

November 12, 2018

Dear Neighbor,

On behalf of **Kentro Group**, we are writing you this letter regarding the former CDOT Headquarters property at 4201 E. Arkansas Avenue.

Since January of 2018, we have held a series of seven (7) public meetings (January 25, March 8, April 5, May 3, June 7, July 12, Sept 27), as well as several special issue meetings, neighborhood zoning committee/task force meetings and are about to host our **8th Community Meeting** on Wednesday, Nov. 14 from 5:00-7:00pm at Ellis Elementary to engage the community (you should have received a flyer about the meeting). We have distributed flyers, posted signs on the property and built a project website to host project information and all presentations/materials (www.KentroGroup.com/Arkansas). We have genuinely tried to be a positive community partner with the neighborhood.

CDOT moved out of the Arkansas property in the Spring of 2018. In 2017, during the site disposition process, the City & County of Denver utilized its ability as a public agency to formulate a contract requiring certain **public benefits**—including a requirement for affordable housing, 150,000 square feet of commercial space, 200 permanent jobs and a public rezoning process which would help set the framework for future site design.

Since we started this process, in community forums with the neighborhood and the City, we continuously stated we that we were fully committed to following through on the City's public benefits and guiding objectives for the site—in addition to going through the very public rezoning process with the community.

Because you are an immediate neighbor, we want to make sure we are effectively communicating exactly what is being proposed for this site, so we have listed the main details of the rezoning application and development agreement below:

Rezoning Application

The proposed rezoning application represents a significant net down-zoning of the property:

a. Current Zoning:

The 4201 E. Arkansas site is currently zoned Campus (**CMP-EI2**) and S-MX-5 for a small portion, which allows for a broad list of allowable uses—including office/commercial, residential/multi-family, institutional/other (main exception: CMP does not allow retail), with building heights up to 12-stories/150'. Campus zoning starts with building heights of 5-stories/75' at the perimeter of the property near the street (20' setback) and then goes up and back at a 45-degree bulk plane angle up to a maximum of 12-stories/150' in height. **Under current zoning, 51% of the site can be built to 12-stories, starting with 5-stories at the perimeter.**

b. Proposed Rezoning:

For the main part of the site to the West of Birch St, the proposed rezoning is to S-MX-3, S-MX-5 and S-MX-8—which stands for Suburban (S), Mixed Use (MX), and 3 to 5 to 8 stories in height. For the lot on

the East side of Birch Street (currently zoned Campus), the rezoning proposal is for S-MU-3 (3-story multi-unit residential).

c. **Differences between existing and proposed zoning:**

Height

- i. The rezoning reduces the allowable height on the interior part of property from 12-stories/150' under current zoning down to 8-stories/110' max. **(40' reduction)**.
- ii. The rezoning also lowers the allowable height along the Arkansas and southern section of Birch from 5-stories/75' under current zoning down to 3-stories/40-45' max. **(30-35' reduction adjacent to the neighborhood)**.
- iii. Based upon these changes alone to building height—and not withstanding that there will be many additional items and requirements (such as open space, streets, sidewalks, access, etc.) that will break up the buildings—we have calculated the **net reduction of square footage/building mass from the rezoning is more than 800,000 square feet.**

Uses

- i. The other main change to the zoning involves the **rezoning from Campus (CMP) to Mixed-Use (MX) in terms of the “allowable uses” on the site.** While Campus zoning allows for an unlimited amount of office, residential, multifamily and other uses within the parameters of the setbacks and height limitations, Campus zoning does not allow for retail uses (such as a restaurant, neighborhood brewery, coffee shop, small grocer, or other uses we've envisioned). By rezoning to mixed-use and through the addition of retail, not only do we think we can create a more walkable neighborhood amenity for families and folks of all ages to enjoy, but by adding retail uses, we will reduce 'destination trips' from traffic and encourage more 'pass-by' trips, which lessens overall trip generation and especially the demand on peak AM and PM destination trips.

In sum, the effect of the rezoning will be to lower heights on both the interior and exterior portions of the site for a large net down-zoning, and to allow for mixed-use/retail uses on the site.

There are **two other very important documents and agreements** we have been working on that we want the neighborhood to be aware of—the **Development Agreement** with the City where we have solidified our public benefits from the initial list of contract requirements from the City; and a **Good Neighbor Agreement** we have proposed based on feedback from nearby neighbors who have attended numerous meetings. We have posted both of these important documents to our website (www.KentroGroup.com/Arkansas) and provided details below.

Development Agreement

As discussed previously with the background regarding the City's original contract for this property and some of the public benefits the City wanted to ensure for this site, a Development Agreement was worked out with the City & County of Denver that not only strengthens the City's original requirements, but added new provisions for ongoing public meetings and coordination that sets a new model for how landowners and developers will work with the neighborhood on a going-forward basis.

We have shared the key terms to the Development Agreement in our public meetings since May, posted all PDF presentations on the project website and in other recent meetings with neighbors.

To be clear, nothing in the Development Agreement changes the fundamentals of the rezoning in terms of height or mass, and the purpose is to have a legal and binding agreement with the City for a set of net **positive outcomes that benefit the City and the community**, including but not limited to:

- a. **Open space** – whereas the existing campus zoning has no open space requirement, the agreement requires a minimum of 10% publicly accessible open space with the City’s standard General Development Plan (GDP) language and definitions.
- b. **Street connection, site infrastructure** – provide at least one north-to-south street connection between Arkansas and Louisiana. We have envisioned Bellaire as a walkable/plaza-like main street.
- c. **Traffic Study** – the Development Agreement requires us to perform a full Traffic Study before any development plans are approved. The scope and size/area of the Traffic Study was expanded based on neighborhood input.
- d. **Transportation Demand Management (TDM)** – the agreement includes requirement for a TDM study and implementation of TDM planning principals to reduce vehicle trips to and from the site.
- e. **Affordable housing** – the original City contract called for 150-units of affordable housing at 60% of Area Median Income (AMI) to be built in Denver or pay a fee. In the Development Agreement, based on strong feedback from the neighborhood, school and the City regarding the importance of this housing demographic, we have agreed to provide the 150-units on-site. For more information on what 60% AMI means, see the table below.

Denver: 2018 Area Median Income (AMI)

% AMI	Household Size				Maximum Rent Charge			
	1 Person	2 Persons	3 Persons	4 Persons	1 Person	2 Persons	3 Persons	4 Persons
30%	\$18,900	\$21,600	\$24,300	\$26,950	\$473	\$540	\$608	\$674
50%	\$31,500	\$36,000	\$40,500	\$44,950	\$788	\$900	\$1,013	\$1,124
60%	\$37,800	\$43,200	\$48,600	\$53,940	\$945	\$1,080	\$1,215	\$1,349
80%	\$50,350	\$57,550	\$64,750	\$71,900	\$1,259	\$1,439	\$1,619	\$1,798

- f. **Ongoing community and neighborhood meetings** – in recent meetings, based on the neighborhood’s desire to stay involved, we added requirements to the Development Agreement for Kentro to provide notice and continue to hold public/neighborhood meetings linked to key project milestones such as site planning, open space plan, traffic study, construction, etc.
- g. **Construction manager** – we also added a requirement for Kentro to provide a Construction Manager, providing notice, a public meeting and plans for construction activities.

There are many additional items in the Development Agreement, which we would be happy to go through with you and answer any questions. We have a meeting scheduled for Nov. 14 from 5:00-7:00pm and again, the full document is linked on our website at: www.KentroGroup.com/Arkansas

Good Neighbor Agreement

Lastly, it is also important to discuss the **Good Neighbor Agreement** we have proposed to the neighborhood/registered neighborhood organization. As noted earlier, we have been meeting and going back-and-forth with a group of committed neighbors regarding a list of other items and priorities the neighborhood wanted to see on the site (i.e. preservation of existing trees, microwave tower

beautification, move RTD bus stop). Many responsible landowners and developers have used Good Neighbor Agreements and they serve as a model and example of how good neighborhood/landowner-developer partnerships can work.

In response to a memo we received that contained a list of neighborhood "priorities" for the site, we drafted and proposed a Good Neighbor Agreement containing the items below.

1. **Hold ongoing community meetings and provide information**
2. **Seek to preserve existing trees on Arkansas Avenue**
3. **Provide ongoing traffic data for off-site intersection at Louisiana and Holly**
4. **Work diligently with CDOT/State re: tower beautification**
5. **Work with neighborhood to come up with design standards and guidelines**
6. **Work with RTD re: relocation of bus stop at SWC of Arkansas Avenue and Birch Street to adjacent location along our site (not in front of neighborhood house)**
7. **Commitment to incorporating a good balance of local retailers**
8. **Enhance pedestrian and bicycle access**
9. **Work with City on a neighborhood parking plan intended to enhance protections.**
10. **Coordinate with neighborhood on construction plan**
11. **Commit to be a positive community partner**

The full copy of the proposed Good Neighbor Agreement is posted on our website at: www.KentroGroup.com/Arkansas.

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As a nearby neighbor to the site, we wanted to be sure we provided you with clear, factual information regarding the rezoning application, Development Agreement and Good Neighbor Agreement.

Again, we have scheduled our **8th Community Meeting** on Wednesday, Nov. 14 from 5:00-7:00pm (at Ellis Elementary).

If you have any questions, comments, or would like to meet with us, **please do not hesitate to email info@kentrogroup.com or call 303-570-3096**. We would be happy to meet or speak with you at any time.

On behalf of me, my family and the everyone at Kentro Group, we take pride in being a local, Denver company with roots in this neighborhood and we stand by our commitment to working tirelessly with the community for a uniquely positive and special outcome for this property.

Sincerely,



Kentro Group
Jimmy Balafas and Chris Viscardi