



Village Planning Committee Meeting Summary

Z-26-22-4

Date of VPC Meeting	August 1, 2022
Request From	P-2 H-R TOD-1 and C-2 H-R TOD-1
Request To	WU T5:6 MT
Proposed Use	Multifamily Residential
Location	Approximately 430 feet east of the northeast corner of Central Avenue and Osborn Road
VPC Recommendation	Approval, per staff recommendation
VPC Vote	7-3-0

VPC DISCUSSION:

No virtual speaker cards were received on this item.

STAFF PRESENTATION

Klimek, staff, provided an overview of the site including its physical and policy contexts, the applicant's proposal, and the staff recommendation. The subject site is located approximately 430 feet east of the northeast corner of Central Avenue and Osborn Road, immediately east of the Phoenix Financial Center. There is no single-family residential near the subject site which is surrounded by commercial uses with built or entitled heights of between 56 and 250 feet. The subject site is located within the Encanto Village Core, within a short walk to the nearest light rail station, and within the Midtown TOD Policy Plan area.

The conceptual zoning plan contained within the Midtown TOD Policy Plan identifies the site as T6:22. T6:22 would allow a maximum height of 250 feet which is significantly more than the 80 feet permitted in T5:6. The conceptual zoning plan includes a disclaimer that its recommendation is guidance only and that a more thorough analysis should be completed during the rezoning process. The site includes significant constraints including an obligation of the sale/purchase to accommodate a large volume of off-site vehicle parking. In terms of physical constraints, the subterranean parking structure that occupies virtually the entire site provide a structural limit on the yield possible on the site without fully redeveloping the site and accommodating the full parking load for both the off-site user and the new development. Due to these financial, logistical, and structural constraints, it is unlikely that the site will achieve heights

beyond T5:6 which is therefore the staff recommendation in response to the applicant's proposal.

The subject site is presently developed with a surface and subterranean parking structure with a total of 1,178 parking spaces for the adjacent but off-site Phoenix Financial Center. The applicant's proposal preserves this off-site parking arrangement and adds 335 multifamily units to be built atop the parking structure for a total above grade height of approximately 75 feet. The development includes five percent private open space as required by WU Code.

Staff is recommending approval subject to 9 stipulations.

APPLICANT PRESENTATION

Mr. Nick Wood, of Snell and Wilmer, introduced himself as representing the applicant. He presented on the site, the proposal, and offered to answer questions from the committee. Mill Creek Residential is a national developer focused on lifestyle and this will be their second project in Phoenix with the first located in the Kierland area and they primarily pursue development with a build-hold strategy.

The subject site is challenging but exciting due to its physical constraints and the design opportunities. In collaboration with the Phoenix Financial Center the proposal will create a connected mixed-use community with jobs, dwellings, public open space, and resident amenities. The subject site currently houses virtually all parking for the Phoenix Financial Center and is entirely developed by a parking structure with two below grade levels and a surface level with a total of 1,178 spaces. Historically, the subject site was master planned with the Phoenix Financial Center and was proposed as a lower-rise commercial structure that would sit atop the parking structure. The current proposal will structurally reinforce the parking structure to accommodate seven stories of multifamily development above grade.

A condition of the purchase from the owners of the Phoenix Financial Center required that the applicant replace the 385 surface parking spaces with at least 120 unreserved spaces, in addition to also preserving all 768 underground spaces used by the Phoenix Financial Center. The proposal adds 335 dwelling units with a marginal increase in the total amount of parking on the site. The above grade parking structure is wrapped by units on the west, north, and south with the podium and elevated surface parking that will open onto the east.

The proposal includes: two ground level amenity areas for residents that will be surrounded by units; an electrical transformer that will allow for up to 50 percent of all units in the parking structure to be EV charging stations; and will include efficient fixtures and building materials.

He concluded by stating that the applicant is in full agreement with all the staff stipulations.

QUESTIONS FROM COMMITTEE

Committee Member Cothron asked if the project will pursue LEED Certification and if there have been any neighborhood concerns. **Mr. Tyler Wilson**, of Mill Creek Residential, introduced himself and stated that they will not pursue LEED Certification but that their proposal would meet many of the certification points. **Mr. Wood** stated that the neighborhood outreach process exceeded the minimum requirements established by the City of Phoenix and there is only one opponent who doesn't like multifamily or any development on the site.

Vice Chair Rodriguez stated that the Midtown TOD Policy Plan identifies the site as being appropriate for more intensity. She asked for confirmation that structural analyses revealed that the parking structure cannot handle additional load beyond 75 feet. **Mr. Wood** confirmed. **Vice Chair Rodriguez** stated that parking costs will always fall back onto the tenants and expressed concern that the applicant's presentation had failed to mention the light rail or the many bikeways in Central Phoenix including the 3rd Street Promenade. She asked for detail on the target renters and if they would all be drivers. **Mr. Wilson** responded that the likely renter profile includes a mix of everyone but that there will likely be a focus toward medical employees due to the concentration of uses including St. Joseph Hospital, Creighton University, and others within proximity. Mill Creek Residential targeted the site due to the light rail, the 3rd Street Promenade, Park Central, and collectively, the energy focused around this area. **Vice Chair Rodriguez** stated that it sounds like they are targeting prospective tenants who want to live near they work. She asked if the units will be energy efficient. **Mr. Wilson** responded that the development will be a long-term hold and that energy efficient building systems will benefit them as owners but also their tenants.

Vice Chair Rodriguez stated that the most sustainable thing that a developer can do is reduce its parking supply to mitigate the urban heat island crisis. She stated that reducing parking is also an important way to address the affordable housing crisis facing Phoenix. She expressed concern that the site is over-parked. **Mr. Wood** agreed with the premise that parking is expensive but stated the proposal is displacing surface parking which must be accommodated within the development. **Vice Chair Rodriguez** responded that it is only displacing parking if the parking area is utilized, which the surface lot is not.

Committee Member Procaccini expressed concern that the units located on the eastern half of the site and oriented onto the elevated surface parking area will not be desirable. **Mr. Wood** responded that there will be shade structures for the elevated surface parking, that the units will be located five feet above the parking area to eliminate headlight glare. He concluded by stating that that they do not expect that they will need to discount the units because, in part, the units will have a clear view of Camelback Mountain and will have larger patios than the other units.

Committee Member Procaccini asked if it is possible to add trees to the elevated surface parking and then suggested that they consider adding more curves into the design in tribute to the Phoenix Financial Center. **Mr. Wilson** stated that they will need to explore whether trees are viable given the structural limitations of the parking structure. He stated that plants and shrubs will be viable and that there will be structural shade for vehicles on the elevated surface parking area.

Vice Chair Rodriguez asked if staff expressed concerns about the project. **Mr. Wood** responded that they have worked closely with staff regarding the site plan and its interfaces with the public streets and with the Phoenix Financial Center.

Vice Chair Rodriguez asked Klimek to confirm that members of the VPC can recommend stipulations. **Klimek** confirmed. **Vice Chair Rodriguez** suggested that a parking maximum is appropriate for this site and be added to the committee's recommendation.

Chair Kleinman asked Wood if the inclusion of unreserved parking in exchange for the displaced surface spaces was a condition of the property purchase. **Mr. Wood** confirmed that they are obligated to include 120 unreserved spaces in exchange for the 384 surface spaces that will be displaced.

Committee Member Schiller asked if the retail referenced in the site was onsite or if was located on the site of the adjacent Phoenix Financial Center. **Mr. Wood** confirmed the latter.

PUBLIC COMMENTS

Chair Kleinman identified a raised hand in the audience and asked Klimek if anyone from the public had registered to speak and, if not, whether the committee can elect to hear a comment. **Klimek** confirmed that no one had registered to speak but that the Chair has the discretion to invite public comment. **Chair Kleinman** invited John Glenn to address the committee.

Mr. John Glenn introduced himself, greeted the committee, and expressed his support for the project.

APPLICANT RESPONSE

Mr. Wood stated that there were many hurdles associated with the site but explained that he feels the project complements the Phoenix Financial Center in both design and layout and maximized the density on this infill parcel.

Vice Chair Rodriguez asked for an explanation of how the parking supply is calculated including the preserved parking for the Phoenix Financial Center, the displaced parking at surface level, the unreserved parking to offset a portion of the displaced parking, and the total supply of parking for residential uses. Wood summarized the parking

calculations including conditions of the sale. **Chair Kleinman** asked for confirmation that the proposal adds 335 dwelling units, removes 379 spaces, and adds 499 spaces. **Mr. Wood** confirmed.

Vice Chair Rodriguez invited other members of the committee to learn more about the impact of parking supply on housing costs.

FLOOR/PUBLIC DISCUSSION CLOSED: MOTION, DISCUSSION, AND VOTE

Chair Kleinman asked Vice Chair Rodriguez if she would like to make a motion. **Vice Chair Rodriguez** declined.

MOTION

Chair Kleinman made a motion to approve the request per the staff recommendation. **Committee Member Jewett** seconded.

DISCUSSION

None.

VOTE

7-3-0; motion passed with Committee Members Bryck, Jewett, Mahrle, Matthews, Procaccini, Schiller, Wagner, and Chair Kleinman, in support, Committee Members Cothron, George, and Vice Chair Rodriguez in dissent, and none in abstention.