



## TOWN OF PRESCOTT VALLEY STAFF REPORT

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**DATE:** August 8, 2024

**TO:** Mayor & Town Council

**THROUGH:** Gilbert Davidson, Town Manager

**FROM:** Donna Kennedy, Development Services Director

**DEPARTMENT:** Development Services

**AGENDA TYPE:** New Business (for Review, Comment, And/or Possible Action)

**SUBJECT:** Lakeshore 650 ZMC23-004 - Consideration & Possible Action (Public Hearing, 1st Reading) [Donna Kennedy, Development Services Director]

**VISION 2024 FOCUS AREA:** Creating an environment where our residents can thrive for a lifetime via job opportunities through a diversified and growing economy.

### **SUMMARY/BACKGROUND:**

#### **Request:**

Fain Signature Group desires to rezone 652 acres, generally located north and south of Lakeshore Drive from Badger Road on the west to Fain Road on the East as a Planned Area Development (PAD). The PAD is set forth in a Master Development Plan (MDP) that sets a framework to guide future development of Property in a thoughtful and responsible manner. Zoning categories in the Master Development Plan are R1L PAD (Residential; Single Family Limited, Planned Area Development), RS PAD (Residential and Services, Planned Area Development), and C-2 PAD (Commercial; General Sales and Services, Planned Area Development).

#### **Background:**

1. On April 18, 2024, staff provided an overview of the Lakeshore 650 proposal at the Planning and Zoning Commission Study Session ahead of the Commission regular meeting on June 10, 2024.
2. Access to Fain Road; Fire conversation has been supportive as proposed.

3. CAFMA/Police substation will be located within Lakeshore 650 community.
4. Wildlife corridor.
5. Multiple options for housing.
6. Water; per state statute; both physically and legally available.
7. Water efficient landscape.
8. The applicant presented responses to Planning and Zoning Commission inquiries and gave a full presentation on the vision of Lakeshore 650. The Commission voted 6-0 for approval (with one member absent).

**Proposal:**

The Lakeshore 650 proposal is envisioned as a community that embraces the natural high desert character. It would encourage low water use through such things as drought tolerant plant material native to the region and adapted to the climate and other water conservation techniques. It would be composed of a variety of housing types to meet the needs of residents at all stages of life, linked through an integrated circulation system giving residents a choice to walk or bike to community amenities rather than drive. The intent of the 650 PAD is to establish a framework for open space, circulation (both vehicular and pedestrian), community amenities, and community infrastructure (water, wastewater, and drainage). It is proposed to include a range of residential uses (primarily low and medium density), with opportunities for pockets of medium-high density and neighborhood services. A master plan of this size is envisioned to develop over at least 20 years. Necessary infrastructure and amenities to serve future residents will be provided, with nature and timing allowed some flexibility to respond appropriately to market demands.

Property landforms will influence the community design. The Agua Fria River, Coyote Wash, and Navajo Drive Wash cross the Property. A system of wildlife corridors and natural areas will integrate with community assets to protect those corridors, manage drainage systems, and create a pedestrian system that connects individual neighborhoods to community amenities. The system would be designed for pedestrians and bicycles (separated from main roads). Streets would be designed in accordance with applicable engineering standards, but also balanced in an effort to not be vehicle dominant (e.g., using features such as neighborhood cul-de-sacs). Streets are intended to share space with pedestrians and cyclists (and seeking to maintain a rural character).

The community will offer choices for housing that meet the needs of residents at various stages of life. One focus is housing for those who have grown up in the community and are looking to move out of their parents' home and buy a first home, move into a larger home that can accommodate a family, or move down to a smaller home (or home where exterior and landscape are maintained by a homeowner's association).

**Purpose:**

The Master Development Plan proposed to be adopted by this re-zoning action would serve as a framework to guide and create a vibrant, primarily residential community that can grow to accommodate a variety of neighborhood types. It sets out the planning process and parameters for various phases of development while maintaining flexibility to take actions appropriate for the time and place. The General Development Standards provide a menu of land uses, development standards, and infrastructure standards permitted (and/or required). These standards will guide the character and quality of the built environment while allowing for a range of acceptable uses to occur without sacrificing livability, connectivity, and the overall vision. Market forces and other conditions may direct timing for development of individual components within the Property, but the Development Plan ensures an environment of stable character in harmony with surrounding areas.

### **Development Plan Framework:**

The Master Development Plan will serve as the primary zoning regulation on the Property. It is the overlay zoning PAD required in the Town Code for development of forty (40) acres or more. It consists of a mixture of residential zoning districts and optional neighborhood commercial districts. The general development concepts are intended to provide for integration of a variety of public and private uses in relatively close proximity to each other to achieve the overall vision for the Property.

### **Housing:**

The following General Plan 2035 provisions guide the housing planned as part of the Development Plan:

#### **GOAL: LU-A6**

Provide for a fully balanced residential mix, which includes a wide range of housing by location, type of unit, and price, to accommodate various income levels, family size, age, and physical restraints, that addresses both owner and rental households.

#### **GOAL: LU-A6.7**

Discourage construction of new housing at substantially lower densities than the maximum permitted by the General Plan, particularly on sites designated for medium and medium-high density residential.

#### **GOAL: H-D1**

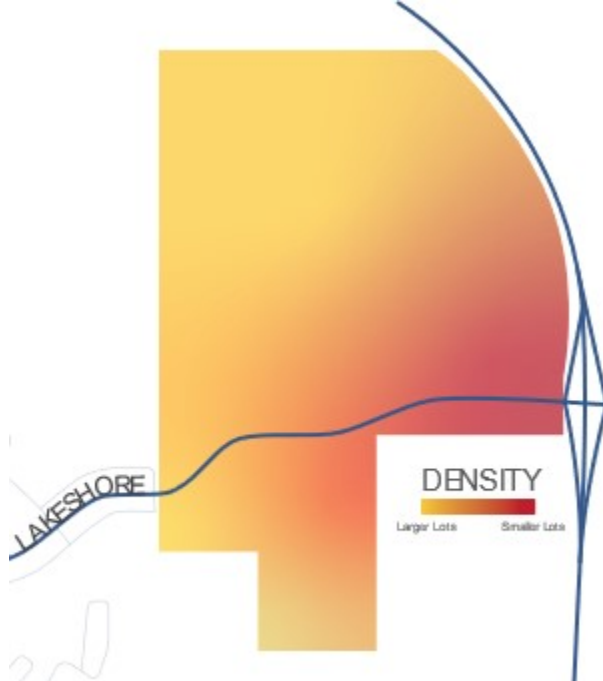
Promote housing development that meets the needs of all households, regardless of income.

#### **POLICIES: H-A3.1**

Promote development of a variety of housing types including single-family attached and detached homes, modular homes, multiple family homes and apartments, senior apartments, condominiums, and other types of housing are all encouraged within the community to provide a diverse palette of housing types to meet the diverse housing needs of our residents.

**POLICIES: H-D1.1**

Support new construction projects that meet the needs of targeted populations (e.g., disabled, low-income seniors).



The diverse mix of housing types will include low density and medium density neighborhoods, as well as neighborhoods that have a mix of lot sizes, home sizes, and housing options. This is compatible with the General Plan PAD F-II designation that looks for a diverse variety of housing.

**Commercial:**

The following General Plan 2035 provisions guide the commercial uses planned as part of the Development Plan:

**GOAL: LU-A10.2**

Promote a complimentary mix of land uses, including retail, entertainment, civic facilities, employment, housing, and community open space.

**GOAL: LU-A5**

Provide for a variety of industrial and/or job-based uses (i.e., light industrial, technology centers, performance manufacturing) to ensure additional employment opportunities are available in the Town.

**POLICIES: GA-A3.1**

Encourage pedestrian friendly residential development that includes a central core of neighborhood and community services.

A community core is planned near the intersection of Lakeshore Drive and Fain Road. Commercial/employment uses in this visible and accessible area of the Property are desirable, most likely including restaurants, a grocer, a dentist's office, a storage facility, or other businesses that provide needed services and jobs for the region.

Residential uses will surround and possibly mix with commercial uses, offering additional support to the commercial uses. The integration of uses will be complemented by a pedestrian system that will give residents/employees an attainable alternative to get to and from their home and the community core.

### **Economic Impact:**

It is believed that the Lakeshore 650 project could generate an economic impact of \$1.3 billion during construction and an ongoing annual impact of \$416.4 million to the local economy.

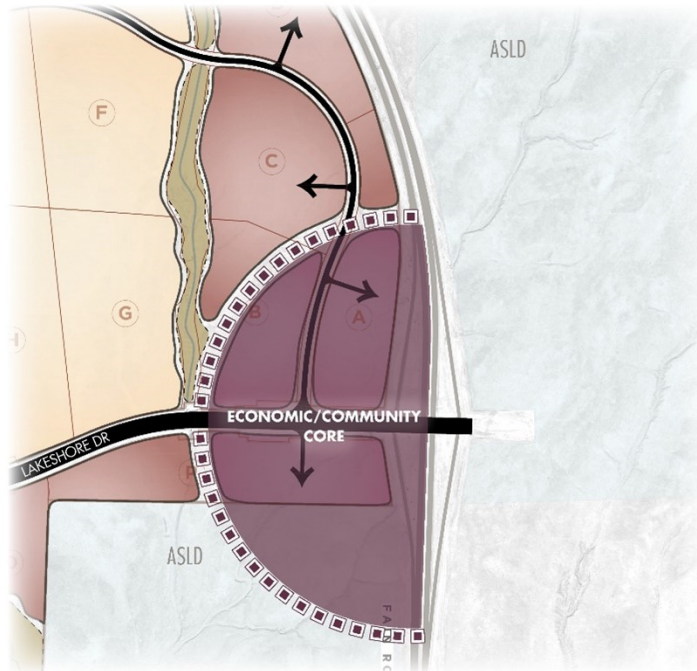
### **Potential development:**

Approximately 348,100 square feet of new commercial (~ 100-acre core)  
Maximum density 3,491 residential units will help support the commercial core.

The commercial area is anticipated to support an estimated 3,630 jobs, \$127.8 million in wages, and over \$416.4 million in economic output.

The Developer has obtained a letter of intent from BISON Partners, a real estate investment operating company, as a strategic partner to provide new retail/grocery and medical office space.

Source: Elliott D. Pollack & Company (2024)



### **Low Impact Development Techniques (LID):**



- Preserve and recreate natural landscape features.
- Minimize effect of development to site hydrology (imperviousness).
- Scatter integrated management practices throughout site development.
- Maintain runoff rate and duration from a developed site.

### **Open Space Character:**

The project concept has been developed with open space in mind. Both active and passive gathering areas for recreational uses will be available to residents. Three proposed types of open space are:

- An open space corridor that includes landscape buffers, linear parks, or greenway following a drainage corridor, roadway, utility corridor, or neighborhood properties.
- Neighborhood Parks and open space areas, typically between one-quarter to one and three-quarter acre in size of varying shapes, sizes and character throughout the community providing a local gathering node.
- A recreation core, community amenity, including a potential community center, trailhead, and parking for services to the community.

### **Community Amenities:**

The Agua Fria River crosses the property. This river corridor, which is approximately 50 acres will also serve as an open space corridor. Adjacent to the Agua Fria River, +/- 25 acres of land will be provided to develop over time a Community Park that is open to the public. In addition, a ten-foot multi-use path along the south side of Lakeshore Drive is intended for both pedestrian and bicycle use (an extension of the regional path from the community core to Mountain Valley Park and the Civic Center). A system of other community paths and trails will connect to area amenities. This includes street-oriented and open space routes that follow either Lakeshore Drive or drainage corridors in and around neighborhoods.

### **Public Benefits:**



Uses	Quantities
Portion of Lasso Loop trail	+/- 1.8 miles
Multi-use path along Lakeshore Drive	+/- 1.7 miles
Community Park	25 acres
Public Safety Facility	+/- 2 acres for police/fire station
Wildlife Corridor	50 acres, .95 miles

Public benefits for the Town include the first segment of the Lasso Loop, a trail identified in General Plan 2035 as part of a larger interconnected system of multi-use paths and trails. The multi-use path along Lakeshore drive would be extended to Fain Road. The multi-use path is ten feet wide with room for both pedestrians and bicycle use separated from vehicular traffic. This is the same path as the one in front of the Civic Center library. Twenty-five acres of land are identified for a Town owned and operated community park. Adjacent to the community park site (and generally following the Agua Fria River) will be a fifty-acre wildlife corridor that extends to the Property boundary opening on land owned by the State of Arizona. A two-acre site along Lakeshore Drive will be reserved for a public safety facility. That facility is planned as a joint use facility for both fire and police services. In addition, the developer(s) will work to implement low impact development/community water conservation strategies and to attract commercial/employment for the community core. Finally, the developer has made contacts in an effort to develop a world class soccer and training facility in the development.

**Staff Comments (approximately a 20-year project):**

The conditions set forth in this rezoning Ordinance as well as the adopted Master Development Plan (in connection with the related Pre-Annexation Development Agreement) have addressed a number of specific expectations up front. Other aspects will be mutually determined by Town and Developer staff, in accordance with the documents and related Town Codes and standards at each phase.

**Water, Wastewater, & Drainage:**

The Developer will provide water infrastructure to support the Lakeshore 650 community. A master water and sewer study will be prepared and submitted to the Town that will identify needed infrastructure, location, sizing, and capacity. Infrastructure will be installed up front, or in phases and ensure that key facilities are operational as needed to serve the homes being constructed. Phased efforts will be supported by infrastructure design reports that may refine the configuration of the infrastructure. All water and sewer infrastructure plans and reports will be reviewed and approved by the Town prior to construction. New infrastructure will connect to existing Town infrastructure and will not be a stand-alone system.

The Developer will demonstrate access to adequate water resources, both legal and physical, prior to development of any specific phase (or as otherwise required by the Arizona Department of Water Resources).

The Developer will install necessary wastewater infrastructure. The Town will collect

development fees for other water and wastewater improvements. Those fees will be utilized as set forth in the plans underlying adoption of those fees.

A system of storm drains, culverts, roadside ditches, channels, street drainage, and/or spillways will be utilized to manage stormwater and detention/retention within the development. The Developer will work to incorporate green infrastructure that reduces water demand (and perhaps help capture stormwater and encourage recharge of that stormwater into the aquifer).

If drainage mitigation is required for the Lakeshore 650 development to develop within the floodplain area along the Aqua Fria, the Developer will be responsible to design, construct, and maintain the approved mitigation methods. Part of the Town requirements is to provide open space/recreational areas. If the Developer chooses to utilize areas within the floodplain limits to meet those requirements the Developer will be required to install the necessary mitigation measures. Maintenance could potentially be turned over to the Town after approval of installation.

### **Circulation:**

The following General Plan 2035 provisions guide the circulation improvements that will be needed per the Development Plan:

#### **GOAL: LU-A10.9**

Provide streets that create comfortable walking environments that are not overwhelmed by traffic speeds and volumes, while recognizing reasonable requirements for vehicular access.

#### **GOAL: CIR-A1.3**

Establish policies and standards to address unique transportation needs in the existing townsite and in new development, such as controlling access along major roadways. Policies and standards, along with an implementation plan, will maintain and improve upon the existing roadway infrastructure as the Town grows.

The Development Plan anticipates a circulation system composed of both vehicular and pedestrian components. The system is intended to provide connectivity and encourage more than one mode of transportation while being appropriately sized. This means providing adequate vehicle access and clearance while encouraging pedestrian-friendly relationships. Inside the development, Lakeshore Drive is envisioned as a 5-lane ultimate road section with controlled access intersections. Road A, an internal loop road, will provide access to future neighborhoods. The 3-lane loop road will vary in width where needed to accommodate traffic volumes and turning movements (including the intersections with Lakeshore Drive). Potential traffic impacts inside and outside the development will be considered with each phase of development.

A network of community paths and trails will connect neighborhoods and amenities. The site-specific layout of the pedestrian routes will be reviewed and approved by the Town with each phase of development.

The Developer has provided an Initial Draft Traffic Impact Analysis (TIA) that is currently under review by the Town and ADOT. This initial TIA identifies traffic



impacts from the proposed development to Lakeshore Drive the entire length between Robert Road and Fain Road (including the Fain Road interchange). Each phase of the development will require a detailed TIA specific for that phase. The Town will specifically work with the Developer on phasing of needed improvements to Lakeshore Drive as part of the project (potentially including Developer paying a pro-rata share for improvements to Lakeshore Drive west of Lakeshore 650). The Developer will pursue various financing options for such improvements.

### **Parks and Recreation:**

The following General Plan 2035 provisions guide the recreation uses planned as part of the Development Plan:

#### **GOAL: LU-A8**

Residential neighborhoods should be integrated with central activity focal points to reinforce the sense of community.

#### **H-D2.2**

Promote interconnectivity of neighborhoods via the Pedestrian/ Bicycle System as outlined in Chapter 8: Parks, Recreation and Open Space Element

### **POLICIES:**

#### **PR-A1.1**

Develop a network of parks, trails, and open spaces that protect the natural areas in public spaces in Prescott Valley and connect to population centers that will support the needs of all residents through well-designed parks and recreation amenities.

#### **PR-A2.4**

Coordinate with local developers and adjacent communities to assure interconnectivity between trails and trail segments during the development of new projects to help complete the Town's trail system.

The Developer will donate +/- 25 acres of land for a Town community park. The improvements will be provided based on phasing.

### **Community Services Analysis:**

In addition to the dedication of the 25-acre property to the Town, the Developer has committed to spend up to \$5 Million on the first phase improvements (which will be eligible for impact fee credits or other types of financing). To make up the additional 20 acres of required land, the Community Services Department will approve the addition of a multi-use path along the south side of Lakeshore Drive.

- Given the slope of the land at the west perimeter of the park parcel (bordering Badger Road), options such as slide's, challenge courses, and other creative climbing/sliding interactive imbedded features will be considered. The box culvert under Lakeshore Drive will be investigated for possible MUP connectivity. The design, layout, and implementation of the overall park and multiuse paths will be subject to approval by the Community Services Director.

The park first phase is planned to include a multi-use field with low light pollution sports lighting, restroom, tot lot, and lighted parking.

- The Lasso Loop MUP will be a 12' wide pathway with additional shoulders on each side.

The Developer is working to make Prescott Valley a premier soccer destination for youth soccer recreation, development, and education. The Developer has obtained a letter of intent from OJB FC (O Jogo Bonito) to bring soccer fields with artificial turf, a Futsal facility, locker rooms, and after school educational support facilities to the Town.

### **Developer/Applicant Outreach:**

The Developer/applicant met all notice requirements in addition to holding multiple open houses and small group meetings throughout the process. The applicant also created and maintained a project website as a public resource (<https://www.lakeshore650.com>).

Three (3) in-person meetings were held at The Event Spot, on July 12, 2023, July 26, 2023, and August 9, 2023. Two (2) virtual meetings were held on July 13, 2023, and July 27, 2023.

The Neighborhood Meeting was held on October 10, 2023, at The Event Spot. Three (3) focus group sessions were held on September 27, 2023, and November 8, 2023.

Letters of support/opposition can be found on the Town website. Lakeshore 650 | Prescott Valley, AZ - Official Website ([prescottvalley-az.gov](http://prescottvalley-az.gov))

### **This Action:**

This rezoning action is being proposed in conjunction with two other actions at this same Town Council meeting. One is adoption of a Pre-Annexation Development Agreement by Resolution, and another is adopting of an Annexation Ordinance. This action involves re-zoning Ordinance No. 2024-939. It proposes to rezone the Property from RCU-70 zoning (as will be established in the Annexation Ordinance) to R1L PAD, RS PAD, and C2 PAD zoning as provided in the Master Development Plan. The following conditions are included as part of Ordinance No. 2024-939:

- 1) Developer shall construct a mixture of housing types to provide housing options for all residential categories in an amount no more than three thousand four hundred ninety-one (3,491) residential units.
- 2) Developer shall provide for at least two hundred seventy-five (275) attainable housing units within the development. Attainable units shall be defined as a price point that is affordable for those households within eighty percent (80%) – one hundred twenty percent (120%) of the AGI for the Prescott Valley area. Developer shall further provide at least two hundred (200) workforce housing units as part of the development. Workforce units shall be defined as a price point that is affordable for those households within fifty percent (50%) – 80% of the AGI for the Prescott Valley area. Workforce

units may be located within or outside the development (within the corporate limits). Workforce units outside the development shall not count toward the total unit count.

3) Developer shall construct a sports complex in the first phase of development. The sports complex shall have a minimum of three (3) soccer fields, parking, restrooms, and lighting for at least one (1) of the fields. The complex will not be publicly owned or operated, but the owners would work with the Town on a joint use agreement.

4) Developer shall dedicate twenty-five (25) acres for a community park at the southwest corner of the site. Developer shall construct a fifteen (15) acre first phase park amenity (to include bathroom, lighted parking lot, tot lot, splash pad, lighted multi-purpose field, and as otherwise mutually determined by the parties) prior to the five hundredth (500th) residential permit; or, if the sports complex is not constructed prior to the two hundred fiftieth (250th) residential permit, Developer shall immediately begin to construct the first phase park amenity. The Town shall be responsible for subsequent park phases. Developer shall provide annual updates to the Town on the status of the sports complex and first phase park construction. Developer shall be allowed certain impact fee credits for the first phase park as permitted by law for public park improvements up to a maximum of five million dollars (\$5,000,000.00). Alternatively, first phase park improvements may be included in and financed through reimbursement of Developer funds from a Community Facilities District. If both financing mechanisms are used, total reimbursement for the first phase park shall not be greater than actual Developer cost.

5) Developer shall implement best practices regarding water conservation and other low impact development standards (as approved by the Utilities and Public Works Directors):

- a. Shall include rain harvesting techniques to water existing landscaping;
- b. Shall include rain harvesting on all buildings where feasible, and to include options for each residential home.

6) Developer shall develop a layered land use concept for a subtractive model:

#### Zoning Districts

a. R1L; Residential Single Family Limited (allowed everywhere except immediately adjacent to the highway) maximum five hundred fifty-two (552) acres.

b. RS; Residential Services, including multi-family, maximum three hundred fifty (350) acres.

c. C-2; Commercial General Sales and Services minimum one hundred (100) acres, maximum one hundred ninety (190) acres.

#### Open Space

- a. Permitted throughout the site.

b. Per PAD Table 4.1 Land Use Budget: minimum one hundred thirty and four tenths (130.4) acres open space to include the following 25 acres community park, fifty (50) acres wildlife corridor along the Agua Fria river, and fifty-five and eight tenths (55.8) acres of neighborhood parks and amenities.

7) Per Section 6.2 of the Master Development Plan, Developer shall provide a minimum one hundred foot (100') perimeter buffer adjacent to existing residential uses.

8) Developer shall build an extension of the Lakeshore Multi-Use Path from Fain Road approximately one and three tenths (1.3) miles to the current terminus of the path at Serpentine Road (timing as approved by the Public Works Director regarding Lakeshore Drive mitigation).

9) Developer shall build the first leg of the Lasso Loop Trail along the Agua Fria river at the top of the bank/edge (with bank protection unless set back) of open space, approximately one (1) mile (as approved by the Public Works Director).

10) Developer shall provide an integrated network of trails, pedestrian paths, and sidewalks throughout the project (as approved by the Public Works Director).

11) Developer shall provide enhanced landscaping on arterial streets to include mature, drought-tolerant, signature trees canoping the sidewalks and pedestrian trails for shade (as approved by the Public Works Director).

12) Developer shall dedicate approximately two and five tenths (2.5) acres (not floodplain) to the Central Arizona Fire and Medical Authority (CAFMA) for a Police/Fire facility at a location agreeable to the Town and CAFMA.

13) Developer shall dedicate land in preservation to accommodate a wildlife corridor through the project.

14) Developer shall construct at least two (2) water production wells providing a minimum of two thousand four hundred eighty-five (2,485) gallons per minute (gpm) of total capacity, concrete water tanks providing at least two million (2,000,000) gallons of storage capacity, and associated water transmission mains between the development, wells, and tanks. Developer shall also install a twelve-inch (12") water line along Lakeshore Drive from Towago Drive east to the development and expand or upsize the current PV sewer main line system (as demonstrated by sewer capacity calculation approved by the Utilities Director). Sites for water wells shall be five tenths (0.5) acre minimum.

15) Developer shall develop and phase all infrastructure according to requirements from various applicable reports, including (but not limited to) all Traffic Impact Analysis (TIA) and water, sewer, and environmental reports (as approved by the Town Engineer and the Public Works and Utility Directors).

16) The Town and Developer agree to work in good faith to implement public street standards (on-site and off-site) similar to Verrado in Buckeye, Arizona, without

compromising the quality and safety (for both vehicular and pedestrian traffic, and drainage) detailed in the Town engineering standards. Such amended standards shall be approved the Town Engineer, whose approval shall not be unreasonably withheld.

17) Developer shall make voluntary payments of five hundred dollars (\$500) per single family unit, and two hundred fifty dollars (\$250) per multi family unit towards Humboldt Unified School District (HUSD) expenses for technology and other enhancements as previously agreed.

18) Developer (and/or its successors and assigns) shall ensure that, on a monthly basis, all monies collected as a result of any apartment building applying a "surcharge" against all rents collected from occupation and use of units within any phase of the development (except the designated attainable and workforce housing), said surcharge being two percent (2%), shall be remitted to the Town Finance Department no later than the 15<sup>th</sup> day of the following month. Such remittance shall begin no later than sixty (60) days after issuance by the Town of any Certificate of Occupancy of any phase of the development.

After holding its public hearing, if the Town Council desires to proceed with the rezoning, it would do so by moving to read Ordinance No. 2024-939 by title only on two separate occasions, then place the same on final passage. The second reading would then occur at the Town Council meeting on September 12, 2024, for consideration of a vote to adopt.

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#### **RECOMMENDED MOTION:**

Motion to read Ordinance No. 2024-939 by title only on two separate occasions, then place the same on final passage, **OR** Motion not to read Ordinance No. 2024-939. **VOTE.**

[if the vote is to read Ordinance No. 2024-939, the Mayor asks the Town Clerk to read the Ordinance by title only for the 1<sup>st</sup> reading]

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#### **STAFF RECOMMENDATION:**

Staff recommends approval of ZMC23-004 by reading and adopting Ordinance No. 2024-939.

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#### **FISCAL ANALYSIS:**

There is potential income from fees, permits, and transaction privilege taxes that would be generated by the project. Additionally, per the Economic & Fiscal Impact Analysis conducted by Elliot D Pollack & Company, there is a potential to create a substantial number of jobs, wages, and other economic output.

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#### **Council Action at the Meeting:**

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**ATTACHMENTS:** Yes