



Requesting Department:  
Development Services

**TO: PLANNING AND ZONING COMMISSION**

**FROM: CHRIS ANARADIAN, DEVELOPMENT SERVICES DIRECTOR**

**RE: DISCUSSION AND POSSIBLE ACTION ON MAJOR GENERAL PLAN AMENDMENT GP13-029 "THE VINEYARDS", a request by Ralph Pew on behalf of Healy Faulkner LLC to amend the General Plan Land Use Map for 55 acres west of Ironwood Road on the north side of Combs Road from Commercial and Mixed Use to Medium Density Residential.**

**DATE: JANUARY 22, 2014**

**STAFF RECOMMENDATION**

Staff recommends that GP13-029 "The Vineyards" be continued until the March 12, 2014 Planning Commission Meeting.

*Please see the UPDATED information described in italicized text below.*

**PROPOSED MOTION**

Move to continue GP13-029 "The Vineyards" to the March 12, 2014 Planning Commission meeting.

**RELEVANT GENERAL PLAN AND COUNCIL GOALS**

**General Plan Land Use Element Goals and Policies:**

- **Goal 1: Maintain the Town's unique community character**
  - Policy 1a: Protect and promote the Town's history, location, amenities and development potential to develop a unique, attractive, desirable and economically sustainable community.
- **Goal 2: Effectively manage the Town's growth**
  - Policy 2b: Coordinate the Town's efforts with the private sector to provide the additional infrastructure when and where needed to accommodate new development.

- Policy 2d: Where the public services needed to support new development are not available and cannot reasonably be provided, requests for additional development may be asked to adjust their timetables.
- **Goal 3: Develop superior neighborhoods**
  - Policy 3b: Provide a diversity of housing opportunities within the Town ranging from lower density residential areas in the desert foothills and equestrian neighborhoods to higher density housing in master planned communities in the Town Center and near future shopping and employment areas.
  - Policy 3d: Ensure compatibility between new projects and existing neighborhoods by providing appropriate transitional treatments when:
    - a. New residential subdivisions are adjacent to existing residential areas; and,
    - b. New development contains lots adjacent to an open space, a non-residential land use or an arterial street.

#### **Growth Areas Element Goals and Policies**

- **Goal 2: Coordinate the timing of construction for new private development with the provision of public services needed to serve such development**
  - Policy 2c: The Town Capital Improvement Program will be used to provide direction on the location, timing and types of new public infrastructure for coordination with the private sector requests.
- **Goal 4: Ensure long-term employment and economic stability**
  - Policy 4a: Develop a diversified and robust economic development base to ensure the Town’s long term financial stability.

#### **Economic Development Element Goals and Policies**

- **Goal 1: Enhance the economic wealth of the community**
  - Policy 1d: Grow the retail and service base of the Town, including unique retailers, to enhance the Town’s retail image and expand the sales tax base to reduce sales tax “leakage” to other communities.
- **Goal 2: Cultivate the Town’s Economic Development centers and assets**
  - Policy 2d: Direct major commercial growth and service projects to the Town’s Meridian Road, Riggs Road, Germann Road transportation corridors and the 802 Freeway.
- **Goal 4: Promote development of the employment sector identified in the Town’s Economic Development Strategic Plan**
  - Policy 4d: Develop a job to population ratio for the Town at build-out greater than the Maricopa County average – currently 0.4 jobs per capita.

#### **Cost Of Development Goals And Policies**

- **Goal 1: Ensure the Town is financially self sustainable at build-out.**

- Policy 1a: Designate areas and land uses in the General Plan which are appropriate in size and location for future revenue or employment-generating uses.
- Policy 1b: Minimize land use changes which would reduce the size of areas designated for future revenue or employment-generating land uses.

**Queen Creek Town Council 2013-18 Corporate Strategic Plan**

- **KRA 5: Financial Management/Internal Services And Sustainability**
  - Goal 1: Maintain long-term financial sustainability for local government operations.
    - Continue with policies and implementation practices that evaluate use and sources of revenues, in particular recurring versus one-time sources of revenue.

**SUMMARY**

In 2008 the applicant’s property was annexed as part of 80 acres at the northwest corner of Ironwood and Combs Roads. The corner property was zoned C-2 for commercial use, with the balanced zoned R1-43 for single family residential use as a holding zone. At the time it was anticipated a commercial “power center” would be developed at this location. In conjunction with the development of the current General Plan, the area adjacent to Combs and Ironwood Roads was designated for future higher intensity uses including mixed-use and commercial activities. This was done to encourage development of a higher density commercial center at this location to accommodate additional “spin-off” development and secondary uses which might be generated by the development of the Banner Medical Center as well as the prominent location of this property at the Combs/Ironwood intersection.

Since then the property has remained in agriculture and development in the area has been slowed by the recession. In addition, due to the need to reconstruct the Combs/Riggs/Gary/Meridian intersection to the west, Combs/Riggs Roads has not yet become the “route of regional significance” as originally planned, and the traffic volume on Combs has not been as great as anticipated.

**HISTORY**

- |                     |  |
|---------------------|--|
| September 17, 2008: | Property annexed by Ordinance 440-08 and subsequently zoned C-2 and R1-43.                                       |
| September 2, 2008:  | Current General Plan was adopted.  |
| August 28, 2013:    | Staff conducted an Open House to receive public comments on the proposed Major General Plan amendments for 2013. |

- September 25, 2013: Staff conducted a second Open House to receive public comments on the proposed Major General Plan amendments for 2013.
- September 30, 2013: The applicant conducted a neighborhood meeting to discuss both this General Plan amendment the future rezoning request, if the amendment is approved.
- October 15, 2013 Planning and Zoning Commission conducts the first Public Hearing on the 2013 proposed Major General Plan amendments.
- December 5, 2013 Planning and Zoning Commission conducts the second Public Hearing on the 2013 proposed Major General Plan amendments. The commission voted 6-0 to continue the case for further consideration at a special meeting to be held on January 22, 2014.

**PUBLIC OUTREACH**

Planning staff conducted community wide Open Houses on August 28<sup>th</sup> and September 25<sup>th</sup> to present the request to the public. Survey forms were distributed at each meeting to solicit comments from those present.

Information on the request has also been posted on the Town of Queen Creek website. Public hearing signs were posted on the property, letters sent to property owners within 1,200 feet of the site, an insert was placed in the Town’s November 2013 Utility Bill, and a public hearing notice was advertised in the Gilbert Edition of the Arizona Republic. A summary of the comments received to date is attached.

In addition to the Town’s outreach efforts, the applicant also conducted a neighborhood meeting on September 30, 2013. A copy of the minutes is attached.

On October 15, 2013 the Planning and Zoning Commission conducted the first Public Hearing for the Major General Plan amendments proposed for 2013, which included this case. On December 5, 2013 the Commission also held a second Public Hearing, the minutes of which are attached.

**DISCUSSION**

This request, coupled with GP13-026, GP13-027 and GP13-028 represent a substantial shift in the land uses proposed in the General Plan. In total they have proposed that over 900 acres currently designated for future employment use be converted to single family residential use. This represents a significant amount of the undeveloped land within the Town.

The underlying justification proposed for all four changes is that the town has an excessive amount of area designated for employment use, and development of the property will take

years (if ever) to occur. In contrast, they state development of the property for single family homes could occur quickly (3-5 years). They also state that development of the property for residential use would be beneficial to the town in that it would generate near term revenues as a result of new construction and long term revenue from sales taxes paid by the residents. These may be true statements, but they sidestep the fact that once development is complete, the revenues generated by the project do not match the revenues required by the Town to provide public services to the new residents over the long term.

The long term financial sustainability of the town was a key issue in the development of the current General Plan, as reflected by the number of goals and policies in the plan related to this issue. This concern is accentuated by a study completed by MAG in 2001 which determined residential uses generate approximately 80% of the revenues needed to provide the public services they require. The balance is derived from employment related uses, particularly offices (132%) and retail uses (923%). As a result, the conversion of employment areas to residential uses could create a significant future financial concern for the Town. It was for this reason the Town commissioned TischlerBise to study the fiscal sustainability issue as part of the General Plan amendment review and future update process.

With the update of the entire General Plan scheduled to begin in 2014 the use of the remaining vacant properties in town, particularly large properties such as those mentioned above, will be a pivotal issue. Rather than considering these four properties now as separate cases, and in isolation from the larger discussion of the long-term buildout and financial sustainability of the Town, it may be more appropriate to consider these four properties as part of the General Plan update, rather than taking action now.

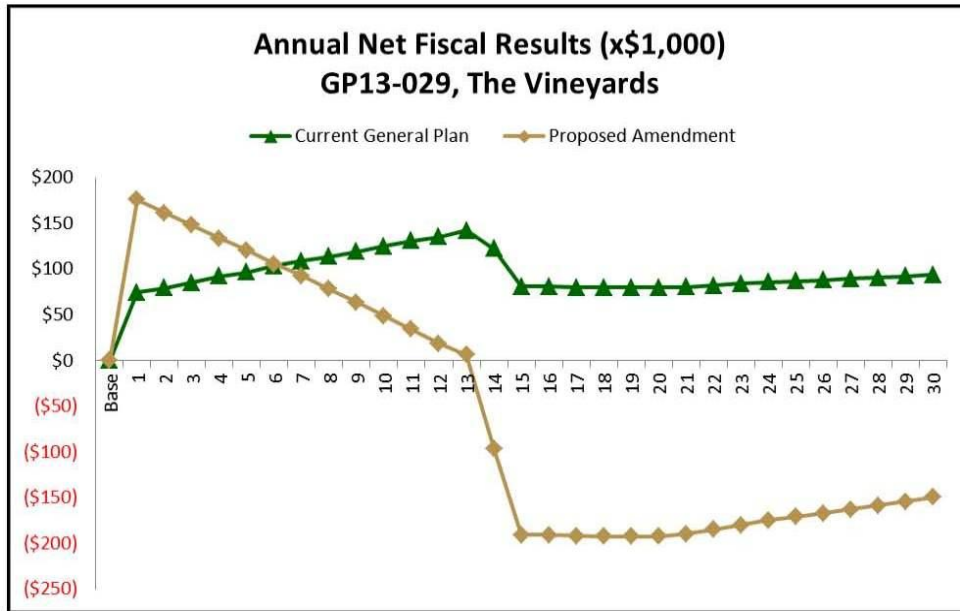
**UPDATE:**

***The long term financial sustainability of the town was a key issue in the development of the current General Plan, and it remains so today. The balance of future employment areas and residential uses is a significant future concern for the Town, from both a financial and livability standpoint. It was for this reason the Town commissioned TischlerBise to study the fiscal sustainability issue as part of this General Plan Amendment review and future update process.***

***As it pertains to this subject property and request to amend the General Plan land use designation, the key findings in the TischlerBise study are as follows:***

***The TischlerBise Part 2 study highlights a major consideration(s) that requires additional staff analysis and communication with the applicant. Staff is considering the implications of land use recommendations as a result of these initial findings that were received from TischlerBise on January 14, 2014. The TischlerBise study identifies the amount of land that should be preserved for "net new" retail, office, and industrial projects as follows:***

Figure 8: Annual Net Results – Development Scenario: GP13-029, The Vineyards



- *The Town’s Draft Fiscal Impact Analysis of General Plan Amendment Applications (dated November 22, 2013), prepared by TischlerBise indicates the project would generate positive initial revenues to the Town due to construction related sales taxes and development impact fees.*
- *The Current General Plan land use assumptions generate net surpluses, while the Proposed Amendment generates net deficits in later years after initial surpluses are generated due to one-time revenues. By year 30, the annual net fiscal impact is a surplus of approximately \$94,000 under the Current General Plan and a net deficit of approximately \$149,000 under the Proposed Amendment.*

Figure 1: Summary of Projected 40-Year Market Demand: Square Footage and Estimated Land Area

Land Use	Net New Square Feet*	FAR Range			Net New Land Area Range (Sq. Ft.)			Net New Acres		
		Lower	Mid	Higher	SF at Lower FAR	SF at Mid FAR	SF at Higher FAR	Ac. at Lower FAR	Ac. at Mid FAR	Ac. at Higher FAR
Retail	1,370,000	0.20	0.30	0.40	6,850,000	4,566,667	3,425,000	157	105	79
Office	1,400,000	0.20	0.30	0.40	7,000,000	4,666,667	3,500,000	161	107	80
Industrial	2,380,000	0.10	0.15	0.20	23,800,000	15,866,667	11,900,000	546	364	273
<b>Total</b>	<b>5,150,000</b>				<b>37,650,000</b>	<b>25,100,000</b>	<b>18,825,000</b>	<b>864</b>	<b>576</b>	<b>432</b>

\*Source: The Chesapeake Group; TischlerBise

**These acreages identified in the study represent the “net new acres” that should be available to bring projects to fruition between now and the Town’s next 40 years. These acreages confirm the findings of previous studies that were conducted prior to the economic downturn by Elliot Pollack (Elliott D. Pollack & Company, “Employment Land Supply/Demand Analysis, Town of Queen Creek, Arizona, November 2004”).**

***The Town’s Economic Development team is assisting Development Services staff in the process of comparing these proposed “net new” acreages and the existing inventory of retail, office and industrial properties to neighboring communities regarded as having a good mix of land uses, financial sustainability, and a good quality of life in our region.***

**ANALYSIS**

A summary of the surrounding area is provided below.

<b>Surrounding Zoning and Land Uses</b>	
North:	Low Density Residential (LDR up to 2 du/ac), zoned Suburban Ranch in Pinal County.
South:	Medium-density Residential (MDR up to 3 du/ac), zoned CR-3 PAD and TR PAD in Pinal County.
East:	Commercial – zoned C-2 General Commercial
West:	Mixed Use – zoned R1-43 currently in agriculture.

The preliminary development plan submitted for this request reflects a total of 162 lots with a gross density of 2.94 dwellings per acre. Almost all lots shown are 65’x120’ (7,800 s.f.). The propose concept plan has been submitted for a pre-application for rezoning, and several issues were noted with the plan that will need to be addressed by the applicant before the project moves forward to possible rezoning.

It should also be noted that the property is adjacent on the north by a developed low-density residential area in Pinal County developed for very large lots (5+acres). This project, should it proceed, would be expected to provide an appropriate transitional/buffer land use or lot sizes between the two uses to provide a greater degree of compatibility between the two uses.

Staff has reviewed the traffic, drainage, utility and economic impact studies submitted by the applicant and have concluded:

- The Town’s water and wastewater systems will be adequate to accommodate the anticipated demand from the proposed project, once the appropriate line extensions are completed.
- Combs Road, once construction is complete would be adequate to accommodate the traffic that would be generated by the proposed project. The applicant would also be required to complete the north side of Combs Road, adjacent to their property.

- The economic impact study submitted by the applicant states the proposed project would have a negative fiscal impact to the Town in 2027 of about \$75,400 annually. This is in contrast to the \$1.4 million in revenue to the Town which would be generated under the current land use designation (assuming it begins development in 2018). The report also states that since the project is adjacent to other property also owned by the applicant, the negative impact on this project would be more than offset by revenues generated on the remaining property when commercial development occurs.

**GENERAL PLAN AMENDMENT FINDING OF FACT**

**General Plan Amendment Finding of Fact Analysis:**

By State law and the Town’s zoning requirements, an applicant is required to demonstrate a “finding of fact” that their proposed project meets certain “tests” to be considered for approval. Nine factors, or findings of fact, established in the Zoning Ordinance, are to be used in evaluating a General Plan amendment request.

Of these nine criteria, the applicant for a General Plan amendment is asked to provide a written response to the first four. The applicant’s proposed findings of fact are contained in the project narrative and shown below, along with the staff’s comments on each item.

**1. Whether the development pattern contained in the future land use plan provides appropriate optional sites for the uses proposed in the amendment.**

**Applicant Response** - According to the “Queen Creek Future Land Use Plan”, shown as Table 1 of the Town’s General Plan, Medium Density Residential (MDR up to 3 du/ac) comprises approximately 16% of the Town’s total acreage. However, except for the MDR land located east on Ellsworth Road and south of the Queen Creek Wash, there is no MDR land south of Chandler Heights Road in the Town’s incorporated boundaries.

The existing pattern of land uses in the vicinity of the Amendment inadequately provides for MDR except for “The Parks” subdivision located in Pinal County east of Meridian Road and south of Combs Road. For the reasons articulated in this narrative, the Amendment will allow the development of 55 acres of MDR single family uses in an area dominated by Commercial, Mixed Use and Regional Commercial designations. According to the Town’s General Plan Land Use map, the intersection of Meridian and Combs Roads is the epicenter of Commercial, Regional Commercial and Mixed Use Land Use designations. Our estimate is that, in this area, there are approximately 1,000 acres of mixed use, 530 acres of Regional Commercial and 310 acres of Commercial Land Use designations. Even though the land use patterns in the vicinity of this Amendment inadequately provide for Medium Density Residential within the Town’s incorporated boundaries, the more significant point is that



the existing land use patterns in the area designate an extraordinary quantity of Mixed Use, Regional Commercial and Commercial land uses that have no reasonable prospect of development as currently planned. The Owner acknowledges and recognizes the results of the fiscal impact study performed by Applied Economics concerning this Amendment. It is obvious to all and substantiated by this fiscal analysis that if this 55-acre property was improved to its full potential as a mixed use and commercial development, and also assuming high occupancy rates and significant consumer spending at this location, the economic benefit to the Town is clear. However the bigger question is when or if this type of development will ever occur at this location.

Approval of this Amendment will allow the Owner the development potential for the 55 acre Residential community and a more focused emphasis on bringing commercial development of the Town on its 51 +/- acres at the northwest corner of Combs and Gantzel Roads.

**Staff Comment** – This property was designated for Mixed-Use and Commercial use based on the concept of development of an employment center along Riggs/Combs Road between the Regional Commercial at Meridian, and Ironwood Road. A precondition to this development, however, has been the reconstruction of the Riggs/Combs/Gary/Meridian Road at the Union Pacific Railroad. This project has been delayed due to the economy, however the Design Concept Report has been completed and the project is now proposed for funding. As a result, the area adjacent to Combs Road has not reached the level of development anticipated in the General Plan, although that is still the plan for the area.

In addition, it has been anticipated that the development of the Banner Ironwood Medical Center would generate additional secondary retail/office/medical uses in the future, as has occurred near other hospitals, and the Mixed-Use and Commercial uses shown on the General Plan were to anticipate this future employment growth.

It should also be noted that Regional Commercial “epicenter” referenced by the applicant at Riggs and Meridian Roads is also being proposed for deletion and conversion to single family residential by another applicant in case GP13-027.

- 2. That the amendment constitutes an overall improvement to the Town of Queen Creek General Plan and not solely for the good or benefit of a particular landowner or owners at a particular point in time.**

**Applicant Response** - While the Amendment presented here is beneficial to the Owner, it is not solely for the good of the Owner, rather, important planning and sustainability benefits are made available to the Town. This Amendment, like all General Plan Amendments, typically results in greater optimization and quicker absorption of property and is beneficial to the land owner. As indicated in the answer to Finding of Fact #1 above, because of the extreme disproportionality of Mixed Use, Regional Commercial, and Commercial land use

designations in the area, the property that is the subject of this Amendment would likely remain undeveloped for many years. This site does not enjoy a competitive advantage over other similarly situated Mixed Use and Commercial land uses in the area. By approving this Amendment, the Town benefits by reducing the quantity of undevelopable Mixed Use and Commercial Land and replacing it with a well-designed Medium Density Residential community that will contribute to the population base in the area to help support a reasonable amount of Commercial in the vicinity including the Owner's 51 acres of Commercial uses located east of the site.

**Staff comment** – The primary reason given by the applicant for the change is the amount of other property in the area designated for Commercial and Mixed Use. This would result in delaying development of the applicant's property beyond what would be expected if it were designated for the proposed residential use, given the current real estate market.

As noted above, development of the area on Riggs Road between Ellsworth and Ironwood Road has been delayed by the delay in construction of the needed street improvements. As a result, the full development potential of the area as a future employment center has not been determined. It should also be noted that the other major employment center in the area is also being proposed for conversion to residential by another General Plan amendment.

The General Plan recognizes the importance of providing sufficient retail opportunities within the community to effectively capture the sales taxes generated by Town residents, as well as attracting sales from Pinal County residents who travel through the Town on a daily basis. It was in part for that reason the regional, retail, mixed use areas were designated along Riggs and Meridian Roads. This property was included in that discussion, given its location on one of the more prominent commercial/service intersections in the area.

***UPDATE: The consideration of the proper balance of Town-wide "net new" retail, office and industrial land uses is currently under review based on the new studies received from TischlerBise and MAG.***

- 3. The degree to which the amendment will impact the community as a whole or a portion of the community by:**
  - a. Significantly altering acceptable existing land use patterns.**

**Applicant Response** - This finding is answered in Findings of Fact #1, above.

**Staff Comment** – This proposed change would reduce the proposed development density in the area adjacent to Combs Road in an area designated as an employment corridor in the General Plan and introduce single family residential development where it has not been intended or proposed. Although an area of similar density was allowed previously in Pinal County, within the Town the goal has been for more

employment oriented uses. Rather than modifying this one property in isolation, staff would recommend the concept of the Riggs Road employment corridor be revisited as part of the General Plan update to begin in 2014.

**UPDATE: The consideration of the proper balance of Town-wide “net new” retail, office and industrial land uses is currently under review based on the new studies received from TischlerBise and MAG.**

- b. Requiring larger and more expensive improvements to roads, sewer, or water systems that are needed to support the prevailing land uses in which, therefore, may negatively impact development of other lands. The Commission and/or Town Council may also consider the degree to which the need for such improvements will be mitigated pursuant to binding commitments by the applicant, public agency, or other sources when the impacts of the uses permitted pursuant to the General Plan amendment will be felt.**

**Applicant Response** - This finding is answered in Section 4, page 7 of this narrative.

**Staff Comment** – Staff concurs that adequate public infrastructure would be available to support the project, once the appropriate improvements have been made by the developer.

- c. Adversely impacting existing uses due to increased traffic on existing systems.**

**Applicant Response** - As indicated in the traffic statement provided by CivTech, the development of the property for approximately 162 single family homes in the MDR land use category (up to 3 du/ac) will not necessitate any additional roadway improvements to Combs Road and will have a positive impact on existing and future land uses in the area by beginning the design and implementation of transportation corridors to provide connectivity among various properties north of Combs Road between Ironwood and Meridian Roads.

**Staff Comment** – Staff concurs with the applicant regarding traffic volume. The north side of Combs Road will be installed when this property is developed.

- d. Affecting the livability of the area or the health and safety of the residents.**

**Applicant Response** - Very few Town residents live in the area of the Amendment. As indicated in prior sections of this narrative report, the land east and west of the site is undeveloped and designated for commercial and mixed use purposes. The Amendment will not adversely impact the livability of the area; to the contrary, approval of this Amendment will create the opportunity for a residential use in this eastern edge of the Town’s incorporated boundary.

**Staff Comment** – At present this property is located on the eastern edge of the community. While the Town’s emergency services plan calls for the development of a new fire station in the southeastern portion of the community no funding has been designated for either purchase of a site or construction of the station. This site is located approximately 4 miles east of the Town’s nearest fire station in the Town Center.

**4. That the amendment is consistent with the overall intent of the General Plan.**

**Applicant Response** - Determining “the overall intent” of the Town’s General Plan is arrived at by evaluating the cumulative impact of the goals and policies expressed throughout the General Plan. This amendment is consistent with various goals and policies of the General Plan as described in the section of this narrative report identified as “General Plan Land Use Amendment”, on page 4.

**Staff Comment** – As described above in the goals and policies in the General Plan, the intent of the current General Plan to focus on development of future employment opportunities, and locations on the main arterial streets and roads serving the community – including Riggs/Combs Road.

The proposed change would introduce a single family residential subdivision in an area where none were anticipated, and where it may be out of place should the uses proposed in the General Plan come to fruition.

As part of the development of an updated General Plan the “employment corridor” may be re-evaluated and an alternative concept considered. Staff would encourage the applicant to participate in that process.

The remaining five criteria are evaluated by the Planning and Zoning Commission and Town Council when the application is considered:

- 5. Whether there was an error in the original General Plan adopted that the Council failed to take into account then existing facts, projects or trends that were reasonably foreseeable to exist in the future.**
- 6. Whether events subsequent to the General Plan adoption have invalidated the Council’s original premises and finding made upon plan adoption.**
- 7. Whether any or all of the Council’s original premises and findings regarding the General Plan adoption were mistaken.**
- 8. Whether events subsequent to the General Plan adoption have changed the character or condition of the area so as to make the application acceptable.**

**9. The extent to which the benefits of the Plan amendment outweigh any of the impacts identified in Subsections One (1) through Eight (8) hereto.**

**STAFF CONCLUSION**

Riggs Road has been identified as a transportation “route of regional significance” crossing the community for many years. Due to the need to design and reconstruct the Meridian/Riggs intersection and lack of funding to initiate the project, the segment of Riggs Road from Ellsworth to Ironwood Road has been slowed. As a result, Riggs Road has not reached its full potential as a transportation corridor which could support the development of additional commercial uses in the area.

The location of the Banner Ironwood Medical Center at the southwest corner of Combs and Ironwood Roads is also seen as an economic development asset of the community, and one with the potential to attract additional employment relates uses and services to the area. For this reason, combined with the improved Riggs Road infrastructure, the General Plan identified this location as a future location for higher density and employment related uses. This position was stated and reinforced by the General Plan goals and policies described above.

As a result, staff does not believe the applicant has met the Finding of Fact requirement demonstrating this proposed change is consistent with the intent of the General Plan or sufficiently demonstrated that the proposed change is in the best interest of the community – and for that reason staff has recommended this request be denied.

In addition, as part of the update to the Town’s entire General Plan scheduled to begin in 2014 the concept of the long term financial sustainability of the Town will be discussed. This will involve a discussion on the appropriate balance of revenue generating to revenue requiring activities within the Town at “buildout” including the type, amount and location of future commercial use. Staff recommends the applicant participate in the update process and this proposed land use change be evaluated as part of that larger discussion.

**UPDATE:**

***Our current focus is working with our inter-department staff and consultant team(s) to determine the adequate supply of land for Queen Creek in the area of retail, office, and industrial “net new” development.***

**ATTACHMENTS**

1. Existing General Plan Map
2. Existing classification and proposed change
3. Applicant Concept Plan
4. Applicant Narrative

5. Fiscal Impact Analysis Summary
6. Traffic Study
7. Alternative D graphic
8. Applicant neighborhood meeting minutes and public comments
9. Public comments received
10. Applicant October 15 Planning Commission presentation