Community Planning and Development
Planning Services

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TO: Denver City Council
FROM: Chelsea Bennouna, Senior City Planner
DATE: October 10, 2024
RE: Official Zoning Map Amendment Application #2023I-00202

Staff Report and Recommendation

Based on the criteria for review in the Denver Zoning Code, staff recommends **approval** of Application #2023I-00202.

Request for Rezoning

Address:	3821-3897 N Steele Street and 3800-3840 York Street
Neighborhood/Council District:	Clayton / Council District 9 – Darrell Watson
RNOs:	Inter-Neighborhood Cooperation (INC), Strong Denver, Cole Neighborhood Association, United Community Action Network, Clayton United, Opportunity Corridor Coalition of United Residents, East Denver Residents Council, East Denver United Neighbors
Area of Property:	1,370,437 sq. ft. or 31.46 acres
Current Zoning:	PUD-G 32; I-1, UO-2 with waivers; I-0 with waivers and conditions
Proposed Zoning:	I-MX-5, PUD-G 35 (amended version of PUD-G 32)
Property Owner(s) Representative:	Fredrick Glick
Property Owner(s):	Steele Street Buildings LLC; York 38 LLC

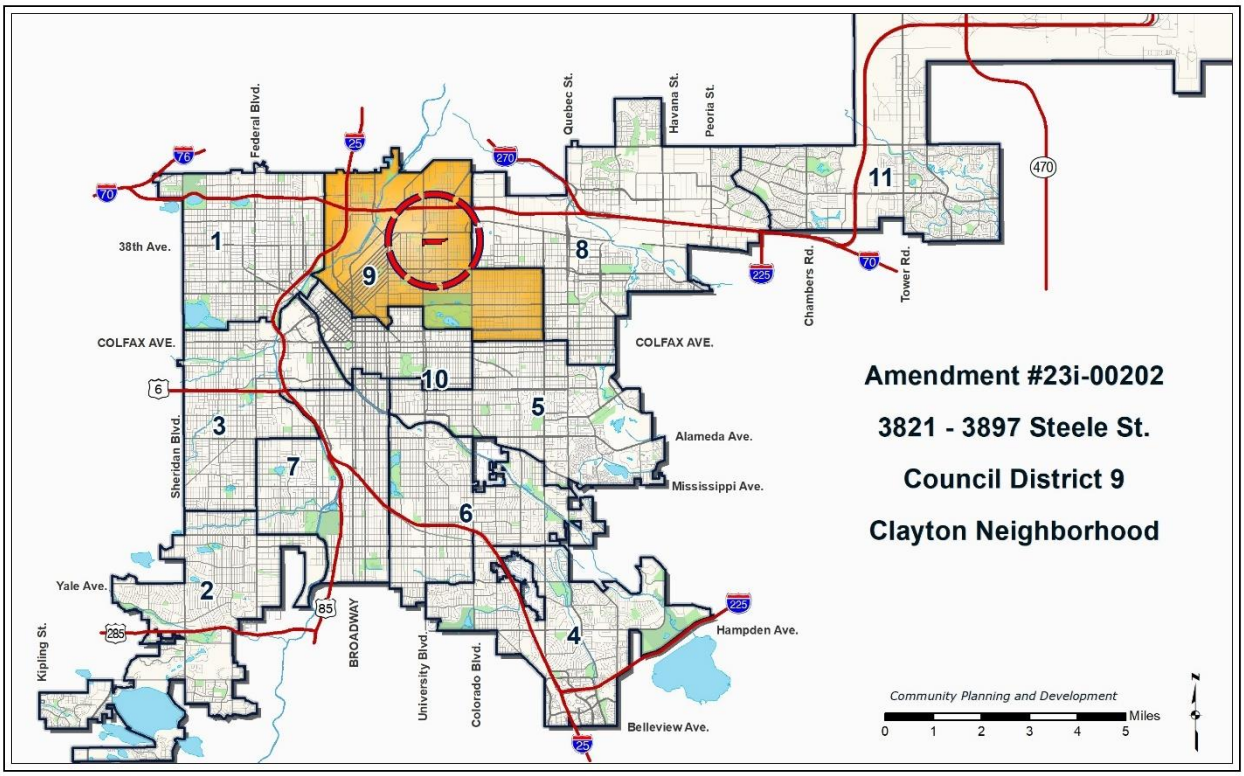
Summary of Rezoning Request

- The site is located between North York Street and North Steele Street, with frontages along East 39th Avenue and York Street.
- The site is bordered by the 39th Avenue Greenway to the North, and Schafer Park to the South.
- The site is generally comprised of two areas:
    - The first area is the western portion, which is currently zoned PUD-G 32 and belongs to York 38 LLC. Comprised of 3800-3840 York Street, the site contains several structures used in the World War II-era as army supply depot offices and currently contains a mix of office uses. The custom zoning for PUD-G 32 is based upon the I-MX-5 (Industrial-Mixed Use, 5-story) zone district in Subarea A of the PUD and the U-MX-3 (Urban-Mixed Use, 3-story) zone district in Subarea B of the PUD. The PUD allows a mix of commercial, office, residential and commercial uses. The site was rezoned in 2023 to allow for the I-MX-5 base district (previously I-MX-3) in Subarea A of the PUD, with the intention of facilitating an affordable housing development on a portion of the site referred to as "the quad."
    - The second area, to the east of PUD-G 32, is known as York Street Yards, and is an approximately 27-acre site comprised primarily of two large industrial buildings used in the World War II-era as the Denver Medical Depot. The site is currently under Former

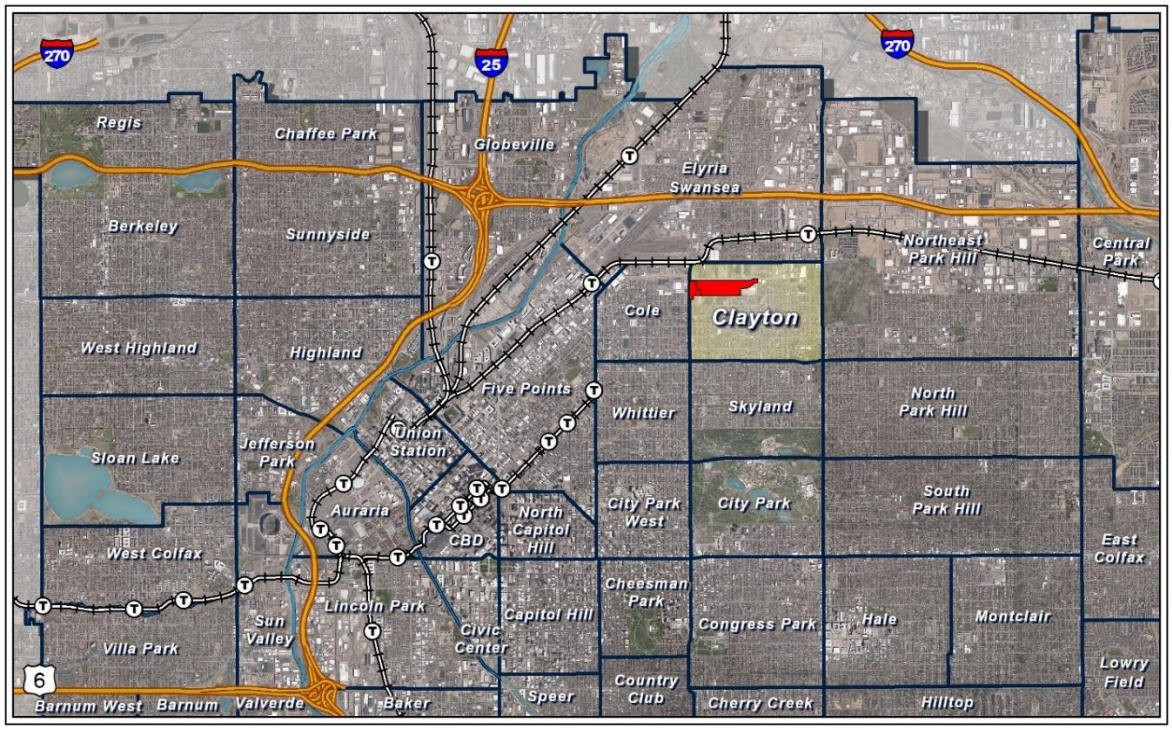
Chapter 59 zoning as primarily I-1, UO-2 with waivers, and a small portion of the site is zoned I-0 with waivers and conditions. Uses on site currently include a mix of industrial and commercial businesses, including multiple advanced technology and manufacturing tenants, food and beverage producers and retailers, fitness facilities, a variety of offices, and more. The current zoning allows for this mix of industrial, commercial, and institutional uses, but does not allow any residential uses on site.

- The applicant is requesting to rezone the entirety of York Street Yards (3821-3897 N Steele Street) and the portion of PUD-G 32 (3800-3840 York Street) known as "the quad" to the I-MX-5 (Industrial-Mixed Use, 5-story) zone district. I-MX-5 accommodates a variety of industrial, commercial, civic and residential uses.
- This rezoning would also amend PUD-G 32 by rezoning "the quad" into I-MX-5. This will result in a smaller PUD boundary in the new PUD, attached to this staff report as PUD-G 35. No other changes to the PUD are proposed.
- The rezoning is proposed with the intention to facilitate affordable housing on an approximately 1-acre portion of the York Street Yards site, rather than on "the quad" as proposed with the previous rezoning. The district would allow residential uses throughout the rezoning area, which are not currently allowed in the I-1 and I-0 portions of the site.

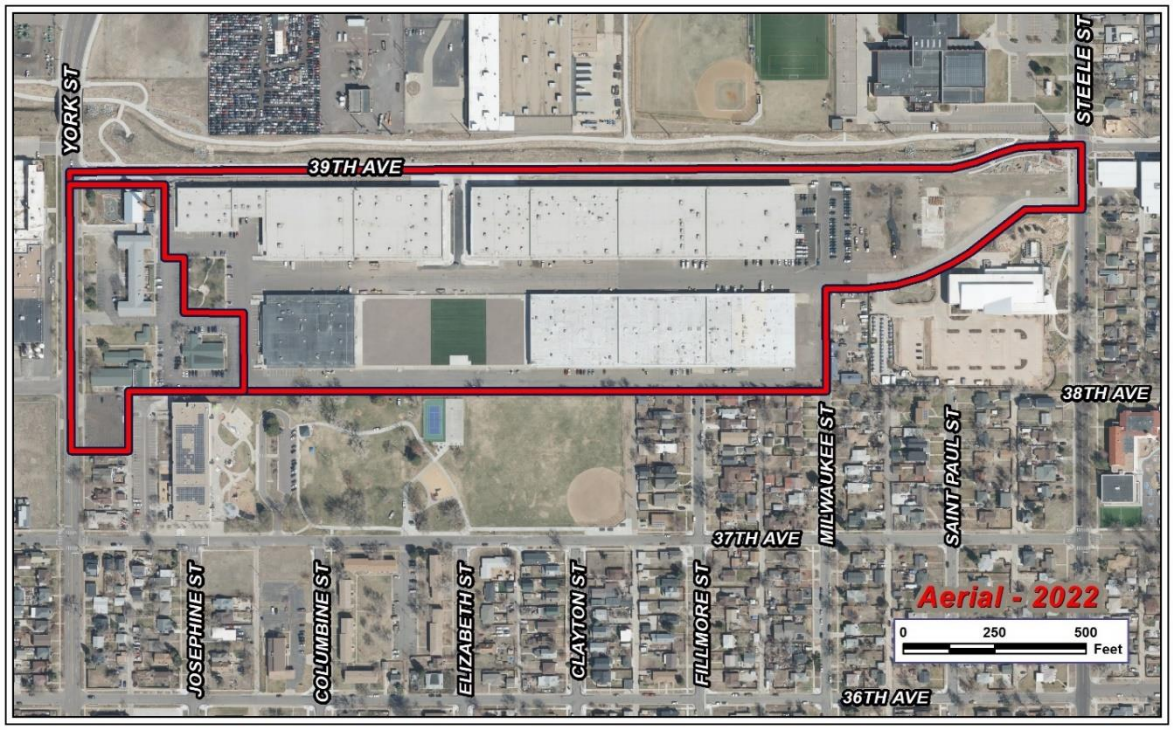
City Location



Neighborhood Location - Clayton



1. Existing Context

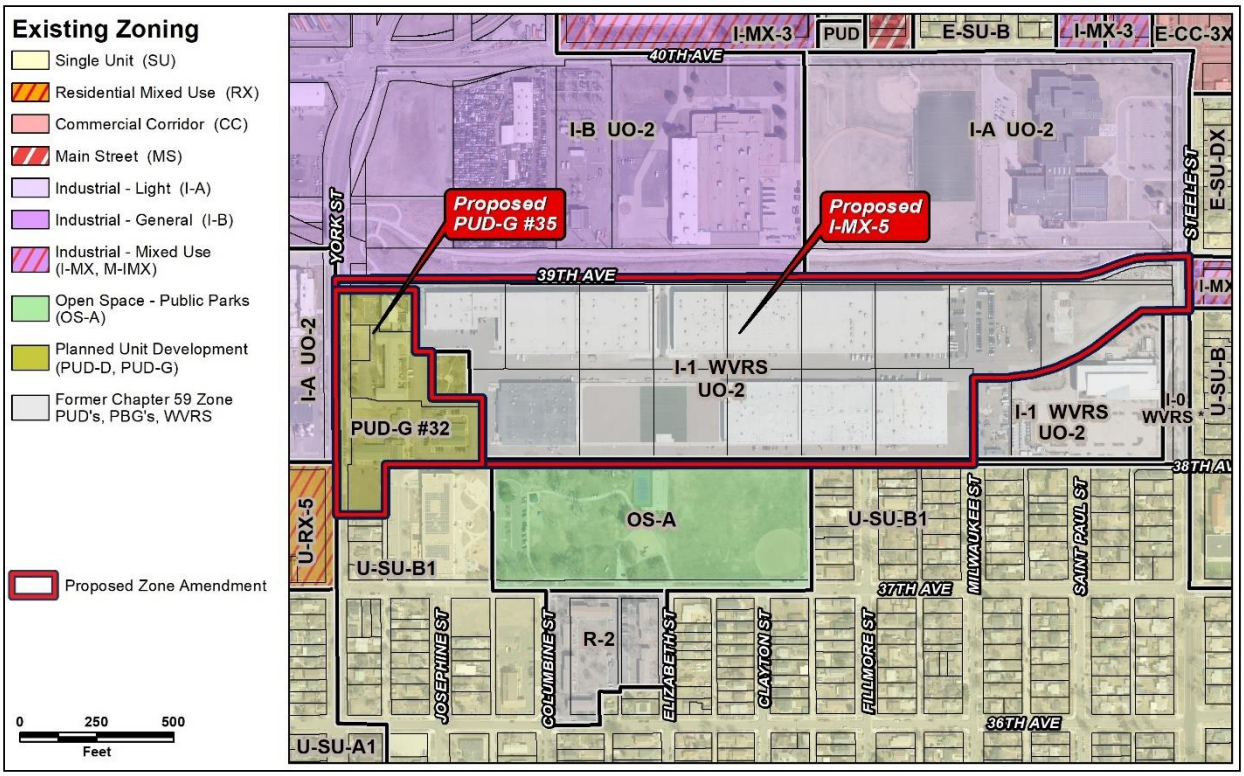


The subject property is located on the northwestern edge of the Clayton neighborhood, on the east side of York Street, south of the 39th Avenue right-of-way and greenway. The Clayton neighborhood is generally characterized by single-unit development in the southern portion, and industrial development along the northern edge. The built environment around the subject property includes a Coca-Cola bottling plant to the west, single-unit homes to the south, a multi-unit housing complex to the southwest, industrial warehouses to the north and east and Harrington Elementary School to the southeast. In the vicinity are Schafer Park, east of Harrington Elementary School, and Russell Square Park, one block south and west.

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	PUD-G 32	Mix of office uses, single-unit residential, and health clinic	1-3 story office buildings and one 2-story single-unit residence	The local block pattern south of 38th Avenue consists primarily of traditional rectilinear blocks shaped by a grid street pattern with alleys and detached sidewalks. The block patterns north of 39th Avenue are larger industrial lots of varying size, typically with no sidewalks and alleys.
Site	I-1, UO-2 with waivers; I-0 with waivers and conditions	Mix of industrial, commercial, and office uses	1-story industrial buildings	
North	I-B, UO-2; I-A, UO-2	Greenway	No Structures immediately north	
South	U-SU-B1; OS-A	Single unit residential; open space	1-2 story single unit residential structures; park land	
East	I-1 with waivers, UO-2; I-MX-3	Civic institutional, industrial warehouse	2-story office building, 1-3 story warehouse structures	
West	I-A UO-2, U-RX-5	Bottling plant, multi-unit residential	2-3 story industrial warehouses, Vacant 1 story multi-unit residential structures	

2. Existing Zoning



PUD-G 32 was adopted in 2023. The PUD has two subareas. Subarea A conforms with I-MX-5 and Subarea B conforms with U-MX-3, with some tailoring to the standards for each. The PUD facilitates the continued use and adaptive reuse of existing structures on the site, and redevelopment of underutilized parts of the site that are compatible with the Industrial Neighborhood Context abutting the north part of the site and Urban Neighborhood Context to the south. It provides flexibility in urban design in exchange for outcomes that would contribute to the vibrancy of the York Street corridor, including improved surface parking screening and the significant public benefit of a gateway landscaping and pocket park feature adjacent to the 39th Avenue Greenway. The "quad" that is proposed to be rezoned to I-MX-5 is within Subarea A. The PUD limits heights in Subarea A to 5 stories (incentive heights do not apply). A voluntary, concurrent affordable housing plan was signed by the applicant at time of the rezoning as the rezoning was intended to facilitate affordable housing on the "quad." The affordable housing plan remains in place, but the applicant now intends to build the affordable housing on the York Street Yards site instead. PUD G-32 is attached to this staff report.

The existing zone districts for 3821-3897 N Steele Street include I-1, UO-2 with waivers and I-0 with waivers and conditions. These zone districts are part of the Former Chapter 59 Denver Zoning Code. The vast majority of the 3821-3897 N Steele Street is in the I-1 zone District, which is Former Chapter 59's General Industrial Zone District and is intended to be an employment area containing industrial uses, which are generally more intensive than those permitted in the I-0 zone. A larger number of business and commercial uses are permitted in this district as compared with the I-0 zone, yet the overall

purpose of the district is to promote industrial development and economic activity. The zoning for this site includes some waived uses, mostly pertaining to heavier industrial uses, such as sand or gravel quarry, automobile parts recycling business, automobile towing service yard, helipad or helistop, columbarium or crematorium, scrap processor, and others.

The UO-2 Billboard Use Overlay District allows "outdoor general advertising device" signs defined in Article 13. Currently, there are no billboards on the subject site and the applicant is not requesting to retain the UO-2 overlay. For additional details of the UO-2 district, see DZC Sections 9.1.3.3 and 9.4.5.11.

A small sliver of the site along the southern border is currently zoned as I-0 with waivers and conditions. I-0 is Former Chapter 59's Light Industrial / Office Zone District and is intended to be an employment area containing offices, business, and light industrial uses which are generally compatible with residential uses. I-0 zoned areas were established throughout the city to serve as a land use buffer between residential areas and more intensive industrial areas. As such, this portion of the property includes a waiver that waives all uses granted by I-0 district by right except landscaped open space, and a condition that requires landscaping. This waiver and condition serve to augment the use of this land as a buffer between the industrial uses to the north, and the residential uses to the south of this parcel.

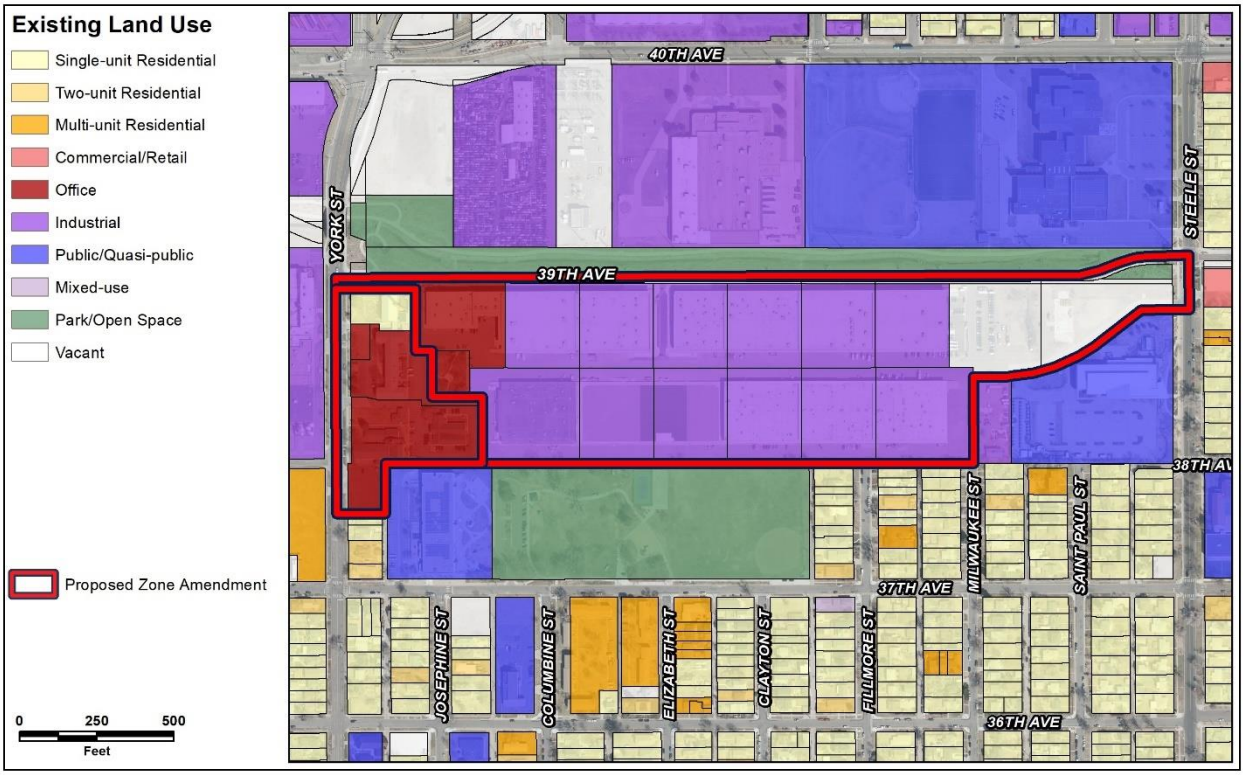
3. Historic Districts and Structures

All structures included in this rezoning application are listed on the State and National Register of Historic Properties. No local landmark designations apply to the site.

4. Large Development Review

The proposed rezoning area is over 5 acres and was therefore submitted for Large Development Review (LDR) applicability prior to submitting the rezoning application per Section 12.4.12 of the Denver Zoning Code. The Development Review Committee (DRC) determined that Large Development Review was inapplicable since there is not currently a proposal to redevelop the entire site. The determination applies only to the current proposal for rezoning and development of approximately one acre of the property to facilitate affordable housing. Additional future development on the site may require Large Development Review.

5. Existing Land Use Map



6. Existing Building Form and Scale (all images from Google Maps)

North - View of the York Street Yards properties from the north, looking east.

South - View of the York Street Yards properties from the south, looking northeast.

East - View of the York Street Yards properties from the east, looking west.

West - View of the York Street Yards properties from the west, looking southeast.

View of “the quad” portion of existing PUD-G 32 from the east.

View of the northern portion of existing PUD-G 32 from the west.

View of the southern portion of existing PUD-G 32 from the southeast.

Proposed Zoning: I-MX-5

The applicant is requesting to rezone the majority of the site (3821-3897 N Steele Street and "the quad" portion of 3840 York Street) to I-MX-5, which stands for Industrial Neighborhood Context –Mixed Use – 5 stories maximum height. I-MX-5 applies to industrially-dominated areas served primarily by local or collector streets with a maximum building height of 5 stories (see DZC 9.1.2.1.A.2). The Mixed-Use zone districts accommodate a variety of industrial, commercial, civic, and residential uses and encourage affordable housing (DZC 9.1.2.1.A.1.c). There are no limitations on the maximum percentage of a primary use or requirements that a zone lot must have a mix of uses. Further details of the proposed zone district can be found in Article 9 of the Denver Zoning Code (DZC).

The building forms allowed in the existing I-0 and I-1 zone districts and the proposed I-MX-5 zone district are summarized below. For the portion of the site proposed to rezone from PUD-G 32 to I-MX-5 ('the quad'), the primary difference in building form allowances would be a change from a maximum allowed height. PUD-G 32 allowed for a maximum height of 5 stories (70') in Subarea A, and a concurrent affordable housing plan ensured 'the quad' would provide enhanced affordable housing (as defined in

Denver's Mandatory Affordable Housing regulations) without incentive height. The proposed rezoning to I-MX-5 would allow for incentive height of 7 stories (95').

Design Standards	**I-1, UO-2 with waivers (Existing)**	**I-0, with waivers and conditions (Existing)**	**I-MX-5 (Proposed)**
Primary Building Forms Allowed	Industrial	Industrial	Town House, General, Industrial
Maximum Height in Stories/Feet	N/A (2.0 FAR) Bulk plane requirements apply	N/A (Five-tenths (0.5) FAR for non-office uses, plus five-tenths (0.5) FAR for office uses; providing, however, that if non-office uses occupy less than five-tenths (0.5) F.A.R, the office use may be increased proportionately to a maximum of one (1.0) FAR) Bulk plane requirements apply	5 stories/70' – Town House Form*,** 5 stories/70' – General*,**/Industrial Form
Primary Street Build-To Percentage (min)	N/A	N/A	70% Townhouse 50% General
Primary Street Build-To Ranges (min/max)	N/A	N/A	10'/15'- Town House Form 0'/10' – General Form
Primary Street Setbacks (min)	20'; 10' of which may be used for parking unless abutting residential	20'; 10' of which may be used for parking unless abutting residential	10' – Town House Form 0' – General/Industrial Form
Side Street Setbacks (min)	10' when abutting residential; otherwise 0'	10' when abutting residential; otherwise 0'	7.5' – Town House Form 0' – General/Industrial Form
Rear Street Setbacks (min)	10' when abutting residential, otherwise 0' (unless abutting a "B" zone, in which case it will be the same as required for the "B" district)	10' when abutting residential, otherwise 0' (unless abutting a "B" zone, in which case it will be the same as required for the "B" district)	0' – Town House Form*** 0' – General/Industrial Form***
Billboards	Allowed by UO-2 overlay	Not allowed	Not allowed

*The I-MX-5 district allows incentive heights up to 7 Stories and 95’ feet with the provision of enhanced affordable housing for the Town House and General forms.
**Within 175’ of a protected district the I-MX-5 district would allow a maximum height of 75’ for the Town House and General forms.
*** Rear setbacks are a minimum of 10’ when adjacent to a Protected District for the Industrial and General forms, and a minimum of 5’ (alley) /10’ (no alley) when adjacent to a Protected District for Town House form

Summary of PUD Request

The proposed rezoning will result in a change to the boundary of existing PUD-G 32 to rezone a portion of Subarea A into I-MX-5. The new boundary will be reflected in PUD-G 35. There are no other proposed changes to the PUD. The PUD would continue to have a base district of I-MX-5 in Subarea A and U-MX-3 in Subarea B with tailored standards that facilitate adaptive reuse.

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.

Development Services - Fire: Approve Rezoning Only - Will require additional information at Site Plan Review

Development Services - Transportation: Approved – No Response.

Development Services – Project Coordination: Approve Rezoning Only - Will require additional information at Site Plan Review

1) Sub-area B of PUD-G-20 (now PUD-G-#32) is currently in an SDP review process to modify the uses in the 3830 York property. Sub-area B is considered a separate zone lot from Sub-area A. The proposed rezoning would only affect the PUD document and would have minimal impact on Sub-area B or the SDP in active review.

2) Should the rezoning be approved, a Zone Lot Amendment will be needed to transfer the quad property from the 3840 York Street zone lot (Sub-area A) to the York Street Yards zone lot and to create a separate zone lot for the development of the affordable housing project.

3) A separate parcel reconfiguration may also be needed.

4) PUD - G-#32 needs to be updated to reflect the revised legal description of the PUD boundary if the rezoning is approved.

5) Any new construction and modifications to existing structures and uses will need zoning and building permit approvals through an SDP process. An SDP will need to document all uses and structures on a given zone lot. The SDP process will be simpler if the proposed residential building is on a separate zone lot.

6) The proposed LIHTC-funded project should apply for inclusion into the Affordable Housing Review Team (AHRT) review process for zoning and building permit approvals. While the proposed building has currently been accepted for Concept Plan only AHRT status, the application status may need to be re-applied for if the period of inactivity is triggered.

Parks and Recreation: Approved – See Comments Below.

Development in this space will need to be conscious of Schafer Park. The park can Not be used for any construction or maintenance.

Development Services – Wastewater: Approved – No Response.

Public Health and Environment: Approve Rezoning Only - Will require additional information at Site Plan Review.

The Denver Department of Public Health and Environment, Environmental Quality Division (EQD) does not guarantee approval of any proposed development project at this Site by providing a response to this Official Map Amendment Referral Agency Review Request. Future development is subject to existing land use controls and other environmental requirements in accordance with applicable local, state, and federal environmental regulations and statutes. EQD recommends the Property Owner conduct an environmental site assessment to determine the potential presence, nature, and extent of possible contamination on the site and to identify specific cleanup needs associated with future development. EQD may have additional information about localized potential environmental concerns at the site. However, providing such information about a specific site is beyond the scope of these zoning application comments.

Department of Transportation & Infrastructure – City Surveyor: Approved – No Comments.

Revisions resubmitted by applicant on 2024.04.30 and have been approved.

Department of Housing Stability:

The applicant has noted their intention to build affordable housing with LGBTQ-affirming care for seniors on a portion of the site. Based upon our knowledge and review of preliminary project information, we believe the affordable housing would support the Department of Housing Stability's (HOST) Five-Year Strategic plan, which aims to create or preserve 7,000 affordable homeownership and rental units, reduce housing cost burdens, and increase equitable access to housing.

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:	**4/8/2024**
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:	**4/30/2024**
Planning Board Public Hearing:	**5/15/2024**
CPD courteous 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 working days before the meeting**:**	**5/21/2024**
Land Use, Transportation and Infrastructure Committee of the City Council**:**	**6/4/2024 (not moved forward)** **6/18/2024 (postponed)** **8/20/2024 (postponed)** **8/27/2024 (not moved forward)** **9/10/2024**
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:	**9/23/2024**
City Council Public Hearing:	**10/14/2024**

- **Registered Neighborhood Organizations (RNOs)**
  - To date, staff has received one comment letter from a Registered Neighborhood Organization, the Clayton United RNO. This letter is in support of the rezoning.
- **Other Public Comment**
  - To date, staff has received 79 comments from the public pertaining to this application.
  - 78 of the comments are in support of the proposed rezoning, citing support for the five-story building height maximums; the mix of uses, including housing; and the pedestrian-friendly intent and requirements of the I-MX-5 zone district.
  - One comment letter from Historic Denver expressed concern about the lack of a historic preservation tool for the existing buildings on site. Historic Denver and

the applicant have since developed a Memorandum of Understanding (MOU) that would require the parties to revisit the discussion of a historic preservation tool in the future if redevelopment is being considered for other portions of the York Street Yards site. The MOU is included in the application materials.

- All comment letters have been attached to this report.

Previous Staff Recommendation (at Planning Board)

At Planning Board on May 15, 2024, staff recommended approval with the condition that the application be amended to include a waiver that limits residential uses to a maximum of 70% of the total gross floor area of the site. The waiver would have applied to the portion of the site proposed to be rezoned to I-MX-5.

By limiting the maximum percentage of residential uses, the recommended waiver would have allowed for new development of housing while ensuring that the site provides a mix of uses that support employment and amenities, as recommend in adopted plan guidance. Seventy percent was recommended as it would have accommodated approximately seven stories of residential development in the vacant areas of the site (with incentive heights for enhanced affordable housing, if pursued) and a continued mix of industrial and commercial uses in the existing one-story buildings. Without the waiver, the I-MX-5 zone district allows for redevelopment of the site with 100% residential uses.

The applicant is choosing to move forward without the modification recommended by staff at Planning Board. The staff recommendation was updated prior to the 8/27/24 Land Use, Transportation and Infrastructure Committee to recommend approval of the application as submitted to I-MX-5 without a waiver. The criteria analysis can be found later in this staff report.

Planning Board Recommendation

On May 15, 2024, Planning Board voted unanimously (7-0) to recommend approval of the application.

Key points of the discussion included the *Elyria Swansea Neighborhoods Plan* and *Blueprint Denver* height guidance, the challenges of implementing a waiver restricting the amount of residential development would be implemented on the site, and the need for a future text amendment to the I-MX-5 district to ensure that regulations promote a mix of uses on these sites as intended.

Planning Board produced a document of deliberation that is attached to the staff report. Key themes in the document included:

- The challenging mechanics of a potential waiver
- Interest in a future text amendment to adjust I-MX
- Height guidance discrepancy between the *Elyria Swansea Neighborhoods Plan* and *Blueprint Denver*
- Community support for the rezoning application

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, and 12.4.10.9 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

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

DZC Section 12.4.10.9

Additional Review Criteria for Rezoning to a PUD District (Applicable only to the portion of the rezoning that will be remain in the renamed PUD-G #35)

1. The PUD District is consistent with the intent and purpose of such districts stated in Article 9, Division 9.6 (Planned Unit Development) of this Code;
2. The PUD District and the PUD District Plan comply with all applicable standards and criteria stated in Division 9.6;
3. The development proposed on the subject property is not feasible under any other zone districts, and would require an unreasonable number of variances or waivers and conditions;
4. The PUD District and the PUD District Plan establish permitted uses that are compatible with existing land uses adjacent to the subject property; and
5. The PUD District and the PUD District Plan establish permitted building forms that are compatible with the adjacent building forms, or which are made compatible through appropriate transitions at the boundaries of the PUD District Plan (e.g., through decreases in building height; through significant distance or separation by rights-of-way, landscaping or similar features; or through innovative building design.

1. Consistency with Adopted Plans

The following adopted plans apply to this property:

- *Denver Comprehensive Plan 2040* (2019)
- *Blueprint Denver* (2019)
- *Elyria & Swansea Neighborhoods Plan* (2015)

The below analysis of consistency with adopted plans focuses on the properties proposing to rezone to the I-MX-5 district. As previously explained in this report, the proposed rezoning of PUD-G 32 to PUD-G 35 will only amend the existing PUD's boundary by removing a small portion of the PUD ("the quad"). "The quad" is therefore a part of the application to rezone to I-MX-5 and is addressed as part of the larger analysis on plan consistency below. As the remainder of PUD-G 35 will remain unchanged, PUD-G 35 remains consistent with all relevant adopted plan guidance as was found in the previous staff report for the adoption of PUD-G 32 in 2023. PUD-G 35 will continue to facilitate adaptive reuse and allow for compatible new development that transitions to the adjacent residential neighborhood based on the I-MX-5 and U-MX-3 zone districts with some tailoring, consistent with the adopted plan guidance.

Regarding the remainder of properties applying to rezone to I-MX-5, staff finds that the proposed rezoning is consistent with adopted plans on balance. As noted above, the staff recommendation at

Planning Board included a condition that the applicant amend the application to add a waiver that limits the maximum of percentage of residential uses. The intent of the waiver was to ensure the site retains employment-supporting uses in the long-term and does not convert to 100% residential uses. The applicant is choosing to move forward without modifying the application to include the waiver.

Since the Planning Board meeting, Historic Denver and the applicant have agreed to develop a memorandum of understanding (MOU) that will compel the property owner to revisit the discussion of a historic preservation tool with Historic Denver if the owner pursues further redevelopment of the site in the future. CPD staff have considered this effort, along with the adopted plan guidance in support of this application, Planning Board's recommendation of approval without the condition of a waiver, the letters of community support, and the ability to address future redevelopment through LDR and other processes. While a waiver or similar tool would make the application more consistent with plans, staff finds that the application meets the review criteria in the Denver Zoning Code and has modified the staff recommendation to one of approval without the condition of a waiver limiting residential uses on site.

The following section outlines the consistency analysis.

Denver Comprehensive Plan 2040 (2019)
The proposed rezoning is consistent with many of the adopted *Denver Comprehensive Plan 2040* strategies. On balance, staff finds that the rezoning is consistent with the plan. Relevant plan strategies are described below.

Rezoning to I-MX-5 would allow for residential uses where not currently allowed on the site, therefore potentially increasing Denver's supply of housing. This is consistent with the following strategies:

- Equitable, Affordable and Inclusive Goal 1, Strategy A – "Increase 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)
- Strong and Authentic Neighborhoods Goal 1, Strategy B – "Ensure neighborhoods offer a mix of housing types and services for a diverse population." (p. 34)

The proposed rezoning would allow infill development appropriate for the surrounding neighborhood, consistent with the following strategies.

- Strong and Authentic Neighborhoods Goal 1, Strategy D – "Encourage quality infill development that is consistent with the surrounding neighborhood and offers opportunities for increased amenities." (p. 34)
- Environmentally Resilient Goal 8, Strategy A – "Promote infill development where infrastructure and services are already in place." (p. 54)

The proposed rezoning would rezone the site out of Former Chapter 59 zoning and ensure that it is subject to the Denver Zoning Code's design standards.

- Strong and Authentic Neighborhoods Goal 2, Strategy D – "Use urban design to contribute to economic viability, public health, safety, environmental well-being, neighborhood culture, and quality of life." (p. 34)

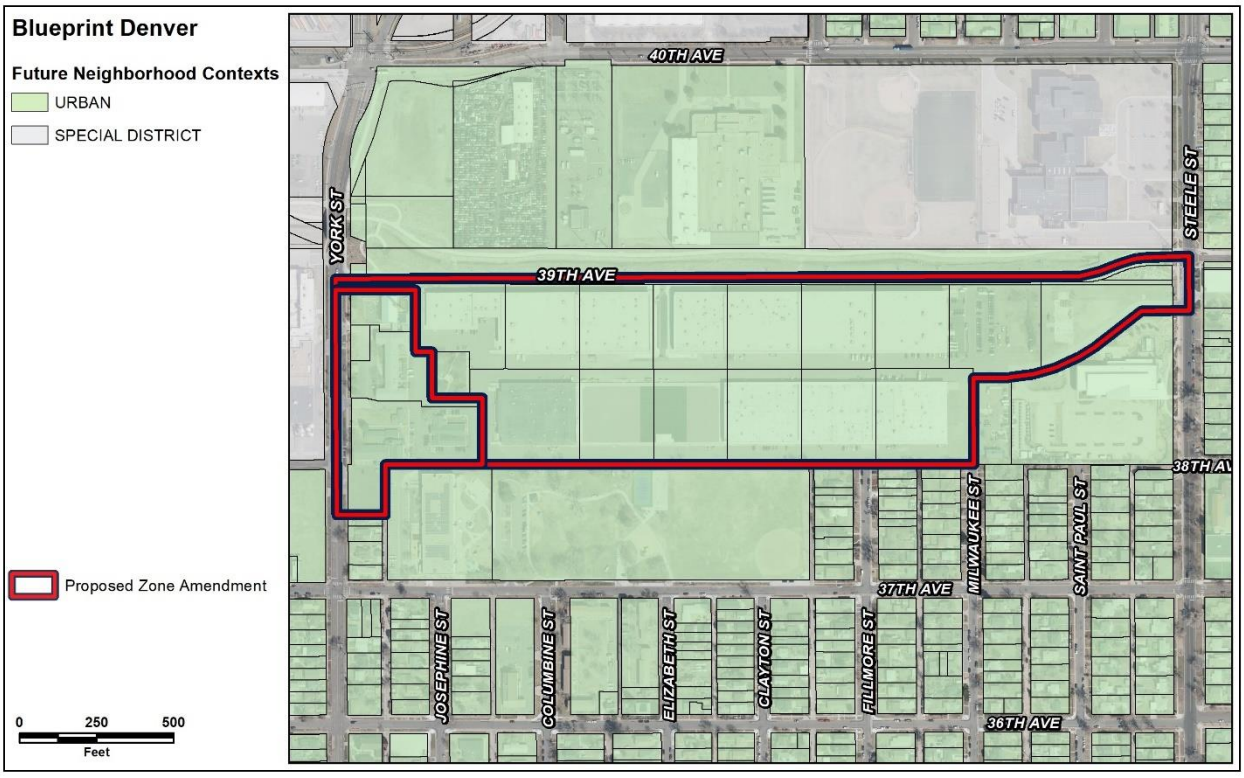
The proposed rezoning does not directly further the following strategies from *Denver Comprehensive Plan 2040*. The proposed rezoning would continue to allow for industrial and commercial uses while also allowing for new residentials uses. The proposed district would allow for 100% residential development on site, which has the potential to displace existing small businesses and organizations and affect decisions to bring new employment-supporting and community-serving mixed uses to the site in the future. Future discussion of preservation of the existing industrial buildings on the site would help facilitate continued employment uses and may reduce the risk of displacement.

- Strong and Authentic Neighborhoods Goal 4 – "Ensure every neighborhood is economically strong and dynamic." (p.35)
- Strong and Authentic Neighborhoods Goal 4, Strategy A – "Grow and support neighborhood-serving businesses." (p.35)
- Strong and Authentic Neighborhoods Goal 7 – "Leverage the arts and support creative placemaking to strengthen community." (p.35)
- Economically Diverse and Vibrant Goal 2 – "Grow a strong, diversified economy." (p. 46)
- Economically Diverse and Vibrant Goal 2, Strategy B – "Facilitate the growth of a diverse business sector that serves as the foundation for a global, innovative economy." (p. 46)
- Economically Diverse and Vibrant Goal 2, Strategy D – "Ensure a broad range of jobs to align with the skills and interests of local residents." (p. 46)
- Economically Diverse and Vibrant Goal 3 – "Sustain and grow Denver's local neighborhood businesses. (p. 46)
- Economically Diverse and Vibrant Goal 9 – "Stimulate the growth of ideas and innovation." (p. 48)

Blueprint Denver (2019)

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 Neighborhood Context and provides guidance on the future growth strategy for the city. There are also several goals and policies that are relevant to the rezoning request. While the proposed rezoning does not further all the goals and policies in the plan, it is on balance consistent with the plan guidance.

***Blueprint Denver* Future Neighborhood**



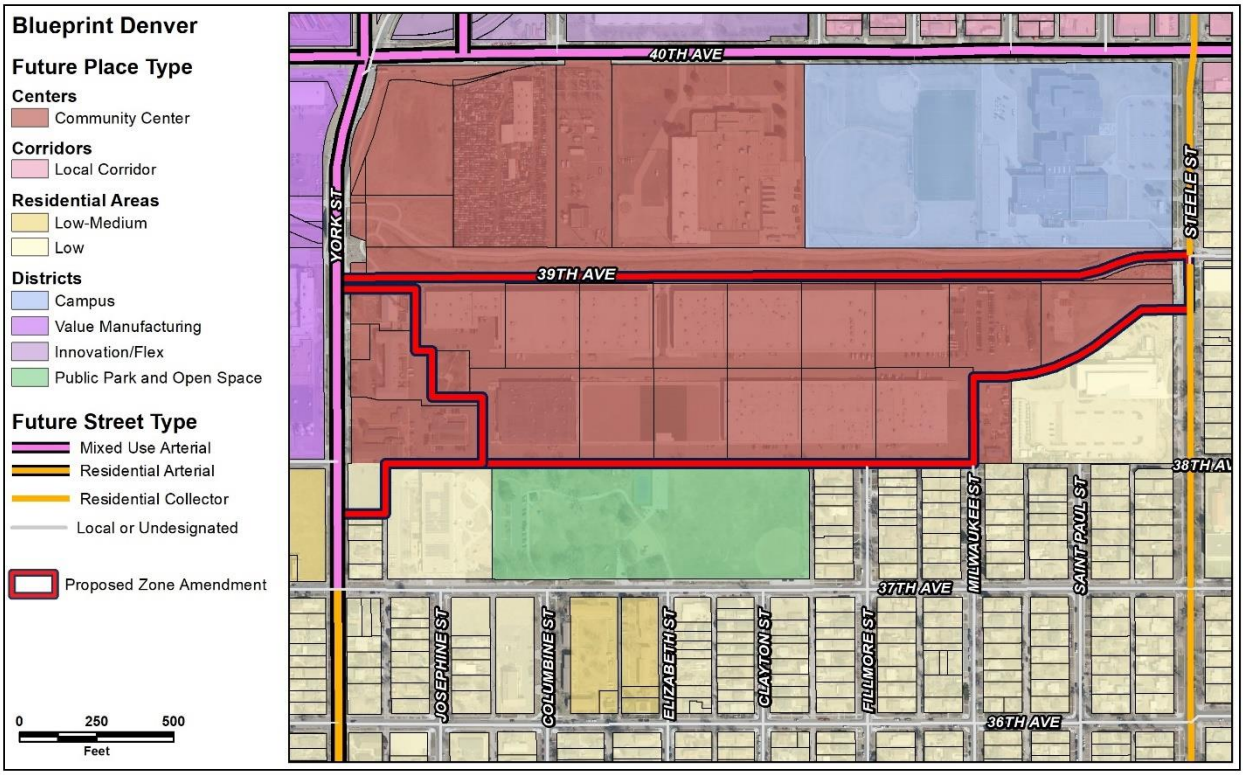
In *Blueprint Denver*, future neighborhood contexts are used to help understand differences between land use, built form, and mobility at a high scale, between neighborhoods. The subject site is shown on the context map as the Urban neighborhood context, the description of which is used to guide appropriate zone districts (p. 66). The Urban neighborhood context "should be sensitive to the existing neighborhood character and offer residents a mix of uses, with good street activation and connectivity" (p. 221).

Blueprint Denver provides additional applicable guidance on how to apply plan direction on neighborhood context to rezonings stating, "The mapping of neighborhood context is at the citywide scale, so the boundaries of the context may be interpreted with limited flexibility if the request furthers the goals of Blueprint Denver and is consistent with the overall intent of the neighborhood context map" (p. 66). The context map is aspirational in nature and intended to provide a high-level of understanding as to the differences in land use and built form, mobility options and quality-of-life infrastructure between different neighborhoods (p. 139).

The proposed I-MX-5 zone district is within the Districts neighborhood context in the Denver Zoning Code, which are "contexts with a specially designed purpose, such as educational campuses, civic centers or manufacturing areas" (p.279). Industrial zones such as I-MX are typically found in Denver's Manufacturing Districts, which "play a major role in the city's economy, serving as a primary place of employment and commerce in the Denver region (p. 284). Industrial, mixed-use districts are "intended to develop in a pedestrian-oriented pattern, with buildings built up to the street and an active Street

Level." They are also intended to "provide a transition between mixed use areas and I-A or I-B Industrial Districts", as well as "accommodate a variety of industrial, commercial, civic and residential uses and encourage affordable housing" (DZC Section 9.1.2.1). The proposed I-MX-5 zone district is consistent with the *Blueprint Denver* future neighborhood context of Urban because it adheres to the existing character of the neighborhood and promotes a mix of uses. The industrial context will also further *Blueprint Denver* guidance regarding support for employment and creative industries by allowing for a broad range of uses.

***Blueprint Denver* Future Place**

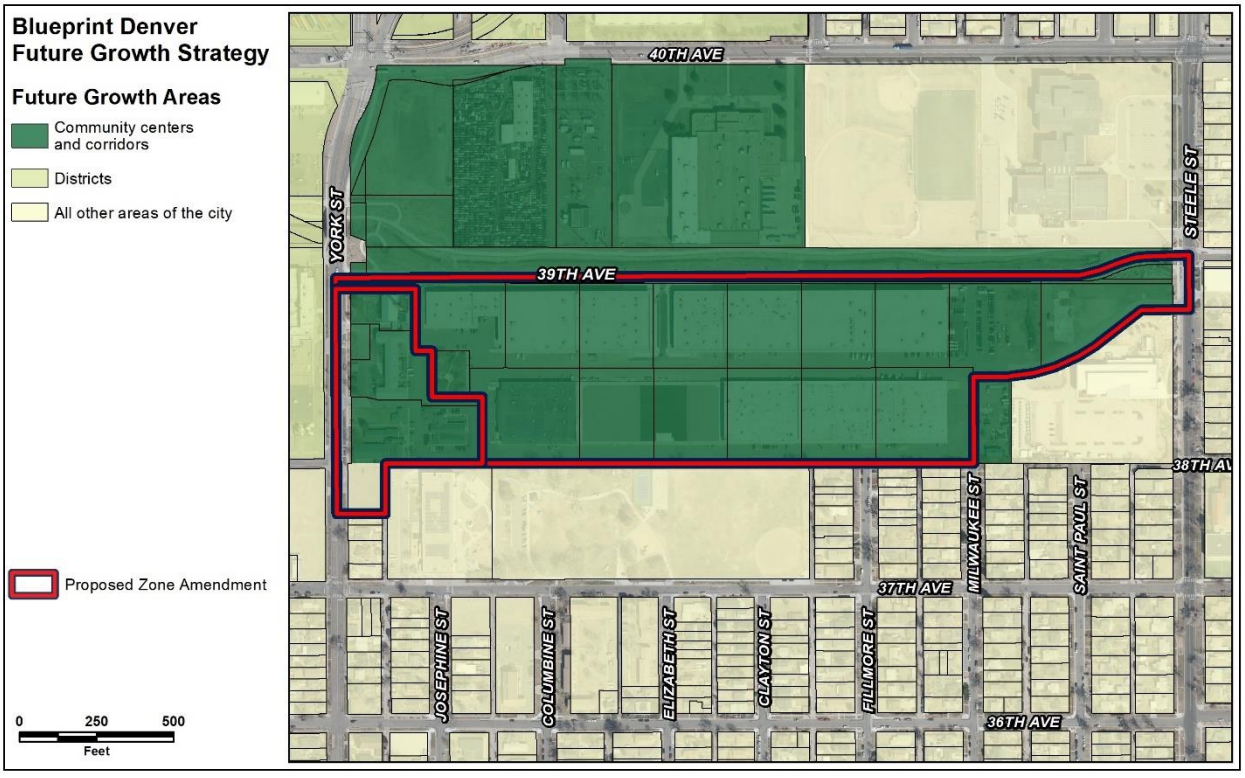


The subject site is designated within a Community Center future place on the *Blueprint Denver* Future Places map. This future place "typically provides some mix of office, commercial and residential uses," and "heights are generally up to 5 stories" (p. 226). The plan provides further direction on how to apply height guidance to rezonings, stating "Blueprint Denver is a citywide plan, and therefore cannot provide specific detailed guidance on all aspects of a place. Small area plans will provide more certain height guidance through maps of proposed building height" (p. 66). The applicable small area plan (*Elyria Swansea Neighborhoods Plan*) recommends a maximum height of 3 stories in the area. The proposed I-MX-5 zone district would allow for a mix of uses consistent with the place guidance. The proposed district is not consistent with the small area plan height guidance, but it is consistent with the plan guidance and the general height guidance for community centers in *Blueprint Denver.*

***Blueprint Denver* Street Types**

In *Blueprint Denver*, street types work together with the future place to evaluate the appropriateness of the intensity of the adjacent development (p. 67). *Blueprint Denver* classifies York Street as a Mixed-Use Arterial Future Street Type, along which the land use and built form is described as a "varied mix of uses including retail, office, residential and restaurants" (p.159). Steele Street is classified as a Residential Collector Future Street Type, which are described as serving "primarily residential uses, but may also include schools, civic uses, parks, small retail nodes and other similar uses" (p.160). The proposed I-MX-5 district is consistent with these descriptions because it allows for a mix of uses and is primarily intended to apply to collector 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 part of the "Community centers and corridors" growth area. These areas anticipate experiencing around 25% of new housing growth and 20% of new employment growth by 2040" (p. 51). This growth area "helps to provide a variety of housing, jobs and entertainment options within a comfortable distance to all Denverites and is a key element of building complete neighborhoods throughout Denver" (p. 49). The proposed map amendment to I-MX-5 will allow growth in households, jobs, and entertainment options in this area and is therefore consistent with the growth strategy.

***Blueprint Denver* Strategies**

In addition to the place, context, and growth guidance highlighted above, *Blueprint Denver* provides additional recommendations related to this proposed rezoning as follows.

- ***Land Use & Built Form: General Policy 3, Strategy A:*** **Rezone properties from the Former Chapter 59 zoning code so that the entire city is covered by the DZC, including continuing to incentivize owners to come out of the old code.**

The proposed rezoning to I-MX-5 would bring the larger site at 3821-3897 N Steele out of Former Chapter 59 zoning and into the current Denver Zoning Code, consistent with *Blueprint Denver's* guidance.

- ***Land Use & Built Form: Economics Policy 4:*** **Promote creative industries, maker spaces, artists and small businesses as vital components of Denver's innovation economy.**
  - **Strategy B:** Develop programs and identify potential incentives to maintain existing spaces, reduce rent costs and other business costs and help create new spaces for hand crafted manufacturing, maker spaces, artists and other small, locally-owned businesses, especially in areas that score high for Vulnerability to Displacement.
- ***Land Use & Built Form: Economics Policy 5:*** **Support organizations and districts within the city's centers and corridors to aid in attraction and retention of employment and commerce.**
- ***Land Use & Built Form: Economics Policy 3, Strategy E:*** **Study and implement changes to the zoning code to ensure appropriate zone district(s) to implement the innovation/flex district desired uses and building forms.**

The proposal to rezone to the I-MX-5 district may risk displacing existing commercial and industrial uses on this site in the long-term. This risk is due to the allowance of 100% residential uses in an I-MX district. While a waiver or alternate tool that would require employment uses on the site would better meet this plan guidance, the proposed I-MX-5 district is consistent with *Blueprint Denver*'s guidance on balance as it will allow a mix of uses, including industrial and commercial employment uses.

- ***Land Use & Built Form: Design Quality & Preservation Policy 6:*** **Incentivize the preservation of structures and features that contribute to the established character of an area, even if they are not designated as landmarks or historic districts.**

The buildings at 3821-3897 N Steele Street and 3800-3840 York Street are on the State and National Register of Historic Properties, recognizing the unique historic character of the site. However, the site and buildings are not designated locally and, therefore, are not protected from demolition. The proposed rezoning to a district that would allow for 100% residential uses may further disincentivize preservation of the structures in favor of redevelopment that would support multi-unit development. While landmark designation or other preservation strategies can be considered in the future if demolition or redevelopment is proposed, consideration of these strategies concurrent with the rezoning would better meet *Blueprint Denver*'s guidance to incentivize preservation. The MOU between Historic Denver and the applicant is a positive step in this direction to ensure preservation is considered in the future should there be additional development on the site.

- ***Land Use and Built Form: General Policy 9:*** **Promote coordinated development on large infill sites to ensure new development integrates with its surroundings and provides appropriate community benefits. (p.78)**

The proposed rezoning encompasses over 5 acres. The proposal was considered for Large Development Review (LDR) applicability. LDR applicability was determined to be inapplicable due to the lack of a proposal to redevelop the larger York Street Yards site at this time. The determination applies only to the current proposal for rezoning and development of approximately one acre of the property to facilitate affordable housing. Additional future development on the site may require Large Development Review and help ensure coordinated development on this large site.

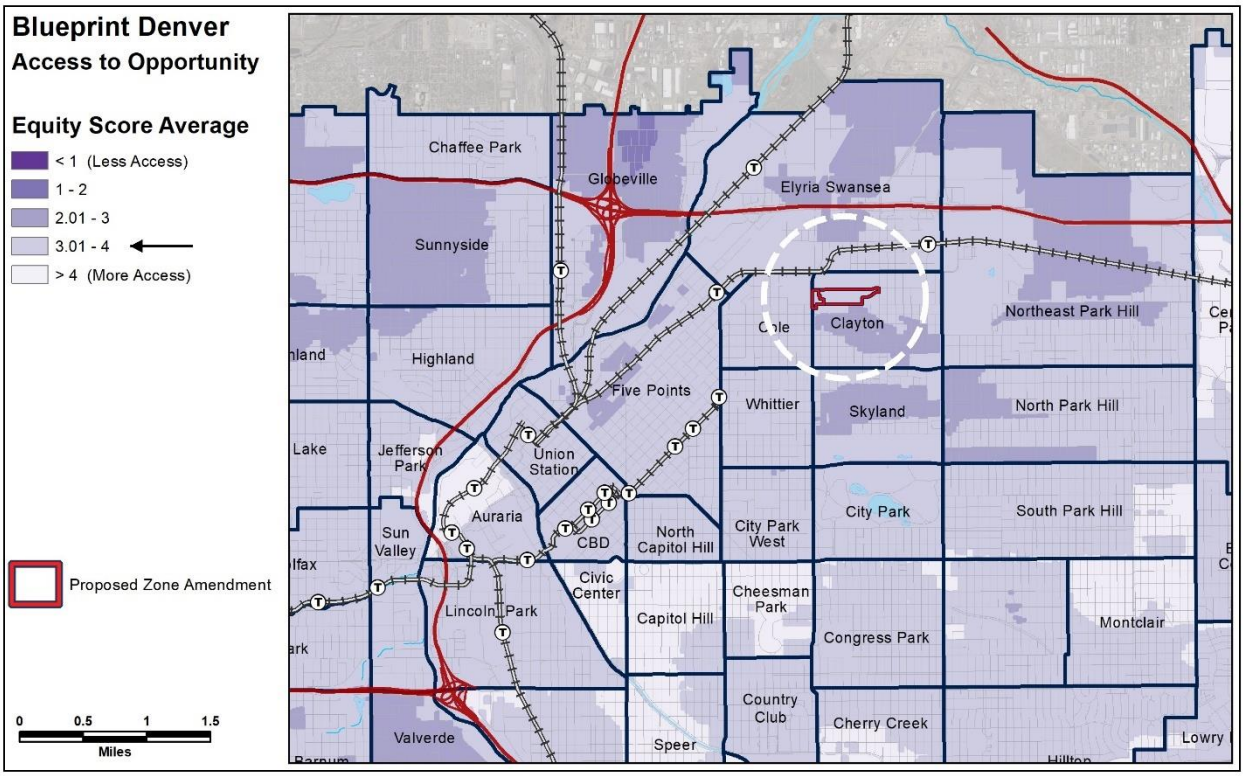
***Blueprint Denver* Equity Concepts**

Blueprint Denver includes three equity concepts: 1) Improving Access to Opportunity; 2) Reducing Vulnerability to Displacement; and 3) Expanding Jobs and Housing Diversity. On page 31 of Blueprint Denver, the plan recommends that these equity concepts will be used to guide larger scale rezonings, stating "Larger-scale rezonings, which cover many properties and may be paired with a text amendment, enable us to address the needs of an area more holistically, instead of the piecemeal approach of individual, applicant-driven rezonings." The use of the equity concepts for larger rezonings is also recommended on p. 67 of Blueprint Denver.

The proposed rezoning is over 5 acres in size, and it is therefore appropriate to consider the impact of the rezoning on the equity concepts. The rezoning is in Clayton, which is a Neighborhood Equity and Stabilization (NEST) neighborhood where data shows there is heightened vulnerability to displacement. The proposed I-MX-5 district may put existing job diversity and local small businesses at further risk of displacement due to the district's allowance of 100% residential uses, which may increase market pressure on this site for redevelopment compared to the existing zoning that does not allow for residential uses. The rezoning is proposed without a coordinated plan as stated above, and, therefore, it is does not directly address the needs of the area in a holistic manner concurrent with the large-scale rezoning.

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.

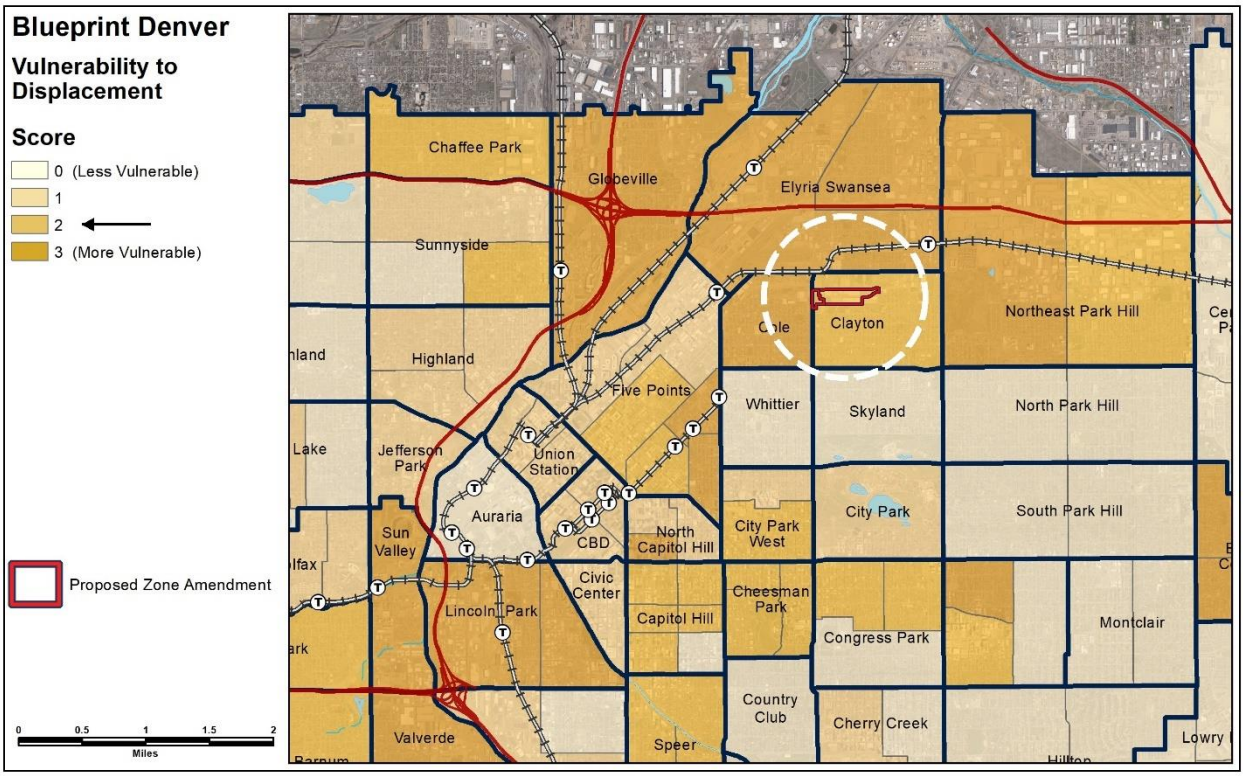
I. Access to Opportunity



The subject property is in Clayton, which is identified as an area with less access to opportunity compared to the rest of the city. 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. Analyzing this metric helps us measure our 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 social determinants of health (related to higher-than-average percentage of families below the Federal Poverty Line and lower than average percentage of high school graduates or equivalent for those 25 years of age and older), access to fresh food, child obesity, and life expectancy.

While the proposed allowance of additional residential development does not directly increase access to opportunity, an increase in residents may increase the likelihood that more goods, services, and amenities will locate in the commercial and mixed-use zoned areas of the neighborhood. Additionally, the proposed zone district would allow additional housing units at a location that is well-served by publicly accessible open space, allowing residents increased access to parks.

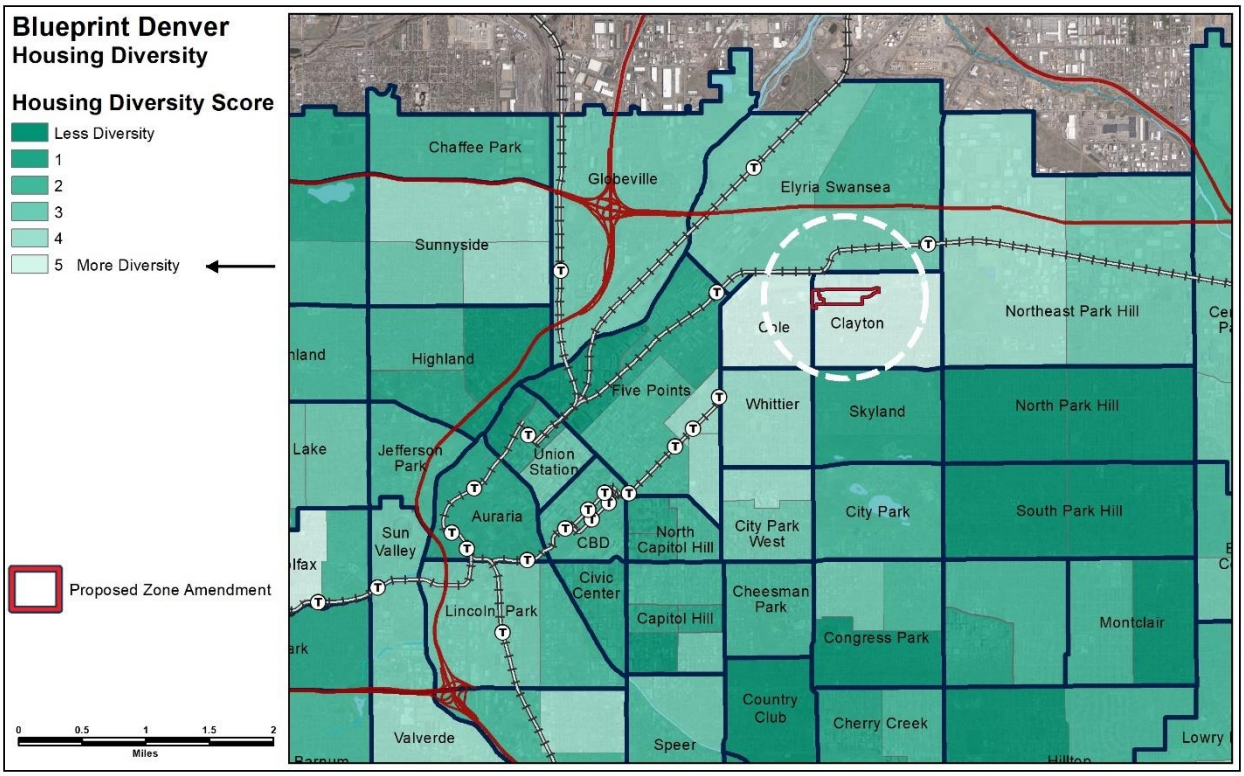
II. Vulnerability to Involuntary Displacement



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 two of the three categories: Educational Attainment and Median Household Income. It did not score as vulnerable to displacement in Rental Occupancy. 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.

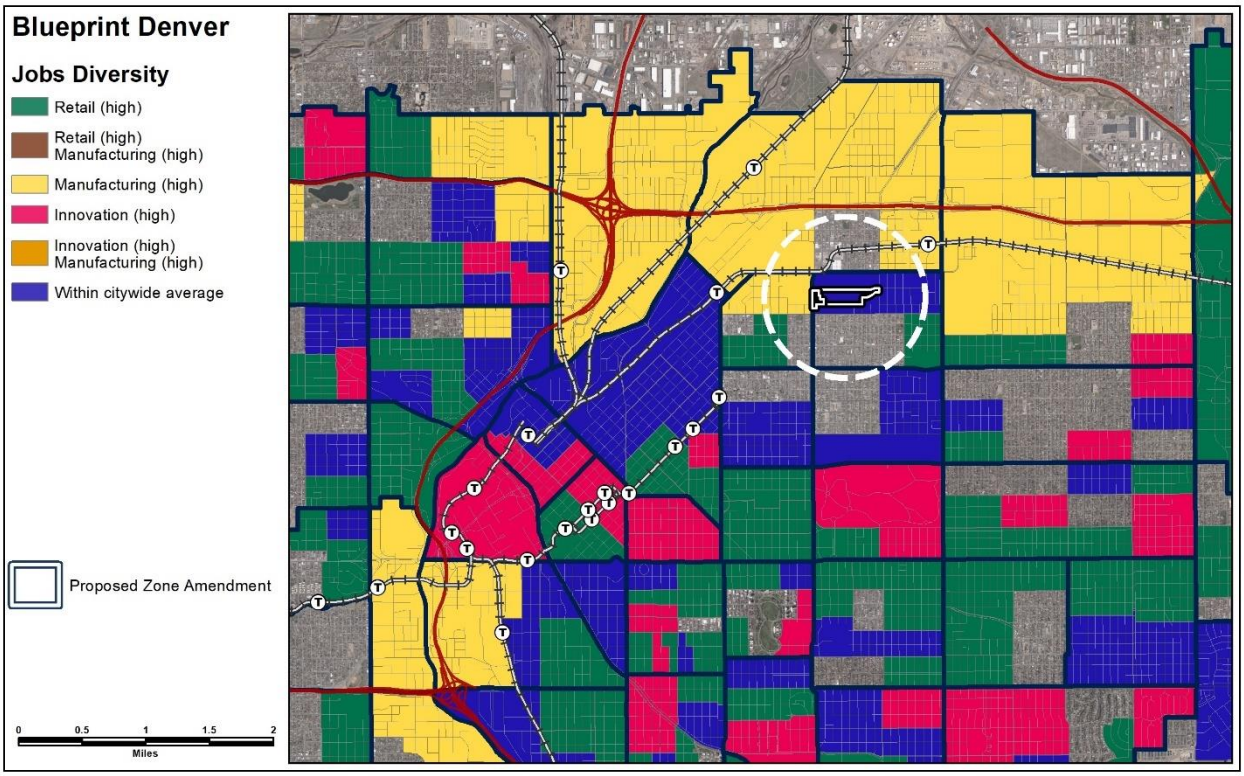
This proposed rezoning would allow for additional residential units in this area, which can help provide housing for existing residents and contribute to meeting the citywide demand for housing.

III. Expanding Housing and Jobs Diversity



The subject property is in an area that has high housing diversity. 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 considered diverse across all measured categories. The proposed zone district will allow for a mix of uses, including multi-unit residential, which will increase housing opportunities in the area. The application notes the intention to build LGBTQ+ affirming affordable housing will also contribute to the area's housing diversity.

IV. 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 innovation and manufacturing jobs in the Clayton neighborhood and areas to the north, the subject property has a mix of jobs that is dissimilar to the city's overall mix of job types. Clayton has 37% Retail jobs, 38% innovation Jobs and 25% Manufacturing Jobs. Manufacturing Jobs in Clayton is significantly higher than the citywide average of 10%. The area also has more Innovation jobs than the city wide average – 38% compared to 35%. The total number of jobs are 1,070, with 4.9 jobs per acre.

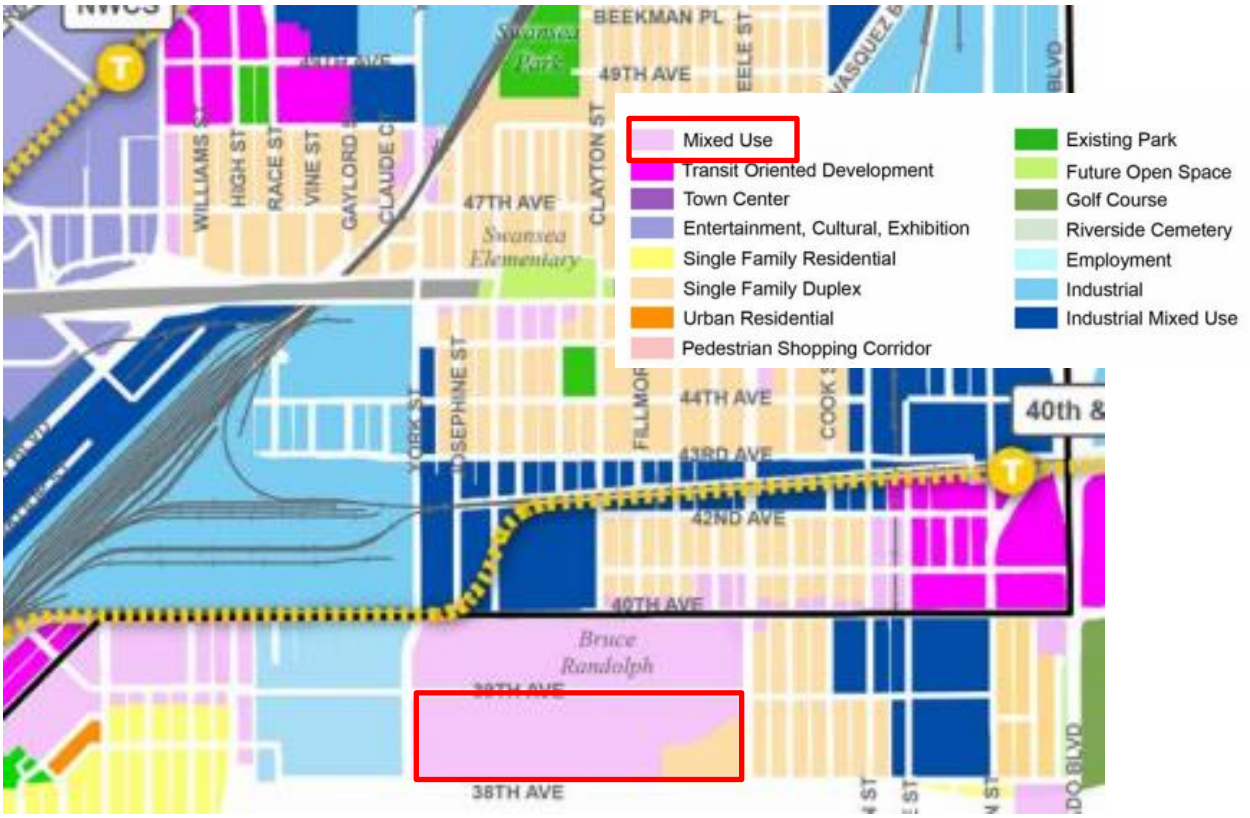
The proposed zone district allows for a mix of uses, including industrial, manufacturing, office, and retail, which provides the opportunity to continue providing and diversifying jobs in the area. Conversely, the proposed zone district allows for 100% residential redevelopment, which if it were to happen, could play a primary role in displacing businesses and jobs from one of Denver's most productive employment centers. Future discussion of preservation of the existing industrial buildings on the site would help facilitate continued employment uses and may reduce the risk of displacement.

Elyria & Swansea Neighborhoods Plan (2015)

The Elyria & Swansea Neighborhoods Plan was adopted by City Council in 2015 and includes recommendations for the subject property. The subject property is designated Mixed Use in the concept land use map. The plan states "These areas have both a sizable employment base as well as a variety of mid-to high-density housing options. Intensity is higher in mixed-use areas than in predominantly residential areas." (p. 26).

The plan indicates a maximum building height of 3 stories across these properties, which is lower than the 5-story height allowance of the proposed I-MX-5 zone district. As stated above, *Blueprint Denver* states that small area plans provide more certain height guidance. The proposed rezoning is consistent with the mixed-use guidance, but it inconsistent with the plan's height guidance.

In addition, recommendation B4 in the neighborhood plan is to "Diversify and Increase Employment Opportunities in Mixed Use and Industrial Areas" (p. 29). As previously stated above, rezoning this site to I-MX-5 may make the industrial area's businesses, and therefore the related employment opportunities, more vulnerable to displacement due to the district's allowance of 100% residential uses as compared to the existing zone district that does not allow residential. Future discussion of preservation of the existing industrial buildings on the site would help facilitate continued employment uses and may reduce the risk of displacement.



Elyria & Swansea Neighborhoods Plan Concept Land Use Map

2. Uniformity of District Regulations and Restrictions

The proposed rezoning 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 through implementation of the city's adopted land use plans. The proposed rezoning would facilitate increased housing density near services and amenities and foster the creation of a walkable, urban area within walking distance to employment opportunities, parks, retail, and other amenities. An increase in density and broadened mix of uses can also provide better health outcomes through increased physical activity and lessen the need for driving as services and amenities can occur within walkable and bikeable distances.

However, as addressed in the plan consistency section of this staff report, the I-MX-5 zone district's allowance for 100% residential uses may increase the risk of involuntary displacement, compromising the welfare of the businesses and its employees, but also of Denver's economy. Future updates to the I-MX district and discussion of preservation of the existing industrial buildings on the site would help facilitate continued employment uses and reduce the risk of displacement.

4. Justifying Circumstance

The application identifies the adoption of *Blueprint Denver* as the Justifying Circumstance under DZC Section 12.4.10.8.A.4, "Since the date of the approval of the existing Zone District, there has been a change to such as 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; or that the city adopted the Denver Zoning Code and the property retained Former Chapter 59 zoning."

As discussed above, *Blueprint Denver* specifically recommends rezoning properties out of the Former Chapter 59 zoning code and into the current Denver Zoning Code. A large portion of the site proposed for rezoning meets this criterion. While the properties currently zoned as PUD-G 32 were rezoned in 2023, the application notes that the rezoning of the PUD portion of the site to I-MX-5 is justified by the changing condition of ownership consolidation and the anticipation that this portion of the site will no longer be associated with the rest of the development remaining in PUD-G 35. The rezoning would allow for one zone district (I-MX-5) to apply to the eastern portion of the property.

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

The requested I-MX-5 zone district is within the Industrial Neighborhood Context. The neighborhood context "should be sensitive to the existing neighborhood character and offer residents a mix of uses, with good street activation and connectivity" (p. 221). It is also described as "walkable due to a predictable street grid in residential areas and the availability of transit and dedicated bike lanes. These areas offer access to neighboring areas and commercial nodes, with some small mixed-use nodes within the neighborhood." The proposed I-MX-5 zone district is an appropriate district for this neighborhood context, but it is not within the *Elyria & Swansea Neighborhoods Plan*'s height guidance.

The general purpose of the I-MX zone districts 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. Given the existing land use pattern, the current zoning, and the aspirational future character of this location, the proposed rezoning is consistent with the zone district purpose.

According to the zone district intent stated in the Denver Zoning Code, the I-MX-5 district applies to industrially-dominated areas served primarily by collector streets with a maximum building height of 5 stories (DZC Section 9.1.2.1.A). The site is served by a mixed-use arterial and a residential collector street. Thus, the street classifications and desired building heights in this area are consistent with the zone district purpose and intent statements.

6. Additional Review Criteria for Rezoning to a PUD District (12.4.10.9)
(Applicable only to the portion of the site proposed to be rezoned to PUD-G 35)

A. The PUD District is consistent with the intent and purpose of such districts stated in Article 9, Division 9.6 (Planned Unit Development) of the Zoning Code;

- The PUD District is consistent with the intent and purpose of such districts stated in Article 9, Division 9.6 (Planned Unit Development) of the Zoning Code to respond to "Unique and extraordinary circumstances".
    - As established in review of the existing PUD, PUD-G 35 continues to have unique and extraordinary circumstances in its location adjacency to the 39th Avenue right-of-way and greenway as well as unique structures that would be difficult to repurpose without customization due to their location on the site.

- According to Section 9.6.1.1.D., "in return for the flexibility in site design a PUD District should provide significant public benefit not achievable through application of a standard zone district, including but not limited to diversification in the use of land; innovation in development; more efficient use of land and energy; exemplary pedestrian connections, amenities, and considerations; and development patterns compatible in character and design with nearby areas and with the goals and objectives of the Comprehensive Plan." The PUD, as rezoned, will continue to provide significant public benefit not achievable through the application of a standard Zone District, including:
    - Requirement to provide privately owned and operated but publicly accessible open space. The required open space is constructed on the site and serves as a gateway into the 39th Avenue Greenway from the Clayton and Cole neighborhoods.
    - Requirements for a higher amount of street level activation than would otherwise be required for building forms other than Shopfront, and additional requirements for parking lot screening and landscaping in Subarea B will ensure pedestrian-friendly development.

B. The PUD District and the PUD District Plan comply with all applicable standards and criteria stated in Division 9.6;

- As stated in item A above, the PUD District complies with standards and criteria stated in Division 9.6.

C. The development proposed on the subject property is not feasible under any other zone districts, and would require an unreasonable number of variances or waivers and conditions;

- As with the existing PUD, the PUD District is necessary because there is no zone district available that would allow modifications to compliant structures under the existing site configuration which does not meet the reserved area requirement for phased development, or that would require the applicant to provide open space.

D. The PUD District establishes permitted uses that are compatible with existing land uses adjacent to the subject property;

- The PUD District proposes uses consistent with those allowed in U-MX-3, and the uses allowed in I-MX-5. These uses are compatible and appropriate to transition from the industrial uses to the north into the residential area to the south.

E. The PUD District establishes permitted building forms that are compatible with adjacent existing building forms, or which are made compatible through appropriate transitions at the boundaries of the PUD District Plan;

- The PUD District allows building heights and building forms that are compatible with the surrounding neighborhoods, especially serving as a transition from intense industrial development to low-density residential neighborhoods.

Attachments

1. Application with updated outreach section (Section E) and MOU between Historic Denver and the York Street Yards property owner
2. Proposed PUD-G 35
3. Existing PUD-G 32
4. Existing Waivers and Conditions
5. Public comments
6. Planning Board's Document of Deliberation