



TO: Denver City Council
FROM: Rob Haigh, Senior City Planner
DATE: January 2, 2025
RE: Official Zoning Map Amendment Application #2024I-00002

Staff Report and Recommendation

Based on the criteria for review in the Denver Zoning Code, Staff recommends **approval** for Application #2024I-00002.

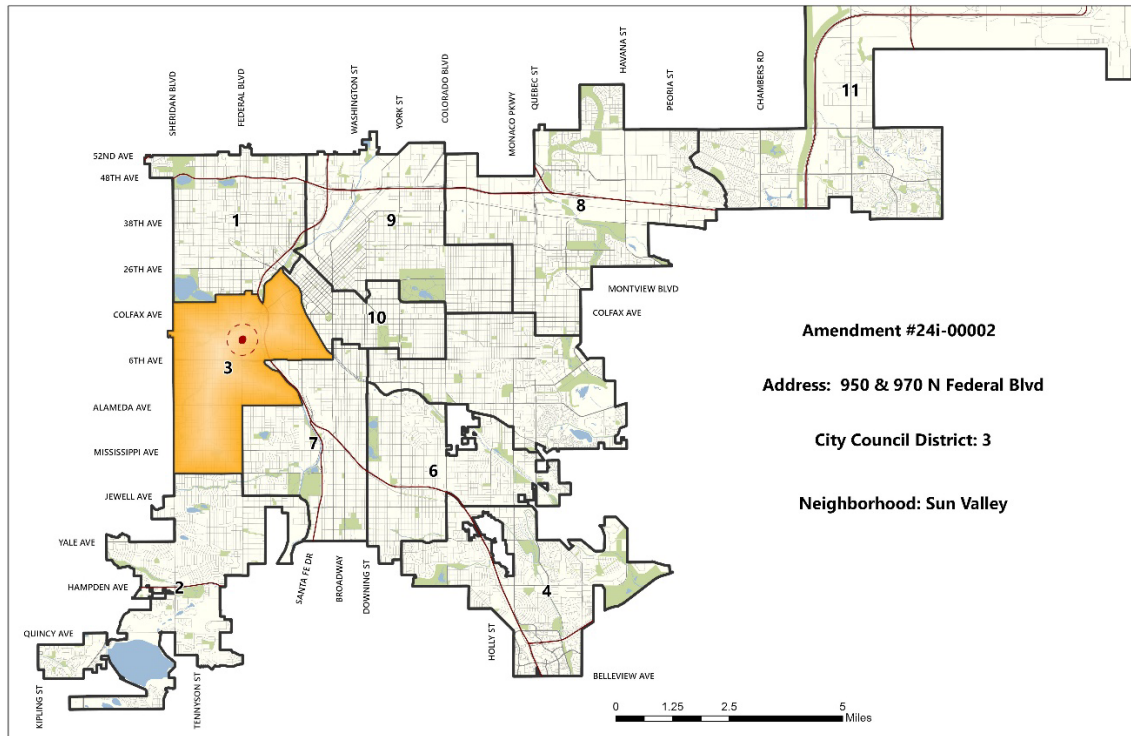
Request for Rezoning

Address: 950 & 970 N Federal Boulevard
Neighborhood/Council District and CM: Sun Valley neighborhood / Council District 3, Councilmember Torres
RNOs: Sun Valley Community Coalition, United Northwest Denver, Villa Park Neighborhood Association, Inter-Neighborhood Cooperation (INC), Strong Denver
Area of Property: 42,419 square feet or 0.97 acres
Current Zoning: E-MX-3, UO-1 and UO-2
Proposed Zoning: C-MX-8
Property Owner(s): Hassan (Sam) Nekouie
Owner Representative: Maggie Janco, Janco Designs

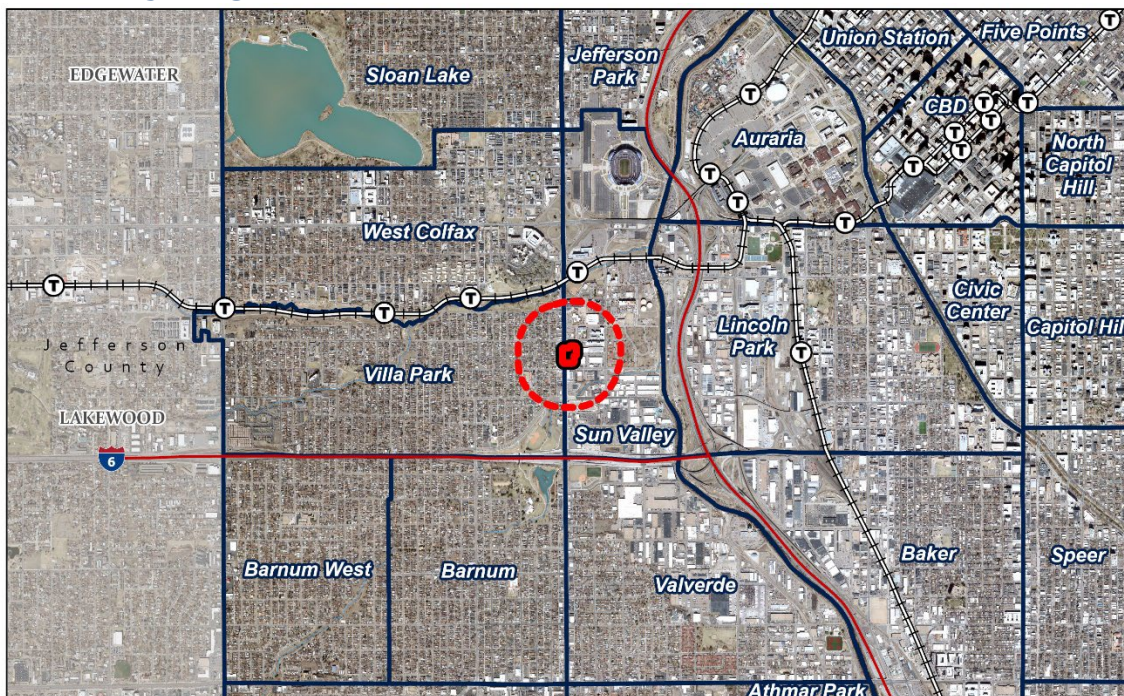
Summary of Rezoning Request

- The subject property is in the Sun Valley statistical neighborhood on the East side of Federal Boulevard between 9th and 10th Avenues
- The site is currently occupied by an automobile dealership known as Ultimate Machines.
- The subject site is within one of Denver’s Neighborhood Equity and Stabilization (NEST) focus neighborhoods; therefore, an equity analysis and the applicant’s equity response are included in this staff report.
- The current zoning is E-MX, UO-1, UO-2. E-MX-3 is a 3-story mixed use zone district in the Urban Edge Neighborhood Context. The UO-1 is the Adult Use Overlay and the UO-2 is the Billboard Use Overlay which allows for the establishment and operation of billboards subject to additional standards and limitations. The applicant is not proposing to retain the Adult Use Overlay (UO-1) or Billboard Use Overlay (UO-2). There is no billboard on the subject property.
- The requested C-MX-8 district stands for Urban Center Neighborhood Context – **Mixed Use – 8** stories maximum height. The Mixed Use zone districts are intended to promote safe, active, and pedestrian-scaled, diverse areas through the use of building forms that clearly define and activate the public street edge, through the use of shallow front setback ranges and high build-to requirements.
- Further details of the proposed zone district can be found in Article 7 of the Denver Zoning Code (DZC).

Council District 3



Sun Valley Neighborhood



Aerial and Surrounding Area



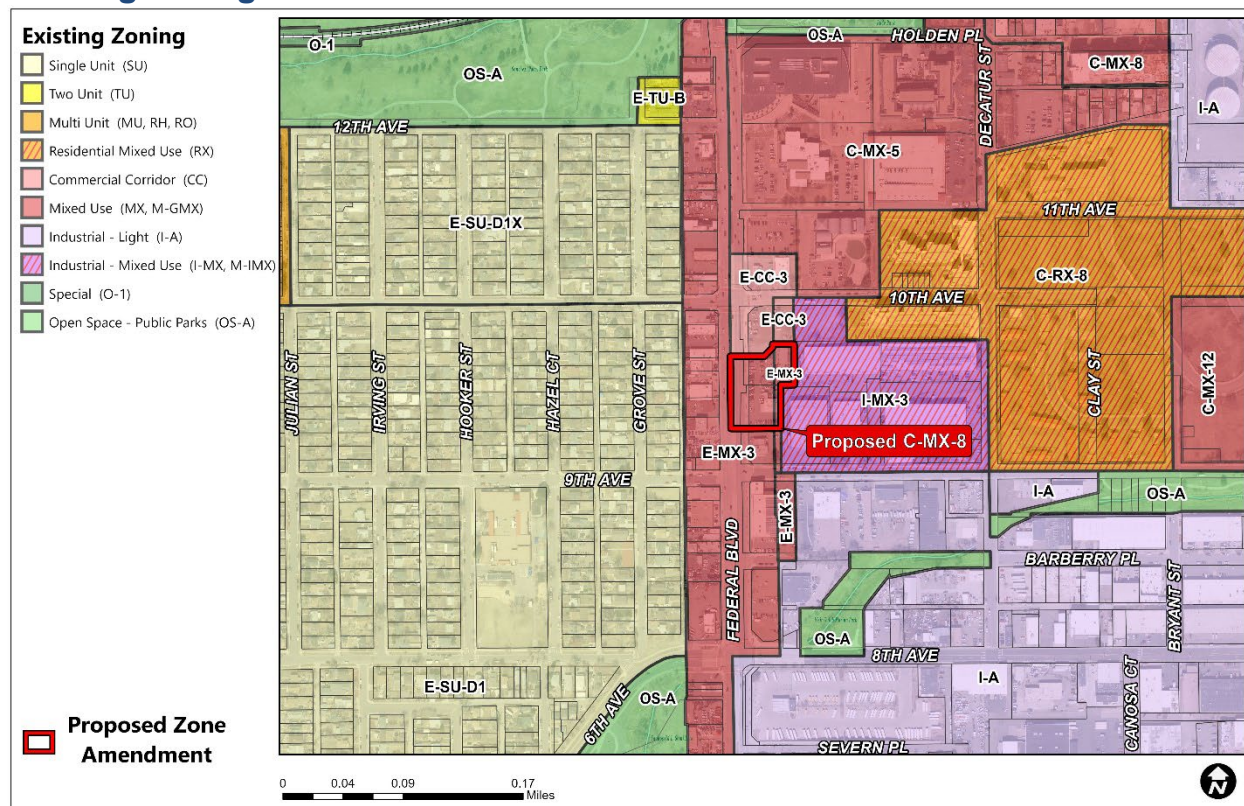
The subject property is located in the Sun Valley statistical neighborhood. The immediate area on the east side of Federal Boulevard consists of regular block structure, but irregular lot sizes without alleys. Paco Sanchez and Rude Parks are 0.25 miles north of the subject property, the North Barnum Park is about 0.25 miles south of the subject property, and Eagleton Elementary is located 0.15 miles from the subject property. Approximately 600 feet south of the subject property is a bus stop on Federal Boulevard which is served by the RTD buses 30 and 31, while a bus stop 350 feet north of the subject property on 10th Avenue is served by RTD buses 1 and 9.

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-MX-3, UO-1, UO-2	Automobile / Motorcycle / Light Truck Sales, Rentals, Leasing; Pawn Lot or Vehicle Auctioneer	There existing structures consist of a single story commercial building with an attached garage that appears to be used as the sales office, and a detached garage structure toward the northeastern portion of the site.	Regular pattern of block shapes surrounded by orthogonal streets within a grid or modified grid. Orthogonal streets provide connection and a mixed presence of alleys. Block sizes

	Existing Zoning	Existing Land Use	Existing Building Form/Scale	Existing Block, Lot, Street Pattern
North	E-CC-3, UO-1, UO-2	Surface Parking	N/A	and shapes are consistent and include attached, detached and non-existent sidewalks, tree lawns where provided for by detached sidewalks, street and surface parking, and landscaping in the front setback.
South	E-MX-3, UO-1, UO-2	Commercial/Retail Boba tea house and liquor store	One-story concrete block retail store front with 2 businesses	
East	I-MX-3	Industrial and warehouse uses	Large two-story warehouse and industrial buildings	
West	E-MX-3, UO-1, UO-2	Assorted Commercial/retail and vacant storefronts	One-story structures fronting on Federal Boulevard	

Existing Zoning



The existing zoning on the subject property is E-MX-3 UO-2, UO-1. E-MX-3 (Urban Edge – Mixed Use – 3 stories) E-MX-3 is a Mixed Use zone district in the Urban Edge Context allowing the Town House, Drive Thru Services, Drive Thru Restaurant, and Shopfront building forms. The maximum height ranges from 38 feet for the Town House building form to 45 feet for the other three forms. The purpose of this district is

to “promote safe, active, and pedestrian-scaled, diverse areas and enhance the convenience and ease of walking, shopping and public gathering within and around they city’s neighborhoods” (DZC Section 4.2.4.A).

The UO-2 is the Billboard Use Overlay, which allows for “outdoor general advertising device” signs (i.e. billboards) on the zone lot. Additional standards and limitations regarding minimum separation and distance requirements also apply. There are currently no billboards on the subject site, and the applicant is not proposing to retain the UO-2.

The UO-1 is the Adult Use Overlay which allows for adult business uses. Additional standards and limitations regarding minimum separation and distance requirements from other use categories also apply to any permitted adult business use.

Existing Land Use Map



Existing Building Form and Scale

All images are from Google Street View.



View of the subject property, looking east from Federal Boulevard.



View of the property to the north of the subject property, looking east from Federal Boulevard.



View of the properties to the south of the subject property, looking east from Federal Boulevard.



View of the properties west of the subject property, looking west from Federal Boulevard.



View of the property to the east of the subject property looking northwest from Decatur Street.

Proposed Zoning

The applicant is requesting to rezone to C-MX-8, which stands for Urban Center Neighborhood Context – Residential Mixed Use – 8 stories maximum height. C-MX-8 applies to areas served primarily by collector or arterial streets where a building scale of 2 to 8 stories is desired (see DZC 7.2.2.2.C). The Mixed-Use zone districts are intended to promote safe, active, and pedestrian-scaled, diverse areas through the use of building forms that clearly define and activate the public street edge. (DZC 7.2.2.1). Further details of the proposed zone district can be found in Article 7 of the Denver Zoning Code (DZC).

The primary building forms allowed in the existing zone district and the proposed zone district are summarized below.

Design Standards	E-MX-3 (Existing)	C-MX-8 (Proposed)
Primary Building Forms Allowed	Town House, General, Shopfront, Drive Thru Services, Drive Thru Restaurant	Town House, General, Shopfront, Drive Thru Services, Drive Thru Restaurant
Height in Stories / Feet (max) *	3 stories/38' – Town House 3 stories/45' – Shopfront/General	5 stories/70' – Town House 8 stories/110' – General/Shopfront
Primary Street Build-To Percentage (min)	70% General 75% Shopfront/Townhouse	70% General 75% Shopfront/Townhouse
Primary Street Build-To Ranges (min/max)	10'/15'- Town House 0'/15' – General/Shopfront	10'/15'- Town House 0'/10' – General/Shopfront
Primary Street Setbacks (min)	10' – Town House 0' – General/Shopfront	10' – Town House 0' – General/Shopfront
Side Interior Setbacks (min)	5' – Town House 0' – General/Shopfront	7.5' – Town House 0' – General/Shopfront
Billboards	Allowed by UO-2 overlay	Not allowed

*The E-MX-3 district allows incentive heights up to 4 stories and 55 feet with the provision of enhanced affordable housing. The C-MX-8 district allows incentive heights up to 12 Stories and 150 feet with the provision of enhanced affordable housing.

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:

Assessor: Approved – No Response

Asset Management: Approved – No Comments

Denver Public Schools: Approved – No Response

Department of Public Health and Environment: Approved – No Comments

Denver Parks and Recreation: Approved – No Comments

Public Works – R.O.W.- City Surveyor: Approved – No Comments

Development Services – Project Coordination: Approved – No Response

Development Services - Fire Protection: Approve Rezoning Only – Will require additional information at

Site Plan Review

Development Services – Transportation: Approved – No Response

Development Services- Wastewater: Approved – No Response

Public Review Process

	Date
CPD informational notice of receipt of the rezoning application to all affected members of City Council, registered neighborhood organizations, and property owners:	7/19/24
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, registered neighborhood organizations, and property owners:	9/17/24
Planning Board Public Hearing:	10/2/24
CPD written notice of the Land Use, Transportation and Infrastructure Committee meeting sent to all affected members of City Council and registered neighborhood organizations, at least ten (10) working days before the meeting:	10/30/24
Land Use, Transportation and Infrastructure Committee of the City Council moved the bill forward:	11/13/24
Property legally posted for a period of 21 days and CPD notice of the City Council public hearing sent to all affected members of City Council and registered neighborhood organizations:	12/16/24
City Council Public Hearing:	1/6/25

- **Public Outreach and Input**
 - **Registered Neighborhood Organizations (RNOs)**
 - Staff has received one letter of support from the Sun Valley RNO
 - **General Public Comments**
 - To date, staff has received no public comment letters.

Criteria for Review / Staff Evaluation

The criteria for review of this rezoning application are found in DZC, Sections 12.4.10.7 and 12.4.10.8, as follows:

DZC Section 12.4.10.7

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

DZC Section 12.4.10.8

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 2040 (2019)*
- *Blueprint Denver (2019)*
- *West Area Plan (2023)*

Denver Comprehensive Plan 2040

The proposed rezoning is consistent with many of the adopted *Denver Comprehensive Plan 2040* strategies, which are organized by vision element.

The proposed rezoning would allow for mixed-use development, including an increase in allowed housing density close to transit. It is therefore consistent with the following goals and strategies in the Equitable, Affordable and Inclusive vision element:

- Equitable, Accessible and Inclusive Goal 1 Strategy A – Increase the development of housing units close to transit and mixed-use developments (p. 28).
- Equitable, Affordable and Inclusive Goal 2 Strategy A - Create a greater mix of housing options in every neighborhood for all individuals and families (p. 28).
- Equitable, Affordable and Inclusive – Goal 3, Strategy B: Use land use regulations to enable and encourage the private development of affordable, missing middle and mixed-income housing, especially where close to transit (pg. 28).

The proposed rezoning would enable mixed-use infill development close to transit. The proposed C-MX-8 zone district would allow for a broad variety of uses including housing and retail with pedestrian-friendly building forms. It is therefore consistent with the following strategies in the Strong and Authentic Neighborhoods vision element:

- Strong and Authentic Neighborhoods Goal 1, Strategy B - Build a network of well-connected, vibrant, mixed-use centers and corridors (p. 34).
- Strong and Authentic Neighborhoods Goal 1, Strategy D – Encourage quality infill development that is consistent with the surrounding neighborhoods and offers opportunities for increased amenities (p. 34).

Similarly, the land use pattern detailed in the previous paragraph is also consistent with the following strategies in the Environmentally Resilient vision element:

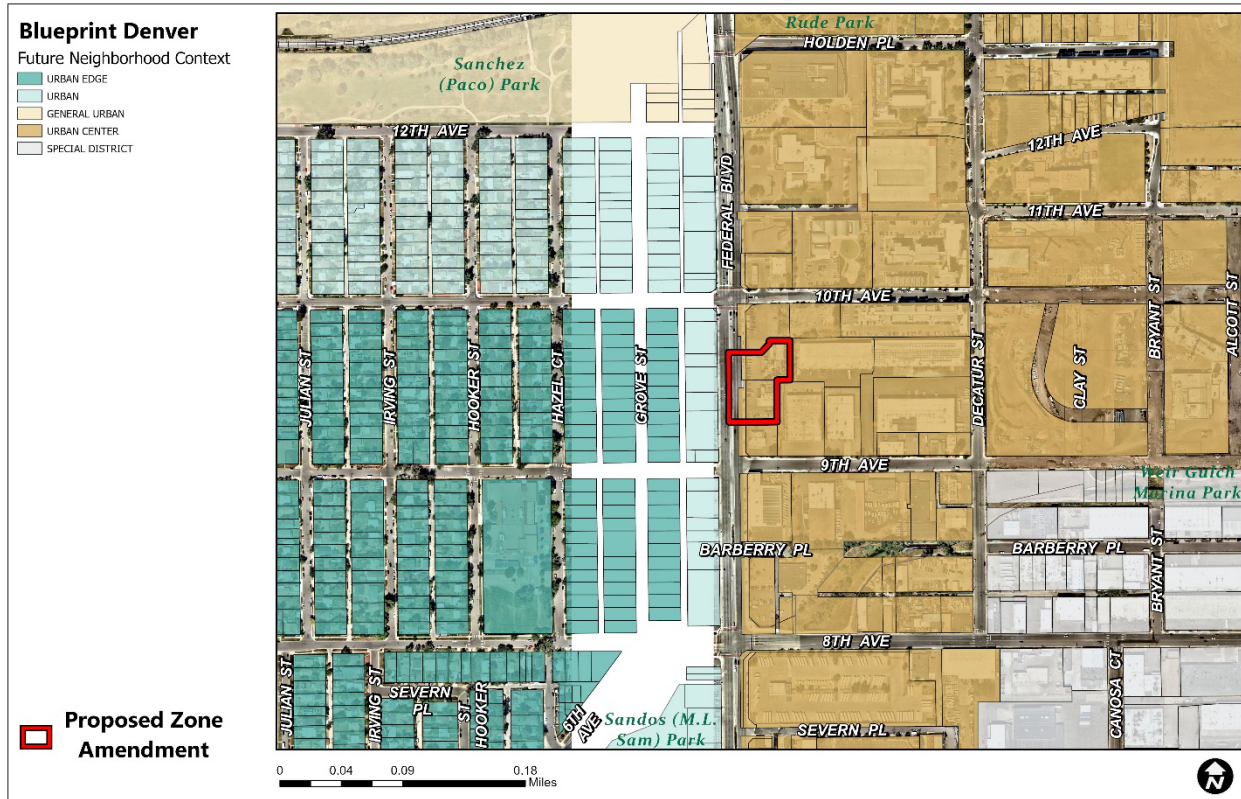
- Environmentally Resilient Goal 8, Strategy A - Promote infill development where infrastructure and services are already in place (p. 54).
- Environmentally Resilient Goal 8, Strategy B - Encourage mixed-use communities where residents can live, work and play in their own neighborhoods (p. 54).

The requested map amendment will enable mixed-use development at an infill location where strong transit connections are already in place. The requested C-MX-8 zone district allows the variety of uses allowing residents to live, work and play in the area, therefore the rezoning is consistent with *Denver Comprehensive Plan 2040* recommendations. The application further provides an opportunity for more affordable housing in the neighborhood, so residents can continue to live within their community.

Blueprint Denver

Blueprint Denver was adopted in 2019 as a supplement to *Comprehensive Plan 2040* and establishes an integrated framework for the city’s land use and transportation decisions. *Blueprint Denver* identifies the subject property as part of a Community Center place within the Urban Center Neighborhood Context and provides guidance from the future growth strategy for the city.

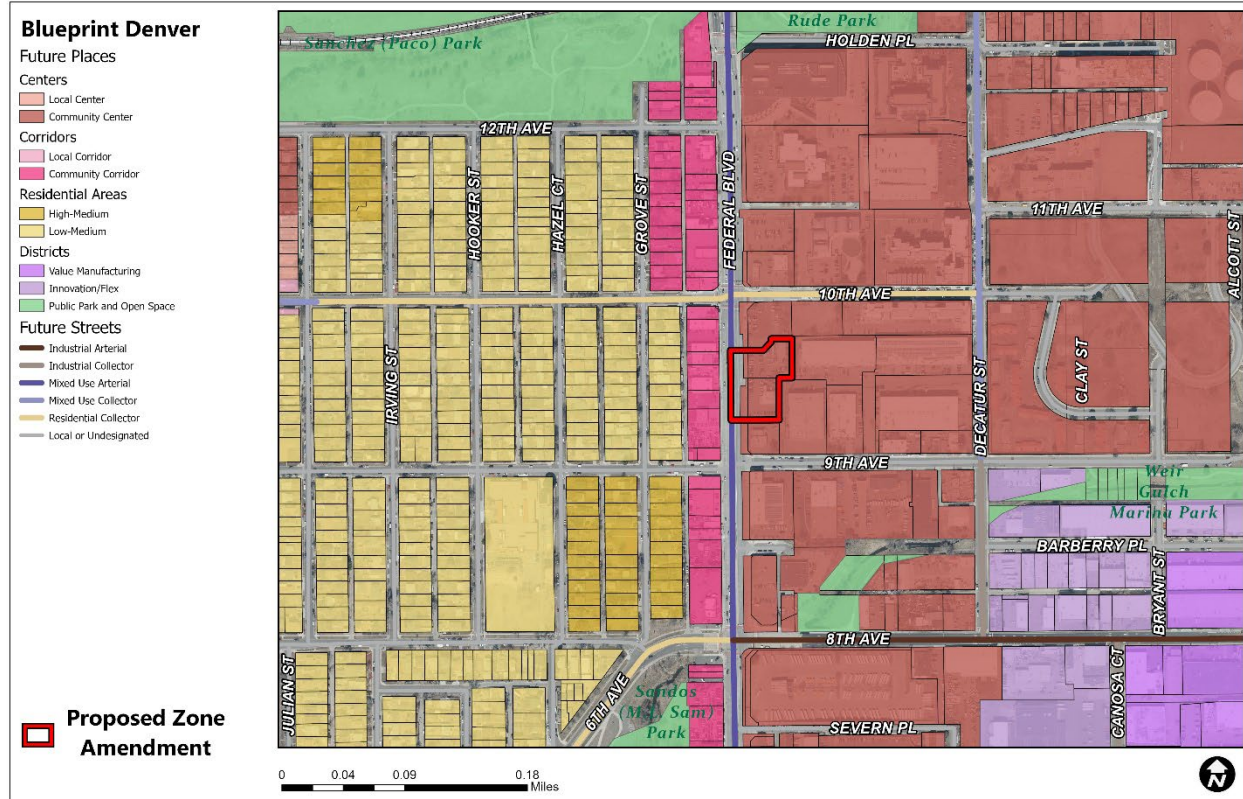
Blueprint Denver Future Neighborhood Context



The subject property is shown on the context map as the Urban Center neighborhood context. The neighborhood context map and description help guide appropriate zone districts (p. 66). The Urban Center neighborhood context contains “A high mix of uses throughout the area, with multi-unit residential typically in multi-story, mixed-use building forms. Block patterns are generally regular with consistent alley access. Larger scale buildings close to the street” (p. 137).

The intent of the proposed C-MX-8 district is to “promote safe, active, and pedestrian-scaled, diverse areas through the use of building forms that clearly define and activate the public street edge” (DZC, Section 7.2.2). The proposed rezoning to C-MX-8 is appropriate and consistent with the Urban Center context plan direction, as it will allow for development of an appropriately scaled mixed use node along a mixed-use arterial street.

Blueprint Denver Future Places



The Future Places map shows the subject property as part of a “Community Center” area. *Blueprint Denver* describes these areas as having “a balance of either residential and employment; residential and dining/shopping; or employment and dining/shopping uses. Buildings are mid-scale, but vary by context and surrounding character. Buildings often orient to the street or other public spaces” (p. 144). In a community center in the Urban Center neighborhood context, recommended “heights are generally up to 12 stories” (p. 256).

The proposed rezoning to C-MX-8 is appropriate and consistent with the “Community Center” plan direction and will foster a balance of residential and employment uses along Federal Boulevard.

Street Types

Blueprint Denver street types work in concert with the future place to evaluate the appropriateness of the intensity of the adjacent development (p. 67). The subject property is located on Federal Boulevard, which *Blueprint Denver* classifies a Mixed-Use Arterial. Arterial streets “are designed for the highest amount of through movement and the lowest degree of property access” (p. 154). These streets contain a varied mix of uses including retail, office, residential and restaurants.

Because C-MX-8 enables a wide range of residential, quasi-public uses, and commercial uses, the proposed district is consistent with the plan direction for this location and is appropriate along the existing mixed-use arterial street. Section 7.2.2.2.C. of the DZC also indicates that “C-MX-8 applies to areas or intersections served primarily by arterial streets.”

Blueprint Denver Growth Strategy

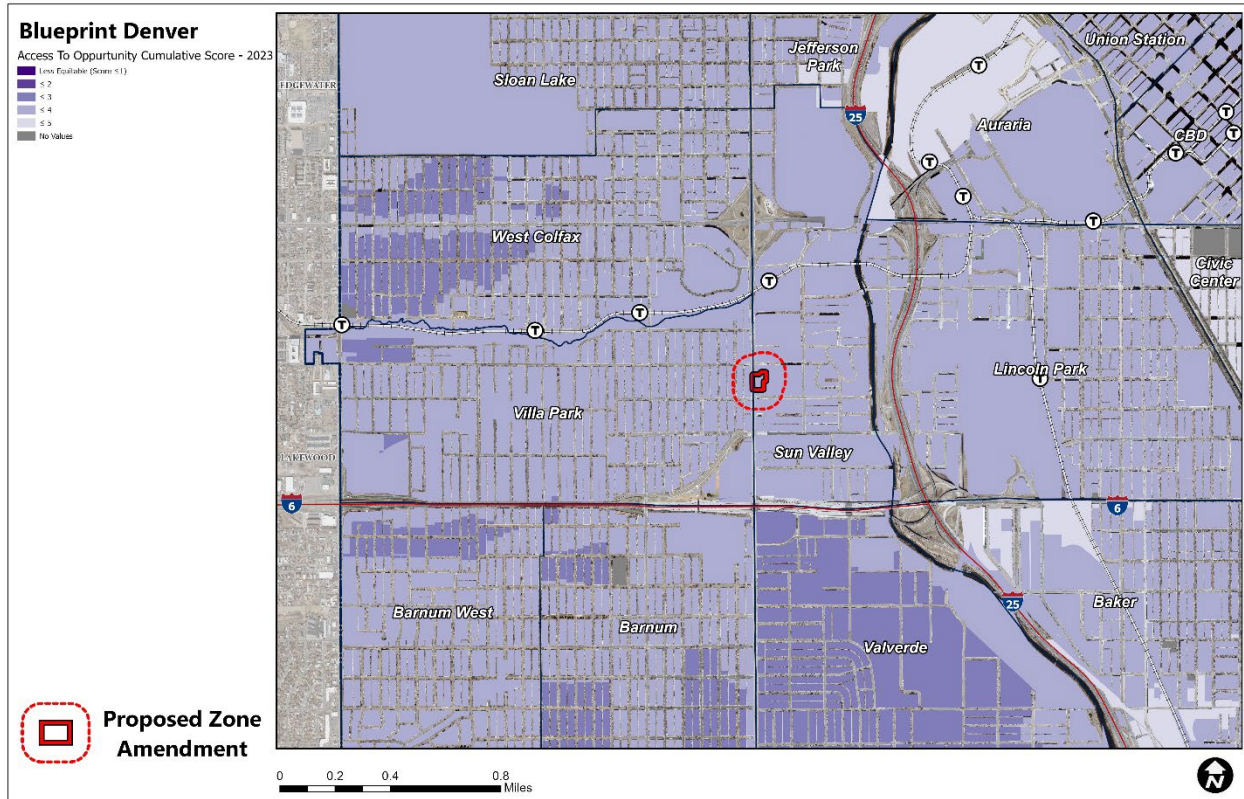


Blueprint Denver's growth strategy map is a version of the future places map, showing the aspiration for distributing future growth in Denver (p. 51). The subject property is located within the "Community centers and corridors" growth area. These areas are anticipated to see around 25% of new housing growth and 20% of new employment growth by 2040 (p. 51). The proposed map amendment to C-MX-8 is consistent with the "Community centers and corridors" growth area in that it will allow a broad range of job opportunities and housing types and direct more intense and appropriate growth to this area than the existing zoning allows.

Blueprint Denver Equity Concepts

Blueprint Denver contains three equity concepts to help guide change to benefit everyone. Each equity concept has associated measurements that help inform implementation actions through large rezonings along with other implementation actions. Given that the subject site is within one of Denver’s Neighborhood Equity and Stabilization (NEST) focus neighborhoods, an equity analysis is included in this staff report and was shared with the applicant for consideration. The applicant’s response is included with the application that is attached to the staff report.

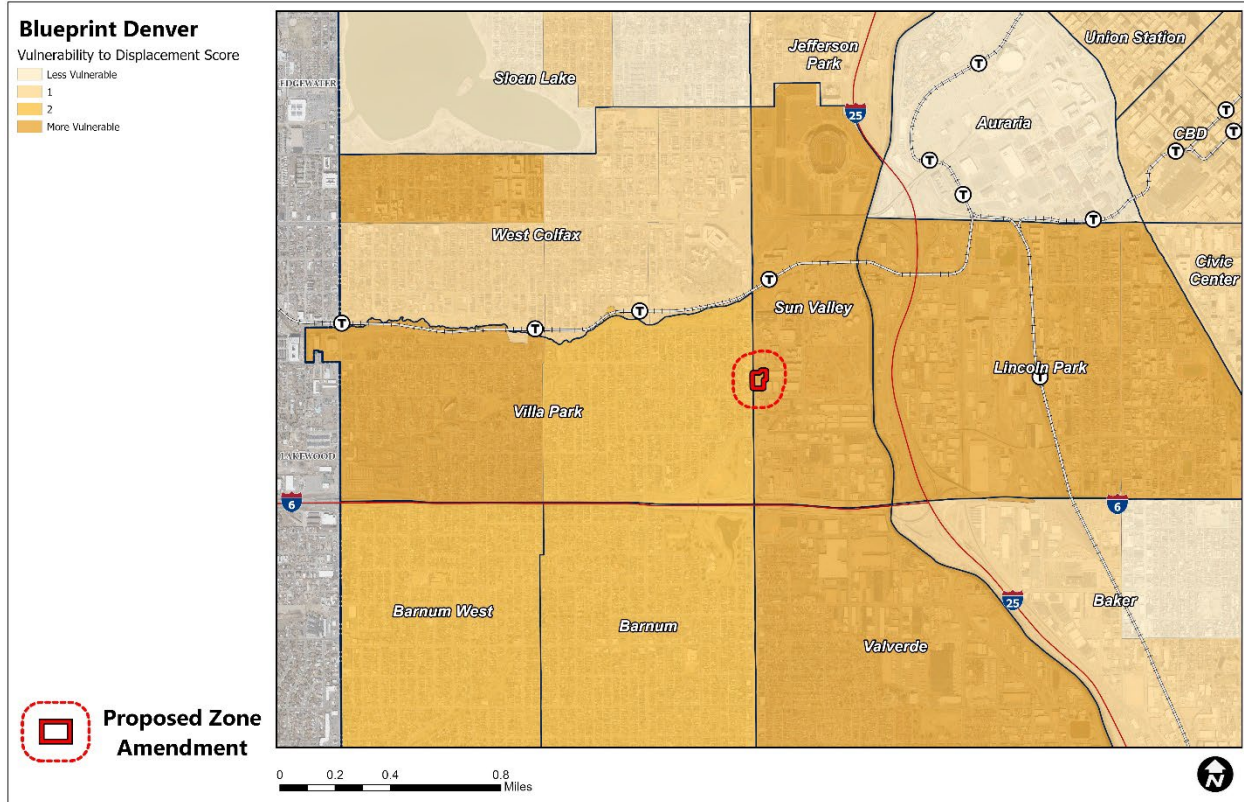
Access to Opportunity



The subject property is in an area with moderate access to opportunity with a score of 3.6 out of 5. The basis for measuring access to opportunity is a composite of the neighborhood equity index developed by Denver’s Department of Public Health and Environment, proximity to high-capacity and frequent transit, and access to centers and corridors. Access to opportunity helps us to consider if we are making progress towards achieving the vision for complete neighborhoods across the city. The subject area is less equitable than Denver as a whole when it comes to access to fresh foods, social determinants of health, and life expectancy, but there are good scores for access to parks, access to healthcare, access to transit, and access to centers and corridors.

The proposed district will allow for a mix of uses and more density than the current zone district, thereby increasing the opportunity for access to retail, housing and services in an area that is well-served by transit. Additionally, the future residents of this property will have good access to transit, healthcare, and open space.

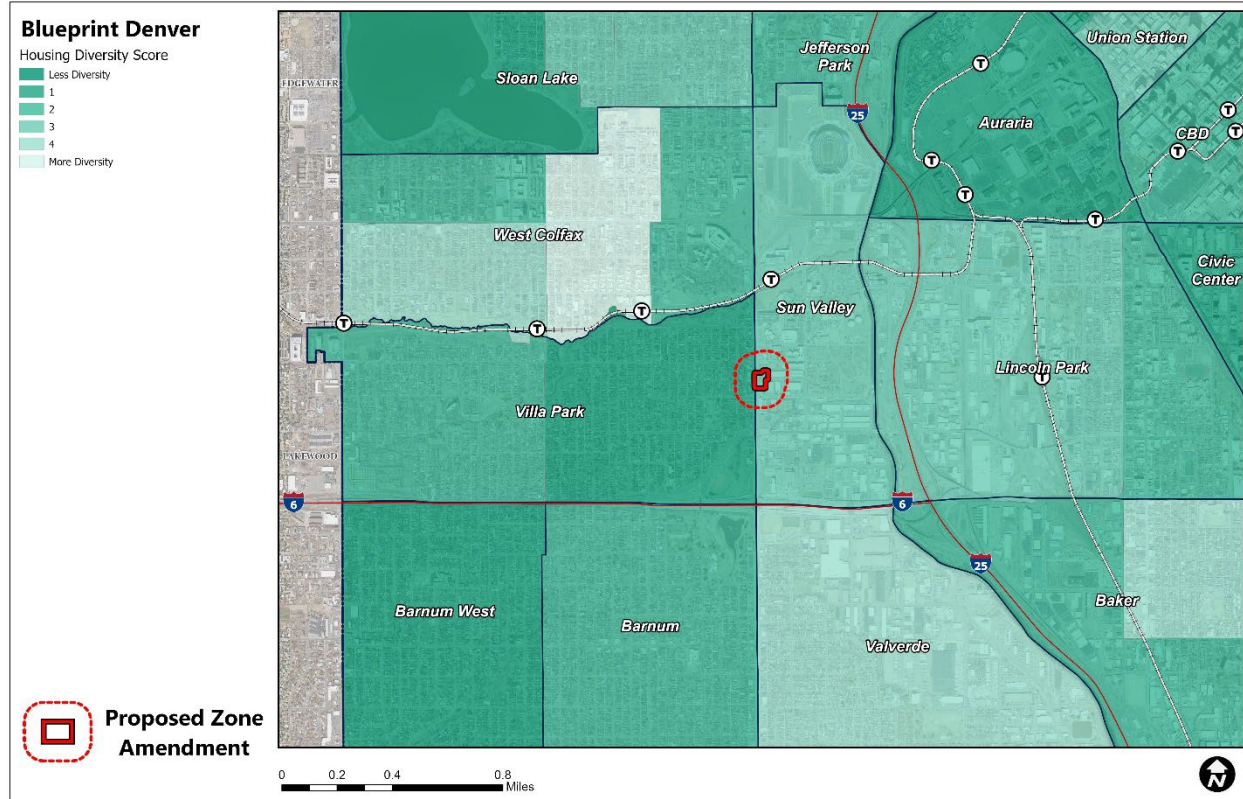
Vulnerability to Involuntary Displacement



The subject property is in an area that has high vulnerability to involuntary displacement. The basis for measuring vulnerability to involuntary displacement is through the vulnerability to displacement index developed by Denver’s Economic Development and Opportunity office. This combines data from median household income, percentage of people who rent housing, and percent of population with less than a college degree. The subject area scored as vulnerable to displacement in all three categories. In areas with high vulnerability to involuntary displacement, it is important to increase affordable housing options so that residents of all income levels can continue to live in these neighborhoods.

The proposed district will allow for a mix of uses, including multi-unit residential at a higher degree of density than the current zone district. This increases the potential for affordable and market rate housing opportunities in the area through compliance with Denver’s mandatory affordable housing requirements.

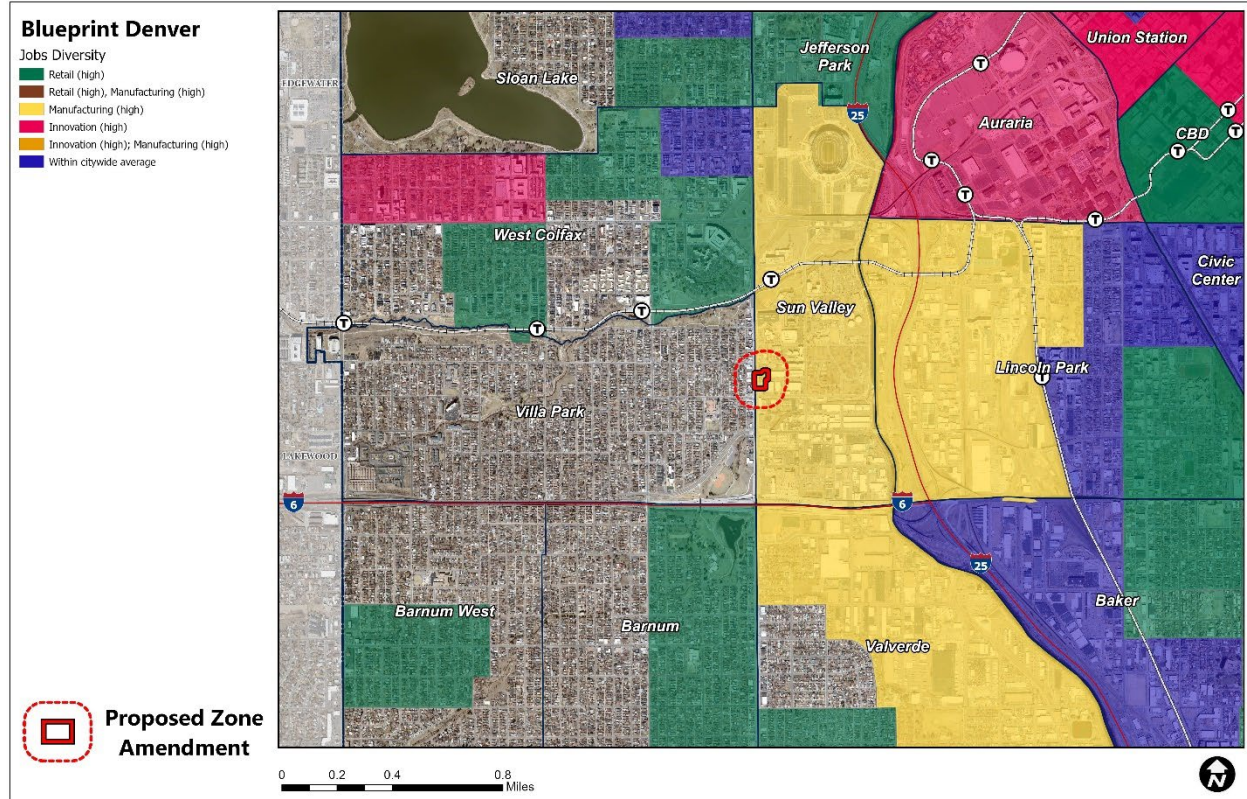
Expanding Housing and Jobs Diversity



The subject property is in an area that has moderate housing diversity with a score of 3 out of 5. The housing diversity map combines census tract-level data measuring the percentage of middle-density housing (housing with 2-19 units), home size diversity, ownership vs. rental, housing costs and the number of income-restricted units. The subject area is not diverse in terms of the percentage of owners to renters and housing costs. In areas with a moderate level of housing diversity it is important to increase the number of affordable housing units alongside natural growth in market-rate housing.

The proposed rezoning could increase the number of potential market rate and affordable dwelling units that could be constructed on the property through compliance with mandatory affordable housing requirements. A resulting development has the potential to increase the number of housing units that are affordable to residents earning up to 80% of the city's medium income.

Expanding Housing and Jobs Diversity



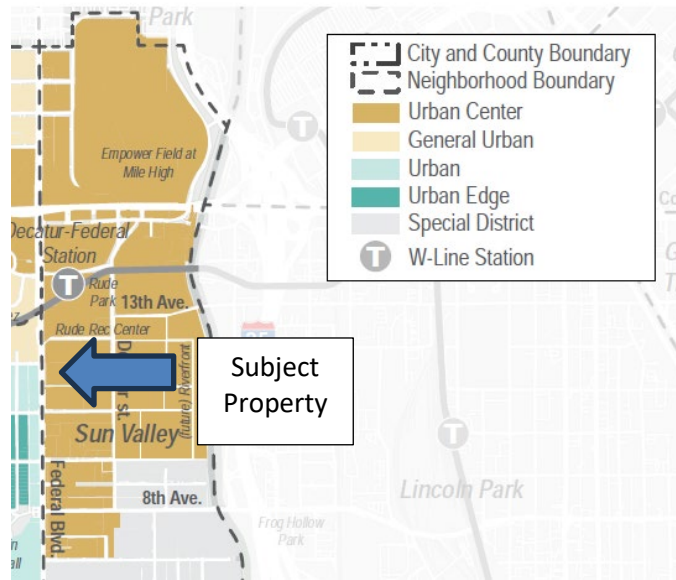
The map above shows the mix of jobs in areas of the city (dominant industry depicted by color). With a greater emphasis on manufacturing jobs in the Sun Valley neighborhood, the subject property has a mix of jobs that is dissimilar to the city's overall mix of job types. Globeville has 56% Retail jobs, 7% innovation Jobs and 37% Manufacturing Jobs. Manufacturing Jobs is significantly higher than city wide average of 10.7%. The total number of jobs are 2,542 with 6.2 jobs per acre.

The proposed district could enable residents with different incomes and education levels to live in a neighborhood with greater access to a variety of jobs and lead to wealth-building opportunities, particularly because the Sun Valley neighborhood has higher scores regarding access to centers and corridors and a concentration of manufacturing jobs. The proposed zone district also allows for a mix of uses, including office and retails, that provides the opportunity to contribute to diversifying jobs in the area.

West Area Plan

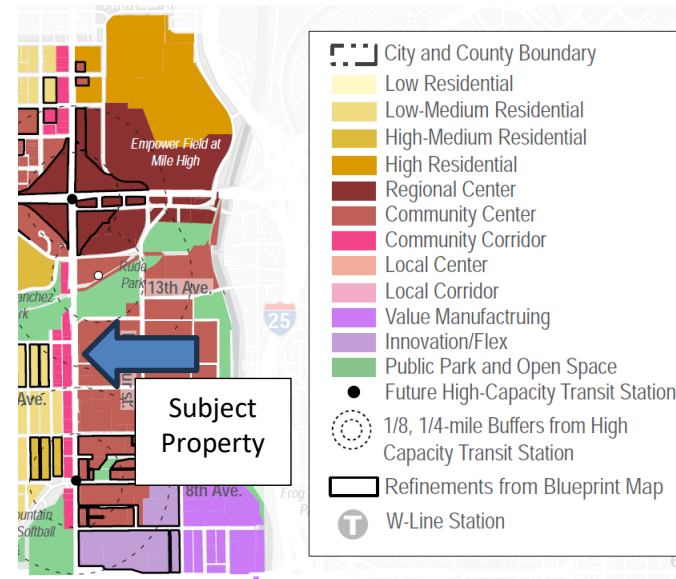
The *West Area Plan* was adopted in March 2023 and provides land use guidance for the Sun Valley, West Colfax, Villa Park, Valverde, Barnum, and Barnum West Neighborhoods. This plan builds on guidance in *Blueprint Denver* and provides refinement to the guidance in *Comprehensive Plan 2040*.

West Area Plan: Future Neighborhood Context



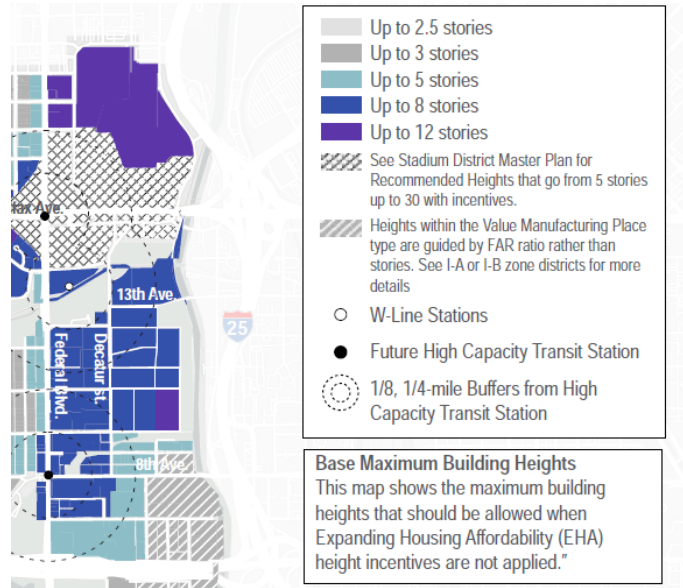
The *West Area Plan* identifies the property as a part of the Urban Center that extends east from Federal Boulevard to the South Platte River. These areas are described as providing a mix of office, commercial, and residential uses with mostly continuous building frontages and distinct streetscape elements that help to define the public realm. This guidance seeks to leverage the Federal Boulevard corridor, the proximity to public transit, and the amenities that exist in this area. The proposed C-MX-8 zone district aligns with this Future Neighborhood Context and will help to implement the vision of this area along Federal Boulevard as a vibrant mixed use corridor.

West Area Plan: Future Places



The subject property is identified as part of the Community Center Future Place in the *West Area Plan*. Similarly to the Future Neighborhood Context guidance, this Community Center leverages the strengths of Federal Boulevard to develop this corridor as a community serving, mixed use corridor. This area has strong access to parks, city amenities, transit and jobs in the Sun Valley neighborhood and the proposed C-MX-8 zone district will increase the potential number of residents that can access these amenities. Additionally, the proposed C-MX-8 zone district adds to the mix of office, commercial, and residential uses in the area and along the corridor which will help implement the communities vision for this neighborhood.

West Area Plan: Height



The *West Area Plan* provides some additional refinement to the height guidance in *Blueprint Denver* and recommends a maximum height of 8 stories in the area of the subject property. This aligns with the proposed C-MX-8 zone district which has a maximum height of 8 stories before any incentives for affordable housing are applied.

West Area Plan: Policies

In addition to the land use guidance provided in the maps in the West Area Plan. The proposed rezoning also implements the policies in the plan as highlighted below.

Policy L3: Future Growth in Centers and Corridors - *Direct future growth along high-capacity transit corridors and centers, and ensure future development results in neighborhoods that are more complete with mobility, quality of life enhancements, and access to opportunities for all residents.*

- A. *Allow higher-intensity mixed-use growth on vacant and underutilized lots along major corridors and within major centers. Support rezoning and higher-intensity development particularly within high-capacity transit centers where there is the potential for land aggregation. (p. 178)*

The proposed C-MX-8 zone district implements policy L3 and Strategy A by allowing for growth along the Federal Boulevard corridor. This rezoning increases the potential for mixed use development at this underutilized lot along a major corridor.

Policy L9: Design within Centers and Corridors - *Encourage high-quality design and neighborhood compatibility within Centers and Corridors. (p. 179)*

The proposed C-MX-8 zone district is designed to create a high-quality pedestrian realm and orient buildings to the street.

Policy E3: Overall Housing Diversity - *Expand diversity of housing types and affordability to support households of different sizes, ages, and incomes in all neighborhoods.*

The proposed rezoning increases the potential residential density of the subject property and when developed will be subject to the requirements of Denver's mandatory affordable housing program. This will help provide much needed affordable and market rate housing along a key corridor in the West area and Sun Valley neighborhood.

2. Uniformity of District Regulations and Restrictions

The proposed rezoning to C-MX-8 will result in the uniform application of zone district building form, use and design regulations.

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 the implementation of the City's adopted plans, specifically *Comprehensive Plan 2040* and *Blueprint Denver*. Mixed use zone districts enable a mix of uses on one zone lot, allowing people to live, work, and play, reducing automobile trips and achieving improved public health outcomes. The C-MX-8 zone district building form standards will compel improved site and building design that promotes pedestrian interest and activity, which is linked to improved built environments and improved safety. The specific intent of the Denver Zoning Code includes "promoting development along transit corridors that enhance their function as mixed-use, walkable centers that serve surrounding residential neighborhoods" (DZC 1.1.2). The C-MX-8 zone district reinforces the plan guidance that Federal Boulevard should be an area of transformation towards a more livable, pedestrian-oriented, and transit-rich corridor.

4. Justifying Circumstances

The application identifies several changed or changing conditions as the Justifying Circumstance under DZC Section 12.4.10.8, "Since the date of the approval of the existing Zone District, there has been a change to such a degree that the proposed rezoning is in the public interest. Such a change may include: Changed or changing conditions in a particular area, or in the city generally; or a city adopted plan". Both *Blueprint Denver* and the *West Area Plan* were adopted since the existing zone district was put in place and provide guidance for this site as part of a community center on a mixed-use arterial in an area where growth should be directed. Therefore, the adopted plans provide a justifying circumstance.

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

The requested zone district is within the Urban Center Neighborhood Context which generally consists of a mix of multi-unit residential, commercial, office, civic, institutional, and entertainment uses in large buildings containing one or more uses (DZC 7.1.1). As discussed above, and given the surrounding context and plan guidance, application of a zone district from the Urban Center Context is appropriate for this site.

Within the Urban Center context, Mixed-Use Zone Districts are intended to promote safe, active, pedestrian-scaled, diverse areas through the use of building forms that clearly define and activate the public realm (DZC 7.2.3.1). The purpose of the Mixed-Use Zone Districts is appropriate for a site in an area envisioned for vibrant, mixed-use development.

The C-MX-8 district applies to areas or intersections served primarily by arterial streets where a building scale of 2 to 8 stories is desired. The requested rezoning is consistent with the neighborhood context description, zone district purpose and intent, as the requested zoning is intended to provide for mixed-use development at a maximum height of 8 stories.

Attachments

1. Application
2. Comment Letter
3. Equity Brief and Equity Response