

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: October 27, 2016**

**SUBJECT:** Talking Glass Apartments Final Development Plan (FDP16-014)

**SUBMITTING DEPARTMENT:** Community Development

**PREPARED BY:** Richard Parker, Community Development Director

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

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**ATTACHMENTS:** a) Resolution No. 1980 (Final Development Plan FDP 16-014)

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**SUMMARY/BACKGROUND:** This is a request by Fain Signature Group for approval of a Final Development Plan (FDP 16-014) for a residential apartment complex on approximately 9.55 acres, located in the Town Center (Entertainment District) of Prescott Valley, APN #103-02-720M. The property was recently given a zoning classification of RS-PAD (Residential; Residential and Services-Planned Area Development).

**BACKGROUND:** This area was annexed into the Town by Ordinance No. 287 (November 12, 1992) with a zoning classification of RCU-70. On April 28, 1994, 70 acres east of Glassford Hill Road and 19 acres west of Glassford Hill Road were rezoned to C2-PAD through Ordinances No. 320 and 321 for the purpose of developing a regional commercial center. In 2000, a development agreement was approved to further the creation of a Downtown Plan to make the 70 acres east of Glassford Hill Road a unified Entertainment Center and the 19 acres west of Glassford Hill Road a unified Shopping Center. Though not formally adopted, the Plan has served as a development guide for the area.

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 approximately 9.55 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" and the hope was to bring new energy to the downtown area since hoped-for commercial development had stalled. Also, the 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. Since the recommendation was not immediately considered by the Council, on July 16, 2015 the Council and the Planning and Zoning Commission held another joint work-study session on the proposal. The Commission subsequently held a public hearing on GPA 15-002 at its regular meeting on August 10, 2015 and again voted to recommend approval by the Council. The Town Council then reviewed the application at its regular meeting on September 10, 2015 and approved GPA15-002 by Resolution 1930.

Litigation involving the nearby Events Center had settled in October 2014, and that settlement included an agreement by holders of the bonds issued to build the Center to support residential uses in the downtown (even though they would not produce on-going transaction privilege tax revenues to help pay their bonds). The bondholders also agreed to the concept of the Town imposing a 2% surcharge on rents

collected from any new residential apartment complexes in the area (as has been done in other areas of the community) so long as the funds collected were used for the benefit of the Events Center. Then, in August 2015 the entity which leases and operates the Events Center filed for Chapter 11 bankruptcy in hopes of developing a reorganization plan that would make the Center more viable going forward. The Town provides transaction privilege tax revenues collected from businesses in this downtown area under a development agreement to help pay the bonds used to build the Events Center, and a related Community Facilities District holds title to the Center and leases it back to the entity currently in bankruptcy. It is anticipated that the Town and the CFD will be participants in any bankruptcy plan and it is hoped that approval of this new apartment complex in the downtown will help strengthen the downtown through new activity and new revenue.

When the RS-PAD zoning classification for these 9.55 acres was approved on September 22, 2016 (Ordinance No. 818), a Preliminary Development Plan was approved by the Planning & Zoning Commission which indicated building locations and heights, along with parking and access configurations. This Final Development Plans (FDP-16-014) has now been reviewed for conformance with applicable Town Codes and availability of required public improvements. It consists of a complex of fourteen (14) apartment buildings with 214 total units, 393 parking spaces (of which 15 are designated for the disabled) and a clubhouse. There are 6 different building types, 2 or 3 stories high. The clubhouse features a conference room, lease space, maintenance room, theater, fitness/multipurpose room, 2nd floor game rooms, and rooftop patio. Accessory buildings include ramadas, pool area, cabana, pool equipment enclosure and refuse structures. A dog park will be provided in the center of the complex. Adjacent development includes Harkins Theatre, the Fry's Shopping Center, Kohl's, Walmart, Hampton Inn and Suites, and the Yavapai Regional Medical Center East Campus.

Ingress and egress would be on N. Main Street, with a right-out-only on N. Lake Valley Road (with additional emergency vehicle access on N. Lake Valley Road). Parking will be both on-site and in the adjacent parking area per FDP 01-018 (Entertainment Center Phase 2) which provides 120 spaces for 24,000 square feet of office/retail (leaving an overage of 110 spaces that can be used for the apartment complex). Based on a traffic impact statement prepared by Practical Traffic, LLC, this FDP requires changes to N. Main Street which allow for additional car queueing (from 8 to 12) for added northbound traffic out of the complex.

[NOTE: the 2014 litigation settlement agreement (and preliminary discussions regarding any bankruptcy plan) have noted a request by the developer of this apartment complex that the Town reimburse to it the one-time transaction privilege taxes collected from construction of the project as an economic incentive. Because of the hope to collect going forward the 2% surcharge discussed above (either for direct use by the Events Center as originally anticipated or, if the Town and CFD end up having a more direct financial obligation under a bankruptcy plan then for general use by the Town), it has appeared to be in the Town's interest to provide such an incentive to develop the apartments. Therefore, this FDP 16-014 includes a provision per ARS §9-500.11 agreeing to reimburse the one-time transaction privilege taxes collected from construction of the project to the developer as an incentive to develop the project.]

**THIS ACTION:** Staff now proposes that the Town Council consider FDP 16-014 and approve the same by Resolution No. 1980.

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**OPTIONS ANALYSIS:** The Mayor and Council may adopt Resolution No. 1980 approving the Final Development Plan; modify the Resolution prior to adoption; OR decline to adopt Resolution No. 1980.

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**ACTION OPTION:** a) Motion to authorize the Mayor (or, in his absence, the Vice Mayor) to sign Resolution No. 1980 approving FDP 16-014 authorizing a 214 unit high-rise residential apartment

complex on 9.55 acres at the southeast corner of Main Street and Florentine Road (and approving as an economic development incentive reimbursement of the one-time Transaction Privilege Taxes collected by the Town based on construction of the apartment complex, in accordance with ARS §9-500.11), **OR** Motion not to adopt Resolution No. 1980. **VOTE.**

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**RECOMMENDATION:** Staff recommends authorizing signature of Resolution No. 1980 approving FDP 16-014 with regard to the proposed Talking Glass apartment complex.

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**FISCAL ANALYSIS:** Town payments under the 2005 development agreement were part of the financing package for bonds issued to construct the Events Center. The Center was eventually conveyed to a CFD formed by the Town which, in turn, leased the same back to the private entity formed to borrow the bond proceeds and build and operate the Center. Because the Center did not perform as hoped, full bond payments have not been made beyond the Town’s payments under the development agreement. The bondholders initiated litigation in 2009 which was not settled until 2014. The settlement agreement which involved the Town and parties involved with the private entity included a provision allowing revenues from a 2% surcharge on rents collected by any downtown residential apartment complex to be applied towards operation and capital costs of the Events Center. Based on that settlement agreement, rezoning related to the Talking Glass apartments included a condition of approval that such a surcharge be applied to rents from the apartment complex. As an economic development incentive to ensure that the apartment complex is built downtown, the developers of the complex have requested that the one-time transaction privilege taxes collected by the Town from construction of the complex be reimbursed to them in accordance with ARS §9-500.11. This has been included in the Resolution approving FDP 16-014.

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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 \_\_\_\_\_