

CITY PLANNING COMMISSION AGENDA
August 19, 2021

STAFF: TASHA BRACKIN

FILE NOs:

CPC MP 21-00123 - ZEBULON FLATS URBAN RENEWAL AREA MASTER PLAN - LEGISLATIVE
CPC CU 21-00046- CONDITIONAL USE - QUASI-JUDICIAL
CPC NV 21-00120 – NON-USE VARIANCE - BUILDING HEIGHT - QUASI-JUDICIAL

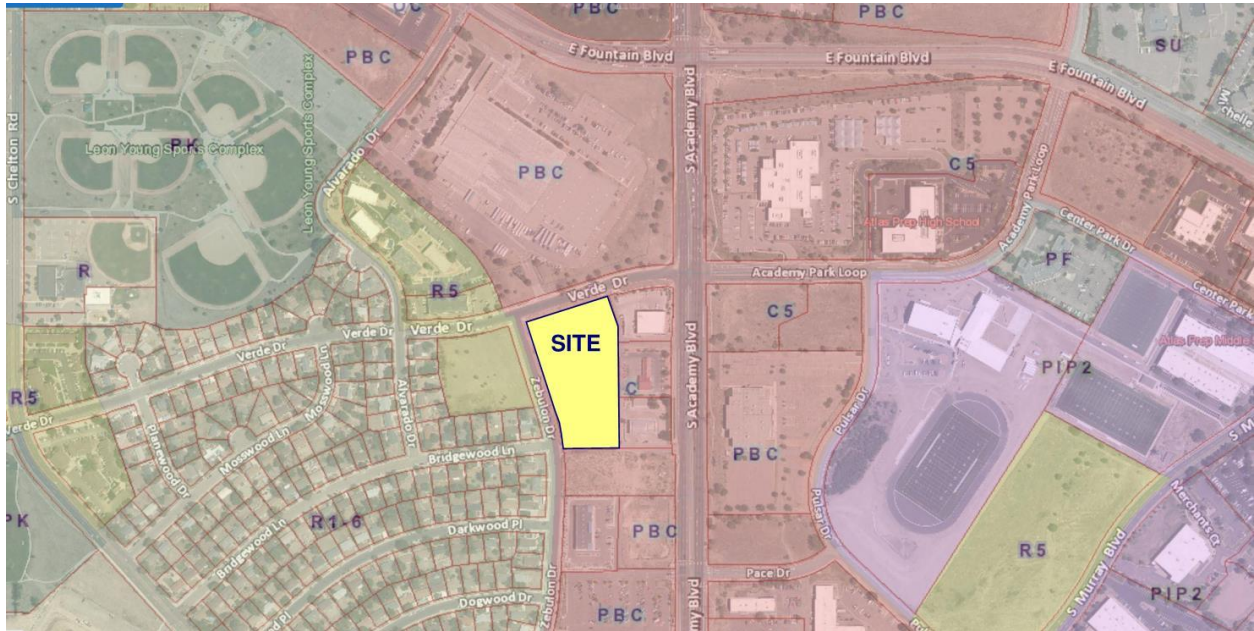
**PROJECT: ALMAGRE COMMUNITY HOUSING PROJECT
 ZEBULON FLATS URBAN RENEWAL PLAN (AKA THE LOFTS)**

OWNER: 884 NEENAH LLC

DEVELOPER COHEN-ESREY DEVELOPMENT GROUP

CONSULTANT: DAVIS PARTNERSHIP ARCHITECTS

URA APPLICANT: COLORADO SPRINGS URBAN RENEWAL AUTHORITY



PROJECT SUMMARY:

1. **Project Description:** This development project includes concurrent applications for a Conditional Use Development Plan, and a Non-use Variance request related to building Height and rooftop extensions for a vacant 3.3-acre site zoned PBC AO (Planned Business Center with Airport Overlay) consisting of two parcels located at 3725 Verde Drive and 1609 Zebulon Drive. The project is also associated with an Urban Renewal Area, and for that application the project name is known as “Zebulon Flats”. The Urban Renewal Area request from the Colorado Springs Urban Renewal Authority, on behalf of

Cohen-Esrey Investment Group, asks for Planning Commission's determination that the Zebulon Flats Urban Renewal Plan is consistent with the City's Comprehensive Plan. The Zebulon Flats Urban Renewal Plan is attached (**see "URA Plan" attachment**). Upon approval of these applications, said site is to be developed as a 137-unit affordable housing community in one building, with subsidiary site improvements. Under the Urban Renewal Plan, the project is also known as "The Lofts at 1609".

2. Applicant's Project Statement: (**see Project Statement attachment**)
3. Planning and Development Team's Recommendation: Staff recommends approval of all associated applications.

BACKGROUND:

1. Site Address: 3725 Verde Drive / 1609 Zebulon Drive
2. Existing Zoning/Land Use: The subject property is zoned PBC/AO (Planned Business Center with Airport Overlay), and is vacant
3. Surrounding Zoning/Land Use:
North: PBC AO (Planned Business Center with Airport Overlay); developed with US Postal Service Center
South: PBC AO (Planned Business Center with Airport Overlay); vacant
East: PBC AO (Planned Business Center with Airport Overlay); developed with variety store, carwash, gas station
West: R-5 AO (Multi-Family Residential with Airport Overlay) and R1-6 AO (Single-Family Residential with Airport Overlay); mostly vacant.
4. PlanCOS Vision: Per the PlanCOS Vision Map, the subject site is identified as being in a Changing Neighborhood known as "Pikes Peak Park North". Please see the staff analysis provided below for further detail and applicability.
5. Annexation: The subject property was annexed into the City as part of the Pikes Peak Park Addition #6.
6. Master Plan/Designated Master Plan Land Use: The subject property does not lie within a Master Planned Area.
7. Subdivision: Academy Verde Subdivision Filing 2.
8. Zoning Enforcement Action: None on record.
9. Physical Characteristics: The site is currently vacant with little significant vegetation.
10. Other: Target area 4 of Community Development Department Target areas; South Academy Economic Opportunity Zone; Pikes Peak Economic Opportunity Zone; proposed Urban Renewal Area.

STAKEHOLDER PROCESS AND INVOLVEMENT:

The public notification process for the development project consisted of providing notice to adjacent property owners within 1,000 feet of the site, which included the mailing of postcards to 147 property owners, on two occasions: during the development project internal review stage and prior to the Planning Commission hearing.

The site was also posted during the two occasions noted above. The single public comment that was received by staff has been provided (**see "Public Comment" attachment**). Said comment centered around the proposed height addition and adjacency to the existing commercial uses, along with various questions. The applicant provided a follow up letter explaining why the added height was necessary and why the development team did not believe this added height nor shared access with commercial uses would create a burden on surrounding property owners. Technical

review addressing the public comment has been provided in the following sections of this staff report.

For the requested Urban Renewal Area Plan, the Colorado Springs Urban Renewal Authority has followed the requirements of Colorado Revised Statutes (“CRS”) 31-25-107. Notification of a blight conditions survey was sent to the property owners and the Colorado Springs Urban Renewal Authority (“CSURA”) held a public meeting on November 17, 2020 after which the CSURA board voted unanimously to move forward with the Condition Study (**see “URA Condition Study” attachment**). After that step, the CSURA held a public meeting on the proposal at their February 24th 2021 meeting. Following the public hearing, the CSURA unanimously adopted a resolution recommending approval of the Almagre Urban Renewal Area and Zebulon Flats Urban Renewal Plan (**see “URA Resolution” attachment**). Review by other city departments and external agencies related to the Urban Renewal Area and Plan is not necessary at this point. Development-related reviews will occur once development applications are submitted for specific projects.

Staff input is outlined in the following section of this report. As part of the City’s review process, planning staff sent copies of the conditional use development plan, waiver of replat, and variance requests to the standard internal and external review agencies for comments. These commenting agencies included LUR Landscaping and Survey, Engineering, SWENT, CSPD, Colorado Springs Utilities, City Engineering, City Traffic, City Fire Prevention, and CONO. Prior to forwarding this proposal to the City Planning Commission, all comments received from the review agencies have been addressed by the applicant

ANALYSIS OF REVIEW CRITERIA; MAJOR ISSUES AND COMPREHENSIVE PLAN CONFORMANCE

1. Review Criteria / Design & Development Issues:

a. Application Summary:

As mentioned within the project description, this application packet includes five separate applications which include an Urban Renewal Area, Conditional Use Development Plan, and three Non-use Variance requests for a vacant 3.3-acre subject site located at the southeast corner of Zebulon Drive and Verde Drive (3725 Verde/1609 Zebulon). Upon approval of these applications, said site is to be developed as a four story, 137-unit affordable multi-family residential apartment community.

b. Conditional Use Development Plan

A Development Plan establishes the envisioned site configuration upon approval (**see “Development Plan” attachment**). While all comments have been addressed for this proposal, staff has outlined the major details related to this proposal below:

i. Conditional Use

The Development Plan proposes a four story, 137-unit apartment building, with garages partially tucked beneath the building, in a single structure. As noted in the above section, one public comment was received by a nearby property owner (**see “Public Comment” attachment**). The attached document also includes the applicant’s response to the questions as well as clarifications about the project. As noted by City Code Section 7.5.502, Development Plans may only be approved upon finding that the plan meets seven distinct criteria that center around compatibility, development criteria compliance and adverse

effect avoidance/mitigation. Additionally, City Code Section 7.5.704, a conditional use may only be approved when three findings are made related to consistency with intent of the zoning code, the comprehensive plan, and the values and qualities of the neighborhood. Planning staff finds that these criteria are met by this application for a Conditional Use Development Plan.

ii. Parking and ADA Compliance

In review of the proposed parking and ADA accessibility schematics, planning staff finds that the proposal is consistent with all applicable City codes. To be specific, the required parking allocation for this apartment is as follows: 181 parking spaces are provided, when 172 spaces are required after allowable alternate parking reductions are applied pursuant to code. The 181 spaces provided include seven ADA accessible parking spaces, four of which are van accessible. Accessible routes are provided from the public right-of-way to all accessible areas within the housing community and its amenity areas.

iii. Landscape and Site Design Compliance

Planning staff and City Land Use Landscape Architecture has reviewed the Development Plan for compliance with all site design and landscaping criteria. While initial comments were provided, no changes to the Development Plan are pending.

iv. Traffic Compliance

The City's Traffic Engineering Division has reviewed the Development Plan and the Traffic Impact Study. The Engineering staff is satisfied with the results of the Study, and no changes to the Development Plan are pending. Per the proposed Development Plan, there are two proposed access points to this development, both being shared access points to this community center, one from Verde and one from Zebulon.

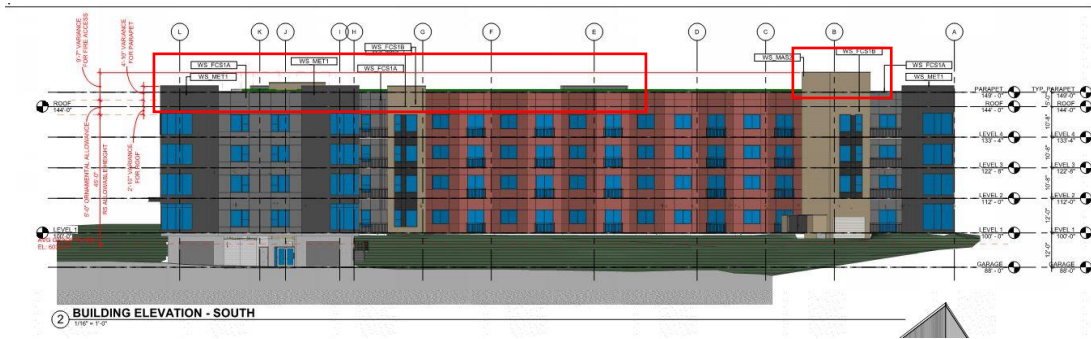
City Planning staff finds that the proposed development is consistent with current development patterns of the area and further that the application is consistent with the purpose for a Conditional Use Development Plan, as set forth in City Code Section 7.5.704.

c. Non-use Variances (Height)

Code Section 7.3.204 requires the maximum building height of a structure be limited to 45 feet, however per Code Section 7.4.102.C.2 a development may exceed the height limitation no more than 5 feet for ornamental features to include but not limited to elevator and mechanical penthouses, parapet walls, or any other structure not uses as floor space or for human occupancy.

As found within the variance request statement (**see "Variance Request" attachment**) the proposed four-story apartment building has a maximum height of 47 feet 10 inches, which is measured from finished grade to the structure's roof behind the parapet. This exceeds the maximum roof height by 2 feet 10 inches. If this were be to be approved, the allowance of 5 feet for Section 7.4.102.C.2 above, would increase the over-all building height to 52 feet 10 inches. The applicant is exceeding this height requirement for parapets and the roof access and is requesting an over-all building height of 59 feet 10 inches. Therefore, the applicant has requested that a Nonuse Variance be granted to allow the additional height.

As noted in the applicant's request, these design features are necessary in order to provide for the safe access and egress for fire protection, as well as to properly screen utility hubs. In the past, the City has granted such approvals to ensure improved building aesthetics. Further, the sloping topography of the site presents a unique physical condition with a grade differential in excess of twelve feet. Without the requested relief, the applicant would not be able to provide the benefit of this affordable housing project given current land and construction costs.



Note: Areas in red are subject to this request.

City Planning staff finds that the proposed development is consistent with current development patterns of the area and further that the application is consistent with the purpose for a Non-use Variance request, as set forth in City Code Section 7.5.801.

2. Approval of an Urban Renewal Designation:

Urban renewal authorities, urban renewal plans and the use of tax increment financing (TIF) are regulated by CRS Title 31, Article 25. The intent of urban renewal plans is to encourage and facilitate redevelopment and to eliminate blight within the designated area, ideally consistent with a city's comprehensive plan. For the purpose of urban renewal, "blighted area" is defined in CRS. In order for an area to be classified as blighted, it must exhibit 4 of 12 characteristics also stipulated in CRS. A blight conditions survey was completed and concludes that as a stand-alone area, it qualifies as a "blighted area". The conditions survey for Zebulon Flats is attached (**see "URA Conditions Survey" attachment**).

In accordance with CRS 31-25-107(2), prior to City Council approval of an urban renewal plan or a substantial amendment to an existing plan, the plan or amendment must first be reviewed and a recommendation offered by the City Planning Commission regarding its conformity to the City Comprehensive Plan. If no recommendation is offered by the City Planning Commission within 30 days of submittal, the City Council may proceed to act upon the submitted plan or amendment.

Pursuant to CRS, urban renewal plans sunset 25 years after their adoption. The most common method of funding improvements is through the issuance of bonds by an urban renewal authority in order to "front" the money for specified improvements. The bonds are then repaid by the urban renewal authority using the revenue generated from the incremental increase in sales and property taxes collected within the urban renewal area. This is commonly referred to as tax increment financing or "TIF". It should be noted that creation of an urban renewal area does not change the tax rate - the tax increment yields are generated by the increases in property values and sales of taxable goods above the taxes collected prior to the adoption of the plan. (Typically, the year prior to or the year a

plan was adopted serves as the “base year” from which the increment is determined. The “base year” rates are later adjusted every two years to establish a new base.) It should be noted that CSURA normally receives 100% of the property tax increment; however, the portion of the City’s 2% of the general sales tax increment is negotiated through a separate agreement with the City (see **“URA Application” attachment**).

The adoption of the Zebulon Flats Urban Renewal Plan allow CSURA, among other powers, to enact property tax and sales tax increment financing to assist with the financing of infrastructure and site remediation requirements necessary to eliminate and prevent the spread of blighted conditions in the area for a full 25-year period.

3. Comprehensive Plan/Master Plan Conformance:

As stated before, this site is not governed by a Master Plan. However, the proposed Urban Renewal Area is being processed as a master plan consistent with procedures for previously adopted urban renewal plans. City Code is silent on how urban renewal plans are to be adopted by the City. The master plan adoption procedures simply provide an avenue for a formal process. The Urban Renewal Plans are not intended to be land use policy documents as typical master plans considered by the Planning Commission and City Council.

As required by City Code, planning staff has evaluated the proposed applications to ensure conformance with the City’s current comprehensive plan, PlanCOS. In doing so, planning staff finds the applicant’s development proposal along with the associated waiver of replat and height variance to be in conformance with PlanCOS and its guidance for the reasons further explained below.

In terms of the Urban Renewal Area and Plan, the role of the Planning Commission is clearly defined in CRS. The Planning Commission is responsible for determining if the Urban Renewal Plans are consistent with the City’s Comprehensive Plan. As noted in the applicant’s presentation to the CSURA, this project is located in a special Southeast focus area of PlanCOS. This urban renewal plan comports well with essentially all six major themes in PlanCOS along with several of its big ideas. Foremost among these are “Housing for All” which supports the PlanCOS attainable housing goal as further articulated in HomeCOS.

The project site is in the heart of the S/E (located close to the intersection of Verde and S. Academy Blvd.) and according to Jariah Walker, CSURA staff, this project provides the URA with an opportunity to get involved in its first affordable housing project in one of their highly targeted areas. The project team has engaged with local S/E organizations and the county to discuss providing jobs to the local community, joint on-site meeting space and public art components. The public improvements to the site will provide community space, public art and affordable housing.

Per PlanCOS, the project site and its surrounding area is identified on the Vision Map of PlanCOS as a Changing Neighborhood. While there are vacant parcels left within the general area surrounding the subject site, infill development is limited. As a result of previous development, the area is comprised of a mix of uses ranging from single-family residential to general business administration and hospitality services. The ultimate goal of PlanCOS is to create a supportive mix of uses. In addition, the property directly across the street to the west is currently being marketed for sale, and staff has held multiple meetings with entities interested in building a multi-family apartment building on that site as well. This mix of land uses furthers several goals, policies, and strategies of PlanCOS.

Below are a number of PlanCOS Goals and Policies which the Planning and Community Development Department staff suggests are supported by this plan.

- “Housing for All” -This project comports well with the City’s housing diversity and attainability goals. The urban renewal area designation allows for a degree of quality and amenities not achievable for this price point under a market rate model.
- “Reclaim Neighborhood Space” - This is a reinvestment in an existing neighborhood subject to a potential for decline.
- “Be a City of Places” - With its design and community facilities, this project incorporates elements of the Unique Places theme at a site-based scale.
- Embrace Creative Infill, Adaptation and Land Use Change
- Focus on Corridors and Centers: This project is located in the Academy Boulevard Corridor which is one of one of the key re-investment corridors identified in the City. The Academy Boulevard Corridor Great Streets Plan (2011) further articulates this vision. Academy Boulevard in particular is proposed for more robust transit service. This project is well situated to both support and take advantage of enhanced transit on Academy Boulevard.)
- PlanCOS also includes the following strategies specifically related to urban renewal:
 - “Strategy VN-3.A-6: Where and when applicable, specifically incorporate mixed-use neighborhood building as an outcome tied to the use of urban renewal area designation, public/private partnerships, and other tools and incentives to encourage redevelopment
 - Strategy UP-4.D-3: Proactively involve the Urban Renewal Authority in identifying infill and redevelopment opportunities and targeting public infrastructure investments.”

Steve Posey, Community Development Division Manager and administrator of the City’s Affordable Housing Program, offers the following statement about the proposed development:

“The Lofts at 1609” is a 137-unit multi-family affordable rental development made up of 1-3 bedroom apartments for households earning an average of 58% area median income. The proposed project is 100% affordable and will provide much-needed rental units for working households earning \$14 - \$18 hourly”.

“The Lofts at 1609” project is consistent with the goals of the Community Development Division’s Consolidated and Annual Action Plans in that it addresses a high priority need for affordable rental housing in our region.

“The project is also consistent with one of the core objectives of HomeCOS, the City’s Affordable Housing Plan, in that it will increase the supply of affordable rental units and contribute to meeting Mayor John Suthers’ goal of building or preserving up to 1000 units of affordable housing each year.”

As noted, this plan is highly consistent with HomeCOS which is one of the key planning initiatives of PlanCOS. The city's comprehensive plan specifically calls out for the need of more affordable housing and this project could help offset a surplus of rundown/aging inventory on this side of town. Staff believes that the Urban Renewal Plan, Conditional Use, Development Plan, and Non-use Variance are consistent with and implement the Policies and Strategies of PlanCOS and its related plan elements.

STAFF RECOMMENDATIONS

CPC URBAN RENEWAL AREA PLAN

Recommend to City Council that the Zebulon Flats Urban Renewal Area is consistent with the city comprehensive plan, based upon the findings contained in the above section of the staff report.

CPC CU 21-00046 CONDITIONAL USE DEVELOPMENT PLAN

Approve the Conditional Use Development Plan, based upon the finding that the request meets the review criteria for granting a Conditional Use as set forth in City Code Section 7.5.704 and a Development Plan, as set forth in City Code Section 7.5.502(E).

CPC NV 21-00120 – NON-USE VARIANCE - BUILDING HEIGHT

Approve the Nonuse Variance for building height, based upon the finding that the request meets the review criteria for granting a Non-use Variance, as set forth in City Code Section 7.5.802(B) and 7.5.802(E).