



# City of Phoenix

PLANNING & DEVELOPMENT DEPARTMENT

## Staff Report: Z-26-20-7 December 9, 2020

Central City Village Planning Committee Meeting Date: December 14, 2020

Historic Preservation Commission Meeting Date: December 21, 2020

Planning Commission Hearing Date: January 7, 2021

**Request From:** DTC-Warehouse HP (Downtown Code-Warehouse Character Area, Historic Preservation Overlay) (1.30 acres)

**Request To:** DTC-Warehouse (Downtown Code-Warehouse Character Area) (1.30 acres)

**Proposed Use:** Historic Preservation Overlay removal

**Location:** Southwest corner of 1st Street and Jackson Street

**Owner:** 39 East Jackson, LLC

**Applicant/Representative:** Nick Wood, Esq., Snell & Wilmer, LLP

**Staff Recommendation:** Denial

<u>General Plan Conformity</u>			
<u>General Plan Land Use Map Designation</u>	Mixed Use		
<u>Street Map Classification</u>	1st Street	Local	50-foot west half street
	Jackson Street	Local	40-foot south half street
<p><b><i>CELEBRATE OUR DIVERSE COMMUNITIES &amp; NEIGHBORHOODS CORE VALUE; HISTORIC DISTRICTS; LAND USE PRINCIPLE: Promote land use that encourages continued use of historic resources through rehabilitation and adaptive reuse.</i></b></p> <p>The proposal to remove the historic preservation overlay does not encourage the continued use of historic resources and the adaptive reuse of the warehouse on site.</p>			

***CELEBRATE OUR DIVERSE COMMUNITIES & NEIGHBORHOODS CORE VALUE; HISTORIC DISTRICTS; DESIGN PRINCIPLE: Ensure new development and infill that is responsive to the historic surroundings and is compatible in size, scale, massing, proportion and materials.***

The proposal to remove the historic preservation overlay and construct a proposed 26-story mixed-use building is not compatible in size, scale, massing or proportion to the surrounding eligible and designated historic warehouses.

***CREATE AN EVEN MORE VIBRANT DOWNTOWN CORE VALUE; HISTORY & LOCAL BUSINESS; DESIGN PRINCIPLE: Encourage significant and proactive efforts to integrate historic buildings into redevelopment projects downtown.***

The proposal to remove the historic preservation overlay conflicts with efforts to integrate historic buildings into redevelopment projects downtown.

***STRENGTHEN OUR LOCAL ECONOMY CORE VALUE; AIRPORTS; LAND USE PRINCIPLE: Continue to carefully monitor and evaluate all future land uses around the airports, protecting the airport from incompatible development that could pose a safety hazard to aircraft passengers, or to individuals living or residing in those areas. Additionally, ensure that future land uses within the Sky Harbor Center area will be compatible with the safe operation of Sky Harbor International Airport.***

The proposal to remove the historic preservation overlay and construct a proposed 26-story mixed-use building is not compatible with the safe operation of the Sky Harbor International Airport.

#### **Applicable Plans, Overlays, and Initiatives**

**Preserve Historic Phoenix Plan**: See Background Item No. 7 below.

**Downtown Phoenix Plan**: See Background Item No. 8 below.

**Transit Oriented Development Strategic Policy Framework**: See Background Item No. 9 below.

**Tree and Shade Master Plan**: See Background Item No. 10 below.

**Complete Streets Guidelines**: See Background Item No. 11 below.

**Comprehensive Bicycle Master Plan**: See Background Item No. 12 below.

**Reimagine Phoenix**: See Background Item No. 13 below.

Surrounding Land Uses/Zoning		
	<u>Land Use</u>	<u>Zoning</u>
<b>On Site</b>	Office	DTC-Warehouse HP
<b>North (across Jackson Street)</b>	Office and vacant buildings	DTC-Warehouse HP, DTC-Warehouse
<b>South</b>	Surface parking lot	DTC-Warehouse
<b>East (across 1st Street)</b>	Office	DTC-Warehouse HP
<b>West</b>	Vacant building	DTC-Warehouse

### **Background/Issues/Analysis**

#### **SUBJECT SITE AND PROPOSAL**

1. This request is to rezone a 1.30-acre property located at the southwest corner of 1st Street and Jackson Street, from Downtown Code-Warehouse Character Area, Historic Preservation Overlay to Downtown Code-Warehouse Character Area to remove the historic preservation overlay. There are also two concurrent requests for the subject site. First, Z-TA-5-20 is a request to amend the height map of the Downtown Code to allow a maximum height of 285 feet and second, a request to remove the conservation easement for the existing historic building on site. The three requests are being sought to develop a 26-story mixed-use building with ground floor office, retail, restaurant and hotel uses. The proposal seeks to maintain and restore the north, east and west façades of the existing historic building but remove the south façade and roof, which destroys the historical significance of the building.

#### **SURROUNDING USES AND ZONING**

2. The subject property is currently used as an office building for the Arizona Opportunities Industrialization Center and is listed on the Phoenix Historic Property Register as the “Arizona Hardware Supply Company Warehouse” and on the National Historic Property Register as the “Chambers Transfer and Storage Co. Central Warehouse.” The property is listed with different names on the historic property registers because the Arizona Hardware Supply Company built the building and the Chambers Transfer and Co. was a later tenant.

As depicted on the site context map above, to the north of the subject property are the currently vacant Phoenix Merchandise Mart and the Electrical Shop and

**Figure A: Site Context and Surrounding Land Uses**



Source: City of Phoenix Planning and Development Department

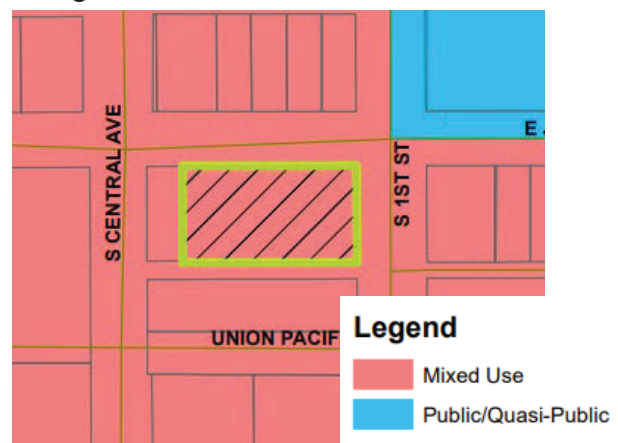
Supply Warehouse buildings, zoned DTC-Warehouse. Also, to the north across Jackson Street is the Arizona Hardware Supply Company Wholesale Warehouse building used as an office, zoned DTC-Warehouse HP. To the south is a surface parking lot and railroad tracks zoned DTC-Warehouse. To the east across 1st Street is an office building known as the Western Wholesale Drug Co. Warehouse zoned DTC-Warehouse HP, and to the west is the vacant Phoenix Steam Laundry/Southwest Cotton Co. building zoned DTC-Warehouse.

The Arizona Hardware Supply Company Wholesale Warehouse is listed on the Phoenix Historic Property Register, the Western Wholesale Drug Co. Warehouse is listed on the Phoenix and National Historic Property Registers and the other three buildings are not listed but have been recommended as eligible for historic designation.

### GENERAL PLAN LAND USE MAP DESIGNATION

3. The General Plan Land Use Map designation for the property is Mixed Use. Both the current use as an office building and the proposed mixed-use development are consistent with this land use designation.

Figure B: General Plan Land Use Map Designation



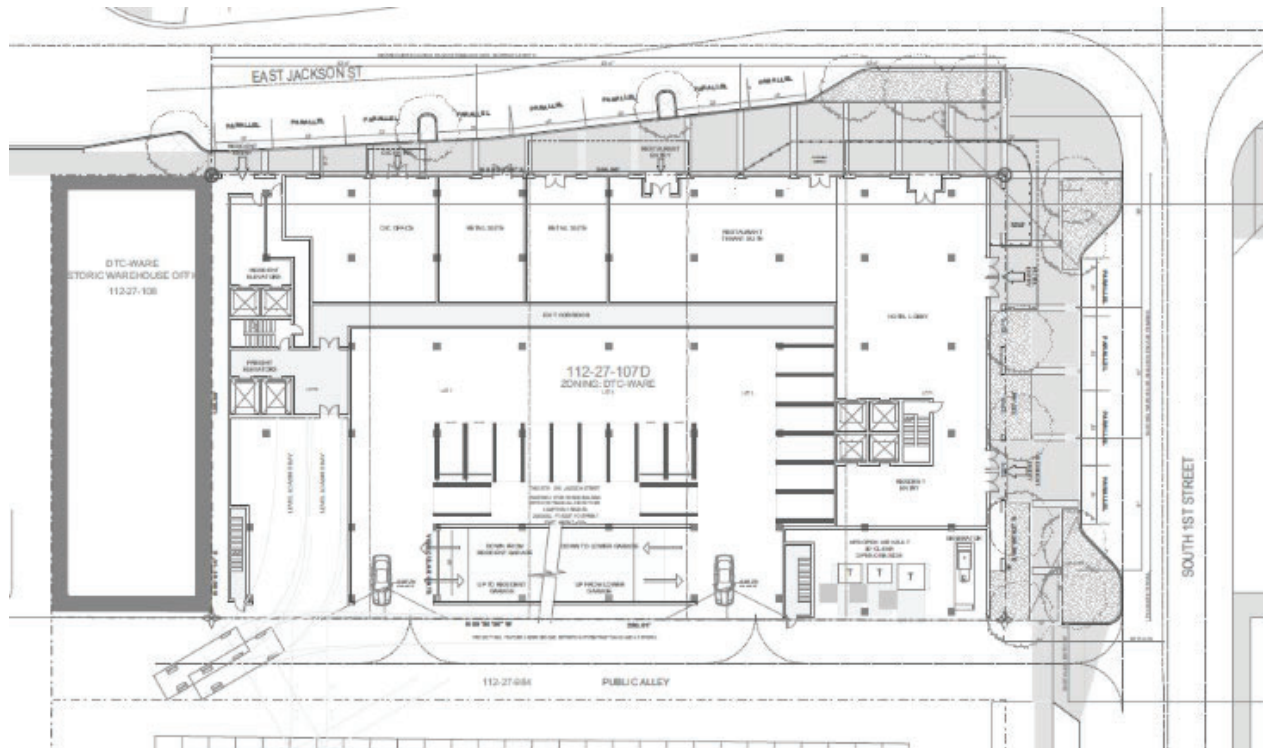
Source: City of Phoenix Planning and Development Department

### PROPOSAL: CONCEPTUAL SITE PLAN AND ELEVATIONS

4. The conceptual site plan shows a mixed-use building with ground floor office, retail, restaurant and hotel uses. The site plan also shows outdoor seating and parallel parking along 1st Street and Jackson Street. The elevations and rendering submitted depict the existing façade to remain in addition to a 270-foot tall building with glass and metal panels.



Figure C: Conceptual Site Plan



Source: CCBG Architects, Inc.

Figure D: Conceptual Rendering



*Source: CCBG Architects, Inc.*

## HISTORIC PRESERVATION ZONING

### 5. Eligibility

The eligibility criteria for Historic Preservation (HP) overlay zoning and listing on the Phoenix Historic Property Register are set forth in Section 807.D of the City of Phoenix Zoning Ordinance. To qualify, a property must demonstrate significance in local, regional, state, or national history, architecture, archaeology, engineering, or culture, according to one or more of the following criteria:

- A. The property is associated with the events that have made a significant contribution to the broad pattern of our history;
- B. The property is associated with the lives of persons significant in our past;
- C. The property embodies the distinctive characteristics of a type, period, or method of construction, represents the work of a master, possesses high artistic values, or represents a significant and distinguishable entity whose components may lack individual distinction; or
- D. The property has yielded or may likely yield information integral to the understanding of our prehistory or history.

In addition to the significance requirement, the property must also be at least 50 years old or have achieved significance within the past 50 years if it is of exceptional importance. The property must also possess sufficient integrity of location, design, setting, materials, workmanship, feeling, and association to convey its significance.

The subject property, known historically as the Arizona Hardware Supply Company Warehouse (a.k.a. the Chambers Transfer & Storage Company Central Warehouse), was listed on the National Register of Historic Places in September of 1985 and on the Phoenix Historic Property Register in July of 1990. At the time it was listed, it was noted as meeting both Criteria A and C for significance, as well as the requirements for age and integrity.

#### History – Arizona Hardware Supply Company

The Arizona Hardware Supply Company was established in 1910 by Herman Perry (H.P.) DeMund. A prominent businessman and civic leader, DeMund also served as president of the DeMund Lumber Company, Phoenix Warehouse Company, Valley Realty & Trust Company and Citizens' State Bank. The Arizona Hardware Supply Company was originally located on the southwest corner of 3rd Avenue and Jackson Street before it moved down the street to new quarters 10 years later.

In April of 1920, an article in the *Arizona Republican* noted that DeMund was constructing a new building for his hardware company on Jackson Street between Central Avenue and 1st Street. The proposed 120 foot by 250 foot building was to be two stories with a basement, constructed of concrete and steel, and built by contractor A.W. Gregg. The Arizona Hardware Supply Company would occupy three-fifths of the

new building with the remaining two-fifths to be rented to tenants. However, these plans were scaled down, at least temporarily, as a one-story building with a basement was constructed on the site instead.

In January of 1922, the *Arizona Republican* reported that DeMund had started work adding a second story to the building. A second article from February of 1922 stated that the approximately 100,000-square-foot building was the largest commercial warehouse in Arizona and one of the largest in the Southwest. A spur rail line was located to the rear of the building which provided direct access to the Santa Fe and Arizona Eastern railroad tracks.

The new two-story building consisted of a reinforced concrete frame with concrete walls on the first floor and brick curtain walls on the second floor. However, by 1926, the original brick had been sheathed with stucco. Tenants who leased space in the building included the Hall-Pollock Wholesale Grocery Company, Loose-Wiles Biscuit Company, Mitchell & Wertz Furniture Company, Sherwin-Williams Company and Chambers Transfer & Storage Company.

Figure E: Arizona Hardware Supply Company Warehouse, 1926



Source: *Arizona Republican*, December 26, 1926

In 1940, the O.S. Stapley Company purchased the Arizona Hardware Supply Company from the DeMund family. The wholesale division of Stapley's merged with the purchased company to become the Arizona Hardware Company. A photograph of the building taken shortly after the merger shows the building with smooth stucco walls, decorative brick parapets and clerestory windows. A series of garage doors was also present, with man doors at the far eastern and western bays. The sign panel at the top of the building read "Arizona Hardware Company" at the east end, with "Transfer & Central Warehouse" at the west end. The Arizona Hardware Company continued to occupy the building until the mid-1960s.



Figure F: Arizona Hardware Company Warehouse, ca. 1940



Source: McCulloch Brothers Inc. Photographs 1884-1947, Arizona State University

#### History – Phoenix OIC

In April of 1967, Austin H. Coleman, Augustus H. Shaw, James L. Williams, Robert N. Nesby and George B. Brooks filed the Articles of Incorporation of the Phoenix Opportunities Industrialization Center (OIC), a private, nonprofit job training organization. These same five individuals were elected to serve on the organization's first board of directors, along with Calvin Goode and Judis Andrews. Williams would also become Phoenix OIC's first executive director.

The Phoenix organization was an extension of the first OIC, which was founded in Philadelphia in 1964 by the Rev. Leon Sullivan. Since that time, OIC has grown into a national organization—OIC of America, Inc.—that serves disadvantaged and underskilled Americans of all races. However, its historical association is primarily with the African American community.

An *Arizona Republic* article from September of 1968 described OIC as “the organization designed to help Negroes help themselves.” The article continued, “Its basic role one of training and placing unemployed Negroes in jobs, OIC reaches out beyond that function to act as arbiter, counselor, critic and supportive force for Negroes striving to make a better place for themselves, whether in the area of employment or education, housing or health.” The article noted that the Phoenix OIC had already placed 116 people in jobs, including 75 who were on public welfare.

The same article also reported that Phoenix OIC was preparing to move to a new location at 39 East Jackson Street—the former Arizona Hardware Company Warehouse. The organization formally dedicated its “new” building on December 13, 1968. During the first decade of its occupancy, Phoenix OIC leased the building, which at that time was owned by the First National Bank of Arizona (as trustee), Jean Constance Kirk and Patricia Kathlyn Lundmark. A newspaper article from May of 1978 reported that Phoenix OIC was raising \$42,000 in funds to buy the building. The effort was successful, as a warranty deed granting ownership to Phoenix OIC was recorded in February of 1979.

A 1983 photo of the building shows little had changed on the exterior since the 1940s. However, in the late 1980s, the building was renovated, which included a remodel of the interior space, and new windows, doors, stucco and an entrance canopy with stairs on the exterior. By this time, most of the roll-up garage doors had been removed with the openings filled in, and the easternmost parapet had been rebuilt to match the other decorative brick parapets. A mural titled “Choices” was also added to the east side of the building.

In 1996, Phoenix OIC became “Arizona OIC,” although the old name still appeared frequently in newspaper articles (and is still present on the sign at the building’s entrance). In December of 2017, Arizona OIC sold the property to 39 East Jackson, LLC, an Arizona limited liability company. This company still owns the property today, and the building is still occupied by Arizona OIC. The current president and CEO of Arizona OIC is Gene C. Blue, who has held this position for over 40 years.

### Evaluation

Despite the modifications that have occurred since the property received historic designation, it still retains sufficient integrity to convey its historic significance. The building is still easily recognizable as an early twentieth-century warehouse, and its association with railroad-related commerce is still evident, given its proximity to the railroad tracks immediately to the south. Furthermore, many of the changes that have been made are either compatible with the historic design or are easily reversible (e.g., the new openings could be filled in and stuccoed to restore the historic appearance).

As the largest warehouse in Phoenix at the time it was constructed, and one of the largest in the Southwest, it is a significant property in the city’s history. It is also a surviving example of warehouse architecture that was once common in this area but is becoming increasingly rare.

In addition to its previously established significance relating to the area of Commerce, the property is also significant in the area of Ethnic Heritage for its association with OIC and Phoenix’s African American community. OIC’s association with the property dates to 1968, making it over 50 years old. The organization played an important role during the



Civil Rights Era, as well as in recent years, providing job training and other vital services to Black residents of Phoenix.

#### CITY INVESTMENT IN HISTORIC BUILDING

6. The City of Phoenix awarded OIC two Historic Preservation Bond Fund grants through the Exterior Rehabilitation Program. The first grant agreement was executed on March 20, 1998. The City received a 15-year conservation easement in exchange for \$4,592.50 in funds, which were specified to be used for roof repairs. The second grant agreement was executed on August 28, 2007. The City received a 15-year extension on the easement in exchange for an additional \$5,000.00, which was again specified to be used for roof repairs. The easement is set to expire on March 20, 2028.

The City has further invested in the building through several CDBG grants (Community Development Block Grant) in the form of a 10 to 20-year deed of trust for the long-term benefit to low and moderate income individuals.

The first CDBG grant was awarded by City Council in 1987 for up to \$133,000 for renovation of the facility. The mortgage was released on November 8, 2007.

The second grant was awarded in 1988 for \$37,500 for roof repair. The mortgage was released March 17, 2014.

The third grant in the amount of \$71,300 was awarded in 1993 for exterior renovations. The mortgage was released on August 24, 2006.

The fourth grant was awarded in 1994 for \$54,450 for handicap accessibility renovations. The mortgage was released on August 24, 2006.

The fifth grant in the amount of \$180,000 was awarded for work completed in 2007 for a new roof covering 90,000 square feet. The mortgage released September 7, 2017.

The sixth grant was initially awarded for \$36,926 and increased to \$56,926 to address ADA restrooms, exterior stucco and painting. The project was completed September 23, 2014 and the funds repaid and the mortgage was released January 3, 2018.

The seventh grant was for \$90,000 for installation of a fire sprinkler system on the 2nd floor and ADA restroom stalls. The project was completed October 15, 2015 and the funds repaid and the mortgage released January 3, 2018.

A total of \$623,176 of CDBG grants were awarded. The last two, totaling \$146,926 were repaid in 2017 when the property was sold.

<b>CDBG Award Year</b>	<b>Project Title</b>	<b>Contract Number</b>	<b>Award/ Lien Amount</b>	<b>Lien Term (years)</b>	<b>Lien Maturity Date</b>	<b>Lien Release Date</b>
1987-88	Remodeling	45996	\$133,000	20	6/17/2007	11/08/2007
1988-89	Roof Repair	49295	\$ 37,500	20	3/13/2010	3/17/2014
1993-94	OIC Exterior Rehab Project	70072	\$ 71,300	10	2/02/2006	8/24/2006
1994-95	Phoenix OIC Renovation – Handicap Accessibility	68243	\$ 54,450	10	4/12/2005	8/24/2006
2005-06	OIC Rehabilitation	121628	\$180,000	10	6/20/2017	9/07/2017
2011-12	Fix Up Project	138349	\$ 56,926	10	9/23/2024	1/03/2018
2012-13	Building Code Renovations*	139051	\$ 90,000	10	10/30/2025	1/03/2018

## STUDIES AND POLICIES

### 7. [Preserve Historic Phoenix Plan](#)

Preserve Historic Phoenix Plan is a comprehensive plan that provides a long-term vision and framework to guide the direction and priorities of the Phoenix Historic Preservation Program. The Preserve Historic Phoenix Plan is intended to inform and inspire us to connect with and preserve our unique archaeological and historic resources. This plan describes the benefits and legal basis for historic preservation and includes an overview of the history of Phoenix, past preservation efforts in the city and the historic preservation program. The Preserve Historic Phoenix Plan identifies five goals, one of which is pertinent to this request:

GOAL 2: PROTECT HISTORIC RESOURCES; POLICIES; OPERATIONS: Discourage demolitions of historic resources. (p.76)

The proposal to remove the historic preservation overlay conflicts with the goals and policies of the Preserve Historic Phoenix Plan, as removal of the overlay would enable the demolition of the existing building.

### 8. [Downtown Urban Form Project and the Downtown Phoenix Plan](#)

The Downtown Urban Form Project was initiated in 2006. The Downtown Phoenix Plan is a product of the Downtown Phoenix Urban Form Project and was prepared to provide direction for implementation of the community vision for an active, pedestrian-oriented and sustainable Downtown. The Downtown Phoenix Plan was adopted by City Council

in 2008 and served as a precursor to the Downtown Code, adopted in 2010, which is now Chapter 12 of the Phoenix Zoning Ordinance.

The property is in the Warehouse Character Area in the Downtown Phoenix Plan. The vision for how the Warehouse Character Area will develop as listed in the Downtown Phoenix Plan is that, “the Warehouse Character Area is a unique, teeming urban neighborhood that offers a blend of old railroad charm and modern urban living. Coffee houses and jazz clubs mix with trendy shops, artisan studios and galleries clustered in historic warehouses.” The Downtown Phoenix Plan lists eight policies that address specific issues or opportunities unique to the planning area. Out of the eight policies for the Warehouse Character Area, two are relevant to the request:

Figure G: Downtown Phoenix Plan Character Area



Source: City of Phoenix Planning and Development Department

Policy 3-34: Encourage the preservation of entire warehouse buildings rather than just building facades whenever possible.

Policy 3-35: Support initiatives for redevelopment that encourage adaptive reuse or new development that is compatible with the existing character of the area.

The Downtown Phoenix Plan also states:

Saving whole buildings rather than just façades preserves the structure’s historic and interior architectural integrity...Preserving historic warehouse buildings and facilitating the adaptive re-use of historic and eligible buildings should be a priority (pg. 3-43).

Adaptive re-use is also important and mixed uses are one of the best ways to protect older buildings, and to reinforce the character of a neighborhood. In fact, it is difficult to imagine the Warehouse area without old warehouse buildings and the same can be said for the Roosevelt neighborhood (pg. 6-7).

The proposal to remove the historic preservation overlay and maintain the façades of the existing warehouse does not preserve the entire historic warehouse building (Policy 3-34) or maintain the interior architectural integrity. Further, the proposal does not encourage the adaptive reuse of the historic warehouse building (Policy 3-35), protect the older building or reinforce the character of the neighborhood.

9. **Transit Oriented Development Strategic Policy Framework**

The Transit Oriented Development Strategic Policy Framework is part of the city's General Plan which identified planning typologies to describe urban environments within a quarter mile of high capacity transit stations. The site is located approximately a quarter mile from the Jefferson Street/1st Avenue and the Jefferson/3rd Street light rail stations. The identified place type for those light rail station areas is Downtown Core. However, the TOD Place Type parameters do not apply to properties that are historic or historic-eligible, as determined by the Historic Preservation Officer. The site is listed on the Phoenix and National Historic Property Registers; therefore, the Downtown Core place type does not apply to this property. Furthermore, the Transit Oriented Development Strategic Policy Framework states that "a sense of place is a unique characteristic that contributes to an area's vitality" (pg. 12) and lists historic preservation as a component to creating a sense of place. The proposal to remove the historic preservation overlay is not compatible with the policies in the Transit Oriented Development Strategic Policy Framework.

10. **Tree and Shade Master Plan**

The Tree and Shade Master Plan has a goal of treating the urban forest as infrastructure to ensure that trees are an integral part of the city's planning and development process. The general development standards of the Downtown Code require that 75 percent of public sidewalks to be shaded, which will provide shade on both Jackson Street and 1st Street to add to the urban forest and thermal comfort of pedestrians.

11. **Complete Streets Guidelines**

In 2014, the City of Phoenix City Council adopted the Complete Streets Guiding Principles. The principles are intended to promote improvements that provide an accessible, safe, connected transportation system to include all modes, such as bicycles, pedestrians, transit, and vehicles. The general development standards of the Downtown Code require minimum sidewalk and streetscape zone widths, street trees, and bicycle parking.

12. **Comprehensive Bicycle Master Plan**

The City of Phoenix adopted the Comprehensive Bicycle Master Plan in 2014 to guide the development of its Bikeway System and supportive infrastructure. The general development standards of the Downtown Code require bicycle parking for commercial and multifamily residential uses.

13. **Reimagine Phoenix**

As part of the Reimagine Phoenix Initiative, the City of Phoenix is committed to increasing the waste diversion rate to 40 percent by 2020 and to better manage its solid waste resources. The applicant stated that the project will incorporate recycling bins as part of its waste management program.

COMMUNITY INPUT SUMMARY

14. From the time the case was filed to the time the staff report was written, no correspondence by the public was received by staff for this request. Correspondence has been received for the concurrent request, Z-TA-5-20, which has been included with this report.

#### INTERDEPARTMENTAL COMMENTS

15. The Historic Preservation Office opposes this request and the companion case Z-TA-5-20-7. The Historic Preservation Office commented that the historic preservation zoning overlay should not be removed because the property still meets the eligibility criteria for HP zoning, per Section 807 of the Zoning Ordinance. The property also has a conservation easement currently in place, which does not expire until 2028. Further, to the best of staff's knowledge this is an unprecedented case – in 35 years no one has tried to remove a property from the Phoenix Register while the building was still standing. In the event the request is approved by City Council, the Historic Preservation Office provided Stipulation Nos. 1 and 2 regarding a performance bond to restore the existing building if no certificate of occupancy is issued within three years of demolition and that a demolition permit will not be issued until a building permit is issued for the proposed high-rise building.
16. The Aviation Department opposes the proposal and requests the withdrawal of the case. The Aviation Department also provided the following findings:
  1. The site's ground level (referred to as site elevation relative to mean sea level) is 1,082 feet MSL, a 285-foot structure would result in a constructed site elevation of 1,367 feet MSL. City Code, Chapter 4, Article XIII, Sec. 4-241.B "Downtown - Height Zone B", Area 2 maximum site elevation is 1,300 feet MSL. The Aviation Department presumes the Planning and Development Director will enforce the more restrictive of disparate height regulations (City Code Chapter 4 vs. Zoning Ordinance Chapter 12).
  2. The applicant previously received a No Hazard Determination from the FAA for the proposed elevation height of 1,367 feet. However, the FAA did not review for a critical safety surface referred to as the one-engine inoperable (OEI) departure surface. 1,300 feet MSL, as required by City Code, ensures construction will not penetrate the OEI critical safety surface.
  3. Construction above 1,300 feet MSL may result in airlines and the FAA changing certain flightpaths over the downtown area/historic properties or new FAA operating restrictions on PHX runways.

In the event the request is approved by City Council, the Aviation Department requested Stipulation Nos. 11 through 13 regarding a No Hazard Determination from the FAA, an aviation easement and a recorded disclosure regarding the proximity to the airport.

17. The Floodplain Management division of the Public Works Department indicated that the parcel is not located in a Special Flood Hazard Area (SFHA), but located in a Shaded Zone X, on panel 2205 L of the Flood Insurance Rate Maps (FIRM) dated October 16, 2013.
18. The Fire Department noted that the proposed building would require Type IA construction and provided the following comments:
  1. This is considered a high rise, so all high-rise requirements would apply: fire service access elevators, fire-fighter air systems, smoke control, FCC, etc.
  2. Indicate FDC location(s) on site plan in accordance with Section 912 (2018 Phoenix Fire Code).
  3. Indicate the location of the Fire Command Center (FCC) (Section 508, 2018 Phoenix Fire Code). Access shall be provided along either Jackson Street or 1st Street.
  4. Indicate fire hydrant locations in accordance with Section 507.5 (2018 Phoenix Fire Code).
19. The Water Services Department noted the property has existing water and sewer mains that can serve the property. However, the requirements and assurances for water and sewer service are determined during the site plan application review.
20. The Street Transportation Department provided Stipulation Nos. 3 through 9 in the event the request is approved by City Council regarding parallel parking, sidewalk widths, street improvements and a traffic impact study.
21. The Public Transit Department provided the Stipulation No. 10 in the event the request is approved by City Council to ensure clearly defined accessible pathways to delineate between parking and drive aisle surfaces.

#### OTHER

22. The State Historic Preservation Officer commented that the proposal violates the Secretary of the Interior's Standards for the Treatment of Historic Properties and that the property will be delisted from the National Register of Historic Places if the proposal moves forward. Correspondence from the State Historic Preservation Officer is included as an attachment to this report.
23. The site is located in a larger area identified as being archaeologically sensitive. If further review by the City of Phoenix Archaeology Office determines the site and immediate area to be archaeologically sensitive, and if no previous archaeological projects have been conducted within this project area, it is recommended that



archaeological Phase I data testing of this area be conducted. Phase II archaeological data recovery excavations may be necessary based upon the results of the testing. A qualified archaeologist must make this determination in consultation with the City of Phoenix Archaeologist. In the event archaeological materials are encountered during construction, all ground disturbing activities must cease within a 33-foot radius of the discovery and the City of Phoenix Archaeology Office must be notified immediately and allowed time to properly assess the materials. This is addressed in Stipulation Nos. 14 through 16.

24. The Union Pacific Railroad Company commented regarding traffic increases, construction equipment in its right-of-way, trespassing, noise and vibration and stormwater runoff. In the event the proposal is approved by City Council, the Street Transportation Department requested a traffic impact study in Stipulation No. 8 to address traffic increases, stormwater runoff and other concerns mentioned by the Union Pacific Railroad Company.
25. Development and use of the site is subject to all applicable codes and ordinances. Zoning approval does not negate other ordinance requirements. Other formal actions such as, but not limited to, zoning adjustments and abandonments, may be required.

### **Findings**

1. The proposal to remove the historic preservation overlay is not consistent with the Preserve Historic Phoenix Plan, the Downtown Phoenix Plan, and the General Plan land use policies.
2. The proposal to remove the historic preservation overlay does not encourage the continued use of historic resources through rehabilitation and adaptive reuse.
3. The proposal is not compatible with the safe operation of the Sky Harbor International Airport.

### **Stipulations (if approved)**

Staff's recommendation for the removal of the Historic Preservation Overlay is denial. The following stipulations have been included in case of the approval of the request and to address the partial demolition of the historic building, vehicular traffic and pedestrian circulation and safety, airport proximity notification, FAA No Hazard determination and an aviation easement, and archeological resources.

1. Prior to submitting an application for a demolition permit to demolish any portion of the building existing before July 1, 2020, the property owner shall obtain a \$5 million performance bond for the purpose of restoring the existing building if no certificate of occupancy is issued within 3 years after demolition of the roof and/or walls. The property owner shall submit a proof of the performance bond to the Planning and Development Department.

2. No demolition permit shall be issued for any portion of the building existing before July 1, 2020, until a building permit is issued for the construction of the proposed high-rise building.
3. Parallel parking stalls along Jackson Street shall remain public metered parking spaces, as approved by the Street Transportation Department. The developer shall coordinate with the Traffic Services division regarding any modification to the existing parking meters.
4. Proposed privatized use of parallel parking spaces shall be restricted to 1st Street, as approved by the Street Transportation Department.
5. Operations extending from the façade of the building such as outdoor dining space and other similar uses shall not result in the reduction of the Downtown Code required sidewalk width standards on Jackson Street (8 feet minimum) or 1st Street (6 feet minimum), as approved by the Street Transportation Department.
6. The developer shall provide an enhanced bulb-out at the southwest corner of 1st Street and Jackson Street to reduce the length of the pedestrian crossing, as approved by the Street Transportation Department.
7. The developer shall construct street and pedestrian light poles along Jackson Street and 1st Street per the City of Phoenix Jackson Street Standard Detail, as approved by the Street Transportation Department.
8. The applicant shall submit a Traffic Impact Study to the City for this development. No preliminary approval of plans shall be granted until the study is reviewed and approved by the City. Contact Mr. Matthew Wilson, Traffic Engineer III, (602) 262-7580, to set up a meeting to discuss the requirements of the study. The developer shall be responsible for the cost of improvements as required by the approved Traffic Impact study. The TIS shall include a signal warrant analysis for the intersection of 1st Street and Jackson Street. Development shall be responsible for funding of improvements as identified in the approved traffic study.
9. The developer shall construct all streets adjacent to the development with paving, curb, gutter, sidewalk, curb ramps, streetlights, landscaping and other incidentals as per plans approved by the Planning and Development Department. All improvements shall comply with all ADA accessibility standards.
10. The developer shall provide clearly defined, accessible pathways, constructed of decorative pavers, stamped or colored concrete, or other pavement treatment

that visually contrasts with the adjacent parking and drive aisle surfaces, as approved by the Planning and Development Department.

11. The developer shall provide a No Hazard Determination for the proposed development from the FAA pursuant to the FAA's Form-7460 obstruction analysis review process, prior to construction permit approval, as per plans approved by the Planning and Development Department.
12. The property owner shall record documents that disclose the existence, and operational characteristics of Phoenix Sky Harbor Airport to future owners or tenants of the property. The form and content of such documents shall be according to the templates and instructions provided which have been reviewed and approved by the City Attorney.
13. The developer shall grant and record an aviation easement to the City of Phoenix for the site, per the content and form prescribed by the City Attorney prior to final site plan approval.
14. If determined necessary by the Phoenix Archaeology Office, the applicant shall conduct Phase I data testing and submit an archaeological survey report of the development area for review and approval by the City Archaeologist prior to clearing and grubbing, landscape salvage, and/or grading approval.
15. If Phase I data testing is required, and if, upon review of the results from the Phase I data testing, the City Archaeologist, in consultation with a qualified archaeologist, determines such data recovery excavations are necessary, the applicant shall conduct Phase II archaeological data recovery excavations.
16. In the event archaeological materials are encountered during construction, the developer shall immediately cease all ground-disturbing activities within a 33-foot radius of the discovery, notify the City Archaeologist, and allow time for the Archaeology Office to properly assess the materials.

**Writer**

Sarah Stockham

December 9, 2020

**Team Leader**

Samantha Keating

**Exhibits**

Sketch Map

Aerial Map

Conceptual Site Plan dated June 3, 2020

Conceptual Elevations dated June 3, 2020

Staff Report: Z-26-20-7  
December 9, 2020  
Page 20 of 20

State Historic Preservation Officer Letter dated November 21, 2020  
Community Correspondence (8 pages)

MADISON ST

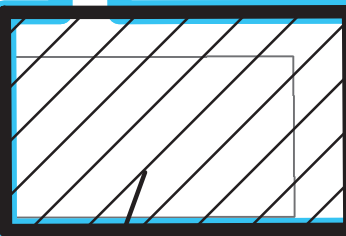
DTC  
Warehouse  
HP

DTC-Business  
Core

JACKSON ST

1ST AVE

CENTRAL AVE



PUD HP\*  
Z-78-08

DTC  
Warehouse  
HP

DTC-Warehouse

1ST ST

DTC  
Warehouse  
HP \*  
Z-61-18

2ND ST

DTC  
Warehou  
HP



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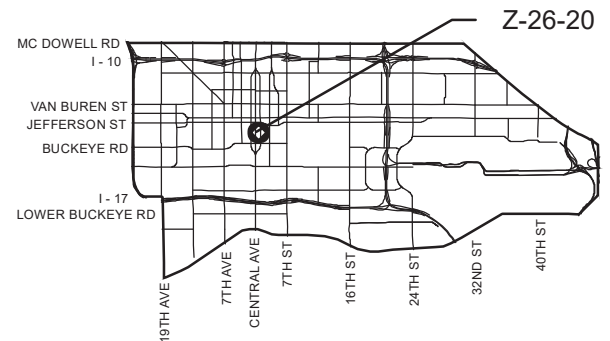
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**CENTRAL CITY VILLAGE**

CITY COUNCIL DISTRICT: 7



**City of Phoenix**  
PLANNING AND DEVELOPMENT DEPARTMENT



APPLICANT'S NAME: Nick Wood, Esq., Snell & Wilmer, LLP

REQUESTED CHANGE:

FROM: DTC-Warehouse HP ( 1.30 a.c.)

APPLICATION NO. Z-26-20

DATE: 6/8/2020  
REVISION DATES:

GROSS AREA INCLUDING 1/2 STREET  
AND ALLEY DEDICATION IS APPROX.

1.30 Acres

AERIAL PHOTO &  
QUARTER SEC. NO.

QS 10-28

ZONING MAP

F-8

TO: DTC-Warehouse ( 1.30 a.c.)

MULTIPLES PERMITTED

DTC-Warehouse HP

DTC-Warehouse

CONVENTIONAL OPTION

No density limit

No density limit

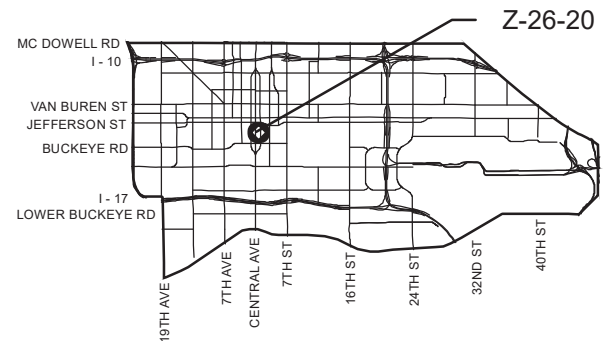
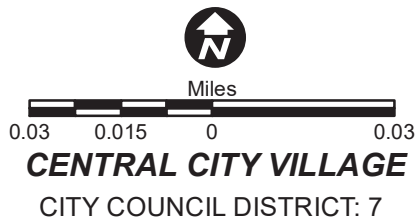
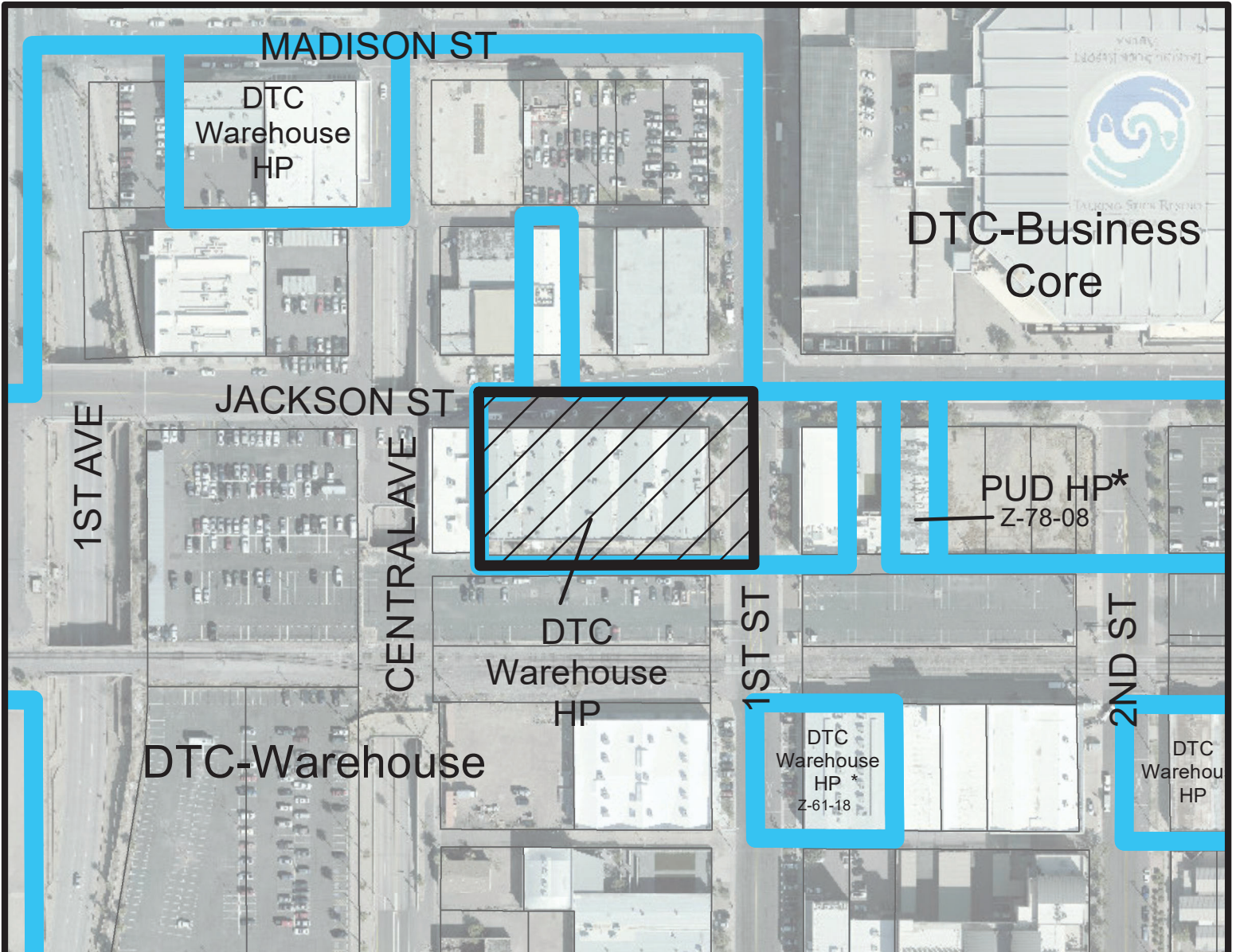
\* UNITS P.R.D. OPTION

N/A

N/A

\* Maximum Units Allowed with P.R.D. Bonus





<b>APPLICANT'S NAME:</b> Nick Wood, Esq., Snell & Wilmer, LLP		<b>REQUESTED CHANGE:</b>	
<b>APPLICATION NO.</b> Z-26-20	<b>DATE:</b> 6/8/2020 <b>REVISION DATES:</b>	<b>FROM:</b> DTC-Warehouse HP ( 1.30 a.c.)	
<small>GROSS AREA INCLUDING 1/2 STREET AND ALLEY DEDICATION IS APPROX.</small> <b>1.30 Acres</b>	<small>AERIAL PHOTO &amp; QUARTER SEC. NO.</small> <b>QS 10-28</b>	<small>ZONING MAP</small> <b>F-8</b>	<b>TO:</b> DTC-Warehouse ( 1.30 a.c.)
<b>MULTIPLES PERMITTED</b> DTC-Warehouse HP DTC-Warehouse	<b>CONVENTIONAL OPTION</b> No density limit No density limit		<b>* UNITS P.R.D. OPTION</b> N/A N/A

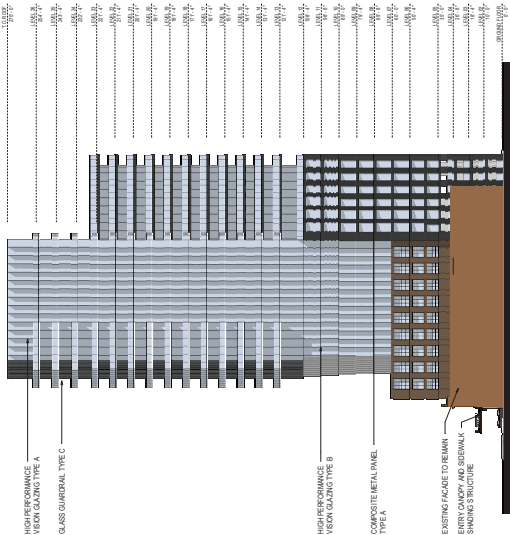
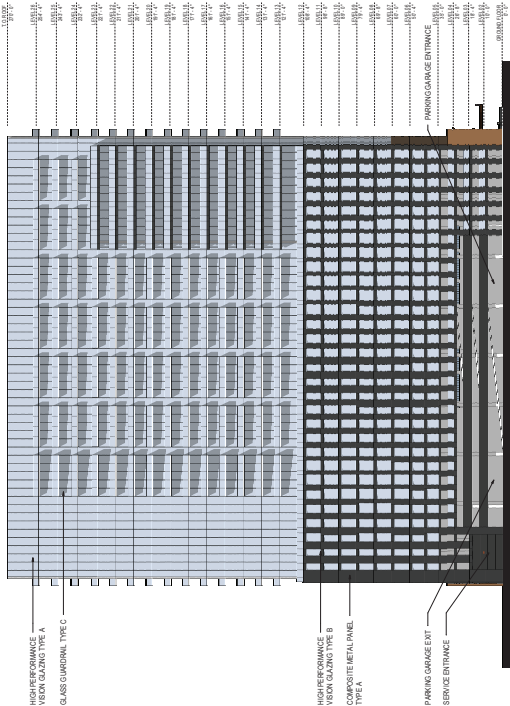
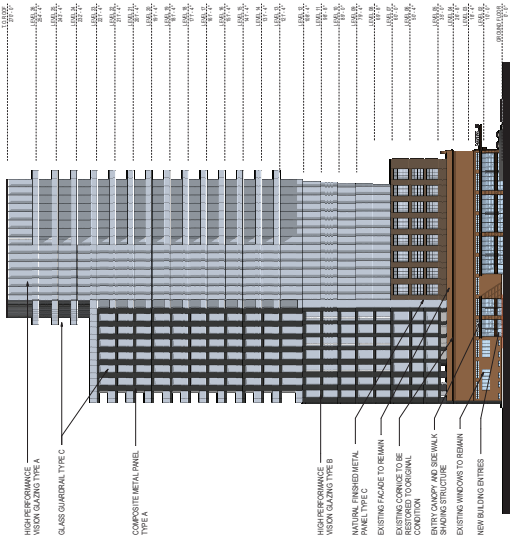
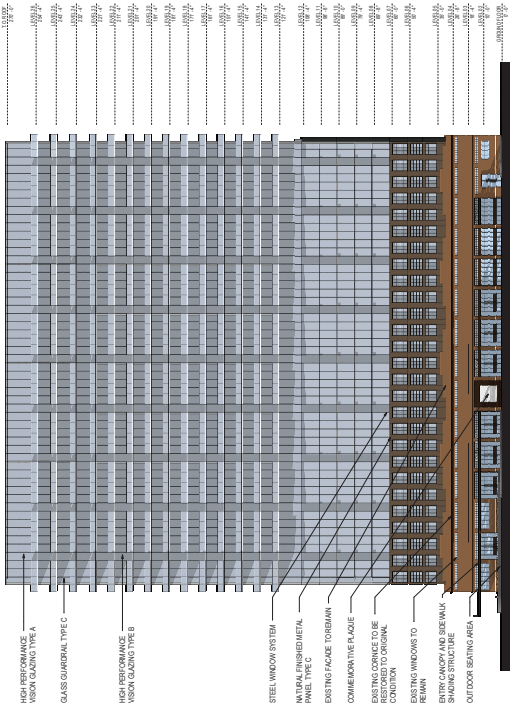
\* Maximum Units Allowed with P.R.D. Bonus





CITY OF PHOENIX APPROVAL BLOCK

CITY OF PHOENIX  
JUN 03 2020  
Planning & Development  
Department





Doug Ducey  
Governor

# ARIZONA

## STATE PARKS & TRAILS

Robert Broscheid  
Executive Director



November 21, 2020

Kevin Weight  
City of Phoenix Historic Preservation Office  
200 W. Washington St. 3rd Floor  
Phoenix, AZ 85003

**Re: 15-39 E. Jackson Street Rezoning Request**

Mr. Weight,

Our office has received and reviewed the materials provided to us by the City of Phoenix concerning the rezoning request for the property located at 15-39 E. Jackson St., Phoenix, AZ, 85004. The proposed application would most certainly result in the delisting of the historic Arizona Hardware Supply Company Warehouse from the National Register of Historic Places. The proposal violates numerous aspects of the Secretary of Interior's Standard for Historic Preservation and would result in the near total loss of the building's historic integrity.

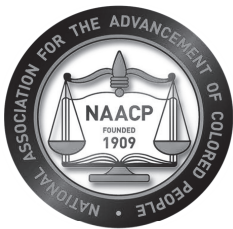
As the administrators of the federal Certified Local Government Program in the state of Arizona, one of our responsibilities is the certification of local governments' preservation programs to enable them to receive federal grant money. One of the requirements for that certification is an effective historic preservation ordinance. From the materials provided to us, it appears that this application seeks to have the historic Arizona Hardware Supply Company Warehouse removed from Phoenix's historic preservation zoning overlay for no reason other than to enable the redevelopment of this property. No argument appears to have been made that this building is no longer historic, and no argument appears to have been made that it is inappropriately protected by Phoenix's historic preservation ordinance. If approved, this application would thus directly contradict and undermine the essence and purpose of Phoenix's historic preservation ordinance. Such an approval would necessarily call into question the City of Phoenix's commitment to historic preservation and the effectiveness and sufficiency of Phoenix's historic preservation ordinance.

Our office is very supportive of the mission of the current owners of this property, the Opportunities Industrialization Center. We understand and support their desire to redevelop this property. We encourage them to contact our office to discuss preservation-appropriate redevelopment options for this property, and incentives for such projects like the federal Historic Rehabilitation Tax Credit. We are committed to providing whatever assistance we can to support the preservation of this historically significant building.

Very Truly Yours,

A handwritten signature in cursive script that reads "Chris Cody".

Christopher Cody  
Deputy State Historic Preservation Officer



Maricopa County Branch

**NATIONAL ASSOCIATION for the  
ADVANCEMENT OF COLORED PEOPLE**

P. O. Box 20883

Phoenix, AZ 85036

Tel: 602-252-4064

Email: [admin@naacpmaricopaaz.org](mailto:admin@naacpmaricopaaz.org)

[www.maricopanaacp.org](http://www.maricopanaacp.org)

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October 9th, 2020

To Whom It May Concern

This communication is a support endurance for Arizona Opportunities Industrialization Center (AZOIC). AZOIC has been a pillar in the community since its beginning in 1967.

Arizona OIC has served over 65,000 people and placed more than 48,000 clients in meaningful jobs. Many educational programs are offered to the community by AZOIC such as; Basic Education, GED Preparation courses and Computer Literacy course.

Services are provided for mostly economically disadvantaged individuals facing significant barriers to employment. Arizona OIC serves high school dropouts, teenage parents, ex-offenders and displacement homemakers, as well as others in need of services.

The Maricopa County Branch of the NAACP highly values the many contributions provided to the community by AZOIC.

Sincerely,

Karen Hardin, Ed.D., Branch President

**From:** [Maria Salazar](#)  
**To:** [Sarah Stockham](#)  
**Subject:** Item # 4 - OIC Project  
**Date:** Monday, October 12, 2020 1:01:01 PM

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My name is Eli Medina. I was fortunate enough to receive funds from OIC to attend barber school. Upon completion of barber school my counselor blessed me with a brand new set of work tools. I was able to go on to not only work as a barber but also open my own barber shops. I am forever grateful for the opportunity that was given to me. I'm hoping to be able to return to OIC one day to be able to volunteer my services in some way. This agency was able to do good work when the funds were there. I hope they are able to get back to helping the community.

**From:** [Eliza Harper](#)  
**To:** [Sarah Stockham](#)  
**Subject:** Item 4 OIC Project  
**Date:** Monday, October 12, 2020 1:05:05 PM

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My name is Danice. I was able to take part in the summer work experience program through OIC. I live with my single father who at the time was not working. Being able to work the summers I was able to buy my own school clothes and supplies. The job was a blessing for me and my family. Even after the program ended, the staff reached out to me to offer my family tickets to events at the arena. If not for OIC we would not have been able to experience a lot of the events that we were able to be a part of. OIC does a lot of good for the youth. I hope they are able to continue.



**From:** [Eliza Harper](#)  
**To:** [Sarah Stockham](#)  
**Subject:** Comment for Item # 4 / OIC Project  
**Date:** Monday, October 12, 2020 12:52:19 PM

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My name is Eliza, a former employee of AZ OIC. Working at OIC was one of the most fulfilling jobs I have had. We were making a difference in the lives of so many people. To this day, I run into people who thank me for the work we were doing at OIC. Working for Gene Blue was truly an honor. I've never worked for someone as caring as him. He is a true example of a leader who treated his staff and customers with the utmost respect despite anyone's circumstances. He never just stayed in his office and attend important meetings with the higher ups. He made sure that anyone who walked through their doors was good and received the services they needed. Unfortunately due to a lack of funding, I was not able to continue on with the agency. However, because I believe in the work that is being done by the agency I have made myself available as a volunteer. I will always be available to this agency because the work that is being done is important. I pray things go in the favor of Az OIC and they are able to continue on doing the good work that is needed in Phoenix.

**From:** [Samariah Riggins](#)  
**To:** [Sarah Stockham](#)  
**Subject:** Item #4 OIC Project  
**Date:** Monday, October 12, 2020 12:56:09 PM

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My name is Samariah and I am speaking out as a student who has received services from OIC. I was able to work at OIC during the summers through the Summer Work Experience programs. In addition to work experience, I was blessed with scholarships to help pay my tuition at Northern Arizona University. I appreciate the staff at OIC who have reached out to me even when I was not working to make me aware of opportunities that they knew I would benefit from. The staff at OIC are truly for the people. I remember a time when the halls were full of people. It is sad that they are not able to provide more services because it is needed. I hope that this new development provides OIC with the revenue needed to begin to offer more services and fill the hallways again with people. There are so many more students who will need their services.

**From:** [Warren H. Stewart Sr](#)  
**To:** [Sarah Stockham](#)  
**Subject:** 39 E. Jackson Street -- Phoenix OIC Property -- Item 4  
**Date:** Monday, October 12, 2020 1:26:38 PM

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Dear Sarah,

Greetings and blessings.

I am writing on behalf of the 39 E. Jackson Street property that has been occupied by the Phoenix OIC for 50 years, which is item 4 on the agenda.

The African American Christian Clergy Coalition, which represents over 100 predominantly African American churches and clergy in the Valley of the Sun, has worked with the City of Phoenix and the Phoenix OIC over the last two decades.

The proposed project by the Phoenix OIC to develop that historic property into a hotel and job development center provides a way in which the Phoenix OIC may continue to impact the people of Phoenix in a beneficial manner as well as provide financial stability for the nonprofit organization for decades to come. We also believe that this proposed project would be one of very few projects established by people of color in the overall development of downtown Phoenix.

Therefore, the African American Christian Clergy Coalition supports the Phoenix OIC seeking approval of this project proposal.

Thank you for your consideration of this proposed project and our support of it.

Keep the faith and be encouraged.

Dr. Warren H. Stewart, Sr., Chairperson  
AACCC

*Sent from my Verizon LG Smartphone*

**From:** [Eric Johnson](#)  
**To:** [Sarah Stockham](#)  
**Cc:** [Eric Johnson](#)  
**Subject:** Application #Z-TA-5-20-7  
**Date:** Sunday, September 27, 2020 12:51:15 PM

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Good morning Ms. Stockham,

I am writing to express my extreme opposition to this application to increase the height limit for this site in the Warehouse District. Allowing this to be approved will continue to erode the unique fabric and character of downtown Phoenix and the Warehouse District.

In addition, I find it obscene to consider tearing down any structure - especially one that is on the National Register of Historic Places as well as the Phoenix Historic Property Register - to build a high rise multi-purpose facility given the numerous empty sites immediately adjacent to the downtown area where high rise buildings make significantly more sense from a business, land use and city planning perspective. Many of these empty sites are the result of Phoenix's historic disregard for the unique character of downtown neighborhoods in favor of short sighted business interests. These types of actions need to stop.

As Phoenix continues to attract new businesses and diverse residents, it is imperative that we maintain the components of the city that make it such an exciting and innovative place to live. Areas like the Warehouse District are significant contributors to that excitement and innovative character.

Sincerely

Eric Johnson

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Eric D. Johnson  
1801 E Oregon Ave  
Phoenix, AZ 85016  
412.512.5785  
[ericjohnson.edj@gmail.com](mailto:ericjohnson.edj@gmail.com)

**From:** [Roger Brevoort](#)  
**To:** [Sarah Stockham](#)  
**Subject:** Rezoning of the Arizona Hardware Supply Warehouse  
**Date:** Monday, October 12, 2020 5:19:51 PM

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Sarah:

RE: Z-TA-5-20-7

**On behalf of Preserve PHX, the advocacy voice for historic preservation on Phoenix, I want to STRONGLY OPPOSE the height variance for the property at the southwest corner of Jackson Street and First Street.**

This is only the first of several steps being proposed by the developers that could ultimately lead to the demolition of the Arizona Hardware Supply Company Warehouse, a building constructed in 1923 and listed on the **Phoenix Historic Property Register and the National Register of Historic Places**.

**There is very strong opposition in the preservation community. and from the supporters of the warehouse district. The initial post on Facebook regarding this pending variance reached 15,242 people.**

We also note that the **City Historic Preservation Office holds an easement on the building**. While the building has seen some alteration along the main facade, its form, roofline, and windows are all apparent. It would not be hard to restore it back to the original appearance.

The project will effectively demolish the building, although supporters claim they will retain the east and west facades as a gesture to the Warehouse District and the character of Jackson Street. In effect, this is "facadectomy" which is **not an acceptable preservation practice on the national scene**. Further, the whole concept **undermines the spirit and intent of the Phoenix historic preservation program** and the legal intent of designation.

The proposed 285 foot new structure would **overwhelm the entry point** of the Warehouse District from the perspective of urban scale and overall context of an area that is already fragmented.

**Preserve PHX is strongly opposed to the proposed variance.**

Sincerely.

Roger Brevoort, **for PRESERVE PHX.**  
602-690-8080