

SCOTTSDALE CITY COUNCIL
SPECIAL MEETING MINUTES
TUESDAY, MAY 10, 2016



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

CALL TO ORDER

Mayor W.J. "Jim" Lane called to order a Special Meeting of the Scottsdale City Council at 4:50 P.M. on Tuesday, May 10, 2016, in the City Hall Kiva.

ROLL CALL

Present: Mayor W.J. "Jim" Lane; Vice Mayor David N. Smith; and Councilmembers Suzanne Klapp, Virginia Korte, Kathleen S. Littlefield, Linda Milhaven, and Guy Phillips

Also Present: Acting City Manager Brian Biesemeyer, City Attorney Bruce Washburn, City Treasurer Jeff Nichols, City Auditor Sharron Walker, and City Clerk Carolyn Jagger

1. Shoeman Office Building Rezoning (7-ZN-2015)

Requests:

1. Adopt **Ordinance No. 4240** approving a zoning district map amendment from Central Business Downtown Overlay (C-2 DO) and Highway Commercial Downtown Overlay (C-3 DO) zoning to Downtown/Downtown Multiple Use Type-2, Planned Block Development, Downtown Overlay (D/DMU-2, PBD, DO) zoning, including approval of Property Development Standards and a Development Plan on a 1.96±-acre site located at 4419 N. Scottsdale Road, 7223 E. Shoeman Lane, and 7233 E. Shoeman Lane.
2. Adopt **Resolution No. 10357** authorizing Development Agreement No. 2016-021-COS with Stockdale Galleria Land Owner, LLC, for property generally located at 4419 N. Scottsdale Road.
3. Adopt **Resolution No. 10366** declaring the document entitled "Shoeman Office Building Development Plan, 7-ZN-2015" to be a public record.

Presenter(s): Dan Symer, Sr. Planner

Staff Contact(s): Randy Grant, Planning and Development Services Director, 480-312-2664, rgrant@scottsdaleaz.gov

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.

Senior Planner Dan Symer gave a PowerPoint presentation (attached) on the proposed Shoeman Office Building rezoning request.

Applicant Representative Jason Morris gave a PowerPoint presentation (attached) on the proposed Shoeman Office Building rezoning request.

Mayor Lane opened public testimony.

Sonnie Kirtley, Coalition of Greater Scottsdale, spoke in opposition to the project.

Mayor Lane closed public testimony.

MOTION AND VOTE – ITEM 1

Councilwoman Milhaven made a motion to adopt Ordinance No. 4240, Resolution No. 10357, and Resolution No. 10366. Councilwoman Klapp seconded the motion, which carried 4/3, with Vice Mayor Smith and Councilmembers Littlefield and Phillips dissenting.

ALTERNATE MOTION NO. 1 – ITEM 1

Vice Mayor Smith made an alternate motion to approve the project, with all the stipulations as required, with a requirement that the applicant build an additional below-grade floor of parking. The motion died for lack of a second.

ALTERNATE MOTION NO. 2 – ITEM 1

Mayor Lane made an alternate motion to approve the project; however, if a determination is made that there is a parking problem, and the leasing and parking management options do not rectify the parking deficit, the applicant would be required to accommodate additional parking by constructing an additional parking deck. The motion died for lack of a second.

ADJOURNMENT

The Special City Council Meeting adjourned at 6:35 P.M.

SUBMITTED BY:



Carolyn Jagger
City Clerk

Officially approved by the City Council on

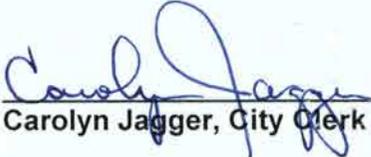
June 7, 2016

CERTIFICATE

I hereby certify that the foregoing Minutes are a true and correct copy of the Minutes of the Special Meeting of the City Council of Scottsdale, Arizona held on the 10th day of May 2016.

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

DATED this 7th day of June 2016.



Carolyn Jagger, City Clerk

Shoeman Office Building

7-ZN-2015

City Council

Coordinator: Dan Symer, AICP

Date: May10, 2016

Shoeman Office Building



DETAIL AERIAL

7-ZN-2015

Shoeman Office Building

Request: Approval of a Zoning District Map Amendment,

From: Central Business Downtown Overlay (C-2 DO) and Highway Commercial Downtown Overlay (C-3 DO)

To: Downtown / Downtown Multiple Use, Type 2, Planned Block Development, Downtown Overlay (D/DMU-2 PBDDO) zoning and with a Development Plan

7-ZN-2015

Shoeman Office Building

Development Information:

- **Proposed Use:** Office and retail
- **Parcel Size (gross):** 112,765 square feet
- **Total Building Size:** 204,660 square feet
- **Gross Floor Area Ratio Proposed:** 1.82 with bonuses
- **Building Height Proposed:** 96 feet (Inclusive of roof top appurtenance)
(Subject to the approval 5-TA-2015)
- **Parking Required:** 683 spaces (3.33 spaces per 1000 square feet)
- **Parking Provided:** 970 spaces (4.73 spaces per 1000 square feet)



7-ZN-2015

Shoeman Office Building



Council Direction:

- Incorporate an supplemental parking plan
- Consider the setbacks into the upper portions of the building
- Consider the additional building setback from East Shoeman

7-ZN-2015

Shoeman Office Building

Response:



- *Incorporated* a supplemental parking plan:
 - Required when 97% of the Office Space Parking is occupied
 - Requires owner to secure additional parking at an off-site location
 - Supplemental parking plan requirement terminates if any of the following occur:
 - 4 years after the Certificate-of-Occupancy,
 - a public or quasi-public parking structure is constructed, or
 - a seventh level of parking is added to the development

7-ZN-2015

Shoeman Office Building



Response:

- *No Changes* to the setbacks into the upper portions of the building
- *No Changes* to the building setback from East Shoeman Lane

7-ZN-2015

Shoeman Office Building



7-ZN-2015

Shoeman Office Building

7-ZN-2015

City Council

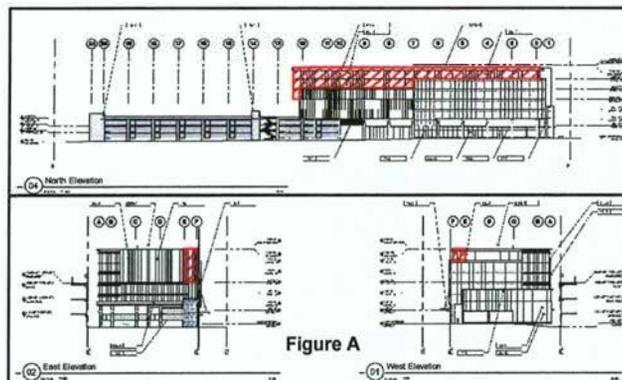
Coordinator: Dan Symer, AICP

Date: May 10, 2016

Shoeman Office Building

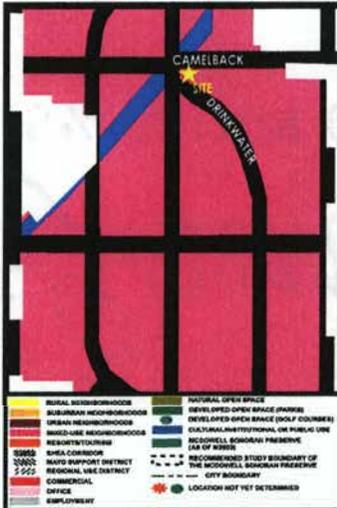
Recommended Stipulation:

- The development plan for the building shall be modified so that 5th, 6th, and 7th levels of the building, as indicated with the red hatch marks in Figure A below, are setback 10 feet to the south, from of the face of the 4th Floor.



7-ZN-2015

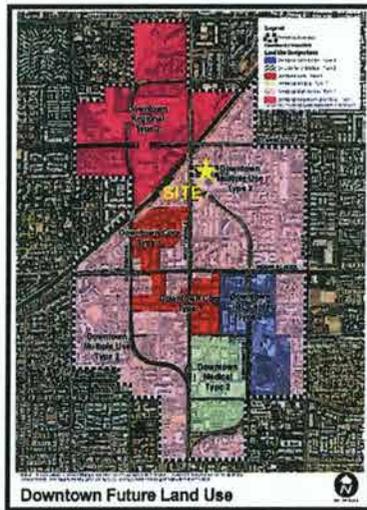
Shoeman Office Building



GENERAL PLAN

7-ZN-2015

Shoeman Office Building



DOWNTOWN PLAN

7-ZN-2015

Shoeman Office Building

City Council criteria:

Sec. 1.607. (Zoning District Map Amendment Criteria)

- The application appears consistent with the adopted General Plan

Sec. 6.1304.B. (Planned Block Development Overlay Criteria)

1. Standard criteria:

- a. Consistency with Land use elements of General Plan and the Downtown Plan.

2. Pertains to adding land use – no additions requested

3. Criteria to achieve bonus(es):

- a. Development Plan incorporates public benefits, and improve to achieve bonuses for Floor Area and Building.

Standard and PBD Criteria

7-ZN-2015

Shoeman Office Building

To Achieve Bonus Criteria – Building Height (30 Feet) and Floor Area (46,789 sqft):

- Compliance with City of Scottsdale's Green Building Program (IGCC)
- Enhanced Reconstruction of East Shoeman Lane (± \$416,270)
 - Pedestrian Lighting
 - Hardscape
 - Landscaping
 - Pedestrian Amenities (benches, trash cans, bike racks, etc.)
- Contribution to the Downtown Special Improvement Trust Fund (± \$268,795)

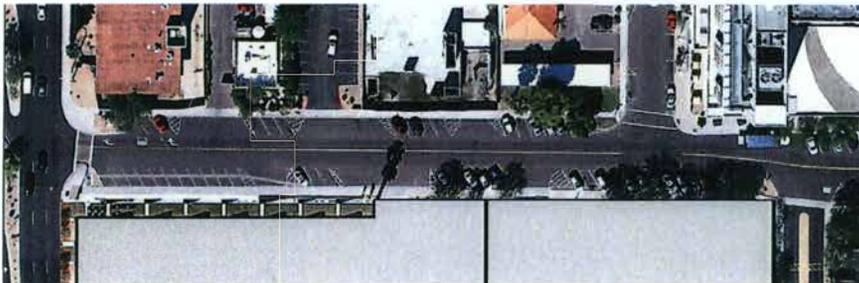
7-ZN-2015

Shoeman Office Building



Existing East Shoeman Lane

Shoeman Office Building



Existing East Shoeman Lane with Building Placement

Shoeman Office Building



Existing East Shoeman Lane with Building Placement

Shoeman Office Building

Standard improvements (No Bonus Provide):

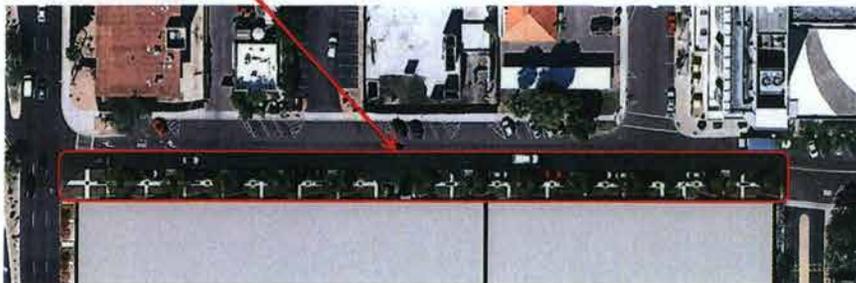
Full Street Improvement (Asphalt, Curb, Gutter, Sidewalk, etc.)

Bonus improvements:

Pedestrian Lights

Pedestrian Benches and Refuse Receptacles

Metal Tree Grates

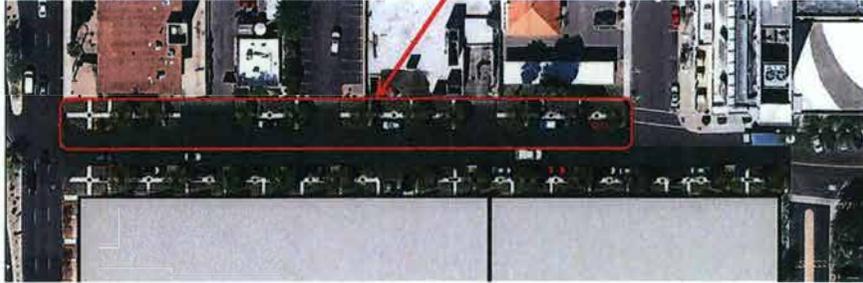


East Shoeman Lane with South Side Street Improvements

Shoeman Office Building

Bonus Improvements:

- Full Street Improvement (Asphalt, Curb, Gutter, Sidewalk, etc.)
- Pedestrian Lights
- Pedestrian Benches and Refuse Receptacles
- Landscape and Metal Tree Grates



East Shoeman Lane with North and South Side Street Improvements

Shoeman Office Building

- Eighteen street public parking spaces to be removed
- The current estimated total is \$233,246.34 to be used for the development of a parking structure in part of the northeast quadrant of the Downtown.



7-ZN-2015

Shoeman Office Building

Policies and Guidelines, Key Items for Consideration:

- Encourage urban and architectural design that addresses human scale,
- Architectural form to reduce the apparent size and bulk of larger buildings.
- Building height and bulk of building is to be reduced by dividing the building mass into smaller-scale components.
- Upper levels should reduce floor area and building mass, appearing less bulky
- Top story of building should be reduced in size, to provide the feel and appearance of reduced/recessed building mass.
- Buildings over 3 stories tall, especially those built at or near the 72 foot maximum should reduce the visual impact of taller elements as viewed from the street



7-ZN-2015

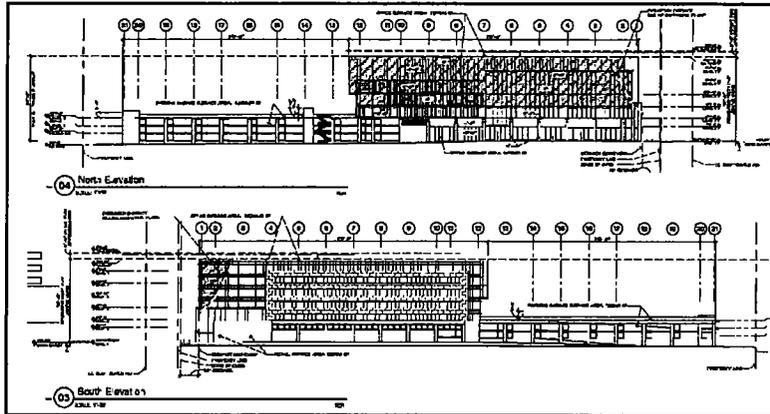
Shoeman Office Building

- Development Review Board (DRB) recommend approval without modifications
- Suggested consideration:
 - Setback portions of the upper sections of the building to provide a building setback to on the north elevation in conformance with the Downtown Plan and the Downtown Urban Design and Architectural Guidelines.



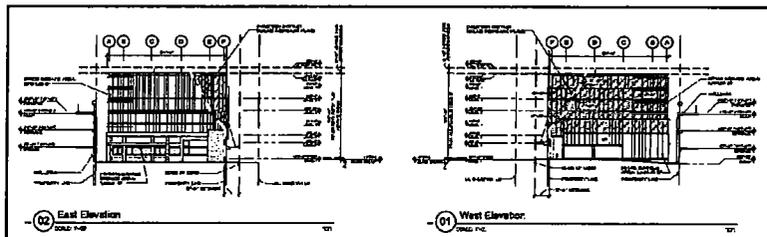
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Shoeman Office Building



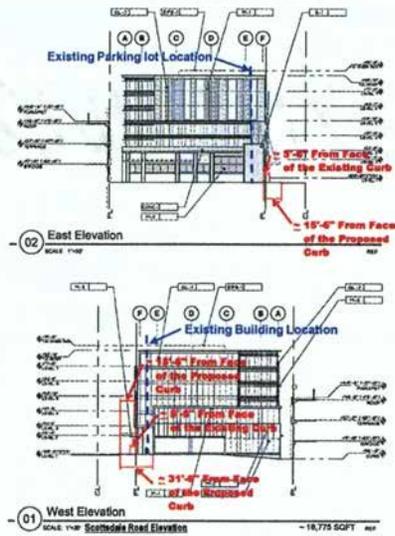
7-ZN-2015

Shoeman Office Building



7-ZN-2015

Shoeman Office Building



7-ZN-2015

Shoeman Office Building

Recommended Stipulation:

- The development plan for the building shall be modified so that 5th, 6th, and 7th levels of the building, as indicated with the red hatch marks in Figure A below, are setback 10 feet to the south, measured from of the north face of the 4th Floor.

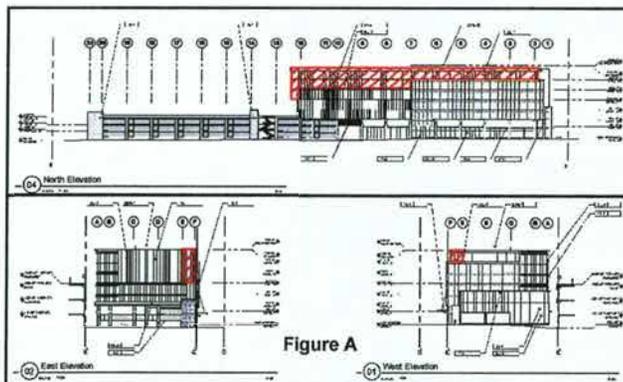


Figure A

7-ZN-2015

Scottsdale City Council – May 10, 2016

Case No. 7-ZN-2015
Southeast Corner of Scottsdale Road & Shoeman Lane
Rezoning from C-2, DO / C-3, DO to DMU-2,PBD, DO

THE MARQUEE

Jason Morris
Withey Morris, P.L.C.



Project Location

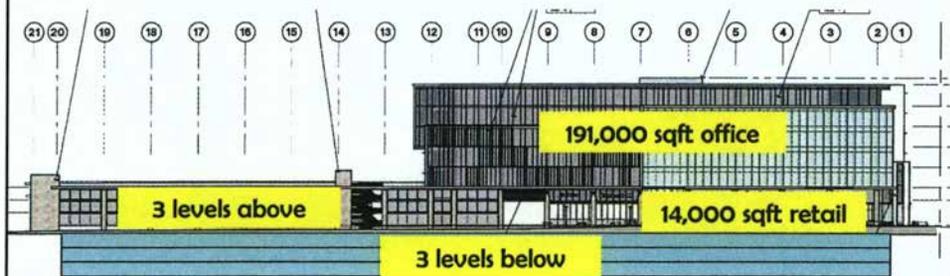


Review - Development Summary

- 2.6 acre infill site
- 191,000 sqft of Class-A Office Space (35K+ sqft floor plates)
- 14,000 sqft of Ground Level Retail/Restaurant Use
- Minimum 970 space parking garage (only 683 required per code)
- 8 Amended Development Standards (approved by DRB)
- Participating in Scottsdale Green Building Program
- Fully Improving Shoeman Lane – both north and south sides
- Previous Discussions Focused Primarily on Design and Parking



Review - Breakdown of Uses



Design – Development Standards

- Only 8 Amended Development Standards (ADS's). Typical for an infill site.
- All approved by the Development Review Board.
- Still go back to DRB for final design details.
- Focus of ADS's are: 1) Height, 2) FAR, 3) Setbacks and 4) Stepbacks

1) Height:

- 66 ft by right...up to 90 ft allowed.
- 90 ft achieved through Green Building and Public Benefits

2) FAR:

- One of the best means to determine if a site is "over-built"
- 1.4 by right...up to 3.0 permitted. **Only requesting 1.82.**
- Height & FAR are both achieved through the existing process and formulas provided for in the Zoning Ordinance



Design – Development Standards

- Setback and Stepback modifications are not formulaic. They are based upon intent of the code and City discretion.

3) Setbacks:

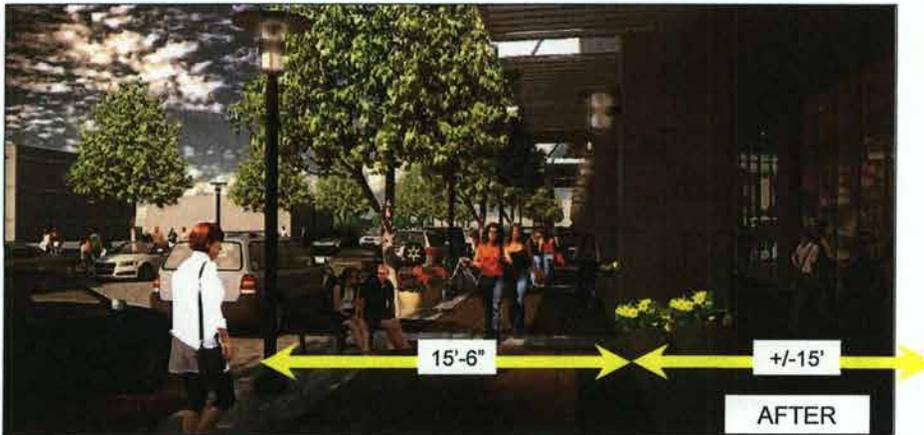
- 20 ft required. 15'-6" provided to the column of colonnade.
- Intent of code is achieved with additional +/-15 ft within colonnade.
- Pedestrian experience is close to 30 ft wide.
- What does that look like?



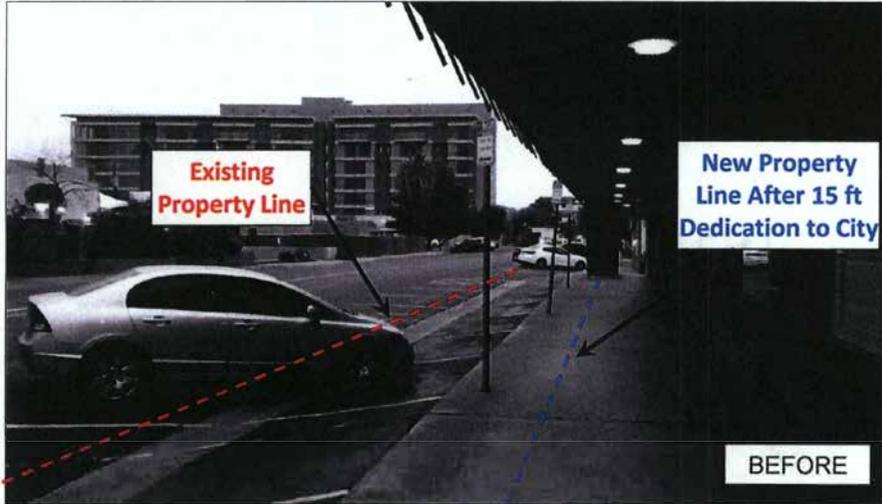
Design – Setback Standard



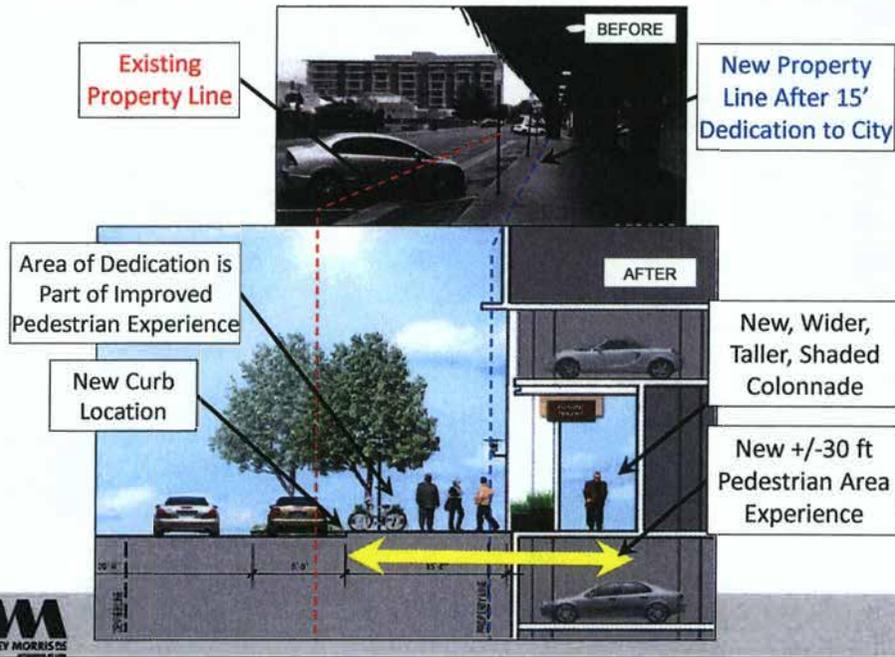
Design – Setback Standard



Design – Setback Standard



Design – Setback & Improved Right-of-Way



Design – Development Standards

- Setback and Stepback modifications are not formulaic. They are based upon intent of the code and City discretion

3) Setbacks:

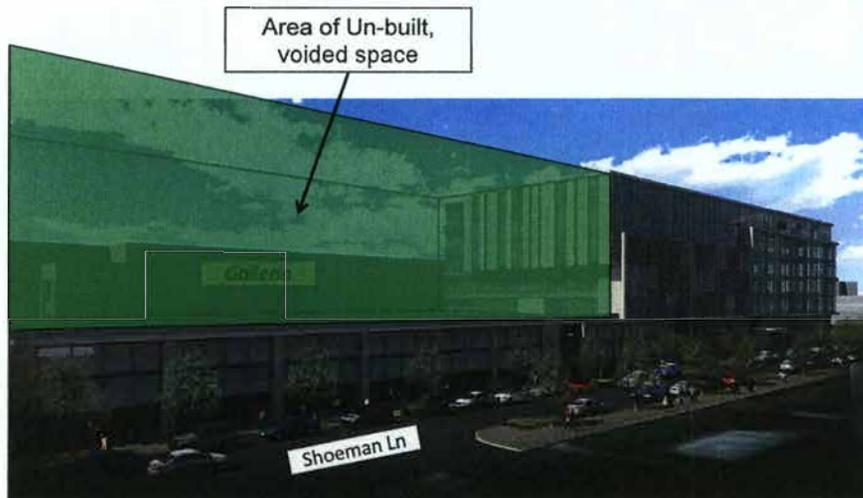
- 20 ft required. 15'-6" provided to the column of colonnade.
- Intent of code is achieved with additional +/-15 ft within colonnade.
- Pedestrian experience is close to 30 ft wide.
- What does that look like?

4) Stepbacks:

- 1 to 1 then a steeper 2 to 1 required.
- Intent is achieved through smaller stepbacks and a series of façade breakups, treatments and materials.
- Intent is also achieved by half the block far exceeding stepback requirements.
- What does that look like?



Design – Stepback Standard



Design – Stepback Standard

Over half the block is only 3 stories high and far exceeds stepback standard

Different treatments, materials, colors and recessions to break up façade. Will be further detailed at DRB

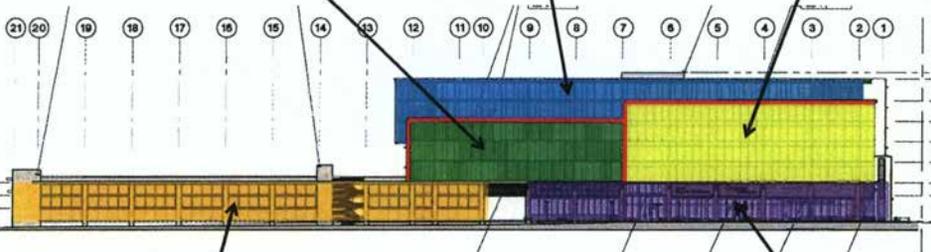


Breaking up the Block – Shoeman Ln

Exterior attached, vertical shade louvers. Recessed 2ft from lower level

Upper section effects 3 floors and is recessed 4ft from horizontal lip (red color)

Horizontal emphasis with different glass treatment. Recessed 2ft from lower level

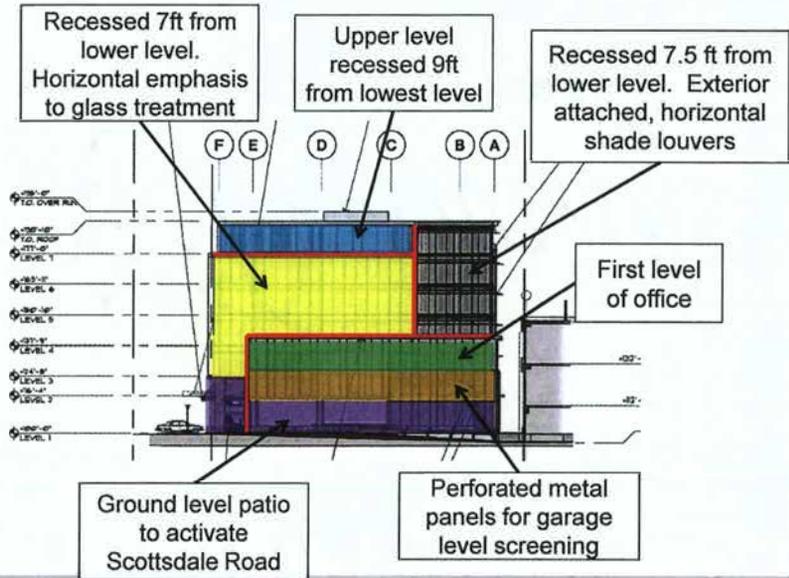


1% Art Commission working on +/- \$400K artwork treatment for garage face

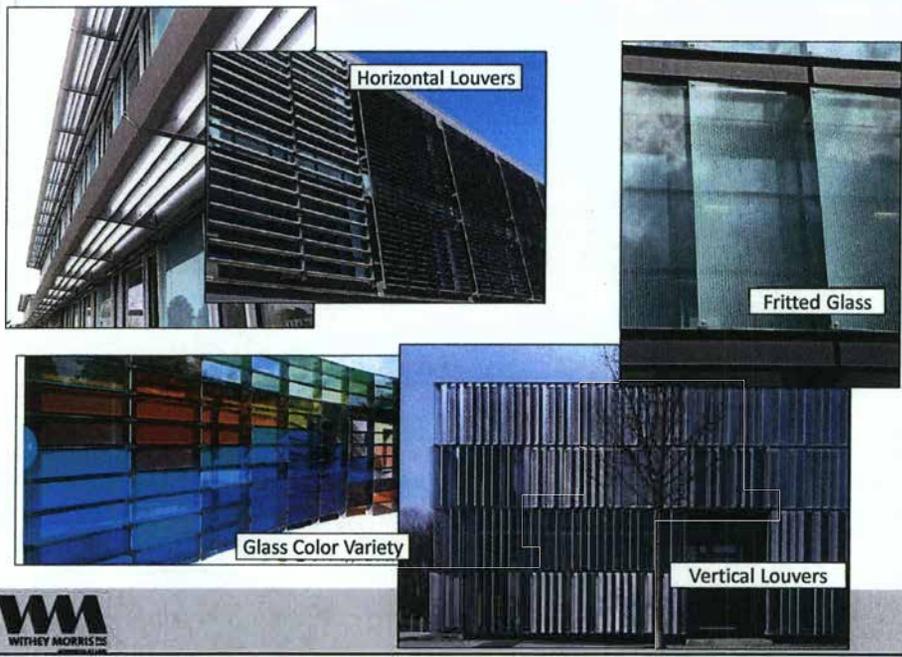
2 stories high, roughly 15 ft deep recessed colonnade



Breaking up the Block – Scottsdale Rd



Breaking up the Block – Material Examples



Parking - Sample Office Ratios

Tempe

- Office = 3.3 / 1,000 sqft
- New Downtown Code = 2.0 / 1,000 sqft (first 5,000 sqft is waived)

Phoenix

- Office = 3.5 / 1,000 sqft
- Downtown = No parking requirement
- Warehouse Downtown = No parking requirement

Chandler

- Office = 4.0 / 1,000 sqft

Scottsdale = 3.3 / 1,000 sqft

This Project = 4.7 / 1,000 sqft

**This Project Provides 142% of Required Spaces!!!
970 spaces provided. 683 spaces required.**



Parking – Assure Adequate Parking Provided

Developer is Already Incentivized to Provide Adequate Parking

- Galleria parking issue was an inherited condition.
- Repurposed shopping center, never designed for office use.
- This project is purpose-built to attract Class-A tenants and meet corresponding parking demand.
- Lease rates for project are not indicative of high-density office environment.
- As one of the larger landholders in downtown, Developer would not harm adjacent holdings by exacerbating a parking problem.



Parking – Assure Adequate Parking Provided

Development Agreement

- Unprecedented monitoring of private property parking operations.
- City or 3rd party may conduct parking occupancy assessments.
- If garage is deemed over-parked (97%), Supplemental Parking Plan triggered.
- Developer must secure additional off-site parking in the area.
- Free employee bus passes, carpool / vanpool or alternative transit plan.
- Developer covers cost of occupancy assessment and Supplemental Plan.
- Should Developer elect to construct a 7th level of parking, (in addition to 6 levels already anticipated), the Supplemental Parking provisions shall be waived.



Summary of Project

- Project represents a significant private investment in Downtown
- Directly addresses pent up need for Class-A office space in Downtown
 - Helps maintain Downtown's live/work/play environment
 - Complete improvement of a highly visible street in Downtown
 - Far exceeds the City parking ordinance requirements
 - **Recommended for Approval by Staff**
 - **Recommended for Approval by Development Review Board**
 - **Unanimously Approved by the Planning Commission**
 - **Applicant is Agreeable to Stipulations and Terms of DA**



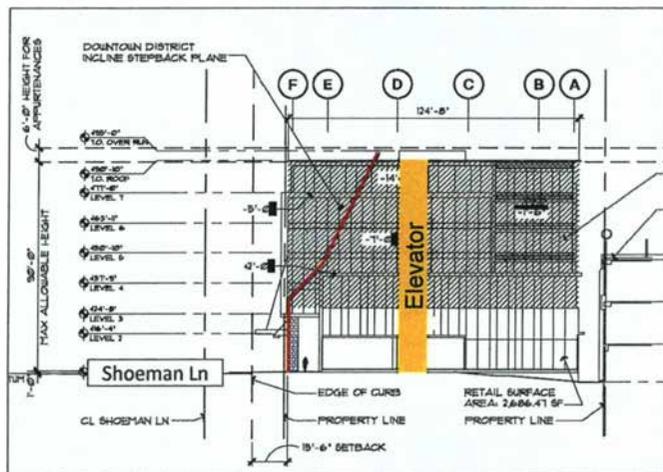
QUESTIONS ?

THE MARQUEE

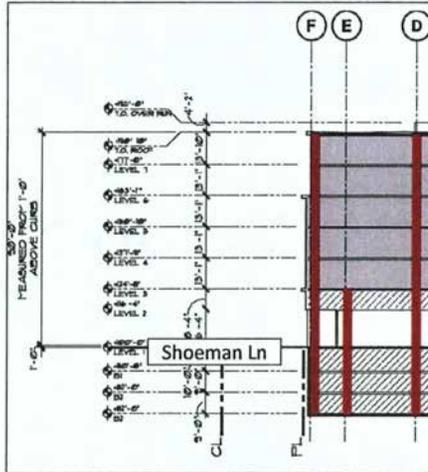
Jason Morris
Withey Morris, P.L.C.



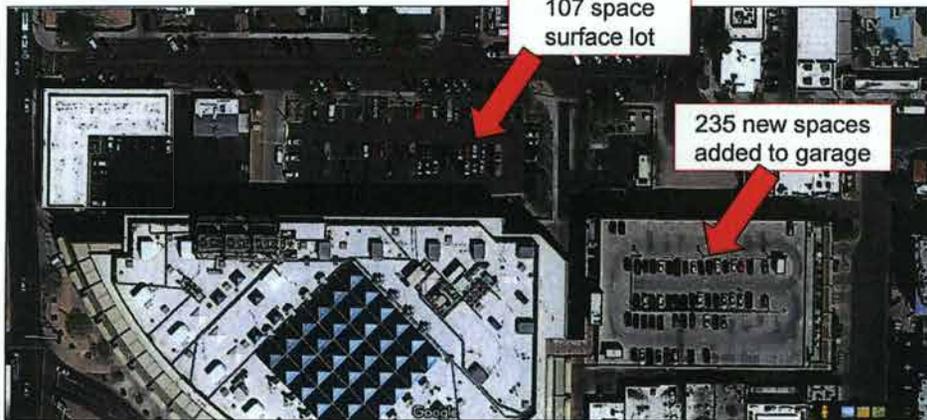
Stepback Considerations



Stepback Considerations



Galleria Garage Expansion



Fully Improved Scottsdale Frontage



Public Benefits / Payments

Public Benefit Improvements

- North side of Shoeman =	\$337,089
- South side of Shoeman above required =	\$ 79,181
- Cash payment to Downtown Improvement Fund =	<u>\$268,795</u>
- TOTAL =	\$685,065

Shoeman Lane Spaces

- In-Lieu Payment to Parking Fund (\$13K/ space) =	\$233,246
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Cultural Improvement Fee

- 1% of Estimated \$40M project =	\$400,000
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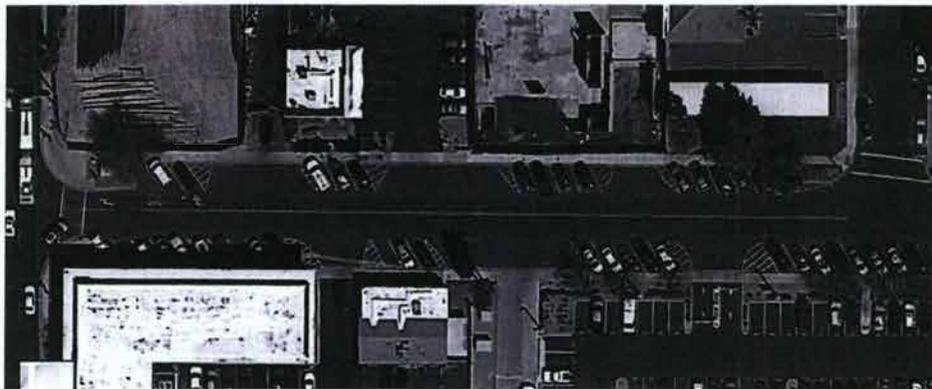
TOTAL COST OF IMPROVEMENTS / PAYMENTS = \$1,318,311



Project Location



Existing Shoeman Lane Conditions



Fully Improved Shoeman Lane

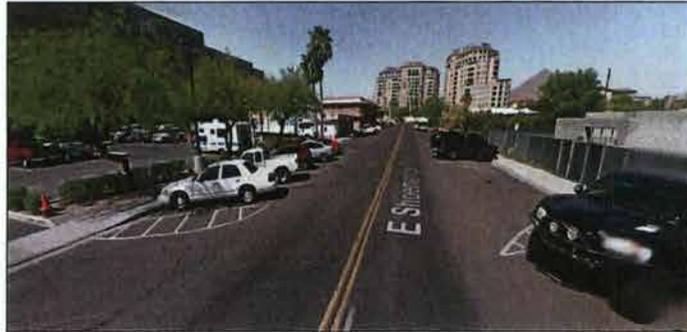


Amended Development Standards

APPLICABLE DEVELOPMENT PLAN STANDARDS	PROPOSED DEVELOPMENT PLAN STANDARDS						
A. Maximum GFAR (Table A.1) 1.4	Maximum GFAR (Table A.1) 1.82						
B. Maximum Building Height (Table A.1) 66'-0"	Maximum Building Height (Table A.1) 90'-0" + 6'-0" mechanical appendances measured from datum line at 1'-0" above the average top of curb elevation.						
C. Setbacks from public streets, except alleys (Table B.1) Minimum setback from all public streets in Type 2 Area is 20 feet	Minimum setback from Scottsdale Rd. is 20 feet Minimum setback from all other public streets is 15 feet 6 inches.						
D. Building Location (C.1 & 4) In a Type 2 Area, at least 25 percent of the length of a building facade at grade and up to a height of 30 feet shall be set back at least 10 additional feet	In a Type 2 Area, at least 25 percent of the length of a building facade at grade and up to a height of 14 feet shall be set back at least 10 additional feet; Buildings with facades that are recessed at ground level only shall qualify. Facade recess shall have a minimum depth of 10 feet and height of 14 feet to qualify as building facade.						
E. Building Location (C.2, Table C.2) In a Type 2 Area, a building with a building facade length of 200 feet or more shall be located to achieve a prevailing setback between 25 and 35 feet. The building facades on a corner lot are calculated separately, and not added together.	In a Type 2 Area, a building with a building facade length of 200 feet or more shall be located to achieve a prevailing 20 and 25 feet. The building facade on a corner lot are calculated separately, together.						
F. Building Location (C.3) The prevailing setback is equal to the area between the back of curb and the building facade, divided by the length of the building, as shown in Example 8.3.	The prevailing setback is e between the back of curb and d divided by the length of the l in Example 8.3. Building area: depth of 10 feet and height o as building facade.						
	<table border="1"> <thead> <tr> <th>APPLICABLE DEVELOPMENT PLAN STANDARDS</th> <th>PROPOSED DEVELOPMENT PLAN STANDARDS</th> </tr> </thead> <tbody> <tr> <td>G. Stepbacks (D.1) Downtown Multiple Use – Type 2 Areas: The stepback plane shall incline at a ratio of 1:1, beginning 30 feet above (i) the minimum setback from the public street (except alleys), and (ii) all other property lines, to 45 feet; and beginning at 45 feet, incline at a ratio of 2:1</td> <td>Downtown Multiple Use – Type 2 Areas: Adjacent to a major arterial, buildings that are greater than 60 feet in height must provide a minimum 8 feet stepback of 25 percent of the portion of the facade that is over 60 feet and a minimum 6 feet stepback of 25 percent of the portion of the facade that is under 60 feet. Adjacent to all other public streets, buildings that are greater than 60 feet in height must provide a minimum 2 feet stepback of the top story for the length of the facade.</td> </tr> <tr> <td>H. Exceptions to setbacks, prevailing setback and stepback standards (E.2.b) A maximum of seven feet for canopies and other covers over sidewalks, balconies and terraces.</td> <td>A maximum of ten feet for canopies and other covers over sidewalks, balconies and terraces.</td> </tr> </tbody> </table>	APPLICABLE DEVELOPMENT PLAN STANDARDS	PROPOSED DEVELOPMENT PLAN STANDARDS	G. Stepbacks (D.1) Downtown Multiple Use – Type 2 Areas: The stepback plane shall incline at a ratio of 1:1, beginning 30 feet above (i) the minimum setback from the public street (except alleys), and (ii) all other property lines, to 45 feet; and beginning at 45 feet, incline at a ratio of 2:1	Downtown Multiple Use – Type 2 Areas: Adjacent to a major arterial, buildings that are greater than 60 feet in height must provide a minimum 8 feet stepback of 25 percent of the portion of the facade that is over 60 feet and a minimum 6 feet stepback of 25 percent of the portion of the facade that is under 60 feet. Adjacent to all other public streets, buildings that are greater than 60 feet in height must provide a minimum 2 feet stepback of the top story for the length of the facade.	H. Exceptions to setbacks, prevailing setback and stepback standards (E.2.b) A maximum of seven feet for canopies and other covers over sidewalks, balconies and terraces.	A maximum of ten feet for canopies and other covers over sidewalks, balconies and terraces.
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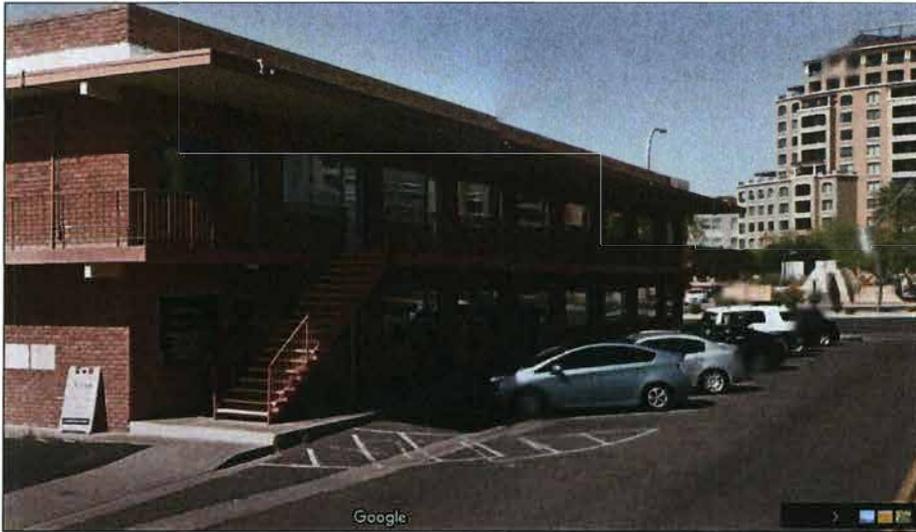
Existing Shoeman Lane Conditions



Fully Improved Shoeman Lane



Existing Shoeman Lane Conditions



Marquee



Marquee



Marquee

