



## Watermark Centerplace Rezone

Rezoning Analysis | 04/08/2022

This memo is being provided for the purpose of showing compliance with Greeley Development Code criteria for rezoning the property from PUD to the MU-H (Mixed Use High Intensity) district per Sec. 24-625(3). The vacant parcel of this application is roughly 23.5 acres and is located South of Centerplace Drive and North of U.S. Highway 34. The parcels to the West are zoned PUD and are fully built out as large commercial box stores, colloquially known as the Centerplace of Greeley Shopping Mall. Some of these commercial stores include Target, Kohl's, Best Buy, Hobby Lobby, and T.J. Maxx. The parcels to the East are zoned R-H (Residential High Density) and C-H (Commercial High Intensity). The site is located perfectly in between high intensity commercial uses to the West and (south)East while being contained to the North and South by an expressway and collector roads. The intent of the MU-H district is to *"provide a mix of retail, service, employment, entertainment and civic uses in a walkable setting that complements higher-density neighborhoods or serves as the center of a more intense, multi-modal community or regional destination"*. With these conditions and definition in mind, the applicant proposes rezoning the parcel to the MU-H district to allow development to complement existing adjacent uses and serve as the residential center of an intense multi-modal regional destination.

The history of this parcels dates back to 2000 when the Centerplace of Greeley Concept/Preliminary PUD was approved. The Centerplace PUD defined this area (Area B) to allow all uses allowed within the C-H Zone district, implying that multifamily could exist on this site as an allowed use (by special review) within the C-H district. In 2015 a new Preliminary PUD was approved for the majority of Area B. The Centerplace Phase 4 Preliminary PUD now governs this parcel, however no improvements have been built since its approval. The Centerplace Phase 4 PUD planned for five retail pad sites and parking in a conceptual illustrative site plan. That PUD includes a note stating *"This illustrative plan is conceptual in nature, and as such, is subject to additions, deletions and revisions. The plan is only intended to convey general concepts, not specific applications or restrictions. The concept shown may be developed in many different manners and as such may change location, may or may not be included, may rotate or flip, etc. The general intent, however should be respected."* The Phase 4 PUD allowed all C-L and C-H uses on the property, with the exclusion of a long list of commercial uses and a couple residential uses. After seven years of no development occurring, it is the applicants desire to rezone the area to create a clearer definition of allowed commercial and residential uses on this parcel.

The proposed rezone plans for a mix of commercial and residential uses on the site, which is the intent of the mixed-use (MU-H) district, and no major variances to land use or development standards are anticipated. The Zoning Suitability Map includes approximately fourteen acres of land for multifamily and commercial uses (and accompanying open space), as well as approximately two acres of commercial uses only and land for a potential



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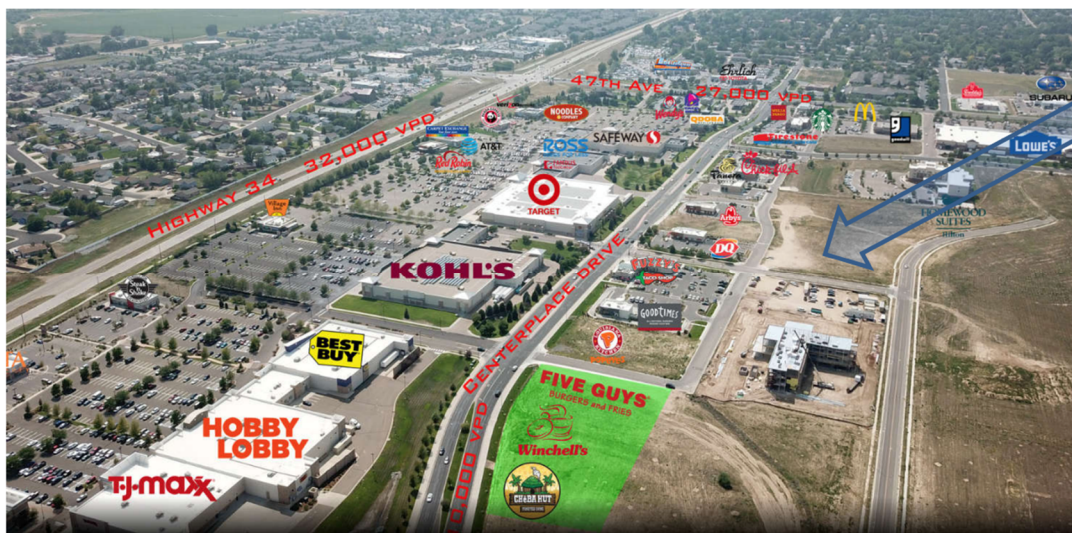
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future park. The area designated for commercial only is located at the northwestern corner of the parcel, adjacent to Centerplace Drive. With the remaining land, the applicant aims to help satisfy the growing housing need that exists in Greeley and Weld County, while still allowing for commercial uses in the event a multifamily project is never approved for the parcel.

Summit Economics has prepared a market study of this region to analyze the supply and demand of multifamily housing in the area, as well as the viability of this site as a commercial use. Centerplace Drive is largely developed with large “big box” stores dominating the South side of the street and commercial food options on the North side of the street. Both groups are staples in many commercial corridors. The exhibit below shows the extent of retail and fast-food development, looking West, along Centerplace Drive. According to the study, the City of Greeley has an adjusted retail vacancy rate between 6-8% (this number swells to 24% if not adjusted- the Greeley Mall is nearly 55% vacant) and has an additional 28 acres of commercial zoned vacant land. The study also indicates that there is over 57 acres of land with existing automotive sales uses, which will eventually be prime for redevelopment. Douglas Huey has been marketing the subject site to commercial users (unsuccessfully) for the past 6-8 years. He has learned that there is a lack of retailer interest and due to the significant grading challenges of the site, the cost of site work for retail is prohibitive. There has been speculation that if the large parcel were subdivided into several smaller parcels, then it could stimulate commercial development. However, according to the Summit Economic’s study, aside from the Greeley Mall, *all* of the commercial vacancy studied is in small retail strip space. The study concludes, “The small strip retail vacancy in the vicinity and restaurants would benefit from more residential development in the immediate neighborhood.” This site has the opportunity to complement existing commercial uses and provide consumers with direct access to commercial uses and employment.

Exhibit One:



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Multifamily is a need within Greeley. The Greeley MSA ranked as the No. 3 fastest growing nationwide from July 2018 to June 2019 and the No. 6 fastest growing in the country from 2010-2019 per data from the U.S. Census Bureau. Greeley also currently ranks No. 6 in Jobs & Economy and No. 48 overall on Wallethub's Fastest-Growing Cities in the U.S., ranking ahead of all other Colorado MSA's except for Denver. Furthermore, population is projected to grow by 1.5% annually through 2025, which is higher than the averages for both the U.S. and the Southwest & Mountains region, per Oxford Economics. The effects of this fast-paced growth are being felt by the Greeley public, by enduring an extremely low rental housing vacancy rate of 3.8% per the city's 2021 Growth & Development Projection Report. The market study states, "Vacancy rates generally drive rent movement in the short-term... The continued rapid growth in rents in recent years suggests supply is not keeping up with demand." It also reports that new apartments in Greeley have "achieved occupancy rates above 95% demonstrating strong demand for new product."

Lastly, with the existing infrastructure along Centerplace Drive, the constructed portions of the Centerplace PUD, and the off-street shared use path (South of the rezone parcel), there is unique ability for the site to function as part of a multimodal community to and from the Greeley regional destination. The City of Greeley Bike Map indicates that the site has built in connections to take a pedestrian biker to and from almost all neighborhoods in Greeley. This includes established routes to schools, parks, commercial areas, and downtown. The applicant believes this further establishes credibility to rezoning the site to MU-H, as the multi-modal capability is clearly identified in the intent of the zoning district.

#### Compatibility with Imagine Greeley and adjacent development

The Imagine Greeley Land Use Guidance Map has this area designated as employment, industrial and commercial on the Land Use Guidance Map. Within the definition of this land use is the following; "In certain instances, **residential uses are supported but only where the adjacent employment** or industrial use is compatible and would not negatively impact residents' quality of life or safety." The site is bound by retail to the west, multifamily to the north, multifamily and retail to the east and Highway 34 to the south. The east side of the site has a low drainage swale with existing trees. The applicant plans to retain much of this existing feature. These small oases within an urban context compliment a residential development. By opening this parcel up to residential uses, it creates the opportunity to create public park and trail expansions. Residents will linger longer and appreciate the feature more than visitors to a commercial development where spaces like this are relegated to be viewed from back of house operations. In addition, multifamily is a great compliment to retail. The adjacent retail will also provide employment opportunity to the future residents. Residential uses within this community building block area will not be negatively impacted by the adjacent land uses. By rezoning this site to MU-H, the easy access to retail, the natural feature and the close proximity to Greeley west Park will be a positive location where Greeley residents can thrive and exist within a easily walkable live- work-play community.



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In addition, the following Imagine Greeley objectives support the rezoning of these properties: ***EH-2.4** Land Use, **EH-2.5** Walkability & Bikability, **EH-2.6** Built Environment, **GC-1.2** Form of Growth, **GC-1.6** Transitions to Parks and Open Lands, **GC-2.1** Land Use Guidance Map, **GC-2.2** Jobs/Housing Balance, **GC-2.3** Pedestrian and Bicycle-Oriented Development, **GC-4.3** Infill Compatibility, **HO-2.1** Diversity in New Development, **NR-2.7** Stormwater Management, **NR-4.3** Landscaping and Plant Species, **TM-1.2** Pedestrian Movements, **TM-1.4** Traffic Calming*

Outlined below is a comprehensive analysis of the Development Code to show compliance with the review criteria for general rezoning.

Rezone Review Criteria 18.30.050(c)(3)

- a. *Has the area changed, or is it changing to such a degree that it is in the public interest to rezone the subject property to encourage development or redevelopment of the area?*
  - The property has remained vacant since the original PUD was established in 2000. There have been several attempts at developing the parcel, however none have come to fruition, signaling a disconnect in what was planned for versus what the market desires. After 15 years of no development occurring in this area under the Centerplace of Greeley Concept/Preliminary PUD, a more restrictive PUD was approved, further limiting the development potential of the site. Due to the changes in the real estate market due to COVID and online retail, commercial developments are having to adapt. As office and retail demand goes down, residential demand within a mixed-use community is on the rise. People are looking to live in a place where they can have walkable access to commercial and recreational activities. This site's location next to retail and just ¼ mile from Greeley West Park make it an ideal location for multifamily.
  - The MU-H zone district was created specifically to provide a mix of uses that complement one another in a high intensity setting with a multimodal and destination-based focus.
- b. *Has the existing zoning been in place for at least fifteen (15) years without substantial development resulting and does the existing zoning appear to be obsolete, given development trends?*
  - Yes, the Centerplace Preliminary PUD was established in 2000. This site has not been developed in that timeframe.
  - Yes, see the points made in criteria a above.
- c. *Are there clerical or technical errors to correct?*





- There are no clerical or technical errors that pertain to this parcel in the Centerplace Preliminary PUD.
- d. *Are there detrimental environmental conditions, such as flood plains, presence of irrigation ditches, inadequate drainage, slopes, unstable soils, etc., that may affect future development of this site and which may not have been considered during the original zoning of the property?*
  - There are no detrimental environmental conditions present on this site. To the contrary, multifamily development enables a large natural drainage feature with mature trees to be preserved. Commercial development would likely need to demolish this feature to create a viable site.
- e. *Is the proposed rezoning necessary in order to provide land for a community-related use which was not anticipated at the time of adoption of the City's Comprehensive Plan; or have the policies of the City changed to the extent that a rezoning is warranted?*
  - The existing PUD was developed long before the City's latest comprehensive plan, Imagine Greeley. Imagine Greeley outlines many objectives that support the need for more housing options, more employment-based industry and the desire for housing near commercial cores. This rezone will help achieve Imagine Greeley's high intensity intent of the area.
- f. *What is the potential impact of the proposed rezoning upon the immediate neighborhood and the City as a whole (including potential noise and environmental impacts, visual impacts, the provision of City services such as police, fire, water, sewer, street and pedestrian systems and parks and recreation facilities)?*
  - The proposed rezone will produce minimal impact to the immediate neighborhood or City as a whole.
    - The PUD has been mostly developed and the infrastructure is in place for vehicular and pedestrian access.
    - Stormwater is planned to be treated through water quality facilities on site.
    - The attached traffic study concludes that traffic counts are reduced from what could potentially develop on this lot currently.
    - The commercial concept depicted in the Centerplace PUD shows development over the existing drainage way and grove of trees. Watermark intends to incorporate this natural feature as an amenity for its residents.
    - Adequate Public Facilities are accounted for and provided for police, fire, and water. There are several viable options to provide sewer service,



which the applicant is exploring further. The attached reports explain these options in more detail.

Potable water and sanitary sewer service to the proposed development will be provided by Greeley Water and Sewer. An existing 12-inch City of Greeley water main lies immediately adjacent to the subject property underlying Centerplace Drive along the northern property frontage and an existing 8-inch water main lies within an existing water and sanitary sewer easement along the western edge of the property. In addition, two water mains are stubbed into the property along the western edge of the property and are proposed to be extended into the property to serve the proposed development. Existing Greeley sanitary sewer main exists along all four sides of the perimeter of the property. Based upon discussions and analysis by City staff, the sanitary sewer for the site will be diverted to the north adjacent to 38th Avenue and into the collector main in W 24th Street. A portion of flows may directed into the main in Centerplace Drive and the development team is working with City staff to determine an appropriate solution.

Existing Xcel Energy underground electric service is located along the south side of Centerplace Drive along the northern property frontage and beneath the north-south drive aisle immediately adjacent to the western property boundary. Existing Atmos Energy natural gas main is also located in the same north-south drive aisle along the western property boundary. Telephone and telecommunication services will be provided by CenturyLink and Comcast. All of the necessary dry utilities required to serve the proposed development are within the immediate vicinity of the subject property and are available for connection.

*g. Is there clear and convincing evidence that the proposed rezoning will be consistent with the policies and goals of the City's Comprehensive Plan and comply with applicable zoning overlay requirements?*

- There are objectives in Imagine Greeley Comprehensive Plan supporting increased housing supply, density, compact growth, adequate public facilities, useable open space, etc. A more exhaustive list may be found in the first section of this memo. In addition, when there is a large demand for rental housing, and a limited supply of multifamily options, rents tend to increase. The increased supply of rental housing helps to keep housing costs from getting out of control. The provided market study concludes the increase in multifamily supply in the area (as proposed by this rezone) "would assist the 40% to 45% of renter households in Weld County paying more than 30% of income on housing costs."



*h. What is the potential impact of the proposed rezoning upon an approved zoning suitability plan for the property?*

- No approved zoning suitability plan currently exists

Vehicular and Pedestrian Connectivity

Vehicular access will be provided at the intersection of 38<sup>th</sup> and Centerplace Drive. In addition, two vehicular access points will be on the shared drive between the proposed development and the retail to the west.

Pedestrian access will be provided at each of the vehicular access points. Additionally, pedestrian access will be provided to the bypass trail along US 34. This will activate the trail and connect it to the new multi-family development's overall campus pedestrian system.



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