

Pew & Lake, RL.C.

Real Estate and Land Use Attorneys

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Reese L. Anderson

August 11, 2021

VIA EMAIL (lkirch@apachejunctionaz.gov)

Larry Kirch
Planning Director
City of Apache Junction
300 E. Superstition Blvd
Apache Junction, AZ 85119

VIA EMAIL (nleftwich@apachejunctionaz.gov)

Nicholas Leftwich Associate Planner City of Apache Junction 300 E. Superstition Blvd Apache Junction, AZ 85119

Re: Allowed Uses in the B-3 Zoning District

Dear Larry and Nick:

Thank you for taking time to meet with the Bela Flor team on Monday morning. It meant a lot to the team that you made time for us on short notice.

First, we applaud you and the City Planning Staff for the passion and drive to establish a meaningful downtown that will be an attractive and desirable place to gather. Please know that Bela Flor shares this same vision and that we are united in the end goal.

As expressed during our meeting, we wish to share a few more precise thoughts in response to the current list of proposed uses that Nick sent to us on Monday, August 9th. To help with tracking, we will follow the same order in which these items appear in the August 9th document. Our comments arise from our recent and extensive market analysis of what types of uses would be possible / viable at this location. We further note that over time, we anticipate that uses can evolve and grow within the B-3 zone, as successful building blocks, one by one. Thus, it is critical that we establish successful uses now. As the cliché goes, success breeds success.

Before getting into these specifics, let us state that we agree with the vast majority of all the designations that you have in the B-3 zone. You have invested significant work in this effort and believe that these designations will help provide the right direction for the development of the Apache Junction downtown.

Let's step back and look at the big picture for a moment. Retail businesses are undergoing significant transformation. Covid-19 accelerated changes that may have otherwise taken decades. These changes will continue. None of us can predict perfectly how retail will evolve. Five years

ago, who could have predicted that Amazon would expand into brick & mortar stores, or that Tesla or Lucid would set up new car dealerships in showrooms in more traditional shopping malls like Scottsdale Fashion Square and Fashion Island in Newport Beach! Certainly, we could not have foreseen these developments. Because of this, we believe that the CUP approach is a valid one for several additional uses, where we simply cannot predict the future. This will allow Apache Junction to evaluate the business, specific use, and design as proposed, and make a decision at the relevant time.

With that as background, the following represent our suggested modifications:

- Motor Vehicle Dealers. We suggest that the City allow <u>new</u> motor vehicle dealers in a showroom environment with a maximum sq. footage of 7,000 sq. ft. Doing so would allow new auto dealers the opportunity to showcase their products without the traditional space necessary. As we shared on Monday, Fashion Island in Newport Beach actually has four (4) of these types of uses, Lexus, Lincoln, Lucid and Tesla all within that project. We also just learned that Scottsdale Fashion Square has a new Lucid showroom within that project. These uses are becoming more common in retail environments, though unheard of just a few years ago.
- General Auto Repair. We suggest allowing general auto repair, subject to a CUP, which will allow staff and the decision-making body, the opportunity to ensure that the design, architecture, and location are appropriate and in keeping with the vision of the plan. Obviously, bay doors should be in the back and cars should not be left over night. These uses bring significant retail customers who can patron other sites while their vehicle is being repaired. If built with good design, this can be a positive use.
- <u>Car Washes</u>. For similar reasons, we suggest allowing car washes subject to a CUP. The newer, modern tunnel car washes are attractive, in high demand and bring a large number of people to the area. The location should be near the higher traffic road frontage for obvious reasons.
- Automotive Parts. We can easily envision an AutoZone or O'Reilly's within the B-3 area but would suggest that this use be allowed subject to a CUP for the same reasons stated above. There should not be work done by the company or patrons onsite.
- Appliance Sales & Parts. For similar reasons noted above, we suggest that a CUP be used for this use. We envision small scale appliance stores or computer stores that would fit well into the overall vision for this area. Look at Godar Electronics in the Heritage District of Gilbert, which can be verified by following this link to the Heritage District map: https://discovergilbert.com/wp-content/uploads/2018/04/HeritageDistrictMap.gif
- <u>Building Materials</u>. As existing today, there is a hardware store on Apache Trail, which we think is an acceptable use to support the residential uses that are planned for the area. We suggest that a CUP process would be a good approach to allow this type of use. Within the Gilbert Heritage District, is Arizona Hardwood Flooring Supply, which would be a great use in Apache Junction. See Gilbert Heritage District Map, link above.

- <u>Nurseries & Greenhouses</u>. The use of a CUP is appropriate for nurseries and greenhouses. Within the Gilbert Heritage District there is C&J's Antiques and Garden. See Gilbert Heritage District Map, link above.
- <u>Antique Stores</u>. The Gilbert Heritage District also has several antique stores. Accordingly, for similar reasons noted above, we think a CUP is a good method to ensure the location, size, and design of this type of use. See Gilbert Heritage District Map, link above.
- <u>Printing Shops</u>. In our minds, we are thinking of smaller stores like Kinkos or other similar stores that could be allowed with a CUP, limited to under 7,000 sq. ft.
- <u>Personal and Household Goods Repair</u>. We can easily see smaller stores allowed with a CUP, that would cater to the repair of cell phones (such as an Apple Store or Verizon store), which would draw significant traffic to the area for residents both far and near.
- <u>Physician Offices</u>. We note that footnote 6 says that these uses are allowed when not stand alone. Our suggestion is to slightly modify this to say that they are allowed, but a CUP is required when they are stand alone. This will provide appropriate flexibility and control over these uses for many of the reasons noted above.
- <u>Distribution Centers</u>. We suggest that a small-scale distribution centers should be an acceptable use with the issuance of a CUP, subject to a maximum size of 7,000 sq. ft. Examples of these uses are like the store West Elm where one cannot buy most of what's in their stores unless it is ordered online. Perhaps this use fits under a more traditional retail use, but wanted to share this thought with you.

We thank you for the opportunity to share some thoughts on these items. We also hope the foregoing are useful in your deliberations. Finally, we want to share that we are okay with a delay in City Council adoption of this matter. Like you, our preference is to get it right rather than to simply get something done.

If myself, or anyone on the Bela Flor team can be of assistance or if we can answer any questions, please contact me at any time using the method of your preference.

Sincerely.

Reese L. Anderson PEW & LAKE, PLC

ce: Karl Huish Hudd Hassell Amy Maloy Casey Treadwell

RE: [External] 8/9/21 Follow Up

Reese Anderson < Reese. Anderson@pewandlake.com>

Tue 8/24/2021 2:58 PM

To: Nicholas Leftwich <nleftwich@apachejunctionaz.gov>; Larry Kirch <lkirch@apachejunctionaz.gov>;

Cc:Rudy Esquivias <resquivias@apachejunctionaz.gov>; Karl Huish <karl.huish@belaflor.com>; hudd@belaflor.com <hudd@belaflor.com>; Casey Treadwell <ctreadwell@vivopartners.com>; Amy Malloy <amalloy@evolveventuresphx.com>; Sidney Urias <surias@apachejunctionaz.gov>; Kelsey Schattnik <kschattnik@apachejunctionaz.gov>;

Hello Nick & Larry,

Thanks for the opportunity to share a few more thoughts with you on the B-3 uses. Please note that our request for these uses to be included DOES NOT MEAN that these are the ONLY uses we are planning for, or that the uses below are the MOST LIKELY TO OCCUR. In fact, the contrary is the truth. So, please know, and share with others where possible, that our request for these uses arises from a simple desire to maintain flexibility and balance control, without jeopardizing the common vision and goal of a vibrant downtown AJ. Also, please note that our list below does not include all of the items that appeared in our prior letter. Thus, below is our revised list of uses that we kindly ask you to consider including in your next draft of the ordinance:

- 1. <u>Auto Repair</u>. We continue to believe that general auto repair should be allowed subject to a CUP. Further suggest that a footnote be added to require that bay doors cannot face a public street and that no vehicles may be stored on site unless behind a solid wall.
- 2. <u>Carwash</u>. We continue to believe that a carwash thoughtfully designed and well located should be allowed subject to a CUP. Suggest that a footnote be added that it cannot be a self-serve carwash and all washing facilities must be in an enclosed building.
- 3. <u>Auto Parts</u>. We request clarification as to what category an AutoZone or an O'Reilly might fall into? If categorized as the sale of auto parts, then we suggest a CUP for these types of stores where no repairs occur on site and all uses occur indoors. If these uses are general retail goods, then no change is needed. We note that almost every item found within an AutoZone is also obtained at other general retail stores.
- 4. <u>Appliance Repair</u>. We suggest that these uses be allowed if they are small scale, consumer appliance stores or computer stores that would fit well into the overall vision for this area. We think of Apple stores, Verizon stores, etc. If there is a more specific concern, a CUP could be utilized.
- 5. <u>Nurseries & Greenhouses</u>. We continue to believe that a CUP is appropriate for nurseries and greenhouses. This use could be connected to a hardware store.
- 6. <u>Antique Stores</u>. The Gilbert Heritage District also has several antique stores. Suggest a footnote that this use occur entirely indoors, but NOT subject to CUP.
- 7. <u>Printing (copy) Shops</u>. In our minds, we are thinking of consumer stores such as Kinkos or other similar type stores and not larger, noisier printing shops. If concerned, we would suggest a CUP for such uses, but we would think that copy shops, occurring completely indoors, should be an allowed use.
- 8. Physician Offices. We suggest that these be allowed as both inline and standalone uses NOT subject to a CUP.

Of course, we are happy to discuss, answer questions, have a conversation at any time via phone, email or internet.

When you can, please send us the next draft of the ordinance. We reserve the right to provide additional comments at that time.

Thank you. Please know that we sincerely appreciate your hard work on this important topic.

Reese Anderson Pew & Lake, PLC 480-461-4670

From: Nicholas Leftwich <nleftwich@apachejunctionaz.gov>

Sent: Wednesday, August 11, 2021 4:09 PM

To: Reese Anderson < Reese. Anderson@pewandlake.com >

Cc: Larry Kirch < lkirch@apachejunctionaz.gov>; Rudy Esquivias < resquivias@apachejunctionaz.gov>; Karl Huish < karl.huish@belaflor.com>; hudd@belaflor.com; Casey Treadwell < ctreadwell@vivopartners.com>; Amy Malloy < amalloy@evolveventuresphx.com>; Sidney Urias < surias@apachejunctionaz.gov>; Kelsey Schattnik

<kschattnik@apachejunctionaz.gov>

Subject: Re: 8/9/21 Follow Up

Thank you for the update, Reese. As a quick comment on your correction, the use described in your letter is rather defined in the code as "Electronic Shopping and Mail-Order Sales" located near the bottom of page 2, rather than "Distribution Facilities" which are the industrial-class warehouses that Amazon distribution centers are representative of.

Is this interpretation (Electronic Shopping and Mail-Order Sales) for the use you propose to include in B-3 correct? The "Electronic Shopping and Mail-Order Sales" use category is also given a "No" designation, so your comment regarding the proposed change and rationale is still applicable here, but we just want to have the right definitions and designations apply to the right things.

Thank you,

Nicholas Leftwich

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480-474-8575
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From: Reese Anderson < Reese. Anderson@pewandlake.com >

Sent: Wednesday, August 11, 2021 3:45:49 PM

To: Nicholas Leftwich

Cc: Larry Kirch; Rudy Esquivias; Karl Huish; hudd@belaflor.com; Casey Treadwell; Amy Malloy

Subject: [External] RE: 8/9/21 Follow Up

Nick,

I had my wires crossed on Data Centers versus Distribution Centers and sent to you the wrong letter this morning. My sincerest apologies for any trouble for confusion. Please see the attached letter which supersedes the prior version. Thank you for letting me add to the challenges of your day.

Reese Anderson Pew & Lake, PLC 480-461-4670

From: Reese Anderson

Sent: Wednesday, August 11, 2021 11:47 AM

To: Nicholas Leftwich < nleftwich@apachejunctionaz.gov >

Cc: Larry Kirch < ! Rudy Esquivias < : Karl Huish : hudd@belaflor.com; Casey Treadwell ctreadwell@vivopartners.com; Amy Malloy

<amalloy@evolveventuresphx.com>
Subject: RE: 8/9/21 Follow Up

Hello Nick,

Please see attached letter for your consideration. Please call me with any questions. Happy to talk in person or on the phone.

Reese Anderson Pew & Lake, PLC 480-461-4670

From: Nicholas Leftwich < nleftwich@apachejunctionaz.gov >

Sent: Monday, August 9, 2021 12:38 PM

To: Reese Anderson < <u>Reese.Anderson@pewandlake.com</u> >

Cc: Larry Kirch kirch kirch@apachejunctionaz.gov

Subject: 8/9/21 Follow Up

Hello Reese,

Here is the digital file of the zoning table document we provided you during our meeting. Thank you for your time today.

Nicholas Leftwich

Associate Planner

City of Apache Junction

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Apache Junction, AZ 85119

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