



## PLANNING AND ZONING COMMISSION MEMORANDUM

**FROM:** The Office of the City Manager   **DATE:** April 6, 2017

**SUBJECT:** SDP 2016-05 Public Hearing and consideration of a request from Skeeter & Bucky, LP, for a Special Development Plan for Iron Horse Village on 9.17 acres located in the 6300-6400 blocks of Iron Horse Boulevard.

**PRESENTER:** Clayton Comstock, Planning Manager

### **SUMMARY:**

On behalf of Skeeter & Bucky, LP, MESA Planning is requesting approval of a Special Development Plan (SDP) for the Iron Horse Transit Oriented Development (TOD) District. This is a request to revise their SDP previously approved by the City Council on July 27, 2015. As before, the applicant is seeking approval of a number of TOD Code waivers that would allow the construction of a multifamily development built in two phases immediately adjacent to the Iron Horse TEX Rail Station platform and commuter parking lot.

This plan requires a number of waivers to the TOD Code.

### **GENERAL DESCRIPTION:**

The project is located within both the High Intensity Mixed Use Character Zone and the TOD Core Character Zone of the Iron Horse Transit Oriented Development District. The High Intensity Mixed Use Character Zone is intended for large-scale commercial uses and supporting retail, restaurant, and residential uses. The TOD Core Character Zone is the area that has the most development impact due to the proximity of the transit station.

The development is proposed mostly as a four-story multifamily development with 11,000 square feet of first floor "Retail Program Area" space at the northwest and southwest corners of Iron Horse Boulevard and Boulder Drive where the primary entrance into the Iron Horse TEX Rail Station is located. Phase 1 of the development is proposed to include 327 multifamily units. Another 96 multifamily units are proposed in a Phase 2 that would also include two structured parking garages.



Below is a summary of the development as proposed compared to the plan approved July 2015.

Figure 1: Development Summary		
	Approved 2015 Plan	Proposed 2016 Plan
Project Area	9.17 acres	9.17 acres
#/Units Phase 1	257 units	327 units (+70 units)
#/Units Phase 2	<u>212 units</u>	<u>96 units (-116 units)</u>
Total #/Units Buildout	469 units	423 units (- 46 units)
<b>Residential Density</b>		
Phase 1	28.0 du/acre	35.7 du/acre
Buildout	51.1 du/acre	46.1 du/acre
“Retail Program Area” (Buildout)	8,500 square feet	11,000 square feet
Flex Commercial Area (Buildout)	29,370 square feet	28,000 square feet

**TOD WAIVERS & VARIANCES:** In the preparation of this memorandum, seven (7) waivers or variances have been identified to the TOD Code. Some of these had been previously addressed by the July 2015 application, although staff believes the context has now significantly changed with this new plan and therefore requires a new review. The following section details each variance or waiver. A subsequent summary table compares this revised proposal to the TOD Code and the previously approved Special Development Plan.

1. **First Floor Mixed Use Criteria.** Both the High Intensity Mixed Use and TOD Core Character Zones have a *minimum* first floor commercial use requirement of 35% and a *maximum* first floor residential use of 40%. The applicant’s buildout plan for this development dedicates approximately 8.5% of the first floor area to “Retail Program Area” and the remaining 91.5% of the total project area’s first floor for residential first floor use or area dedicated for a multifamily leasing office and amenity center. The Flex Commercial space that was previously proposed for much of the first floor area has been removed from portions of this request. Instead, first-floor residential construction and uses are proposed on the southern and northernmost buildings.

**“Retail Program Area.”** The applicant is proposing the 11,000 square feet of commercial space under special “Retail Program Area” terms for which the Development Review Committee does not recommend approval. Under the terms of the “Retail Program Area,” if the 11,000 square feet is not leased by

commercial users six months prior to construction completion, it may be leased for residential use. These residential leases would only be permitted for one-year terms with six-month windows for commercial leases to match or beat the residential lease rate; otherwise the residential lease can be renewed for another year. This “Program Area” cycle would be in effect for 5 years from date of project completion, then could go to regular residential use and leases. Another aspect of the proposed program is a city incentive. City incentives are not appropriate for a zoning document and are therefore recommended to be removed and instead provided under a separate development and incentive agreement for the City Council to consider.

If the “Retail Program Area” is approved as presented, the owner would have the ability to develop a 100% multi-family residential project at the public gateway to the Iron Horse TEX Rail Station.

If the Special Development Plan is approved, it is recommend that the “Retail Program Area” portion of the proposal be removed so that a minimum of 11,000 square feet of perpetual, *dedicated* commercial space and 28,000 square feet of flex-commercial space be incorporated into the site.

2. **First Floor Built-to-Commercial Standards.** The applicant is requesting that the requirement for the first floor to be built to commercial standards be waived on Buildings C, D and a portion of Building A. These standards would require a taller ceiling height and finished floor elevations at the same grade as the adjacent public sidewalk. Residential first floor will require a minimum ceiling height of 10 feet (floor-to-floor) and a raised finished floor elevation averaging 18 inches above the adjacent public sidewalk.
3. **Build-to-Zone.** A 15-foot and 25-foot sanitary sewer easement exists along the western edge of Iron Horse Boulevard south of Boulder Drive. The TOD Code, however, requires 60% of a building to be built within 0 to 20 feet of the street right-of-way if within the High Intensity Mixed Use Character Zone and 80% of the building to be built within 0 to 5 feet of the street right-of-way if within the TOD Core Character Zone. The sanitary sewer easements restrict placement of the buildings where required by code.

The applicant has indicated their intent to make this larger setback an amenity to the development by installing landscaping, hardscaping and a larger trail/sidewalk segment. This is evident by their conceptual landscape design as shown on the attached exhibit.

4. **Minimum Parking Ratios.** The minimum parking requirements in the TOD Code are 1.5 spaces per multifamily unit (regardless of the number of bedrooms) and 1 space per 250 square feet of any non-residential use.

The applicant is proposing 1.42 spaces per multifamily unit in Phase 1 and is proposing to apply this reduced residential parking ratio to the 28,000 square feet of Flex Commercial space. As shown, their Phase 1 plan is deficient by 69 parking spaces if commercial parking ratios were to be correctly applied to the 28,000 square feet of Flex Commercial area. The total Buildout plan is also deficient by 42 spaces.

This does not account for the leasing and amenity center use. Below is a breakdown of the parking proposed by this development.

Figure 2: Parking Analysis		
	Phase 1	Buildout
#/ multifamily units	327 units	423 units
"Commercial Program Area"	11,000 s.f.	11,000 s.f.
<b>Parking Provided</b>		
<i>Parking Garages</i>	0	395
<i>Tuck-Under Garage Parking</i>	25	25
<i>Surface Parking</i>	466	215
<i>On-Street Parking</i>	64	64
<b>Total Parking Provided</b>	<b>530</b>	<b>699</b>
<b>Min. Parking Required*</b>		
Multifamily	443	585
Commercial / Flex	156	156
<b>Total Min. Required</b>	<b>599</b>	<b>741</b>
<b>Parking Deficiency</b>	<b>69 spaces</b>	<b>42 spaces</b>

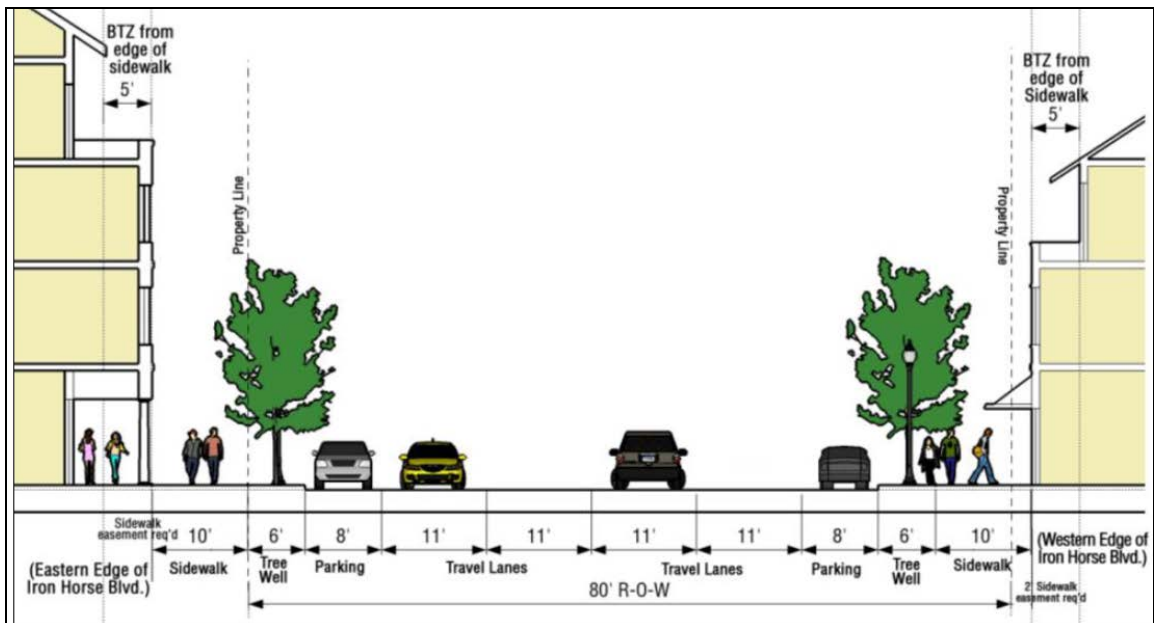
\* City's Minimum Parking Requirements reflect conversion of 28,000 square feet from 33 "Flex" residential units to commercial (850 sq. ft. average unit size) and assumes 100% occupancy of 39,000 total square feet of commercial.

Because the intent of Transit Oriented Development is to create a walkable mixed-use urban environment, the baseline parking requirements are already established at lower levels than conventional suburban standards. In other words, there are already fewer parking spaces provided in TOD than in a suburban shopping center or apartment complex. Waivers to the TOD's minimum parking standards may cause issues with parking availability as well as the ability to lease commercial space.

5. **Structured Parking.** The 2013 update to the TOD Code created the requirement for 80% of the required parking within the Iron Horse TOD Core Character Zone to be maintained as on-site structured parking. The applicant is requesting to defer the construction of two structured parking garages until a future Phase 2 of

the development, which would come with approximately 96 additional multifamily units. As outlined further below in the “DRC Review” section, staff has concerns for the viability of two parking garages associated with a multifamily unit increase of only 96 units. If built out, the structured parking garage spaces would account for 60% of the required parking for the project.

6. **Landscape Standards on Private Property.** A waiver is also required for the TOD Landscape Standards on Private Property as it relates to surface parking lots. The TOD Code requires one Large Tree and three shrubs per 1,000 square feet of paved parking lot area. This generally equates to one tree per 3.7 parking spaces. This is well above the City’s standard of 1 Large Tree per 20 parking spaces (or approximately 5,400 square feet of paved parking lot area). While the City encourages shaded parking fields, the difference between the TOD Code and the general code in Chapter 114 is dramatic. Staff plans to address this in a future revision to the TOD Code, but until then all applications must request a waiver for this regulation.
  
7. **Street & Streetscape Design Standards.** The TOD Code requires public improvements such as on-street parking, street trees, streetlights, sidewalks, trash receptacles, and bike racks along Iron Horse Boulevard and that those improvements are made within public right-of-way. The applicant has not indicated any desire to waive the requirement for the improvements, but they have indicated their desire to place those improvements within public easements in lieu of right-of-way dedication. Below is the streetscape exhibit from the TOD Code showing what the improvement and right-of-way requirements currently are. They are also counting this streetscape easement area toward their open space requirements.



A June 2016 Work Session discussion has resulted in revisions to the TOD Code cross sections to allow for the continuous left turn lane in Iron Horse. While not yet codified, this revised cross section would mean a greater dedication of public right-of-way.

The table below summarizes what is described above.

<b>Figure 3: Requested TOD Code Waivers / Variances</b>			
	<b>TOD Code</b>	<b>Approved Plan</b>	<b>Proposed Revision</b>
1. <i>Sec. 118-566(b) &amp; (c)</i> First Floor Mixed Use	High Intensity Mixed Use 35% min. Commercial 40% max. Residential	High Intensity Mixed Use 2,400 s.f. Commercial 16,000 s.f. Flex	High Intensity Mixed Use 0 s.f. Commercial 100% Residential
	TOD Core 35% min. Commercial 40% max. Residential	TOD Core 6,100 s.f. Commercial 13,370 s.f. Flex	TOD Core 11,000 s.f. Commercial 28,000 s.f. Flex
2. <i>Sec. 118-566(b) &amp; (c)</i> First Floor Height	Min. 15-foot floor-to-floor ceiling height	No waiver sought	Residential first floor standards on Buildings C, D and portion of A
3. <i>Sec. 118-566(b) &amp; (c)</i> Parking Ratios	1.5 spaces per multi- family residential unit	Phase 1: 1.38 spaces per residential unit	Phase 1: 1.62 spaces per residential unit
	1 space per 250 square feet of non-residential	Build-Out: 1.37 spaces per residential unit  Did not account for commercial parking  Flex unit areas counted at residential parking ratios	Build-Out: 1.65 spaces per residential unit  <i>Above ratio does not account for commercial parking</i>  Flex unit areas counted at residential parking ratios
<i>See additional breakdown/details in Figure 2</i>			
4. <i>Sec. 118-565(d)</i> Structured Parking	80% of required parking maintained as onsite structured parking	Phase 1: 5.6% of parking provided as tuck-under garages  Build-Out: 79% of parking provided as structured and tuck-under garages	Phase 1: 4.7% of parking provided as tuck-under garages  Build-Out: 57% of parking provided as structured and tuck-under garages

**Figure 3: Requested TOD Code Waivers / Variances**

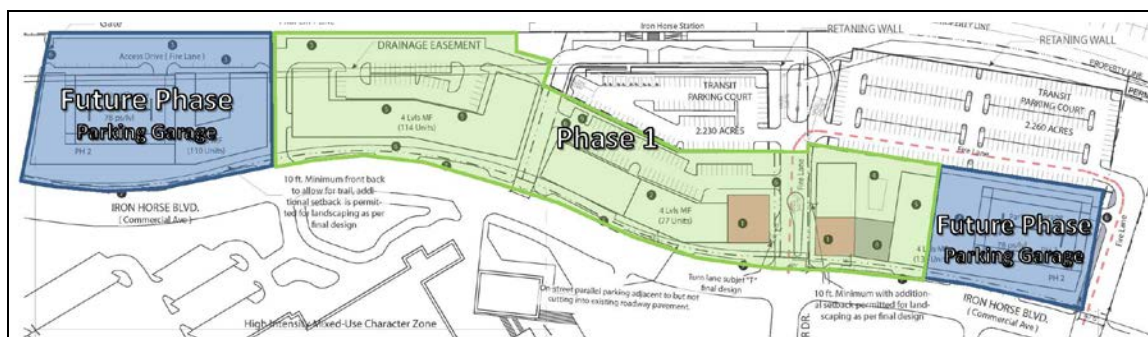
	TOD Code	Approved Plan	Proposed Revision
5. Sec. 118-566(b) & (c) Build-to-Zone	High Intensity Mixed Use 60% of building between 0 ft. to 20 ft.  TOD Core 80% of building between 0 ft. to 5 ft.	High Intensity Mixed Use ≥25 ft. setback  TOD Core 15 ft. to 25 ft. setback	High Intensity Mixed Use ≥25 ft. setback  TOD Core 15 ft. to 25 ft. setback
6. Sec. 118-567(e) Landscape Standards on Private Property	1 Large Tree + 3 Shrubs per 1,000 s.f. of paved parking lot area	No waiver specified	1 Large Tree per 20 parking spaces (approx. 5,400 s.f. of paved parking lot area);  All parking spaces within 100 feet of a parking lot tree provided on-site
7. Sec. 118-567(e) Street & Streetscape Design Standards	On-street parking, street trees, streetlights, sidewalks, trash receptacles, and bike racks all required to be provided by development within public right-of-way.	No waiver specified	Requesting dedication of easements in lieu of right-of-way dedication

**DRC REVIEW:** After review and discussion, the Development Review Committee has three primary concerns with this application:

1. **Phased unit counts related to structured parking.** As is detailed above, the new plan adds 70 multifamily units to its Phase 1 while decreasing the total number of units at buildout by 46 units. The structured parking garages shown in Phase 2 would be constructed with the addition of only 96 multifamily units. Economic feasibility is questioned around the developer benefit from adding 96 additional multi-family units when combined with the construction cost of 395 structured parking spaces. The applicant intends to explain the market rationale for when this would occur during the public hearing process.

The Development Review Committee recommends reducing the Phase 1 unit count by delaying the southernmost building (67 units) to a Phase 2. This would result in a Phase 1 around 260 multifamily units. For reference, the July 2015

plan has a Phase 1 unit count of 257 units. Generally, apartment communities need around 250 units to be most efficiently leased and managed. It would also create a Phase 2 with a higher unit count (163 units) and therefore higher probability of structured parking. It would also allow future market flexibility on the southernmost section of the property to perhaps convert to a building greater than the proposed 4-stories or to higher proportion of commercial uses.



*The Development Review Committee's recommendation for better unit phasing attached to parking garage construction.*

2. **Overall parking shortage related to viability of future commercial space and proposed residential density.** The City has experience with issues stemming from a perceived lack of parking in other multifamily and mixed-use developments and does not support further deviation from the minimum parking standards of the TOD Code. At a 1.5 space per residential unit ratio and 1 space per 250 square feet of non-residential area ratio, the proposed plan at build-out is deficient by 42 parking spaces.

The plan also assumes that the square footage of Flex Commercial space remains residentially occupied. For reference, a 1,000 square foot multifamily unit (regardless of number of bedrooms) would require only 1.5 parking spaces. The same 1,000 square feet occupied with non-residential uses would require four parking spaces. To make any first floor Flex Commercial space truly viable for future commercial uses, more parking will be needed.

3. **Further deviation from TOD Mixed Use Criteria in favor of multi-family within the TOD Core Character Zone.** Since the prior application had been approved in July 2015, three other Special Development Plans (Fountains at Iron Horse, Iron Horse Commons and Smithfield Heights) have been reviewed by City Council. While waivers to the mixed use criteria were approved, each of these applications had a greater proportion of commercial use than this proposed plan. Furthermore, this project is within the TOD Core at the public gateway to the TEX Rail Station, where walkable mixed-use urbanism is the desired development scenario.





The Development Review Committee does see the phasing component of the new plan as an improvement over the approved plan. Phase 1 of the approved plan was more fragmented, leaving two large vacant blocks separating the buildings and breaking the “street wall” along Iron Horse Boulevard. The new plan centers Phase 1 buildings and leaves the undeveloped Phase 2 at the far south and north ends of the property.

Because of the items listed above, however, the Development Review Committee does not see this as a minor revision to the existing approved plan and does not see it as advancing the goals and intent of the Transit Oriented Development District. The Development Review Committee therefore recommends denial. If the Planning & Zoning Commission and City Council choose to approve the case, staff further recommends further refining the “Retail Program Area” terms and eliminating Building D from Phase 1 construction.

**COMPREHENSIVE PLAN & CURRENT ZONING:** This area is designated on the Comprehensive Land Use Plan and is currently zoned as “Transit Oriented Development.” The purpose of the Transit Oriented Development Code is to support the development of the community’s station areas into pedestrian-oriented, mixed-use urban neighborhoods, with convenient access to rail transit, shopping, employment, housing, and neighborhood retail services. The goal of each station area is to encourage an efficient, compact land use pattern; encourage pedestrian activity; reduce the reliance on private automobiles; promote a more functional and attractive community through the use of recognized principles of urban design; and allow property owners flexibility in land use, while prescribing a high level of detail in building design and form.

**SPECIAL DEVELOPMENT PLAN:** The applicant is requesting a Special Development Plan for consideration of five waivers to the Transit Oriented Development Code. The Special Development Plan process is intended to allow applicants development flexibility to address specific market opportunities and/or contexts within the Transit Oriented Development District. In evaluating a Special Development Plan, the Planning and Zoning Commission and City Council must consider the extent to which the application meets the following:

- the goals and intent of transit oriented development in the city;
- provides an alternative "master plan" approach by consolidating multiple properties to create a predictable, market responsive development for the area;
- fits the adjoining context by providing appropriate transitions;
- provides public benefits such as usable civic and open spaces, livable streets, structured and shared parking, and linkages to transit; and,
- does not hinder future opportunities for higher intensity transit oriented development.

**CITY COUNCIL:** Pending a recommendation by the Planning & Zoning Commission, this item has been advertised for public hearing at the April 24, 2017, City Council meeting.



**RECOMMENDATION:**

Deny SDP 2016-05; or approve with the condition that the "Retail Program Area" terms be removed or amended and Building D be removed from Phase 1 construction.