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am

Planning Commission Staff Report

TO: PLANNING COMMISSION

FROM: ASHLEE MACDONALD, AICP, PRINCIPAL PLANNER

(480) 503-6748, ASHLEE.MACDONALD@GILBERTAZ.GOV

THROUGH: EVA CUTRO, PLANNING MANAGER

(480) 503-6782, EVA CUTRO@GILBERTAZ.GOV

MEETING DATE: JANUARY 5, 2022

SUBJECT: A. GP21-08 HIGLEY APARTMENTS: REQUEST FOR MINOR

GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE CLASSIFICATION OF APPROX. 8.34 ACRES GENERALLY LOCATED EAST OF HIGLEY ROAD AND SOUTH OF INVERNESS AVE FROM REGIONAL COMMERCIAL TO RESIDENTIAL >25-50

DU/ACRE LAND USE CLASSIFICATION.

B. Z21-10 HIGLEY APARTMENTS: REQUEST TO REZONE APPROXIMATELY 8.34 ACRES OF REAL PROPERTY GENERALLY LOCATED EAST OF HIGLEY ROAD AND SOUTH OF INVERNESS AVENUE FROM REGIONAL COMMERCIAL (RC) TO MULTI FAMILY - HIGH (MF-H) ZONING DISTRICT WITH A PLANNED

AREA DEVELOPMENT OVERLAY ZONING DISTRICT (PAD

STRATEGIC INITIATIVE: Exceptional Built Environment

This General Plan Amendment and Rezone will allow fore the development of a multi-family project on an infill property.

RECOMMENDED MOTION

- A. Move to recommend to Town Council approval of GP21-08, a Minor General Plan Amendment; and
- B. For the reasons set forth in the staff report, move to recommend approval to the Town Council for Z21-10, as requested, subject to the conditions listed in the staff report.

<u>APPLICANT</u> <u>OWNER</u>

Company: Withey Morris, PLC

Name: Adam Baugh

Address: 2525 E. Arizona Biltmore Cir SteA212

Address: 10801 N. 89th Pl

Phoenix, AZ 85016 Scottsdale, AZ 85260

Phone: 602-230-0600 Phone: 614-296-1226

Email: <u>adam@witheymorris.com</u> Email: npatel@hdmanagement.com

BACKGROUND/DISCUSSION

History

Date	Description		
February 16, 1982	Town Council approved A82-01 (Ord. No. 314) annexing		
	the subject site.		
July 21, 1998	Town Council approved Z98-14 (Ord. No. 1117) rezoning a		
	portion of the site for the Baseline and Higley		
	Industrial/Commercial Complex PAD		
January 8, 2008	Town Council approved Z07-57 (Ord. No. 2111) removing		
	portion of the subject site from the Baseline and Higley		
	Industrial/Commercial Complex PAD and rezoning the		
	site from General Office to Regional Commercial.		

Overview

Higley Apartments proposes to develop a multi-family project north of Baseline Road and east of Higley Road on an 8.34 acre parcel. The site is currently zoned Regional Commercial and setback behind developed commercial uses along Baseline and Higley Roads with no direct street frontage. A minor General Plan Amendment and a rezone are required for the development of a multi family project at this location.

Surrounding Land Use & Zoning Designations:

	Existing Land Use	Existing Zoning	Existing Use
	Classification		
North	Regional Commercial	Regional Commercial (RC)	Hampton Inn
South	Regional Commercial	Regional Commercial (RC)	Offices and
	and General Office	& General Office (GO)	Commercial
			Development
East	City of Mesa	City of Mesa	Multi-family
			development
West	Regional Commercial	Regional Commercial (RC)	Commercial Uses
Site	Regional Commercial	Regional Commercial (RC)	Vacant

General Plan

The Town of Gilbert General Plan Land Use Map currently identifies the subject property as Regional Commercial and it is further identified as being located within the Baseline Medical Growth Area. The applicant is seeking a change from Regional Commercial to Residential > 25-50 DU/Acre. The Baseline Medical Growth area indicates that medical offices, hotels and support amenities are critical to the success of growth in this area. Additionally, because of the limited vacant land, quality mixed-use projects are needed.

Although staff acknowledges that non-residential uses are preferred in this growth area, the property is limited by a deed restriction that prohibits the development of medical office uses and the location of the property with no direct street frontage limits viability of commercial uses.

The proposed minor amendment supports the goals and policies of the Town of Gilbert General Plan's Land Use and Economic Development chapters as follows:

Policy 4 - Promote mixed use development within appropriate land use classifications.

The proposed development is anticipated to integrate into the surrounding commercial development located to the north, south and west creating a mixed-use environment. Accompanying the minor General Plan Amendment request is a rezoning application that includes a Planned Area Development. While the proposed Planned Area Development does not propose any deviations to the development standards it includes the establishment of a development plan that illustrates how the development will integrate with surrounding uses.

Policy 5 – Guide a greater diversity of housing types and densities, retail and commercial centers, and employment opportunities into identified growth areas where significant change is foreseeable

The proposed development is located with the Baseline Medical Growth Area. Deed restrictions on the property limit the potential of the site to develop with medical uses, however, workforce housing to support the larger growth area support the requested land use designation change.

Policy 14 – Connect neighborhoods, retail and employment areas with a system of pedestrian and bicycle routes and trails

The location of the proposed residential provides opportunity to connect to to the nearby commercial uses as well as employment south of the site and on the west side of Higley Road.

Policy 19 – Support infill development that is designed to acknowledge the surrounding context.

The proposed site is surrounded on all sides by development, the proposed residential land use classification will support existing development in the area.

Further analysis of the General Plan policies was conducted by the applicant and is included as part of the applicant's narrative provided as an attachment to the staff report.

Rezoning

The project site is currently zoned Regional Commercial. Until recently, the Town of Gilbert Land Development Code (LDC) allowed multi-family communities in Regional Commercial to obtain a use permit if they were part of an integrated mix use community. In 2019, the LDC was amended to require a proposed multi-family community within a greater mixed-use project to follow a full rezoning process instead of the use permit process. Additionally, in 2019, a new multi-family zoning district was added to the LDC called Multi-Family / High (MF/H). The applicant is seeking approval of a zone change from Regional Commercial to Multi-Family/High with a Planned Area Development (PAD) overlay district.

The applicant has indicated that there is substantial commercial development in proximity of this site – nearly 580,000 sf of building square footage has been developed limiting further commercial capacity in this area. Although the applicant is seeking approval of a Planned Area Development, it is important to

note that this PAD does not include any deviation requests to the development standards of the Multi-Family/High zoning district. Rather, the PAD in this case is proposed to lock in a development plan to provide assurance of the overall layout and design of the site. The project's design will encourage pedestrian connections with existing land uses through a thoughtful system of sidewalks. Three total buildings are proposed and are arranged to provide an open design with open space amenities at the center of the northernmost portion of the site. All buildings will be arranged on the site to promote interconnectivity both inside the residential community and with neighboring developments.

The request proposes 261 dwelling units resulting in a density of 31.2 DU/Acre. The surrounding land uses are compatible with the intensity of this proposal.

Project Data Table

Site Development	Required per LDC	Proposed
Regulations		
Density	25-50 DU/Acre	31.2 DU/Acre
Minimum Lot Area	35,000sf	364,353sf
(sq. ft. per DU)		
Maximum Height	55'	55'/4 stories
(ft.)/Stories		
Minimum Building		
Setbacks (ft.)		
Front	25'	25'
Side	10'	10'
Rear	10'	10'
Minimum Required		
Perimeter Landscape		
Area (ft.)		
Front	25'	25'
Side (Non-residential)	10'	10'
Rear (Non-residential)	10'	10'
Common Open Space	40%	40%

The subject site is located within Phoenix Mesa Gateway Airport Overflight Area (AOA) III. As such the site is subject to additional requirements of the Land Development Code Article 4.2 Phoenix-Mesa Gateway Airport Overlay District. These requirements include:

Note (1) The following fair disclosure agreement and covenant, which would include the following disclosure, shall be recorded as a condition of development approval: "This property, due to its proximity to Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals. The mix of aviation activities and types of aircraft expected to be located and operate at the Airport now and in the future include: scheduled and unscheduled commercial charters, commercial air carriers and commercial air cargo operations, all of which are expected to use large commercial aircraft; general aviation activity using corporate and executive jets, helicopters, and propeller aircraft; aviation flight training schools using training aircraft; and military activity using high performance military jets. The size of aircraft and frequency of use of such aircraft may change over time depending on market and technology changes."

Note (2) All final subdivision plats and public reports filed with the Arizona Department of Real Estate shall include the notice described in Note 1.

Note (3) Sales and leasing offices established for new subdivisions and residential development projects shall provide notice to all prospective buyers and lessees stating that the project is located within an Aircraft Overflight Area. Such notice shall consist of a sign at least 4-foot by 4-foot installed at the entrance to the sales or leasing office at each project. The sign shall be installed prior to commencement of sales or leases and shall not be removed until the sales office is permanently closed or leasing office no longer leases units in the project. The sign should state the disclosure in Note 1 with letters of at least one (1) inch in height.

Note (5) The developer should incorporate features into the design and construction of buildings where people live, work, or are otherwise received to achieve an outdoor-to indoor noise level reduction of 25 decibels.

Note (7) Bird Attractants a. Coordination should be taken to address and mitigate as needed the potential for bird attractants as described in Section 4.2.3.

PUBLIC NOTIFICATION AND INPUT

A notice of public hearing was published in a newspaper of general circulation in the Town, an official notice was posted in all the required public places within the Town and neighborhood notice was provided per the requirements of the Land Development Code Article 5.205.

A neighborhood meeting was held on May 10, 2021. No residents attended the meeting.

Staff has received no comment from the public, however as part of the application package two letters of support were submitted.

PROPOSITION 207

An agreement to "Waive Claims for Diminution in Value" pursuant to A.R.S. § 12-1134 was signed by the landowners of the subject site, in conformance with Section 5.201 of the Town of Gilbert Land Development Code. This waiver is located in the case file.

REASONS FOR THE RECOMMENDATION

- 1. The proposed zoning amendment conforms to the General Plan as amended, any applicable Specific Area Plan, neighborhood, or other plan and any overlay zoning district.
- 2. All required public notice has been conducted in accordance with applicable state and local laws.
- 3. All required public meetings and hearings have been held in accordance with applicable state and local laws.
- 4. The proposed rezoning supports the Town's strategic initiative for Community Livability. It supports the motto "Gilbert: Clean, Safe, Vibrant."

STAFF RECOMMENDATION

- A. Recommend to the Town Council approval of GP21-08, to change the land use classification of approx. 8.34 acres, generally located east of Higley Road and south of Inverness Ave from Regional Commercial to Residential >25-50 du/acre land use classification; and
- B. For the following reasons: the development proposal conforms to the intent of the General Plan and can be appropriately coordinated with existing and planned development of the surrounding areas, and all required public notice and meetings have been held, the Planning Commission moves to recommend approval of Z21-10 rezoning approx. 8.34 acres of real property generally located east of Higley Road and South of Inverness Avenue from Regional Commercial (RC) to Multi Family High (MF-H) zoning district with a Planned Area Development overlay zoning district (PAD), subject to the following conditions.
 - a. Prior to issuance of the first building permit or at the time of recordation of the final plat, Developer shall enter into a Development Reimbursement

and Lien Agreement agreeing that Developer will reimburse Gilbert for the costs of design and construction of off-site improvements required by this ordinance if Gilbert constructs the improvements as part of its capital improvements program. Failure by Developer to execute a Development Reimbursement and Lien Agreement may result in reversion of the zoning to the prior zoning classification. If Developer constructs the improvements, Gilbert shall release Developer from its obligations under the Development Reimbursement Agreement.

- b. At the written request of Gilbert, Developer shall dedicate all necessary easements for the roadway improvements, including easements for drainage and retention and temporary construction easements. Failure to dedicate said easements within thirty (30) days after the date of Gilbert's written request may result in the reversion of the zoning of the Property to the prior zoning classification.
- c. Developer shall create a 'Property Owners' Association (POA) for the ownership, maintenance, landscaping, improvements and preservation of all common areas and open space areas and landscaping within the rights-of-way. Maintenance responsibilities for common areas and open space areas shall be specified on the approved site plan or final plat.
- d. Developer shall record easements to be owned by the POA for pedestrian, bicycle, multi-use or trail system purposes as determined by the final plat, at the time of final plat recordation, or earlier if required by the Town Engineer. In recognition of the modifications to the underlying zoning regulations set forth herein, such easements shall be open to public access and use.
- e. Prior to final plat approval, Developer shall pay for its proportional share of water and sewer mains benefitting the Property, as required by the Town Engineer.
- f. The Project shall be developed in conformance with Gilbert's zoning requirements for the zoning districts and all development shall comply with the Town of Gilbert Land Development Code.
- g. The maximum number of dwelling units shall be limited to the maximum allowed under the Gilbert General Plan.
- h. Southbound left turn lane at the intersection of Higley Road and Banner Gateway Drive shall be re-striped to accommodate dual left turn lanes. The

striping plan shall be submitted as part the Design Review application and Construction Drawings for review and approval. Improvements are required before certification of occupancy will be issued.

- i. Any signal improvements to the intersection of Higley Road and Banner Gateway Drive, as determined by the Town Traffic Engineer, shall be the responsibility of the applicant. The signal design shall be submitted as part of the Construction Drawings for review and approval following the signal template format. Improvements are required before certification of occupancy will be issued.
- j. Banner Gateway Drive internal drive shall be a free flow for vehicles traveling southeast. No stop sign or yield sign will be allowed to restrict the southeast movement from Higley to the internal intersection. The other approaches at this intersection will required yield or stop signs. Improvements shall be completed prior to issuance of a certificate of occupancy or final approval of any building constructed on the Property or at the time requested by Gilbert, whichever is earlier.
- k. Developers shall be responsible for construction of off-site improvements to Banner Gateway Drive and Higley Road adjacent to the Property, including extending the southbound left turn lane to 250 feet of storage. Improvements shall be completed prior to issuance of a certificate of occupancy or final approval of any building constructed on the Property or at the time requested by Gilbert, whichever is earlier.
- I. The following fair disclosure agreement and covenant, which would include the following disclosure, shall be recorded as a condition of development approval.

"This property, due to its proximity to Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern to some individuals. The mix of aviation activities and types of aircraft expected to be located and operate at the airport now and in the future include: scheduled and unscheduled commercial charters, commercial air carriers and commercial air cargo operations, all of which are expected to use large commercial aircraft; general aviation activity using corporate and executive jets, helicopters, and propeller aircraft; aviation flight training schools using training aircraft; and military activity using high performance military jets. The size of aircraft and frequency of use of such aircraft may change over time depending on market and technology changes."

- m. Any final subdivision plats and public reports filed with the Arizona Department of Real Estate shall include the notice described in condition "I."
- n. Sales and leasing offices established for residential development projects shall provide notice to all prospective buyers and lessees stating that the project is located within an Aircraft Overflight Area. Such notice shall consist of a sign at least 4-foot by 4-foot installed at the entrance to the sales or leasing office at each project. The sign shall be installed prior to commencement of sales or leases and shall not be removed until the sales office is permanently closed or leasing office no longer leases units in the project. The sign should state the disclosure in condition "I." with letters of at least one (1) inch in height.

Respectfully submitted,

Ashlu MacDonald

Ashlee MacDonald, AICP Principal Planner

Attachments and Enclosures:

- 1) Notice of Public Hearing/Vicinity Map
- 2) Aerial Photo
- 3) Land Use Exhibit
- 4) Zoning Exhibit
- 5) Legal Description
- 6) Development Plan
- 7) Applicant's Narrative

GP21-08 & Z21-10: Higley Apartments Notice of Pub Attachment 1: Notice of Public Hearing/Vicinity Map January 5, 2022

PLANNING COMMISSION DATE:

Wednesday, January 5, 2022* TIME: 6:00 PM

LOCATION: Gilbert Police Department- Amphitheater

75 E Civic Center Dr., Gilbert, AZ 85296

TOWN COUNCIL DATE

Tuesday, February 8, 2022* TIME: 6:30 PM

LOCATION: Public Safety Training Building

6860 S Power Rd., Gilbert 85297

*Call Case Planner to verify date and time: (480) 503-6748

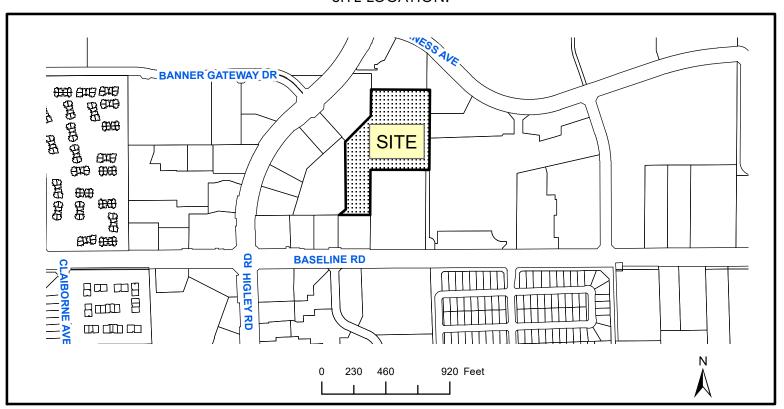
The application is available to the public for review at the Town of Gilbert Planning Division Monday - Thursday 7AM - 6PM. Staff reports and the agenda are available prior to the meeting at www.gilbertaz.gov/departments/development-services/planning/planning-commission

REQUESTED ACTION:

GP21-08 HIGLEY APARTMENTS: Request for Minor General Plan Amendment to change the land use classification of approx. 8.34 acres generally located east of Higley Road and south of Inverness Ave from Regional Commercial to Residential >25-50 du/acre. The effect of this amendment will be to change the plan of development to allow residential development.

Z21-10 Higley Apartments: Request to rezone approximately 8.34 acres of real property generally located east of Higley Road and South of Inverness Avenue from Regional Commercial (RC) to Multi Family - High (MF-H) zoning district with a Planned Area Development overlay zoning district (PAD), as shown on the map available for viewing in the Planning Services Division; to adopt a development plan for the site. The effect of the rezoning will be to establish a development plan for the multi family development.

SITE LOCATION:



APPLICANT: Withey Morris PLC

CONTACT: Adam Baugh

ADDRESS: 2525 E. Arizona Biltmore Cir. Ste. A-212

Phoenix, AZ 85016

TELEPHONE: (602) 230-0600

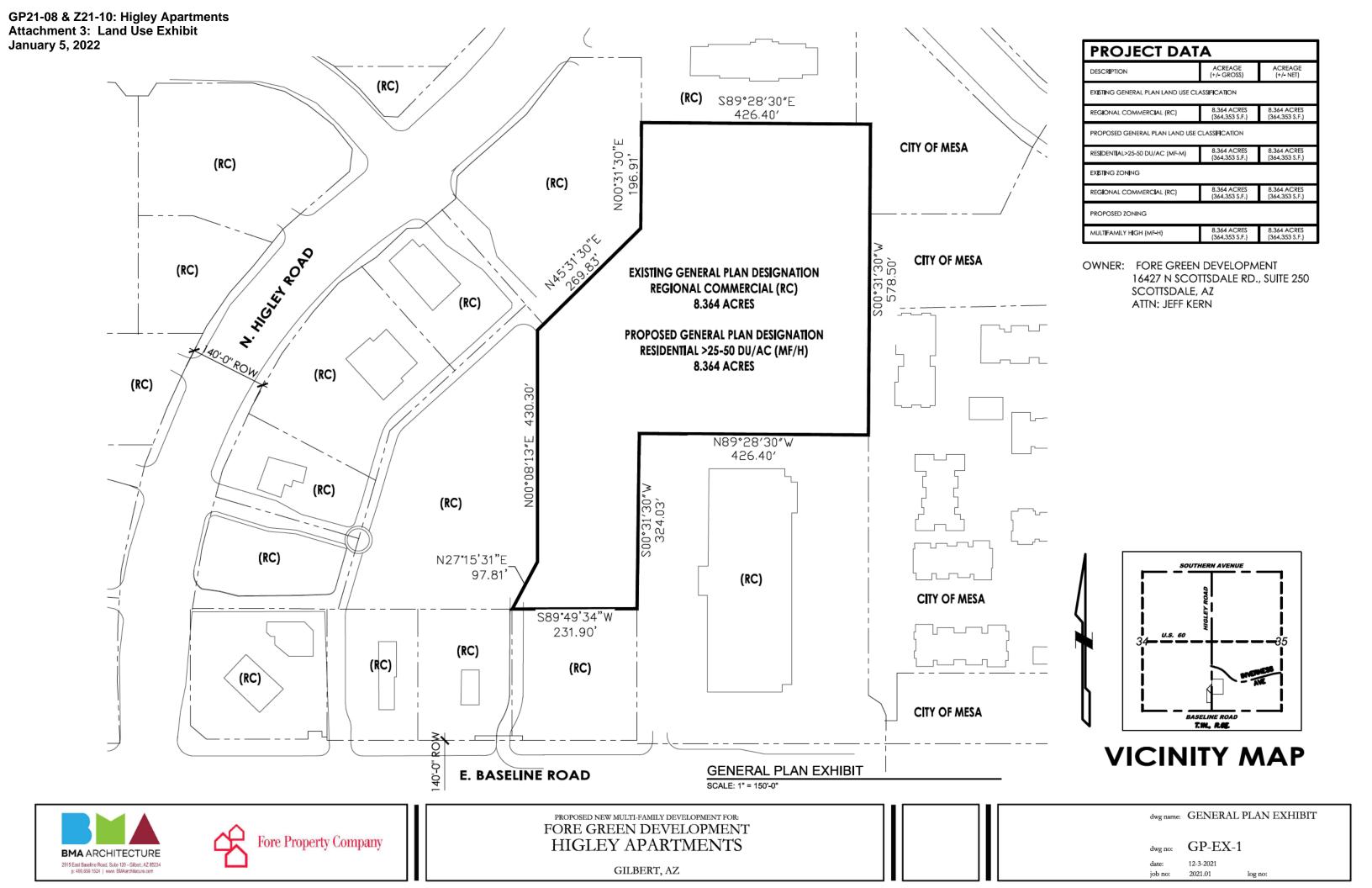
E-MAIL: adam@witheymorris.com

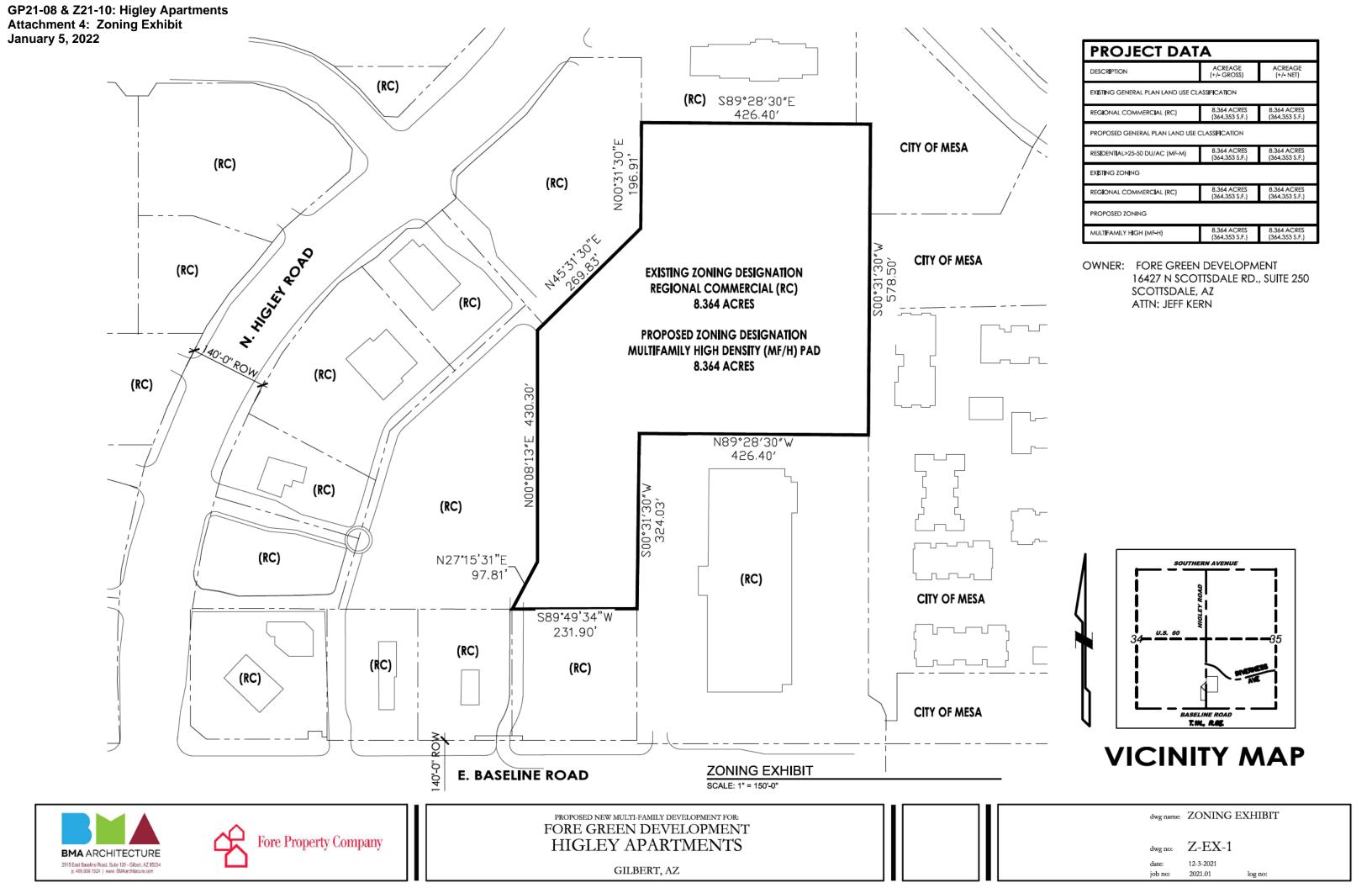
GP21-08 & Z21-10: Higley Apartments Attachment 2: Aerial Photo

January 5, 2022

Site Aerial









ZONING BOUNDARY LEGAL DESCRIPTION MULTI-FAMILY PARCEL

A PORTION OF LOT 9, AS SHOWN ON THE FINAL PLAT OF "NORTHEAST CORNER OF HIGLEY ROAD AND BASELINE ROAD", RECORDED IN BOOK 1311 OF MAPS, PAGE 19, MARICOPA COUNTY RECORDS, ARIZONA, AND THE PROPERTY AS DESCRIBED IN THE QUIT CLAIM DEED RECORDED IN DOCUMENT NUMBER 2021-0578041, MARICOPA COUNTY RECORDS, ARIZONA, BEING LOCATED WITHIN THE SOUTHEAST QUARTER OF SECTION 34, TOWNSHIP 1 NORTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AND LOT G-2 AS SHOWN ON THE FINAL PLAT OF INVERNESS COMMONS UNIT I, BEING THE PROPERTY AS DESCRIBED IN THE QUIT CLAIM DEED RECORDED IN DOCUMENT NUMBER 2016-0276256, MARICOPA COUNTY RECORDS, ARIZONA, BEING LOCATED WITHIN THE SOUTHWEST QUARTER OF SECTION 35, TOWNSHIP 1 NORTH, RANGE 6 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 34;

THENCE NORTH 00 DEGREES 31 MINUTES 30 SECONDS EAST, ALONG THE EAST LINE OF SAID SECTION 34, A DISTANCE OF 315.02 FEET TO THE SOUTHEAST CORNER OF SAID LOT 9 AND THE **POINT OF BEGINNING**;

THENCE SOUTH 89 DEGREES 49 MINUTES 34 SECONDS WEST, DEPARTING SAID EAST SECTION LINE, ALONG THE SOUTH LINE OF SAID LOT 9, A DISTANCE OF 231.90 FEET;

THENCE DEPARTING SAID SOUTH LINE, NORTH 27 DEGREES 15 MINUTES 31 SECONDS EAST, A DISTANCE OF 97.81 FEET;

THENCE NORTH 00 DEGREES 08 MINUTES 13 SECONDS EAST, A DISTANCE OF 430.30 FEET;

THENCE NORTH 45 DEGREES 31 MINUTES 30 SECONDS EAST, ALONG THE SOUTH LINE OF LOT 8 OF SAID BOOK 1311 OF MAPS, PAGE 19, A DISTANCE OF 269.83 FEET TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SECTION 34;

THENCE NORTH 00 DEGREES 31 MINUTES 30 SECONDS EAST, ALONG SAID EAST LINE, A DISTANCE OF 196.91 FEET TO THE NORTHWEST CORNER OF THE PROPERTY AS DESCRIBED IN THE QUIT CLAIM DEED RECORDED IN DOCUMENT NUMBER 2016-0276256, MARICOPA COUNTY RECORDS, ARIZONA;

THENCE DEPARTING SAID EAST LINE, SOUTH 89 DEGREES 28 MINUTES 30 SECONDS EAST, ALONG THE NORTH LINE OF SAID PROPERTY, A DISTANCE OF 426.40 FEET TO THE NORTHEAST CORNER OF SAID PROPERTY;

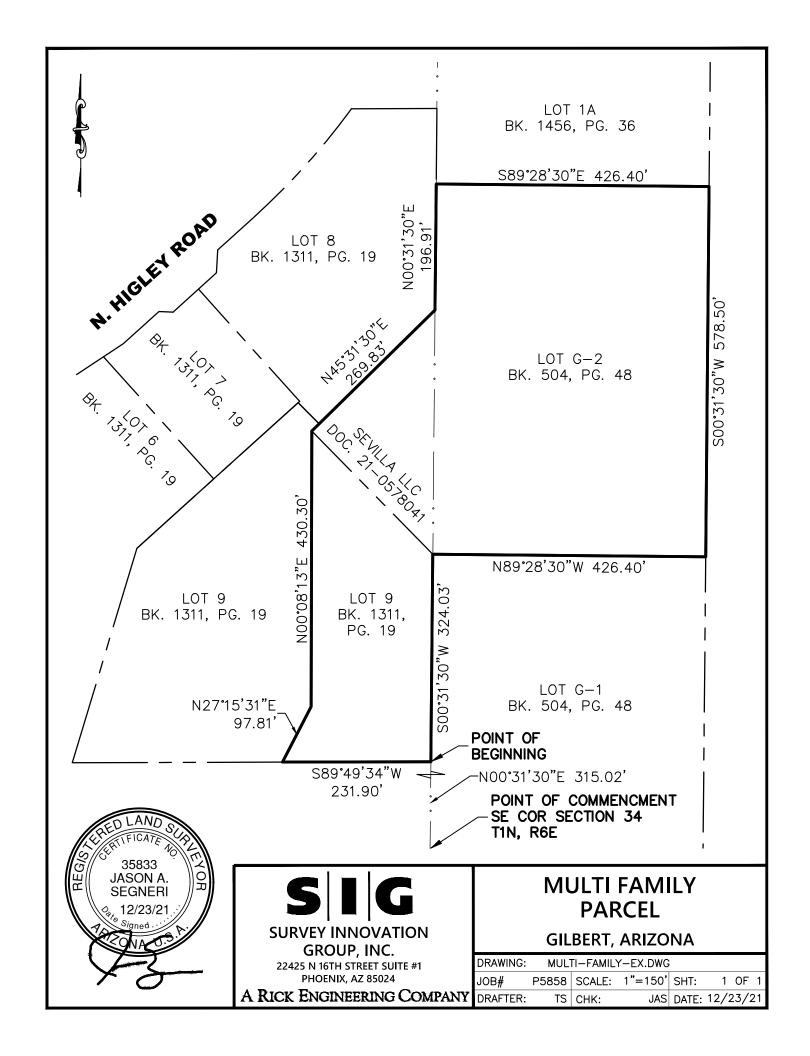
THENCE DEPARTING SAID NORTH LINE, SOUTH 00 DEGREES 31 MINUTES 30 SECONDS WEST, ALONG THE EAST LINE OF SAID PROPERTY, A DISTANCE OF 578.50 FEET TO THE SOUTHEAST CORNER OF SAID PROPERTY;

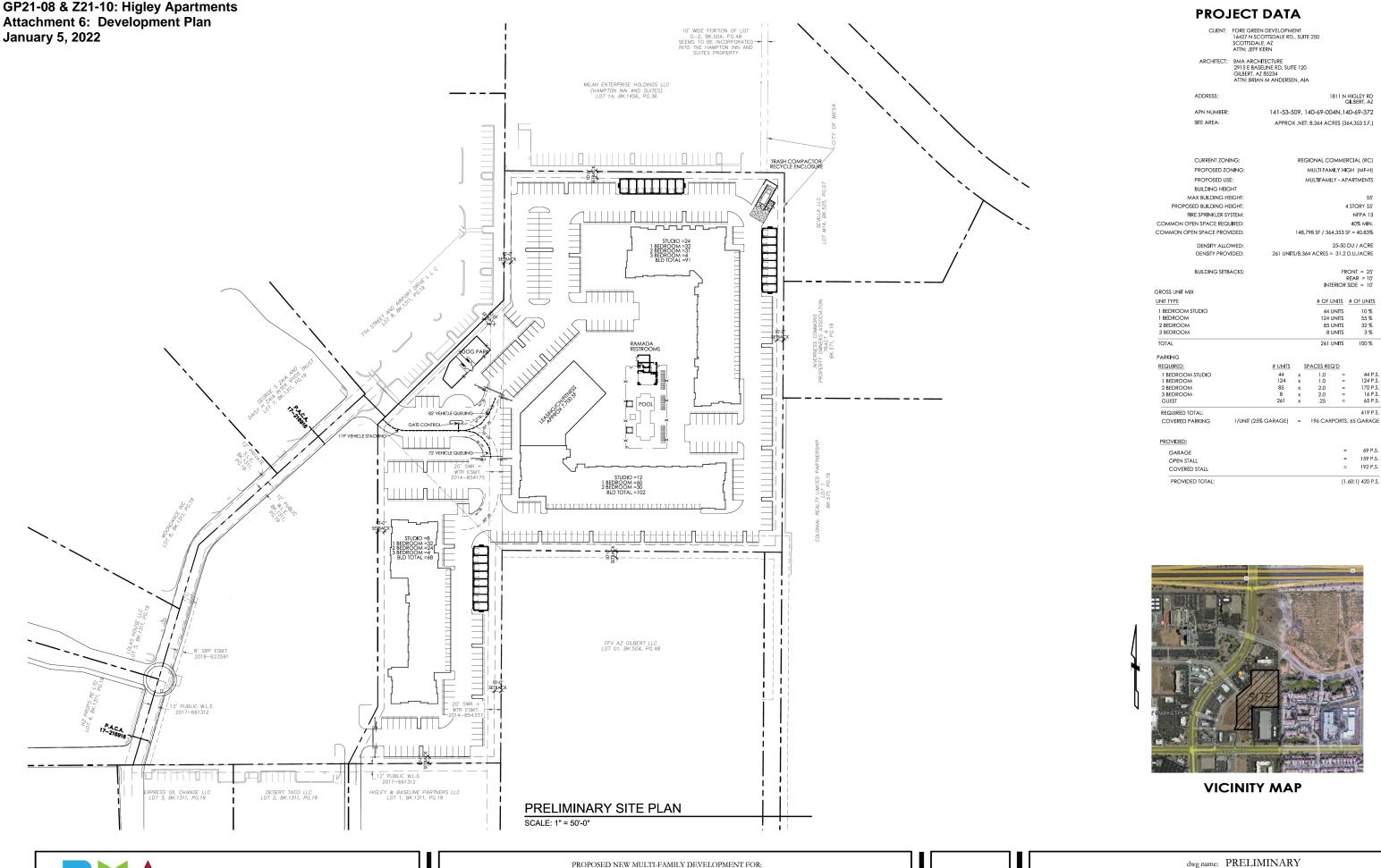
THENCE DEPARTING SAID EAST LINE, NORTH 89 DEGREES 28 MINUTES 30 SECONDS WEST, ALONG THE SOUTH LINE OF SAID PROPERTY, A DISTANCE OF 426.40 FEET TO THE EAST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 34;

THENCE DEPARTING SAID SOUTH LINE, SOUTH 00 DEGREES 31 MINUTES 30 SECONDS WEST, ALONG SAID EAST LINE, A DISTANCE OF 324.03 FEET TO THE **POINT OF BEGINNING**.

SAID PARCEL CONTAINS 364,353 SQUARE FEET OR 8.364 ACRES, MORE OR LESS.











FORE GREEN DEVELOPMENT

HIGLEY APARTMENTS

1811 N HIGLEY RD GILBERT, AZ SITE PLAN

no: SD1.00

12-3-2021 : 2021.01

date:

2021.01 log no:

CONCEPTUAL SITE PLAN

PROJECT DATA

CLIENT: FORE GREEN DEVELOPMENT
16427 N SCOTTSDALE RD., SUITE 250
SCOTTSDALE, AZ
ATTN: JEFF KERN

ARCHITECT: BMA ARCHITECTURE
2915 E BASELINE RD, SUITE 120
GILBERT, AZ 85234
ATTN: BRIAN M ANDERSEN, AIA

ADDRESS:

141-53-509, 140-69-004N,140-69-372 APN NUMBER: SITE AREA: APPROX .NET: 8.364 ACRES (364,353 S.F.)

CURRENT ZONING: REGIONAL COMMERCIAL (RC) PROPOSED ZONING: MULTI FAMILY HIGH (MF-H) PROPOSED USE: MULTIFAMILY - APARTMENTS

BUILDING HEIGHT MAX BUILDING HEIGHT: PROPOSED BUILDING HEIGHT: 4 STORY 55' COMMON OPEN SPACE REQUIRED: COMMON OPEN SPACE PROVIDED: 148,798 SF / 364,353 SF = 40.83%

> DENSITY ALLOWED: 25-50 DU / ACRE 261 UNITS/8.364 ACRES = 31.2 D.U./ACRE DENSITY PROVIDED:

BUILDING SETBACKS: FRONT = 25' REAR = 10' INTERIOR SIDE = 10'

GROSS UNIT MIX UNIT TYPE # OF UNITS # OF UNITS 44 UNITS 124 UNITS 85 UNITS 8 UNITS 1 BEDROOM STUDIO 1 BEDROOM 1 BEDROOM 2 BEDROOM 3 BEDROOM TOTAL

PARKING REQUIRED SPACES REQ'D 419 P.S. 1/UNIT (25% GARAGE) = 196 CARPORTS, 65 GARAGE COVERED PARKING

PROVIDED:

GARAGE = 159 P.S. OPEN STALL = 192 P.S. COVERED STALL PROVIDED TOTAL: (1.60:1) 420 P.S.



VICINITY MAP





PROPOSED NEW MULTI-FAMILY DEVELOPMENT FOR:

FORE GREEN DEVELOPMENT HIGLEY APARTMENTS

1811 N HIGLEY RD GILBERT, AZ

dwg name: PRELIMINARY SITE PLAN

SD1.00

12-3-2021

date:



GP21-08 & Z21-10: Higley Apartments Attachment 7: Applicant's Narrative January 5, 2022

PHONE: 602-250-0600

FAX: 602-212-1787

2525 E. Arizona Biltmore Circle, Suite A-212, Phoenix, AZ 85016

Rezone and GPA Application Approx. 8.36 acres located at 1811 N. Higley Road

A. <u>Project Location</u>

The subject property is generally located at the northeast corner of Higley Road and Baseline Road (APNs 141-53-509; -510; 140-69-004N and a portion of APN 140-69-372 (cumulatively the "Property") (See **Tab 1**, Site Aerial Map). The rezone area is approximately 8.36 net acres in size and is vacant land. The site is uniquely situated, with no direct street frontage, behind commercial and hotel uses that wrap the Property to the north and west. The hotel to the west is proposed by a separate developer and is expected to have 146 guest rooms. To the east are apartments and to the southeast is an industrial building.

B. Request

This application requests the following:

- Minor General Plan amendment to change the land use map classification for 8.36 acres from Regional Commercial (RC) to Multi-Family/High Density (MF/H).
- Amend the Zoning Map for 8.36 acres from Regional Commercial (RC) to Multi-Family/High Density (MF/H).

C. Medical Office Deed Restrictions

The primary justification for the zone change are deed restrictions (**Tab 2**) that were placed on this property by a prior owner before the 2008 recession. This property was purchased from the bank as a distressed asset and came with several deed restrictions that limit certain medical type uses that would otherwise be ideal for this site. Included on the list of prohibited uses are:

- Hospital;
- Medical offices.
- Physicians
- Therapy clinics: Physical, Respiratory, Occupational
- Chiropractic and podiatric
- Urgent care, ER, and ambulatory services
- Outpatient facilities.
- Health service Clinics
- Surgical centers
- Inpatient facilities
- Occupational, industrial medical and health services

- Diagnostic (radiology, laboratory)
- Behavioral Health services
- Assisted living, Residential Care or supervisory care
- Congregate care, extended care, and life care facilities
- Skilled nursing and subacute facilities

For all the reasons cited above, medical related uses are not possible here, effectively making this site almost obsolete. The applicant reached out to the declarant of the deed restrictions to see if they would agree to remove them but the declarant desires they remain in place, and thus the site continues to be severely limited in its possibilities. For this reason, it appears the current Regional Commercial (RC) zoning is no longer viable here. As a result, we propose to rezone the land to Multi-Family/High Density (MF/H), with a Planned Area Development (PAD).

This zone change makes perfect land use sense given the location next to key employers (Banner Hospital), freeway access, and proximity to commercial shopping. The Property is also next to existing multi-family uses and away from any single family residential. Overall, multifamily is a great use for an otherwise challenged parcel. Approval of the rezone would create new residential living opportunities in the area, which would complement and support the other surrounding commercial and employment uses in the immediate area. It also helps make a well-balanced commercial node by having a built-in customer base with apartment residents.

D. Zone Change Justification

The current General Plan designation and zoning for the Property is Regional Commercial (RC) and the Property is further identified as being located within the Baseline Medical Growth Area of the General Plan (**Tab 3**). However, the Property has site constraints that severely impact its commercial viability.

First, the site has an odd size, shape, and geometry that makes it a challenge to plan for a typical commercial use. The triangle shape parcel to its west, and its narrow parcel to its south make a planned shopping center an impractical use.

Second, the manner in which this commercial corner was subdivided did not plan well for a commercial use in the back. It appears its original planning emphasized several pad buildings without much forethought for the back of the site. As a result, the site generally has poor access for a commercial/office use. Further, the site does not have access to the north because that parcel is within the City of Mesa and under separate jurisdiction which creates an additional access problem.

Third, the site has poor visibility since the pad buildings along the street frontage obscure visibility to the back. This situation makes it highly unlikely that the back of the center will be used for commercial purposes.

Fourth, there is a tremendous supply of commercial uses at this intersection already. Every corner of this intersection has been developed with commercial uses exceeding more than 92 acres and 580,000 building square feet, yet this property is one of the last to remain undeveloped. This is likely due to no other commercial property at this intersection suffering from this type of severely limiting deed restriction.

Further, the change in RC zoning to MF will not impact the long-term success of the larger commercial area. The uses proposed here only enhance and support the area's commercial businesses and will not compete against the substantial supply that already exists. The change in these 8.36 acres does not alter or affect the success of this commercial node.

E. Development Proposal

The conceptual site plan identifies three (3) apartment building structures with approximately 261 total units, including 1-bedroom studio, 1-bedroom, 2-bedroom and 3-bedroom configurations. The conceptual site plan is programmed with a central clubhouse and pool amenity area, a dog park and several pocket open space areas. The development will include a leasing office and fitness center. The site has a perimeter wall and gated access with pedestrian access to the adjacent shopping center.

As shown on the conceptual site plan, the Property is accessed by Banner Gateway Drive. A secondary gated access is proposed via a private drive connecting to Baseline Road. The conceptual site plan provides a total of 420 parking spaces, of which 192 are covered parking and 69 are garage parking. The development will also provide 4 EV charging stations and 4 EV garage units.

F. General Plan Amendment

The Town of Gilbert General Plan Land Use Map currently identifies the subject property as Regional Commercial and it is further identified as being located within the Baseline Medical Growth Area. However, because medical uses are expressly prohibited, the present general plan category is not practical and the Medical Growth Area is rendered moot here.

It is also worth noting that residential uses were once available as a possible use at this site under the RC zoning, subject to a use permit, before the code changed in 2018. To that end, the request for a minor amendment isn't a significant departure from what was a possibly permitted use on this site for many years up until just recently. For this purpose, a minor general plan amendment is appropriate.

This project is supported by the goals, policies, and objectives of the General Plan. Updating the General Plan will expand residential opportunities on this site to support the adjacent commercial and employment in the area. This will be a win-win for all.

1. Why is the current classification not suitable?

The site has an odd shape, limited visibility, and deed restrictions that prohibit medical type uses which is the one thing this site could have been used for. There are already 4 hotels in the area, more than 92 commercial acres nearby, and significant office condos (Pierpont) to the east which supply the mix of land uses expected for this area. Further, because medical type uses are not permitted here, there are not many options left that can make meaningful use of this site and the current RC designation.

2. How the proposed change is compatible with adjacent properties and other elements of the General Plan.

The multifamily development proposed on this Property is consistent with the commercial zoning and uses already existing at this intersection. A retail use at this location is appropriate along an arterial street intersection and nearby other residential and employment areas. It is a natural pattern to have these commercial uses at this location.

This zone change makes perfect land use sense given the location next to key employers (Banner Hospital), freeway access, and proximity to commercial shopping. The Property is also next to existing multi-family uses and away from any single family residential. Overall, multifamily is a great use for an otherwise challenged parcel. Approval of the rezone would create new residential living opportunities in the area, which would complement and support the other surrounding commercial and employment uses in the immediate area. It also helps make a well-balanced commercial node by having a built-in customer base with apartment residents.

Further, there are many goals, policies, and objectives of the General Plan that support the commercial use at this location. The following are some excerpted provisions from the General Plan:

GOAL CM-1: Encourage A Balanced Land Use Framework

Policy 2: "Encourage high quality housing in suitable areas that can accommodate a variety of lifestyles, households, ages, market preferences, and incomes."

Development of the Property as a multi-family residential use will provide new housing opportunities that can accommodate a variety of lifestyles, households, ages, market preferences and incomes within an area designated for growth and near existing and future retail and employment. The proposed development will further the goal of the General Plan to provide a "balanced land use framework" as it will further housing diversity options for Gilbert residents, which is particularly important near employment and growth areas.

GOAL CM-4: Promote Our Neighborhoods

Policy 19: "Support infill development that is designed to acknowledge the surrounding context."

The Property is an infill site which is extremely limited by market demand, its physical attributes (i.e. geometry and access) and private restrictions. Typically, infill sites require greater flexibility to deal with site constraints, the surrounding built environment, and the existing uses. In this case, the proposed use is perfectly compatible with the established character in the surrounding area which includes two (2) existing/future multi-story hotel developments, retail, employment and multi-family uses.

GOAL CM-5: Provide Diverse, High-Quality Housing

Policy 5: "Guide a greater diversity of housing types and densities, retail and commercial centers, and employment opportunities into identified growth areas where significant change is foreseeable."

The project will add a new high quality housing option to the area which will be compatible with the surrounding uses, while still meeting the needs of all segments of the Gilbert community. The

project addresses a neglected parcel in a compatible manner and actually strengthens the vitality of the surrounding area by adding a complementary use which will provide retail patrons and an employee base to the area. The addition of new residents at this location is appropriate given that it is a designated growth area which will support other uses, including nearby employment uses.

3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

The manner in which this commercial piece was subdivided did not plan well for a commercial use in the back. It appears its original planning emphasized several pad buildings without much forethought for the back of the site. As a result, the site generally has poor access for a commercial/office use. Further, the site does not have access to the north because that parcel is within the City of Mesa and under separate jurisdiction which creates an additional access problem. Lastly, the site has deed restrictions that prohibit medical office uses, which is really the only thing that could work here otherwise. Fortunately, this proposed residential development designs around those challenges and proposes a plan that solves the site constraints.

4. Explanation on the availability of public utilities and services.

The subject property already has adequate infrastructure in place to support this development. There is a water main and sewer main extended to the site already through a 20' water & sewer easement that was dedicated to the Town of Gilbert in 2014. Accordingly, there are adequate utilities in place to serve this proposed community.

5. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population?

There will be minimal, if any fiscal impact. It is highly unlikely commercial development at this location will ever occur due to its limiting site characteristics outlined above, so in theory, there will be no net loss of revenues. If anything, this project should create a net fiscal benefit. This location is next to employment and commercial uses that will directly benefit from having residents living nearby and shopping/working at these locations. We expect it will have tremendous customer support from the residents living in the area. The proposed development should have no negative impact on existing public facilities and services.

6. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?

The proposed amendment does not diminish the ability of the Town to sustain its physical and cultural resources. This commercial development is appropriately located in an existing commercial area and at a major freeway on ramp, and near a key town employer. Residential living is the right choice for an employment corridor with workforce housing nearby.

G. <u>Letters of Support</u>

Beyond the inherent site challenges referenced above, a number of surrounding commercial property owners support this application including Banner Hospital which is one of the largest employers in the Town of Gilbert. See letters of support at **Tab 4.** Nearby commercial businesses recognize the benefit of having residents living in commercial areas to shop, dine, and support nearby services. Additionally, key employers like Banner want nearby workforce housing opportunities for employees such as this.

H. Conclusion

As noted above, the Property is constrained by several factors, which limit its development opportunities. However, the Property has been meaningfully programmed to overcome these challenges with a quality multi-family development. Ultimately, the Project will provide new residential housing to Gilbert residents in an area that is close to new and future employers and retail, with convenient access to major transportation arteries. The use is supported by key town employers and commercial businesses, and a use like this is the perfect way to create a well-balanced commercial node area that is supported by immediate residents.

Site Aerial



Title Management Agency of AZ

Unofficial Document

2006 1763

When recorded, return to:

Don Demko
9747 Business Park Aug. #208
50
San Diego, CA 92131

ा/प SPECIAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, **Banner Health, an Arizona nonprofit corporation** (the "Grantor"), hereby conveys to **AOCC**, **L.L.C.**, a Nevada limited liability company (the "Grantee"), the following described real property situated in Maricopa County, Arizona, together with all rights and privileges appurtenant thereto:

See the legal description set forth on Exhibit "A" attached hereto and incorporated herein by this reference (the "Property").

SUBJECT TO: Current taxes, assessments, reservations in patents, easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

The Property shall not be used, in whole or in part, for healthcare purposes or for healthcare related purposes, including without limitation, the following purposes:

(i) a hospital; (ii) a medical office building or buildings for the establishment of offices for physicians or other providers of medical or health care services, including, but not limited to, physical therapy, respiratory therapy, occupational therapy, chiropractic, or podiatric; (iii) outpatient or ambulatory care facilities, including without limitation outpatient treatment, health services clinics, outpatient and subacute surgical centers, and emergency treatment clinics; (iv) inpatient facilities; (v) occupational/ industrial medical and health services facilities; (vi) diagnostic facilities including, but not limited to, radiology and laboratory facilities and services; (vii) behavioral health service facilities; (viii) adult assisted living facilities, residential care institutions or supervisory care services; (ix) congregate care, extended care and life care facilities; or (x) skilled nursing and subacute facilities.

Said restriction shall be deemed a burden on the Property described on Exhibit "A" attached hereto and shall run with the land. The restriction contained herein shall be binding upon Grantee, its heirs, administrators, grantees, successors, lessees, tenants and assigns.

Grantor warrants the title to the Property against all acts of Grantor, subject to	the matters
set forth above.	the matters

DATED this <u>leth</u> day of March, 2007.

Grantor: Banner Health, an

Arizona nonprofit corporation

Peter S. Fine

Its: President and Chief Executive Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

My Commission Expires:

The foregoing instrument was acknowledged before me this day of March, 2007, by Peter S. Fine, President and Chief Executive Officer of Banner Health.

^

Notary Public

File No.: 20061763

EXHIBIT "A"

PARCEL NO. 1:

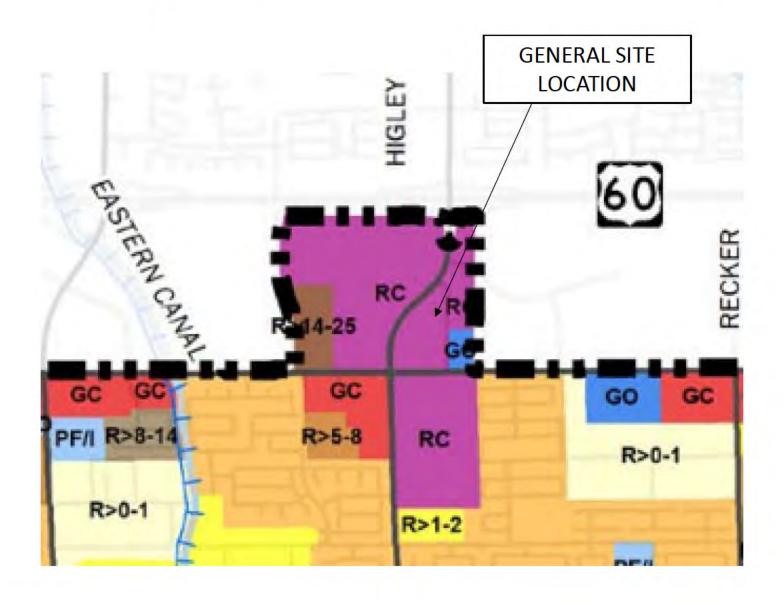
Lot G-2, Inverness Commons Unit 1, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 504 of Maps, page 48.

PARCEL NO. 2:

Lot M-14, Inverness Commons Unit II, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 525 of Maps, page 07.

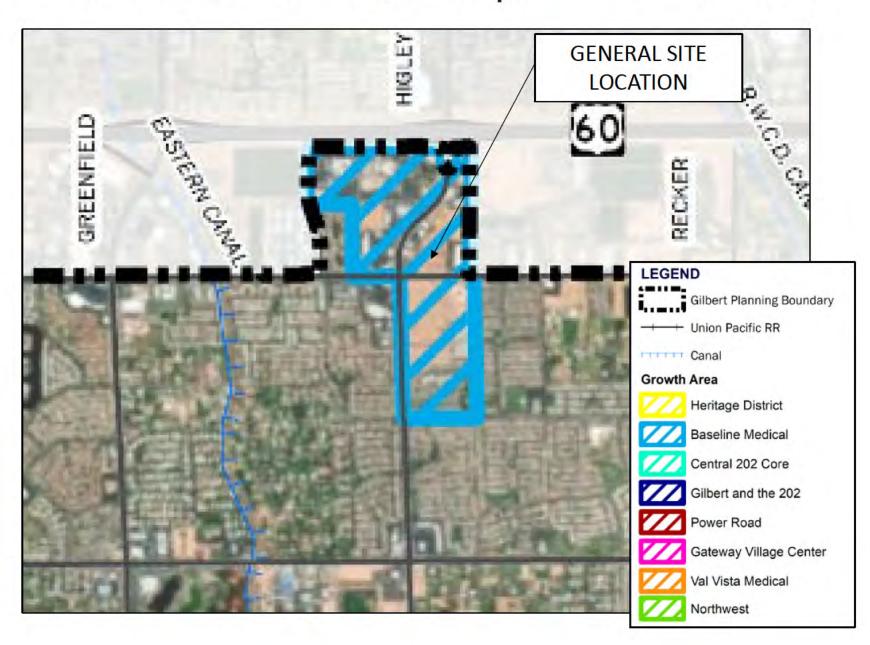
Unofficial Document

Existing General Plan Land Use Map: RC





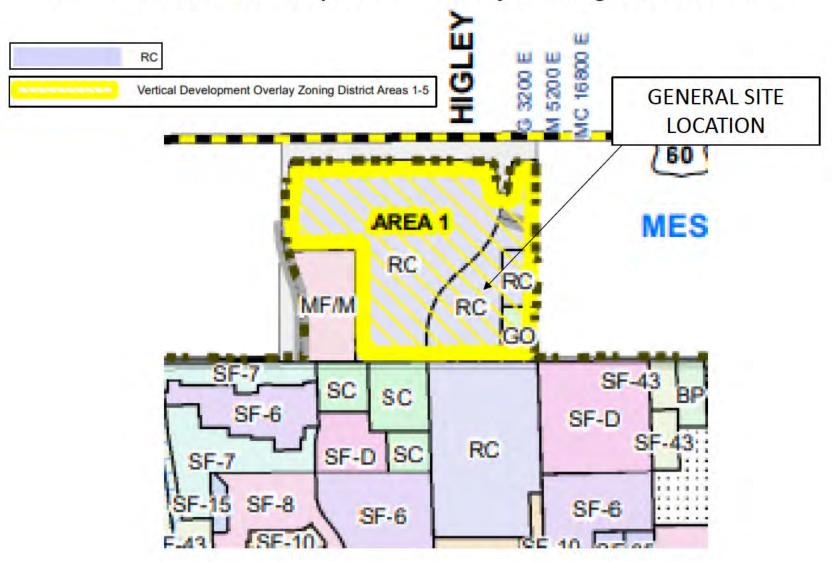
General Plan Growth Area Map: Baseline Medical





Existing Zoning Map:

RC / Vertical Development Overlay Zoning District Area 1



August 10, 2021

Eva Cutro
Planning Division Manager
Planning & Zoning Department
Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ 85296

Re: Higley Apartments

Dear Ms. Cutro:

I'm reaching out to voice my wholehearted support for the Higley Apartments project.

Gilbert is a great town – a place I invest in and support. I have particular knowledge of this site as I was previously the original developer of the various retail pads and still have holdings at this location. I am proud to own property here, some of it in the immediate vicinity of this proposed complex. I believe this project is one that will produce positive results for the town moving forward.

Although I have no ownership or business interest in the proposed development, we always expected there would be a possibility of residential uses at this intersection corner to help round out the balance of commercial uses here. In fact, it was not too long ago that residential uses were permitted at this site by the underlying RC zoning (via a use permit), and we once saw it as a complimentary future part. It's evident that medical office uses are prohibited and the site simply lacks good visibility needed to attract other non-residentials uses.

Empty lots don't do anyone any good. And, in the development world, predictability is a vital aspect of our business. Holding property near vacant parcels without frontage or visibility creates distortion and disruption from the growth environment perspective. Parcels which contain productive businesses, restaurants and homes only serve to better the immediate community.

In an era of ever-increasing housing costs, limited housing supply in the market and a general lack of options in housing all across the Valley, there is an absolute need for this project to come to fruition for the people and businesses of Gilbert. This community has enjoyed tremendous growth over the past few decades and housing options here are now in short supply. That means nearby companies could see struggles in hiring employees, which could hamper other aspects of the community's economy. It could even cause those companies to resettle elsewhere. We can't have that.

New, first-rate housing options for Gilbert residents like the ones this project will offer will relieve pressure on the current housing crunch we are currently experiencing. This

project will be a rising tide which lifts all boats – commercial, employment and residential.

Thank you for your consideration.

Sincerely,

Patrick Brown Developer



August 2, 2021

Eva Cutro
Planning Division Manager
Planning & Zoning Department
Town of Gilbert
90 E. Civic Center Drive
Gilbert, AZ 85296

Re: Higley Apartments

Dear Ms. Cutro:

As the Chief Executive Officer of Banner Gateway Medical Center and MD Anderson Cancer Center located near the proposed Higley Apartments at Higley and Baseline Roads, I am writing to support the project. Our hospital relies on a talented workforce of healthcare professionals that support our mission of delivering excellent patient care and a healing environment for our patients and their families. Having a workforce in close proximity to Banner Gateway helps create an environment where our employees can perform their best work by fostering an ecosystem with nearby opportunities to live, recreate, rest, and enjoy all that Gilbert has to offer.

There are unique characteristics associated with the land and existing deed restrictions where the proposed project would be built. Our desire to maintain those deed restrictions allows us to grow our campus and meet the growing healthcare needs of our community in a centralized and economical way. While these deed restrictions may make the job of the property owner and developer a more difficult one, the proposed use benefits other businesses located in the vicinity. As the Town continues to bring new businesses to Gilbert, the availability of first-rate housing is more important than ever.

Gilbert is known as an incredible place to live, work, and play and I believe this project will further that well-deserved reputation. For these reasons, I support the Higley Apartments project.

Thank you for your consideration.

Sincerely,

Lamont Yoder

CEO, Banner Gateway Medical Center