

MEMO

May 23, 2024

To: Planning & Zoning Commission

From: Marlin Eckhoff, Building Official *ME*

Subject: Conditional Use Permit consideration for the Centennial Mall located at 1111 W Victory Way.

BACKGROUND / DISCUSSION

Jeff and Carolyn Carter DBA Mountain Property Builders have applied for a Conditional Use Permit to convert portions of the Centennial Mall at 1111 W Victory to the following uses:

1. 18,335 sq. ft. of conditioned mini storage with approximately 226 units of varying sizes.
2. 31,448 sq. ft. of small bay warehouse with 11 to 16 units.
3. 4,182 sq. ft will remain existing common space and restrooms.
4. 33,849 sq. ft. will remain existing retail space.

Jason Park with JB Capital is the current owner of the Centennial Mall which is up for sale. He has signed the Conditional Use Application as the owner. And has sent me confirmation that as the property owner, he gives the applicant permission to pursue a Conditional Use Permit. If approved, Mountain Property Builders will continue the process for acquiring the property.

This property is zoned Community Commercial (C-2), mini-storage uses are only allowed in a C-2 zone district if approved for a Conditional Use Permit. This allows the city to put certain conditions on the project if they feel it is necessary to do so.

I have included the following:

1. A concept layout of the proposed plan.
2. A description of the overall scope of work plan from Mr. and Mrs. Carter.
3. The criteria from our Land Use Code for approving a Conditional Use Permit.

I spoke with Shane Baker the Road & Bridge Director about any traffic concerns that may arise from larger or more frequent traffic coming from the small bay areas in the rear. He did not have any concerns and did not feel that this would create a safety issue for the adjacent streets or property owners.

I also spoke with Carl Ray the Water/Wastewater Director about any potential concerns. At this time, neither Carl or I have concerns as far as usage amounts, or things of that nature, as the proposed uses should have considerably less demand on both water and sewer infrastructure. However, if approved, we will need to consider things such as sand/oil separators and any special backflow preventer requirements for the small bay areas. This will be reviewed once construction drawings are provided, and may or may-not be necessary depending on the type of use that may go in the small bay areas.

REASONING

Across the nation mall owners are having to get creative in order to fill large buildings as brick & mortar retail stores are becoming more of a thing of the past. So, I do believe it is good to keep an open mind and consider alternative uses without alienating existing tenants. Since this is our core area, I believe we need a balance of keeping enough storefront retail spaces in this area without having a bunch of run-down vacant spaces. Especially since retail stores generate sales tax, if they have businesses in them, but service industry uses do not.

A very similar idea was introduced to the P&Z Commission and City Council by a different developer back in June of 2023. It was not up for an official vote at that time, it was just to see how favorable the Commission and Council would be to this idea.

At that time, neither the Commissioners or the Council had any major issues with the use change, but there were certain items that they wanted addressed in order to approve the Conditional Use. Some of these items discussed at that time were:

1. A reasonable plan for existing tenants.
2. Require that the parking lot and other exterior improvements be made, such as painting, façade improvements, and landscaping.

Notification letters have been sent to all property owners within 150 ft and the legal notice and property posting has been done per Land Use Code requirements. As of Thursday May 23, I have received one concern against the Conditional Use request from the public.

This was an email from Jeremy Lueck and Brandi Meek, which I included in your packet.

Note: If approved, a full set of architectural and engineered construction drawings will be provided by the applicant and reviewed and approved by staff prior to any building, plumbing or mechanical permits being issued.

PLANNING COMMISSION RECOMMENDATION

On May 20, 2024, the P&Z Commission reviewed the request and the following motion was made: "To recommend to Council to approve the conditional use application for 1111 W Victory Way for the purpose of indoor mini-storage and small bay commercial units, contingent on a development agreement between Mountain Property Builders and the City of Craig being approved, and a covenants review ensuring the proposed use does not violate any active covenants." I attached a copy of the meeting minutes.

The best way I new of outlining any requirements that the Planning Commission or Council would like to see in order to approve the conditional use, was to have everything listed in a development agreement. However, the applicant was wanting to get feedback from the Commission and Council prior to drafting an agreement.

We are currently working with Alex Gano and the applicant on a development agreement draft which will outline the city's requirements for the project. Comments from both the council's public hearing and the P&Z meeting will be used as criteria to be listed in the agreement.

Some of the items that the Planning Commission and city staff would like to see in the development agreement are:

1. Repair/resurface the parking lot.
2. Paint the exterior.
3. Provide a more detailed floorplan that will locate a majority of the retail spaces to the front of the building and identify how existing tenants will be located.
4. Upgrade the small amount of existing landscaping.

The applicant already had most of the same items listed as things that they were proposing to do.

This hearing will be for discussion purposes only with no action required at this time. This will give you an opportunity to hear any comments and concerns and to get a consensus as to what you may want to see within a development agreement, along with giving the applicant some direction.

This will be presented to you at a future council meeting for voting consideration on whether to approve, approve with conditions, or deny the application. At that time, we plan on having a completed development agreement for your review.

CRAIG PLANNING & ZONING COMMISSION MINUTES

May 20, 2024

The Craig Planning and Zoning Commission of the City of Craig, County of Moffat, State of Colorado, met in the City Council Chambers, 300 West 4th Street, Craig Colorado, 81625, at the hour of 6:00 p.m. There being present the following Commissioners: Randy Kloos, Mike Tucci, Tom Gilchrist, Justin Jenison, and Mason Updike. City Staff present were Building Official Marlin Eckhoff and Assistant Sierra Arellano. City Councilman Derek Duran was present.

Commission Chair Kloos called the meeting to order at 6:00 PM and began with Commission roll call. Those present were Commission members Randy Kloos, Mike Tucci, Tom Gilchrist, Justin Jenison, and Mason Updike.

Commissioner Tucci made a motion, seconded by Commissioner Jenison, to approve the minutes from April 15, 2024. Ayes: 5. Nays: 0. Motion carried.

Eckhoff presented the Commission with a Conditional Use application for the Centennial Mall located at 1111 W Victory Way from Mountain Property Builders, Jeff Carter present. The purpose of the application is to convert a portion of the mall to indoor mini-storage units and small bay commercial units. Jeff discussed with the Commission that the proposed plan is just a draft and mostly to give them an idea of what would be within the mall. There was much discussion that the retail portion of the mall should be front facing with the storage and bay units at the rear. Jeff was amenable to this change and discussed improvements that he would want to make to the Centennial Mall. Eckhoff noted to the Commission that they could recommend City Council's approval of the Conditional Use with conditions such as an approved development agreement between Mountain Property Builders and the City of Craig and covenants review.

Commission Chair Kloos opened the floor for public comment. Charlynn Wondra, of Big O Tires, spoke with Jeff regarding concerns she has with commercial truck parking and retail management to which Jeff noted that he would like to keep everyone happy and would like to keep as much retail as possible and limit any issues. Nathan Butler inquired if any retail locations would have to move locations, whether it would be on their own dime or if Jeff planned to assist them. Jeff noted that if he requested for any retail locations to move that it would be on his dime to move them and make sure they had a location that worked for their purpose. Janey Morley commended Jeff for wanting to spruce up a partially vacant building but would like to stress having retail on the front facing side of the mall to maintain the aesthetics.

Commission Chair Kloos moved to Commission discussion. Commissioner Gilchrist expressed his concern of maintaining retail space. The Commission agreed that a development agreement between Mountain Property Builders and the City of Craig would be crucial to maintain certain aspects of the mall and lay out improvements needed since a site plan would not be required. Commissioner Tucci made a motion, seconded by Commissioner Gilchrist, to recommend City Council to approve the Conditional Use application for 1111 W Victory Way for the purpose of indoor mini-storage and small bay commercial units contingent on a development agreement

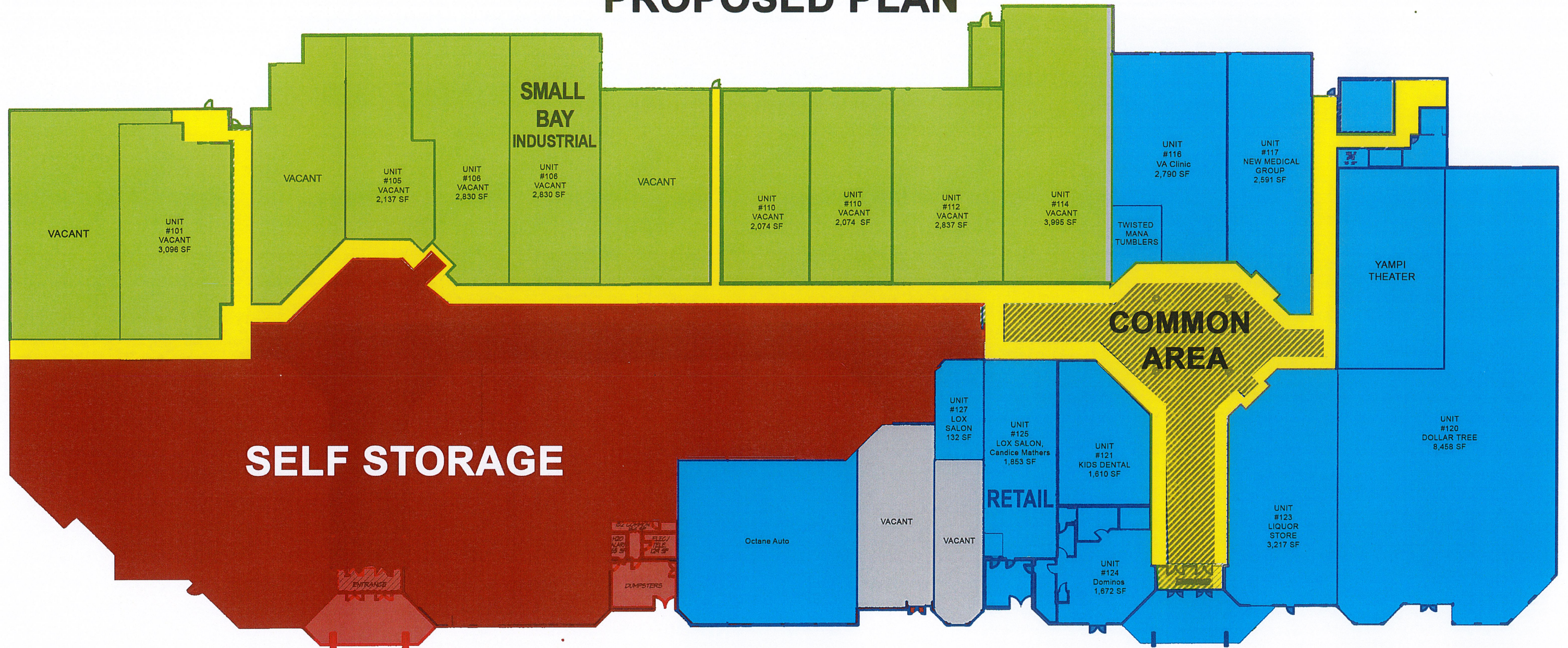
between Mountain Property Builders and the City of Craig being approved, and a covenants review ensuring the proposed use will not violate any active covenants. Ayes: 5. Nays: 0. Motion carried.

No Commission Reports outside of Commissioner Gilchrist thanking citizens for their attendance of the workshop and meeting.

For Staff Reports, Eckhoff discussed with the Commission their comments regarding Craig Storage's north and east facades on Mack Ln. The consensus amongst the Commission was that rock halfway up the north side would be preferred but due to the amount of work needed, the rock can be omitted.

There being no further business, Commissioner Tucci made a motion, seconded by Commissioner Gilchrist to adjourn the meeting. Ayes: 5. Nays: 0. Motion carried.

PROPOSED PLAN



RE: Centennial Mall, Craig Colorado

The Centennial Mall in Craig Colorado is an 87,814 square foot indoor corridor mall that sits on 302,737 square feet of land in the center of Craig Colorado. The Mall has been used primarily for retail purposes since it was constructed in 1980.

Currently the Mall is approximately 45% occupied with a variety of tenants ranging from Auto Repair to dog training and everything in-between. The Mall and surrounding parking lot have fallen into disrepair and will require several million dollars to bring the property back to its original condition.

The Development team is proposing a use change to the property to help increase occupancy back to 90% to 95% occupancy. The proposed changes would be to add Conditioned Storage and Small Bay Warehouse. The breakdown of space would be approximately as follows: 33,849 sq ft of retail space sufficient to keep the existing tenants in place, 31,448 sq ft Small Bay Warehouse and 18,335 sq ft of Conditioned Mini Storage with the remaining 41,82 sq ft used as common area and existing restrooms. There would be approximately 11-16 Small Bay warehouse spaces depending on size demand. The warehouse spaces would be accessed through a newly installed man door and roll up door and approximately 226 storage units consisting of 12-3.5x5; 45-5x5; 60-5x10; 80-10x10; 14-10x15; 12-10x20 and 5-10x30 conditioned storage spaces.

Upon approval from the Craig Planning Commission and Craig City Council a complete set of construction drawings depicting the building layout changes will be produced. These will include all Architectural, Mechanical, Electrical, Life Safety, Fire Sprinkler and Plumbing revisions required to reconfigure the building and bring the building up to current code standards. Replacement of all 32 Roof Top HVAC units will be necessary as many are original and non-functioning.

The exterior of the building will require a fresh coat of paint. The Development team is proposing to continue the same/similar color scheme as the adjacent Harbor Freight/ Big O building. Parking Lot Upgrades would include milling and replacement of all asphalt and replacement of damaged concrete.

Developer Qualifications:

Mountain Property Builders (MPB) was formed in 2008 in Monument Colorado and currently holds a Residential C license at the Pikes Peak Regional Building Department (PPRBD) and a Commercial B license with the City of Canon City. MPB has a strong management team ready to deploy on any project.

Mountain Property Builders currently builds 12-16 single family homes a year in addition to developing 50-60 residential lots per year. MPB's partnership currently has over 200 lots under contract with Meritage Homes a national home builder.

Commercial Projects include re-tenant of many retail/commercial spaces but not limited to a 24,000 sq ft tenant remodel in Flint Michigan, 144,000 sq ft shopping ctr remodel in Ft Walton Beach Florida.

16.03.050 Conditional uses.

- A. Purpose. In order to provide flexibility and help diversify uses within a zoning district, specified uses are permitted subject to the granting of a conditional use permit. Because of their unusual or special characteristics, conditional uses require review and evaluation so that they may be located properly with respect to their effects on surrounding properties. The review process prescribed in this section is intended to assure compatibility and harmonious development between conditional uses, surrounding properties and the city at large. Conditional uses may be permitted subject to such conditions and limitations as the city may prescribe to ensure that the location and operation of the conditional use will be in accordance with the conditional use criteria and the intent of this code and each zoning district. The scope and elements of any conditional use may be limited or qualified by the conditions applicable to the specific property. Where conditions cannot be devised to achieve these objectives, applications for conditional use permits shall be denied.
- B. Conditional use review process.
1. Step 1: Conditional use application. The applicant shall submit one (1) copy of the complete conditional use application package to the city and shall request that the application be reviewed by the planning commission and city council. Conditional use requests shall include:
 - a. An application fee per the city fee schedule (as adopted).
 - b. A conditional use application form.
 - c. A title commitment or proof of ownership.
 - d. A written statement and any graphics necessary to describe the precise nature of the proposed use and its operating characteristics and to illustrate how all conditional use review criteria have been satisfied.
 - e. A map showing the proposed development of the site, including topography, building locations, parking, traffic circulation, usable open space, landscaped area and utilities and drainage features.
 - f. Preliminary building plans and elevations sufficient to indicate the dimensions, general appearance and scale of all buildings.
 - g. Such additional material as the city may prescribe or the applicant may submit pertinent to the application.
 - h. A list of the names and addresses of property owners within one hundred fifty (150) feet and mineral interest owners and lessees.
 2. Step 2: Conditional use application certification of completion and report to planning commission. Within a reasonable period of time, staff shall either certify that the application is complete and in compliance with all submittal requirements or reject it as incomplete and notify the applicant of any deficiencies. The applicant shall then correct any deficiencies in the application package, if necessary, and submit the required number of copies of the application to the city. The original application and all documents requiring a signature shall be signed in blue ink. After a complete application is received, staff shall prepare a report to the planning commission explaining how the application is or is not consistent with the conditional use application review criteria.
 3. Step 3: Planning commission review of the conditional use application. The planning commission shall hold a meeting to review the application and determine if the application complies with the conditional use review criteria. The planning commission will then recommend to the city council approval, approval with conditions or denial.

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4. Step 4: Set conditional use public hearing date and notify public of hearing before the city council. The city shall send notice of the public hearing to the applicant and the parties for whom the applicant has provided contact information and to the referral agencies deemed appropriate by city staff. Such notice shall be sent within a reasonable length of time before the hearing. The referral information shall include the time and place of the public hearing, the nature of the hearing, the location of the subject property and the applicant's name. A public hearing notification sign shall be posted on the property by the applicant. Such posting shall be in a location and in a manner that makes it clearly visible from the adjoining street. The city shall publish notice in a newspaper of general circulation. The hearing may be held a reasonable length of time after the date of property posting and newspaper publication. If the conditional use request is accompanying another application which is scheduled for public hearing before the city council, one (1) public hearing may be held on both applications.
 5. Step 5: City council public hearing and action on the conditional use. The city council shall hold a public hearing on the conditional use application. Following the public hearing, the city council may approve, conditionally approve or deny the conditional use application based on the conditional use review criteria and the intent of this code. A conditional use permit may be revocable, may be granted for a limited time period or may be granted subject to conditions as the city council may prescribe. Conditions may include, but shall not be limited to: requiring special setbacks, open spaces, fences or walls, landscaping or screening, street dedication and improvement, regulation of vehicular access and parking, signs, illumination, hours and methods of operation, control of potential nuisances, prescription of standards for maintenance of buildings and grounds and prescription of development schedules.
- C. Conditional use review criteria. The city shall use the following criteria to evaluate the applicant's request:
1. The conditional use will satisfy all applicable provisions of this code unless a variance to a provision of this code is being requested.
 2. The conditional use will conform with or further the goals, policies and strategies set forth in the master plan.
 3. The conditional use will be adequately served with public utilities, services and facilities (i.e., water, sewer, electric, schools, street system, fire protection, public transit, storm drainage, refuse collection, parks system, etc.) and not impose an undue burden above and beyond those of the permitted uses of the district.
 4. The conditional use will not substantially alter the basic character of the district in which it is in or jeopardize the development or redevelopment potential of the district.
 5. The conditional use will result in efficient on- and off-site traffic circulation which will not have a significant adverse impact on the adjacent uses or result in hazardous conditions for pedestrians or vehicles in or adjacent to the site.
 6. Potential negative impacts of the conditional use on the rest of the neighborhood or of the neighborhood on the conditional use have been mitigated through setbacks, architecture, screen walls, landscaping, site arrangement or other methods. The applicant shall, at a minimum, satisfactorily address the following impacts:
 - a. Traffic;
 - b. Activity levels;
 - c. Light;
 - d. Noise;
 - e. Odor;

f. Building type, style and scale;

g. Hours of operation;

h. Dust; and

i. Erosion control.

7. The applicant has submitted evidence that all applicable local, state and federal permits have been or will be obtained.

(Ord. 962 §§1, 2, 2007)