



Denver Planning Board
Julie Underdahl, Chair

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TO: Denver City Council
FROM: Julie Underdahl, Chair, Denver Planning Board
DATE: December 11, 2014
RE: **BR14-1103 and BR14-1104** Amendment to the Welton Corridor Urban Redevelopment Plan for the 2801 Welton Project and Tax Increment Area

Planning Board Finding

The Denver Planning Board is pleased to forward its finding to City Council that the proposed amendment to the Welton Corridor Urban Redevelopment Plan for the 2801 Welton Project and Tax Increment Area conforms to the Denver Comprehensive Plan 2000 and all related supplements. This finding is required by the Colorado Revised Statutes, Sec. 31-25-107(2). Planning Board made its finding by unanimous vote at its regular meeting on December 3, 2014.

The 2801 Welton Project

The proposed amendment would add 2801 Welton as an urban renewal project and TIF area within the existing Welton Corridor Urban Redevelopment Area (URA).



Location of the proposed project within the Welton Corridor Urban Redevelopment Area

SMP 2801 Welton LLC, a subsidiary of Star Mesa Properties LLC, is the Redeveloper of this property, which is located at the northwest corner of 28th Street and Welton Street. The property is currently owned by the Redeveloper.

The project consists of a 5,000sf brick building in need of significant rehabilitation. The building was built in 1895 and has had a variety of uses over the years including a tavern, a hotel, and an apartment complex. The building is credited with being instrumental in the Five Points jazz scene as it once served as home to Rice's Tap House and played host to musicians. The last tenant of the building occupied the first floor until 2011. Thereafter a non-profit was allowed to use a portion of the first floor until the use was suspended due to code violations.



The subject property (image from Google Street View, 2011)

The proposed project will renovate the entire building. The renovation calls for demolishing the interior of the building; stabilizing the existing structure; exposing the brick which has been plastered over; and adding windows which have been removed or hidden over the years.

The building is not currently designated as a contributing building within the Welton Street Commercial Corridor Historic District. However, the Landmark Preservation Commission has indicated that they are interested in officially designating it as such. The Redeveloper is currently working with the Landmark Preservation Commission on the request and believes the designation will be accomplished should the project go forward.

It is intended that the first floor, totaling approximately 2,500 square feet, will be occupied by a destination restaurant. The second floor, also approximately 2,500 square feet, will be marketed as unique office space. At this time tenants have not been identified, however the Redeveloper has been actively communicating with brokers and other parties to gauge interest in the product, of which the response has been positive. The property is zoned C-MX-5, and the proposed uses are permitted in that zone district.

Welton Corridor Urban Redevelopment Plan and Area

The proposed redevelopment project is located within the existing Welton Corridor URA, established in 2012. The Welton Corridor URP was modeled after the Downtown Denver URP and the Arapahoe Square URP in that it authorizes Tax Increment Finance, but it does not set a TIF area or identify projects to be financed with TIF. In order to do that, the URP must be amended on a case-by-case basis for individual projects. If approved, 2801 Welton would become an urban renewal project and TIF area within the Welton Corridor URA.

CPD staff recommended to the Planning Board that the proposed amendment for the 2801 Welton project meets the following objectives of the Welton Corridor Urban Redevelopment Plan:

- To eliminate the present and growing factors which contribute to the blight in the Urban Redevelopment Area. Such blighting factors are detrimental to the community and represent an economic liability to the City.

- To renew and improve the character and environment of the Urban Redevelopment Area and its surroundings by preventing or ameliorating economic, physical and environmental deterioration.
- To encourage residential, retail, and commercial development and redevelopment that is socially and economically inclusive and from which the Urban Redevelopment Area and its environs can draw economic strength.
- To encourage land use patterns within the Urban Redevelopment Area and its environs which will reduce dependence upon private automobiles for transportation.
- To encourage land use patterns within the Urban Redevelopment Area and its environs that result in a more environmentally sustainable city.
- To encourage the participation of existing property owners within the Urban Redevelopment Area in the redevelopment of their property.
- To encourage reuse of existing buildings where appropriate, including historic preservation and adaptive reuse.
- To promote a diverse, sustainable neighborhood economy, including mixed use and commercial development opportunities along the Urban Redevelopment Area.

Analysis of Comprehensive Plan Conformity

CPD staff recommended that the proposed amendment conforms to the Denver Comprehensive Plan and its applicable supplements by virtue of the following logic:

- In 2012, the Denver Planning Board found the Welton Corridor Urban Redevelopment Plan to be consistent with Comprehensive Plan 2000 and its applicable supplements. City Council subsequently adopted the Urban Redevelopment Plan and created the Welton Corridor Urban Redevelopment Area.
- CPD staff finds that the proposed amendment for the 2801 Welton project is consistent with the objectives of the Welton Corridor URP as detailed in the previous section of this staff report.
- Because the Welton Corridor URP is consistent with the Comprehensive Plan, and the proposed amendment is consistent with the Welton Corridor URP, the proposed amendment is therefore consistent with the Comprehensive Plan.

The Final Denver Planning Board Finding

Based on the CPD staff report and board deliberations at its December 3, 2014 meeting, the Denver Planning Board finds that the proposed amendment to the 2801 Welton Project and Tax Increment Area conforms to the Denver Comprehensive Plan and its applicable supplements.