



## Minutes of the Development Review Commission REGULAR MEETING January 24, 2023

Minutes of the **Regular Meeting** of the Development Review Commission, of the City of Tempe, was held in Council Chambers  
31 East Fifth Street, Tempe, Arizona

**Present:**

Vice Chair Andrew Johnson  
Commissioner Don Cassano  
Commissioner Barbara Lloyd  
Commissioner Michelle Schwartz  
Commissioner Linda Spears  
Commissioner Joe Forte  
Alt Commissioner Robert Miller

**City Staff Present:**

Jeff Tamulevich, Director – Community Development  
Ryan Levesque, Deputy Director, Community Development  
Suparna Dasgupta, Principal Planner  
Steve Abrahamson, Principal Planner  
Obenia Kingsby II, Planner II  
Lily Drosos, Planner I  
Mike Scarpitta, Planner I  
Joanna Barry, Administrative Assistant II

**Absent:**

Chair Michael DiDomenico  
Alt Commissioner Rhiannon Corbett  
Alt Commissioner Charles Redman

**Hearing convened at 6:00 p.m. and was called to order by Vice Chair Johnson**

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**Consideration of Meeting Minutes:**

- 1) Development Review Commission – Study Session 12/13/22
- 2) Development Review Commission – Regular Meeting 12/13/22

**Motion:** Motion made by Commissioner Cassano to approve Study Session Meeting minutes and Regular Meeting minutes for December 13, 2022 and seconded by Commissioner Lloyd.

**Ayes:** Vice Chair Johnson, Commissioners Cassano, Schwartz, Lloyd, Spears, and Forte

**Nays:** None

**Abstain:** Commissioner Miller

**Absent:** Chair DiDomenico

**Vote:** Motion passes 6-0

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The following items were considered for **Consent Agenda**:

- 3) Request a Development Plan Review for a 12,000 square foot building addition to the existing Building A of Watermark for **THREE THIRTY THREE**, located at 430 North Scottsdale Road. The applicant is ITR Investment Group. (PL220344)
- 4) Request a Use Permit Standard to allow a 20% reduction to the required rear yard setback from 35 feet to 28 feet for the **KELLER RESIDENCE**, located at 2029 East Caroline Lane. The applicant is Dahlman Construction. (PL220297)

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- 5) Request a Use Permit Standard to allow a 20% reduction to the required side yard setback from 7 feet to 5 feet 7 inches for the **BARRETT RESIDENCE**, located at 1405 East Chilton Drive. The applicant is Effie Barrett. (PL220312)

**Motion:** Motion made by Commissioner Miller to approve Consent Agenda and seconded by Commissioner Spears.

**Ayes:** Vice Chair Johnson, Commissioners Cassano, Schwartz, Lloyd, Spears, Forte, and Miller.

**Nays:** None

**Abstain:** None

**Absent:** Chair DiDomenico

**Vote:** Motion passes 7-0

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The following items were considered for **Public Hearing**:

- 6) Request a General Plan Projected Land Use Map Amendment from "Educational" to "Mixed-Use", General Plan Projected Density Map Amendment from "Medium to High Density" (up to 25 du/ac) to "High Density" (up to 65 du/ac), and a Zoning Map Amendment from R-3 TOD and R-4 TOD to MU-4 TOD on approximately 2.9 acres; General Plan Projected Density Map Amendment from Medium to High Density (up to 25 du/ac) to High Density (up to 65 du/ac) and Zoning Map Amendment from CSS to MU-4 TOD on approximately 1.3 acres; and a General Plan Projected Density Map Amendment from Medium to High Density (up to 25 du/ac) to High Density (up to 65 du/ac) and a Zoning Map Amendment CSS TOD to MU-4 TOD on approximately 3.5 acres for **APACHE CENTRAL**, located on 1233 East Lemon Street, 1306 East Apache Boulevard and 1310 East Apache Boulevard. The applicant is City of Tempe. (PL220259)

**PRESENTATION BY APPLICANT:**

Maria Laughner, Deputy Economic Development Director, advised the Commission that a year ago the City Council approved an up-zoning initiative through a resolution, with the goal being to help spur some redevelopment in certain areas. This will be their second time using this process. She then gave an overview of the request and the three properties that it includes. Ms. Laughner stated that the City owns all three of these properties and is looking to do an RFP sometime in the near future, preferably in this first quarter, with the goal of bringing in a mixed-use project with some affordable units. The combined total of the three lots is a little over eight acres. They are looking to do affordable multi-family and also bring a grocery tenant back since the area has become a food desert since the prior grocery store shut down. The City wants to make it a stipulation of the RFP that a grocer comes in, along the lines of what they did with The Local site. A neighborhood meeting was held on November 7, 2022, and there was some neighborhood angst regarding the density and height of the project. In response to this, staff met with the Mayor and the presidents of the two different neighborhood associations to discuss this. It was agreed that the City could cap some of that development. Ms. Laughner noted that part of the issue they have with the resolution to do this process is that unlike a normal development that you get to look at, this one does not have a project attached to it so they do not know what the project might look like yet. Since they cannot provide assurances through a project, the City would like to provide assurances through caps. One is that the density is not to exceed 400 units, and another is that the height is not to exceed five stories.

Ms. Laughner noted that as part of the Dorsey lot they have the EnVision Center. The City owns that building and it is currently being leased by their Human Services team.

Ms. Laughner advised that there are three types of zoning on each of these three parcels: R-3/R-4, and CSS. They are proposing a designation of MU-4 for all three. She then gave examples of projects along Apache that have a residential density of 45-65 du/ac. If the request tonight is approved, they plan to go to the City Council on February 16, 2023 for their first hearing, with a final hearing on March 2, 2023. The RFP would be issued within a couple of weeks from the approval date and would be out for 60 days. Once a developer is selected, any proposed development will be required to go through all required public processes. The estimated time for construction to start is about 2-3 years.

Commissioner Spears stated she has concerns with this because they are asking for the highest use on the properties, but there is no project to view. Commissioner Spears asked why the RFP was not being done first, and then coming back to the Commission with a plan. Ms. Laughner stated they wanted to do this now to show to the development community that they are serious about the kind of development they are looking for. It also makes it more developer ready as they would not have to go through this process.

Commissioner Lloyd asked if this was one of the first attempts for the Hometown For All concept. Ms. Laughner advised that it was not because affiliate money is used for Hometown For All, but Apache Central was not purchased with affiliate money. However, they are still looking to have 50% affordable units. Commissioner Lloyd asked what the driver was for the 50% because if there are 400 units then only 200 would be affordable. Ms. Laughner stated they would like to do more, but in the RFP they are going to state at least a minimum of 50%. Due to the current economic environment, which has tightened significantly, they are seeing pullback from the development community because funding is becoming harder to come by.

Commissioner Miller asked that if the Commission goes forward and approves this, could they stipulate a percentage of affordable housing or maximum density. Suparna Dasgupta, Principal Planner, stated that we cannot stipulate the affordability part of it because from a planning standpoint affordable housing is not how planners will be reviewing it. They will be reviewing it as multi-family housing. She stated that it is possible for the City Council to add a stipulation to limit the density. She noted that if this is something that Economic Development want to do, and the Letter of Explanation has greater details about the density and the affordability.

Commissioner Spears asked what happens if they do not find an adequate response to the RFP, but someone comes to the City and wants to buy the property. She noted they would be buying it with the 65 du/ac and the other up-zoning in place. Ms. Laughner stated that the City is prohibited from selling without doing a public process so they could not sell to someone without doing an RFP. They would not deviate from this RFP and the respondent would have to agree to those terms. Ms. Laughner advised the City has two years from the date of City Council approval to get something done and that if they do not the up-zoning will sunset and the sites would go back to their original zoning. Ms. Dasgupta stated that there is a Condition of Approval for this request to have a PAD and a DPR application to the City within two years of approval.

#### **PUBLIC COMMENT:**

Steve Abrahamson, Principal Planner, read out loud for the record two public comments received by the City. Below is a summary of the comments. The full comments are on file.

Charles Buss, University Heights NA – Neither Oppose nor Support

- “A change of zoning to “high density” should be done carefully with consideration to proximity to our single family neighborhood. Of the three parcels this is most important at the former Food City site which is directly beside Tomlinson Estates historic district. When new structures at this location are proposed they should be kept to a lower height with increasing height towards Apache & Dorsey. Buildings should be up against Apache Blvd with open space and landscaping next to the neighborhood. The Dorsey / Lemon St. parcel could carry a taller / more dense building as it is surrounding by apartments and retail. I realize a certain amount of density is needed to attract a developer who will provide a ground floor grocer at the former Food City site but the height / density concerns of existing neighbors should be respected.”

Jeff Jendrusina, Tempe Resident – Oppose

- “My property touches the Apache Central project. I attended the November 7, 2022 Neighborhood Meeting, and I reread your summary of each of the 5 attendees. Since the city has not made any changes to the very high-density project (MU-4) to accommodate the concerns of the 5 attendees, I have come to the conclusion that the city does not care about the concerns of the citizens that live next to Apache Central in Tomlinson Estates and Butterfield Park Apartments. It is easy to find support for the project (Phil Amorosi and Charles Buss) from Tempe organizations that are further away from Apache Central, that will not have to suffer with more traffic, more pollution, and more noise. I just want to reiterate that I am very dissatisfied that the city of Tempe wants to up-zone Apache Central to a very high-density MU-4, and wants to add 5 story buildings and 400 units, that will

damage the value of our properties that are next to Apache Central. Please change the project density from MU-4 to MU-3 (25 units/ acre = about 200 units) to reduce the negative impact on our neighborhood.”

Ms. Dasgupta read into the record a letter of support that was received from the Citizens for a Vibrant Apache Corridor (CVAC).

The following public comments were in person

Alan Flory, Tempe resident, stated he owns a house on Hall Street and his backyard abuts the former Food City site. He shares the concerns of having the zoning portion happen first. He stated the developers are going to go for the highest zoning and use because that is where the money will be. He is also concerned about protecting the properties like his where the backyards face the former Food City site. He advised that the Food City parking lot is about five feet higher than the alley and yards of those houses, so it is already looking down on them. If another couple of stories are added it changes the whole dynamic of those eight houses. His neighbors all have chain link fences, so if the density is added they will all need to put in privacy fences. He supports the affordable housing and mixed-use with the grocery store, but he hopes the neighborhood will be protected. He agrees with a comment that the most density should be along Dorsey and Apache.

**APPLICANT RESPONSE:**

Commissioner Cassano noted that the Commission is not dealing with a site plan, or anything built on the site yet, so he asked staff if they would be taking into consideration the comments received and look at the setbacks, views, etc. for when it reaches that process. Ms. Dasgupta stated that they will. She noted that when a developer is selected, they will still have to go through a PAD and DPR process which requires the exact same process that the City went through with tonight's requests. This would include a neighborhood meeting and three public hearings; one before the DRC and two in front of the City Council. Additionally, because this is adjacent to not only single-family, but it is also abutting a historic district, Ms. Dasgupta noted there are code requirements for land use buffers when you are building multi-family or commercial adjacent to single-family, as well as step-back requirements. Staff will need to make sure the code is followed for the land use buffer and step-back and to concentrate the height towards the Apache side, and lowering the heights of the buildings as they approach the single-family residential.

Commissioner Miller noted they are looking at three parcels and that the RFP will be asking for a development plan for all three parcels, however they are not all connected. He stated he was not sure how they would pull that off. Ms. Laughner referenced the Art Space Agreement. She noted that at that time they only had two parcels, the Lemon lot and Dorsey, but Dorsey Road was in between the two of them so they would never be connected. What was proposed then was two different developments. She stated that is what they envision with the Apache Central project. Potentially, the Dorsey and Apache lot could be one, but they would have to work around the EnVision Center because that is staying. The Lemon lot would have to be something separate.

Commissioner Miller asked if there had been any thought about including the EnVision Center in this development area. Ms. Laughner stated that the City has invested a lot of money into building up this center but that does not mean they cannot do something if someone came forward. However, right now it is not included in the RFP.

Commissioner Lloyd noted there has been talk about putting more of the density out towards Apache and suggested perhaps the Lemon lot not have the same density that the Dorsey and Food City lots. Since construction of the site is not expected for another 2-3 years, Commissioner Lloyd asked if any thought had been given to an interim use on the site to fill the needs in the area. She asked how they will dictate in the RFP the minimum standard of a grocery to make sure it is filling the void. Ms. Laughner stated that the Lemon lot is the best suited for higher density given the fact that it is not near single-family. Regarding interim use, she stated that the Food City building is in major disrepair. It would cost hundreds of thousands of dollars to bring it up to where it needs to be to bring in a new tenant. They had tried to attract another grocer to go in there, but they did not get any offers. She noted it is a complex site because there is no left turn into it, so the access is really poor. The blight and vandalism there is so bad that they are looking to demolish it as soon as possible. She noted there are currently three tenants that are still there, and they are looking to relocate them across the street into the site the City just purchased. Regarding the minimum

standard for a grocery store, Ms. Laughner stated they would use similar requirements that they used for The Local and Lincoln South Back. In those they stipulated they had to have a marketplace/café use that would be something for neighbors to purchase food, including fresh fruits and vegetables. The City will not sign a development agreement unless they included that, so they would need to have a tenant in tow when it came to a grocery store. They have been approached by some grocers looking to be a part of this site so there is a lot of interest. It is more attractive for a ground floor grocer to have significant units on top that has that built-in clientele.

Vice Chair Johnson referenced the comment about one of the issues with the existing building is there being no left turns into the site. He asked if they were envisioning that the location of the grocer move to the west so they could access it with a left-hand turn. Ms. Laughner stated she does not want to speculate on what might be happening. There is no left turn on Dorsey right now, but maybe that could change. They are hoping that the left turn issue will be mitigated since the grocer will have a built-in clientele with all of the units, people in the neighborhood, and people on the light rail.

Commissioner Miller stated this is an up-zoning without a project and asked how many times it had been done before. Ms. Laughner stated this is the second time.

#### **COMMENTS AND DISCUSSION FROM THE COMMISSION:**

Commissioner Spears stated that the Commission is being asked to write a blank check and that if another developer came to them with this, they would not even consider it. She feels that the fact that it is the City makes this even worse. She compared it to the process that was used for the Tempe Entertainment District request. She feels this is putting the cart before the horse and cannot support the request.

Commissioner Lloyd stated that comment was fair but she feels this might be the arrow in the quiver for Economic Development to take a potentially challenging site and to meet some basic needs in that community for affordability and the food desert concerns. The City, versus a private developer, can mandate the stipulations the community would like to see on the site. She will be in support.

Commissioner Miller stated he has concerns regarding the three separate parcels. He noted that combining two makes good sense. The third parcel is best designed for high density, but it is being put into the other two that are designated for high density but do not want to use it. He stated it would make the most sense to carve out the Lemon site and look for a special project that addresses the needs and situation there.

Vice Chair Johnson appreciates the debate and differing opinions, but he is curious to see what comes forward from the RFP. This will provide them the opportunity to recommend changes and have the conversation with the potential developers. He thinks including the three parcels that are shown opens up a little more flexibility for someone to come in and come up with some creative opportunities and solutions for these parcels. It is a food desert and the addition of having the grocery store component is a very important piece for the area. He will be in support of the project.

Commissioner Lloyd noted that the Commission will have another opportunity to scrutinize what comes forward with the design and density so there will be mechanisms to protect the neighborhood and make sure there is integrity with whatever comes forward.

**Motion:** Motion made by Commissioner Cassano to approve PL220259 and seconded by Commissioner Lloyd.

**Ayes:** Vice Chair Johnson, Commissioners Cassano, Schwartz, and Lloyd.

**Nays:** Commissioners Spears, Forte, and Miller.

**Abstain:** None

**Absent:** Chair DiDomenico

**Vote:** Motion passes 4-3

**Staff Announcements:**

Ms. Dasgupta updated the Commission on the items that will be on the February 14, 2023 agenda.

**There being no further business the meeting adjourned at 6:56 p.m.**

Prepared by: Joanna Barry, Administrative Assistant II

Reviewed by: Suparna Dasgupta, Principal Planner

A handwritten signature in cursive script, appearing to read 'Suparna Dasgupta', is written in black ink.