



## Minutes City Council Special Meeting July 17, 2014

Minutes of the City Council Special Meeting of Thursday, July 17, 2014, held at 4:00 p.m., in the Harry E. Mitchell Government Center, Tempe City Hall, City Council Chambers, 31 E. Fifth Street, Tempe, Arizona.

### **COUNCILMEMBERS PRESENT:**

Mayor Mark W. Mitchell

Councilmember Robin Arredondo-Savage

Councilmember Kolby Granville (*participated telephonically*)

Councilmember Corey D. Woods

Vice Mayor Onnie Shekerjian

Councilmember Shana Ellis

Councilmember Joel Navarro (*participated telephonically*)

### **STAFF PRESENT:**

Andrew Ching, City Manager

Judi Baumann, City Attorney

Various Department Heads or their representatives

Ken Jones, Deputy City Manager – Chief Financial Officer

Brigitta M. Kuiper, City Clerk

***Mayor Mitchell called the meeting to order at 4:05 p.m.***

1. **Call to the Audience** – No one spoke.

2. **(Re)appointments to City boards, commissions, and committees.**

**Motion by Councilmember Arredondo-Savage to approve agenda item 2; second by Vice Mayor Shekerjian. Motion passed unanimously on a roll call vote 7-0.**

[Approved \(re\)appointments to various City of Tempe boards, commissions, and committees.](#)

***Fiscal Impact:*** N/A

#### **Development Review Commission**

David R. Lyon (Partial Term)  
(Alternate / Architecture)

Ronald Collett (First Full Term)

Gerald R. Langston (First Full Term)  
(Alternate / Real Estate)

#### **Industrial Development Authority**

Peter Means (No Term Limitation)

**Term Expires 07/01/2016**

Appointment

**Terms Expire 07/01/2017**

Reappointment

Appointment

**Term Expires 07/10/2020**

Reappointment

**Joint Review Committee**

Ray Jensen (Partial Term)  
(ASU Regular Member)

**Term Expires 07/07/2015**

Appointment

Dominique Laroche (Final Term)  
(ASU Alternate Member)

**Terms Expire 07/07/2017**

Reappointment

Ed Soltero (Final Term)  
(ASU Regular Member)

Reappointment

**Municipal Arts Commission**

Patricia Leona Konomos (Partial Term)

**Term Expires 12/31/2014**

Appointment

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5. **THIS ITEM WAS TAKEN OUT OF ORDER** Public hearing for an appeal of the Development Review Commission's decision of Approval for a Development Plan Review, consisting of a site plan, building elevations, and landscape plan for CAPSTONE COTTAGES, located at 708 South Lindon Lane.

Mayor Mitchell invited Emily Gersema, appellant, to speak. Ms. Gersema, Lindon Park Neighborhood Association President, requested that Councilmembers continue agenda item 5 to the July 31, 2014 Regular Council Meeting. Felipe Zubia, applicant's representative, supported the continuance request and stated that additional solutions have been found; a neighborhood meeting is scheduled for Saturday, July 19, 2014.

**Motion by Councilmember Woods to continue agenda item 5; second by Vice Mayor Shekerjian.**

After a brief discussion, Judi Baumann, City Attorney, indicated that including a future meeting date with the motion would be helpful.

**Councilmember Woods amended his motion to continue agenda item 5 to the July 31, 2014 Regular Council Meeting; second by Vice Mayor Shekerjian. Motion passed unanimously on a roll call vote 7-0.**

[Continued to the July 31, 2014 Regular Council Meeting, the public hearing for an appeal of the Development Review Commission's decision of Approval for a Development Plan Review, consisting of a site plan, building elevations, and landscape plan for CAPSTONE COTTAGES, located at 708 South Lindon Lane. The appellant is Emily Gersema, President of the Lindon Park Neighborhood Association. \(This item was continued from the May 22, 2014, June 12, 2014 and the June 26, 2014 Regular Council Meetings\)](#)

**Fiscal Impact:** The planned development will result in collection of the standard development fees, calculated according to the approved fee structure at the time of permit issuance.

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3. **Public hearing and ordinance for an Amended Planned Area Development Overlay for LPC SOUTHBANK, located at 1190 East Vista Del Lago Drive.**

Mayor Mitchell opened the public hearing. There was no public comment on agenda item 3. Mayor Mitchell closed the public hearing.

Nick Wood, applicant representative, thanked Councilmembers and staff for scheduling a special meeting to consider this project; waiting until the July 31, 2014 Regular Council Meeting would have posed contractual problems for the applicant. Mr. Wood stated that zoning is a privilege, not a right. He provided a history of proposed development, over time, for this

site. At one point, a developer platted the property, converting it from one property to 10 individual properties, went through the Improvement District (ID) process, and completed infrastructure improvements such as creating roads, water, sewer, streets, gutters, etc. As a result of the recession in 2010, the City took back six of the ten parcels; the debt of the ID for these parcels totals approximately \$20 million, which would be incurred by a new buyer.

Challenges on this site for the developer include Community Facilities District assessments totaling \$2 million, plus \$8 million in ID assessments for the property, totaling approximately \$10 million. The 2007 Plan illustrates the Council's desire for taller buildings, which requires a different type of construction and increases construction costs. Those cost increases, coupled with land costs, makes project costs prohibitive. The Development Review Commission felt that the development for that site should reflect the 2007 Plan. The proposed four story building does not reflect the plan from the standpoint of height, but the project does meet density requirements. The developer is prepared to invest \$75 million into this project, including building a park and providing landscaping improvements along the lake; this project will generate revenue, jobs and housing options for Tempe. Should this proposal be approved, a condominium component would be proposed for Phase 2. Vestar has submitted a letter in support of this project. The next challenge is the project design.

Jeff Courtwright, Lincoln Property ("Lincoln") representative, expressed his appreciation of the time Councilmembers have spent considering this project. Mr. Courtwright provided a slide presentation outlining Lincoln's experience in the industry and stated that Lincoln is an international company that builds quality, award winning projects that result in value added to communities. If the zoning is approved, construction would begin by the end of 2014; financing has been secured. This project would generate new development on the site. He noted that the best demonstration of what someone will do in the future is what someone has done in the past and gave examples of previous projects completed by Lincoln and their positive impacts upon the surrounding community; affordability is important. He noted that the State Farm project will benefit from the Southbank Development project. In the proposed development, 70% of the units face the lake and garages are disguised. Project changes to building materials, architectural design, shade structures, lighting, and various color schemes were discussed. If approved by the City Council, Lincoln will build a quality project. Designating a staff person as a single point of contact for this project would assist Lincoln in carrying out the vision of the City Council.

Councilmember Woods stated that Tempe residents view the lake as a significant asset. The Development Review Commission reviewed this project under the 2007 guidelines, which included a mixed-use component, such as a hotel. The mixed-use component remains a vision of the City Council. Any improvements to this area must undergo the most intense level of scrutiny so residents know that this is the best they could have possibly gotten. Councilmember Woods explained that he would be voting no on this project.

Mayor Mitchell stated that this area is being looked at for the long-term as it relates to vision and quality development; this project has insufficient commercial uses for the zoning classification at this location. Tempe is a 42-square mile community; it is important to find the best uses for this property; mixed uses are needed at this location. Currently, there is a two million square feet, \$600 million Class A office space project underway at the town lake, which will be fully operational in 2015 for the State Farm western regional headquarters. There is a need for a sufficient use of mixed-use commercial with residential development. It took the City 40 years to get to this point with the Tempe Town Lake; this is a long-term decision.

Councilmember Granville stated that his concern is that the view corridor consists of rooftops. It would have been helpful to designate a staff point of contact to work with Lincoln regarding the concerns raised; it is challenging for a developer to work with seven people that have different opinions. There is a need to kick start development in this location.

Councilmember Navarro stated that it is important to remember the vision for the lake, provide value to residents, and to create an identity for the City.

Vice Mayor Shekerjian explained that she will be voting no because the proposed project lacks the commercial element that is needed. This is not the right location for the proposed project.

Councilmember Arredondo-Savage emphasized the importance of having the right project for this location; it is critical. She stated she will be voting no on this project.

Councilmembers voiced their appreciation for the time Lincoln has spent on this development proposal and encouraged Lincoln to seek alternative development opportunities in Tempe.

**Motion by Councilmember Woods to deny agenda item 3; second by Vice Mayor Shekerjian. Motion passed unanimously on a roll call vote 7-0.**

[Held the second and final public hearing and denied ORDINANCE NO. 2013.57 for an Amended Planned Area Development Overlay for LPC SOUTHBANK, located at 1190 East Vista Del Lago Drive. The applicant is Snell & Wilmer LLP. \(This item was continued from the June 26, 2014 Regular Council Meeting\)](#)

**Fiscal Impact:** While this ordinance change does not directly impact revenue, the planned development will result in collection of the standard development fees, calculated according to the approved fee structure at the time of permit issuance.

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- 4. Public hearing for an appeal of the Development Review Commission's decision of Denial for a Development Plan Review, consisting of two new 4-story multi-family buildings totaling 358 units for LPC SOUTHBANK (PL130265), located at 1190 East Vista Del Lago Drive.**

Jeff Courtwright, Lincoln Property (Lincoln) representative, thanked Councilmembers for their comments and expressed an interest in doing business in Tempe in the future.

Judi Baumann, City Attorney, explained the following voting options to the City Council: 1) approve the appeal of the Development Review Commission decision; 2) deny the appeal of the Development Review Commission decision; or 3) remand the appeal of the Development Review Commission decision back to the Development Review Commission for further consideration.

**Motion by Councilmember Woods to deny the appeal of the Development Review Commission decision, agenda item 4; second by Vice Mayor Shekerjian. Motion passed unanimously on a roll call vote 7-0.**

[Held a public hearing and denied an appeal of the Development Review Commission's decision of Denial for a Development Plan Review, consisting of two new 4-story multi-family buildings totaling 358 units for LPC SOUTHBANK \(PL130265\), located at 1190 East Vista Del Lago Drive. The appellant is Snell & Wilmer LLP. \(This item was continued from the June 26, 2014 Regular Council Meeting\)](#)

**Fiscal Impact:** The planned development will result in collection of the standard development fees, calculated according to the approved fee structure at the time of permit issuance.

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- 6. Support for treating the Federal Aviation Administration One Engine Inoperative Proposal as a rulemaking change.**

Vice Mayor Shekerjian voiced her support for the rulemaking change for agenda item 6. Mayor Mitchell agreed and stated that the rulemaking change will include a public process.

**Motion by Vice Mayor Shekerjian to approve agenda item 6; second by Councilmember Arredondo-Savage. Motion passed unanimously on a roll call vote 7-0.**

[Supported treating the Federal Aviation Administration One Engine Inoperative Proposal as a rulemaking change.](#)

**Fiscal Impact:** N/A

***The meeting adjourned at 4:51 p.m.***

I, Brigitta M. Kuiper, the duly-appointed City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the City Council Special Meeting of July 17, 2014, by the Tempe City Council, Tempe, Arizona.

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Mark W. Mitchell, Mayor

ATTEST:

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Brigitta M. Kuiper, City Clerk