

MEMORANDUM **Planning Division – CC Memo No. 15-082**

DATE: JUNE 25, 2015
TO: MAYOR AND COUNCIL
THRU: MARSHA REED, ACTING CITY MANAGER *MR*
 JEFF KURTZ, PLANNING ADMINISTRATOR *JK*
 KEVIN MAYO, PLANNING MANAGER *KM*
FROM: JODIE M. NOVAK, MEP, CPM, SENIOR CITY PLANNER
SUBJECT: ZUP15-0003 FUSION SURPLUS SOLUTIONS

Request: Use Permit approval to allow an auction business within the
 Planned Industrial District (I-1) zoning
Location: 344 N. McKemy Avenue, west of Kyrene Road and north of
 Chandler Boulevard
Applicant: Brooks Haden, Fusion Surplus Solutions, Inc.
Project Info: Approximately 4 acres, 74,000 square foot warehouse/office
 building

RECOMMENDATION

Planning Commission and Planning Staff, upon finding the Use Permit request to be consistent with the General Plan, recommend approval subject to conditions.

BACKGROUND

The subject site is located at the southwest corner of West McKemy Ave/Erie St and North McKemy Ave, west of Kyrene Road and north of Chandler Blvd. The property is developed with an industrial warehouse building with ancillary office. The property is zoned Planned Industrial district (I-1).

The existing 74,000 square foot single-story industrial building is located in the Southpark Business Center in west Chandler. The proposed business, BidOnFusion, is an auction that sells liquidated retail merchandise from major national retailers such as Target, Home Depot, Walmart, Bed Bath and Beyond, and Dick’s Sporting Goods. The available auction merchandise

is published on the company's website. Customers can visit the site during a preview day, which occurs the day before the auction. Customers attend the auction and bid on pallets of merchandise. The pallets are hauled away by customers with their personal vehicles, trailers, moving trucks, and the like or can be delivered.

The building includes two warehouse/office suites. The auction occurs in the south warehouse along with administrative offices and an employee break room. The north warehouse is used for shipping/receiving, storage, and sorting.

The on-site auctions occur once a week on Wednesdays typically from 9 a.m. to 5 p.m. A preview day occurs on Tuesdays 10 a.m. to 6 p.m. The business employs 15 to 20 personnel. Approximately 30 to 50 people attend the Wednesday auction. Pallet pickup occurs the same day as the auction as well as Thursday and Friday from 8 a.m. to 2 p.m. There are pallets called Hot Item available for pick up Monday through Friday from 8 a.m. to 2 p.m. The business is not open on weekends.

DISCUSSION

The business was issued a notice of zoning violation in November 2014, as the commercial auction activity triggers the need for a Use Permit. City Staff observed staging and parking of various vehicles/trucks/trailers on three adjacent streets, A-frame signs, and bandit signs in the surrounding area advertising auctions. The applicant was made aware of these concerns and has made efforts to manage the site's activity removing the signs and advising employees to notify customers to park on-site only.

Planning Staff received a letter and phone calls from two adjacent businesses concerned with pedestrian and vehicular traffic, vehicle parking, and debris/trash. The businesses conveyed customers for the auction are parking on their property including vehicles with trailers as well as people wandering around their property looking for the auction. Vehicles are parking on both sides of the Flint Street cul-de-sac, thus affecting access to industrial businesses and a private street in and out of Adesa auto auction. Lastly, there have been reports of trash blowing from BidOnFusion's site onto other businesses property. Planning Staff conveyed these concerns to the applicant and the applicant corresponded with the businesses.

The applicant agrees to keep all parking of vehicles/trucks/trailers, location of merchandise, loading and unloading, staging, and the like on-site only in the rear yard area which is a secured loading/unloading storage area. Customers and employees will park on-site only in designated parking space areas. They have hired additional staff for the Wednesday auctions to manage parking issues. Upon approval of the Use Permit, they will install signage, in accordance with Sign Code, which will advise customers where to enter and park. A cleanup crew will come every Friday to clean the rear yard of any debris and trash.

Planning Staff finds the proposed auction a compatible use with surrounding light industrial businesses. Other retail/commercial-oriented businesses with Use Permit approval have occurred adjacent to the subject property including Adesa auto auction and an auto detailing business. The nature of the use is similar to a light industry with warehousing, storage, shipping and receiving.

Planning Staff recommends zoning conditions to ensure the site is maintained and business activities are contained on-site.

PUBLIC / NEIGHBORHOOD NOTIFICATION

- This request was noticed in accordance with the requirements of the Chandler Zoning Code.
- A neighborhood meeting was held on April 30, 2015. No one attended other than the applicant.
- Planning Staff received a phone call and letter from an adjacent business with concerns about parking, trash/debris, and customers on their property. Another phone call was received from an abutting business with concerns for parking and customers on their property. The applicant has addressed their concerns with on-site management to enforce no parking on other property and debris cleanup.
- Planning Staff followed up with the businesses and they have responded that all concerns have been addressed and have no concerns at this time.
- As of the writing of this memo, Planning Staff is not aware of any opposition or concerns with the request.

PLANNING COMMISSION VOTE REPORT

Motion to Approve.

In Favor: 5 Opposed: 0 Absent: 2 (Pridemore, Wastchak)

RECOMMENDED ACTION

Planning Commission and Planning Staff, upon finding consistency with the General Plan, recommend approval of the Use Permit subject to the following conditions:

1. Expansion or modification beyond the approved exhibits (Exhibit A narrative, Exhibit B site plan, Exhibit C floor plan) shall void the Use Permit and require new Use Permit application and approval by the City of Chandler.
2. The Use Permit is non-transferable to any other property.
3. The property shall be maintained in a clean and orderly manner.
4. The landscaping shall be maintained at a level consistent with or better than at the time of planting in accordance with City approved construction plans.
5. All vehicle/truck/trailer parking, loading/unloading, staging, or like shall be maintained on-site. All business activity shall occur inside the building or in the gated rear yard.
6. The Use Permit shall remain in effect for one (1) year from the effective date of City Council approval. Continuation of the Use Permit beyond the expiration date shall require re-application to and approval by the City of Chandler.

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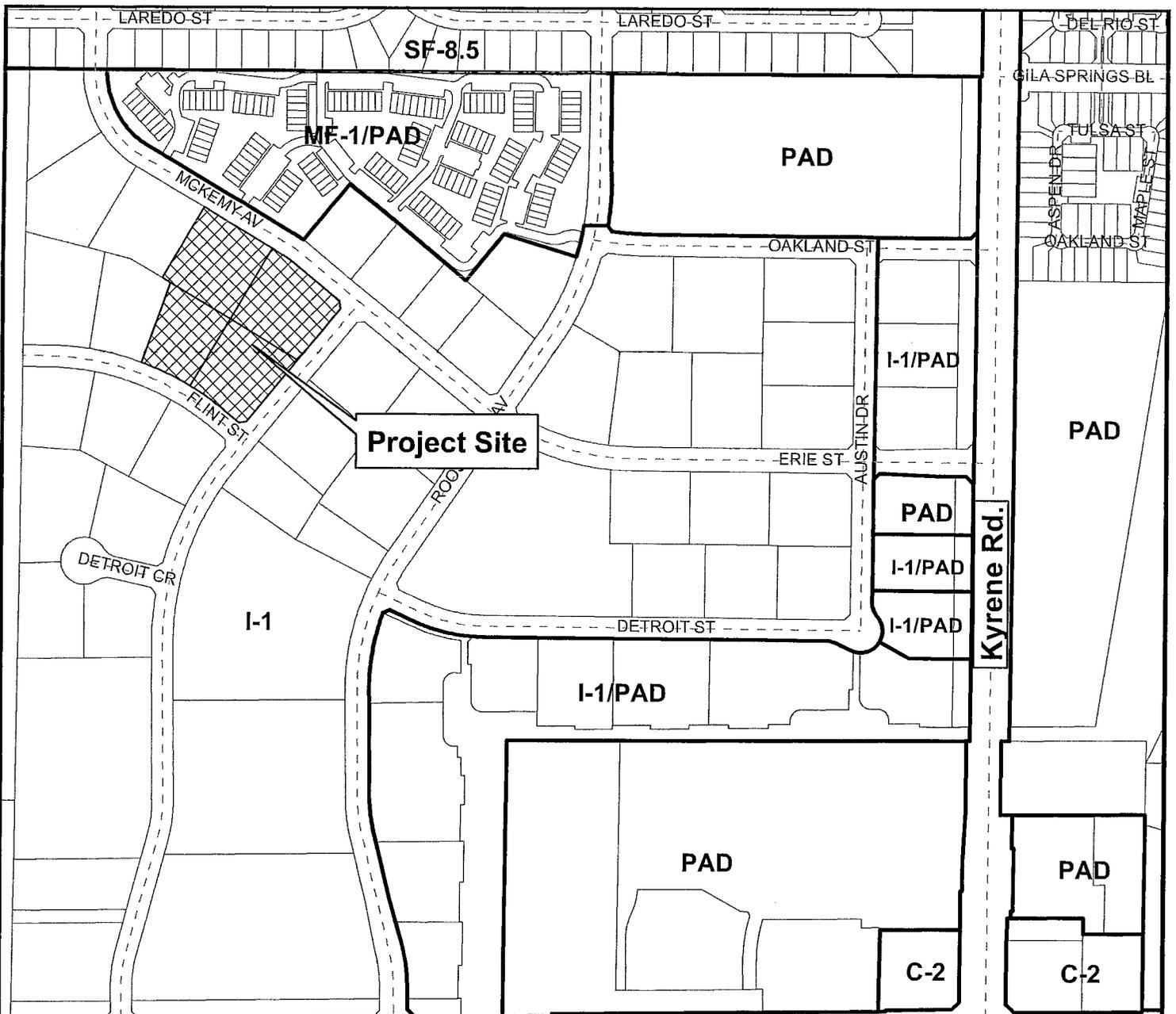
June 25, 2015

PROPOSED MOTION

Move to approve Use Permit case ZUP15-0003 FUSION SURPLUS SOLUTIONS, subject to the conditions as recommended by Planning Commission and Planning Staff.

Attachments

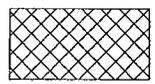
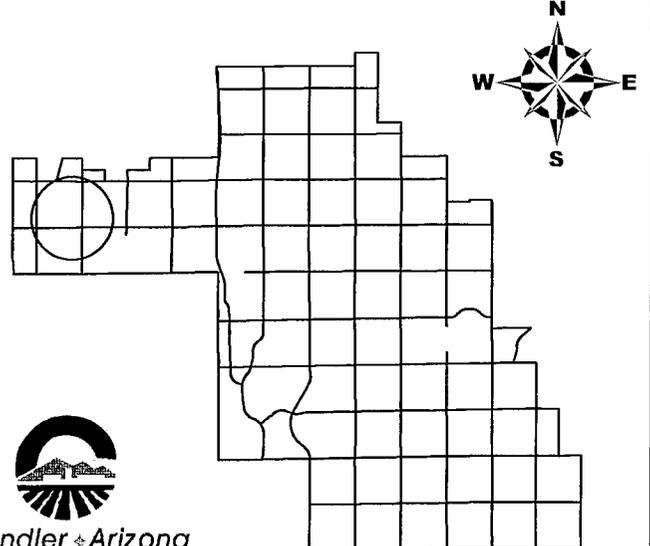
1. Vicinity Maps
2. Exhibit A Narrative
3. Exhibit B Site Plan
4. Exhibit C Floor Plan
5. Photographs



Chandler Blvd.



Vicinity Map



ZUP15-0003

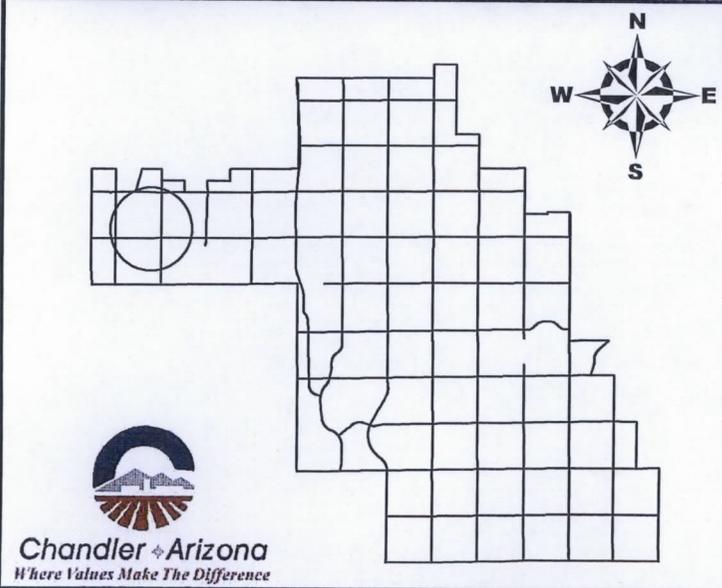
Fusion Surplus Solutions



Project Site

Chandler Blvd.

Kyrene Rd.



Vicinity Map



ZUP15-0003

Fusion Surplus Solutions



May 28, 2015

ZONING CASE: ZUP15-0003 FUSION SURPLUS SOLUTIONS
SITE LOCATION: 344 NORTH MCKEMY AVENUE, CHANDLER, ARIZONA 85226
(APN 301-68-083, 301-68-084, 301-68-085, 301-68-086)

Dear City of Chandler,

Fusion Surplus Solutions, Inc. is a national company who liquidates overstock and return items for major national retailers such as Walmart, Target, Home Depot, Bed Bath & Beyond, and Dick's Sporting Goods, primarily through our web site: www.bidonfusion.com. We request approval from the City of Chandler to operate a retail auction on property Zoned I-1, Planned Industrial District at the property located at 344 North McKemy, which is an approximate 78,540 square foot building situated on an approximate 4.12 acre parcel. We conduct on-site auctions one day per week, on a weekday, to facilitate liquidating the merchandise we receive from the aforementioned retailers. The warehouse is not open on the weekends. The auction sells pallets of merchandise and the auctions will occur between the hours of 9:00 a.m. and 5:00 p.m. There is a preview day the day prior for people to view the items. All auction attendees are required to park on-site in the designated parking spaces located in the east and west parking lots of the property. The auction only takes place in the south half of the warehouse with a projected attendance of 30-50 people per week. We will add additional staff to supervise the parking areas and janitorial the site for any trash or debris left by visitors and enforce that only on-site designated parking may be used for the auctions and auction previews. In addition, the receipt of a Use Permit will allow us to submit an application for signage to aid in directing visitors where to park and enter the building. The pickup of items by visitors occurs on the property's west side and all queuing of trucks and vehicles for pickup will occur on-site only, not on the City streets. The warehouse yard is gated and the north gate always remains locked so that no traffic may enter or exit onto Erie Street/McKemy Avenue. All traffic is routed through Flint Street off of the north-south McKemy Avenue where there are other industrial businesses.

In addition, the attached Exhibit outlines improvements that will be completed upon approval of the requested Use Permit.

If you have any questions, please feel free to contact me, Brooks Haden with Fusion Surplus Solutions, Inc. at 415-543-5825 or email brooksh@bidonfusion.com.

Sincerely,

Brooks Haden
President & COO
Fusion Surplus Solutions, Inc.

Attachments:

- Building Floor Plan
- Site Photos
- Site Plan
- Arial Photo
- Improvement Exhibit

eh/msw-rc-ltr/city of chandler-ltr.052815

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Narrative, Ex. A pg 1 of 2

<http://bidonfusion.com/content/auction-locations/#arizona>

Arizona

Our Arizona warehouse is located at 344 North McKemy Ave, Chandler, Arizona, 85226.

The entrance is located at the back of the building which is accessible from W Chandler Blvd.

AUCTION TIME:

Wednesdays starting at 10:30am

PREVIEW TIMES:

Tuesdays from 10am to 6pm

Wednesdays from 8am to 10:30am

PICK UP TIMES:

Wednesdays from 10:30am to 5pm

Thursdays from 8am to 2pm

Friday from 8am to 2pm

HOT ITEM PICK UP TIMES:

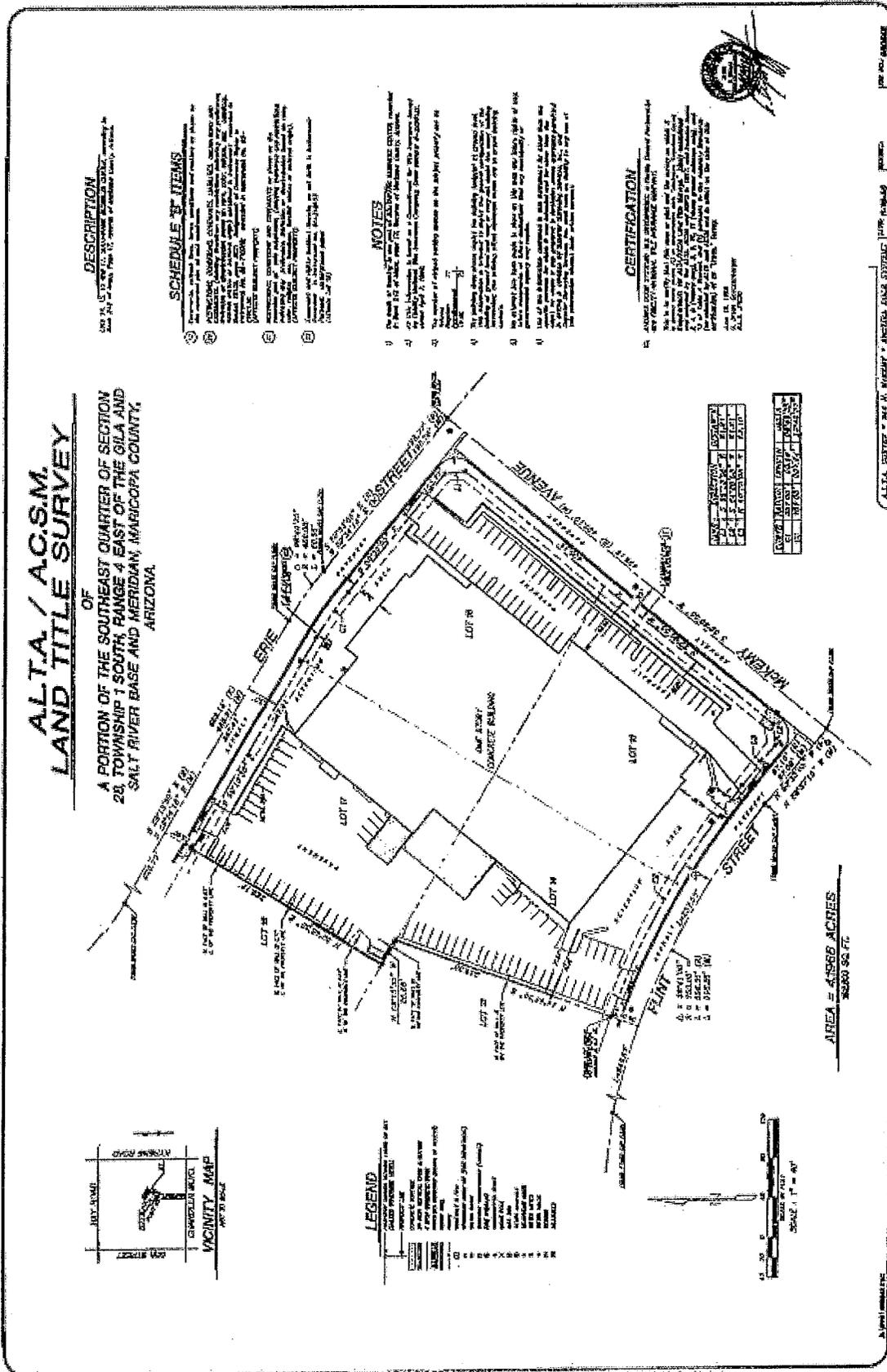
Monday through Friday from 8am to 2pm

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Narrative, Ex A pg 2 of 2

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Site plan, Ex. B

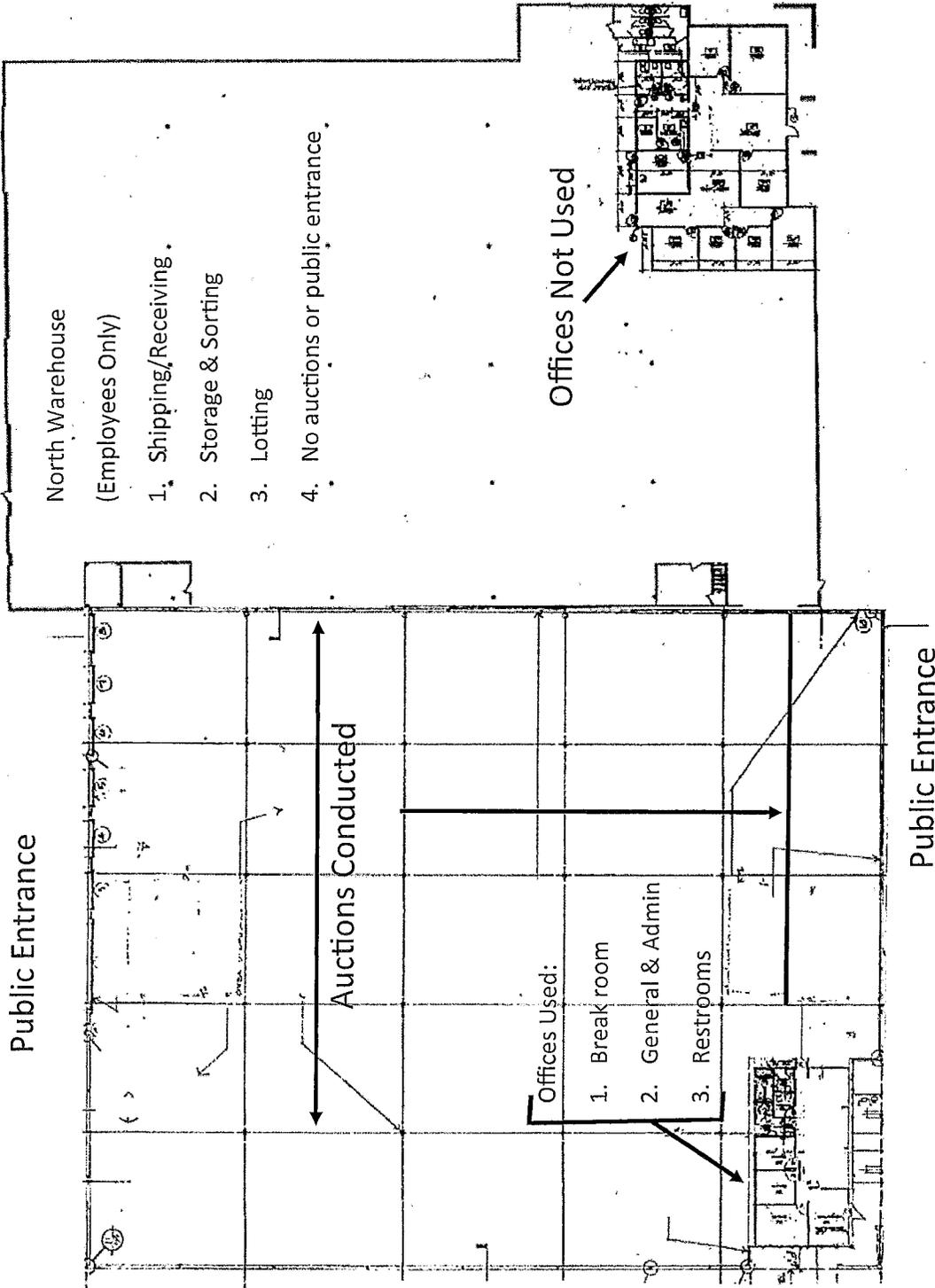


ALTA / A.C.S.M. LAND TITLE SURVEY

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344 NORTH MCKEMY—FLOOR PLAN

West Parking Lot



East Parking Lot

ZUP15-0003

Floor Plan, EX.C

ZUP15-0003 FUSION SURPLUS SOLUTIONS

Photographs of Interior



wholesale power tools



wholesale boxes



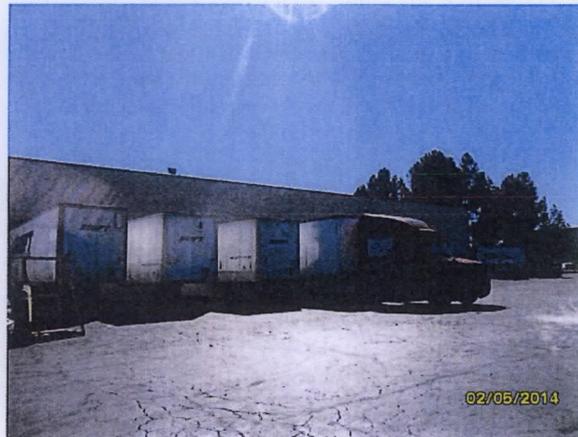
wholesale pallets



wholesale merchandise

Photographs of Site/Exterior

West Side (Rear Yard Loading/Unloading/Staging/Dock Area)



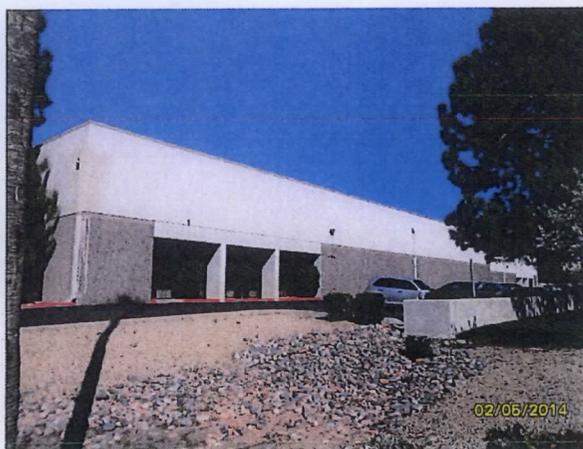
South Side, Flint Street Access to Parking Area and Rear Yard



North Side, Erie St/McKemy (west-east) Access to Rear Yard



East Side, Parking Area along McKemy Ave



North Side, Street View along McKemy Ave (west-east)

