



PLANNING AND ZONING COMMISSION
STAFF REPORT

AGENDA

TO: PLANNING AND ZONING COMMISSION
FROM: Leila DeMaree, Senior Planner
MEETING DATES: March 5, 2015
SUBJECT: **DSA-14-00190:** Major PAD Amendment for Phoenix Mart.

REQUEST

Request by AZ Sourcing, LLC for the following land use approval:

- 1. DSA-14-00190: Major PAD Amendment for Phoenix Mart** for approximately 585 acres located generally north of Florence Boulevard/SR 287, south of Cottonwood Lane, between Evans Road alignment and La Brea Street alignment. The PAD includes various business, retail, office, hotel, residential and employment uses. (Planner: Leila DeMaree)

APPLICANT/OWNER

AZ Sourcing, LLC
 7047 E. Greenway Pkwy., Suite 190
 Scottsdale, AZ 85254

See Exhibit A

HISTORY

December 17, 2007	Phoenix Mart site was annexed into the City as part of the "Overfield Farms Annexation", Ordinance # 2488.
June 21, 2010	A Major General Plan Amendment was approved changing the land use designation of the 389 acres m.o.l. within the Phoenix Mart site from <i>Neighborhoods</i> to <i>Business and Commerce</i> , DSA-10-00005, Resolution # 4360.3.
December 5, 2011	A Major General Plan Amendment was approved changing the land use designation of the 70 acres m.o.l. from <i>Neighborhoods</i> to <i>Commerce and Business</i> , and changing 103 acres m.o.l. from <i>Commerce and Business</i> to <i>Neighborhoods</i> , DSA-11-00143, and Resolution # 4360.04
January 17, 2012	Phoenix Mart PAD and Preliminary Development Plan (PDP) was approved by amending the Storey Farms and portion of the Overfield Farms PAD, DSA-11-00158, Ord. 1178.260.1

- November 5, 2014 Phoenix Mart Final Development Plan for the Mart building on Lot 1 was approved under DSA-13-00121.
- November 17, 2014 A Major General Plan Amendment was approved changing the land use designation of the 111 acres m.o.l. of the 585 acres Phoenix Mart site from **Neighborhoods** to **Commerce and Business under DSA-14-00190**.

OVERVIEW

The applicant, AZ Sourcing, LLC requests to update the Phoenix Mart PAD zoning which was originally approved in January 2012. The Phoenix Mart PAD site encompasses approximately 585 acres. The 585-acre site is a multi-use and multi-phased commercial, business and residential development generally located north of Florence Blvd. /SR 287, south of Cottonwood Lane between La Brea Street and Evans Road alignments. Of the 585 acres, 475 acres are classified as *Commerce and Business* land use category, and approximately 110 acres as *Neighborhoods* land use category.

The Phoenix Mart business model is one of a kind in the nation. It is patterned from two existing establishments located in the Cities of Dubai, United Arab Emirates and YiWu, Province of Zhejiang, People's Republic of China. Both developments offer similar business concept and are successful in their areas. Because this concept is new in the US and the only one in the region, AZ Sourcing, LLC designs the *NALTEC* (Phoenix Mart) PAD document to be adaptable to market changes and customer needs. The name "*NALTEC*" added to the Phoenix Mart PAD stands for North American Logistics Trade and E-commerce City. It is imperative for the Phoenix Mart team to stay up-to-date on current trends and future market demands that could potentially impact the project, the reason for this amendment. Several changes to the PAD are requested for consideration.

The reasons for this amendment include:

- Change of PAD name from "Phoenix Mart PAD" to "*NALTEC* (Phoenix Mart) PAD" throughout the document;
- Update applicable exhibits and land use summary, to reflect the recently approved land use changes with the Major General Plan Amendment, (November 2014);
- Revise page 3, to change approximate number of total residential units from 993 to 855 du/ac with an overall average density of 5 du/ac;
- Modify Parcel 7 on Exhibits B1 and B1b, to include a Retail/Mixed-Use (MU), to allow for a (small office, home office) SOHO concept. This mixed use development concept has a residential component on the upper level of the building;
- Update page 12, Phasing Plan, Exhibit C1, to reflect the next anticipated area to develop;
- Update pages 20 to 25, "6.2 Table 1: Table of Allowed Uses for Commerce and Business Uses", to add a "Business Park, BP" column;
- Modify page 37, "7.2 Table 3: Table of Allowed Residential Uses", to eliminate the column on "Low Residential Density, LDR" and also deleting the "Accessory Guest Quarters."
- Update page 38, "7.3 Table 4: Development Standards" by eliminating the "LDR" column;

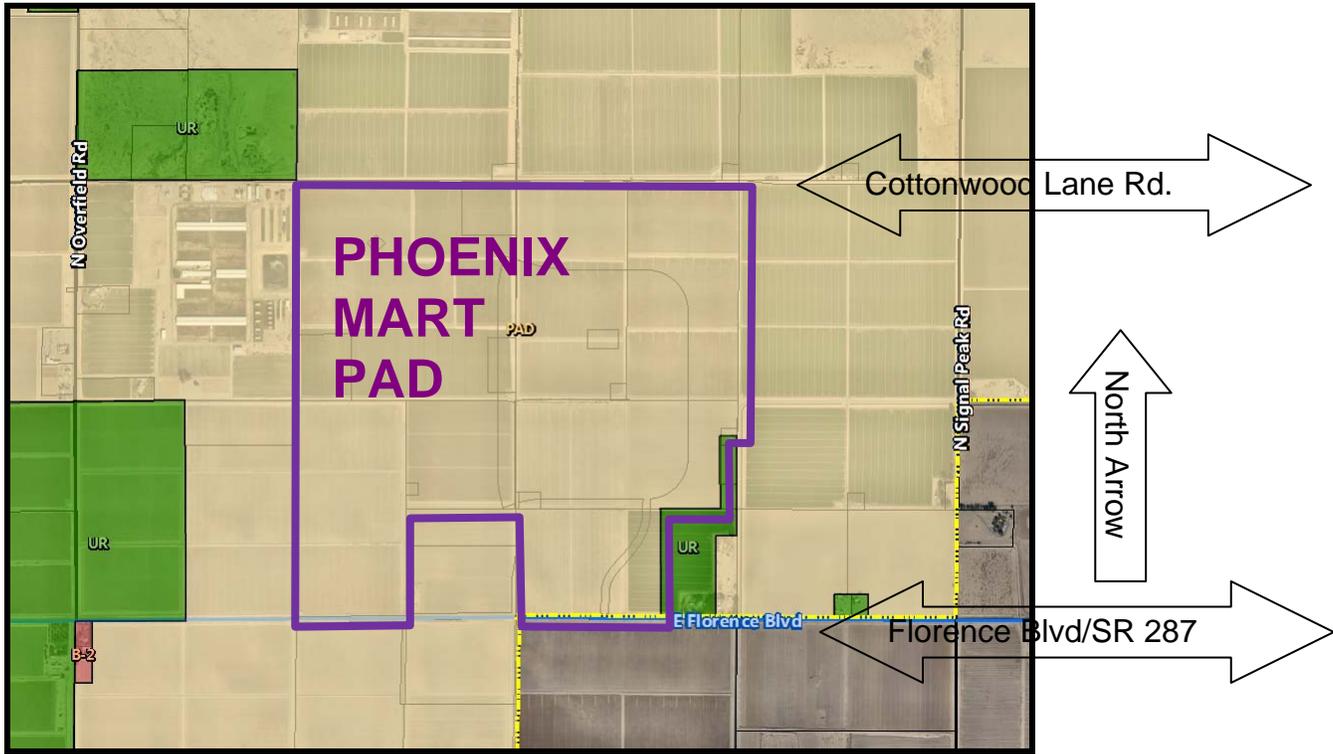
- Revise Exhibits L3, L4 and K2, to show the reduced median width from 16' to 14' to match the City Code requirement;
- Amend page 46, to add specific bike rack requirements for non-residential uses;
- Revise page 47, to add a three-foot screen walls or hedges on parking lots adjacent to private and public ROW;
- Rework Exhibits K2, L3 and L4, to reflect changes of landscape tracts width per roadway classification;
- Modify Section 9 of page 46 to clarify trees and turf requirements as follow:
 - Ornamental trees, not typically allowed as low-water trees, shall be allowed subject to the following limitations:
 - A maximum of 15% of total trees may be ornamental trees
 - Ornamental trees to be located on pedestrian nodes and entries
 - Ornamental trees shall not be planted within public right of way.
 - Areas designed for active recreational use shall have no limit on the amount of turf that is used.
Turf may be used up to 15% of the total non-recreational landscape area.
- Add Ornamental Plant Palette on Exhibit H, page 48;
- Change to wall layout on Exhibit I1;
- Rework applicable exhibits to reflect the natural gas easement running diagonally on Parcels 9 to 13 utilized for Open Space;
- Update to Land Use Definitions on Section 18;
- Adjust streetscape, median width and sidewalks, not the ROW, based on City Standards;
- Reflect land use change on Parcels 14 and 15 from Residential to Business Park; and
- All other proposed revisions that need to be covered for this amendment.

Approved and proposed uses will include various business, retail, hotel, office, warehouse, residential, employment and various open space areas for active and passive uses.

The primary component and first Phase of this PAD is the Phoenix Mart itself. Phoenix Mart is designed to become the first multi-industry permanent sourcing and distribution center of its kind in the United States. Phoenix Mart is comprised of a building containing approximately 1.6 million sq. ft. in floor area that is divided into over approximately 1,740 multi-functional business units. This main facility is surrounded by support uses that include; hotel(s), office/business complexes, retail, education and medical facilities and residential uses including multi-family apartments and medium density residential neighborhoods. The vision of Phoenix Mart is to ultimately become the largest self-contained wholesale/retail distribution complex in North America.

In developing the plans for PhoenixMart it became apparent that employees and companies would need a home base. This identified need grew into the SOHO (small office, home office) concept that allows a person to live and work in the same general location.

ZONING MAP



LAND USES AND ZONING

Location	General Plan Land Use	Zoning/Uses
North	<i>Neighborhoods</i>	Overfield Farms Planned Area Development, Vacant land
South	<i>Neighborhoods</i>	Florence Blvd./SR 287 then Post Ranch Planned Area Development; County Jurisdiction, Vacant land
West	<i>Neighborhoods</i>	Evans Road (dirt road), Overfield Farms Planned Area Development (PAD), Dairy, Vacant land
East	<i>Neighborhoods</i>	La Brea Street, Overfield Farms PAD, Urban Ranch

CONFORMANCE WITH MAJOR PAD AMENDMENT REVIEW CRITERIA

In considering applications for a PAD Zone Amendment, the Commission shall consider the following:

Interrelationship with the plan elements to conditions both on and off the property;

All proposed plan elements will properly relate to on-site and off-site conditions. Several landowners in the area are preparing their properties to complement the uses proposed for NALTEC Phoenix Mart PAD. A sewer line designed to serve the east side of I-10 will be brought into the NALTEC Phoenix Mart site from Kortsen Road to Cottonwood Lane. These joint efforts between the City and AZ Sourcing, LLC. will also benefit other landowners east of the Interstate 10.

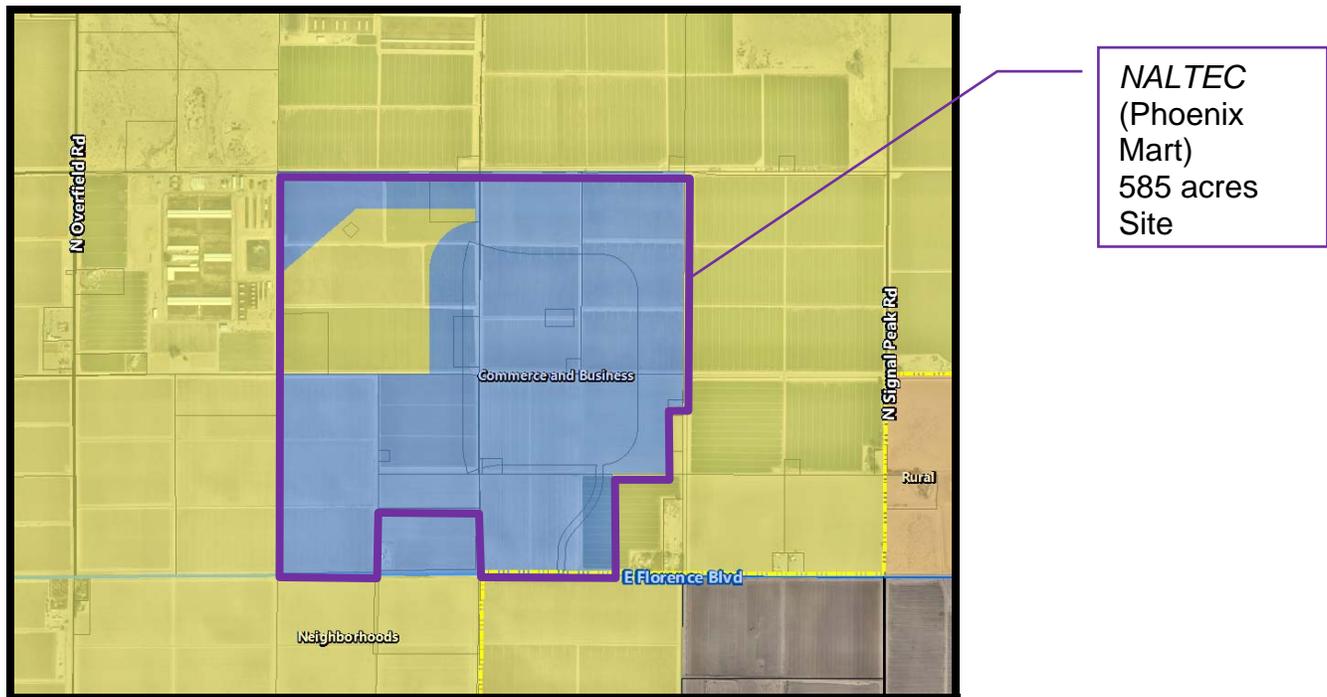
Conformance to the General Plan;

The project site has two land use designations: *Commerce and Business and Neighborhoods*. Both land use designations will allow for the types of uses within the PAD that complies with the General Plan.

Commerce and Business will allow for land uses enumerated on 6.2 Table 1, pages 20 to 25 of the PAD document. While the Neighborhoods will allow for land uses enumerated on 7.2 Table 3, pages 36 to 37 of the PAD.

All proposed Phoenix Mart uses are consistent with the land use categories established for Neighborhoods and Commerce and Business. Commerce and Business category supports the economic development principles of the General Plan and provides designated areas for new commerce and light manufacturing that occurs within buildings and services necessary to support them. Business Park land use complies with the Commerce and Business category as one of the appropriate land uses defined in the General Plan.

General Plan 2020 Exhibit:



The impact of the plan on the existing and anticipated traffic and parking conditions:

There will be ample parking spaces on site. Parking requirements are outlined under Section 8.0 of the NALTEC Phoenix Mart PAD for both commercial and residential land uses. The original approved Phoenix Mart PAD requires bike racks for commercial uses. However, there was no specific ratio of bike rack per car parking spaces mentioned in the document. This PAD amendment added a bike rack requirement of one (1) space per 40 car spaces with a maximum of 100. The maximum bike rack required for Phoenix Mart site is 100 spaces distributed around the Mart building and located near the entrances. Phoenix Mart onsite parking requirement is 1 space for each 600 sq. ft., of net floor area and eight (8) berths for off-street loading. These parking requirements are applied to the Phoenix Mart Final Development Plan process, approved by the Planning and Zoning Commission on November 2014.

Arizona Department of Transportation (ADOT) has jurisdiction over the roadway design and access points along Florence Blvd. /SR 287. ADOT and the City are currently reviewing the plan provided by the applicant.

A traffic signal identified in the Traffic Impact Analysis (TIA) is needed at the intersection of Toltec Buttes Road and Florence Blvd. /SR 287. This signal will be financed by Phoenix Mart development and installed in coordination with ADOT and the City. A second traffic signal at Hacienda Road and Florence

Blvd. /SR 287 identified under the Mission Royale development TIA study is triggered for installation with the development of Phoenix Mart. As a result, Phoenix Mart will contribute 25% for the installation of the second traffic light. Review of the internal circulation of the Phoenix Mart PAD site is under the City's jurisdiction. A separate TIA for each site will be required in conjunction with a Major Site Plan Review Process.

Some medians on roadway rights-of-ways were reduced from 16' to 14' as a result of City Staff's advice. A narrower 14' median is safer for commuters to navigate than a 16' median, thus the reason for the change to the cross sections of the roadways.

The adequacy of the plan with respect to land use;

The NALTEC Phoenix Mart PAD plan is in compliance with the *Commerce and Business* and *Neighborhoods Land Uses*. The plan is designed to meet the needs of the project and is adequate in relation to the proposed land uses.

Pedestrian and vehicular ingress and egress, including handicapped accessibility;

All future developments within the site will require a TIA during the Final Development Plan/Major Site Plan review process. The TIA helps determine vehicular ingress and egress points and signal light requirements. Pedestrian access and connectivity are incorporated in the PAD and will be reviewed and implemented including ADA compliance at Final Development Plan/Major Site Plan process. Location of handicap parking spaces will be close to the building, with ramps and crosswalk as needed.

Architectural design;

There is no change to the architectural design concepts, building massing, rendering and other items related to Design Guidelines for residential and commercial buildings as previously approved on the PAD document.

Landscaping;

The overall landscape area requirement for the PAD site is a minimum of 15%. Landscaping is based on the City's landscape code with some level of variance from the standard landscape plant material lists and turf allowed to achieve the design intent for the site. The original approved PAD intends to use turf grasses to create a large inviting green main entranceway feature as illustrated on Exhibits H and J1. The current approved PAD states that the specific amount of turf grasses allowed, and the scope of the variance requested, would be reviewed and decided in conjunction with each Final Development Plan and associated Preliminary Landscape Plan. The amended PAD removes this language and replaces it with a specific standard for the use of ornamental trees and turf grasses. These proposed standards are as follows:

Ornamental Tree Standards

- 1) Limited to the specific species noted.
- 2) Limited to a maximum of 15% of the total trees.
- 3) Limited to planting in the entryways and pedestrian nodes.
- 4) Shall not be planted in the public right of way

Turf Grass Standards

- 1) Areas designed to accommodate active recreational uses shall have no limit on the amount of turf grasses used.
- 2) All other landscaped areas shall be limited to a maximum of 15% turf grass areas.

There is an increase in total area of Parks, Linear Parks, Paseo/OS from 88.8 acres (15.1%) to 90.5 acres, and 15.4%, as shown on Exhibit J1. Linear Parks, Paseo/Open Space, Parks will be used either

for recreational use and/or drainage retention basins. In addition to the 15.4% Parks and Open spaces, the site provides landscape tracts adjacent to the roadways, which will in most cases be used to satisfy the street frontage landscape requirement associated with the development of individual commercial and multifamily sites.

Other changes to landscaping are the various widths of landscape tracts from the original PAD approval as narrated on Section 9.0.

The following are changes to landscaping in non-residential areas:

- From 60' wide landscape buffer to 22' wide landscape (LS) tract
- From 30' wide landscape buffer to 22' wide LS tract
- From 25 wide landscape tract to 22' wide LS tract

The reduction of the landscape buffer from 60' wide to a uniform 22' wide landscape tract was the result of several discussions between the applicant and staff. Applicant requested to eliminate the 60 and 30' buffer zones on residential sites since there is already a huge amount of landscape tract provided between the road right of way and the property line excluding the on-site landscape area requirement. With a 60' buffer and a 25' landscape tract, it costs the developer between 85' wide to 90' wide lands of real estate property taken from the site when it is already providing over 15% of the required landscape area. The original PAD landscape requirement would amount to about 120 acres of landscape area and open space areas, which will be equivalent to about 20% of the total area. In addition to the 20% landscape area, there is also landscape requirement for parking and frontage of the residential site. So staff supports to reduce the landscape tract widths to a uniform 22' wide to be a reasonable dimension for landscape tracts providing buffers between the property and the roadways.

The changes to the widths of landscape tracts and sidewalks on various street cross-sections shown on Exhibits K2, L2, L3, and L4 are made to be consistent throughout the PAD document as summarized below:

- A1, From 30' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - A2, From 29' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - B1, From 36' LS tract and 8' sidewalks to 22' LS tract and 8' sidewalks
 - B2, From 26' LS tract and 8' sidewalks to 22' LS tract and 8' sidewalks
 - B3, No changes
 - C1, From 23' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - C2, From 23' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - C3, From 23' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - C4, From 23' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - C5, From 23' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
 - D, From 23' LS tract and 8' sidewalks to 22' LS tract and 6' sidewalks
- There are no changes to E1 to E3 ROW and Street Sections.

Provisions for utilities;

Utilities will be provided by the following agencies:

- | | |
|--------------|-----------------------|
| Sewer: | City of Casa Grande |
| Water: | Arizona Water Company |
| Electric: | Electrical District 2 |
| Natural Gas: | Kinder Morgan |

The applicant regularly meets with utility providers to coordinate the provision of utilities to the site. The City leads the project design and extension of the sewer line, from west of the Interstate 10 on Kortsen

and Cox Road to Hacienda Road, south to Cottonwood Lane, then east to Toltec Buttes Road. The sewer line will be adequately sized based on the Sewer Master Plan to accommodate future developments east of the Interstate. Phoenix Mart contributes to the cost as their share in this project, according to their design needs. The remaining cost to bring the sewer line to the east is financed by the City and will be recouped as properties develop to the east of I-10.

The water main that will supply most of the water to the Phoenix Mart project comes from the north end of the Promenade Mall at Casa Grande and go north on Mission Parkway to Cottonwood Lane, then east to the site. However, this new water main will not be sufficient to provide the total amount of water needed to supply the domestic and fire flow needs for the Phoenix Mart project. According, AZ Sourcing will have to drill new water wells and construct water tanks and booster pumps to complete a water campus that will be eventually owned and operated by the Arizona Water Company to complete the water service needs for the development.

Site drainage;

No changes to the PAD.

Open space and/or public land dedications;

All open space areas within the PAD will be owned and maintained by NALTEC Phoenix Mart property owners and homeowners association.

Public roadways will be dedicated as developed. Phoenix Mart will dedicate the half street ROW for the SR 287/Florence Blvd., next to the site. This will be dedicated to the Arizona Department of Transportation (ADOT), via a separate instrument. Other public roads ROW will also be dedicated to the City either through a Final Plat or Map of Dedication.

Grading;

All site grading will be reviewed and approved as part of the Final Development Plan/Major Site Plan and the Site Development Plan review process prior to the issuance of building permits.

PUBLIC NOTIFICATION/COMMENTS

Public hearing notification efforts for this request meet the requirements set out by City Code. They include:

- On February 15, 2015 the public hearing notice was published in the Casa Grande Dispatch.
- On February 13, 2015 a public hearing notice was mailed to each owner of property situated within three hundred feet of the subject property. The names and addresses of the owners were provided by the City of Casa Grande per Pinal County Ownership Data.
- Three signs were posted by the applicant on February 13, 2015 on the subject site. An affidavit confirming this posting was supplied by the applicant.

Inquiries/Comments

City Staff has received a few inquiries about the request. The calls are mostly being curious about what is happening to the Phoenix Mart project, but no objections were made to the Major PAD Amendment request.

STAFF RECOMMENDATION

Staff recommends that Planning and Zoning Commission forward a favorable recommendation to City Council of **DSA-14-00190**: Major Amendment to *NALTEC* (Phoenix Mart) PAD with the following minor conditions:

1. Replace the used for “BP” on Exhibits B1, B1b and other applicable exhibits on the PAD to a different shade.
2. Paragraph 3, Section 9 of page 46, should state, “In the non-residential areas adjacent to a residential zoned property or *Neighborhoods* land use category, a minimum of twenty-two foot (22’) wide landscape tract shall be provided along all property lines and along all street frontages, broken only by approved driveways.”
3. Revise Exhibit C1 by assigning a different color to either Phase 2 or 4, and unify the color for Phase 5.

Exhibit:

- A. Application
- B. Amended *NALTEC* (Phoenix Mart)PAD, dated January 28, 2015