

# Staff Summary Report



City Council Meeting Date: 10/20/11

Agenda Item Number: 5C2

**SUBJECT:** Introduction and first public hearing to adopt an ordinance for an Amended Planned Area Development Overlay for 323 VETERANS WAY located at 323 East Veterans Way. The second and final public hearing is scheduled for November 3, 2011.

**DOCUMENT NAME:** 20111020cdr102 PLANNED DEVELOPMENT (0406) ORDINANCE NO. 2011.45

**COMMENTS:** Request for 323 VETERANS WAY (PL100181) (Core Campus Communities Tempe I LLC, property owner; Gammage & Burnham, applicant) consisting of an 18-story and 16-story mixed-use building with two towers, including 423 dwelling units, 23,400 square feet of commercial/retail/restaurant space, 6,171 square feet of amenity space, and two levels of structured parking. Total gross floor building area of approximately 500,000 square feet. The site is 1.62 acres in size and is located at 323 East Veterans Way, in the MU-4, Mixed-Use High Density District with a Planned Area Development Overlay and within the Transportation Overlay. The request includes the following:

PAD11009 (ORDINANCE NO. 2011.45) – Amended Planned Area Development Overlay modifying the development standards for Phase I and II, for, an increase in the maximum allowed density from 364 to 423 units, an increase in the maximum allowed height for Phase II, Tower II from 170 feet to 183 feet, a reduction in required parking from 820 to 166 spaces, and deletion of previous conditions #5, #6, #9 and modification to condition #7 for PAD06005, located on 1.62 acres.

**PREPARED BY:** Ryan Levesque, Senior Planner (480-858-2393)

**REVIEWED BY:** Lisa Collins, Community Development Deputy Director (480-350-8989)

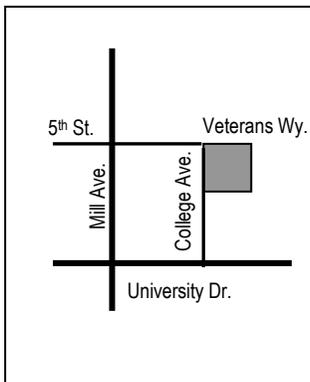
**LEGAL REVIEW BY:** Dave Park, Assistant City Attorney (480-350-8907)

**DEPARTMENT REVIEW BY:** Chris Anaradian, Community Development Director (480-858-2204)

**FISCAL NOTE:** The standard development fees, calculated according to the approved fee structure at the time of permit issuance, will be collected for this project.

**RECOMMENDATION:** Staff – Approval of PAD (Phase I standards), subject to conditions  
Development Review Commission – Denial (4-3 vote, with Commissioners DiDomenico, Webb, Attridge, and Oteri dissenting)

**ADDITIONAL INFO:**



Gross/Net site area	1.616 acres
Total Building area	500,000 sf.
Total Dwellings	423 units, 879 bedrooms (364 max. units per PAD)
Density	261 du/ac
Lot Coverage	95% (NS)
Building Height	Phase I: 195'-0" (225 ft. max. per PAD) Phase II: 182'-9" (170 ft. max. per PAD)
Landscape area	43%, includes amenity deck (29% min. per PAD)
Vehicle Parking	166 spaces (820 min. required per TOD)
Bicycle Parking	459 spaces (459 min. required)

A neighborhood meeting was held on August 17, 2011 for this application.

**PAGES:**

1. List of Attachments
- 2-3. Comments
- 4-6. Reason for Approval / Conditions of Approval
7. History & Facts / Zoning & Development Code Reference

**ATTACHMENTS:**

1. Ordinance No. 2011.45
- 2-3. Waiver of Rights and Remedies form
4. Location Map
5. Aerial Photo
- 6-14. Letter of Explanation
- 15-20. Neighborhood Meeting Summary – public input
- 21-40. Parking Study Analysis
- 41-45. Planned Area Development Overlay – Project Data
- 46-47. Site Plan
- 48-56. Floor Plans
- 57-61. Building Elevations
- 62-64. Color Elevations
- 65-66. Building Renderings
- 67-69. Building Sections
- 70-73. Landscape Plan
- 74-80. Shade Study – Public Pathway Shade
81. Preliminary Grading & Drainage Plan
- 82-84. Traffic Impact Analysis – Executive Summary & City Response
- 85-91. Public Comments – ASU Real Estate Office
- 92-96. Draft 9/13/11 Development Review Commission Minutes

## COMMENTS:

This site is located on the southeast corner of College Avenue and Veterans Way. The site is currently vacant and being used for surface parking. To the north of the site is the Tempe Transportation Center consisting of bus stops and the Light Rail station. Also on the north side of the street is the Arizona State University Sun Devil Stadium. To the west of the site are restaurants, bars and other retail. To the east and south, part of the ASU campus, is the access drive to a multi-level parking structure and the Arizona State University Aquatic Center.

The previous project proposed for this site was the Armory, a mixed-use high rise development consisting of residential condominiums and a new hotel. This development was granted with maximum heights for the north tower along Veterans Way of 225 feet and the tower along College Avenue of 170 feet. As a result of the downturn in the economy this project while in process for completing building permits were unable to complete the project funding and ultimately the permit application expired.

This new proposal, 323 Veterans Way, by a different owner and developer, is a request for a mixed-use multi-family residential housing high rise, with ground floor commercial, two levels of above grade parking and a third floor amenity deck.

This request includes the following:

1. An Amended Planned Area Development Overlay consisting of:
  - o Establishing a new site plan;
  - o Increase maximum allowable density from 364 units to 423 units;
  - o Increase maximum allowed height for Phase II, Tower II from 170 feet to 183 feet; and
  - o A reduction in the required parking from 820 spaces to 166 spaces, with modified parking ratios for proposed uses.

323 East Veterans Way consists of ground floor commercial, including lobby space for the leasing office of the residential towers, a third floor amenity deck with ramadas, pool and lounge space. Proposed for Phase I in the initial construction is the (195'-0") 18-story (V-shaped) tower, consisting of 291 units at the northwest corner of the site, which includes the base three levels of commercial and a parking garage. The building is comprised of a variety of unit types from studio units up to 5-bedroom units. The site accommodates 159 on-site parking spaces, with some surface parking and two levels of structured parking. Along College Avenue, the design will accommodate 7 on-street parking spaces used for commercial shopping. The entire site is accessed by a common drive shared with Arizona State University (private property). The drive is access way to the parking garage on the south with access to the aquatic center and the multi-level structure for University students. Future development of Phase II consists of a (182'-9") 16-story tower located above the two-story parking garage on the east side of the property bordering the amenity deck. This phase would include 132 additional dwelling units. The total project building out consists of 423 dwelling units, 23,400 square feet of commercial space, 6,171 square feet of amenity space, and two levels of structured parking. Total gross floor building area of approximately 500,000 square feet.

### Development Review Commission 9-13-11 hearing:

The Development Review Commission approved the Development Plan Review (4-3 vote) which includes: site plan, building elevations and landscape for Phase I, consisting of the first three levels and the 195'-0" tower with 291 units (606 bedrooms).

The Commission also recommended denial for the request of the Amended Planned Area Development Overlay (4-3 vote) with a request for additional density, height for Phase II tower, and a reduction in the required parking. The Commission expressed concern over the total amount of parking reduction, the appropriateness of student housing in downtown, and the long-term viability of the building's future housing transition (i.e. student housing conversion to workforce housing).

## PUBLIC INPUT

A neighborhood meeting was held by the applicant on August 17, 2011, from 6:00 p.m. to 7:00 p.m. There were no residents in attendance other than the project team. See attached summary of meeting and public input provided by the applicant. The applicant has met with Arizona State University representatives and scheduled a meeting with the Downtown Tempe Community, which is comprised of property and business stakeholders. At this time, staff has received some general feedback from Arizona State University representatives. The comments provided discuss density for the student housing, the project design along with the building appearance from the ASU aquatic center, concerns with impacts on the University's parking structure and the reduction of

parking requested. A letter from the University was provided to the applicant; see Attachments 15-20, Neighborhood Meeting Summary – public input.

Staff has proposed conditions for additional design enhancements along the southern building elevation, including the continuation of design elements present along the street façade. The parking reduction request is further analyzed in the Planned Area Development section of this report. Staff recommends a higher parking ratio for accommodation of residents. A solar study has been provided by the applicant. The study would indicate that there is minimal impact on the parking garage solar structures. The only time period with some impact to solar devices is during the period of the summer solstice 4 p.m. or later, resulting in a shadow cast on a portion of the solar devices. The majority of the shade shown in the plans would indicate that this only occurs as a result of the Phase II development (eastern tower).

**PLANNED AREA DEVELOPMENT**

An Amended Planned Area Development (PAD) Overlay is requested for 323 Veterans Way. The specific proposed changes to the original PAD are specifically expressed within the chart:

<b>Building &amp; Site Standards</b>	<b>EXISTING STANDARDS ARMORY PAD</b>	<b>PROPOSED 323 VETERANS WAY PAD</b>
Zoning Districts	MU-4 (PAD)(TOD)	MU-4 (PAD)(TOD)
MAXIMUM DENSITY (dwelling units) (NS)	364 units	*Total 423 units (879 bedrooms) *proposed Phase I 291 units Phase II 132 units
MAXIMUM BUILDING HEIGHT (NS)	Tower I: 225 ft. Tower II: 170 ft.	Phase I: 195'-0" *Phase II: 182'-9" *proposed 18 stories 16 stories
Building Setbacks – Max. 20 foot street side	0	0
PARKING REQUIREMENTS		
.....per Bedroom (879 bedrooms) (0.75/bedroom)	TOD 659.25	(Previous PAD 606 spaces) *PROPOSED *.12 space/bedroom
.....visitor parking per unit (423 units) (.2/unit)	84.6	Phase I total: 589 spaces *.011 space/unit
.....commercial (17,400 sf.) (1/300 sf.)	29 (50%)	Phase I & II *75% reduction
.....restaurant (6,000 sf.) (1/75 sf.)	46.7 (50%)	totals: *75% reduction
TOTAL PARKING:	820 spaces	820 spaces TOTAL: *166 spaces

**PREVIOUS ARMORY PROJECT APPROVAL:**

ZON06004 – (Ordinance No. 2006.68) Zoning Map Amendment from CSS, Commercial Shopping and Service District / R1-6, Single Family Residential / R-3, Multi-Family Residential Limited to MU-4, Mixed-Use, High Density District.

PAD06005 – Planned Area Development Overlay for approximately 247,500 sf. of building area, including 364 condominium units and commercial space.

The Armory approval on October 19, 2006, was subject to stipulated conditions. The applicant for this new proposal, marketed towards student housing, requests to eliminate or modify certain stipulations accepted for the original PAD. These include the following:

*ARMORY PREVIOUS PAD CONDITIONS REQUESTING MODIFICATION*

Condition #5: The developer will provide an additional \$400K for the affordable housing fund for the City of Tempe upon receipt of Certificate of Occupancy.

Condition #6: Five percent (5%) of the residential units within the project will be designated as workforce housing in terms of pricing as set forth in the guidelines by the City of Tempe.

Condition #7: The College tower building will be capped in height at 170 feet overall height, including all mechanical and parapet.

Condition #8: The stadium tower will be capped in height at 225 feet overall height, including all mechanical and parapet.

Condition #9: To the extent that the developer is required to pay development fees of less than \$2.1M, the difference between the amount of fees actually paid and \$2.1M will be provided to the City of Tempe for the affordable housing fund upon issuance of permits.

The past conditions were intended for a project designed for individual sale of condominium units. The prior conditions have been included as part of this project's conditions of approval, shown with strikeouts, identifying staff's recommendation to eliminate prior conditions from the PAD overlay.

**Building Height:**

The Amended PAD for this site requests an increase in the proposed building of the previous College Avenue aligned structures from 170 feet. This increase would include all of proposed Phase II tower (182'-9") and the southern portion of Phase I which fronts College Avenue (195 feet). Staff recommends approval of the proposed height because it is consistent with the Downtown Height Guidelines study accepted by City Council, identifying this location to be up to 300 feet.

**Density:**

The Amended PAD requests a modification to the original approved density of 364 units to 423 units for all phases. This development proposes a Phase I maximum density of 291 units and Phase II with 132 units. This density, as a result of the recommendations for total allowable height is consistent with the type of density that would be considered within a downtown urban environment. The proposed use will create the necessary mix of use to support the existing and future commercial base for the downtown and neighboring University campus.

**Parking:**

The Amended PAD requests to reduce the required parking for the Transportation Overlay District from 820 to 166 total vehicle spaces. This reduces the residential parking ratio from .75 to .12 spaces per bedroom, visitor parking from .2 to .011 spaces per unit, and a reduction in retail/restaurant parking from 50% reduction to 75% reduction. When analyzing the Phase I proposed development, considered for initial construction, the project is required by Code to provide 589 parking spaces, or 72 percent of the total required parking. If considering all the parking proposed for the site to be utilized by the residential tenants, for the proposed Phase I construction only, the parking ratio would result in .26 parking spaces per bedroom, or just over a quarter to the residents with available parking on-site. Previous parking reductions for the Newman Center Student Housing, a 180-unit student housing development at the northwest corner of College Avenue and University Drive, received a reduction in the required parking from 530 to 147 off-site parking spaces, resulting in a .27 ratio. Of note, the Newman Center, received a new approval for the Worship Hall, without the student housing component. This project is planned for construction before the end of the year.

Staff recognizes the need to modify the parking standards, specifically for projects located within the downtown. A reduction in parking ratios for commercial and for residential parking is supported by staff. This location is in one of the most transit-accessible locations in the valley with bus and light rail stops across the street. The primary use of student housing, supports the utilization of vehicle trip reductions and use of alternate modes, including walking and biking, during the school semester. Because there could

be a demand for after school hour vehicle trips for recreation, food and work for the residents, some accommodation of resident parking is necessary. The parking analysis, provided in Attachments 21-40, identifies a recommended parking quantity of 174 parking spaces. This analysis initially took into consideration a previous site plan, providing additional surface parking. The applicant has since modified the parking configuration and reduced the parking to 166 spaces. The parking analysis identified this project as "dormitory"; however this project should not be considered a "dormitory" as this project is not affiliated with the University and is regulated by the City's parking standards and amendment process for multi-family housing.

Staff recommends support of the proposed PAD with specific conditions of approval relating to the overall parking. Parking being provided in Phase I is adequate for the Phase I density for this development. All parking provided will be evaluated to determine the future needs for this site. When Phase II development is proposed, an evaluation of the parking needs will be determined and additional parking will be required, if necessary.

Section 6-305 D. Approval criteria for P.A.D.:

1. The proposed land uses for residential and commercial are supported within the mixed-use district.
2. The development standards listed above, as established as part of the PAD Overlay District, are recommended for by the applicant. Staff recommends alternate parking reductions for the Phasing of the project or additional spaces to be accommodated by this development.
3. The proposed PAD height is compatible with the accepted Downtown Height Guidelines.
4. Phase I, parking reductions is appropriate based on the proposed unit and bedroom counts for the initial tower.
5. The conditions of approval are reasonable to ensure conformance with the provisions of the Zoning and Development Code.

### **Conclusion**

Based on the information and input received along with the above analysis staff recommends approval of the requested Planned Area Development increase in density and height, a reduction in the required parking for Phase I development only, subject to the conditions as proposed.

### **REASONS FOR APPROVAL:**

1. The project meets the General Plan Projected Land Use and Projected Residential Density for this site.
2. The PAD overlay process was specifically created to allow for greater flexibility, to allow for increased heights, supported by the Downtown Height Guidelines.
3. Density proposed is consistent with urban density desired for a viable downtown with a mix of uses.
4. The proposed parking reduction, when considering Phase I only, provides adequate reductions to support the residential demand and reduce the total amount of traffic impact on the area.

## CONDITIONS OF APPROVAL:

*The crossed-out conditions were part of the original PAD approved on October 19, 2006. They are no longer applicable to this request and are being deleted as part of this PAD.*

1. A building permit shall be obtained and substantial construction commenced within two (2) years of the date of City Council approval or the zoning shall revert to that in place at the time of application, subject to a public hearing.
2. The Planned Area Development Overlay shall be put into proper engineered format with appropriate signature blanks and kept on file with City of Tempe's ~~Development Services~~ Community Development Department prior to issuance of building permits.
3. ~~Process a Subdivision Plat and a Condominium Plat through the City of Tempe Development Services Department. Provide correct engineering format including appropriate signature blanks for Subdivision Plat, Condominium Plat and Planned Area Development for the Armory. Record Subdivision Plat and Condominium Plat with the Maricopa County Recorder's Office through the City of Tempe's Development Services Department prior to issuance of Certificate of Occupancy.~~
4. ~~Provide a continuing care condition, covenant and restriction (CC&R's) for the landscape of Armory, including that located in any common area on site or in the public right of way in front of the project. Include CC&R's for other aspects of the project as required. Provide CC&R's in a form satisfactory to the Development Services Manager and City Attorney prior to the issuance of Certificate of Occupancy.~~
5. ~~The developer will provide an additional \$400K for the affordable housing fund for the City of Tempe upon receipt of Certificate of Occupancy.~~
6. ~~Five percent (5%) of the residential units within the project will be designated as workforce housing in terms of pricing as set forth in the guidelines by the City of Tempe.~~
7. The College Phase II tower building will be capped in height at ~~470 feet~~ 195 feet overall height, including all mechanical and parapet.
8. The stadium Phase I tower will be capped in height at 225 feet overall height, including all mechanical and parapet.
9. ~~To the extent that the developer is required to pay development fees of less than \$2.1M, the difference between the amount of fees actually paid and \$2.1M will be provided to the City of Tempe for the affordable housing fund upon issuance of permits.~~
10. Phase I minimum vehicle parking requirements shall provide, on-site, no less than 159 spaces. Phase II parking requirements shall be brought back to the decision-making body, as an Amended PAD, with an analysis of the Phase I parking needs to determine Phase II total parking needs for the development.
11. The property owner(s) shall sign a waiver of rights and remedies form. By signing the form, the Owner(s) voluntarily waive(s) any right to claim compensation for diminution of Property value under A.R.S. §12-1134 that may now or in the future exist, as a result of the City's approval of this Application, including any conditions, stipulations and/or modifications imposed as a condition of approval. The signed form shall be submitted to the Community Development Department no later than December 2, 2011, or the Planned Area Development approval shall be null and void.
12. The Planned Area Development shall be put into proper engineered format with appropriate signatures and kept on file with the City of Tempe's Community Development Department prior to issuance of building permits.

## **HISTORY & FACTS:**

January 1954	The City of Tempe transferred property rights to the State of Arizona for military purposes only.
January 2003	City issues RFP for the joint redevelopment of the Army National Guard (ARNG) Armory Site.
July 2003	City Council selects College Avenue Advisors (CAA) as the developer.
May 2005	City Council approves Development and Disposition Agreement between ARNG and CAA, which includes no city participation or incentives, ARNG purchases old city fire station (University near Rural), CAA purchases the Armory site from the National Guard.
October 2005	CAA closes on the Armory site property.
September 12, 2006	Development Review Commission recommended approval of ARMORY (PL060380) for a Zoning Map Amendment and a Planned Area Development Overlay, approved the request for a use permit for tandem parking and a Development Plan Review consisting of site plan, building elevations, and landscape plan; located at 323 East Veterans Way.
October 19, 2006	The City Council approved the request ARMORY (PL060380) for the development of two mixed-use buildings (17-story and 20-story), consisting of 364 residential condominium units, 29,146 s.f. of commercial/restaurant area, 45,246 sf. of office area, and three levels of below-grade parking garage on 1.62 acres, located at 323 East Veterans Way. The request included the following: ZON06004 – (Ordinance No. 2006.68) Zoning Map Amendment from CSS, Commercial Shopping and Service District / R1-6, Single Family Residential / R-3, Multi-Family Residential Limited to MU-4, Mixed-Use, High Density District. PAD06005 – Planned Area Development Overlay for approximately 247,500 s.f. of building area, including condominium units and commercial space.
August 17, 2011	Applicant held neighborhood meeting for this request.
September 13, 2011	Development Review Commission recommended denial of the Amended Planned Area Development Overlay (4-3 vote) for this request; and approved the Development Plan Review (4-3 vote) which includes: site plan, building elevations and landscape for Phase I, consisting of the first three levels and the 195'-0" tower with 291 units (606 bedrooms).
October 20, 2011	City Council introduction and first public hearing for this request.
November 3, 2011	City Council second and final public hearing for this request.

## **ZONING AND DEVELOPMENT CODE REFERENCE:**

Section 6-305, Planned Area Development (PAD) Overlay districts