neighborhoods Plan – Concept Land Use Map

Northeast Downtown Neighborhoods Plan (2011)

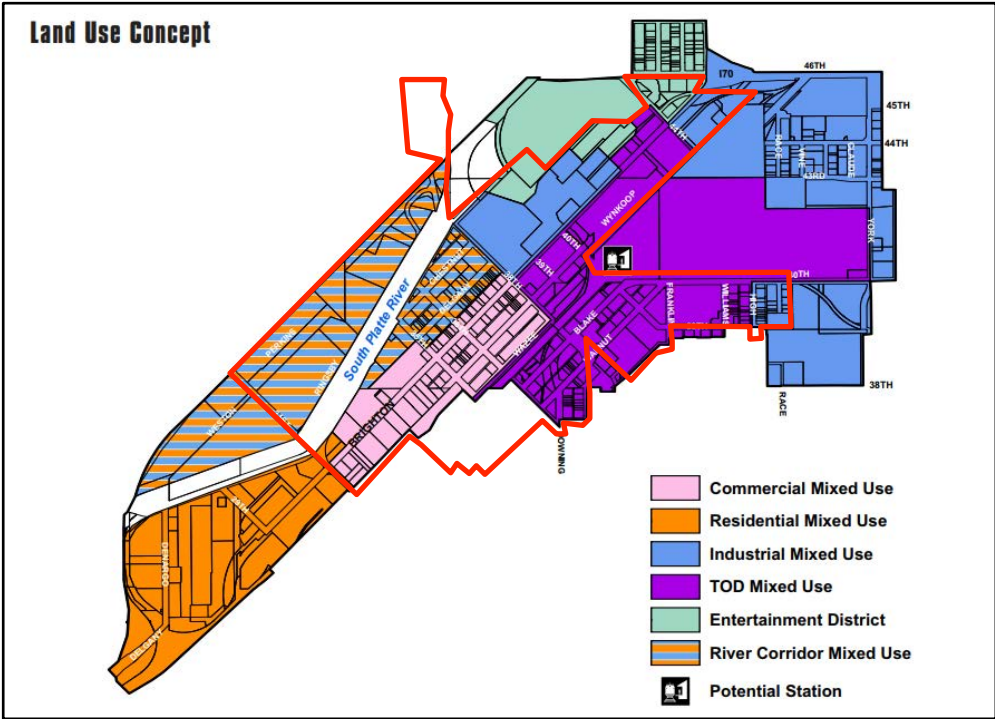
The proposed text and map amendment are consistent with the goals and objectives of the *Northeast Downtown Neighborhoods Plan*, including the following recommendations for the Ballpark/River North portion of the planning area:

- “Promote urban character with a build-to line to provide a consistent street edge and to support pedestrian activity. Reinforce the character and quality of public streets with buildings that provide consistent siting, pedestrian orientation, and access to the street. Minimize the visual impacts of parking by structuring it within the development, or by locating surface lots to the rear or side of buildings with access to/from the alley” (page 74).
- “Give prominence to the pedestrian realm as a defining element of neighborhood character. Maintain required ground story activation such as window transparency and street facing entrances. Locate commercial uses on the ground floor to activate buildings and the street” (page 74).

River North Plan (2003)

The proposed text and map amendment are consistent with the goals and objectives of the *River North Plan*, including the following:

- “Develop and maintain a well-designed urban environment, promoting the use of designs and materials that reflect the community’s unique industrial character” (page 112).
- “Promote the development of affordable housing in the TOD district” (page 74).
- “Provide a range of housing options” (page 76).



River North Plan – Future Land Use Map

3. The Proposed Denver Zoning Code Text and Map Amendment Further the Public Health, Safety and Welfare of the City

The proposed text and map amendments further the public health, safety, and general welfare of Denver residents by implementing adopted plan objectives to promote pedestrian-friendly design that supports use of alternative transportation and by ensuring that higher intensity development provides affordable housing and other community benefits.

4. The Proposed Denver Zoning Code Text and Map Amendment Result in Regulations that are Uniform Across the District

The proposed text and map amendments will result in uniform regulations applicable to all new buildings within land mapped with the DO-7 and IO-1 overlays.

Staff Recommendation

A. Denver Zoning Code Text Amendment #2

Based on the review criteria for a text amendment stated in the Denver Zoning Code (DZC), Section 12.4.11 (Text Amendment), CPD staff recommends **approval** for Denver Zoning Code Text Amendment #2.

B. Denver Zoning Code Map Amendment #2017I-00121

Based on the review criteria for a map amendment in the Denver Zoning Code (DZC), Section 12.4.10 (Map Amendment), CPD staff recommends **approval** for map amendment proposal #2017I-00121.

D. Denver Revised Municipal Code Amendment to Establish Affordable Housing Requirements Linked to DZC 38th and Blake Station Area Incentive Overlay (IO-1)

Office of Economic Development (OED) and CPD staff recommend **approval** for the Denver Revised Municipal Code (DRMC) amendment to create a new Chapter 27, Article VI setting forth affordable housing requirements for the 38th and Blake Incentive Overlay (IO-1).

Attachments

- A. Redlined Draft of Proposed Denver Zoning Code Text Amendment #2
- B. Denver Zoning Code Map Amendment Proposal #2017I-00121
- C. Draft Denver Revised Municipal Code Amendment to Establish New Chapter 27 Article VI with Affordable Housing Requirements Linked to DZC 38th and Blake Station Area Incentive Overlay
- D. River North Design Overlay Summary Handout
- E. 38th and Blake Incentive Overlay Summary Handout
- F. 38th and Blake Incentive Overlay Financial Feasibility Study Memo
- G. Stakeholder Letters
 - Cole Neighborhood RNO Statement (11/27/17)
 - United Community Action Network RNO Statement (from Armando Payan 12/23/17)
 - Letter from RiNo Property Owners (6/30/17)
 - Letter from RiNo Property Owners (11/17/17)
 - Letter from Urban Land Conservancy (12/5/17)
 - Letter from Thomas J. Ragonetti on behalf of Carmel Partners (12/5/17)
 - Letter from Dick Farley (12/6/17)



Denver Zoning Code Text Amendment #2
 River North Design Overlay District (DO-7)

38th and Blake Station Area Incentive Overlay District (IO-1)

LAND USE, TRANSPORTATION & INFRASTRUCTURE COMMITTEE REDLINE REVIEW DRAFT
12/27/17

This document contains a redlined draft of the proposed text amendments to create a new River North Design Overlay District, establish a new Incentive Overlay District category and create the 38th and Blake Station Incentive Overlay District. The City Council Land Use, Transportation and Infrastructure (LUTI) meeting is scheduled for 1/2/18.

1. Text in red underline is proposed new language.
2. Text in ~~red strikethrough~~ is proposed deleted language.
3. While efforts are made to ensure document quality, cross-referenced section numbers, figure numbers, page numbers, and amendment numbers may appear incorrect since both new and old text appears in a redlined draft. These will be corrected in the final, “clean” version of the text amendment that is filed for adoption by City Council.

Please visit www.denvergov.org/38blake to learn more about these proposed overlay zone districts.

Also visit our website at www.DenverGov.org/CPD, then click on Text Amendments under Zoning, to:

- Learn more about Text Amendments
- Learn more about the process for this text amendment
- Sign up for email newsletters

Please send any questions or comments to Abe Barge, Principal City Planner (Abe.Barge@denvergov.org) or Senior City Planner Andrew Webb (Andrew.Webb@Denvergov.org)

ALL INTERESTED PERSONS AND ORGANIZATIONS SHOULD EXPRESS THEIR CONCERNS OR SUPPORT AT THE AT THE PUBLIC HEARING BEFORE CITY COUNCIL.

**RIVER NORTH DESIGN OVERLAY/38TH & BLAKE INCENTIVE OVERLAY TEXT AMENDMENT
 LUTI REVIEW DRAFT 12/27/17**

2.3.1.3 Design Standards

The Design Standards Division establishes the intent of all applicable design standards, allowed building forms by zone district, building form standards and any exceptions or alternatives. A summary table provides an overview for easy reference. Each building form has a set of illustrations and a table of standards to ensure clarity in interpretation.

2.3.1.4 Uses and Required Minimum Parking

Uses and Parking provides a listing of all allowed uses by zone district. With each use category, the vehicle and bike parking requirements are listed.

SECTION 2.3.2 ARTICLE 8: DOWNTOWN NEIGHBORHOOD CONTEXT

The Downtown Neighborhood Context is organized differently than Articles 3 through 7 due to the unique nature of the downtown zone districts. This Article contains all the zone districts within the city's downtown area and applicable regulations. The Downtown Neighborhood Context has a different zone district naming convention. The first letter is "D" to denote the Downtown Neighborhood Context. The second letters are abbreviations for the specific neighborhood within Downtown. For example: D-AS is Downtown Arapahoe Square. After providing the zoning regulations for each downtown zone district, there are Sections on design standards and the uses and minimum parking requirements.

SECTION 2.3.3 ARTICLE 9: SPECIAL CONTEXTS AND DISTRICTS

Article 9 contains regulations for Special Contexts and Districts. Special Contexts and Districts are those that need to be treated differently due to specialized uses, forms, regulations and/or procedures. Special Contexts and Districts have a different zone district naming convention described within each Division. The first letters indicate the type of context or district with subsequent lettering or numbering when there is variation.

- 2.3.3.1 Industrial Context (I-MX, -A, -B): The Industrial Context establishes zone districts that allow varying intensities and types of industrial forms and uses.
- 2.3.3.2 Campus Context (CMP-H, -H2, -EI, -EI2, -ENT, -NWC): The Campus Context establishes zone districts for larger scale sites offering healthcare, education/institution, entertainment, and the National Western Center.
- 2.3.3.3 Open Space Context (OS-A, -B, -C): The Open Space Context establishes zone districts for various types of park, recreational and open space land.
- 2.3.3.4 Districts (CO, UO, DO, IO, AIO): Overlay Districts are zone districts that apply in addition to the base zone district. There are Conservation Overlay Districts, Use Overlay Districts, Design Overlay Districts, Incentive Overlay Districts and the Airport Influence Overlay District.
- 2.3.3.5 Denver International Airport District: This district applies to the Denver International Airport.
- 2.3.3.6 O-1 Zone District: O-1 is a zone district that applies to various recreation, institutional, and utilities.
- 2.3.3.7 Planned Unit Development District: The Planned Unit Development District is a unique zone district that provides form, use, parking and other standards tailored to a particular site.
- 2.3.3.8 Master Planned Context: The Master Planned Context is intended for larger scale sites that will develop over a long period of time and in multiple phases. Within the Master Planned Context there is a menu of residential and mixed use zone district.

SECTION 2.3.4 ARTICLES 10 THROUGH 13: GENERAL STANDARDS AND PROCEDURES

Articles 10 through 13 contain regulations that apply throughout the city and are not unique to a Neighborhood Context or Special Context. They are organized together so that common regulations are found in the same place such as use limitations, procedures, definitions and rules of measurement.

RIVER NORTH DESIGN OVERLAY/38TH & BLAKE INCENTIVE OVERLAY TEXT AMENDMENT
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MASTER PLANNED CONTEXT	
M-RH-3	Row House 3
M-RX-3	Residential Mixed Use 3
M-RX-5	Residential Mixed Use 5
M-RX-5A	Residential Mixed Use 5A
M-CC-5	Commercial Corridor 5
M-MX-5	Commercial Mixed Use 5
M-IMX-5	Industrial Mixed Use 5
M-IMX-8	Industrial Mixed Use 8
M-IMX-12	Industrial Mixed Use 12
M-GMX	General Mixed Use
OVERLAY DISTRICTS	
UO-	Use Overlay District
CO-	Conservation Overlay District
DO-	Design Overlay District
<u>IO-</u>	<u>Incentive Overlay District</u>
AIO-	Airport Influence Overlay District
OTHER SPECIAL CONTEXTS OR ZONE DISTRICTS	
PUD	Planned Unit Development
PLANNED UNIT DEVELOPMENT CONTEXT	
DIA	Denver International Airport
O-1	Open Zone District

RIVER NORTH DESIGN OVERLAY/38TH & BLAKE INCENTIVE OVERLAY TEXT AMENDMENT
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DIVISION 9.4 OVERLAY ZONE DISTRICTS

SECTION 9.4.1 GENERAL INTENT

Overlay Zone Districts are generally intended, in special and unique cases, to provide a vehicle to supplement otherwise generally applicable zone district standards with additional use or design limits, allowances, and prohibitions.

SECTION 9.4.2 OVERLAY ZONE DISTRICTS ESTABLISHED

To carry out the provisions of this Code, the following overlay zone districts have been established and are applied to property as set forth on the Official Map.

OVERLAY ZONE DISTRICTS	
CO-	Conservation Overlay District
UO-	Use Overlay District
DO-	Design Overlay District
IO-	Incentive Overlay District

9.4.2.1 Process to Establish Overlay Zone Districts - Text Amendment & Rezoning Required

Creation of an overlay zone district shall be by text amendment according to Section 12.4.11, Text Amendment, to codify the standards established within the overlay, and by an official map amendment (rezoning) according to Section 12.4.10. With the Manager's approval, the map amendment may be filed and reviewed concurrent with the text amendment according to Section 12.3.3.9, Concurrent Applications. In no case, however, shall the map amendment be approved until the text amendment creating the overlay zone district is approved.

9.4.2.2 Effect of Underlying Zone District Designation

All of the provisions of the underlying zone district shall be in full force and effect, unless such provisions are specifically varied by the provisions of the applicable overlay zone district; provided, however, except in an approved use overlay zone district (-UO), an overlay zone district shall not be used to add to the specific permitted uses in the underlying district, nor shall it be used to prohibit specific permitted uses in the underlying district.

9.4.2.3 Effect of Overlay Zone District Designation

All zoning applications within a specific overlay zone district shall comply with the applicable provisions of that overlay zone district, and the underlying zone district, and shall be reviewed under this Code to assure such compliance. Where the provisions of the overlay zone district are different from (e.g., in the case of an overlay use district), or more restrictive than (e.g., in the case of a neighborhood conservation overlay zone district) the provisions of the underlying zoning designation, the provisions of the overlay zone district shall apply. A change in the underlying zone district does not change the content or applicability of the overlay zone provisions.

SECTION 9.4.3 CONSERVATION OVERLAY DISTRICT (CO-)

9.4.3.1 Purpose

The Conservation Overlay District is intended to provide a vehicle to initiate and implement programs for the revitalization or conservation of specific areas within Denver possessing distinctive features, identity, or character worthy of retention and enhancement. A Conservation Overlay District takes effect through adoption of area specific standards that will facilitate maintenance and protection of the area's existing character and the development of vacant or under used lots. The overlay may also be used to establish specific design guidelines that are more detailed than the standards of this Code for use during review of development within the overlay zone district.

**RIVER NORTH DESIGN OVERLAY/38TH & BLAKE INCENTIVE OVERLAY TEXT AMENDMENT
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B. Modification of Underlying Zone District Standards

1. Modification of Permitted Uses and Use Limitations Not Allowed

A Design Overlay District shall not be used to add to the specific permitted uses in the underlying zone district, nor shall it be used to prohibit specific permitted uses in the underlying district, nor shall it be used to add, revise, or delete use limitations applicable to specific permitted uses in the underlying zone district.

2. All Other Applicable Standards -- Modification Allowed

All of the provisions of the underlying zone district shall be in full force and effect, unless such provisions are specifically varied by the provisions of the applicable design overlay zone district, in which case the standard in the design overlay zone district shall apply.

9.4.5.3 Design Overlay Districts Established

The following Design Overlay Districts are established:

Uptown Design Overlay District	DO-1
Washington Street Design Overlay District	DO-2
Lafayette Street Design Overlay District	DO-3
Side Interior Setback Design Overlay District	DO-4
South Sloan's Lake Design Overlay District	DO-5
Peña Station Next Design Overlay District	DO-6
River North Design Overlay District	DO-7

9.4.5.4 Effect of Approval

A. Official Map Designator

Each Design Overlay District shall be shown on the official map by an "DO-" designator and an appropriate number placed after the underlying zone district designation.

B. Limitation on Permit Issuance

mit for development or a use within an Design Overlay District shall be issued by the City unless the development or use meets the standards set forth in this Section, as applicable, and the applicable approved Rules and Regulations.

9.4.5.5 Uptown Design Overlay District (DO-1)

A. Creation

1. There is hereby created an design overlay district designated as the Uptown Design Overlay District.
2. As applied on the Official Zoning Map to properties retaining underlying zone district designations pursuant to Former Chapter 59, DO-1 Uptown Design Overlay District's standards shall not be applicable until such properties are rezoned (through an Official Map Amendment) to an underlying zone district pursuant to this Code.

B. Lower Floor Building Design

All new structures and all structures renovated where (1) the renovation is valued at more than 50 percent of the replacement cost of the existing building excluding land costs, and (2) the renovation includes alterations to the exterior of the building other than restoration of original design features with original materials, shall be subject to the design standards set forth below; provided, however, that if property is a designated Historic Structure, or is a contributing structure in a designated historic district, such property shall not be subject to the design standards and design review procedures set forth below.

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9.4.5.11 River North Design Overlay District (DO-7)

A. Creation

There is hereby created a design overlay district designated as the River North (RiNo) Design Overlay District (DO-7).

B. General Purpose of Overlay District

1. Implement adopted plans; and
2. Promote creative, high-quality, design in the general area covered by the adopted 38th and Blake Station Area Height Amendments and the RiNo Business Improvement District;
3. Provide flexibility to support the diverse design traditions of RiNo;
4. Activate the South Platte River frontage to promote the river as a neighborhood asset;
5. Maintain human scale and access to daylight as heights and densities increase throughout the district;
6. Promote vibrant pedestrian street frontages with active uses and street-fronting building entries;
7. Provide transitions between residential frontages and mixed-use streets;
8. Ensure that buildings are designed to adapt to new uses as the district changes and evolves;
9. Promote active transportation options, such as walking and biking;
10. Minimize potential conflict points between pedestrians and motor vehicles;
11. Minimize the visibility of surface and structured parking areas for vehicles; and
12. Encourage small, privately-owned, open spaces to increase design diversity along the street frontage and support pedestrian activity.

C. Applicability of Overlay District

The provisions of this DO-1 district shall apply only to those areas within Denver Zoning Code Mixed Use Commercial, Industrial Mixed Use and Residential Mixed Use Underlying Zone Districts that are designated with the DO-7 Overlay Zone District on the Official Zone Map.

D. Building Form Intent Within Overlay District

1. Siting

a. Required Build-To

- i. Provide a consistent street edge.
- ii. Define streets to promote pedestrian activity and sense of place.
- iii. Reinforce the character and quality of public streets with buildings that provide consistent siting, pedestrian orientation and access to the street.

b. Residential Setbacks

- i. Promote a vibrant and safe pedestrian experience.
- ii. Provide transitional space between the edge of a public sidewalk and a Street Level building frontage containing residential dwellings.
- iii. Activate the street while providing privacy for residents.

c. Parking Location and Access

- i. Minimize the visual impact of parking areas on streets and adjoining properties where parking is needed.
- ii. Minimize conflict between pedestrians, cyclists and vehicles where parking is needed.
- iii. Ensure that surface parking is well integrated into to the streetscape.

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2. Design Elements

a. Street Level Height

- i. Promote Street Level designs that can be adapted to a wide array of future uses.
- ii. Ensure that Street Level building spaces have an appropriate scale in relationship to the pedestrian realm.

b. Limitation on Visible Parking Above the Street Level

- i. Promote structured parking designs that are compatible in character and quality with the overall building facade, adjoining buildings and streetscapes.
- ii. Promote visual interest on upper story building facades.

c. Incremental Mass Reduction

- i. Reduce the perceived mass and scale of buildings.
- ii. Preserve access to daylight.
- iii. Promote creative building designs.
- iv. Incentivize provision of Private Open Space.

d. Transparency

- i. Maximize transparent windows at the Street Level to activate the street.
- ii. Utilize doors and windows to establish scale, variation, and patterns on building facades that provide visual interest and connect to uses within the building.
- iii. Limit the use of highly reflective glass to avoid reflected glare onto neighboring streets and properties.

e. Dwelling Unit Entrance with Entry Feature

- i. Ensure that individual residential units contribute to activation of the street.
- ii. Promote frontage designs with a traditional semi-public transition area between the public street frontage and private residential units.
- iii. Promote visually interesting and human-scaled facades.

E. Primary Building Form Standards Within Overlay District

1. Applicability

All development, except detached accessory structures, in the DO-7 district.

2. General Standards

Except as modified in this Section 9.4.5.11.E, the primary building form standards set forth in the Underlying Zone District shall apply.

3. District Specific Standards Summary

The maximum number of structures per Zone Lot and building forms allowed in the Underlying Zone District are modified as summarized below:

Max Number of Primary Structures per Zone Lot	Building Forms													
	Suburban House	Urban House	Detached Acc. Dwelling Unit	Duplex	Tandem House	Town House	Garden Court	Row House	Apartment	Drive Thru Services	Drive Thru Restaurant	General	Shopfront	Industrial
no max												■	■	

■ = Allowed □ = Allowed subject to limitations

4. District Specific Standards Within Overlay Zone District

The district-specific standards of the Underlying Zone District are modified as set forth in the following table.

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HEIGHT	DO-7 Overlay District	
<u>Stories, feet, height adjacent to a Protected District and height exceptions</u>	<u>See Underlying Zone District or Other Applicable Overlay</u>	
SITING	DO-7 Overlay District	
REQUIRED BUILD-TO		
<u>Primary Street (min build-to %)</u>	<u>70%</u>	
<u>Primary Street (min/max build-to range)</u>	<u>0'/15'</u>	
<u>Build-to Exceptions and Alternatives</u>	<u>Frontage Subject to a Residential Setback: 7'/20'</u>	
<u>Build-to Exceptions and Alternatives</u>	<u>See Section 9.4.5.11.G.1</u>	
SETBACKS		
<u>Primary Street, Side Street, Side Interior, Rear, Setback adjacent to Protected District and Setback exceptions/encroachments</u>	<u>See Underlying Zone District</u>	
RESIDENTIAL SETBACKS		
<u>Primary and Side Street (min)</u>	<u>7'</u>	
PARKING		
<u>Surface Parking between building and Primary Street</u>	<u>Not Allowed</u>	
<u>Surface Parking Screening Required</u>	<u>See Section 7.3.5.1.C</u>	
<u>Surface Parking Screening Required</u>	<u>See Section 9.4.5.11.F.1</u>	
<u>Vehicle Access</u>	<u>See Underlying Zone District</u>	
DESIGN ELEMENTS	DO-7 Overlay District	
BUILDING CONFIGURATION		
<u>Street Level Height (min)</u>	<u>16'</u>	
<u>Limitation on Visible Parking Above Street Level for Structures Over 5 stories or 70' feet in height (min % of Primary Street and Side Street-facing Zone Lot width)</u>	<u>70%</u>	
<u>Alternative to Limitation on Visible Parking Above Street Level</u>	<u>See Section 9.4.5.11.F.2</u>	
<u>Alternative to Limitation on Visible Parking Above Street Level</u>	<u>See Section 9.4.5.11.G.2</u>	
<u>Upper Story Setback adjacent to Primary Street and Protected District</u>	<u>See Underlying Zone District</u>	
INCREMENTAL MASS REDUCTION BY ZONE LOT SIZE/WIDTH	≤18,750 Sq. Ft/ ≤150'	>18,750 Sq. Ft/ >150'
<u>Incremental Mass Reduction for Stories 3-5</u>	<u>na</u>	<u>10%</u>
<u>Incremental Mass Reduction for Stories 6-8</u>	<u>na</u>	<u>15%</u>
<u>Incremental Mass Reduction for Stories 9-12</u>	<u>na</u>	<u>20%</u>
<u>Incremental Mass Reduction for Stories 13-16</u>	<u>na</u>	<u>30%</u>
<u>Alternative to Incremental Mass Reduction</u>	<u>na</u>	<u>See Section 9.4.5.11.G.3</u>
STREET LEVEL ACTIVATION		
<u>Transparency, Primary Street (min for all uses)</u>	<u>50%</u>	
<u>Transparency, Side Street (min for all uses)</u>	<u>40%</u>	
<u>Transparency Alternatives</u>	<u>See Section 9.4.5.11.G.4</u>	
<u>Pedestrian Access, Primary Street</u>	<u>See Underlying Zone District</u>	
<u>Additional Pedestrian Access, Primary and Side Street (min. required for each Street Level Dwelling Unit)</u>	<u>1 Dwelling Unit Entrance with Entry Feature for each Street Level Dwelling Unit</u> <u>See Section 13.1.6.2.B.3.c.</u>	
USES	DO-7 Overlay District	
<u>(1) On all Zone Lot sizes and widths, 100% of the portion of the Street Level building frontage that meets the minimum Primary Street build-to requirement shall be occupied by Street Level active uses as described in Section 7.3.5.5.C; (2) Where Zone Lot size is greater than 18,750 square feet, or Zone Lot width is greater than 150 feet, 70% of the portion of the Street Level building frontage that meets the minimum Primary Street build-to requirement shall be occupied only by Street Level non-residential active uses as described in Section 9.4.5.11.F.3 (note that the remaining 30% shall be occupied by Street Level active uses as described in Section 7.3.5.5.C); and (3) The exterior of the Structure shall not have individual entrances to storage units within a Mini-Storage Facility use.</u>		

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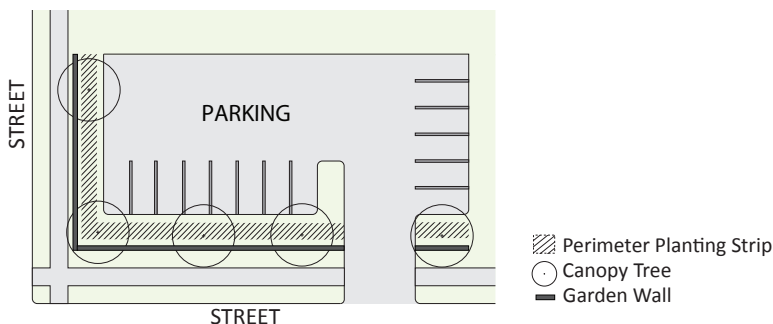
F. Supplemental Design Standards for the DO-7 Overlay District

1. Parking Design and Access

- a. Perimeter Surface Parking Lot Landscaping Standards Abutting Street Right-of-Way**
- i. Section 10.5.4.1, Applicability and Exceptions, shall apply.
 - ii. Perimeter Surface Parking Lot Landscaping Standards Abutting Street Right-of-Way:
 - a) To the maximum extent feasible, on-site drainage required for a Zone Lot shall be integrated into the perimeter planting strip.
 - b) Alternatives to required landscape and wall materials may be allowed to better match primary building materials used on the site according to Section 12.4.5, Administrative Adjustment.
 - c) The following shall be provided within Zone Lot boundaries between the boundary of any surface parking lot and street rights-of-way. See Figure 9.4-15

PERIMETER PLANTING STRIP REQUIRED	PLANTINGS REQUIRED WITHIN THE PERIMETER PLANTING STRIP	GARDEN WALL REQUIRED	GARDEN WALL HEIGHT	GARDEN WALL MATERIALS	PEDESTRIAN ACCESS REQUIRED
<u>Yes, minimum width of 8'</u>	<u>1 deciduous canopy tree for every 25' of linear frontage. Spacing of trees may vary; the maximum spacing is 40'</u>	<u>Yes</u>	<u>Min. 30 inches; Max. 42 inches</u>	<u>Masonry or Ornamental fence with masonry piers spaced not more than 25'</u>	<u>Yes; Min. 3' wide access at max. of 80' intervals along all public street and alley frontages of the parking lot</u>

Figure 9.4.15



- b. Perimeter Surface Parking Lot Landscaping Standards Adjacent to Residential Use or Zone**
The fence requirements set forth in Section 10.5.4.4.C shall apply to off-street parking areas adjacent to a residential use or zone district in addition to the standards set forth in Section 9.4.5.11.F.1.a.

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2. Limitation on Visible Parking Above Street Level

a. Intent

To minimize the visibility, and impacts of structured parking and promote visual interest on upper story building facades.

b. Applicability

The Limitation on Visible Parking Above Street Level set forth below applies to Structures that are greater than 5 stories or 70 feet in height (excluding permitted height exceptions) that include structured parking above Street Level in the DO-7 district, except where an exception has been used as set forth in 9.4.5.11.G.2.

c. Allowance

i. Uses that meet the Limitation on Visible Parking Above Street Level shall occupy floor area above Street Level for a minimum depth of 15 feet from the Primary Street or Side Street frontage (may include the depth of recessed balcony or terrace areas and insets for building articulation up to 10 feet in depth) to wrap structured parking.

ii. Uses that meet the Limitation on Visible Parking Above Street Level shall include all primary uses, but shall not include Parking Spaces or Parking Aisles for the minimum specified percentage of the Primary or Side Street-facing Zone Lot width.

3. Street Level Active Non-Residential Use in the DO-7 District

a. Intent

Promote activity on the street and sidewalk, enhance safety and encourage a vibrant urban environment with uses accessible to the general public.

b. Applicability

i. This Section 9.4.5.11.F.3 applies to the General or Shopfront building form in all Underlying Zone Districts on Zone Lots that are:

- a) Greater than 18,750 square feet in size; or
- b) Greater than 150 feet in Zone Lot Width.

ii. **Applicability Exception for Lower-Scale Buildings**

Regardless of Zone Lot size or width, this Section 9.4.5.11.F.3 shall not apply to Structures that do not exceed 3 stories or 45 feet (excluding permitted height exceptions).

c. Street Level Active Non-Residential Uses

i. Street Level active non-residential uses include all permitted primary uses except the following:

- a) Dwelling, Single Unit;
- b) Dwelling, Two Unit
- c) Dwelling, Multi-Unit;
- d) Dwelling, Live / Work;
- e) Automobile Services, Light;
- f) Mini-storage Facility; or
- g) Wholesale Trade or Storage, Light.

ii. Street Level active non-residential uses include all permitted accessory uses except the following:

- a) Accessory uses associated with primary uses prohibited by Section 9.4.5.11.F.3.c.i;

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- b) Outdoor Storage, General;
- c) Outdoor Storage, Limited;
- d) Car Wash Bay Accessory to Automobile Services or Hotel Uses; or
- e) Drive Through Facility Accessory to Eating/Drinking Establishments and to Retail Sales, Service, and Repair Uses.
- d. Street Level active non-residential uses shall not include Parking Spaces or Parking Aisles.
- e. Street Level active nonresidential uses shall occupy Street Level floor area for a minimum depth of 15 feet (may include the depth of a recessed entrance allowed to meet minimum pedestrian access standards).
- f. The length of any build-to alternatives permitted by Section 9.4.5.11.G.1.b, except the Private Open Space alternative, shall not apply toward the required percentage of Street Level building frontage that must be occupied by Street Level active nonresidential uses.

G. Design Standard Alternatives and Exceptions for the DO-7 Overlay District

1. Required Build-to Alternatives

- a. **Intent**
To help define the public realm and enhance the visual quality of the built environment where it is not possible to define the street and public sidewalk edge with building facades.
- b. **Allowance**
The following alternatives may be used singularly or in combination as alternatives to a required build-to standard and may count toward the required build-to no more than as described in the table below, provided all alternatives meet the requirements stated in Section 13.1.5.7.E:

REQUIRED BUILD-TO ALTERNATIVES						
PERMANENT OUTDOOR PATIO SEATING (MAX INCREASE IN BUILD-TO RANGE)	PRIVATE OPEN SPACE (MAX % OF BUILD-TO)	GARDEN WALL (MAX % OF BUILD-TO)	GARDEN WALL WITH COVERED SEATING FOR PEDESTRIANS (MAX % OF BUILD-TO)	PERGOLA (MAX % OF BUILD-TO)	ARCADE (MAX % OF BUILD-TO)	COURTYARD (MAX % OF BUILD-TO)
<u>na</u>	<u>25%</u>	<u>25%*</u>	<u>30%*</u>	<u>30%*</u>	<u>100%</u>	<u>na</u>
<u>na</u>	<u>25%</u>	<u>25%*</u>	<u>30%*</u>	<u>30%*</u>	<u>100%</u>	<u>na</u>
<u>na</u>	<u>25%</u>	<u>25%*</u>	<u>30%*</u>	<u>30%*</u>	<u>100%</u>	<u>na</u>
<u>na</u>	<u>25%</u>	<u>25%*</u>	<u>30%*</u>	<u>30%*</u>	<u>100%</u>	<u>na</u>

*If used in combination with each other, the garden wall, garden wall with covered seating for pedestrians and pergola alternatives may count toward no more than 30% of required build-to.

2. Limitation on Visible Parking Above Street Level Alternative for Integrated Facade Design

- a. **Intent**
To ensure structured parking designs that are compatible with the character and quality of the overall building facade where it is not possible to wrap or screen structured parking areas with other uses.
- b. **Allowance**
Where 100% of all street-facing building facades containing structured parking are integrated into the overall facade design and incorporate features to minimize the visibility of parking areas from the street, such facades are not required to meet the

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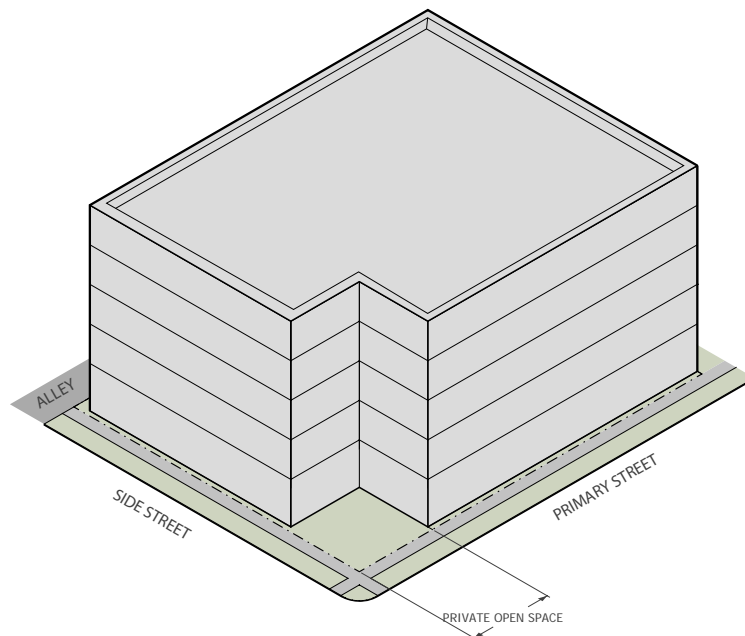
Limitation on Visible Parking Above Street Level. Note that the provisions set forth in Section 10.4.6.5 Parking Structure Design Standards also apply.

- i. Street-facing facades containing structured parking shall be integrated into the overall facade design by using:
 - a) Similar building materials to those used on adjacent facade areas that do not contain structured parking
 - b) Facade articulation and fenestration patterns that integrate with portions of the building facade that do not contain structure parking
- ii. Facades containing structured parking shall minimize the visibility of parking areas through use of:
 - a) Non-transparent facade materials for a minimum height of 4 feet from the finished floor of each story
 - b) Fully-shielded LED or other lighting not exceeding 6,500 lumens in any parking aisle behind a street-facing facade

3. Incremental Mass Reduction Alternative for Provision of Private Open Space

- a. **Intent**
To encourage provision of pedestrian-oriented courtyards and plazas while allowing maximum flexibility for creative building massing.
- b. **Allowance**
Where the minimum percentage of the gross area of a Zone Lot set forth below is provided as Private Open Space meeting the rules of measurement set forth in 13.1.6.1.B, all Structures on the Zone Lot are not required to meet Incremental Mass Reduction standards. See Figure 9.4-16:
 - i. Structures that are up to 150 feet or 12 stories in height (excluding permitted height exceptions): 10%
 - ii. Structures that are greater than 150 feet or 12 stories in height (excluding permitted height exceptions): 15%

Figure 9.4-16



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4. **Street Level Transparency Alternatives**

a. **Intent**

To provide visual interest on building facades, to activate the public street and sidewalk, and enhance the visual quality of the built environment along Street Level facade areas where windows do not provide sufficient transparency.

b. **Allowance**

The following alternatives may be used singularly or in combination as alternatives to a required transparency standard and may count toward required transparency no more than as described in the table below, provided all alternatives meet the requirements stated in Section 13.1.6.2.A.5:

ZONE LOT LINE DESIGNATION	DISPLAY CASES AND AUTOMATED TELLER MACHINES (MAX)	WALL DESIGN ELEMENTS (MAX)	PERMANENT OUTDOOR EATING / SERVING AREAS (MAX)	PERMANENT ART (MAX)	COMBINATION OF ALTERNATIVES (MAX)
<u>Primary Street</u>	<u>0%</u>	<u>50%</u>	<u>0%</u>	<u>50%</u>	<u>80%</u>
<u>Primary Street B</u>	<u>0%</u>	<u>50%</u>	<u>0%</u>	<u>50%</u>	<u>80%</u>
<u>Side Street</u>	<u>0%</u>	<u>50%</u>	<u>0%</u>	<u>50%</u>	<u>80%</u>

H. **Vehicle Parking Exception for Transit Oriented Development**

a. **Intent**

To promote multi-modal transportation options near major transit investments and provide flexibility for development with reduced automobile orientation.

b. **Applicability**

i. The vehicle parking exception set forth below shall apply all to all uses located within the boundary of this DO-7 district that are also located within 1/2 mile of the outer boundary of the Rail Transit Station Platform at the 38th and Blake commuter rail station.

ii. All distance and spacing requirements shall be measured according to the rule of measurement found in Section 13.1.10, Measurement of Separation or Distance.

c. **Exemption Allowed**

All uses in the area described by Section 9.4.5.11.H.b.i shall be exempt from providing the minimum amount of vehicle parking otherwise required by this Code. Minimum bicycle parking requirements set forth in the Underlying Zone District shall apply.

d. **Relationship to Maximum Vehicle Surface Parking for Transit Oriented Development**

Where Section 10.4.4.4 Maximum Vehicle Surface Parking for Transit Oriented Development applies, maximum parking standards shall apply, based on the minimum amount of parking set forth in the Underlying Zone District standards for such use or structure absent any exemption or reduction.

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SECTION 9.4.6 INCENTIVE OVERLAY DISTRICTS (IO-)

9.4.6.1 General Purpose

Incentive Overlay Districts are intended to serve one or more of the following purposes:

- A. Provide flexibility in zoning standards for projects that deliver specified community or citywide benefits beyond what is required by the Denver Zoning Code and other regulations, including, but not limited to:
 1. Affordable housing;
 2. Community amenities;
 3. Cultural facilities; or
 4. Publicly accessible open space.
- B. Incentivize provision of community benefits specified in an adopted neighborhood or small area plan that sets forth community priorities and is adopted as part of the Comprehensive Plan.
- C. Incentivize provision of community benefits that are not attainable through other requirements or programs.
- D. Provide clear and predictable development outcomes.

9.4.6.2 Minimum Requirements for Establishment

In addition to the minimum criteria for official map amendment applications specified in Article 12, Section 12.4.10, an application for a rezoning to apply an Incentive Overlay District shall comply with the following provisions:

A. Application Requirements

An application to rezone to an Incentive Overlay District shall include, in addition to other submittal requirements, the following information:

1. A statement of purpose and an explanation of how the review criteria stated in Section 9.4.6.2.B are met.
2. A map indicating the boundaries of all lots located within the proposed Incentive Overlay District and the Underlying Zone Districts contained within the proposed Incentive Overlay District.

B. Review Criteria for Approval of District

In addition to the review criteria applicable to rezonings stated in Section 12.4.10, Official Map Amendment (Rezoning), and to text amendments stated in Section 12.4.11 Text Amendment, the Incentive Overlay District shall meet the following criteria:

1. Application of an Incentive Overlay District will provide community benefits that furthers one or more adopted city policies; and
2. Such community benefits have been determined by the City to be best achieved through incentives, rather than requirements; and
3. Application of an Incentive Overlay District will ensure clear and predictable outcomes consistent with the applicable neighborhood context, building forms, and the stated purpose and intent of the applicable zone district; and
4. Application of an Incentive Overlay District will apply equally to all similar properties in an area or district to provide equitable outcomes consistent with adopted City policies.

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9.4.6.3 Modification of Underlying Zone District Standards

A. Modification of Permitted Uses

1. An Incentive Overlay District may modify use limitations otherwise applicable to permitted uses in the Underlying Zone District.
2. An Incentive Overlay District shall not modify uses permitted in the Underlying Zone District.

B. Modification of Standards

1. An Incentive Overlay District may modify building form standards and general design standards otherwise applicable in the Underlying Zone District to incentivize specified community benefits. Allowed modifications include, but are not limited to:
 - a. Increased building height; and/or
 - b. Increased floor area; and/or
 - c. Reduced setbacks; and/or
 - d. Reduced minimum vehicular parking.
2. An Incentive Overlay District shall not introduce new building form standards or general design standards that are not applicable in the Underlying Zone District. However, the adoption of an Incentive Overlay may be accompanied by the adoption of a Conservation Overlay Zone District or Design Overlay Zone District that includes the introduction of new building form standards and/or general design standards.

9.4.6.4 Incentive Overlay Districts Established

The following Incentive Overlay Districts are established:

INCENTIVE OVERLAY DISTRICT NAME	ZONING MAP DESIGNATOR
<u>38th and Blake Station Area Incentive Overlay</u>	<u>IO-1</u>

9.4.6.5 Effect of Approval

A. Official Map Designator

Each Incentive Overlay District shall be shown on the official map by an “IO-#” designator and an appropriate number placed after the Underlying Zone District designation.

B. Limitation on Permit Issuance

No building permit for development within an Incentive Overlay District shall be issued by the City unless the development or use meets the standards set forth in this Section, as applicable, the incentive requirements set forth in D.R.M.C. Section VI and any applicable approved Rules and Regulations. Coordination with, and approval from other City agencies, such as the Office of Economic Development, may be required prior to permit issuance in an Incentive Overlay District.

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9.4.6.6 38th and Blake Station Area Incentive Overlay District (IO-1)

A. Creation

There is hereby created an Incentive Overlay District designated as the 38th and Blake Station Area Incentive Overlay District (IO-1).

B. General Purpose of Overlay District

1. Ensure that higher-intensity development in the area covered by the adopted 38th and Blake Station Area Height Amendments complements public transit investments by providing specific community-benefits as recommended by adopted plans; and
2. Implement specific adopted plan policies for the 38th and Blake Station area by requiring additional affordable housing in excess of standard requirements for development above plan-specified Base Heights; and
3. Implement an incentive-based system to that recognizes existing development entitlements while allowing greater development potential for projects that provide community benefits in excess of standard requirements.

C. Applicability

1. The provisions of this IO-1 district shall apply only to those areas within Denver Zoning Code Mixed Use Commercial, Mixed Use Industrial and Residential Mixed Use Underlying Zone Districts that are designated with the IO-1 Overlay Zone District on the Official Zone Map.
2. The provisions of this IO-1 district shall cease to apply if D.R.M.C. Article V is repealed.

D. Maximum Base Height

Maximum Base Height shall be the maximum height set forth in the Underlying Zone District. Structures that do not exceed the maximum Base Height shall not be subject to the additional requirements for Structures using Incentive Height provided in Section 9.4.6.6.F.

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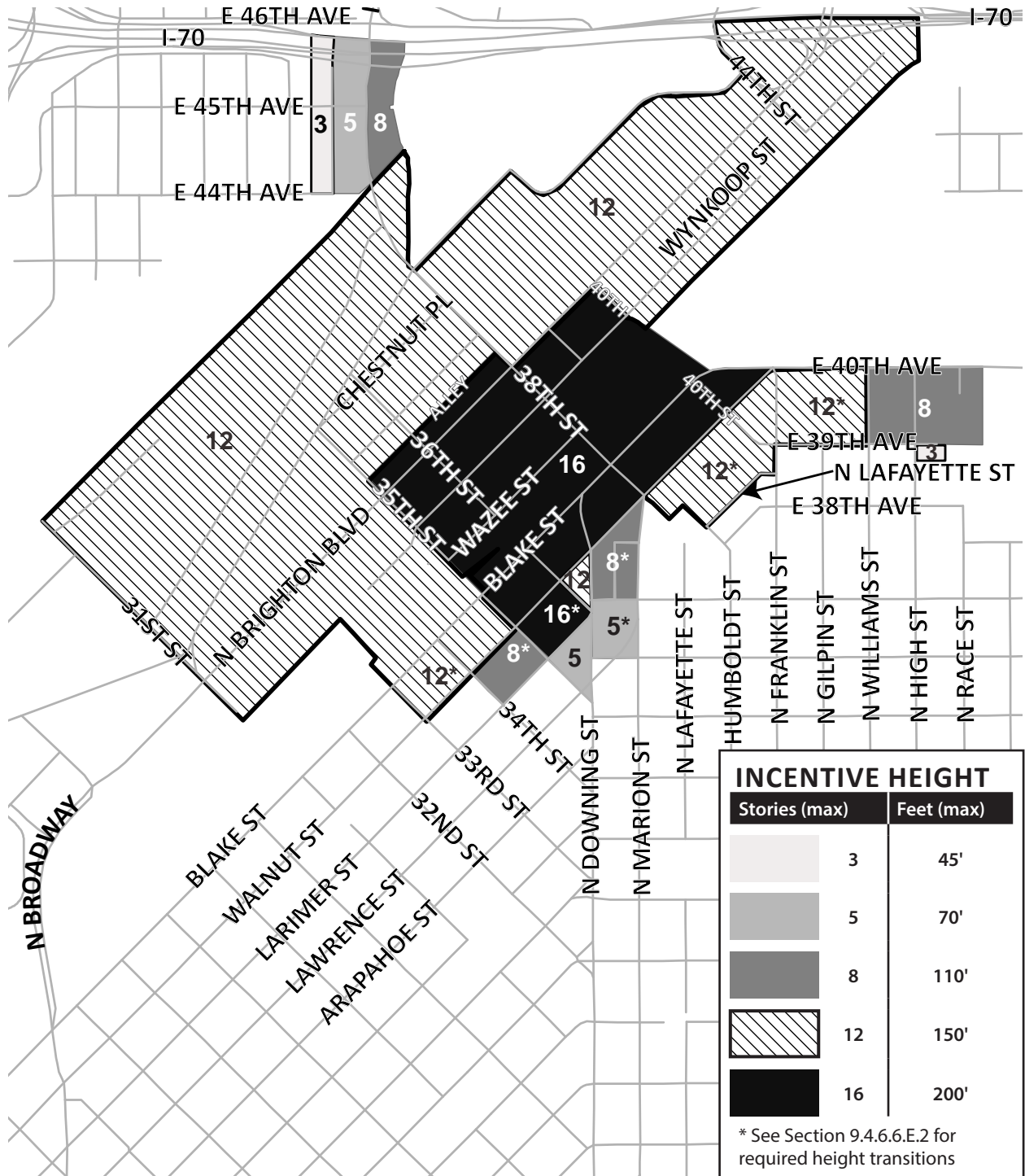
E. Maximum Incentive Height

Structures that meet the additional requirements for use of Incentive Height set forth in Section 9.4.6.6.F may exceed the maximum Base Height established by the Underlying Zone District and instead develop to the maximum Incentive Height as set forth in Sections 9.4.6.6.E.1 and 9.4.6.6.E.2.

1. Incentive Height Map

For properties in the IO-1 district, Incentive Height maximums are set forth on the map in Figure 9.4-25, except where height transitions are required by Section 9.4.6.6.E.2. Community Planning and Development shall maintain a detailed map for application of Incentive Height to specific Zone Lots.

Figure 9.4-25



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2. **Incentive Height in Transition Areas**

To promote compatibility with lower-scale districts, neighborhoods or street frontages, a reduced maximum Incentive Height applies in transitional areas as set forth in Sections a and b below. Where the provisions of both Sections a and b apply, the maximum Incentive Height shall be the lower of the applicable maximum heights.

a. **Height Transition Adjacent to Specific Street**

The maximum Incentive Height shall be as follows within the specified distance of a Primary or Side Street Zone Lot line fronting the following streets:

STREET	DISTANCE FROM ZONE LOT LINE	MAXIMUM INCENTIVE HEIGHT	
		STORIES	FEET
39TH AVENUE			
West of Williams Street*	85'	8	110'
LAFAYETTE STREET			
West of Franklin Street*	210'	8	110'
MARION STREET			
From 300' South of Walnut Street to 36th Avenue	35'	3	45'
LARIMER STREET			
Northeast of 35th Street	135'	12	150'
Southwest of 35th Street	135'	5	70'
33RD STREET			
Northwest of Walnut Street	175'	8	110'

*A portion of this area may be subject to a reduced maximum Incentive Height adjacent to a Protected District. See Section 9.4.6.6.E.2.b.

b. **Height Transition Adjacent to a Protected District**

The maximum Incentive Height shall be 75 feet within 175 feet of a Protected District unless further limited by Section 9.4.6.6.E.2.a.

F. **Requirements for Structures Using Incentive Height**

- No building permit for development of a Structure exceeding Base Height within this IO-1 District shall be issued by the City unless the Structure provides the increased linkage fee, build alternative unit amounts or allowed alternatives set forth in D.R.M.C. Chapter 27, Article VI Incentives for Affordable Housing and any applicable approved Rules and Regulations as evidenced in writing by the Office of Economic Development.
- No building permit for development of a Structure exceeding Base Height within this IO-1 District shall be issued by the City for a Structure where the square footage of Parking Spaces or Parking Aisles located above the maximum Base Height is greater than the gross square footage of uses other than Parking Spaces or Parking Aisles located above the maximum Base Height.

Draft Note: As referenced above, a new Chapter 27, Article VI ' to follow the existing Chapter 27, Article V 'Dedicated Funding for Affordable Housing' (new 2017 Article setting forth the citywide linkage fee) is proposed to provide related affordable housing requirements.

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B. Applicability

1. This Section 10.4.4.4 shall apply to all uses located within 1/4 mile of the outer boundary of a Rail Transit Station Platform in all zone districts except the CMP zone districts; and
2. This Section 10.4.4.4 shall apply only to limit the amount of Surface Parking.
3. If a structure or use is exempt according to Section 10.4.5 Vehicle Parking Exceptions or Section 9.4.5.11.H Vehicle Parking Exception for Transit Oriented Development, from minimum parking requirements, this subsection's maximum parking standard shall still apply, based on the minimum amount otherwise required for such use or structure absent any exemption or reduction.
4. All distance and spacing requirements shall be measured according to the rule of measurement found in Section 13.1.10, Measurement of Separation or Distance.

C. Maximum Vehicle Surface Parking Permitted

For all applicable zone districts, Surface Parking spaces shall not exceed 110 percent of the minimum parking spaces required by the subject property's zone district, except that up to 1 vehicle surface parking space per dwelling unit shall be allowed even if exceeding the 110 percent.

10.4.4.5 Location of Required Vehicle Parking

Required vehicle parking spaces shall be located on the same zone lot as the primary use for which provided, except as allowed below:

- A. As allowed in Section 10.4.5.4, Shared Vehicle Parking, or

B. Off-Site Vehicle Parking

A primary use's required vehicle parking may be located on a Zone Lot different from the Zone Lot containing the primary use ("off-site vehicle parking"), subject to compliance with the following standards:

1. The subject Primary Use may provide off-site vehicle parking provided that the parking spaces on the off-site Zone Lot are not required vehicle parking spaces for any other Primary Use(s) (See Section 10.4.5.4 Shared Vehicle Parking for that scenario).
2. Parking requirements may be met off the zone lot by ownership or a current lease of parking spaces on another zone lot and dedicated to the primary use being served. Divesting ownership or terminating lease of the required parking spaces shall result in termination of the zoning permit until the parking deficiency is remedied.
3. Off-site parking shall be located within a "walking distance" of 1,500 feet from the use served by the remote parking. "Walking distance" shall be measured from the primary entrance of the primary use served along a connection that meets ADA requirements.

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C. Application and Fees

1. Submittal in Writing

All applications for site development plan review shall be filed in writing with Community Planning and Development. The applicant shall pay all required fees at the same time the application is submitted. See Section 12.3.3, Submission of Applications.

2. Concurrent Applications

Concurrent applications may be allowed according to Section 12.3.3.9, Concurrent Applications. In no case, however, shall a building permit, as applicable, be issued until the site development plan is approved and all zoning permits issued according to this Article, unless the Zoning Administrator allows an exception in writing.

D. Public Notice Requirements

Informational Notice shall be provided according to Section 12.3.4.5, Informational Notice-General Provisions, for the following types of site development plan review applications only:

1. Site development plans where multiple primary buildings will be sited on the same zone lot in a Residential Zone District, but not including development of a tandem house building form on a single zone lot. For such site development plans, written informational notice shall be given only for receipt of the application.
2. Certain construction and exceptions in the Campus Healthcare (CMP-H and CMP-H2) zone districts, as specified in Article 9, Section 9.2.3.2.3, Construction Subject to Review and Final Decision by Planning Board.

E. Review, Referral and Decision by Development Review Committee

1. The DRC shall refer the site development plan application to other affected or interested agencies for review and comment.
 - a. For proposed development in the DIA Influence Area Overlay District, the DRC shall refer the site development plan application to the Department of Aviation for review. The DRC shall not approve a site development plan in the DIA Influence Area Overlay District until the Manager of the Department of Aviation, or designee, has found that the proposed development complies with the DIA Influence Area Overlay District standards in Article 9 of this Code. The Manager of Aviation shall comment within 14 days from the referral of the complete application. Non-response by the Manager of Aviation within the 14-day time period, or any extension agreed to by the DRC, shall be deemed a recommendation of approval.
 - b. For proposed development in an Incentive Overlay District, the DRC shall refer the site development plan application to other City agencies, such as the Office of Economic Development where an Incentive Overlay District requires agency approval for Structures using incentives.
2. If required by Section 12.4.3.3.F, Review and Final Decision by Planning Board, the DRC shall forward the site development plan application, together with the DRC's recommendation, to the Planning Board for the Planning Board's review and final decision on the site development plan application.
3. The DRC shall consider the relevant comments of all interested parties, the actions taken by other agencies on the site development plan, as applicable, the recommendation by the Planning Board, as applicable, and the review criteria stated below, in approving, approving with conditions, or denying a site development plan application.
4. The DRC may attach conditions to the site development plan approval reasonably necessary to protect the health, safety and welfare of the community and to minimize adverse impacts on adjacent properties, as authorized by this Code.

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C. Zone Lot Width in the DO-7 Overlay Zone District

1. Rule of Measurement

In lieu of Section 13.1.5.1.B, zone lot width in the DO-7 Overlay District shall be the distance between the zone lot lines intersecting the Primary Street zone lot line measured along the Primary Street zone lot line. For zone lots with multiple Primary Street zone lot lines, the Primary Street zone lot line with the greatest length will used to determine Zone Lot width.

13.1.5.2 Determination of Primary Street Zone Lot Line, Side Street Zone Lot Line, Side Interior Zone Lot Line, and Rear Zone Lot Line for All Zone Districts EXCEPT CC, MX, MS, C-CCN, D-AS-12+ and D-AS-20+ Zone Districts

A. General Provisions

1. Intent

To provide a reference of measurement for standards related to form and building placement (e.g. Build-to, Setback).

2. General Requirements

- a. A primary street zone lot line or a side street zone lot line may abut a zone lot line abutting a private street if approved by the Zoning Administrator.
- b. Once designated for a zone lot, zone lot line designations cannot be changed after development (e.g., a primary street cannot, for purposes of subsequent development, be re-designated a side street) unless all requirements of the zone district can be met.

3. Criteria for Zoning Administrator Determinations

- a. Where identified in the following sections, the Zoning Administrator shall designate a zone lot's Primary Street, Side Street, Side Interior and Rear Zone Lot Lines, based on an analysis, at a minimum, of:
 - i. The prevailing building orientation and setback patterns of buildings located on the same face block(s) as the subject zone lot;
 - ii. Block and lot shape;
 - iii. The functional street classification of all abutting streets as adopted by the Public Works Department;
 - iv. The future street classification of all abutting streets as adopted in Blueprint Denver;
 - v. Guidance provided in any applicable General Development Plan or regulating neighborhood plan, such as designation of pedestrian priority streets in such plan; and
 - vi. In a Campus zone district, guidance provided in any applicable Campus Master Plan or similar document formally adopted by the primary campus user (e.g., a university or college) to guide land development within the campus, such as designation of pedestrian priority streets in such plan.
- b. The Zoning Administrator shall have authority to designate a Zone Lot's Primary Street Zone Lot Line(s) contrary to the results in Section 13.1.5.2 when:
 - i. The Zone Lot contains a Historic Structure, and
 - ii. The Zone Lot is located within a Residential Zone District, and
 - iii. The strict application of Section 13.1.5.2 will result in adverse impacts on the established development pattern within the subject property's Existing Neighborhood (as defined in Section 12.4.7.5.D), and
 - iv. The resulting Primary Street Zone Lot Line(s) will be more compatible with an established pattern of setbacks for buildings on the same face block(s) containing the subject property.

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13.1.5.6 Determination of Primary Street, Side Street, Side Interior, and Rear Zone Lot Lines in the DO-7 Overlay Zone District

A. Intent

To provide a reference of measurement for standards related to form and building placement while promoting pedestrian-oriented frontages and an active riverfront experience with visual interest and variety in the DO-7 district.

B. General Requirements

The provisions set forth in Section 13.1.5.6.B General Requirements for Determination of Primary Street, Side Street, Side Interior, and Rear Zone Lot Lines for all CC, MX, and MS Zone Districts shall apply.

C. Criteria for Zoning Administrator Determinations

The Zoning Administrator shall designate a Zone Lot's Primary Street, Side Street, Side Interior and Rear Zone Lot Lines, as applicable, based on an analysis of the provisions set forth in Section 13.1.5.4.C Criteria for Zoning Administrator Determination of Primary Street, Side Street, Side Interior, and Rear Zone Lot Lines for all CC, MX, and MS Zone Districts, except that:

1. The Zoning Administrator may designate more than one Primary Street Zone Lot Line where:
 - a. Guidance provided in any applicable General Development Plan, regulating plan, and/or Urban Design Standards and Guidelines, such as designation of pedestrian priority streets in such plan indicates the need for designation of multiple Primary Streets.
 - b. The Blueprint Denver Street Classification of all Abutting streets, per the table in Section 13.1.5.4.C.2.b indicates Primary Street designation for more than one Abutting street.
2. The Zoning Administrator shall designate Zone Lot Lines that Abut named streets (such as Wynkoop and Larimer) as Primary Street Zone Lot Lines, except that:
 - a. Any Zone Lot Line that is Adjacent to 35th Street shall also be designated as a Primary Street Zone Lot Line in addition to the named street.
 - b. Where a corner Zone Lot Abuts more than one named street, the Zoning Administrator may elect to designate only one of the named streets as a Primary Street based on an analysis of the Blueprint Denver Street Classification of each named street.
3. Any Zone Lot Line that Abuts and is roughly parallel to the South Platte River, or a Street that is Adjacent to the South Platte River, shall be designated as a Primary Street Zone Lot Line. See Figure 13.1-57.
4. Any Zone Lot Line that Abuts a Public Park shall be designated as a Side Street Zone Lot Line.

D. Corner Zone Lot, Double Frontage Zone Lot, or Zone Lot with Frontage 3 or More Streets

In lieu of the provisions set forth in Sections 13.1.5.4.E-G, the Zoning Administrator shall designate a Zone Lot's Primary Street, Side Street, Side Interior and Rear Zone Lot Lines, as applicable according to the criteria set forth in Section 13.1.5.6.C.

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13.1.5.9 Residential Setbacks

A. Intent

To provide transitional space between the edge of a public sidewalk and dwelling units located at the Street Level

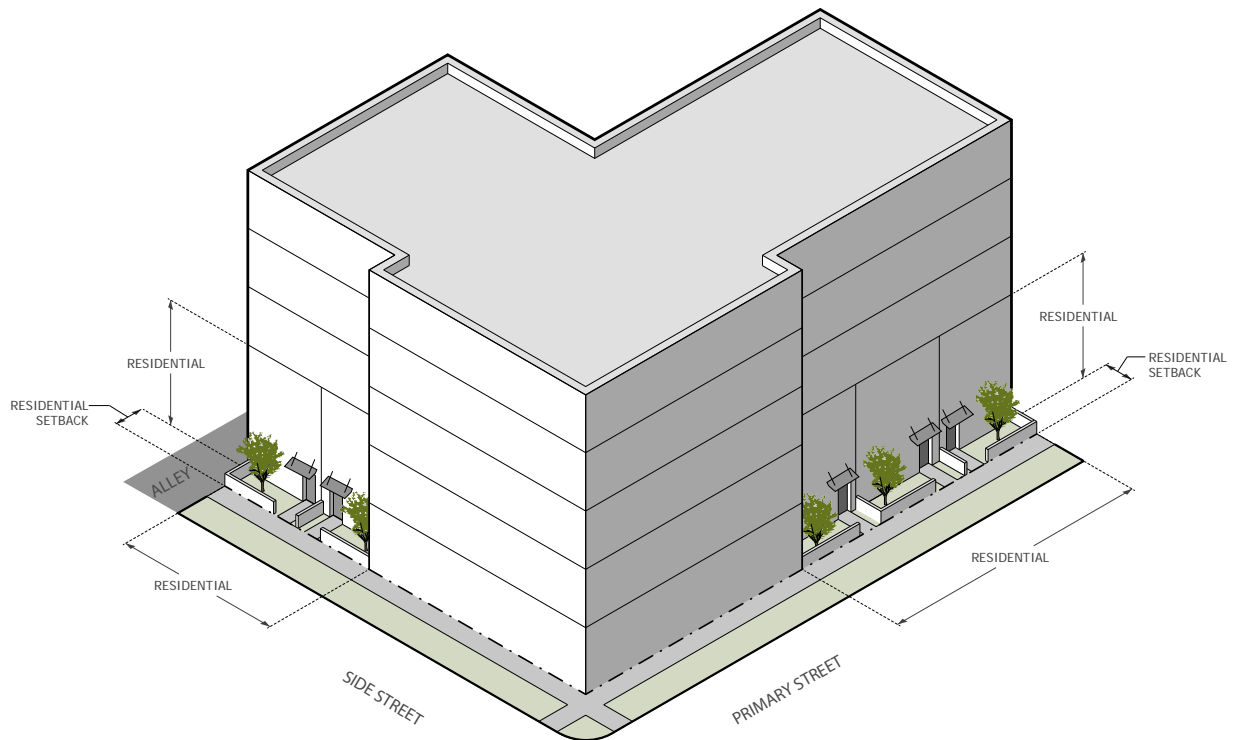
B. Applicability

Residential setback standards apply to the portion of a Structure that contains dwelling units at the Street Level.

C. Rules of Measurement

1. Residential Setbacks are measured perpendicular to the Zone Lot Line at the edge of the right-of-way Abutting a named or numbered street or an easement for public access Abutting the right-of-way of a named or numbered street.
2. Residential Setbacks are measured from the Zone Lot Line to the outside wall of the portion of the Structure containing any portion of a dwelling unit at the Street Level. See Figure 13.1-65.
3. Portions of a Structure containing residential lobbies, rental offices or amenity areas shall not be subject to a Residential Setback.
4. Residential Setbacks shall be considered to be a Primary Street setback for purposes of allowed encroachments

Figure 13.1-65



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B. Private Open Space ~~for Cherry Creek Open Space Building Forms~~

1. Intent

To create quality privately owned open spaces - that are adjacent and physically open to the street. Private open space should provide visual interest and activate the pedestrian realm.

2. Applicability

This section applies ~~to zone lots in the C-CCN zone districts where Primary Building Form Standards or Overlay District Standards specify a minimum percentage of Private Open Space.~~

3. Rules of Measurement

- a. ~~For Cherry Creek Open Space building forms,~~ Private Open Space shall be calculated as a percentage (%) using the total area open to the sky, subject to the below requirements, divided by the total gross square footage of the ~~z~~Zone ~~H~~Lot and multiplied by 100.
- b. For purposes of Private Open Space measurement ~~for Cherry Creek Open Space building forms,~~ the total area open to the sky:
 - i. Shall not be covered by Off-Street Parking Area or a Completely or Partially Enclosed Structure, but may include Open Structures excluding Exterior Balconies. Private Open Space may also include tables, chairs, benches, sculptures and similar elements.
 - ii. May include the operation of any unenclosed primary, accessory, or temporary uses permitted in the zone district.
 - iii. ~~Any portion of the Private Open Space within the build-to range shall count toward the required build-to percentage (see Subsection 7.3.6.1, Required Build-To Alternatives);~~
 - iv. Shall ~~a~~but a ~~p~~Primary ~~s~~Street ~~or Side Street~~ ~~z~~Zone ~~H~~Lot ~~H~~Line.
 - v. Shall be fully visible from a ~~p~~Primary ~~s~~Street ~~or Side Street~~.
 - vi. Shall not be permanently enclosed by railings, fences, gates, or walls that do not allow public access during business hours.
 - vii. Shall contain at least one Minimum Contiguous Area, subject to the minimum dimensions below. The width of the Minimum Contiguous Area shall be measured parallel to the ~~p~~Primary ~~s~~Street ~~or Side Street~~ ~~z~~Zone ~~H~~Lot ~~H~~Line, shown as "A" in Figure 13.1-74. The depth of the Minimum Contiguous Area shall be measured as the horizontal distance between the ~~p~~Primary ~~s~~Street ~~or Side Street~~ ~~z~~Zone ~~H~~Lot ~~H~~Line and the closest facade of the exterior building wall facing the ~~p~~Primary ~~s~~Street ~~or Side Street~~, measured perpendicular to the ~~Z~~one ~~H~~Lot ~~H~~Line, shown as "B" in Figure 13.1-74.
 - a) For ~~z~~Zone ~~H~~Lots 9,375 square feet or less, as of October 27, 2014, the Minimum Contiguous Area shall be at least 15 feet wide and 15 feet deep.
 - b) For ~~z~~Zone ~~H~~Lots 9,375 square feet or less as of October 27, 2014, ~~in the C-CCN zone districts,~~ where the ~~z~~Zone ~~H~~Lots ~~a~~but the southern boundary of the 3rd Avenue right-of-way, the Minimum Contiguous Area shall be at least 15 feet wide and 15 feet deep and shall ~~a~~but, be fully visible from, and fully accessible from the 3rd Avenue right-of-way.
 - c) For all other ~~z~~Zone ~~H~~Lots the Minimum Contiguous Area shall be at least 15 feet wide and 30 feet deep.

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D. Incremental Mass Reduction

1. Intent

To reduce the perceived mass and scale of buildings and promote creative building designs.

2. Applicability

Where specified in a building form table or applicable Overlay Zone District, Incremental Mass Reduction standards apply to all Structures on a Zone Lot.

3. Rules of Measurement for Incremental Mass Reduction

Incremental Mass Reduction creates a reduction in the gross floor area of Structures on a Zone Lot by requiring a minimum "square footage of mass reduction" within a specified range of building stories based on the percentage of Zone Lot Size specified in a building form table or applicable Overlay Zone District. See Figure 13.1-79.

a. Calculation of Incremental Mass Reduction

- i. For each specified range of building stories, Incremental Mass Reduction is calculated using a percentage (%) of the Zone Lot Size multiplied by the number of building stories in the specified range, which yields the minimum "square footage of mass reduction" that must occur within the specified range of building stories.
- ii. For example, if the specified Incremental Mass Reduction is 10% for stories 3-5 (a 3 story range), and the Zone Lot Size is 18,750 square feet, the minimum "square footage of mass reduction" would be 10% of 18,750 x 3, which equals 5,625 square feet. This 5,625 square foot mass reduction would leave a gross floor area of 50,625 of building square footage in stories 3-5 (18,750 x 3 minus the 5,625 minimum "square footage of mass reduction" = 50,625). See Figure 13.1-80 for examples of combined mass reduction on a 16-story Structure with four specified ranges of building stories requiring increased Incremental Mass Reduction as the Structure increases in height.
- iii. For purposes of Incremental Mass Reduction, "square footage of mass reduction" is any unbuilt area that would not be measured as gross floor area using the method set forth in Section 13.1.5.15.B Calculation of Gross Floor Area. In lieu of the exception set forth in Section 13.1.5.15.B.3, any enclosed floor area used exclusively as parking space for motor vehicles shall be included when calculating gross floor area for purposes of this Section 13.1.6.1.D.3.

b. Location of Incremental Mass Reduction

The "minimum square footage of mass reduction" that meets a specified percentage of Incremental Mass Reduction shall have an uninterrupted perpendicular connection with one or more of the following frontages. See Figure 13.1-81.

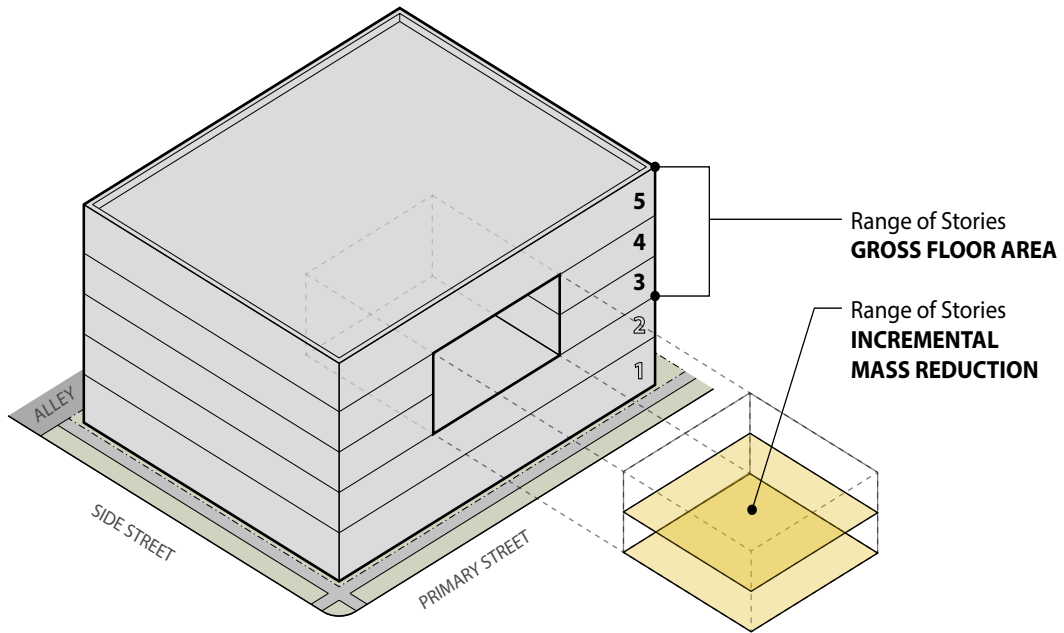
- i. Primary Street(s), including the South Platte River
- ii. Side Street(s)
- iii. Public Park(s)

c. Minimum Dimensions of Areas Counting Towards Incremental Mass Reduction

- i. Incremental Mass Reduction may be provided in one or more areas that are not contiguous with each other.
- ii. Any single area of Incremental Mass Reduction shall be a minimum of 15 feet wide as measured along a frontage specified in Section 13.1.6.1.D.3.b. Location of Incremental Mass Reduction, and a minimum of 7 feet deep as measured perpendicular to the Zone Lot Line parallel to that frontage. See Figure 13.1-82.

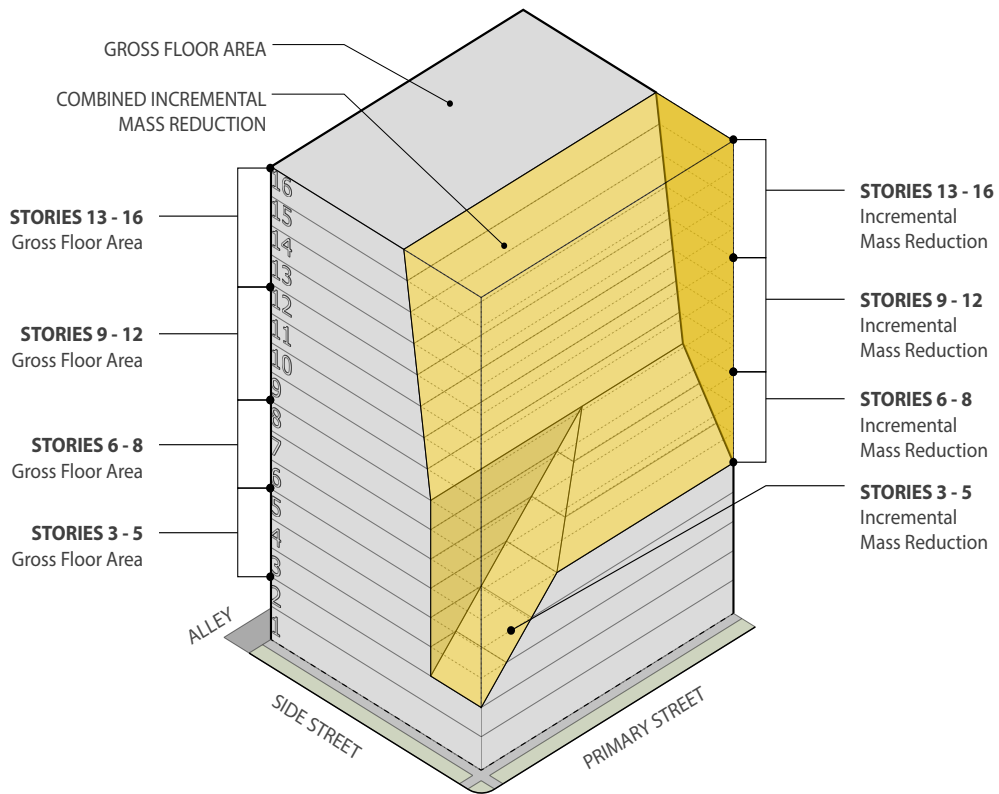
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Figure 13.1-79



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Figure 13.1-80



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Figure 13.1-81

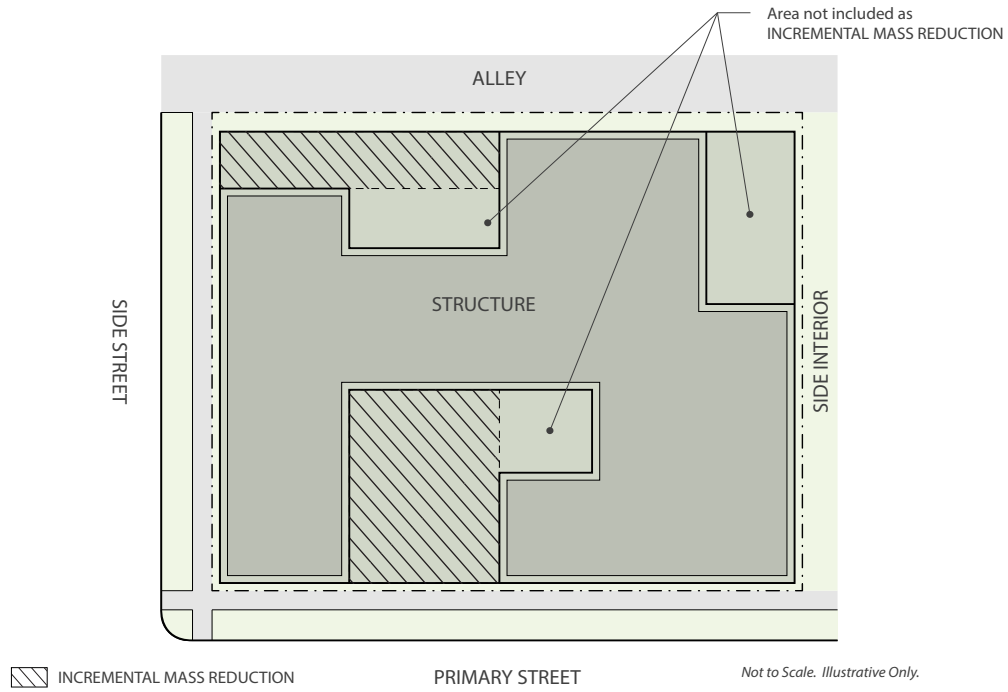
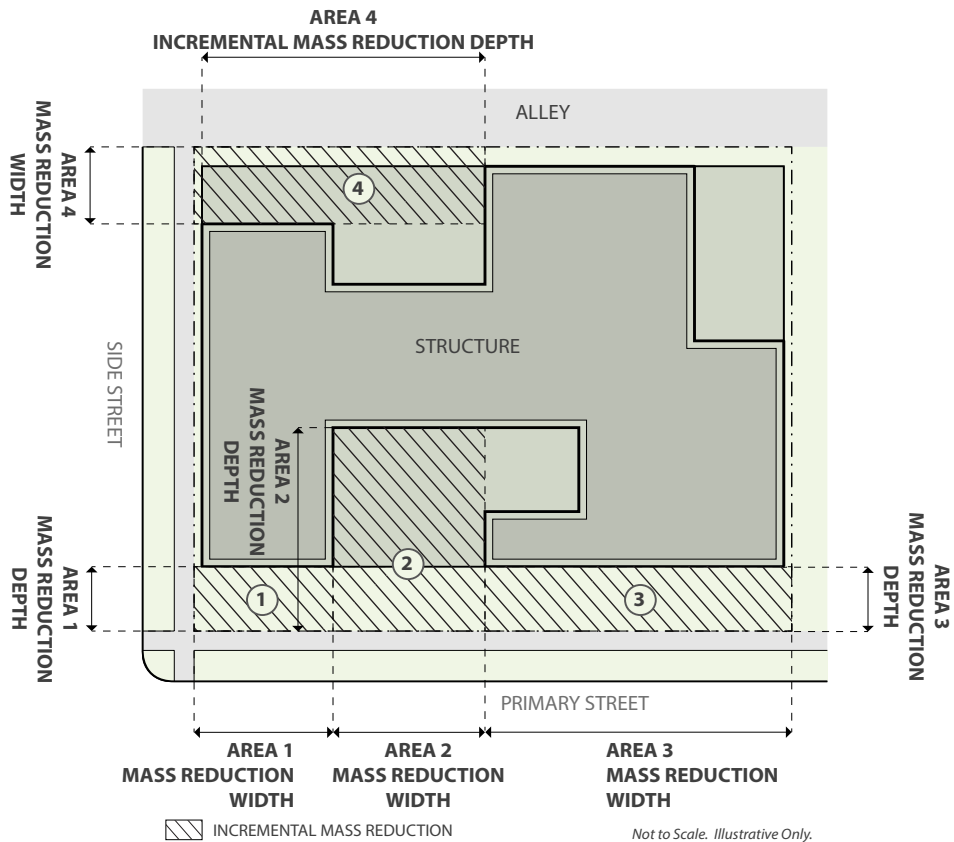


Figure 13.1-82



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13.1.6.2 Street Level Activation

A. Transparency, Primary Street and Side Street

1. Intent

To provide visual interest to building facades, to activate the street and sidewalk, and to provide a safe pedestrian realm.

2. Applicability

The Primary Building Form Standards in Articles 3 through 9 specify transparency standards for many Primary Building Forms. Rules of measurement, window requirements, and transparency alternative requirements are provided in this Section 13.1.6.2.A.

3. Rules of Measurement

a. Zone of Transparency

The Zone of Transparency is the area between 2 feet and 9 feet above the finished upper surface of the floor of the Street Level ~~height~~ across the entire street-facing Street Level building facade. See Figure 13.1-87.

- i. A building facade is “street-facing” if it faces a name or numbered street, which shall be determined by extending a line the width of the facade and perpendicular to it to the zone lot boundary. If any portion of said line touches the right-of-way of a name or numbered street at the zone lot boundary, then said facade is “street-facing.” See Figure 13.1-88
- ii. The required amount of transparency shall be provided within the zone of transparency for the subject building, unless an exception or alternative is permitted by this Code.

b. Street Level Transparency

Street Level transparency, primary or side street, is measured as the total amount of linear feet of windows or permitted alternatives provided within the Zone of Transparency divided by the total length of that same street-facing building facade (including any open parking structure entrances).

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B. Pedestrian Access

1. Intent

To provide clear, obvious connections for pedestrians between Primary Streets and primary uses within buildings.

2. Applicability

The Primary Building Form Standards in Articles 3 through 9 specify which type of Pedestrian Access is required for each Primary Building Form- or Dwelling Unit. Pedestrian access requirements are provided in this Section 13.1.6.2.B.

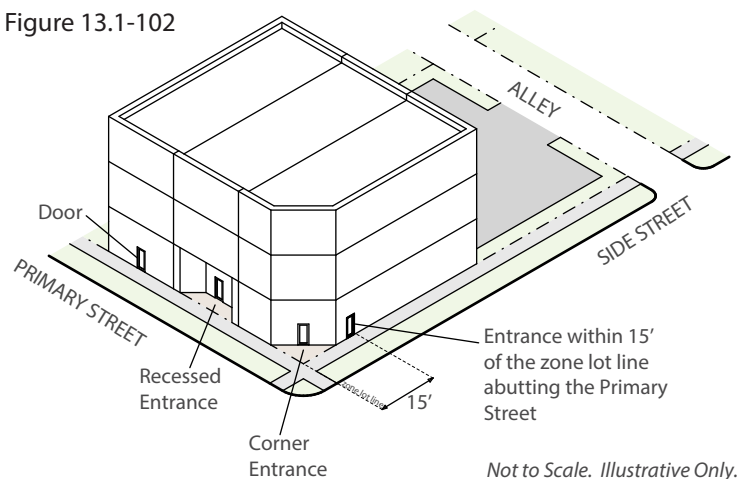
3. Pedestrian Access Requirements

The following are required supplemental standards for each type of Pedestrian Access:

a. Entrance

- i. Where required by the Primary Building Form Standards, an Entrance shall provide a clear, obvious, publicly accessible connection between the Street defined by the building form (Primary and/or Side) and the primary uses within the building.
- ii. For the Garden Court, Town House, and Row House building forms, an entrance shall be street-facing according to the standards specific to such building forms in Articles 3 through 9.
- iii. For all other building forms, an entrance shall be located:
 - a) On the Primary Street facing facade; or
 - b) Located on a Side Street facing facade but entirely within 15 feet of the zone lot line abutting the Primary Street and provided the entrance is clearly visible from the public right-of-way. See Figure 13.1-~~96~~102.
- iv. An entrance shall be one of the following three types:
 - a) Door - An entrance on the same plane as the building facade.
 - b) Recessed Entrance - An entrance inset behind the plane of the building facade by no more than 15 feet.
 - c) Corner Entrance - An angled street-facing entrance located on the corner of a building at approximately 45 degrees to the intersecting streets.

Figure 13.1-102

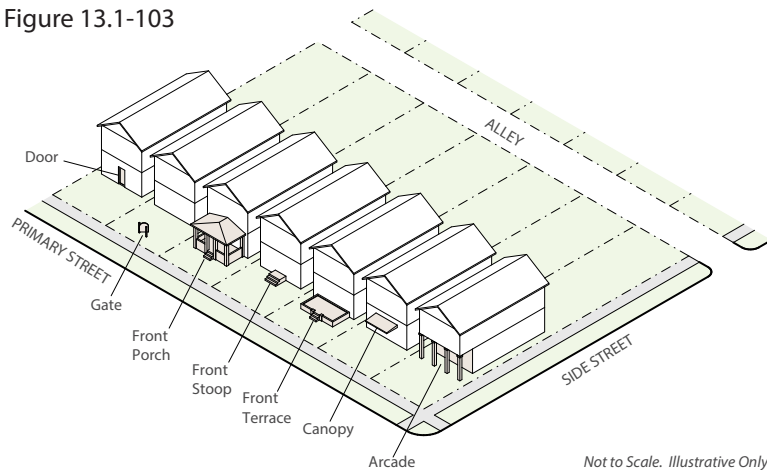


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b. Entry Feature

- i. Where required by the Primary Building Form Standards, an Entry Feature shall signal the connection between the Primary Street and the primary uses within the building.
- ii. An entry feature shall be located either on the Primary Street facing facade or be visible from the Primary Street. See Figure 13.1-97103.
- iii. An entry feature shall be a Door, Gate, Front Porch, Front Stoop, Front Terrace, Canopy, and/or Arcade

Figure 13.1-103

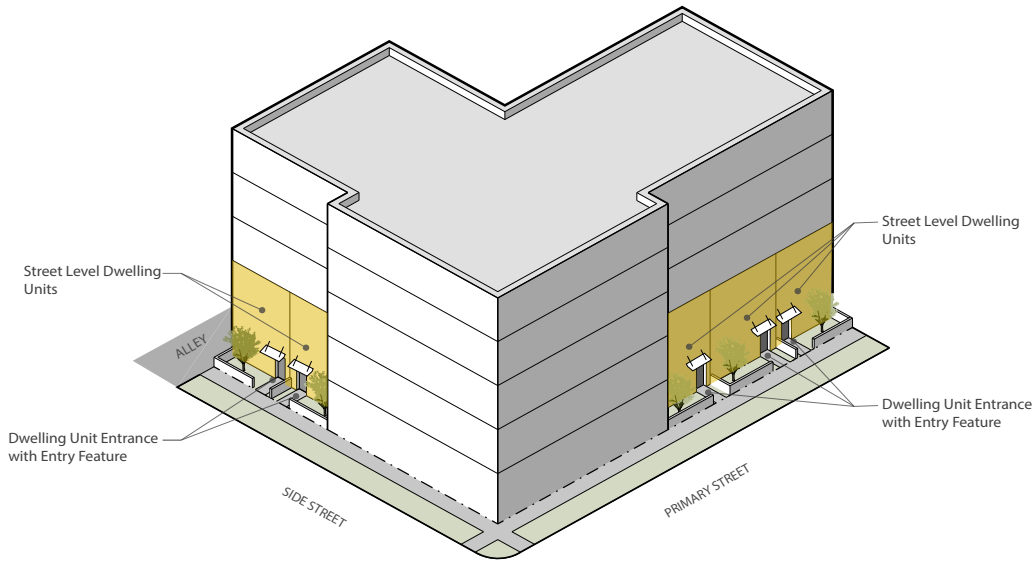


c. Dwelling Unit Entrance with Entry Feature

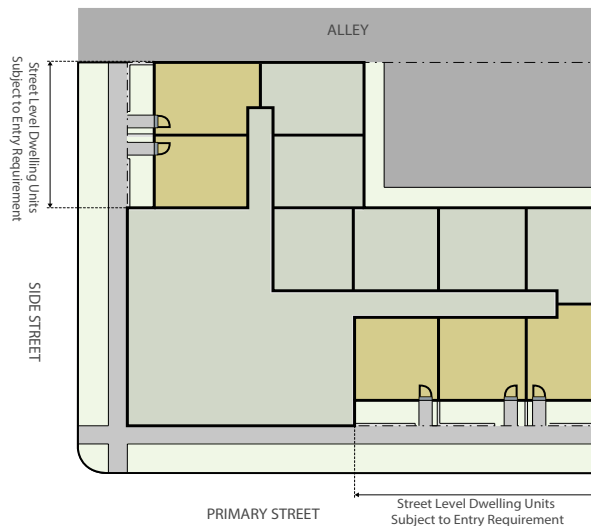
- i. Where required by Primary Building Form Standards or Overlay District Standards, a Dwelling Unit Entrance with Entry Feature shall reinforce a traditional semi-public transition area between the public street frontage and individual private dwelling units.
- ii. A Dwelling Unit Entrance with Entry Feature shall provide access to individual Street Level Dwelling Units located behind any street-facing building facade that is within 10 feet of a required Primary or Side Street Setback or Residential Setback. See figure 13.1-104.
- iii. Each Dwelling Unit Entrance with Entry Feature shall combine one of the Entrance types listed in Section 13.1.2.6.B.3.a.iv with one of the following Entry Features:
 - a) A Front Porch with a minimum depth of 5 feet between the door and Primary or Side Street Zone Lot Line, as measured perpendicular to the Zone Lot Line; or
 - b) A Canopy with a minimum depth of 3 feet between the door and Primary or Side Street Zone Lot Line, as measured perpendicular to the Zone Lot Line.
- iv. A building facade is “street-facing” if it faces a Primary or Side Street Zone Lot Line, which shall be determined by extending a line the width of the facade and perpendicular to it to the Primary or Side Street Zone Lot Line. If any portion of said line touches the Primary or Side Street Zone Lot Line, then said facade is “street-facing.” See Figure 13.1-88.

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Figure 13.1-104



Not to Scale. Illustrative Only.



Not to Scale. Illustrative Only.

d. Pedestrian Connection

- i. Where required by the Primary Building Form Standards, a Pedestrian Connection shall provide a clear, obvious, publicly accessible connection between the Primary Street and the primary uses within the building. See Figure 13.1-98105. The Pedestrian Connection shall comply with the following:
 - a) Fully paved and maintained surface not less than 5 feet in width.
 - b) Unit pavers or concrete distinct from the surrounding parking and drive lane surface.
 - c) Located either within a raised median or between wheel stops to protect pedestrians from vehicle overhangs where parking is adjacent.
 - d) The portions of pedestrian connection that cross driveways or drive aisles shall not exceed 25 feet in length.

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C. **Street Level Height**

1. **Intent**

Promote Street Level designs that can be adapted to a wide array of future uses and ensure that Street Level building spaces have an appropriate scale in relationship to the pedestrian realm.

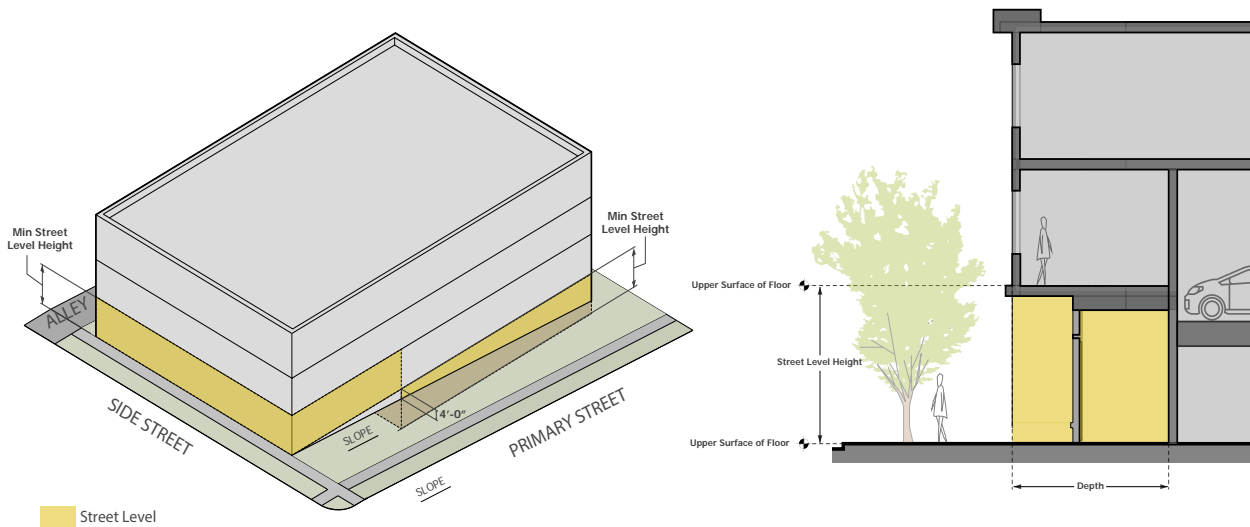
2. **Applicability**

Street Level Height shall apply to any street-facing story meeting the definition of Street Level in Section 13.3.

3. **Rules of Measurement**

- a. Street Level Height is measured from the upper surface of the floor of the Street Level, to the upper surface of the floor or roof next above across the entire street-facing Street Level building facade for a minimum depth of 15 feet from the street-facing building facade. See Figure 13.1-108.
- b. A building facade is "street-facing" if it faces a Primary or Side Street Zone Lot Line, which shall be determined by extending a line the width of the facade and perpendicular to it to the Primary or Side Street Zone Lot Line. If any portion of said line touches the Primary or Side Street Zone Lot Line, then said facade is "street-facing." See Figure 13.1-88.

Figure 13.1-108



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B

Backhaul or Backhaul Network: The lines that connect a provider's tower/cell sites to one or more cellular telephone switching offices, and/or long distance providers, or the public switched telephone network.

Balcony, Exterior: A projecting cantilevered platform on a building that is not supported on the ground by posts, columns, or similar supporting structural members. Generally, an exterior balcony is intended to be used for outdoor living, gardening, or other actively used outdoor space. An exterior balcony shall not include a landing abutting an entry to habitable space, provided such landing does not exceed the minimum required dimensions for a landing as defined in the Building Code.

Base Height: the maximum Building Height established in the Underlying Zone District, including any Building Height limits associated with proximity to a Protected District, to which Structures can be constructed without meeting the additional requirements set forth in an Incentive Overlay District.

Berm: A mound of earth, or the act of pushing earth into a mound, usually for the purpose of shielding or buffering uses, or to control the direction of water flow.

Billboard: See "Outdoor General Advertising Device".

Block: A tract of land bounded by platted streets, public parks, cemeteries, railroad rights-of-way, shore lines, or corporate boundaries of the city.

Block, Square: A block with contiguous sides, where the difference in length between the sides of the block is no greater than 50 feet.

Block, Oblong: A block with contiguous long and short sides, where the long side of the block is 50 feet or more greater in length than the short side of the block.

Block Face: See definition of "Face Block."

Build-to: An alignment at the primary street or side street setback line of a zone lot, or within a range of setback from the zone lot line abutting a street, along which a street-facing, primary building wall must be built.

Building: Any covered structure intended for the shelter, housing or enclosure of any person, animal or chattel.

Building, Principal or Primary: A building in which is conducted the principal or primary use of the zone lot on which it is situated.

Building Form Standards: Standards applicable to the development of buildings and structures in this Code which, taken together, regulate building height (Building Height Standards), building siting (Siting Standards), building design elements (Design Element Standards), and the permitted use of buildings (Use Building Form Standards).

Building Front or Frontage: That exterior wall of a building facing a front line of the zone lot.

Building Height: The height of a building, measured in accordance with the Rules of Measurement (see Division 13.1 of this Article.)

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Impervious Material: A surface that has been compacted or covered with a layer of materials that is highly resistant to infiltration by water. Impervious materials include, but are not limited to, surfaces such as compacted sand, lime rock, or clay; asphalt concrete, driveways, retaining walls, stairwells, stairways, walkways, decks and patios at grade level, and other similar structures.

Incentive Height: Additional Building Height permitted above the Base Height for development meeting the additional requirements set forth in an Overlay District.

Industrial Zone District: The Industrial A (“I-A”) and the Industrial B (“I-B”) Zone Districts, but not including the Industrial Mixed Use (“I-X” or “M-IMX”) Zone Districts established by this Code.

Involuntary Demolition or Involuntarily Destruction: The destruction or demolition of a structure caused by natural forces (e.g., accidental fire; flood; tornado) and not by man-made forces.

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U

Underlying Zone District: The standard non-overlay zone district providing base building form and use requirements is considered to be the Underlying Zone District when used in combination with an Overlay Zone District. Underlying Zone Districts may include, but are not limited to, Residential Zone Districts and Mixed Use Commercial Zone Districts.

Unobstructed Open Space: Land with no buildings thereon, except fenced or walled trash facilities. The following provisions apply to the specified zone districts:

1. Except as otherwise provided herein, in the Single Unit (SU), Two Unit (TU), Townhouse (TH), or Rowhouse (RH) zone districts, unobstructed open space shall include any areas that are open to the sky including driveways; driving aisles; unenclosed parking spaces; front porches; and patios, decks or exterior balconies the surface of which is two and one half (2 1/2) feet or less above grade; and unenclosed areas covered by a trellis or arbor.
2. In the Single Unit (SU) and Two Unit (TU) zone districts, the following portions of the zone lot shall not be deemed to be unobstructed open space: any area bordered by walls on more than three sides; any porch, patio, or deck enclosed by any railing, wall, or similar structure in excess of three (3) feet in height above the surface of the porch, patio or deck; and any area beneath a projecting architectural or structural element such as balconies, bay windows, or second floor projections, excepting eaves.

Upper Story Setback: The horizontal distance that an upper portion of a building facade is set back from the property or zone lot boundary line.

Upper Story Step-Back: The horizontal distance that an upper portion of a building facade is set back from the face of the building's lower portion.

Use: The purpose for which land or structures thereon is designed, arranged or intended to be occupied or used, or for which it is occupied, maintained, rented or leased.

Use, Allowed: See "Use, Permitted."

Use, Accessory: A subordinate use, clearly incidental and related to the primary use of land, and, unless otherwise permitted by this Code, located on the same zone lot as that of the primary use.

Use, By Right: See "Use, Permitted."

Use, Compliant: A use or activity that was lawful prior to the adoption, revision, or amendment to this Code, but which by reason of such adoption, revision, or amendment, or because other uses are established closer to the legally established use than this Code permits, does not comply with current use limitations applicable to such use or activity.

Use, Conforming: A use or activity that was lawful when originally established and that complies with current use limitations applicable to the use or activity in the zone district in which it is located. A use or activity that was lawful when originally established, but which, by reason of the adoption of or revision to this Code, does not comply with a review procedure (e.g., special exception review), or with a reduceable spacing/distance requirement, or with a site development or design standard (e.g., parking, landscaping, and signage) otherwise applicable to such use, shall be classified as a "conforming use."

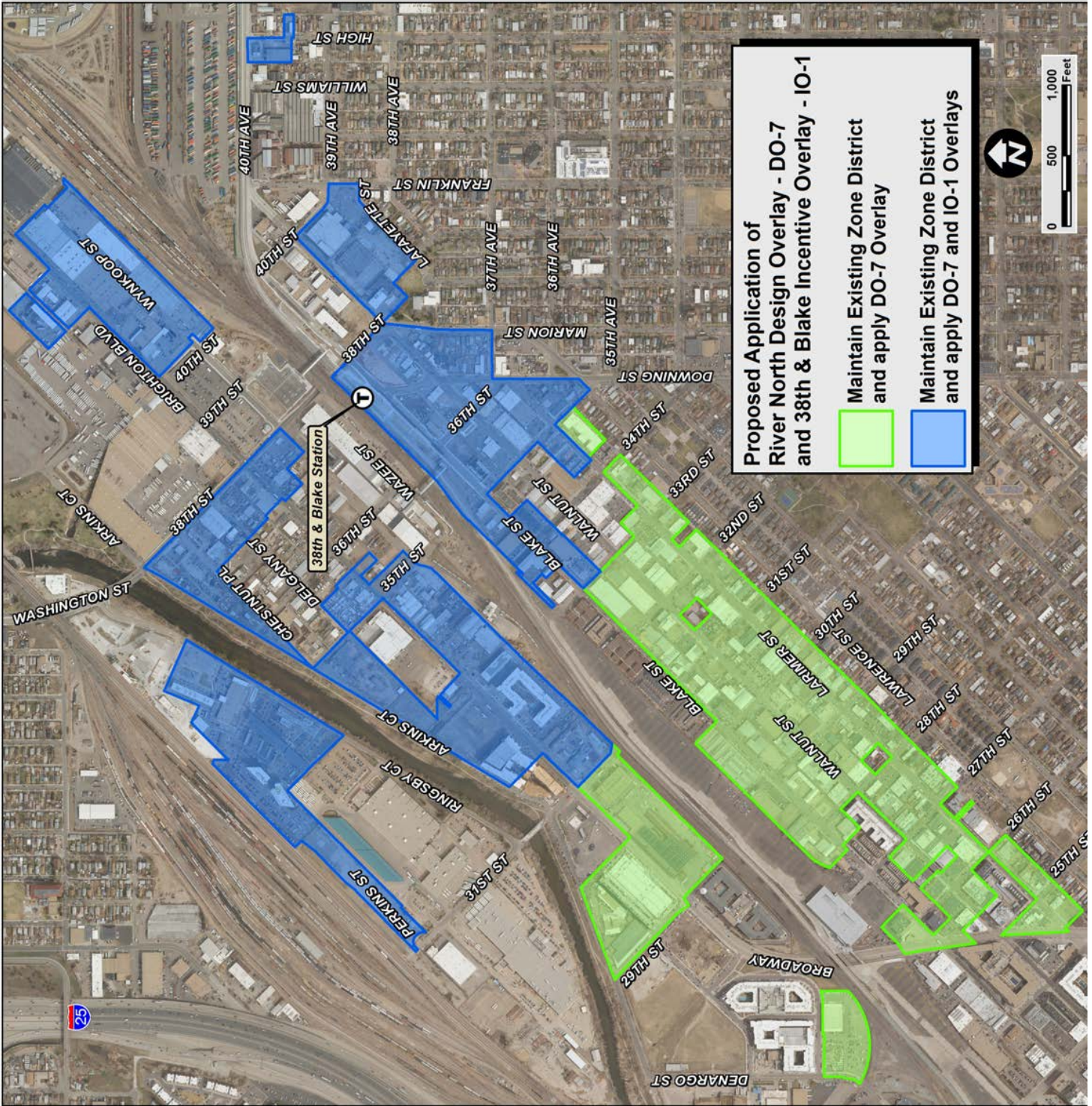


Zone Map Amendment (Rezoning) - Legislative Rezoning Proposal

PROPERTY OWNER INFORMATION		REPRESENTATIVE*	
Property Owner Name	Multiple owners	Representative Name	Councilman Albus Brooks - legislative rezoning
Address		Address	3280 Downing Street
City, State, Zip		City, State, Zip	Denver, CO
Telephone		Telephone	720-337-7709
Email		Email	albus.brooks@denvergov.org
SUBJECT PROPERTY INFORMATION			
Location (address and/or boundary description):	Multiple properties generally located within the River North Business Improvement District or area covered by the 38th and Blake Station Area Height Amendments. See attached map and legal descriptions. The overlays are proposed only for application to existing C-MX and I-MX districts.		
Assessor's Parcel Numbers:	Multiple		
Area in Acres or Square Feet:	Approx. 250 acres		
Current Zone Districts:	Multiple		
PROPOSAL			
Proposed Zone Districts:	Application of the DO-7 (River North Design Overlay) and IO-1 (38th and Blake Incentive Overlay) to existing underlying C-MX and I-MX zone districts and overlays. Public Review Draft of proposed DO-7 and UO-2 overlay zone districts available at: www.denvergov.org/38blake		
REVIEW CRITERIA			
General Review Criteria: The proposal must comply with all of the general review criteria DZC Sec. 12.4.10.13	<input checked="" type="checkbox"/>	Consistency with Adopted Plans: The proposed official map amendment is consistent with the City's adopted plans, or the proposed rezoning is necessary to provide land for a community need that was not anticipated at the time of adoption of the City's Plan	
		Please provide an attachment describing relevant adopted plans and how proposed map amendment is consistent with those plan recommendations; or, describe how the map amendment is necessary to provide for an unanticipated community need.	
	<input checked="" type="checkbox"/>	Uniformity of District Regulations and Restrictions: The proposed official map amendment results in regulations and restrictions that are uniform for each kind of building throughout each district having the same classification and bearing the same symbol or designation on the official map, but the regulations in one district may differ from those in other districts.	
	<input checked="" type="checkbox"/>	Public Health, Safety and General Welfare: The proposed official map amendment furthers the public health, safety, and general welfare of the City.	

REZONING GUIDE

Proposal Page 2 of 2



Last updated: June 20, 2014

Return completed form to rezoning@denvergov.org

311 | FOR INFORMATION & CITY SERVICES

201 W. Colfax Ave., Dept. 205

Denver, CO 80202

720-865-2974 • rezoning@denvergov.org



THE HONORABLE
Albus Brooks
 CITY COUNCIL PRESIDENT
 COUNCILMAN DISTRICT 9

City and County of Denver
 CITY COUNCIL

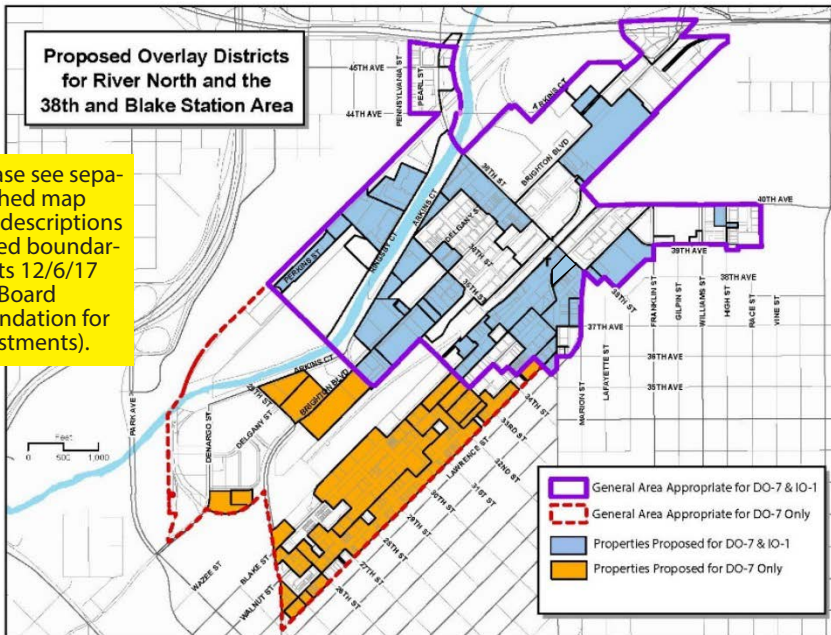
Elbra M. Wedgeworth Municipal Building
 2855 Tremont Place, Suite 201
 Denver, CO 80205
 p: 720.337.7709
 albus.brooks@denvergov.org

November 15, 2017

Mr. Brad Buchanan
 Executive Director
 Community Planning & Development
 201 W. Colfax Avenue
 Denver, Colorado 80202

RE: Request for text amendments to establish the River North Design Overlay and 38th and Blake Station Area Incentive Overlays + implement the overlays through map amendments applied to properties with existing mixed-use zone districts.

As the Councilman for District 9, I am writing to request that Community Planning and Development (CPD) initiate a legislative text amendment that will establish the River North Design Overlay (DO-7) and 38th and Blake Incentive Overlay (IO-1). I am also requesting that CPD initiate a legislative map amendment to apply the DO-7 and IO-1 Overlays to the properties shown on the map below with existing mixed-use zoning.



Note: Please see separate attached map and legal descriptions for updated boundaries (reflects 12/6/17 Planning Board recommendation for map adjustments).

The proposed overlays are the result of a robust 12-month process with CPD Staff, property owners and the public. Each component has been thoughtfully considered to reach a consensus on the proposed zoning. I am confident that the result of this work has ensured a zoning proposal that will conform to the recommendations of the 38th and Blake Station Area Height Amendments (2016) and further the vision for the station and wider RiNo area.

As a result, I believe there is substantial community support for this map amendment application for which I will sponsor. Please contact me with any questions at (720) 337-7709.

Sincerely,

Albus Brooks
 Denver City Council President
 District 9

**Zone Map Amendment 17i-00121
EXHIBIT A**

That the Zone Districts designated "I-MX" or "C-MX" in the Official Zoning Map of the City and County of Denver described as follows or included within the following boundaries shall be and hereby are amended to include the River North Design Overlay District Designation "DO-7"

Case and Ebert's Addition to the City of Denver

Block 1

Lots 5 through 10 and 21 through 29

Block 2

Lots 17 through 21 and 25 through 32

Block 3

Lots 1 through 6

All of Block 4

Block 15

Lots 12 through 16

All of Blocks 17, 18, 19, and 20

Block 21

Lots 2 through 5 and that part of the fractional Block 4, H. Witter's Addition, which lies between the alley in said Block 4 and in the rear of said Lots in Case and Ebert's Addition

All of Block 22

Block 23

Lots 1 through 4 and 11 through 32

All of Block 24 and 25

Block 26

Lots 1 through 16 and 21 through 32

All of Block 27

Block 28

Lots 1 through 8 and 13 through 32

Block 29

Lots 1 through 9

Block 30

Lot 5

Block 31

Lots 1 through 16

Block 32

Lots 1 through 16

Block 33

Lots 1 through 16

Block 34

Lots 1 through 16

Block 35

Lots 1 through 16

Block 36

Lots 1 through 7 and 11 through 16

Block 37

Lots 1 through 16

CURTIS AND CLARKES ADDITION TO THE CITY OF DENVER

Block 55

Lots 26 through 32

Block 59

Lots 1 through 16

Block 60

Lots 1 through 10

Denargo Market Subdivision Filing No. 2

Block 1

Lot 1

H. Witter's Addition to Denver Colorado

Block 1

Lots 29 through 32

Block 5

Lots 1 through 4

Block 7

Lots 1 through 12

PLATTE ADDITION TO DENVER

Block 55

Lots 26 through 32

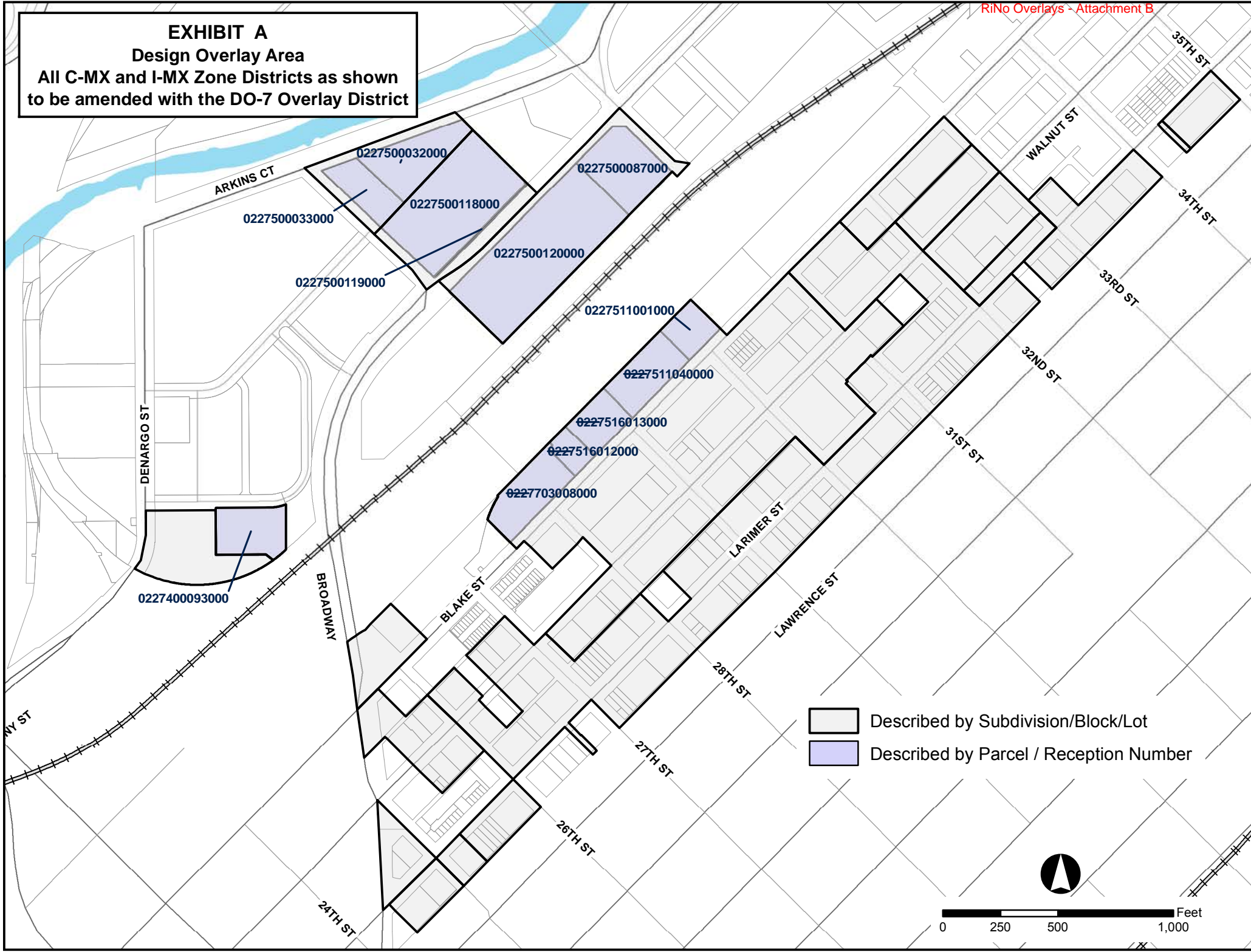
Together with the following properties known as:



Parcel Schedule Number	Site address	Deed recorded at Reception Number
0227400093000	2901 BROADWAY	2014113780
0227500032000	2950 ARKINS CT	2014004588
0227500033000	1901 29TH ST	2001218957
0227500087000	3060 BRIGHTON BLVD	2012114611
0227500119000	3001 BRIGHTON BLVD	2016055578
0227500120000	2900 BRIGHTON BLVD	1967061804
0227500118000	3001 BRIGHTON BLVD	2014017734
0227511001000	3025 BLAKE ST	2013039324
0227511040000	2901 BLAKE ST	2006195075
0227516012000	2801 BLAKE ST	2015096070
0227516013000	2875 BLAKE ST	2006195075
0227703008000	2763 BLAKE ST	2015096069

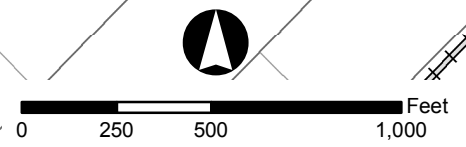
All Vacated Street or Alley Rights of Way lying adjacent to described areas.

In addition thereto those portions of all abutting public rights-of-way, but only to the centerline thereof, which are immediately adjacent to the aforesaid specifically described area.

EXHIBIT A
Design Overlay Area
 All C-MX and I-MX Zone Districts as shown
 to be amended with the DO-7 Overlay District



-  Described by Subdivision/Block/Lot
-  Described by Parcel / Reception Number



Zone Map Amendment 17i-00121

EXHIBIT B

That the Zone Districts designated "I-MX" or "C-MX" in the Official Zoning Map of the City and County of Denver described as follows or included within the following boundaries shall be and hereby are amended to include the River North Design Overlay District Designation "DO-7" and the 38th and Blake Incentive Overlay District Designation "IO-1"

Baldwin's Addition

All of Block 1

Case and Ebert's Addition

Unnumbered Block adjacent to Block 3 H. Witter's Addition Lots 13 through 16

FIRST ADDITION TO IRONTON

Block 5

Lots 1 through 12 and Lots 21 through 32

Block 6

Lots 7 through 9 and Lots 13 through 16

Block 9

Lots 11 through 13 and The Northeast 23 1/2 FT of Lot 14

Block 12

Lots 8 through 26

Block 18

Lots 5 through 21 and Lots 33 through 56

Block 19

Lots 25 through 32

H. Witter's Addition

Block 3

Lots 1 through 16

Block 8

Lots 20 through 32

Block 9

Lots 9 through 16

All of Blocks 14, 15, 16, and 17

HYDE PARK ADDITION

All of Block 1

The Out Lots adjacent to **Block 17** H. Witter's Addition

IRONTON ADDITION

Block 6

Lots 7 through 9 and Lots 13 through 15 and 17 through 20

Block 7

Lots 1 through 14 and Lots 57 through 64

Block 9

Lots 8 through 13 and The Northeast 22 1/2 FT Lot 52 and Lots 53 through 63

Provident Park

Block 4

Lots 30 through 40

Block 5

Lots 10, 11, and the North 3/4 Lot 12

Riverside Addition to Denver

All of Block 25

Block 26

Lots 3 through 18

ST VINCENT ADDITION

Block 27

Lots 9 through 24

ST VINCENT ADDITION 2ND FILING

Block 40

Lots 1 through 12 and Lots 58 through 64

Block 41

The Northeast 200 FT

Lots 9 through 14 and 51 through 56

Block 42

Lots 1 through 9 and Lots 51 through 64

Together with the following properties known as:

Parcel Schedule Number	Site address	Deed recorded at Reception Number
0222400061000	3455 RINGSBY CT	2004137925
0222400062000	3455 RINGSBY CT	2004137925
0222400066000	3495 RINGSBY CT	2000040015
0222400067000	3457 RINGSBY CT UNIT #SETP	2006113314
0222400091091	3509 RINGSBY CT	2012006986
0222400092092	3511 RINGSBY CT STE 101	2014089235
0222400093093	3511 RINGSBY CT STE 103	2016015239
0222400094094	3511 RINGSBY CT STE 105	2012006986
0222400095000	3505 RINGSBY CT	2011034424
0222400102000	3347 RINGSBY CT	
0222400103000	3349 RINGSBY CT	2015061881
0222400104000	3459 RINGSBY CT	
0222400105000	3365 RINGSBY CT	2015061881
0222400106000	3475 RINGSBY CT	
0222400107000	3485 RINGSBY CT	2015061881
0222400110000	3347 RINGSBY CT	2015102630
0222400111000	2101 31ST ST	2015102630
0222400112000	3507 RINGSBY CT	2016133795
0222400118000	3515 RINGSBY CT	2016133796
0222400119000	3575 RINGSBY CT	2016133797
0222407001001	3457 RINGSBY CT UNIT 100	
0222407002002	3457 RINGSBY CT UNIT 101	2008151051
0222407003003	3457 RINGSBY CT UNIT 103	2012046056
0222407006006	3457 RINGSBY CT UNIT 110	2014150133
0222407007007	3457 RINGSBY CT UNIT 111	
0222407008008	3457 RINGSBY CT UNIT 200	2007066851
0222407009009	3457 RINGSBY CT UNIT 202	2007151565
0222407010010	3457 RINGSBY CT UNIT 203	2007074807
0222407011011	3457 RINGSBY CT UNIT 205	2008068360
0222407012012	3457 RINGSBY CT UNIT 208	2007081666
0222407013013	3457 RINGSBY CT UNIT 209	2007081661
0222407014014	3457 RINGSBY CT UNIT 212	2007090410
0222407015015	3457 RINGSBY CT UNIT 213	2013086674
0222407016016	3457 RINGSBY CT UNIT 214	2015079948
0222407017017	3457 RINGSBY CT UNIT 215	2007147481
0222407018018	3457 RINGSBY CT UNIT 217	2007081667
0222407020020	3457 RINGSBY CT UNIT 223	2007077037
0222407021021	3457 RINGSBY CT UNIT 300	2014078151
0222407022022	3457 RINGSBY CT UNIT 301	2007167907
0222407023023	3457 RINGSBY CT UNIT 302	2016005704
0222407024024	3457 RINGSBY CT UNIT 303	2007095552

0222407025025	3457 RINGSBY CT UNIT 304	2016049478
0222407026026	3457 RINGSBY CT UNIT 305	2016025696
0222407027027	3457 RINGSBY CT UNIT 306	2010020850
0222407028028	3457 RINGSBY CT UNIT 307	2007167904
0222407029029	3457 RINGSBY CT UNIT 308	2016060876
0222407030030	3457 RINGSBY CT UNIT 309	2007103413
0222407031031	3457 RINGSBY CT UNIT 310	2016060535
0222407032032	3457 RINGSBY CT UNIT 311	2007137759
0222407033033	3457 RINGSBY CT UNIT 312	2016044851
0222407034034	3457 RINGSBY CT UNIT 313	2007099031
0222407035035	3457 RINGSBY CT UNIT 314	2012048887
0222407036036	3457 RINGSBY CT UNIT 315	2016044800
0222407037037	3457 RINGSBY CT UNIT 316	2010007556
0222407038038	3457 RINGSBY CT UNIT 317	2014088159
0222407039039	3457 RINGSBY CT UNIT 318	2007101615
0222407040040	3457 RINGSBY CT UNIT 319	2013131848
0222407041041	3457 RINGSBY CT UNIT 320	2008128963
0222407042042	3457 RINGSBY CT UNIT 321	2016022856
0222407043043	3457 RINGSBY CT UNIT 322	2007135998
0222407044044	3457 RINGSBY CT UNIT 323	2007110379
0222407045045	3457 RINGSBY CT UNIT 324	2008045538
0222407046046	3457 RINGSBY CT UNIT 325	2016063868
0222407047047	3457 RINGSBY CT UNIT 326	2008045538
0222407048048	3457 RINGSBY CT UNIT 327	2015103372
0222407049049	3457 RINGSBY CT UNIT 328	2008158615
0222407050050	3457 RINGSBY CT UNIT 329	2015078340
0222407051051	3457 RINGSBY CT UNIT 330	2016040389
0222407052052	3457 RINGSBY CT UNIT 331	2015100381
0222407053053	3457 RINGSBY CT UNIT 332	2008024022
0222407054054	3457 RINGSBY CT UNIT 333	2015026972
0222407055055	3457 RINGSBY CT UNIT 334	
0222407056056	3457 RINGSBY CT UNIT 335	2016016251
0222407057057	3457 RINGSBY CT UNIT 337	2016074484
0222407058058	3457 RINGSBY CT UNIT 339	2015152532
0222407059059	3457 RINGSBY CT UNIT 341	2011113486
0222407060060	3457 RINGSBY CT UNIT 343	2015103459
0222407061061	3457 RINGSBY CT UNIT 345	2015051155
0222407062062	3457 RINGSBY CT UNIT 347	2007194815
0222407063063	3457 RINGSBY CT UNIT 349	2015120602
0222407064064	3457 RINGSBY CT UNIT 351	
0222407065065	3457 RINGSBY CT UNIT 105	2013122991
0222407066066	3457 RINGSBY CT UNIT 107	2015180180
0222407067067	3457 RINGSBY CT UNIT 106	
0222407068068	3457 RINGSBY CT UNIT 108	2010129921

0223200049000	4201 BRIGHTON BLVD	2007197358
0223200182000	4201 BRIGHTON BLVD	2007197358
0223300055000	4050 BRIGHTON BLVD	2014068507
0223300061000	4000 WYNKOOP ST	2016045974
0223314065000	3800 WALNUT ST	2007193337
0223314067000	3800 WALNUT ST	2006019766
0223314071000	1300 40TH ST	2010125588
0223314075000	3814 WALNUT ST	2006022426
0223314076000	3858 WALNUT ST	
0223314077000	3825 LAFAYETTE ST APPRX	2016097660
0227100006000	3400 WYNKOOP ST	2014031330
0227100007000	3430 BRIGHTON BLVD	2004233280
0227100010000	3410 BRIGHTON BLVD	2007136036
0227100019000	3325 BRIGHTON BLVD	2004233285
0227100037000	3350 BRIGHTON BLVD	2012119292
0227100041000	3400 ARKINS CT	2014120266
0227100042000	3326 BRIGHTON BLVD	2015083364
0227100043000	3330 BRIGHTON BLVD	
0227103029000	3601 BLAKE ST UNIT -3615	2011056710
0227103040000	3601 BLAKE ST	2011056717
0227103041000	3601 BLAKE ST APPRX	2011056718
0227103042000	3639 BLAKE ST	2013025752
0227103044000	3765 BLAKE ST	2013100723
0227103045000	3735 BLAKE ST	2011082630
0227103046000	3615 BLAKE ST	2011056708
0227103047000	3615 BLAKE ST	2011056708
0227103048000	3601 BLAKE ST	2014090052
0227103049000	3601 BLAKE ST	2014090052
0227115011000	3505 BLAKE ST	2011147287
0227115013000	3501 BLAKE ST	2017108971
0227115014000	3463 BLAKE ST APPRX	2011147287
0227115015000	3463 BLAKE ST	2017108971
0227115016000	3463 BLAKE ST APPRX	2011147287
0227115017000	3585 BLAKE ST	
0227115018000	3589 BLAKE ST	2013083096
0227115019000	3589 BLAKE ST	
0227115020000	3579 BLAKE ST	2014139008
0227120005000	3433 BLAKE ST	2004223531
0227120029000	3423 BLAKE ST	2016059193
0227120030000	3423 BLAKE ST MISC	2011028526
0227120031000	3443 BLAKE ST	
0227120032000	3443 BLAKE ST	2011147582
0227120034000	3459 BLAKE ST	
0227120035000	3461 BLAKE ST	2012118613




0227120036000	3401 BLAKE ST	
0227122019000	3398 BRIGHTON BLVD	2016104687
0227122020000	3400 BRIGHTON BLVD	
0227125014000	3400 ARKINS CT	2011044032
0227125015000	3460 ARKINS CT	2003021094
0227125016000	1930 35TH ST	2003021094
0227126008000	3349 BLAKE ST	2007177882
0227103043000	3363 BLAKE ST	2011082630
0227500023000	3150 BRIGHTON BLVD	1989098515
0227500024000	3120 BRIGHTON BLVD	2004078073
0227500044000	3108 BRIGHTON BLVD	2001167567
0227500046000	3100 BRIGHTON BLVD	2004078073
0227500065000	1701 31ST ST	2012137935
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0227500112000	3301 BRIGHTON BLVD	2014120266

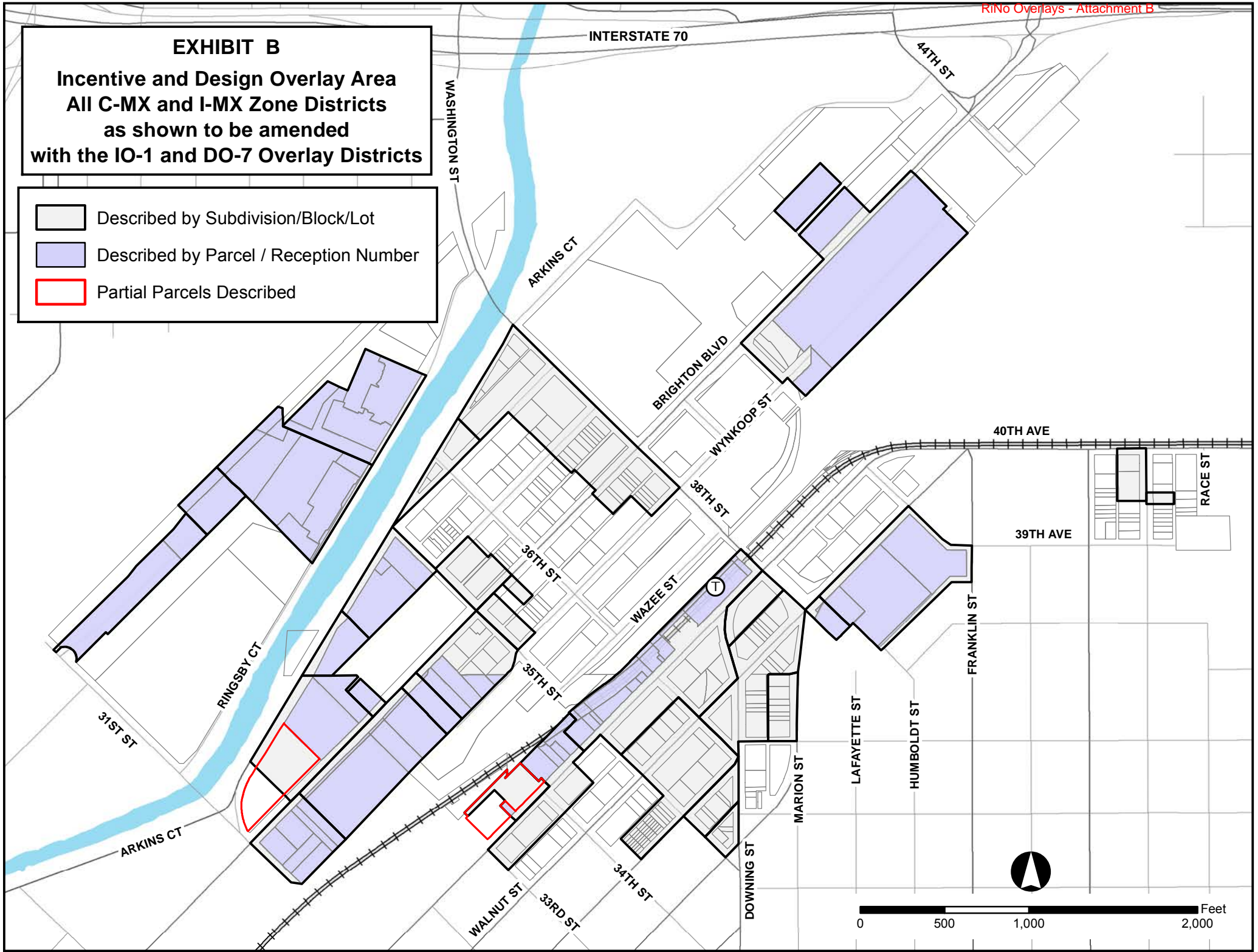
That portion of the Parcel currently designated 0227500117000 3201 Brighton Blvd. as described as Exhibit A in Reception Number 2007134204

That portion of Master Parcel 0227126114999 3377 Blake St. containing 57 condo owner parcels EXCLUDING those owner parcels with addresses 3309 and 3317 Blake St. also designated as PUD #190 described in Ordinance #63 series of 1986

EXHIBIT B

**Incentive and Design Overlay Area
All C-MX and I-MX Zone Districts
as shown to be amended
with the IO-1 and DO-7 Overlay Districts**

-  Described by Subdivision/Block/Lot
-  Described by Parcel / Reception Number
-  Partial Parcels Described



BY AUTHORITY

ORDINANCE NO. _____
SERIES OF 2018

COUNCIL BILL NO. CB18-xxxx
COMMITTEE OF REFERENCE:
[fill in]

A BILL

For an ordinance adopting a new Article VI in Chapter 27 of the Denver Revised Municipal Code, concerning incentives for the provision of increased levels of affordable housing or linkage fees.

WHEREAS, the City and County of Denver is committed to the promotion and provision of affordable housing for persons of low and moderate incomes as an important and essential public purpose, and seeks to adopt tools that will incentivize affordable and mixed-income development throughout the city; and

WHEREAS, the city seeks to promote the creation and integration of affordable housing and mixed income development by adopting a new regulatory approach, an incentive overlay zone district in Article 9 of the Denver Zoning Code, which would allow building heights to exceed existing requirements in exchange for community benefits including the provision of affordable units, assessing an incentive fee, or negotiating a community benefit agreement to provide community serving uses; and

WHEREAS, city council adopted the 38th and Blake Station Area Height Amendments on September 19, 2016, which reinforced existing land uses, mobility and development visions within the adopted plans; but also refined and updated the city’s building height vision and defined conditions for increasing building height in the 38th and Blake Station area in exchange for providing community benefits; and

WHEREAS, an Incentive Height Overlay feasibility study was conducted in 2016 based on local market conditions in the 38th and Blake Station area which found that in most tested scenarios, the use of maximum incentive heights as required by this article resulted in higher financial returns than development to the maximum base height without incentives. and

WHEREAS, height incentives would allow the city to support appropriate and desired growth patterns (including building form standards) and mixed income housing opportunities

1 associated with greater density and height and encourage access to high capacity public transit as
2 part of a regional rail and bus transit system, thereby providing Denver citizens the opportunity to
3 live and work near transit while minimizing or mitigating undesirable consequences and
4 externalities.

5

6 **NOW, THEREFORE, BE IT ENACTED BY THE COUNCIL OF THE CITY AND COUNTY OF**
7 **DENVER:**

8 **Section 1.** That a new Article VI shall be adopted and added to Chapter 27, D.R.M.C., to read
9 as follows:

10 **Article VI: INCENTIVES FOR AFFORDABLE HOUSING**

11 **Division 1. General**

12 **Sec. 27-180. Incentive Fee Fund**

13 (a) *Dedicated revenues.* The Incentive Fee Fund is created for the exclusive
14 purpose of receiving and accounting for all revenues derived from the incentive height
15 linkage fees provided in this article VI.

16 (b) *Permitted uses of revenue in the incentive fee fund.* Revenue received in the
17 Incentive Fee Fund shall be used exclusively for the following purposes:

- 18 (1) For the production or preservation of rental housing, including the funding of
19 rental assistance programs, for qualified households earning eighty (80) percent or
20 less of AMI.
- 21 (2) For the production or preservation of for-sale housing for qualified
22 households earning one hundred (100) percent or less of AMI.
- 23 (3) For homebuyer assistance programs for qualified households earning one
24 hundred and twenty (120) percent or less of AMI, including by way of example
25 down payment and mortgage assistance programs.
- 26 (4) For the development of permanent supportive housing for homeless persons,
27 and for supportive services associated with such housing; provided, however, in no
28 event shall the amount expended from the Incentive Fee Fund for supportive
29 services under this paragraph (4) exceed ten (10) percent of the amount of revenue
30 received in the fund for the that year.

(5) For programs supporting low-income at-risk individuals in danger of losing their existing homes, for mitigation of the effects of gentrification and involuntary displacement of lower income households in those neighborhoods of the city that are most heavily impacted by rapidly escalating housing costs, for homeowner emergency repairs, or for other housing programs.

(c) *Cap on administrative costs.* Monies in the Incentive Fee Fund may be expended to pay the costs incurred by the city associated directly with the administration of this fund; provided, however, in no event shall the amount expended from the Incentive Fee Fund for such administrative expenses in any year exceed eight (8) percent of the amount of revenue received in this fund in that year.

(d) *Fund earnings.* Any interest on any balance in the Incentive Fee Fund shall accrue to this fund.

(e) *Administration of fund.* The Incentive Fee Fund shall be administered by the executive director of the office of economic development, or its successor city agency or department.

Sec. 27-181 Regulations

The director may, from time to time, adopt rules and regulations necessary to administer this article, including the procedures and requirements for expenditures from the Incentive Fee Fund.

Sec. 27-182 General Definitions

As used in this division, terms in Sec. 27-152 shall have the meanings given to them in that section, and the following terms as used in this article shall have the following meaning:

(a) *AMI* means the area median income, adjusted for household size, for the Denver metropolitan area as determined by the U.S. Department of Housing and Urban Development.

(b) *Mixed-use non-residential structure* means a structure containing both residential and non-residential uses, and the gross floor area of all residential uses are less than fifty percent of the total gross floor area of the structure.

(c) *Mixed-use residential structure* means a structure containing both residential and

1 non-residential uses, and the gross floor area of all residential uses are greater than or
2 equal to fifty percent of the total gross floor area of the structure.

3 (d) *Non-residential structure* means any structure where none of its gross floor area
4 contains any primary residential uses.

5 (e) *Residential structure* means any structure where all of its gross floor area contains
6 primary residential uses.

7 (f) *Total structure build alternative unit(s)* means the number of build alternative units
8 and associated affordability restrictions required for an entire structure under Sec. 27-155,
9 D.R.M.C. Total structure build alternative units shall be approved in accordance with the
10 office of economic development's affordable housing permanent funds ordinance
11 administrative rules and regulations.

12 (g) *Total structure linkage fee* means the amount of linkage fee required for an entire
13 structure under Sec. 27-153, D.R.M.C.

14 **Division 2. Height Incentives**

15 **Sec. 27-183. Intent.**

16 (a) The Denver Zoning Code has established certain incentive overlay districts to
17 allow a structure to exceed its base height in exchange for payment of additional linkage fees,
18 construction of additional affordable units, or provision of other benefits to the city, in excess of
19 standard requirements, in compliance with the affordable housing requirements set forth
20 below.
21

22 (b) Structures within incentive overlay districts that do not take advantage of
23 applicable incentives shall not be subject to the additional requirements of this division 2.

24 **Sec. 27-184. Additional Definitions.**

25 The following additional definitions shall apply to this division 2:

26 (a) *Base height* shall have the same meaning as the term is defined in Article 13 of the
27 Denver Zoning Code.

28 (b) *Community benefits agreement* means an agreement entered into between an

1 applicant and the city, and administered by the office of economic development, that allows
 2 an applicant to provide community serving uses for a portion of a proposed structure in
 3 place of payment of any applicable incentive height linkage fees. A community benefits
 4 agreement shall not substitute for payment of the total structure linkage fee. The office of
 5 economic development, in consultation with community planning and development and
 6 considering demonstrated community needs and priorities in the surrounding
 7 neighborhood(s), and the value of commensurate linkage fee savings and benefits, shall
 8 determine applicable community serving uses for each community benefits agreement. The
 9 community benefits agreement shall be executed by the city and the applicant using the
 10 city's standard contract process, and prior to approval of a site development plan or
 11 issuance of building permits. The community benefits agreement shall include, but is not
 12 limited to the following: benefitting tenant use; rent-reduction rate; time period; collateral;
 13 and default remedies such as re-leasing or recapture of any obtained incentive height
 14 linkage fee savings.

15 (c) *Incentive height* shall have the same meaning as the term is defined in Article 13 of
 16 the Denver Zoning Code.

17 (d) *Incentive height build alternative unit(s)* means the number of build alternative units
 18 required for the portion of a structure above the base height, which shall equal the product
 19 of the amount of applicable build alternative units using the formulas in Sec. 27-155,
 20 D.R.M.C. for the incentive height area only, and the specific incentive overlay multiplier in
 21 the table below. For example, if the formula in 27-155, D.R.M.C. requires two build
 22 alternative unit based on the gross floor area located above the base height, and the
 23 multiplier is ten, then the Incentive Height Build Alternative Units would equal 20 units.
 24 Unless and until any rules and regulations have been adopted specific to this article VI,
 25 incentive height build alternative units shall be approved in accordance with the office of
 26 economic development's affordable housing permanent funds ordinance administrative
 27 rules and regulations; however, in no event will the approved number of incentive height
 28 build alternative units result in zero (0) units. Incentive height build alternative units are
 29 provided in addition to total structure build alternative units.

30 (e) *Incentive height linkage fee* means the amount of linkage fee required for the portion
 31 of a structure above the base height, which shall equal the product of the amount of

1 applicable linkage fee using the formulas in Sec. 27-153, D.R.M.C. for the incentive height
2 area only, and the specific incentive overlay multiplier in the table below. For example, if the
3 formula in 27-153, D.R.M.C. requires \$10,000 based on the gross floor area of the incentive
4 height, and the multiplier for that specific incentive overlay district is ten, then the Incentive
5 Height Linkage Fee for that structure in that specific incentive overlay district would equal
6 \$100,000. Incentive height linkage fees are provided in addition to the total structure linkage
7 fee.

8 **Sec. 27-185. Specific Increased Linkage Fee and Build Alternative Unit Requirements**

9 In order to take advantage of incentive heights, projects shall provide the increased linkage
10 fee or build alternative unit amounts, as applicable, based on the table below:

Incentive Overlay District	Incentive Height Linkage Fee Multiplier	Incentive Height Build Alternative Unit Multiplier
IO-1	4	4

11
12 **Sec. 27-186. Repealer.**

13 The provisions of this division 2 shall cease to apply if Article V, Chapter 27, D.R.M.C. is
14 repealed.

15 **Sec. 27-187. Incentive height requirements for the 38th & Blake Station Area Incentive**
16 **Overlay District.**

17 (a) Residential and mixed-use residential structures shall comply with the
18 following requirements in order to build within the allowed incentive height as determined by
19 the Denver Zoning Code:

20 (1) The project must provide the required quantity of total structure build
21 alternative units and incentive height build alternative units. In calculating the total
22 number of build alternative units to be created, the fractional amounts of total
23 structure build alternative units and incentive height build alternative units shall be
24 added together, and then rounded so that five-tenths (.5) or greater shall result in
25 requiring that a whole unit shall be produced.

26 (2) Build alternative units may be located on the subject property, or at an off-site

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location anywhere with a zone district designation of IO-1, regardless of whether that location is within a quarter-mile of the subject structure.

(3) Residential and mixed-use residential structures that exceed the base height must provide build alternative units; payment of total structure linkage fee and incentive height linkage fee is not allowed.

(b) Non-residential and mixed-use non-residential structures shall comply with one of the following requirements in order to build within the allowed incentive height as determined by the Denver Zoning Code:

(1) Payment of both the required total structure linkage fee and incentive height linkage fee;

(2) Providing the required quantity of total structure build alternative units and incentive height build alternative units, either at an off-site location with a zone district designation of IO-1 (regardless of whether that location is within a quarter-mile of the subject structure), or, if the structure is a mixed-use non-residential structure, on the subject property; in calculating the total number of build alternative units to be created, the fractional amounts of total structure build alternative units and incentive height build alternative units shall be added together, and then rounded so that five-tenths (.5) or greater shall result in requiring that a whole unit shall be produced; or

(3) Payment of the total structure linkage fee and execution of a community benefits agreement.

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1 COMMITTEE APPROVAL DATE: [fill in]

2 MAYOR-COUNCIL DATE: [fill in]

3 PASSED BY THE COUNCIL _____

4 _____ - PRESIDENT

5 APPROVED: _____ - MAYOR _____

6 ATTEST: _____ - CLERK AND RECORDER,
7 EX-OFFICIO CLERK OF THE
8 CITY AND COUNTY OF DENVER
9

10 NOTICE PUBLISHED IN THE DAILY JOURNAL: _____, ; _____,

11 PREPARED BY: Adam C. Hernandez, Assistant City Attorney DATE: [fill in]

12 Pursuant to section 13-12, D.R.M.C., this proposed ordinance has been reviewed by the office of
13 the City Attorney. We find no irregularity as to form, and have no legal objection to the proposed
14 ordinance. The proposed ordinance is not submitted to the City Council for approval pursuant to
15 §3.2.6 of the Charter.
16

17 Kristin M. Bronson, City Attorney

18

19 BY: _____, Assistant City Attorney Date: _____, 2018

River North Art District Proposed Design Overlay Zone District



December 26, 2017

Part of what makes the River North Art District so special is the sense of place created by its unique mix of 19th-century factories and warehouses, ultra-modern apartments and gritty industrial sites. As the area continues its evolution to a vibrant mix of arts, entertainment, employment and living options, recent public planning efforts have elicited a community desire for design rules that preserve and enhance the area's pedestrian realm, reduce the impact of automobiles and encourage creative, human scale, building design. The 38th & Blake Station Area Height Amendments, adopted by City Council in late 2016, recommend enhanced design quality in the area, especially in association with higher-intensity development near the commuter rail station.

To implement these recommendations, City Council President Albus Brooks has collaborated with the Community Planning and Development Department and community stakeholders to propose a Design Overlay Zone District.

The proposed Design Overlay Zone District addresses:

- Build-to and setback requirements
- Structured parking design
- Mass reduction for larger buildings
- Street level height, transparency and active use
- Pedestrian access for street level dwelling units

This document provides an overview of the proposed River North Design Overlay Zone District.

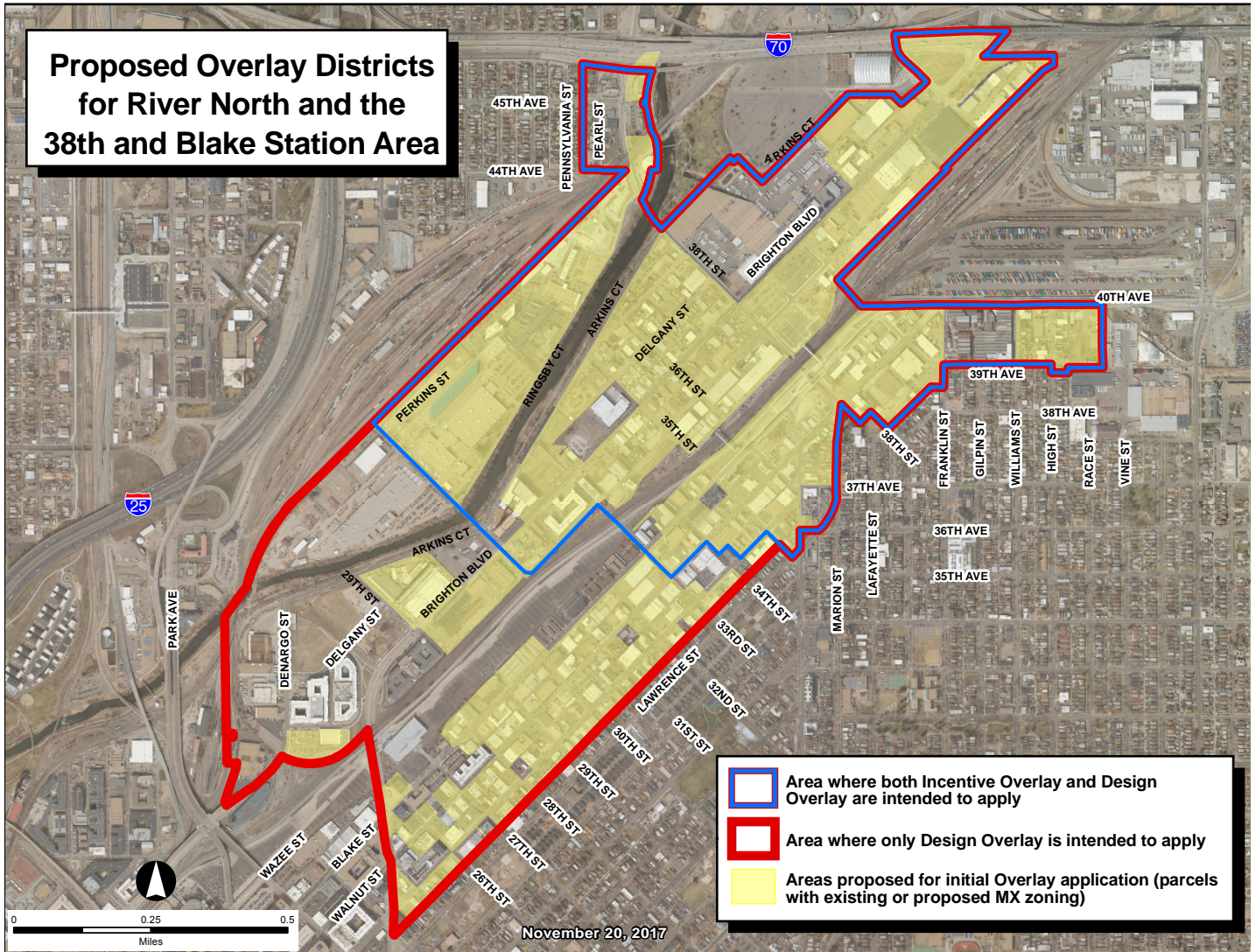


Artist Justin Lovato completes a mural in River North Art District, 2014. (Jason Kaczorowski, via google)

Overlay Implementation

The River North Design Overlay will be proposed for implementation through legislative Denver Zoning Code text and map amendments. Except in special circumstances, map amendment applications will not be required to rezone individual properties for use of the overlay.

The Denver City Council must adopt all zoning code text and map amendments in a public hearing.



Applicability

The proposed River North Design Overlay would apply to properties within Denver Zoning Code Mixed Use (MX) zone district designations as illustrated on the map above (which also illustrates proposed applicability of the related 38th and Blake Station Area Incentive Overlay that is proposed to allow additional building height for development that provides certain community benefits, such as affordable housing. More information about the Incentive Overlay is available on the project web page at www.denvergov.org/38blake.

The Design Overlay would not apply to properties in the I-A or I-B industrial zone districts, former Chapter 59 Zone Districts, Open Space Context (OS-) districts and Planned Unit Development (PUD) districts (except where the PUD specifically indicates that the Overlay Zone District applies).

Proposed Requirements

RiNo's future success depends on a vibrant social scene along its streets that encourages residents and visitors to walk or bike between activities. Proposed River North Design Overlay standards include:

Required "build-to" standards for all building types. This Overlay would require at least 70% of a structure be built near the sidewalk edge.

Reduced parking impact. The presence of automobiles -- whether parked or circulating parking lots -- can discourage walking. This overlay proposes several regulations that would reduce their impact, including:

- No minimum parking requirements within 1/2 mile of the A Line commuter rail station.
- A requirement that no surface parking serving a development be located between the building and adjoining streets.
- Special surface parking lot landscaping standards, including perimeter planting strips and low "garden" walls.
- A limitation on visible structured parking above street level. Any structured parking would have to be screened or "wrapped" with shops or other primary uses besides parking along at least 70 percent of each street frontage.

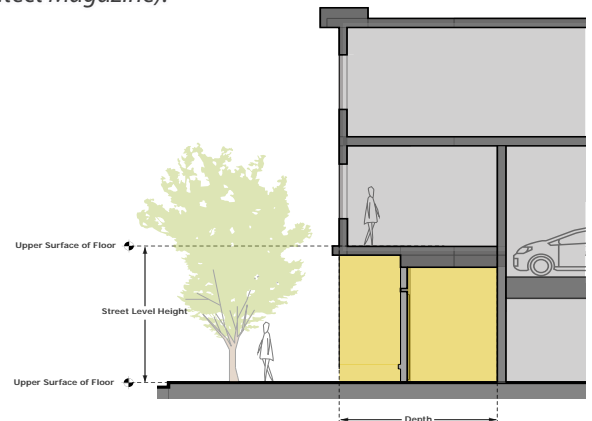
Flexible, pedestrian-scaled building fronts. A requirement that the street level, regardless of use, incorporate typical commercial shopfront dimensions to allow conversion from residential to more active uses.

Street Level Non-Residential Active Uses. Inactive uses like private residences, storage facilities, warehouses and outdoor storage discourage an active urban environment. This Overlay District proposes to require active uses like shops, restaurants or offices along the sidewalk for large developments.

Pedestrian Access for Residential Units. The Overlay would require that any residential unit located at the street level have a pedestrian entrance to the sidewalk with an entry feature to create a sense of openness to the street and encourage community.



Low wall and landscaping buffer between surface parking and pedestrian realm in RiNo Arts District (image source: Architect Magazine).

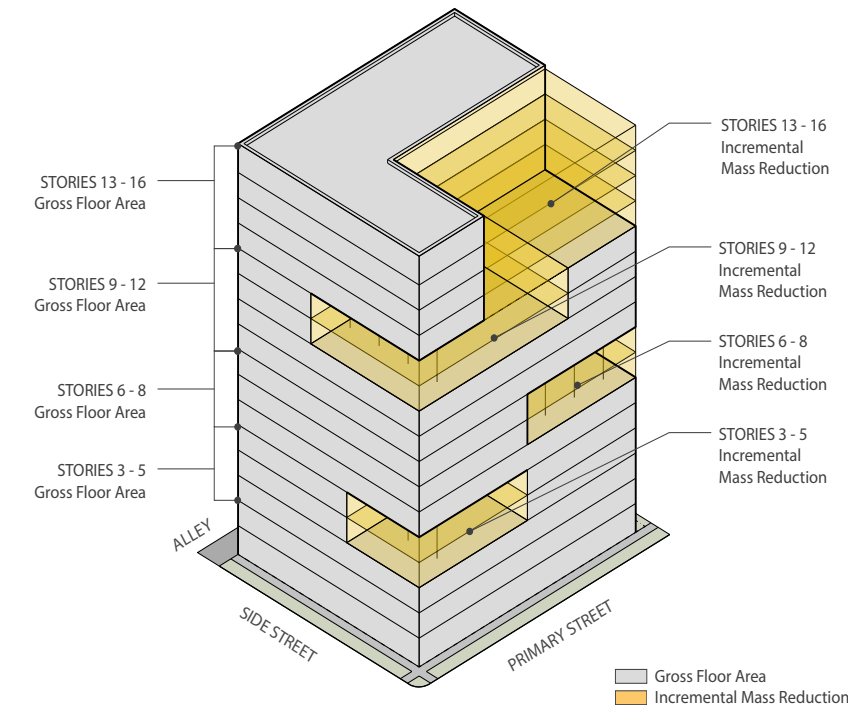
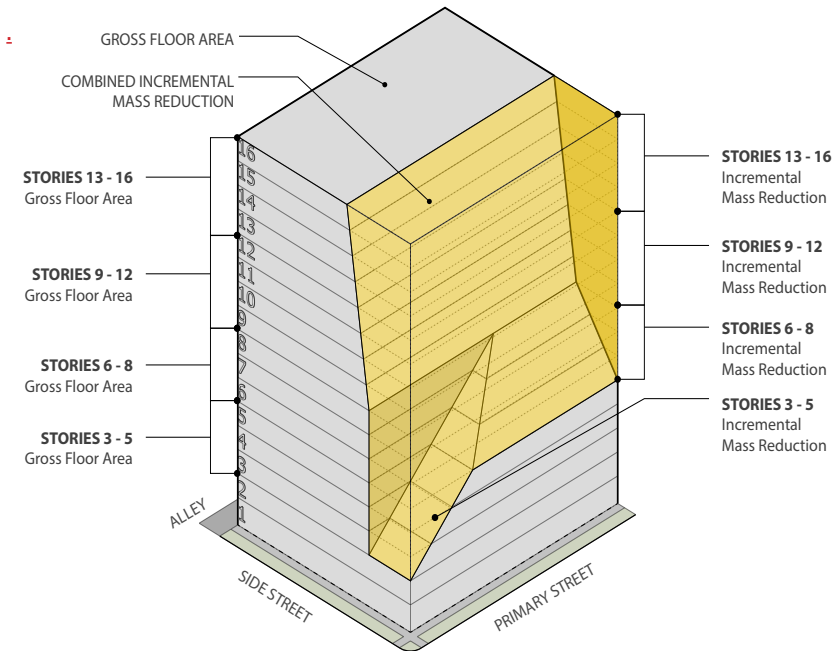


Special regulations for street level floor height would result in flexible spaces that could be adapted to more active, commercial uses in the future (image source: proposed River North Design Overlay).



Active ground-floor uses attract people and encourage walking from place-to-place (image source: Visit Denver).

Incremental Mass Reduction. The overlay would require taller buildings to incorporate massing reductions to preserve daylight access and promote creative design. Mass reduction requirements would apply only to large or wide lots (greater than about 1/3 of block frontage). It would set maximum floor areas within specific ranges of building stories to reduce building mass as building height increases. Required mass reductions would vary from 10% for building stories 2-5 to 30% for the portion of a building above 12 stories (where allowed). The illustrations below provide an example of combined Incremental Mass Reductions on a 16-story Structure.



Images: Architecture Magazine



Image: Kutnicki Bernstein Architects

These images show possible approaches consistent with use of the proposed floor area mass reduction requirements.

Definitions Used in this Document

Design Overlay District: An area designated on the Official Zoning Map to establish special urban design standards for newly developing or redeveloping areas that implement recommendations set forth in adopted plans.

Incentive Height Overlay District: An area designated on the Official Zoning Map where building heights are permitted to exceed maximums established by underlying zoning, in return for affordable housing or other community benefits. The Design Overlay District described in this document will be considered in tandem with an Incentive Height Overlay District that would impact some of the same area.

Incremental Mass Reduction: a set of design requirements that aim to reduce the visual impact of large buildings by requiring increasingly greater reductions in building mass as a building gets taller.

Build-To Standard: An alignment at the primary street or side street setback line of a zone lot, or within a range of setback from the zone lot line abutting the street, along which a street-facing, primary building wall must be built.

For More Information, Visit the Project Website:
www.denvergov.org/38blake



Image: Armando Martinez, via Flickr

38th & Blake Station Area Proposed Incentive Height Overlay District



December 27, 2017

The 38th and Blake Station Area Plan Height Amendments, adopted by the Denver City Council in September 2016, reflect community support for taller building heights in the station area, with the goal of encouraging development that is transit-oriented and that provides benefits to the community, such as integrated affordable housing and space for community-serving uses.

To implement this concept, the Denver Community Planning and Development Department has collaborated with City Council President Albus Brooks and community stakeholders to draft an incentive height Overlay District and companion legislation to establish related affordable housing requirements in a new Chapter 27 Article VI of the Denver Revised Municipal Code (DRMC). This system aims to leverage the public investment around the 38th and Blake RTD station area and the resulting increase in property values by providing incentives to developers to build taller buildings in return for community benefits. It builds on other city efforts to direct growth into areas that are best equipped to handle change, while ensuring that those areas become inclusive, high-quality places.

To obtain the right to build to incentive heights, developers will have to meet certain requirements for affordable units, fees or subsidized commercial space. The requirements are calculated using the square footage of various uses in a project. Prior to adoption, this system will be tested for feasibility by an outside consultant, and will also be posted for public review and adjusted according to feedback received.

This document provides an overview of the proposed incentive height overlay district and example calculations for fees and/or affordable units that would be required by the related DRMC amendment for development seeking to make use of the incentive heights.



1933 aerial image showing the convergence of Downing, Blake, Lafayette and 38th streets near the Union Pacific rail corridor.

Overlay Implementation

The 38th and Blake Incentive Height Overlay District is proposed for implementation through legislative Denver Zoning Code text and map amendments, as well as a related amendment to the Denver Revised Municipal Code to establish affordable housing requirements. Except in special circumstances, map amendment applications will not be required to rezone individual properties for use of the overlay.

The Denver City Council must adopt all zoning code text and map amendments in a public hearing.


Background: Development with Affordable Housing Fee or Build Alternative

The Denver City Council adopted the Affordable Housing Fee in 2016 with the goal of building a multi-million dollar fund for affordable housing. All new development projects citywide must either pay this fee or result in the construction of a certain number of affordable units. Required fees and/or units are based on the gross square footage (GSF) of a development and requirements vary depending on the type of development (e.g. commercial, residential, industrial, etc.). They are calculated as follows, according to formulas established in the ordinance:

Fee: *Development type-specific fee x GSF = \$ Fee project must pay*

Units: *Development type-specific "Build Alternative" coefficient x GSF/1,000 = X units (note: unit fractions above 0.5 are rounded to the next whole unit)*

As described in the following pages, the proposed 38th and Blake incentive height system is based on multiples of the formulas above. The example scenarios below show how the citywide fee works for a typical development anywhere in the city. This same system would apply to any development in the 38th and Blake Station area that does *not* propose to use incentive heights.




Example Residential Development That Does Not Use Incentive Heights

5 Stories Residential
Total Floor Area:
75,000 GSF

→ **Fee:** $\$1.50^1 \times 75,000 \text{ square feet} = \mathbf{\$112,500}$

→ **Units:** $0.0168^2 \times (75,000/1,000) = \mathbf{1 \text{ unit}}$



Example Commercial Development That Does Not Use Incentive Heights

5 Stories Commercial
Total Floor Area:
75,000 GSF

→ **Fee:** $\$1.70^3 \times 75,000 \text{ square feet} = \mathbf{\$127,500}$

→ **Units:** $0.0228^4 \times (75,000/1,000) = \mathbf{1 \text{ unit}}$

Images: Kane Realty Corp. (top), Minneapolis Star-Tribune (bottom)

1. \$1.50 is the fee per square foot required of residential development per the Affordable Housing Fee Ordinance
2. 0.0168 is the coefficient used to calculate Build Alternative unit requirements for residential development per the Affordable Housing Fee Ordinance
3. \$1.70 is the fee per square foot required of commercial development per the Affordable Housing Fee Ordinance
4. 0.0228 is the coefficient used to calculate Build Alternative unit requirements for commercial development per the Affordable Housing Fee Ordinance

Development Using Proposed Incentive Height

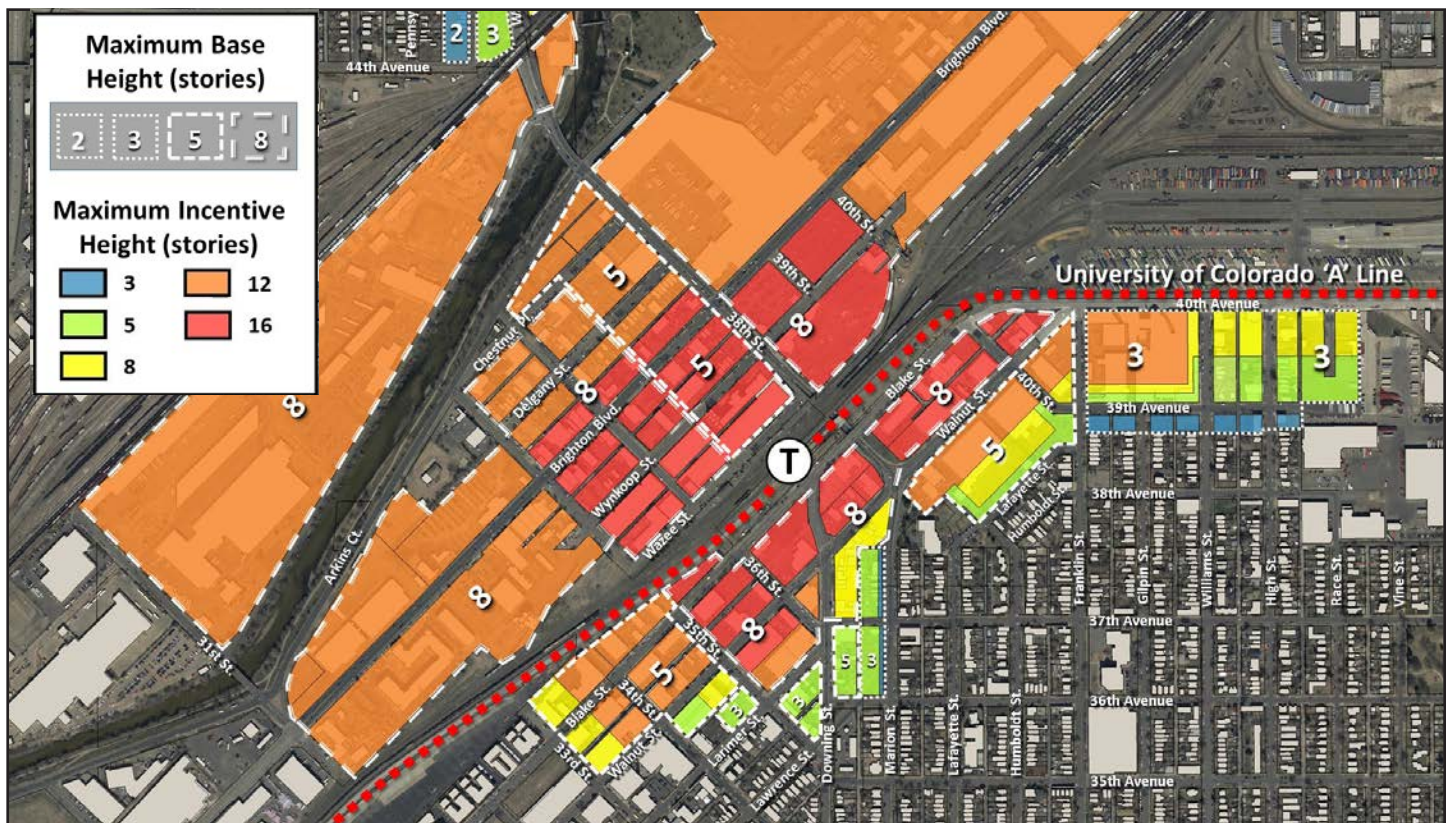
The 2016 38th & Blake Station Area Height Amendments established a set of "base" and "incentive" heights for development near the station. Development to base heights would be assessed according to the citywide system described in the preceding section. Above the base height, citywide requirements would apply, plus additional fees or units calculated at four times the citywide requirement. This means that development above the base height would generate a requirement for five times the total fee or build alternative units that would be required for development that does not exceed the base height. Additional details related to incentive height application to residential and non-residential projects are summarized on the following pages.

Adopted plan amendments base and incentive Heights for the 38th & Blake Station Area are illustrated below.

Affordable Unit Requirements

Residential units provided to meet incentive height requirements must be:

- Affordable to households earning below 80% Area Median Income (matches citywide requirements)
- Similar in size and configuration to the market rate units that generated the requirement.
- Located within the development, or in the 38th and Blake Incentive Height Overlay District (may partner with other developers to provide units)



The 2016 38th & Blake Station Area Plan Height Amendments established recommended base and incentive Heights for development near the RTD station.

Residential Projects Using Incentive Height

When a residential development seeks to make use of incentive heights, the project must integrate affordable residential units on the subject property or within the boundaries of the incentive height overlay district. Residential projects cannot pay an additional fee in lieu of producing affordable units. The number of units required for a project to obtain incentive heights is four times what would be required by the “Build Alternative” section of the Affordable Housing Fee ordinance for square footage above the base heights, plus the units that would be required based on the square footage of the entire structure. The following example scenarios are based on a residential development on a hypothetical parcel of land in a district where underlying zoning permits a maximum of 5 stories, and the height incentive overlay permits heights of up to 12 stories for developments that meet the overlay requirements.

EXAMPLE SCENARIO: RESIDENTIAL DEVELOPMENT TO MAXIMUM INCENTIVE HEIGHT

This example scenario considers a 12-story residential building with a total square footage (GSF) of 180,000 square feet on the hypothetical parcel, where the permitted maximum base height is 5 stories and the maximum incentive height allowed by the incentive height overlay district is 12 stories. In this scenario, the first 5 stories comprise 75,000 square feet, while the 7 stories above the Base height produce an additional 105,000 square feet of residential units.

Under the proposed incentive height overlay district, the number of required units would be calculated in two steps using coefficients derived from the citywide Affordable Housing Fee Build Alternative. First, calculate the number of Build Alternative units required based on the total square footage of the building. Next, calculate the additional number of units required above the base height, using the square footage above the 5th floor (base height in this scenario) and the standard Build Alternative coefficient (0.0168 for residential development) multiplied by four:

Unit Requirement above Base: $GSF/1000 \times (\text{Citywide Affordable Housing "Build Alternative" coefficient} \times 4) = X \text{ units above Base}$ (note: unit fractions above 0.5 are rounded to the next whole unit)

The unit requirement calculation for this example scenario is illustrated below.

Incentive Height
7 Additional Stories
105,000 GSF



Example Residential Development

Incentive Required Units:
 $(105,000/1000) \times (0.0168 \times 4)$
= 7 units

+

Citywide Required Units
(For Total Project GSF):
 $(180,000/1000) \times 0.0168$
= 3 units

Total Units Required: 10

Base Height
5 Stories
75,000 GSF

Example Residential Development to incentive height (12 Stories, 180,000 GSF)

Image: Kutnicki Bernstein Architects

Commercial Projects Using Incentive Height

Commercial projects, such as office buildings, have three options for obtaining the incentive height bonus:

1. Payment of the citywide Affordable Housing Fee plus fees for development above the base height;
2. Construction of affordable residential units (on- or off-site, but within the incentive height overlay district area boundary);
3. Payment of the citywide Affordable Housing Fee and provision of subsidized space for community-serving or nonprofit uses.

Examples of community-serving uses that could be considered for option 3 include arts-related activities like maker spaces and studios; retail of goods needed in the community (e.g. pharmacies, grocery stores); needed services, such as child care and medical clinics; and nonprofit organizations. Applicants will be required to enter into an agreement with the Denver Office of Economic Development, which will consider the proposed use in light of area needs. The value of the space provided must be equal to the waived incentive fees.

EXAMPLE SCENARIO: COMMERCIAL DEVELOPMENT TO MAXIMUM INCENTIVE HEIGHT

This example scenario considers a 12-story commercial office building with a total square footage (GSF) of 180,000 square feet on the hypothetical parcel, where the permitted base height is 5 stories and the incentive height is 12 stories. As with the residential development scenario, in this example the first 5 stories comprise 75,000 square feet, while the 7 stories above the Base height produce an additional 105,000 square feet of commercial space.

While incentive height requirements for residential uses are based a multiple of the citywide Affordable Housing Fee Build Alternative, the incentive system for non-residential uses would provide three options:

1. Fee Option
2. Unit Option
3. Community-serving Use Option

The fee, unit and community-serving use requirement calculations for the commercial example scenario are illustrated on the following page.



*New building at 17th St. & Wewatta St.
Image Source: denver-cityscape.com*

Example Commercial Development Fee Option

Incentive Height

7 Additional Stories
105,000 GSF

Base Height

5 Stories
75,000 GSF



Incentive Fee: $\$(1.70 \times 4) \times 105,000$ square feet
= \$714,000

+

Citywide Fee: $\$1.70 \times 180,000$ square feet =
\$306,000

Total Fee: \$1,020,000

Example Commercial Development Unit Option

Incentive Height

7 Additional Stories
105,000 GSF

Base Height

5 Stories
75,000 GSF



Incentive Units: $(0.0228 \times 4) \times 105/1,000$ square feet = **10 units**

+

Citywide Units: $0.0228 \times 180,000/1,000$ square feet = **4 units**

Total Units: 14

Example Commercial Development Community-Serving Use Option

Incentive Height

7 Additional Stories
105,000 GSF

Base Height

5 Stories
75,000 GSF



Community Serving Use: Negotiated Community Benefits Agreement (CBA) with Office of Economic Development to provide community-serving uses in lieu of incentive fee. CBA should provide value equal to waived incentive Fee.

Citywide Fee: $\$1.70 \times 180,000$ square feet =
\$306,000

Total Requirement for Incentive Height: \$306,000 + Community-Serving Uses

Example Office Development to incentive height (180,000 GSF)

Image: SIBSCO LLC

Definitions Used in this Document

Affordable Housing Fee: A fee on commercial and residential development in the City and County of Denver assessed to help fund the creation and/or preservation of affordable housing. (Chapter 27, Article 5 of the Denver Revised Municipal Code)

Build Alternative: A number of affordable residential units that may be provided in lieu of paying the Affordable Housing Fee, as specified by Chapter 27, Article 5, Division 2, Sec. 27-155 of the Denver Revised Municipal Code.

Incentive Height Overlay District: An area designated on the Official Zoning Map where building heights are permitted to exceed maximums established by underlying zoning, in return for affordable housing or other community benefits.

Base Height: In an incentive height overlay district, the base height is established by underlying zoning and is the maximum height to which buildings can be constructed *without* providing extra affordable units or paying additional fees beyond the standard Affordable Housing Fee.

Incentive Height: In an incentive height overlay district, the incentive height is an additional building height maximum permitted beyond the base height in return for additional fees, a specified number of affordable units, or other community benefits.

Gross Square Footage (GSF): the sum of floor area in a building. GSF is used to calculate fee and/or unit requirements for the Affordable Housing Fee and for additional requirements of the incentive height overlay district.

For More Information, Visit the Project Website:
www.denvergov.org/38blake



38th & Blake Station Area Incentive Height Overlay Feasibility Study



What is this study?

To implement the 2016 38th and Blake Station Area Height Amendments, the Denver Community Planning and Development Department, and Office of Economic Development have been collaborating with City Council President Albus Brooks to develop an Incentive Height Overlay zone district. This proposed system aims to incentivize the production of affordable housing near RTD's University of Colorado A-Line station in return for building heights exceeding what is permitted by underlying zoning. The amount of affordable housing required to obtain taller building heights would be calculated based on a set of formulas established by the Overlay.

In order to test the feasibility of this proposed system, the City contracted with California development advisory firm David Paul Rosen and Associates, which has previously analyzed other City initiatives, such as the Affordable Housing Linkage Fee. The study is a model analysis based on localized assumptions for land value, construction costs, expected income and other factors for a variety of residential and non-residential prototypes. These assumptions originated from third-party sources based on local trends, which were then distributed to developers working in the River North Arts District area for review and refinement to reflect current conditions in Denver.

Outcomes, as indicated by Residual Land Value and Return on Equity, are modeled for projects built to one of two possible scenarios that would be enabled by the Overlay:

- Development to permitted base heights (3, 5 and 8 stories, reflecting existing zoning) with the typical Affordable Housing Linkage Fee that would be required of any development
- Development to maximum incentive heights (5, 12 and 16 stories, as permitted by the Overlay) accounting for additional costs generated by the additional affordable housing requirements.

What did the study find?

In most of the tested scenarios, use of maximum incentive height resulted in higher financial returns (as measured by changes in Residual Land Value) than development to the maximum base height without incentives, despite costs associated with provision of additional affordable housing. More than 80% of land area within the proposed Overlay boundaries will have a base height of 8 stories and an option to build to a maximum incentive height of either 12 or 16 stories. The study indicated a higher financial return in each of these specific scenarios (8 to 12 stories and 8 to 16 stories) when built to the maximum incentive height compared to the maximum base height without incentives.

What happens next?

The project team will continue refining the proposed Incentive Height Overlay zone district in response to stakeholder feedback. It is expected that the formal adoption process for this system would begin in early December, with a final City Council hearing in February. If adopted by the City Council, this system would be in place and ready for use in development by early Spring.

Where can I learn more?

www.denvergov.org/38blake



DAVID PAUL ROSEN & ASSOCIATES
DEVELOPMENT, FINANCE AND POLICY ADVISORS

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www.draconsultants.com

October 11, 2017

To: Abe Barge
Andrew Webb
Laura Brudzynski

From: Nora Lake-Brown
David Rosen

Subject: Financial Analysis of Proposed 38th & Blake Incentive Height Overlay

This memorandum presents a financial analysis of the proposed 38th and Blake Incentive Height Overlay (Overlay). DRA analyzed the estimated financial feasibility of prototypical residential and office projects with and without utilization of the provisions of the Overlay. The study found that 7 of the 10 development scenarios considered would generate higher returns by building to incentive heights while providing affordable housing, rather than building to the base heights permitted by underlying zoning.

In this memo, we summarize the approach and findings of the analysis, followed by a description of the development prototypes and financial return measures used. The attached appendix contains detailed tables with all of the financial analysis assumptions and calculations.

Background and Approach

The proposed 38th and Blake Incentive Height Overlay (Overlay) would apply to three base heights and three incentive heights allowing the following options:

<u>Base Height</u>		<u>Incentive Height</u>
3-story	to	5-story
5-story	to	12-story
5-story	to	16-story
8-story	to	12-story
8-story	to	16-story



DAVID PAUL ROSEN & ASSOCIATES
 DEVELOPMENT, FINANCE AND POLICY ADVISORS

Abe Barge, Andrew Webb, Laura Brudzynski
 October 11, 2017
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DRA used a series of five residential and five office prototypes to estimate the economic effect of using the provisions of the Overlay. In particular, we compared the financial performance of the base-height prototype with that of the incentive height prototype, after accounting for the requirements of the Overlay.

The base height prototypes assume payment of the citywide nexus fee, while the incentive height prototypes assume compliance with the following requirements of the ordinance:

Assumed Requirements 38th and Blake Height Incentive		
Requirement	Commercial	Residential
Citywide Requirement (on Total Floor Area)	\$1.70/SF	0.0168 Units/1000 SF
Incentive Requirement ¹ (on Incentive Floor Area)	\$6.80/SF	0.0672 Units/1000 SF

¹Equals four times citywide requirement.

We used a site size of 1-acre for each of the residential prototypes, so that we could use the higher-density prototypes to model the incentive versions of the lower-density base height prototypes. For the office prototypes, we assumed a site size of 0.75 acres. We first analyzed the financial feasibility of the three base-height prototypes (3-story, 5-story and 8-story) assuming payment of the Citywide nexus fee. We then compared the feasibility of the incentive prototypes for these sites (5-story, 12-story, 16-story) after accounting for the loss in net operating income in the residential prototypes (resulting from lower affordable rents on some units) and additional nexus fees on the office prototypes costs required to comply with the Overlay requirements.



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October 11, 2017
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The financial effect on prototypical residential and office developments of utilizing the provisions of the Overlay were analyzed using two financial measures:

1. Residual land value (RLV): The value to the land generated by income-producing uses on site, after accounting for development costs, including developer overhead and profit.
2. Annual return on equity (ROE): Estimated net annual cash flow after debt service as a percentage of the total equity investment.

Summary of Findings

Table 1 summarizes key findings of the financial analysis.

The residual land value (RLV) and return on equity (ROE) are shown for each of the incentive options. The options are distinguished by the base and incentive building heights listed in each column at the top of the table. Residual land value (RLV) per square foot of site area is shown for the base height and the incentive height prototypes, along with the percentage increase (or decrease) in residual land value resulting from going from the base height to the incentive height under each option.

Residual land values can be compared with estimated market land costs of \$120 (low scenario) to \$200 (high scenario) shown in the assumption section of the table as an indication of feasibility. If RLVs are nearly equal to or above estimated market land values the prototype is considered feasible. If the RLV increases from the base height to the incentive height then the incentive is having a positive net financial impact on the project.

ROEs can be compared to an estimated threshold return of 8%.



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Development Prototypes

DRA used five residential and five office prototypes (3-story, 5-story, 8-story, 12-story and 16-story) to analyze the impact of the Overlay on project financial performance. DRA scaled residential and office development prototypes from its 2016 nexus fee feasibility analysis to produce the prototypes listed above, with input from City staff on site size, density, parking, residential unit mix, and other development characteristics. Ground floor retail is included in the 8-story to 16-story prototypes.

Measures of Financial Return

DRA evaluated the economic feasibility of the prototype developments using Residual Land Value (RLV) and Return on Equity (ROE) approaches. Residual Land Value analysis methodology calculates the value of a development based on its income potential and subtracts the costs of development (excluding land but including an assumed return on the land and improvement costs), to yield the underlying value of the land. An alternative that generates a value to the land that is negative, or well below market land sales prices, is not financially feasible.

The ROE approach calculates the annual net cash flow from development based on its stabilized net operating income potential and subtracts the annual debt service for the portion of total development costs (including land) that is financed with debt. The annual net cash flow after debt represents the available return on equity. Annual net cash flow is then divided by the total amount of equity investment in the project to determine the ROE.

Both approaches calculate the value of rental prototypes (residential and non-residential) at a point in time based on the estimated stabilized net operating income of the prototype.

The RLV and ROE measures are calculated for each prototype assuming development at the base height, and then compared to the RLV and the ROE of the development at the incentive height. Development costs for the base height prototypes include the citywide nexus fees for residential and office uses.



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Development of the residential prototypes at the incentive height assumes the inclusion of the required affordable units, and the rental income at affordable rents for these units. Development costs for the office prototypes at the incentive height include the base citywide fee plus the additional incentive fee.

DRA compares the RLV and ROE of the base height and incentive height prototypes to evaluate the effect of the Overlay provisions on the financial feasibility of, and financial returns from, the developments.

Cost and Revenue Assumptions

The cost and revenue assumptions used in the analysis are detailed in the attached tables. DRA started with estimates of current 2017 rents, operating costs and development costs based on interviews with selected developers. Since projects coming on line at today's rents started construction several years ago, DRA reduced the building and parking hard cost assumptions back to the estimated start of construction using the estimated development time period for each prototype. This adjustment was based on the Mortenson Construction Cost Index for Denver, which indicates that construction costs increased 18% from Q2 2013 to Q2 2017 and 13% from Q2 2014 to Q2 2017, or roughly 4.3% to 4.5% annually.



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City of Denver 38th and Blake Overlay Feasibility Analysis Results 11-Oct-17

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Table 1
Summary of Economic Feasibility Analysis Results
Denver 38th and Blake Overlay Analysis

Base Height	Rental Residential					Office				
	3-Story	5-Story	5-Story	8-Story	8-Story	3-Story	5-Story	5-Story	8-Story	8-Story
Incentive Height	5-Story	12-Story	16-Story	12-Story	16-Story	5-Story	12-Story	16-Story	12-Story	16-Story
Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Base Height Project Characteristics										
Residential Units	65	100	100	200	200	-	-	-	-	-
Residential Net SF	46,050	70,750	70,750	141,500	141,500	-	-	-	-	-
Office Net SF	46,050	43,560	43,560	43,560	43,560	24,000	56,000	56,000	92,000	92,000
Retail Net SF	-	-	-	5,000	5,000	-	-	-	5,000	5,000
Total Net SF	46,050	70,750	70,750	146,500	146,500	24,000	56,000	56,000	97,000	97,000
Total Gross SF (Excluding Parking)	51,167	78,611	78,611	195,333	195,333	30,000	70,000	70,000	121,250	121,250
Parking Spaces	49 Spaces	75 Spaces	75 Spaces	150 Spaces	150 Spaces	60 Spaces	140 Spaces	140 Spaces	230 Spaces	230 Spaces
Approximate Building Stories	3 Stories	5 Stories	5 Stories	8 Stories	8 Stories	3 Stories	5 Stories	5 Stories	5 Stories	5 Stories
Incentive Height Project Characteristics										
Residential Units	100	280	360	280	360	-	-	-	-	-
Residential Net SF	70,750	197,850	254,700	197,850	254,700	-	-	-	-	-
Office Net SF	-	-	-	-	-	56,000	116,000	164,000	116,000	164,000
Retail Net SF	-	5,000	5,000	5,000	5,000	-	5,000	5,000	5,000	5,000
Total Net SF	70,750	202,850	259,700	24,000	56,000	56,000	121,000	169,000	121,000	169,000
Total Gross SF (Excluding Parking)	78,611	270,467	346,267	270,467	346,267	70,000	151,250	211,250	151,250	211,250
Parking Spaces	75 Spaces	210 Spaces	270 Spaces	210 Spaces	270 Spaces	140 Spaces	290 Spaces	410 Spaces	290 Spaces	410 Spaces
Approximate Building Stories	5 Stories	12 Stories	16 Stories	12 Stories	16 Stories	5 Stories	12 Stories	16 Stories	12 Stories	16 Stories
ASSUMPTIONS										
Assumed Land Price										
Low Scenario										
Land Price Per SF Site Area	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Land Price Per Unit	\$52,272	\$18,669	\$14,520	\$18,669	\$14,520	N/A	N/A	N/A	N/A	N/A
High Scenario										
Land Price Per SF Site Area	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Land Price Per Unit	\$87,120	\$31,114	\$24,200	\$31,114	\$24,200	N/A	N/A	N/A	N/A	N/A
Assumed Cap Rate (1)	4.60%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
Estimated Minimum Threshold ROE	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Minimum Developer Profit for RLV	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Assumed Investment Period (Months)	30 Months	48 Months	48 Months	48 Months	48 Months	18 Months	21 Months	21 Months	21 Months	21 Months
RESIDUAL LAND VALUE Per Site SF										
Prototypes at Base Height	\$248	\$295	\$295	\$131	\$131	\$29	-\$24	-\$24	-\$66	-\$66
Prototypes with Incentives	\$289	\$250	\$386	\$276	\$427	-\$32	-\$15	-\$26	-\$4	-\$15
Percent Increase (Decrease) in RLV Per SF	16%	-15%	31%	111%	226%	-212%	38%	-9%	94%	77%
RETURN ON EQUITY										
Prototypes at Base Height										
Low Scenario	10.53%	9.33%	9.33%	2.75%	2.75%	0.84%	1.85%	1.85%	2.60%	2.60%
High Scenario	4.91%	5.70%	5.70%	1.72%	1.72%	-1.17%	0.70%	0.70%	1.87%	1.87%
Prototypes with Incentives										
Low Scenario	9.13%	4.10%	4.95%	4.10%	4.95%	1.99%	3.75%	4.05%	3.73%	4.04%
High Scenario	5.52%	3.30%	4.28%	3.30%	4.28%	0.84%	3.11%	3.57%	3.09%	3.56%
Increase (Decrease) in ROE										
Low Scenario	-1.39%	-5.23%	-4.38%	1.35%	2.20%	1.15%	1.90%	2.20%	1.13%	1.44%
High Scenario	0.61%	-2.40%	-1.43%	1.58%	2.55%	2.00%	2.41%	2.87%	1.22%	1.69%
BASE HEIGHT RLVs and ROEs (2)										
Base Height RLVs by Prototype:	3-Story	5-Story	8-Story	12-Story	16-Story	3-Story	5-Story	8-Story	12-Story	16-Story
Base Height ROEs by Prototype:	\$247.69	\$294.61	\$130.84	\$328.18	\$505.22	\$28.55	(\$23.63)	(\$66.03)	\$2.16	\$3.55
Low Land Cost Scenario	10.53%	9.33%	2.75%	4.58%	5.53%	0.84%	1.85%	2.60%	3.64%	3.94%
High Land Cost Scenario	4.91%	5.70%	1.72%	3.77%	4.84%	-1.17%	0.70%	1.87%	3.00%	3.46%

(1) Based on CBRE 1st Half 2017 Cap Rate Survey data for the City of Denver. Represents the mid point of the estimated current cap rate range for urban residential and office projects.

(2) For base height prototypes without incentives.

Source: DRA.

Table 2
Development Prototypes
Denver 38th and Blake Overlay Analysis

	Rental Residential					Office				
	3-Story	5-Story	8-Story	12-Story	16-Story	3-Story	5-Story	8-Story	12-Story	16-Story
Primary Land Use	Residential	Residential	Residential	Residential	Residential	Office	Office	Office	Office	Office
Other Land Use			1st Floor Retail	1st Floor Retail	1st Floor Retail			1st Floor Retail	1st Floor Retail	1st Floor Retail
Total Residential Units	65	100	200	280	360					
Total DU's/Acre	65	100	200	280	360					
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres	0.75 Acres	0.75 Acres	0.75 Acres	0.75 Acres	0.75 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Construction Type	Type V	Type V over Type I	LG Steel/Podium	Type 1	Type 1	Type V	Type II	Light Gauge	Type 1	Type 1
Parking Type	Garage	Structured	Subterranean/Structured	Subterranean/Structured	Subterranean/Structured	Surface	Structured	Subterranean/Structured	Subterranean/Structured	Subterranean/Structured
Approximate Building Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories
Total Gross Building SF (Excluding Parking)	51,167	78,611	195,333	270,467	346,267 SF	30,000 SF	70,000 SF	121,250 SF	151,250 SF	211,250 SF
FAR	1.2	1.8	4.5	6.2	7.9	0.9	2.1	3.7	4.6	6.5
Total Gross Bldg. SF, Incl. Struct./Underg. Pkg (1)	51,167	104,861	247,833	343,967	440,917	30,000	119,000	201,750	252,750	354,750
Building Efficiency Ratio (%)	90%	90%	75%	75%	75%	80%	80%	80%	80%	80%
Site Coverage (Bldg. Footprint) (%)	33%	70%	85%	85%	85%	80%	80%	80%	80%	80%
Average Floor Plate (GSF)	17,056	30,500	37,000	37,000	37,000	10,000	26,100	26,100	26,100	26,100
Bldg. Footprint Plus Surface Parking (GSF)	36,656	30,500	37,000	37,000	37,000	31,000	26,100	26,100	26,100	26,100
Bldg. Footprint Plus Surface Parking (% of Site)	84%					95%				
Levels of Underground Parking	0.0	0.0	1.0	2.0	2.0	0.0	0.0	2.0	2.0	2.0
Levels of Structured Parking Above Grade	0.0	0.9	0.4	0.0	0.6	2.1	1.9	3.1	3.9	5.5
Stories of Office (& Retail) Space	0.0	0.0	0.2	0.2	0.2	3.0	2.7	4.6	5.8	8.1
Stories of Residential Space	3.0	2.6	5.1	7.1	8.0	0.0	0.0	0.0	0.0	0.0
Total Stories Above Ground	3.0	3.4	6.7	9.3	10.7	5.1	4.6	9.7	11.7	15.6
Net Rentable SF Office	0 SF	0 SF	0 SF	0 SF	0 SF	24,000 SF	56,000 SF	92,000 SF	116,000 SF	164,000 SF
Net Rentable SF Hotel	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF
Net Rentable SF Retail	0 SF	0 SF	5,000 SF	5,000 SF	5,000 SF	0 SF	0 SF	5,000 SF	5,000 SF	5,000 SF
Net Rentable SF Warehouse	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF
Net Rentable SF Manufacturing	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF	0 SF
Net Rentable SF Residential	46,050 SF	70,750 SF	141,500 SF	197,850 SF	254,700 SF	0 SF	0 SF	0 SF	0 SF	0 SF
Net Rentable SF Total	46,050 SF	70,750 SF	146,500 SF	202,850 SF	259,700 SF	24,000 SF	56,000 SF	97,000 SF	121,000 SF	169,000 SF
Total Net Bldg. SF	46,050 SF	70,750 SF	146,500 SF	202,850 SF	259,700 SF	24,000 SF	56,000 SF	97,000 SF	121,000 SF	169,000 SF
Gross SF Office	0 SF	0 SF	0 SF	0 SF	0 SF	30,000 SF	70,000 SF	115,000 SF	145,000 SF	205,000 SF
Gross SF Retail	0 SF	0 SF	6,667 SF	6,667 SF	6,667 SF	0 SF	0 SF	6,250 SF	6,250 SF	6,250 SF
Gross SF Residential	51,167 SF	78,611 SF	188,667 SF	263,800 SF	339,800 SF	0 SF	0 SF	0 SF	0 SF	0 SF
Total Gross Bldg. SF Excluding Parking	51,167 SF	78,611 SF	195,333 SF	270,467 SF	346,267 SF	30,000 SF	70,000 SF	121,250 SF	151,250 SF	211,250 SF
Total Gross Bldg. SF Including Parking	70,767 SF	104,861 SF	247,833 SF	343,967 SF	440,917 SF	51,000 SF	119,000 SF	201,750 SF	252,750 SF	354,750 SF
Unit Bedroom Count Distribution										
Studio/Loft/Shotgun 1 BR	20%	20%	20%	20%	20%					
One Bedroom	65%	65%	65%	65%	65%					
Two Bedroom	15%	15%	15%	15%	15%					
Three Bedroom	0%	0%	0%	0%	0%					
Total	100%	100%	100%	100%	100%					
Units by BR Count										
Studio/Loft/Shotgun 1 BR	13	20	40	56	72					
One Bedroom	42	65	130	183	234					
Two Bedroom	10	15	30	41	54					
Three Bedroom	0	0	0	0	0					
Total Residential Units	65	100	200	280	360					
Residential Density (units per acre)	65 du/a	100 du/a	200 du/a	280 du/a	360 du/a					
Unit Size (Net SF)										
Studio/Loft/Shotgun 1 BR	550 SF	550 SF	550 SF	550 SF	550 SF					
One Bedroom	700 SF	700 SF	700 SF	700 SF	700 SF					
Two Bedroom	950 SF	950 SF	950 SF	950 SF	950 SF					
Three Bedroom	0 SF	0 SF	0 SF	0 SF	0 SF					
<i>Average Unit Size</i>	<i>708 SF</i>	<i>708 SF</i>	<i>708 SF</i>	<i>707 SF</i>	<i>708 SF</i>					
Parking Ratio - Residential (Spaces/Unit)										
Studio/Loft/Shotgun 1 BR	0.75	0.75	0.75	0.75	0.75					
One Bedroom	0.75	0.75	0.75	0.75	0.75					
Two Bedrooms	0.75	0.75	0.75	0.75	0.75					
Three Bedrooms	0.75	0.75	0.75	0.75	0.75					
Parking Spaces Based on Ratio--Residential	49	75	150	210	270					
Parking Ratio - Office (GSF/Space)						500	500	500	500	500
Parking Spaces Based on Ratio--Office						60	140	230	290	410
Parking Ratio - Retail (GSF/Space)						0	0	0	0	0
Parking Spaces Based on Ratio--Retail						0	0	0	0	0
Parking Spaces - Total Based on Ratio						60	140	230	290	410
Parking Spaces Per Floor		87	106	106	106		75	75	75	75
No. of Underground Parking Spaces	0 Spaces	0 Spaces	106 Spaces	210 Spaces	211 Spaces	0 Spaces	0 Spaces	150 Spaces	150 Spaces	150 Spaces
No. of Structured Parking Spaces	0 Spaces	75 Spaces	44 Spaces	0 Spaces	59 Spaces	0 Spaces	140 Spaces	80 Spaces	140 Spaces	260 Spaces
No. of Surface/Garage Parking Spaces	49 Spaces	0 Spaces	0 Spaces	0 Spaces	0 Spaces	60 Spaces	0 Spaces	0 Spaces	0 Spaces	0 Spaces
Total Parking Spaces Provided	49 Spaces	75 Spaces	150 Spaces	210 Spaces	270 Spaces	60 Spaces	140 Spaces	230 Spaces	290 Spaces	410 Spaces
Parking Spaces Provided /Unit or /1000 SF	0.75 Spaces/Unit	0.75 Spaces/Unit	0.75 Spaces/Unit	0.75 Spaces/Unit	0.75 Spaces/Unit	500 GSF/Space	500 GSF/Space	527 GSF/Space	522 GSF/Space	515 GSF/Space
Gross SF/Parking Space (Incl. Circulation)	400 SF	350 SF	350 SF	350 SF	350 SF	350 SF	350 SF	350 SF	350 SF	350 SF
Total Parking SF	19,600 SF	26,250 SF	52,500 SF	73,500 SF	94,500 SF	21,000 SF	49,000 SF	80,500 SF	101,500 SF	143,500 SF
Parking SF Underground	0 SF	0 SF	37,000 SF	73,500 SF	74,000 SF	0 SF	0 SF	52,500 SF	52,500 SF	52,500 SF
Parking SF Structured	0 SF	26,250 SF	15,500 SF	0 SF	20,650 SF	0 SF	49,000 SF	28,000 SF	49,000 SF	91,000 SF
Parking SF Surface	19,600 SF	0 SF	0 SF	0 SF	0 SF	21,000 SF	0 SF	0 SF	0 SF	0 SF
Total Parking GSF	19,600 SF	26,250 SF	52,500 SF	73,500 SF	94,650 SF	21,000 SF	49,000 SF	80,500 SF	101,500 SF	143,500 SF

Source: Interviews with Denver area developers; City of Denver; DRA

Table 3
Development Cost Assumptions and Budgets
Development Prototypes
Denver 38th and Blake Overlay Analysis

	Rental Residential					Office				
	3-Story	5-Story	8-Story	12-Story	16-Story	3-Story	5-Story	8-Story	12-Story	16-Story
PROTOTYPE ASSUMPTIONS										
Total Residential Units	65	100	200	280	360					
Average Unit Size (Net SF)	708	708	708	707	708					
Residential Net SF	46,050	70,750	141,500	197,850	254,700	0	0	0	0	0
Hotel Rooms	0	0	0	0	0	0	0	0	0	0
Average Hotel Room Size (Net SF)	0	0	0	0	0	0	0	0	0	0
Total Net SF (Rentable/Saleable SF)	46,050	70,750	146,500	202,850	259,700	24,000	56,000	97,000	121,000	169,000
Total Gross SF Building Area (Excluding Parking)	51,167	78,611	195,333	270,467	346,267	30,000	70,000	121,250	151,250	211,250
Total Gross SF Building Area (Including Str/Und Parking)	51,167	104,861	247,833	343,967	440,917	30,000	119,000	201,750	252,750	354,750
Underground Parking GSF, First Level	0	0	37,000	37,000	37,000	0	0	26,100	26,100	26,100
Underground Parking GSF, Second Level	0	0	0	36,500	37,000	0	0	26,400	26,400	26,400
Structured Parking GSF	0	26,250	15,500	0	20,650	0	49,000	28,000	49,000	91,000
Surface/Garage Parking GSF	19,600	0	0	0	0	21,000	0	0	0	0
Total Parking Spaces	49	75	150	210	270	60	140	230	290	410
Total Parking GSF	19,600	26,250	52,500	73,500	94,500	21,000	49,000	80,500	101,500	143,500
Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Approximate Building Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories
DEVELOPMENT COST ASSUMPTIONS										
% Reduction in Hard Costs to Start of Construction (1)	9.0%	11.0%	14.0%	17.0%	17.0%	6.0%	6.0%	8.0%	8.0%	8.0%
Construction and Sales/Stabilization Period (Months)	24 Months	30 Months	40 Months	48 Months	48 Months	18 Months	18 Months	21 Months	21 Months	21 Months
Land Price										
Low Scenario Per Hsg. Unit	\$80,418	\$52,272	\$26,136	\$18,669	\$14,520					
Low Scenario Per Site SF	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
High Scenario Per Hsg. Unit	\$134,031	\$87,120	\$43,560	\$31,114	\$24,200					
High Scenario Per Site SF	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Current Bldg. Hard Cost/GSF										
Low Scenario	\$110	\$150	\$225	\$240	\$240	\$130	\$150	\$160	\$170	\$175
High Scenario	\$110	\$150	\$225	\$240	\$240	\$130	\$150	\$160	\$170	\$175
Est. Bldg. Hard Cost/GSF at Construction Close										
Low Scenario (Used in Pro Forma)	\$101	\$135	\$197	\$205	\$205	\$123	\$142	\$148	\$157	\$162
High Scenario (Used in Pro Forma)	\$101	\$135	\$197	\$205	\$205	\$123	\$142	\$148	\$157	\$162
Current Parking Cost/GSF										
Underground, First Level	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110	\$110
Underground, Second Level	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Above Grade Structure	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65	\$65
Surface/Garage	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
Est. Parking Cost/GSF at Construction Close										
Underground, First Level	\$101	\$99	\$96	\$94	\$94	\$104	\$104	\$102	\$102	\$102
Underground, Second Level	\$110	\$108	\$105	\$103	\$103	\$113	\$113	\$111	\$111	\$111
Above Grade Structure	\$60	\$59	\$57	\$56	\$56	\$61	\$61	\$60	\$60	\$60
Surface/Garage	\$37	\$36	\$35	\$34	\$34	\$38	\$38	\$37	\$37	\$37
Tenant Improvements (Per Net SF)										
Low Scenario						\$60	\$60	\$60	\$60	\$60
High Scenario						\$60	\$60	\$60	\$60	\$60
Soft Costs (2) % of Hard Costs	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
Minimum Return Assumptions										
Cap Rate	4.60%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
Minimum Developer Profit on Land + Improvements (3)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Equity as a % of TDC	30.0%	30.0%	30.0%	30.0%	30.0%	40.0%	40.0%	40.0%	40.0%	40.0%

Table 3
Development Cost Assumptions and Budgets
Development Prototypes
Denver 38th and Blake Overlay Analysis

	Rental Residential					Office				
	3-Story	5-Story	8-Story	12-Story	16-Story	3-Story	5-Story	8-Story	12-Story	16-Story
DEVELOPMENT BUDGET										
Low Scenario										
Land Acquisition	\$5,227,000	\$5,227,000	\$5,227,000	\$5,227,000	\$5,227,000	\$3,920,000	\$3,920,000	\$3,920,000	\$3,920,000	\$3,920,000
Hard Construction Costs	\$5,168,000	\$10,613,000	\$38,481,000	\$55,446,000	\$70,985,000	\$3,690,000	\$9,940,000	\$17,945,000	\$23,746,000	\$34,223,000
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$1,440,000	\$3,360,000	\$5,820,000	\$7,260,000	\$10,140,000
Underground Parking	\$0	\$0	\$3,552,000	\$7,237,500	\$7,289,000	\$0	\$0	\$5,592,600	\$5,592,600	\$5,592,600
Above Grade Structured Parking	\$0	\$1,548,750	\$883,500	\$0	\$1,156,400	\$0	\$2,989,000	\$1,680,000	\$2,940,000	\$5,460,000
On-Grade Surface Parking	\$725,200	\$0	\$0	\$0	\$0	\$798,000	\$0	\$0	\$0	\$0
Soft Costs (2)	\$1,178,640	\$2,432,350	\$8,583,300	\$12,536,700	\$15,886,080	\$1,185,600	\$3,257,800	\$6,207,520	\$7,907,720	\$11,083,120
Total Development Costs, Including Land	\$12,298,840	\$19,821,100	\$56,726,800	\$80,447,200	\$100,543,480	\$11,033,600	\$23,466,800	\$41,165,120	\$51,366,320	\$70,418,720
TDC Per Housing Unit	\$189,213	\$198,211	\$283,634	\$287,311	\$279,287	N/A	N/A	N/A	N/A	N/A
TDC per NSF Rentable/Saleable Area	\$267	\$280	\$387	\$397	\$387	\$460	\$419	\$424	\$425	\$417
TDC per Gross SF, Excluding Parking	\$240	\$252	\$290	\$297	\$290	\$368	\$335	\$340	\$340	\$333
TDC per Gross SF, Including Parking	\$240	\$189	\$229	\$234	\$228	\$368	\$197	\$204	\$203	\$199
Total Development Costs, Excluding Land	\$7,071,840	\$14,594,100	\$51,499,800	\$75,220,200	\$95,316,480	\$7,113,600	\$19,546,800	\$37,245,120	\$47,446,320	\$66,498,720
High Scenario										
Land Acquisition	\$8,712,000	\$8,712,000	\$8,712,000	\$8,712,000	\$8,712,000	\$6,534,000	\$6,534,000	\$6,534,000	\$6,534,000	\$6,534,000
Hard Construction Costs	\$5,168,000	\$10,613,000	\$38,481,000	\$55,446,000	\$70,985,000	\$3,690,000	\$9,940,000	\$17,945,000	\$23,746,000	\$34,223,000
Tenant Improvements	\$0	\$0	\$0	\$0	\$0	\$1,440,000	\$3,360,000	\$5,820,000	\$7,260,000	\$10,140,000
Underground Parking	\$0	\$0	\$3,552,000	\$7,237,500	\$7,289,000	\$0	\$0	\$5,592,600	\$5,592,600	\$5,592,600
Above Grade Structured Parking	\$0	\$1,548,750	\$883,500	\$0	\$1,156,400	\$0	\$2,989,000	\$1,680,000	\$2,940,000	\$5,460,000
On-Grade Surface Parking	\$725,200	\$0	\$0	\$0	\$0	\$798,000	\$0	\$0	\$0	\$0
Soft Costs (2)	\$1,178,640	\$2,432,350	\$8,583,300	\$12,536,700	\$15,886,080	\$1,185,600	\$3,257,800	\$6,207,520	\$7,907,720	\$11,083,120
Total Development Costs, Including Land	\$15,783,840	\$23,306,100	\$60,211,800	\$83,932,200	\$104,028,480	\$13,647,600	\$26,080,800	\$43,779,120	\$53,980,320	\$73,032,720
TDC Per Housing Unit	\$242,828	\$233,061	\$301,059	\$299,758	\$288,968	N/A	N/A	N/A	N/A	N/A
TDC per NSF Rentable/Saleable Area	\$343	\$329	\$411	\$414	\$401	\$569	\$466	\$451	\$446	\$432
TDC per Gross SF, Excluding Parking	\$308	\$296	\$308	\$310	\$300	\$455	\$373	\$361	\$357	\$346
TDC per Gross SF, Including Parking	\$308	\$222	\$243	\$244	\$236	\$455	\$219	\$217	\$214	\$206
Total Development Costs, Excluding Land	\$7,071,840	\$14,594,100	\$51,499,800	\$75,220,200	\$95,316,480	\$7,113,600	\$19,546,800	\$37,245,120	\$47,446,320	\$66,498,720

(1) Estimated based on Mortenson Construction Cost Index for Denver showing 18% increase from Q2 2013 to Q2 2017 and 13% from Q2 2014 to Q2 2017. Applied to building and parking hard costs.

(2) Soft costs include A&E, consultants, construction financing costs, permits and fees, legal, accounting, insurance and developer overhead.

(3) Used in Land Residual Analysis.

Source: DRA.

Table 4
Net Operating Income from Market-Rate Apartments
Rental Residential Prototypes
Denver 38th and Blake Overlay Analysis

	3-Story	5-Story	8-Story	12-Story	16-Story
Net Rentable SF of Apartment Space	46,050	70,750	141,500	197,850	254,700
Parking Spaces	49	75	150	210	270
Net Rentable SF of Retail Space	0	0	5,000	5,000	5,000
Approximate Building Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories
Number of Apartment Units					
Studio/Loft/Shotgun 1 BR	13	20	40	56	72
One Bedroom	42	65	130	183	234
Two Bedroom	10	15	30	41	54
Three Bedroom	0	0	0	0	0
Total	65	100	200	280	360
Unit Size (Square Feet)					
Studio/Loft/Shotgun 1 BR	550	550	550	550	550
One Bedroom	700	700	700	700	700
Two Bedroom	950	950	950	950	950
Three Bedroom	-	-	-	-	-
Average	708	708	708	707	708
Average Monthly Rent Per Square Foot					
Low Scenario	\$2.50	\$2.50	\$2.75	\$3.00	\$3.05
High Scenario	\$2.50	\$2.50	\$2.75	\$3.00	\$3.05
Miscellaneous Income (\$/Unit/Year)	\$120	\$120	\$120	\$120	\$120
Rental Vacancy Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Rental Operating Cost/Unit (2)					
Low Scenario	\$5,500	\$5,500	\$7,500	\$7,500	\$7,500
High Scenario	\$5,500	\$5,500	\$7,500	\$7,500	\$7,500
Retail Income (\$/NSF/Year)					
Low Scenario	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
High Scenario	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Retail Vacancy Rate (% Gross Retail Income)	10%	10%	10%	10%	10%
Retail Operating Cost (% of Gross Retail Income)	40%	40%	40%	40%	40%
LOW SCENARIO					
Total Monthly Gross Rental Income	\$115,125	\$176,875	\$389,125	\$593,550	\$776,835
Annual Gross Income	\$1,381,500	\$2,122,500	\$4,669,500	\$7,122,600	\$9,322,020
Less: Residential Vacancy	(\$82,890)	(\$127,350)	(\$280,170)	(\$427,356)	(\$559,321)
Plus: Misc. Income	\$7,800	\$12,000	\$24,000	\$33,600	\$43,200
Plus: Retail Income	\$0	\$0	\$160,000	\$160,000	\$160,000
Less: Retail Vacancy	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)
Adjusted Annual Gross Income	\$1,306,410	\$2,007,150	\$4,557,330	\$6,872,844	\$8,949,899
Operating Costs					
Apartment Operating Costs	(\$357,500)	(\$550,000)	(\$1,500,000)	(\$2,100,000)	(\$2,700,000)
Retail Operating Costs	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)
Net Operating Income	\$948,910	\$1,457,150	\$3,041,330	\$4,756,844	\$6,233,899
HIGH SCENARIO					
Total Monthly Gross Rental Income	\$115,125	\$176,875	\$389,125	\$593,550	\$776,835
Annual Gross Income	\$1,381,500	\$2,122,500	\$4,669,500	\$7,122,600	\$9,322,020
Less: Vacancy	(\$82,890)	(\$127,350)	(\$280,170)	(\$427,356)	(\$559,321)
Plus: Misc. Income	\$7,800	\$12,000	\$24,000	\$33,600	\$43,200
Plus: Retail Income	\$0	\$0	\$160,000	\$160,000	\$160,000
Less: Retail Vacancy	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)
Adjusted Annual Gross Income	\$1,306,410	\$2,007,150	\$4,557,330	\$6,872,844	\$8,949,899
Operating Costs					
Apartment Operating Costs	(\$357,500)	(\$550,000)	(\$1,500,000)	(\$2,100,000)	(\$2,700,000)
Retail Operating Costs	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)
Net Operating Income	\$948,910	\$1,457,150	\$3,041,330	\$4,756,844	\$6,233,899

Source: DRA

Table 5
Net Operating Income from Office Uses
Non-Residential Prototypes
Denver 38th and Blake Overlay Analysis

	3-Story	5-Story	8-Story	12-Story	16-Story
<i>Net SF Office</i>	24,000	56,000	92,000	116,000	164,000
<i>Net SF Retail</i>	0	0	5,000	5,000	5,000
<i>Total Net SF Non-Residential</i>	24,000	56,000	97,000	121,000	169,000
<i>Parking Spaces</i>	60	140	230	290	410
<i>Approximate Building Stories</i>	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories
OPERATING ASSUMPTIONS					
Office Operating Assumptions					
Annual Rent Per NSF (NNN)					
Low Scenario	\$31.00	\$31.00	\$33.00	\$35.00	\$35.00
High Scenario	\$31.00	\$31.00	\$33.00	\$35.00	\$35.00
Vacancy Rate	10.0%	10.0%	10.0%	10.0%	10.0%
Operating Expenses (Annual Cost/NSF) (Excluding BID/Met. District costs)	\$13.00	\$13.00	\$13.00	\$13.00	\$13.00
Retail Operating Assumptions					
Annual Rent Per NSF (NNN)					
Low Scenario	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
High Scenario	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Vacancy Rate	10.0%	10.0%	10.0%	10.0%	10.0%
Operating Expenses (Annual Cost/NSF)	\$13	\$13	\$13	\$13	\$13
Parking Income/Operating Assumptions					
Parking Income (\$/Space/Month)					
Low Scenario	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
High Scenario	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00
Parking Vacancy Rate	0.0%	0.0%	0.0%	0.0%	0.0%
STABILIZED NET OPERATING INCOME					
LOW SCENARIO					
Annual Gross Office Rental Income	\$744,000	\$1,736,000	\$3,036,000	\$4,060,000	\$5,740,000
Annual Gross Retail Rental Income	\$0	\$0	\$160,000	\$160,000	\$160,000
Annual Gross Parking Income	\$108,000	\$252,000	\$414,000	\$522,000	\$738,000
Annual Gross Non-Residential Rental Income	\$852,000	\$1,988,000	\$3,610,000	\$4,742,000	\$6,638,000
Less: Office Vacancy	(\$74,400)	(\$173,600)	(\$303,600)	(\$406,000)	(\$574,000)
Less: Retail Vacancy	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)
Less: Parking Vacancy	\$0	\$0	\$0	\$0	\$0
Adjusted Annual Gross Income	\$777,600	\$1,814,400	\$3,290,400	\$4,320,000	\$6,048,000
Less: Office Operating Expenses	(\$312,000)	(\$728,000)	(\$1,196,000)	(\$1,508,000)	(\$2,132,000)
Less: Retail Operating Expenses	\$0	\$0	(\$65,000)	(\$65,000)	(\$65,000)
Less: Parking Operating Expenses	\$0	\$0	\$0	\$0	\$0
Annual Total Net Operating Income	\$465,600	\$1,086,400	\$2,029,400	\$2,747,000	\$3,851,000
Net Operating Income Per NSF	\$19.40	\$19.40	\$20.92	\$22.70	\$22.79
HIGH SCENARIO					
Annual Gross Office Rental Income	\$744,000	\$1,736,000	\$3,036,000	\$4,060,000	\$5,740,000
Annual Gross Retail Rental Income	\$0	\$0	\$160,000	\$160,000	\$160,000
Annual Gross Parking Income	\$108,000	\$252,000	\$414,000	\$522,000	\$738,000
Annual Gross Non-Residential Rental Income	\$852,000	\$1,988,000	\$3,610,000	\$4,742,000	\$6,638,000
Less: Office Vacancy	(\$74,400)	(\$173,600)	(\$303,600)	(\$406,000)	(\$574,000)
Less: Retail Vacancy	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)
Less: Parking Vacancy	\$0	\$0	\$0	\$0	\$0
Adjusted Annual Gross Income	\$777,600	\$1,814,400	\$3,290,400	\$4,320,000	\$6,048,000
Less: Office Operating Expenses	(\$312,000)	(\$728,000)	(\$1,196,000)	(\$1,508,000)	(\$2,132,000)
Less: Retail Operating Expenses	\$0	\$0	(\$65,000)	(\$65,000)	(\$65,000)
Less: Parking Operating Expenses	\$0	\$0	\$0	\$0	\$0
Annual Total Net Operating Income	\$465,600	\$1,086,400	\$2,029,400	\$2,747,000	\$3,851,000
Net Operating Income Per NSF	\$19.40	\$19.40	\$20.92	\$22.70	\$22.79

Source: DRA.

Table 6
Affordable and Market Rate Units: Rental Housing Prototypes with Height Incentives
Denver 38th and Blake Overlay Analysis

Base Height Incentive Height	Rental Residential				
	3-Story	5-Story	5-Story	8-Story	8-Story
	5-Story	12-Story	16-Story	12-Story	16-Story
Total Site Area (Acre)	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres	1.00 Acres
Total Site Area (SF)	43,560	43,560	43,560	43,560	43,560
Base Height Project Characteristics					
Total Residential Units	65	100	100	200	200
Gross SF Residential	51,167 SF	78,611 SF	78,611 SF	188,667 SF	188,667 SF
Incentive Height Project Characteristics					
Total Residential Units	100	280	360	280	360
Gross SF Residential	78,611 SF	263,800 SF	339,600 SF	263,800 SF	339,600 SF
Total Units by Bedroom Count Distribution					
Studio/Loft/Shotgun 1 BR	20	56	72	56	72
One Bedroom	65	183	234	183	234
Two Bedroom	15	41	54	41	54
Three Bedroom	0	0	0	0	0
Affordable Units Required Units Per GSF					
Total Floor Area 0.0168	1	4	6	4	6
Incentive Floor Area 0.0672	2	12	18	5	10
Total Affordable Units	3	16	24	9	16
Unit Bedroom Count Distribution					
Studio/Loft/Shotgun 1 BR	20%	20%	20%	20%	20%
One Bedroom	65%	65%	65%	65%	65%
Two Bedroom	15%	15%	15%	15%	15%
Three Bedroom	0%	0%	0%	0%	0%
Affordable Units by Bedroom Count					
Studio/Loft/Shotgun 1 BR	1	3	5	2	3
One Bedroom	2	10	15	6	10
Two Bedroom	0	2	4	1	2
Three Bedroom	0	0	0	0	0
Total Affordable Units	3	15	24	9	15
Market Units					
Studio/Loft/Shotgun 1 BR	19	53	67	54	69
One Bedroom	63	173	219	177	224
Two Bedroom	15	39	50	40	52
Three Bedroom	0	0	0	0	0
Total Market Units	97	265	336	271	345

Source: City of Denver; DRA

Table 7
Affordable Rents: Mid- and High-Rise Rental Housing Prototypes with Incentive
Denver 38th and Blake Overlay Analysis

Assumptions

HUD Median Household Income, Denver, 2017 \$83,900
 Affordable Housing Expense As a % of Income 30%

No. of Bedrooms	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Household Size	1.0 Persons	1.5 Persons	3.0 Persons	4.5 Persons	6.0 Persons
Household Size Income Adjust. Factor	70%	75%	90%	104%	116%
Renter Utility Allowance, City of Denver (2)					
Low-Rise	\$60	\$77	\$93	\$109	\$126
Mid-Rise/High-Rise (5+ Stories)	\$53	\$65	\$78	\$90	\$103

Studio 1 Bedroom 2 Bedroom 3 Bedroom 4 Bedroom

Affordability Gap Calculations

30% of Median

Annual Income Limit	\$17,619	\$18,878	\$22,653	\$26,177	\$29,197
Affordable Monthly Housing Expense	\$440	\$472	\$566	\$654	\$730
Less: Monthly Utility Allowance	(\$53)	(\$65)	(\$78)	(\$90)	(\$103)
Affordable Monthly Rent	\$387	\$407	\$488	\$564	\$627

60% of Median

Annual Income Limit	\$35,238	\$37,755	\$45,306	\$52,354	\$58,394
Affordable Monthly Housing Expense	\$881	\$944	\$1,133	\$1,309	\$1,460
Less: Monthly Utility Allowance	(\$53)	(\$65)	(\$78)	(\$90)	(\$103)
Affordable Monthly Rent	\$828	\$879	\$1,055	\$1,219	\$1,357

80% of Median

Annual Income Limit	\$46,984	\$50,340	\$60,408	\$69,805	\$77,859
Affordable Monthly Housing Expense	\$1,175	\$1,259	\$1,510	\$1,745	\$1,946
Less: Monthly Utility Allowance	(\$53)	(\$65)	(\$78)	(\$90)	(\$103)
Affordable Monthly Rent	\$1,122	\$1,194	\$1,432	\$1,655	\$1,843

120% of AMI

Annual Income Limit	\$70,476	\$75,510	\$90,612	\$104,707	\$116,789
Affordable Monthly Housing Expense	\$1,762	\$1,888	\$2,265	\$2,618	\$2,920
Less: Monthly Utility Allowance	(\$53)	(\$65)	(\$78)	(\$90)	(\$103)
Affordable Monthly Rent	\$1,709	\$1,823	\$2,187	\$2,528	\$2,817

Summary of Affordable Rents

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30% of Median	\$387	\$407	\$488	\$564
60% of Median	≥ Monthly Rent	\$828	\$879	\$1,055
80% of Median	≥ Monthly Rent	\$1,122	\$1,194	\$1,432
120% of Median	≥ Monthly Rent	\$1,709	\$1,823	\$2,187

(1) Source: Denver Housing Authority, effective January 1, 2017

Assumes tenant pays gas heating, water heating, and cooking and other electric.

Source: DRA

Table 8
Affordable Rental Income: Rental Housing Prototypes with Incentive
 Denver 38th and Blake Overlay Analysis

Base Height Incentive Height	3-Story 5-Story	5-Story 12-Story	5-Story 16-Story	8-Story 12-Story	8-Story 16-Story
Monthly Per Unit Affordable Rents by Income 80% of AMI	High Rise	High Rise	High Rise	High Rise	High Rise
Studio/Loft/Shotgun 1 BR	\$1,122	\$1,122	\$1,122	\$1,122	\$1,122
One Bedroom	\$1,194	\$1,194	\$1,194	\$1,194	\$1,194
Two Bedroom	\$1,432	\$1,432	\$1,432	\$1,432	\$1,432
Three Bedroom	\$1,655	\$1,655	\$1,655	\$1,655	\$1,655
Number of Affordable Units					
Studio/Loft/Shotgun 1 BR	1	3	5	2	3
One Bedroom	2	10	15	6	10
Two Bedroom	-	2	4	1	2
Three Bedroom	-	-	-	-	-
Total Affordable Units	3	15	24	9	15
Monthly Gross Income					
Studio/Loft/Shotgun 1 BR	\$1,122	\$3,366	\$5,610	\$2,244	\$3,366
One Bedroom	\$2,388	\$11,940	\$17,910	\$7,164	\$11,940
Two Bedroom	\$0	\$2,864	\$5,728	\$1,432	\$2,864
Three Bedroom	\$0	\$0	\$0	\$0	\$0
Total Gross Income from Affordable Units	\$3,510	\$18,170	\$29,248	\$10,840	\$18,170

Source: DRA

Table 9
Net Operating Income: Prototypes with Height Incentives
Prototypes with Height Incentives
Denver 38th and Blake Overlay Analysis

Base Height Incentive Height	3-Story 5-Story	5-Story 12-Story	5-Story 16-Story	8-Story 12-Story	8-Story 16-Story
Total Housing Units with Incentive					
Studio/Loft	20	56	72	56	72
One Bedroom	65	183	234	183	234
Two Bedroom	15	41	54	41	54
Three Bedroom	0	0	0	0	0
Total Housing Units	100	280	360	280	360
Average Unit Size (SF)					
Studio/Loft	550	550	550	550	550
One Bedroom	700	700	700	700	700
Two Bedroom	950	950	950	950	950
Three Bedroom	-	-	-	-	-
Average	708	707	708	707	708
Net Rentable SF of Retail Space	-	5,000	5,000	5,000	5,000
Ave. Monthly Market Rent Per SF					
Low Scenario	\$2.50	\$3.00	\$3.05	\$3.00	\$3.05
High Scenario	\$2.50	\$3.00	\$3.05	\$3.00	\$3.05
Ave. Monthly Market Rent Per Unit					
Low Scenario	\$1,769	\$2,120	\$2,158	\$2,120	\$2,158
High Scenario	\$1,769	\$2,120	\$2,158	\$2,120	\$2,158
Affordable and Market Units					
Total Market Units	97	265	336	271	345
Total Affordable Units	3	15	24	9	15
Miscellaneous Income (\$/Unit/Year)	\$120	\$120	\$120	\$120	\$120
Rental Vacancy Rate	6.0%	6.0%	6.0%	6.0%	6.0%
Rental Operating Cost/Unit (2)					
Low Scenario	\$5,500	\$7,500	\$7,500	\$7,500	\$7,500
High Scenario	\$5,500	\$7,500	\$7,500	\$7,500	\$7,500
Retail Income (\$/NSF/Year)					
Low Scenario	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
High Scenario	\$32.00	\$32.00	\$32.00	\$32.00	\$32.00
Retail Vacancy Rate (% Gross Retail Income)	10%	10%	10%	10%	10%
Retail Operating Cost (% of Gross Retail Income)	40%	40%	40%	40%	40%
LOW SCENARIO					
<i>Low Scenario</i>					
Monthly Gross Rental Income, Market Rate Units	\$171,569	\$561,753	\$725,046	\$574,472	\$744,467
Monthly Gross Rental Income, Affordable Units	\$3,510	\$18,170	\$29,248	\$10,840	\$18,170
Total Monthly Gross Rental Income	\$175,079	\$579,923	\$754,294	\$585,312	\$762,637
Annual Gross Income	\$2,100,945	\$6,959,072	\$9,051,528	\$7,023,739	\$9,151,643
Less: Residential Vacancy	(\$126,057)	(\$417,544)	(\$543,092)	(\$421,424)	(\$549,099)
Plus: Misc. Income	\$12,000	\$33,600	\$43,200	\$33,600	\$43,200
Plus: Retail Income	\$0	\$160,000	\$160,000	\$160,000	\$160,000
Less: Retail Vacancy	\$0	(\$16,000)	(\$16,000)	(\$16,000)	(\$16,000)
Adjusted Annual Gross Income	\$1,986,888	\$6,719,128	\$8,695,636	\$6,779,915	\$8,789,744
Operating Costs					
Apartment Operating Costs	(\$550,000)	(\$2,100,000)	(\$2,700,000)	(\$2,100,000)	(\$2,700,000)
Retail Operating Costs	\$0	(\$64,000)	(\$64,000)	(\$64,000)	(\$64,000)
Net Operating Income	\$1,436,888	\$4,555,128	\$5,931,636	\$4,615,915	\$6,025,744
HIGH SCENARIO					
Monthly Gross Rental Income, Market Rate Units	\$171,569	\$561,753	\$725,046	\$574,472	\$744,467
Monthly Gross Rental Income, Affordable Units	\$3,510	\$18,170	\$29,248	\$10,840	\$18,170
Total Monthly Gross Rental Income	\$175,079	\$579,923	\$754,294	\$585,312	\$762,637
Annual Gross Income	\$2,100,945	\$6,959,072	\$9,051,528	\$7,023,739	\$9,151,643
Less: Residential Vacancy	(\$126,057)	(\$417,544)	(\$543,092)	(\$421,424)	(\$549,099)
Plus: Misc. Income	\$12,000	\$33,600	\$43,200	\$33,600	\$43,200
Plus: Retail Income	\$0	\$160,000	\$160,000	\$160,000	\$160,000
Less: Retail Vacancy	\$0	(\$16,000)	(\$16,000)	(\$16,000)	(\$16,000)
Adjusted Annual Gross Income	\$1,986,888	\$6,719,128	\$8,695,636	\$6,779,915	\$8,789,744
Operating Costs					
Apartment Operating Costs	(\$550,000)	(\$2,100,000)	(\$2,700,000)	(\$2,100,000)	(\$2,700,000)
Retail Operating Costs	\$0	(\$64,000)	(\$64,000)	(\$64,000)	(\$64,000)
Net Operating Income	\$1,436,888	\$4,555,128	\$5,931,636	\$4,615,915	\$6,025,744

Source: DRA

Table 10
Land Residual Analysis: Base Height Prototypes
Denver 38th and Blake Overlay Analysis

	Rental Residential					Office				
	3-Story	5-Story	8-Story	12-Story	16-Story	3-Story	5-Story	8-Story	12-Story	16-Story
<i>Residential Units</i>	65	100	200	280	360	-	-	-	-	-
<i>Residential Net SF</i>	46,050	70,750	141,500	197,850	254,700	-	-	-	-	-
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
<i>Total Net SF</i>	46,050	70,750	146,500	202,850	259,700	24,000	56,000	97,000	121,000	169,000
Total Gross SF (Excluding Parking)	51,167	78,611	195,333	270,467	346,267	30,000	70,000	121,250	151,250	211,250
<i>Approximate Building Stories</i>	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories
Assumed Land Value/SF Site Area										
Low Scenario	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
High Scenario	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Total Annual Net Operating Income, Rental										
Low Scenario	\$948,910	\$1,457,150	\$3,041,330	\$4,756,844	\$6,233,899	\$465,600	\$1,086,400	\$2,029,400	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.61	\$20.60	\$20.76	\$23.45	\$24.00	\$19.40	\$19.40	\$20.92	\$22.70	\$22.79
High Scenario	\$948,910	\$1,457,150	\$3,041,330	\$4,756,844	\$6,233,899	\$465,600	\$1,086,400	\$2,029,400	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.61	\$20.60	\$20.76	\$23.45	\$24.00	\$19.40	\$19.40	\$20.92	\$22.70	\$22.79
Cap Rate	4.60%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
Capitalized Value										
Low Scenario	\$20,628,478	\$31,677,174	\$66,115,870	\$103,409,652	\$135,519,539	\$9,312,000	\$21,728,000	\$40,588,000	\$54,940,000	\$77,020,000
Per NSF	\$448	\$448	\$451	\$510	\$522	\$388	\$388	\$418	\$454	\$456
High Scenario	\$20,628,478	\$31,677,174	\$66,115,870	\$103,409,652	\$135,519,539	\$9,312,000	\$21,728,000	\$40,588,000	\$54,940,000	\$77,020,000
Per NSF	\$448	\$448	\$451	\$510	\$522	\$388	\$388	\$418	\$454	\$456
Citywide Nexus Fee at Fee Level of:										
Fee of \$1.50 Per GSF Residential	\$76,750	\$117,917	\$293,000	\$405,700	\$519,400					
Fee of \$1.70 Per GSF Office						\$51,000	\$119,000	\$206,125	\$257,125	\$359,125
Less: Total Development Cost, Excluding Land										
Low Scenario	\$7,148,590	\$14,712,017	\$51,792,800	\$75,625,900	\$95,835,880	\$7,164,600	\$19,665,800	\$37,451,245	\$47,703,445	\$66,857,845
Per NSF	\$155	\$208	\$354	\$373	\$369	\$299	\$351	\$386	\$394	\$396
High Scenario	\$7,148,590	\$14,712,017	\$51,792,800	\$75,625,900	\$95,835,880	\$7,164,600	\$19,665,800	\$37,451,245	\$47,703,445	\$66,857,845
Per NSF	\$155	\$208	\$354	\$373	\$369	\$299	\$351	\$386	\$394	\$396
Less: Assumed Return on Cost+Land @:	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Low Scenario	\$2,690,671	\$4,131,805	\$8,623,809	\$13,488,216	\$17,676,462	\$1,214,609	\$2,834,087	\$5,294,087	\$7,166,087	\$10,046,087
High Scenario	\$2,690,671	\$4,131,805	\$8,623,809	\$13,488,216	\$17,676,462	\$1,214,609	\$2,834,087	\$5,294,087	\$7,166,087	\$10,046,087
Residual Land Value										
Low Scenario	\$10,789,217	\$12,833,352	\$5,699,260	\$14,295,537	\$22,007,198	\$932,791	(\$771,887)	(\$2,157,332)	\$70,468	\$116,068
Per NSF	\$247.69	\$294.61	\$130.84	\$328.18	\$505.22	\$28.55	(\$23.63)	(\$66.03)	\$2.16	\$3.55
High Scenario	\$10,789,217	\$12,833,352	\$5,699,260	\$14,295,537	\$22,007,198	\$932,791	(\$771,887)	(\$2,157,332)	\$70,468	\$116,068
Per NSF	\$247.69	\$294.61	\$130.84	\$328.18	\$505.22	\$28.55	(\$23.63)	(\$66.03)	\$2.16	\$3.55

Source: DRA.

Table 11
Land Residual Analysis: Prototypes with Incentives
 Denver 38th and Blake Overlay Analysis

Base Height	Rental Residential					Office				
	3-Story	5-Story	5-Story	8-Story	8-Story	3-Story	5-Story	5-Story	8-Story	8-Story
Incentive Height	5-Story	12-Story	16-Story	12-Story	16-Story	5-Story	12-Story	16-Story	12-Story	16-Story
Base Height Project Characteristics										
Residential Units	65	100	100	200	200	-	-	-	-	-
Residential Net SF	46,050	70,750	70,750	141,500	141,500	-	-	-	-	-
Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Total Net SF	46,050	70,750	70,750	146,500	146,500	24,000	56,000	56,000	97,000	97,000
Total Gross SF (Excluding Parking)	51,167	78,611	78,611	195,333	195,333	30,000	70,000	70,000	121,250	121,250
Parking Spaces	49 Spaces	75 Spaces	75 Spaces	150 Spaces	150 Spaces	60 Spaces	230 Spaces	290 Spaces	230 Spaces	290 Spaces
Approximate Building Stories	3 Stories	5 Stories	5 Stories	8 Stories	8 Stories	3 Stories	5 Stories	5 Stories	5 Stories	5 Stories
Incentive Height Project Characteristics										
Residential Units	100	280	360	280	360	-	-	-	-	-
Residential Net SF	70,750	197,850	254,700	197,850	254,700	-	-	-	-	-
Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Total Net SF	70,750	202,850	259,700	202,850	259,700	56,000	121,000	169,000	121,000	169,000
Total Gross SF (Excluding Parking)	78,611	270,467	346,267	270,467	346,267	70,000	151,250	211,250	151,250	211,250
Parking Spaces	75 Spaces	210 Spaces	270 Spaces	210 Spaces	270 Spaces	140 Spaces	290 Spaces	410 Spaces	290 Spaces	410 Spaces
Approximate Building Stories	5 Stories	12 Stories	16 Stories	12 Stories	16 Stories	5 Stories	12 Stories	16 Stories	12 Stories	16 Stories
Assumed Land Value/SF Site Area										
Low Scenario	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
High Scenario	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Total Annual Net Operating Income										
Low Scenario	\$1,436,888	\$4,555,128	\$5,931,636	\$4,615,915	\$6,025,744	\$1,086,400	\$2,747,000	\$3,851,000	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.31	\$22.46	\$22.84	\$22.46	\$22.84	\$19.40	\$22.70	\$22.79	\$22.70	\$22.79
High Scenario	\$1,436,888	\$4,555,128	\$5,931,636	\$4,615,915	\$6,025,744	\$1,086,400	\$2,747,000	\$3,851,000	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.31	\$22.46	\$22.84	\$22.46	\$22.84	\$19.40	\$22.70	\$22.79	\$22.70	\$22.79
Cap Rate										
	4.60%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
Minum Return on Equity	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Capitalized Value										
Low Scenario	\$31,236,702	\$99,024,518	\$128,948,616	\$100,345,977	\$130,994,434	\$21,728,000	\$54,940,000	\$77,020,000	\$54,940,000	\$77,020,000
Per NSF	\$442	\$488	\$497	\$495	\$504	\$388	\$454	\$456	\$454	\$456
High Scenario	\$31,236,702	\$99,024,518	\$128,948,616	\$100,345,977	\$130,994,434	\$21,728,000	\$54,940,000	\$77,020,000	\$54,940,000	\$77,020,000
Per NSF	\$442	\$488	\$497	\$495	\$504	\$388	\$454	\$456	\$454	\$456
Citywide Fee on Total Floor Area										
Fee of \$1.70 Per GSF Office						\$119,000	\$257,125	\$359,125	\$257,125	\$359,125
Incentive Fee on Additional Height										
Fee of \$6.80 Per GSF Office						\$272,000	\$552,500	\$960,500	\$204,000	\$612,000
Less: Total Development Cost, Excluding Land										
Low Scenario	\$14,594,100	\$75,220,200	\$95,316,480	\$75,220,200	\$95,316,480	\$19,937,800	\$48,255,945	\$67,818,345	\$47,907,445	\$67,469,845
Per NSF	\$206	\$371	\$367	\$371	\$367	\$356	\$399	\$401	\$396	\$399
High Scenario	\$14,594,100	\$75,220,200	\$95,316,480	\$75,220,200	\$95,316,480	\$19,937,800	\$48,255,945	\$67,818,345	\$47,907,445	\$67,469,845
Per NSF	\$206	\$371	\$367	\$371	\$367	\$356	\$399	\$401	\$396	\$399
Less: Assumed Return on Cost+Land @:										
With Nexus Fees	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Low Scenario	\$4,074,352	\$12,916,241	\$16,819,385	\$13,088,606	\$17,086,230	\$2,834,087	\$7,166,087	\$10,046,087	\$7,166,087	\$10,046,087
High Scenario	\$4,074,352	\$12,916,241	\$16,819,385	\$13,088,606	\$17,086,230	\$2,834,087	\$7,166,087	\$10,046,087	\$7,166,087	\$10,046,087
Residual Land Value										
With Nexus Fees										
Low Scenario	\$12,568,250	\$10,888,076	\$16,812,751	\$12,037,171	\$18,591,723	(\$1,043,887)	(\$482,032)	(\$844,432)	(\$133,532)	(\$495,932)
Per NSF	\$288.53	\$249.96	\$385.97	\$276.34	\$426.81	(\$31.95)	(\$14.75)	(\$25.85)	(\$4.09)	(\$15.18)
High Scenario	\$12,568,250	\$10,888,076	\$16,812,751	\$12,037,171	\$18,591,723	(\$1,043,887)	(\$482,032)	(\$844,432)	(\$133,532)	(\$495,932)
Per NSF	\$288.53	\$249.96	\$385.97	\$276.34	\$426.81	(\$31.95)	(\$14.75)	(\$25.85)	(\$4.09)	(\$15.18)

Source: DRA.

Table 12
Return on Equity Analysis: Base Height Prototypes
Denver 38th and Blake Overlay Analysis

	Rental Residential					Office				
	3-Story	5-Story	8-Story	12-Story	16-Story	3-Story	5-Story	8-Story	12-Story	16-Story
<i>Residential Units</i>	65	100	200	280	360	-	-	-	-	-
<i>Residential Net SF</i>	46,050	70,750	141,500	197,850	254,700	-	-	-	-	-
<i>Site Area (SF)</i>	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
<i>Total Net SF</i>	46,050	70,750	146,500	202,850	259,700	24,000	56,000	97,000	121,000	169,000
Total Gross SF (Excluding Parking)	51,167	78,611	195,333	270,467	346,267	30,000	70,000	121,250	151,250	211,250
<i>Approximate Building Stories</i>	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories	3 Stories	5 Stories	8 Stories	12 Stories	16 Stories
Total Annual Net Operating Income, Rental Properties										
Low Scenario	\$948,910	\$1,457,150	\$3,041,330	\$4,756,844	\$6,233,899	\$465,600	\$1,086,400	\$2,029,400	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.61	\$20.60	\$20.76	\$23.45	\$24.00	\$19.40	\$19.40	\$20.92	\$22.70	\$22.79
High Scenario	\$948,910	\$1,457,150	\$3,041,330	\$4,756,844	\$6,233,899	\$465,600	\$1,086,400	\$2,029,400	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.61	\$20.60	\$20.76	\$23.45	\$24.00	\$19.40	\$19.40	\$20.92	\$22.70	\$22.79
Cap Rate	4.60%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
Equity Investment Assumptions										
Equity as a % of TDC	30%	30%	30%	30%	30%	40%	40%	40%	40%	40%
Assumed Investment Period (Months)	24	30	40	48	48	18	18	21	24	24
Capitalized Value										
Low Scenario	\$20,628,478	\$31,677,174	\$66,115,870	\$103,409,652	\$135,519,539	\$9,312,000	\$21,728,000	\$40,588,000	\$54,940,000	\$77,020,000
Per NSF	\$448	\$448	\$451	\$510	\$522	\$388	\$388	\$418	\$454	\$456
High Scenario	\$20,628,478	\$31,677,174	\$66,115,870	\$103,409,652	\$135,519,539	\$9,312,000	\$21,728,000	\$40,588,000	\$54,940,000	\$77,020,000
Per NSF	\$448	\$448	\$451	\$510	\$522	\$388	\$388	\$418	\$454	\$456
Citywide Nexus Fee at Fee Level of:										
Fee of \$1.50 Per GSF Residential	\$76,750	\$117,917	\$293,000	\$405,700	\$519,400	\$51,000	\$119,000	\$206,125	\$257,125	\$359,125
Fee of \$1.70 Per GSF Office										
Less: Total Development Cost, Including Land										
Low Scenario	\$12,375,590	\$19,939,017	\$57,019,800	\$80,852,900	\$101,062,880	\$11,084,600	\$23,585,800	\$41,371,245	\$51,623,445	\$70,777,845
Per NSF	\$269	\$282	\$389	\$399	\$389	\$462	\$421	\$427	\$427	\$419
High Scenario	\$15,860,590	\$23,424,017	\$60,504,800	\$84,337,900	\$104,547,880	\$13,698,600	\$26,199,800	\$43,985,245	\$54,237,445	\$73,391,845
Per NSF	\$344	\$331	\$413	\$416	\$403	\$571	\$468	\$453	\$448	\$434
Equity Investment										
Low Scenario	\$3,712,677	\$5,981,705	\$17,105,940	\$24,255,870	\$30,318,864	\$4,433,840	\$9,434,320	\$16,548,498	\$20,649,378	\$28,311,138
High Scenario	\$4,758,177	\$7,027,205	\$18,151,440	\$25,301,370	\$31,364,364	\$5,479,440	\$10,479,920	\$17,594,098	\$21,694,978	\$29,356,738
First Mortgage Debt										
Low Scenario	\$8,662,913	\$13,957,312	\$39,913,860	\$56,597,030	\$70,744,016	\$6,650,760	\$14,151,480	\$24,822,747	\$30,974,067	\$42,466,707
High Scenario	\$11,102,413	\$16,396,812	\$42,353,360	\$59,036,530	\$73,183,516	\$8,219,160	\$15,719,880	\$26,391,147	\$32,542,467	\$44,035,107
Annual Debt Service 5% 30 Yrs										
Low Scenario	\$558,053	\$899,110	\$2,571,195	\$3,645,901	\$4,557,230	\$428,433	\$911,618	\$1,599,046	\$1,995,306	\$2,735,646
High Scenario	\$715,202	\$1,056,260	\$2,728,344	\$3,803,050	\$4,714,379	\$529,467	\$1,012,653	\$1,700,081	\$2,096,340	\$2,836,680
Net Cash Flow										
Low Scenario	\$390,857	\$558,040	\$470,135	\$1,110,943	\$1,676,669	\$37,167	\$174,782	\$430,354	\$751,694	\$1,115,354
High Scenario	\$233,708	\$400,890	\$312,986	\$953,794	\$1,519,520	-\$63,867	\$73,747	\$329,319	\$650,660	\$1,014,320
Annual Return on Equity										
Low Scenario	10.53%	9.33%	2.75%	4.58%	5.53%	0.84%	1.85%	2.60%	3.64%	3.94%
High Scenario	4.91%	5.70%	1.72%	3.77%	4.84%	-1.17%	0.70%	1.87%	3.00%	3.46%

(1) Return on equity measured as annual net cash flow divided by the estimated equity investment.

Source: DRA.

Table 13
Return on Equity Analysis: Prototypes with Height Incentives
Denver 38th and Blake Overlay Analysis

Base Height	Residential					Office				
	3-Story	5-Story	5 -Story	8-Story	8-Story	3-Story	5-Story	5 -Story	8-Story	8-Story
Incentive Height	5-Story	12-Story	16-Story	12-Story	16-Story	5-Story	12-Story	16-Story	12-Story	16-Story
Base Height Project Characteristics										
Residential Units	65	100	100	200	200	-	-	-	-	-
Residential Net SF	46,050	70,750	70,750	141,500	141,500	-	-	-	-	-
Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Total Net SF	46,050	70,750	70,750	146,500	146,500	24,000	56,000	56,000	97,000	97,000
Total Gross SF (Excluding Parking)	51,167	78,611	78,611	195,333	195,333	30,000	70,000	70,000	121,250	121,250
Approximate Building Stories	3 Stories	5 Stories	5 Stories	8 Stories	8 Stories	3 Stories	5 Stories	5 Stories	8 Stories	8 Stories
Incentive Height Project Characteristics										
Residential Units	100	280	360	280	360	-	-	-	-	-
Residential Net SF	70,750	197,850	254,700	197,850	254,700	-	-	-	-	-
Site Area (SF)	43,560	43,560	43,560	43,560	43,560	32,670	32,670	32,670	32,670	32,670
Total Net SF	70,750	202,850	259,700	202,850	259,700	56,000	121,000	169,000	121,000	169,000
Total Net SF	78,611	270,467	346,267	270,467	346,267	70,000	151,250	211,250	151,250	211,250
Parking Spaces	75 Spaces	210 Spaces	270 Spaces	210 Spaces	270 Spaces	140 Spaces	290 Spaces	410 Spaces	290 Spaces	410 Spaces
Approximate Building Stories	5 Stories	12 Stories	16 Stories	12 Stories	16 Stories	5 Stories	12 Stories	16 Stories	12 Stories	16 Stories
Total Annual Net Operating Income, Rental Properties										
Low Scenario	\$1,436,888	\$4,555,128	\$5,931,636	\$4,615,915	\$6,025,744	\$1,086,400	\$2,747,000	\$3,851,000	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.31	\$22.46	\$22.84	\$22.46	\$22.84	\$19.40	\$22.70	\$22.79	\$22.70	\$22.79
High Scenario	\$1,436,888	\$4,555,128	\$5,931,636	\$4,615,915	\$6,025,744	\$1,086,400	\$2,747,000	\$3,851,000	\$2,747,000	\$3,851,000
NOI Per NSF	\$20.31	\$22.46	\$22.84	\$22.46	\$22.84	\$19.40	\$22.70	\$22.79	\$22.70	\$22.79
Cap Rate	4.60%	4.60%	4.60%	4.60%	4.60%	5.00%	5.00%	5.00%	5.00%	5.00%
Equity Investment Assumptions										
Equity as a % of TDC	30%	30%	30%	30%	30%	40%	40%	40%	40%	40%
Assumed Investment Period (Months)	24	48	48	48	48	21	21	21	21	21
Capitalized Value										
Low Scenario	\$31,236,702	\$99,024,518	\$128,948,616	\$99,024,518	\$128,948,616	\$21,728,000	\$54,940,000	\$77,020,000	\$54,940,000	\$77,020,000
Per NSF	\$442	\$488	\$497	\$488	\$497	\$388	\$454	\$456	\$454	\$456
High Scenario	\$31,236,702	\$99,024,518	\$128,948,616	\$99,024,518	\$128,948,616	\$21,728,000	\$54,940,000	\$77,020,000	\$54,940,000	\$77,020,000
Per NSF	\$442	\$488	\$497	\$488	\$497	\$388	\$454	\$456	\$454	\$456
Citywide Fee on Total Floor Area										
Fee of \$1.70 Per GSF Office						\$119,000	\$257,125	\$359,125	\$257,125	\$359,125
Incentive Fee on Additional Height										
Fee of \$6.80 Per GSF Office						\$272,000	\$552,500	\$960,500	\$204,000	\$612,000
Less: Total Development Cost, Including Land										
Low Scenario	\$19,821,100	\$80,447,200	\$100,543,480	\$80,447,200	\$100,543,480	\$23,857,800	\$52,175,945	\$71,738,345	\$51,827,445	\$71,389,845
Per NSF	\$280	\$397	\$387	\$397	\$387	\$426	\$431	\$424	\$431	\$424
High Scenario	\$23,306,100	\$83,932,200	\$104,028,480	\$83,932,200	\$104,028,480	\$26,471,800	\$54,789,945	\$74,352,345	\$54,441,445	\$74,003,845
Per NSF	\$329	\$414	\$401	\$414	\$401	\$473	\$453	\$440	\$453	\$440
Equity Investment										
Low Scenario	\$5,946,330	\$24,134,160	\$30,163,044	\$24,134,160	\$30,163,044	\$9,543,120	\$20,870,378	\$28,695,338	\$20,730,978	\$28,555,938
High Scenario	\$6,991,830	\$25,179,660	\$31,208,544	\$25,179,660	\$31,208,544	\$10,588,720	\$21,915,978	\$29,740,938	\$21,776,578	\$29,601,538
First Mortgage Debt										
Low Scenario	\$13,874,770	\$56,313,040	\$70,380,436	\$56,313,040	\$70,380,436	\$13,923,680	\$30,495,942	\$41,723,382	\$30,635,342	\$41,862,782
High Scenario	\$16,314,270	\$58,752,540	\$72,819,936	\$58,752,540	\$72,819,936	\$15,492,080	\$32,064,342	\$43,291,782	\$32,203,742	\$43,431,182
Annual Debt Service 5% 30 Yrs										
Low Scenario	\$893,793	\$3,627,607	\$4,533,809	\$3,627,607	\$4,533,809	\$896,944	\$1,964,506	\$2,687,762	\$1,973,486	\$2,696,742
High Scenario	\$1,050,942	\$3,784,756	\$4,690,958	\$3,784,756	\$4,690,958	\$997,978	\$2,065,540	\$2,788,796	\$2,074,520	\$2,797,776
Annual Net Cash Flow										
Low Scenario	\$543,095	\$927,521	\$1,397,828	\$988,308	\$1,491,935	\$189,456	\$782,494	\$1,163,238	\$773,514	\$1,154,258
High Scenario	\$385,946	\$770,372	\$1,240,678	\$831,159	\$1,334,786	\$88,422	\$681,460	\$1,062,204	\$672,480	\$1,053,224
Annual Return on Equity										
Low Scenario	9.13%	3.84%	4.63%	4.10%	4.95%	1.99%	3.75%	4.05%	3.73%	4.04%
High Scenario	5.52%	3.06%	3.98%	3.30%	4.28%	0.84%	3.11%	3.57%	3.09%	3.56%

(1) Return on equity measured as annual net cash flow divided by the estimated equity investment.

Source: DRA.

Barge, Abe M. - CPD PS Citywide Planning

From: Planning Services - CPD
Sent: Tuesday, November 28, 2017 9:16 AM
To: Barge, Abe M. - CPD PS Citywide Planning; Webb, Andrew - CPD PS Citywide Planning
Subject: FW: Cole Neighborhood Association comments on RiNo/38th and Blake Overlays

From: Cole Neighborhood Association CNA [mailto:cna.denver@gmail.com]
Sent: Monday, November 27, 2017 5:20 PM
To: Planning Services - CPD <PlanningServices@denvergov.org>
Cc: board@coledenver.com
Subject: Cole Neighborhood Association comments on RiNo/38th and Blake Overlays

Hello,

Please see below for the Cole Neighborhood Association's comments on the RiNo/38th and Blake Overlays.

The Cole Neighborhood Association was heavily involved in the public comment process regarding the RiNo/38th and Blake Overlays. We applaud the creative solutions which have resulted and we believe they will help create affordable housing, community amenities, and aesthetically pleasing architecture. That said, during the public comment process, we raised concerns about the [38th Street](#) underpass between Brighton Boulevard and Walnut Street and those concerns remain today. That underpass is a vital piece of infrastructure for Cole connectivity and it is already experiencing significant challenges with current traffic volume. Obviously, approving a zoning overlay in the area which allows for increased density will only further exacerbate this issue. Therefore, we only recommend approving the overlay if it includes a concrete plan to address the 38th underpass congestion.

Thanks,

Cole Neighborhood Association

Barge, Abe M. - CPD PS Citywide Planning

United Community Action
Network (UCAN) RNO Letter

Subject: FW: City Council, Dist. 9 Request - FW: Official Map Amendment Land Use, Transportation and Infrastructure Public Meeting Notification #2017I-00122 38th and Blake Station Area Underlying Zone District Rezoning/Application of Overlay Districts

From: Yahoo [mailto:armandopayan80@yahoo.com]

Sent: Saturday, December 23, 2017 9:52 AM

To: Montoya, Chy - City Council District 9 <Chy.Montoya@denvergov.org>

Cc: Barge, Abe M. - CPD PS Citywide Planning <Abe.Barge@denvergov.org>; phil@coloradolegal.com

Subject: Re: City Council, Dist. 9 Request - FW: Official Map Amendment Land Use, Transportation and Infrastructure Public Meeting Notification #2017I-00122 38th and Blake Station Area Underlying Zone District Rezoning/Application of Overlay Districts

This email will serve as a letter of support and I am out of the country. Our board members have been informed and are very supportive of zoning overlay and the positive impact this has our community.

Sent from my iPhone

To: Councilman Albus Brooks, District 9
Abe Barge, Community Planning and Development
Laura Brudzynski, Office of Economic Development

From: Charles Street Partners
Tributary Real Estate

Date: June 30, 2017

Re: Land owner comments re: 38th & Blake affordable housing and design overlay districts

Charles Street Partners and Tributary Real Estate have been involved in the planning process and stakeholder outreach for the 38th and Blake station area since before the height amendment process began in November 2015. From attending the first and all subsequent meetings on the height amendments, to proactive outreach to City Council and CPD, to attending a series of stakeholder meetings on the overlay districts (latest meeting, April 10, 2017), we have and will continue to be an active participant in all discussions due to the large amount of land we own and have under contract.

Based on the April 10 stakeholder meeting, we understood the City was preparing to engage financial feasibility consultants to test the draft concepts of the affordable housing and design overlay districts. Based on May 31 email correspondence, we understood the City is running behind schedule on engaging the feasibility consultant(s) and as such, the overall process is also running behind.

As the City proceeds to analyze the available options, we wanted to provide in writing some of the comments we have shared throughout the process, so that the City can consider them as it moves forward with the analysis, drafting and feasibility testing of the proposed overlay districts. These comments are based on the most recent proposal discussed at the April 10 stakeholder meeting.

Affordable overlay:

1. Implement a square footage calculation on the "build option" that results in "X" gross square feet (SF) of affordable (not a specific number of units). Developer may elect to fill up "X" gross SF with any combination of units, provided that "X" gross SF is affordable.

This is an important way to promote some flexibility, while also ensuring an equitable degree of affordability. For example, a developer could elect to provide a greater net number of affordable units, with smaller square footages, or fewer units, but with larger square footages that could accommodate families near the light rail station, which we understand to be a priority goal for the City.

2. In order to meet requirements related to "community serving businesses," consider language to grandfather or provide credit in cases where a developer/owner has recently sold off sites to qualifying community serving businesses within the station area prior to the overlay district becoming effective.

With no prior knowledge of this requirement, our ownership group recently sold off two sites at lower than market rates to qualifying grocery and community bank uses in the station area at 3757 Brighton Blvd (Natural Grocers) and 3655 Brighton Blvd (Collegiate Peaks Bank). We helped deliver

these two uses to be a good steward for the neighborhood and to provide exactly what the City and community were looking for from a community serving business standpoint. This is a new requirement that the City has never required previously. This is also not an easy requirement to deliver due to a host of complexities in the commercial/leasing world.

As such, we strongly encourage CPD/OED to consider flexibility and grandfathering in cases where an owner/developer has provided such qualifying uses in the recent past. The Community Benefits Agreement (CBA) mentioned in the City's draft text provides a framework for how this could be accommodated.

3. The mandate of the build option for even base story heights is a new requirement and mandate. Effectively, by requiring build only, even for base heights, and eliminating the option to pay a fee-in-lieu, developers and property owners within the new overlay district are at a disadvantage and are being treated differently from every other property owner in the City under the recently adopted affordable housing ordinance.

While we recognize that the City's goal with this proposal is to ensure that actual units get built, by imposing this requirement even on base heights, the City is taking away a right that property owners otherwise have. This raises a variety of legal issues, which could ultimately hamper the ability of the City to realize its goals in this area.

Given the fundamental premise of value capture articulated by the City, is appropriate to apply heightened standards to the additional density made available by the overlay structure, but it is not appropriate to apply heightened standards to base densities that already exist by right under the current zoning scheme.

Design overlay:

4. Eliminate or consider alternative compliance options for the wrap requirement for structured parking and active ground floor uses for non-Brighton Blvd addresses. Again, we understand that the City's goal with this requirement is to create pedestrian friendly spaces, and a walkable neighborhood. However, given the wide variety of lot sizes and shapes in the station area, and the even wider variety of both existing and proposed architecture and construction methods, it is possible to create interactive spaces using a variety of techniques. Strict adherence to this requirement is not likely to produce the desired effect, and could simply dampen investment, limit creativity, and reduce new construction in this area.

Feasibility testing:

5. As the City commences feasibility testing of the affordable and design overlays and their requirements, we suggest the City and their consultant work with and solicit feedback owners and developers to ensure that these new requirements are practical and achievable and we don't create unintended consequences. We have a full underwriting team with on the ground knowledge of land, use and market conditions and infrastructure costs. Understanding how these projects are analyzed and underwritten for financial feasibility, and how they are financed, could help the City understand the potential impacts of various alternatives, and the likelihood that they will produce the desired result. As several property owners commented in the April 10 meeting, if the additional density available under the overlay is too costly to projects' bottom lines, the entire area will simply be developed with base densities which will not achieve the City's overall goals.

Thank you for your continued work with our ownership team and the ownership teams from other stakeholder in this area. While we all want to create the best place and neighborhood, we also need to be careful not to unnecessarily limit market desirability lest these new requirements result in the opposite of the desired outcomes.

REVOLUTION3600

brighton boulevard

6950 South Potomac St, Suite 100
Centennial, CO 80112

November 17, 2017

Abe Barge, Principal City Planner
Community Planning and Development
City and County of Denver
201 W. Colfax Ave
Denver, CO 80202

Re: Comments on Denver Zoning Code Text Amendment #2, Public Review Draft 10/20/17

Dear Abe;

Thank you for your time on November 2. Below are our comments on the 10/20/17 Public Review Draft subsequent to that meeting. All section references are within 9.4.5.11.

- F.1.c indicates the City's intent to push for vehicle access to the alley except when infeasible, and acknowledges that the City is working on the language to support this. Per our meeting, we understand that Public Works will have broad discretion on this item. Specifically as it relates to our proposed project @ 3695 Wynkoop (which includes a 500 space parking garage) as indicated by Luke Korpi at our SDP Concept meeting on 9/28/17, pushing this many cars into the alley at the end of the work day qualifies as infeasible and access to/from Wynkoop is approved.
- It is possible for specific property owners to opt-out of the rezone, but not of the overlay. That said, the overlay does not apply to certain existing zones (eg I-B), and so would have no implications on these properties until/unless they were eventually rezoned to an affected zoning designation.
- Parts of sections F & G address Build-To & Activation requirements. As it stands, new development must build-to at least 70% of the Zone Lot Width. It is not permissible to build a 60' wide building on a 100' wide zone lot. Neither is it permissible to extend an existing 40' wide building on a 100' wide zone lot to 60'. We suggested that this is a troubling requirement. Although today's economic and development climate makes it likely that property owners will want to build at least 70% of the width of their property, this will not always be the case. This requirement may lead to requests to divide parcels to allow for smaller development.
- We clarified that the intent of the overlay is that at least 70% of the zone lot width must be "activated" within the build-to zone, and at least 70% of the required activation must be approved non-residential use. An open parking garage entry, if built-to, counts as activation.
- We clarified that the intent of the overlay is that at least 50% of the "Street Facing Building Façade" must be "transparent". Transparency is measured in linear feet, not square feet. An open parking garage entry, and an open-sided parking garage at grade count as transparent.
- We confirmed that if a parking structure does not meet the height thresholds noted in E.4 & F.2.b, then no screening of any kind is required for above grade parking.

- E.4 & I.2.b address volumetric mass reduction. The goal of the overlay is to address MASS, not SQUARE FOOTAGE, but the overlay is using square footage as a proxy for mass. As we discussed, the City will consider defining square footage, for the purposes of mass reduction, as enclosed or covered space. This is important because of projects like the one we have proposed at 3695 Wynkoop, which is a 5 story parking structure with no roof on the 5th level, giving it the equivalent volumetric mass impact of a 4 story office building. As a result, we agreed that the volumetric mass requirement would not apply to our proposed structure.
- From our conversation, we understand that City Staff supports rezoning 3695 Wynkoop to I-MX-5 rather than C-MX-5, and that this needs to be finalized with Councilman Brooks.
- Given that the volumetric mass reduction and incentive height linkage fees are tied to square footage on specific floors of the building, we discussed the need for the City to define where one floor stops and the next begins for sloped floors (as with the ramping in our proposed parking structure). We suggested using the existing City definition from 13.1.2.3.B that says if the floor above you is at least 12' above grade, then you are on the first floor. This would dictate that the second floor begins when the ramp gets 12' above grade, and subsequent floors would follow suit.
- I.2.a.iii.a places a requirement on the clear height from the finished floor to the 'ceiling' of the interior space along the street-facing street-level space. We made 3 suggestions.
 - It will be difficult for core/shell developers to prove compliance to this requirement. As a result, consider changing the requirement so that it measures to points within the structure, rather than to finishes.
 - Within these requirements, the City needs to provide guidance for compliance on sloped sites, where the street-level may have a stepped slab elevation but where the 2nd floor is flat all the way across the site.
 - Perhaps also create a set of requirements for review of tenant finish applications. Nationwide, and in Denver, most urban, street-facing, street-level, active retail has at least some area of finished ceiling that is lower than 14', and this is not inconsistent with the City's vision for the neighborhood. Examples are entry areas with lowered ceilings, feature bar areas along exterior walls, and soffits at cash registers. The City will need to determine a way to allow appropriate implementation of these types of features, perhaps on a % basis that can be lower than 14'

We welcome the opportunity to continue to engage in the City's process. Please let us know if we have misstated anything, and/or if we can provide additional information.

3600 BRIGHTON BLVD LLC

By 
Jerry Blocher
Director of Development



URBAN LAND
CONSERVANCY

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305 Park Avenue West, Suite B, Denver, CO 80205 | 303.377.4477 | urbanlandc.org

December 5, 2017

Attn: Mr. Brad Buchanan,
Executive Director, City of Denver Planning Department
201 W. Colfax Ave., Dept. 205
Denver, CO 80202

Subject: 38th & Blake Height Amendment – Non-Residential Affordability Requirements

Dear Mr. Buchanan:

As the 38th & Blake commuter rail station area continues to develop and land values rapidly escalate, Urban Land Conservancy (ULC) supports, with some exceptions, the City of Denver’s proposed Zoning Overlay Incentive plan which seeks to address, in a limited manner, the gentrification and displacement that is occurring in the Five Points, Cole, Whitter, Globeville and Elyria Swansea communities. By offering an incentive for developers to maximize density in the station area with the requirement that 10% of the up-zoned building square-footage be dedicated to affordable residential or commercial space, the City is offering some long-term residents and local, small and non-profit businesses an opportunity to remain in their neighborhoods and participate in the area’s growing prosperity.

ULC staff has been actively engaged in the discussions regarding the proposed zoning amendment to increase the height, and thus density, in the corridor area surrounding the 38th & Blake Street RTD station. As a long-term stakeholder in the community with our Tramway Nonprofit Center in the Cole neighborhood, and more prominently, our 1.5-acre site at the Blake station, ULC has witnessed first-hand the social turmoil that has been created as a result of the redevelopment and “rebranding” of the neighborhood. Recent incidents of long-time residents protesting newer businesses that are socially insensitive to the existing fabric of the neighborhood are just a small example of the growing frustration being felt by individuals across the City as they experience the rising pressures of displacement.

ULC commends the City of Denver for the diligence and innovation that it has exhibited in creating a density bonus plan that dedicates 10% of the up-zoned building square-footage as permanently affordable residential space. While the affordability of residential units is very prescriptive and easily quantified in the zoning code amendment, the structure addressing the requirement for affordable commercial space is lacking to a point of essentially being unenforceable. We feel strongly that more detailed and quantifiable requirements should be placed on the development of affordable commercial space to match the existing requirements outlined for residential space. The wording of the current amendment even allows developers to park their funds in escrow, build no affordable commercial space

and collect those funds at a later date. While this might be a financial inconvenience for the developer, it does nothing to address the need for affordable commercial space for nonprofits and community-benefitting small businesses. The 38th & Blake station area has benefited greatly from the millions invested by the City and County of Denver and RTD for infrastructure improvements. With this large public investment, it is imperative to leverage these dollars to the greatest extent possible by ensuring they benefit area residents and businesses across the economic spectrum.

ULC recommends a study be conducted across a number of commercial use-types to determine the rental rates reasonable affordability among these uses, and as an owner of affordable commercial space near the 38th & Blake and across the City, ULC would gladly participate in the survey. For example, at the Tramway Nonprofit Center, 4 blocks from the Blake Station our rents average \$10-\$14/sf, which is 25-50% below market rents. In return for commercial owners at 38th & Blake area providing 10% of their up-zoned commercial space at affordable rents, they would get property tax abatement for the dedicated affordable space.

We also recommend the development of a matchmaking function or database service between community members/businesses and developers administered by Radian|Placematters, or a similar type of organization that deals primarily with nonprofits and small businesses seeking commercial space to directly serve neighborhoods in need. Denver Shared Spaces (DSS), a program of Radian, works directly with the Denver Office of Economic Development to identify standard processes and outcomes to support the implementation of community-serving commercial real estate. For example, DSS is currently leading an effort to partner Early Childhood Education providers with developers who are planning or have under-utilized ground floor commercial space near rail stations in order to make child care drop-off and pick-up more convenient for working parents.

Based on our experiences at ULC, we believe there is a workable solution to incentivize commercial owners to include affordable rental space, and we are committed to working with the City to ensure that these spaces are realized. It is as important that there are equitable opportunities provided for businesses as there are affordable housing opportunities for residents. If the zoning code does not include prescriptive requirements for commercial space, the 38th and Blake Station area risks losing the authentic, vibrant, long-standing commercial diversity that has helped to make the area a thriving, mixed-use destination and center for creativity.

Regards,

Mark Marshall
Real Estate Director

Aaron Miripol
President & CEO

Cc: Councilman Albus Brooks, District 9
Abe Barge, Principal City Planner

OTTENJOHNSON

ROBINSON NEFF + RAGONETTI PC

December 5, 2017

THOMAS J. RAGONETTI
303 575 7509
TJR@OTTENJOHNSON.COM

VIA E-MAIL TO ABE.BARGE@DENVERGOV.ORG

Denver Planning Board
Attn: Abe Barge
Planning Services
Community Planning and Development
201 W. Colfax Avenue, Dept. 205
Denver, Colorado 80202

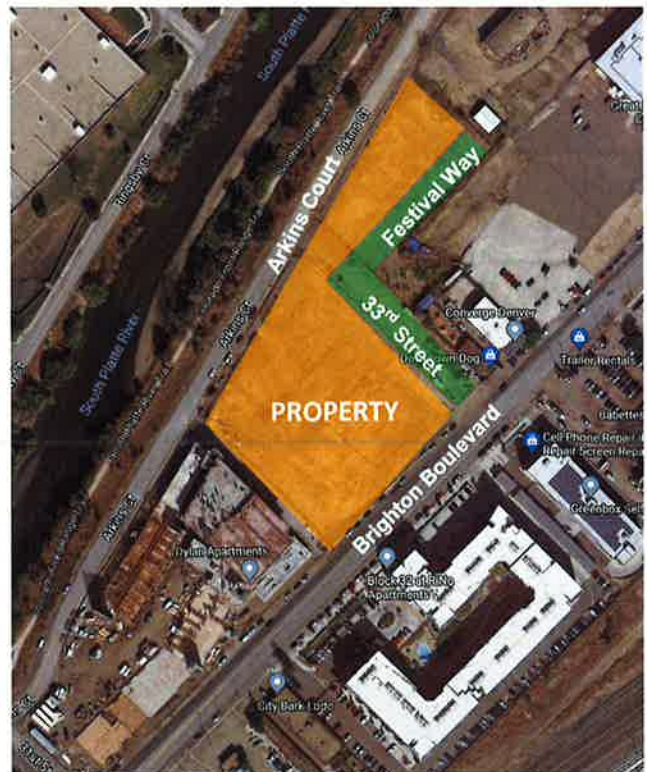
Re: Proposed Text Amendment #2 to create the River North Design Overlay (the “**Draft Design Overlay**”)

Dear Planning Board:

This firm represents Carmel Partners, LLC, a Colorado limited liability company (together with its affiliates, “**Carmel**”) with respect to certain land use matters related to the approximately four-acre parcel of real property located at 3301 Brighton Boulevard in the RiNo neighborhood (the “**Property**”). The Property fronts Brighton Boulevard on the southeast, Arkins Court on the northwest, and the proposed 33rd Street and Festival Way on the northeast and southeast sides, as generally depicted in the image at right.

Carmel has previously met with Abe Barge and Jeff Brasel regarding its proposed development of the Property as an approximately 500-unit multifamily residential complex with associated accessory uses, including a work-out facility and co-working space for residents (collectively, the “**Project**”). In its current design, the Project consists of three separate buildings that generally meet, and in many ways exceed, the applicable building and design standards set forth in the Denver Zoning Code, as well as the vast majority of the standards proposed by the Draft Design Overlay.

However, given the Property’s extensive street frontage, including 343 linear feet along Brighton Boulevard and approximately 727 linear feet along Arkins Court (collectively, the “**Primary Street Frontage**”), both of



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which will be designated as “Primary Streets” for purposes of the Draft Design Overlay, Carmel does not believe it to be commercially feasible for the Project to meet the “Non-Residential Street Level Active Use” requirements set forth in the Draft Design Overlay. By way of example, the following chart illustrates the Street Level Active Use requirements as they would apply to the Property:

	Linear Frontage	Active Use Requirement	
		General	Non-Residential
Arkins Court	727 feet	509 feet	356 feet
Brighton Boulevard	343 feet	240 feet	168 feet
Total	1070 feet	749 feet	524 feet

In consideration of the foregoing, as well as its general review of the Draft Design Overlay, Carmel has the following comments on the Draft Design Overlay, all of which relate to the Non-Residential Street Level Active Use requirement:

1. Arkins Court (specifically between 31st and 33rd Streets) should not be classified as a Primary Street for purposes of meeting the Non-Residential Street Level Active Use requirement.

Carmel is very supportive of the Non-Residential Street Level Active Use requirement as it applies to Brighton Boulevard, which is an active, vibrant, multi-modal street well suited for the types of commercial uses that qualify as Non-Residential Street Level Active Uses. However, the same cannot be said for Arkins Court. The current plan for Arkins Court provides for a dead-end at the northwestern corner of the Property,¹ meaning that the only vehicular traffic traveling along this portion of Arkins Court will directly associated with the Project. The property directly southwest of the Property, which has been fully built-out with (according to the approved site development plan) approximately 274 residential dwelling units and *no commercial uses* that would meet the Non-Residential Street Level Active Use requirement, will not contribute any significant amount of traffic along the portion of Arkins Court abutting the Property.

Although the pedestrian and bicycle trail running along the South Platte River will provide certain additional bicycle and pedestrian traffic, such traffic is extremely seasonal. According to CDOT’s continuous traffic counters, bicycle traffic during the winter months averages approximately 10 percent of bicycle traffic measured during peak summer months.² This level of fluctuation in foot traffic does not create the type of active street front necessary to support commercial and retail uses, and with no other nearby or accessible commercial uses, the types of small scale commercial and retail uses envisioned as Non-Residential Street Level Active Uses cannot survive.

¹ Plans and studies prepared in connection with the RiNo Promenade indicate that the linear walkway will be created from the Arkins Court right-of-way, which will result in the dead-end adjacent to the Property.

Source: <http://www.denvergov.org/content/denvergov/en/denver-parks-and-recreation/planning/river-vision.html>

² Comparing seasonal differences measured at the Platte River Trail (south of Clear Creek Trail) and the Cherry Creek Trail at Champa Street. Although the first location is less intense than the Property and the second is significantly more intense, the difference in bicycle traffic is approximately the same: (1) Platte River Trail: 25 winter cyclists / 300 summer cyclists = 8.3%; (2) Champa Street: 900 winter cyclists / 8,000 summer cyclists = 11.25%.

Source: https://www.codot.gov/programs/bikeped/documents/2016pedestriancounterreport_08-31-2017.pdf

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As such, we propose revising the Draft Design Overlay to exempt Arkins Court from the Non-Residential Street Level Active Use requirement, but would have no concerns with meeting the more general Street Level Active Use requirement for the entire build-to area along Arkins Court.

2. The list of Non-Residential Street Level Active Uses should be expanded to include other non-residential uses related to residential uses that provide the same level of street activation, but will be better supported by the market.

As noted above, Carmel does not anticipate finding commercial users suitable to meet the Non-Residential Street Level Active Use requirement to fill the required Non-Residential Street Level Active Use spaces along Arkins Court. Those uses are generally limited to retail, office, community (e.g., schools, day care centers, religious assembly, and parks), and limited industrial and agricultural uses that are, for the most part, not feasible in a 15-foot deep space. As such, these spaces are likely to remain vacant for a substantial period of time following completion of the Project. Such vacancies will not contribute to the active street facades envisioned by the Draft Design Overlay or its supporters, instead, they will make the vacancies, and potentially the housing units above them, more difficult to fill.

Instead of leaving vacant retail storefronts or other commercial spaces slated for unrealized users meeting the definition of Non-Residential Street Level Active Uses, Carmel would propose incorporating activating uses that will be used and enjoyed by residents of the Project to meet the Non-Residential Street Level Active Use requirement. Such uses should include live-work units with pedestrian entrances onto Arkins Court and building amenity spaces such as fitness centers, yoga rooms and shared-work spaces (i.e., accessory uses associated with primary residential uses). These types of uses with their street-facing facades and transparency to Arkins Court would provide the level of activation intended by the Draft Design Overlay without the likelihood of vacant commercial spaces created by the current Draft Design Overlay.

As an alternative to the change proposed above, this issue could be resolved by expanding the list of uses that meet the Non-Residential Street Level Active Use requirement for Arkins Court to include live-work units and building amenity spaces.

3. Large properties should have the ability to reallocate the required Non-Residential Street Level Active Uses at vibrant locations within the developments in order to attract higher-end, more stable tenants that will increase the commercial activity of the overall neighborhood.

According to the Draft Design Overlay, Non-Residential Street Level Active Uses must have a minimum depth of 15 feet, which means that the Property must include a minimum of 7,860 square feet (5,340 square feet along Arkins Court alone) of commercial uses qualifying as Non-Residential Street Level Active Uses. Notwithstanding the difficulties associated with this particular segment of Arkins Court noted above, only a very small percentage of the potential uses (both retail and others) that qualify as Non-Residential Street Level Active Uses would be able to function in a 15-foot deep space, and according to various reports provided by Carmel's retail consultant, even smaller retail users face significant challenges trying to accommodate such a narrow footprint. However, the Draft Design Overlay nevertheless requires that the square footage be spread across the

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Primary Street Frontage with no options to consolidate at high visibility, high traffic (vehicular and pedestrian) locations within the Property that may actually be able to accommodate retail and commercial users.

By allowing developers of larger lots to consolidate the required retail, even in part, the Draft Design Overlay would create opportunities for catalyzing retail and commercial development. For example, according to a recent article emphasizing the recent uptick in “smaller urban stores,” a typical Apple Store, the quintessential example of the trend, is approximately 6,000 square feet.³ Although an Apple Store may or may not be the type of development envisioned by the Draft Design Overlay, the size provides an example of the type of facility that might be achievable following concentration.

In addition to the potential to provide a catalyst for commercial and retail development, allowing developers of larger parcels subject to the Draft Design Overlay to concentrate the required square footage of Non-Residential Street Level Active Uses would provide opportunities to create unique and attractive destinations that support the neighborhood as a whole while responding to actual market demands and tenant needs (and avoid difficult-to-fill, and likely vacant 15-foot deep retail footprints).

As such, we propose adding an exception to the Non-Residential Street Level Active Use requirement that allows developers of larger parcels, e.g., three acres or greater (including multiple zone lots developed as a single site development plan), to consolidate the required square footage of Non-Residential Street Level Active Uses in more commercial and retail-supportive locations of the properties.

We appreciate your consideration of these issues, and respectfully request that you consider the foregoing comments in reviewing the Draft Design Overlay.

Sincerely,



Thomas J. Ragonetti
for the Firm

TJR

cc: Sally Vecchio (via e-mail to svecchio@carmelpartners.com)

1449152.3

³ Source: <http://www.nreionline.com/retail/big-box-giants-downsize-drive-productivity-smaller-urban-stores>

Barge, Abe M. - CPD PS Citywide Planning

Subject: FW: 38th and Blake Height Overlay Zone

From: Dick Farley [<mailto:dfarley@civitasinc.com>]

Sent: Wednesday, December 06, 2017 8:46 AM

To: Rezoning - CPD <Rezoning@denvergov.org>

Cc: dick@rf-urbandesign.com

Subject: 38th and Blake Height Overlay Zone

A bonus height for commercial projects should not be given for 'needed' retail uses such as grocery stores, drug stores, etc. Let the market decide that. Don't even list them as possible uses to be considered. Limit the uses that trigger bonus height to only affordable, subsidized maker/art studios, live/work/cooperative art studios and galleries, and art-related non-profits (not any old non-profits). The art studios and maker spaces are what have been gentrified out of the neighborhood. Those are the uses that have given the neighborhood its identity and cache. Entice them back in with the height / density bonus.

Thank you,
Dick Farley, RiNO resident and artist