

**MINUTES OF THE PLANNING COMMISSION  
CITY OF GLENDALE, ARIZONA**

**COUNCIL CHAMBERS  
5850 WEST GLENDALE AVENUE**

**THURSDAY, MARCH 18, 2010  
7:00 PM**

CALL TO ORDER

Chairperson Michele Tennyson called the meeting to order at approximately 7:00 p.m. and explained the rules and procedure for the meeting and the process for those who wish to speak.

ROLL CALL

Chairperson Tennyson introduced the members of the Commission and conducted roll call with the following results:

Commissioners Present: Chairperson Tennyson (Cholla), Commissioner Spitzer (Barrel), Commissioner Hendrix (Ocotillo), Commissioner Kolodziej (Yucca), Commissioner Shaffer (Cactus)

Absent: Commissioner Lee (Cholla)

City Staff Present: Tabitha Perry, Principal Planner, Paul Li, Assistant City Attorney, Jon M. Froke, AICP, Planning Director, Karen Stovall, Senior Planner, Jamsheed Mehta, Transportation Director, Richard Janke, Deputy Director Transportation, Chris Lemka, Principal Engineer, Noel McKee, Planning Intern, Marilyn Clark, Recording Secretary

APPROVAL OF MINUTES

Chairperson Tennyson called for approval of minutes from the November 5, 2009, Planning Commission Public Hearing and asked for a motion.

Commissioner Shaffer MADE a MOTION to APPROVE the minutes as written from the Planning Commission Public Hearing conducted on November 5, 2009. Commissioner Kolodziej SECONDED the MOTION. The MOTION carried unanimously.

WITHDRAWALS AND CONTINUANCES

Chairperson Tennyson asked staff if there were any requests for withdrawals or continuances. Ms. Perry, Principal Planner and staff liaison stated there were no withdrawals or continuances.

PUBLIC HEARING ITEMS

Chairperson Tennyson explained the policies and procedures of the public hearing then called for the public hearing items to be presented.

1. **GPA09-06:** This is a request by Berry & Damore LLC, representing Sarival Farms Peoria 51 LLC and William & Joyce Rasmussen, to amend the General Plan on approximately 39 acres from General Commercial (GC) and Medium Density Residential (MDR, 3.5-5 dwelling units

per acre) to Planned Commercial (PC). The site is located at the southeast corner of 51<sup>st</sup> and Peoria avenues (10355 North 51<sup>st</sup> Avenue). (Cactus District)

- 2. ZON09-07:** This is a request by Berry & Damore LLC, representing Sarival Farms Peoria 51 LLC and William & Joyce Rasmussen, to rezone approximately 39 acres from C-3 (Heavy Commercial), C-2 (General Commercial), and R1-6 (Single Residence) to PAD (Planned Area Development). The site is located at the southeast corner of 51<sup>st</sup> and Peoria avenues (10355 North 51<sup>st</sup> Avenue). (Cactus District)

Karen Stovall, Senior Planner presented the two requests for Sarival Farms as one presentation, stating both requests were by Berry & Damore LLC for the property at 10355 North 51<sup>st</sup> Avenue, which is a 39-acre property, located at the southeast corner of 51<sup>st</sup> and Peoria avenues. The requests are to amend the General Plan designation from General Commercial (GC) and Medium Density Residential (MDR) to Planned Commercial (PC), and to rezone the site from C-3 (Heavy Commercial), C-2 (General Commercial), and R1-6 (Single Residence) to PAD (Planned Area Development).

The conceptual development plan proposes approximately 305,000 square feet of commercial building area. The major tenants face west toward 51<sup>st</sup> Avenue, and the majority of shop buildings and pads are located adjacent to 51<sup>st</sup> Avenue. Permitted uses within the PAD are generally the same as those permitted in the C-2 zoning districts. The PAD also permits a maximum of two retail uses up to 99,000 square feet of gross floor area, and up to six convenience uses with a limit of three uses each in Phase I and Phase II, which are the north and south half of the site.

The plan shows four driveways on 51<sup>st</sup> Avenue and three on Peoria Avenue. No driveways are proposed on 49<sup>th</sup> Avenue or Brown Street. The PAD requires a minimum of 20-foot building setbacks along 51<sup>st</sup> and Peoria Avenues and a minimum 50-foot building setbacks along 49<sup>th</sup> Avenue and Brown. These building setback areas are to be landscaped and include either a 4-foot high parking lot screen wall along 51<sup>st</sup> and Peoria avenues, or an eight foot high decorative wall along 49<sup>th</sup> Avenue and Brown Street.

On November 18, 2009, the applicant held a neighborhood meeting to discuss this project. Issues discussed include the phasing of the project, perimeter improvements, landscaping, design of screen walls, building orientation, types of tenants, delivery truck routes, the number of existing grocery stores, and the amount of retail space in the area.

The applicant has worked to modify the development plan in order to address the concerns expressed during the Citizen Participation process. All applicable city departments have reviewed the applications and have recommended approval. Four emails related to this project were received after the staff report was completed. The commission received copies of the correspondence prior to the public hearing for review. Two of the new emails are from an individual who previously sent correspondence to the Planning Department, and that previous correspondence is included as an attachment to the staff report.

The requested General Plan designation of Planned Commercial is appropriate for this project. The request is consistent with the land use and economic development elements of the General Plan with

the incorporation of sound growth management methods through the use of existing infrastructure on this infill parcel, including significant building setbacks and landscape buffers, and increasing local revenue captured by establishing a commercial destination within the City.

The PAD zoning district is the most appropriate zoning district to create an effective use of land and circulation systems. The development plan includes several large and small parcels along 51<sup>st</sup> and Peoria avenues, combining them into a cohesive, master planned project. The proposed designed standards and architectural theme will ensure quality designs throughout all phases of development. Ms. Stovall stated, the Planning Commission should recommend approval of GPA09-06 and approval of ZON09-07, subject to the stipulations contained in the staff report. She reminded the Commission that two separate motions were required for these two items.

Chairperson Tennyson called for questions from the Commission. As there were no questions from the Commissioners, Chairperson Tennyson asked the applicant to come forward to make his presentation.

Mr. John Berry stated his name for the record, and said he was representing Berry and Damore located at 6750 East Camelback Road, Scottsdale, Arizona. Mr. Berry presented part one of a three part presentation for both requests. He stated that Cameron Cooke, the owner of the north half of the property, would give comments about the history associated with this parcel, and Gordon Keig, of Kornwasser Shopping Center, the vertical developer of the property, would spend a few minutes talking about the operational characteristics of the major tenant WinCo Foods.

Mr. Berry stated the property is a 39-acre infill site. He explained that infill property is much more challenging to develop because there is established residential and commercial property in the area, which presents unique challenges for the developer. Infill development necessitates looking at competing needs such as being a good neighbor and the economic vitality of the entire city. Mr. Berry said that all of us are aware of the current economic circumstances that many of us face as individuals, as a community, and as a state. The economic vitality component of this project is an important consideration, as staff identified as part of the General Plan consideration. He said we are all aware that some of the projects that were supposed to happen in Glendale are now on hold or may have the potential for economic implications for the citizens of Glendale. In this instance, there is a real user who wants to be open in the third quarter of next year that will bring real jobs and real tax revenues to the city of Glendale. They do not need to find bank loans. They self fund through cash. These are real jobs and real tax dollars that are ready to flow into Glendale's coffers as early as next year. Infill development requires a unique development team to sensitively balance all of these competing interests between being a good neighbor, when you have established development around you, and the competing needs of the community for economic vitality.

Mr. Berry stated approximately five years ago, a Super Target store was proposed at this particular site, and the neighborhood unanimously opposed the proposal. This time around, Cameron Cooke and Gordon Keig listened carefully and did their homework before they filed an application. They reviewed the public record related to the proposed Super Target store. They tried to understand the neighborhood concerns by going door to door talking to neighbors. There was a community open house hosted by the applicant. They worked for months with the Planning and Transportation staff, and there were sessions with individual council members.

They took the time to listen, and then they made changes. What this application looked like when it was filed many, many months ago, and what is before you this evening is very, very different.

Mr. Berry reviewed some of the changes associated with the project. He stated the building square footage had been reduced by 40,000 square feet. They limited the number of convenience uses. They provided substantial enhanced pedestrian features such as shade structures. They upgraded building colors and materials. They provided four-sided architecture, and have excluded certain undesirable uses such as tattoo parlors and adult uses.

Along Peoria Avenue, they agreed to dedicate additional right-of-way so there could be a new wider, more pedestrian friendly sidewalk that would be separated from Peoria Avenue by a seven-foot buffer before you get to the six-foot sidewalks. They restricted access at all driveway locations, and accommodated future connections to the Circle K parcel.

Along 51<sup>st</sup> Avenue, they restricted access at the northern most driveway location and agreed to put in new and wider sidewalks.

Along Brown Street, the street to the south, they increased the landscaped buffer to a minimum of 50 feet for the neighborhood, plus there is a 50-foot right-of-way for a total of 100 feet from the homes on the south side of the project. They increased the building setback for the neighborhood. The wall for the proposed project, which is an eight-foot wall, is located away from the neighborhood so that the landscape buffer is on the neighborhood side of the wall. There is no vehicular access of any kind to Brown Street and there are new sidewalks with pedestrian access into the site from Brown Street. On 49<sup>th</sup> Avenue, they increased the landscape buffer to a minimum of 50 feet for the neighborhood. This varies from 50 feet to 142 feet from the property line. There is no vehicular access of any kind out to 49<sup>th</sup> Avenue.

They increased the building setback for the neighborhood. It varies from 94 feet to 269 feet from the property line and includes the right-of-way on 49<sup>th</sup> Avenue and that building setback, it varies from 154 feet to 329 feet. The wall is located away from the neighborhood, creating a linear park, and there are new sidewalks with pedestrian access into the site.

Mr. Berry stated they have done an admirable job of balancing the competing interests of the challenges of dealing with in-fill development in the city and he was proud of the site plan that is before the commission this evening.

Mr. Berry said that he would like to have Cameron Cooke address the commission, but first wanted to give a brief history about Cameron's character. He said that Cameron is the fourth generation of Cooke's in the Valley. He stated that before Cameron closed on the north half of the property, there were complaints that the existing buildings along the property that were dilapidated and closed had been broken into and some of the abandoned buildings had vagrants living in them. At his own expense, Cameron went in and demolished those buildings with no requirement on his part to do so. He did it because it was the right thing to do for that area. Mr. Berry then asked Mr. Cooke to come forward and address the Commission.

Mr. Cooke stated his name and his address of 5308 North 12<sup>th</sup> Street, Phoenix, Arizona for the record. He said he appreciated the opportunity to stand before the commission tonight. He stated this project was a culmination of a lot of hard work, done by a lot of good people, including City Staff, who kept their feet to the fire, even when they thought it was good enough, the project became even better. He wanted to convey to both the commission members as well as the audience, that they are not mercenary developers, and that his roots in the Valley go back to 1915. He said, virtually everybody with a hand in this project has been in the Valley for quite some time. Our matura is that we enhance the community through our efforts and we believe very strongly that we have the opportunity to do that with this project. We are very excited that in this economic environment, we can bring in an economic engine with this kind of power behind them to do something good for this neighborhood, which is exactly what has been asked for, and we are excited about that. Mr. Cooke asked that Gordon Keig, a partner with Kornwasser Developer come forward to say a few words on behalf of the major tenant, WinCo.

Mr. Keig introduced himself, and stated his address of 2720 East Camelback Road, Phoenix, Arizona for the record. He said that he too is an Arizona native, and has been in the shopping center real estate business since 1985. In 2003, he opened up an office in Phoenix with his partner Joseph Kornwasser to develop neighborhood and community shopping centers. They have projects in six western states: Arizona, New Mexico, Utah, Washington, California, and Oregon. Every single one of their shopping centers has a grocery store component to it. Their company's business model is that they develop their shopping centers for long-term ownership.

Since 2003, they have been involved in 14 shopping center developments in the West. They still own all of those shopping centers; they have not lost any of those to lenders or given back property. They are fortunate that all of their development capital comes from the Kornwasser family, so all of the assets are privately held. Mr. Keig said Kornwasser has developed with WinCo Foods in three other states. They are a grocery company, based in Boise, Idaho, and this would be one of their first five of six locations in the Valley. Mr. Keig showed photographs of a store Kornwasser opened for WinCo Foods in West Valley City, Utah, which opened in October of 2009. Kornwasser assisted WinCo with their marketing entry into the Salt Lake area, beginning in 2006, culminating with their first opening in 2009.

WinCo is a privately held company. They are an ESOP (Employee Stock Ownership Plan) owned by their employees. They have 70 stores, primarily in the Pacific Northwest, but they also have stores in Utah, Idaho, California, and are expanding into the Nevada market. Mr. Keig showed pictures of the inside of the new store in West Valley City so that people could get an understanding of what the interior of this store looks like. It does have some warehouse format elements to it, but most of their product is a conventionally displayed grocery store format.

WinCo believes that the employee ownership provides a pride of ownership component for all of their employees. Their employees have much better employee retention than the typical grocery industry. Their compensation packages with stock ownership in the company certainly are well in excess of any grocery competitor operating in Arizona today. They are a grocery only format. They do not have a pharmacy; they do not have expanded general merchandise. They do not sell televisions, lawn furniture, and garden hoses. They are really truly a grocery store. It is a very financially viable company. This year they will have a little more than five billion dollars in sales,

but as a company, they only have 14 million dollars in debt, which is very important. The only reason they still have 14 million dollars in debt is that it cannot be prepaid. It will be paid off in 2012, and in 2012, they will be a five billion dollar debt free company. They currently have under construction in southern California, a distribution center, which is the real key component for them to expand into the Phoenix area. That represents about a 70 million-dollar investment in a distribution center for both refrigerated and dry groceries. Therefore, they must build stores in Arizona in order to justify that distribution center investment.

Kornwasser studied the economic impact WinCo has on the economy. They estimate that WinCo will generate approximately one point three million dollars in sales tax revenue annually for the City of Glendale. They project in Phase I, a thirty-three point nine million dollar sales tax impact over twenty years. This will generate just under one million dollars in impact fees for the city, about two hundred and twenty thousand in construction sales tax, and an estimated payroll for WinCo of one hundred fifty six, full and part-time employees, with an annual payroll of three point nine million dollars. They do have a very serious commitment to expanding into the Phoenix area. They already purchased one property in the city of Phoenix, and the one in Glendale is one of six stores that will open in the year 2011. Mr. Keig thanked the Commission, and asked that John Berry give some final remarks.

Mr. Berry thanked the commission for their time, and summarized several key elements of his presentation. He reviewed the challenges related to property, the concerns and expectations of the people in the neighborhood, the importance of balancing the competing needs of everyone involved, and the financial impact the project would have on the economy. Mr. Berry said he would be happy to answer any questions.

Chairperson Tennyson asked the commissioners if they had any questions.

Commissioner Shaffer inquired about the life estate agreement involved in Phase III of the development project. He wanted to know who holds the life estate agreement, and the age of that person. Mr. Berry addressed the commission. He stated the life estate agreement was held by Mr. and Mrs. Rasmussen, whose family has owned the property since 1950, and that the Rasmussen's would turn 90 this year.

Commissioner Shaffer asked if the developer would be willing to increase the tree foliage around the parkway with heavy foliage trees to minimize the sound transmissions. Mr. Berry answered yes, and stated the developer was willing to increase the caliper of the trees from 24-inch box trees to 36-inch box trees, one hundred feet to the north and one hundred feet to the south of the loading dock area. He also stated that the landscape setbacks along the perimeter contain an eight-foot wall, which would provide the greatest defense against noise continuation.

Commissioner Shaffer asked if the stamped asphalt shown on the site plan as a landscaping feature in the main parking lot could be changed to stamped concrete. Mr. Berry said the reason Mr. Keig chose stamped asphalt is that it has the same aesthetic look, it's easier to repair, and easier to maintain, but if it is the desire of the Commission that stamped concrete be used instead of stamped asphalt, Mr. Keig would be happy to make that change. Commissioner Shaffer commented that he would prefer the stamped concrete. Chairperson Tennyson asked if there was any benefit of using

one material over the other. Commissioner Shaffer said concrete was a more permanent material; asphalt is a material that needs to be maintained. Chairperson Tennyson asked in terms of sound, if one material benefits over the other. Mr. Berry stated no, one did not benefit over the other, that it was a wash. He explained that asphalt is not used everywhere, that it is used more as decorative items at major access points.

Commissioner Hendrix addressed Mr. Berry's earlier statement regarding the neighborhood unanimously rejecting the Super Target development five years ago. Commissioner Hendrix asked Mr. Berry if he knew how many people had actually rejected the project. Mr. Berry stated in terms of absolute numbers he did not know.

Commissioner Hendrix asked Mr. Berry how WinCo compares in price range as it relates to other grocery stores prices. Mr. Berry stated that WinCo, in the markets where they compete head to head on groceries, actually has lower prices in terms of a basket of goods purchased than Wal-Mart.

Commissioner Hendrix asked if the 156 jobs that would be generated were just for WinCo or if this number included all phases of the project. Mr. Berry stated that the 156 new jobs would just be for WinCo.

Commissioner Kolodziej had concerns about the proposed pedestrian walkway from 49<sup>th</sup> Avenue into the project that crossed both service truck routes. He felt there should be some type of signage in the area that said, "slow-down" or "watch out for pedestrians ahead." He asked Mr. Berry what types of safety measures would be in place to prevent injury on that pathway. Mr. Berry stated they thought it was the best location to have a pedestrian access, to make it convenient for everyone, but in the course of design review, if staff has a better location, they would be delighted to make that change, as they are not wedded to any location.

Commissioner Shaffer asked during what hours of the day or night the trucks would make their deliveries. Mr. Berry stated there are approximately 30 to 35 truck deliveries a week and those would be spread out during the course of a 24-hour period.

Commissioner Spitzer stated that some of the residents noted in their feedback that this would be one of six or more grocery type stores in a very close proximity. His concern was if this location would be good for the neighborhood and would it be in the best interest of the Cactus and Barrel Districts. He wondered if this is something the neighborhood needs, and if it added value to the neighborhood. He also stated his other comment would be to address the issues of safety with the accessing and regressing of traffic, but first wanted to address the issue of how many grocery stores is enough.

Mr. Berry replied that this was a valid concern. He stated competition is something that is good; it forces other providers to do a better job, to be more efficient, and to provide a better product. Mr. Berry went on to say WinCo is going to serve this market and invest in this trade area the question is where. Will WinCo do it at a site in close proximity to this one in the City of Phoenix, that is already entitled, that would fill up an existing vacant big box, or will they generate new capital, new development, new jobs, and new sales tax revenue in the City of Glendale? The competitive impacts will be there no matter what for those other users. Perhaps WinCo will force those other

users and shopping centers owners to reinvest in their stores and shopping centers, to reinvest in security and quality, to insure that the shoppers want to keep going there or to attract new shoppers to the area.

Commissioner Spitzer responded that the concern is about the residents around this proposed store, this area, tonight, and that he understood that WinCo made a commitment to go to Arizona and open stores. What he wrestled with tonight was whether this location was in the best interest of not only Glendale, but the individual districts as well. Commissioner Spitzer said that what he was trying to elicit, is why it would be a good thing to be the sixth or seventh store that sells those kinds of grocery items.

Mr. Berry responded by saying, this property will at some point be developed and that it would not stay vacant forever. He stated if this land use proposal were not granted this evening, and the existing zoning stayed in place, the types of uses that would be permitted under the current zoning that would not be permitted as the result of the PAD, would allow for commercial parking lots, major auto repair, body shops, cocktail lounges with live entertainment, truck and cars sales, hotels and motels, heavy equipment sales and services, night clubs and dance halls, towing business, thrift stores, and pawn shops. With the PAD, in addition to all of these going away, we have excluded hookah parlors, tattoo shops, adult uses, and a few others uses. Therefore, from a neighborhood perspective we hope and believe this is a better solution for the neighborhood.

Chairperson Tennyson asked the Commissioners if they had any other questions, as there were none, she opened the public hearing to audience participation.

Gary Hirsch residing at 4520 West Echo Lane, Glendale, Arizona spoke in favor of the commercial use and recited his opposition to the residential zoning on the bottom portion of the property.

The following members of the audience spoke in opposition of the proposal.

Diane Esterly residing at 4801 West Cheryl Drive, Glendale, Arizona  
Marlene Rosen residing at 4736 West Beryl Avenue, Glendale, Arizona  
David Cleaveland residing at 4802 West Cochise Drive, Glendale, Arizona  
Richard Roclevitch residing at 4840 West Cochise Drive, Glendale, Arizona  
Tamra Dozer residing at 10030 N. 49th Lane, Glendale, Arizona  
Dennis R. Gerhard residing at 10613 North 48th Avenue, Glendale Arizona  
Dennis Duffy residing at 10038 North 49th Drive, Glendale, Arizona  
Susan Bedker residing at 10031 North 50th Drive, Glendale, Arizona  
J. Miller residing at 10423 North 49th Avenue, Glendale, Arizona  
Larry Fletcher residing at 9823 North 48th Drive, Glendale, Arizona  
Michael Ireland residing at 4804 West Cheryl Drive, Glendale, Arizona  
Carol Salvati residing at 4847 West Cheryl Drive, Glendale, Arizona  
Latrice Callahan residing at 5021 West Brown Street, Glendale, Arizona  
William Callahan residing at 5021 West Brown Street, Glendale, Arizona  
Daniel Ohton residing at 4935 West Becker Lane, Glendale, Arizona  
Rosemary Aguayo-Ohton residing at 4935 West Becker Lane, Glendale, Arizona  
Robert J. Johnson residing at 10221 North 52nd Avenue, Glendale, Arizona

Reginald Brister residing at 4823 West Cheryl Drive, Glendale, Arizona  
Karen Brister residing at 4823 West Cheryl Drive, Glendale, Arizona  
David O'Connell residing at 5101 West Beryl Avenue, Glendale, Arizona  
Jason C. residing at 9208 North 49th Avenue, Glendale, Arizona  
Andrew Jensen residing at 10019 North 50th Drive, Glendale, Arizona  
Kathy Fletcher residing at 9823 North 48th Drive, Glendale, Arizona

Residents opposed the hours of operation and expressed concerns associated with living next door to a 24 hour 7 day a week operation. They stated that this type of business would bring crime and vandalism into the neighborhood. Residents objected to having to live with the inconvenience of all night lighting and noise pollution, and felt this project would not benefit the quality of life for the residents of the neighborhood.

Traffic concerns were also raised by a number of residents. They expressed safety concerns with the increase of an already heavy traffic flow in the neighborhood. Residents were worried that the added traffic would hinder the emergency response time for the fire and police department or for people that needed medical treatment. Many addressed the ingress and egress of delivery trucks, with the amount of deliveries per day, and the impact this would have on pedestrian and vehicle safety.

Residents were opposed to the building size, the orientation and placement of the store, and the visual impact and close proximity of the screen walls and building heights. One resident stated the walls and buildings would attract taggers in the neighborhood. Other concerns cited were the large number of parking spaces on the property and the lack of adequate landscaping.

Residents living close to the proposed site wanted to keep the residential character of the neighborhood, and did not want the zoning to change. They believed changing the R1-6 zoning would eliminate the protection of residential property values. A prominent concern was there were too many grocery stores in the area and not enough people to support them. Residents believed that adding another grocery store would be harmful to the existing stores and would contribute to more vacant and empty properties already in the neighborhood. Some felt that WinCo was a lower end retail establishment and that various aspects had been misrepresented.

Residents questioned whether the proposed zoning change would increase or reduce the tax revenue. They were concerned with maintaining the value of their homes and the value of the horse property. Many felt the proposal did not promote a livable neighborhood and were in favor of more residential and less commercial development for that area.

With the conclusion of the audience participation, Chairperson Tennyson asked the applicant to come forward for closing remarks.

Mr. Berry stated before he made his closing remarks there was one issue he would like Mr. Keig to address with the comments made relating to the competition, the number of stores, why is there a need, why is there a demand, and question if this would take away from other users in the area.

Mr. Keig stepped forward, thanked the Commission, and stated it was important to address one of the main topics of discussion of not having a demand for additional grocery stores in this area. He stated in his current capacity as a shopping center developer, all the projects have a grocery store component to them and he has worked as a corporate real estate capacity for a grocery chain for a number of years developing over 70 projects in the southwest. He stated WinCo goes to great lengths to analyze the population, the competition, and the trade area before they make a decision. They study customer propensities and customer spending habits in three different, separate studies performed by separate consulting companies. The first is a computer-generated study, analyzing information that is readily available through data sources around the United States. The second study is a gravity model, which is probably the most important sales study that they conduct. They go out with an outside consultant and survey the grocery stores in the area. They survey the grocery stores existing volumes, they analyze their facilities, they analyze their merchandising so they can get an understanding of how many grocery store dollars are actually being spent in a trade area. What they found in the study that they did for this trade area is that several of the grocery stores are doing double the national average in sales per square foot. Once they analyze the existing grocery store business they run a computer generated model assuming a new grocery store is inserted into the trade area, obviously a WinCo. With this information, they can analyze exactly where they are getting their grocery business. When they concluded their study, they found that all of the grocery stores in this trade area would continue to do in excess of the national average per sales per square foot. Mr. Keig stated that the data supports that all grocery stores in this area would continue to be operationally sound assuming they run their operation the way they should. WinCo is not a dominator; they do not put people out of business. Fry's operates 93 grocery stores in Maricopa County; WinCo's strategic plan for Maricopa County involves 12 grocery stores. Therefore, they are not going to flood the market and put lots of people out of business. In the gravity model it shows that they are going to be pulling more traffic on Peoria, less traffic on 51<sup>st</sup>. They are going to be pulling more customers from an east / west direction than a north / south direction. East of the intersection is the City of Phoenix, and west of the intersection is the City of Peoria, so you are actually going to be picking up sales revenue that is currently being spent in Peoria, now being spent in Glendale with the WinCo. The third study is a telephone survey with customers in the trade area. They go through the propensity of those customers to shop at a store like WinCo and that study found that the customer attitudes and the propensity to shop grocery stores is very high for WinCo in this area.

Mr. Keig also wanted to address one other the comment from the audience, and that was the impression that WinCo was a shopping down grocery store rather than an upscale grocery store, which he feels is a real misperception. WinCo's largest customer growth areas are areas where incomes are in excess of \$70,000, not just people in low-income areas today shop at pricey costly impact grocery operations. One of the most successful Wal-Mart Supercenters in the Maricopa County area is in north Scottsdale, and one of the most successful Costco's in Maricopa County is in north Scottsdale where incomes are in excess of \$100,000 a year in family income. Therefore, the perception of a low price operator does not necessarily mean you are bringing in low income customers to the area. They really draw customers who are living in that trade area, not from outside the trade area or in lower income areas.

Commissioner Shaffer asked if in the demand studies did they take into consideration the Wal-Mart grocery store that is going on 51<sup>st</sup> Avenue and Olive, and where does that fit into your mix?

Did you take into consideration that it would impact Fry's and Safeway? Commissioner Shaffer stated that he heard rumors, and he personally thought that those two stores would fold with the competition of Wal-Mart, and said in his opinion they are in jeopardy, but he does not know if that is fact or fiction and asked if it was taken into consideration with your marketing efforts? Mr. Keig said yes it had. We always assume whatever we can expect in terms of competitive changes in the study so they would assume through the computer-generated model that there will be a Wal-Mart Neighborhood Market at 51<sup>st</sup> and Olive and they did include that in their study. Mr. Keig said he would be hard pressed to believe that any Wal-Mart Neighborhood Market in the Phoenix area is going to put another grocery store out of business. They just don't generate that much volume. The average Fry's grocery store in the city of Phoenix generates around \$600,000 a week in sales and the average Wal-Mart Neighborhood Market is probably less than \$200,000 a week in sales, so it would be a hard stretch for anybody in the grocery industry to believe that a Wal-Mart Neighborhood Market is going to put Fry's or Safeway out of business. Commissioner Shaffer stated he was glad to hear that.

Mr. Berry approached to podium for his closing remarks and thanked the Commission for their time. He addressed the issues discussed by the community regarding traffic, restating that there were no access points for vehicles along 49<sup>th</sup> Avenue and no access for vehicles along Brown Street. He stated they were required by the city staff to have a licensed, registered traffic engineer do a study, and the city's professional transportation staff reviewed it in great detail. There were meetings with the traffic engineers from the city's professional transportation staff and the engineers from the firm that worked with them, resulting in a lot of changes to the site plan, and the stipulations imposed in the case this evening in order to address the transportation and traffic issues. The professional transportation staff is satisfied with the transportation issues that have been addressed. Mr. Berry stated that the property already has existing commercial zoning on it so it already has the potential for traffic impacts associated with it. Another concern was for regarding the traffic going down 49<sup>th</sup> Avenue. Mr. Berry pointed out that there was no vehicular access along 49<sup>th</sup> or Brown.

Another concern Mr. Berry addressed was whether there was a wall on Brown and the concern was for taggers and graffiti. He stated yes, there would be an eight-foot wall along Brown with a pedestrian connection through it. He said it was important to note that as it relates to the 24-hour issue where taggers can thrive, where trouble can thrive, where the petri dish of crime has the perfect conditions to cause problems in the neighborhood is where there is not what we call eyes on the street. Where there's not activity, where there's not light, where there's not things going on. One of the advantages with a 24-hour facility is there will be customers, there will be security, there will be activity. That is the antidote to a lot of potential crime, including graffiti in an area. Mr. Berry added that from a security element concerning the graffiti on the wall, there would be a property owner's association that will be required to maintain that area and to ensure that it is in good shape.

Next, Mr. Berry reviewed the current zoning, which allowed many uses that would not be positive for the area, in comparison to the development planned under this proposal. Across the street is a pawnshop, what was on this property before was a gun shop and a used furniture store.

Mr. Berry compared the existing zoning to the proposed zoning stating, that if you live along 49<sup>th</sup> Avenue the existing zoning allows R1-6 uses. In the City of Glendale, all that is required for R1-6 zoning, single family home is a 15-foot building setback. The permitted height of homes in an R1-6 is 30 feet in height. Thirty feet in height is the height of the major tenant WinCo at the rear of the store as well. Under the proposed zoning, looking at the closest building to our property line, to the neighbors along 49<sup>th</sup> Avenue, from their property line, across the right-of-way, across the landscape buffer, with additional building setbacks, the total distance is 156 feet, half a football field away from houses along 49<sup>th</sup> Avenue.

Mr. Berry addressed another issue that arose with respect to the existing zoning. On the northwest corner of 51<sup>st</sup> and Peoria Avenues is an existing Sprouts development. Someone pointed out that this might be a good model for development of the current zoning on the property. What you have there is commercial development with apartments immediately next door. That is the old style of development where you have existing zoning in place. There are single family homes that share a wall with the commercial center. Compare that type of development to our site plan.

One individual that spoke lives across 49<sup>th</sup> Avenue and is in fact the person closest to this development. Mr. Berry stated he understood his concerns. Peoria is the major arterial with a certain amount of ambient noise associated with a major arterial. He lives two houses in from the intersection of Peoria and 49<sup>th</sup> Avenue. Unfortunately, he is one of the two homes that fronts onto 49<sup>th</sup> Avenue. As part of trying to be sensitive to our site planning efforts in trying to be a good neighbor, what we have done is move the inline shops as far away as possible from the neighbor to the east. We created the largest area of landscape setback along the entire development. So what have we done? From his property line to the inline shop, is 269 feet with a huge landscape buffer with an eight-foot wall along this area. Going along that area 100 feet from the loading dock will be 36-inch trees rather than 24-inch trees in that area. These are some of things we have done along the way in trying to balance the interest of the community.

There was some discussion about this is just the Target case all over again. We are so far away from the Target proposal; we are the anti-Target. We have tried so hard, so completely, to learn the lessons of that effort with this site plan. We have less square footage, more landscaping, less traffic, more setbacks, better design and that is just to start with to list how we are different from the Target proposal.

Mr. Berry addressed the Commission saying he felt he had addressed most of the major issues the neighbors had and said he would be happy to answer any additional questions.

Commissioner Shaffer wanted to know when they would be building the additional shops adjacent to the grocery store. Mr. Berry stated that would be in Phase I of the project. Commissioner Shaffer asked if they addressed the marketing of that pre-leasing or is that going to be just another empty shop. We were not able to do pre-leasing until WinCo would allow us to go public with who our major tenant was, and that effort could not commence in terms of pre-leasing until about six weeks ago. We did not want to go public, and WinCo did not want to go public unless were absolutely certain that this was where they were going to be.

Commissioner Shaffer asked if WinCo owns the shops, has any interest in them, or are they just the major tenant for the site. Mr. Berry said that is correct, Mr. Keig and the Kornwasser Company will be the ones who develop that portion of the center.

Mr. Hendrix stated some of the people mentioned that there were so many other places that you could have put a WinCo. The question is what other places did you look at besides this property? Mr. Berry asked that Mr. Keig answer that question. Mr. Keig addressed the Commission saying they started doing a strategic analysis for WinCo about 18 months ago looking at development opportunities in the Phoenix area. Surprisingly, inside the loop-101 there is really only about six or seven properties available of an appropriate size and dimension for a WinCo store. When a retailer looks at a new market, one of the most difficult opportunities to find are the ones in the city. It's really very easy to go out to Surprise and find 15 different properties available for sale that would be adequate for them. There is one other site in this area that we have analyzed and is viable for a WinCo store, but not as optimal as this site. In their store spacing, it would be more like a five or six mile spacing as opposed to a Fry's or Safeway or an Albertson's in an dense metro area where they might be doing two and a half or three mile spacing of stores. This is one of six locations that would be in their first wave and in our strategic analysis of those first six, we probably looked all around the valley about 40 to 50 different properties as potential viable sites.

Commissioner Hendrix asked if those sites were vacant or were they developed properties? Mr. Keig stated that on one of the properties they purchased, there was an empty building, but all of the locations in this first phase are more in fill type properties. Commissioner Hendrix said that he felt this was what a lot of the people were asking about tonight; of the different properties that were vacant, not just the little shops, but the big shops, were those a part of your search? You might not get all the small shops incorporated with your major tenant, all at one location, or was it that you were looking for a place where you could put a big box with a lot of little ones? Mr. Keig stated he was glad Commissioner Hendrix asked that question. It is very difficult to take a former grocery store and make it into a WinCo. WinCo is a 95,000 square foot store and it has certain dimension of front to back and side to side that really is optimal for their business model, and they have a parking field that they require with 1,500 stalls. The stalls are not all occupied at all times, but obviously on Thanksgiving day or the day before Thanksgiving we all know grocery store parking lots are very full no matter what their size. It is very difficult to find a former grocery store that has appropriate dimensions for the building as well as the parking requirements that they have to meet their needs. It would be like asking a Wal-Mart to go into a Walgreens, and you just cannot make that box fit into the dimensions available on most grocery stores or empty grocery stores.

Chairperson Tennyson had two questions; one is in regards to lighting. In addition to sound impact, lighting can have a big impact on the surrounding community. I know we have had cases in the past; one was a church, where the lighting was able to be modified so that it provided the safety and the lighting that was necessary for the facility itself, and was able to be placed so that it did not impact the neighborhood that it abutted to. Has that been taken into consideration here? Mr. Berry said the short answer to that would be yes, that was one of the issues staff raised with us. We had to do a photometric study that shows light spill, with a certain type of shield and what we are doing. There is a stipulation that would require us to have diminished impacts on lighting in the area. The way that staff addressed that is that in 100 feet of any resident area the requirement is the maximum height of a pole is 15-feet. The typical height is double that at about 30 feet.

Chairperson Tennyson asked that with a 24-hour operation is it possible without handicapping the retailers involved to have limited delivery hours or quite hours. Mr. Berry stated they were aware that this has been an issue for folks from the beginning. I want to say yes, Mr. Keig would like to say yes, Mr. Cooke would like to say yes. The reality is we cannot agree to it. WinCo has to have the ability to have a 24-hour operations and 24-hour deliveries. I am not sure that any of the competitors that we talked about in the area have that same restriction. Therefore, they would have the ability, at any time they want, to be opened 24-hours if they desire from a competitors standpoint and to have those deliveries 24-hours. From our perspective, when you recognize there are between 30 to 35 deliveries a week which is somewhere between four and five a day, that is not the massive amounts of deliveries I think people had in their minds that was going to occur here. We tried to do everything else we can from land use, amelioration, from mitigation, increasing the caliper of the trees, the pedestrian access, and safety issues. Those types of things, yes, but this is one of the fundamental operating issues for WinCo. We like to say yes, but we can't.

Chairperson Tennyson had a technical question that Ms. Perry could answer. The applicant has stated that they were willing to increase the box size on the trees to 32 inches. Is that something we should add as a stipulation or how should that be handled? Ms. Perry said there are two approaches we can take, we can add it as a stipulation tonight, or the applicant can agree to amend the PAD prior to the project moving forward to City Council to reflect such a stipulation that they agreed to meet. Mr. Berry replied, if it is the pleasure of the Commission, if you want to add it as a stipulation this evening or you instruct staff to come up with the language before we go to Council what we have suggested is that along major one, where WinCo is, the length of the loading dock and then 100 feet beyond that on either side of the loading dock, that the caliper of those trees would go from 24-inch, not 32, to 36-inches. So, however you want to do is fine, we will make it happen before City Council if that is your desire.

Ms. Perry addressed Chairperson Tennyson regarding the comment that was made with replacing stamped asphalt with stamped concrete. She stated that comment could also be revised in the PAD prior to moving forward to City Council if you so desire. Chairperson Tennyson said okay, and Mr. Berry said he agreed with that as well.

There were no other questions for Mr. Berry.

Before asking Ms. Perry for final comments, Chairperson stated that there is a Fry's at 59<sup>th</sup> Avenue and Beardsley. She stated the delivery area does back up to residential and does not have the luxury of this kind of a buffer. She asked if there was anyone here that knew the hours of operation. Jon Froke, Planning Director stated that he thought the hours of operation for that store were 7:00 a.m. to 10:00 p.m. Ms. Tennyson asked if they would get deliveries in the middle of the night or if there were there any limitations to their deliveries. She stated she was just curious as to how that operation co-existed with the neighbors to try to extrapolate from there. Commissioner Spitzer stated they always have to have night deliveries if they have an early opening. They have to get all the stock in and get it on the shelves in order to remain fresh.

Chairperson Tennyson asked Ms. Perry if there were any final comments or procedural guidance. Ms. Perry responded yes and stated, as indicated this is an infill project and as we have witnessed tonight any time a developer and staff are faced with the development of an infill site in a developed

and mature neighborhood there will always be challenges to work out concerning development standards and concerns stated by adjacent property owners. As Ms. Stovall and the applicant has indicated, staff has worked diligently with the applicant and other city departments to address internal and external stakeholders' development concerns to ensure quality development for this site. Some of the individuals who spoke tonight may not have come forth during the citizen participation process; however, staff believes a quality development will occur if the request received tonight receives final approval. Also if approved, staff would continue to work with the developer in addressing comments from this public hearing, if possible during the design review process.

Chairperson Tennyson closed the public hearing and asked for a motion. **Commissioner Shaffer MADE a MOTION to APPROVE GPA09-06. Commissioner Kolodziej SECONDED the MOTION.** Chairperson Tennyson said a motion has been made and seconded, and asked if the Commission if they had any comments or discussion regarding this case. Commissioner Kolodziej thanked everyone for being there tonight and for submitting their comments. He stated that he too had been in the same situation, and shared with them a similar experience he and his wife had when they moved into a new subdivision with cows and horses across the street. He was told by the developer that the property across the street would eventually be developed into three and a half to five units per acre, similar to what was is the plan presented tonight. That area is now known as Westgate. He stated he understood and appreciated their concerns, as he did the same thing they did; he stood in front of the podium, talked to the Planning Commission as well the City Council. He stated their property values actually increased with Westgate and the crime rate decreased. He stated he was sure you know Westgate, there are bars there, there are restaurants that serve alcohol, and there is the University of Phoenix that serves alcohol to people who have tailgate parties. He stated he is not sad that is it has gone in. He thought his concerns were legitimate, but he found that his concerns did not happen, so I will be fully supporting this project tonight.

Chairperson Tennyson thanked everyone for taking the time this evening to come here and share their concerns. They were all very heartfelt, they were all very well prepared. This is a very difficult case. Anytime there is an infill, there are always so many things to consider. The biggest consideration certainly is what would the other opportunities and options be for the use of this land, and not to diminish the quality of this project, but would this be the lesser of other evils of other developments that might come into play. If they brought in apartments I think the intrusion on the apartments could exceed what you might perceive to be the projected intrusion from this particular project. It is a quality project, and we are a free enterprise. It is not our place as a commission to decide how many supermarkets, or how many Blockbusters, or Starbucks are appropriate for the community. We do want to encourage competition because competition does bring better products, better prices, and hopefully a better quality of life for all of us. We, I think as a city, have always been very careful to respect the citizens, which is what certainly attracted me to the city of Glendale. And to take that into consideration, so I think that if this does go forward, I would certainly encourage all of you to continue your dialogue with the city to express your concerns with the Council and to attend that meeting when that meeting comes up.

Commission Spitzer said that he thought it was impressive that the project developers have come forth and made a valuable presentation, I find it even more impressive that so many residents and neighbors, people who really care about their neighborhood set forth and brought forth a forceful

intelligent articulate opposition to this project and if more neighborhoods would do the same thing I think we would get better neighborhoods. Therefore, I want to thank them all for being here tonight and taking all this time out of their life just to come here about something that they care about.

Chairperson Tennyson asked for a roll call vote. The Commission voted 4 to 1 to Recommend Approval of GPA09-06. **Commissioner Spitzer “No” on the roll call vote.**

Chairperson Tennyson asked Mr. Li to state the next step in the approval process. Mr. Li stated that the Planning Commission’s action on General Plan Amendment GPA09-06 is a recommendation, which is forwarded to City Council for final approval.

Chairperson Tennyson asked to entertain a motion on ZON09-07. **Commissioner Shaffer MADE a MOTION to APPROVE ZON09-07 along with the stipulations 1- 15. Commissioner Kolodziej SECONDED the MOTION.** Chairperson Tennyson asked if there were any comments from the Commissioners as there were none Chairperson Tennyson called for a roll call vote. The Commission voted 4 to 1 to Recommend Approval of ZON09-07 with stipulations 1 – 15. **Commissioner Spitzer “No” on the roll call vote.**

Chairperson Tennyson asked Mr. Li to state the next step in the approval process. Mr. Li stated that the Planning Commission’s action for rezoning is a recommendation, which is forwarded to City Council for final approval.

#### OTHER BUSINESS

Chairperson Tennyson called for other business and invited those present an opportunity to speak. Ms. Perry reminded the Commission that the next Planning Commission meeting would be held on April 1, 2010 at 7:00 p.m.

#### PLANNING STAFF REPORT

Chairperson Tennyson called for Planning Staff Report. Ms. Perry stated there was none.

#### COMMISSION COMMENTS AND SUGGESTIONS

Chairperson Tennyson called for Commission comments and suggestions. Commissioner Kolodziej thanked Chairperson Tennyson for the time they had together on the Commission and wished her well in her future endeavors.

#### ADJOURNMENT

Chairperson Tennyson called for any other comments, reports, or further business. As there was none, the meeting adjourned at 9:51 p.m.

Respectfully Submitted,



Marilyn Clark, Recording Secretary