

# No to NCU Rezoning

I am writing to voice my opposition to the NCU rezoning request. I am sure at any upcoming city meetings you will see a large opposition movement from the local neighborhoods. I believe a review of this property's history is important to understanding the opposition to the current proposal. We have held community meetings and the neighborhood realizes this property will be occupied by some entity.

This goes back to 2004 when Dr Hecht proposed moving the NCU building from Prescott to the current location. I was there when city council meetings were held to try and overcome neighborhood opposition. No one could understand why Dr Hecht wanted to move to this property which at the time was landlocked with no road access. An easement across state trust land was required to develop a roadway to the property. Why such a large building for an online university as well as the need for 50+ acres.

## WHY HERE, WHY NOW

There were so many locations with easy access throughout the valley. I was there when Dr Hecht stood up and said "this is my baby, my legacy and will be for a long time", "I have no problem accepting a permanent rezoning.", "this will provide the tri-cities with a BS and Masters educated public". From an on-line university? We had so many questions that received so many answers that made little sense. Unfortunately not only did I fail to research Dr Hecht, but so did the city. A simple search would have found Dr Hecht had some sort of Univ in Hawaii but left with a number of lawsuits in hand, went to Southern CA, set up a Univ there but left with a number of lawsuits in hand and moved to Prescott and set up NCU.

All babies grow so fast, even our metaphoric ones. In 2008 Dr Hecht sold the school but kept the property. Then in 2011 Dr Hecht tried to very discreetly rezone the property to commercial. We now had our answer to the:

## WHY HERE, WHY NOW

His stated intent was not to redevelop the property(?), only wanted to borrow against it and needed commercial zoning to do this. I am positive this rezoning was always the plan and as in his previous endeavors he was only playing the residents and the city in 2004. We learned at the LAST moment what was going on. This is when I did a simple Google search and found out about Dr Hecht's dubious past. I can provide this research to you. We addressed our concerns and fortunately the city council had the integrity to stand by their commitment made to the neighborhood in 2004 that this would

always be zoned for school or govt uses. The rezoning was denied. Dr Hecht was only slightly incensed.

A little more intriguing history. In 2011 Dr Hecht removed himself from being associated with this property by forming 10,000 University NCU LLC, an AZ LLC. This LLC was actually formed by CA Investment Grade Loan Inc, a CA LLC. This LLC specializes in commercial loans that do not qualify for normal commercial loans. In other words, high risk loans. I must assume this is the route Dr Hecht went through to get the loan he was seeking in 2011. This CA LLC is the entity that has been paying the county property tax bill since 2011, with the most recent 2022 annual bill exceeding \$100,000. Humboldt Unified, Yavapai Community College and Central Yavapai Fire Dist receive significant funds from this tax. So an argument that this property has just been sitting there and not bringing in any benefit to our community would be false.

This brings us to now. Mr. Whitney formed both Platinum Realty and MJC Investment Property as an AZ LLC in 2019. I do not know how much experience they have acquired over the past 4 years in developing senior living. So this once again brings us to the question

#### WHY HERE, WHY NOW

I have serious doubts about this project and will lay out my reasoning. This is just a toe hold to access the Fain property south and east of NCU. Currently all of this land is landlocked and future access controlled by this new gated community. When asked, Mr Whitney made the very simple reply, "At this time there are no such plans" As we go into more detail about expenses, keep asking yourself why would he spend so much effort and funds on such a small development?

Let's begin with "Is there a need?" When this was first proposed I took the time to talk to the Executive Director's of most of the local facilities. I talked to Alta Vista, Ativo, AZ Pioneer Home, Granite Gate, Highgate, Las Fuentes, Margaret T. Morris, Touchmark, Glassford Place and The Landings. I was not able to link up with Good Samaritan and Haven of Prescott.

The numbers are straight forward. For assisted living 352 beds out of 478 were filled, an occupancy rate of 74%. Memory care was 202 out of 287 for a rate of 70%. A perfect example is Margaret T Morris who I know provides outstanding memory care only. They are at 35 out of 57 beds. Two facilities did not dedicate their beds, so they could handle either resident. They were at 103 out of 137 for 75%. Ativo had not yet opened but did have some reservations on hand. Across the board the facilities knew

they were going to lose some residents to Ativo when it opened, so I am assuming we are just swapping a bed from one facility to another and therefore occupancy rates have not changed much over the past two months. I will provide proof of this shortly. The two facilities that provide subsidized independent living have a 3-4 year waiting list. Where is the need? I'd say the latter.

I did not go into depth about independent living primarily because there are so many independent senior living options. In casual conversations most had availability. In addition to these locations and other established senior independent living communities we now have Mulberry Farms which is at about 60% buildout and 70% occupancy, as well as the new Desert Pines which is just now putting in housing. So there are ample independent living options now and into the future.

Across the board the first words out of the directors was staffing. They were all struggling to hire, train and keep not only the various medical professions but also day in day out staffing needs. They wanted to know where he was going to find staff, in particular the nursing staff. Would the care be sufficient, and if current facilities lose too many staff will they be forced to close beds due to inability to provide proper care. It was their never ending battle. Their next concern was the current number of available beds. The consensus was there is an excess and will be for some time. Several of the directors have told me they will be at future city meetings to voice opposition.

The council may recall Silvercreek Residential LLC from last spring. They spent a lot of time, effort and money in proposing a 120 bed assisted living/ memory care facility on the NE corner of Lakeshore and Windsong across from The Landings. Both P&Z and the city council readily approved this project in May and June of 2022 and with good cause. This is right in the middle of like minded developments and in the medical corridor. Shortly after this Silvercreek pulled out of the project as they determined it wasn't viable at this time. Fain Signature Group retained ownership of the property.

We recently met with Mr Whitney and his group and I asked about current needs. He said he was aware of Silvercreek and that The Landings was full and looking to expand. I was puzzled, not only about his Silvercreek statement but also about The Landings. I have conversed with Amy Geissler at The Landings on several occasions and they have consistently been at 50%. I have just talked to her again and she is not sure where he is getting his info, but they are still at approximately 60 out of 120 beds and they have been open for over 3 years. So like I said earlier, occupancy rates have not changed significantly the past couple months. The rate of occupancy has nothing to do with care provided, Amy and staff bring in new residents monthly, it is the nature of the business that most residents are short term. In Amy's words " It takes a long time to build and

keep occupancy rates” All it took for Silvercreek was to look across the street and reassess their project. As for expanding, Amy said when the market will bear it they plan to put in affordable independent living on the large parcel of property they own around the existing building. Their current rates for assisted living are also very affordable. So we have a property already zoned and the owner waiting to put in more affordable senior housing. Another clue that the NCU project is in the wrong place at the wrong time.

Mr Whitney is proud to note they are only developing about 35% of the land and leaving the remaining 65% as open space. This is not out of any kindness, but out of necessity. Anyone familiar with this property knows that 65% are ravines and cliffs that billy goats would have a hard time climbing. Why not purchase a tract of flat land with easy access to existing infrastructure and road network where you can have 70% or better development space. It is well known that all of Fain land west of Fain Rd, probably east as well and land North and South of 89A is for sale. There are large sections of flat open land next to utility easements.

That vast expanse of Fain land south and east of NCU looks so inviting, just waiting to become part of his long range plan. Let's use some common sense. When that time comes, build out from Valley Rd. Most of that area is flat and conducive to construction. Tie into the road network there with multiple access points to Valley Rd and Hwy 69 as well as the utilities that already line that corridor. There only needs to be a narrow transition from light industry into residential in that tract of land.

Mr Whitney is proposing extending Mendecino Dr to meet University Dr. When we first heard this we asked ourselves how much is this going to cost. Our consensus was a million. Well, a couple days later PV announced they awarded a contractor to pave a 1 mile stretch of Old Black Canyon Hwy for over half a million dollars. This is an existing dirt road bed that is just getting some grade work and then 6 inches of asphalt. I am now thinking that 1 million for about a mile of new road across raw land is low. I hope the city is demanding it meet strict construction standards. Why would he offer this to accommodate such a small development. Besides we all know the city will get that road for free anyway whenever that land gets developed. Roads are always a developer cost. So he really is not giving the city something free. Also, I believe it will only receive light use. Most drivers will still make the right turn, driving the 200 yards to Superstition Hills and then to Navajo Rd. I look at this as a better ingress/egress route. He has now lost his argument that bringing utilities to a different parcel, developed at a higher density, is too expensive.

Remodeling the existing building does seem a little odd. Taking a building designed for education and putting in a commercial kitchen and resort amenities on the first floor, a few independent living quarters on the second floor and then 20 something memory care units on the 3rd floor seems costly. Just the replumbing issues to get water and drainage to floors that likely have two maybe four existing tie ins seems costly. How about ensuring all building codes unique to these residents are met. The memory care is on the 3rd floor and in talking to other facilities they all elected to build memory care on ground level for ease of emergency evacuation. I am not sure if this is town code or just best practices employed by these existing facilities.

This building will also require by code an oversized elevator that can accommodate a medical gurney. I do not believe the current building has an elevator that meets code. Retrofitting for this has to be expensive.

Mr Whitney states he has a general contractor willing to handle this remodel. Is there an actual detailed cost estimate or merely a "I can do that remodel" knowing anything can be done if you have enough money. I am leaning towards the latter and when the actual bid comes in Mr Whitney will just say that is too expensive and move on with another plan, one that does not include assisted/memory care.

I have spent time talking about cost and density for one reason. In talking one on one with Mr Whitney he has repeatedly stated the cost of building from the ground up is too expensive. A main building designed and constructed to fit the communities needs comes much closer to the Touchmark design he is looking for rather than his remodel. Mr Whitney is willing to spend 1.5 to 2 million dollars on a road that brings no benefit to his project. Making a purchase that allows him to build on 70% of the land and leaving 30% or less as open space, building community buildings specifically designed for their purpose, seems a more common sense approach.

Mr Whitney has made changes to his general plan. Originally his site plan had four apartment buildings with 64 units for a total of 256 apartments. There was no breakdown written on the plan on how many assisted living units there would be. It also listed 25 memory care units and 31 homes. That changed quickly.

Currently he plans on building two apartment buildings with 51 apartments in each building. Again 25 memory care but now 85 homes. Both apartments were going to be assisted living. That has now recently changed. They are going to be identical buildings and each plumbed to have a full kitchen. The difference will be one is designated for independent living and one for assisted living. He has stated to me that the ratio is variable and can go either way depending on demand. HERE IT IS.

Demand for assisted living as stated earlier is not here. The second apartment will become independent living, cost efficiency for only memory care in the main building will be gone and eliminated and this development will become whatever Mr Whitney wants. Putting forth a concept of assisted senior care to attain an interest from city officials, then coming back after zoning approval and changing the master plan is what's coming. I again refer you to what occurred with the Silvercreek Development, canceling due to lack of actual need. Please do not allow the city to be taken in by what in all likelihood is another bait and switch.

Please look at his ingress/egress routes. The housing units on the east end exit onto the north side parking lot, drive through the parking lot to exit out on University Dr. The housing units on the southeast side exit onto the south side parking lot, drive through the parking lot to exit out on University Dr. These two parking lots service the apartment buildings and main building, so they will be full of traffic. If only one apartment building is independent, one and half vehicles per unit means a minimum 75 vehicles. If both are independent, and they will be, that's a minimum of 150 vehicles plus employee vehicles. Every day traffic flow is a concern. How will the fire department feel about driving through a congested parking lot to get to a street to get to an emergency situation. In my view this raises serious safety concerns.

I do know when asked, Mr Whitney has stated they will subcontract out at a minimum the assisted living and memory care facilities. I would like to see a letter of interest from this subcontractor, so that it can indeed be confirmed there is an interest. I have my doubts. Mr Whitney told us he would prefer not to disclose who this is. Why?

Finally, Mr Whitney is looking to model this after Touchmark. He told me he may start the leases for as low as \$4000 a month for independent living. When I asked about affordable senior living his reply was more than a little underwhelming. There is not enough money to be made in that area. A mega return on investment is more important than a modest and fair one when it comes to looking after current senior needs.

What about this property? We have done community flyers and social media, culminating in over 220 neighbors at his last community meeting. We have held local meetings at our park to discuss opposition as well. We all accept that getting rid of the building, although desirable, is fantasy. This has been on the market several times since 2011, always listed as an excellent commercial opportunity once rezoning was approved. We can accept what it was zoned for, either as a school or government use. Besides with 3500 homes going in at Fain and Lakeshore additional schools will be needed. Mr Whitney has stated multiple times a charter school was bidding on the property and is still willing to purchase if rezoning is denied. We have also learned the

county has expressed interest. Both entities would be welcomed and there would be no need for rezoning. We ask you, send the message to Dr Hecht, that the agreement made in 2004 remains in effect. When properly marketed in the real estate market, there are buyers for this property . There is no need to rezone as either residential or commercial.

We are always talking about looking to the future. Well the future starts with our children. Say no to the rezoning and let's promote the educational opportunities in our valley.

Thank you

Tim Reynolds