

THE LOOP DEVELOPMENT PLAN AMENDMENT PROJECT NARRATIVE

For property located at the corner of E. St. John Road and 85th Street within the Perimeter Center

Request

Amend the development plan and removing the amended standards approved in case 2-ZN-2010 Planned Community District with comparable Industrial Park District (PCD I-1) zoning

Case 2-ZN-2010#2

First Submittal: February 6, 2024

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Resolution No. 13247

Exhibit 1

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Request

The request by Creation Equity ("Developer") is to amend the approved development plan on Maricopa County Assessor's Parcel #'s 215-07-212 K, L, M & N ("Property") within the City's Perimeter Center development. The Property is located at the intersection of E. St. John Road and 85th Street. The development plan amendment seeks to utilize the existing I-1 PCD zoning for uses allowed within this zoning district with a four (4) building campus. The previous development plan included two (2) 65-foot high office buildings and associated parking and parking garage. The previous case approved amended development standards including building heights up to 65 feet in certain areas of the site. The proposal is to remove the height increase allowance and revert to standard I-1 zoning development standards. The four (4) buildings and associated parking within this proposal meets the I-1 development standards.

Background/History

The Property is located within the Perimeter Center, which is located on the inside curve of the Loop 101 highway. The Perimeter Center was originally zoned in the late 1980's as part of the larger Core South master plan that included a much larger land mass of properties along the north and south sides of the (at the time) future freeway alignment. Although I-1 zoning is the zoning designation for a majority of lots within the Perimeter Center, many of the lots developed out as mainly offices with ancillary commercial and hotel uses. The Property is one of the last undeveloped portions of the Perimeter Center.

The significant drainage that encumbers this site is a main reason for it remaining undeveloped. With the existing development plan (two-65 foot tall office buildings and parking fields), there was no serious consideration in site planning for the major drainage that enters this site from the large culvert system under the freeway. The proposed development plan by the Developer includes accommodating and paying for a drainage solution to the Property and the Perimeter Center.

Surrounding Context

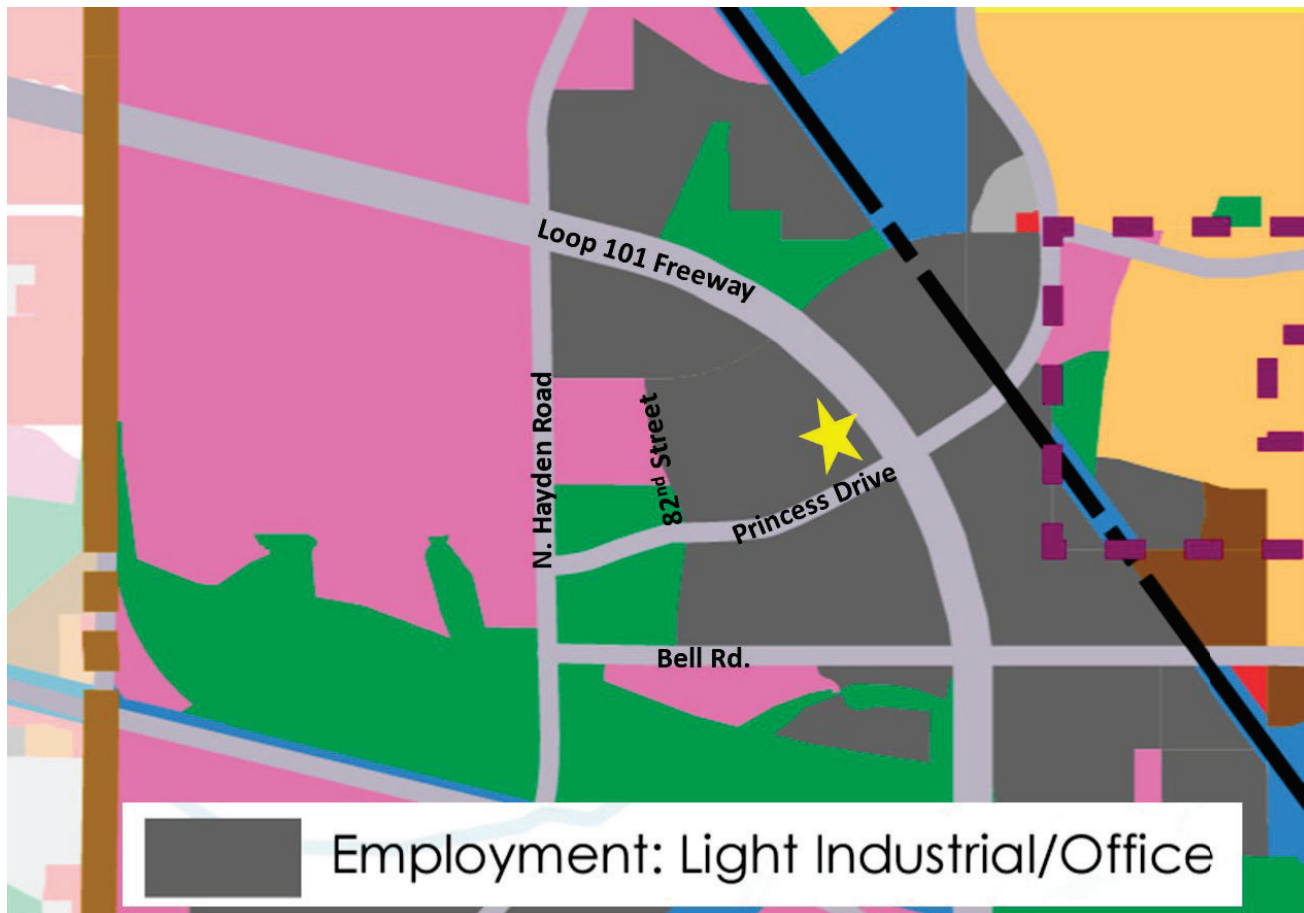
The Property is within the eastern portion of the Perimeter Center. The adjacent parcels are primarily office buildings with a hotel directly to the west off a shared driveway from Princess Drive. The freeway is along the Property's eastern boundary. Most of the parcels in this area of the Perimeter Center have similar I-1 PCD zoning.

2035 General Plan

The Property is designated as Light Industrial/Office on the City's General Plan Future Land Use Map (see below). The development plan amendment is consistent with this land use designation. The Employment-Light Industrial/Office land use areas provide a variety of employment opportunities, business enterprises, aviation uses [see Greater Airpark Character Area Plan], light manufacturing, warehousing, and other light industrial and heavy commercial type activities. Light Industrial/Office uses 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. Major streets serving Light Industrial/Office areas should accommodate truck traffic. Transit facilities and other multimodal options are also needed at significant employment centers to accommodate commuters and minimize traffic congestion. The parcels within Perimeter Center with this land use designation include C-2, C-O, I-1, and PCP. All of these zoning districts allows for the implementation of the goals of the Light Industrial/Office land use designation.

2035 General Plan Land Use Map



Furthermore, with the construction of the Loop 101/Pima Freeway and a concentrated mixed-use land use pattern near the Scottsdale Airport, this area, more commonly known as the Greater Airpark Character Area, has emerged as one of the most significant employment and business cores within the State of Arizona. These regional land uses, along with the city's land preservation efforts, have contributed to Scottsdale's economy, which in turn contributes to a high quality of life for residents. The Light Industrial/Office land use designation over the Perimeter Center area also creates the necessary buffer and non-noise sensitive uses at the north end of the airports runway.

Character and Design Element

The following are the applicable goals and approaches from the Character and Design Element of the City's General Plan.

Goal CD 1. Determine the appropriateness of all development in terms of community goals, surrounding area character, and the specific context of the surrounding neighborhood.

Response: The proposal is an appropriate modification to an approved development plan. The previous development plan included a more office-oriented development with taller buildings and larger parking fields. The proposal seeks lower scale buildings and less parking fields. With the site designed to internalize the future uses, the proposal will have less impacts on surrounding properties.

Goal CD 2. Develop, maintain, and refine Character Areas and Character Area Plans to foster quality development and consistent character and context within various areas of the community.

Response: The proposed development plan implements the Greater Airpark Character Plan by providing for a variety of industrial park type uses along a major freeway corridor. The development plan will maintain the variety of employment type uses within the Perimeter Center.

CD 3.1 Strengthen Scottsdale's economic and environmental attributes, distinctive character, and attractiveness through collaborative site planning and design.

Response: The site and building design will include the resolution of a significant drainage/environmental area for the Property and this portion of the Perimeter Center. The commitment to resolving this costly issue while not requesting amended development standards strengthens Scottsdale's economic and environmental attributes, distinctive character, and attractiveness through collaborative site planning and design.

Land Use Element

Goal LU 1. Enhance Scottsdale's economic viability by encouraging land uses that reinforce the city's reputation as the premier international tourist destination in the Southwest and sustain the city's role as a regional cultural center and economic hub. Land uses should be compatible with Scottsdale's character and physical appearance.

Response: The proposed land use will continue to enhance Scottsdale's economic viability by providing land uses in conformance with the Property's zoning designation. The development plan amendment removes taller buildings that could obstruct views and create issues with surrounding properties. Providing for additional land uses within the Perimeter Center strengthens this area of the City as a regional economic hub. The proposal creates a land use that contributes to the character of the community and sustains a viable economic base.

Goal LU 4. Develop context appropriate land use patterns that support a variety of compatible mobility choices and services.

Response: The proposal includes developing land uses in conformance with the Property's existing zoning and the City's General Plan Land Use designation. The proposal is context appropriate and does not request any amended development standards that would alter land use patterns in the area.

Goal LU 6. Attract and retain diverse employment, business, and retail land uses to improve the economic well-being of Scottsdale's residents.

Response: The proposal provides for a different type of land use than the adjacent office uses. The proposal includes four (4) industrial-type buildings of different sizes allowing flexibility for end users. The surrounding office buildings are less adaptable to ever-changing economic trends. The development plan will attract and retain diverse employment and other business land uses that will improve Scottsdale's economic well-being.

Economic Vitality Element – Goals and Approaches

Goal EV 1. Foster Scottsdale's resiliency to economic change through support of our core industries (e.g., tourism, healthcare, bio/life sciences, advanced business services), assets, regional competitiveness, and economic diversity.

Response: The proposed development supports the City's and the Perimeter Center's resiliency for evolving business and industries. The flex-space type buildings have minimal impacts to surrounding uses while creating diverse business assets to Scottsdale's economic prominence.

EV 1.2 Support retention and expansion of established businesses, and provide resources for businesses to adapt to changing market conditions.

Response: The proposal intends develop land uses consistent with the underlying industrial park zoning. The proposed building design and flexibility will allow for continued business expansion in the City and adapt to changing market conditions.

Greater Airpark Character Area Plan

The Property falls within the Greater Airpark Character Area plan ("GACAP") limits. The following are some responses to the applicable goals and policies within the GACAP.

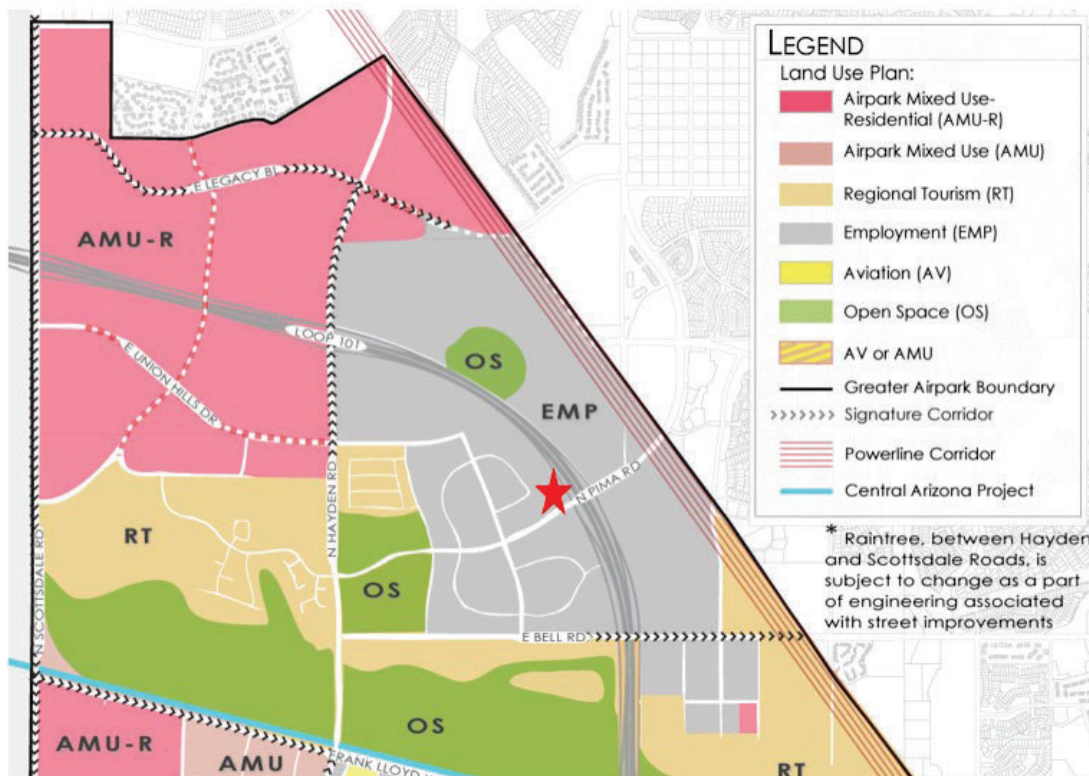
GOAL LU 1: Maintain and expand the Greater Airpark's role as a national and international economic destination through appropriate land uses, development, and revitalization.

- Policy LU 1.1 Maintain and expand the diversity of land uses in the Greater Airpark.
- Policy LU 1.2 Support a mix of uses within the Greater Airpark that promote a sense of community and economic efficiency, such as clustering similar/supportive uses and incorporating residential intended for the area's workforce, where appropriate

- Policy LU 1.3 Promote development intensities supportive of existing and future market needs.
- Policy LU 1.4 Encourage the redevelopment of underutilized land to more productive uses.
- Policy LU 1.5 Maintain and continue to foster dialogue between the City of Scottsdale and Arizona State Land Department to facilitate innovative use and development of State-owned land.
- Policy LU 1.6 Encourage the assemblage of small, inefficient parcels and the replacement of obsolete structures in the Greater Airpark utilizing strategies including, but not limited to, development flexibility and expedited processing of proposals.
- Policy LU 1.7 Encourage adaptive reuse of buildings.
- Policy LU 1.8 Prevent erosion of Greater Airpark Employment land uses through land use regulations, such as limiting retail and restaurants in areas designated for employment.

Response: The development of the Property with the land uses allowed in the underlying zoning district will maintain and expand the Greater Airpark's role as a national and international economic destination through appropriate land uses, development, and revitalization. The proposed four building design is not prevalent within the Perimeter Center. The development plan expands the diversity of land uses in the Greater Airpark area. The allowance to utilize a zoning district consistent with the General Plan and GACAP demonstrates the flexibility to address a minor development plan change.

Greater Airpark Land Use Plan

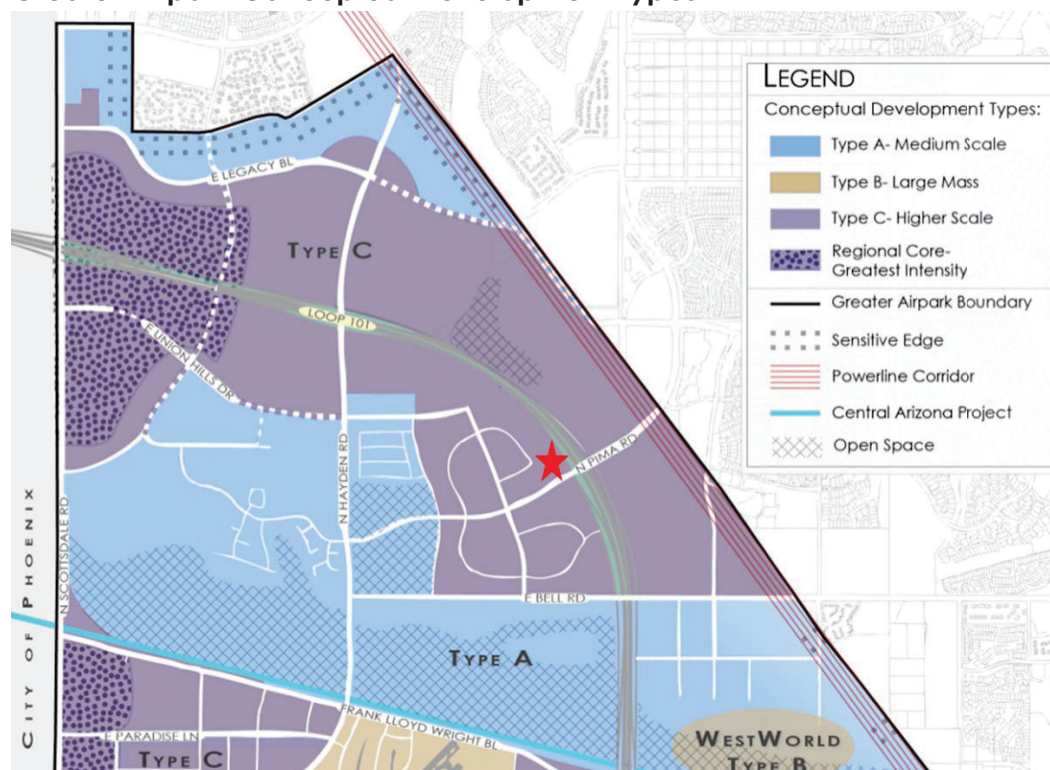


GOAL LU 4 Utilize development types to guide the physical and built form of the Greater Airpark

- Policy LU 4.3 Encourage higher-scale Type C development in areas with access to major transportation corridors and where lower-scale residential areas will be buffered from higher-scale development.
- Policy LU 4.4 Support transitions in scale between development types.
- Policy LU 4.6 Transitions between development types should incorporate a blending in context of each development type, and integrate the characteristics between them through appropriate site and building design.
- Policy LU 4.7 Encourage greater visual variety between employment/commercial land uses and residential neighborhoods, and avoid continuous building shapes and mass adjacent to residential neighborhoods.

Response: The Property falls within the Type C development type within the Development Types map of the GACAP. The approved development plan provides for 65-foot tall office buildings consistent with the Type C development designation. The proposed development seeks to lower the building heights to under fifty feet. The proposed development plan provides a transition back to the historical building heights created before the GACP land use designations. The Property will develop in a manner consistent with the surrounding business and industrial park uses. The development plan will have a less imposing presence on the travelers of the Loop 101 freeway.

Greater Airpark Conceptual Development Types



GOAL EV 3 Preserve and enhance tourism and visitor experiences of the Greater Airpark.

- Policy EV 3.2 Encourage complementary uses, such as specialty retail and hotels, to locate in the Greater Airpark in order to support tourist attractions.

Response: The proposal places like-kind uses within one of the City's premier business parks, the Perimeter Center. The development plan implements the existing zoning districts development standards and implements allowed land uses without the need for rezoning. This allows for other areas of the Greater Airpark appropriately zoned for tourism and visitor experiences to continue without impacts. Its location off the Loop 101 freeway and major roadway network in the area allows for side-by-side complimentary uses.

The GACAP definition of Employment is as follows:

Employment (EMP) 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. These areas should have access to regional multi-modal transportation systems, including access for truck traffic and transit facilities. Residential is not appropriate in employment areas. Employment is appropriate adjacent to the Aviation Land Use area and within the Airport's 55 DNL areas or higher.

Response: The Property falls within the EMP land use designation of the GACAP. The proposed office, flex-industrial buildings and surrounding adjacent uses have met the definition of EMP by providing for an 'array' of office and industrial uses that provide opportunities for business enterprises, as well as regional and local jobs. The proposed development plan is also an appropriate change from a building height and usage standpoint based on the Property's location off the north end of the Scottsdale Airport's runway and flight paths.

Employment Core

■ **Employment Cores** are primary employment centers for the city. These areas are predominately concentrated in the Greater Airpark Character Area, a mixed-use employment core with primary freeway access, as well as around other major employment campuses, such as the Mayo Clinic and General Dynamics. Employment Cores support a wide range of activities, such as aviation, light-industrial, and regional- and community-level employment uses. These areas consist of multi-functional buildings with an emphasis on technology and corporate character. Taller building heights are found within the core, and low-scale building heights are typically found within the transition areas adjacent to Rural and Suburban Character Types. The Greater Airpark Character Area Plan denotes appropriate locations for height and intensity in the Airpark area. (See also: Growth Areas Element).



PCD Criteria

Section 5.2104 of the Zoning Ordinance states that before approval or modified approval of an application for a proposed P-C District, the Planning Commission and the 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.

Response: The proposed development plan amendment is in substantial harmony with the General Plan's 'Employment: light industrial/office' land use designation. The proposal intends to place airpark type development within the Greater Airpark character area plan. The development plan amendment would be less intense and resolve a major drainage issue that has limited development on the Property since the construction of the drainage culverts under the freeway.

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

Response: The street system in this area and street access to the Property has been established for over 20 years. Princess Drive provides direct access to the Loop 101 freeway. The properties access and share access points are off minor collector roads for safe and convenient access for the community.

- C. The Planning Commission and City Council shall further find that the facts submitted with the application and 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 Planning Commission and City Council shall be presented written acknowledgment of this from the appropriate school district, the Scottsdale Parks and Recreation Commission and any other responsible agency.

Response: There is no residential component to this proposal.

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 as to create an industrial environment of sustained desirability and stability.

Response: Although the request is to implement the existing industrial park zoning, the proposal reduces building height and provides for more uses allowed within the existing I-1 zoning district. The request seeks no amended development standards and effectively create an industrial environment of sustained desirability and stability. The site has been zoned industrial park district since the Perimeter Centers inception and the proposal will implement that land use.

3. In the case of proposed commercial, educational, cultural, recreational and other nonresidential 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 areas.

Response: The proposed development plan amendment seeks to develop in full conformance with the existing zoning. The proposal removes a previously approved development plan that sought 65-foot high office buildings adjacent to the freeway on the eastern end of the Property. The proposed development plan will be in harmony with the character of the surrounding areas

Development Plan Proposal

The requested development plan seeks to develop four (4) buildings on the approximately 16.5-acre site. The Property will be accessed off of an existing common driveway shared with the existing hotel off Princess Drive and off an internal street within the Perimeter Center, 85th Street. The development plan is designed to create internal loading bays that are oriented to face each of the buildings and not to the streets that flank the Property on the east (Loop 101 freeway ramp) and west (85th Street).

The buildings will adhere to the existing zoning, thereby reducing the overall building height currently approved for the Property (65 feet). The four (4) buildings will be approximately 40-42 feet in height, significantly lower than the 52 feet allowed in the industrial park zoning district. Most importantly, the development plan intends to provide a final drainage design to the significant drainage flows from the culverts constructed under the freeway that impact the Property directly. The developer will create a significant drainage design to account for the drainage flows and safely discharge the drainage into the Perimeter Centers drainage system.

Site Plan

The site plan will create four (4) industrial/flex-space buildings consistent with the existing zoning. The buildings and their associated parking and loading areas are oriented so as to not impact the surrounding properties or existing access points. The site plan will conform to all of the existing I-1 development standards and effectively 'downzones' the Property from the existing development plan with building heights of 65 feet.

Economic Impact

The development plan amendment implements a site plan that fulfills the employment land use designation of the GACAP. The proposal seeks to develop four (4) flexible industrial type buildings on property already zoned industrial. Furthermore, since the development of the Loop 101 freeway in this area, this particular Property has been encumbered with massive drainage flows from culverts that convey drainage from a significant area of north Scottsdale. The investment in this Property by the developer to handle this drainage at a significant cost demonstrates the commitment to positively impact the Perimeter Center's prominence in the greater airport area. The end result will be the development of industrial buildings at today's standards providing an economic boost to the City's economy.

Circulation

There will be no change to the circulation network surrounding the Property. The site plan will continue to provide cross access from Princess Drive across from the hotel property and along the 85th Street frontage. No roadway improvements are required for this proposal.

Neighborhood Outreach

We have submitted a comprehensive citizen participation plan as part of this submittal. Our initial open house was held on January 11, 2024 at the Perimeter Center's Hilton Garden Inn directly adjacent to the Property. During the meeting, the developers and representative were present for the attendees to discuss the proposal. There was one (1) attendee at the open house. The one attendees is a tenant in another Perimeter Center property that walks by the site during her lunch hour. She was explained the development proposal and had no concerns with the development plan amendment. We will continue to update the citizen outreach as the case evolves through the City's submittal and review process.

Summary & Conclusion

As discussed throughout this narrative, the proposed development plan amendment seeks to develop the Property under the standard I-1 zoning district regulations and downzone the previous development plan from the greater heights approved in case 2-ZN-2010. The Perimeter Center continues to adapt and provide for first-class employment opportunities for Scottsdale. This development plan amendment request meets the intent and goals of the General Plan, provides for a significant drainage solution and create four (4) flex-type industrial buildings with no net affect to any services, infrastructure or traffic. The proposal will implement existing zoning development standards and remove the greater heights afforded in the previous zoning case.

Resolution No. 13247

Exhibit 1

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