TO: Honorable Mayor Piko and Members of City Council

THROUGH: Matthew Sturgeon, City Manager

 Elisha Thomas, Deputy City Manager

 Steven Greer, Community Development Director

FROM: Jenna Campbell, AICP, Planner II

MEETING DATE: December 6, 2021

SUBJECT: ORDINANCE NO. 2021-O-22 AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO APPROVING THE STREETS AT SOUTHGLENN MASTER DEVELOPMENT PLAN, EIGHTH AMENDMENT (PUD-21-0004); AND

 ORDINANCE NO. 2021-O-23, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO APPROVING THE AMENDED AND RESTATED MASTER DEVELOPEMNT AGREEMENT CONCERNING THE STREETS AT SOUTHGLENN REDEVELOPMENT PROJECT AND ESTABLISHING VESTED PROPERTY RIGHTS PURSUANT TO ARTICLE 68 OF TITLE 24, C.R.S., AS AMENDED, AND SECTION 12-14-606 OF THE LAND DEVELOPMENT CODE.

DISTRICT/LOCATION: District 1 – located south of E. Arapahoe Rd., west of S. University Blvd., north of E. Easter Ave., and east of S. Race St. ([Google Map](https://www.google.com/maps/d/drive?state=%7B%22ids%22%3A%5B%221awj1SwyZpLJTgE8P1dTRl7528j7veRwN%22%5D%2C%22resourceKeys%22%3A%5B%22%7B%7D%22%5D%2C%22action%22%3A%22open%22%2C%22userId%22%3A%22105516030135325647259%22%7D&usp=sharing))

# Executive Summary:

Farnsworth Group (the “Applicant”) on behalf of Alberta Development Partners, LLC and Northwood Investors (the “Owner-Developers”), propose a major amendment to The Streets at SouthGlenn Master Development Plan (MDP) and Master Development Agreement (MDA) to:

1. Increase the number of allowable residential dwelling units from 350 to 1,125;
2. Reduce the minimum required leasable retail floor area from 909,815 to 621,000 square feet;
3. Increase the maximum permitted building height of the South Redevelopment Area (the “Sears Parcel”) from 50 feet to 75 feet;
4. Increase the maximum permitted building height of the North Redevelopment Area (the “Macy’s Parcel”) from 50 feet to 75 feet;
5. Modify the Master Sign Plan to assign a character district to future redevelopment in the South and North Redevelopment Areas;
6. Rezone the 1.3 acre parcel at the northeast corner of E. Easter Ave. and S. Race St. to the MDP (2001 E. Easter Ave.);
7. Increase building setbacks within the South Redevelopment Area along S. Race St. and E. Easter Ave.;
8. Require a minimum 25,000 square foot public open space within the South Redevelopment Area to be provided prior to final occupancy of the first residential building;
9. Provide technical language clean up in the MDP; and
10. Amend and restate the MDA to update references and align the MDA with the proposed MDP amendments including, but not limited to, the minimum retail requirement and the maximum residential density, as well as make other changes and additions including vesting and economic incentive provisions.

The proposed amendments would facilitate continued redevelopment of The Streets at SouthGlenn, specifically in the South and North Redevelopment Areas as delineated in the MDP.

On November 10, 2021 the Planning and Zoning Commission recommended City Council approval of the proposed MDP amendments by a vote of 7-0.

# Recommendation:

Staff recommends that the City Council **approve** the proposed 8th MDP Amendment, on second reading, as set forth in Ordinance No. 2021-O-22.

Staff recommends that the City Council **approve** the Amended and Restated MDA, on second reading, as set forth in Ordinance No. 2021-O-23.

# Background:

The Streets at SouthGlenn (the “Subject Property”) is a mixed-use center that includes shopping, dining, living, civic, and office options that serve the adjacent neighborhoods, the City as a whole, and the South Metro Denver region. Along with TopGolf, IKEA Centennial, and the Centennial Civic Center Park, the Subject Property is one of the City’s top destinations. The Subject Property is located south of E. Arapahoe Rd., west of S. University Blvd., north of E. Easter Ave., and east of S. Race St. The Subject Property is at a major crossroads within the City, and is the commercial center for much of Centennial west of I-25. The Subject Property is within Council District 1, which geographically contains the City’s most mature housing stock, consisting of condominium, townhome, and multi-family housing developments adjacent to arterial and collector street intersections, single-family detached home neighborhoods, one story retail shopping centers with large, often underutilized surface parking lots, and scattered one to three story office buildings.

Built in 1974, Southglenn Mall contained 1,131,201 square feet, and was surrounded by large surface parking lots, and an additional 129,751 square feet of related outparcel office and retail buildings. The site contained very little to no usable outdoor space that was not devoted to vehicle parking and circulation, which was common for North American shopping mall development up until the late 1990s.

Southglenn Mall closed in 2005, and the Subject Property went through a major redevelopment beginning in 2006 and ending in 2009 to become what is known known today as The Streets at SouthGlenn. As a part of the redevelopment, the City created the Centennial Urban Renewal Authority (CURA) and associated urban renewal project for the SouthGlenn Mall site, approved the creation of the SouthGlenn Metropolitan District (the “Metro District”), approved a Master Development Agreement (MDA) and approved a Master Development Plan (MDP) to establish the process and standards by which the Southglenn Mall was redeveloped. This redevelopment was a public/private partnership between the then private Owner-Developer (Alberta Development Partners), the City, CURA, and the Metro District.

As an outcome of the approved agreements and plans, the redevelopment included demolition of a significant portion of the SouthGlenn Mall structure and outbuildings, introduction of a street grid, unique building design and landscaping standards, outdoor plazas, seating and green space areas, and construction of new retail, restaurant, residential, entertainment, office and mixed-use buildings. The JC Penney and Joslin’s/Dillard’s anchor stores were closed as they were replaced by stores of the same namesake at Park Meadows Mall in Lone Tree, which opened in 1996. However, due to a lack of unified ownership, the Sears Department Store building (now vacant) and Macy’s Department Store building (formerly May D&F, Foley’s) remained at the south and north ends of the redevelopment of the Subject Property, and the redevelopment planned around and accommodated those two (2) buildings. Those two (2) areas of the Subject Property largely were not modified to the same extent as the rest of the redevelopment. Instead, they featured minor exterior changes to allow the older buildings somewhat blend in with the rest of the redevelopment’s aesthetic and architectural scheme. Currently, there are 948,853 square feet of leasable retail area within The Streets at SouthGlenn, including the Sears and Macy’s buildings, which are approximately 307,000 square feet combined. The original MDP, including the Master Sign Plan, has been amended a total of seven (7) times. A detailed description of the nature of the amendments is included on the coversheet of the MDP.

In August 2017, the Sears parcel was purchased by Northwood Investors, and the Sears Department Store closed at the end of 2018 as part of their national closures. In February 2018, the Macy’s parcel was purchased by Alberta Development Partners. As of the date of the staff report, Macy’s is still open for operation.

On January 7, 2019, the Owner-Developers of the Subject Property, presented to City Council a preliminary idea to consider redevelopment of the Sears and Macy’s buildings, with a desire to add additional residential dwelling units to the existing mixed-use development. Over the course of two years, the Applicant and Owner-Developers have been working on a final proposal to amend The Streets at SouthGlenn MDP and MDA. Copies of the Applicant’s request for MDP amendment and MDA amendment are attached to this report and found in Attachments 3 and 6.

In 2020 and 2021, staff presented to City Council regarding the “Retail Revolution.” This term represents a series of fundamental consumer behavior and technological shifts (accelerated by the COVID-19 pandemic) that are profoundly affecting the retail industry and every retail center. Closed big box retailers, such as grocery stores and department stores, are often the most visible impact, but every retail business is being forced to adapt and by extension the retail centers where they operate. As noted above, the Retail Revolution’s impacts can be seen locally at the Subject Property.

Below is the development Criteria Comparison Chart, which outlines how the Applicant proposes to amend the MDP and MDA.

**Development Criteria Comparison Chart**

|  | **EXISTING** **STREETS AT SOUTHGLENN MDP** **(ORIGINAL THROUGH 7TH AMENDMENT)** | **PROPOSED** **STREETS AT SOUTHGLENN MDP, 8TH AMENDMENT** **(PUD-21-00004)** |
| --- | --- | --- |
|  | **Lot 2, Block, 1 Streets at SouthGlenn Sub., 2nd Filing** | **Existing Sears Parcel**  | **Existing Macy’s Parcel** | **Lot 2, Block, 1 Streets at SouthGlenn Sub., 2nd Filing** | **Proposed Sears Parcel (South Redevelopment Area)** | **Proposed Macy’s Parcel (North Redevelopment Area)** |
| **ZONING** | Activity Center (AC) | The Streets at SouthGlenn MDP | The Streets at SouthGlenn MDP | The Streets at SouthGlenn MDP | The Streets at SouthGlenn MDP | The Streets at SouthGlenn MDP  |
| **MAX. DWELLING UNITS PERMITTED** | Permitted on upper floors of mixed use buildings. No maximum. | Up to 350 Dwelling Units over entire SouthGlenn MDP | Up to 350 Dwelling Units over entire SouthGlenn MDP | Up to 1,125 Dwelling Units over entire SouthGlenn MDP | Of the maximum 1,125 Dwelling Units, up to 550 Dwelling Units over the South Redevelopment Area | Up to 1,125 Dwelling Units over entire SouthGlenn MDP |
| **EXISTING DWELLING UNITS / ALLOWED DWELLINGUNITS**  | **Existing Dwelling Units:** 214 (All within The Portola) **Allowed Dwelling Units:** 350 total, or 136 remaining  | **Existing Dwelling Units:*** South Redevelopment Area: 0
* North Redevelopment Area + Balance of Property: 214 (All within The Portola)

**Allowed Dwelling Units:*** South Redevelopment Area: 0 Dwelling Units Existing, up to 550 Dwelling Units
* North Redevelopment Area + Remainder of SouthGlenn: 214 Dwelling Units Existing, up to 575 Dwelling Units, for no more 1,125 Dwelling Units

**Example Scenario:** * Existing: 214 units (The Portola)
* South Redevelopment Area: 550 units (0 remaining within South Redevelopment Area)
* North Redevelopment Area + Remainder of SouthGlenn: 361 units (0 remaining)

**Total: 1,125 units (0 remaining)** |
| **MIN. RETAIL REQUIRED** | N/A | No less than 909,815 square feet over entire SouthGlenn MDP | No less than 909,815 square feet over entire SouthGlenn MDP | No less than 621,000 square feet over entire SouthGlenn MDP | No less than 621,000 square feet over entire SouthGlenn MDP | No less than 621,000 square feet over entire SouthGlenn MDP |
| **MAX. BUILDING HEIGHT** | 50 feet | 50 feet | 50 feet | 75 feet | 75 feet | 75 feet |
| **MIN. BUILDING SETBACKS** | Regulated by LDC Division 4-4, Form Standards for AC District; Standards required buildings within 16 feet of curb line. | E. Easter Ave: 25 feetS. University Blvd.: 25 feetE. Arapahoe Rd.: 25 feetS. Race St.: 25 feetWithin Property: 0 feet | E. Easter Ave: 25 feetS. University Blvd.: 25 feetE. Arapahoe Rd.: 25 feetS. Race St.: 25 feetWithin Property: 0 feet | \*E. Easter Ave: 35 feetS. University Blvd.: 25 feetE. Arapahoe Rd.: 25 feet\*S. Race St.: 35 feetWithin Property: 0 feet\*55 foot setback from E. Easter Ave. and S. Race St. for portions of buildings over 50 feet in height. | \*E. Easter Ave: 35 feetS. University Blvd.: 25 feetE. Arapahoe Rd.: 25 feet\*S. Race St.: 35 feetWithin Property: 0 feet\*55 foot setback from E. Easter Ave. and S. Race St. for portions of buildings over 50 feet in height. | E. Easter Ave: 25 feetS. University Blvd.: 25 feetE. Arapahoe Rd.: 25 feetS. Race St.: 25 feetWithin Property: 0 feet  |
| **SIGNAGE** | Pursuant to the LDC for the AC Zone District | The Streets at SouthGlenn Sign Criteria – Anchor Tenant | The Streets at SouthGlenn Sign Criteria – Anchor Tenant | The Streets at SouthGlenn Sign Criteria – Town Center, if site redevelops | The Streets at SouthGlenn Sign Criteria – Town Center, if site redevelops | The Streets at SouthGlenn Sign Criteria – Town Center, if site redevelops |
| **MIN. OPEN SPACE**  | 10 percent minimum | 10 percent minimum | 10 percent minimum | 10 percent minimum | 10 percent minimum | 10 percent minimum |
| **ARCHITECTURE / BUILDING DESIGN** | Residential Buildings: N/ANon-Residential Buildings: LDC Standards for Non-Residential Buildings | The Streets at SouthGlenn Architectural Guidelines | The Streets at SouthGlenn Architectural Guidelines | The Streets at SouthGlenn Architectural Guidelines | The Streets at SouthGlenn Architectural Guidelines | The Streets at SouthGlenn Architectural Guidelines |

As required under Table 12-14-311 of the LDC, the public hearing before City Council was properly noticed, including but not limited to newspaper notice, posted notice on the property, and mailed notice to adjacent property owners at least 14 days prior to the public hearing. Therefore, City Council has jurisdiction to consider the application.

**MDP Amendment Criteria**

Section 2.3.A.1, *Major Amendments,* of The Streets at SouthGlenn MDA specifies that any of the following is considered a Major Amendment, which requires a recommendation from the Planning and Zoning Commission, and approval from City Council:

* any increase in the number of approved residential dwelling units;
* any decrease in Minimum Retail;
* an addition of or a change in the uses permitted or authorized by the MDP;
* an increase in building height above the maximum applicable building height standard;
* a decrease of more than five percent (5%), or any increase greater than five percent (5%), in the amount of open space depicted by the MDP;
* the inclusion of property into the Project that was not depicted as within the MDP; or,
* any other proposed modification that is determined by the (Community Development Director) in its reasonable discretion to constitute a major deviation from or major change to the intent or scope of the MDP based on sound planning and zoning principles

As the Applicant proposes to increase the number of allowable residential dwelling units, reduce the minimum required leasable retail floor area, increase the maximum permitted building height, and include additional land to the MDP, the proposed amendments will require a recommendation from the Planning and Zoning Commission, and approval from City Council. City Council must consider evidence presented at the public hearing and evaluate the proposed MDP amendments against the approval standards set forth in the Streets at SouthGlenn MDA, Section 2.3.A.3, *Approval.* The approval standards are listed below and then addressed individually.

The Planning and Zoning Commission may make a positive recommendation and City Council may approve a Major Amendment upon a finding that:

* + - * 1. the amendment is consistent with the Comprehensive Plan;
				2. the amendment is consistent with the intent of the overall design and mixed-use concept of the MDP and Amended MDP;
				3. the amendment will provide public benefits to the Project and the City as a whole;
				4. the amendment is determined by both CURA and the District to not present the likelihood that the Project will not meet the requirements of this Agreement or any financial obligations of CURA or the District concerning the Project; and
				5. the amendment is compatible with or will not materially and adversely affect existing development on adjacent properties, or measures will be taken to substantially buffer or otherwise substantially mitigate any incompatibility or adverse impacts.

**2.3.A.3(i)** – The amendment is consistent with the Comprehensive Plan.

The proposed amendments to the MDP on the Subject Property are consistent with the following goals and objectives of **Centennial NEXT**:

**Comprehensive Plan Element – Our NEXT Places**

*PLACES – 1. Support enhanced connections between Centennial’s neighborhoods and nearby commercial centers and Neighborhood Activity Centers (NAC).*

* *1b. Create and preserve desired connection opportunities through easements or rights-of-way dedications.*

*PLACES – 2. Create and uphold community character through enhanced design standards and placemaking initiatives.*

* *2b. Establish high-quality design and development standards for new development and redevelopment throughout the City, with emphasis placed along major roadways, areas of special interest, and selected types of development.*
* *2c. Ensure new development and redevelopment:*
	1. *Provides open space and landscaping that maximizes aesthetics, is context appropriate, is resilient to the climate, and fulfills its intended purpose.*
	2. *Complements and enhances the vitality of the surrounding area.*
	3. *Provides pedestrian-oriented design, including sidewalks, seating, shade, trash receptacles, lighting, and bike racks.*
	4. *Is reviewed against adopted sub-area plans and City-wide studies.*

*PLACES – 3. Promote social, physical, and economic health by allowing an efficient, diverse, and integrated land use mix.*

* *3b. Update the Land Development Code (LDC) to permit a greater mix of densities within residential zone districts for new development, while maintaining compatibility with the surrounding area.*

*PLACES – 4. Provide opportunities for new housing options that meet market trends and the evolving needs of current and future residents.*

* *4d. Update the Land Development Code (LDC) to ensure new residential development provides a variety of housing sizes, types, densities, styles, and price ranges to meet market demands.*

*PLACES – 5. Enhance established neighborhoods and promote reinvestment in the existing housing stock.*

* *5a. Ensure new residential construction and additions to existing housing complements and enhances the aesthetics of the surrounding area.*
* *5b. Protect the established character and topography between existing and new development, providing appropriate transitions through design and placement of buildings and structures.*

*PLACES – 7. Advance the provision of utilities and public services in a manner that contributes to a positive image and City identity.*

* *7a. Require the undergrounding of energy and communication lines, as practical, and screening of mechanical equipment, as part of all new development and redevelopment.*

**Comprehensive Plan Element – Our NEXT Community**

*COMMUNITY – 2. Incorporate additional open space and recreational opportunities within the City.*

* *2c. Encourage all new development and redevelopment to provide connections to existing or planned open space, trails, parks, recreation facilities, and other public places (Ex: schools and libraries) within close proximity to the development, where practical.*

The proposed amendments to the MDP on the Subject Property are consistent with the following goals, policies, and strategies of the **Southglenn Subarea Plan:**

Neighborhood

Goal NH1 – Ensure that housing additions and new construction protect and enhance the character and value of our stable neighborhoods.

Policy NH1.4 – Where new housing is constructed, it should be complimentary in materials, heights, roof forms and landscaping to the existing structures while introducing new styles that do not overwhelm the character of the neighborhood.

Goal NH5 – Ensure compatibility of new development immediately adjacent to stable residential areas.

Policy NH5.1 – Zoning regulations should have adequate buffering and transitional regulations in place to mitigate the impact of redevelopment activities where a direct interface occurs between existing neighborhoods and redevelopment/new non-residential development.

Strategy NH5.1.2 – Different uses such as office, townhomes, or other residential development, can help transition to existing neighborhoods.

Strategy NH5.1.3 – Commercial development should transition via height and architectural character to adjacent established neighborhoods.

Urban Design

Goal UD1: Establish cohesive, sustainable, distinctive and interconnected activity centers with a vital mix of land uses.

Strategy UD 1.1.1 – As centers redevelop, site layout should be organized into smaller, functionally identifiable blocks to improve circulation, visibility, and break-up large parking fields.

Strategy UD 1.1.2 – Allow “infill” development within centers that have excessive parking fields or underutilized spaces when such development contributes to land use, design and economic development objectives.

Strategy UD 1.1.3 – Public gathering spaces (e.g., courtyards, plazas, squares, cafes, wider sidewalks, etc.) should be provided at important and prominent locations to facilitate congregation and a sense of community for adjacent neighborhoods.

Policy UD 2.1 Centers should be connected to neighborhoods through a clear, safe, pleasant and easily navigated network of sidewalks and pathways.

Policy UD 2.2 – Locate vehicular access to the site along secondary streets to the greatest extent possible, in order to maintain the integrity of the University corridor.

Policy UD 2.4 – A walkable network of streets, lanes, and pathways that are pedestrian scaled and interconnected with surrounding land uses should be developed. Internal drive aisles should include pedestrian amenities to allow both vehicular and pedestrian circulation.

Policy UD 2.6 – Provide continuous, direct, convenient, and safe pedestrian pathways to, across and between buildings and streets through comprehensive streetscapes and sidewalks.

Policy UD 3.10 – The use of major architectural elements, streetscape or gateway features should be utilized to terminate major vistas within centers and at the viewpoint terminus of major streets and circulation aisles.

Strategy UD 5.1.1 – Establish standards for building height, mass and scale that ensure centers are compatible with surrounding neighborhoods.

Economic Development

Strategy ED 1.6 – Encourage office, residential, civic, educational and cultural uses, where appropriate, to provide activity that supports retail trade.

The proposed amendments to the MDP on the Subject Property are consistent with the goals, policies, and strategies of **Centennial NEXT** and **Southglenn Subarea Plan. This Criterion is met.**

**2.3.A.3(ii)** – The amendment is consistent with the intent of the overall design and mixed-use concept of the MDP.

Mixed use typically consists of two or more different vertical and/or horizontal compatible land uses that are functionally integrated and share public amenities, ingress/egress, pedestrian facilities and amenities, and parking areas that combine to create a walkable place where people may live, work, play, and shop. Mixed use is enhanced by the presence of additional residential rooftops and residents who can patronize nearby businesses.

Sears and Macy’s were not redeveloped as part of the 2006-2009 redevelopment of SouthGlenn Mall as the prior property owners chose not to participate in the redevelopment. The redevelopment of Southglenn Mall was required to work around these property owners and sought to incorporate their existing buildings into the design. The proposed MDP amendment allows for a continuation of the previously established vision for The Streets at SouthGlenn.

Existing development at The Streets at SouthGlenn was reviewed against the existing Streets at SouthGlenn architectural design guidelines. No changes are proposed to the architectural design guidelines, included as Attachment 7. Site Plans for redevelopment will be required to comply with the architectural design guidelines, including site planning principles, architectural design, and architectural finishes and materials. The guidelines utilize urban design principles such as on- and off street parking within the development area, connected street grids, generous sidewalks and fabric shop awnings, and synergy between office, retail and residential uses. This enables the creation of a community-based destination that offers a place to go for both daily needs and special occasions. Traditional materials and modern details build on neighborhood character and varied public spaces that support community events and activities. The MDP Amendment also proposes to modify the Master Sign Plan, included as Attachment 5, to assign a character district to future redevelopment in the South and North Redevelopment Areas

The proposed amendments to the MDP are consistent with the intent of the overall design and mixed-use concept of the MDP. **This Criterion is met.**

**2.3.A.3(iii)** – The amendment will provide public benefits to the Project and the City as a whole.

The proposed MDP amendments to allow additional dwelling units and increased building height will enable the redevelopment to provide additional housing options within the development and within the City of Centennial. As stated previously, one of the goals of Centennial NEXT is to permit a greater mix of densities within residential zone districts for new development, while maintaining compatibility with the surrounding area and ensuring new residential development provides additional variety of housing sizes, types, densities, styles, and price ranges to meet market demands.

Redevelopment and reuse of the existing site allows the new layout to be efficiently and seamlessly incorporated into the existing layout and vision for The Streets at SouthGlenn. Infill redevelopment projects place residents closer to jobs and community services, while utilizing existing infrastructure and facilities, or upgrading existing facilities. Infill construction can revitalize and boost the neighborhood’s economy and invests back into the existing community. Additional residential units will help provide a critical mass of patrons to existing businesses within the neighborhood, creating a more stable tax base from which to derive public services.

As noted in the Traffic Impact Study (TIS), the redevelopment expected in the proposed MDP amendments will funnel vehicle trips associated with the new dwelling units within the Project and directly to E. Arapahoe Rd. and S. University Blvd. which is a CDOT highway, rather than through the existing adjacent neighborhoods.

As a part of this review, the Applicant was also required to submit a Phase I Drainage Report to the Southeast Metro Stormwater Authority (SEMSWA). When SouthGlenn was redeveloped in 2006, the redevelopment was permitted through SEMSWA’s variance process to provide stormwater infrastructure to account for a 10-year storm event in lieu of a 100-year storm event as required per SEMSWA’s Stormwater Management Manual. Any future redevelopment that meets the redevelopment definition per the Stormwater Management Manual will be required to provide detention for a 100-year storm event. The City is aware of flooding that presently occurs in E. Arapahoe Rd. and S. University Blvd. By providing additional stormwater detention volume with redevelopment and further improvements to be investigated with each future development, it will ensure that redevelopment improves public infrastructure and aids in ensuring stormwater facilities remain functional and resilient.

The proposed amendments to the MDP will provide public benefits to the Project and the City as a whole. **This Criterion is met.**

**2.3.A.3(iv)** – The amendment is determined by CURA and the District to not present the likelihood that the Project will not meet the requirements of this Agreement or any financial obligations of CURA or the District concerning the Project.

The Southglenn Metro District (Metro District) provided a letter stating the proposed MDP amendment will not present the likelihood that the Project will not meet the requirements of the MDA or any financial obligations of the CURA or the Metro District. As CURA has no financial obligations other than transferring property and sales tax increment to the District per the MDA, CURA has also determined that the proposed MDP amendment will not present the likelihood that the Project will not meet the requirements of the MDA or any financial obligations of the CURA or the Metro District. These statements by the CURA and the Metro District are based in part on financial analysis of the redevelopment proposed by the MDP amendments detailing increased assessed property values and taxable retail sales. The letters and financial analysis are included in Attachments 8 and 9. **This Criterion is met.**

**2.3.A.3(v)** – The amendment is compatible with or will not materially and adversely affect existing development on adjacent properties, or measures will be taken to substantially buffer or otherwise substantially mitigate any incompatibility or adverse impacts.

Setbacks and Buffers

The proposed MDP amendments include the provision of a 35 foot streetscape and landscape buffer between the property lines adjacent to E. Easter Ave. and S. Race St. and the front of any building. The streetscape and landscape buffer will include detached sidewalk, street trees, and other plantings to help shade and buffer. The MDP amendments also include a requirement that at least 15 percent of each building frontage must be setback 75 feet from the property lines adjacent to E. Easter Ave. and S. Race St. This would result in “courtyards” along E. Easter Ave. and S. Race St. In addition, portions of buildings over 50 feet in height must be stepped back an additional 20 feet, from 35 feet to 55 feet. The building stepback will help create visual relief for pedestrians and nearby properties and enable additional sky views. In addition, the relative position of the South Redevelopment Area within The Streets at SouthGlenn means there will be a lack of shadowing of adjacent residential properties due to the development being on the north side of E. Easter Ave.

The proposed MDP amendments also include a requirement for a public park adjacent to E. Easter Ave. The park will be at least 25,000 square feet (approximately 0.57 acres) and will provide a gathering area to serve as a focal point for the community. The park will feature a central green space with pedestrian paths that lead to passive recreation opportunities, wayfinding, and landscaping and/or accessory structures that provide shade. Additional landscape design standards for the public park are included within the MDP.

Transportation

Staff reviewed and approved the TIS prepared by the Applicant’s Traffic Engineering Consultant, Felsburg, Holt & Ullevig. The TIS assesses the traffic impacts on the adjacent roadways related to the proposed redevelopment of the existing land uses and identifies roadway improvements needed to accommodate anticipated project-related vehicle trips. The report includes information pertaining to existing traffic and safety conditions, additional trips associated with the proposed redevelopment, and total traffic volume projections for the short-term and long-term future. The TIS is included in Attachment 10.

The TIS estimated background traffic levels, not including traffic generated by the proposed MDP amendment, in order to provide a traffic level comparison for the proposed redevelopment. The MDP amendment is estimated to generate about 6,100 new daily vehicle trips (670 AM peak hour and 475 PM peak hour) while maintaining the same level of service (LOS) as indicated by the Centennial Roadway Design and Construction Standards Manual (RDCSM). The redevelopment will be served by several existing access points onto the adjacent transportation network and the TIS indicates that the potential for traffic from new development to travel through the adjacent neighborhoods to avoid congestion is low.

Two future planning scenarios were evaluated for the site, including a short-term (2022, full build-out) and long-term (2040). The following mitigation recommendations were noted in the TIS:

* Short-term:
	+ Convert the intersection at S. University Blvd. and E. Davies Ave. to a Right-In/Right-Out access through the use of raised median and related signing and striping changes. Presently, the unsignalized access provides full movement (meaning right and left turns in/out are permitted.)
	+ Adjust traffic signal timings at E. Arapahoe Rd. and Vine St. to run split phasing to allow protected left turns from the northbound and southbound Vine St. approaches, to meet the City’s LOS standards.
* Long-term:
	+ No long-term mitigation measures were identified.

With the short-term improvements, the study concludes that acceptable traffic operations and LOS can be provided at intersections near the study area. Staff referred the application to the Colorado Department of Transportation (CDOT), which stated that the mitigation measures are reasonable and acceptable. The full CDOT comments are included in Attachment 13.

Stormwater and Drainage

SEMSWA reviewed and approved a Phase I Drainage Report prepared by the Applicant’s Stormwater Engineer, Point Consulting. The Drainage Report assesses the stormwater and drainage impacts to the Subject Property as a result of the proposed redevelopment. The Phase I Drainage Report is included in Attachment 11.

The existing ground cover is mostly impervious, consisting primarily of roof areas, asphalt and concrete parking, and sidewalks. There is existing landscape throughout the development with a park in the middle and tree lawns along the perimeter streets. Runoff from the Subject Property is tributary to two major drainageways, Upper Slaughterhouse Gulch and Big Dry Creek. There are no floodplains, irrigation canals or ditches, or significant geologic features on the Subject Property. The stormwater design associated with all future Site Plans will be designed based on a SEMSWA reviewed and approved As-built Certification Analysis of the existing on-site water quality and detention facilities. Also, future redevelopment will be required to design for a 100-year storm event, which would provide additional stormwater detention volume with redevelopment, ensuring stormwater facilities remain functional and resilient.

Public Services and Utilities

As part of the outside referral process, Staff referred the Application to the Arapahoe County Sheriff’s Office, Denver Water, the South Arapahoe Sanitation District, South Metro Fire Rescue, and Xcel Energy, which responded with comments on the Application. The comments are summarized in Attachment 12. Staff also referred the Application to Arapahoe Library District, Lumen Technologies (formerly CenturyLink), Comcast, Littleton Public Schools, Regional Transportation District (RTD), South East Englewood Water District, and South Suburban Parks and Recreation District, which did not respond. The availability of the existing water, sewer, drainage, transportation, and other public services is adequate to serve present and future land uses, and would again be confirmed at the site plan review stage if redevelopment proposals were received by the City. In the event a project required additional infrastructure, it would need to be provided by the developer.

The proposed amendments to the MDP are compatible with or will not materially and adversely affect existing development on adjacent properties, or measures will be taken to substantially buffer or otherwise substantially mitigate any incompatibility or adverse impacts. **This Criterion is met.**

**Analysis of Application to Criteria – MDP Amendment**

Staff has evaluated the proposed MDP Amendment request against the MDA amendment criteria for approval and found that the proposed amendments **meet** the approval standards contained in MDA Section 2.3.A.3, *Amendments,* as stated above.

**Summary of Amended and Restated MDA**

Together with the original MDP approval in 2006, the City also approved by ordinance a Master Development Agreement (“MDA”) for the Streets at SouthGlenn redevelopment project.  The 2006 MDA generally described the process for the development of the original Streets at SouthGlenn, addressed certain financial arrangements between the parties, and vested property rights so that the development could be financed and pursued over several years to its completion. An MDA operates in cooperation with the MDP to ensure the development is constructed as approved by the City. Using a development agreement in combination with master development plans is commonplace.

The MDP and MDA have both been amended since 2006. Pursuant to the existing MDA, the MDA may only be amended by a written agreement signed by Centennial, CURA, the Developer and the District. In conjunction with this 8th MDP Amendment, the Parties determined that both substantive and minor updates were necessary to the MDA.

The proposed Amended and Restated MDA as referenced in Ordinance No. 2021-O-23 does the following:

* Modifies the minimum retail requirement and the maximum residential density to align with the proposed MDP amendments.
* Includes references to the North Redevelopment Area and South Redevelopment Area to be consistent with the amended MDP.
* Remove the stated height requirements because these requirements are already set forth in the proposed amended MDP.
* Removes the previously stated building fee amounts so that the City’s current fee schedule will govern.
* Removes requirements for the posting of collateral and payment of fees in lieu so that the standard provisions of the LDC shall govern the development.
* Provides for a 10-year vesting period for property rights with the possibility of an additional 10 years subject to certain residential conditions being met by the Developer as set forth in the MDA. As the residential portions of the development are constructed, more rights are afforded the developer to prevent over-extending rights without progress toward project completion.
* Adds a new economic incentive provision which requires the Developer to remit to the City a one-time payment to be used by the City for the purpose of awarding incentives to attract and retain high quality and desirable prospective tenants at the Streets at SouthGlenn.
* Includes minor ministerial changes to bring the agreement up to date including correcting references to the LDC and Community Development Director.

**Community Meetings and Outreach**

A series of in person community meetings where both City Staff and the Owner-Developers were in attendance occurred in 2019, pursuant to LDC Section 12-14-304, *Threshold Review*.

* March 5, 2019: City Staff and the Owner-Developers met at the SouthGlenn Library (6972 S. Vine St.) with a small group of neighborhood representatives from the SouthGlenn area to discuss the redevelopment proposal and the format for the first community meeting.
* March 19, 2019 (Community Meeting #1): The Owner-Developers shared their vision for the Sears and Macy's parcels in the space formerly occupied by Sears, and received feedback from meeting attendees. Meeting announcements were provided two (2) weeks prior to the meeting to contacts for registered neighborhoods and civic associations within one (1) mile, CenCON, and adjacent property owners within 200 ft. of the Streets at SouthGlenn. Meeting information was also shared on Centennial’s social media channels.
* June 18, 2019: City Staff met with a small group of neighborhood representatives from the SouthGlenn area at the Glenn Oaks Townhomes Club House to discuss the format for the second community meeting. The Owner-Developers were not present.
* November 19, 2019 (Community Meeting #2): City Staff explained the development review process and next steps, and Owner-Developers shared the preliminary findings of the TIS and their vision for the Sears and Macy's parcels at Powell Middle School (Littleton, CO). City Staff and the Owner-Developers received feedback from meeting attendees. Meeting announcements were provided two (2) weeks prior to the meeting to contacts for registered neighborhoods and civic associations within one (1) mile, CenCON, adjacent property owners and properties within 200 ft. of the Streets at SouthGlenn, and interested parties that shared their contact information with the City. Meeting information was also shared on Centennial’s social media channels and a video recording of the meeting is available ([YouTube](https://www.youtube.com/watch?v=SQODjz7XiEc)).
* July 23, 2021 – August 13, 2021: A public comment forum was hosted on the City’s *Have Your Say* website between July 23, 2021 and August 13, 2021. Notice of the public comment forum was sent to The Streets at SouthGlenn email list and through the City’s social media channels. Comments were generally regarding traffic impacts, proposed building height, housing affordability, loss of retail square footage, and dwelling unit density. Key website statistics are provided below:
	+ 3,507 unique page views.
	+ Average time on page: 2 minutes, 54 seconds.
	+ 372 total comments (not including staff acknowledgements and responses).
* October 28, 2021 – November 28, 2021: A public comment forum was hosted on the City’s *Have Your Say* website between October 28, 2021 and November 28, 2021. Notice of the public comment forum was sent to The Streets at SouthGlenn email list and through the City’s social media channels. Comments were generally regarding traffic impacts, proposed building height, housing affordability, loss of retail square footage, and dwelling unit density. Key website statistics are provided below:
	+ Informational Page:
		- 710 unique page views.
		- Average time on page: 2 minutes, 8 seconds.
	+ Discussion Page:
		- 480 unique page views.
		- Average time on page: 6 minutes, 50 seconds.
		- 79 total comments (not including staff acknowledgements and responses).

See further details of the June 18, 2019 small group meeting in Attachment 14, November 19, 2019 Community Meeting in Attachment 15, July – August 2021 *Have Your Say* public comments in Attachment 16, the Applicant’s response to the July – August 2021 Have Your Say public comments in Attachment 17, and October – November 2021 *Have Your Say* public comments in Attachment 19. The Owner-Developers also held additional outreach, including at District Meetings and at CenCON.

**Agency/Public Comments**

Staff sent a total of 40 referrals and requests for comments to outside agencies, community groups, community meeting attendees and other interested parties; eight (8) entities/individuals responded with comments. The remainder responded with no comments or did not respond to the referral. A summary of comments and Staff responses is provided in Attachment 12. The complete comments are included as Attachment 13.

# Alternatives:

As this is a quasi-judicial action, City Council has the following alternatives for the MDP:

1. Approve the Proposed MDP Amendments, with conditions, based on specific findings of fact made at the public hearing; or
2. Deny the Proposed MDP Amendments based on specific findings of fact made at the public hearing; or
3. Continue the public hearing for additional information.

Alternatives for the Amended and Restated MDA:

Council may reject the recommended amendments, accept one or more amendments, do nothing, or may provide alternative direction.

# Fiscal Impact:

Approval or denial of this application will have no direct fiscal impact to the City.

# Next Steps:

If the proposed MDA and MDP Amendments are approved by City Council, the Streets at SouthGlenn MDP will be amended accordingly to reflect the Applicants’ request, and the Official Zoning Map of the City of Centennial will be amended to reflect the increase in land area of the Subject Property’s inclusion into The Streets at SouthGlenn MDP, which is noted on the zoning map as a PUD zone district classification. If Ordinance No. 2021-O-23 is approved, the Amended and Restated MDA will be executed.

# Previous Actions:

The Streets at SouthGlenn MDP was approved by City Council in 2006 and subsequently amended seven (7) times. A detailed description of the nature of the amendments is included in the MDP.

The Planning and Zoning Commission held public hearings on November 9and 10, 2021 to consider the recommendation of the proposed MDP amendments. A total of fifteen (15) public comments were heard during the public comment portion of the hearing. The Planning and Zoning Commission recommended City Council approval of the proposed MDP amendments by a vote of 7-0. A copy of the November 9, 2021 and November 10, 2021 Planning and Zoning Commission Meeting Minutes are included as Attachments 20 and 21.

The City Council considered the MDP and MDA at first reading on November 15, 2021. The City Council’s November 15, 2021 Agenda and Minutes are available [here](https://onbase.centennialco.gov/OnBaseAgendaOnline/Meetings/ViewMeeting?id=2010&doctype=1).

Below is a summary of changes made to the staff report or its attachments after first reading:

* Staff report
	+ Clarified the dwelling until limit on the North Redevelopment Area referenced within the Development Standards table on page 4.
	+ Key website statistics information included in the summary of the October 28th – November 28th *Have Your Say* public comments on page 14.
	+ November 9and 10, 2021 Planning and Zoning Commission meeting information and recommendation included on page 16.
* Attachment 3: Master Development Plan
	+ Correction to legal description referenced on Sheet 2.
* Attachment 6: Master Development Agreement
	+ Updates to Article 2 where the “South Redevelopment Area” was referenced as the “South Redevelopment Parcel.” “South Redevelopment Area” is the term consistently used in the MDP and MDA.
	+ Clarification in Article 2, Section B regarding the increase in residential dwelling units which would trigger a major amendment to the MDP.
* Attachment 12: Summary of Agency/Public Comments
	+ Updated to reflect the comment letter received from Cherry Knolls Improvement Association.
* Attachment 13: Full Text of Agency/Public Comments
	+ Comment letter received from Cherry Knolls Improvement Association on November 10, 2021.
	+ Additional comment letter received from Xcel Energy on November 22, 2021.
* Attachment 18: Other Public Comments Received
	+ Updated with additional comments received through November 28, 2021.
* Attachment 19: October – November 2021 *Have Your Say* Public Comments
	+ Updated with additional comments received through November 28, 2021.
* Attachment 20: Planning and Zoning Commission Meeting Minutes – November 9, 2021
	+ New attachment.
* Attachment 21: Planning and Zoning Commission Meeting Minutes – November 10, 2021
	+ New attachment.

# Suggested Motions:

**MDP**

SUGGESTED MOTION FOR APPROVAL (THIS IS THE MOTION RECOMMENDED BY STAFF):

I MOVE THAT ORDINANCE NUMBER 2021-O-22, CONSIDERATION OF APPROVAL OF THE 8TH AMENDMENT OF THE STREETS AT SOUTHGLENN MASTER DEVELOPMENT PLAN (CASE NO. PUD-21-00004) BE APPROVED BASED ON THE CITY COUNCIL FINDING THAT THE MAJOR AMENDMENT MEETS ALL APPLICABLE CRITERIA FOR APPROVAL SET FORTH IN SECTION 2.3.A.3 OF THE STREETS AT SOUTHGLENN MASTER DEVELOPMENT AGREEMENT AS SUMMARIZED IN THE STAFF REPORT AND RECOMMENDATION DATED NOVEMBER 15, 2021.

SUGGESTED MOTION FOR DENIAL\* (NOT RECOMMENDED BY STAFF):

I MOVE THAT ORDINANCE NUMBER 2021-O-22, CONSIDERATION OF APPROVAL OF THE 8TH AMENDMENT OF THE STREETS AT SOUTHGLENN MASTER DEVELOPMENT PLAN (CASE NO. PUD-21-00004) BE DENIED BASED ON THE FOLLOWING FINDINGS OF FACT:

1. THE REQUEST DOES NOT MEET ALL OF THE CRITERIA OF APPROVAL SET FORTH IN 2.3.A.3 OF THE STREETS AT SOUTHGLENN MASTER DEVELOPMENT AGREEMENT, INCLUDING BUT NOT LIMITED TO: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\*In the event City Council seeks to recommend denial of this case, Staff recommends that the Council consult with the City Attorney prior to making a motion.

**MDA**

SUGGESTED MOTION FOR APPROVAL (THIS IS THE MOTION RECOMMENDED BY STAFF):

I MOVE THAT ORDINANCE NUMBER 2021-O-23, APPROVING THE AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT CONCERNING THE STREETS AT SOUTHGLENN REDEVELOPMENT PROJECT AND ESTABLISHING VESTED PROPERTY RIGHTS PURSUANT TO ARTICLE 68 OF TITLE 24, C.R.S., AS AMENDED, AND SECTION 12-14-606 OF THE LAND DEVELOPMENT CODE BE APPROVED.

SUGGESTED MOTION FOR DENIAL\* (NOT RECOMMENDED BY STAFF):

I MOVE THAT ORDINANCE NUMBER 2021-O-23, APPROVING THE AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT CONCERNING THE STREETS AT SOUTHGLENN REDEVELOPMENT PROJECT AND ESTABLISHING VESTED PROPERTY RIGHTS PURSUANT TO ARTICLE 68 OF TITLE 24, C.R.S., AS AMENDED, AND SECTION 12-14-606 OF THE LAND DEVELOPMENT CODE BE DENIED.

# Attachments:

Attachment 1: Existing Zoning Map

Attachment 2: Applicant’s Letter of Intent

Attachment 3: The Streets at SouthGlenn Master Development Plan, 8th Amendment (PUD-21-00004)

Attachment 4: Redevelopment Conceptual Images

Attachment 5: The Streets at SouthGlenn Master Sign Plan

Attachment 6: The Streets at SouthGlenn Master Development Agreement, Amended and Restated

Attachment 7: The Streets at SouthGlenn Architectural Guidelines

Attachment 8: Letter and Financial Analysis from Southglenn Metropolitan District - October 22, 2021

Attachment 9: Letter from CURA

Attachment 10: Traffic Impact Study (TIS)

Attachment 11: Phase I Drainage Report

Attachment 12: Summary of Agency/Public Comments

Attachment 13: Full Text of Agency/Public Comments

Attachment 14: June 18, 2019 Small Group Meeting Summary

Attachment 15: Community Participation Report – November 19, 2019

Attachment 16: July – August 2021 *Have Your Say* Public Comments

Attachment 17: Applicant’s Response to July – August 2021 *Have Your Say* Public Comments

Attachment 18: Other Public Comments Received

Attachment 19: October – November 2021 *Have Your Say* Public Comments

Attachment 20: Planning and Zoning Commission Meeting Minutes – November 9, 2021

Attachment 21: Planning and Zoning Commission Meeting Minutes – November 10, 2021

Attachment 22: Ordinance No. 2021-O-22 (MDP)

Attachment 23: Ordinance No. 2021-O-23 (MDA)

*Given the quasi-judicial nature of land use cases, applicants, members of the public and press are advised that, to ensure a fair and unbiased process, and to provide due process to the applicant and the public, the City Council is only allowed to consider communications that occur during the public hearing and matters set forth in the official record for the matter. Consequently, City Council Members cannot engage in conversations about any land use applications prior to the formal hearing.*