Community Planning and Development

Planning Services



201 W. Colfax Ave., Dept. 205 Denver, CO 80202 p: 720.865.2915 f: 720.865.3052 www.denvergov.org/CPD

TO: Denver City Council

Neighborhoods and Planning Committee

Mary Beth Susman, Chair

FROM: Tim Watkins, AICP, Senior City Planner

DATE: January 28, 2015

RE: Official Zoning Map Amendment Application #2014I-00082

1410 & 1420 S. Santa Fe Dr.

Rezoning from E-CC-3 UO-1 UO-2 to I-A UO-1 UO-2

Staff Report and Recommendation

Based on the criteria for review in the Denver Zoning Code, Staff recommends approval for Application #2014I-00082 for a rezoning from E-CC-3 UO-1 UO-2 to I-A UO-1 UO-2.

Request for Rezoning

Application: #2014I-00082

Address: 1410 & 1420 S. Santa Fe Dr. Neighborhood/Council District: Overland / Council District 7

RNOs: Denver Neighborhood Association, Inc.; Overland Park

Neighborhood Association; Inter-Neighborhood Cooperation

Area of Property: Approx. 30,044 sq. ft. or 0.69 ac.

Current Zoning: E-CC-3 UO-1 UO-2
Proposed Zoning: I-A UO-1 UO-2
Property Owner(s): S and M, LLC

Owner Representative: Kira Suyeishi and Tom Downey, Ireland Stapleton Pryor &

Pascoe, PC

Summary of Rezoning Request

- The site proposed for rezoning consists of two parcels at 1410 and 1420 S. Santa Fe Drive, separated by a platted alley, but owned by the same property owner.
- 1410 S. Santa Fe Drive contains a 2-story office/industrial building that extends east across the
 entire south block face of Arkansas Avenue to Cherokee Street. There is an office front on the
 west side of the building and the rest of the building is a large warehouse. The east part of the



warehouse is located on a separate assessor parcel, owned by the same owner, and already zoned I-A UO-2. Therefore, the structure is currently split-zoned. If approved, this rezoning would bring the entire building into one base zone district.

- 1420 S. Santa Fe Drive is a paved surface parking lot with some landscaping. It is separated from 1410 S. Santa Fe Drive by a paved alley.
- The property owner is requesting rezoning in order to allow industrial uses across all of their property. As stated in their application, if rezoned they intend to seek a zoning permit for plant husbandry to allow for growing of marijuana (not allowed in the current zoning), in conjunction with retail sales (already allowed in the current zoning). Both growing and sales of marijuana are also regulated by marijuana licensing codes, so rezoning is necessary but not alone sufficient to obtain a license to operate marijuana businesses.
- The site currently has two use overlays which carried forward use entitlements from the Former Chapter 59. The first, UO-1, allows adult businesses, subject to use limitations. The second, UO-2 allows billboards, also subject to limitations. There is an existing billboard on this site. The applicant does not propose to change these use overlays. The UO-1 does not apply to the east part of the warehouse that is already zoned I-A. The City generally supports the retention of UO-1 wherever possible in order to ensure sufficient availability of land zoned to allow businesses protected under the First Amendment of the U.S. Constitution.
- The requested I-A zone district is described as a "Light Industrial" zone district in the Denver Zoning Code. New residential uses are not allowed. The I-A zone district is distinguished from the I-B "Heavy Industrial" zone district in that Manufacturing, Fabrication, and Assembly, Heavy; Junkyard; and Husbandry, Animal, are not allowed uses in the I-A zone district. Some uses in the I-A zone district have more restrictive use limitations than in the I-B zone district. The I-A zone district allows more civic/institutional uses than the I-B zone district. The building form standards are identical in I-A and I-B. There is a maximum Floor Area Ratio (FAR) of 2.0 and setbacks apply, with no ground story activation requirements. Further details of the proposed zone district can be found in Article 9 of the Denver Zoning Code (DZC).
- As compared to the current E-CC-3 zone district, the I-A zone district would allow fewer residential uses, but more industrial uses. Allowed commercial sales, services, and repair uses are similar in both districts. The E-CC-3 zone district limits the height of structures to 3 stories, but there is no height limit in the I-A zone district (except where adjacent to protected districts, which this site is not). There is no maximum FAR in the E-CC-3 zone district, but there is a maximum FAR of 2.0 in the I-A zone district. The setbacks are more restrictive in the I-A zone district than in the E-CC-3 zone district. Further details of the existing E-CC-3 zone district can be found in Article 4 of the DZC.

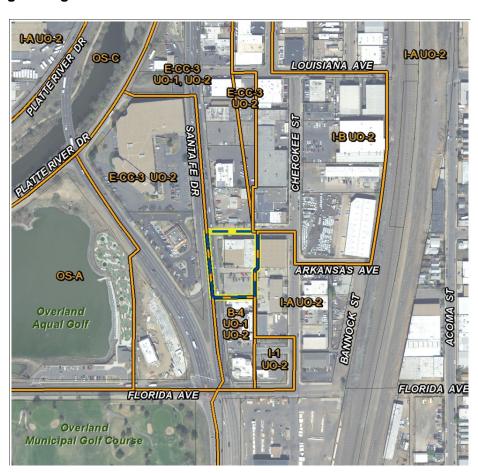
Existing Context

Though located within the statistical Overland neighborhood, this site is located in a major industrial corridor, away from the residential parts of the neighborhood. The property is located on Santa Fe Drive, a state highway and major arterial.

The following table summarizes the existing context proximate to the subject site:

| | Existing Zoning | Existing Land Use | Existing Building Form/Scale | Existing Block, Lot, Street Pattern | |
|-------|---------------------|---|---|---|--|
| Site | E-CC-3 UO-1 UO-2 | Industrial, surface parking | 2-story warehouse; surface parking | Block pattern and block sizes are | |
| North | E-CC-3 UO-2 | Industrial, Commercial | 1- and 2-story commercial and industrial with accessory surface parking and outdoor storage | irregular. The street grid is interrupted by Santa Fe Drive, South Platte River, and railroad tracks. | |
| South | B-4 UO-1 UO-2 | Retail and commercial | 1-story retail with surface parking between building and street | Vehicle parking is typically between buildings and streets. Many loading areas are present. | |
| East | I-A | Industrial | 2-story warehouse | | |
| West | E-CC-3 UO-2 | Eating & drinking establishment with drive-thru | 1-story with drive-thru surrounded by surface parking | | |

1. Existing Zoning



In this general area, Industrial zone districts I-A and I-B are found east of Santa Fe Drive, and mixed use commercial zone district E-CC-3 is found along both sides of Santa Fe Drive north of Florida Avenue in areas that were formerly zoned B-4 or I-2 under the Former Chapter 59. Farther afield are OS open space zone districts for City parks and golf course properties, and the South Platte River. Many of the properties on both sides of Santa Fe Drive in the E-CC-3 zone district are used for industrial uses. Various industrial, manufacturing, and wholesale primary uses are allowed in the E-CC-3 zone district, including manufacturing, fabrication & assembly, custom and general. Other properties along Santa Fe Drive are automobile-oriented eating & drinking establishments and retail uses. On this block of Arkansas Avenue, all uses are industrial.

2. View Plane

The site is located under the Washington Park Mountain View Plane. At this location, the allowable heights under the view plane are more than 130 feet above ground level. Therefore, the 3-story maximum allowable height of the current E-CC-3 zoning renders the Washington Park Mountain View Plane irrelevant at this site. The proposed I-A zoning does not have a maximum height in feet or stories; instead, developable building area is capped at a maximum 2.0 Floor Area Ratio (FAR). It is highly unlikely that redevelopment of the property at an FAR of 2.0 would result in a structure achieving heights approaching 130 feet, but if such redevelopment occurs, the maximum height would be restricted by the Washington Park Mountain View Plane.

3. Existing Land Use Map



4. Existing Building Form and Scale (Google Maps images)



1410 S. Santa Fe Drive at Arkansas Avenue, looking southeast at the office front.



1410 S. Santa Fe Drive as viewed from the corner of Cherokee and Arkansas, looking southwest.



1420 S. Santa Fe Drive, looking east. Building and billboard at 1410 S. Santa Fe Drive are seen at left across the concrete alley.



Eating and drinking establishment with accessory drive-thru, west of site (west side of Santa Fe).



Eating and drinking establishment and retail, south of site (east side of Santa Fe).



Industrial, north of site (northeast corner of Santa Fe and Arkansas).

Summary of City Agency Referral Comments

As part of the DZC review process, the rezoning application is referred to potentially affected city agencies and departments for comment. A summary of agency referral responses follows:

Asset Management (Steve Wirth): Approved – No Comments.

Denver Parks and Recreation (Courtney Levingston): Approved – No Comments.

Public Works – City Surveyor (Ron Ellis): Approved - No Comments.

No other agency comments were received.

Public Review Process

- CPD staff provided Informational notice of receipt of the rezoning application to affected members of City Council and registered neighborhood organizations on November 24, 2014.
- The property was legally posted for a period of 15 days announcing the January 7, 2015, Denver Planning Board public hearing, and written notification of the hearing was sent to all affected registered neighborhood organizations and City Council members.

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- Registered Neighborhood Organizations (RNOs): As of the date of this staff report, no comments have been received from Registered Neighborhood Organizations.
- Other Public Comment: As of the date of this staff report, no other comments have been received.

Criteria for Review / Staff Evaluation

The criteria for review of this rezoning application are found in DZC, Sections 12.4.10.13 and 12.4.10.14, as follows:

DZC Section 12.4.10.13

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

DZC Section 12.4.10.14

- 1. Justifying Circumstances
- 2. Consistency with Neighborhood Context Description, Zone District Purpose and Intent Statements

1. Consistency with Adopted Plans

The following adopted plans apply to this property:

- Denver Comprehensive Plan 2000
- Blueprint Denver (2002)
- Overland Neighborhood Plan (1993)

Denver Comprehensive Plan 2000

The proposal is consistent with many Denver Comprehensive Plan strategies, including:

- Environmental Sustainability Strategy 2-F Conserve land by promoting infill development with 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.
- Land Use 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.
- Economic Activity Strategy 4-B Enhance existing business centers and establish new business centers in a manner that offers a variety of high-quality uses that support Denver's business environment, complements neighboring residential areas, generates public revenue, and creates jobs. Consider the following key strategies as top priorities: ... Reinvest in the city's historical industrial crescent to keep it viable for a wide range of business and employment opportunities."

Note that this site is located within the "industrial crescent" described in the plan on page 126. The plan describes the challenge of industrial areas as follows:

"Denver's older industrial areas are concentrated along the South Platte River and railroad tracks. This crescent-shaped area has been an important part of Denver's economic base for over a century. Maintaining and enhancing the vitality of the industrial crescent as an important part of Denver's economy requires attention to address the age of the buildings and infrastructure and the changing needs of industrial users."

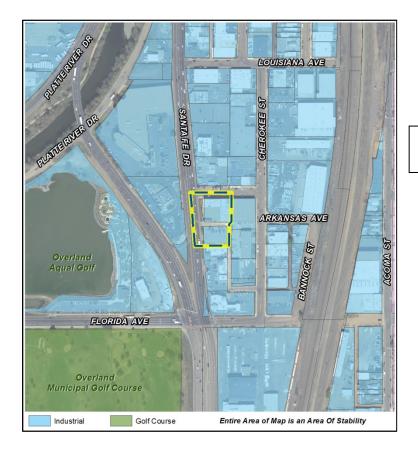
The Comprehensive Plan also encourages expansion of economic opportunity and the City's economic base, with focused efforts to attract new businesses. The proposed map amendment will enable mixed-use industrial development at an infill location where services and infrastructure are already in place. By enabling a broader range of industrial uses, the rezoning will create opportunities for investment in this industrial area to keep it viable for new business opportunities. The rezoning is consistent with the Denver Comprehensive Plan.

Blueprint Denver

According to the 2002 Plan Map adopted in Blueprint Denver, this site has a concept land use of Industrial and is located in an Area of Stability (see map on the following page).

Future Land Use

Blueprint Denver's description of the future land use classification of "Industrial" includes a variety of industrial uses and trends that were in place in 2002 when Blueprint Denver was adopted. These include diverse employment areas, some areas that are suitable for conversion to other uses, and heavier industrial areas along arterials and railroad corridors. One example cited is the South Platte River corridor, which is the general area where this site is located. An I-A Industrial zone district is very well-suited to implement the Blueprint Denver plan recommendation of Industrial.



2002 Blueprint Denver Future Land Use Map

Area of Change / Area of Stability

The site is in an Area of Stability. In general, "The goal for Areas of Stability is to identify and maintain the character of an area while accommodating some new development and redevelopment" (p. 120). Blueprint Denver identifies several strategies in Areas of Stability, including revitalizing neighborhood centers and providing basic services, and compatibility between existing and new development (p. 25).

The rezoning application is consistent with the Blueprint Denver Area of Stability recommendations. The rezoning will maintain the automobile-oriented industrial character of the area while accommodating some reinvestment in the property.

Street Classifications

Blueprint Denver classifies S. Santa Fe Drive as a Commercial Arterial. These are the most widespread commercial street types. "These arterials typically serve commercial areas that contain many small retail strip centers with buildings set back behind front parking lots" (p. 58). Further, "Arterials are designed to provide a high degree of mobility and generally serve longer vehicle trips to, from, and within urban areas (p. 51)." Movement of people and goods is the primary function on these streets.

In Blueprint Denver, Arkansas Avenue is classified as an Undesignated Local street. Specific guidance is not provided in Blueprint Denver for these streets. Blueprint Denver says local streets are "influenced less by traffic volumes and tailored more to providing local access. Mobility on local streets is typically incidental and involves relatively short trips at lower speeds to and from other streets."

The proposed map amendment to I-A is consistent with the Commercial Arterial designation of Santa Fe Drive because the district is intended to accommodate uses on arterial streets (see section 5 below). The building form and uses allowed in I-A are consistent with the character found along Commercial Arterial streets.

Small Area Plan: Overland Neighborhood Plan (1993)

The Overland Neighborhood Plan identifies that commercial and industrial business have been grouped into corridors and that an industrial area exists along Santa Fe Drive. The plan identifies concerns about providing adequate transition from industrial uses to residential communities. This site is not near residential areas and is not in a transition area, so these concerns do not apply to this rezoning. The most specifically applicable recommendation in this plan is Action Recommendation LZ-2, which recommends that commercial and industrial businesses invest in their sites, including beautification and clean-up (p. 13). Reinvestment in the site will be enabled by this rezoning. Based on the foregoing, the proposed rezoning is consistent with the Overland Neighborhood Plan.

2. Uniformity of District Regulations and Restrictions

The proposed rezoning to I-A UO-1 UO-2 will result in the uniform application of zone district building form, use and design regulations, consistent with all sites with this zoning classification in Denver.

3. Public Health, Safety and General Welfare

The proposed official map amendment furthers the public health, safety, and general welfare of the City primarily through implementation of the city's adopted land use plan. Standards for specific uses will continue to be regulated as in all I-A zone districts.

4. Justifying Circumstance

The application identifies several changed or changing conditions as the Justifying Circumstance under DZC Section 12.4.10.14.A.4, "The land or its surrounding environs has changed or is changing to such a degree that it is in the public interest to encourage a redevelopment of the area or to recognize the changed character of the area."

• The applicant points to changes in law in November 2000, when medical marijuana was legalized in the Colorado Constitution, and in November 2012, when recreational marijuana was legalized in the Colorado Constitution. Other applicable changes in law include the adoption of the Denver Zoning Code in 2010, and subsequent changes to the zoning code to specify uses and zone districts where the growing of marijuana is allowed. These changes have enabled

marijuana growing and sales to be efficiently located on the same site, but not in the current E-CC-3 zone district.

- Redevelopment has occurred on other sites in the Santa Fe corridor, including the retail center to the adjacent south of this site.
- It is in the public interest to encourage redevelopment and reinvestment in industrial uses in areas such as this location where such development does not negatively impact residential areas, thus justifying this rezoning.

5. Consistency with Neighborhood Context Description, Zone District Purpose and Intent Statements

The requested I-A zone district is within the Industrial Context, a Special Context. The Industrial Context generally consists of "areas of light industrial, warehouse and heavy industrial areas, as well as areas subject to transitions from industrial to mixed-use." (DZC, Division 9.1). "Industrial uses are primarily located along or in proximity to highway or arterial streets, and often include heavy rail access." The context typically has an irregular pattern of large blocks, street access to surface parking areas, and truck access and loading are important attributes. The site of the proposed rezoning is consistent with this neighborhood context description.

The general purpose and intent of the I-A "Light Industrial" zone district is described in DZC Section 9.1.2.1.B as follows: "This district is intended to be an employment area containing offices, business and light industrial uses that are generally compatible with adjacent Residential or Mixed Use Commercial Zone Districts. No new residential uses may be established in the I-A Zone District in order to promote a stable employment base for the city. Accordingly, I-A zoned areas serve as a land use buffer between more residential areas and more intensive industrial areas, which may be zoned I-B General Industrial."

This site, and the surrounding area, already contains office, business, and light industrial uses, and much of the area is already zoned I-A. Although no residential uses are nearby, there are adjacent mixed use commercial districts. Accordingly, according to the purpose and intent of the I-A zone district, I-A is an appropriate choice to provide a buffer and transition between the mixed use commercial and industrial areas. The rezoning is therefore consistent with the zone district general purpose and intent statement.

Staff Recommendation

Based on the analysis set forth above, CPD staff finds that the application for rezoning the property located at 1410 and 1420 S. Santa Fe Drive to the I-A UO-1 UO-2 zone district meets the requisite review criteria. Accordingly, staff recommends approval.

Planning Board Recommendation

Denver Planning Board heard this application on January 7th 2014. No public comments were offered during the hearing, after which the Board unanimously recommended approval of the application.

Attachments

1. Application



REZONING GUIDE

Rezoning Application Page 1 of 3

Zone Map Amendment (Rezoning) - Application

| PROPERTY OWNER INFORMATION* CHECK IF POINT OF CONTACT FOR APPLICATION | | | PROPERTY OWNER(S) REPRESENTATIVE** CHECK IF POINT OF CONTACT FOR APPLICATION | | | |
|--|-------------------------------|---|--|--------------------------------|--|--|
| Property Owner Name | | | Representative Name | Tom Downey & Kira Suyeishi | | |
| Address | 1410 S. Santa Fe Dr. | | Address | 717 17th Street, Suite 2800 | | |
| City, State, Zip | Denver, CO 80223 | | City, State, Zip | Denver, CO 80202 | | |
| Telephone | (303) 287-2667 | | Telephone | 303-628-3617 | | |
| Email | Gary@e2amusements.com | | Email | ksuyeishi@irelandstapleton.com | | |
| *If More Than One Property Owner: All standard zone map amendment applications shall be initiated by all the owners of at least 51% of the total area of the zone lots subject to the rezoning application, or their representatives authorized in writing to do so. See page 3. | | | **Property owner shall provide a written letter authorizing the representative to act on his/her behalf. | | | |
| Please attach Proof of Ownership acceptable to the Manager for each property owner signing the application, such as (a) Assessor's Record, (b) Warranty deed or deed of trust, or (c) Title policy or commitment dated no earlier than 60 days prior to application date. | | | | | | |
| SUBJECT PROPERTY | Y INFORMATION | | | | | |
| Location (address and/or boundary description): | | 1410 S. Sar | 410 S. Santa Fe Drive & 1420 S. Santa Fe Drive | | | |
| Assessor's Parcel Numbers | Assessor's Parcel Numbers: 05 | | 0522309001000; 0522309030000 | | | |
| Area in Acres or Square Fe | et: | 17,600 square feet; 12,444 square feet | | | | |
| Current Zone District(s): | | E-CC-3, UO-1, UO-2 | | | | |
| PROPOSAL | | | | | | |
| Proposed Zone District: | | I-A (Note: We are not proposing to change the UO-1 and UO-2 overlays) | | | | |
| Does the proposal comply with the minimum area requirements specified in DZC Sec. 12.4.10.3: | | ✓ Yes | | □ No | | |

\$1000 fee paid 11/18/2014 credit card

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REZONING GUIDE

Rezoning Application Page 2 of 3

| REVIEW CRITERIA | | | | | |
|--|---|--|--|--|--|
| | 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 | | | | |
| General Review Crite- ria: The proposal must comply with all of the | 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. | | | | |
| general review criteria DZC Sec. 12.4.10.13 | 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. | | | | |
| | Public Health, Safety and General Welfare: The proposed official map amendment furthers the public health, safety, and general welfare of the City. | | | | |
| Additional Review Criteria for Non-Legislative Rezonings: The proposal must comply with both of the additional review criteria DZC Sec. 12.4.10.14 | Justifying Circumstances - One of the following circumstances exists: The existing zoning of the land was the result of an error. The existing zoning of the land was based on a mistake of fact. The existing zoning of the land failed to take into account the constraints on development created by the natural characteristics of the land, including, but not limited to, steep slopes, floodplain, unstable soils, and inadequate drainage. The land or its surroundings has changed or is changing to such a degree that rezoning that it is in the public. | | | | |
| REQUIRED ATTACH | MENTS | | | | |
| Please ensure the followin | g required attachments are submitted with this application: | | | | |
| ☑ Legal Description (required to be attached in Microsoft Word document format) ☑ Proof of Ownership Document(s) ☑ Review Criteria | | | | | |
| ADDITIONAL ATTACHMENTS | | | | | |
| Please identify any additio | nal attachments provided with this application: | | | | |
| Written Authorization to Represent Property Owner(s) | | | | | |
| Please list any additional a | ttachments: | | | | |
| | rd document; 2) Proof of Ownership Documents; 3) Addendum to Application including project summary ritten Consent of Members and Managers of S and M, LLC; 4) Written Authorization to Represent Property | | | | |

Last updated: June 20, 2014

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Property owner or Property Owner(s) representative certification/petition

We, the undersigned represent that we are the owners of the property described opposite our names, or have the authorization to sign on behalf of the owner as evidenced by a Power of Attorney or other authorization attached, and that we do hereby request initiation of this application. I hereby certify that, to the best of my knowledge and bellef, all information supplied with this application is true and accurate. I understand that without such owner consent, the requested official map amendment action cannot lawfully be accomplished.

| Property Owner Name(s) (please type or print legibly) | Property Address City, State, Zip Phone Email | Property Owner In- terest % of the Area of the Zone Lots to Be Rezoned | Please sign below as an indication of your consent to the above certification statement (must sign in the exact same manner as title to the property is held) | Date | Indicate the type of owner-ship documentation provided: (A) Assessor's record, (B) warranty deed of trust, (C) title policy or commitment, or (D) other as approved | Properly owner repre- sentative written authori- zation? (YES/NO) |
|---|---|--|--|----------|---|--|
| EXAMPLE John Alan Smith and Josle Q. Smith | 123 Sesame Street Denver, CO 80202 (303) 555-5555 sample@sample.gov | 100% | John Alan Smith Jasir A. Smith | 01/01/12 | (A) | NO |
| S and M, LLC | 1410 S. Santa Fe Drive Denver, CO 80223 | 100% | GAMS.C. AR | 11/12/14 | (A) | YES |
| | | | | | | |
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311 FOR INFORMATION & CITY SERVICES

Zone Map Amendment (Rezoning) Application – Legal Description

1410 & 1420 S. Santa Fe Drive

Parcel Numbers: 0522309001000; 0522309030000

Current Zoning: E-CC-3, UO-1, UO-2

Proposed Zone District: I-A

Legal Description for 1410 S. Santa Fe Drive:

Lots 6, 7, 8, 9, 10 and 11, Block 14, First Addition to Overland Park, City and County of Denver, State of Colorado

Legal Description for 1420 S. Santa Fe Drive:

Lots 12 to 15, Block 14, First Addition to Overland Park, City and County of Denver, State of Colorado Denver Property Assessment and Taxation System (3.2.2)

1410 S SANTA FE DR

Tax District Property Type Schedule Number Legal Description Owner

S&MLLC 1410 S SANTA FE DR

DENVER , CO 80223-3218 161504597

0522309001000

FIRST ADD TO OVERLAND PARK B14 L6 TO 11 INDUSTRIAL - WAREHOUSE DENV

Assessment

Actual Value Year: 2014Actual Value: \$1,381,100

Property

Year Built: 1983Square Footage: 38802

Comparables

Schedule Number / Parcel Id Address Sale Month/Year Sales Price PIN

No comparables available for this property.

Denver Property Assessment and Taxation System (3.2.2)

1420 S SANTA FE DR

Property Type Tax District Owner Schedule Number Legal Description

S&MLLC 0522309030000 DENVER, CO 80223-3218 161504660

FIRST ADD TO OVERLAND PARK 05223 B14 L12 TO 15 INC DENV 1410 S SANTA FE DR

Assessment

Actual Value Year: 2014Actual Value: \$198,000

Property

Year Built: 0Square Footage: 0

Comparables

Schedule Number / Parcel Id Address Sale Month/Year Sales Price PIN

No comparables available for this property.

Addendum to Zone Map Amendment (Rezoning) Application for:

1410 & 1420 S. Santa Fe Drive

Parcel Numbers: 0522309001000; 0522309030000

Current Zoning: E-CC-3, UO-1, UO-2

Proposed Zone District: I-A

Legal Description for 1410 S. Santa Fe Drive:

Lots 6, 7, 8, 9, 10 and 11, Block 14, First Addition to Overland Park, City and County of Denver, State of Colorado

Legal Description for 1420 S. Santa Fe Drive:

Lots 12 to 15, Block 14, First Addition to Overland Park, City and County of Denver, State of Colorado

Project Summary:

Our client provides amusement and gaming machines, such as pin ball machines, pool and foosball tables, and jukeboxes, to restaurants in the greater Denver area. Its offices are currently at 1410 S. Santa Fe Drive, which contains an office-front, along with a large warehouse behind it. The owners recognized that their real estate along Santa Fe could be put to better use by a store that has walk-in customers and could benefit from the traffic along Santa Fe, as well as utilize the large warehouse space. Specifically, the owners would like to lease their space to a marijuana store such that the store would be in the front with a cultivation facility in the back. The current zoning already allows a marijuana store, but our proposed official map amendment (the "Proposed Official Map Amendment") would allow a marijuana store, along with a cultivation facility. Thus, this Zone Map Amendment Application proposes that the zoning be changed from E-CC-3 to I-A, which is consistent with the adopted plans and is consistent with neighborhood context and zone district purpose and intent. Furthermore, circumstances in state and local law have changed with the legalization of marijuana, which justifies changing the zoning accordingly, and the zoning would benefit the neighborhood by allowing both commercial and industrial uses, which would stimulate the economy and encourage beautification of the neighborhood. Specifically, our client, or its tenant, would redo the front of the store to beautify the front, which is visible to cars driving along Santa Fe. I-A is adjacent to

Page 7 of 14 December 23, 2014

¹ Please note, we do not propose changing the current overlays of UO-1 and UO-2.

what is currently zoned E-CC-3, and thus, the Proposed Official Map Amendment would not negatively impact the goals of the neighborhood. In order to lease out 1410 South Santa Fe Drive, our client would move its current business to a new location, but they will stay in Denver.

Review Criteria:

I: Description of Consistency with Adopted Plans

Our client's Proposed Official Map Amendment is consistent with the general city-wide plans, particularly the adopted plans—the Denver Comprehensive Plan 2000, Blueprint Denver (2002), and the Overland Neighborhood Plan (1993):

Denver Comprehensive Plan 2000:

Our client's business would further the Comprehensive Plan 2000's overarching goals:

- The Proposed Official Map Amendment will encourage businesses, including our client, to utilize commercial and industrial uses in more economic and efficient manners. The Proposed Official Map Amendment will encourage beautification along South Santa Fe Drive, which will increase aesthetics, while strategically placing commercial businesses with industrial uses along Santa Fe, while moving industrial businesses without commercial components farther from Denver's core.
 - Opportunities: Industrial Areas: Manufacturing and warehousing uses have moved farther from the City's core to newer facilities and better access to highways. As these larger uses move out, opportunities are created for smaller custom fabrication and entrepreneurial start-up businesses." Page 53.
- As discussed above, South Santa Fe Drive is prime real estate for businesses that
 have both commercial and industrial uses. The Proposed Official Map
 Amendment encourages this redevelopment, which will increase profitability, and
 therefore promote economic stimulation.
 - "Commercial and industrial areas: Economically obsolete commercial and industrial areas must redevelop to be profitable while also being compatible with adjacent residential uses." Page 93.
- The Proposed Official Map Amendment would encourage and facilitate the improvement of the "industrial crescent."
 - "Older industrial areas: Denver's older industrial areas are concentrated along the South Platte River and railroad tracks. This crescent-shaped area has been an important part of Denver's economic base for over a century. Maintaining and enhancing the vitality of the industrial crescent

as an important part of Denver's economy requires attention to address the age of the buildings and infrastructure and the changing needs of industrial users." Page 126.

- The Proposed Official Map Amendment encourages businesses to expand into new and burgeoning industries in Denver.
 - "Continue to expand economic opportunity and the City's economic base with focused efforts to retain and expand existing businesses and to attract new businesses, especially in target industries." Page 133.

Blueprint Denver (2002):

Blueprint Denver (2002) has identified South Santa Fe Drive as commercial arterial, and the Proposed Official Map Amendment will further the goal of keeping South Santa Fe Drive as a commercial arterial area that is highly auto-oriented. The Proposed Official Map Amendment would not interfere with the goals of discouraging walking and bicycling. The Proposed Official Map Amendment would, however, encourage economic activity, promote compatibility between existing and new development, and endorse reuse of older buildings, including industrial buildings. Page 23.

The Overland Neighborhood Plan:

- As stated above, the current zone of E-CC-3 is immediately adjacent to zone I-A, and thus, the Proposed Official Map Amendment is consistent with the overarching goals of that area.
 - "Commercial and industrial businesses have been grouped into sections/corridors to best define the areas." Page 39.
- Santa Fe is already seen as an industrial area, so the Proposed Official Map Amendment would only be furthering that goal.
 - o "[T]he industrial area along Santa Fe " Page 39.
 - "A large industrial park runs between South Platte River Drive and South Santa Fe Drive." Page 40.
- The Proposed Official Map Amendment is not near residential areas, so the concern of industrial uses too close to residential communities is not an issue with the Zone Map Amendment.
- The Proposed Official Map Amendment will encourage businesses with both commercial and industrial uses to increase the aesthetic value of their businesses.

Our client will be converting a warehouse to a storefront with industrial use in the back, and the property will be significantly beautified.

- Action Recommendation LZ-2: "Encourage commercial and industrial businesses to invest in beauti-fication programs for their own businesses and also invest in neighborhood clean-up programs." Page 13.
- o LZ-4: Enforce the placement of landscaping and buffers where industrial development abuts residentially zoned properties as required by the revised industrial zoning regulations (Ordinance #22, 1991)." Page 13.

II: Justifying Circumstances

• The land or its surroundings has changed or is changing to such a degree that it is in the public interest to encourage a redevelopment of the area to recognize the changed character of the area.

Since the current zoning was put in place, both city and state marijuana laws have changed. First, in November 2000, medical marijuana was legalized by Amendment 20 to the Colorado Constitution. Then, in November 2012, recreational marijuana was legalized by Amendment 64 to the Colorado Constitution. The change in law is a justifying circumstance for the Proposed Official Map Amendment, which will allow businesses to be efficient and effective by having a commercial storefront, along with an associated industrial use (ie. a marijuana store with a cultivation facility, but there are other industries where this set up would be useful as well), which requires I-A zoning.

Additionally, as detailed above in the discussion of the adopted plans, the South Santa Fe corridor has changed with the increased need for businesses that have both commercial and industrial uses. The Proposed Official Map Amendment will coincide with the change in surroundings along South Santa Fe, which is a mixed blend of commercial and industrial, as evidenced by the fact that the current zone E-CC-3 is immediately adjacent to zone I-A.

III: Consistency with Neighborhood Context and Zone District Purpose and Intent

The Proposed Official Map Amendment is consistent with neighborhood context and zone district purpose and intent, as demonstrated by the fact that South Santa Fe Drive is known as an industrial area, but there are also a number of commercial businesses, and thus it is changing to be a mixed-use area. There is a sufficient buffer between the subject area of the Proposed Official Map Amendment and residential communities, so concerns over industrial and residential communities being too close are not present here. The fact that I-A Light Industrial Districts are "intended to be an employment area containing offices, business and light industrial uses" is entirely consistent with the neighborhood and what our client proposes to do.

IV: Neighborhood Outreach

We spoke with Catherine Sandy, the outgoing President of the Overland Park Neighborhood Association to let the Association know of our Proposed Official Map Amendment. She informed us that she was the outgoing president and said that she would have the new president reach out to us. Also, prior to filing this Zone Map Amendment Application, we met with Councilman Chris Nevitt and his aide Nathan Batchelder, because our Proposed Official Map Amendment is in Councilman Nevitt's district. We walked through the Rezoning Department's presentation from Kyle Dalton, from our Pre-Application Review Meeting, with Councilman Nevitt and Mr. Batchelder.

WRITTEN CONSENT OF MEMBERS AND MANAGERS OF S AND M, LLC

The undersigned, being all the Members and Managers of S and M, LLC, a Colorado limited liability company (the "Company"), hereby adopt the following resolutions by unanimous written consent as if such action had been taken at a meeting duly called and held.

WHEREAS, the Members and Managers deem it advisable, fair to and in the best interests of the Company and its Members, that the Company apply for a zone map amendment to change 1410 & 1420 S. Santa Fe Drive to include zone district I-A, in addition to zone districts E-CC-3, UO-1, and UO-2 (the "Rezoning"); and

WHEREAS, to effectuate the Rezoning, the Company desires to submit a Zone Map Amendment (Rezoning) Application to the City of Denver through its Denver Community Planning and Development Department (the "Application").

NOW THEREFORE BE IT RESOLVED that the Members and Managers of the Company hereby authorize and approve the Rezoning; and

BE IT FURTHER RESOLVED that the form, terms and provisions of the Application (with such further changes as the Manager of the Company may in his discretion approve) are hereby approved; and

BE IT FURTHER RESOLVED, that Gary Cohen, as the Manager of the Company, be, and hereby is, authorized and directed to pursue the Rezoning, submit the Application, and execute, in the name and on behalf of the Company, all such documents, papers or instruments and to take or cause to be taken any and all actions as he may deem necessary and required to consummate the Rezoning; and

BE IT FURTHER RESOLVED, that the actions of Gary Cohen, as the Manager of the Company, in submitting, in the name of the Company, the Application and any additional agreements, documents, certificates, assignments, transfers, or other documents contemplated by the Application, or necessary, desirable or appropriate to consummate the Rezoning and transactions incident thereto, be and hereby are, ratified, affirmed, approved and adopted.

This Written Consent of the Members and Managers of S and M, LLC shall be filed with the minutes of the Company.

This written consent is dated as of November 11, 20142014.

| MEMBERS: | |
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| Stefanie Pascal | |
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| MANAGER: | |
| WALLANT COLORS | |
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| | |
| Gary Cohen | |

Friday November 7, 2014

Mr. Kyle Dalton Senior City Planner 201 W Colfax Ave Denver, CO 80202

RE: Rezoning Application, 1410 & 1420 S. Santa Fe Drive, Denver, CO

Dear Kyle,

This letter serves as authorization for Tom Downey and Kira Suyeishi of Ireland Stapleton Pryor & Pascoe, PC to act on behalf of S and M, LLC for the purposes of the rezoning described in this application.

If you have any questions regarding this matter please feel free to contact me directly.

Sincerely,

Gary Cohen Manager S and M, LLC