CITY COUNCIL REPORT

MEETING DATE: October 7, 2003 ITEM NO. 17 GOALS: Coordinate Planning to Balance Infrastructure Short and Long Term Economic Prosperity

SUBJECT **Scottsdale Waterfront**

REQUEST

Request

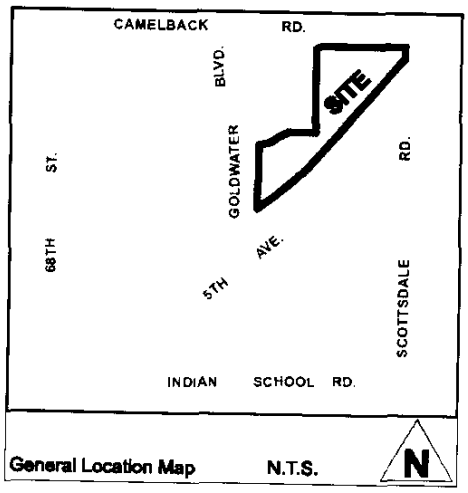
1. To qualify and to designate an Infill Incentive District and to adopt an Infill Incentive Plan with amended development standards and establish new stipulations including site plan and elevations approval on an 11.3 +/- acre parcel located at the southwest corner of Scottsdale Road and Camelback Road in Downtown Scottsdale.
2. To adopt Ordinance No. 3527 affirming Infill Incentive District boundaries, the Infill Incentive Plan, the amended development standards, new stipulations, to repeal the existing stipulations and design review approval of the project.
3. To adopt Resolution No. 6376 declaring the above Ordinance exhibits as a public record filed with the City of Scottsdale.
4. To adopt Resolution No. 6379 authorizing the Mayor to execute Development Agreement No. 2003-164-COS.
5. To adopt Resolution No. 6385 removing the Waterfront Redevelopment Area Designation.

1-II-2003

REPORT FORMAT **The Planning Commission Report is attached directly following this report for a complete land use and transportation analysis of the request. The following City Council report speaks to the overall goals and objectives for this area of Downtown and an analysis of the proposed Development Agreement.**

The major components/attachments of this report are as follows:

- Planning Commission Report
- Citizen Involvement Report
- Development Agreement
- Stipulations and exhibits



General Location Map N.T.S.

OWNER Scottsdale Waterfront L L C
480-483-8338

APPLICANT CONTACT John Berry
Beus Gilbert P L L C
480-429-3003

LOCATION Southwest Corner of Camelback & Scottsdale Roads in Downtown Scottsdale

KEY ITEMS FOR CONSIDERATION **Key Items for Consideration:**

- Support Downtown Vision Principles
- Activates the Arizona Canal east-west as a regionally linked public amenity
- Activates Marshall Way through land use and design, as a pedestrian, retail experience and connection to other downtown Scottsdale districts

- Contributes to building a positive sense of place downtown with the provision of art and cultural components, pedestrian-oriented urban design and architecture, and public gathering or special event spaces that promote tourism and social gatherings
- Urban design and architecture embodies southwestern architectural character present in Scottsdale character; Utilizes quality materials
- Enhances mobility downtown by supporting alternate modes of transportation focusing on pedestrian-oriented urban design and advancing the downtown trolley
- Conforms to the General Plan Mixed-Use Neighborhoods land use designation
- Planning Commission recommends approval, 6-0
- First Infill Incentive District request in Scottsdale
- Infill Incentive Plan includes a phased development of mixed land uses, with amended standards including two-13 story, 160' high buildings
- Removes current Waterfront Redevelopment District designation on the Waterfront property and all other properties within the district

APPLICANT'S PROPOSAL

Goal/Purpose of Request.
The purpose of the request is threefold. Scottsdale Waterfront requests approval of:

1) Establishment of an Infill Incentive District that includes the Scottsdale Waterfront property, and
2) Approval of the Scottsdale Waterfront Infill Incentive Plan, amended development standards and project stipulations, site plan and elevations for the development of a mixed-use residential, retail and office project on an 11.3 +/- acre site located at the southwest corner of Scottsdale and Camelback Roads, which includes:
   a. Two (2) 13 story residential buildings – 135' to the roof of highest floor; 159' to the top of mechanical screening.
   b. One (1) 8-story residential/retail building – 85' to the roof of highest floor; 105' to top of mechanical screening
   c. Six (6) two to three-story retail and office condo buildings along the east side of Marshall Way and south side of Camelback Road; and Two (2) three-story residential and/or office buildings fronting the east side of Goldwater Boulevard.
3) Approval of a new Development Agreement between the City and the Scottsdale Waterfront developer.

SUMMARY OF GOALS

Meets the Downtown Vision Principles. In February 2002, the City Council reaffirmed the downtown vision principles as essential to the future success of Downtown Scottsdale. This proposal meets the intent of the principles, which are:

- **Preserve the character and scale of the specialty districts.** This proposal is along the northern border of the 5th Avenue specialty district, just north of the canal. This project introduces height and scale outside of the downtown specialty districts. The proposal will enhance the 5th Avenue specialty district by providing nonexistent pedestrian connections and activating Marshall Way connection. The project will be designed from a retail standpoint similar to the 5th Avenue area and introduce residents of this new Downtown neighborhood with direct access to the 5th Avenue area. The continuation of the retail experience along Marshall Way across the pedestrian and trolley bridge will provide a vital link between the lower scale 5th Avenue District and Fashion Square District.

- **Locate economic drivers outside specialty districts.** This proposal provides a significant number of residential and office users that will benefit all districts within the Downtown. The project is located outside the specialty districts and within the Fashion Square District of Downtown. The Fashion Square District is comprised a large mall structure, several taller structures along the Camelback Road corridor and the future large scale Portales development. This development will not only serve as an additional amenity to the Fashion Square District, but also provide a significant economic driver to strengthen the surrounding downtown specialty districts.
- **Emphasize unique regulations & guidelines for downtown districts** This applicant is proposing to use a new state statute approved under the 2000 Growing Smarter Plus legislation. The statute provides the City Council with an opportunity to not only allow the amended development standards request but also to view the final design plans, including materials and color samples of the proposed project. This ensures that a decision on the height, architecture and character of the project is essentially built to the plans presented at the City Council hearing.
- **Revitalize downtown using strategic infrastructure investment, financial small business assistance, revised regulations & ordinances.** This proposal is utilizing its location along a significant infrastructure amenity, the Arizona Canal. With the City's canal bank project nearing construction to enhance the banks along the north and south side of the canal between Goldwater Boulevard and Scottsdale Road, the Waterfront project will provide additional users for this public amenity with residents, office users, tourists and shoppers. With the location of the surrounding streets (Goldwater, Camelback and Scottsdale Roads) as well as the internal Marshall Way, the applicant is creating a development that does not significantly impact the transportation infrastructure in place within the Downtown. As mentioned above, the applicant is utilizing revised regulations and ordinances to provide for a streetscape along Marshall Way similar to the lower scale, pedestrian-oriented design present within the 5th Avenue and other downtown specialty retail districts.
- **Take a more direct role in the provision and management of Downtown parking, circulation & signage.** This proposal provides a combination of new underground public parking and on-street parking. The underground public parking is provided with access off Marshall Way and Camelback Road. Approximately 300 parking spaces will be provided for the commercial uses on the site which will be accessible to the public at all times. An additional 300 public parking spaces will be provided to the public on weekends and evenings. A unique redesign of Marshall Way and a portion of Montecito Avenue provides for angle-in, on-street parking similar to the parking experience in the 5th Avenue District and other downtown specialty districts.

DEVELOPMENT AGREEMENT

Related Policies, References:

- Council forms Waterfront Redevelopment District -- 2/16/93
- Waterfront Redevelopment Plan adopted -- 6/15/93- Original PC/PL (Waterfront) and Scottsdale Fashion Square Partnership (Nordstrom) Redevelopment Agreements approved by Council – 10/30/96
- Fashion Square expansion (Nordstrom and retail bridge) opens – 9/18/98
- Tolling Agreement approved by Council, temporarily extending deadlines in the original Waterfront Redevelopment Agreement until October 15, 2003 – 6/17/02

Background:
Over the past decade, one of the highest priorities of the City's downtown revitalization efforts has been the Waterfront site at the southwest corner of Scottsdale and Camelback Roads. The site was originally an older neighborhood shopping center and several smaller buildings, which were demolished in the mid-90's. The then 15, now 11, acre site provides a key linkage between Scottsdale Fashion Square and the specialty retail districts to the south and it lies adjacent to the planned canal bank improvements. In September of 1996, the City Council adopted two Redevelopment Agreements covering this site:

- The "Scottsdale Fashion Square Partnership Redevelopment Agreement", commonly referred to as the Nordstrom Agreement, was made between the City and Westcor, and covered the northwestern most 4 acres of this site. The improvements required under this agreement, including the expansion of Fashion Square Mall, the addition of Nordstrom, and the construction of a public parking garage, were all completed in 1998.
- The "Palm Circle/Periphery Land (PC/PL) Redevelopment Agreement", commonly referred to as the Waterfront Agreement, was made between the City and Mashburn-Hope Development, and covered the remaining 11 acres of land. This agreement called for the construction of a mixed use development and certain public infrastructure improvements; however, no development has ever occurred on this site.

Under the original Waterfront Agreement, there were deadlines for construction, which were scheduled to run out in mid-2002. In June 2002, the City Council approved a "Tolling Agreement", which extended those deadlines until October 15, 2003, subject to the developer making regular milestone progress requirements. The developer achieved all of the interim milestone points; the final milestone called for the adoption of a new Development Agreement no later than October 15, 2003. The concept of a new Development Agreement was important because many of the terms and conditions in the current Redevelopment Agreement are no longer reflective of the current project or community goals. Key terms under the 1996 agreement include:

- The City will lease up to 550 public parking spaces at the project, up to a maximum of $7.7 million, plus interest at 9%, based on a sharing of 90% of the 1.0% General Fund sales tax revenues generated at the project, for a period of up to 25 years.
- The City paid $2 million for public plaza easements, with the stipulation that all improvements and maintenance of those public plazas would be the responsibility of the developer.
- The City would be responsible for all maintenance of the canal banks.
- The City would have a buyout option at $13.5 million if the developer failed to start construction by June 2002.

Development Agreement Terms and Conditions:
The proposed new Development Agreement would replace the existing Waterfront Redevelopment Agreement, and would contain the following key terms and conditions:

City Benefits:

1. Public Parking: The City will receive a permanent parking easement to a minimum of 300 parking spaces within the project, which shall be available to

the general public from 6:00pm until 8:00am weekdays, and all day weekends and holidays. Additionally, the project will provide at least 40 parking spaces above the code-required number for permanent use by the general public at all times. Were the City to build these 340 spaces at its standard in-lieu parking fee of $9,916 per space, the total cost would amount to $3,371,000.

2. Retail/Office Space: The City will receive a deed to 4,000 square feet of first floor retail space on the east side of Marshall Way for the Fiesta Bowl to utilize as a museum facility (Attachment 10). In addition, up to 16,000 sq.ft. of office space on adjacent upper floors will be made available for the Fiesta Bowl headquarters at a purchase rate that has been discounted from market value. The estimated value is $1,820,000.
3. Public Amphitheater: The developer will build a public amphitheater along the Arizona canal as part of phase 1, at an estimated value of $150,000.
4. Public Infrastructure Improvements: The developer will design and construct all public infrastructure improvements from the back of curb, including sidewalks, landscaping, etc., adjacent to the site, and will design and construct all subsurface utilities and storm water management under the adjacent streets; the estimated value is $275,000.
5. Maintenance: The developer will maintain all public infrastructure, including the public parking, sidewalks, landscaping, etc.; the developer will also maintain the north canal bank adjacent to the site. Over 25 years, the value of this maintenance is estimated to be $350,000.
6. Open space: The existing public plaza easements paid for with the 1996 Agreement (approximately 14,500 sq.ft.) will be vacated and replaced with new easements along the Arizona Canal totaling approximately 38,000 square feet; based on the developer's estimated land value, this additional 23,500 sq.ft. of public easement has a value of approximately $964,000. In addition, the developer will also grant an access agreement to an additional 3-4 acres of space within the project for public use.
7. Well Relocation: The developer will relocate Arcadia Water Company Well No. 9, near Marshall Way and Montecito, in order to facilitate contiguous retail development along Marshall Way, and to provide for the City retail space. The estimated value of this is $700,000.
8. Public Art: While the City's Cultural Improvements Program (1% for the arts) only applies to commercial development, the developer has agreed to provide $1.0 million in public art. The additional amount over what would normally be required amounts to approximately $750,000.
9. Development phases: The developer agrees to a specific schedule for the development of each of the phases of this project. Should the developer fail to meet the required dates for the design and commencement of construction of phase 1, the City will have the right to acquire the entire site for $13,500,000. Failure by the developer to complete future phases will result in the cancellation of payments by the City for the public parking easement, although this easement will remain in effect.

The City would receive an approximate total of $8,380,000 in direct public benefits from this project. Additionally, the project will generate estimated tax revenues (net of City obligations) of $16,830,000 over the first 25 years of operations, along with the creation of new employment and residential opportunities for downtown.

City Obligations

1. The City will reimburse the developer for its share of the public parking through a sharing of future sales tax revenues. The developer can collect up to $1.5 million, plus simple interest at 7.5%, based on a sharing of 90% of the General Fund portion of the sales tax generated by the site for up to 20 years; this reimbursement is strictly performance-based, and the City provides no guarantees that any or all of this money will be paid off. Additionally, should the developer (after the completion of phase 1) fail to meet any future deadlines, the City may cancel any further payments of this money, but will still receive the parking easement.
2. The City will reimburse the developer for the 4,000 sq.ft. of retail space it will receive through a sharing of future sales tax revenues. The developer can collect up to $1.5 million, plus interest at 7.5%, based on a sharing of 90% of the General Fund portion of the sales tax generated by the site for up to 20 years; this reimbursement is strictly performance-based, and the City provides no guarantees that any or all of this money will be paid off. However, after the retail space is delivered to the City, should the developer fail to meet any future deadlines for subsequent phases, the developer will still be eligible to collect sales tax reimbursements for this amount.
3. Well Relocation: The City is obligated to pay the developer up to $700,000 for the relocation of Arcadia Water Company Well No. 9; any costs over that amount will be born by the developer. The City funds for this would be paid out of the City's Economic Investment Fund.
4. Public Amphitheater: The City will reimburse to the developer up to $150,000 for the cost of constructing the public amphitheater, based on a sharing of 90% of the General Fund portion of the construction sales taxes paid to the City for the construction of phase 1.
5. City Streets: The City will dedicate $1.0 million for infrastructure improvements, most of which are improvements to the area surrounding the project. The City is first responsible for improvements to Camelback Road and Marshall Way (within the curbs); these costs are estimated between $700,000 and $800,000. Any difference between that amount and $1.0 million would be dedicated to other public infrastructure improvements on or adjacent to the site, such as the construction of a pedestrian bridge across the Arizona canal. This obligation would be paid out of the cost savings in the City's capital improvement fund.
6. Canal Bank: The City is responsible for the construction of the north side of the canal bank within the SRP license area; the City has already planned and budgeted for these improvements.
7. Building Permit Fees: The City will waive up to $500,000 in building permit, inspection, and plan check fees relating to the development of this project; any amounts over that figure, plus all development impact fees, water, sewer and water resource fees will be born by the developer.

Estimated total City obligations related to this agreement are up to $5.35 million, of which $3,150,000 would be paid on a performance basis out of future revenues derived from this site, $500,000 would be deferred revenue related to the development of this site which the City would not receive, and $1,700,000 paid out of existing budget.

In summary, the original Redevelopment Agreement called for City obligations of up to $7.7 million. This new Development Agreement would require City obligations in the amount of $5.35 million, with resultant City benefits totaling $8.38 million.

REMOVAL OF REDEVELOPMENT DESIGNATION

The City Council approved the Waterfront Redevelopment Area in 1993, one of four redevelopment areas created in the community. On February 16, 1993, the City Council passed Resolution No.3722 that declared the necessity for redevelopment of the 90-acre area known as the Waterfront Redevelopment Area, as delineated on the attached map (Attachment 1). On June 15 of 1993, the City Council adopted Resolution No. 3836, approving the Waterfront Redevelopment Plan for properties within the Waterfront District.

In September 2002, the Council removed the Redevelopment Designation from the Downtown Redevelopment Area, based on requests from numerous property owners in the area who were concerned that the redevelopment designation detracted from the business climate in the area. At that time, property owners in the Waterfront area also asked that the Council remove the Waterfront redevelopment designation. While expressing interest in doing so, the Council asked that this be delayed until the new Development Agreement with the Waterfront property owners was executed, as early termination of the Redevelopment designation would have eliminated important City protections in place under the current Redevelopment Area.

Eliminating the Waterfront Redevelopment Area designation will eliminate the possibility of using the Government Property Lease Excise Tax abatement tool in this area. This property tax abatement mechanism has not been used by Scottsdale in the Waterfront Redevelopment Area. It would also remove the ability of the City to acquire property in a redevelopment area using condemnation for redevelopment purposes (as opposed to other public purposes, such as road construction), and would eliminate the ability of the City to form a new Enhanced Municipal Service District. The existing EMSD No. 2 can remain in place as long as it does not sunset, but it cannot significantly change its boundaries or services.

Adoption of this new Development Agreement, calling for development of the major vacant parcel in this district, eliminates the need for a redevelopment designation as that designation is typically put in place to encourage development.

IMPACT ANALYSIS

Please review the attached Planning Commission report for the specifics of the application and other impacts regarding this proposal. The summary below discusses the Development Review Board nature of this application and Staff's recommendation.

DEVELOPMENT REVIEW BOARD

The project as a whole meets the council approved downtown-wide vision principles and encompasses many site-specific community objectives.

Critical Community Objectives:

- The site plan enhances the connectivity in downtown by linking Marshall Way as a retail pedestrian corridor between the regional core uses (such as Fashion Square Mall) on the north bank, and the balance of specialty retail, arts and cultural districts on the south bank of the Arizona Canal. The project also allows for active use of the canal frontage preserving it as a public gathering area and regional pedestrian and recreational corridor.

- In conformance to the Downtown Design Guidelines, the project activates the Camelback frontage with retail and office uses that engage the street and create public space with signature architectural opportunities at the intersections of Camelback Road and Marshall Way and at Camelback and Scottsdale Roads.
- The project's elements are arranged to meet the city's downtown design guidelines that encourage the scale and height of new projects to respond to the existing/planned development surrounding them. The proposed building scale and height transition from a lower scale on the outer edges, to larger scale buildings at the center of the site. This is most apparent with the two residential mid-rise buildings, that although do not match the scale of the Fifth Avenue area to the south, are nevertheless sited with a significant setback and configured with curvature and stepping of massing that help create the effect of the "falling away" visually when viewed from off-site vantage points. This "falling away" effect should help to minimize the residential buildings visual presence to some extent.

Architectural Character:

The architectural design of the project will be approved by the City Council in their role as Development Review Board on this project. The character that has been established for the project borrows primarily from Mission Style and Spanish Colonial Revival/Santa Barbara architectural traditions found in the southwest and in Scottsdale. A regional project that has been sited that exemplifies the desired character for the project is the Royal Palms Hotel. Historic and successful use of this style can be seen elsewhere in the Valley including the Heard Museum, the San Carlos Hotel and the Wrigley Mansion.

The style incorporates light colored stucco walls, stone masonry, cast arches, lintels, and sills, columns, decorative moldings and panels, wrought iron work, cast balustrades, barrel tile roofs with exposed rafters, divided windows, balconies, terraces, and building configurations that create intimate courtyards and passageways. The architecture responds climatically with covered walkways, arcades and awnings creating outdoor spaces sheltered from the sun. Ground floors and terrace levels are sometimes open thus allowing indoor and outdoor spaces to flow comfortably together. Site details include cobbles, paving stones, small water features, sculpture, decorative fixtures, seating carriage lamps and touchiers.

Camelback Road and Marshall Way Frontages:

- The Camelback and Marshall frontages include three important corners, Camelback Road and Marshall Way; Camelback and Scottsdale Roads and Marshall Way and the Arizona Canal. All of these corners act as entryways into the project and are opportunities to be more expressive with the architecture. These corners also serve to bookend the retail frontages along Camelback Road and Marshall Way. The project includes a low profile two-story retail building with a public art and plaza component at the corner of Camelback and Scottsdale Roads. At Camelback and Marshall Way the architecture is more substantial and includes a two-story building with a strong tower element and significant pedestrian arcade. The Marshall Way/Arizona Canal corner includes a three-story building with a landmark tower element, arched arcades at the pedestrian level and a third story terrace for potential outdoor dining opportunities.

- The proposed architectural concept for the retail buildings is to create the illusion of multiple buildings built over a period of time. The architecture accomplishes this through the use of a variety of building materials, and by varying the pedestrian arcade, window and design details on the building elevations.
- The landscape concept plan indicate pedestrian shade trees along Camelback and Marshall Way with Palms punctuating the landscape as well.

Camelback Parcel Residential Buildings:

- In keeping with the architectural styles proposed, the building bases are designed as substantial cut-stone walls with layered recessed arches, heavy lintels, sills and other details that give the design a human scale and ground these tall buildings to the site.
- The upper floors of the structures are recessed, resulting in a visually lighter appearance capped by barrel tile roofing that screens the buildings' mechanical systems. The architecture also includes projecting balconies throughout the middle portions of the structures and larger terraces at the upper levels of the building, all of which break the massing of the buildings and provide relief to flat wall planes. Trellis sections at intermittent heights along the buildings further soften the verticality of the structures.

STAFF RECOMMENDATION

Recommended Approach:

Staff recommends approval, subject to the attached stipulations. Staff established a set of goals and objectives that encompass several bullet points under Key Items for Consideration on page 1 of this Staff report.

1. The project is a key component to the success of the Arizona Canal pedestrian corridor in its provision of residential buildings directly along the canal frontage. Additionally, the applicant is providing a public amphitheater, canal bank improvements and gathering spaces along the canal.
2. The project connects the retail strength of Fashion Square to downtown Scottsdale's established 5th Avenue district by providing for a retail corridor along Marshall Way with a pedestrian connection across the canal.
3. The project includes approval of building elevations, character renderings and a colors and materials palette by the City Council to ensure quality materials be used in the overall development of this project. The design of this project is subject to approval through the Infill Incentive Plan. The design character will be approved by the City Council and expresses a mix of architectural influences present within Scottsdale and the Southwest.
4. With the mix of uses, open space plazas, pedestrian oriented urban design, arts, cultural and sports museum components, the project will strengthen and enhance the downtown experience as a tourist destination and gathering place.
5. The provision of transit stops, trolley stops, pedestrian alternatives, and central location within the downtown enhances access to many alternate modes of transportation.
6. Finally, as the City Council set forth their Downtown Vision Principles, this application, through the use of the Infill Incentive District, created a plan, development standards, stipulations and process that meets these Principles.

Planning Commission Discussion
On September 10, 2003, the Planning Commission heard this case and took a formal motion (please refer to the Planning Commission report for the discussion items of the Joint Planning Commission and Development Review Board Study Session held on August 27, 2003). The following are some key discussion points from Commission members from the 9/10 hearing:

- Discussion of Scottsdale and southwestern architecture and reflective glass
- Discussion regarding the height of the buildings and whether the fire department can fight fires within the proposed height; Staff confirmed review by the Building Department and Rural/Metro that all public safety considerations were being met;
- Discussion that water features should be incorporated into the design; The applicant confirmed that the detailed Master Design Concept Plan for the open space areas will incorporate water features;
- Discussion that the residential buildings do not reflect Sonoran desert character as much as they should;
- Accolades to the applicant for investing in Downtown Scottsdale;
- One member had a prepared statement regarding the proposed building heights and that approval of this project could impact future decisions regarding other heights in the Downtown. The statement also mentioned that the project does not create an active mixed-use festival like, people place along the canal;
- Discussion of open space, including locations, public access and design of these spaces;
- Discussion that the developer ensure parking is phased according to the required uses; Staff and the applicant concurred;
- Discussion of the provision for wireless appurtenances on the residential buildings; The applicant stated that they would look into the possibilities of this issue;
- Discussion as to whether the applicant is provided some flexibility with regards to downtown design guidelines while under construction;
- Two key issues in the discussion were height and character of the residential buildings;
- The Planning Commission recommended approval, 6-0.

RESPONSIBLE DEPT(S)

Planning and Development Services Department, Current Planning Services
Economic Vitality Department
Transportation Department
Financial Services Department

STAFF CONTACT

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Interim Current Planning Director
480-312-2524
E-mail: kjones@ScottsdaleAZ.gov

APPROVED BY

Kroy Ekblaw — Date 9/25/03
General Manager, Planning & Development Services Department

Ed Gawf — Date 9/25/03
Deputy City Manager

Craig Clifford — Date 9/25/03
General Manager, Financial Services Department

Dave Roderique — Date 9/25/03
General Manager, Economic Vitality

ATTACHMENTS

1. Planning Commission Staff Report
2. Applicant's Project Narrative
3. Context Aerial
3A. Aerial Close-Up
4. Land Use Map
5. Zoning Map
6. Traffic Impact Summary
7. Citizen Involvement
8. City Council's Downtown Vision Principles
9. School District Correspondence
10. Fiesta Bowl Correspondence
11. August 27, 2003 Planning Commission and Development Review Board Joint Study Session Meeting Minutes
12. September 10, 2003 Planning Commission Minutes
13. Ordinance No. 3527
    Exhibit 1. Economic Focus Area Map and Boundary Description
    Exhibit 2. Infill Incentive District Legal Description and map
    Exhibit 3. Infill Incentive Plan
14. Resolution No. 6376
    Exhibit 1. Economic Focus Area Map and Boundary Description
    Exhibit 2. Infill Incentive District Legal Description and map
    Exhibit 3. Infill Incentive Plan
    Exhibit 4. Amended Development Standards
    Exhibit 5. Stipulations
    - Exhibit A. Site Plan 8/7/03
    - Exhibit B. Landscape Concept Plan 8/8/03
    - Exhibit C. Elevations 8/20/03
    - Exhibit D. Parking Plan 9/5/03
    - Exhibit E. Circulation Plan 9/5/03
15. Resolution No. 6379
    Exhibit 1. Development Agreement No. 2003-164-COS
16. Resolution No. 6385
17. Project Support Graphic
18. Site Plan and Supporting Graphics

ALTERNATIVE #1: WITH EMERGENCY CLAUSE

ORDINANCE NO. 3527

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, FINDING THE EXISTENCE OF STATUTORY CRITERIA SUPPORTING THE CREATION OF AN INFILL INCENTIVE DISTRICT IN THAT AREA OF THE CITY OF SCOTTSDALE GENERALLY LOCATED BETWEEN INDIAN SCHOOL, CAMELBACK, SCOTTSDALE ROADS, 68TH STREET AND GOLDWATER BOULEVARD, DESIGNATING A SPECIFIC PORTION OF THAT AREA TO BE AN INFILL INCENTIVE DISTRICT AND ADOPTING AN INFILL INCENTIVE PLAN, AND APPROVING CASE NO. 1-II-2003, WITH AMENDED DEVELOPMENT STANDARDS AND STIPULATIONS, APPROVING THE DESIGN REVIEW OF THAT PORTION OF THE DISTRICT EAST OF MARSHALL WAY, AND DECLARING AN EMERGENCY.

WHEREAS, Section 9-499.10 of the Arizona Revised Statutes authorizes the City to designate an infill incentive district in an area within the City; and

WHEREAS, that statute authorizes the City to grant incentives for the development of property within an infill incentive district; and

WHEREAS, that statute requires that the City Council make certain findings prior to making such a designation and prior to the exercise of the powers granted by that statute; and

WHEREAS, the City Council has heard and seen evidence that within that area of the City hereafter described as the "Economic Focus Area" that there are a large number of vacant older buildings within the area, that there is an absence of development and investment activity in the area as evidenced by the retail vacancy rate which is approximately double that in the remainder of Downtown Scottsdale and that the office vacancy rate in the Area is approximately one and one-half times greater than that in the remainder of Downtown Scottsdale; that there is a large number of vacant or underused parcels of property in the area, and that there has been a continuing decline in population as evidenced by comparing the 1990 and 2000 census figures; and

WHEREAS, the City Council finds that granting a protected development right for a phased development to undertake and complete the development shown in the Scottsdale Waterfront Development Plan will promote reasonable certainty, stability and fairness in the land use planning and regulatory process and secure the reasonable investment backed expectations of the landowner; and

WHEREAS, Case No. 1-II-2003 has been properly noticed for City Council consideration and the necessary hearings have been completed; and

WHEREAS, the immediate operation of the provisions of this ordinance is necessary for the preservation of the public peace, health, and safety an EMERGENCY is hereby declared to exist, and this ordinance shall be in full force and effect from and after its passage by the Council as required by the City Charter;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, as follows:

Section 1. That the City Council finds that the area of the City the boundaries of which are described and depicted as the "Economic Focus Area" on the map and description attached hereto as Exhibit 1 (the "Economic Focus Area") meets the following criteria:

1. There are a large number of vacant older buildings or structures in the Economic Focus Area.

ALTERNATIVE #1: WITH EMERGENCY CLAUSE

2. There are a large number of vacant or underused parcels of property in the Economic Focus Area.

3. There is an absence of development and investment activity in the Economic Focus Area compared to the surrounding Downtown Scottsdale area.

4. There is a continuing decline in population in the Economic Focus Area.

Section 2. That the certain property within the Economic Focus Area, legally described on the legal description and map attached as Exhibit 2, incorporated by this reference, and depicted as the "Waterfront Infill Incentive District" on the map attached hereto as Exhibit 1 is hereby designated to be an infill incentive district pursuant to Section 9-499.10, Arizona Revised Statutes ("Scottsdale Waterfront Infill Incentive District" or "District").

Section 3. That the City Council hereby adopts the Infill Incentive Plan attached as Exhibit 3 and incorporated by this reference as the infill incentive plan for the Scottsdale Waterfront Infill Incentive District.

Section 4. That the City Council hereby approves Case No. 1-II-2003 and adopts that certain document entitled the "Scottsdale Waterfront Development Plan", three copies of which are on file in the office of the City Clerk, which document was made a public record by Resolution No. 6376 of the City of Scottsdale, Arizona and is hereby referred to, adopted and made part hereof as if fully set out in this ordinance, as a protected development right plan for a phased development for the District, subject to all the requirements and limitations on a protected development right plan currently contained in sections 9-1201 through 9-1205 of the Arizona Revised Statutes and conditioned upon compliance with all stipulations included as Exhibit 5 to Resolution 6376.

Section 5. That the City Council hereby repeals only as to the property in the District those stipulations previously applicable to the property in the District that were adopted in Rezoning Case No. 43–ZN-95, and replaces them with the stipulations included within the Scottsdale Waterfront Development Plan as Exhibit 5 to Resolution 6376.

Section 6. That the City Council, sitting as the Development Review Board, hereby approves, as to the portion of the property in the District east of Marshall Way, the Scottsdale Waterfront Development Plan.

Section 7. That the immediate operation of the provisions of this ordinance is necessary for the preservation of the public peace, health, and safety. Time is of the essence in that: (i) that certain Tolling Agreement between the City of Scottsdale and Scottsdale Waterfront, L.L.C., recorded as Document Number 2002-694136 in the Official Records of the Maricopa County Recorder's Office, and the related Tolling Period expires no later than October 25, 2003; (ii) the City and Scottsdale Waterfront, L.L.C., have worked diligently and continuously since execution of the Tolling Agreement to reach agreement on the New Transaction required to satisfy the Tolling Agreement; (iii) approval of the Infill Incentive District and Infill Incentive Plan to allow amended development standards will permit the City and Scottsdale Waterfront, L.L.C., to execute that required New Transaction before October 25, 2003 and avoid litigation related to the Tolling Agreement; (iv) approval of the Infill Incentive District and Infill Plan will terminate the Waterfront Redevelopment Area and eliminate any pending or threatened litigation

ALTERNATIVE #1: WITH EMERGENCY CLAUSE

related to the Redevelopment Area; and (v) development of the property, its return to productivity, and the related positive impacts on downtown Scottsdale will be greatly accelerated through execution of the New Transaction. Therefore, the City Council hereby declares an emergency and this ordinance shall be in full force and effect from and after its passage by the Council as required by the City Charter.

PASSED AND ADOPTED by the Council of the City of Scottsdale this ___ day of October, 2003.

ATTEST:

CITY OF SCOTTSDALE, an Arizona municipal corporation

By:_____
Carolyn Jagger, City Clerk

By:_____
Mary Manross, Mayor

APPROVED AS TO FORM:

By:_____
C. Brad Woodford, City Attorney

ATTACHMENT #

ALTERNATIVE #2: WITHOUT EMERGENCY CLAUSE

ORDINANCE NO. 3527

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, FINDING THE EXISTENCE OF STATUTORY CRITERIA SUPPORTING THE CREATION OF AN INFILL INCENTIVE DISTRICT IN THAT AREA OF THE CITY OF SCOTTSDALE GENERALLY LOCATED BETWEEN INDIAN SCHOOL, CAMELBACK, SCOTTSDALE ROADS, 68TH STREET AND GOLDWATER BOULEVARD, DESIGNATING A SPECIFIC PORTION OF THAT AREA TO BE AN INFILL INCENTIVE DISTRICT AND ADOPTING AN INFILL INCENTIVE PLAN, AND APPROVING CASE NO. 1-II-2003, WITH AMENDED DEVELOPMENT STANDARDS AND STIPULATIONS, APPROVING THE DESIGN REVIEW OF THAT PORTION OF THE DISTRICT EAST OF MARSHALL WAY.

WHEREAS, Section 9-499.10 of the Arizona Revised Statutes authorizes the City to designate an infill incentive district in an area within the City; and

WHEREAS, that statute authorizes the City to grant incentives for the development of property within an infill incentive district; and

WHEREAS, that statute requires that the City Council make certain findings prior to making such a designation and prior to the exercise of the powers granted by that statute; and

WHEREAS, the City Council has heard and seen evidence that within that area of the City hereafter described as the "Economic Focus Area" that there are a large number of vacant older buildings within the area, that there is an absence of development and investment activity in the area as evidenced by the retail vacancy rate which is approximately double that in the remainder of Downtown Scottsdale and that the office vacancy rate in the Area is approximately one and one-half times greater than that in the remainder of Downtown Scottsdale; that there is a large number of vacant or underused parcels of property in the area, and that there has been a continuing decline in population as evidenced by comparing the 1990 and 2000 census figures; and

WHEREAS, the City Council finds that granting a protected development right for a phased development to undertake and complete the development shown in the Scottsdale Waterfront Development Plan will promote reasonable certainty, stability and fairness in the land use planning and regulatory process and secure the reasonable investment backed expectations of the landowner; and

WHEREAS, Case No. 1-II-2003 has been properly noticed for City Council consideration and the necessary hearings have been completed;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, as follows:

Section 1. That the City Council finds that the area of the City the boundaries of which are described and depicted as the "Economic Focus Area" on the map and description attached hereto as Exhibit 1 (the "Economic Focus Area") meets the following criteria:

1. There are a large number of vacant older buildings or structures in the Economic Focus Area.

2. There are a large number of vacant or underused parcels of property in the Economic Focus Area.

ALTERNATIVE #2: WITHOUT EMERGENCY CLAUSE

3. There is an absence of development and investment activity in the Economic Focus Area compared to the surrounding Downtown Scottsdale area.

4. There is a continuing decline in population in the Economic Focus Area.

Section 2. That the certain property within the Economic Focus Area, legally described on the legal description and map attached as Exhibit 2, incorporated by this reference, and depicted as the "Waterfront Infill Incentive District" on the map attached hereto as Exhibit 1 is hereby designated to be an infill incentive district pursuant to Section 9-499.10, Arizona Revised Statutes ("Scottsdale Waterfront Infill Incentive District" or "District").

Section 3. That the City Council hereby adopts the Infill Incentive Plan attached as Exhibit 3 and incorporated by this reference as the infill incentive plan for the Scottsdale Waterfront Infill Incentive District.

Section 4. That the City Council hereby approves Case No. 1-II-2003 and adopts that certain document entitled the "Scottsdale Waterfront Development Plan", three copies of which are on file in the office of the City Clerk, which document was made a public record by Resolution No. 6376 of the City of Scottsdale, Arizona and is hereby referred to, adopted and made part hereof as if fully set out in this ordinance, as a protected development right plan for a phased development for the District, subject to all the requirements and limitations on a protected development right plan currently contained in sections 9-1201 through 9-1205 of the Arizona Revised Statutes and conditioned upon compliance with all stipulations included as Exhibit 5 to Resolution 6376.

Section 5. That the City Council hereby repeals only as to the property in the District those stipulations previously applicable to the property in the District that were adopted in Rezoning Case No. 43-ZN-95, and replaces them with the stipulations included within the Scottsdale Waterfront Development Plan as Exhibit 5 to Resolution 6376.

Section 6. That the City Council, sitting as the Development Review Board, hereby approves, as to the portion of the property in the District east of Marshall Way, the Scottsdale Waterfront Development Plan.

PASSED AND ADOPTED by the Council of the City of Scottsdale this ___ day of October, 2003.

ATTEST:

CITY OF SCOTTSDALE, an Arizona municipal corporation

By:_____
Carolyn Jagger, City Clerk

By:_____
Mary Manross, Mayor

APPROVED AS TO FORM:

By:_____
C. Brad Woodford, City Attorney

ATTACHMENT #

RESOLUTION NO. 6376

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, DECLARING AS A PUBLIC RECORD THOSE CERTAIN DOCUMENTS COLLECTIVELY ENTITLED "SCOTTSDALE WATERFRONT DEVELOPMENT PLAN" FILED WITH THE CITY CLERK OF THE CITY OF SCOTTSDALE.

BE IT RESOLVED by the Mayor and Council of the City of Scottsdale, Arizona, as follows:

Section 1. Those certain documents collectively entitled "Scottsdale Waterfront Development Plan," three copies of which are on file in the office of the City Clerk, is hereby declared to be a public record, and said copies are ordered to remain on file with the City Clerk. The documents comprising the "Scottsdale Waterfront Development Plan" are as follows:

Exhibit 1	Economic Focus Area Map and Boundary Description	
Exhibit 2	Scottsdale Waterfront Infill Incentive District Legal Description and Map	
Exhibit 3	Infill Incentive Plan	
Exhibit 4	Amended Development Standards	
Exhibit 5	Stipulations	
	Exhibit A	Site Plan dated 9/22/2003
	Exhibit B	Landscape Concept Plan dated 9/22/2003
	Exhibit C	Elevations dated 9/22/2003
	Exhibit D	Parking Plan dated 9/22/2003
	Exhibit E	Circulation Plan dated 9/22/2003
	Exhibit F	Building Height Exhibit dated 10/01/2003

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona this ___ day of October, 2003.

ATTEST:

By: _____
Carolyn Jagger, City Clerk

CITY OF SCOTTSDALE, an Arizona municipal corporation

By: _____
Mary Manross, Mayor

APPROVED AS TO FORM:

By: Patricia J. Boomsma for
C. Brad Woodford, City Attorney

ATTACHMENT #

RESOLUTION NO. 6379

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING A DEVELOPMENT AGREEMENT FOR A PROPOSED PROJECT ON PROPERTY LOCATED SOUTH AND WEST OF THE INTERSECTION OF CAMELBACK ROAD AND SCOTTSDALE ROAD.

WHEREAS, Scottsdale's downtown is an important community asset providing significant economic benefits and community amenities for Scottsdale's citizens, businesses and visitors; and

WHEREAS, the City of Scottsdale is committed to maintaining and enhancing these important community benefits; and

WHEREAS, the strength, vitality, stability, and economic enhancement of the established residential and commercial neighborhoods in the vicinity of the Arizona Canal as it passes through downtown Scottsdale are crucial to the future of the residents and business community of that portion of the City of Scottsdale, the entire City of Scottsdale, and the public generally; and

WHEREAS, a large vigorous mixed use development project in this area of Scottsdale will provide an important feature enhancing this area of Scottsdale and the City of Scottsdale generally; and

WHEREAS, such a project will help Scottsdale maintain and enhance its place as a first-class business, residential and cultural community; and

WHEREAS, such a project will expand activities in this area of Scottsdale by providing and encouraging commercial, public and residential opportunities not now available; and

WHEREAS, such a project will enhance Scottsdale's contribution to the greater community; and

WHEREAS, the proposed Waterfront project facilitates the aforesaid community benefits; and

WHEREAS, the project's location provides convenient access to and from other attractions and destinations; and

WHEREAS, the project's location, accessibility, and integration with the community enhances the possibilities for future community enhancements, as well as enhancing, preserving and expanding opportunities for Scottsdale and its citizens generally;

NOW, THEREFORE, be it resolved that:

Section 1. The Mayor is hereby authorized to enter into on behalf of the City of Scottsdale the Development Agreement attached hereto as Attachment "A" and numbered 2003-164-COS.

PASSED AND ADOPTED by the Council of the City of Scottsdale this ___ day of _____, 2003.

ATTEST:

CITY OF SCOTTSDALE, an Arizona municipal corporation

_____
Sonia Robertson, City Clerk

_____
Mary Manross, Mayor

APPROVED AS TO FORM:

C. Brad Woodford

C. Brad Woodford, City Attorney

RESOLUTION NO. 6385

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, FOR THE PURPOSE OF REPEALING THE REDEVELOPMENT AREA DESIGNATION FOR THE WATERFRONT.

WHEREAS, by Resolution No. 3722, adopted February 16, 1993, the Council of the City of Scottsdale established the Waterfront Redevelopment Area; and

WHEREAS, the City Council has approved an Infill Incentive District, Development Plan, and a Development Agreement with Scottsdale Waterfront, LLC, which will revitalize and stimulate development adjacent to the Arizona Canal; and

WHEREAS, the City Council has determined that, because of the benefits of the new Development Agreement and the Infill Incentive District and Development Plan, the public interest can be best advanced by terminating the redevelopment area designation for the Waterfront Redevelopment Area.

NOW, THEREFORE, be it resolved that:

Section 1. Resolution No. 3722 is hereby repealed, the designation of the Waterfront Redevelopment Area is hereby terminated, and the Waterfront Redevelopment Area is hereby dissolved.

Section 2. This Resolution is not effective unless and until Ordinance 3527 (designating the Infill Incentive District, adopting the Infill Incentive Plan, and approving Case No. 1-II-2003 and the Scottsdale Waterfront Development Plan) and the new Development Agreement 2003-164-COS become effective under applicable law.

PASSED AND ADOPTED by the City of Scottsdale this ____ day of _____, 2003.

ATTEST:

By:_____
Carolyn Jagger
City Clerk

CITY OF SCOTTSDALE, an Arizona municipal corporation

By:_____
Mary Manross
Mayor

APPROVED AS TO FORM:

By: Patricia J Boomsma for
C. Brad Woodford
City Attorney

Attachment #16