



Staff Report

Meeting Date: January 15, 2019

Planner: Robert Haigh

APPLICATION SUMMARY:

Project Name: Belleview Connection Rezoning (Continued)

Case Number: REZ18-0001

Application type: Amendment to the official zoning map

Location: 2717, 2727, and 2767 W. Belleview Avenue
(northwest corner of W. Belleview Ave. and S. Prince St.)

Size of Property: 5.05 Acres

Zoning: B-2 Community Business

Applicant: Donald E. Casper, Architect, P.C.

Owners: 2727 West Belleview Development, LLC; 2717 West Belleview Development, LLC

Applicant Request: To amend the official zoning map to rezone the 5.05-acre subject property from a B-2 Community Business District to a B-3 General Business District.

PROCESS:

Amendment to the official zoning map (rezoning)

Review and recommendation by planning commission

(September 10, 2018 recommendation of approval with one condition: that the B-3 zoning district on the subject properties have a maximum floor area ratio of 2:1)

- Review and decision by city council
(Decision by ordinance)

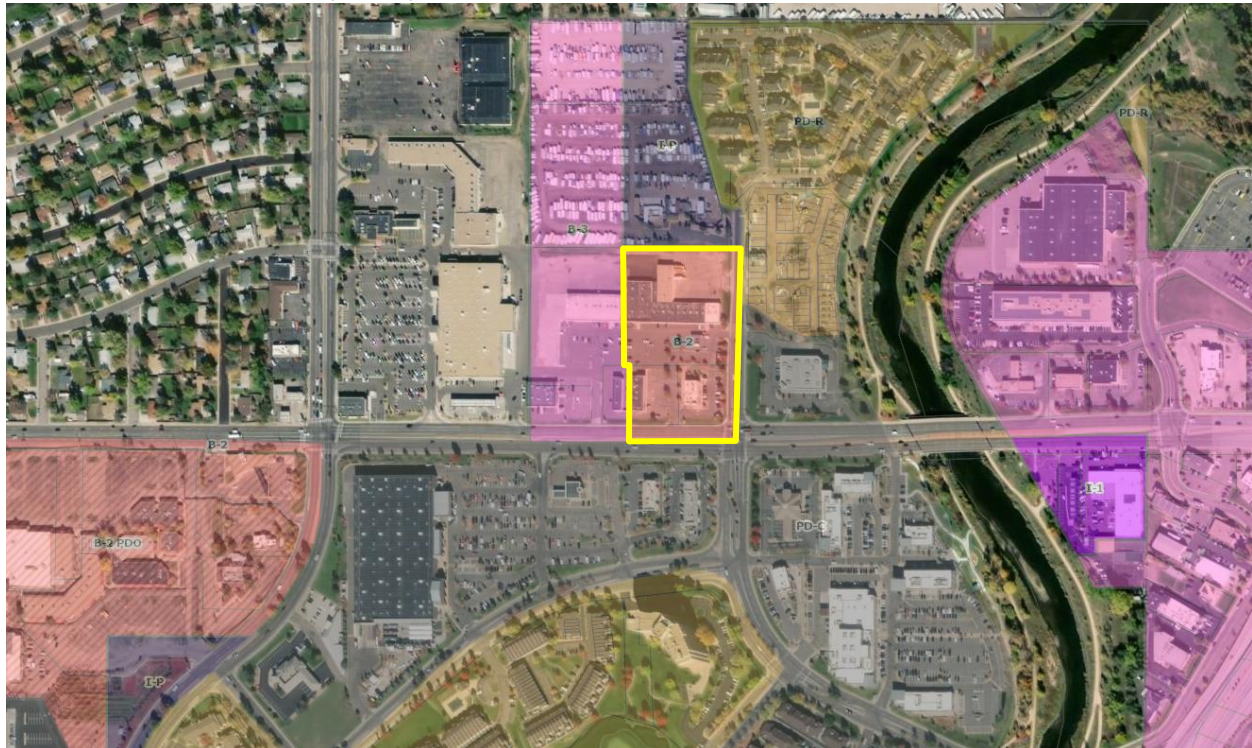
An amendment to the official zoning map calls for a Quasi-Judicial decision and should follow the City of Littleton Rules of Procedure for Quasi-Judicial Proceedings.

The city council decision should consider the relevant goals and policies of the Citywide Plan, the Centennial Neighborhood Plan, Belleview Avenue Corridor Vision, and the planning commission recommendation.

Following the rezoning, if approved, the next step in the development process would depend on the goals of the property owner/developer. One of the applicant's primary stated purposes for this rezoning is to establish a uniform zoning district across the existing shopping center. This would increase the flexibility of future subdivision and development and would allow for the applicant to combine the lots that are located at the center of the shopping center and are currently divided by the zoning boundary. The applicant concurrently submitted a site development plan and sketch plan for review by city staff. These development proposals were recently approved and represent the first phase of improvements planned for the shopping center.

LOCATION:

The site is located at 2717, 2727, and 2767 W. Belleview Avenue.



Current Zoning

BACKGROUND:

Timeline

February 27, 2018

Rezoning application submitted

August 27, 2018

Planning commission hearing opened and continued to September 10, 2018

September 10, 2018

Planning commission recommendation of conditional approval

Timeline (Continued)

<i>October 16, 2018</i>	<i>City council reviewed the application and voted to continue the public hearing to December 18, 2018</i>
<i>December 18, 2018</i>	<i>City council voted to continue the public hearing to January 15, 2019, at the applicant's request</i>

PLANNING COMMISSION HEARINGS

On August 27, 2018, the planning commission reviewed and discussed the application. During the hearing, the commission expressed concerns about the floor area ratio (FAR) associated with the proposed change in zoning and potential adverse impacts to surrounding properties and increased traffic impacts. The commission also discussed how the project could impact the existing character of the area and how the rezoning relates to the goals, policies and strategies of the Citywide Plan and Belleview Corridor Vision. The commission asked questions of staff and the applicant regarding potential alternatives, the applicant's vision for the site, and the potential for more intensive development. Ultimately, based on these concerns, the commission continued the matter until September 10, 2018 and directed staff to provide more information related to their concerns.

At the September 10, 2018 planning commission public hearing, the commission reopened the hearing to accept additional public testimony, and reviewed an updated staff recommendation. The commission subsequently voted to forward a recommendation of approval of Ordinance 32-2018 to City Council, which contains a condition that the B-3 zoning district on the subject properties have a maximum floor area ratio (FAR) of 2:1.

APPLICATION DETAILS:

The request is to amend the official zoning map in order to rezone the 5.05-acre subject property from a B-2 Community Business District to a B-3 General Business District. The subject property contains the eastern half of the shopping center that is currently known as Centennial Square. The current property owner recently purchased the entire Centennial Square shopping center with the intention of updating and improving the aging shopping center. The western half of the shopping center, immediately west of the subject property is zoned B-3 General Commercial District. The different zoning districts within the shopping center create limitations on how the lots can be reconfigured and how development can occur. By rezoning the subject property to match the western half of the shopping center, the property owner is making an incremental improvement to the Belleview Avenue corridor in order to attract new tenants and improve this underperforming shopping center. Incremental improvements are a key component to revitalizing the corridor and support the vision for the Belleview Avenue corridor.

Section 10-1-6(A) of the Littleton City Code states that *zone district boundaries shall be and extend to property ownership lines or lot lines*. The current lot configuration includes lot lines along the zone district boundary that divides the eastern and western halves of the shopping center. The language in Section 10-1-6(A) would prevent the applicant from replatting the lots

that make up shopping center without maintaining the existing lot line division between the eastern and western halves. By rezoning the subject property to the same zoning classification as the western half of the shopping center, the applicant would eliminate this barrier to development and enable the shopping center to be replatted in a way that would facilitate a more comprehensive redevelopment of the shopping center.

The applicant submitted a site development plan and sketch plan concurrently with this rezoning. Those plans were recently approved and the applicant is currently in the permitting process to construct these improvements. The approved improvements include an additional tenant space at the east end of the northern row of structures and architectural improvements to the existing structures that make up the shopping center. The proposed rezoning is the next step in this phase of improvements that the applicant is making to the shopping center and the Belleview Avenue corridor.

Permitted Uses

The B-2 Community Business District and B-3 General Business District are both business zone districts that allow for similar uses. As defined by the code, the B-2 zone district is a higher classification and is more restrictive than the B-3 zone district. The proposed rezoning from B-2 to B-3 will add additional permitted uses to the subject property, but will not add any uses that are not already permitted in the western half of the shopping center. During the October 16, 2018 public hearing, City Council expressed concerns about the additional uses that are allowed in the B-3 zoning district and potential adverse impacts to the nearby residential development to the east of the subject property. Some of the additional permitted uses include the *assembly of prefabricated parts, Fabrication by stamping, cutting, or otherwise shaping processed materials into useful products, and Brewery, distillery, winery* which are categorized as manufacturing and assembly uses in the City Code.

The manufacturing and assembly uses listed above are often assumed to have greater impacts than the other uses that are permitted in current B-2 zoning district. For several reasons, staff does not have these concerns. The first potential concern is related to noise. Fortunately, the City Code regulates lawful noise levels by use districts, rather than by individual uses. The proposed rezoning would not change how noise is regulated on the subject property. Even though these additional uses are heavier in nature, because they are still located in a business district, they are held to the same standard as other business uses. Additionally, it is not in a property owner's interest to lease space to a use that would negatively impact the adjacent business and retail uses on the same property.

The manufacturing and assembly uses could help to draw innovative and creative tenants to the underutilized spaces in the shopping center as directed by the Belleview Avenue Corridor Vision (BACV). For example, a business that builds its products, whether it is guitars, clothing, computers/tech products, or other small batch manufacturing that also sells the products on site, would be precluded from operating in the B-2 zoning district if the floor area dedicated to manufacturing or assembly exceeds the sales floor area. The additional uses are not anticipated to result in an increase in traffic when compared to the uses that are

already permitted. Based on the Institute of Traffic Engineers Trip Generation Manual, 10th Edition, the new uses permitted in the B-3 zone district; do not generate more traffic than the uses that are permitted in the B-2 zoning district.

Any outdoor storage that is related to any permitted use is required by the City Code to be enclosed by fences, walls and/or landscaping which fully conceal such facilities from adjacent properties, as viewed from ground level. Circuses and carnivals are permitted in the B-3 zoning district, but are limited to operating for sixteen days or less. Nightclubs and commercial cleaning/laundry operations are also permitted, and staff finds that these uses could be considered to be neighborhood-oriented businesses that are likely to be used by the Centennial neighborhood residents if they are successful.

One additional use that is not supported by the BACV is the *Mini-warehousing/outdoor storage* use. The BACV directs the city to *place a particular focus on attracting restaurants, specialty food stores, sports and recreation oriented tenants, and other neighborhood-serving retailers that complement existing retail anchors*. In order to support this goal while still allowing for a broader mix of uses in the Belleview Avenue corridor, staff recommends that the mini-warehousing/outdoor storage use be prohibited on the subject property.

Staff finds that permitting the additional uses could help to the revitalize the shopping center, support the goals of the Belleview Avenue Corridor Vision, and do not generate adverse impacts beyond the uses that are already permitted in the B-2 zoning district.

Floor Area Ratio

One of the concerns during the October 16, 2018 city council public hearing and the August 27, 2018 planning commission public hearing was the proposed increase in maximum FAR resulting from the rezoning and how that could potentially create adverse impacts. The maximum FAR in the B-2 zoning district is 2:1. This means that a 10,000-square-foot lot could potentially be developed to a point where the structures located on the lot have 20,000 square feet of gross floor area. The maximum FAR in the B-3 zoning district is 3:1, meaning that up to 30,000 square feet of gross floor area could be constructed on the same size lot. However, zoning requirements including off-street parking, landscaping, and open space requirements typically limit buildable floor area in commercial development more than FAR restrictions. It is also important to note that there is no height limitation in either the B-2 or B-3 zoning district. Because there is no height limitation in either business zoning district, staff does not recommend establishing a height limitation. If development pressures and economic influences change drastically in the future, there is an increased potential for a taller structure to be constructed on the subject property.

In order to understand the surrounding development patterns, staff conducted a review of the approved site development plans of nearby developments. Staff found that on average, the lots with approved site development plans are built to an FAR of about 0.23:1 despite having maximums between 1:1 and 3:1. The significant majority of these developments are single story structures. The most heavily built lot is the Santa Fe Business Center property on W. Chenago Ave, with an FAR of 0.39:1. Across other similar shopping centers in Littleton, the FAR also

remains far below the maximums allowed. For example, the Littleton Square shopping center is built at an FAR of 0.36:1, the Market at Southpark has an FAR of 0.21:1, and Aspen Grove has an actual FAR of about 0.18:1. In general, across Littleton, the actual developed FAR is significantly lower than the allowed maximums.

Despite this low FAR across the city's business and industrial zoning, staff understands that the proposed zoning district would exist beyond the current ownership, and that many years in the future, development pressure could reach a point where construction of a multi-story commercial structure on the subject property is possible. Even though the likelihood that floor area limits would be reached in the foreseeable future is low, the applicant has agreed to limit the subject property to the original FAR in order to address concerns about the issue.

Traffic Generation

As it relates to traffic, any increase in trip generation would also result from the increased gross floor area on the subject properties. Based on the Institute of Traffic Engineers Trip Generation Manual, 10th Edition, the new uses permitted in the B-3 zone district, which include some light fabrication, warehousing, commercial cleaning, breweries, wineries and distilleries, and other miscellaneous uses, do not generate more traffic per square foot of leasable area than the uses that are also allowed in the B-2 zoning district, and the potential for increased traffic generation relates directly to the additional floor area that could be constructed.

Existing Zoning

Staff conducted research in an attempt to uncover the reasoning or intent that resulted in the current zoning on the subject property and the adjacent property to the west. The city's records are unclear as to exactly when or why the properties were zoned how they are today.

Staff also looked at potential alternatives that would accomplish the applicant's goal to unify the zoning across the shopping center could be accomplished through a different strategy. Staff reviewed the surrounding zoning and has determined that the adjacent property to the west of the subject property – the western half of Centennial Square – could be rezoned to a B-2 zoning district to create a uniform B-2 zoning district across the Centennial Square shopping center. An early concern with this strategy was that rezoning the entire shopping center to B-2 would isolate a B-3 zoning district that is located to the north of the western half of Centennial Square (outlined in red). Staff measured the area that would be isolated and discovered that the B-3 zoning district that is immediately adjacent and to the north of the shopping center could meet the minimum 180,000 square foot requirement for a freestanding zoning district.



One potential concern with rezoning the owner's entire property to the B-2 zoning district is the allowance for residential dwelling units located in the same structure as nonresidential uses. By rezoning the subject property to a B-3 zoning district, the possibility of a residential use on the subject property would be eliminated. This would help to maintain West Bellevue Avenue as a commercial and retail corridor and eliminate the possibility of residential uses encroaching on

this corridor. The current proposal, as recommended by planning commission, is the most appropriate solution for creating a uniform zoning district across this shopping center.

Zoning Requirements

The table below provides a comparison of the existing zoning and the proposed amendment.

Comparison of existing B-2 district to proposed B-3 district

	B-2 Community Business District	B-3 General Business District
Uses (See attached land use comparison table)	Land uses permitted as described in the table in 10-3-1: Land Uses. <u>Uses allowed in B-2 but not permitted in B-3:</u> 3.66 Dwelling units located in the same structure as a nonresidential use and which meet the requirements of section 10-4-12 of the Littleton City Code	Land uses permitted as described in the table in 10-3-1: Land Uses. <u>Additional uses:</u> 8.20 Outdoor Storage/mini warehousing (Staff recommends a condition prohibiting this use) 11.40 Off-track betting (Use by special permit) 12.20 Nightclubs 13.10 Commercial Cleaning /laundry operations 13.20 assembly of prefabricated parts 13.40 Fabrication by stamping, cutting, or otherwise shaping processed materials into useful products 13.53 Brewery, distillery, winery 17.15 Circuses/carnivals (conditional use)
Minimum Lot Area	None.	None.
Building Setbacks	None.	None.
Parking Ratios	In conformance with 10-4-9 of the city's zoning regulations	In conformance with 10-4-9 of the city's zoning regulations
Unobstructed Open Space	20% minimum	10% minimum
Maximum Building Height	None.	None.

	B-2 Community Business District	B-3 General Business District
Maximum floor to lot area ratio (F.A.R.)	2:1	3:1 (2:1 with the recommended condition)
Number of Principal Structures	Five (5)	Five (5)

CRITERIA & STAFF ANALYSIS:

The following is the analysis of the proposal for compliance with the provisions of Title 10 of the Littleton City Code, the comprehensive plan, existing and proposed development, and comments from affected agencies.

1. Compliance with the provisions of the Zoning Regulations

The proposed amendment to the official zoning map seeks to rezone a 5.05 acre area, made up of three separate zone lots, from B-2 to B-3 with a condition that the subject properties have a 2:1 FAR. The application meets all of the provisions of the Zoning Regulations, in that a complete application was submitted as required by section 10-12-4 and 10-1-9 of the City Code. Additionally, as required by Section 10-1-6 of the Littleton City Code, the proposed zone district boundaries would extend to property lines and the centerlines of adjacent public rights-of-way. The area proposed to be rezoned, along with the contiguous B-3 zone district, exceeds the minimum 180,000-square-foot minimum for a free-standing zone district. As stated in section 10-2-17, B-3 General Business Districts have the potential to generate heavy traffic and should be generally limited to areas adjacent to major arterial roadways. Staff finds that the proposal is in compliance with the Zoning Regulations.

2. Compliance with the comprehensive plan

The proposed rezoning has two primary outcomes that relate to the goals and policies of the comprehensive plan. The first outcome results directly from the change in zoning on the subject property. The change in zoning from B-2 to B-3 adds several permitted uses on the subject property, eliminates the potential for residential dwelling units, reduces the open space requirements, and includes a condition to retain the existing FAR of 2:1. The second outcome stems from the consolidation of the zoning districts in the Centennial Square shopping center. By creating a B-3 zoning district across the shopping center, the applicant seeks to remove the barrier created by the zoning boundary and increase the flexibility of future redevelopment and lot reconfiguration.

The Littleton Comprehensive Plan seeks to create a dynamic Littleton and foster a vibrant evolving community. In order to create a dynamic Littleton, the Citywide Plan establishes policies to help guide the decision making process.

Policy 1.2: Create the circumstances that will encourage dynamic, innovative employers to locate within the city.

Policy 1.3: Draw retail that will provide the goods needed and desired by residents while capturing retail sales from both residents and non-residents.

Policy 1.7: Evaluate the redevelopment potential of blighted properties. Work with the owners throughout the redevelopment process to encourage sustainable uses and structures. Design the redevelopment so that it mitigates its negative impacts, if any, on adjacent uses and structures.

The proposed rezoning will increase the variety of permitted uses allowed on the subject property. This could potentially encourage redevelopment of this underutilized shopping center. The existing zoning district boundary inhibits development across the central north-south axis of the shopping center. Establishing a single zoning district across the shopping center enables more flexibility in how the shopping center could be redeveloped. The zoning also supports a more continuous development pattern facing Belleview Avenue by eliminating the barrier created by the zoning boundary.

Bellevue Avenue Corridor Vision (BACV)

The BACV identifies the Bellevue Avenue corridor's commercial and retail development as a significant asset to the City. The BACV includes a corridor study, establishes the corridor vision and principles, identifies opportunity areas, and develops strategies for implementation of the vision. A key theme in the BACV is the incremental approach in working toward the complete implementation of the vision. While the proposed rezoning does not completely implement the vision, it represents an important step in making the improvements that are necessary to developing the Bellevue Avenue corridor as a safe, multimodal corridor where neighbors know each other, regionally and locally owned businesses thrive, and outdoor gathering areas and recreational opportunities are easily accessible.

Chapter 3: Corridor Vision and Principles

The vision sets a direction for the future that will be achieved incrementally over time. The five principles reflect major themes, or areas of focus, for achieving the desired vision, that emerged based on an inventory and analysis of existing conditions and trends in the Corridor and from input by area stakeholders.

The improvement of the subject property can be tied in some way to each of the principals in Chapter 3, but the rezoning makes the strongest connections as a part of *Principle 4: Support Existing Businesses and Revitalize Underutilized Properties*. The shopping center on the subject property is outdated and has recently had trouble filling vacant tenant spaces. The property owner is in the process of updating and revitalizing the shopping center in order to draw new tenants and create new tenant spaces. The rezoning would permit several additional uses on the subject property, which would support the property owner's efforts to fill vacant spaces with a broader mix of uses.

However, in order to avoid a conflict with Goal R-3 of the BACV, staff recommends a condition to prohibit mini-warehousing uses.

The unification of the zoning in this shopping center would allow the property owner to reconfigure the underperforming pad site at the south end of the property closest to Belleview Ave. By allowing for the reconfiguration of this pad site, the rezoning supports the applicant's revitalization of the underperforming space and would enable the pad site to be redeveloped with a primary façade that faces Belleview Avenue, rather than the parking lot as it does currently. This rezoning is an important incremental step toward the implementation of the BACV.

- **Goal R-1:** Support the revitalization of vacant and underutilized properties
 - **Policy R-1.4:** Vacant/Underperforming Spaces. Continue to work with existing shopping center owners to infill vacant pad sites or reposition underperforming pad sites with a mix of uses; and to reconfigure existing site layouts for greater visibility and efficient use of space.
- **Goal R-3:** Maintain/enhance the mix of uses within the Corridor.
 - **Policy R-3.1:** Neighborhood-oriented Businesses. Support the retention of existing neighborhood-oriented businesses and actively seek opportunities to attract new ones. Place a particular focus on attracting restaurants, specialty food stores, sports and recreation oriented tenants, and other neighborhood-serving retailers that complement existing retail anchors.

Chapter 4: Opportunity Areas

The BACV identifies opportunity areas as having the greatest potential or need for changes in land use and/or reinvestment. The proposed rezoning is a component of the revitalization of the Centennial Square shopping center, which is identified as Opportunity Area #2 in the Belleview Avenue Corridor Vision. The rezoning allows for a broader mix of land uses while also addressing issues with the configuration of structures caused by the split zoning of the shopping center. The applicant is pursuing this rezoning as part of a multi-phase redevelopment in order to fill vacant tenant spaces and pad sites.

Within the opportunity area, the BACV identifies short term opportunities and long-term opportunities. The proposed rezoning helps facilitate the applicant's larger revitalization project and supports the short-term and long-term opportunities as an incremental step in attracting new tenants and re-orienting the shopping center toward W Belleview Ave.

- **Short Term Opportunities**
 - Enhance the Visual Appeal and Functionality of the Center.
 - Reconfigure Existing Space/Construct New Space

- Long-Term Opportunities
 - Re-orient the Center.

Chapter 6: Implementation

The Belleview Avenue Corridor Vision contains different types of recommendations—ranging from policies and programs to regulatory tools, and physical improvements. Many of the recommendations will be implemented through day-to-day decision-making, the development review process, or as part of future redevelopment efforts.

The consideration of this rezoning is a component of the implementation plan as a part of the decision making process and future redevelopment efforts. The implementation strategies in the BACV can be broken down into different terms and has been developed with a 10-15 year planning horizon in mind. The rezoning is a component of the ongoing strategies and is an incremental step in the overall improvement of the corridor.

- **Near-term strategies** are anticipated to be completed over the next 1 to 5 years.
- **Mid-term strategies** are expected to be completed over the next 6 years, or beyond.
- **Ongoing strategies** are expected to occur in the near-term, but also on a recurring basis.

By contributing to the revitalization of the underutilized and aging Centennial Square shopping center, the proposed rezoning supports the preservation of this commercial center and supports the following strategies in Principal 4: *Support existing businesses and revitalize underutilized properties* of the corridor vision.

Strategy R-1: (Ongoing) Consider rezoning requests for identified Opportunity Areas when those requests are consistent with the principles and policies contained in the Belleview Avenue Corridor Vision and applicable standards and regulations.

Strategy R-6: (Ongoing) Work with Opportunity Area property owners and surrounding neighborhoods to proactively rezone (on a voluntary basis) properties to allow for a broader mix of uses, or achieve similar objectives through the planned development process in the interim.

3. Compliance with existing and proposed development

The rezoning of the subject property does not create any nonconformities as it relates to the existing development within the Centennial Square shopping center. The surrounding properties to the north, west, and south are commercial and industrial in nature and the development will not cause any negative impacts on these surrounding properties. The northeastern corner of the subject property is adjacent to a residentially zoned property that is currently under construction. The change in zoning from B-2 to

B-3 does not increase the maximum height that would be allowed and, with the proposed condition, does not increase the maximum FAR that would be allowed. Staff finds that due to regulations in the noise ordinance, negligible traffic impacts, and use specific standards, the additional permitted uses will not result in significant adverse impacts to the adjacent residential development. The future development of the property would be subject to site development plan review which includes review criteria to mitigate adverse effects on adjacent properties. The proposal is in compliance with existing and proposed development.

4. Comments from affected agencies

During the review, the application was referred to several agencies. The following agencies responded with either no comment or no concern: City of Englewood, Arapahoe County, Xcel Energy, Denver Water, CenturyLink, Littleton Fire Rescue, CDOT.

NEIGHBORHOOD OUTREACH & PUBLIC NOTICE:

The applicant conducted a neighborhood outreach meeting on March 22, 2018. Notes from the meeting are included in the attachments. Mailed public notice of the rezoning proposal was also sent to all property owners within 700 feet of the site. Notice of a public hearing was posted on the subject property and at city locations in advance of tonight's board meeting in compliance with the city's public notice requirements.

PLANNING COMMISSION RECOMMENDATION:

Planning Commission recommended approval of the application at its September 10, 2018 meeting with a vote of 6-0. The recommendation for approval included one condition of approval pertaining limiting the maximum allowable FAR to 2:1.

STAFF RECOMMENDATION:

The proposed amendment to the official zoning map complies with the pertinent goals and policies of the city's comprehensive plan, promotes the general welfare of the community and recommends approval of Ordinance Number 32-2018, for the Belleview Connection Rezoning located at 2717, 2727, and 2767 W Belleview Avenue that includes the following conditions:

1. That the B-3 General Business Zoning District on the subject properties have a maximum floor to lot area ratio (FAR) of 2:1.
2. That miniwarehousing/outdoor storage as described in section 8.20 of the Land Use Table will not be permitted on the subject property.

If council wishes to adopt the recommendation of the planning commission, staff recommends adoption of Ordinance No. 32-2018 on first reading.