MINUTES
SCOTTSDALE PLANNING COMMISSION
KIVA – CITY HALL
3939 N. DRINKWATER BOULEVARD
JUNE 25, 2003

PRESENT: David Gulino, Chairman
Steve Steinberg, Vice Chairman
David Barnett, Commissioner
James Heitel, Commissioner
Eric Hess, Commissioner
Tony Nelssen, Commissioner
Jeffery Schwartz, Commissioner

STAFF: Pat Boomsma
Ed Gawf
Randy Grant
Cheryl Sumners
Bill Verschuren
Al Ward
Kira Wauwie

CALL TO ORDER

The regular meeting of the Scottsdale Planning Commission was called to order by Chairman Gulino at 5:00 p.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

OPENING STATEMENT

COMMISSIONER BARNETT read the opening statement, which describes the role of the Planning Commission and the procedures used in conducting this meeting.

MINUTES APPROVAL

June 11, 2003
June 18, 2003

COMMISSIONER HEITEL MADE A MOTION TO APPROVE THE JUNE 11, 2003 MINUTES AND THE JUNE 18, 2003 SPECIAL STUDY SESSION MINUTES AS PRESENTED. SECOND BY COMMISSIONER STEINBERG.

THE MOTION PASSED BY A VOTE OF SEVEN (7) TO ZERO (0).

CONTINUED

5-ZN-1992#3 (Boulders Villas) request by LVA Urban Design Studio, applicant, Wyndham International, owner, for Site plan approval per Zoning Stipulations from 5-ZN-1992 on a 18.1 +/- acre parcel located at the Northeast corner of Westland Road and Scottsdale Road with Planned Neighborhood Center, Planned Community District, Environmentally Sensitive Lands (PNC, PCD, ESL) and Central Business District, Environmentally Sensitive Lands (C-2, ESL) zoning.
CONTINUED TO AUGUST 27, 2003.

COMMISSIONER HEITEL MADE A MOTION TO CONTINUE CASE 5-ZN-1992#2 TO THE AUGUST 27, 2003 PLANNING COMMISSION MEETING. SECOND BY COMMISSIONER HESS.

THE MOTION PASSED BY A VOTE OF SEVEN (7) TO ZERO (0).

EXPEDITED AGENDA

8-UP-2003 (Chevron Oil Stop) request by Gerald Deines Architect, applicant, Chevron, owner, for a conditional use permit for an Automotive Repair Facility on a .43 +/- acre parcel located at 7555 E Camelback Road with Highway Commercial (C-3) zoning.

MR. WARD presented this case as per the project coordination packet. Staff recommends approval, subject to the attached stipulations.

52-ZN-1997#2 (Osborn Commons) request by Scottsdale Osborn Holding Corporation, applicant, Dee Ann Skipton, owner, for a site plan amendment to 52-ZN-1997 on a 1.7 +/- acre parcel located at the northwest corner of Osborn Road and Bishop Lane with Downtown/Office Commercial Type 2 (D/OC-2) zoning.

MR. VERSCHUREN presented this case as per the project coordination packet. Staff recommends approval, subject to the attached stipulations.

VICE CHAIRMAN STEINBERG inquired if the request complies with the open space requirements. Mr. Verschuren stated this is zoned downtown and there are minimal open space requirements for downtown projects versus C-2 projects.

Vice Chairman Steinberg inquired about the storm water retention on this site. Mr. Verschuren stated the applicant would need to apply for a storm water retention waiver and at that time, they would review if the streets can handle the extra flow.

COMMISSIONER BARNETT inquired about the entrance and exit egress on the site. Mr. Verschuren stated there is only one entrance and exit to the structure and it does occur on Bishop Lane.

Commissioner Barnett stated it appears that there is not any flow coming from the building for pedestrian access other than walking out the driveway on Bishop Lane. Mr. Verschuren stated during the Design Review Board process they will be looking at different ways of getting in and out of the building Commissioner Barnett stated he would like to see some type of pedestrian access on 6th Street to the downtown area.

> **5-AB-2003 (Ayoub Residence)** request by Jesse McDonald, applicant, Jesse McDonald, owner, to abandon a portion of Mountain View Road alignment located on the north side of Mountain View Road and west of 116th Street.

MS. SUMNERS presented this case as per the project coordination packet. Staff recommends approval subject to the following stipulation:

> The property owner along the south side of the property to ensure there is no vehicular connection to Mountain View dedicates a one-foot vehicular non-access easement.

VICE CHAIRMAN STEINBERG inquired if the Trails Master Plan would be affected by this abandonment. Ms. Sumners replied in the negative.

Vice Chairman Steinberg inquired if the concerns by the Stonegate Homeowners Association have been resolved. Ms. Sumners replied in the affirmative. She reported they have drafted a private agreement.

COMMISSIONER NELSSEN stated he would like to see an easement dedicated in excess of one foot that could function as a potential trail connection. He inquired how would a person get access to the trail from those properties. He also inquired if there were any GLO easements in this area. Ms. Sumners replied in the negative. She stated there are some on the south side of Mountain View Road but there are none to the north in this particular area.

COMMISSIONER HEITEL inquired if they could reserve the 20-foot trail easement to provide some access to the major trails system. Ms. Sumners stated the Trails Department looked to see if there would be value of retaining something there for potential neighborhood local trail. In their analysis there is no potential connection without the city paying money to obtain that connection because the Stonegate Maintenance facility is in that area.

Commissioner Heitel inquired if there was room for a detached sidewalk along Mountain View. Mr. Brown replied in the affirmative.

JESSE MCDONALD stated he is representing the owners. He further stated the Stonegate Master Planned Community installed a block fence wall essentially on the property line and it is their intent to keep the line of the wall.

COMMISSIONER HEITEL stated if they reserved the 20-foot equestrian easement north of the block wall that would be a good spot for an equestrian easement because it is already separated from the street. Mr. McDonald stated he would not see a problem because part of the document that is being drafted with Stonegate Master Planned Community and the applicant is to reserve the building setback. So, if there is any future planning on the owners of the property it does not encroach too far onto Mountain View Road.

CHAIRMAN GULINO inquired if the applicant would be opposed to reserving an equestrian easement. Mr. McDonald stated he did not see where that would be a problem.

MS. SUMNERS stated there is an existing 15-foot public trail easement on the south side of the southern border.

COMMISSIONER HEITEL MOVED TO FORWARD CASE 8-UP-2003 TO THE CITY COUNCIL WITH A RECOMMENDATION FOR APPROVAL SUBJECT TO IT MEETS THE USE PERMIT CRITERIA.

MOVED TO FORWARD CASE 52-ZN-1997#2 TO THE CITY COUNCIL WITH A RECOMMENDATION FOR APPROVAL WITH THE ADDED CAVEAT THAT THE DEVELOPMENT REVIEW BOARD PAY PARTICULAR ATTENTION TO THE PEDESTRIAN INGRESS AND EGRESS OUT OF THE SITE.

MOVED TO FORWARD CASE 5-AB-2003 TO THE CITY COUNCIL WITH A RECOMMENDATION FOR APPROVAL WITH THE ADDITION OF A STIPULATION THAT ENSURES THE SOUTH 15 FEET OF THE PARCEL IS RETAINED FOR EQUESTRIAN USE.

SECOND BY COMMISSIONER BARNETT.

THE MOTION PASSED BY A VOTE OF SEVEN (7) TO ZERO (0).

REGULAR AGENDA

> **4-UP-2003 (5th Avenue Parking)** request by City of Scottsdale, applicant/owner, for a municipal use master site plan for a parking garage on a 1.6 +/- acre parcel located at 7143 E 5th Avenue with Central Business (C-2) zoning.

MR. GAWF presented this case as per the project coordination packet. Staff recommends approval, subject to the attached stipulations.

MICHAEL SCHMITT, Dick & Fitsche Design Group, 4545 E. McKinley Street, Phoenix, AZ, discussed the evolution of the project. He provided an overview of the design process. He also discussed the technical requirements associated with this project. He

reviewed the additional costs associated with going below grade. He reviewed the public outreach that has occurred to date.

COMMISSIONER NELSSEN requested clarification on the additional cost associated with having a second level below grade. Mr. Schmitt reported on the complexity and time associated with going more than one level below grade. He further reported that the site does not allow ease of excavation all of the dirt would have to be hauled out and would add three to four additional months to the schedule.

Commissioner Nelssen inquired if they explored the possiblity of using the soil cement or any other materials other than concrete for building walls and anything non-structural. Mr. Schmitt replied they did not explore that option because the parking structure for the most part would be structural concrete.

VICE CHAIRMAN STEINBERG commented on the cost for depressing the entire garage four levels, he inquired if the costs included designing a foundation and structural system to support residential and retail uses above. Mr. Schmitt stated it was not a detailed estimate it was just a quick concept estimate to provide something at the surface level whether it is open space or some kind of a park environment or one level above type construction. Vice Chairman Steinberg stated if the foundation would be designed for future development. Mr. Schmitt replied in the affirmative.

Vice Chairman Steinberg inquired if they would have to rezone this site to allow for residential. Mr. Gawf stated the downtown overlay would allow residential. Vice Chairman Steinberg inquired if the downtown overlay would allow them to exceed the 36 feet in height. Mr. Gawf replied in the negative.

Vice Chairman Steinberg stated he knows the parking is necessary but he does not think the parking will solve the vacancy problems. If they sensitively site rooftops in the downtown it will create energy and in turn revitalize the whole area. He further stated his big concern is that he is afraid if they don't incorporate something into their language or push for rezoning they won't be able to get residential down the road.

He stated he read most of the neighborhood comments and they were keen on underground parking.

He remarked he felt they need to be able to incorporate retail and residential uses in the design and structure system and be allowed to exceed the 36 feet in height. He further remarked they could sensitively step the building and create a mixed-use project.

He requested additional information on the total budget for this project. Mr. Gawf reviewed the costs associated with this project.

Vice Chairman Steinberg shared his idea for developing a mixed-use project at this site with a first floor retail and three floors of residential with the parking below grade. He presented information on the amount of sales tax and rental tax a project of this type could generate. He stated they would have to rezone the property to accommodate a mixed use that could go up to 50 feet that would sensitively step toward 3rd Avenue. He

further stated he felt a mixed-use project would generate tax revenue and create a boon for the area.

MR. GAWF stated they need to keep in mind that this land was purchased to provide parking for the larger area. Part of the thought is to see redevelopment throughout this area and a way to do that is to waive the parking requirements for other properties through the larger area. He further stated the 36 feet height is important to the vision for the downtown to be consistent with the existing scale.

Vice Chairman Steinberg stated he felt they need to study some mixed-use options.

MR. GAWF stated if they miss the construction window of next April or May then they would have to wait another year to begin this project.

COMMISSIONER SCHWARTZ inquired if the Commission has the authority to continue this case and ask for additional studies to be done that look at multi-use on this site. Mr. Gawf stated the Commission could make a recommendation to continue the case to do more study but he felt the Commission needs to make a recommendation to City Council and give them a chance from a policy standpoint to weigh in. Mr. Jones stated the case before the Commission is a municipal use master site plan and the primary issue before them is the parking on the site. They could forward the case with staff coming back with additional studies to show the potential for mixed uses.

Commissioner Schwartz inquired if Mr. Schmitt had ever designed and built a parking garage with a combination of above and below ground parking and them come back later and attempted to affix an additional component above the garage. Mr. Schmitt stated replied he has not had that opportunity.

Commissioner Schwartz inquired if Mr. Schmitt was aware of any liability issues that the City may face in the future by developing a parking garage with future residential or commercial in a two-phase process. Mr. Schmitt stated when they introduce an individual ownership component there would be significant liabilities assumed.

Commissioner Schwartz inquired if it was safe to assume that if they were designing a project like this that it would be easier to design it and build all the components rather than affix something to the project at a later date. Mr. Schmitt stated that has not been the direction of the project so they have not studied that in detail. He further stated if that were to be the eventual outcome it would probably make sense to do it that way.

COMMISSIONER HEITEL inquired if they moved forward with the proposal before them what would be the time frame to start the project. Mr. Schmitt stated they are up against a tight schedule at this point. It is important to make the schedule work by next April and to have this project before the DRB by September 4, and that gives them the balance of the fall to execute the technical design. Bid the project out shortly after the first of 2004 and be ready to start construction by April.

Commissioner Heitel inquired about the urgency to get this project started in April as opposed to year from now if everyone in the process knew it was moving forward. Mr. Gawf stated the property owners in the area have the concern that the City of Scottsdale

has talked a lot over the last 15 years and have not done much else. He further stated he felt it was a credibility issue because they have a reputation of studying things and not making decisions.

Commissioner Heitel stated he felt there was a tremendous opportunity for a residential component. He further stated if they want to create a mixed use they have to determine if there is a RFP or RFQ partner and move forward and if no when steps up then you build the garage and they have proven there is not a desire for it. Mr. Gawf stated one of the options is to have the third level residential. They have asked someone who does build loft units to tell us whether it is feasible. There would not be a problem to look at an RFP or RFQ process concurrent with the project to see if they do have any takers.

COMMISSIONER NELSSEN stated the attached stipulation reads: "CONFORMANCE TO THE SITE PLAN, Development shall conform with the site plan submitted by KPFF Consulting Engineers and dated 4, April 2003. These stipulations take precedence over the above-referenced site plan. Any proposed significant change, as determined by the Zoning Administrator, shall be subject to subsequent public hearings before the Planning Commission and City Council." He inquired if the questions the commissioners have been discussing tonight deemed significant changes. Does that mean those subsequent public hearings would be determined necessary by the Zoning Administrator. Ms. Boomsma replied in the affirmative. She explained the intent of that stipulation. Commissioner Nelssen inquired if they could eliminate the language "as determined by the Zoning Administrator". Ms. Boomsma stated if they eliminated that language every change no matter how small would have to go through the process. Commissioner Nelssen stated he was just referring to significant changes.

(CHAIRMAN GULINO OPENED PUBLIC TESTIMONY.)

JOHN EBY, 4245 N. Craftsman Court, stated he owns the Acme Bar and Grill that is adjacent to the parking structure. He stated he is very excited that they have reached this stage. He remarked he has been at this location for eight years and he has been hearing about it the entire time. He expressed his concern that after spending a couple of hundred thousand dollars in sales tax dollars on studies it looks as if we are doing more studies or inserting more questions into it. He requested that this structure be built and that they don't wait another year. He reported if the primary use is at night people will not park below grade because of security issues. He requested that they move forward with the plan to have one level below grade.

ALLEN PILE, 7121 5th Avenue, stated he has a business on 5th Avenue and has been there for 12 years. He further stated somewhere along the line they need to make a decision to build and move forward. He commented he felt the time is now. He further commented there is no entrance on 5th Avenue. He noted here is a need for an elevator on the north side. He further noted he did not think they needed any more retail in this area. He reiterated how important he felt it was to get started.

FRANK MAGUIRE, representing the 5th Avenue Merchants Association, stated this issue has been kicked around and talked about for years and the studies show that the parking is needed. The merchants are hanging on for dear life. Tourism has gone down and there are less people visiting 5th Avenue. They need something new. They need

new construction. They need a spark of life. He remarked that during season it is difficult to find parking. He further remarked that he would recommend that they not have any construction during the tourist season because they live for the one or two special events. He commented he did not think they should delay this parking structure for condominiums or retail projects while it is a great idea they should at least get the construction started.

NORWOOD SISSON, 7431 E. Portland, stated he felt something nicer needs to be done down there. A mixed use is obviously it. He further stated he would agree that they don't need retail but there are a number of other commercial options oriented to draw people downtown. He noted he felt residential on the top is very reasonable. He further noted he would propose three levels underground with commercial on the ground floor and maybe parking on the second level and residential on top of that. Still have the four parking levels and maintain the 36th feet in height.

FRED UNGER, 6525 N. 46th Street, stated he is a property owner on 5th Avenue. He further stated he supports the parking structure but on the other hand, he does not want to miss a golden opportunity. He remarked there are many visions for the downtown but he believed the one area they have little disagreement is to have a 24 hour, seven day a week environment with more residential units. The problem is they don't have much land to build them on. He remarked he would support staff's idea to have units on top of the structure. He further remarked they should have affordable units. He noted he felt they should talk to developers regarding the feasibility of doing condominiums. He further noted they do need more people downtown and an affordable project would allow perhaps younger people to live there. He concluded they should not delay this project but look at the options for residential concurrently.

COMMISSIONER SCHWARTZ inquired if would be a fair assessment in Mr. Unger's expert opinion that this is a viable site for developer to come in and develop a loft or condominium project. Mr. Unger replied in the affirmative but it should not be a high-end project.

Mr. Unger commented he would agree that there should be an elevator on the north side of the structure. He further commented there should be parking access on 5th Avenue.

DARLENE PETERSEN, 7327 E. Wilshire Drive, stated they need a parking garage downtown. She further stated there should be an elevator on both sides. She commented they should not put retail on this site. She further noted they do not need another study. If they want changes they should be put in the stipulations and forwarded to the City Council.

(CHAIRMAN GULINO CLOSED PUBLIC TESTIMONY.)

CHAIRMAN GULINO expressed his concern that they were getting off track. He inquired if the City of Scottsdale currently owns this property. Mr. Gawf replied in the affirmative. Chairman Gulino inquire if the property was purchased with funds collected from the parking credit. Mr. Gawf stated it was bought through the assessment district so the property owners were assessed for parking and the land.

Chairman Gulino stated he felt it is important to remember that this land was purchased with dollars collected from people in the area because they were promised a parking garage. To delay it is not fair to those folks. He reiterated that what they have before them is a request for a municipal use site plan so the question before the Commission is do they think it should be a parking garage or not. They are not approving anything. They are just making a recommendation to the City Council whether they think it should be a parking garage or not or possibly something in between and that the City Council needs to consider in more detail the issue regarding residential and retail.

MR. GAWF stated for clarification there will be an elevator on the north and south side.

CHAIRMAN GULINO encouraged the commissioners to stay on point and make their comments as direct as possible.

COMMISSIONER BARNETT stated he would agree that this has been studied to death. Everybody knows they need more parking so there does not need to be more study there. The consensus is that they need more parking, they are pro business, and they need more people down there. They don't need more study but they are looking for alternatives. This is the third time this has been before the Commission in the last month and a half. They walked the site and have spent a lot of time. All of the comments have been that they want something better than just a parking garage. He remarked his job as a volunteer sitting on this Commission is coming up with something good for the downtown people that is zoned correctly and is a project people will be proud of in Scottsdale. All the comments they have been making are that they want a better project. They have specifically asked for some type of RFP or RFQ that would only take 30 to 60 or 90 days. The bottom line is that they want something better that supports the business better in the long-term downtown and that has been show by some of the other decisions they have made that they need more people living downtown. He reported one of the big landowners has come in front of them and stated this would be a viable project for condos or lofts. They all agree but they have not seen any proposals. All they have seen is parking, which everyone agrees they need parking, but they want something better than parking.

COMMISSIONER SCHWARTZ stated he concurs with Commissioner Barnett's statement. He further stated they all have talked about making something out of this site rather than just parking. They need parking but they also need to create some synergy and part of that starts with bringing in housing. He noted this is a prime spot for a condominium project. He further noted he can't accept this Commission, this Council or this community to rush to spend $4.5 million dollars for a garage when they can get more than just parking on this site. He added he would be in support of a motion that will include the opportunity for a RFP to go out on the site to developers to incorporate some mixed use.

COMMISSIONER NELSSEN stated he felt they needed to move this forward. It has already been delayed twice and he has not heard any new issues raised that were not raised three meetings ago. He further stated he would support a motion that includes a residential component not unlike what Mr. Gawf presented to them a month ago. They don't need to study this anymore. He reported he has received a couple of emails indicating that some of the residents would like to see a park on top of this garage

because of the need for open space. He further reported he does not agree that a parking garage is going to bring people to downtown Scottsdale. He concluded he hopes this moves forward. He thanked Mr. Gawf for his efforts.

COMMISSIONER HESS stated he would like to thank Commissioner Barnett and Commissioner Schwartz for expressing what is going through his mind. He further stated everyone of them would like to see parking and would like to encourage the development of business in Scottsdale. There is a long-range issue here. What will be happening to downtown Scottsdale five years from now and is that parking garage just as a parking garage going to satisfy those needs. He remarked that issue has not been addressed and unless they look at this project with some foresight and that foresight would include residential that brings people into downtown Scottsdale to live and participate in the community.

COMMISSIONER HEITEL stated he would agree with a lot of the comments and appreciates the concerns and frustrations expressed by a lot of the citizens that want parking today. He further stated he would agree with the comments regarding taking this to another level and making sure the City does not jump into something without exploring all the opportunities.

VICE CHAIRMAN STEINBERG stated he lived in a mixed-use development called New York City and he knows what this could be so he is coming with some vision that has been honed over the years. There is nothing nicer than walking through a city with all kinds of alleyways and hidden jewels around each corner. He further stated he thought downtown Scottsdale has a lot to offer but he also things they are on the brink of losing it to other cities in the Valley if they don't re-invigorate downtown by means of adding roof tops and mixed use vitality with 24/7 type atmosphere.

Vice Chairman Steinberg stated he shares all of his colleagues' feelings that they want something better than just a parking garage. They have one opportunity and now is the time to do it. He further stated he would like to support a motion that continues this allowing them to study it with mixed use options giving them the proper time to analyze this and go forward. He noted he does not mean a lot of time because he hears the cries from the merchants' downtown.

CHAIRMAN GULINO stated he would like to see a motion that forwards this to the City Council and in that motion he would like to see two elements. The first would be that the City Council and DR Board consider the issue of how many up and how many down in terms of the levels. The second would be a concurrent analysis on the structure to test the market for other uses incorporated into the site whether it is residential, retail or office. He noted he felt his needs to come from the City Council because it is an economic issue whether the structure is designed to accommodate future loading whether it is a park or buildings.

COMMISSIONER SCHWARTZ MOVED TO FORWARD CASE 4-UP-2003 TO THE CITY COUNCIL WITH A RECOMMENDATION FOR APPROVAL SUBJECT TO FOLLOWING STIPULATIONS:

1) THE CITY INITIATE A REZONING TO DOWNTOWN TO INCREASE THE HEIGHT LIMIT TO ALLOW FOR A MULTI USE SITE.

2) WITHIN THREE MONTHS OF THE APPROVAL BY THE CITY COUNCIL THE CITY SHALL INITIATE A REQUEST FOR PROPOSAL TO DEVELOP A MUNICIPAL GARAGE WITH A MULTI USE ON THE SITE WITH A 60 DAY RESPONSE TO THE REQUEST FOR PROPOSAL.

SECOND BY COMMISSIONER BARNETT.

VICE CHAIRMAN STEINBERG stated based on what occurred with the sign ordinance when the Commission made their opinion and it went in a different fashion to the City Council. He inquired how are they going to ensure this does not take the same route. Mr. Gawf stated he would suggest for someone from the Planning Commission draft some kind statement to pass on. Chairman Gulino requested staff draft a letter to the City Council for the Commission to review at their next meeting that reiterates the stipulations and their concerns.

COMMISSIONER HEITEL stated he would have preferred to strengthen the recommendation to the City Council. He further stated he would like to see a statement from the Commission that they absolutely do not recommend the construction of a four-story above grade structure. It should be limited to minimum one grade below. He noted he would liked to have seen more time given to the RFP process with the understanding that the primary focus it to develop a mixed-use project.

THE MOTION PASSED BY A VOTE OF SEVEN (7) TO ZERO (0),

WRITTEN COMMUNICATION

There was no written communication.

ADJOURNMENT

With no further business to discuss, the regular meeting of the Scottsdale Planning Commission was adjourned at 7:10 p.m.

Respectfully Submitted,

"For the Record " Court Reporters