November 27, 2018

Denver City Council
1437 Bannock Street, Room 451
Denver, CO 80202

Dear Honorable Councilmembers,

On behalf of **Kentro Group,** we are writing you this letter as a supplemental narrative for the record regarding the rezoning of the former CDOT Headquarters property at 4201 E. Arkansas Avenue. This information in this letter closely mirrors a letter we have sent out to the neighborhood summarizing our Rezoning Application, the Development Agreement and a proposed Good Neighbor Agreement.

Since January of 2018, we have held **eight public meetings**—January 25, March 8, April 5, May 3, June 7, July 12, Sept 27, Nov. 14—as well as several special issue meetings, neighborhood zoning committee, CDOT task force meetings and countless other individual meetings, home visits, etc. We have been very proactive in our communication and have distributed flyers, posted signs on the property and built a project website to host project information and all presentations/materials (www.KentroGroup.com/Arkansas). All in all, the amount of work and outreach that has gone into this application process resembles that of a small area plan.

We have genuinely tried to be a positive community partner with the neighborhood and the City. In this lengthy process, we have given a lot and committed to just about everything asked of us, including but not limited to:

1. *Affordable housing* – guaranteed the 150 units at 60% AMI on-site in the Development Agreement and eliminated the fee in-lieu option or building off-site.
2. *Open space, etc.* – formulated a Development Agreement with the City for site planning items like minimum open space and other items from the City's large site review team/agencies.
3. *Ongoing public engagement/meetings* – included commitment to hold ongoing public meetings with neighborhood on items after zoning such as site plan, traffic study, open space plan and construction.
4. *Lowering heights* – despite the allowances under current zoning, we lowered the building heights in our application from 12-stoies to 8-stories in a resubmittal of the rezoning application in July.
5. *Neighborhood transition* – we also lowered building heights adjacent to the single-family neighborhood along Arkansas Ave and at the corner of Birch/Arkansas from 5 to 3-stories. The rezoning goes below the City's zoning code standards for "protected districts".
6. *Transportation Demand Management (TDM)* – upon request, we included provision for TDM in Development Agreement and engaged Transportation Solutions to start working on an early TDM/multi-modal study for the site.
7. *Public meetings* – held eight (8) community meetings and numerous special issue meetings regarding traffic with neighbors and Public Works (2x); environmental meeting; and the Region 1 site at Holly and Evans.
8. *Extended timeline* – we pushed our application timeframe as much as possible to allow for dialogue, and at First Reading we agreed to push back our Public Hearing an additional two weeks to allow for more time for neighbors and Council to review the Development Agreement. We held our 8th public meeting in this timeframe.
9. *Public notice* – we distributed flyers into the neighborhood multiple times at a radius of 2000' from the site, 10x the City's mailed notification of 200' from the site perimeter. We also posted signs on the property and sent out letters and emails with notifications for meetings and information.
10. *Website* – at the request of the community, we built a custom project website where we posted all previous presentations and other documents (zoning application, Development Agreement, proposed Good Neighbor Agreement).
11. *Other items* – there are many other items we have committed to (such seeking to preserve mature trees on Arkansas, closing Arkansas St to the east of Birch, collecting traffic data for an off-site intersection for 5-

years, etc.) that also made it into the Development Agreement and/or the proposed Good Neighbor Agreement.

There is also a lot of **community support** for this project. We encourage you to look through all of the support letters from the summer/fall/winter in your Council packet, as you will see letters of support from many individuals and couples that have taken time out of their busy schedules to share their thoughts, ideas and have their concerns addressed with us. We believe the record shows that there is demonstrated community support and community need for the rezoning and the public benefits associated with the Development Agreement that has been put into place for the site.

Taking a step backward to 2017, during CDOT's site disposition process, the City & County of Denver utilized its ability as a public agency to formulate a purchase and sale contract for the property that outlined certain **public benefits**—requirements that would not have been in place had the City not intervened—including a provision for affordable housing, 200 permanent jobs, 150,000 square feet of commercial space and a public rezoning process which would help set the framework for future site design.

Since we started this process, in community forums with the neighborhood and the City, we stated we were fully committed to following through on the City's contractual guidelines and public benefits—in addition to going through a very public rezoning process with the community.

Because there is so much involved with this application, we thought it made sense for us to provide an updated narrative and letter to our application, since the process for this property started in 2017 and immediately following City Council's approval of Council Bill 17-1356 (Purchase and Sale for CDOT properties) on January 8, 2018.

Rezoning Application

The proposed rezoning application represents a significant net down-zoning of the property.

a. **Current Zoning:**

The 4201 E. Arkansas site is currently zoned Campus (**CMP-EI2**) and S-MX-5 for a small portion, which allows for a broad list of allowable uses—including office/commercial, residential/multi-family, institutional/other (main exception: CMP does not allow retail), with building heights up to 12-stories/150'. Campus zoning starts with building heights of 5-stories/75' at the perimeter of the property near the street (20' setback) and then goes up and back at a 45-degree bulk plane angle up to a maximum of 12-stories/150' in height. **Under current zoning, 51% of the site can be built to 12-stories, starting with 5-stories at the perimeter.**

b. **Proposed Rezoning:**

For the main part of the site to the West of Birch St, the proposed rezoning is to S-MX-3, S-MX-5 and S-MX-8. For the lot to the East of Birch St (currently zoned Campus), the rezoning proposal is for S-MU-3.

c. **Differences between the existing and proposed zoning:**

Height

i. The rezoning reduces the allowable height on the interior part of the property from 12-stories/150' under current zoning down to 8-stories/110' max. (40' reduction).

ii. The rezoning also lowers the allowable height along the Arkansas and southern section of Birch St. from 5-stories/75'under current zoning down to 3-stories/40-45' max. (30-35' reduction adjacent to the neighborhood).

iii. Based upon these changes alone to the building height—and not withstanding that there will be many additional items and requirements (such as open space, streets, sidewalks, access, fire access, parking, etc.) that will break up the site and buildings—we have calculated the **net reduction of square footage/building mass from the rezoning is more than** 800,000 square feet.

iv. The rezoning application *does* increase the height on one smaller parcel behind the Good Times (4040 E. Louisiana) which is currently zoned S-MX-5 where we increase the height to 8-stories, as this is our parcel closest to the commercial corridor of Colorado Blvd and furthest from the neighborhood.

Uses

i. The other main change to the zoning involves the **rezoning from Campus (CMP) to Mixed-Use (MX) in terms of the "allowable uses" on the site**. While Campus zoning allows for an unlimited amount of office, residential, multifamily, and other uses within the parameters of the setbacks, height limitations and building coverage ratio, Campus zoning does not allow for retail uses (such as a restaurant, neighborhood brewery, coffee shop, grocer or other uses that we've envisioned). By rezoning to mixed-use and through the addition of retail, not only do we think we can create a more walkable neighborhood amenity for families and folks of all ages to enjoy, but by adding retail uses, we will reduce 'destination trips' from traffic and encourage more 'pass-by' trips, which lessens overall trip generation and especially the demand on peak AM and PM destination trips.

In sum, the effect of the rezoning will be to lower heights on both the interior and exterior portions of the site for a large net down-zoning of the building envelope, and to allow for mixed-use/retail uses on the site.

Finally, in addition to the extraordinary public outreach and communication, and the agreement to downzone the property and provide significant above-and-beyond community benefits, the rezoning application does in fact meet all of the applicable criteria for rezoning applications in the Zoning Code, including consistency with applicable comprehensive plans, as City staff has noted in its staff report, following extensive review and analysis.

There are **two other very important documents and agreements** we have been working on—the Development Agreement with the City where we have solidified our public benefits from the initial list of contract requirements from the City; and a proposed Good Neighbor Agreement that is the result of direct input and feedback from nearby neighbors who have attended numerous meetings and forums for discussion. We have posted both of these important documents on our website and have had two recent meetings to discuss and provide more information on each to the community.

Development Agreement

As discussed previously with the background regarding the original purchase and sale contract for this property and the public benefits the City wanted to ensure for this site, a Development Agreement was worked out with the City & County of Denver that not only strengthens the original contract's requirements, but adds new provisions for ongoing public meetings and coordination that sets a new model for how landowners and developers will work with the City and neighborhood on a going-forward basis.

We have shared the key terms to the Development Agreement in our public meetings since May, posted all PDF presentations on the project website and in other recent meetings with neighbors. The purpose of the agreement is to have a legal and binding agreement with the City for a set of net positive outcomes that benefit the City and the community, including but not limited to:

a. **Open space** – whereas the existing campus zoning has no open space requirement, the agreement requires a minimum of 10% publicly accessible open space with the City's standard General Development Plan (GDP) language and definitions.
b. **Street connection, site infrastructure** – provide at least one north-to-south street connection between Arkansas and Louisiana. We have envisioned Bellaire as a walkable/plaza-like main street.
c. **Traffic Study** – the Development Agreement requires us to perform a full Traffic Study before any development plans are approved. The scope and size/area of the Traffic Study was expanded based on neighborhood input.
d. **Transportation Demand Management (TDM)** – the agreement includes requirement for a TDM study and implementation of TDM planning principals to reduce vehicle trips to and from the site.
e. **Affordable Housing** – the original purchase and sale contract that Council approved called for 150-units of affordable housing at 60% of Area Median Income (AMI) to be built in Denver or pay a fee. In the Development Agreement, based on strong feedback from the neighborhood, school and the City regarding the importance of this housing demographic, we have agreed to provide the 150-units on-site. For more information on what 60% AMI means, see the table below.

Denver: 2018 Area Median Income (AMI)

	Household Size				Maximum Rent Charge			
% AMI	1 Person	2 Persons	3 Persons	4 Persons	1 Person	2 Persons	3 Persons	4 Persons
30%	$18,900	$21,600	$24,300	$26,950	$473	$540	$608	$674
50%	$31,500	$36,000	$40,500	$44,950	$788	$900	$1,013	$1,124
60%	**$37,800**	**$43,200**	**$48,600**	**$53,940**	**$945**	**$1,080**	**$1,215**	**$1,349**
80%	$50,350	$57,550	$64,750	$71,900	$1,259	$1,439	$1,619	$1,798

f. **Ongoing community and neighborhood meetings** – in recent meetings, based on the neighborhood's desire to stay involved, we added requirements to the Development Agreement for Kentro to provide notice and continue to hold public/neighborhood meetings linked to key project milestones such as site planning, open space plan, traffic study, construction, etc.
g. **Construction manager** – we also added a requirement for Kentro to provide a Construction Manager, providing notice, a public meeting and plans for construction activities.

There are many additional items in the Development Agreement, which has been made public and linked on our website (www.KentroGroup.com/Arkansas) and discussed in our two most recent public meetings (Sept. 27 and Oct. 30).

Good Neighbor Agreement

Lastly, it is also important to discuss the **Good Neighbor Agreement** we have proposed to the neighborhood and registered neighborhood organization. As noted earlier, we had been meeting and going back-and-forth with a group of committed neighbors who formed a zoning committee regarding a list of other items and priorities the neighborhood wanted to see on the site (i.e. preservation of existing trees, design guideline process, tower beautification, relocate RTD bus stop, bike/ped, etc.). On behalf of Kentro, we would like to applaud these neighbors, who attended all or nearly all of the meetings, setup their own meetings, exchanged thoughts with us and much more. Their participation has made our thinking and this application/agreement(s) significantly better.

In response to a memo we received that contained a list of neighborhood "priorities" for the site, we worked to include as much of the below into the City Development Agreement as possible, but for other items, we met with this group and drafted/proposed a Good Neighbor Agreement containing the items below:

1. Hold ongoing community meetings and provide information
2. Seek to preserve existing trees on Arkansas Avenue
3. Provide ongoing traffic data for off-site intersection at Louisiana and Holly
4. Work diligently with CDOT/State re: tower beautification
5. Work with neighborhood to come up with design standards and guidelines
6. Work with RTD re: relocation of bus stop at SWC of Arkansas Avenue and Birch Street to adjacent location along our site (not in front of neighborhood house)
7. Commitment to incorporating a good balance of local retailers
8. Enhance pedestrian and bicycle access
9. Work with City on a neighborhood parking plan intended to enhance protections.
10. Coordinate with neighborhood on construction plan
11. Commit to be a positive community partner

While the Good Neighbor Agreement is not signed because of the current lack of officers for the Virginia Village Ellis Community Association (VVECA), we are hopeful that VVECA (or another RNO/entity) will be able to sign it when they are ready.

That being said, Kentro is fully committed to the items in this agreement, we have signed it and posted the full proposed agreement on our website and discussed it with the community at numerous meetings.

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We recognize this has been a long process and there is a lot of information for the community and for City Council to consider. That is why we thought it was important to draft this letter and communication for City Council to review as part of the record for our application. We also sent out a similar letter to the neighbors containing same information on the Rezoning Application, Development Agreement and proposed Good Neighbor Agreement.

On behalf of me, my family and the everyone at Kentro Group, we take pride in being a local, Denver company, with roots and family in this neighborhood and we stand by our commitment to working tirelessly with the community for a uniquely positive and special outcome for this property.

We are honored to be small part of some of the important work that is going on in the City with affordable housing and smart infill projects like this former CDOT site.

Thank you for your public service on City Council and for all that you do for in the community.

Sincerely,

Jimmy Balafas

Attachments: KFR Arkansas Development Agreement_Final KG Signature
Proposed Good Neighbor Agreement