

**SCOTTSDALE CITY COUNCIL  
REGULAR MEETING AND WORK STUDY MINUTES  
TUESDAY, FEBRUARY 8, 2022**



**CITY HALL KIVA  
3939 N. DRINKWATER BOULEVARD  
SCOTTSDALE, AZ 85251**

**CALL TO ORDER**

Mayor David D. Ortega called to order a Regular Meeting of the Scottsdale City Council at 5:00 P.M. on Tuesday, February 8, 2022 in the City Hall Kiva Forum.

**ROLL CALL**

Present: Mayor David D. Ortega; Vice Mayor Tammy Caputi; and Councilmembers Tom Durham, Betty Janik, Kathy Littlefield, Linda Milhaven and Solange Whitehead

Also Present: City Manager Jim Thompson, City Attorney Sherry Scott, City Treasurer Sonia Andrews, City Auditor Sharron Walker, and Deputy City Clerk Cathie Butteweg

**PLEDGE OF ALLEGIANCE** – Councilwoman Littlefield

**MAYOR'S REPORT**

Mayor Ortega announced that Monday, February 7, 2022 was the first day of the Phoenix Open. There will be great golf, live entertainment, and activities all week and the Mayor encouraged those interested to visit before the final day, which is Sunday, February 13, 2022. The focus is on Scottsdale and the Phoenix Open, and right afterwards, Super Bowl Sunday.

Mayor Ortega invited everyone to the Scottsdale Arabian Horse Show at WestWorld which takes place from Thursday, February 17, 2022 through Sunday, February 27, 2022. It will have equestrian competitions and events known worldwide. Visitors can take a behind the scenes tour or attend demonstrations. The Scottsdale Police horse patrol is also in the vicinity and available for a meet and greet on Sunday, February 20, 2022.

– Mayor Ortega asked for a moment of silence to observe the passing of Scott Harkness, also known as Scotty, who was a wonderful long-time volunteer and former employee. He will be remembered by all who knew him as a kind-hearted, hard-working person who was always ready to help. He was a wonderful individual and will be missed greatly.

**NOTE:** MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS AND CLOSED CAPTION TRANSCRIPTS OF SCOTTSDALE CITY COUNCIL MEETINGS ARE AVAILABLE ONLINE AND ARE ON FILE IN THE CITY CLERK'S OFFICE.

**PUBLIC COMMENT – None**

**CONSENT AGENDA**

- 1. Sante Liquor License (105-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.  
**Location:** 15507 N. Scottsdale Road, Suite 100  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 2. AJ's Fine Foods #90 Liquor License (106-LL-2021 and 107-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 7 (beer and wine bar) State liquor license and a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 31311 N. Scottsdale Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 3. AJ's Fine Foods #75 Liquor License (108-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 23251 N. Pima Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 4. AJ's Fine Foods #63 Liquor License (109-LL-2021 and 114-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 7 (beer and wine bar) State liquor license and a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 7141 E. Lincoln Drive  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 5. AJ's Fine Foods #118 Liquor License (110-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 15031 N. Thompson Peak Parkway  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 6. Bashas' #7 Liquor License (111-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 8035 E. Indian School Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)



- 7. Bashas' #99 Liquor License (112-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 10111 E. Bell Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 8. Bashas' #16 Liquor License (113-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 8423 E. McDonald Drive  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 9. Dad's Modern Cocktails & Eatery Liquor License (115-LL-2021)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 12 (restaurant) State liquor license for an existing location with a new owner.  
**Location:** 7337 E. Shea Boulevard, Suite 105  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 10. AJ's Fine Foods #173 Liquor License (4-LL-2022)**  
**Request:** Consider forwarding a recommendation of approval to the Arizona Department of Liquor Licenses and Control for a Series 9 (liquor store) State liquor license for an existing location with a new owner.  
**Location:** 18271 N. Pima Road  
**Staff Contact(s):** Tim Curtis, Current Planning Director, 480-312-4210, [tcurtis@scottsdaleaz.gov](mailto:tcurtis@scottsdaleaz.gov)
- 11. Sereno Canyon Phase 4H Final Plat (16-PP-2017#21)**  
**Request:** Approve the final plat to replat Sereno Canyon Plat Phase 4H on ±6.65 acres of a 350-acre site, as per Phase 4 of the Sereno Canyon Community Phasing Plan and Final Plat to establish 42 resort units within the Resort/Townhouse Residential, Environmentally Sensitive Lands (R-4R ESL) zoning portion of the site.  
**Location:** Between E. Alameda Road and the E. Pinnacle Peak Road alignment (along N. 128<sup>th</sup> Street and E. Sereno Canyon Parkway)  
**Staff Contact(s):** Randy Grant, Planning, Economic Development, and Tourism Executive Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)
- 12. Legacy at DC Ranch Final Plat (3-PP-2021)**  
**Request:** Approve the final plat for a new residential subdivision comprised of 9 lots and associated tracts on a ±3.13-acre site with Single-Family Residential, Planned Community District (R1-7/PCD) zoning.  
**Location:** Southeast corner of N. 92<sup>nd</sup> Street and Union Hills Drive  
**Staff Contact(s):** Randy Grant, Planning, Economic Development, and Tourism Executive Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

**13. Storm Water Engineering Services Contracts**

**Request:** Adopt **Resolution No. 12380** authorizing the following one-year contract extensions in an amount not to exceed \$1,000,000 per contract for studies, design, construction documents, and construction administration for on-call storm water projects:

1. Contract No. 2018-016-COS-A3 with J2 Engineering and Environmental Design, LLC
2. Contract No. 2018-017-COS-A3 with Michael Baker Intl., Inc.

**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555,  
[daworth@scottsdaleaz.gov](mailto:daworth@scottsdaleaz.gov)

**14. Recyclable Materials Intergovernmental Agreement**

**Request:** Adopt **Resolution No. 12370** authorizing Agreement No. 2022-013-COS with the Salt River Pima-Maricopa Indian Community and its division, Salt River Commercial Landfill Company, for the handling and processing of recyclable materials.

**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555,  
[daworth@scottsdaleaz.gov](mailto:daworth@scottsdaleaz.gov)

**15. Drinkwater Underpass Public Art Budget Transfer**

**Request:** Adopt **Resolution No. 12382** authorizing a Fiscal Year 2021/22 Community & Economic Development, Planning & Development Department Special Programs Fund Operating Budget transfer in the amount of \$1,226,031 to the Drinkwater Underpass Public Art (DG03) capital project to be funded by the Downtown Cultural Trust funding source.

**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555,  
[daworth@scottsdaleaz.gov](mailto:daworth@scottsdaleaz.gov)

**16. Stetson Plaza Splash Pad Enhancement Budget Transfer**

**Request:** Adopt **Resolution No. 12390** authorizing a Fiscal Year 2021/22 Community & Economic Development, Planning & Development Department Special Programs Fund Operating Budget transfer in the amount of \$50,000 to the Stetson Plaza Splash Pad Enhancement (PH04) capital project to be funded by the Downtown Cultural Trust funding source.

**Staff Contact(s):** Dan Worth, Public Works Director, 480-312-5555,  
[daworth@scottsdaleaz.gov](mailto:daworth@scottsdaleaz.gov)

**17. Payment Acceptance for Habitat Improvements in the Preserve**

**Request:** Adopt **Resolution No. 12395** to authorize:

1. Acceptance of a \$500,000 payment from Arizona Public Service (APS) and committing the funds for evaluation, design, invasive plant removal, restoration, and habitat improvements, including interpretive and educational display signage in areas of the Preserve, north of Dynamite Boulevard, in the general vicinity of the existing APS powerline corridors.
2. A Fiscal Year 2021/22 budget transfer in the amount of \$500,000 from the Special Programs Fund Appropriation Contingency to a newly created special programs center in the Community Services Division, Preserve Management Department to record related expenses.
3. The expenditure of the \$500,000 payment.

**Staff Contact(s):** William B. Murphy, Assistant City Manager, 480-312-7954,  
[bmurphy@scottsdaleaz.gov](mailto:bmurphy@scottsdaleaz.gov)



## **MOTION AND VOTE – CONSENT AGENDA**

Councilmember Durham made a motion to approve Consent Agenda Items 1 through 17. Councilwoman Whitehead seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

## **REGULAR AGENDA**

### **18. Greenbelt 88 Rezoning (15-ZN-2020)**

#### **Requests:**

1. Adopt **Ordinance No. 4522** approving a zoning district map amendment from Planned Neighborhood Center Planned Community District (PNC PCD) to Planned Unit Development (PUD), including a development plan with amended development standards for building setbacks for a mixed-use center with 238 multi-family dwelling units and approximately 29,000 square feet of commercial floor area on a ±7-acre site.
2. Adopt **Resolution No. 12281** declaring the document titled "*Greenbelt 88 Development Plan*" to be a public record.
3. Adopt **Resolution No. 12284** authorizing Development, Conditional Zoning & Reversion Agreement No. 2021-154-COS with Village Property Management, LLC.

**Location:** 3308 – 3370, 3388 N. Hayden Road

**Presenter(s):** Bryan Cluff, Principal Planner

**Staff Contact(s):** Randy Grant, Planning, Economic Development, and Tourism Executive Director, 480-312-2664, [rgrant@scottsdaleaz.gov](mailto:rgrant@scottsdaleaz.gov)

Principal Planner Bryan Cluff gave the PowerPoint presentation (attached) on the Greenbelt 88 Rezoning application.

Applicant Representative Jason Morris, Withey and Morris, PLC, gave the PowerPoint presentation (attached) on the applicant's Greenbelt Rezoning request.

Mayor Ortega opened public comment.

The following spoke in favor of the Greenbelt 88 Rezoning request:

- Angela Underwood, Scottsdale resident
- Jake Mathie, Scottsdale resident
- Travis Junion, Scottsdale resident
- Becky Jones, Scottsdale resident
- Krista Sobol, Scottsdale resident
- Michael Norton, Athena Foundation Scottsdale
- Nicole Golding, Scottsdale resident
- Rebecca Mills, Scottsdale resident
- Thomas Mayer, Scottsdale resident
- Don Henninger, Scottsdale Coalition of Today and Tomorrow
- Jeffrey Davidson, Scottsdale resident
- Alex McLaren, Scottsdale resident
- Paula Sturgeon, Scottsdale resident
- Craig Citizen, Scottsdale resident
- Sara Andrews Scottsdale resident
- Jason Alexander, Scottsdale resident
- Scott Modelski, Scottsdale resident

The following spoke in opposition to the Greenbelt Rezoning request:

- Anthony Leavy, Safeguard Scottsdale
- Jan Vuicich, Safeguard Scottsdale
- Margie Creedon, Safeguard Scottsdale
- Dan Ruman, Scottsdale resident

Mayor Ortega closed public comment.

### **MOTION AND VOTE – ITEM 18**

Councilwoman Janik made a motion to:

1. Adopt Ordinance No. 4522 approving a zoning district map amendment from Planned Neighborhood Center Planned Community District (PNC-PCD) to Planned Unit Development (PUD), including a development plan with amended development standards for building setbacks for a mixed-use center with approximately 29,000 square feet of commercial floor area on a ±7-acre site.
2. Adopt Resolution No. 12281 declaring the document titled “Greenbelt 88 Development Plan” to be a public record.
3. Adopt Resolution No. 12284 authorizing Development, Conditional Zoning & Reversion Agreement No. 2021-154-COS with Village Property Management, LLC.

Subject to the following stipulations and amendments:

- A. The maximum number of residential units shall not exceed 228.
- B. The fourth floor shall be reduced by an additional 30% from what is currently shown in the Development Plan with an emphasis for that reduction being along the frontage along Hayden and Osborn Roads.
- C. The flex space not be exclusively available to residents. (This was an accepted friendly amendment by Councilwoman Whitehead).

With these amendments being made as required in the zoning case stipulations, development plan and development agreement.

Councilmember Milhaven seconded the motion, which carried 5/2, with Vice Mayor Caputi and Councilmembers Durham, Janik, Milhaven, and Whitehead voting in the affirmative and Mayor Ortega and Councilwoman Littlefield dissenting.

**PUBLIC COMMENT – None**

### **CITIZEN PETITIONS**

#### **19. Receipt of Citizen Petitions**

**Request:** Accept and acknowledge receipt of citizen petitions. Any member of the Council may make a motion, to be voted on by the Council, to: (1) Direct the City Manager to agendize the petition for further discussion; (2) direct the City Manager to investigate the matter and prepare a written response to the Council, with a copy to the petitioner; or (3) take no action.

**Staff Contact(s):** Ben Lane, City Clerk, 480-312-2411, [blane@scottsdaleaz.gov](mailto:blane@scottsdaleaz.gov)

No citizen petitions were received.



## **MAYOR AND COUNCIL ITEMS**

### **MOTION AND VOTE – MAYOR AND COUNCIL ITEMS**

Councilwoman Whitehead made a motion that the Council put on a future agenda, within four weeks, a Council discussion and possible action to appoint a citizen's committee to consider the continuation of the .2% Preserve tax that will be expanded to include perpetual maintenance funds for the McDowell Sonoran Preserve, the Indian Bend Wash Greenbelt, parks, and possible other city needs. Councilwoman Littlefield seconded the motion, which carried 6/1, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, and Whitehead voting in the affirmative and Councilmember Milhaven dissenting.

### **20. Boards, Commissions, and Task Force Nominations (Note: Appointments scheduled for March 1, 2022)**

- Building Advisory Board of Appeals (two vacancies) – Vice Mayor Caputi nominated Quentin Augspurger and Greg Barker.
- Citizens' Bond Oversight Committee (two vacancies) – Councilwoman Whitehead nominated Harry Clapeck and Mary Jane McCart and Councilmember Milhaven nominated Michael Hinz.
- Environmental Advisory Commission (one vacancy) – Councilmember Milhaven nominated Walter Cuculic, Councilwoman Littlefield nominated Ginia Wickersham, and Councilmember Durham nominated Sotiria Anagnostou.
- Historic Preservation Commission (one vacancy) – Mayor Ortega nominated Brin Sherrin and Councilwoman Janik nominated Gerald Conover.
- Loss Trust Fund Board (one vacancy) – Councilwoman Littlefield nominated Jacob Seltzer.
- Parks and Recreation Commission (one vacancy) – Councilwoman Janik nominated Judy Weiss and Vice Mayor Caputi nominated Kristen Parrish.
- Transportation Commission (one vacancy) – There were no applications received.
- Veterans Advisory Commission (one vacancy) – Councilwoman Janik nominated Andrew Edwards.

Note: The only Council action to be taken on Item No. 20 is to select nominees for appointment consideration at a future Council meeting.

## **ADJOURNMENT**

### **MOTION AND VOTE – ADJOURNMENT**

Councilmember Milhaven made a motion to adjourn. Councilwoman Littlefield seconded the motion, which carried 7/0, with Mayor Ortega; Vice Mayor Caputi; and Councilmembers Durham, Janik, Littlefield, Milhaven, and Whitehead voting in the affirmative.

The Regular Meeting adjourned at 8:00 P.M.

**SUBMITTED BY:**



**Ben Lane, City Clerk**

Officially approved by the City Council on March 1, 2022



**C E R T I F I C A T E**

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Regular Meeting of the City Council of Scottsdale, Arizona held on the 8<sup>th</sup> day of February 2022.

I further certify that the meeting was duly called and held, and that a quorum was present.

**DATED** this 1<sup>st</sup> day of March 2022.



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**Ben Lane, City Clerk**

Item 18

# **Greenbelt 88**

**15-ZN-2020**

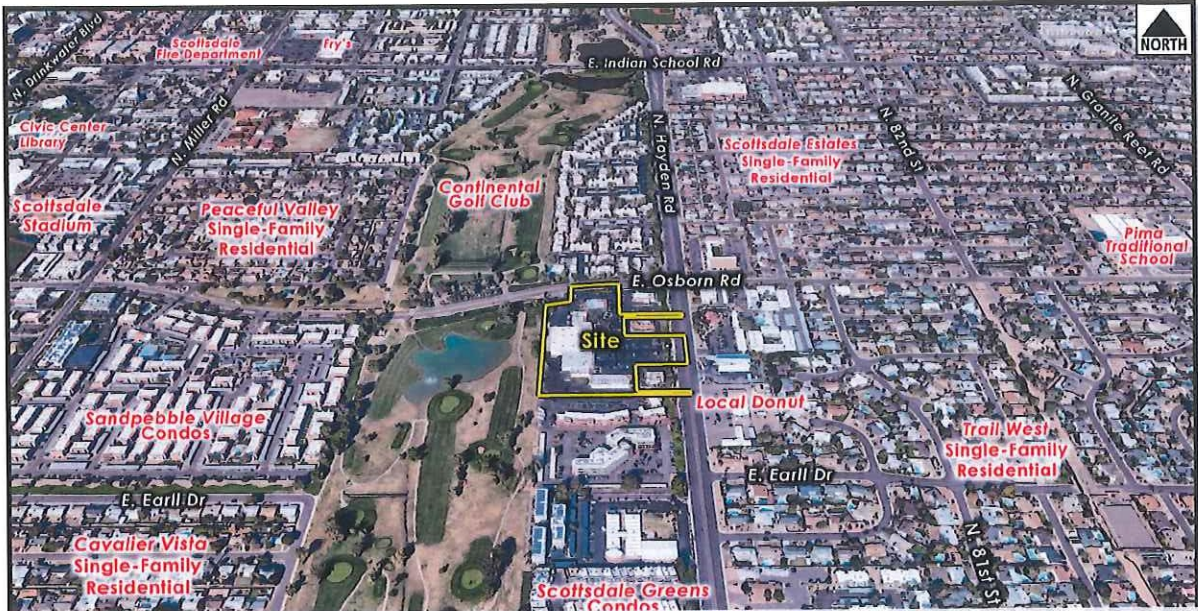
**City Council  
February 8, 2022**

**Coordinator: Bryan Cluff**

## **Request**

1. Adopt Ordinance No. 4522 approving a Zoning District Map Amendment from Planned Neighborhood Center Planned Community District (PNC PCD) to Planned Unit Development (PUD), including a development plan with amended development standards for building setbacks for a mixed-use center including 238 multi-family dwelling units and approximately 29,000 square feet of non-residential floor area on a +/- 7-acre site located at 3308 - 3370, 3388 N. Hayden Road.
  - PUD Criteria
  - Amended Development Standards
2. Adopt Resolution No. 12281, declaring "Greenbelt 88 Development Plan" a public record.
3. Adopt Resolution No. 12284, authorizing "Greenbelt 88 Conditional Zoning & Reversion Agreement" Contract No. 2021-154-COS.





**Context Aerial**

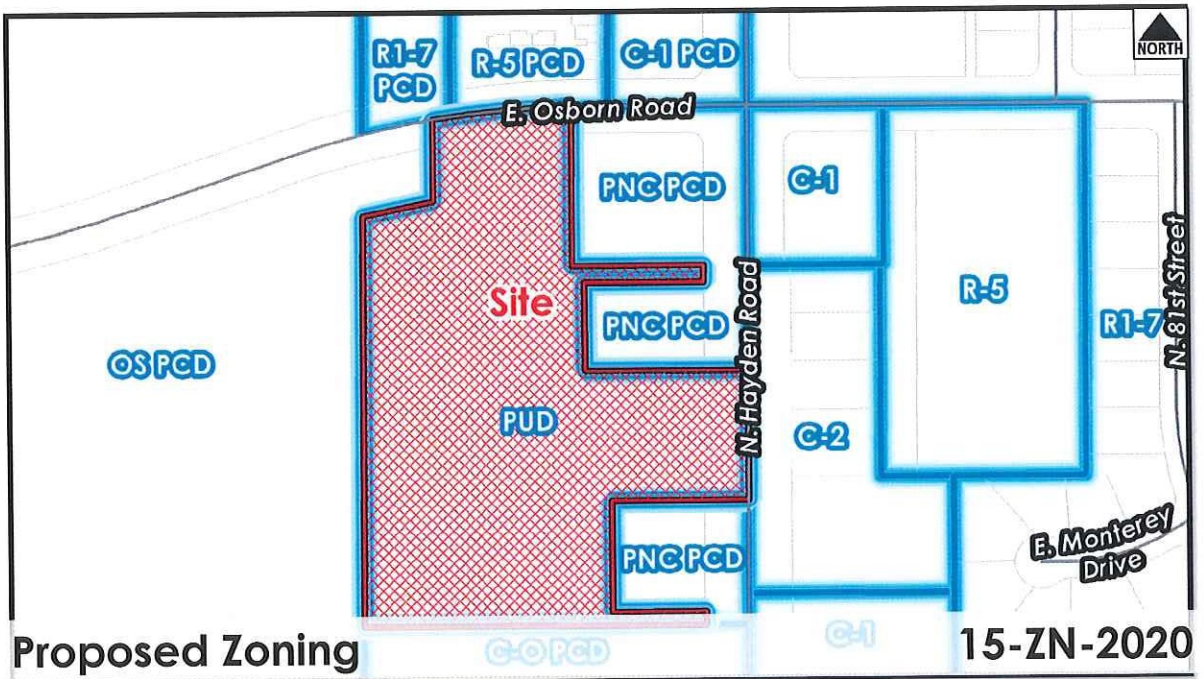
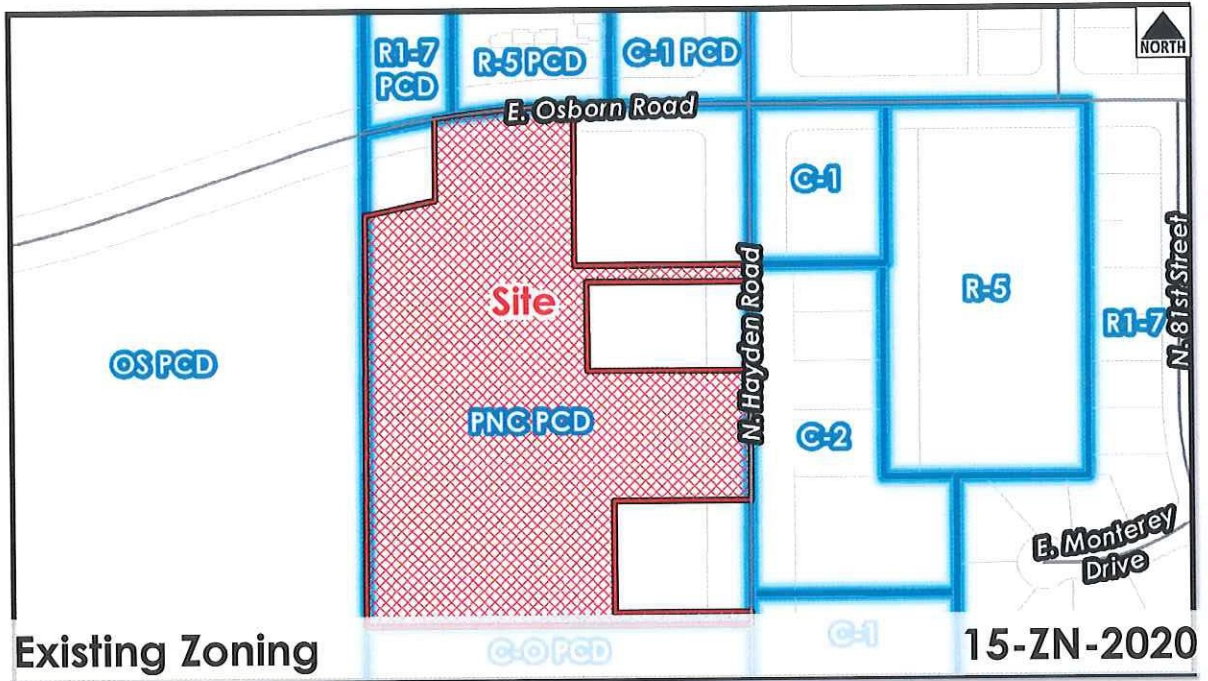
**15-ZN-2020**

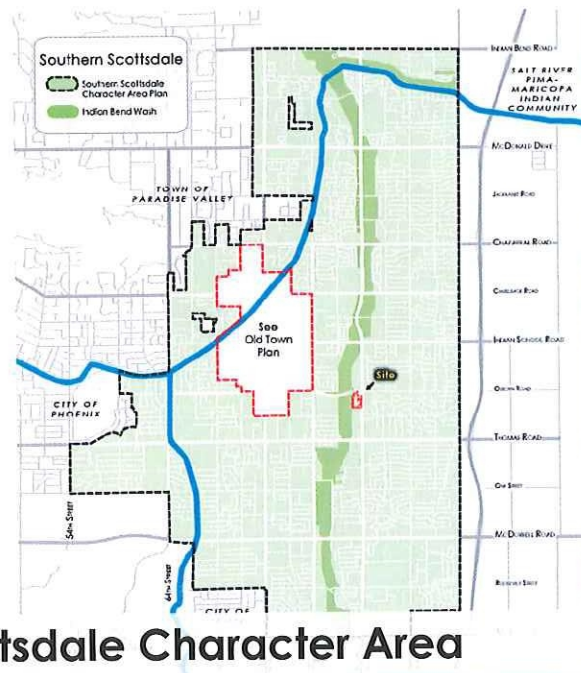
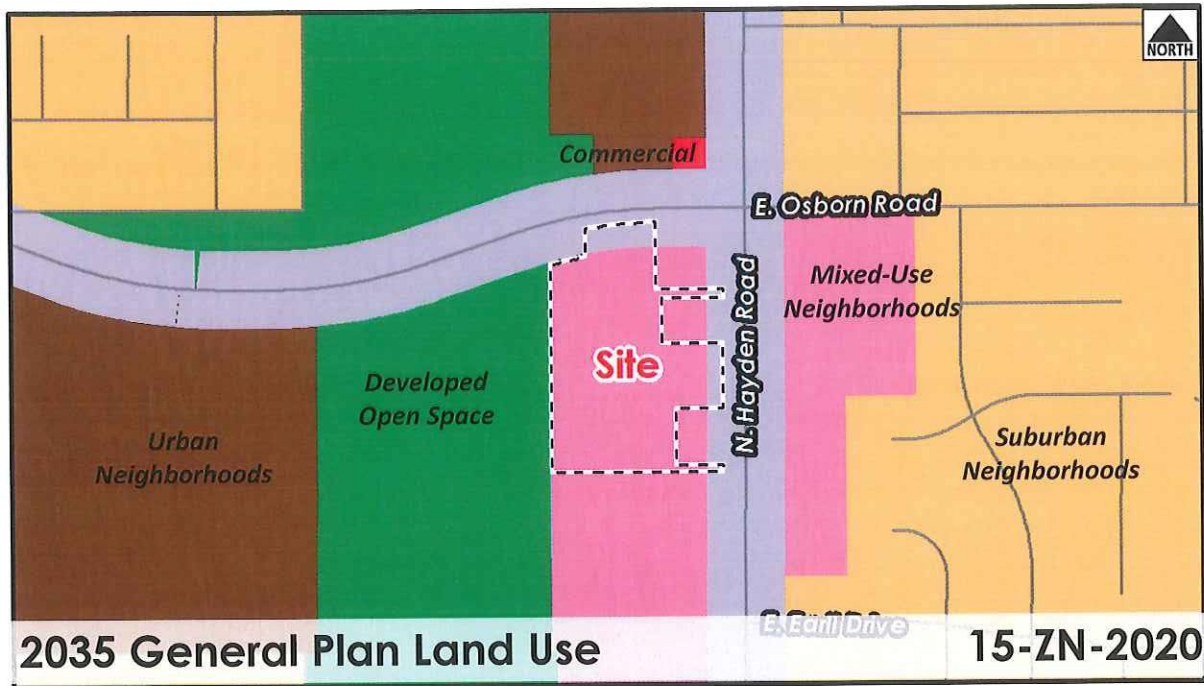


**Detail Aerial**

**15-ZN-2020**







Southern Scottsdale Character Area

15-ZN-2020

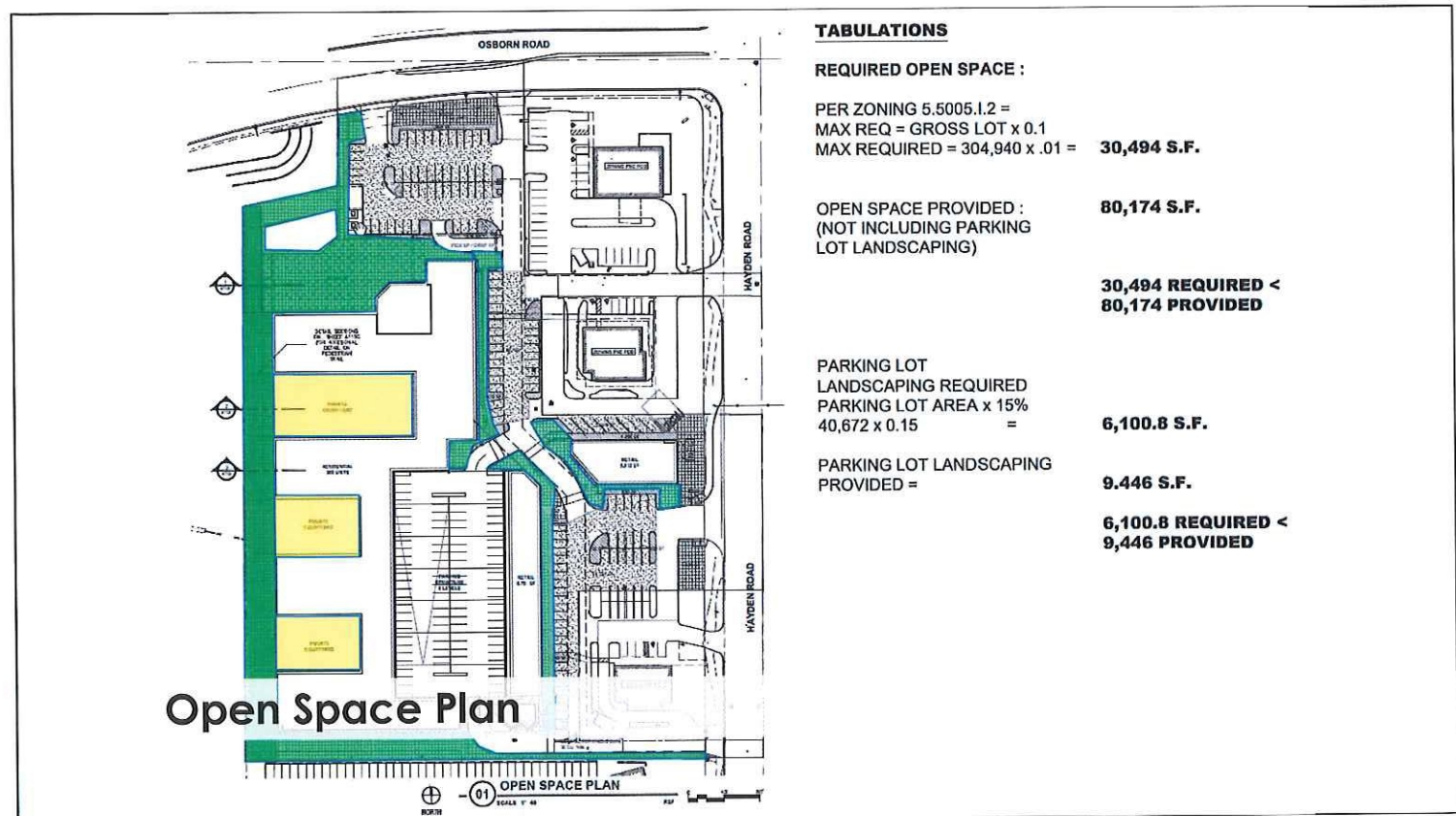
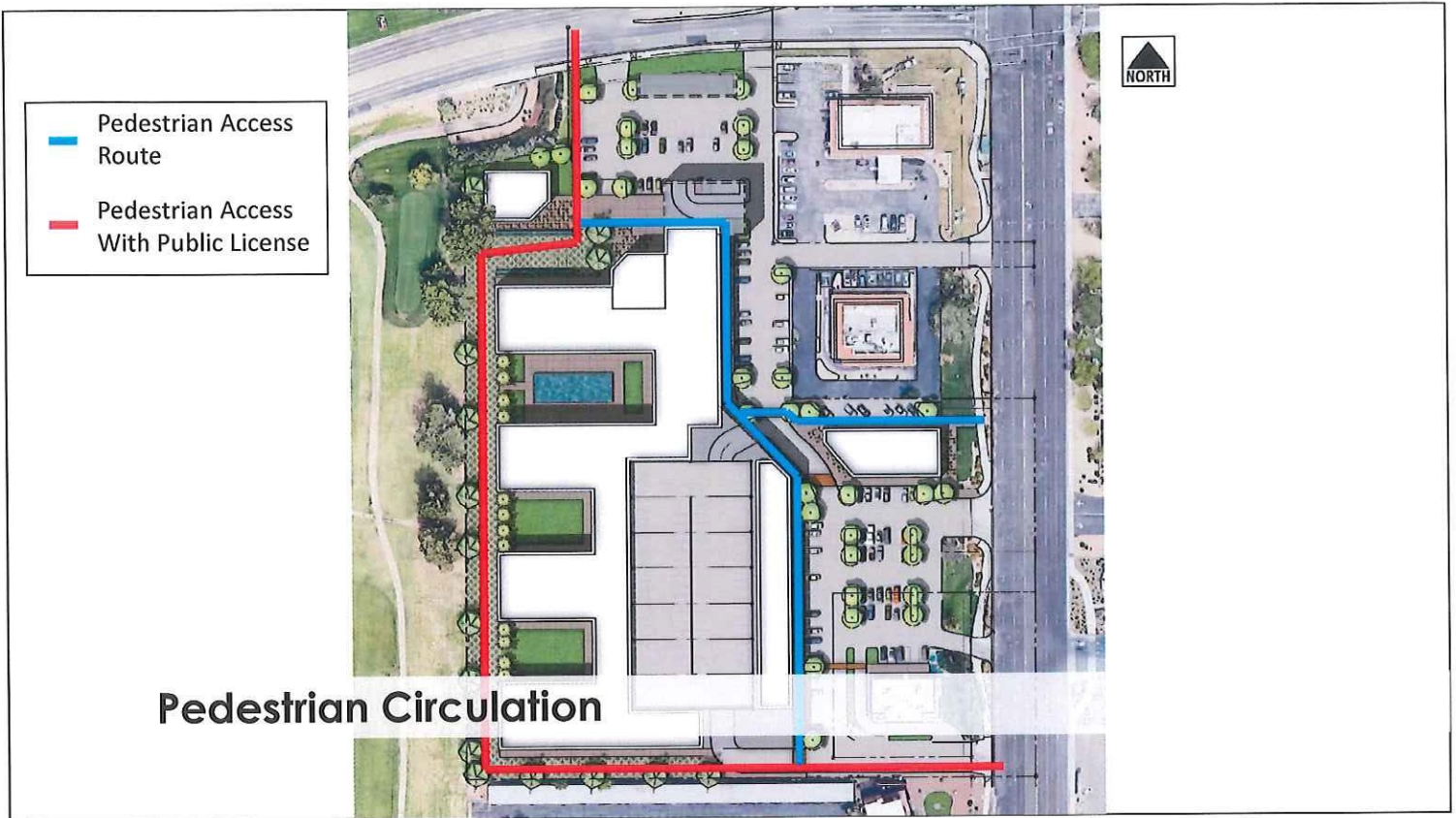


## Updates to the Application

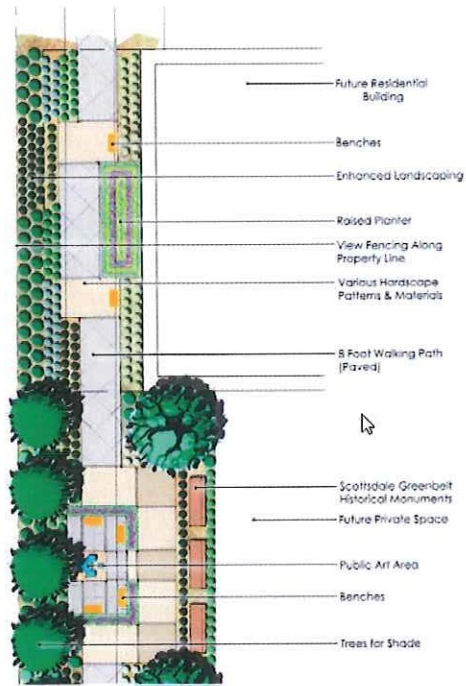
- Additional neighborhood outreach
- Reduced number of units from 278 to 238 (34 du/ac)
- Adjusted massing adjacent to the north, west, and east sides by removing units and pulling back upper floor
- Reduced building height from 48' (plus 10' mech.) to 45' (plus 5' mech.)
- Increase commercial with flex space (25,000 to 29,000)
- Workforce housing (8 units)



**Conceptual Site Plan**



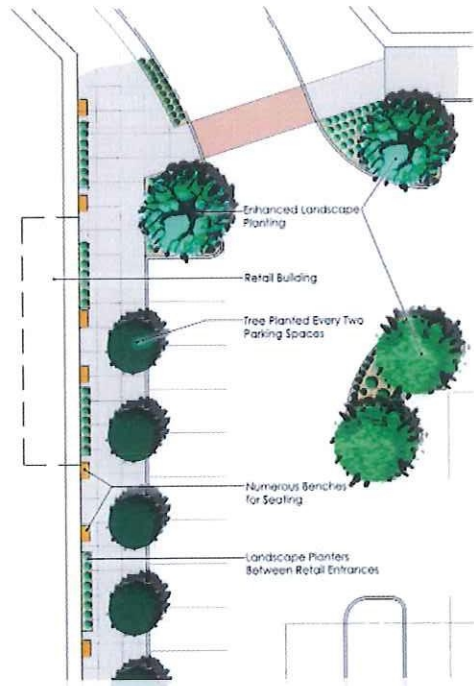




## Conceptual Landscape Plan

**GREENBELT 88**  
WESTERN PASEO CONCEPTUAL PLAN

Date: April 2021



**GREENBELT 88**  
RETAIL FRONTAGE CONCEPTUAL PLAN

Date: April 2021



**GREENBELT 88**  
PUBLIC PLAZA CONCEPTUAL PLAN

Date: April 2021





04 WEST ELEVATION  
SCALE 1" = 20'



03 SOUTH ELEVATION  
SCALE 1" = 20'



02 EAST ELEVATION  
SCALE 1" = 20'



01 NORTH ELEVATION  
SCALE 1" = 20'

## Conceptual Building Elevations

**NELSEN PARTNERS**  
ARCHITECTS & PLANNERS

111 E. Loop Southwest  
Suite 400  
Scottsdale, Arizona 85251  
Tel: 480.344.1111  
www.nelsonpartners.com

PRELIMINARY  
NOT FOR  
CONSTRUCTION  
OR  
RECORDING

**Greenbelt 88**  
N Hayden Rd and E Osborn Rd  
Scottsdale, AZ 85251

Date: JANUARY 12, 2017

DIS: G B  
PRE-APP: A106A

PROJECT NO: 21073  
A106A  
CONCEPT  
ELEVATIONS



## Amended Standards

## Amended Standards

- To allow greater setback along Hayden and Osborn Roads.

Street Frontage and Use	Minimum Setback Required / Proposed	Average Setback Required / Proposed
Hayden Road w/ retail and commercial on ground floor	28 feet / No change	32 feet / 166 feet
Hayden Road w/ residential on first floor	34 feet / No change	40 feet / 166 feet
Osborn Road w/ retail and commercial on ground floor	23 feet / No change	28-feet / 112 feet

## **Development Agreement**

- Key Terms

- Zoning reversion if construction not commences within 5.5 years
- Limitation on “flex” space
- Subletting / condo plat
- Workforce housing (8 units)
- Public walkway license

## **Public Outreach**

- Applicant Sponsored Open Houses

- August 26, 2020
- September 24, 2020
- March 8, 2021
- July 15, 2021 and July 16, 2021

- City and Applicant Notifications (mailings)
- Planning & Zoning E-Newsletter, Social Media
- Hundreds of public comments received in favor and opposition

# Other Board's & Commissions

## Development Review Board

- March 18, 2021 Continued by the Development Review Board with a vote of 6-0.
  - Density, open space, pedestrian connectivity, landscaping, traffic.
- May 6, 2021 Recommended for approval by the Development Review Board with a vote of 4-0.

## Planning Commission

- June 9, 2021 Continued by the Planning Commission (4-3)
  - Density, Height, Massing, Traffic, Architectural Quality
- August 25, 2021 Recommended for approval by the Planning Commission with a vote of 4-3.

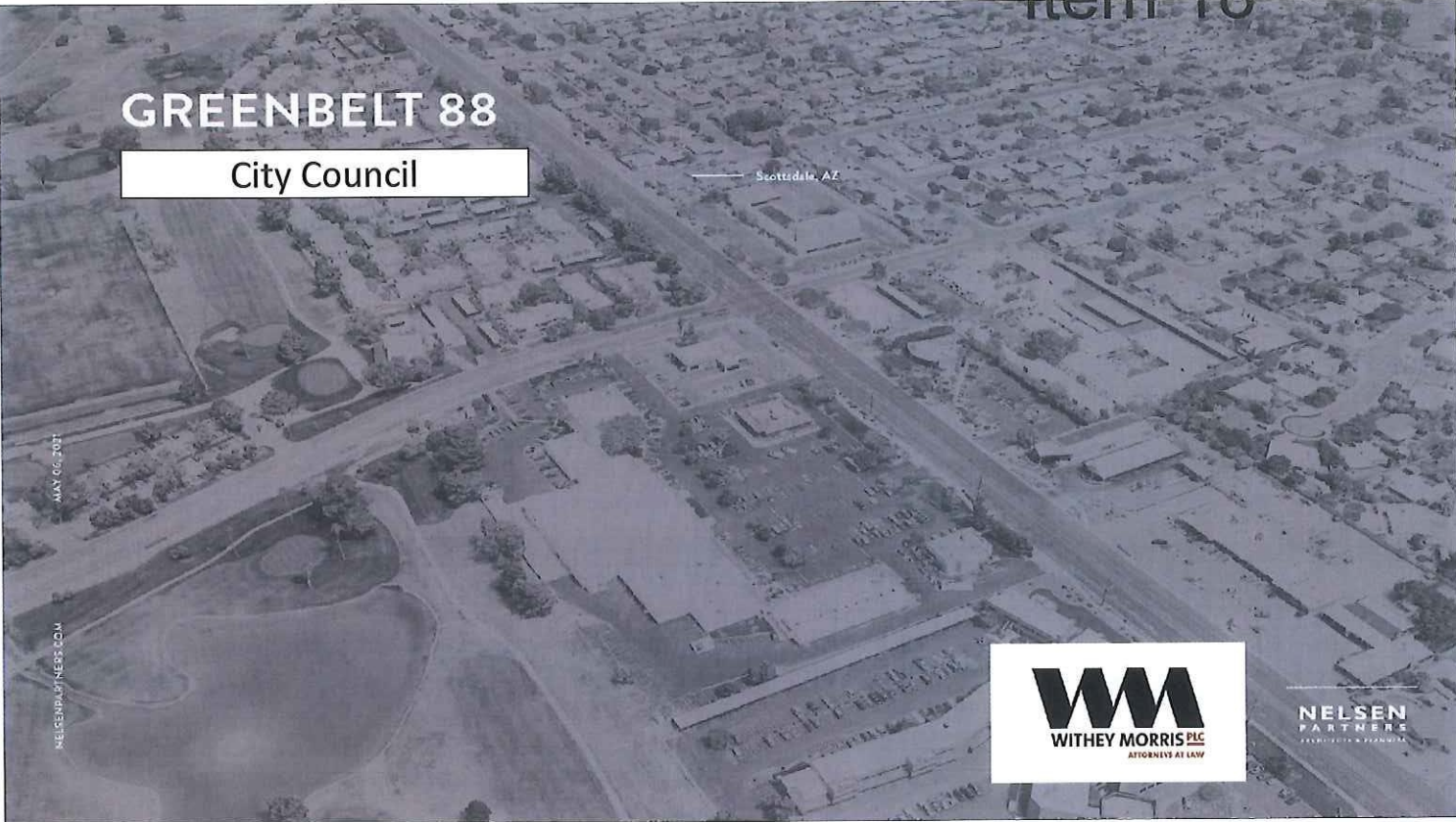
## Request

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  - Amended Development Standards
2. Adopt Resolution No. 12281, declaring "Greenbelt 88 Development Plan" a public record.
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# GREENBELT 88

City Council

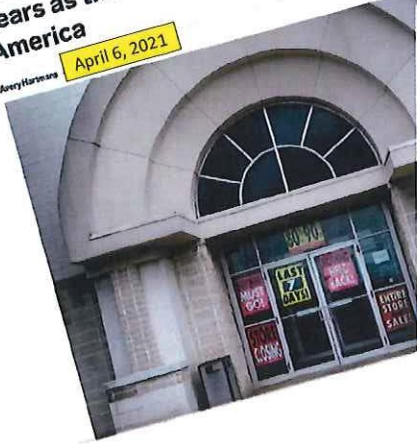


## WHY THIS PROJECT IS NECESSARY

**INSIDER**

**Roughly 80,000 stores are doomed to close in the next 5 years as the retail apocalypse continues to rip through America**

April 6, 2021



**BRIEF**

**Retail on pace for the most bankruptcies and store closures ever in one year, BDO says**

Published Sept 29, 2020

Daehne Howard Senior Reporter

**More than 8,300 stores are closing in 2020 as the retail apocalypse drags on. Here's the full list.**

Aug 17, 2020



## WHY THIS PROJECT IS NECESSARY

- *“The ‘retail apocalypse’ is the closing of numerous brick-and-mortar retail stores, especially those of large chains worldwide, starting around 2010 and continuing onward.”*
- *“American consumers have shifted their purchasing habits due to various factors, including experience-spending versus material goods... as well as the rise of e-commerce, mostly in the form of competition from juggernaut companies such as Amazon.com and Walmart.”*

## WHY THIS PROJECT IS NECESSARY

- CBRE 2020 Report: *“CBRE predicts a 20% reduction in total U.S. retail square footage by 2025 from the current 56 sq. ft. per capita.”*
- PWC 2020 Report: *“A new equilibrium with fewer square feet of retail space per capita is being established as the amount of space devoted to malls, shopping centers, and retail districts declines, with unneeded retail space being repurposed or replaced...Over time, cities may have the new opportunity to support—through zoning amendments— needed development on sites previously dedicated only to retail”*
- Scottsdale is oversaturated with retail space and growing vacancies. This specific site has too much retail space to be supported (65,000 sqft!)



# RETAIL INVENTORY - PHOENIX METRO AREA

**National Average = 56 SF**

SCOTTSDALE, AZ	TEMPE, AZ	GLENDALE, AZ	MESA, AZ	CHANDLER, AZ
Inventory <b>22.7M SF</b>	Inventory <b>13.1M SF</b>	Inventory <b>16.9M SF</b>	Inventory <b>32.1M SF</b>	Inventory <b>17.3M SF</b>
Occupancy <b>94.6%</b>	Occupancy <b>92.8%</b>	Occupancy <b>93.5%</b>	Occupancy <b>90.6%</b>	Occupancy <b>93.6%</b>
2021 Population <b>251,907</b>	2021 Population <b>188,184</b>	2021 Population <b>247,994</b>	2021 Population <b>519,384</b>	2021 Population <b>284,022</b>
Estimated retail space per capita <b>90.1 SF</b>	Estimated retail space per capita <b>69.6 SF</b>	Estimated retail space per capita <b>68.1 SF</b>	Estimated retail space per capita <b>61.8 SF</b>	Estimated retail space per capita <b>60.9 SF</b>
GOODYEAR/ AVONDALE, AZ	PEORIA, AZ	GILBERT, AZ	PHOENIX, AZ	SURPRISE, AZ
Inventory <b>9.3M SF</b>	Inventory <b>9.7M SF</b>	Inventory <b>13.5M SF</b>	Inventory <b>68.4M SF</b>	Inventory <b>5.8M SF</b>
Occupancy <b>95.6%</b>	Occupancy <b>92.0%</b>	Occupancy <b>94.3%</b>	Occupancy <b>92.0%</b>	Occupancy <b>95.4%</b>
2021 Population <b>184,529</b>	2021 Population <b>194,439</b>	2021 Population <b>272,835</b>	2021 Population <b>1,637,800</b>	2021 Population <b>146,916</b>
Estimated retail space per capita <b>50.4 SF</b>	Estimated retail space per capita <b>49.8 SF</b>	Estimated retail space per capita <b>49.4 SF</b>	Estimated retail space per capita <b>41.7 SF</b>	Estimated retail space per capita <b>39.4 SF</b>

Source:  
CoStar/ESRI

## LUCKY PLAZA FACTS

- This is a dated and struggling retail center. *"Keep it as it is!"* is not an option. The status quo simply will not continue.
- This "retail apocalypse" has been ongoing for 10+ years.
- This Center has 65K sqft of retail space:
  - +/-8,000 of which has been vacant for 10+ years!
  - **The 2 big box tenants (totaling 41K sqft or 63% of the space) have expiring leases and/or have given notice.**
- The center could "go dark" as many retail centers across the nation and locally have. Or a "band aid" solution where vacant spaces is backfilled with less than desirable uses (self-storage, charter school, etc.) which add little to the neighborhood and permanently decrease the ability to attract quality tenants.





## RETAIL SPACE CONVERSION – CHURCH USER



Scottsdale Road & Thunderbird  
"Scottsdale Towne Square"

## RETAIL SPACE CONVERSION – SELF STORAGE



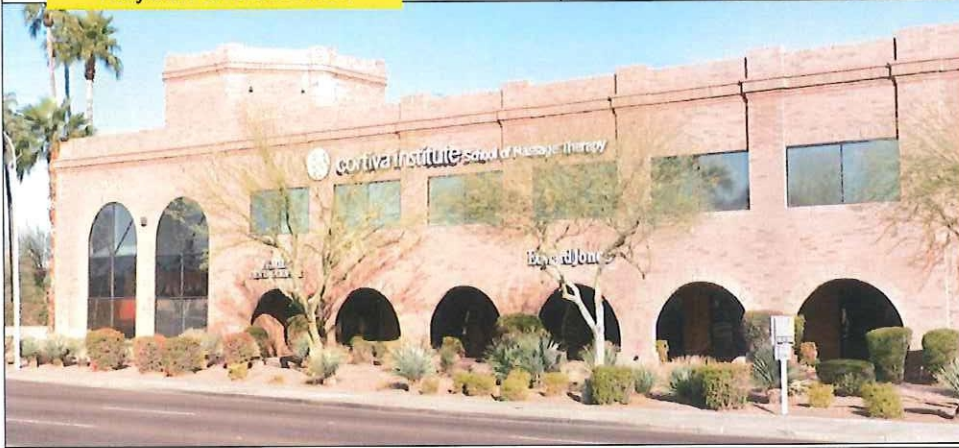
Camelback and 20th Street  
"Camelback Colonnade"



## RETAIL SPACE CONVERSION – CHARTER SCHOOL



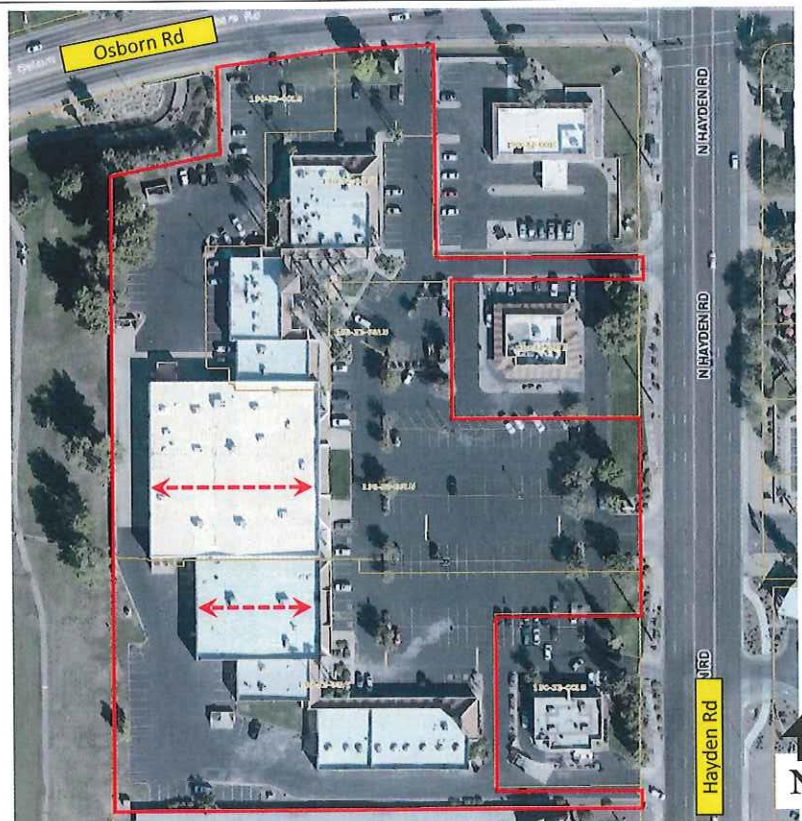
Hayden & McDowell



Scottsdale & McKellips

### LUCKY PLAZA DEFICIENCIES

- Large expanses of asphalt parking
- No public gathering spaces
- No pedestrian connections
- Turns back on biggest asset (Indian Bend Wash)
- Dated, “big box” retail design
- An unsupportable amount of retail space (65K sqft)





# THE SOLUTION

- Lucky Plaza has been a commercial retail center for 40+ year. Todd has owned it for 18+ of those years. By everyone’s admission (opposition included) he has maintained this center immaculately.
- **If he could continue to operate 65K sqft of retail space, he would. But that is not reality.** He is being proactive in reinvesting in the center and the neighborhood.
- This application is not about apartments. **This application is about saving this corner as a thriving, community retail center for the next 40+ years!**
- While this is a unique application, the underlying solution for rejuvenating the center is not. Across the nation, retail centers are dying, or choosing to reinvent themselves by infusing residents and more experience-driven design and uses (restaurants, plazas, etc.).
  - Paradise Valley Mall and Papago Plaza (Scottsdale & McDowell) are just 2 local examples.

## The Dying Mall's New Lease on Life: Apartments

As the pandemic hastens the retail apocalypse, some developers are betting that empty malls can mix housing with stores and community space.



Developers are counting on a new wave of millennials looking for a mix of retail and housing — a sign of what might be a notable trend. Pardon my country. Photo: Patrick Sissou

Patrick Sissou  
June 30, 2020, 1:00 AM MST

## Adding other uses turns retail centers into communities

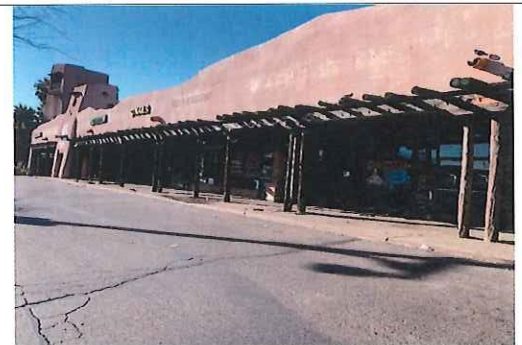


Start  
Categories  
About the vertical  
About the floor  
Media  
Unorganized  
Recent Posts  
Hawaii in 2020 Award  
Photo: Rick P. Photo

By Joe Egan, Construction, Shopping Centers, Food

Seeking ways to bring more community to their stores, restaurants and entertainment centers, retail developers are increasingly adding other

# RETAIL CONVERSION – Papago Plaza



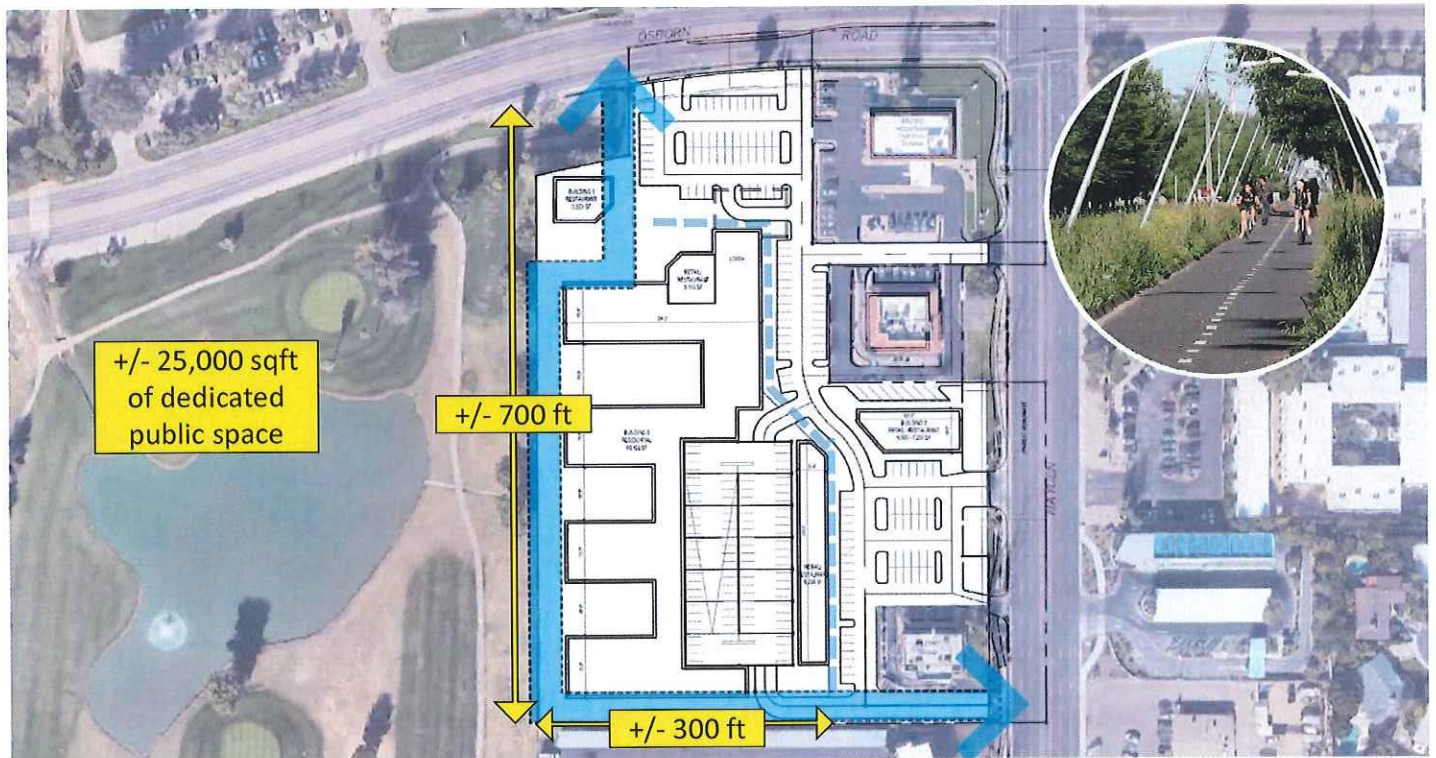


## PROJECT DETAILS

- A true, mixed-use redevelopment focused on the retail, pedestrian experience and providing a community gathering space
- 25,000 sqft of new retail /restaurant space designed to the specifications needed to compete in today's retail market.
- "Flex space" designed into the project to allow for retail expansion in the future should market conditions warrant.
- 238 new residential units. 8 units set aside at workforce lease rates catering to fireman, teachers, nurses, etc. ("The Miller" project provides 8 workforce units, "The Kimsey" provides 0 units. Both approved 6-1 by Council)
- **Nearly 3x the amount of required open space!**
  - 30K sqft required / 80K+ sqft provided
  - (The Miller provides 15K sqft....Kimsey = 24K sqft)



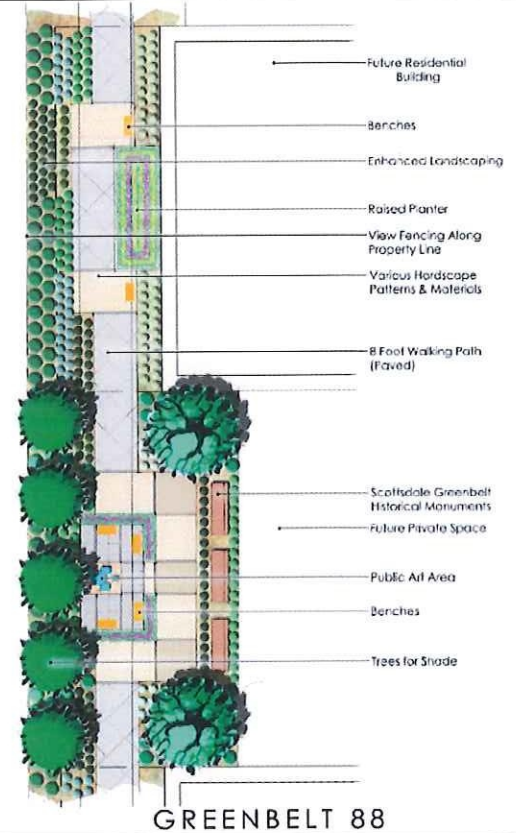
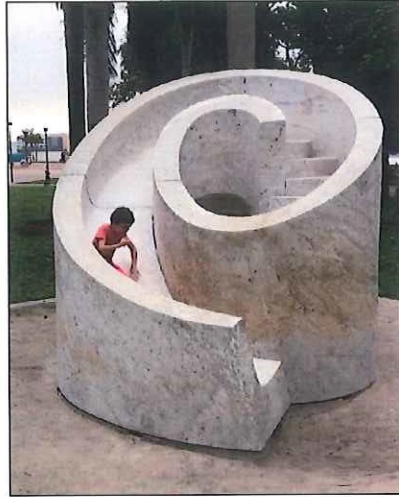
## GREENBELT PASEO PUBLIC DEDICATION





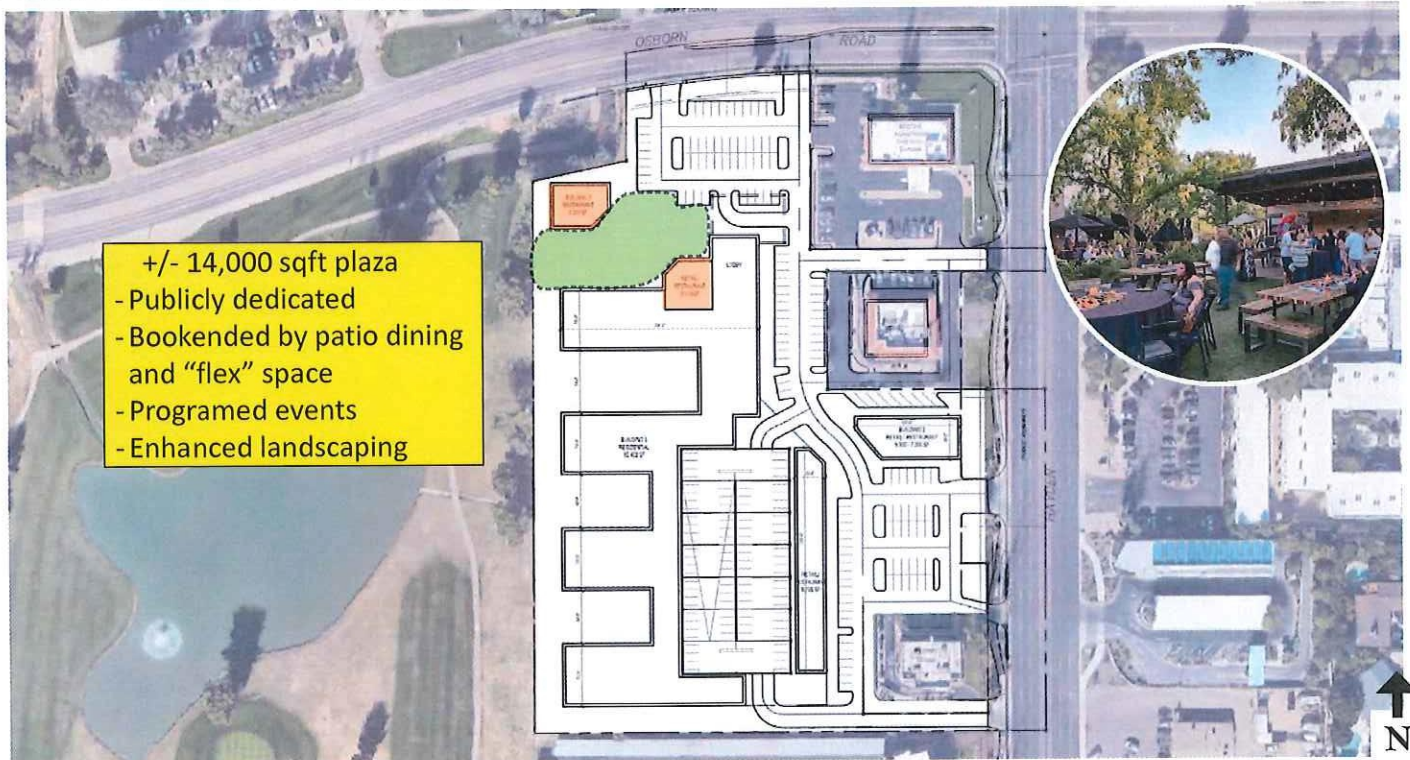
## GREENBELT PASEO PUBLIC DEDICATION

- Increased tree sizing along paseo and plaza
- Min. of 2 art installations by local artists along paseo
- Creative landscape, seating options, view vistas, etc.



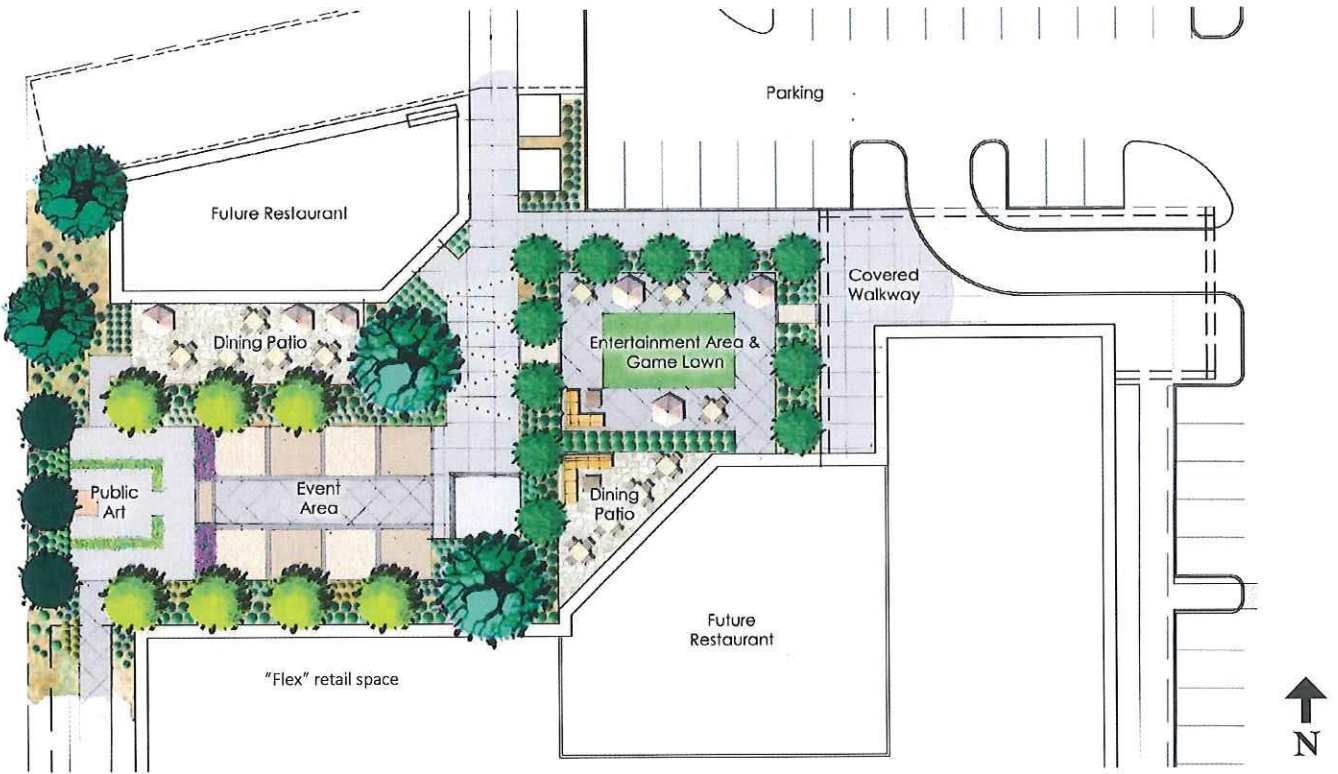
## PUBLIC PLAZA AND GATHERING AREA

- +/- 14,000 sqft plaza
- Publicly dedicated
- Bookended by patio dining and "flex" space
- Programed events
- Enhanced landscaping



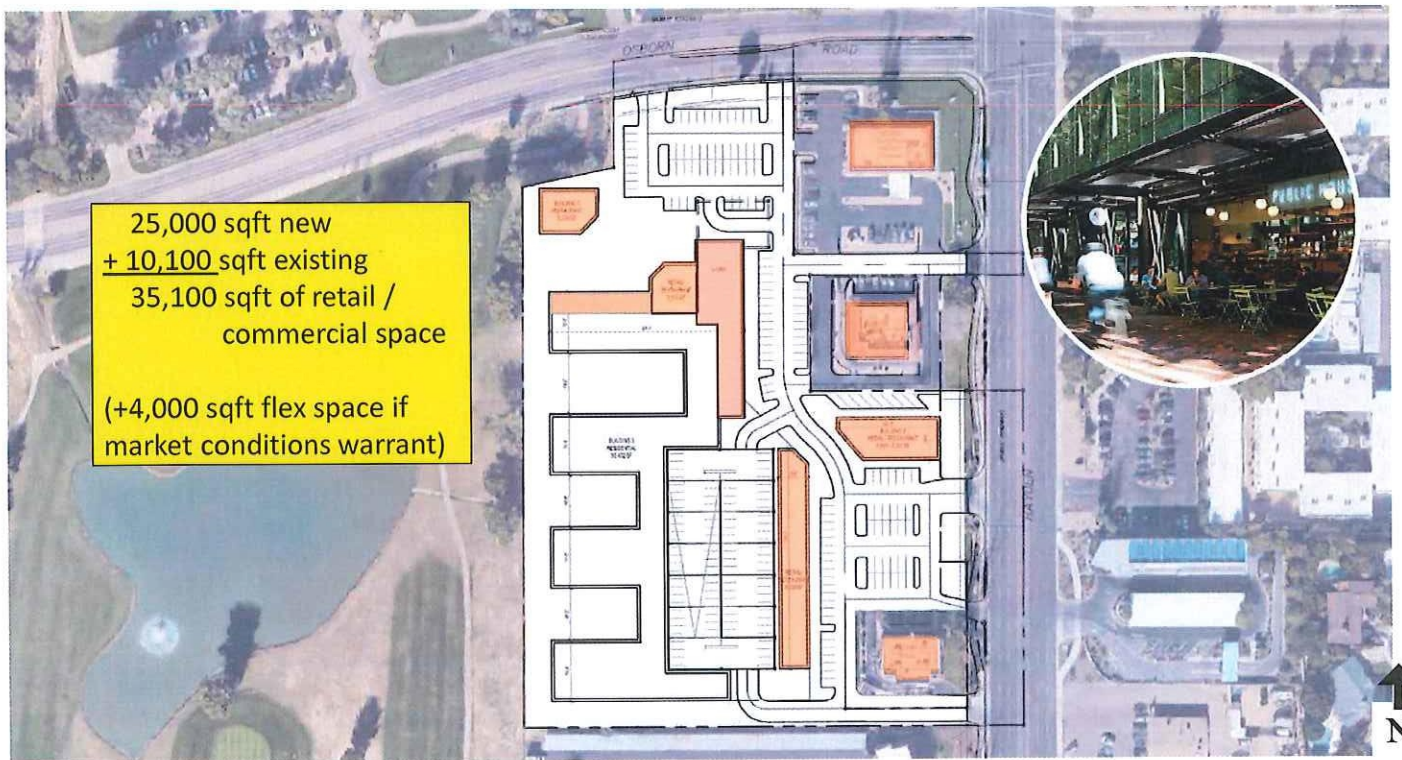


## PUBLIC PLAZA AND GATHERING AREA



## RETAIL & COMMERCIAL SPACE

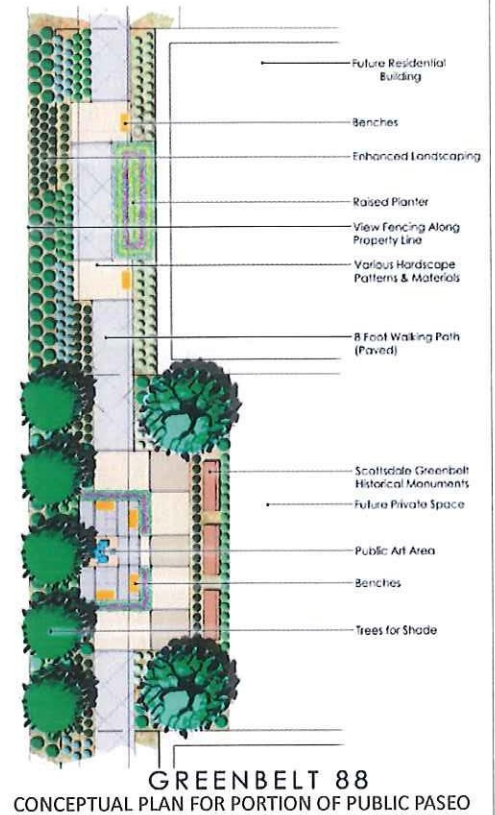
25,000 sqft new  
 + 10,100 sqft existing  
 35,100 sqft of retail /  
 commercial space  
 (+4,000 sqft flex space if  
 market conditions warrant)





## PROJECT CHANGES PER PUBLIC INPUT

1. Agree to License Agreements w/ City for Public Paseo
2. Agree to License Agreement w/ City for Public Plaza
3. Agree to reversion clause for zoning approval. (Lose zoning if project is not constructed)
4. Agree to reduction of units from 300...down to 288... to 278... to 253...and now 238 residences
5. Agree to increase Retail/Restaurant sqft to match size of existing inline shops (25K sqft)
6. Agree to prohibit residential units on ground level "flex space" areas near plaza and lobby
7. Agree to additional design detail for the public Greenbelt Paseo, Plaza, and Retail frontage
8. Agree to enhanced landscape standards beyond City requirements
9. Agree to a minimum of 2 art installations along Paseo (preference for local artists)
10. Agree to adopt and abide by the IGCC / Scottsdale Green Building Program
11. Agree to commitment of Dog Run for residents.
12. Agree to commitment of secured bike parking for residents
13. Agree to increase parking count to accommodate residential guest parking
14. Agree to enhanced architectural design standards (no stucco or EFIS on first 2 levels)
15. Agree to remove cantilever of 3rd and 4th floor facing greenbelt.
16. Agree to reduce size of 4th floor by 45%. Pushed 4th floor back even further from perimeter
17. Agree to use only 5 ft of the allowable 10 ft height for appurtenance
18. Agree to restrictions against short-term rentals
19. Agree to plat the property for potential "for-sale" conversion in the future
20. Agree to 8 workforce rate units for firefighters, teachers, nurses, etc.



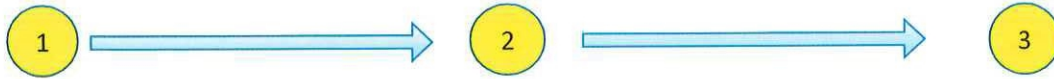
## PROJECT CHANGES PER PUBLIC INPUT

- 45% reduction in 4<sup>th</sup> floor
- Additional height reduction (45ft max)
- 20% reduction in # of units
- Completely removed 4<sup>th</sup> floor units facing Hayden
- Added additional "flex" space
- Added 8 workforce housing units
- Increased % of 2-bed units





## PROJECT CHANGES PER PUBLIC INPUT – West Property Line



1  
Initial Design  
(3<sup>rd</sup> and 4<sup>th</sup> floor cantilever)



Property line

2  
Updated Design  
(Removed cantilever)



Property line

3  
Final Design  
(4<sup>th</sup> floor completely concealed - pushed back 76+ ft from property line)



Property line

## PROJECT CHANGES PER PUBLIC INPUT – East Facing Mixed-Use

Removed Entire  
4<sup>th</sup> Floor of  
residences



Ground  
Floor Retail

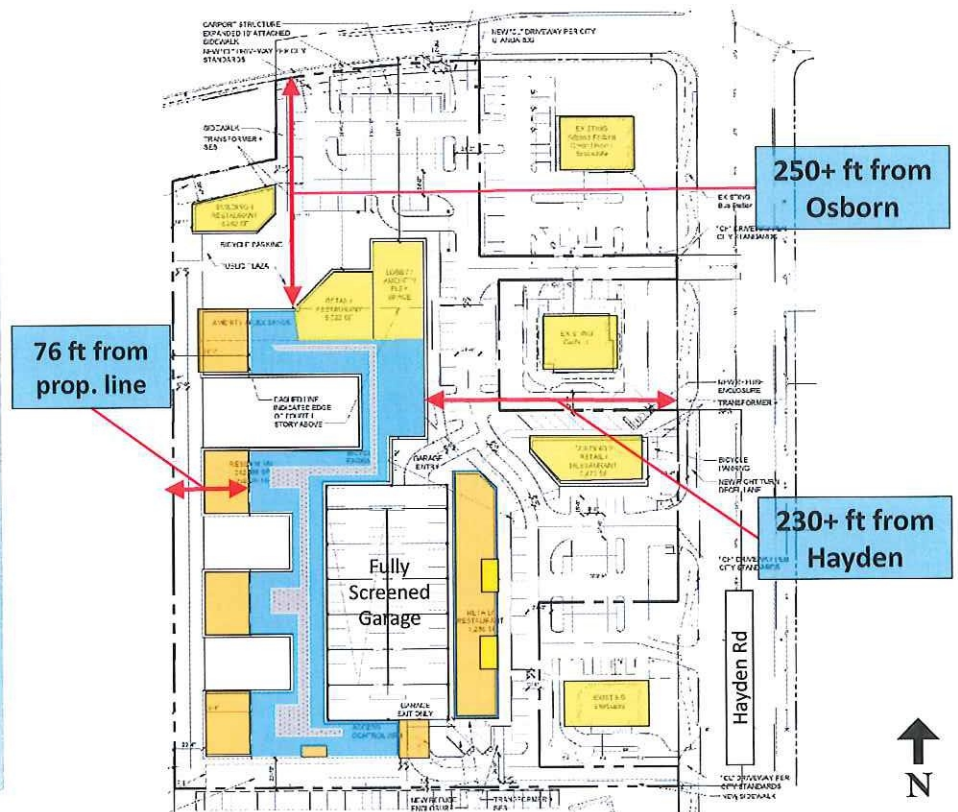
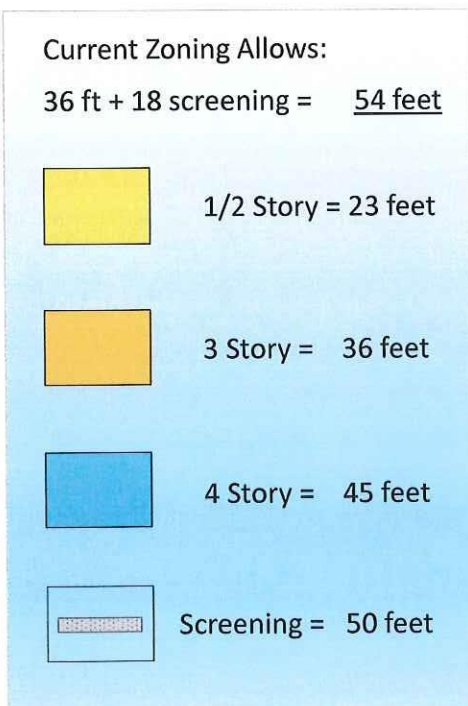


## OPPOSITION CLAIMS AND FALSE NARRATIVES

**Building Height.** *"This is a towering high-rise / mid-rise that is too tall and will block views."*

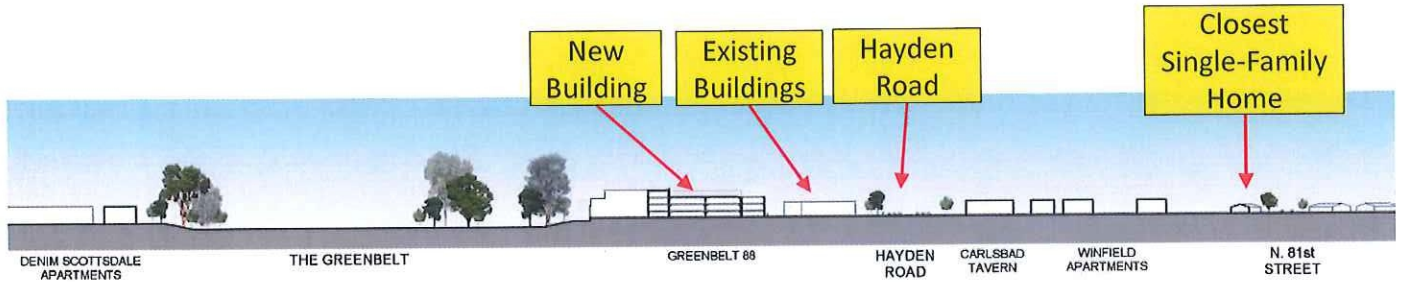
- Not a high-rise or mid-rise. Majority of project is 3-stories, 36 ft tall. Any 4th floor area is only 45 ft tall.
- **Office property immediately south has C-O zoning which permits 48 ft by right + additional screening.**
- There are no views being blocked or privacy concerns:
  - 4th floor is over 230 ft setback from Hayden Rd..... over 250 ft setback from Osborn Rd.
  - Closest single-family home is across Hayden Rd and over 600 ft away! (1.5 football fields away)
- Existing zoning permits 36 ft plus unlimited height for mechanical screening. (18 ft screening is typical - see Scottsdale Quarter). 36 + 18 = 54 ft total.
- PUD zoning allows 48 ft plus a cap of 10 ft for screening = 58 ft total.
- This project is stipulated to 45 ft plus only 5 ft of screening = 50 ft total. Per Code, the extra 5 ft of screening is limited to a max of 30% of the roof area and must be setback from perimeter. It will be indecipherable.
- *Gentry on the Green* (Camelback Rd and the Greenbelt) unanimous Council approval at 48 ft + screening

## BUILDING HEIGHTS



## OPPOSITION CLAIMS AND FALSE NARRATIVES

Building Height. *"This is a towering high-rise / mid-rise that is too tall and will block views."*



Closest single-family home is across Hayden Rd and over 600 ft away! (1.5 football fields away)



## OPPOSITION CLAIMS AND FALSE NARRATIVES

Traffic. *"This project will flood the area with traffic."*

- Project produces LESS traffic than would occur if the current center was at full lease-out.
  - **-1,190 less daily trips. This is conservative.**
  - -1,944 less daily trips if factoring in standard deductions for people who walk, bus, bike, etc. or park-once and visit multiple on-site establishments.
- Project produces MUCH LESS traffic than could occur under the existing entitlements. Center could be redeveloped "by-right" with a much larger retail and/or office development that would create more traffic.
- Licensed Traffic Engineers have performed these studies and they have been reviewed by the City's Licensed professional Traffic Engineers.
- Project will actually improve existing traffic conditions in the area by improvements at Developers expense:
  - Decel lane being added along Hayden Road
  - Left turn signal being added for east-west traffic at Hayden / Osborn intersection. (This signal is not a legal requirement as the project produces LESS traffic. But Developer has agreed to pay for nonetheless)
- Project has 6 different access points between Osborn and Hayden to easily disperse traffic.



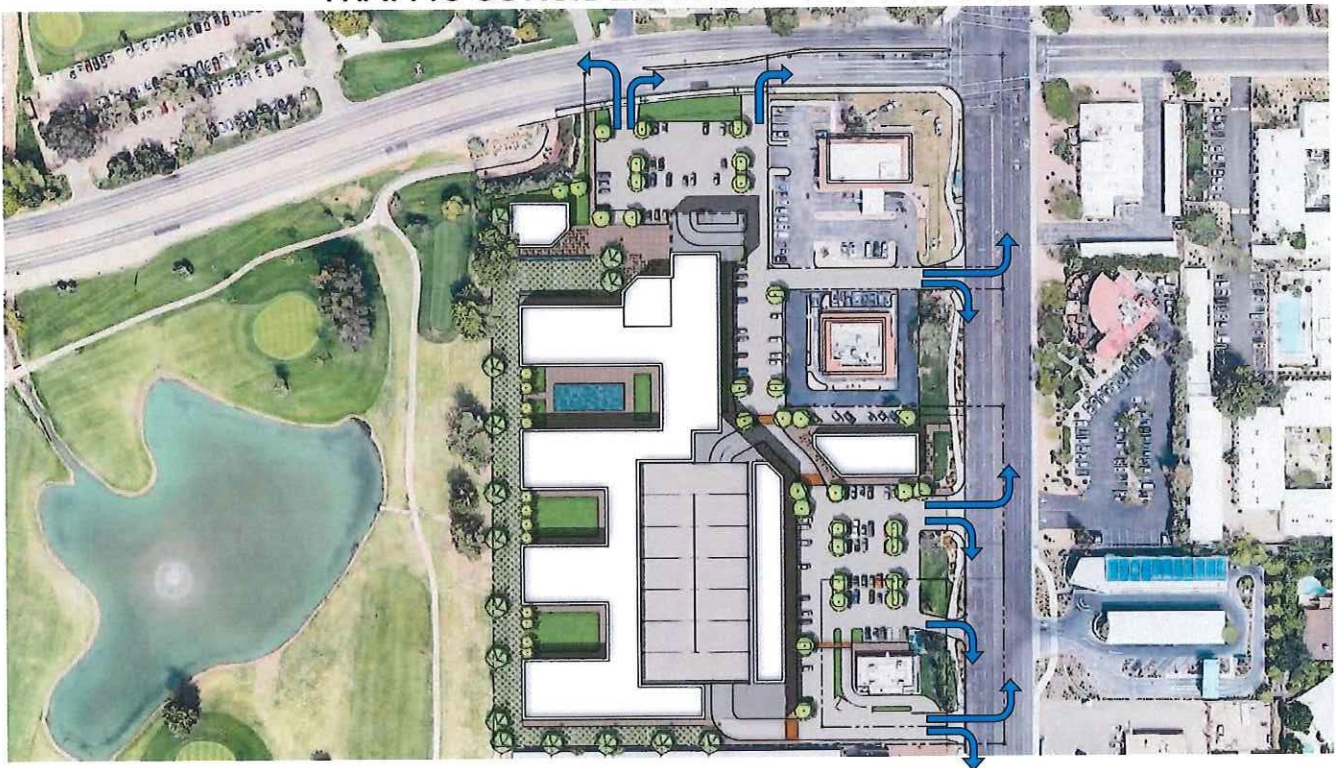
# TRAFFIC CONSIDERATION

**Table 2 – Trip Generation**

Proposed Use	ITE LUC	Size Units <sup>+</sup>	Daily Total	Weekday Trips					
				AM Peak Hour			PM Peak Hour		
				In	Out	Total	In	Out	Total
<b>Uses to be Razed</b>									
Chiropractic Office	720	1,400 KSF	48	4	1	5	2	5	7
Shopping Center	820	45,996 KSF	3,546	109	66	175	147	159	306
Big 5 Sporting Goods	861	12,000 KSF	346	3	1	4	15	16	31
The Side Door	930	1,892 KSF	596	3	1	4	15	12	27
Uncle Sal's	931	3,302 KSF	268	0	2	2	17	8	25
The Blind Pig	932	1,526 KSF	172	8	7	15	9	6	15
<b>Totals</b>			<b>4,976</b>	<b>127</b>	<b>78</b>	<b>205</b>	<b>205</b>	<b>206</b>	<b>411</b>
<b>Remaining Uses</b>									
AZ Federal Credit Union	912	3,000 KSF	366	17	12	29	31	30	61
Carl's Jr.	934	4,150 KSF	1,954	85	82	167	71	65	136
Starbucks	937	1,360 KSF	1,116	62	59	121	30	29	59
Subway	930	1,200 KSF	378	1	1	2	9	8	17
<b>Totals</b>			<b>3,814</b>	<b>165</b>	<b>154</b>	<b>319</b>	<b>141</b>	<b>132</b>	<b>273</b>
<b>Proposed Development</b>									
Apartments	221	278 DUs	1,600	23	74	97	77	46	123
Retail Shops	820	17,319 KSF	1,160	30	20	50	67	66	133
Quality Restaurant (2)	931	7,700 KSF	646	5	1	6	40	20	60
<b>Totals</b>			<b>3,406</b>	<b>58</b>	<b>95</b>	<b>153</b>	<b>184</b>	<b>132</b>	<b>316</b>
<b>Grand Totals</b>			<b>7,220</b>	<b>223</b>	<b>249</b>	<b>472</b>	<b>325</b>	<b>264</b>	<b>589</b>
<b>Prior Uses (Razed + Remaining)</b>			<b>8,410</b>	<b>292</b>	<b>232</b>	<b>524</b>	<b>346</b>	<b>338</b>	<b>684</b>
<b>Comparison / Differences</b>			<b>-1,190</b>	<b>-69</b>	<b>+17</b>	<b>-52</b>	<b>-21</b>	<b>-74</b>	<b>-95</b>

\* KSF = 1,000 SF; DUs = Dwelling Units

## TRAFFIC CONSIDERATION – EXITING SITE





## TRAFFIC CONSIDERATION – ENTERING SITE



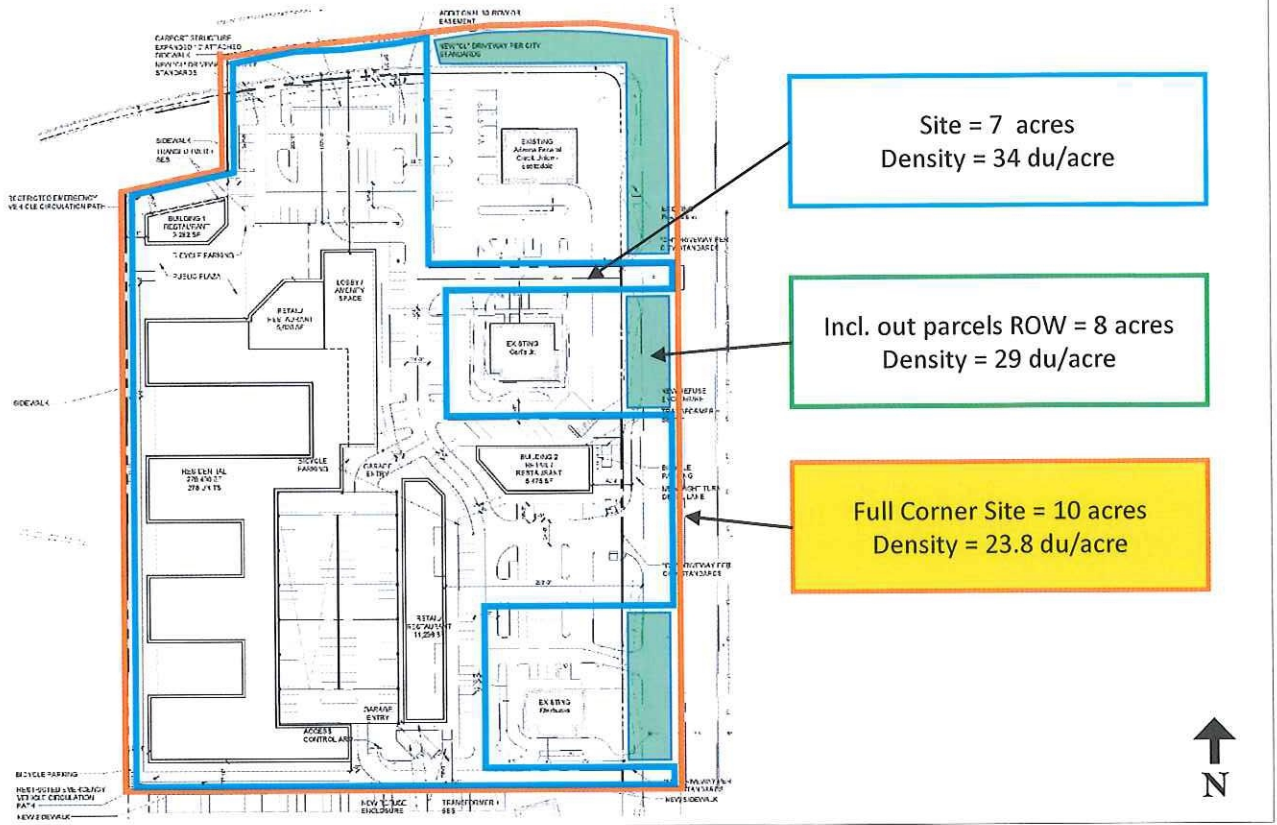
## OPPOSITION CLAIMS AND FALSE NARRATIVES

**Density.** *"This project is double the average density of the area."*

- Opposition quotes 20-24 du/acre as "average in the area." This number is dubious at best (what constitutes the area?). Nonetheless, the project is only 34 du/acre. Not double.
- When factoring in the full commercial center, the actual density drops to 23.8 du/acre.
  - In the real world, the full corner, including Starbucks, Carl's Jr and AZ Credit Union, functions as 1 commercial center with shared parking, cross access, etc.
  - **The "real" density of the site is 23.8 du/acre.**
- Gentry on the Green, just up the block along the Greenbelt was approved at 49 du/acre.



# DENSITY



## DENSITY CONSIDERATION

- Scottsdale Job Growth & Population Growth
  - *2 straight years named as best place in America to find a job* (per WalletHub)
  - *20% of AZ Corporate Headquarters are found in Scottsdale* (City Econ Dev. Dept)
  - *90% of Scottsdale Software Companies are growing at 10%* (City Econ Dev. Dept)
- **Adding exceptional employment opportunities requires providing housing options for those employees.** Commuting employees = more traffic and less money spent in Scottsdale
- Arizona is expected to add nearly 550,000 jobs between 2019 and 2029...far outpacing the national average (1.6% vs 0.4% growth)
- Occupancy Rates Remain Incredibly High:
  - 96.4% north Scottsdale / 96.7% south Scottsdale

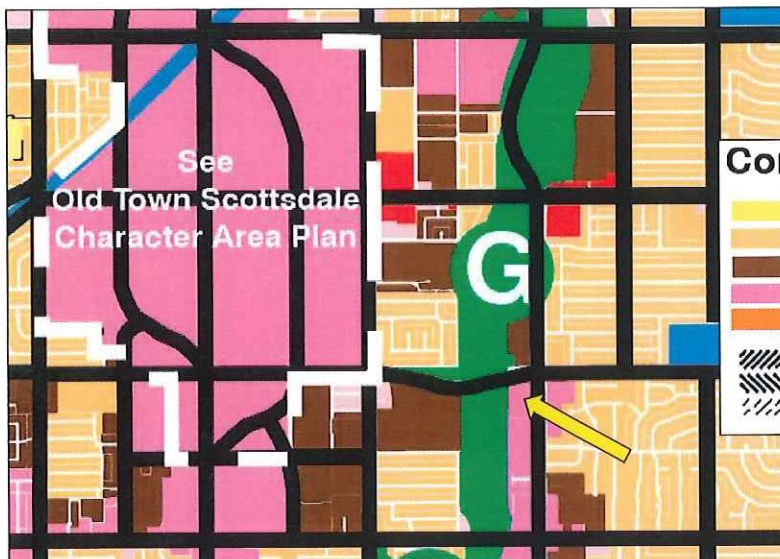
## DENSITY / HOUSING CONSIDERATION

- Arizona is facing a severe housing shortage – at least 40,000 homes short.
- This is driving up housing costs. Threatening economic growth.
- *“Police officers, firefighters, school teachers, construction workers and those who work in retail are already priced out of the home-buying market, and are already priced out or close to being priced out of the rental market.” \**
- Annual Rent Rates Continue to Increase:
  - 17.3% north Scottsdale / 11.7% south Scottsdale
- Median homes sales price jump over past 2 years
  - Scottsdale jumped 27% (\$754,000)
  - Southern Scottsdale jumped 32% (\$454,000)

\*Current State of Greater Phoenix Housing Market Report

## SCOTTSDALE GENERAL PLAN 2035 = MIXED-USE NEIGHBORHOODS

- *Mixed-Use Neighborhoods focus on human-scale development and are located in areas with strong access to multiple modes of transportation and major regional services. These areas accommodate higher-density housing combined with complementary office or retail uses. Mixed-Use Neighborhoods are most suitable near and within Growth and Activity Areas*

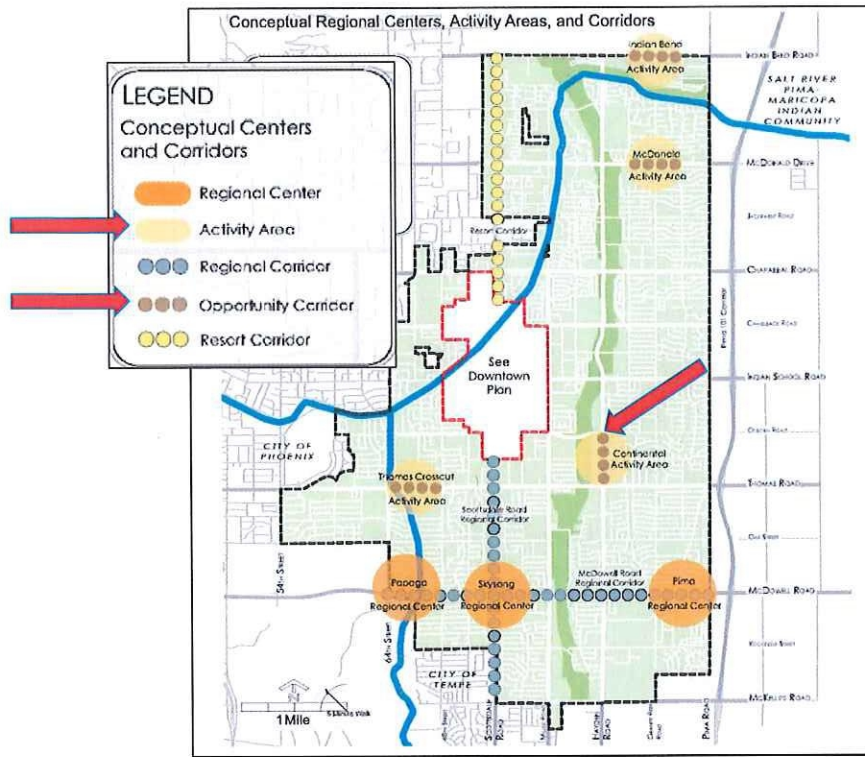


### Conceptual Land Use Map

Rural Neighborhoods	Commercial
Suburban Neighborhoods	Office
Urban Neighborhoods	Employment
Mixed-Use Neighborhoods	Natural Open Space
Resorts/Tourism	Developed Open Space (Parks)
Shea Corridor	Developed Open Space (Golf Course)
Mayo Support District	Cultural/Institutional or Public Use
Regional Use District	



# SOUTHERN SCOTTSDALE CHARACTER AREA = ACTIVITY AREA & OPPORTUNITY CORRIDOR



QUESTIONS?

**WM**  
WITHEY MORRIS PLC  
ATTORNEYS AT LAW

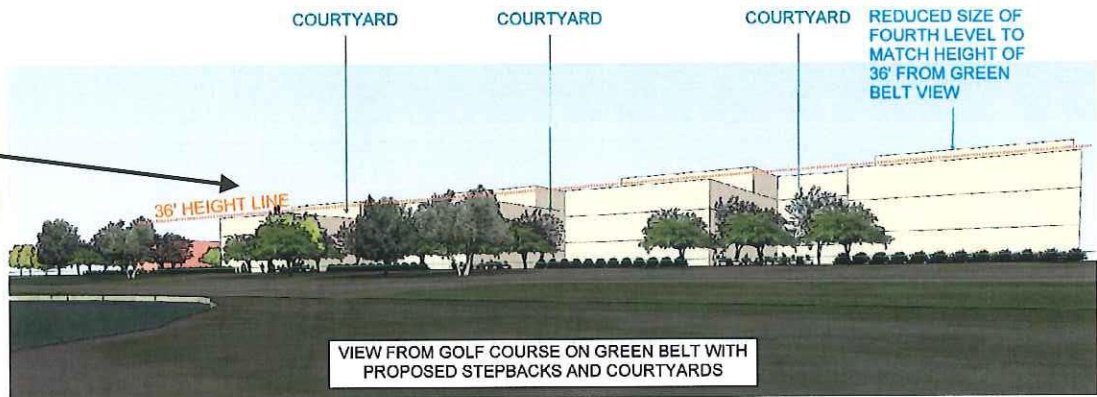
**NELSEN  
PARTNERS**  
ARCHITECTS & PLANNERS

# EXISTING CONDITIONS



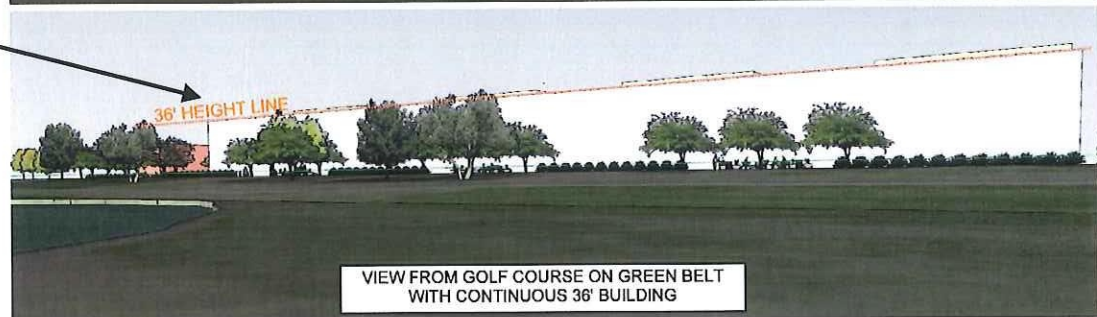
## PROJECT CHANGES PER PUBLIC INPUT – Building Height

Pushed back 4<sup>th</sup> floor to match 36 ft height



VIEW FROM GOLF COURSE ON GREEN BELT WITH PROPOSED STEPBACKS AND COURTYARDS

Permitted by right today



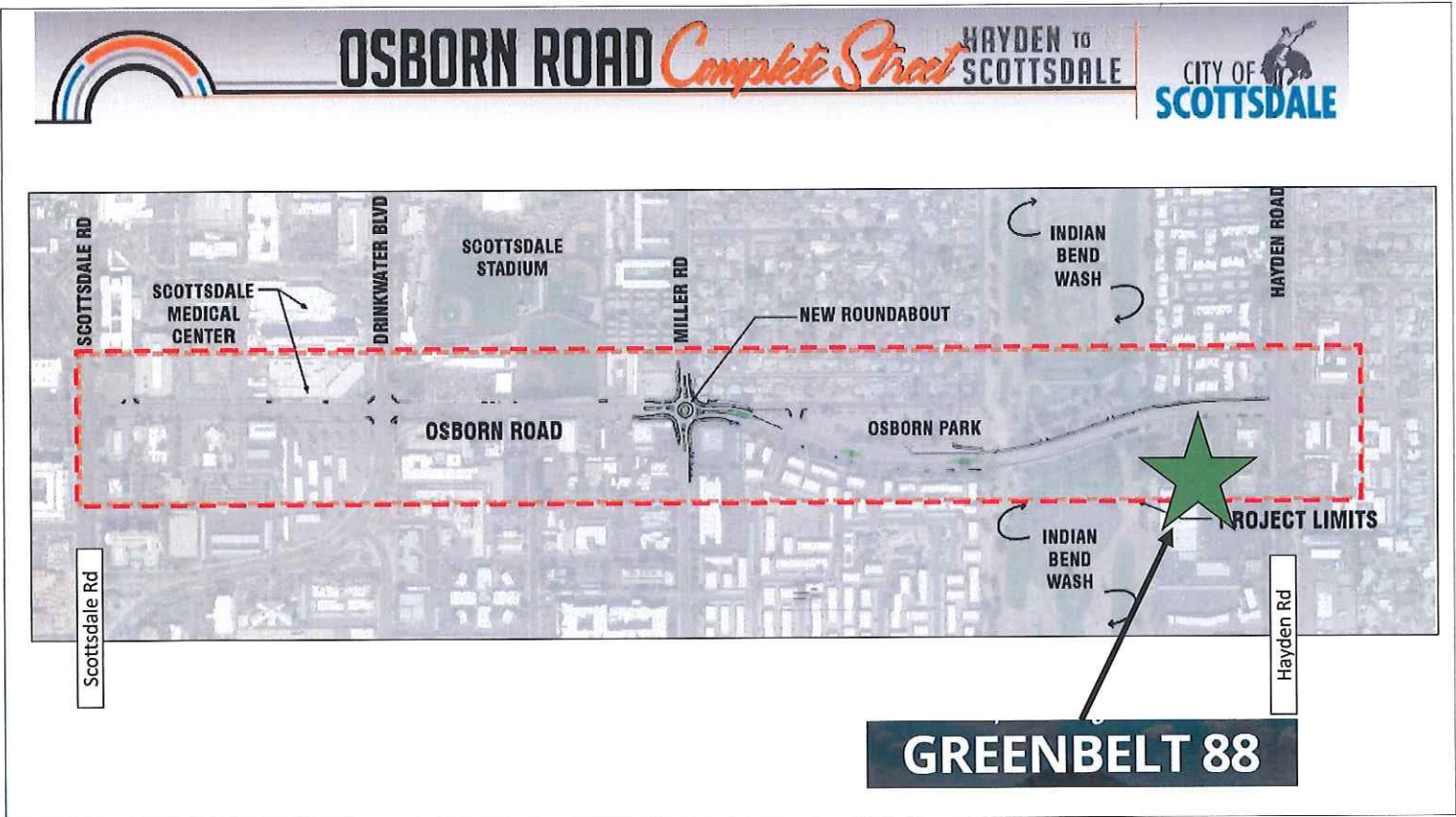
VIEW FROM GOLF COURSE ON GREEN BELT WITH CONTINUOUS 36' BUILDING







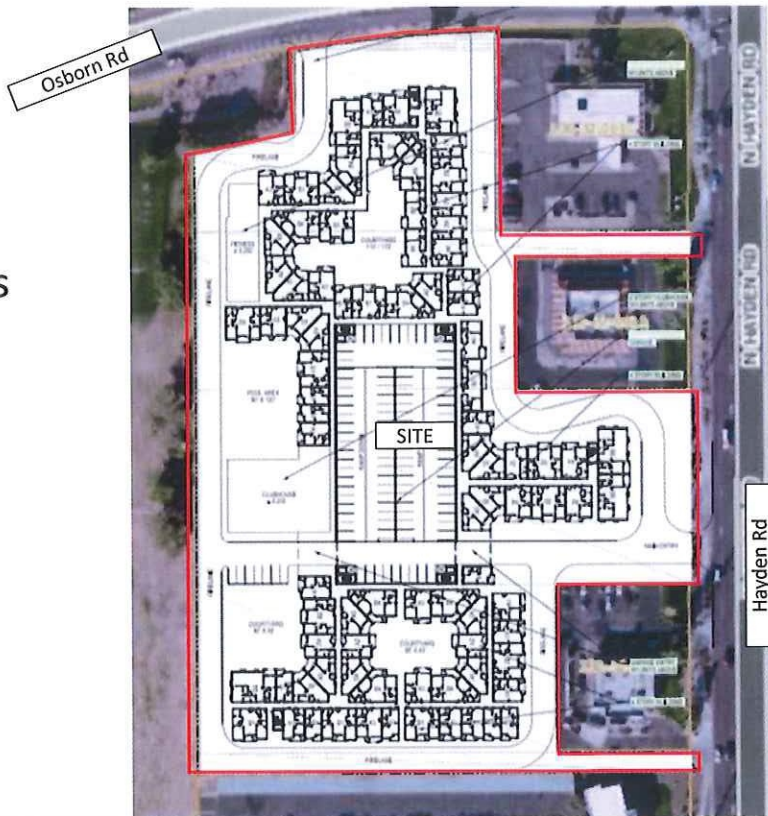
We are also not:



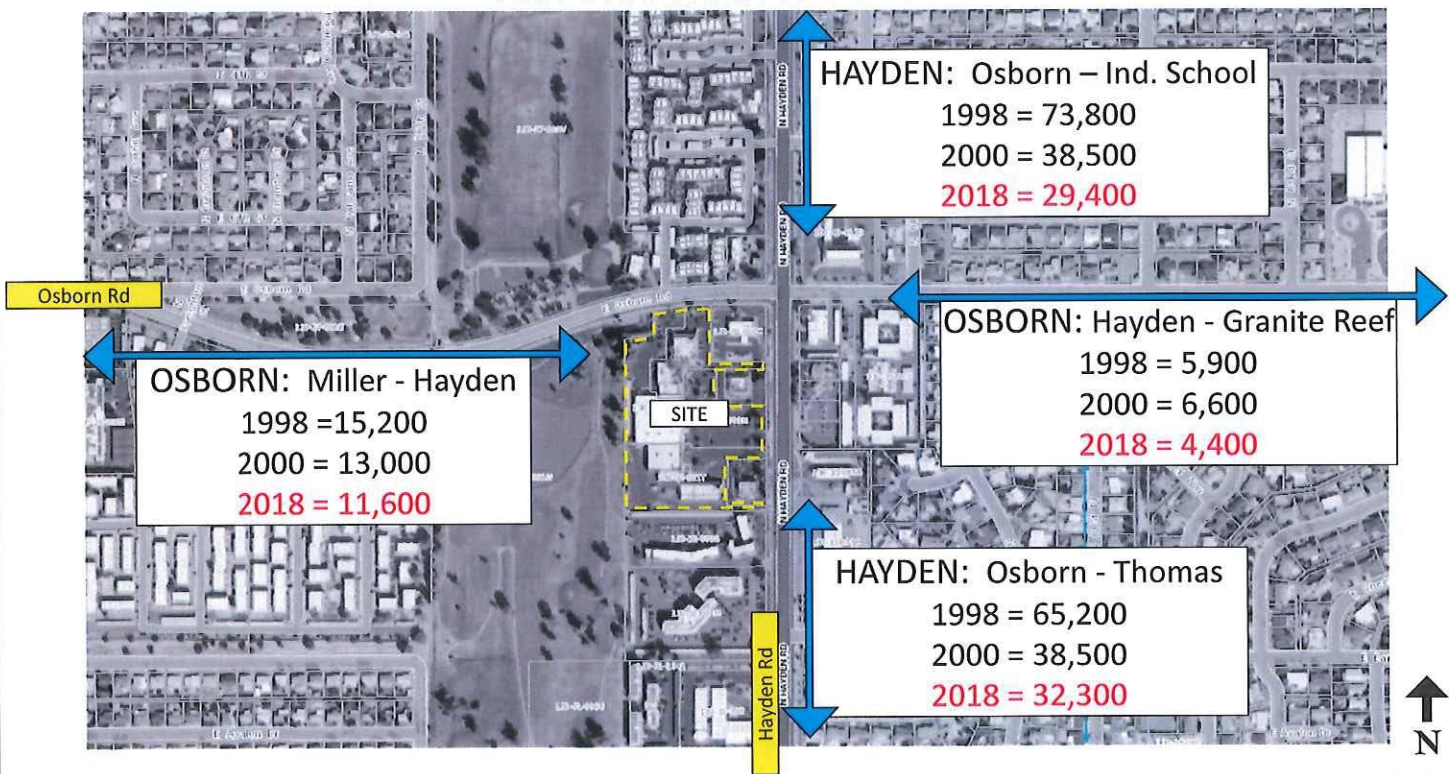


## PREVIOUS SUBMITTAL

- 388 apartments
- Zero Retail



## HISTORIC TRAFFIC VOLUME





# GREENBELT PASEO – SIZE COMPARISON, *Scottsdale Waterfront*

