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TO: Land Use, Transportation and Infrastructure Committee
FROM: Brandon Shaver, Senior City Planner
DATE: January 30, 2019
RE: Official Zoning Map Amendment Application #2019I-00121
3275 & 3315 Denargo Street
Rezoning from I-B, UO-2 to C-MX-12, DO-7

Staff Report and Recommendation

Based on the criteria for review in the Denver Zoning Code, Staff recommends **approval** for Application #2019I-00121.

Request for Rezoning

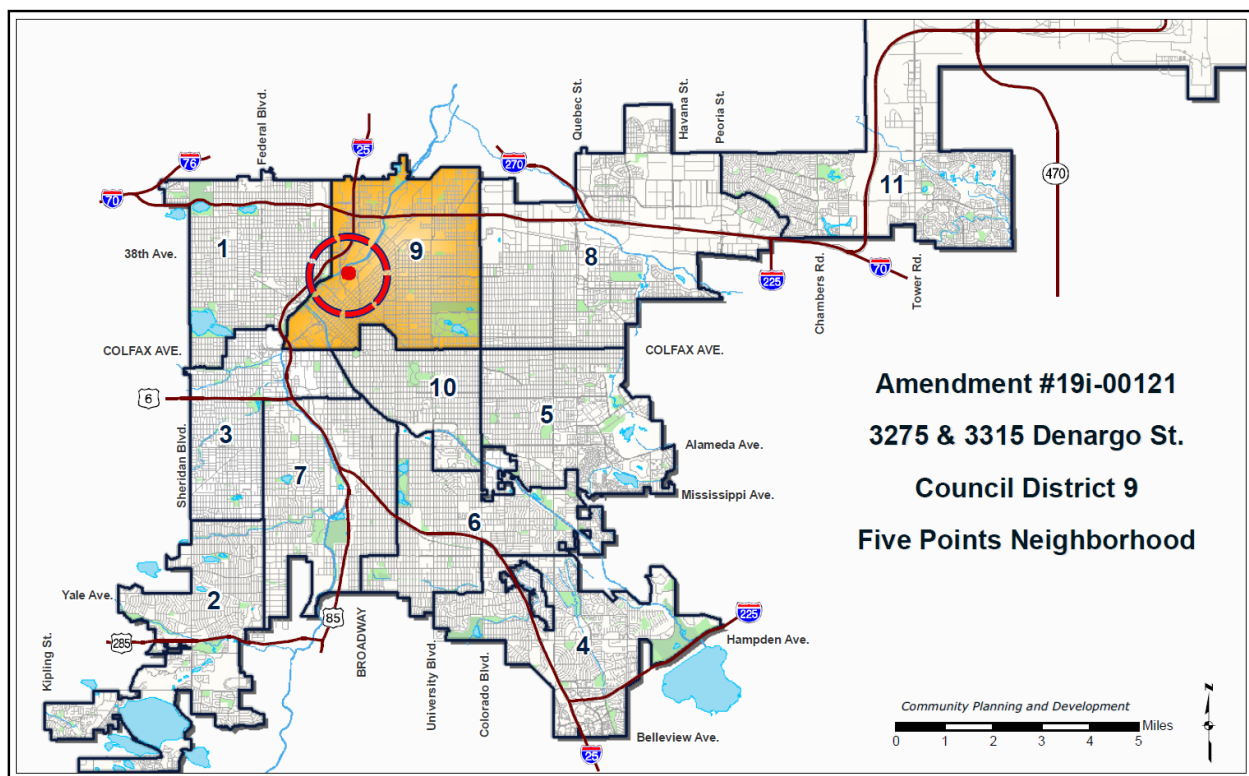
Address: 3275 & 3315 Denargo Street
Neighborhood/Council District: Five Points / Council District 9
RNOs: Inter-Neighborhood Cooperation (INC), RiNo Art District, UCAN, Northeast Denver Friends & Neighbors (NEDFANS), Elyria Swansea/Globeville Business Association, Center City Denver Residents Organization, Rio Norte, Denver Arts and Culture Initiative
Area of Property: 166,598 square feet or 3.82 acres
Current Zoning: I-B, UO-2
Proposed Zoning: C-MX-12, DO-7
Property Owner(s): LoDo Self Storage LLC & AFTCO 3315 LLC
Owner Representative: Eric McDaniel

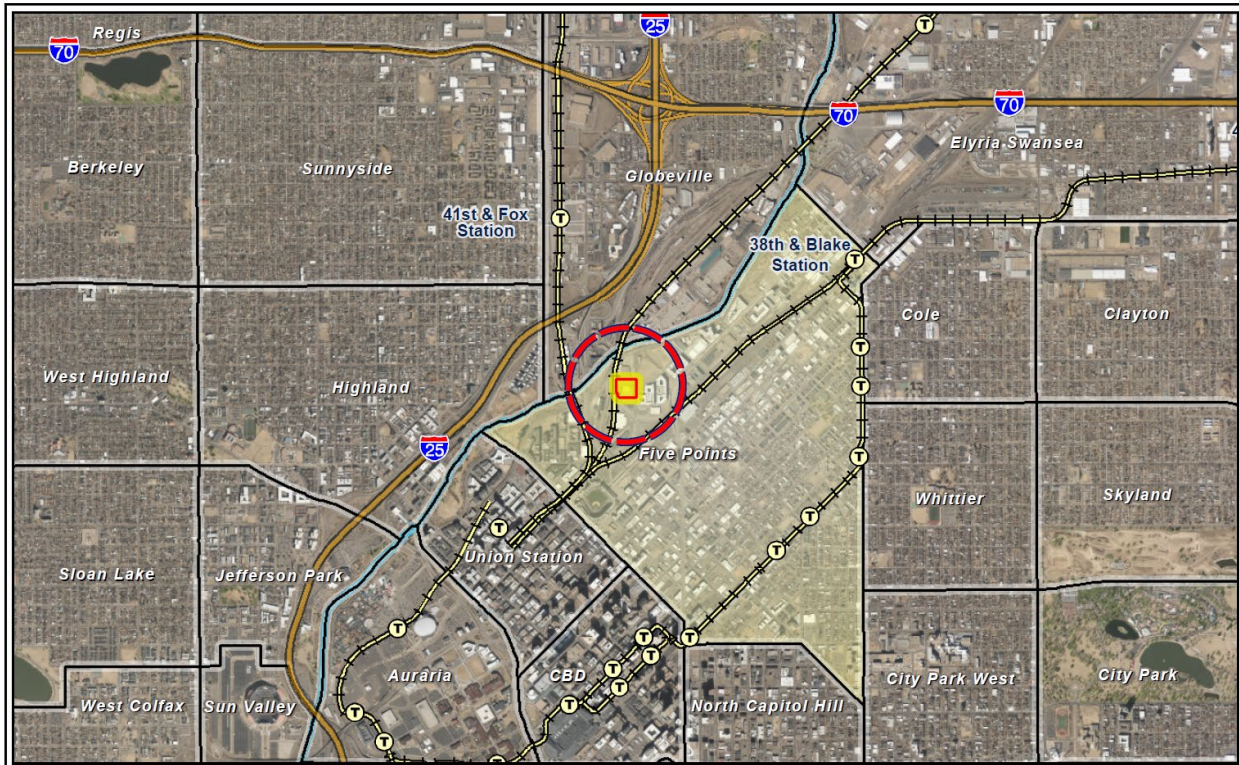
Summary of Rezoning Request

- The property is in the Five Points statistical neighborhood near the southwest corner of Denargo and Delgany streets.
- The properties, owned by LoDo Self Storage LLC and AFTCO 3315 LLC, are occupied by a self-storage facility and an industrial warehouse.
- The applicant is requesting this rezoning to enable mixed-use redevelopment. Concurrent with this rezoning, the applicant team is proposing to record an agreement that would ensure development of affordable housing units on the subject site.
- The proposed zone district, C-MX-12, DO-7, can be summarized as follows (see map below illustrating proposed zone district):
 - The C-MX-12 zone district stands for Urban Center, Mixed Use, with a maximum height of 12 stories. The C-MX zone districts are mixed-use zone districts that allow a wide range of residential and commercial uses with minimum build-to and increased transparency requirements intended to promote active pedestrian areas on public streets. The C-MX-12 zone district allows up to 12 stories and 150 feet in building height.

- The River North Design Overlay (DO-7) is intended to promote high-quality design, a human scale that promotes vibrant pedestrian-oriented streets, and multi-modal transportation options. These design standards mandate a higher design quality and street level activation than the C-MX base zone district and the overlay would apply to entire subject site.
- Further details of the requested zone district(s) can be found in the proposed zone district section of the staff report (below) and in Articles 7 and 9 of the Denver Zoning Code (DZC).

Existing Context



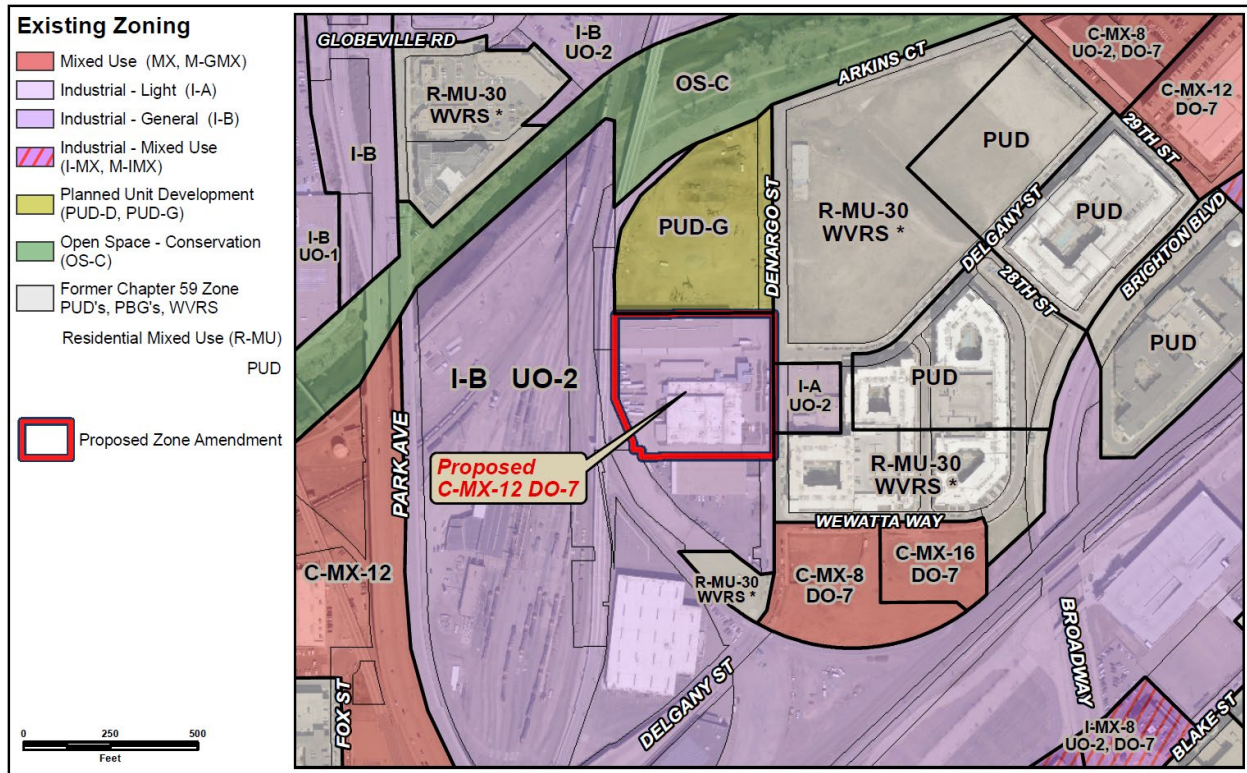


The subject property is located within the Five Points Neighborhood, just outside the ½ mile walkshed of Denver Union Station. Significant public and private reinvestment in recent years suggest this area is continuing to transition from an industrial area into a dynamic urban center. The subject site has approximately 400 feet of frontage along Denargo Street and has lot depths ranging from approximately 335 feet to 410 feet. It is located immediately east of the Burlington Northern Santa Fe railroad, southeast of the South Platte River and north of the major intersection of Delgany Street and Park Avenue West. In addition to being within walking distance of the commuter rail station, the subject property is served by RTD bus routes 8, 38 and various express routes along Park Avenue West.

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

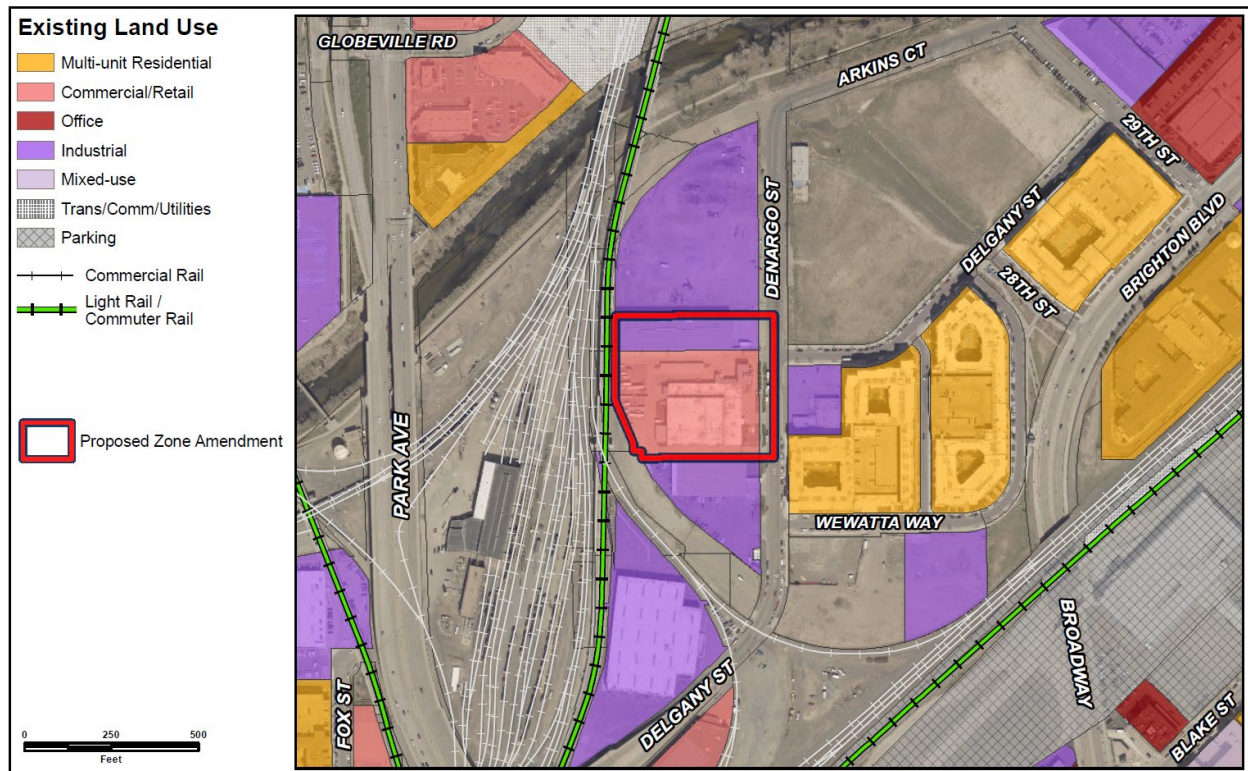
	Existing Zoning	Existing Land Use	Existing Building Form/Scale	Existing Block, Lot, Street Pattern
Site	I-B, UO-2	Mini-storage and food processing	2-story mini-storage office building and two large 1-story warehouses	The Denargo Market area is cut off by railroads on two sides and the South Platte on another. Major street connections are provided to Park Ave. and Broadway/ Brighton Blvd. The block pattern is irregular. Vehicle parking is provided in structures for new residential buildings and in surface lots for industrial uses.
North	PUD-G #12	Vacant	N/A	
South	I-B, UO-2	Food processing	1-story warehouse with loading docks and large surface parking lot	
East	I-A, UO-2 & R-MU-30 with waivers and conditions	Warehouse, multi-unit residential and vacant	Small 1-story warehouse, a 5-story apartment building and a vacant 11.19-acre parcel	
West	I-B, UO-2	Railroad junction	N/A	

1. Existing Zoning



The existing zoning on the subject property is I-B, UO-2 which is a general industrial district that includes a billboard use overlay. The zone district allows general industrial uses and unlimited height, except in areas within 175 feet of a protected district, but there are no protected districts in proximity to this site. This zoning continues west of the subject property to the Park Avenue viaduct. The I-A, UO-2 district to the east allows for the same heights, building siting standards and billboard uses as the subject property, but with less intensive industrial uses. To the northeast and southeast of the subject property, across Denargo Street, there are properties zoned R-MU-30 with waivers and conditions. The R-MU-30 zone district is described in Former Chapter 59 (FC59) Section 301(a)(3) as a “primarily residential district allowing higher density multiple unit dwellings of a density appropriate to the center-city and other activity centers such as light rail transit stations. Supporting commercial development, such as consumer retail and service uses and small-scale office uses, is encouraged to create a truly mixed-use environment.” The maximum height allowed under the base zoning is 140 feet, and there is no required front setback, except for one and two-unit residential structures, which have a 10-foot required front setback. The R-MU-30 portion of the property was not rezoned into the Denver Zoning Code in 2010 because, when the property was rezoned in 2007, there were four waivers and a condition applied. Relevant waivers limit the maximum height to 75 feet and allow zero-foot setbacks. PUD-G 12, approved in early 2015, is directly north of the subject. The PUD is based on the C-MX-12 zone district with altered building form requirements that anticipate future public open space abutting the South Platte River and the realignment of Denargo Street.

2. Existing Land Use Map



3. Existing Building Form and Scale



Site - Aerial view, looking west (Source: Google Maps)



Site - from Delgany Street (Source: Google Maps)



Site – from Denargo Street (Source: Google Maps)



North – from Denargo Street (Source: Google Maps)



East – from Denargo Street (Source: Google Maps)



South – from Denargo Street (Source: Google Maps)



West – from Park Avenue West (Source: Google Maps)

Proposed Zoning

C-MX-12 Zone District

The requested C-MX-12 zone district has a maximum height, in feet, of 150 feet with allowable encroachments. The minimum primary street setback is 0', except for the town house building form which has a 10' minimum primary street setback. It also requires a minimum build-to of 70% with 40% transparency on primary streets. A variety of mixed residential and commercial uses are allowed. For additional details regarding building form standards in the C-MX-12 zone district, see DZC Section 7.3.3.4.

DO-7 (River North Design Overlay)

The River North (RiNo) Design Overlay addresses a variety of urban design objectives. Per DZC Section 9.4.5.11, the purpose of the overlay district is to promote high quality design, a human scale that promotes vibrant pedestrian-oriented streets, and multi-modal transportation options. Specifically, the overlay addresses build-to requirements, residential setbacks, parking location and access, and building design such as mass reduction and transparency. The DO-7 sets forth the following requirements in addition to any base DZC zone district:

- A 16-foot minimum street level height;
- 50% transparency along primary streets (compared to 40% in the C-MX zone districts) and 40% transparency along side streets (compared to 25% in the C-MX zone districts); and
- For lots over 18,750 square feet in area or wider than 150 feet, 70% of all street level building frontages on Primary Streets must be occupied by street level nonresidential active uses. DZC Section 9.4.5.11.F.3 of the DO-7 overlay district defines street level nonresidential active uses by prohibiting several uses including all types of residential, Light Automobile Services, Mini-Storage Facilities, and Light Wholesale Trade or Storage.

Where standards in the DO-7 overlay zone district differ from standards in the C-MX-12 zone district, the DO-7 zone district standards will apply.

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

Design Standards	I-B, UO-2 (Existing)	C-MX-12, DO-7 (Proposed)
Primary Building Forms Allowed	General; Industrial	Town House; General; Shopfront
Height in Stories / Feet (max)	N/A	12/150'
Primary Street Build-To Percentages (min)	N/A	70% to 75%*
Primary Street Build-To Ranges	N/A	0' to 15'*
Minimum Zone Lot Size/Width	N/A	N/A
Primary Street Setbacks (min)	20'	0' to 10'*
Building Coverage	N/A	N/A

*Standard varies between building forms

Proposed Affordable Housing Agreement

Concurrent with the rezoning, the applicant is also facilitating a voluntary affordable housing agreement to be signed and recorded by the property owner. The agreement would apply to the entirety of the site. General terms under discussion as of the writing of this report include a commitment to construct at least 10% of total units affordable to residents earning 80% or less of Area Median Income. A minimum of 25% of the units would have at least two bedrooms. The income-restricted units would remain at this level of affordability for a minimum period of 99 years.

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 – Legal description accepted

Development Services - Transportation: Approved – No response

Development Services – Wastewater: Approved – No comments

Development Services – Project Coordination: Approved – No response

Development Services – Fire Prevention: 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:	9/18/19
Applicant submitted revised application	12/2/19
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:	1/13/20
Planning Board Public Hearing (voted 5-0 in favor)	1/29/20
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 working days before the meeting:	1/21/20
Land Use, Transportation and Infrastructure Committee of the City Council meeting:	2/4/20
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 (tentative):	2/24/20
City Council Public Hearing (tentative):	3/16/20

Public Outreach and Input

- **Registered Neighborhood Organizations (RNOs)**
 As of the date of this report, staff has not received any written comments from RNOs pertaining to this application.
- **Other Public Comment**
 As of the date of this report, staff has not received any written comment pertaining to this 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, 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 currently apply to this property:

- *Denver Comprehensive Plan 2040*
- *Blueprint Denver* (2019)
- *River North Plan* (2003)
- *Housing an Inclusive Denver* (2018)

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, while also enabling additional affordable housing units close to services and amenities. It is therefore consistent with the following strategies in the Equitable, Affordable and Inclusive vision element:

- Equitable, Accessible and Inclusive Goal 1 – *Ensure all Denver residents have safe, convenient and affordable access to basic services and a variety of amenities* (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).

The proposed rezoning would enable mixed-use infill development at a location where services and infrastructure are already in place. The proposed C-MX-12 zoning would allow for a broader variety of uses including housing, retail services, and employment while the DO-7 overlay will require enhanced building forms at an intensity consistent with the desire for urban, walkable, mixed-use neighborhoods around transit, and is therefore consistent with the following strategies in the Strong and Authentic Neighborhoods vision element:

- 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).
- 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).

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

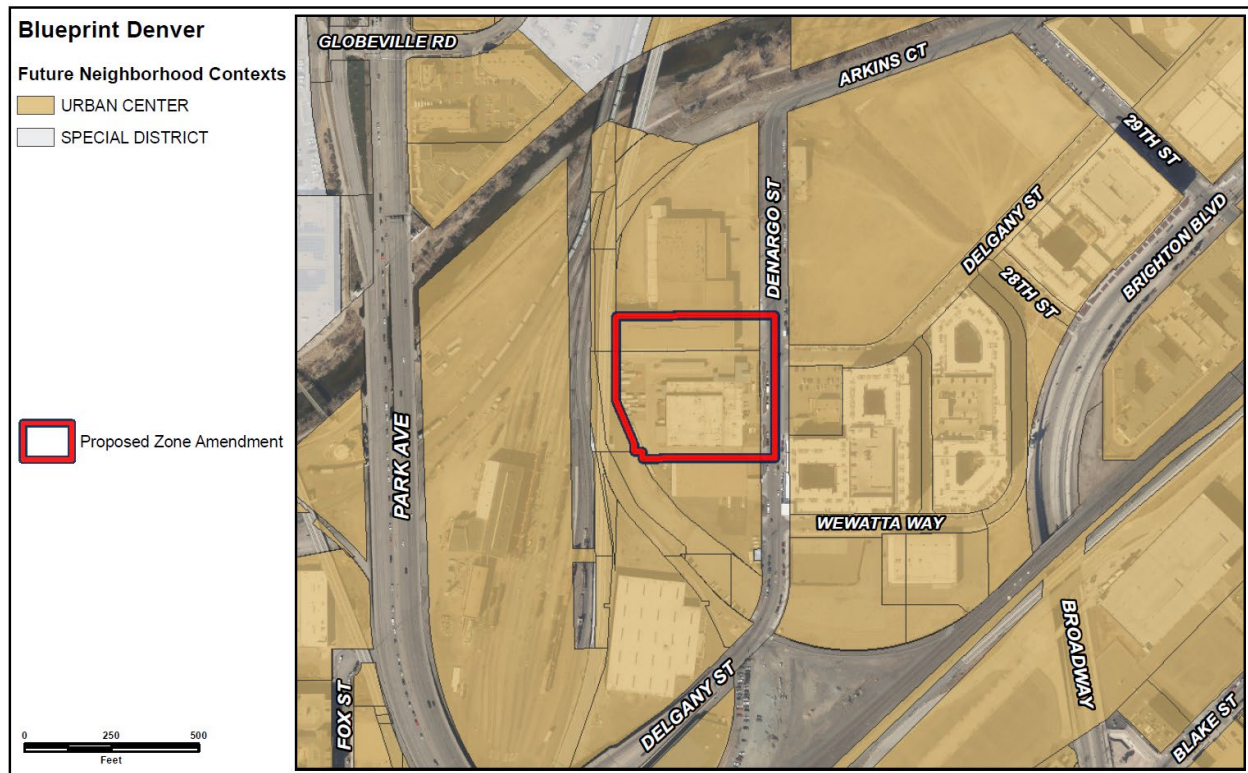
- Environmentally Resilient Goal 8, Strategy A- *Promote infill development where infrastructure and services are already in place* (p. 54).
- Environmentally Resilient Goal 8, Strategy B- *Encourage mixed-use communities where residents can live, work and play in their own neighborhoods* (p. 54).

The requested map amendment will enable mixed-use development at an infill location where infrastructure is already in place. The requested C-MX-12 zone district broadens 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.

Blueprint Denver (2019)

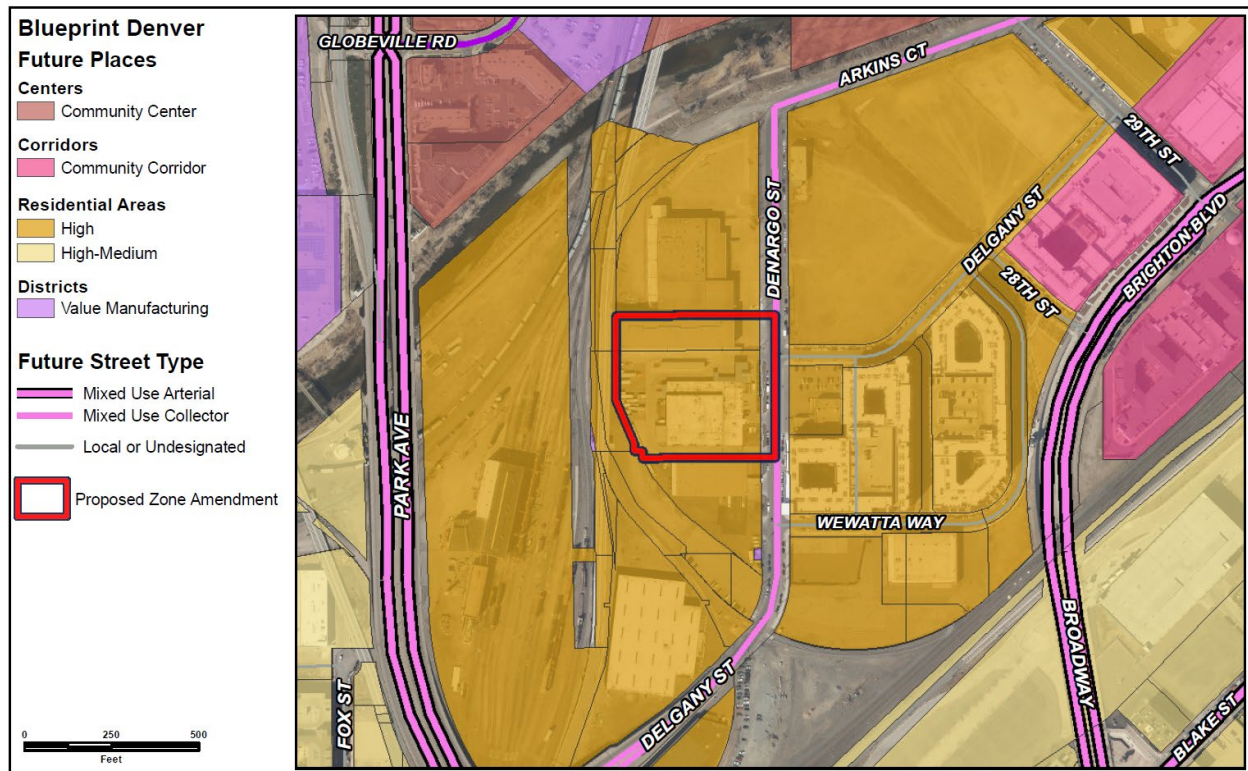
Blueprint Denver was adopted in 2019 as a supplement to *Comprehensive Plan 2040* and establishes an integrated framework for the city's land use and transportation decisions. *Blueprint Denver* identifies the subject property as part of a High Residential Area place within the Urban Center Neighborhood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

Blueprint Denver Future Neighborhood Context



In Blueprint Denver, future neighborhood contexts are used to help understand differences in land use and built form and mobility options at a higher scale, between neighborhoods. The subject property is within the Urban Center Neighborhood Context. "This context contains high intensity residential and significant employment areas. Development typically contains a substantial mix of uses, with good street activation and connectivity" (p. 252). The proposed C-MX-12 zone district is part of the Urban Center context and is "intended to promote safe, active, and pedestrian-scaled diverse areas through the use of building forms that clearly activate the public street edge" and "the Mixed-Use districts are focused on creating mixed, diverse neighborhoods" (DZC 7.2.2.1). Since the proposed district allows a mix of uses and allowable building forms that contribute to street activation, the proposed rezoning to an Urban Center context is appropriate and consistent with the plan.

Blueprint Denver Future Places

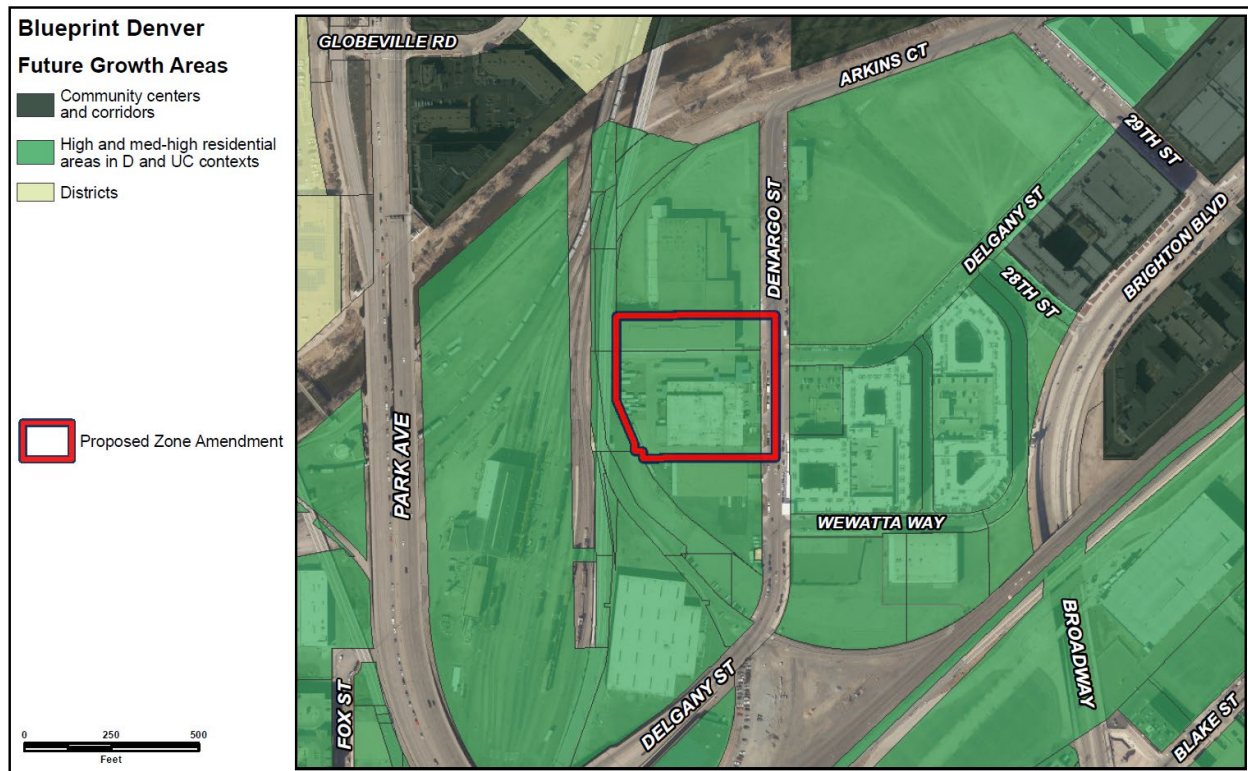


The Future Places map designates the subject property as High Residential Area. Blueprint Denver describes the aspirational characteristics of High Residential Areas in the Urban Center context as having a “high mix of uses throughout including many large-scale multi-unit residential uses. Commercial uses are prevalent. Buildings are the tallest of the residential places of this context. There is high lot coverage and shallow setbacks” (p. 260). Consistent with this guidance, the proposed C-MX-12 district provides for a mix of uses and stringent building form standards that create an active street level presence. Given the High Residential height guidance in Blueprint Denver, the requested 12-story district height is consistent with the surrounding context and appropriate for the High Residential guidance in this location.

Street Types

Blueprint Denver classifies Denargo Street as a Mixed-Use Collector. According to the plan, this street type supports a “varied mix of uses including retail, office, residential and restaurants. Buildings are pedestrian-oriented, typically multi-story, usually with high building coverage with a shallow front setback” (p. 159). The proposed C-MX-12 zone district with the DO-7 design overlay would allow a mix of residential and commercial uses at an intensity and orientation consistent with this street type classification.

Growth Strategy



Blueprint Denver designates the subject property as part of a High Residential Area in an Urban Center neighborhood context. High and High-Medium Residential Areas in Downtown and Urban Center neighborhood contexts are anticipated to see 15% of new housing growth and 5% of new employment growth by 2040 (p. 50-51). Focusing growth in these areas 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 C-MX-12 will allow for continued residential and employment growth in a High Residential Area where it has been determined to be most appropriate. Therefore, the proposed rezoning is consistent with the Blueprint Denver growth strategy.

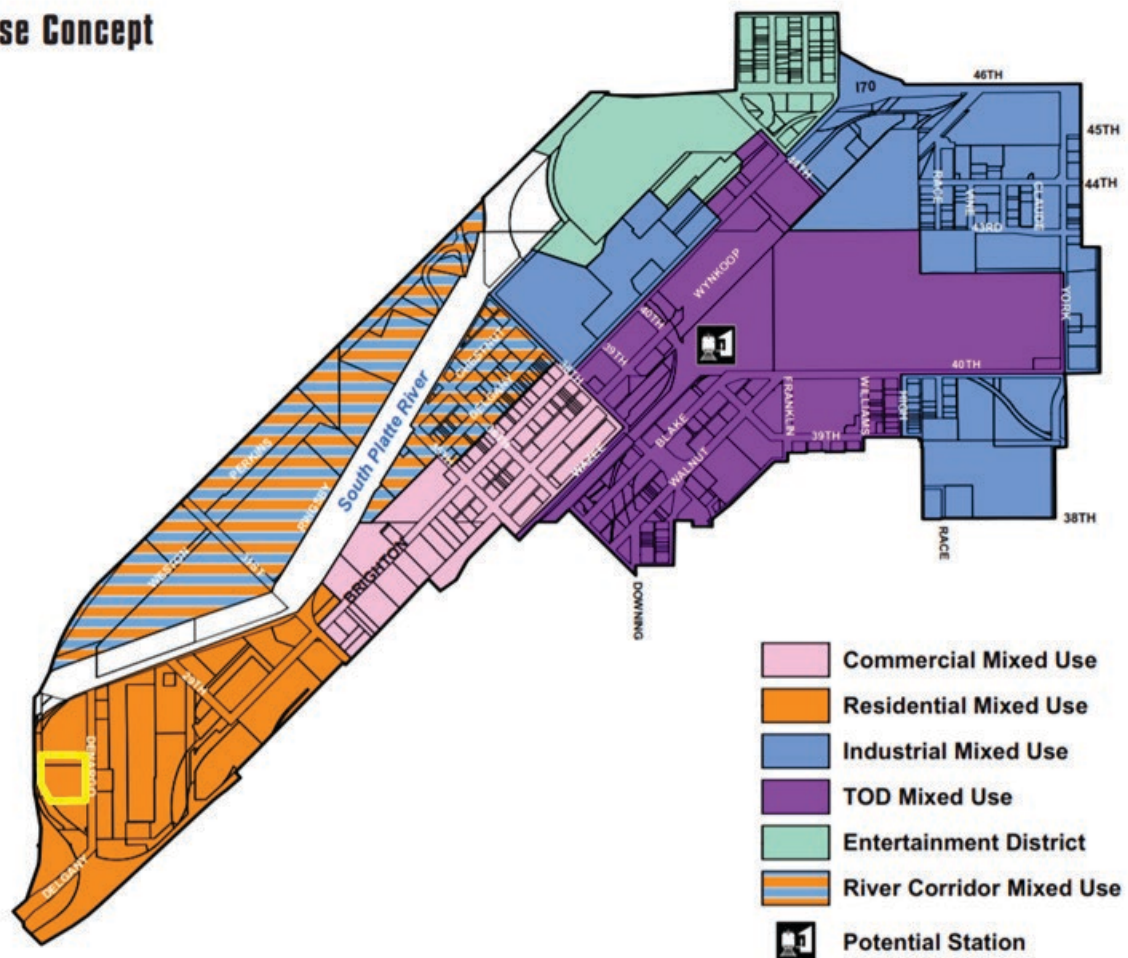
The proposed rezoning, with the inclusion of a design overlay, is also consistent with policies and strategies related to creating exceptional design outcomes in high-profile areas throughout Denver. "Mixed-use buildings should engage the street level and support pedestrian activity. The bulk and scale should be respectful of the surrounding character" (p. 102).

- Land Use & Built Form: Design Quality & Preservation Policy 3, Strategy D – *Use design overlays in limited areas to direct new development towards a desired design character unique to the area that cannot be achieved through other tools. Design overlays are most effective where a design vision has been articulated through a planning process* (p. 102).

River North Plan (2003)

The River North Plan was adopted by City Council in 2003 and applies to the subject property. It designates the area Residential Mixed-Use and includes specific recommendations for the Denargo Market area, including “facilitate the redevelopment of the Denargo Market area into an exciting mixed-use community” (p. 59).

Land Use Concept



The plan recommends “Residential Mixed-Use zoning, Commercial Mixed-Use zoning, or a combination of both” for the Residential Mixed-Use areas (p. 84). The plan recommendations for the Denargo Market area are to “create a compact, mixed-use, pedestrian friendly development” and “ensure that urban design reinforces the pedestrian-oriented and transit-supportive character of the area and creates friendly and useable public spaces” (p. 76). The plan does not include specific building height recommendations, but suggests there should be “appropriate massing, scale, building heights and building size for new development with height limits along the South Platte River” (p. 76). This site is not located along the river where such height limits would apply.

The proposed C-MX-12 zone district would be consistent with the recommendations of the River North Plan by allowing a residential, office, and retail uses in a pedestrian-friendly form. The allowed 12-story maximum height is appropriate for an urban development near downtown. The design and build- to requirements of the C-MX-12 zone district, in conjunction with the River North design overlay, would ensure an urban form compatible with a new, pedestrian-oriented development.

Housing an Inclusive Denver (2018)

Housing an Inclusive Denver is not adopted as a supplement to the Comprehensive Plan, but the plan was adopted by City Council. Housing an Inclusive Denver provides guidance and strategies to create and preserve strong and opportunity-rich neighborhoods with diverse housing options that are accessible and affordable to all Denver residents (p. 6). Core goals of the plan include: creating affordable housing in vulnerable areas and in areas of opportunity; preserving affordability and housing quality; promoting equitable and accessible housing; and stabilizing residents at risk of involuntary displacement (p. 7). To that end, the plan includes several recommendations, including “promote development of new affordable, mixed-income and mixed-use rental housing” (p. 83). As described above, the proposed development would include a housing commitment requiring 10% of all units to be affordable at 80% AMI for 99 years. Given this commitment, the proposed rezoning would facilitate additional affordable housing opportunities consistent with the goals and strategies of Housing an Inclusive Denver.

2. Uniformity of District Regulations and Restrictions

The proposed rezoning to C-MX-12, DO-7 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 through implementation of the city’s adopted land use plan. The proposed rezoning would also facilitate increased housing density near services and amenities and foster the creation of a walkable, urban area within walking distance to downtown.

4. Justifying Circumstance

The application identifies several changed or changing conditions 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 a degree that the proposed rezoning is in the public interest. Such change may include: (a.) Changed or changing conditions in a particular area, or in the city generally; or, (b.) A City adopted plan...”*

Recent physical changes within close proximity to the subject site include the opening three new apartment buildings in the Denargo Market area, completion of the reconstruction of Brighton Boulevard and the addition of bicycle and pedestrian connections through the area. The character of River North, and Denargo Market in particular, is rapidly changing and the rezoning request is justified to recognize the changing conditions.

The application also is justified by DZC Section 12.4.10.8.A.5, “It is in the public interest to encourage a departure from the existing zoning through application of supplemental zoning regulations that are consistent with the intent and purpose of, and meet the specific criteria stated in, Article 9, Division 9.4 (Overlay Zone Districts), of this Code.” This application proposes applying the supplemental zoning regulations of the DO-7. As further detailed below, application of the DO-7 to this site is consistent with the intent and purpose of the Design Overlay district, supplementing the otherwise generally applicable zone district standards with additional design limits appropriate to the River North area.

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

As described in the Denver Zoning Code, the General Character of the Urban Center (C-) district will include “multi-unit residential and mixed-use commercial strips and commercial centers.” It is also described as follows: “Multi-unit residential uses are typically in multi-story mixed use building forms. Commercial buildings are typically Shopfront and General forms. Multi-unit residential uses are primarily located along residential collector, mixed-use arterial, and local streets. Commercial uses are primarily located along main and mixed-use arterial streets.” This rezoning request is to bring the subject Property’s zoning into conformance with the zoning that already exists in the surrounding neighborhood, i.e. mostly a mix of C-MX-8 and C-MX-12.

According to the zone district intent stated in the Denver Zoning Code, the C-MX-12 district “applies to areas or intersections primarily served primarily by major arterial streets where a building scale of 3 to 12 stories is desired” (DZC Section 7.2.2.2.D). The site is served by a collector street, but the property is in an area served by nearby arterial streets. The nearest arterial streets are two blocks east (Broadway/Brighton Boulevard) and two blocks south (Park Avenue West). Thus, the street classifications and desired building heights in this area are consistent with the zone district purpose and intent statements.

The River North Design Overlay (DO-7) has many purposes including “implement adopted plans; promote creative, high-quality, design in the general area covered by the adopted 38th and Blake Station Area Height Amendments and the RiNo Business Improvement District; provide flexibility to support the diverse design traditions of RiNo; activate the South Platte River frontage to promote the river as a neighborhood asset; maintain human scale and access to daylight as heights and densities increase throughout the district; promote vibrant pedestrian street frontages with active uses and street-fronting building entries; provide transitions between residential frontages and mixed-use streets; ensure that buildings are designed to adapt to new uses as the district changes and evolves; promote active transportation options, such as walking and biking; minimize potential conflict points between pedestrians and motor vehicles; minimize the visibility of surface and structured parking areas for vehicles; and encourage small, privately-owned, open spaces to increase design diversity along the street frontage and support pedestrian activity.” (DZC Section 9.4.5.11.B). The site, with its proximity to the South Platte River and adjacency to the newly constructed Brighton Boulevard warrants special attention to detail with regards to activation, building entries and other human-scaled elements. The site is located within the area of the RiNo Business Improvement District. Thus, the proposed map amendment is consistent with the purpose statements of the design overlay district.

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Attachments

1. Rezoning application