



## TOWN OF PRESCOTT VALLEY STAFF REPORT

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**DATE:** March 28, 2024

**TO:** Mayor & Town Council

**THROUGH:** Gilbert Davidson, Town Manager

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

**DEPARTMENT:** Development Services

**AGENDA TYPE:** Old Business

**SUBJECT:** ZMC23-007 AZ Senior Living Community – Consideration & Possible Action (2nd Reading) [Ernest Rubi, Development Services Deputy 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:

Upon application of Platinum Realty Services, LLC (agent for 10000 University NCU, LLC (developer/owner), a request for a Zoning Map Change (ZMC23-007) from PL PAD (Public Lands, Planned Area Development) to RS PAD (Residential and Services, Planned Area Development) zoning on approximately 49.31 acres located southeast of Superstition Drive and Sheridan Lane at 10000 University Drive (APN 402-14-239B) for the “AZ Senior Living Community” project.

The subject property was annexed on April 15, 2004, and given a zoning designation of RCU-70 (Residential; Single Family Rural) similar to its County designation. The property was then rezoned on August 25, 2005, from RCU-70 to PL PAD to permit a school. A Final Development Plan (FDP05-018) was approved on August 25, 2005, for construction of a 53,320 sq. ft. campus administration and office building.

To the north the property abuts state land currently zoned RCU. To the north-east the property is adjacent to a long-time residential subdivision known as Prescott Valley Unit Twenty. On the west the property abuts state land that encompasses all of Section 18 (also zoned RCU).

The on-line university on the subject property eventually closed and the campus administration and office building has been vacant for some time. The owner/developer now proposes rezoning of the property to RS (retaining the PAD) “to provide for orderly and compatible development in transitional areas between residential and non-residential districts and to establish and preserve areas for those commercial facilities which are especially useful in close proximity to residential areas, while minimizing the undesirable impact of such uses on the neighborhoods which they service.” (Town Code 13-11-010)

The subject property is within the Town’s Growth and Development Tier II. Tier II provides for growth that is a logical extension of development and infrastructure to contiguous existing development in Tier I. The previous use extended needed infrastructure to the site (including water, wastewater, and the University Drive roadway system).

The Senior Living Community being proposed would include 259 total units in 83 cottages, 136 apartments, 11 row homes, 10 additional apartment units in the existing building, 19 memory care units in the existing building, a stand-alone restaurant, and a pool house.

An initial Traffic Impact Analysis (TIA) has been conducted that indicates at buildout the project would likely generate 1,316 daily trip-ends (75 in the AM peak hour and 113 in the PM peak hour). Site access would continue to be from University Drive but also from an extension of Mendecino Drive up to Sheridan Lane. Anticipating three (3) years for full build out, the TIA has considered likely impacts on the following off-site intersections:

- Superstition Drive at Navajo Drive
- Lakeshore Drive at Navajo Drive
- Navajo Drive at State Route 69
- Mendecino Drive at State Route 69

The TIA has accounted for the 847 dwelling units in Unit 20 that currently generate approximately 7,204 daily trip-ends (521 during the AM peak hour and 740 during the PM peak hour). It estimated that approximately 46% of Unit 20 would have the option of using the new Mendecino connection. While not all of this estimated 46% would have origins or destinations to/from SR 69 to the south, the TIA assumed that 46% of the trips entering Unit 20 from the south at the intersection of Navajo Drive and Superstition Drive would be redistributed to Mendecino (and

that 46% of existing trips on Superstition that proceed southbound on Navajo Dr. would use Mendecino).

The TIA is being reviewed by the Arizona Department of Transportation (ADOT) and ADOT coordination will be part of finalizing the TIA. Once finalized, the TIA will include a determination of impact on SR 69 and any required improvements at the Mendecino-SR 69 intersection. The single lane southbound approach at SR 69 currently operates over capacity during the AM peak hour. Adding an additional lane to separate left turns from right turns will go a long way to improve current conditions and any additional traffic coming from the north due to the extension to Sheridan Lane/Superstition Drive. If a traffic signal installation is found to be necessary, subsurface preparation has previously been made in anticipation.

At the same time the developer/owner obtains sufficient state trust land from the Arizona State Land Department (ASLD) for the Mendecino extension, it will also obtain an interest in sufficient land for a secondary emergency access South of University Drive along the Mendecino extension. The developer/owner will also share in the cost of a new 12" water line in the Mendecino right-of-way to provide a loop that better ensures water access for the new development as well as Unit 20.

## PROCESS

In accordance with Town Code 13-30-012, a series of neighborhood meetings were held to discuss the proposed AZ Senior Living Community on April 25, 2023, June 6, 2023, and November 30, 2023. The first meeting onsite was anticipated to be attended by 30 persons and swelled to well over 100. This led to the meeting being rescheduled for June 6 at a larger venue. The June 6 meeting held at the library was also attended by an overflow crowd. Concerns expressed by attendees included traffic impacts, water availability, project density, and open space. The November 30 meeting again had well over 100 attendees. In the course of this process (as well as the formal citizen review process in Town Code 13-30-025), numerous emails and letters were received in opposition to the proposal. Several letters were also received in support.

The Planning & Zoning Commission held a public hearing on ZMC23-007 at its regular meeting on February 12, 2024. Staff recommended approval based in part on the General Plan 2035 Goals and Policies from the General Plan Housing Element (Chapter 7) and the Economic Development Element (Chapter 14).

GOAL: H-A: Promote development of a variety of housing types.

POLICY: 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.

GOAL: H-C1: Encourage housing development that utilizes existing capacities in infrastructure.

POLICY: H-C1.1 Support development that is located adjacent to or in close proximity to existing utility and roadway infrastructure.

GOAL: ED-A.3: Foster a strong and diverse economy that provides a full range of employment and economic choices, as well as provides a range of manufacturing, retail and service activities for residents, employers, and employees in the Town.

POLICY: ED-A3.2 Encourage investment in the development, redevelopment, rehabilitation and adaptive reuse of urban land and buildings for employment and housing opportunities.

Staff also noted that the proposed RS PAD zoning was appropriate at this location based on the Intent and Use Regulations of Town Code Article 13-11 & Article 13-19.

After a hearing of more than 3 hours, the Planning & Zoning Commission voted 6-1 to forward the same to the Town Council with a recommendation of approval (with conditions). The Commission also formally voted to recommend approval of the related Preliminary Development Plan (PDP23-005) by a vote of 6-1.

The Town Council held its own public hearing on ZMC23-007 at its Regular meeting held on March 14, 2024. Numerous public comments were received. The Council also heard presentations from staff and the developer. Council inquiry and discussion followed. After considering the draft Ordinance that included conditions developed based on discussions at the Planning & Zoning Commission hearing and follow-up discussions with the developer, a motion was made to read Ordinance No. 2024-936 by title only on two separate occasions, then place the same on final passage. That motion included addition of two more conditions. The motion passed 5-1, and the Ordinance was read for the first reading by title only.

#### THIS ACTION

Based on the March 14, 2024 motion, Ordinance No. 2024-936 is now ready for second reading by title only and consideration as to whether it should pass. The Ordinance now includes the following written conditions:

1. Any development on the subject property shall be subject to approval of a Final Development Plan (FDP) for each phase of construction, which may be approved as a phased FDP. Construction permits shall not be issued prior to applicable FDP approval. Each FDP shall include (but not be limited to) off-site infrastructure improvements required, dedication of public rights-of-way, final roadway profiles (including roadway surface widths and sidewalk/multi-use path (MUP) configurations), reservation of open space areas, remittance of voluntary payments per unit towards Humboldt Unified School District (HUSD) expenses, and participation in necessary improvements to right-of-way access.
2. Any development on the subject property shall be consistent with the circulation patterns and building areas set forth in each FDP, and any uses on the subject property shall be limited to senior living community uses (defined as complying with the Housing for Older Persons Act of 1995 age 55+ or age 62+ community regulations) permitted in the RS PAD zoning district. Density shall be no greater than 5.18 units per acre overall unless otherwise expressly approved by the Town Council in a particular FDP approval. Ancillary uses permitted in the RS PAD zoning district are also permitted, including (but not limited to) medical and wellness facilities, recreational facilities, dining and nutritional facilities, restaurants, personal care services, educational facilities, professional services, spiritual and religious facilities, and community centers.
3. If after adoption of this Ordinance (and prior to issuance of an FDP) a Certificate of Assured Water Supply (CAWS) is required from the Arizona Department of Water Resources (ADWR) under applicable Arizona law for development of the subject property, such a CAWS shall have been obtained prior to approval of the applicable FDP. Otherwise, the necessary water resources shall have been obtained and pledged to the Town in accordance with the Town policy set forth in Town Code 14-02-080 prior to approval of the applicable FDP.
4. Necessary submittals for the initial FDP within the subject property shall be submitted no later than one (1) year after the effective date of this Ordinance.
5. The required Mendecino Drive extension shall be built to Town specifications and standards as a Local Collector north to the intersection of Superstition Drive and Sheridan Lane prior to Phase One. That portion of the Mendecino right-of-way purchased from the Arizona State Land Department (ASLD) shall have cattle fencing installed on both sides. University Drive shall also be built to Town specifications and standards as a Local Collector between Sheridan Lane and the entrance to the development. However, the Town

standard typical section may be modified for Mendecino Drive and University Drive to a rural section not including curb and gutter but including paved shoulder and either a sidewalk or multi-use path (modified as to width and materials in accordance with Town Code 14-04-040(C) and 14-04-060(B)(2)(d) as approved by the Town Engineer). Prior to Phase One, Mendecino Drive shall be improved between Florentine Road and State Route 69 to effectively operate as a through collector street. In accordance with the Final Traffic Impact Analysis (TIA), any improvements required at the intersection of Mendecino Drive and State Route 69 by the Arizona Department of Transportation (ADOT) (including, but not limited to, installation of a traffic signal and/or appropriate left and right turn lanes) shall be constructed as required by the Town Engineer and ADOT (including any timing or phasing). A separate emergency access alignment connecting Mendecino Drive to the site property shall be acquired and constructed to standards as approved by the Town and Central Arizona Fire and Medical Authority (CAFMA). The construction costs borne by the property owner/developer for the offsite improvements required by this paragraph 5 and 6 shall be eligible for reimbursement from buy-in fees charged to later developers by the Town pursuant to an agreement prepared by the Town Manager in accordance with Town Code 14-04-070.

6. A Final Engineering, Drainage and Utility Plan shall be reviewed and approved by the Town Engineer (or designee) as part of the first FDP approval, including a 12" potable water main as part of the extension of Mendecino Drive. Construction of the water main shall be subject to Town reimbursement of one third (1/3) of the total cost of design and construction pursuant to an agreement prepared by the Town Manager in accordance with Town Code 14-04-070.

7. During any phase of construction, construction traffic to and from the development shall only use Mendecino Drive for access.

8. The property owner/developer (and/or its successors and assigns) shall ensure that, on a monthly basis, all monies collected as a result of the proposed senior living community applying a "surcharge" against all rents collected from occupation and use of units within any phase of the development (said surcharge being two percent (2%)) shall be remitted to the Town Finance Department no later than the 15th 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.

If the Ordinance passes, it would be effective in 30 days. One or more FDPs for Council consideration and adoption by Resolution would subsequently be brought forward for the various phases.

[Note: In accordance with ARS §12-1134(I), the applicant has been asked to sign the standard Proposition 207 waiver agreement.]

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**RECOMMENDED MOTION:**

[the Mayor instructs the Town Clerk to read Ordinance No. 2024-936 by title only for the 2nd Reading, then asks “Shall the Ordinance Pass?”] **VOTE.**

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**STAFF RECOMMENDATION:**

Staff recommends adoption of Ordinance No. 2024-936 approving ZMC23-007.

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**FISCAL ANALYSIS:**

The proposal is to include as a condition a voluntary contribution by the developer of \$250 per unit constructed to be collected on behalf of HUSD prior to issuance of final CofOs. Another proposed condition is that the Town receive on a monthly basis all monies collected as a result of a “surcharge” against all rents collected from occupation and use of units within any phase of the development (said surcharge being 2%). It is also anticipated there would be transaction privilege tax collections on any construction of units in the development.

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**Council Action at the Meeting:**

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**ATTACHMENTS:** Yes