

**PLANNING DEPARTMENT**

**Desert Ridge Specific Plan Amendment - Applicant Analysis Questions**

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Attach a narrative statement which addresses the following questions. When preparing the responses, cite Goals and Policies from the General Plan. Additional information pertaining to the request may also be included, as appropriate.

Background and Purpose of Request

*The Desert Ridge Specific Plan was adopted in 1993 to be a regulatory control mechanism for development of the Desert Ridge planned community. The Specific Plan, with its thorough and comprehensive plan elements, provides for balanced, logical growth of the City of Phoenix in this area and ensures development of a unique community of high quality standards.*

*Desert Ridge is now a very successful planned community and is home to a variety of major developments of exceptional quality. In the late 1990's, when American Express was looking for another large parcel in the northeast portion of the valley to consolidate its scattered leasehold office space into a new regional headquarters operation, the Master Developer of Desert Ridge (Northeast Phoenix Partners), the City of Phoenix and the Arizona State Land Department ("ASLD") were instrumental in persuading American Express that the 95 gross acre parcel at the southeast corner of 56<sup>th</sup> street and Mayo Boulevard in Superblock 6 would best accommodate their goals for a new regional campus, similar to its sister facility at I-17 and Beardsley in the west valley.*

*As preconditions of the long term land lease with American Express for the East Major Parcel in Superblock 6, C.C. & R.'s for Superblock 6 were prepared and recorded in October of 2000, followed closely by a Development Agreement with the City in November, 2000 and execution of the long term land lease with ASLD soon thereafter. The C.C.& R.'s and the land lease provide that the American Express parcel (aka East Major Parcel) can be developed up to an F.A.R. of .25 with the ability to go to .35 (to accommodate future expansion needs) through an amendment to the Desert Ridge Specific Plan. This increase in FAR was not to otherwise negatively affect the permissible F.A.R.'s in the balance of Superblock 6. Therefore, part of this amendment request is to also add appropriate language to the Desert Ridge Specific Plan for Superblock 6 that not only increases the FAR on the East Major Parcel up to .35, but also affirmatively states that such increased FAR for the East Major Parcel shall not be used in any calculations for allowable FAR on the balance of Superblock 6, so as to reduce the FAR otherwise allowable for the other parcels in Superblock 6.*

*In 2001, in reliance upon the above documents, American Express began construction of the first phase of its Desert Ridge regional campus with the first office building of 191,631 sq. feet known as OB1 and the Central Services Building (CSB) of 178,268 sq. feet. Currently, American Express is constructing a second office building (OB2) which is slated for completion and occupancy in the first quarter of 2010. In 2006, American Express began the process of evaluating its long-term campus needs in Desert Ridge. Based on the results of that analysis, American Express determined that it needed to utilize the authorization under its long term land base and C.C.& R.'s to seek an*

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amendment to the Specific Plan for the East Major Parcel to increase the FAR from the limit of 0.25 F.A.R. up to 0.35 F.A.R. Approval of this amendment will give American Express the flexibility it needs to accommodate future growth and remain in Desert Ridge.

Following are our answers to the standard form Plan amendment questions that will be submitted with our formal application.

**1. Does the proposed amendment encourage concentration of development intensity in cores?**

Yes. Specific Plans are intended to provide a greater level of detail needed to implement a sub-area of the General Plan. The Desert Ridge Specific Plan, implemented plans for the area previously known as Peripheral Areas C and D in the General Plan. The Specific Plan contains seven goals which are found in the Phoenix General Plan as well. Goal 1. "Continue the Urban Village pattern" reads as follows:

*"The urban village concept has been accepted in Phoenix as a desired land use pattern. It follows that this concept should be extended to guide land use planning and development in Areas C and D. Desert Ridge is based on the urban village concept in that all community and regional commercial uses are located in the Desert Ridge Village Center. Very small neighborhood convenience commercial uses are appropriately placed internally within neighborhood units. The Desert Ridge Village Center is appropriately the "urban" core of Area C. Land uses are the most intense in and around the village center in Desert Ridge, logically reducing in density with increasing distance from the commercial/employment center and continuing beyond the project boundaries."*

The above referenced Village Center is located to the north approximately  $\frac{3}{4}$  mile on the north side of the Loop 101 Freeway. The Specific Plan calls the Village Center the heart of Desert Ridge for commercial and employment and establishes a maximum F.A.R. of 0.65. Allowing the subject property to be developed with an FAR of 0.35 is consistent with Goal 1 and was specifically contemplated at the time American Express committed to locate its northeast valley regional headquarters campus on the East Major Parcel on Superblock 6 in Desert Ridge.

**2. How many potential jobs would be created or lost by approving and implementing the proposed amendment?**

The increase in building area resulting from development of the entire 95 acres at an overall F.A.R. of 0.35 equals approximately 500,000 square feet. Using City of Phoenix employment factors for general office uses developed at a typical F.A.R. of 0.35, it is projected that as many as 1500 employees could be added to the site.

3. How many potential housing units would be created or lost by approving and implementing the proposed amendment?

*There is no effect on potential housing units.*

4. Is there a need for the proposed use(s) or density(ies) in the requested location? Explain.

*See Background and Purpose of Request. This request is critically important to provide American Express with flexibility to accommodate future expansion needs to maintain this Desert Ridge campus.*

5. What impact would the proposed amendment have on adjacent or nearby land?

a. **Impact on developed land**

*This request will have a positive impact on developed land. Enabling American Express to continue housing its future operations as they expand on this campus will support all of the other areas in the Village Center to the north. Moreover, as noted above, part of this Amendment to increase FAR to .35 on the East Major Parcel is to also insure that current FAR allowances for the other properties in Superblock 6 are not thereby compromised.*

b. **Impact on vacant land**

*The impact on the vacant land will also be positive. This area of Desert Ridge is home to a wide spectrum of medical, manufacturing, corporate office, museum, retail and residential uses of the highest quality. Allowing major national employer to flourish and remain in Desert Ridge over the long term encourages other companies to locate to the vacant land to be part of a vibrant area.*

6. How will the proposed amendment affect traffic generation and the transportation system?

*Using an ADT factor of 12 trips/1,000 s.f., an additional 500,000 s.f. of office space could be expected to generate 6,000 trips per day. However, due to the unique traffic circulation patterns of American Express employees that make principal use of the regional freeway system, the impact of this request on City streets will be minimal.*

*American Express commissioned the traffic engineer from CK Group to study the commute routes of both the existing employees working at this campus and those who would be working in future buildings on this campus. CK Group found that the*

*average trip length on City of Phoenix streets for American Express employees in the OB1 Building is just 2.4 miles and that new employees being transferred to this campus would have a similar average trip length on City street of just 2.6 miles. The primary reason for this lower impact on city streets is the proximity of the American Express campus to the 101 Freeway off-ramp at 56<sup>th</sup> Street. This allows most employees to utilize the freeway and the arterial streets of other nearby cities for the majority of their commute route rather than the arterial streets in Area C & D. As a result, employee usage of City streets is 1/3 of a typical office development.*

- 7. Will the proposed amendment create additional need for recreation and open space facilities? If so, how will the additional need be met?**

*This amendment will not create any additional need for recreation or open space facilities. American Express has incorporated open spaces and amenities for its employees into each of the phases of this campus. Such on-site open space amenities will likewise be incorporated into this final phase.*

- 8. How will the proposed amendment affect the character and image of the adjacent area, neighborhood, and village?**

*The proposed amendment will have a very positive impact on the character and image of Superblock 6 the Desert Ridge, neighborhood and the village. The difference between a development with a .25 F.A.R. and a development with a .35 F.A.R. is not easily discernable, but will allow American Express the flexibility it needs to consolidate its operations to this campus in Desert Ridge well into the future. This increase has also been anticipated since the year 2000 when American Express committed to this site and entered into agreements with the Lessor, the ASLD. American Express is one of the largest employers in the City of Phoenix. Maintaining this corporate campus in Desert Ridge has a variety of spin off benefits.*

- 9. Additional comments as appropriate.**