



Village Planning Committee Meeting Summary

Z-129-24-3

Date of VPC Meeting	December 18, 2024
Request From	C-2 M-R (Approved C-2 M-R PKG/WVR), C-2 M-R (Approved C-2 M-R SP and Approved C-2 M-R PKG/WVR), and C-2 M-R DNS/WVR
Request To	C-2 M-R DNS/WVR
Proposal	Multifamily residential with a density waiver.
Location	Approximately 500 feet north of the northwest corner of 25th Avenue and Dunlap Avenue
VPC Recommendation	Approval, per the staff recommendation
VPC Vote	16-0

VPC DISCUSSION:

Committee Members Nadine Alauria, Jason Barraza, and Gabriel Jaramillo joined the meeting during this item, bringing the quorum to 16 members present.

One member of the public registered to speak in favor of this item.

STAFF PRESENTATION

Mr. Kuhfuss, staff, provided a brief overview of the rezoning request, surrounding land uses, General Plan Land Use Map designations and zoning, the proposed development, and recommended stipulations.

QUESTIONS FROM THE COMMITTEE

Chair Fogelson asked to review Stipulation No. 5. **Mr. Kuhfuss** read back Stipulation No. 5.

Committee Member Shannon McBride asked if the proposal had been reviewed by the Transit Oriented Communities Team. **Mr. Kuhfuss** confirmed that it had been reviewed by the team.

Chair Fogelson asked for clarity regarding the stipulation that requires additional landscaping. **Mr. Kuhfuss** explained that enhanced landscaping would occur along the 25th Avenue frontage adjacent to the north parking garage.

Committee Member Jason Barraza asked how Stipulation No. 18 regarding future changes along 25th Avenue would be monitored in the future. **Mr. Kuhfuss** stated that it would likely involve the property being flagged in the system to notify staff when these improvements are triggered.

Committee Member Elizabeth Perez asked for clarification regarding Stipulation No. 5 pertaining accessible open space. Using the PowerPoint presentation, **Mr. Kuhfuss** pointed to the area adjacent to the canal near the northwest corner of the site.

APPLICATION PRESENTATION

Mr. Taylor Earl, representing the applicant with Earl & Curley, PC, introduced himself and indicated that he would have further clarification regarding the questions previously presented by the Committee. Mr. Earl displayed aerial imagery of the site and its surroundings, and described the existing uses near the site, calling out commercial and multifamily uses, and the site's uniqueness with close proximity to Metrocenter. Mr. Earl expressed his excitement with regards to the site being in proximity to light rail, the opportunity to stimulate growth and a walkable mixed-use community. Mr. Earl stated that the best thing that can be done for mixed use is to increase the number of people. Mr. Earl stated that it is one thing to fill commercial tenancy, and another to keep it filled. Mr. Earl stated that more people equate to more buying power. Mr. Earl stated that I-17 creates both a physical and psychological barrier, which requires activation and development of the area east of I-17. Mr. Earl stated that his firm represents Trillium, who is willing to put forth a major investment in the area. Mr. Earl stated that future developers will look at rents that the proposed development is generating and will create their own proformas based on that information. Mr. Earl stated that proximity to light rail is a big feature along with Rose Mofford Park, and that they would be activating the canal area with open space located in that proximity.

Mr. Earl discussed the existing zoning, which currently includes a height waiver, and further stated they are asking for a density waiver in addition to the height waiver. Mr. Earl stated that C-2 allows multifamily but would not allow these specific buildings to be converted to multifamily. Mr. Earl stated the proposed zoning is consistent with what is currently in the area.

Mr. Earl stated the currently allowed density of 14.5 dwelling units per acre analogous to garden style apartments, while typical build-to-rent developments are at about eleven dwelling units per acre. Mr. Earl stated that such densities are a wasted opportunity when located next to light rail. Mr. Earl stated the subject site was in the Village Core, which seeks density and intensity, and is consistent with that vision. Mr. Earl quoted the Phoenix General Plan 2025 as encouraging "high-density housing and high intensity employment uses adjacent or close to transit stations per adopted transit district plans".

Mr. Earl stated that a recent study of the Northwest Phoenix office submarket conducted by the developer concluded there was a 41% commercial vacancy rate within a five-mile radius of the site, suggesting there is limited market for office space in this area.

Mr. Earl stated the existing buildings are in great condition but will require some tenant improvements and the developer has experience in adaptive reuse. Mr. Earl explained they will have units around the perimeter of the parking garage, providing slightly smaller units with parking located within the interior. Mr. Earl stated there are two ways to create affordability, those being government subsidies, or smaller units that are market rate. Mr. Earl stated these units will be less expensive due to their size but will cost about \$1,650 per month to rent. Mr. Earl stated that even though they are taking away some of the available parking, the site is still overparked due to the amount of parking needed to meet the prior office demand. Mr. Earl discussed how they would be closing in the empty space between the decks of the parking garage with windows, keeping parking in the interior. Mr. Earl summarized the development's amenities.

Mr. Earl presented examples of existing adaptive reuse developments completed by the developer and noted how these projects reduced the criminal element in the area. Mr. Earl reiterated how adaptive reuse is consistent with the green building policies expressed in the General Plan.

Mr. Earl highlighted the rationale for some of the stipulations and how they would be meeting those stipulations.

Mr. Earl expressed the importance of TSMC and how TSMC will generate a cumulative of 20,000 jobs while acting as a catalyst for additional ancillary employment, and how this proposed development will provide housing in support of that employment.

Mr. Earl stated that Jeff Spellman from the VIP Coalition was present and quoted an excerpt from a support letter that the VIP Coalition provided.

Mr. Earl summarized key points being the need for density, proximity to light rail and Metrocenter redevelopment, housing opportunities in the Village Core, adaptive reuse, high rate of office vacancy, TSMC, the city's desire to increase housing generally, and providing positive momentum on the east side of I-17.

QUESTIONS FROM THE COMMITTEE

Committee Member Jim Larson stated there is a very large area in need of redevelopment and stated the proposed development is a very good concept but expressed concerns over the status of the Sheraton Hotel and how the hotel will blend with the project, as well as whether the vacant land to the west was going to be redeveloped. Committee Member Larson asked how the proposed redevelopment

was going to function the context of the larger area with respect to walkability, bike-ability, and shade as part of a larger system that involves Metrocenter. Committee Member Larson also stated the area has limited infrastructure and asked what the developer has done to confirm power, water, and sewer capacity with the City to support 400 new residences and what it is going to take to make this project compatible with the infrastructure currently in place. **Mr. Earl** stated that before he is allowed to file a rezoning request, the City requires the developer to apply for a site plan pre-application meeting, which is designed to expose the big issues affecting the site. Mr. Earl further stated that at that time, water and sewer capacity and connections are discussed, and whether any upgrades will be needed because of this project. Mr. Earl stated that the risk is on the developer to determine whether those upgrades are feasible as the City does not just “roll over”. Mr. Earl stated that the developer cannot build without permits and the City will not issue permits if the system can’t support the project. Committee Member Larson expressed further concerns over the capacity of the larger area to support future development efforts and if the City is looking at future capacity. Mr. Earl stated those issues represent a big chunk of what the developer discusses with the City and referenced discussions with the Transit Oriented Communities Team. Mr. Earl further stated that it is not the developer who looks at the capacity globally, but that it is the City that looks at how the proposed development fits with the various plans and policies. **Mr. Ken Losch** of Trillium Development stated that 400 units will have somewhere around 800 to 950 residents and the system has the capacity to serve approximately 2,000 people during the day with residents being there mostly at night.

Chair Fogelson asked for clarification as to which buildings were going to be repurposed. **Mr. Earl** stated that both office buildings and the northern parking structure will be repurposed but only the outer ring of the parking structure would be converted to units.

Chair Fogelson asked about the size of the building floor plates. **Mr. Losch** indicated that one building would be about 22,000 square feet.

Committee Member Steve Pamperin asked about the range of unit sizes. **Mr. Earl** stated that unit sizes have not been fully determined. **Mr. Losch** indicated approximately 516 square feet for the units located around the outer ring of the garage and that those units would be efficient one-bedroom units. Mr. Losch further stated they were putting in three and four-car garages within the interior of the parking structure and that he currently has a tenant at another location that has a Harley and a pickup truck and wants a small workshop. Mr. Losch stated that particular tenant currently pays around \$2,600 per month. Mr. Losch stated that within the larger buildings they are seeing a strong market for families, and they would be providing three-bedroom units with a flex space together with a good mix of one and two-bedroom units. Committee Member Pamperin asked what their largest size unit is. Mr. Losch indicated about 1,500 to 1,600 square feet.

Vice Chair Matthews asked if there would be opportunities for future infill on the site. **Mr. Earl** indicated there would be.

Committee Member Perez asked if the site would be gated. **Mr. Earl** indicated it would be.

Committee Member Perez asked staff if this would be subject to impact fees. **Mr. Kuhfuss**, staff, indicated he was not well versed on the subject of impact fees. **Mr. Losch** indicated the project was not subject to impact fees due to being within an impact fee exempt area that was intended to foster further development of the area.

Committee Member Jaramillo asked if there would be any additional building height increases. **Mr. Earl** indicated it would not since the requested density waiver does not affect height.

Committee Member Perez asked for further clarification as to why there would not be any impact fees associated with this project. **Mr. Losch** reiterated that it was intended to foster infill development. **Mr. Earl** further clarified that projects located on the outskirts of town, where new roads and libraries are being built, would need to pay impact fees.

Committee Member Perez asked where the closest grocery store was located. Several Committee Members indicated the location of various stores in the area.

Committee Member O'Hara stated that he liked the project but also stated that when the building was designed from a fire protection perspective, the fire department was not counting on the fire loads associated with residential and recommended the developer work hard with the City's Fire Prevention team. **Mr. Earl** acknowledged they would do so.

Committee Member Larson stated that multifamily would have an impact on the local schools and their ability to bus kids to and from. Committee Member Larson further stated that bus access would be limited and asked how wide the access road to the west would be. **Mr. Earl** stated they would look into it.

PUBLIC COMMENTS:

Jeff Spellman, from VIP Coalition, stated they represent a neighborhood organization within the 27th Avenue corridor that extends from Dunlap Avenue to Indian School Road, and from 19th Avenue to 35th Avenue. Mr. Spellman stated they had worked with the City to develop a plan for redevelopment and revitalization of the area, and that the proposed project fits nicely. Mr. Spellman stated that whenever Mr. Earl calls him with a potential project, he knows that it will be a quality project. Mr. Spellman indicated the Coalition was supportive of the project and wants to encourage more projects of the quality of the proposed development.

APPLICANT RESPONSE TO PUBLIC COMMENT:

Mr. Earl expressed his appreciation for the kind words and offered clarity with respect to the public pathway in that the pathway would remain gated until certain conditions are met, which would serve as markers indicating the area is becoming safer. Mr. Earl stated those would be in the form of certain City investments and that until then the area would remain gated for safety reasons. Mr. Earl stated that once people move into the area, there will be momentum for further redevelopment that will lead to these investments being made by the city.

Committee Member Jaramillo asked for clarification as to whether this was market rate housing. **Mr. Earl** stated that at this time they have no LIHTC applications in, and the project is envisioned as market-rate.

MOTION:

Committee Member Mike Krentz motioned to recommended approval of Z-129-24-3, per the staff recommendation. **Committee Member Elizabeth Perez** seconded the motion.

VOTE:

16-0, motion to recommend approval of Z-129-24-3, per the staff recommendation passed with Committee Members Alauria, Barraza, Carmona, Garbarino, Jaramillo, Knapp, Krentz, Larson, McBride, O'Hara, Pamperin, Perez, Viedmark, Whitney, Vice Chair Matthews, and Chair Fogelson in favor; none in opposition.

STAFF COMMENTS REGARDING VPC RECOMMENDATION:

None.