BOARD OF ADJUSTMENT REPORT



Meeting Date: 8/5/2020

ACTION

CHP Scottsdale 9-BA-2020

Request to consider the following:

1. Request by owner for a variance to the City of Scottsdale Zoning Ordinance, Sections 5.3006.C pertaining to setbacks and Section 5.3006.F pertaining to building location from North Drinkwater Boulevard and North Wells Fargo Avenue for a property with Highway Commercial, Downtown Overlay (C-3 DO) zoning located at 7331 E. Osborn Drive.

OWNER

CHP Scottsdale Medical LLC (720) 256-2730

APPLICANT CONTACT

Gary Kimnach Centum Health Properties, Inc. 469-584-3966

LOCATION

7331 East Osborn Drive

BACKGROUND

History

The subject site was annexed into the City of Scottsdale in 1960 as part of Ordinance No. 86 and C-3 zoning applied to the property. The existing medical office building was originally developed in the 1970's. In 1993 a 12,518 square foot portion of the property, previously used as a surface parking lot, was purchased by the City of Scottsdale for a fair market value through an independent appraisal for the construction of the North Drinkwater Blvd couplet. Variance case 14-BA-1994 was approved in 1994 for 52 parking spaces to satisfy the Zoning Ordinance required amount of parking on the site at the time. The special circumstance mentioned in the 1994 variance case was the City's acquisition of a portion of the property. In 2003 the



Downtown Overlay (DO) was applied to the Downtown Area with Zoning case 5-ZN-2003 establishing the downtown setbacks and building location standards, applicable to the property.

Zoning/Development Context

The subject site is zoned Highway Commercial Downtown Overlay (C-3 DO) and is located at the northwest corner of the N. Wells Fargo Avenue and N. Drinkwater Boulevard intersection.

Adjacent Zoning and Uses

- North: Highway Commercial Downtown Overlay (C-3 DO) zoning and Downtown Medical Type-2 Special Campus Downtown Overlay (D/M-2 SC DO), medical office buildings.
- South: Highway Commercial Downtown Overlay (C-3 DO) zoning, hotel and rehabilitation center.
- <u>East:</u> Downtown Medical Type-2 Special Campus Downtown Overlay (D/M-2 SC DO) zoning, surface parking lot.
- West: Highway Commercial Downtown Overlay (C-3 DO) zoning and Downtown Office/Commercial Type-2 Downtown Overlay (D/OC-2 DO) zoning, medical office and hotel.

Zoning Ordinance Requirements

Pursuant to Section 6.1205.C of the City of Scottsdale Zoning Ordinance:

"...property development standards of the Downtown District shall apply to property zoned DO"

Pursuant to Section 5.3006.C of the City of Scottsdale Zoning Ordinance, pertaining to the required minimum setback from public streets. The setback is measured from the back of curb:

Table 5.3006.C. Minimum Setback for Buildings Adjacent to Public Streets, except alleys		
Street	Minimum Building Setback	
North Drinkwater Boulevard and North Goldwater Boulevard		30 feet
East Indian School Road		30 feet
East Camelback Road		40 feet
North Scottsdale Road in Type 3 Area		40 feet
North Scottsdale Road in Type 1, Type 2 or Type 2.5 Areas		20 feet

All other public streets and public street segments in the Type 1 Area	14 feet
All other public streets and public street segments in the Type 2 or Type 2.5 Areas	20 feet

Note: See the Downtown Plan Urban Design & Architectural Guidelines for locations of the public streets and setbacks above.

Pursuant to Section 5.3006.F of the City of Scottsdale Zoning Ordinance, pertaining to the required building location:

"2. In a Type 2 Area, a Type 2.5 Area, or a Type 3 Area, a building with a building façade length of two hundred (200) feet or more shall be located to achieve a prevailing setback shown in Table 5.3006.F. The building façades on a corner lot are calculated separately, and not added together."

Table 5.3006.F. Prevailing Setbacks for Buildings Adjacent to a Public Street (except alleys)	
Street	Prevailing Setback
North Drinkwater Boulevard and North Goldwater Boulevard	Between 35 and 45 Feet
East Camelback Road	Between 45 and 60 Feet
North Scottsdale Road north of the Arizona Canal	Between 45 and 60 Feet
All other public street and public street segments	Between 25 and 35 Feet

The applicant is requesting:

- 1. A variance of ten (10) feet from the North Drinkwater Boulevard setback, from thirty (30) feet to a setback of twenty (20) feet,
- 2. A variance of ten (10) feet from the North Wells Fargo Avenue setback, from twenty (20) feet to ten (10) feet,

3. And a variance of ten (10) feet to the building location prevailing setback standard along North Drinkwater Boulevard from between 35 and 45 feet to between 25 and 35 feet. The proposed plan appears to have an average setback of approximately 27 feet along North Drinkwater Boulevard.

The average prevailing setback would be approximately 33 feet along North Wells Fargo Avenue (including the existing office building and proposed parking structure) meeting the standards along that public street segment.

Code Enforcement Activity

There is no code enforcement activity associated with the subject site.

Community Input

The City and applicant notified property owners within 750 feet of the site regarding the filing of this application. Staff has not received any phone calls or comments on the proposal at the time of writing this report.

Discussion

As part of 14-DR-2020, for redevelopment of the subject site, the applicant proposes to add approximately 38,300 square feet to the existing medical office building and construct a parking structure to accommodate the additional parking demand. The parking structure location is proposed in the footprint of the existing surface parking lot and would have one level eight (8) feet below grade and another level three (3) feet above grade with parking screening and parking shade canopies that would be up to 14 feet above the ground level. The location of the proposed parking structure does not conform to the building location and setback requirements detailed above.

VARIANCE CRITERIA ANALYSIS

1. That because of special circumstances applicable to the property including its size, shape, topography, location, or surroundings, the strict application of the zoning ordinance will deprive such property of privileges enjoyed by other property of the same classification in the same zoning district:

Applicant Statement:

The existing property size and configuration was modified and reduced with City acquisition of a portion of the property for the expansion of North Drinkwater Boulevard. The property previously received a parking variance in 1994 (14-BA-1994) for 52 parking spaces, but not building setbacks.

Staff Analysis:

There is not a minimum lot size for C-3 properties within the Downtown Overlay. This property is similar in size and shape to other C-3 DO zoned sites nearby. The nearby C-3 DO lots range from 12,000 to 150,000 square feet and the subject lot is approximately 100,000

square feet. The shape of the property is generally rectangular, but has an angled southern property line to accommodate North Drinkwater Boulevard.

Existing area conditions include a screen wall ranging from three (3) feet to eight (8) feet in height that follows the roadway from the intersection of North Drinkwater Boulevard and East Osborn Road to North Drinkwater Boulevard and North Scottsdale Road. The screen wall along the subject site also ranges from three (3) feet to five (5) feet, and within the setbacks along the street.

2. That the authorization of the variance is necessary for the preservation of privileges and rights enjoyed by other property of the same classification in the same zoning district, and does not constitute a grant of special privileges inconsistent with the limitations upon other properties in the vicinity and zone in which such property is located:

Applicant Statement:

The variance is necessary to preserve the functionality of the existing building as a contemporary Medical Office Building use. This building typology in other zoning districts and of the same classification would expect parking ratios of 1 space per 250 gross square feet of office (greater demand than the Zoning Ordinance requirement of 1 space per 300 gross square feet for office). This variance would allow the parking structure to achieve a parking ratio in excess of the current zoning requirements, allow adequate off-street refuse collection maneuvering per the Design Standards and Policies Manual (DSPM), and allow the building with the proposed addition to reach a parking ratio of nearly 1 space per 250 square feet.

Staff Analysis:

The future viability of the existing office building may depend on the ability to accommodate parking demand on site. The proposed new garage footprint will be consistent with the existing footprint of the parking lot and wall locations along the street.

Alternative to the variance process, properties within the Downtown Overlay may pursue a Zoning Map Amendment to a Planned Block Development Overlay District (PBD) to amend the setback standards. Also, eliminating spaces may reduce the garage footprint.

3. That the special circumstances applicable to the property were not self-imposed or created by the owner or applicant:

<u>Applicant Statement:</u>

The current circumstances were created with the modification to North Drinkwater Boulevard resulting in reduction of the property area in the Southern edge of the property.

Staff Analysis:

The size and shape of the property changed in 1994, and the property owner was compensated for the land value and was granted a variance for 52 parking spaces. The existing parking lot footprint and existing wall locations along the street were also established in 1994.

4. That authorization of the variance will not be materially detrimental to persons residing or working in the vicinity, to adjacent property, to the neighborhood or to the public welfare in general:

Applicant Statement:

The existing pedestrian experience and vehicular patterns are maintained and enhanced with the addition of updated landscape, and parking screening elements.

Staff Analysis:

The Old Town Character Area Plan and Old Town Urban Design & Architectural Guidelines encourage pedestrian oriented design that seeks to reduce on-site front yard parking along public streets. The existing pedestrian condition is proposed to be maintained with updated landscaping, and the new garage walls and parking configuration will be similar to the existing layout.

SUMMARY

Based on the facts presented by the applicant, the evidence would support a finding that the property may have special circumstances that would warrant relief from the strict application of the Zoning Ordinance requirements. The size, shape, topography or configuration of the property is applicable. Further, the applicant's proposed variance does not appear to be detrimental to persons residing or working in the surrounding neighborhood. However, the decision about whether the criteria have been met is for the Board to make after hearing all the evidence at the hearing.

APPROVED BY

- Dur

Ben Moriarity, Report Author 480-312-2836, bmoriarity@scottsdaleaz.gov

7/9/2020 Date

Bryan Cluff, Board of Adjustment Liaison 480-312-2258, bcluff@scottsdaleaz.gov

7/16/2020

Tim Curtis, AICP, Current Planning Director 480-312-4210, tcurtis@scottsdaleaz.gov

7/16/2020

1 / Attivity

Randy Grant, Planning and Development Executive Director

489-312-2664, rgrant@scottsdaleaz.gov

7/24/2

ATTACHMENTS

- 1. Project Description and Justification
- 2. Context Aerial
- Aerial Close-Up
- 4. Zoning Map
- 5. Site Photographs
- 6. Proposed Site Plan
- 7. Case 14-BA-1994 (reference only)

Project Narrative

Development Review Board & Board of Adjustment Request

Centum Health Properties Scottsdale Medical Pavilion 7331 E. Osborn Road Scottsdale, AZ 85251

1. Design and Character Components

The proposed development is an expansion of the existing Scottsdale Medical Pavilion (SMP) and is located within the Medical District portion within the Scottsdale Old Town District. The proposed development complies with the design and character elements of the Medical District as well as maintaining the award-winning heritage of the existing building. The existing building relationship to scale and pedestrian walkability are maintained and enhanced with new streetscape and landscape features. The original award-winning building form is maintained and enhanced by bringing a vintage 1974 building into today's human-centric design.

2. Architectural Character, Landscaping, and Site Design

- a. The proposed development maintains the original buildings relationship to adjacent structures by maintaining the original building form. The "wedge" shape form is enhanced by enclosing the original exterior circulation into an internal circulation "rectangular" form. By maintaining the existing building perimeter, including the outdoor, lower level courtyard on the North side, the existing relationship to adjacent open spaces and topography are maintained. The new parking structure on the South of the property is partially below grade and partially above grade. The above grade portion is screened with an attractive terra-cotta screen element that matches the screen elements on the building. Creating a cohesive design theme.
- b. The proposed development avoids excessive variety by presenting a simple yet sophisticated design theme. The North column enclosures and roof "fins" along with the East and West screen elements present a consistent design theme. Maintaining and expressing the existing elevator core breaks the long North façade into a 2/3 to 1/3 ratio preventing the façade from becoming a monotonous repetition.
- c. The proposed development recognizes and responds to the unique climate of the region, in particular the Sonoran Desert environment. First, from an overall building orientation and fenestration, the building maintains the existing narrow slot windows on the South façade and enhances that condition with external rain screen system of sunscreen elements. The East and West facades are then also covered with an external rain screen system of shading elements that also mimic the stratification of the nearby mountains. The North façade takes full advantage of its minimal heat-gain orientation by maximizing the amount of glass while also maintaining a level of shading for the highest sun azimuth angle with shade eyebrows at the top of the curtainwall. Second, the use of the screen

elements as a rain screen system responds to the aggressive temperature swings of the region. The rain screen system provides an air cavity between the exterior skin and the building envelope. This condition promotes a vertical convection effect which pulls heat away from the building. Third, the proposed development maintains and enhances the existing open courtyard at the lower level with a series of planter walls that mimic the various canyon features of the region as well as planting with native plants to thrive in the desert environment. By maintaining the courtyard at the lower level, open to the street, and on the North side of the building, the courtyard takes advantage of a naturally shaded outdoor environment to enhance the pedestrian experience.

- d. While the proposed development is located within the Southern edge of the Environmentally Sensitive Lands (ESL) Overlay District, it is not within the Lower Desert, Upper Desert, or Hillside Landform areas. In addition, the proposed development is within the Downtown Overlay and is not required to provide open space. However, the development does follow the spirit of the ESL by incorporating native desert plant materials, capturing and treating all storm water before discharging, and maintaining the same open space as with the original building construction.
- e. While the proposed development is not located within the Historic Property Overlay District, it does follow the spirit of the ordinance with particular emphasis to "assure that alterations of existing structures are compatible with the original structure and character of an historic resource". The new development strives to maintain the original iconic building form by maintaining the "wedge" form and the cylindrical elevator core element.

3. Ingress, Egress, On-Site Circulation, Parking, and Pedestrians

The proposed addition requests a variance to the off-street parking requirements by modification to street setbacks. Based on the criteria for the Board of Adjustments, the proposed development requests the variance based on the following conditions:

- a. The existing property size and configuration was modified and reduced with the expansion of North Drinkwater Boulevard. The property previously received a parking variance in 1994 (014-BA-94) with a reduction of 52 spaces. The site modification also eliminated a curb cut for direct access onto North Drinkwater Boulevard. The current zoning setback requirements are 20'-0" from back of curb along Wells Fargo Avenue and 30'-0" from back of curb along North Drinkwater Boulevard. The current site parking conditions extend to the property line along Wells Fargo Avenue which is equivalent to 9'-2" from back of curb, and one-foot (1') setback from the property line along North Drinkwater boulevard which is equivalent to 11'-6" from back of curb. This further reduction in available site area does not allow the property to meet the off-street parking requirements along with the off-street refuse collection requirements.
- The authorization of this variance request is necessary to preserve the functionality of the
 existing building as a contemporary Medical Office Building use. This building typology in
 other zoning districts and of the same classification would expect parking ratios of 1/250
 GSF. The development requests a variance to the setback ordinance and requests a

- 10'-0" setback from back of curb along Wells Fargo Avenue and a 20'-0" setback from back of curb along North Drinkwater Boulevard. This variance would allow the parking structure to achieve a parking ratio in excess of the current zoning requirements, allow adequate off-street refuse collection maneuvering per the zoning requirements, and allow the building to reach a parking ratio of nearly 1/250 GSF.
- c. The special circumstances for this variance request were not self-imposed or created by the owner and applicant. As noted above, the current circumstances were created with the modification to North Drinkwater Boulevard resulting in reduction of the property area in the Southern edge of the property.
- d. The authorization of this variance request is not materially detrimental to adjacent properties. The existing pedestrian experience and vehicular patterns are maintained and enhanced with the addition of updated streetscape, landscape, and parking screening elements.

4. Mechanical and Utility Equipment

The proposed addition includes a new mechanical utility yard and enclosure on the West end of the building. The proposed mechanical equipment screen elements match the building East and West shading devices creating an integral design aesthetic. In addition, there is minimal rooftop equipment for HVAC exhaust fans that is set back from the edge of the roof on all sides and screened. The existing ground mounted, tenant HVAC units on the East side of the building are also screened with the same mechanical screen elements to match the building aesthetic.

5. Downtown Area

- a. The proposed development conforms with the Downtown Plan Urban Design & Architectural Guidelines
- b. The proposed development maintains and enhances the existing building's architectural design related to human scale and pedestrian-oriented environment at the street level. In addition to the enhanced streetscape and landscape elements, the proposed parking solution eliminates the current multi-level stair access from the South entrance. The parking solution provides same-level access from parking Level P1 to building Level 1 and from parking Level P2 to building Level 2.
- c. The proposed development recognizes and responds to the unique climate of the region, in particular the Sonoran Desert environment. First, from an overall building orientation and fenestration, the building maintains the existing narrow slot windows on the South façade and enhances that condition with external rain screen system of sunscreen elements. The East and West facades are then also covered with an external rain screen system of shading elements that also mimic the stratification of the nearby mountains. The North façade takes full advantage of its minimal heat-gain orientation by maximizing the amount of glass while also maintaining a level of shading for the highest sun azimuth angle with shade eyebrows at the top of the curtainwall. Second, the use of the screen elements as a rain screen system responds to the aggressive temperature swings of the

region. The rain screen system provides an air cavity between the exterior skin and the building envelope. This condition promotes a vertical convection effect which pulls heat away from the building. Third, the proposed development maintains and enhances the existing open courtyard at the lower level with a series of planter walls that mimic the various canyon features of the region as well as planting with native plants to thrive in the desert environment. By maintaining the courtyard at the lower level, open to the street, and on the North side of the building, the courtyard takes advantage of a naturally shaded outdoor environment to enhance the pedestrian experience.

- d. The proposed development complies with the design and character elements of the Medical District as well as maintaining the award-winning heritage of the existing building. The existing building relationship to scale and pedestrian walkability are maintained and enhanced with new streetscape and landscape features.
- e. The proposed development is responsive to the design and aesthetics including building mass, height, materials and intensity with the adjacent Type 2 areas and existing development in the area.

6. Location of Artwork

The proposed development includes artwork in accordance with the Cultural Improvement Program or Public Art Program.

- a. The artwork is accessible to the public.
- b. The proposed artwork includes locations near pedestrian circulation routes and is consistent with existing and future development.
- c. The proposed artwork is located along the primary pedestrian entrances of the development.
- d. The proposed artwork location is in conformance with the Design Standards and Policies Manual for locations affecting existing utilities, public utility easements, and vehicular sight distance requirements.
- e. The proposed artwork location is in conformance to standards of public safety.

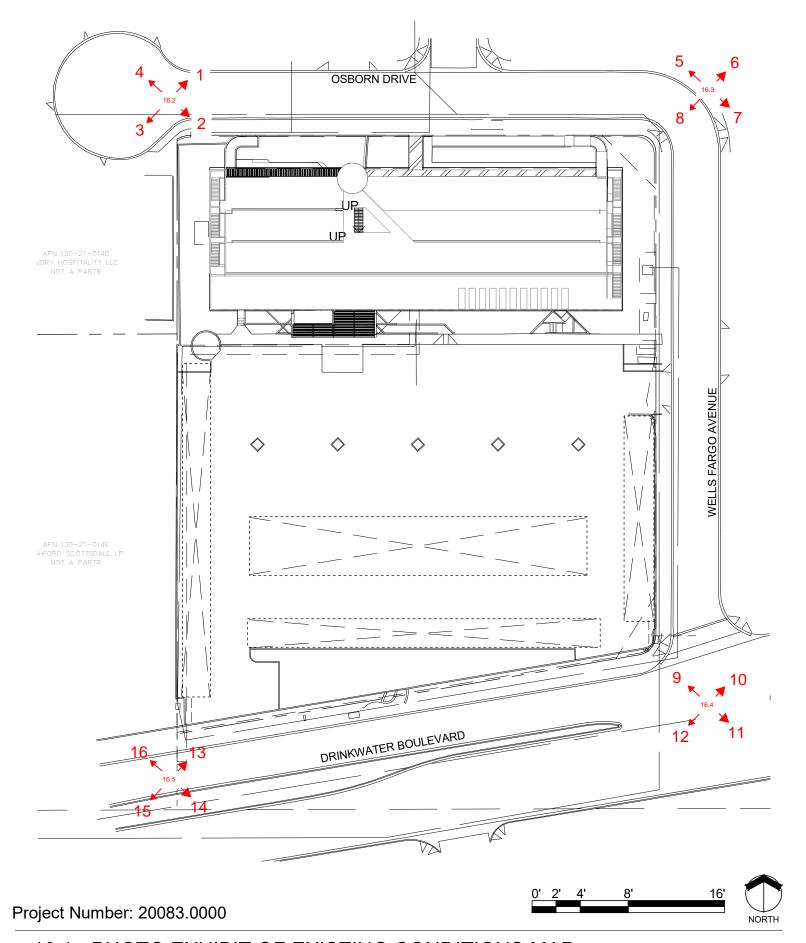


Aerial View from Southwest Corner of Site









16.1 - PHOTO EXHIBIT OF EXISTING CONDITIONS MAP

1" = 60'-0" 04/15/2020

ATTACHMENT 5

CORGAN









16.29-BA-2020
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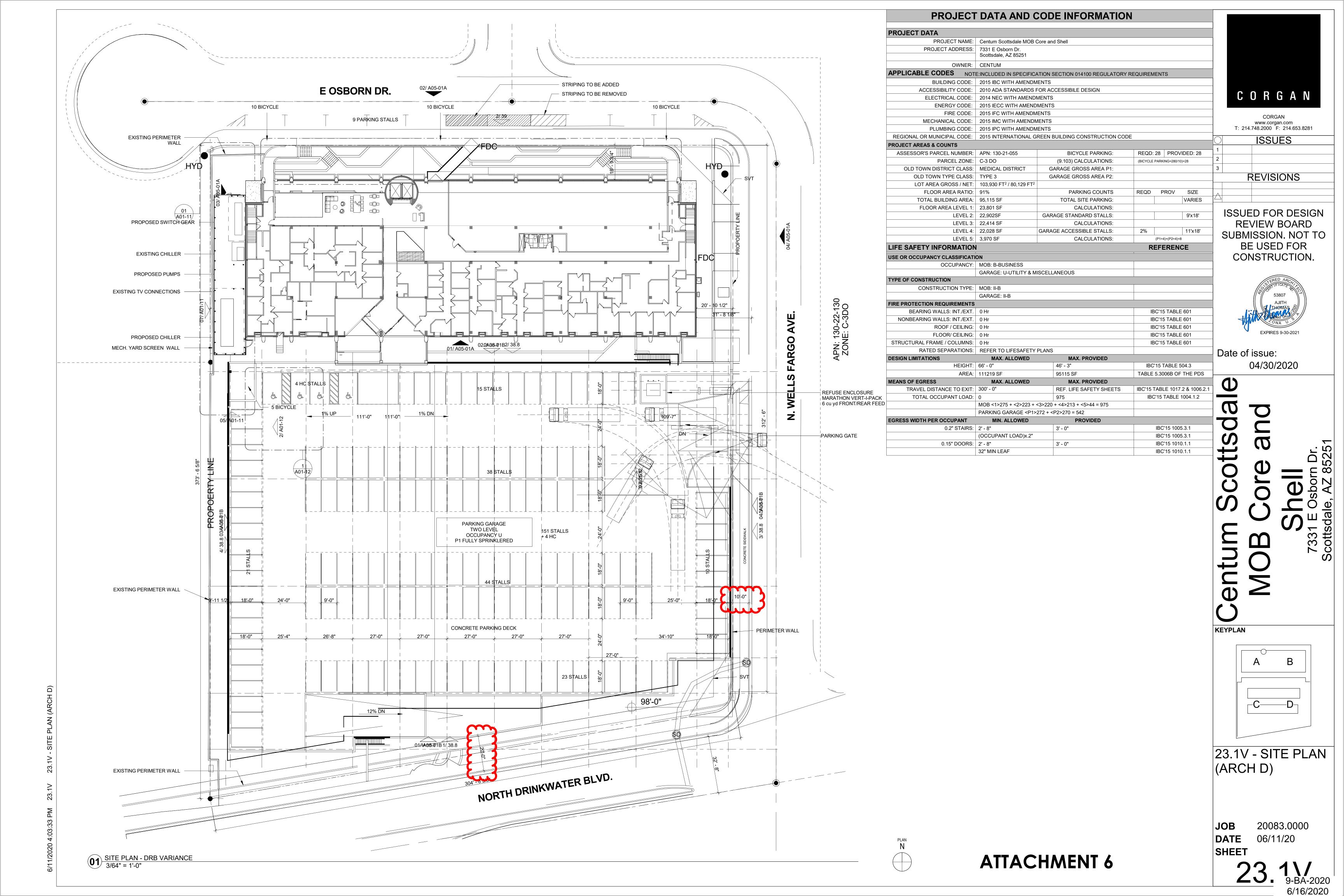








16.5 9-BA-2020 6/16/2020



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BOARD OF ADJUSTMENT

FROM.

PROJECT COORDINATION

SUBJECT:

CASE 14-BA-94

REQUEST:

To reduce the required minimum parking spaces

LOCATION:

7331 E. Monterey Way

OWNER/APPLICANT: Robert A. Edwards/Bill Johnsen

STAFF RECOMMENDATION: APPROVE

CODE ENFORCEMENT ACTIVITY: NO

PUBLIC COMMENT: No known opposition

ZONE:

C-3

ORDINANCE REQUIREMENTS:

Article IX, Section 9.104.—Commercial and office buildings shall provide one (1) parking space for each two hundred (200) square feet of floor area in the

building

DISCUSSION: The applicant requests a parking variance for an existing medical office building located along the north side of Monterey Way. Parking spaces will be eliminated from the south and southeast portions of the site as a result of the City's construction of Civic Center Boulevard between Scottsdale Road and Osborn Road.

Presently, there is a total of 224 parking spaces on this site. The City's acquisition will result in the elimination of 52 spaces, leaving 172 spaces remaining on the site

Concerned that the elimination of 52 parking spaces would result in a parking shortage, City staff photographed the parking area during the week of August 8th and counted the number of occupied spaces during the week of August 15th. Based on that information, it was determined that peak parking utilization occurs at about 3 p.m. when 117 spaces are utilized. Photographs of the parking a ea taken on a different day, confirm this finding.

This request has been measured agains: the four criteria for granting variances relative to special circumstances. Staff's findings are summarized below:

FINDINGS:

- It is clear that the City's actions to acquire the property and construct Civic Center Boulevard to meet accepted street geometric criteria represent special circumstances.
- 2. These hardships are created by the City of Scottsdale.



DATE J STATES

CASE 14-BA-94 AUGUST 29, 1994 PAGE 2

- 3. It is also clear that the granting of the variance is necessary for the enjoyment of substantial property rights. Without a determination by the City that the parking requirements have been fulfilled, the property owner may not realize the full market value upon the sale of this property.
- 4. Staff finds that the granting of the variance will not be materially detrimental to persons residing or working in the area. Based on observations, this project is characterized by a surplus of parking on an average weekday. This surplus is more than double the requested 52 space variance.

POTENTIAL IMPACTS: None anticipated

ATTACHMENTS:

Application

Background Information Sheet

Justification

Narrative

#1 - Aerial

#2 - Detailed Site Plan

#3 - General Site Plan

#4 _- Site Location Map

Coordinator:

Mile Milillo 998-2367

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City of Scottsdale

Justification For Requested Variance



CASE # 014 BA 94 PROJECT # - PA -

Address Where Variance is Requested

733 F Youterrey Way

JUSTIFICATION

- I. THAT There are opposed discumstances or conditions acroping to the land, building, or use referred to in the application which do not apply to other properties in the District.
- PABLIC RIGHT OF WAY FOR THE EAST COLLET TO MEET THE STREE GEOMETRIAL CRITERIA. THE COURSE MAST ENCROSED INTO THE PROPERTY UPON COM

PLETTON OF THE MOTEST TERRETH FLOW IN THE RREA IS EXPECTED TO

IMPROVE NOTICEARLY.

2. That appealab circumstances were not created by the ... For or applicant THESE CIRCUMSTANCES WERE CREATED.

BY THE CITY.

*2. That the exchanging of the will be in necessary by #- presentation and enjoyment of extremetter property rights

THE OWNER MAY NOT BE ABLE TO REALIZE FULL MARKET VALUE WOON
THE SALE OF HIS PROPERTY WILLESS THE CITY BETERMINES THAT THE
PARKING REQUIREMENTS HAVE BEEN FUNILED A VARIANCE ALLOWS THE

CITY TO MAKE THIS BE IMMINATION.

4. That the sudhertzing of the appairation will not be materially detrimented to persons residing or working in the vicinity, to adjacent property, to the neighborhood, or the public wallers in general.

BASED ON STAFF OBSERVATIONS, THE PROPERTY IS NORMALLY OVER PARKED RELATIVE TO ACTUAL PARKING DEMAND, AND AS SUCH, THE LOSS OF SQ SPACES WILL NOT BE DETRIMENTAL TO THE USE OF THE

PROPERTY.

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Exist. 4 Story Blog. PAVILIONS MEDICAL E. OSBORN 1 new still Remove exist. Conc. Struct. Drainage Patch & Repair Hear Curb NEW EAST COUPLET Lindogroup. Remove exist, conc Struct. (Typ.) 8/1/94 REVISED PARKING LOT PLAN * ASSOCIATES, ARCHITECTS. 7201 E. CAMELEACK RD. # 325, SCOTTEDALE q 187 Stalls Remain (173 + 14 new) 52 Stalls Removed PRELIMINARY - NOT FOR CONSTRUCTION OR RECORDING. 225 Exist. Stalls