

PLANNING COMMISSION REPORT



Meeting Date: November 13, 2024
General Plan Element: *Land Use*
General Plan Goal: *Create a sense of community through land uses*

ACTION:

Axon

3-GP-2023 and 13-ZN-2020#2

Request to consider the following:

1. A recommendation regarding a request by owner for a minor amendment to the City of Scottsdale General Plan 2035 to change the land use designation from Employment to Mixed-Use Neighborhoods, and a minor amendment to the Greater Airpark Character Area Plan to change the land use designation from Employment (EMP) to Airpark Mixed-Use - Residential (AMU-R), on a +/- 44.7-acre portion of a +/- 69.71-acre site, located at 8300 E. Axon Way, and
2. A recommendation regarding a zoning district map amendment from Planned Community District, Industrial Park (P-C I-1) zoning to Planned Community District with P-C comparable Planned Airpark Core, Airpark Mixed-Use - Residential (P-C PCP AMU-R) zoning to accommodate an amendment to the original development plan (13-ZN-2020) and an amendment to the land use budget for Crossroads (19-ZN-2002#6) to allow for 1,965 multi-family residential units, a hotel, and +/- 47,000 square feet of commercial five buildings ranging from four to five-stories, up to 68 feet in height, on a +/- 44.7-acre portion of a +/- 69.71-acre site, located at 8300 E Axon way.

Goal/Purpose of Request

The applicant seeks approval to rezone a portion of the subject site to P-C PCP AMU-R to allow for development of a mixed-use project. The east portion of the site has already been approved for a new corporate headquarters building for Axon (13-ZN-2020 and 28-DR-2020). If successful, this request for the western portion of the site would create a campus setting with regional-serving commercial, hotel, and residential uses that would also be of direct benefit to the corporate headquarters.

Key Items for Consideration

- PCD Findings
- Conformance to the General Plan 2035 goals and policies, including the definition of a Regional Use by enhancing the employment core, accomplishing economic development goals and

complementing the established character for the area through a regional-serving, corporate campus setting.

- Conformance to the 2010 Greater Airpark Character Area Plan goals and policies, including the implementation of land uses – such as corporate headquarters, tourism, and campuses – that serve a regional market.
- Includes land uses in the Crossroads Hayden Core Transition Area (north of the Stonebrook community) beyond the land uses identified in the I-1 zoning district.
- Previous zoning approval (13-ZN-2020) included building heights up to 82 feet (exclusive of rooftop appurtenances) for the Axon headquarters portion of the site only (no change proposed).
- Building heights within 300 feet of single-family residential remain limited to 30 feet (19-ZN-2002#6).
- Request for Amended Development Standards specific to residential on the first floor and building height only (refer to Page 11 of this report).
- No bonus development standards proposed.
- Phase 1 of the development to include completion of the corporate headquarters building and Axon Way (including roundabout at Perimeter Drive). Construction on Phase 1 shall meet certain construction milestones before Phase II buildings can begin construction.
- Development Plan includes +/- 47,000 square feet of commercial floor area (retail, restaurant).
- The 1,965 units proposed calculates to +/- 44 du/ac residential density (PCP portion of site only), with +/- 365 units proposed to be fee-title condominiums.
- Introduces residential, through the Planned Airpark Core Development (PCP) district, a use and zoning district that is not permitted by the current Crossroads East Development Plan (Case 19-ZN-2002#6). Accompanying amendment to the Crossroads Development Agreement (2002-141-COS-A5) required for City Council consideration.
- Increases number of residential units allowed in the PRC & PCP District Land Use Budget from 4,163 to 6,128, and the overall number of dwelling units for the Crossroads PCD from 6,969 to 8,934.
- Proposal would decrease available I-1 acreage in the Crossroads Land Use Budget from 210 acres to 166 acres and increase available PRC & PCP acreage from 407 acres to 451 acres.
- Property owner to provide 3,000-acre feet of water (+/-840 million gallons) via water credits to offset impacts on the city's water infrastructure
- The Airport Advisory Commission considered this case on 1/17/2024 and recommended denial by a unanimous vote of 7-0.
- Planning Commission considered this case on 1/24/2024 and continued the case to the 2/14/2024 hearing with a vote of 6-1 (Commissioner Serena dissenting).
- Prior to the 2/14/2024 hearing, the applicant requested a continuance to a date to be determined. Request was approved with a vote of 5-2 (Commissioners Kaminski and Serena dissenting).
- Public comment in support and opposition received, including petition in opposition from residential community to the south.

OWNER

Axon

APPLICANT CONTACT

Charles Huellmantel
Huellmantel & Affiliates
480-921-2800

LOCATION

8300 E Axon Wy

BACKGROUND

General Plan

City of Scottsdale General Plan 2035 designates the property as Employment: Light Industrial/Office within the Regional Use Overlay. The Employment: Light Industrial/Office land use category provides a variety of employment opportunities, business enterprises, aviation uses, light manufacturing, warehousing, and other light industrial and heavy commercial type activities. While this category should be located and designed to limit impacts on and access to residential neighborhoods, these areas should also have excellent access to labor pools and transportation networks. The Regional Use Overlay Category provides flexibility for land uses when it can be shown that new land uses are viable in serving a regional market. Regional uses include, but are not limited to, corporate office, region-serving retail, major medical, educational campus, community service facilities, tourism, and destination attractions. In determining whether proposed land uses are regional in nature, the City considers whether such a use has a regional draw, fulfills current economic development policies, enhances the employment core and the city's attractiveness to regional markets, benefits from good freeway access, and complements the established character for the area.

The subject site is located within the General Plan designated Greater Airpark Growth Area – an identified location within the community that is most appropriate for development focus, and will best accommodate future growth, new development, revitalization, and redevelopment. Scottsdale's Growth Areas focus on higher intensity development, a planned concentration of land uses, and enhanced transportation and infrastructure in designated areas.

Character Area Plan

The Greater Airpark Character Area Plan (GACAP) designates the property as Employment (EMP) land use within the Type C Development Type. This land use category includes an array of office, commercial, warehousing, and light industrial land uses that provide opportunities for business enterprises, as well as regional and local jobs. Within the Greater Airpark, Development Types help define the size and scale of development. Type C development represents medium to higher scale development, which supports pedestrian activity in the Greater Airpark. The subject site also has

frontage to North Hayden Road, a designated Signature Corridor in the Greater Airpark Character Area Plan.

Zoning

The Crossroads East Master Plan is zoned Planned Community District (P-C). Case 19-ZN-2002, which established the master plan for the Crossroads East project, included a Land Use Budget Table that identified the allowable zoning districts for the entire 1,000-acre project; including maximum acreage and maximum residential densities for those districts that allow residential. A subsequent amendment processed under case 19-ZN-2002#6 added the Highway Commercial District (C-3) to the Land Use Budget Table and increased the total maximum number of multi-family dwelling units for the entire Crossroads East project from 4,596 to 6,969. In 2020, the applicant received approval of a request to rezone approximately 69.71 acres from P-C to P-C I-1 for the Axon corporate headquarters (13-ZN-2020).

Prior to development of any parcel in Crossroads East, the applicant must select a zoning district from the Land Use Budget Table. Once a comparable zoning district has been selected, the Arizona State Land Department (ASLD), which oversees the master plan for Crossroads East, must agree to the location, acreage and, if residential is proposed, the allowable density and total number of units for the proposed zoning. The developer then coordinates with the City to adopt the P-C comparable zoning district for the site.

Context

The subject property is located at the southeast corner of N. Hayden Road and Loop 101 and is presently vacant. Directly south of the site is another vacant site that will eventually be occupied by a new municipal fire station and well site (both under construction), and further south is a single-family neighborhood. To the west is more vacant land owned by the State and a multi-family residential community. Please refer to context graphics attached.

Adjacent Uses and Zoning

- North: Loop 101 Freeway
- South: Single-family Residential, zoned R-4
- East: Future Axon Corporate Headquarters site, zoned P-C I-1
- West: Vacant State-owned land, zoned P-C

Other Related Policies, References:

- Scottsdale General Plan 2035, as amended
- Greater Airpark Character Area Plan (2010), as amended
- Zoning Ordinance
- 2021 City of Scottsdale Economic Development Five-Year Strategic Plan
- 19-ZN-2002: Approved the original Crossroads East Development Plan, including a Land Use Budget for future development.
- 19-ZN-2002#6: Approved amendment to Crossroads East, including addition of Planned Airpark Core (PCP) to available P-C comparable districts and increase in total number of multi-family dwelling units.
- 13-ZN-2020: Approved a rezone from P-C to P-C I-1, including a development plan and amended development standards

- 28-DR-2020: Approved design plans for a new corporate headquarters building

APPLICANT’S PROPOSAL

Development Information

The applicant seeks approval to rezone +/- 44.7-acres of an overall +/- 69.71-acre site to allow for a mixed-use component that will ultimately be part of a corporate campus for the Axon headquarters building. The proposal calls for a total of five buildings, four of which would be primarily multi-family residential, with commercial uses on the first floor. The fifth building, a hotel, is proposed to be located at the northeast corner of the site, furthest away from and at the behest of the single-family community to the south. This hotel is intended to be an amenity for the headquarters building (though it will also be available to the general public). There will be one point of access off N. Hayden Road at the intersection with E. Axon Way to the mixed-use portion of the campus. Another access point (primarily for the Axon headquarters building) is proposed at a roundabout to be located at the intersection of N. Perimeter Drive and E. Axon Way. Phase one of the project will include completion of the E. Axon Way improvements and the roundabout. Site design includes strong pedestrian connectivity between the headquarters building and the mixed-use component and a publicly accessible multi-use path that will run along the entire perimeter of the site.

Zoning District Map Amendment area only (+/- 44.7 acres)

- Existing Use: Vacant undeveloped land
- Proposed Use: Mixed-Use
- Buildings/Description: Five buildings, varying in height from three to five stories
- Parcel Size: +/- 44.7 acres (gross) of an overall +/- 69.71-acre site
- Building Height Allowed: 82 feet exclusive of rooftop appurtenances (13-ZN-2020; Axon building only)
- Building Height Proposed: 68 feet exclusive of rooftop appurtenances
- Parking Required: 3,482 spaces (2,555 for residential, 435 for hotel, 328 for guest parking, 164 for commercial)
- Parking Provided: 3,504 spaces
- Open Space Required: 404,257 square feet (9.2 acres; 25% of net site area)
- Open Space Provided: 890,101 square feet (20.4 acres)
- Floor Area Ratio Allowed: 0.8 of the Development Plan area, including residential (1,557,906 square feet)
- Floor Area Ratio Proposed: 1,557,906 square feet

IMPACT ANALYSIS

Minor General Plan Amendment Request

As discussed above, the General Plan designates the subject site as Employment: Light Industrial/Office and the Greater Airpark Character Area Plan (GACAP) designates this site as

Employment (EMP). The previous zoning district map amendment (Case 13-ZN-2020) was consistent with the General Plan Employment land use designation, as it only proposed office and manufacturing with no residential.

The applicant seeks to add residential and commercial uses to the site, requesting minor amendments to the Scottsdale General Plan 2035 to change the land use designation from Employment: Light Industrial/Office to Mixed-Use Neighborhoods, and to amend the Greater Airpark Character Area Plan to change the land use designation from Employment (EMP) to Airpark Mixed-Use - Residential (AMU-R), on +/- 44.7-acres of a +/- 69.71-acre site.

A request from Employment (Group G) to Mixed-Use Neighborhoods (Group G) is defined as a minor General Plan amendment based upon the Scottsdale General Plan 2035 Amendment Criteria (Criterion 1). However, the applicant's request to amend +/- 44.7 acres of a General Plan Land Use Category is more than the 15-acre threshold as defined by Criterion 2, Area of Change. Typically, such a request would constitute a major amendment – a process outlined within Scottsdale General Plan 2035. The applicant, however, contends that such a request meets the intent of Criterion 8, Exceptions to the General Plan Amendment Criteria. Within this section, certain exceptions to the General Plan Amendment Criteria are considered in the best interest of the general public and in keeping with the vision, values, and goals of the community. Bullet 2 identifies that attracting regional land uses is appropriate for this area of the community and will be processed as a minor amendment.

In determining whether proposed land uses are regional in nature, the General Plan expects the City to consider whether the use has a regional draw, fulfills current economic development policies, enhances the employment core and the city's attractiveness to regional markets, benefits from good freeway access, and complements the established character for the area.

- Regional Draw and Enhancing the Employment Core – Within the narrative, the applicant states that this request implements the Regional Use definition, ensuring an integrated campus environment as part of the overall Axon corporate campus. As opposed to a singular manufacturing building, the General Plan amendment, and implementing zoning district map amendment, would allow for supporting uses – including regional-serving hotel, retail, and residential – to be located in a campus setting that would establish such as a world headquarters facility for Axon. As such, the employment core would be further supported as a result of the consolidation of all of their regional, Valley-wide facilities into this singular location within Scottsdale, commensurate with supportive regional uses for both the corporate headquarters and their employees (hotel, retail, and residential).
- Economic Development Policies – The 2021 City of Scottsdale Economic Development Five-Year Strategic Plan provides leadership with a long term strategy for business expansion, startup and enterprise development, talent attraction/retention, and destination development. Consequently, the plan supports growing Scottsdale's existing industries (Goal 1 and supporting Objectives), attracting new investment (Goal 2 and supporting Objectives), and attracting and building talent (Goal 5 and supporting Objectives).
- Freeway access – the subject site is located adjacent to the LOOP 101 Freeway and has existing access from Hayden Road.

- Established Character of the Area – the subject site is located within Crossroads East (in 19-ZN-2002#6), which includes a Development Plan and stipulations set forth to ensure future development builds upon the existing, established character found throughout the +/- 1,000-acre project.
- As a means to implement the General Plan and GACAP land use designations sought by this request, the applicant's proposal would introduce residential, through the Planned Airpark Core Development (PCP) District, a land use and zoning district that was restricted by the previous zoning action for this area of Crossroads East (Case 19-ZN-2002#6). Such restriction of uses, along with the use of "Transition Area" were included in previous approvals to accommodate and protect residential communities that border the Crossroads East project – including Scottsdale Stonebrook II, located south of the subject site. Subsequently, with this proposal, an amendment to the Crossroads Development Agreement (2002-141-COS-A5) is required and will be part of the City Council package for consideration.

Land Use Impact Model

In June 2024, Long Range Planning Services contracted with Applied Economics to produce a land use impact model to estimate the socioeconomic, development, and fiscal impacts associated with a change from one General Plan land use designation to another over a 20-year time period (in this instance, 2024-2044). From a fiscal standpoint, the model assesses both revenues generated from development (initial construction expenditures, yearly sales tax generation, etc.) as well as City expenditures (public safety, infrastructure maintenance, etc.), as a means to estimate how fiscally sustainable a project is (or is not) over time – also referred to as Net Present Value (NPV).

In this instance, the model provided a general assessment of the Axon Campus (+/- 69.71-acres), comparing the 20-year outlook of existing +/- 69.71-acres of "Light Industrial" with the proposed +/- 44.7-acres of "Mixed Use" and remaining +/- 25-acres of "Light Industrial" in the Central Sub-Area of the City. The model shows a positive NPV for both the existing and proposed uses over a 20-year time period, with the model noting a \$434,962 NPV for the existing +/- 69.71-acres of "Light Industrial" and a \$3,068,035 NPV for the proposed +/- 44.7-acres of "Mixed Use" and remaining +/- 25-acres of "Light Industrial". The model results in a net gain of \$2,633,073 over a 20-year time period. Such an increase is expected as a result of an increased tax base that includes transaction collection from non-residential floor area and the integration of new residential use on the site, contributing to increased property tax. Further, the proposed development will bring additional residents into the area which will support area sales and property tax.

The full results of the Land Use Impact Model assessment are located in the case file.

Land Use Budget – Crossroads

The request to change the land use designation from Employment to Mixed-Use Neighborhoods and EMP to AMU-R will reduce the Employment land use by +/- 44.7 acres, a 1% reduction, at the General Plan level. However, Crossroads is unique in that it includes a Land Use Budget from which developers select their zoning districts. For this site, the +/- 44.7-acres proposed to be changed to P-C PCP AMU-R would be returned to the Land Use Budget, rather than being eliminated, so there is no net loss in employment zoned land (I-1) as a result of this request.

Since employment zoning (I-1) would remain available to assign to development sites within the +/- 1,000-acre Crossroads East development, the General Plan Employment land use category would need to be designated in conjunction with such zoning relocation. In terms of policy, both the General Plan 2035 (Land Use Element Goal LU 6) and Greater Airpark Character Area Plan (Land Use Chapter Policy LU 6.1) discuss the importance of prioritizing employment uses within this area of the city.

Airport Vicinity

The entire Crossroads PCD falls under the Airport Influence Area; as designated by the Part 150 Noise Compatibility Study. Most of the PCD falls under the AC-1 Influence Area (no land use restrictions) and a small portion (+/- 40 acres) near the southeast corner of the project falls under the AC-2 Influence Area (noise-sensitive uses require noise abatement and disclosure). This request would introduce a noise-sensitive land use to the Airport Influence Area (multi-family residential). As such, FAA height determination, fair disclosure and sound attenuation is required.

This case was considered by the Airport Advisory Commission on 1/17/2024. The Commission voted unanimously to recommend denial of the proposed original development plan, citing the following:

- Increased residential units could result in additional noise complaints because of the location of the site and corresponding flight path, and
- Height impact penetrating the airspace could result in requiring obstruction lighting on top of all five buildings

The current, revised development plan lowers a building and shifts the development slightly north. Based on Airport staff's analysis, it appears the new development plan would reduce the number of obstruction lights on top of the buildings down to a single light on one building. Per code, the applicant must complete the FAA airspace analysis for all buildings and receive an official FAA Determination prior to issuance of permits.

In addition, the original development plan called for more multi-family residential units (apartments), while the new design proposes to change some of the units to fee-title condominiums. Apartments typically do not generate noise complaints while single-family residential homes and condos tend to trigger additional noise complaints. In addition to the FAA airspace analysis, the applicant is required to provide fair disclosure notice to potential buyers/residents, dedicate an Avigation Easement, and provide sound attenuation to help reduce impacts from aircraft operations.

PCD Findings

Per Section 5.2104 of the Zoning Ordinance, before approval or modified approval of an application for a proposed P-C District, the Planning Commission and City Council must find:

A. That the development proposed is in substantial harmony with the General Plan and can be coordinated with existing and planned development of surrounding areas.

- The subject site is located within the General Plan 2035 designated Greater Airpark Growth Area. Growth Areas are locations within the community that best accommodate future growth, allowing increased focus on creating or enhancing transportation systems and infrastructure coordinated with development activity. Within designated Growth Areas, applications typically yield a maximum density nearing 50 dwelling units per acre. The applicant's proposal for 1,965

dwelling units over the +/- 44.7-acre development plan calculates to 44 dwelling units per acre. The Greater Airpark Character Area Plan (GACAP) provides more specific policy direction for this area of the community, consistent with the goals and policies of the General Plan. As such, the plan utilizes Development Types to guide the physical and built form of the area (Goal LU 4), noting that medium- to higher-scale development may be located within Type C areas – where the subject site is located. The applicant does not propose to increase building heights with this request, and in fact reduces building height from the previous zoning request. Consequently, the density that is proposed is supported by the definition of a Growth Area expected by Scottsdale General Plan 2035 and further defined by its designation within the Type C Development Type of the Greater Airpark Character Area.

- The General Plan 2035 Open Space Element designates Hayden Road, north of Frank Lloyd Wright Boulevard, as a Buffered Roadway – streets that provide an aesthetic or environmental buffer, enhance the unique image of the streetscape, and reduce the impacts that major streets may have on adjacent land uses (Policy OS 4.3). Further, the GACAP designates Hayden Road as a Signature Corridor, where this street segment expects design that reflects “urban characteristics that celebrate transitions from the urban environment to the native desert and residential areas” (CD2.1, CD2.1.5 and CD2.2). As such, the applicant is proposing a minimum forty (40) foot wide buffered setback along N. Hayden Road, measured from the edge of the right-of-way. This proposal provides the transition expected by Scottsdale’s Signature Corridor from the urban environment experienced south of the Loop 101 Freeway to the native desert environment experienced north of the Loop 101 Freeway.
- The General Plan 2035 Growth Areas Element (Goal GA 3) and the GACAP Land Use Chapter (Policy LU 5.2) encourage open space areas as public amenities that benefit the community. Further, the General Plan 2035 Connectivity Element (Goal C 3 and corresponding policies) and GACAP Character & Design (Goal CD 2 and corresponding policies) and Community Mobility Chapters (Goal CM 6 and corresponding policies) encourage accessible and engaging bicycle and pedestrian connections. As such, the applicant proposes a development plan that includes +/- 18 acres of open space (not inclusive of private, courtyard open space) as well as +/-1.5 miles of circulating trails along the perimeter of the campus.

B. The streets and thoroughfares proposed are suitable and adequate to serve the proposed uses and the anticipated traffic which will be generated thereby.

- A Transportation Master Plan (MP) was created as part of the original entitlement for Crossroads, and identified the alignments for all future major streets, including N. Hayden Road. As each new development proposal is presented to the City, staff analyzes the MP to determine if existing streets need to be extended, or if new local streets are needed to accommodate proposed development intensity. N. Hayden Road has been completed and was recently widened to three lanes each way north of the Loop 101 Freeway as part of the Nationwide development. This proposal also includes widening of N. Hayden Road south of the Loop 101 Freeway to accommodate demand generated by the proposed development. Additionally, E. Mayo Blvd. will be extended east of N. Hayden Road as part of Phase 1 of this development, eventually connecting with N. Perimeter Drive and the Perimeter Center industrial park south of the subject site. This extension will provide a much-needed additional north/south connection from E. Bell Road to the freeway and should help with traffic flows generated by events at the TPC Scottsdale and Westworld.

C. The Planning Commission and City Council shall further find that the facts submitted with the application presented at the hearing establish beyond reasonable doubt that:

- 1. In the case of proposed residential development, that such development will constitute a residential environment of sustained desirability and stability; that it will be in harmony with the character of the surrounding area; and that the sites proposed for public facilities, such as schools, playgrounds, and parks are adequate to serve the anticipated population.**

The proposed residential component is designed to encourage walkability, both within the development and to adjacent streets. A series of six-foot internal sidewalks connect the buildings and connect the mixed-use component to the Axon Corporate Headquarters. Also proposed is a multi-use path that will run along the entire perimeter of the Axon campus that will be publicly accessible (approximately a one-mile loop). In addition to the residential, +/- 47,000 square feet of commercial is proposed that is integrated into the first floor of the residential buildings that could include retail, restaurants or personal service uses easily accessible to residents. All combine to create an corporate campus environment of sustained desirability and stability.

The single-family community to the south is aware of the proposal and relayed some concerns/requests to the applicant. The community requested that building height be reduced as buildings get closer to the south property line. In response, the applicant has reduced building heights for the southernmost building to three stories, stepping up to four stories at E. Mayo Blvd. instead of five stories. Additionally, the community requested the hotel be moved to the northeast corner of the rezoning area, which the applicant has done. The original location was at the southeast corner of the site, closer to the community. These changes help the proposal to be in harmony with the character of the surrounding area.

The applicant states that the housing component is compatible to the surrounding area which features other multi-family developments with similar densities. This is an ideal area to provide critically needed housing within close proximity, and easy access to outdoor recreational opportunities, including the Scottsdale Sports Complex, McDowell Sonoran Preserve and TPC Scottsdale.

- 2. In the case of proposed industrial or research uses, that such development will be appropriate in area, location and overall planning to the purpose intended; and that the design and development standards are such that an industrial environment of sustained desirability and stability will be created.**

No new industrial or research uses are proposed as part of this request.

- 3. In the case of proposed commercial, institutional, recreational and other non-residential uses, that such development will be appropriate in area, location and overall planning to the purpose intended; and that such development will be in harmony with the character of the surrounding area.**

Though ultimately market driven, commercial uses for the project are intended to lend themselves to the overall corporate campus concept the applicant is seeking to create. Uses such as restaurants, personal service and retail are all possibilities; providing for a true-mixed use environment where residents will have easy access to on-site commercial uses. Future uses on the site will help to support the corporate headquarters and surrounding community; and will be in harmony with the character of the surrounding area.

Amended Development Standards

As part of a Planned Community District application, or subsequent amendment, an applicant may propose amendments to certain site development standards in an effort to accommodate flexibility in design of a project. Two amendments are proposed as part of this application. One is to the maximum building height and the other is to the percent of floor area restriction for residential on the first floor in the P-C comparable Planned Airpark Core (PCP) zoning district, as indicated below:

- Building Height (~~including~~ **excluding** all rooftop appurtenances)
- Use Limitations (for dwellings in the PCP):
 - (4) Limited to a maximum of ~~50~~ **58** percent of the ground floor building area of the Development Plan.

Transportation

The site is located on the southeast corner of the Loop 101 Freeway and Hayden Road. The eastern portion is planned to contain the Axon headquarters. The site access and internal street system was first established with the previous zoning case, 13-ZN-2020, and the subsequent Development Review Board case, 28-DR-2020. This new submittal proposes a realignment of the previously established Axon Way. Axon Way is an extension of Mayo Boulevard to the west, and it traverses through the site connecting Hayden Road to Perimeter Drive. Site access is provided by internal driveways and two intersections along Axon Way – Hayden Road and Axon Way and Perimeter Drive and Axon Way. The Hayden Road and Axon Way intersection will be signalized as was previously proposed. The new Axon way alignment will not connect to 82nd Street or the old Mayo Blvd. to the south. The new alignment still includes one roundabout at the intersection of Axon Way and Perimeter Drive.

The development plan includes 1,965 multi-family dwelling units, a 435 key hotel, and +/- 47,000 square feet of commercial space. This development plan is estimated to generate 14,082 trips, with reductions for internal capture lowering the external trips to 11,974. The a.m. peak hour trips are 950 and p.m. trips are 897 before the reduction factors are applied; the combined peak hour trips are 1,049 after the reductions.

The street system in this area was developed in response to a request from Axon to be consistent with their plan to develop the entire parcel as a campus for their corporate headquarters. Instead of a more direct four-lane roadway connection through the center of the parcel a horizontal curve with a design speed of 30 MPH was incorporated on Axon Way to change the horizontal alignment further south to travel along the perimeter of the site, which will slow traffic that is traveling through the

site. Poor levels of service are anticipated at several intersections in the vicinity of the site, including Hayden Road and Axon Way/Mayo Boulevard, Hayden Road and Princess Drive, Perimeter Drive and Princess Drive, Hayden Road and the Loop 101 interchange, and the Princess Drive/Pima Road and the Loop 101 interchange. The developer's traffic impact study proposes mitigation measures, including signal timing changes and additional lane capacity at intersections, which are under review for feasibility. According to modeling presented in the traffic impact study these measures, when implemented, will mitigate traffic delays at these intersections, in most cases reducing delays below levels that would occur if the project were not built. Mitigation proposed at the freeway interchanges requires review and acceptance from the Arizona Department of Transportation (ADOT). Based on preliminary discussions with ADOT, staff anticipates receiving this approval.

The applicant is stipulated to submit an updated traffic impact study to Transportation staff prior to any Development Review Board applications. Any street or traffic control improvements that are recommended in the accepted study will become requirements for the developer. Additional right-of-way may be required to accommodate these improvements. If some of the mitigation measures are not feasible, the applicant may be required to alter the development plan to reduce trip generation.

Water/Sewer

Abbreviated water and sewer Basis of Design (BOD) reports were provided by the applicant. In response to the information provided, stipulations have been crafted that identify what infrastructure upgrades must be achieved as part of the proposed development.

A Water Demand Exhibit must be completed and is required for any project that generates 100,000 gallons per day or more in total average daily use, excluding fire flow (Resolution 12539, Scottsdale Sustainable Water Management Principles). The total water demand for this project exceeds 100,000 gallons per day, as indicated in the abbreviated BOD and 3,000 acre feet of water will be provided by Axon to address this. This project may need to provide alternative conservation measures or additional water resources in advancing the City's water conservation efforts. Water and sewer system upgrades, designed and constructed as part of this project, are required to handle project demands. In the project narrative, the applicant states that storm water flows will be discharged into the sanitary sewer system. This will be resolved with the stipulations.

The City of Scottsdale is an Arizona Department of Water Resources designated provider with a 100-year Assured Water Supply, and will supply water in accordance with City codes, ordinances, and the City's Drought Management Plan. All infrastructure upgrades necessary to serve this project will be completed by the applicant.

Public Safety

The nearest fire station is located at 20700 N. Pima Road, approximately 1.5 miles northeast of the project site, and the site is served by Police District 3, Beat 19. As with any project that contributes to growth, the fire department and police department continually anticipate and evaluate resource needs for the city's budget process. There is also a municipal fire station proposed to be constructed on site at a future date.

Open Space

The proposed development plan includes over twice as much open space as required by the PCP zoning district (+/- 51% of net lot area vs. 25% of net lot area). Open space is evenly distributed and includes common areas for each residential building, a common area for the proposed hotel, and a dog park. N. Hayden Road is identified as a Signature Corridor by the GACAP. As such, a minimum 50-foot landscape buffer and setback is recommended. The applicant proposes a minimum 40-foot landscape buffer and setback with an average depth of 50 feet, similar to what was approved for the Cavasson site north of the Loop 101 Freeway. Included as part of the open space is a publicly accessible multi-use path that circles the entire campus along the perimeter (+/- one mile).

Housing Cost

Approval of the zoning district map amendment and amended development plan proposed by the applicant enables the construction of more housing and will introduce the opportunity for a mixed-use development. In conjunction with state law, staff has considered the scope of the zoning district map amendment and development plan, as well as aspects which would affect the cost of construction. Staff has not identified any factors that would substantially impact the cost to construct housing for sale or rent.

Community Involvement

The City of Scottsdale promotes public participation in the development of the built environment. Generally, the applicant complied with the city's suggested best practices for public outreach. The applicant held an Open House on 6/21/2023 at the Axon building on 17800 N. 85th Street. Per the applicant's Public Participation Report, there were 47 attendees. Questions/comments received at the Open House include the following:

- Some attendees expressed enthusiasm about the proposal, specifically the new retail.
- Several attendees expressed concerns about building height, residential density and traffic.
- Some attendees asked questions related to circulation, pedestrian safety and ingress/egress into the neighborhood and campus.
- Several attendees expressed support for the realignment of Axon Way (aka Mayo Blvd.), believing it would help with traffic.
- Some attendees were opposed to any residential on the site.

Staff also received comments, primarily from the Stonebrook residential community to the south. Since the 1/24/2024 Planning Commission hearing, staff has received additional correspondence from the Stonebrook community, including a petition in opposition. Refer to Attachments 9 and 10 of this report. Staff has not received any updates from the applicant with regard to community outreach since the 1/24/2024 Planning Commission hearing.

Significant Updates to Development Proposal Since Initial Submittal

- Number of proposed residential units reduced from 2,552 (all rental) to 1,965 (23% reduction)
- Of the 1,965 multi-family residential units proposed, +/- 365 are now proposed to be fee-title condominiums, leaving 1,600 rental units.
- Maximum building height for all buildings on the site proposed to be exclusive of rooftop appurtenances (previously inclusive).

- In response to resident concerns, E. Axon Way is now proposed to be realigned so that it bypasses N. 82nd Street to the north and directs traffic away from the residential community to the south. Realignment would also prevent traffic generated by the Axon campus from accessing N. 82nd Street.
- The existing E. Mayo Blvd. (aka E. Union Hills Dr.) that abuts the residential community to the south, originally proposed to be abandoned, will instead be preserved and improved to provide a more direct connection to N. Hayden Road for the residents to the south. This section of road would also be used as an ingress point for the fire station presently under construction.
- Site design revised to include an enhanced, shaded pedestrian plaza/connection between the Axon building and the hotel to further promote the campus concept.
- In response to resident concerns, the hotel has been relocated from the southeast corner of the site to the northeast corner of the site, closer to the Loop 101 Freeway, and further away from the residential community to the south.
- The building closest to the single-family residential to the south was reduced from five stories in height (+/- 67 feet) to three stories in height (+/- 45 feet), stepping up to four stories along the E. Mayo Blvd. frontage.
- Pedestrian circulation includes a publicly accessible multi-use path that runs along the perimeter of the entire campus, (+/- one mile).

Community Impact

- Proposal includes widening of N. Hayden Road (including a deceleration lane) and extension of E. Axon Blvd. (aka Mayo Blvd.) east to Perimeter Center Drive.
- Proposed realignment of E. Axon Way will eliminate potential impacts on the residential community to the south from traffic and vehicle headlights.
- Preservation of existing E. Mayo Blvd. (aka E. Union Hills Drive) will provide a direct connection from residential community to the south to N. Hayden Road.
- Developer will construct significant transportation and water/sewer infrastructure upgrades to accommodate the proposed project intensity.
- Proposal includes a publicly accessible multi-use path along the perimeter of the entire campus (+/- one mile).
- Retention, expansion and significant investment by a major local employer in Scottsdale.

Policy Implications

- Proposal will increase residential density for the Crossroads East PCD (6,969 units to 8,934 units).

OTHER BOARDS & COMMISSIONS

Airport Advisory Commission (AAC)

The AAC considered this case on 1/17/2024. Commissioners expressed concerns about the number of residential units and proximity to the airport. This site experiences a high volume of overflight activity (arrivals and departures) which will likely generate noise complaints. Citing the proposed

number of residential units and incompatibility with airport operations, the Commission recommended denial with a unanimous vote of 7-0.

Note: The applicant was given the option to return to Airport Advisory Commission for further consideration of the revised development plan but declined, instead opting to go forward with the original recommendation of denial from the commission due to the fact that the land uses in the revised development plan remained the same.

Planning Commission (1/24/2024)

After presentations by both staff and the applicant, the Commission heard a great deal of public comment in support and opposition to the proposal. Much of the support came from both members of the business community and Axon employees. Comments in opposition centered primarily on traffic, project density and intensity, and building height. Staff from Water Resources and Transportation were on hand to answer questions regarding water, sewer and traffic capacity. When queried by Commissioners, both Transportation and Water Resources staff indicated they did not have enough information to analyze impacts and determine infrastructure needs. After discussion, a motion was made to continue the case to the 2/14/2024 agenda to allow time for the applicant to coordinate with city staff and provide information needed to respond to Commissioner and citizen questions/concerns. Motion passed with a vote of 6-1 with Commissioner Serena dissenting.

Planning Commission (2/14/2024)

Prior to the hearing, the applicant requested a continuance to a date to be determined to allow additional time to address staff and resident concerns. There was no presentation or public comment. A motion to continue the case to a date to be determined passed with a vote of 5-2, with Commissioners Kaminski and Serena dissenting.

STAFF RECOMMENDATION

Recommended Approach:

1. Staff recommends the Planning Commission recommend approval to City Council for a minor amendment to the City of Scottsdale General Plan 2035 to change the land use designation from Employment to Mixed-Use Neighborhoods, and a minor amendment to the Greater Airpark Character Area Plan to change the land use designation from Employment (EMP) to Airpark Mixed-Use - Residential (AMU-R), on a +/- 44.7-acre portion of a +/- 69.71-acre site, located at 8300 E. Axon Way, and
2. Staff recommends the Planning Commission find that the PCD Criteria have been met, determine that the proposed zoning district map amendment is consistent with and conforms to the adopted General Plan and Greater Airpark Character Area Plan, and make a recommendation to City Council for approval of a zoning district map amendment from Planned Community District, with P-C comparable Industrial Park (P-C I-1) zoning to Planned Community District with P-C comparable Planned Airpark Core, Airpark Mixed-Use - Residential (P-C PCP AMU-R) zoning to accommodate an amendment to the original development plan (13-ZN-2020) and an amendment to the land use budget for Crossroads (19-ZN-2002#6) to allow for 1,965 multi-family residential units, a hotel, and +/- 47,000 square feet of commercial in five buildings ranging from four to five-

stories, up to 68 feet in height, on a +/- 44.7-acre portion of a +/- 69.71-acre site, located at 8300 E Axon way, per the attached stipulations.

RESPONSIBLE DEPARTMENTS

Planning and Development Services

Current Planning Services
Long Range Planning Services

STAFF CONTACTS

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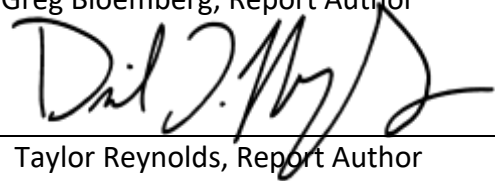
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APPROVED BY



Greg Bloemberg, Report Author

10/31/2024
Date



Taylor Reynolds, Report Author

11/5/2024



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11/6/2024
Date



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11/06/2024
Date

ATTACHMENTS

1. Context Aerial
- 1A. Aerial Close-Up
2. Resolution No. 13277
Exhibit 1: Proposed General Plan Land Use Map
Exhibit 2: Proposed Greater Airpark Character Area Plan Land Use Map
3. Ordinance No. 4658
Exhibit 1: Zoning Map
Exhibit 2: Stipulations
4. Resolution No. 13273
Exhibit 1: Axon Development Plan
5. Additional Information
6. Existing General Plan Land Use Map
7. Existing Greater Airpark Character Area Plan Land Use Map
8. Existing Zoning Map
9. Traffic Impact Summary
10. Community Involvement
11. Correspondence
12. 1/17/2024 Airport Advisory Commission Meeting Minutes
13. 1/24/2024 Planning Commission Meeting Minutes
14. 2/14/2024 Planning Commission Meeting Minutes
15. City Notification Map