

TOWN OF ORO VALLEY

PLANNING & ZONING COMMISSION

MEETING DATE: November 1, 2011

TO: PLANNING & ZONING COMMISSION

FROM: David A. Williams, AICP, Planning Division Manager

SUBJECT: **Public Hearing: Request to amend the Oro Valley General Plan** for a 15 acre parcel located at the northeast corner of Rancho Vistoso Blvd and Vistoso Commerce Loop from Commerce Office Park (COP) to High Density Residential (HDR 5.1 + du/ac), OV1111-002

SUMMARY

The proposed major General Plan (GP) Amendment (GPA) entails amending the GP land use category from Commerce Office Park (COP) to High Density Residential (HDR) for Rancho Vistoso Parcel 2-E for the purpose of building an apartment complex of approximately 250 units. If approved, a subsequent rezoning to Rancho Vistoso HDR and a full design review process would be required.

BACKGROUND

Amendment Request

Per the General Plan and the State's Growing Smarter/Plus statutes [ARS §9-461.06.G], "*major amendment*" means a substantial alteration of the municipality's land use mixture or balance as established in the municipality's existing general plan land use element. This proposal meets the criteria for a major amendment as defined in the Town's *General Plan Amendment Matrix*.

The process for a major General Plan Amendment entails public participation through neighborhood meetings, public notification, and two public hearings before the Planning and Zoning Commission. The Town Council will hold a public hearing to evaluate the proposal and has the final decision-making authority.

The GP land use designations provide a blueprint for development in the Town. The GP is intended to be used as the primary basis for land use decisions and zoning. It is important to note that the General Plan land use designation is *not* an entitlement, but rather a guideline reflecting the Town's vision and plan for appropriate development types and land uses. This GP amendment is considered a precursor to a future Planned Area Development (PAD) Amendment to the Rancho Vistoso PAD to permit high density residential development.

Site Conditions

- Property is 15.23 acres
- General Plan designation is Commerce Office Park (COP)
- Zoning is Rancho Vistoso Campus Park Industrial (CPI)
- Property is currently vacant
- Approved uses include manufacturing, office, and associated uses

Approvals to Date

- March 13, 2008—Town Council approval of Innovation Commerce Campus Office/Industrial development plan
- April 13, 2009—Town Council approval of final plat for Innovation Commerce Campus
- December 2, 200—Town Council denial of request for development plan time extension

Surrounding General Plan Designations & Land Uses (see Attachment #2)

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Direction	General Plan Designation	Land Use
North	MDR (Med. Density Residential)	Single-Family Residential
South	NCO (Neighborhood Commercial-Office)	Vistoso Memorial Chapel
East	OS (Open Space)/COP(Commerce-Office Park)	Open Space/Medical Offices
West	COP (Commerce-Office Park)	Vacant

Process to Date and Projected Schedule

- Application Received August, 2011
- First Neighborhood Meeting September 20, 2011
- Second Neighborhood Meeting: October 10, 2011
- First P&ZC Public Hearing November 1, 2011
- Second P&ZC Public Hearing November 15, 2011
- TC Public Hearing December, 2011

Existing and Proposed General Plan Land Use Designations

The General Plan defines the land use categories for the amendment area as follows:

- Commerce/Office Park (COP)
This designation denotes areas where commercial, office, and/or light manufacturing can occur. These uses can occur in a planned business park-type of environment with clustered buildings and inward focused activity. Commerce parks often include a mix of light industrial, professional office, office/showroom, office/warehouse, retail services, and related uses. The specific zoning district will be determined based upon site use, adjacent land use impact, and intensity of development. The recommended maximum FAR in the COP designation is that of the Technological Park zoning district.
- High Density Residential (HDR 5.1+ du/ac)
This land use designation denotes areas where single-family attached, mobile or manufactured housing (within the existing Highlands subdivision), townhouse, patio home, condominium, and apartment development is appropriate. These areas should be located close to arterial access and shopping and employment opportunities. High traffic volume impacts on local, lower density residential streets are discouraged.

ANALYSIS OF PROPOSED AMENDMENT

Staff's analysis of the proposal is based on the following:

- I. General Plan amendment criteria contained in the Zoning Code
- II. General Plan vision, goals and polices
- III. Public comments, including neighborhood meetings and correspondence

Following is an analysis of each element:

I. SECTION 22.2.D.3 GENERAL PLAN AMENDMENT CRITERIA

The Oro Valley Zoning Code states that “the disposition of the General Plan amendment proposed shall be based on consistence with the vision, goals, and policies of the General Plan, with special emphasis on the following criteria. Please note that the applicant for the amendment shall have the burden of presenting facts and other materials to support these criteria in writing, prior to any public hearings. The applicant’s response to each of the criteria is attached for your reference (see Attachment #3). Following are staff’s analysis of the criteria:

1. *The proposed change is necessary because conditions in the community have changed to the extent that the plan requires amendment or modification.*

The May, 2011, *Community Economic Development Strategy* (see Attachment #4) includes a goal of increasing employment opportunities, especially in technology related areas (e.g. bioscience, optics). This type of development is reserved for specific areas designated in the General Plan as Commerce-Office Park (COP). The associated zoning categories are Rancho Vistoso Campus Park Industrial (CPI) or Technology Park (TP) in the Town Zoning Code. The primary COP area in the Town is Innovation Park, which includes Sanofi-Aventis, Ventana-Roche, and the Oro Valley Hospital and associated medical offices.

While there are currently approximately 200 acres of vacant COP land in Innovation Park, many of these sites currently lack necessary roadways and infrastructure to be considered “shovel ready”. Many businesses seek out “shovel ready” properties when evaluating sites for new facilities or relocation. In fact, the Tucson Regional Economic Opportunities (TREO) has created a Shovel Ready program to assist site selectors in finding properties that have development entitlements and infrastructure in place to expedite the development process.

Parcel 2-E has existing roadways and availability of infrastructure to be considered “shovel ready”. The property was previously approved as the Innovation Commerce Campus, a 14-building, 156,000 square foot industrial/office campus (see Attachment #5). While the proposed footprint and scale of this development is markedly smaller than Ventana-Roche or Sanofi-Aventis, the Town lacks adequate “incubator space” to house start-ups and smaller technology firms, many of which support the larger industries with supplies and equipment. These firms typically wish to be in close proximity to other technology industries that they can support and collaborate with, creating a cluster, or critical mass, of technology companies. Currently, the Foothills Business Park on the east side of Oracle Road is the only area with smaller space available for these smaller firms.

There are several parcels within Rancho Vistoso with HDR zoning, which enables apartment development. These parcels are generally located along Rancho Vistoso Boulevard north of Moore Road. Please refer to Attachment #8 for the locations of the HDR zoning, shown in orange on the map.

In sum, while a demonstrated market for apartment units exists, there is a greater long-term need to preserve COP land as primary employment sites. There are other available sites in the Town for apartments that would not result in the loss of future employment base.

2. *The proposed change is sustainable by contributing to the socio-economic betterment of the community, while achieving community and environmental compatibility.*

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While the proposed change helps to meet market demand for apartments which, in turn, increases the population and taxable sales for the Town, the “socio-economic” betterment resulting from new apartments is less than would be associated with creating high paying primary jobs on the same property.

Apartments would be a “transitional” use between the single-family neighborhoods to the north and the commercial and tech park uses to the south. From a land use standpoint, High Density Residential is more appropriate adjacent to Medium Density Residential (MDR) single-family residential than light industrial or office park (CPI zoning). However, many residents are concerned the overall impacts of apartments would be greater (e.g. apartments are a “24-7” use that generates noise, traffic, etc.) than an industrial or office park that would typically operate during normal business hours.

As shown in the following table, the overall intensity of apartment development is somewhat less than Campus Park-Industrial.

Zone	Max Bldg Height	Max Lot Coverage/Density	Open Space Required
CPI	36'	50%	15% (landscaped OS)
HDR	34'	2,000 s.f./unit (21 du/ac)	30% (meaningful OS)

Under either scenario, the negative impacts of the development can be mitigated. The overall environmental disturbance associated with campus park-industrial is typically somewhat greater than for high-density residential.

3. *The proposed change reflects market demand which leads to viability and general community acceptance.*

Staff has surveyed apartment complexes in the Town and has determined that the current occupancy rate is approximately 93% (see Attachment #6). This indicates that strong demand may exist for apartments and that additional units are warranted. Further, there is an unfulfilled demand for “corporate housing” (i.e. short term lease apartments for employees of firms such as Ventana-Roche) and for more upscale “Class A” apartments, which are large complexes in favorable locations featuring many amenities. There are currently no apartment complexes in the Innovation Park area. There may be pent up demand for an apartment complex in the area. There are currently several proposals for new apartments in the vicinity, including Rancho Vistoso Parcel 7-I at the northwest corner of Tangerine and Rancho Vistoso Boulevard, as well as potential apartments at the Oro Valley Town Centre at Oracle and First Avenue.

Rancho Vistoso is predominated by single-family detached housing and lacks housing variety, overall. Many parcels planned for high density residential in the original Rancho Vistoso PAD have been developed at significantly lower densities than originally intended, resulting in a minimal amount of multi-family development in Rancho Vistoso to meet market demand. Of the 13,862 dwelling units planned for Rancho Vistoso, only 6,715 (or approximately 48.4%) have been built.

4. *The amendment will not adversely impact the community as a whole, or a portion of the community without an acceptable means of mitigating these impacts through the subsequent zoning and development processes.*

The adverse impacts of apartment development, including traffic, noise, light, view impacts, and privacy and security concerns, can all be adequately mitigated through rezoning conditions and the Design Review process. Mitigation can be achieved through strategies such as landscaped bufferyards, reduced light pole height, location and orientation of buildings, and transportation improvements (i.e. turn lanes, additional traffic lanes, and/or signalization, as warranted).

The Amphitheater School District has expressed concern regarding student capacity issues at Painted Sky Elementary School, but has since proposed a “pocket boundary” to allow students to be bussed to other schools, if necessary.

II. GENERAL PLAN VISION, GOALS AND POLICY CONFORMANCE

This amendment proposal has been reviewed in light of the General Plan Vision and all applicable General Plan goals and policies. The following Goals and Policies are notable for this application. Each General Plan goal/policy is shown in italics followed by staff’s commentary:

General Plan Vision

To be a well planned community that uses its resources to balance the needs of today against the potential impacts to future generations. Oro Valley’s lifestyle is defined by the highest standard of environmental integrity, education, infrastructure, services, and public safety. It is a community of people working together to create the Town’s future with a government that is responsive to residents and ensures the long-term financial stability of the Town.

There is an emphasis on balancing the “needs of today against the potential impacts to future generations”. This necessitates that we take a long-term view of all land use decisions and favor future benefits over short term expediency. In this case, there is a trade off involved by using COP land for residential use. While a mix of housing types is needed, including apartments, the availability of viable, “shovel ready” property is essential to attracting desirable industries and employers. Attracting high-quality employment to the town, while not a direct revenue generator like retail sales, has a multiplier effect by creating additional service-sector jobs and increasing sales for existing businesses in the Town.

Goal 1.3, *Promote a compatible mix of land uses through the Oro Valley Planning Area.*

As discussed, apartment development is a more appropriate land use transition between single-family residential and CPI than single-family directly adjacent to CPI. Since there are no apartment complexes north of Tangerine Road or east of Rancho Vistoso Boulevard, there likely exists a need for additional multi-family housing choices in the area (see Attachment #7).

Policy 1.3.2, *Encourage new development to locate uses that depend on convenient transportation access (e.g. higher density residential and commercial) near major arterial streets.*

This property is located on Rancho Vistoso Boulevard, a major arterial roadway, and Innovation Commerce Loop, a collector street. It is a viable location from a transportation standpoint. However, improvements may be required to Innovation Commerce Loop to maintain level of service on the roadway. This would be determined during the rezoning and design review phases.

Policy 1.4.7, *Ensure that increased densities approved for high density residential projects are based on reducing the negative impacts on adjacent lower density residential projects and providing additional landscaping, open space, and other amenities.*

The proposed apartment complex will have measurable impacts on adjacent homes. However, as discussed, these impacts can be mitigated and significantly reduced through sensitive design. For example, the placement of smaller, reduced height buildings near the single-family neighborhood would soften the impact of the development on the existing neighborhood. In addition, the Zoning Code and recently adopted Design Standards contain standards and guidelines to help ensure that the development

provide adequate buffering and screening, as well as contextually sensitive and appropriate site and building design.

Policy 4.2A, *Encourage the provision of a variety of housing choices matched to employees within a reasonable proximity to employment sites.*

The property is located within easy walking or bicycling distance from several major employers, including Sanofi-Aventis, Ventana-Roche, the Oro Valley Hospital, and the Oro Valley Marketplace. The area is predominately single-family homes with no apartments available north of Tangerine or east of Rancho Vistoso Boulevard. The applicant has stated that local employers, including Ventana-Roche have expressed a need for high quality corporate housing in the area.

Policy 4.1A, *Protect the integrity and aesthetic context of existing neighborhoods through the use of appropriate buffers.*

The Zoning Code requires landscaped bufferyards between multi-family and single-family development, as well as appropriate screening. The Design Standards require the architecture to be appropriate for the context and environment.

Policy 3.1, *“To ensure long-term financial and economic sustainability for the Town of Oro Valley”*

As discussed, the availability of industrial/office park land is crucial for the long-term financial and economic sustainability of the Town. The near term reality is that the market for this type of development is slow and that there is a great interest in apartment development—based both on market demand and on the availability of financing for new apartment projects. In the long-term, however, the Town has expressed a strong commitment to the recruitment and retention of high paying, technology-related industries and businesses. In the hierarchy of land use, the COP designation is more valuable to achieve this objective than any other designation.

In the past, over 100 acres of PAD-designated CPI land immediately north of the subject property were allowed to develop as single-family subdivisions. Rancho Vistoso Neighborhood 2 was never intended to have residential development. The argument can be made that allowing apartments next to single-family residential is more appropriate than a “standalone” 15 acre piece of CPI property. On the other hand, it may also be argued that conversion of the property from CPI to apartments only further perpetuates the “decommissioning” of CPI that compromises the Town’s long-term ability to grow our high tech employment base.

Policy 7.1.3, *The Town shall continue to require apartment and condominium developments to incorporate recreational facilities and other amenities to serve residents.*

A high quality apartment complex requires recreational facilities and other amenities. The Zoning Code and Design Standards require recreational facilities and encourage a highly amenitized project.

Policy 7.2.1, *The Town shall encourage the development of a variety of types of homes to accommodate the varied needs of residents, including single-family attached and detached, townhomes, small apartments (3-4 units), condominiums...*

The provision of higher-density multi-family housing options is supported by several factors, including a demonstrated change in demographics and market preference. While some of the market shift is fueled by the current downturn in the economy, there are indications that certain populations, including young

adults and empty nesters are increasingly looking at highly amenitized multi-family housing as an alternative to single-family detached homes. This is a long-term trend that will likely increase in the future. Further, densification of the Town's housing is necessary to create a built environment that is more economically and environmentally sustainable.

Policy 7.3.1, *To the extent feasible, given the high land costs, the Town shall encourage the development of a variety of residential choices consistent with the Land Use Element to meet the housing needs of employees of existing and future Oro Valley employers.*

As discussed, local employers have expressed a need for additional "corporate housing" to house current and future employees. Further, there is an increased need for "workforce housing" to provide affordable housing options for employees in the service, government, and education industries. There is currently a high "jobs-housing" imbalance as much of Oro Valley's workforce commutes from more affordable areas. This contributes to traffic congestion, air pollution, and additional infrastructure construction and maintenance costs for the community.

III. PUBLIC NOTICE AND COMMENT

This project has been noticed in accordance with Town procedures, which includes the following:

- Notification of all property owners within 1,000 feet
- Homeowners Association mailing
- Notice in The Daily Territorial and Arizona Daily Star newspapers
- Post on property
- Post at Town Hall and on website

In addition, two neighborhood meetings were held. The first meeting was held on September 20, 2011. Approximately 35 residents and interested parties attended the meeting. A second neighborhood meeting was held on October 10, 2011. Approximately 60 residents and interested parties attended the meeting. A number of issues were discussed at each meeting, including the following:

- Traffic, ingress, and egress impacts
- Crime, safety, and security impacts
- Compatibility with neighborhood and mitigation strategies
- Development process and timeline
- Demonstration of market for apartments and availability of financing
- Assurance that development will be high quality
- Site design issues, including view impacts, buffering, etc.

The summary notes from both meetings and are attached for your reference (see Attachment #9 and #10). The applicant has provided written responses to neighborhood meeting issues (see Attachment #11).

A number of letters and e-mails have been received in opposition to the proposal. They are attached for your reference (see Attachment #12).

SUMMARY/CONCLUSION

The proposed amendment has been evaluated using the amendment criteria, General Plan goals and policies as well as neighborhood and outside agency input. Following is a summary of the factors for and against the proposal:

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Factors for:

1. There appears to be a market for new apartment development.
2. Multi-family residential is a typical transitional land use next to single-family residential and may be more compatible with single-family residential than light industrial or office park.
3. There are no apartment complexes north of Tangerine Road and east of Rancho Vistoso Boulevard.
4. The apartments would be in close proximity to employment and activity centers.
5. Apartments will likely have a smaller footprint on the site than CPI and will result in less grading, more open space, and less impervious surface on the property.
6. Apartments would not generate truck traffic as CPI does or require loading docks.
7. Many parcels planned for high density residential in the original Rancho Vistoso PAD have been developed at lower densities, resulting in an overall lack of multi-family development in Rancho Vistoso.
8. The site is in proximity to major arterial roadways.
9. The negative impacts of the proposal can be substantially mitigated through sensitive design and buffering.

Factors Against:

1. The loss of COP land is not supported by the Community Economic Development Strategy.
2. The property is viable for future CPI development which creates primary jobs.
3. The property could be used to house smaller, start-up tech companies. With the exception of the Foothills Business Park, there is no “incubator space” available in the Town.
4. The apartments will be in close proximity to Sanofi-Aventis and the future Warehouse/Logistics Center on the southwest corner of Innovation Park Drive and Rancho Vistoso Boulevard. This may have negative impacts on residents in the apartment complex and may be an area of concern for nearby industries from a safety and security standpoint.
5. The impacts of CPI are generally during business hours while apartments have a “24-7” impact.
6. Residents have expressed objections to the proposal.

RECOMMENDATION

A site analysis and tentative site plan containing all standard elements, as determined by the Town Engineer and Planning and Zoning Administrator, will be required during the rezoning.

The proposed amendment conforms with many applicable General Plan policies and the amendment criteria. The proposal will provide an opportunity to develop an apartment complex in an area that currently has no apartments. The impacts of the development, including noise, light, and traffic, can be sufficiently mitigated and would not likely result in greater impacts on the neighborhood than CPI development.

However, as mentioned, the Town strives to support the growth of employment base through the attraction of high paying, technology-related industries. The property, while too small to accommodate a large-scale industrial tenant such as Ventana-Roche, is well suited for smaller-scale industry, including “incubator space” for smaller

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firms and start-ups. Based on this loss of potential “value added” development, staff does not support approval of the proposed General Plan Amendment.

SUGGESTED MOTION

The Planning & Zoning Commission may wish to consider one of the following suggested motions:

I move to [recommend approval OR denial] of the request for approval of a major amendment to the Oro Valley General Plan for a 15 acre parcel located at the northeast corner of Rancho Vistoso Blvd and Vistoso Commerce Loop from Commerce Office Park (COP) to High Density Residential (HDR 5.1 + du/ac).

ATTACHMENTS

1. Application, executive summary, and preliminary site plan
2. General Plan future land use map
3. Qualification Criteria for proposed GP Amendment (applicant’s response)
4. Community Economic Development Strategy
5. Innovation Commerce Campus development plan
6. Table of Oro Valley Apartment Occupancy Rates
7. Map of Existing Apartments
8. Map of Vacant High Density Residential Land
9. September 20, 2011, Neighborhood Meeting Summary
10. October 10, 2011, Neighborhood Meeting Summary
11. Applicant’s response to neighborhood issues
12. Letters and e-mails from residents

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