

Tempe City Council

Tempe Transportation Center – Second Floor
Don Cassano Community Room
200 East Fifth Street, Tempe, Arizona
Virtual meeting option also available
Tuesday, April 25, 2023 – 4:00 PM



TEMPE CITY COUNCIL AND TEMPE DEVELOPMENT REVIEW COMMISSION JOINT MEETING MINUTES

Members of the City Council and Development Review Commission may attend virtually or by electronic means.

MEETING VIDEO

Minutes of the City of Tempe Joint City Council/Tempe Development Review Commission Meeting held on Thursday, March 14, 2023, at 4:00 p.m., in the Don Cassano Community Room, Tempe Transportation Center – Second Floor, 200 East Fifth Street, Tempe, Arizona.

Members of Tempe City Council Attending In Person:

Mayor Corey Woods; Councilmember Arlene Chin; Councilmember Doreen Garlid; Councilmember Berdetta Hodge

Member of Tempe City Council Attending Virtually:

Councilmember Randy Keating

Members of Tempe City Council Absent:

Vice Mayor Jennifer Adams; Councilmember Joel Navarro

Members of Tempe Development Review Commission (DRC) Attending In Person:

Michael DiDomenico, DRC Chair; Andrew Johnson, DRC Vice Chair; Don Cassano, Commissioner; Joe Forte, Commissioner; Barbara Lloyd, Commissioner; Michelle Schwartz, Commissioner; Linda Spears, Commissioner; Robert Miller, Alternate Commissioner (*arrived at 4:24 p.m.*); Charles Redman, Alternate Commissioner

Member of Tempe DRC Absent:

Rhiannon Corbett, Alternate Commissioner

City of Tempe Staff Attending In Person or Virtually:

Andrew Ching, City Manager; Rosa Inchausti, Chief Deputy City Manager; Tom Duensing, Deputy City Manager; Keith Burke, Deputy City Manager; Sonia Blain, City Attorney; Jeff Tamulevich, Community Development Director; Ryan Levesque, Deputy Community Development Director – Planning; Maria Laughner, Deputy Economic

NOTE: MINUTES OF CITY COUNCIL MEETINGS AND WORK STUDY SESSIONS ARE PREPARED IN ACCORDANCE WITH THE PROVISIONS OF ARIZONA REVISED STATUTES. THESE MINUTES ARE INTENDED TO BE AN ACCURATE REFLECTION OF ACTION TAKEN AND DIRECTION GIVEN BY THE CITY COUNCIL AND ARE NOT VERBATIM TRANSCRIPTS. DIGITAL RECORDINGS OF CITY OF TEMPE MEETINGS ARE AVAILABLE ONLINE AT WWW.TEMPE.GOV/TEMPE11.

Development Director; Kara DeArrastia, Interim City Clerk; Various Department Heads or their representatives

1. CALL TO ORDER

Mayor Woods called the meeting to order at 4:00 p.m. He stated that members of the public who attend the meeting physically are asked to maintain distance between other parties and masks are optional for all attendees, per City of Tempe policy. Alternatively, members of the public may attend the meeting virtually through Microsoft Teams.

Mayor Woods asked everyone to introduce themselves. He next provided comments welcoming everyone to the meeting.

2. Community Development Department Activity

Community Development Director Jeff Tamulevich provided updates on the changes impacting his Department's organizational structure, job duties and responsibilities, and positions within the Building Safety and Planning Divisions, with the goal of providing quality customer service and supporting the expected increased volume of development projects within the City. He reviewed the following statistics over the last six months:

- In their last ten (10) meetings, the Development Review Commission heard 50 planning cases, and all those cases were forwarded to the City Council for their review and approval.
- The new construction valuation totaled over \$221 million in the City.
- Community Development Staff collected over \$3.7 million in building permit fees and processed more than a thousand (1,000) building permits.

In conclusion, Mr. Tamulevich stated that his Department has been highly involved in this fast-paced construction environment and Staff training is expected to continue as they move forward.

3. General Plan 2050

Deputy Community Development Director – Planning Ryan Levesque reported that the General Plan (GP) 2050 research and public outreach process has taken place the past year and a half. Staff is prepared to release the draft GP 2050 to the public on May 5th. At the Council's next Work Study Session, Staff will provide an update on the GP 2050 development process, and solicit input and guidance from the Council on the draft GP 2050. Staff will also present the draft GP 2050 at a future study session with the Development Review Commission (DRC). Staff is collecting public comment on the first official draft in compliance with the State law notification requirement. Two public

hearings on the GP 2050 will be held before the DRC on June 27th at the Tempe History Museum Community Room (south location) and July 25th in the Council Chambers (north location). The Council will hold public hearings on the GP 2050 on August 10th and August 24th. Following Council adoption on August 24th, the GP 2050 will be submitted to the Tempe voters for ratification at an Election to be held on March 12, 2024.

Mr. Levesque explained that DRC Chair DiDomenico's final term expires on July 1st, which would preclude him from participating as a Commissioner in the DRC's second and final public hearing on July 25th to make a recommendation on the GP 2050 for consideration by City Council in August 2023. In coordination with the Mayor's Office, a resolution extending the term expiration date to August 1, 2023, will be brought to Council to enable Chair DiDomenico to complete the DRC's review and adoption process regarding the GP 2050. Mayor Woods expressed support for the resolution extending the expiration date of the final term for DRC Chair DiDomenico to August 1st.

Mr. Levesque concluded by stating that Staff is offering to meet with the members of Council individually or collectively as the GP 2050 outreach process continues.

4. Development Vision

4A. Downtown Redevelopment (Heights, Density, Use)

Deputy Community Development Director – Planning Ryan Levesque discussed the topic of development in Downtown Tempe, mentioning an increase in proposals for high-rise residential buildings on small blocks of land. Currently, there are five high-rise developments in line for formal processes like Development Plan Review (DPR) and PAD (Planned Area Development) to consider alternate building heights. Staff is seeking feedback or input from Councilmembers and Commissioners regarding the vision for the Downtown area, appearance of buildings, land uses, and overall direction.

Topics of discussion among members of City Council and Development Review Commission (DRC) highlighted the following:

- Thoughtful and scrutinized approach when selecting building materials upfront; prioritize quality and timeless materials over quick, value-engineered solutions to ensure long-term satisfaction with the developments.
- Implementation of stepped designs to ensure smoother transitions between building heights.
- Commitment to preserving open spaces, especially at corners, to prevent Downtown Tempe from becoming dominated by concrete structures and to enhance visibility and the "pedestrian experience".
- Provision of more sustainability solutions to harness solar energy more effectively, reduce utility costs, and enhance energy efficiency.

- Exploration of how to effectively buffer three-story attached housing projects with integrated garages, typically consisting of eight to 12 units, from existing single-story residential neighborhoods and whether this pattern should continue.
- Clear communication of the Councilmembers' individual preferences and priorities for consideration by the DRC in their review of development projects (e.g., the desire for dog parks, solar initiatives, and electric vehicle parking).
- Need for a cohesive, long-term vision among Councilmembers regarding building height and density preferences, so that the DRC is aware of their expectations.
- Clear plan or program that illustrates the expected density distribution, particularly showing the transition from high-rise buildings downtown to lower-density neighborhoods.
- Concentration of density in Downtown areas where public transit options like Light Rail and biking are readily available.
- Consideration of an update to the Downtown parking requirements to align with the availability of alternative transportation options near high-story buildings and dense areas, and the expected long-term conditions.
- Exploration of innovative shared parking solutions for adjacent buildings to use existing parking garages.
- Need to address traffic and safety concerns associated with increased density and the impacts on all types of travel modes (walking, bicycling, scooter riding, driving, transit, etc.) and people of all ages and all different backgrounds.
- Consideration of creative solutions for parking; for instance, relocate parking facilities outside of the central Downtown area and provide public transportation options for people to access their parked vehicles when they need to travel elsewhere.
- Assurance that Tempe Fire Medical Rescue personnel are able to access high-rise buildings and their incident response times are adequate when requests for increased density are being considered.
- Importance of encouraging development of community-oriented amenities along Tempe Town Lake and the Light Rail and Streetcar routes to further enhance public spaces and amenities for the broader community and also attract visitors.

Councilmembers and Commissioners concluded discussions on this agenda item by providing comments on the development of purpose-built student housing projects in Downtown Tempe and issues related to the location of student housing and property management.

4B. Industrial Conversion to Residential and Industrial Innovation Hubs

Deputy Community Development Director – Planning Ryan Levesque discussed two key Industrial Innovation Hubs that the City Council has adopted. These Hubs involve General Plan Amendments and Design Guidelines aimed at reinventing these areas while preserving and celebrating their existing industrial uses. The goal is to integrate mixed-use and residential development in certain corridor areas, emphasizing connections between streets and alignments.

1. The Smith Innovation Hub, located between the 101 Freeway and University Drive, has seen some projects along Rio Salado Parkway. This area seeks to bring density and residential populations closer to employment centers.
2. The Tempe Maker District/Broadway Innovation Hub spans from Southern Avenue to South Priest Drive and the eastern railroad tracks. This older industrial area has garnered some attention recently; City Council approval of Design Guidelines has led to new projects and infill development, with an emphasis on bringing appropriate land uses to the area.

Mr. Levesque provided an overview of changes in the City's General Plan 2040, introducing lower density in most properties but allowing for higher density designations, particularly up to 65 dwelling units per acre, in arterial intersection areas. He compared this to the General Plan 2015 Land Use Map, which designated even higher densities in some mixed-use industrial zones. Staff is seeking feedback or input from Councilmembers and Commissioners regarding the conversion of Industrial properties to Mixed-Use or Residential properties, including whether these changes should occur in specified locations or potentially in Industrial areas not yet identified for mixed-use or zoning changes.

Topics of discussion among members of City Council and DRC highlighted the following:

- Concerns about potential economic impact of Industrial-to-Residential conversions due to less property tax revenue and fewer job providers.
- Need for a long-term strategic approach to support an overall development vision for the City.
- Need to modernize existing outdated industrial facilities in Tempe by either bringing in modern manufacturing facilities or updating existing ones to meet contemporary industrial needs.
- Need to preserve Industrial Zones and avoid erasing industrial zoning entirely in favor of residential development. This entails maintaining an appropriate balance between Residential and Industrial development in the City.
- Promote more purposeful mixed-use development projects that incorporate greater presence of retail uses, commercial makers, and artists, to support collaboration among tenants.
- Consideration of recent trends in consumers' shopping habits and their impact on aging shopping mall centers.

In response to a Council inquiry, Community Development Director Jeff Tamulevich noted the need to address building height, particularly ceiling height, in the City Code regulations to allow for growth and the development of updated light Industrial manufacturing facilities. Staff is currently processing a Code Amendment that will permit Industrial properties to have taller heights. It was also noted that smaller flex buildings and industrial properties are in high demand, especially near the Phoenix Sky Harbor International Airport, and their value is increasing despite being older. Mr. Tamulevich further explained that for areas like the Smith Innovation Hub and Tempe Maker District/Broadway Innovation Hub, the challenge is that they have smaller parcels, and assembling these smaller parcels effectively to create modern

developments, like the example of the former Big Surf site with large buildings, can be difficult and time-consuming.

Councilmembers discussed a suggestion to provide more leverage to City Staff in working with developers to reject unsuitable materials or proposals based on design guidelines from the Council. Councilmembers should work together to create these written guidelines or a manual to provide clear criteria and expectations for development in specific areas, so developers have a clear framework in the approval process. Further discussion also emphasized the importance of granting authority to City Staff to work with developers to enforce higher quality materials and timeless, iconic designs in projects and highlighting the need for Councilmembers to support Staff decisions and trust their expertise in order to achieve better project outcomes. The need to review a list of Council expectations every two years to determine the elements still encompass the Council's vision for the City, or if modifications are needed, was also noted.

Mr. Tamulevich explained that Staff has been providing comments and recommendations to Applicants as part of their regular practice, even if they are not necessarily endorsing certain aspects like signage or specific details. This information is included in the agenda materials provided to the Council, with the hope that it is useful in conveying the historical concerns and conditions Staff has raised during the review process.

5. Open Discussion on Current and Future Projects

City Council requested the following items for discussion at a future Work Study Session (WSS):

- Possible improvements to the North Tempe Scottsdale Road/Rural Road Corridor to provide better quality development options for the nearby residents.
- Setting Design Guidelines as Council.

At the request of the Development Review Commission (DRC), Deputy Economic Development Director Maria Laughner provided an update on the Request for Proposal (RFP) to redevelop the Apache Central Center site (home of the former Food City), which closes next week. She expressed excitement about the high number of inquiries and expected proposals, potentially five or more. The RFP seeks mixed-use development of up to five stories with a maximum of 400 units, at least 50 of which should be affordable housing. A key requirement is the inclusion of a grocer, as the area has become a "food desert" since Food City closed. Sustainability, solar panels, and space for businesses from the nearby Apache Shopping Center are also considerations. The goal is to create an affordable urban grocery store in the area to improve accessibility for residents.

Also at the request of the DRC, Ms. Laughner provided an update on the potential redevelopment of Danelle Plaza located at the southwest corner of Mill and Southern Avenues. The City is currently awaiting a termination plan for a "condominium regime"

on the Property. Since a majority of the property owners are interested in being part of the Development Team, they need a plan for development of the Project to move forward and present to the City Council for approval. City Attorney Sonia Blain explained that the Danelle Plaza property is currently subject to a “condominium regime” governed by the Arizona Condominium Act and that development of the Project will require the parties to address the “condominium regime”.

Members of City Council discussed the long-term vacant properties located at the following shopping centers in Tempe, with input provided by Ms. Laughner and Mr. Levesque. Council also conveyed support for exploring economic development opportunities for these sites:

- Northeast corner of Rural and Elliot Roads (used to be Marketside by Wal-Mart).
- Northwest corner of Rural and Guadalupe Roads (used to be Albertsons).
- Northwest corner of Rural and Baseline Roads (used to be Whole Foods Market).
- Southeast corner of Broadway Road and South McClintock Drive (used to be Smart & Final).

Responding to a Council inquiry, Ms. Laughner suggested that Economic Development Staff could work with Community Development Staff to provide an overall industry report, similar to a recent vacancy report for the Tempe Maker District/Broadway Innovation Hub, allowing the Council to monitor the vacancy numbers and trends both in the present and historically.

Chief Deputy City Manager Rosa Inchausti summarized the work items and considerations based on the discussions among the meeting participants.

- Create an asset map, specifically for affordable housing, to help everyone understand the current state of affairs in Tempe.
- Plan for the future of the City, especially given the high demand for both businesses and residents in Tempe.
- Schedule the conversion rates of Industrial to Residential properties and their related economic impacts as a discussion item for a Council WSS or Retreat.
- Schedule another item for a Council WSS or Retreat to discuss Tempe’s future, particularly in the Urban Core and Innovation Hubs.
- Identify Tempe’s future vision and goals to streamline development projects and make the process easier for everyone involved.

City Council requested access to a report or printout detailing the number of abandoned or vacant buildings, including shopping malls and retail vacancies, along with their locations in Tempe, to which Ms. Laughner agreed to provide.

Further discussion focused on revisiting the Tempe’s Urban Core Master Plan (UCMP) and Urban Code District (UCD), highlighting that significant Staff time was previously devoted to this effort and that it could serve as a valuable starting point for addressing current concerns and future planning. For two years, the City worked with the residents, development community, and the DRC to develop the UCMP and UCD to plan for the next 20 years of growth in the City’s central core. The UCMP as a whole was tabled due to lack of community consensus. City Council discussed support for staff reviewing

the UCMP and pulling portions of the plan for consideration by the Council and DRC as “consensus items” to serve as a “launching point” to help define Tempe’s goals for the next several years and provide a foundation for future discussions and decisions (for example: use “stair-stepping” where possible; Density Bonus Program).

City Council also agreed to hold Joint Council-DRC Meetings on a biannual basis with the option of placing a tentative hold for quarterly meeting dates. The next Joint Council-DRC Meeting should be scheduled in September of this year.

Discussion continued among the Council and DRC members regarding the following ideas:

- Need to refine the terminology of “affordable housing” by explaining that it is housing within reach for working individuals and families, such as teachers and firefighters.
 - Perhaps use the term “attainable housing” instead of “affordable housing” to broaden the perspective and help reduce the stigma associated with the concept and lead to more informed discussions to make housing solutions more inclusive and appealing to a wider range of people.
 - Focus on the people who will occupy the housing units and not just the housing itself.
- Suggestion to require holding public neighborhood meetings for development projects in person in addition to over a virtual platform like Zoom, to ensure meaningful engagement with neighbors.

6. ADJOURNMENT

Chair Woods thanked everyone for their participation and said he looked forward to meeting again with the Development Review Commission to continue their visioning discussions. There being no further business, he adjourned the meeting at 5:40 p.m.

I, Kara A. DeArrastia, Interim City Clerk of the City of Tempe, Maricopa County, Arizona, do hereby certify the above to be the minutes of the Tempe City Council and Tempe Development Review Commission Joint Meeting of April 25, 2023, by the Tempe City Council, Tempe, Arizona.

Corey D. Woods, Mayor

ATTEST:

Kara A. DeArrastia, Interim City Clerk