



AGENDA ITEM SUMMARY

City Council

STAFF

Ryan Mounce, City Planner
Brad Yatabe, Legal

SUBJECT

Items Relating to The Landing at Lemay Plan Amendment to the City Structure Plan Map and Rezoning.

EXECUTIVE SUMMARY

A. First Reading of Ordinance No. 018, 2023 Amending the City's Structure Plan Map.

B. Public Hearing and First Reading of Ordinance No. 019, 2023 Amending the Zoning Map of the City of Fort Collins by Changing the Zoning Classification of that Certain Property Known as The Landing at Lemay Rezoning.

The purpose of this item is to amend the City's Structure Plan Map, which is part of City Plan, to change the place type land use designation of approximately 17 acres of land east of the Lemay Avenue and Duff Drive intersection from the Industrial Place Type to the Mixed Neighborhood Place Type and to rezone the property from the Industrial (I) District to the Medium Density Mixed Use Neighborhood (MMN) District.

In order to approve a Structure Plan Map change, Council must determine that the Structure Plan Map is in need of the proposed amendment, and that the proposed amendment will promote the public welfare and will be consistent with the vision, goals, principles, and policies of City Plan and its elements.

The rezoning request is subject to criteria in Section 2.9.4 of the Land Use Code. The rezoning may be approved, approved with conditions, or denied by Council after receiving a recommendation from the Planning and Zoning Commission, which voted 5-1 at their December 2022 hearing to recommend approval of the request with two conditions as recommended in the staff report and with agreement from the petitioner.

The rezoning is a quasi-judicial matter and if it is considered on the discussion agenda, it will be considered in accordance with Section 2(d) of the Council's Rules of Meeting Procedures adopted in Resolution 2022-068. The Structure Plan Map amendment is a legislative matter.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinances on First Reading.

PETITIONER'S REZONING REQUEST

The petitioner's request a rezoning of approximately 17 acres of land from the Industrial (I) zone district to the Medium Density Mixed-Use Neighborhood (MMN) zone district. Associated with the rezoning is a request to amend the Structure Plan Map from the Industrial Place Type to the Mixed Neighborhood Place Type to align with the proposed zoning. The petitioners have discussed bringing forward a future multifamily development proposal if the rezoning request is approved by Council.

SITE CONTEXT & HISTORY

The site is located on a portion of four parcels east of the intersection of Lemay Avenue and Duff Drive, adjacent to the newly realigned Lemay Avenue and overpass over Vine Drive. The immediate vicinity features a mix of residential and industrial/employment zoning, including the Low Density Residential and Low Density Mixed-Use Neighborhood Zone Districts to the northwest, the Medium Density Mixed Use Neighborhood Zone District to the southwest, and the Employment, Industrial, and Light Industrial (Larimer County Zoning) Districts to the northeast and southeast. Nearby development includes the residential Andersonville/Via Lopez and Capstone Cottages neighborhoods as well as the industrial Airpark in unincorporated Larimer County.

The site was annexed in 1986 as part of the Fort Collins Business Center Annexation and this portion of the annexation was initially zoned Light Industrial, conditioned upon it being developed as part of a larger planned unit industrial development. The planned development did not advance, and other portions of the annexation area were eventually developed as other land-uses or remain undeveloped.

A prominent characteristic of the site and an important factor in staff's evaluation are several hard edges and barriers abutting the site that limit its accessibility and visibility from several directions:

- (North) Burlington Northern Santa Fe railroad yard which prevents access to Vine Drive and provides a visual separation to areas north of Vine Drive.
- (West/Northwest) The realigned Lemay Avenue increases in height as it transitions to the overpass over Vine Drive, preventing direct access from Lemay Avenue and a creating a visual buffer along the northwest portions of the site.
- (East) Upon future development, the eastern edge of the site will be required to extend Cordova Road, a collector street intended to travel the perimeter of the Airpark and eventually connect with International Boulevard to the east near Timberline Road.

REZONING CRITERIA & STAFF EVALUATION

Rezoning are governed by five criteria in Land Use Code Subsections 2.9.4(H)(2) and 2.9.4(H)(3). A rezoning must demonstrate compliance with either criteria one or two, while the three remaining criteria are additional considerations for the Planning and Zoning Commission and City Council. These five criteria can be paraphrased as:

1. Consistent with the Comprehensive Plan;
2. Warranted by Changed Conditions;
3. Compatible with Surrounding Uses;
4. Impacts to the Natural Environment; and
5. Logical and Orderly Development Pattern

The attached Planning and Zoning Commission staff report evaluates each of these criteria in detail while this AIS focuses primarily on the first two criteria which were the primary areas of consideration for staff's evaluation.

Staff finds the rezoning request complies with criteria two through five while criteria one is neutral given competing policy guidance in City Plan and the 2002 East Mulberry Corridor Plan. Related to criteria one, staff recommends two conditions of approval designed to broaden the policy support for the rezoning and achieve greater alignment with City Plan goals. These conditions were also recommended by the Planning and Zoning Commission and have been agreed to by the petitioners.

Criteria One: Consistent with the Comprehensive Plan

In evaluating consistency with City Plan, staff analyzed both the policy guidance and future land-use direction found in City Plan and the 2002 East Mulberry Corridor Plan, which is an adopted element of City Plan.

Both City Plan (Structure Plan Map) and the East Mulberry Corridor Plan (Land Use Framework Map) include land-use guidance for the site indicating an industrial designation given its current zoning. Accordingly, the petitioners have submitted a request for a Structure Plan Map amendment that would change the designation for the site on the Structure Plan Map from the Industrial Place Type to the Mixed-Neighborhood Place Type, which is consistent with the proposed MMN zoning. Updates to the East Mulberry Corridor Plan are currently in-process and anticipated to be shared with Council later this year for adoption consideration. If the rezoning is approved by Council, staff intends to reflect that change in forthcoming updates to the East Mulberry Corridor Plan Land Use Framework Map.

On a policy basis, there is competing guidance in both City Plan and the East Mulberry Corridor Plan that speaks both towards ensuring an adequate and competitive supply of employment and industrial land in the community and identifying opportunities and locations for additional housing capacity, especially those areas in close proximity to transit, employment centers, and shopping, which can all be found near this site.

Given the tension between this policy guidance and an opportunity cost of helping achieve one policy goal while not directly advancing the other, on the whole, staff finds this criterion is neutral towards the rezoning request. In an effort to broaden City Plan policy support for the rezoning, staff is recommending two conditions of approval related to enhancing energy/water conservation and neighborhood livability for a future residential development at this location.

Staff suggests using relevant portions of the 2021 Residential Metro District Points Evaluation System as an organizing element for the two conditions. The points evaluation system was adopted in 2021 to align with City Plan and Our Climate Future goals by requiring performance above Land Use Code, Building Code, and Energy Code standards. Note that the petitioners are not requesting a residential metro district, rather the metro district evaluation system is only being mimicked as a policy alignment and implementation strategy for the proposed rezoning.

The two conditions are:

- Residential development within the boundaries of The Landing at Lemay Rezoning shall achieve 15 combined points from the Energy, Renewables, and Water Sub-Categories of the 2021 Residential Metro District Points System.
- Residential development within the boundaries of The Landing at Lemay Rezoning shall achieve 5 combined points from the Neighborhood Livability Category of the 2021 Residential Metro District Points System.

A copy of the 2021 Residential Metro Districts Points Evaluation Table is attached. The evaluation system provides a menu of options detailing how developments can demonstrate energy and water conservation, neighborhood livability features, or electric/multimodal transportation enhancements. Staff is not recommending the full Residential Metro District Evaluation System be used as many categories were tailored specifically for single-family homes which will not be applicable to a future MMN-style development if this rezoning request is approved by Council.

Warranted by Changed Conditions

The primary factor in staff's rezoning evaluation are the multiple physical and land-use changes which have occurred surrounding the site that have created a much different site context since the property was annexed and zoned over 35 years ago. Alongside changing trends in industrial development and demand, the site's suitability for industrial development has diminished.

The most prominent physical and land-use changes affecting the site include:

- Construction of the new Lemay Avenue overpass over Vine Drive. This has resulted in reduced visibility of the site and eliminated the possibility of direct arterial street access.
- Introduction of a new collector street on the Master Street Plan (Cordova Road) along the site's eastern perimeter that can serve as a logical breakpoint between existing industrial development to the east.
- The rezoning of the abutting property to the southwest (Capstone Cottages) in 2015 from Industrial (I) to Medium Density Mixed-Use Neighborhood (MMN) zoning.
- The Lincoln Avenue frontage has been improved to create a more direct multimodal connection to Downtown with enhanced transit features and bike lanes as part of the Lincoln Corridor Plan.
- Land-uses have shifted along Lincoln Avenue, with rezonings along both Lincoln Avenue frontages as a result of the new Woodward Headquarters and the shift in previously traditional industrial land-uses towards retail, services, and tourism with the growth of nearby breweries. The City recently rezoned properties along the northern Lincoln Avenue frontage from the Industrial zone district to the Downtown district during the last update to the Downtown Plan.

The collective result of these changes is that the site's context within the middle of what was once planned as a much broader industrial district has shifted and the site now sits within a mixed land-use context with residential zoning along two sides of the property. The construction of the new Lemay Avenue overpass has also diminished the competitiveness of the site for certain industrial users such as warehousing and logistics which value characteristics such as arterial/highway access and visibility.

In consultation with Economic Health, staff also analyzed potential impacts to the community's industrial land supply and the importance of this site for new industrial development. Given a surplus of vacant industrial land in the Growth Management Area, ongoing industrial development trends, and marginal site attributes, Planning and Economic Health staff feel the site is not crucial to the overall industrial land supply for the City.

Pages 32-33 of the attached City Plan Employment Land Development Analysis estimate a large excess of vacant industrial land in the Growth Management Area in relation to future demand. Staff also requested historical industrial demand study from the petitioners, which indicates industrial development over the past several decades in Fort Collins has been level or slightly decreasing, even as the community has grown. If these trends persist, Fort Collins' available industrial land supply is anticipated to be greater than future demand.

While the sites reduced visibility and lack of highway access may reduce competitiveness for warehousing/logistics users, narrative from Economic Planning Systems in the City Plan Employment Land Development Analysis, page 22, also discusses industrial development trends for Small Urban Manufacturers, such as those found to the east of the site in the Airpark. National trends for these businesses indicate a direction towards smaller footprints and number of employees. Further, these types of businesses generally seek out existing or older spaces due to their lower costs rather than new construction. Where new construction or expansion may be desirable, there remain several vacant parcels and room of intensification within the Airpark itself.

Compatible with Surrounding Uses

Given the immediate area's mixed zoning, the proposed MMN zone district does not appreciably alter the land use character of the area. Either maintaining the current Industrial zone district or rezoning to the Medium Density Mixed-Use Neighborhood district creates abutting residential/industrial borders that will need to be closely evaluated and mitigated during any future development proposal to minimize potential nuisances.

In terms of potential future development impacts, the Industrial and Medium Density Mixed-Use Neighborhood zone districts feature the potential for similar levels of development intensity, although individual impacts are much more variable in the Industrial district given the large number of land uses that are permitted. An Industrial-style development is more likely to create impacts related to noise, odor, truck-traffic, and aesthetic impacts from outdoor storage. An MMN-style development is more likely to create impacts related to building height and overall traffic generation.

Impacts to the Natural Environment

The impact to the natural environment is likely to be similar between I and MMN zoning at this location. Assuming typical development patterns for both zone districts, the level of human activity, traffic generation, noise/light impacts, and building floor area ratios can be expected to be of a similar magnitude. Traditionally, industrial development has been more likely to contain perimeter fencing and may use the full amount of property for impervious or compacted surfaces for parking and storage yards. Multifamily residential development may contain more requirements for formalized landscaping and open space/amenity areas that may be used on occasion by urban-adapted wildlife during low activity periods.

The City's Natural Habitats and Features Inventory Map does not contain any identifiable features on the site and the closest identified features are non-native grasslands several hundred feet to the northwest. Aerial imagery indicates the potential presence or past presence of prairie dogs. Under an I or MMN zoning designation, future development of the site will be required to identify ecological resources and subsequent mitigation efforts in compliance with Land Use Code requirements at the time of development – a change in zoning designation does not impact these standards and requirements.

Logical and Orderly Development Pattern

As described above, given the vicinity's existing mix of residential and industrial zoning, the proposed change in zoning designation does not appreciably impact the development pattern of the surrounding area. The proposed rezoning could be viewed as logical from a City Plan policy perspective in that it encourages housing opportunities near employment, transit, and shopping, all of which can all be found within a short distance.

The proposed rezoning would also extend an existing condition of the Capstone Cottages MMN rezoning to the southwest of the site. Cordova Road, a newer collector street, is used as a division and separator between residential and industrial land uses on either side of this new collector street.

Finally, the proposed rezoning to MMN also matches the purpose and intent of the MMN zone district as described in the Land Use Code as a district, “...*intended to function together with surrounding low density neighborhoods (typically the L-M-N zone district) and a central commercial core (typically an N-C or C-C zone district)*. In this circumstance, the site would function as a separator or buffer between the more intensive non-residential areas of the Airpark and the lower density residential zone districts found further north and west and continues an area of MMN zoning extending northward from the commercially zoned property to the south comprising the Mulberry & Lemay Crossing Shopping Center.

CITY FINANCIAL IMPACTS

There are no direct financial impacts associated with the proposed rezoning.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

The Planning and Zoning Commission voted 5-1 at their December 15, 2022, hearing to recommend approval of the rezoning and Structure Plan Map amendment to City Council. Excerpted, draft minutes of the Commissions’ discussion is attached.

There were two primary topics discussed by the Commission. The first was related a third staff recommended condition of approval requiring a 30-ft setback/buffer from the future Cordova Road right-of-way along the eastern edge of the site. This condition would have fulfilled the required setback distance normally required by the Industrial zone district (LUC 4.28(E)(3)(a)(3)) when abutting residential zoning or development. Staff recommended this condition since the existing industrial zoning in Larimer County to the east (Airpark) was already developed and thus the burden should fall to the site of the rezoning to fulfill the requirement.

During deliberation, the Commission discussed adjusting this condition to focus on the requirements of Land Use Code Standard 3.8.26 which seeks to minimize potential nuisances between residential and industrial development through buffering and has additional focus on landscaping and screening provisions. A majority of the Commission felt since these standards would already be required during a future Project Development Plan review, it did not need to be attached to the rezoning request. Based on the Planning and Zoning Commission discussion, staff is no longer recommending this condition of approval.

A second discussion topic relates to the land further north of the proposed rezoning site, which is also currently designated as Industrial. It faces many of the same conditions and characteristics used as justification for this proposed rezoning and would leave a small, incongruous area of industrial zoning in the vicinity. The Commission questioned whether the rezoning should have been expanded to include this additional property as well.

Since the Planning and Zoning Commission meeting, the applicants have discussed submitting an additional rezoning application for remaining industrial land north of the site. The new rezoning application is proposed to be submitted the first week of February. If this additional rezoning application is submitted and a rezoning is approved by Council, it would address many of the concerns raised by the Commission. Staff will also be closely examining this area for updates to land-use guidance with the forthcoming East Mulberry Corridor Plan updates.

PUBLIC OUTREACH

A neighborhood meeting for the rezoning proposal and early discussion of a potential multifamily development occurred October 4, 2021. A neighborhood meeting summary is attached.

Key discussion topics from the meeting included concerns and potential impacts from the multifamily development proposal, including building heights, traffic generation, the use of the vacant land by wildlife, and impacts on water resources. Related to the rezoning were discussion about a desire to see more diversity of land-uses and housing types in the area, including more retail or restaurants within walking distance.

At the Planning and Zoning Commission hearing one public comment was made for this item regarding concerns about height and traffic for a future multifamily development proposal.

ATTACHMENTS

1. Ordinance A for Consideration (Structure Plan Map Amendment)
2. Exhibit A to Ordinance A
3. Ordinance B for Consideration (Rezoning)
4. Landing at Lemay Rezoning Notice
5. Aerial and Zoning Vicinity Maps
6. Applicant Rezoning Petition and Project Narrative
7. Applicant Rezoning and Structure Plan Maps
8. Applicant Industrial Land Use, Forecasts, and Demand Study
9. Planning and Zoning Commission Staff Report
10. City Plan Employment Land Demand Analysis
11. 2021 Residential Metro District Evaluation System
12. Neighborhood Meeting Summary
13. Draft December 2022 Planning and Zoning Commission Minutes, excerpt
14. Staff Presentation