

The Coalition of Greater Scottsdale

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11 June 2018

To: Scottsdale City Council and City Manager

Re: Arizona Land Department case 19-Zn-2002 #6, 2 DA 2018 , 3 DA 2018 and COS 2-TA-2018
Council Agenda Item 23 for 12 June 2018 hearing

BACKGROUND: At the May 9, 2018, Planning Commission hearing on this case, COGS Chairperson, Sonnie Kirtley, asked during Public Comment on the proposed rezoning for a Continuance. For the following reasons: (1) The most recent public open house was July 2017. (2) The project as presented on the internet to this date is NOT what is being presented at this hearing. (3) The immediately impacted property owners in Grayhawk Edge, Villages, and Venue have not had an opportunity to evaluate the recent changes in the case.

Results: Commissioners Serena and Kush motion to continue failed 2 to 4. Commissioner Smith's motion seconded by Commissioner Young passed 4 to 2 to recommend the rezoning to city council at their June 12th, 2018 meeting.

WHAT CHANGED IN THE PROJECT SINCE JULY 2017?

1. There is now an increase from 5 to 11 zoned units.
2. The replacement of zoning districts that existed when area property owners purchased and had a Public Report available.
3. The request for a new zoning [PCP/Planned Airpark Core Development Zoning] with bonuses for increased height and density in Unit V variously described as 134 or 135 acres.
4. Additional PCP zoning without bonus height and density in locations outside the existing buffer areas of R 1-5. *Any future developer of other units will certainly request the same increases in height and density if approved for Unit V and cite it as "being compatible".*
5. A mixed-use zoning district that allows residential, commercial and office uses to occupy the same parcel adds stress to city infrastructure in an area already negatively impacted by traffic congestion.
6. It took a second letter from the FAA to remove its concern on the Airport Influence Area (AIA) on the increased density from 4,569 to 6,569 dwelling units within the AC-1 and AC-2 zones. In that period of time the project had NOT changed so why did FAA rescind their concern?
7. The building height proposed along Loop 101 to 115 feet was not disclosed in July 2017 public meeting nor on the current COS website.
8. The failure of COS to receive the \$5.9 million due at the sale of the state land for earlier road construction at a time when our treasury needs funds is poor financial management. Nationwide has deep pockets and they can afford to provide drainage and road improvements that benefit their parcel(s) without city subsidy/funding.
9. If Nationwide is the successful bidder, COS has committed from our General Fund \$21.9 million for completion of their drainage project and repayment for completed infrastructure.

10. The economic analysis states that the city will make \$24M over 20 years projected with Nationwide re-locating within the city, but that is without subtracting ANY of the COS expenses in fire stations, police services, additional infrastructure, and recreational facilities. It also fails to deduct the COS cost for a detention basin and completion of the drainage channel.

It is the opinion of COGS-The Coalition of Greater Scottsdale—

- After the Planning Commission hearing and our request for current public outreach, Mark Edelman complied with two meetings, June 5th and 6th which was appreciated. However, the attending public voiced strong concern and opposition to the increased height and density this rezoning will create—regardless of whoever is the eventual developer.
- None of the necessary studies to determine the impact to the city and its residents have been provided and won't be until the new owner takes title with all the proposed entitlements pre-approved. The city should master plan the entire area taking all potential impacts into consideration before approving rezoning the 1,000 acres.
- COGS is concerned about a new policy of designating entitlements before important impacts are known.
- The State of Arizona Land Department is seeking to drive up the land price by rezoning before the Public Auction. This is unusual and does not benefit the city; only the Land Department is obligated to maximize income from the sale of the land.
- The City of Scottsdale has no obligation to increase the cost of the land to benefit the State Land Department.
- If the COS approves this request:
- It is probable that other potential bidders have been removed from the scheduled Public Auction as they lack the “deep pockets” of the favored bidder.
 - Re-zoning with specific uses and required infrastructure improvements also discourages potential bidders.
 - The city is setting an extremely bad precedent in height and density increases which subsequent Buyers of the remaining 850 acres (and any other nearby undeveloped Scottsdale land) will exploit.
 - The city needs to understand that high density residential properties do not provide COS revenues to sufficiently pay for the costs of these properties and their residents' needs. This proposal further aggravates the COS financial problem.
 - By providing all the bonuses within the rezoning before the eventual developer has purchased the land, the COS has lost all negotiating chips that are normally used to get benefits for the city and to assure that the development is consistent with the plan for the area—*a devastating strategy for the city in general and even more so for a revenue-poor city.*
- What is the public benefit for COS to not receive their \$5.9 million due when the land is sold at auction?
- Will Nationwide bid the minimum \$83 million plus \$5.9 million to be successful?

ACTION REQUESTED OF CITY COUNCIL: Approve a Continuation of the Case. Review the terms and impacts of the rezoning and entitlements. Re-evaluate the decisions that city council made during 2017-2018 Executive Sessions. Identify the short and long-term financial losses to the city with the currently negotiated deal with the Land Department/Nationwide.

Respectfully, for the COGS Board of Directors,

Sonnie Kirtley, Chair 602 717 3886 anytime