

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: September 8, 2016**

**SUBJECT:** Zoning Map Change -ZMC15-004 (Talking Glass Apartments)

**SUBMITTING DEPARTMENT:** Community Development Department

**PREPARED BY:** Carmen Ogden, AICP Planner, for Richard T. Parker, Community Development Director

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study,  
New Business , Public Hearing , Second Reading

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**ATTACHMENTS:** [Refer to Attachments with Public Hearing item]

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**SUMMARY/BACKGROUND:** This is a request by Fain Signature Group, Brad Fain, applicant, for approval of a Zoning Map Change (ZMC15-004) to change the zoning of approximately 9.44 acres, located in the Town Center, Entertainment District of Prescott Valley, APN #103-02-720M, from C2-PAD (Commercial; General Sales and Services) to RS-PAD (Residential; Residential and Services-Planned Area Development).

The subject parcel was annexed into the Town of Prescott Valley by Ordinance No. 287 on November 12, 1992, giving the annexed property a zoning classification of RCU-70. On March 9, 1994, approximately 70 acres were re-zoned from RCU-70 to C2 PAD, after the Prescott Valley Planning and Zoning Commission forwarded a recommendation of approval to Town Council and Town Council approved the rezoning of that acreage on April 28, 1994 through Ordinance No. 320 and 321, which divided the annexation area into Parcel A, seventy (70) acres east of Glassford Hill Road, and Parcel B, nineteen (19) acres west of Glassford Hill Road for the purpose of developing a regional commercial center. In 2000, a development agreement was approved between the Town and the Developers to further the creation of a Downtown Plan to incorporate a unified Entertainment Center and Parcel B as a unified Shopping Center, anchored by a food market operated by Fry's Food Stores along with adjacent undeveloped commercial parcels. The Plan was never formally adopted by the Town; however, it has served as a development guide in conjunction with adoption of Rezoning Ordinances and Final Development Plan Resolutions. The two parcels, A & B together incorporated approximately sixty four (64) acres. The first phase of the Entertainment Center, "Implementation Phase One, FDP 00-03", was approved by the Town Council by Resolution No. 942 on February 24, 2000 (see Exhibit A). "Phase 2" of the Entertainment Center FDP01-018 was approved by Resolution No. 1055 on November 15, 2001, allowing for the development of a two-story, 24,000 square foot, mixed-use retail/office building and an additional 230 parking spaces to support the new building.

On January 2, 2014, the Town Council and Planning and Zoning Commission held a joint work-study meeting to discuss a proposed Minor Amendment to the General Plan to allow for a high-rise residential apartment complex of approximately 214 units on 9.44 +/- acres at the southeast corner of Main Street and Florentine Road. The proposed amendment was from "Town Center Plan - Mixed-Use/Low-Intensity" to "Town Center Plan - Residential". At that time, the concept was proposed as a way to bring new energy to the downtown since commercial development in downtown Prescott Valley had stalled. Also, the recent focus on development of an Allied Health University downtown was believed to encourage high-density residential development in the area. The application was reviewed by the

Planning and Zoning Commission and a recommendation of approval was forwarded to the Town Council. The Town Council reviewed the application at its regular meeting on September 10, 2015 and approved GPA15-002 by Resolution 1930, amending the Land Use designation of 9.44 acres in downtown Prescott Valley to Residential and therefore setting the stage for entitlement.

Staff notes that this application is part of a larger picture for the downtown area. Litigation involving the nearby Events Center was settled two years ago and the settlement included an agreement by bondholders to support residential uses in the downtown even though they would not produce on-going transaction privilege tax revenues to help pay off bonds issued to build the Events Center. At the same time, the bondholders supported the concept of the Town imposing a 2% surcharge on rents collected from residential apartment complexes (as it has in other areas of the community). Then, last year the entity which leases and operates the Center made a bankruptcy reorganization filing which may result in a bankruptcy plan that includes new arrangements for operation of the Center. Approval of this application will help strengthen the downtown through new activity and provide new revenue that may assist the Town (and related Community Facilities District) with any role it may have under the bankruptcy plan.

The General Plan designation is that of:

Town Center - Residential. – The Residential designation is intended to allow for a wide range of for-sale and for-rent housing, which may include a “small town character of porch fronts and street facing architecture. A wide range of housing types are permitted, including apartments, townhomes, duplexes, detached single-family and innovative cluster arrangements. The Residential Districts seek to place high-quality housing within walking distance of many destinations within the Town Center, thereby offering a convenient and community-oriented lifestyle, as well as reduced reliance on the car.

The proposed zoning designation is that of:

RS (Residential and Services) – The RS Zoning District purpose is to provide for orderly and compatible development in transitional areas between residential and non-residential districts and to establish and preserve areas for those commercial facilities which are especially useful in close proximity to residential areas, while minimizing the undesirable impact of such uses on the neighborhoods which they service.

The proposed use and proposed RS-PAD zoning is appropriate at this location and is in conformance with the *General Plan 2025*.

This rezoning is accompanied by a Preliminary Development Plan which indicates the building locations and heights, along with parking and access configurations that provide the guidelines for the remaining development of the property per the PAD District (Article 13-19). Final Development Plans (FDPs) are required for specific development projects in the PAD District and are approved by Council after approval of a Preliminary Development Plan by the Planning and Zoning Commission. Approval of FDPs is subject to review of plans by all departments for conformance to all Town Codes and included completion of any required off-site improvements. [NOTE: It should be noted that there have been discussions with the developer about including as a provision in the FDP (per ARS §9-500.11) an agreement to reimburse the one-time transaction privilege taxes collected from construction of the project as an incentive to develop the project.]

The subject property consists of approximately 9.44 acres located in the Town Center, Entertainment District, of Prescott Valley, APN #103-02-720M. The subject preliminary plan consists of a complex of fourteen (14) apartment buildings with 214 total units, 393 parking spaces of which 15 are designated for

the handicapped and a Clubhouse. There will be six (6) different building types, either two (2) or three (3) stories high. The Clubhouse amenity features a conference room, leasing area, maintenance room, theater, fitness/multipurpose room, 2<sup>nd</sup> floor game rooms and rooftop patio. Accessory buildings include Ramada's, pool area, cabana, pool equipment enclosure and refuse structures. A dog park will be provided in the center of the complex. Adjacent development in the Town Center includes Phase 1 & Phase 2 of the Entertainment Center with Harkins Theatre, expansion of the Fry's Shopping Center, the Glassford Hill Market Place with Kohl's, Walmart, and Outlots, Hampton Inn and Suites, and the Yavapai Regional Medical Center East Campus.

The proposed development will have ingress and egress on N. Main St and a right out only for tenants on N. Lake Valley with additional emergency vehicle access only on N. Lake Valley. Parking for the site will be provided both on-site and in the adjacent parking area approved through FDP01-018 for the Entertainment Center Phase 2. The Phase 2 parking plan requires 120 spaces for 24,000 square feet of office/retail which provides an overage of 110 spaces that can be used for the required parking for the apartment complex.

A traffic impact statement was prepared by Practical Traffic, LLC, by request of the Town of Prescott Valley, to analyze traffic impacts relating to the subject development proposal for the Talking Glass Apartments. Recommendations include changes to N Main St. which will allow for additional car queueing from eight (8) to twelve (12) cars for added northbound traffic out of the complex. Changes to N Main St. will be addressed in the Final Development Plan upon recommendation by the Town Engineer.

PDP15-002 will permit the development of a complex of fourteen (14) apartment buildings with 214 total units, 393 parking spaces of which 15 are designated for the handicapped, a Clubhouse, Dog Park and amenities on a total of approximately 9.44 acres.

A neighborhood meeting was held on July 2, 2015, by the applicant with all property owners within one thousand (1,000) feet, having been invited by first class mail. The meeting was attended by five (5) people, two (2) representing the applicants and three (3) members of the community. The community representatives all voiced their support for this project. All present saw the benefit of having residential within walking distance of entertainment, grocery stores, banks, restaurants, etc., as an asset to the surrounding business owners and the area in general.

The Planning and Zoning Commission held a public hearing and considered ZMC 15-004 (including the related Preliminary Development Plan PDP 15-002) on August 8, 2016, and made a recommendation of approval.

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**OPTIONS ANALYSIS:** Council may approve this Zoning Map Change, table the item and direct staff to make modifications to the Zoning Map Change before approval, OR decline approval.

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**ACTION OPTION:** Motion to read Ordinance No. 818 by title only on two separate occasions, then place the same on final passage, **OR** Motion not to read Ordinance No. 818. **VOTE.**

[If the motion is in favor of reading Ordinance No. 818 then the Mayor instructs the Town Clerk to read the Ordinance by title only for the first reading]

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**RECOMMENDATION:** Staff recommends approving the first reading of Ordinance No. 818.

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**FISCAL ANALYSIS:** The Town payments under the 2005 development agreement towards the financing arranged by PVEC LLC to construct the Events Center resulted in the building being conveyed to the Entertainment Center CFD which, in turn, leased the same back to PVEC LLC for operation by GEC. GEC subsequently declared bankruptcy and PVEC LLC (which is now controlled by entities controlled by the Fains) now operates the Events Center. The settlement agreement (which ended multi-million dollar litigation which both the Town and the Fains were involved in) included a provision allowing from the Town to apply a 2% surcharge on rents collected by any downtown residential apartment complex even though the surcharge would not be applied to bonds sold to finance the Events Center. Based on that settlement agreement, the approved Zoning Map Amendment includes a condition of approval that such a surcharge be applied to rents from the apartment complex approved herein. In order to encourage the developer to construct the proposed apartment complex the Town has discussed reimbursing to the developer the one-time transaction privilege taxes collected on the construction as a provision in the later adoption of a Final Development Plan. Residential development in the downtown area may provide a revitalized downtown with the addition of high-quality housing within walking distance of many destinations within the Town Center, thereby offering a convenient and community-oriented lifestyle, as well as reduced reliance on the car. Additionally there will be revenues from transaction privilege tax revenues from the construction of the apartments as well as other indirect economic benefits such as employment and convenient workforce and future university housing.

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**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved    Denied    Tabled/Deferred    Assigned to