

CITY OF TEMPE DEVELOPMENT REVIEW COMMISSION

Meeting Date: 06/25/2024 Agenda Item: 4

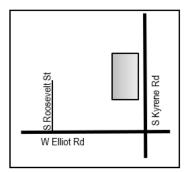
<u>ACTION</u>: Request a Use Permit for vehicle sales and service for **RIVIAN SERVICE CENTER** located at 7340 South Kyrene Drive. The applicant is Arcadis Inc.

FISCAL IMPACT: N/A

RECOMMENDATION: Staff – Approve, subject to conditions

BACKGROUND INFORMATION: RIVIAN SERVICE CENTER (PL240105) (Rivian) is located in the Kyrene Business Park subdivision on the northwest corner of Elliot Road and Kyrene Road. The property is zoned General Industrial District (GID) and located in the Southwest Tempe Overlay District (STOD) within an existing commercial building. The applicant is requesting two (2) Use Permits, one to allow vehicle service and another for vehicle sales. The request includes the following:

ZUP240029Use Permit for vehicle sales.ZUP240031Use Permit for vehicle repairs.



Property Owner Applicant Zoning District(s) Site Area Building Area Vehicle Parking Hours of Operation Tempe Commerce LL, LLC Caitlin Swann, Arcadis GID, STOD 313,493 s.f. 61,015 s.f. 389 spaces (208 min. required) Vehicle Sales [9 a.m. to 5 p.m., Monday-Sunday], Vehicle Service [9 a.m. to 5 p.m. Monday -Friday], Closed Saturday and Sunday

ATTACHMENTS: Development Project File

STAFF CONTACT(S): Whitney Mayfield, Planner I+ (480) 350-8486

Department Director: Jeff Tamulevich, Community Development Director Legal review by: N/A Prepared by: Whitney Mayfield, Planner I+ Reviewed by: Michelle Dahlke, Principal Planner

COMMENTS

The site is located on the north side of Elliot Road, east of Hardy Drive, south of Grove Parkway, and on the west side of Kyrene Road in the Kyrene Business Park. The site is also located within Character Area Six, and the Southwest Tempe Overlay District. Rivian's continued growth as an American-based electric vehicle and technology company has led to its expansion into Tempe to better support its regional customers. Due to the proposed expansion, the applicant is seeking two (2) Use Permits; one for vehicle sales and the other for vehicle service.

Rivian plans to offer a range of services to its customers at this location including sales, performing test drives, offering financing, purchase and lease options, and the service of vehicles, but not including collision repair or paint work at this location. Rivian will not store vehicles on-site like a traditional car dealership. Instead, the vehicles are custom-configured and pre-ordered by customers on the Rivian website and then picked up at the site. All vehicle services will require an appointment.

PUBLIC INPUT

No public comment nor questions were received for this request.

USE PERMIT

The proposed use requires two Use Permits to allow vehicle sales and service within the General Industrial (GID) zoning and Southwest Tempe overlay districts. Most of Rivian's vehicle services will fall within the definition of 'vehicle repair' however, some of their services may fall into the definition of vehicle service; requiring the applicant to request a Use Permit for vehicle service and sales as they are not permitted by right.

Section 6-308(E) Approval criteria for Use Permit (in italics):

- 1. Any significant increase in vehicular or pedestrian traffic; the property owner has granted Rivian access to the parking on the rear (west side) of the building to support the on-site operations, employees, and customer parking with an allocation of up to 400 parking stalls.
- 2. Nuisance arising from the emission of odor, dust, gas, noise, vibration, smoke, heat or glare at a level exceeding that of ambient conditions; due to the nature of the electric vehicles and internal combustion, there will be no risk of nuisance. In addition, Rivian operations include wheel alignment, hardware replacement, software programming as well as predelivery inspection; all of which would be conducted inside of the building.
- 3. Contribution to the deterioration of the neighborhood or to the downgrading of property values, which is in conflict with the goals, objectives or policies for rehabilitation, redevelopment or conservation as set forth in the city's adopted plans or General Plan; Rivian's vehicle service and sales will occur inside of the premises, which reduces the risk of conditions that would contribute to the degradation of the neighborhood.
- 4. Compatibility with existing surrounding structures and uses; the proposal is compatible with uses adjacent to the business park which are plastic and metal material fabricators, logistics, warehousing, electronic repair, and medical marijuana dispensaries.
- 5. Adequate control of disruptive behavior both inside and outside the premises which may create a nuisance to the surrounding area or general public; most of the sale components can be completed online. Customers book test drives in advance so the on-site staff can control the number of customers who arrive on-site each day. All service appointments conducted at the site will require an appointment, therefore all service activity within the site will be controlled according to the capacity of the equipment and staff. Any appointments that cannot be accommodated at this location can be redirected to the service center in Phoenix.

REASONS FOR APPROVAL:

Based on the information provided by the applicant, the public input received and the above analysis staff supports approval of the requested Use Permits. This request meets the required criteria and will conform to the conditions.

SHOULD AN AFFIRMATIVE ACTION BE TAKEN ON THIS REQUEST, THE FOLLOWING NUMBERED CONDITIONS OF APPROVAL SHALL APPLY, BUT MAY BE AMENDED BY THE DECISION-MAKING BODY.

CONDITION(S) OF APPROVAL: (Non-standard conditions are identified in bold)

EACH NUMBERED ITEM IS A CONDITION OF APPROVAL. THE DECISION-MAKING BODY MAY MODIFY, DELETE OR ADD TO THESE CONDITIONS.

- 1. The Use Permits are valid only after a Building Permit has been obtained, the required inspections have been completed and a Final Inspection has been passed.
- 2. The Use Permits are valid for the plans as submitted within this application. Any additions or modifications may be submitted for review during the building plan check process.

CODE/ORDINANCE REQUIREMENTS:

THE BULLETED ITEMS REFER TO EXISTING CODE OR ORDINANCES THAT PLANNING STAFF OBSERVES ARE PERTINENT TO THIS CASE. THE BULLET ITEMS ARE INCLUDED TO ALERT THE DESIGN TEAM AND ASSIST IN OBTAINING A BUILDING PERMIT AND ARE NOT AN EXHAUSTIVE LIST.

USE PERMIT:

- The Use Permits are valid for Rivian and may be transferable to successors in interest through an administrative review with the Community Development Director, or designee.
- The use permit approval shall be void if the use is not commenced or if an application for a building permit has not been submitted, whichever is applicable, within twelve (12) months after the use permit is granted or within the time stipulated by the decision-making body.
- The decision-making body, upon finding that the applicant has not taken corrective actions to resolve issues related to
 the permit/approval and that a continuation of the permit/approval is not in the interest of the public health, safety and
 general welfare, can revoke the permit/approval after providing written notice of its intentions to the holder of the permit.
- Specific requirements of the Zoning and Development Code (ZDC) are not listed as a condition of approval but will apply to any application. To avoid unnecessary review time and reduce the potential for multiple plan check submittals, become familiar with the ZDC. Access the ZDC through http://www.tempe.gov/zoning or purchase from Development Services.
- Any intensification or expansion of use shall require a new Use Permit.
- All required permits and clearances shall be obtained from the Audit and Licensing Division of the City of Tempe prior to the Use Permit becoming effective.
- All required Federal, State, County, and Municipal permits, licenses, and clearances shall be obtained, or the Use Permit is void.

SIGNS: Separate plan review process is required for signs in accordance with requirements of ZDC Part 4 Chapter 9 (Signs). Refer to <u>www.tempe.gov/signs</u>.

POLICE DEPARTMENT SECURITY REQUIREMENTS:

If the development includes a use listed in <u>City Code Section 26-70(c)</u>, the Owner is required to prepare a security plan
with the Police Department. The architect should be involved to verify any modification that would require design
revisions. To avoid revisions to permitted construction documents, initial meetings with the Police Department regarding
the security plan are recommended before building permits are issued. At a minimum, the Owner shall contact the Police
Department to begin security plan process approximately eight weeks prior to receipt of certificate of occupancy.

HISTORY & FACTS:

October 26, 1995 City Council approved a Final Plat for Opus Kyrene Business Park.

ZONING AND DEVELOPMENT CODE REFERENCE:

Section 3-302, Permitted Uses in Office/Industrial Districts Section 5-304, Uses Requiring a Use Permit in the General Industrial Overlay District Section 6-308, Use Permit



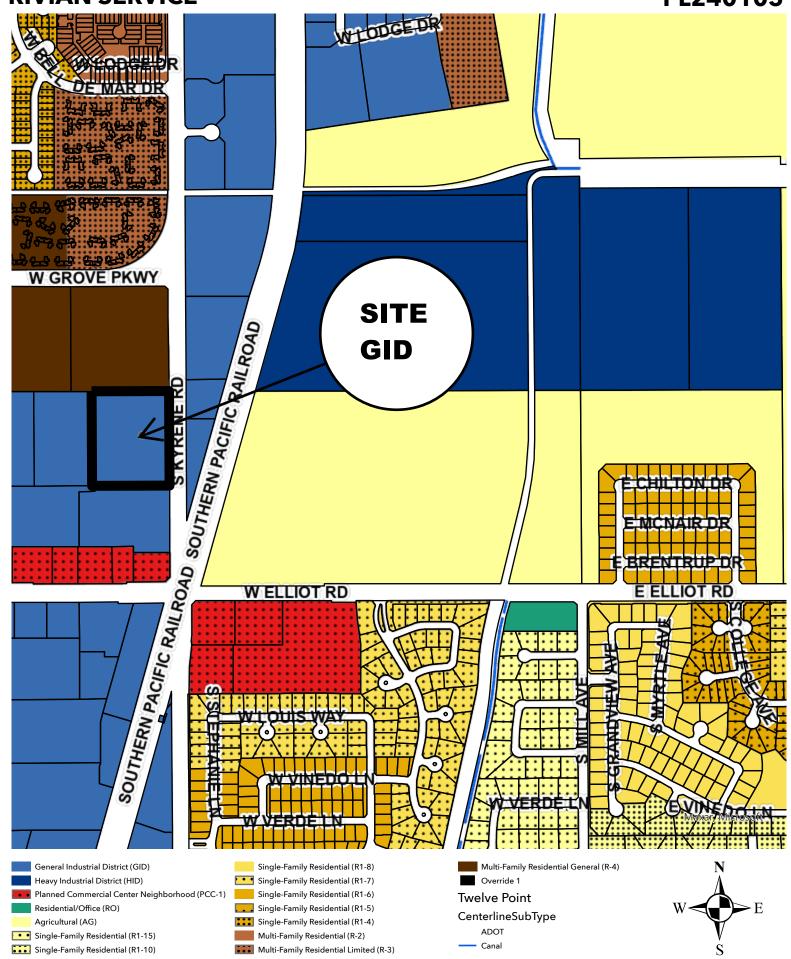
REVISED DEVELOPMENT PROJECT FILE for RIVIAN SERVICE CENTER (PL240105)

ATTACHMENTS:

- 1. Zoning Map
- 2. Aerial Map
- 3-8. Letter of Explanation
- 9. Site Plan
- 10-11. Building Elevations
- 12-13. Floor Plan
- 14-16. Site Context Photos

RIVIAN SERVICE

Tempe. PL240105

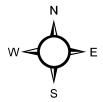




RIVIAN SERVICE CENTER



Aerial Map



June 18th, 2024

City of Tempe Community Development Department Planning Division 31 East 5th Street (Garden Level East) Tempe, AZ 85281

> Site Address: 7340 S Kyrene Road, Tempe, AZ 85283 Zoning District: GID – General Industrial District RE: Letter of Explanation – Vehicle Sales

To Whom it May Concern,

This letter serves as Rivian's formal Letter of Explanation for the Use Permit Application seeking the addition of **Vehicle Sales** as a permitted use at 7340 S Kyrene Road, Tempe, AZ.

In connection with our continued growth, we have an opportunity to expand our presence into the Tempe, AZ to include the premises at 7340 S Kyrene Rd in Tempe, AZ. This expansion will greatly enhance our position to better support our customers in the region.

Company Overview

<u>Rivian</u> is an American-based electric vehicle and technology company (NASDAQ: RIVN). We believe there is a more responsible way to explore the world and are determined to make the transition to sustainable transportation an exciting one. We have begun delivering our two fully electric consumer vehicles (the R1T and R1S) as well as an electric delivery van (EDV) for commercial use. On March 7, 2024, we revealed R2 and R3, our newest models which will be smaller and more affordable electric vehicles.

Description of Proposed Operations

We will sell electric vehicles at this location and engage in all related sales activities, including, but not limited to, performing test drives, discussing financing and purchase and lease options. Currently, all vehicles are custom-configured and pre-ordered via our website, and we will have sales associates on site to help customers configure their vehicles online, obtain financing, and engage in other sales-related activities. We will welcome customers through appointments and walk-ins. In the future, we may carry vehicles for sale to the general public.

This sales use is secondary to the vehicle service and repair use, and the Vehicle Service Use is addressed in a separate Letter of Explanation.

• Hours of Operation (Vehicle Sales): Monday – Sunday 10am -7pm

- # of Sales Employees: 5 full time employees
- # of Customers: ~60 customers per week

Effects on Surrounding Areas

Taken as a whole, Rivian's proposed utilization of the premises is consistent with the intent of the GID – General Industrial District zone, which is to support a variety of high technology, research and development and industrial activities in an industrial park or campus-like atmosphere.

Furthermore, we feel the inclusion of electric vehicle sales supports Tempe's clean-energy future and will not be detrimental to the persons residing or working in the vicinity, to adjacent properties, to the neighborhood, or the public welfare in general for the following reasons:

- Traffic: Based on our employee and customer counts, we do not foresee significant
 impacts to traffic generated by our operations. Our landlord will be granting Rivian
 exclusive access to parking on the rear (west side) of the building to support our on-site
 operations, employee, and customer parking with an allocation upwards of ~400 parking
 stalls dedicated for Rivian's exclusive use.
- **Nuisance:** Rivian's proposed Vehicle Sales activities would include trip planning, and soft goods sales as well as test drives, which would be conducted on a pre-determined route.
- Deterioration of Neighborhood: Rivian's vehicle sales operations and associated improvements will occur on the inside of the premises only, which reduces the risk of conditions that would contribute to the degradation of the neighborhood or to the downgrading of property values. None of our proposed improvements will impact the building setbacks or general development standards. Rivian has built over 13 retail locations in the past year across North America and Canada, which have all been incredibly successful and well received by the neighborhoods in which they are located details on our Spaces program can be found <u>here</u>.
- **Compatibility with Surrounding Uses**: Surrounding uses within and adjacent to the business park in which this building is located include but are not limited to plastic and metal material fabricators, logistics and warehousing companies, electronics repair services, medical marijuana dispensaries, among others. We believe that our presence will be a value-add to the neighborhood.
- Adequate Control of Behavior: Most of our Sales components (vehicle configuration and merchandise sales) can be completed online anywhere, so customers who come to visit the site will be mostly to either complete test drives or to see vehicles in person. Test drives are booked ahead of time on the Rivian website so the on-site staff can control the number of customers who arrive on site each day.

As we look to expand our footprint, we are focused on making 7340 S Kyrene Rd in Tempe our home for the Southern Phoenix Market. The building physically meets our needs and the proximity to our customer base makes this facility an exciting opportunity for Rivian to make a long-term commitment to the City of Tempe.

We look forward to your feedback regarding our use, and our path towards occupancy at 7340 S Kyrene Rd.

Sincerely,

Lucas Dobbins

Lucas Dobbins Real Estate Lead, Facilities June 18th, 2024

City of Tempe Community Development Department Planning Division 31 East 5th Street (Garden Level East) Tempe, AZ 85281

> Site Address: 7340 S Kyrene Road, Tempe, AZ 85283 Zoning District: GID – General Industrial District RE: Letter of Explanation – Vehicle Service

To Whom it May Concern,

This letter serves as Rivian's formal Letter of Explanation for the Use Permit Application seeking the addition of **Vehicle Service** as a permitted use at 7340 S Kyrene Road, Tempe, AZ.

In connection with our continued growth, we have an opportunity to expand our presence into the Tempe, AZ to include the premises at 7340 S Kyrene Rd in Tempe, AZ. This expansion will greatly enhance our position to better support our customers in the region.

Company Overview

<u>Rivian</u> is an American-based electric vehicle and technology company (NASDAQ: RIVN). We believe there is a more responsible way to explore the world and are determined to make the transition to sustainable transportation an exciting one. We have begun delivering our two fully electric consumer vehicles (the R1T and R1S) as well as an electric van (EDV) for commercial use. On March 7, 2024, we revealed R2 and R3, our newest models which will be smaller and more affordable electric vehicles.

Description of Proposed Operations

The primary programming will substantially consist of electric vehicle repair/service, office, parts and vehicle storage, a small front of house area, delivery of pre-allocated vehicles to customers, educational demonstration drives, and related ancillary uses. Currently, our vehicles are custom configured and pre-ordered via our website, and the vehicles are transported from our plant in Normal, Illinois to the Rivian service location closest to the customer. All vehicles from our factory undergo a standard a pre-delivery inspection ("PDI") prior to being delivered to the customer. The customer will pick up its vehicle from the service center after it has passed its PDI. We will offer educational demo drives by appointment to pre-order customers so they can learn about the vehicle's features. We will perform auto repair and service for our electric vehicles at this site, including warranty service, but we will not

perform any collision repair or paint work at this location. As a secondary program, we will support the sale of electric vehicles, but this use will be addressed in a separate Letter of Explanation.

Service Customer facing operations: 8:00am- 6:00pm Monday-Friday, 9:00am -5:00pm Saturday Service After Hours* Fleet operations: 5:00pm-5:00am Monday- Saturday

*Description of "After Hours Operations" - There are no customers on site after Service Operational Hours. This shift is to service our commercial vans to diagnose any issues the vans may have. The team will also be on site to accept any vehicles being towed in for work the next day. There will be 8-10 employees working during this After Hours shift.

- # of Employees: 25-30 employees
- **# of Customers**: 62 service appointments per week (on average)

Effects on Surrounding Areas

Taken as a whole, Rivian's proposed utilization of the premises is consistent with the intent of the GID – General Industrial District zone, which is to support a variety of high technology, research and development and industrial activities in an industrial park or campus-like atmosphere.

Furthermore, we feel the inclusion of electric vehicle service supports Tempe's clean-energy future and will not be detrimental to the persons residing or working in the vicinity, to adjacent properties, to the neighborhood, or the public welfare in general for the following reasons:

- **Traffic**: Based on our employee and customer counts, we do not foresee significant impacts to traffic generated by our operations. Our landlord will be granting Rivian exclusive access to parking on the rear (west side) of the building to support our on-site operations, employee, and customer parking with an allocation upwards of ~400 parking stalls dedicated for Rivian's exclusive use.
- Nuisance: Due to the differing natures of electric vehicles and internal combustion vehicles, we do not believe there is any risk of nuisance arising from our service operations. Rivian produces electric vehicles that solely use electric and no gasoline; it is not a hybrid vehicle. Our vehicles don't have internal combustion engines (ICE), thus the vehicle doesn't have a fuel tank, use oil, an exhaust system, transmission or many of the other components that require the storage and use of hazardous materials on site. Our service operations would include wheel alignment, hardware replacement, software programming, as well as predelivery inspection: the process of deeply reviewing and cleaning each vehicle prior to delivering to customers. All work would be conducted inside the building, accessed through the grade level doors on the west facade of the building. We believe that a majority of our service activity that will be conducted on-site would fall within the definition of Vehicle Repair, a use which is currently permitted by right, but we may from time-to-time conduct minor service activities that fit within the definition of Vehicle Service.
- **Deterioration of Neighborhood**: Rivian's vehicle service operations and associated improvements will occur on the inside of the premises **only**, which reduces the risk of conditions that would contribute to the degradation of the neighborhood or to the

downgrading of property values. None of our proposed improvements will have an impact on the building setbacks or general development standards. Rivian has built over 40 service locations across North America and Canada and have taken an intentional and thoughtful approach to how we integrate into new cities – reference **Exhibit A**.

- **Compatibility with surrounding uses**: Surrounding uses within and adjacent to the business park in which this building is located include but are not limited to plastic and metal material fabricators, logistics and warehousing companies, electronics repair services, medical marijuana dispensaries, among others.
- Adequate control of behavior: All service appointments conducted at this site will be by appointment only. Therefore, all service activity within this site will be controlled and regulated according to the capacity of our equipment and staff. Any appointments that cannot be accommodated at this location can be redirected to our other Service Center in Phoenix.

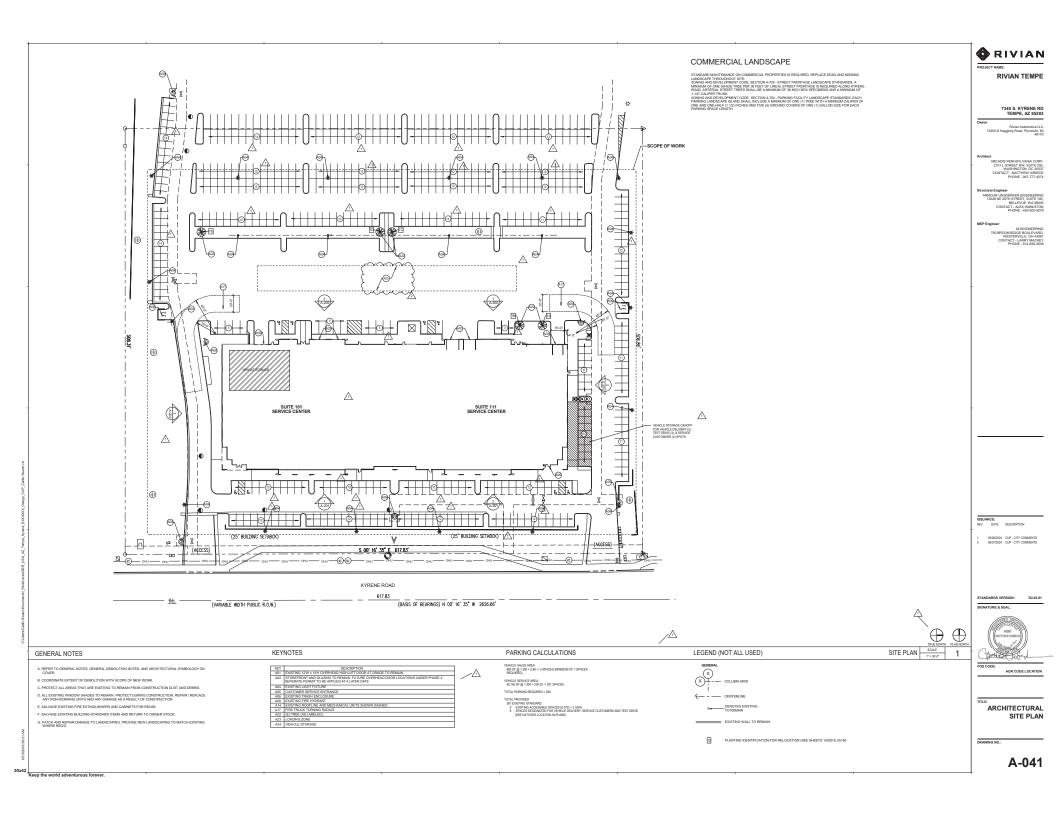
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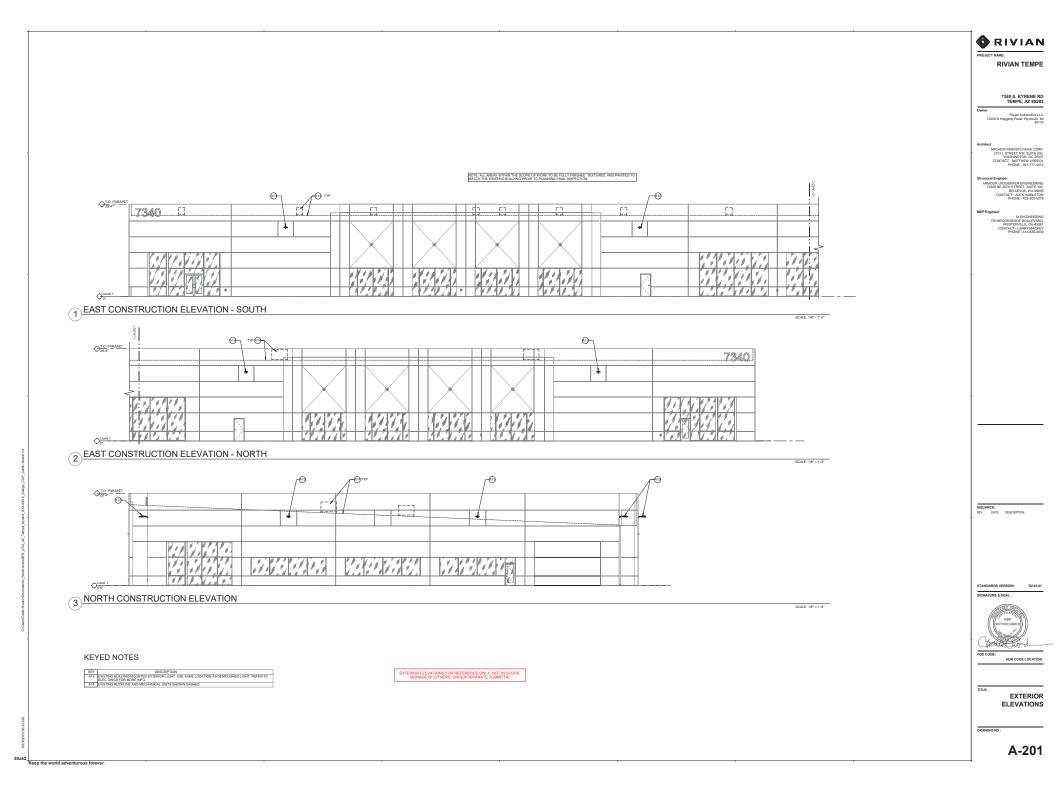
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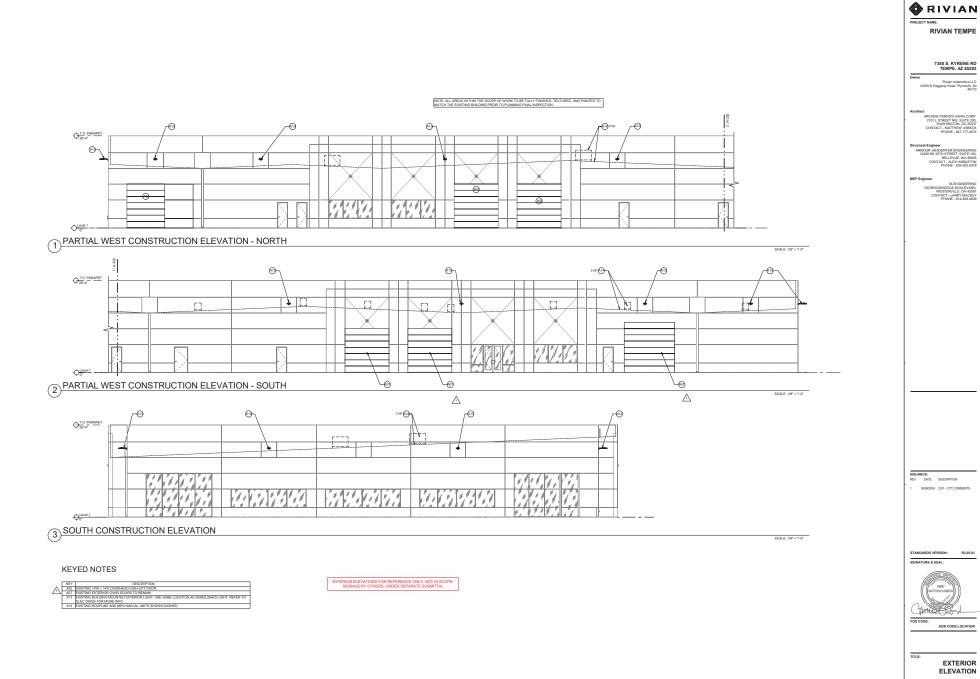
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Lucas Dobbins

Lucas Dobbins Real Estate Lead, Facilities





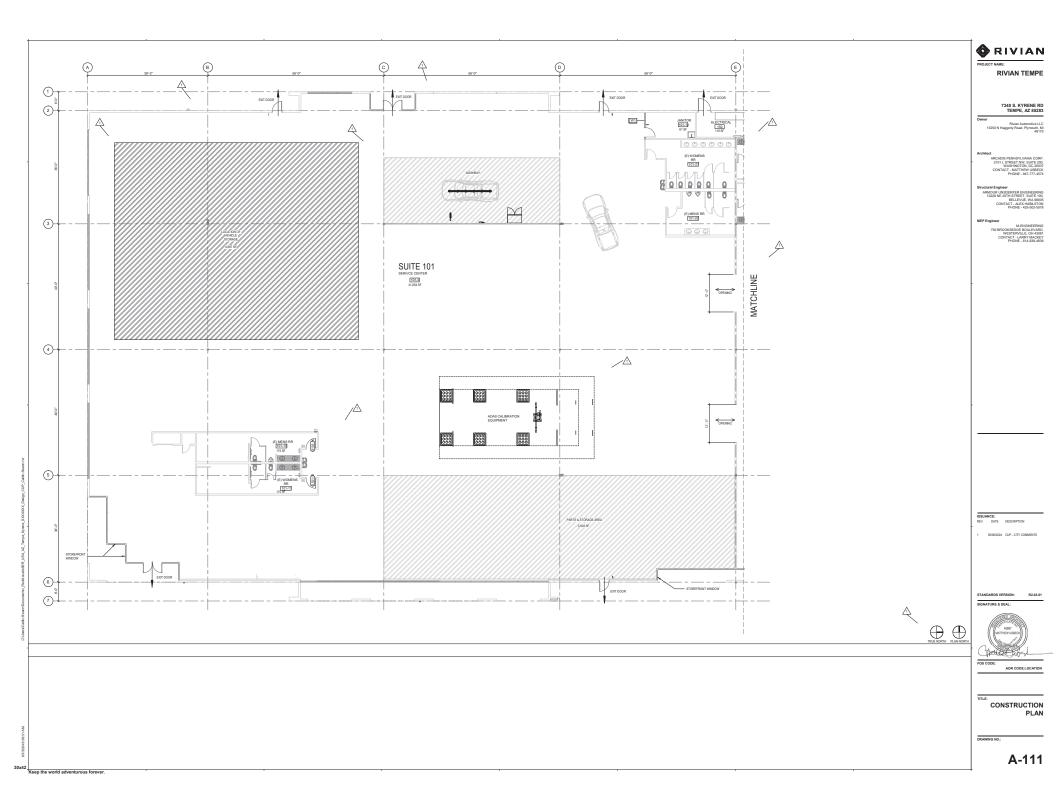


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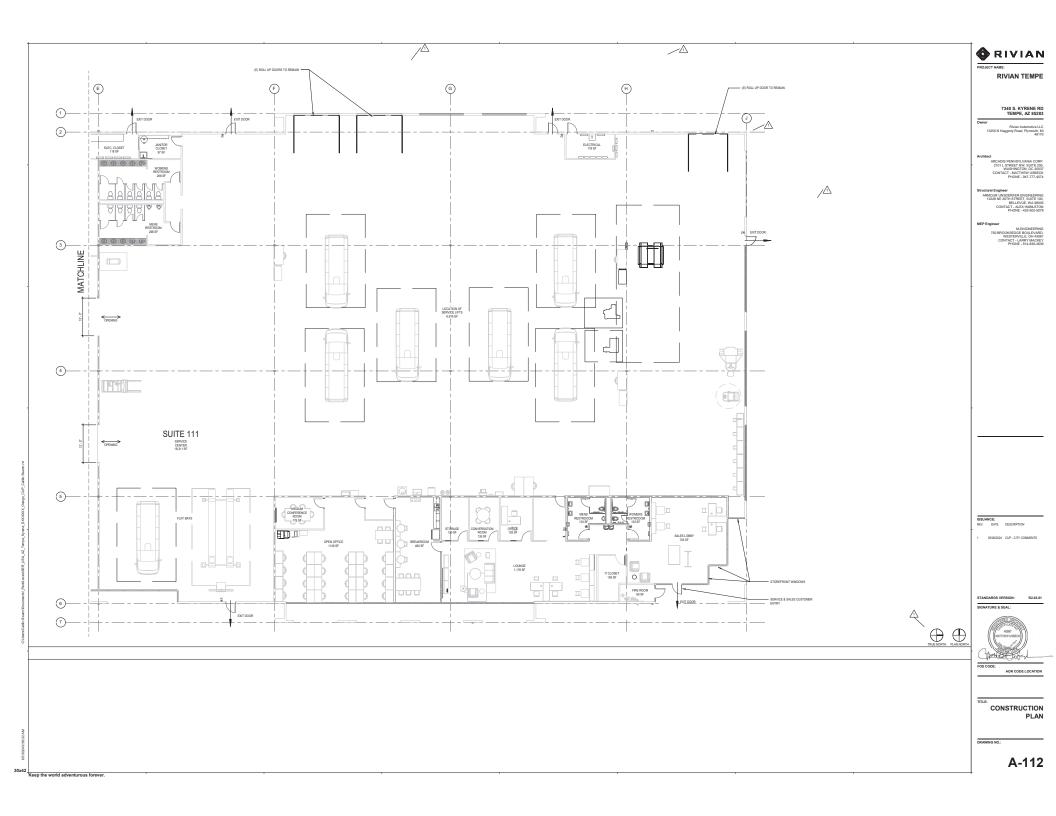
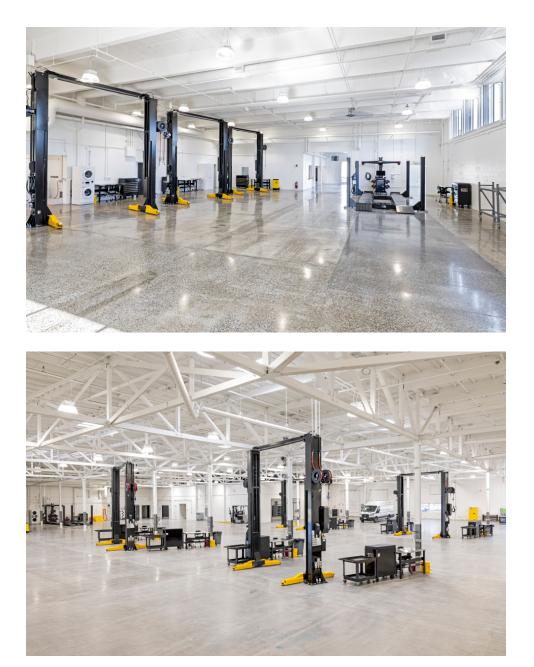


Exhibit A – Reference Images









Arcadis Inc. 300 S. Pacific Expy. Dallas, TX 75201 United States Phone: 214 468 7600 Fax: 888 492 2762

3/14/2024

Project: Rivian Service/Sales Center- Tempe, AZ. 7340 S Kyrene Rd. Tempe, Az. 85283

Context Photos

www.arcadis.com

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