

**TANGERINE RD. & FIRST AVE.
(SILVERHAWKE BLOCK 5)
GENERAL PLAN AMENDMENT
SUBMITTAL NARRATIVE**

PREPARED BY:



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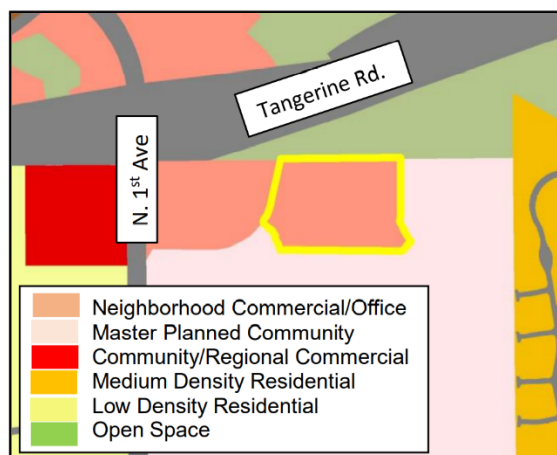
October 2020

PARADIGM #19ADA02

I. PROJECT OVERVIEW

The subject property is part of a larger land holding that was acquired by the Kai family over half a century ago. Much of that original land holding has been developed over the years for various residential purposes. This property is platted as Silverhawke Block 5 and is currently zoned for commercial development along with Block 4 to the west. Block 4 is right on the corner of Tangerine and First, and we believe someday it'll be viable for commercial development. Unfortunately, several factors make this property, Block 5, unsuitable for commercial use: First, it has poor visibility from nearby streets. This alone is a critical flaw for retail. Second, it is physically located well off the corner of Tangerine and First. Third, there is an abundance of more suitable undeveloped commercial parcels nearby. Fourth, the market for retail floorspace is weak in this part of the Tucson metro area, partially due to that abundance of commercially zoned land and partially due to a lack of the residential density needed to support extensive retail. And lastly, a relatively low number of additional residential units are likely ever to be built within the parcel's retail service area, so the retail market isn't likely ever to improve much at this location. All these factors lead us to believe that the most viable, and most appropriate, use for this property would be for residential or senior care uses.

Over 15 years ago a list of General Plan Special Area Policies were applied to the overall "Kai-Capri" property, which encompassed roughly 290 acres east of 1st Avenue from Tangerine Road to Naranja Drive. The Policies provided direction for development of the entire property including the identification of approximately 24 acres at the corner of Tangerine at First as being appropriate for commercial development, so that portion of the Kai-Capri property was designated in the General Plan as Neighborhood Commercial / Office ("NCO"). Our proposed downzoning from C-1 Commercial to R-6 Residential will not require an amendment to the General Plan land use map because R-6 is a permitted zoning classification within the NCO designation. However, text amendments to the Special Area Policies are needed to allow this property to be developed for residential purposes.



Existing General Plan Land Use Map

Our proposed downzoning includes several Tentative Development Plans, depicting different development scenarios that we believe to be viable and appropriate uses for this property, including:

- A rental casita product similar to a number of others that have been very successful around Tucson and Phoenix. The residents of this sort of development are typically renters by choice, meaning that they could afford to purchase a home but prefer not to at this time. The project will be well landscaped, featuring a central recreational amenity such as a pool and spa area, and is most often entirely single-story.
- A gated, two-story apartment community in an amenitized and well-landscaped setting. As with the rental casita scenario the project would include a central recreation area with a clubhouse and rental office. And also, as with the casita scenario, residents in apartments such as this usually chose to live in an apartment even though they have the means to purchase a home.
- A senior care facility to meet the significant unmet need in the senior care industry. An increasing number of people are deciding that modern senior care facilities are an attractive living option that provides resort-like amenities and also the support that many aging people, or their spouses, require. The development will include a main two-story building where assisted living, memory care, and/or independent living quarters are offered. Around the perimeter one-story independent living cottages would provide a place where those requiring less care could live with a bit more room while still benefiting from the amenities and services available at the main building. Senior care facilities are very low traffic generators, and they're just as quiet if not quieter than other residential areas in Oro Valley.
- A single-family neighborhood featuring two-story townhome-style housing or one- and two-story detached homes similar to the nearby Villages at Silverhawke or Catalina Shadows subdivisions.

Regardless of which development scenario comes to fruition, several facts will remain the same:

- ✓ Building heights will not exceed the 25' / two-story limitation that is already in place under the existing C-1 zoning.
- ✓ Traffic generation will be equivalent or most likely lower than what could be expected if developed under the existing C-1 zoning.
- ✓ Any of the proposed development types will benefit the struggling retailers that have already established themselves in Oro Valley.

- ✓ The nearest residents in the Catalina Shadows subdivision are over 800 feet away and will be separated from this development not only by distance but also by homes to be built within the Villages at Silverhawke Phase 3. The nearest existing neighbors in the Villages at Silverhawke Phase 2 subdivision, which was part of the rezoning that created the subject property's C-1 zoning, are at least 350 feet away and separated from this development by a wash and the Villages Phase 3. The nearest neighbors in the Tangerine Hills subdivision are nearly 1,100 feet away and are separated from this development by a wash, the Villages Phases 2 & 3 subdivisions, and First Avenue. The nearest homes in Rancho Vistoso are over 2,000 feet away.



- ✓ This development will not negatively impact any nearby homeowners in the area.

II. PROPOSED AMENDMENT

Although a rezone to R-6 does not require an amendment to the General Plan's existing Neighborhood Commercial / Office ("NCO") land use designation, some of the language in the Special Area Policy for this property requires adjustment. Specifically, we propose the following changes to Section 8.6.2. of the General Plan:

- *Kai-Capri General Policy #4: "As currently mapped, the maximum number of residential units on the Kai-Capri Property is ~~255~~ 394, and up to 10 are allowed on the Steam Pump Ranch Estates property."*
- *Kai-Capri Neighborhood Commercial / Office Policy #1: "Must be developed for commercial and office uses as part of an overall master plan that includes planning for the Master Plan Community (MPC) property to the south. **Silverhawke Block 5, Parcel 220-06-0640, may be developed for R-6 uses.**"*

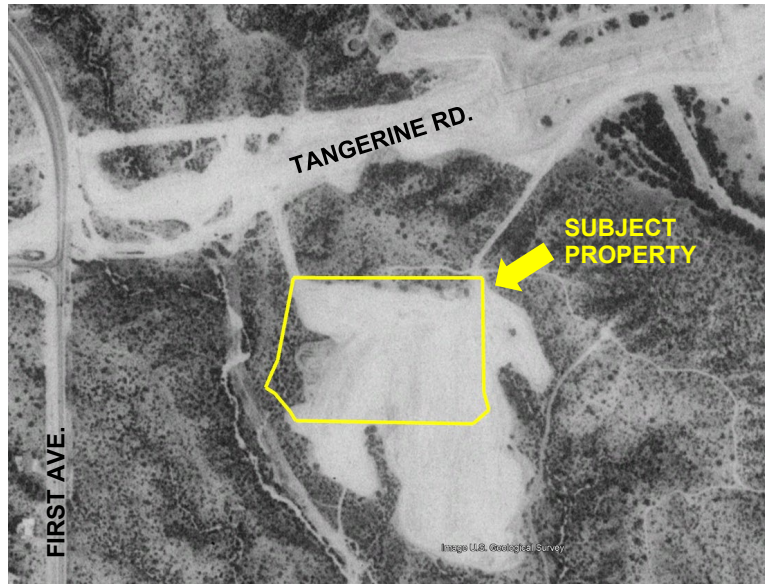
III. GENERAL PLAN AMENDMENT CRITERIA

A. ON BALANCE, THE REQUEST IS CONSISTENT WITH THE VISION, GUIDING PRINCIPLES, GOALS, AND POLICIES OF THE GENERAL PLAN AS DEMONSTRATED BY THE FOLLOWING CRITERIA.

1. The request shall not significantly alter existing development character and land use patterns without adequate and appropriate buffers and graduated transitions in density and land use.
 - ✓ This proposal will not significantly alter existing development character and land use patterns. The subject property is already zoned C-1 Commercial. This proposed amendment will allow a downzoning to permit residential use, which is less intensive than what is currently allowed under existing zoning.
 - ✓ Transitional residential densities such as are proposed on this parcel are the most appropriate development character to exist between commercial uses and medium density residential uses. This amendment will result in a better “graduated transition in density and land use” than under existing zoning.
 - ✓ The General Plan does not envision commercially zoned parcels sitting unproductively vacant due to perpetual deficiencies residential density. Allowing this property to be developed residentially will help sustain the existing commercial developments in the area and increase the chances that the undeveloped commercial parcels will someday become successful centers that serve the daily needs of local residents.
 - ✓ Landscape bufferyards will be provided along the project perimeter in accordance with OVZCR requirements.

2. The request shall not impact existing uses with increased infrastructure without appropriate improvements to accommodate planned growth.
 - ✓ This property gains vehicular, pedestrian, and utility access via existing and planned infrastructure that was designed to accommodate this property being developed for non-residential use. In other words, existing and planned infrastructure has adequate capacity to serve this development. The last leg of Kai Drive, which will complete the loop from First Avenue to Tangerine Road, will be constructed with the development of this parcel. Any ancillary improvements to Tangerine Road, such as turn lanes, will also be constructed by the developer. The cost of necessary infrastructure will be borne by the developer.
 - ✓ According to the US Census, household size in Oro Valley is approximately 2.35 people per household regardless of whether the household is a single-family residence or a multifamily unit. For the sake of this discussion, we'll assume that the most "impactful" land use proposed would be apartment complex. With a maximum of 167 housing units proposed, the maximum number of new residents expected to live onsite would be 392. An apartment complex of that size would typically demand approximately 50,100 gallons of potable water per day. The existing C-1 zone limits shopping centers to a floor area ratio of 30%, which would equate to a typical water demand of approximately 17,600 gallons per day on this 13.44-acre property. Of course, the project's "impacts" also include supplying more customers to local businesses, and the associated sales tax benefits.
3. The request shall not impact other public services including police, fire, parks, water and drainage unless careful analysis and explanation of anticipated impacts are provided to the Town for review.
 - ✓ Crime rates in Oro Valley are very low. Even so, law enforcement manpower requirements would be comparable whether this property develops as a retail center or a residential use. A senior care facility would demand fewer police resources. Conversely, the fire department's ambulance services would likely receive more calls from a senior care facility than any of the other existing or proposed permitted land uses.
 - ✓ The development will include onsite recreational facilities to meet the immediate needs of its residents. The Town's public parks will also serve the needs of future residents. Impact fees that this development will generate will offset that additional demand.
 - ✓ The only impact to other public services will be the revenues those departments receive in the form of development impact fees that would not likely be paid in the foreseeable future under existing zoning.
 - ✓ All applicable utilities and public service providers have the capacity to serve this development.

4. The request shall not impact the natural beauty and environmental resources without suitable mitigation.
- ✓ The proposed amendment and its associated downzoning request will not impact the natural beauty and environmental resources more than under existing zoning. In fact, most of the parcel was previously graded by ADOT, as evidenced by this 1992 aerial photo:



- ✓ A Site Resource Inventory was prepared by a local landscape architect according to the Town's guidelines. No significant vegetation was identified onsite.
- ✓ Any development of the subject property, be it under the existing commercial zoning or the proposed zoning, must conform to the applicable dark skies ordinances to limit light pollution.
- ✓ As discussed above, views from existing residents will not be negatively impacted by this proposed development. The site is only minimally visible from Tangerine Road, so views from that scenic corridor will not be impacted either.
- ✓ Oro Valley is not a noisy place. It's residential neighborhoods, multifamily developments, commercial centers, and employment complexes are generally peaceful. Development of the subject property will follow suit.

B. THE APPLICANT HAS IMPLEMENTED EFFECTIVE PUBLIC OUTREACH EFFORTS TO IDENTIFY NEIGHBORHOOD CONCERNS AND HAS RESPONDED BY INCORPORATING MEASURES TO AVOID OR MINIMIZE DEVELOPMENT IMPACTS TO THE EXTENT REASONABLY POSSIBLE, AS WELL AS TO MITIGATE UNAVOIDABLE ADVERSE IMPACTS.

The COVID-19 pandemic has created a novel circumstance wherein large gatherings of people would not be lawful or prudent. In order to fulfill the goal of the Code's public outreach requirements a web-based approach has temporarily been adopted by the Town. This approach involves more public outreach than is typical for a General Plan amendment, including the preparation of informational videos and several web-based neighborhood meetings. A lengthy list of interested parties was notified of the first informational video, and a second informational video was prepared and offered in response to questions and comments received. As of the writing of this report three such meetings have occurred (in May, August, and September). Please refer to the Public Outreach Report for further details.

Through it all, it is important to remember that this proposed amendment and its associated downzoning will not create adverse development impacts that necessitate mitigation. Residential-scale development such as that which is proposed provides a graduated transition in density and land use and is generally accepted to be less impactful to nearby homeowners than the commercial developments that could be built on the property under existing zoning. Otherwise it would not be regarded as "transitional".

C. ALL NON-RESIDENTIAL AMENDMENT REQUESTS WILL CONTRIBUTE POSITIVELY TO THE LONG-TERM ECONOMIC STABILITY OF THE TOWN AS DEMONSTRATED BY CONSISTENCY WITH GOALS AND POLICIES RELATED TO ECONOMIC DEVELOPMENT AND FINANCIAL STABILITY.

The subject property's existing Neighborhood Commercial / Office General Plan land use designation permits this amendment request to allow residential development without amending the General Plan land use map, so this amendment criterion does not apply. Even so, by creating a new residential development opportunity this amendment will certainly contribute positively to the long-term economic stability of nearby commercial centers and by extension the Town as well. To support this assertion an economic impact analysis by Valbridge Property Advisors has been submitted to the Town. The analysis basically finds that the subject property is not viable as a retail site, and so the highest and best use of this property is a high density residential neighborhood that will generate more local sales tax dollars and will help meet the demand for rental housing. Oro Valley's primary employers have stated over the years that their recruitment efforts are hindered by a shortage of quality rental housing options in Town.

IV. YOUR VOICE, OUR FUTURE CONFORMANCE

Oro Valley's Your Voice, Our Future General Plan includes many goals and policies that support the development of appropriate, transitional, and viable land uses such as those proposed by this amendment and associated downzoning. Below are a sample of goals and policies that this proposal supports:

- 3.4.A. & D. – A robust local economy and job market that provide opportunities for quality employment, build on Oro Valley's assets and encourage high-quality growth. A community with a wide range of services, amenities, shopping and dining opportunities and housing types that meet the needs of current and future residents.

- ✓ A robust economy within Oro Valley will be fueled by successful businesses in Oro Valley. Businesses can provide a wide range of services, shopping, and dining opportunities only when they thrive. They thrive when they have enough customers living and working within their service area. Oro Valley's generally low residential densities do not provide enough customers for most Oro Valley businesses within their services areas, so additional residential units are needed to help fulfill this General Plan goal. Ideally the development of additional residential units is not unreasonably impactful to nearby residents nor it is on land that is environmentally sensitive. This property fits those two criteria perfectly.

Oro Valley's 2017 Main Streets Market Study supports this notion, noting that population needs to be increased through the construction of "more and diverse housing, both single family and multi-family, that is affordable to young families and single professionals. As Oro Valley's population grows through increased diversity of housing, a wider range of retail and office concepts will be developed and supported".

The Main Street Study goes on to recommend "fast tracking and incentivizing higher density residential development in infill locations". The subject property is ideally situated to fulfil this recommendation.

- ✓ Given that existing Oro Valley businesses are already struggling, re-designating undeveloped and less desirable commercial land to provide much needed additional residential units is appropriate from a long-range land use planning standpoint. The intersection of Tangerine Road and First Avenue is surrounded by 81 acres of commercially zoned parcels spread over all four corners, but only 29% of the acreage is developed, leaving nearly 60 acres of undeveloped, marginally viable commercial land that is not currently benefitting the property owners, nearby businesses, or the Town in general. This proposed amendment will help realign this commercial intersection to better support the General Plan's goal of achieving a robust local economy.

- 3.6.CC.7. – Support the development of diverse housing types within the community.
 - ✓ Oro Valley's residential market is dominated by single-family detached homes, which doesn't align with the broader spectrum of housing options demanded by existing and future residents. According to the 2018 American Community Survey there are approximately 22,000 housing units in Oro Valley, of which only 11% are apartments. The Main Streets Study emphasizes the need for additional denser transitional residential housing units such as apartments, rental casitas, and townhomes to make living in Oro Valley accessible to everyone and to bring additional customers to struggling businesses.
- 3.6.CC.8. – Foster development of complete neighborhoods with easy access to transportation and employment options, and commercial areas that offer amenities and services for residents' daily needs.
 - ✓ The General Plan describes a complete neighborhood as including parks and other outdoor spaces, recreational facilities, access to quality housing, and safe and varied transportation options. It goes on to describe a complete community as one that serves the needs of residents on a day-to-day basis and is "a good place to open a business". This proposed amendment will fulfil these goals by providing another quality housing option for existing and future residents, a recreation area, convenient pedestrian and bicycle access to the nearby sidewalk and pathway system, convenient access to nearby commercial areas, and additional residents to help local businesses thrive. Other developments within Silverhawke have included expansions of the Oro Valley public trail system. This project will also expand the public trail system by providing a public trail easement along its northern edge so that public trail access will be available between Kai Drive and the existing trail easements to the east that extend to Big Wash and the Canada del Oro Wash.
- 5.4.X. – Effective transitions between differing land uses and intensities in the community.
 - ✓ Residential-scale development such as that which is proposed provides a graduated transition in density and land use and is generally accepted to be less impactful to nearby homeowners than the commercial developments that could be built on the property under existing zoning. Landscaped bufferyards will be incorporated into the development to further soften the boundary between this and nearby developments

Architecturally, any of the proposed development scenarios will be more compatible with surrounding neighborhoods than a potential non-residential development under the existing commercial zoning.

Views from residential areas in the vicinity will not be affected by the proposed development because of the significant distances separating this property from those areas and also because there is no proposed increase to the currently permitted 25' building height.

- 5.5.LU.5. – Provide diverse land uses that meet the Town’s overall needs and effectively transition in scale and density adjacent to neighborhoods.
 - ✓ Currently Oro Valley has more commercially zoned land than can be supported by its residential and employment density. The Main Streets Study notes that as of 2017 the Town had roughly 160,000 square feet of vacant retail space, which according to the Study’s statistics represents more than a five-year supply according to historic retail demand rates. Unfortunately for brick-and-mortar retailers, Amazon and other online retailers have caused an industry shift that is leading many commercial property owners to reposition their commercial centers to provide a wider array of uses that are “Amazon proof” as the Main Street Study states. The Study goes on to explain that industry experts expect retail footprints to continue to shrink, thus exacerbating the problem of overbuilt retail floorspace. The Study notes that there is no appetite among investors for speculative retail construction, and even some retail developments that began construction have been put on hold. One of those postponed developments is the planned Fry’s shopping center at Oracle Road and Saddlebrooke Road, which the Study anticipates will syphon retail demand from Oro Valley when it is completed.

Conversely, the Town’s supply of higher density residential units is deficient relative to demand and relative to the General Plan’s goal of providing a full spectrum of housing options. Allowing this property to develop as a higher density residential or senior care neighborhood would help address both of these statistics.

- 5.5.LU.7. – Coordinate planning for land use and transportation in order to promote growth areas and transit and commercial corridors.
 - ✓ A General Plan Tier II Growth Area is designated over the entire 81 acres of commercially zoned land centered around the intersection of First Avenue and Tangerine Road. The General Plan defines a Growth Area as a location that is “particularly suitable” for a planned concentration of a range of more intensive land uses. Development within Tier II Growth Areas must limit impacts to nearby homeowners, which this proposal achieves. This proposal also provides for a “sensible pattern of land development” coupled with infrastructure funding that is “coordinated with development activity” (i.e. developer-funded). The overall Silverhawke property has undergone several traffic impact studies during previous rezoning and platting efforts. The configuration of Kai Drive, connecting from First Ave. to Tangerine Rd, is an improved design over the single First Ave. connection that was originally proposed several years ago. As part of this proposal the traffic impact analysis has again been updated to reconfirm the expected traffic circulation functionality in the project vicinity.

- 5.5.LU.9. – Promote the design of cohesive developments that enhance and promote the pedestrian experience.
 - ✓ Whether this property is developed as a senior care campus or a residential neighborhood that is not age-restricted, it will include an internal sidewalk/pathway system with connections to external sidewalk and trail alignments. Sidewalks along the extension of Kai Drive will provide future residents with easy access to the existing retailers and restaurants located at the intersection of First Ave. and Tangerine Rd.
- 5.7.DG.1. – Require new development to pay its share toward the cost of additional public facility and service needs generated by new development while balancing public and private interests in cost allocation.
 - ✓ This project will fund the construction of the final leg of the Kai Drive connection between First Avenue and Tangerine Road. That roadway construction effort will also include extension of utilities necessary to serve the development. Beyond providing the actual infrastructure improvements needed to serve this development, impact fees will be paid to help cover the cost of maintaining the Town's broader public infrastructure networks.