

DEVELOPMENT

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Papago Plaza Revival

Papago Plaza rebirth seeks to be keystone to south Scottsdale revitalization

By **Melissa Rosequist**
INDEPENDENT NEWSMEDIA

A development lauded to transform the defunct 1960s Papago Plaza in south Scottsdale has unanimously passed Scottsdale City Council.

On Wednesday, Dec. 12, Scottsdale City Council approved a zoning district map amendment for the 11-acre site, which includes:

- Adding two additional stipulations for additional outreach; and
- A requirement of public art installations within the retail component of the project, and near the southwest corner intersection of Scottsdale and McDowell roads.

Additionally, the project timing was edited to require the

retail phase of the development include a minimum that one building of the retail component to be a part of the development plan; and not be interpreted to prevent multiple phases from being constructed simultaneously.

Ultimately, stipulations ensure the multifamily housing component cannot lead this project without commercial aspects being built.

The Papago Plaza proposal calls for a revitalization of the 11-acre site, which includes a mixed-use plan with a grocery store, four restaurant pads, a boutique hotel and multifamily housing.

The site is across the street from the SkySong Center -- The ASU Scottsdale Innova-



tion Center, 1301 N. Scottsdale Road, which also includes multifamily buildings.

Papago Plaza, 7047 E. McDowell Road, has long been emptying out, and is nearly vacant now.

Tenets of the application include a proposed building height of 65 feet, remodeled parking areas, and a proposed

Papago Plaza, 7047 E. McDowell Road, is an 11-acre site built in the 1960s. (Independent Newsmedia/Arianna Graine)



density of 20.2 units per acre.

The property will include studios up to "roomy" three-bedroom units, the development application states. Also, the boutique hotel is planned to be five-stories in the center of the property.

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Alliance Residential is the developer who will be building the multifamily units at Papago Plaza, who have also built the Broadstone Waterfront in Old Town Scottsdale, near the Arizona Canal; as well as the property on the northwest corner of Scottsdale Road and Lincoln Drive, coined Lincoln Scottsdale.

The grocer is planned to be Aldi. According to the Aldi website, this may be their first location in Arizona. However, the chain has more than 1,700 stores in the United States, mostly in the east coast with some in Texas and California.

Papago Plaza is owned by Papago Marketplace LLC, while Withey Morris, a law firm, is leading the development plans on the project.

Jason Morris of Withey Morris says the mixed use property will be 50 percent residential and 50 percent retail.

"No matter how you may look at this project, it is an effort to try and get revitalization in this area and it is a proposal that provides for a signature corner in the city to be redeveloped with some of the things we've heard the neighbors and others requesting," Planning and Development Director Randy Grant said.

Happenings at McDowell and Scottsdale roads

No one disagrees the sun-faded site of yesterday is in need of an upgrade, however, the new proposal for the area had many Scottsdale residents expressing apprehension of such a big overhaul.

Mayor Jim Lane noted that there were approximately 20 requests from community members to speak on the item during the Dec. 12 meeting.

"We realize there are so many details and this is such an important corner that we want to make sure we get this right," Mr. Morris said.

"This property owner did not just buy this property, this property owner has held this property and looked for an opportunity to redevelop it with its existing zoning, but there is not a market, as staff referenced, with this amount of retail, at this location and in today's society.

When we're looking for balance in a mixed-use I don't think we can do better than saying half and half. Despite some of the emails that have come forward saying this is heavily skewed with just residential, this site is 5.5 acres of retail and commercial and 5.5 acres of residential."

Mr. Morris explained that in today's world, developers and property owners who want retail opportunities need a residential anchor to guarantee foot traffic.

"They would like very much to take advantage of the property they have and zoning they have, today they have retail zoning. It has been retail-zoned since 1960," Mr. Morris said.

"If this developer could take advantage of that square footage and have additional retail that is the best bang for their buck they could possibly ask for; they can not. The only way to get retail and support that retail is rooftops."

The developers and residents are all on the same side, Mr. Morris says, which is to replace the outdated and empty property on the south Scottsdale corner.

"We do want to make this as close to perfect as possible," he said. "But we know that what's being requested is exactly what your plans call for, what the development team is looking for and even what our opponents have suggested."

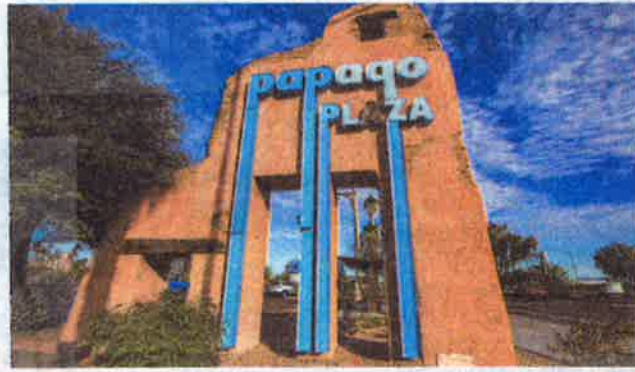
On the residential aspect, Alliance Residential spokesman Ian Swiergol told council that 88 percent of their units are designed to be supported by one person or two people making a combined \$75,000 annually.

"We have had a lot of success attracting a high-end demographic that in many cases their incomes are closer to \$95,000-\$100,000 on aggregate in other Scottsdale locations," Mr. Swiergol said.

In regards to increased traffic concerns in the area, officials say traffic counts for the intersection are down 35,000 daily trips since 1996.

A study shows at McDowell and Scottsdale roads:

- 1996 intersection vehicle counts: 105,000 trips per day
- 2016 intersection vehicle



Papago Plaza's landmark marquee sign (Independent Newsmedia/Arianna Graineey)

counts 70,000 trips per day.

Additionally, it was stated during the meeting that McDowell Road west of Scottsdale Road operates at 64 percent capacity; while McDowell Road east of Scottsdale Road operates at 63 percent.

'An iconic corner'

From a personal standpoint, Mr. Lane says he sees this project as fulfilling its mission.

"It is not something that's going to be commercial in the same sense that SkySong is," he said.

"We can certainly look for something better, but sometimes there has to be some consideration because of a lot of different opinions on this as to how we best affect this, and how it works out to the betterment of the community."

Mr. Lane says while listening he acknowledges there are some components that might be considered for stipulations to be discussed and worked on.

"But on the overall, with some fine tuning, I think we have at-hand something that if we can work with it, we should. The other option is to let it sit there as it is, which is not doing any of us any good," he said.

Councilwoman Virginia Korte said this project has been a difficult case for her, citing her longtime family

history as a staple in the south Scottsdale area. She says in recent weeks she's had conversations with the stakeholders involved.

"I believe that it's really important to make the right decision here, it's a signature corner and an iconic corner," Ms. Korte said.

"What we do here will represent and catalyze the continued revitalization of this area. It really will determine how the southern part of Scottsdale continues forward and it must stand the test of time."

Ms. Korte says she wasn't satisfied that the public comment and public outreach was considered adequate with only the required 750-foot radius, saying the development impacts more people than who live a stone's throw away.

"This impacts really all of us in Scottsdale, all of us in Scottsdale want this southern part of the city to be a dynamic center of commerce, be a quality sense of place for raising a family and enjoying what Scottsdale offers," Ms. Korte said.

Councilwoman Suzanne Klapp, who has history in the retail marketplace, reiterated the need for residential units to anchor a successful retail center. When it comes to what the south

Scottsdale resident wants, she says for six years she's been involved in discussions, focus groups and read research on the area.

"In all cases the things that they were asking for were basically incorporated in this plan. They wanted a grocery store, as I understand it, it hasn't been said tonight, but Aldi's is associated with Trader Joes," Ms. Klapp said.

"I think it's being depicted as a grocery store that's not very acceptable, I think we probably don't know enough about Aldi to make that opinion. People want retail, yes, there's retail provided here. I believe the amount of retail that's being provided here is probably appropriate."