

PLANNING DIVISION REPORT
CONCEPT ZONING MAP AMENDMENT

PUBLIC HEARING
PZ-18-00113-01

DATE: March 31, 2019
MEETING DATE: April 10, 2019
REPORT BY: Neil Gullickson, AICP

REQUEST:

Canyon del Rio Investors, LLC requests a Concept Zoning Map Amendment of approximately 83.88 acres at 3200 East Butler Avenue from the RD, Research and Development Zone to MR, Medium Density Residential Zone (27.9 acres); HR, High Density Residential Zone (30.0 acres), and to HC, Highway Commercial Zone (25.9 acres). The area proposed for the Concept Zoning Map Amendment is a portion of a 261-acre development known as Canyon del Rio.

STAFF RECOMMENDATION:

In accordance with the findings presented in this report, staff recommends the Planning and Zoning Commission forward the Concept Zoning Map Amendment request to the City Council with a recommendation for approval subject to conditions of approval.

PRESENT LAND USE:

The subject property, to be amended, consists of undeveloped land in the RD, Research and Development Zone. The entire Canyon del Rio property is 261 acres of undeveloped land with multiple zoning districts, including Single-Family-Residential (R1), Medium Density Residential (MR) and Research & Development RD).

PROPOSED LAND USE:

The proposed Canyon del Rio development, includes a total of 1,426 residential dwelling units, attached and detached with approximately 225,000 square feet of commercial development. A portion of the development, 83-acres, is proposed to be rezoned by this application. Canyon del Rio is intended to provide a mix of housing types with supporting commercial services and open space areas.

NEIGHBORHOOD DEVELOPMENT:

North: Butler Avenue developed and undeveloped, Highway Commercial (HC) Zone;
East: Vacant land in the Suburban Commercial (SC), Research and Development (RD) Zone and the previous Humane Society facility in the Public Facilities (PF) Zone;
South: Undeveloped land part of Canyon del Rio, Medium Density (MR) Zone;
West: Vacant land, part of Canyon del Rio in the R1, Single-family Residential Zone.

REQUIRED FINDINGS

STAFF REVIEW. An application for a Zoning Map Amendment shall be submitted to the Planning Director and shall be reviewed and a recommendation prepared. The Planning Director's recommendation shall be transmitted to the Planning Commission in the form of a staff report prior to a scheduled public hearing. The recommendation shall include: an evaluation of the consistency and conformance of the proposed amendment with the goals and policies of the General (Regional) Plan, and any applicable specific plans; the grounds for the recommendation based on the standards and purposes of the zones set forth in Section 10-40.20 (Establishment of Zones) of the Zoning Code (page 40.20-1); and, whether the amendment should be granted, granted with conditions to mitigate anticipated impacts caused by the proposed development, or denied.

STANDARDS FOR REVIEWING PROPOSED AMENDMENTS. Proposed Zoning Map Amendments shall be evaluated based on the following findings: the proposed amendment is consistent with and conforms to the goals and policies of the General (Regional) Plan, and any applicable specific plans; the proposed amendment will not be detrimental to the public interest, health, safety, convenience, or welfare of the City of Flagstaff (the “City”), and will add to the public good as described in the General (Regional) Plan; and, the affected site is physically suitable in terms of design, location, shape, size, operating characteristics, and the provision of public and emergency vehicle access, public services, and utilities to ensure that the requested zone designation and the proposed or anticipated uses and/or development will not endanger, jeopardize, or otherwise constitute a hazard to the property or improvements in the vicinity in which the property is located.

STAFF REVIEW:

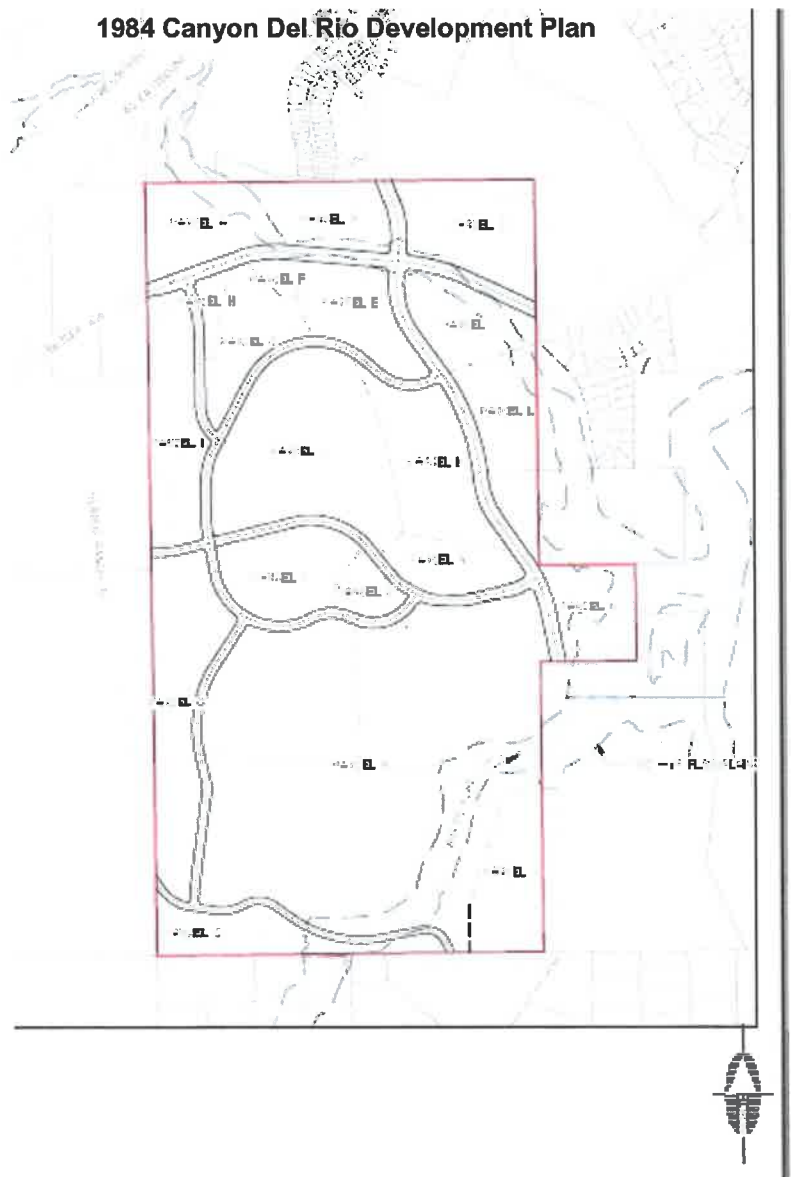
Introduction/Background

Canyon del Rio is a 1,426 unit residential and 225,000 square foot commercial development. The proposed development will provide a mixture of high density, medium density and single-family residential units combined with commercial service, retail and open space land uses on 261 acres. This Concept Zoning Map Amendment is proposed for 83-acres located in the northeast corner of the site at the intersection of Butler Avenue and South Fourth Street.

Canyon del Rio, was conceived and proposed through the Arizona State Land Department (ASLD) by WL Gore & Associates in 1984 as a 316-acre mixed-use development, including single-family housing; office/research and development facilities. The development proposal depicted to the right, was called the Canyon Del Rio Development Plan and is dated May 1984.

Gore abandoned development of Canyon del Rio in the late 1980’s, and Canyon del Rio, then owned by ASLD, remained undeveloped and inactive until 2002, when the current applicant, Canyon del Rio Investors, LLC (CDRI) purchased all of Canyon del Rio (except parcels D&L, located east of the future Fourth Street extension, which remain in ownership by ASLD) at a State auction. Between 2002 and 2008, CDRI sold Parcels A, B and C (located north of Butler Avenue), and Parcel M, (also east of the anticipated Fourth Street right-of-way) to third-party purchasers. These parcels are no longer considered part of the Canyon del Rio development.

CDRI retained the entire ‘core’ portion of Canyon del Rio, approximately 261 acres, which lies south of Butler Avenue and west of the anticipated Fourth Street right-of-way as depicted on the Site Plan (“CDR Core Property”). The CDR Core Property is currently undeveloped and exists today



in its natural/forested condition.

Following CDRI's acquisition of Canyon del Rio, discussions began with the City of Flagstaff relating to the 1984 Development Plan and, specifically, the land uses permitted under the zoning designations established by the 1984 Development Plan. Despite good faith efforts, CDRI and the City were unable to reach agreement and lawsuits were filed in both Coconino and Maricopa Counties. In 2008, CDRI filed suit against the City of Flagstaff in Coconino County Superior Court seeking declaratory relief, monetary damages and injunctive relief relative to the CDR property, this suit relates to the appropriate Zoning Code to be used to allow CDRI to proceed to plan and develop their property. In 2010, the City filed suit against CDRI in Maricopa County Superior Court seeking monetary damages relating to CDR property and CDRI filed counter claims. This suit relates to CDRI reimbursing the City for past improvements to Butler Avenue.

The City and CDRI were able to resolve their differences, without protracted litigation, and entered into a Settlement Agreement (as amended, "Settlement Agreement"). Pursuant to the terms of the Settlement Agreement, the City and CDRI agreed to process an amendment to the Zoning Map covering approximately 83-acres of the CDR Core Property. The balance of the CDR Core Property, approximately 179 remaining acres, will not have the zoning amended. The Settlement Agreement as approved by City Council was executed on May 13, 2013 and amended on January 29th, 2015 and outlines how the Zoning Map Amendment will be processed, allowed development density and intensity, and settlement of the two pending law suits. If the Zoning Map Amendment is approved the pending law suits will be resolved. In response to the Settlement Agreement, CDRI made application for a Concept Zoning Map Amendment in November of 2014, after several stops and starts that application has now come before the Commission.

The area to be amended and the entire CDR development are located south of Butler Avenue. The site is heavily treed and is located within the Resource Protection Overlay Zone (RPO). The site has varied topography, including many slopes and small valleys; the most significant is the Rio de Flag drainage that runs across the southeast corner of the development and continues downstream to Foxglenn Park. The proposed Fourth Street alignment that will ultimately connect Butler Avenue and John Wesley Powell Boulevard runs along the eastern boundary. An existing above ground 69 KV transmission line crosses the site in an east-west direction at the south end of CDR, outside of that area to be re-zoned.

In addition to this Concept Zoning Map Amendment case, the applicant, has also submitted a Preliminary Block Plat application. This Preliminary Block Plat will divide the property into 22 separate blocks with an internal minor collector roadway in two phases. Each block will then be either subdivided further or will be subject to the Site Plan Review process, which is anticipated for the commercial and multi-family rental uses. A draft Development Agreement has also been attached for the Commission's review. The Development Agreement will be reviewed and approved by the Council via a separate resolution.

Proposed Rezoning and Development Concept Plan

The applicant/developer, Canyon del Rio Investors, LLC. (CDRI), is requesting rezoning approval to permit 672 multi-family dwelling units on parcels J1 & J2 (HR Zone), 181 single-family attached dwelling units on parcels G, N, O and P (MR Zone), and approximately 225,000 square feet of commercial office and retail development on parcels E1, E2, F, H, K1 and K2 (HC Zone) located on approximately 83-acres. The remaining CDR property is anticipated to be developed with single-family detached housing, except for parcel Q3 located at the southwest corner of CDR, which will be dedicated to the City for affordable housing as provided for in the both the Settlement Agreement and draft Development Agreement.

Parcels G, N, O and P, a total of 27.9 acres, are proposed to be amended to the MR, Medium Density Residential zoning district and include approximately 181 single-family attached units. Townhomes are anticipated though

duplex development is allowed. Proposed density in the MR zoned properties is 7.7 units per acre. Parcels J1 and J2 are proposed to be amended to the HR, High Density Residential zoning district, a total of 3 acres, and include approximately 670 multi-family residential dwelling units or 22.3 units per acre. Multi-story apartment buildings are anticipated at this location. The building height limit in the HR zone is 60-feet. Parcel E1/E2, F, H and K1/K2 are proposed to be amended to the HC, Highway Commercial zone, 25.5-acres in total, includes commercial service, retail and office uses.

This application is a Concept Zoning Map Amendment which requires the applicant to provide conceptual drawings of the development. The concept zone plan provided by CDRI shows a mix of high density, medium density and single-family residential development across the site. The attached booklet includes a community masterplan that shows potential development of the Zoning Map Amendment area as well as potential lot lay out for the rest of the CDR. The booklet further breaks out the three proposed new zones and provides concept photos or drawings for the commercial, the attached housing and the apartment buildings. Final lot layout design, actual elevations and floor plans for individual units have not yet been provided and will be worked on through the final platting of individual subdivisions and/or site plan reviews. The high-density development areas have been strategically placed in relationship to the suburban activity center located at the intersections of Butler Avenue and Fourth Street as well as buffering between the commercial uses and single-family neighborhoods.

Sheet CP2 of the concept zone plan depicts CDR's connectivity via a community trail system and Flagstaff Urban Trail System (FUTS) trail running east/west across the property. Open space has also been provided and is shown on the concept zone plan connecting with the individual blocks and trails. A large open space tract, the Rio de Flag channel, traverses the south eastern portion of the property which provides a portion of the FUTS and serves as a drainage feature for the property.

The applicants have proposed through the Settlement Agreement (paragraph "h") and the draft Development Agreement (paragraph 4.7.a) (both attached), which say the CDRI will donate parcel Q3, located at the southwest corner of the development to the City for affordable housing and will supply water, sewer and roadway infrastructure at the same time as parcel R-4 is developed. Parcel Q-3 is recognized as having density equal to approximately 5% (80 units) of the total units within CDR. Future developments wishing to provide additional affordable housing will be given 5% credit toward the 10% threshold needed to qualify for affordable housing incentives allowed by the Zoning Code

General Plan/Flagstaff Regional Plan (FRP 2030)

Staff has identified Regional Plan Goals and Policies that could be applied to support or not support the proposed Block Plat and Zoning Map Amendment. These goals and policies are in the applicant's narrative. The following is a discussion of how the project meets or conflicts with goals and policies in each chapter. The City's Settlement Agreement with Canon del Rio's developer states that "the parties concur the Zoning Application is in conformance with the Current Regional Plan [Flagstaff Regional Plan 2030]." The following analysis supports this portion of the Settlement Agreement through the consideration of supporting and conflicting policies.

Environmental Planning & Conservation and Open Space

In accordance with the goals and policies of this section the subject property is included within the Resource Protection Overlay (RPO) zone. A Natural Resource Protection Plan has been provided in conjunction with the application that preserves 54 acres to meet the required floodplain and open space protections on this site. Tract B, a total of 15.63 acres, will be dedicated to the City while the rest of the open space will be located within the neighborhood village and ownership will be retained by the Homeowners Association (HOA). The Canon del Rio development is also setting up a "Resource Bank" to allocate the required forest protections between the different parcels. The project will also lead to the construction of "Net Zero Ready" single family homes that are 40 to 50% more energy efficient than conventional building standards. Introducing a new sustainability option to the City.

Water Resources (Water Sources, Water Demand, Stormwater and Watershed Management, and Water Quality)

As shown on Map 21 of the Regional Plan, the property is located within the Urban Growth Boundary. A Water and Sewer Impact Analysis and Drainage Analysis was completed for the project. The conclusions and requirements of these analyses are addressed in the Public Systems Impact Analysis section of this report. These analyses adequately address the goals and policies of this chapter. The existing Rio de Flag channel will also be preserved through this site in compliance with the goals and policies of this section.

Community Character (Scenic Resources and Natural Setting, Heritage Preservation, Community Design, and Arts, Sciences and Education)

The project will establish a Design Review Policy to maintain materials and construction methods consistent with the Flagstaff Regional Plan. Buildings will be subject to the City's architectural design regulations and the attached Sustainable Family Living Design Book, which shows the conceptual site and architectural designs.

Growth Areas & Land Use (Reinvestment, Greenfield, Urban Area, Suburban Area, Rural Area, Employment Area, Special Planning Area, and Activity Centers)

This project is located within a Suburban Regional Activity Center (S18 – Butler Avenue and Fourth Street at the corner of Butler Avenue and Fourth Street). The density and intensity of this development will transition from higher density at the core of the activity center to lower density suburban neighborhood moving south away from the core. This pattern of development is in compliance with the Regional Plan's Future Growth Illustration (Maps 21 and 22). The Suburban Regional Activity Center was upgraded as part of the High Occupancy Housing Plan to allow for more density and intensity at this location for several reasons:

- A) The Butler corridor will have improved transportation access with the widening of the Fourth Street bridges over I-40.
- B) Increasing the density and mix of uses on this corridor will help fill in the central Flagstaff development pattern, which will make transit more sustainable, decrease carbon emissions, and create the first full service regional activity center south of I-40,
- C) The development of the east Butler corridor and Ponderosa Parkway area has the least impact on low income neighborhoods compared to other opportunities for infill and redevelopment.
- D) Base land prices in this corridor will allow for more affordable market rate housing than west side development to better support the City's workforce housing needs.
- E) Existing utility infrastructure can support denser and more intense development.

CDR's proposed development pattern will permit a mix of office and retail uses along the Butler Avenue and South Fourth Street with high density housing behind the commercial. This horizontal mixed-use pattern is most appropriate in Suburban Activity Centers. The proposed pattern of development is in compliance with the goals and policies of the Regional Plan concerning mix of land uses, variety of housing types, the creation of a new mixed-use neighborhood in an appropriate location, increased density and mix of housing types within activity centers, concentrating commercial activities within the commercial core, increasing housing options and opportunities for neighborhood and regional shopping, and designing appropriately to the context of the activity center. The Design policy proposed will also ensure consistency of a contextual and distinctive identity for this new neighborhood and the creation of public spaces and plazas within the development.

The proposal does not anticipate vertical mixed-use, which would conflict with Regional Plan policy LU.13.5, which encourages one floor of apartments or office above retail in suburban activity centers. If vertical mixed-use is not feasible at this location, the site design of commercial buildings that are at-grade with the commercial corridor will need to have architecture that simulates a 2-story building in order to support a feeling of enclosure that has been shown to make activity centers more comfortable to walk in.

When the City staff was working on the High Occupancy Housing Plan, one of the findings was that the

concentration of housing and business attractions on the east and west side of the City had a noticeable gap between Switzer Canyon and 4th Street. This gap makes the City's transit system less efficient and makes overall trip distances longer. Both patterns are barriers to reaching the City's climate change and sustainability objectives. The corridors from 4th Street and Butler to Ponderosa Parkway and Route 66 needs more mixed-use development with walkable connections between them. The concentration of office and commercial uses in Canon del Rio along Butler Ave combined with the more pedestrian friendly design of the Butler corridor transportation improvements will help create a transition between the Regional Urban Activity Center at Little America, which should be the strongest attractor because of its interstate access, and the suburban neighborhoods to the south and east. This group of activity centers includes employment uses between the railroad and the interstate along Butler Ave. and Huntington Ave. and would scale down to lower intensity commercial at the tail ends. The pattern will make the bus routes on this corridor more efficient and create walkable centers for daily needs in the Suburban activity centers with some regional attractions. This overall will create shorter trip lengths and more opportunities for walking and biking.

Transportation

Canon del Rio will complete a significant stretch of JW Powell Boulevard and will create a future connection to the southwest for Harold Ranch Road. These are important future arterials and collectors for the community and are consistent with Map 25 Road Network Illustration of the Flagstaff Regional Plan. All the local roads, collectors and arterials will be constructed as complete streets with sidewalks and bike lanes and the open space will provide a high quality FUTS trail similar to Sinclair Wash.

The application for this project preceded the High Occupancy Housing Plan's effective date and therefore the connectivity characteristics of roads recommended in that plan could not be required. However, the developer was able to create additional FUTS and sidewalk connections to improve the implementation of the Regional Plans goals for walkability and bicycle and pedestrian connectivity.

The future streets in the neighborhood make room for bus service but do not include any specific bus treatments at this time because NAIPTA has not decided to serve this community due to concerns that the overall density of the JW Powell area may not support enough people in proximity to the roadway to support a higher frequency transit option. NAIPTA has only promised service along Fourth Street north of Canyon del Rio and along Butler Avenue at this time but will continue to consider the opportunities in the JW Powell Public Infrastructure and Facilities Specific Plan as it moves forward.

Cost of Development

This chapter primarily addresses new development paying its fair share of public facilities, services, and infrastructure. Impact analyses helps to determine the specific proportional share of required improvements for each development. A review of the impact analyses for this project and the mitigation required is discussed in the Public Systems Impact Analysis section of this report.

Neighborhoods, Housing, and Urban Conservation

The Canyon del Rio project meets many of the goals and policies for new neighborhoods in the Regional Plan. It incorporates both open space and density into the neighborhood character. It also incorporates innovative green practices into housing construction and provides a mix of housing types.

PUBLIC SYSTEMS IMPACT ANALYSIS

The systems analysis included in this report address traffic through a traffic impact analysis (TIA), water and sewer through a water and sewer impact analysis (WSIA) and stormwater through a drainage impact analysis (DIA).

Traffic/Access Impact

The Canyon Del Rio Transportation Impact Analysis (TIA) included six (6) existing intersections, and seven (7) new intersections within and along the edge of the proposed development. The study area covered Butler Avenue from I-40 to Fourth Street, Fourth Street from Huntington Drive to south of Butler Avenue along the development site, and the internal Canyon Del Rio roadway system. Traffic expected from nearby yet to be developed parcels was included as future background traffic in the analysis. Analyses were conducted for assumed development levels at years 2026 (Phases I & II) and 2030 (full build-out). Phases I & II include all except four (4) retail parcels at the northeast edge of the site and three (3) relatively small residential parcels at the south edge.

The project proposes several access points to the current and future street system. Canyon Del Rio will build the west portion of Fourth Street south of Butler Avenue, and the south portion of Butler Avenue west of Fourth Street, adjacent to the site. Internal collector streets will provide access to and from Butler Avenue, Fourth Street and Herold Ranch Road, a portion of which goes through the very south end of the site. These will be minor collector streets with one vehicle lane and one bike lane in each direction with a center turn lane. Canyon Drive will be an east/west street crossing the entire site at about its midpoint. Mountain View Drive, along with the easternmost section of Canyon Drive will form a loop through the northern two-thirds of the site that intersects with Fourth Street in two locations south of Butler Avenue. Peak Point Road will connect this loop road to Butler Avenue in the northwest corner of the site, and South Ridge Road will connect the loop to Herold Ranch Road in the southwest section of the site. Herold Ranch Road crosses most of the site near its southern edge. West of Mountain View Drive, Canyon Drive will have a residential local "wide" cross section planned to connect to a future development on the Little America site, which is immediately west of Canyon Del Rio. The location of the Butler Avenue and Peak Point Road intersection is being coordinated with the property on the north side of Butler Avenue to provide access for Canyon Del Rio and a future development north of Butler Avenue. This intersection will initially be stop controlled for northbound traffic but will need to be signalized or converted to a roundabout to ultimately accommodate Canyon Del Rio traffic.

Adjacent to the Canyon Del Rio site, both Butler Avenue and Fourth Street are designated minor arterials. Butler Avenue currently has one lane in each direction, and Fourth Street is graded dirt/gravel. Fourth Street is planned to ultimately connect with John Wesley Powell Boulevard to the southwest. Canyon Del Rio is responsible for improvements on the south side of Butler Avenue and the west side of Fourth Street adjacent to the project. In addition, the analysis indicated the following off-site improvements are needed to mitigate the project's traffic impacts in the nearby area.

Off-site improvements needed for 2026 (Phases I & II) impacts:

- Fourth Street and Sparrow Avenue northbound - a through lane and a through/right turn lane
- Fourth Street and Soliere Avenue northbound - two through lanes and one exclusive right turn lane
- Butler Avenue and I-40 Eastbound Ramp westbound - two through lanes and one exclusive right turn lane
- Butler Avenue and I-40 Westbound Ramp southbound - an additional left turn lane

The study recommends the following off-site improvements to accommodate the combination of background growth and Canyon del Rio traffic by 2030 (build-out):

- Fourth Street and Soliere Avenue westbound, a westbound right turn signal to display at the same time as the southbound left turn signal
- Butler Avenue and I-40 Eastbound Ramp
 - Westbound through and shared through/right turn lane
 - Northbound left turn, right turn, and left/through/right lane
 - Eastbound second left turn lane

- Butler Avenue and I-40 Westbound Ramp
 - Westbound second left turn lane
 - Southbound right turn and left/through/right lane
 - Eastbound exclusive right turn lane

The impact analysis assumed some area improvements would be made independently from Canyon Del Rio based upon the growth of background (non-Canyon Del Rio) traffic. For the two time points analyzed, it applied all the background traffic growth first and determined what improvements would be needed. It then applied the Canyon Del Rio traffic and analyzed what additional improvements would be needed to accommodate total traffic and attributed those improvements to Canyon Del Rio. This is a necessary simplification to make conducting the analysis practical. However, both background growth and Canyon Del Rio occupancy will proceed continuously over time, not in discreet steps. Precise determination of which improvements are needed at exactly what time and what portion is due to background traffic growth and how much is specifically due to Canyon Del Rio would be very difficult and cumbersome. Assumptions would need to be made about the rate at which Canyon Del Rio is occupied, and numerous iterative scenarios would need to be analyzed. The results for any given point in time would vary based on the assumptions made about project occupancy.

Further complicating the determination of Canyon Del Rio’s fair share of area improvements is that other projects are planned for the area:

- Raising the intersection of Butler Avenue and Fourth Street and drainage improvements (near term)
- Replacing the bridges and widening Fourth Street over I-40 (near term)
- Improving the Butler Avenue and I-40 interchange by Arizona Department of Transportation (ADOT) (longer term)
- Potential development along the north side of Butler Avenue west of Fourth Street (unknown term)

The timing of the first two projects and Canyon Del Rio does create the opportunity to combine projects, increasing efficiency and reducing the impact multiple construction projects would have on the public.

Recognizing all these factors and the stipulations of the Settlement Agreement, the City and the developer reviewed the needs identified in the impact analysis and other planned projects in the area and agreed on the following with respect to Canyon Del Rio’s obligation for area improvements.

Ref	Project	CDRI’s Obligation
1	Butler Avenue Half Street	\$698,295
2	Fourth Street SB Dual Right	\$21,927
3	Offsite Butler Avenue - Little A to CDR	\$219,893
4	Butler / Fourth Signal	\$123,391
5	Butler and Fourth EB Dual Left	\$38,092
6	Butler and Fourth WB Left	\$35,541
7	Butler Left Turn Lane at Peak Point	\$60,177
8	Fourth Street South Half Street	\$211,527
9	Fourth Street NB Left Turn Lane	\$62,600
10	Fourth Street NB intersection transition	\$42,175
11	Butler / Peak Point Signal	\$250,000
12	Butler and I-40 Interchange Improvements	\$698,112
	Total	\$2,461,730

Water, Wastewater and Reclaim Impact

The Water, Wastewater, and Reclaim Water Impact Analysis was prepared by the City of Flagstaff Utilities Department. The analysis is based on the demands generated by Canyon del Rio. A summary of the analysis is provided with this report.

Water

Secondary Water Source

The proposed development falls within COF pressure Zone B with elevation limits as high as 6,892 feet. The nearest adequate source of Zone B water is in Butler Avenue along the north property line of this development. Where an existing 24" diameter ductile iron water main is located. Currently there is no "second source" waterline that supplies the water main located under Butler Avenue. Additional development (CDR) triggers the need for the secondary source. The nearest second source of water is a 12" water main located at the commercial development on the north side of Interstate 40 across from the Flagstaff Christ Church located off Soliere Avenue.

The secondary feed improvement is currently proposed to include boring under I-40, turn west and run under Soliere Avenue to Fourth Street, turn south to Butler Avenue and the existing water main. Canyon del Rio's share of the cost for this improvement is roughly \$1.3 million dollars. The City Water Services department has agreed to pay for an upsize of the main beyond that required by CDR development. At the time the City accepts a proportional share Cash-in-Lieu payment for the waterline, it is agreed that the City will begin working diligently to program the capital project, so it is completed as soon as possible, before the first occupancy is needed.

The City is anticipating coordinating the construction of the I-40 at Fourth Street Bridges, improvements to Fourth Street between I-40 and Butler Avenue, elevate the Butler Avenue and Fourth Street intersection (\pm 6-feet) and scheduled improvements to the Butler Avenue corridor in conjunction with the secondary water line upgrade. A synopsis of CDR's financial participation in those improvements are in the graph located in the traffic section above.

New Well Site(s)

CDR is proving the City access for exploration and development of up to two well sites and their delivery infrastructure (see paragraph 4.10(a) of the DA) on the Canyon del Rio property. Once the well sites have been identified, CDR will dedicate the site(s) to the City

Proposed On-site Waterline Extensions

The developer is required, by the City, to provide a looped water system for the proposed development. The developer has provided the City with a preliminary layout for their site. The water distribution system shall consist of a 12" diameter water main extending from Butler Avenue along Peak Point Road, through the main roadway loop within the development and along the south and west portions of the development connecting to the proposed 20" diameter water main extending south from Butler Avenue in the Fourth Street Right-of-Way. Details regarding water supply system and location are addressed in the Preliminary Block Plat accompanying this application.

Water Storage

CDR is responsible for providing 428,000 gallons of water storage to satisfy its water storage obligations (paragraph 4.10(b) of the DA). CDR will satisfy its storage obligation with a partially reimbursable cash in lieu of construction payment to the City. At the time of its 400th residential or commercial equivalent building permit, CDRI shall provide to the City a partially reimbursable in lieu of construction payment in the amount of \$667,943 for construction of a 1,000,000-gallon storage tank to be located at a City designated site to be determined.

Reclaim Water

Canyon del Rio does not propose any improvements to the City's reclaim water system. As noted in the Public Water and Sewer Impact Analysis "The developer and their representatives did not submit any reclaim water demand or usage. The City of Flagstaff does not anticipate providing reclaimed water to this development."

Wastewater

The nearest sewer that allows for gravity flow for this site is in the Rio de Flag wash, which crosses the proposed development. The existing sewer line is a 42-inch diameter interceptor line that flows easterly to the Wildcat treatment plant where treatment capacity is available. Sewer mains, internal to the development, will be provided by the developers and are more specifically discussed in the block plat application accompanying this rezoning.

Stormwater Analysis

The project's overarching drainage concept is to provide peak flow stormwater discharge mitigation, stormwater runoff volume mitigation and improvement to the water quality of site discharges. Development of the site will meet the peak flow mitigation, total volume mitigation and water quality requirements using surface water storage systems or extended detention basins (EDB), which will be designed with detention and a retention storage capacity as well as filtration components. The project is providing on-site volume mitigation as determined by the Drainage Impact Analysis in order to provide a no rise scenario of Lake Continental. The total volume of stormwater runoff discharged from the site will be mitigated by the retention volume provided within extended detention basins. Water quality improvements consisting of sediment capture features will be incorporated with the use of Low Impact Development (LID) Integrated Management Practices (IMPs) including sediment traps at inlets to any surface storage systems, and filtration system located within the EBDs.

The project will provide the attenuation required to reduce the post development peak runoff to the pre-development rates for the 10-year and 100-year storms. Per the approved Drainage Impact Analysis (DIA), the developer shall mitigate the identified downstream impacts. The DIA identified the required on-site mitigation strategies which are to be provided. Each phase of development shall mitigate their fair proportionate share of runoff volume impact identified in the DIA. Each phase of development shall also mitigate proportional peak flow impacts per Stormwater phasing requirements. Based on the proposed site mitigation measures, the project will not have any additional impacts to the downstream drainage conditions.

The Rio de Flag floodplain area within the property is proposed to be dedicated to the City of Flagstaff. No private stormwater mitigation facilities will be located within the dedication area. Mitigation facilities will be located primarily in tracts dedicated for drainage.

Parks, Open Space, Pedestrian and Bicycle

Canyon del Rio is located .53 miles via Butler Avenue from the Foxglenn Community Park, and slightly more using the Rio de Flag FUTS system. Foxglenn Park is 28 acres in size and include standard community park facilities. Internal to the development, 55.8-acres, or 21% of the site has been identified for open space, trails or drainage. Sheet CP2 of the concept Zoning Plan shows areas anticipated to be uses as open space and trails. The block plat identifies the areas that will be dedicated (tracts B and C) to the City and the areas that will be the responsibility of the development. The developer proposes to place a conservation easement over tract B (the Rio de Flag channel) in conjunction with the dedication to the City.

Additionally, each of the parcels will be required to meet the open space and civic space requirements associated with the proposed development. Commercial developments more than 20,000 square feet in size and residential developments of more than 50-units are required to provide 5% of the site's area for open/civic space.

Several existing FUTS Trails will be impacted by the Canyon del Rio development. Several years ago, the State Land Department granted a temporary FUTS Easement across the development, an extension of the Foxglenn trail was built across Canyon del Rio to its border with the Little America Property and Herold Ranch Road. Eventually this trail will cross Little American and connect with the Arizona Trail, south of I-40. That Trail has fallen in to disrepair since the easement expired. Canyon del Rio has, as part of providing internal pedestrian connections, plans to reconstruct the trail. Additionally, the Rio Trail runs from Foxglenn Park southward following the Rio de Flag drainage where it crosses Canyon del Rio and intercepts Herold Ranch Road. This trail will ultimately continue along the Rio drainage accessing the Flagstaff Loop Trail. This portion of trail inside the development and the Rio de Flag drainage will be donated to the City.

Internal pedestrian trails that connect the proposed parcels and future developments and the FUTS alignments have been identified and can also be reviewed on sheet CP2 of the Concept Zoning Plan. These trails will be constructed as each parcel develops.

Other Requirements

Resources

The applicant has provided resource and site capacity calculations of existing resources found on the property to be disturbed and protected as a part of the development. Based on the preliminary disturbance calculations, it appears that the minimum protection threshold requirements are being met.

The Zoning Code protection factors for resources in the HR, High Density Residential, MR, Medium Density Residential and R1, Single-Family Residential districts are as follows:

**70% of moderate slopes (17-24.9%)
80% of steep slopes (25%-34.99%), and
50% of forest canopy**

In the commercial zones HC Highway Commercial, the protection factors are:

**60% of moderate slopes (17-24.9%)
80% of steep slopes (25%-34.99%), and
30% of forest canopy**

The entire Canyon del Rio development (262-acres) contains approximately 205.64 acres of forest canopy and approximately 6.85 acres of 25% and greater slope resource, and approximately 20.46 acres of 17-25% slope resource. Paragraph 4.12, Resource, Open Space and Easement Requirements of the Development Agreement, discusses the resources and allows the developer to create two "resource banks", one for the residential properties and one for the commercial properties. These banks will allow the application of extra resources from one parcel to another parcel when extra resources are available. Staff has included a recommended condition that a document describing how the resource banks will be administered, be provided by the developer, prior to approval of the first subdivision plat or site plan approved for a parcel.

A detailed analysis of resources will be required with the preliminary plat/site plan submittal to the Internal Division Staff, provided the rezoning case is successfully concluded.

Affordable Housing

Recognizing that affordable housing is a priority planning consideration for the Planning and Zoning Commission and the City Council, the developer has agreed through the Settlement Agreement and the draft Development Agreement to donate parcel Q3, located at the southwest corner of Canyon del Rio to the City for use as affordable housing.

Paragraph 4.7 of the attached draft Development Agreement provides that 45-days after the recording of the final block plat CDRI will convey to the City parcel Q3 by special warranty deed. The proposed density for parcel Q3 is 80-units, roughly 5% of the development's density. Through the settlement agreement and reflected in the DA, the City agreed that future developers that want to take advantage of affordable housing incentives can receive a 5% credit towards the 10% affordable housing require for incentives in recognition of the dedication of parcel Q3.

Canyon del Rio has agreed to provide limited infrastructure improvements including roadway pavement, sewer and water mains to parcel Q3 as part for the second phase of development. Those improvements are triggered with the development of parcel R4, the largest parcel in second phase is platted. Neither parcel Q3 or R4 are directly affected by the proposed zoning map amendment.

Schools

The City of Flagstaff has received a letter from Flagstaff Unified School District that indicates that the Canyon del Rio development is approved as proposed and no school improvements are needed. The Arizona State legislature does not currently enable units of local government to assess school impact mitigation through development processes.

Public Participation

As mentioned, earlier in this report, the Canyon del Rio Concept Zoning Map Amendment application has been ongoing for a number of years. Attached to this report are two Citizen Participation reports. The first is for a neighborhood meeting held on August 28, 2013 (report dated December 20, 2013) and the second is for a series of meetings held more recently on July 26 and 28th, 2018, which focused on the current application. The earlier report includes a synopsis of the public comments received at the meeting. The 2018 report also includes minutes from the meeting and summary of the comments the applicant received at the meeting. Staff has also attached to this report comments received from the public regarding this development request.

Additional Information

Vegetative Management

The Flagstaff Fire Department has notified CDRI that a Vegetation Management plan and execution of the plan is required prior to combustible materials are brought onto the Canyon del Rio site. Attached for the Commissions review is a letter from Jerolyn Byrne, Wildland Firewise Specialist outlining the requirements for a Vegetation Management Plan.

Arizona Leather Flower

Attached to this report are several communications from residents responding to the initial neighborhood meeting. These e-mails focus on the Arizona Leather Flower, which maintains a protected plant species status and is subject to regulation by the Arizona Department of Agriculture. The Department of Agriculture recognized private property owner rights and address them as follows:



Protected Arizona Native Plants

Nowhere in the United States are there more rare and unusual native plants than in Arizona. Most of them are many years old and cannot be replaced. Many people desire to use these "wonders of nature" in their landscaping. However, most of these plants are protected by law. Also, all land in the State of Arizona belongs to someone, whether it be a government agency or a private citizen. Plants cannot be removed from any lands without permission of the owner and a permit from the Department of Agriculture. Lessees of State or federal land must obtain specific authorization from the landlord agency to remove protected native plants.

Landowners' Rights

Landowners have the right to destroy or remove plants growing on their land, but 20 to 60 days prior to the destruction of any protected native plants, landowners are required to notify the Department. The landowner also has the right to sell or give away any plant growing on the land. However, protected native plants may not be legally possessed, taken or transported from the growing site without a permit from the Arizona Department of Agriculture. Individually owned residential property of 10 acres or less where initial construction has already occurred is exempt from notification before destruction. (See A.R.S. 3-904 H.)

Staff has crafted a condition of approval that requires the developer to obtain any required permits from the Department of Agriculture prior to removal or destruction of protected plants on the Canyon del Rio site.

RECOMMENDATION:

In accordance with the findings presented in this report, staff recommends approval of PZ 18-00113-01 subject to the following conditions:

1. That the subject property be developed according to the Concept Zone Plan of Canyon del Rio as presented with the rezoning request.
2. That all other requirements of the Flagstaff Zoning Code and other City codes, ordinances and regulations apply to the Canyon del Rio development.
3. The developer shall grant permanent public pedestrian easements on the trails within the development of Canyon del Rio.
4. That all terms, condition and restrictions detailed within the "Canyon del Rio" Development Agreement are fully satisfied.
5. That a Vegetative Management meeting the Flagstaff Fire Departments approval be process and the work completed before combustible materials be brought onto Canyon del Rio. *PLM*
6. All single-family attached and detached homes within Canyon-del Rio will comply with the "Net Zero Ready" design that provides energy efficient homes.
7. The developer will create a Design Review Policy document that sets minimum exterior structure appearance, materials and design consistent with the City's Architectural Design Standards, section 10-50.20 of the Zoning Code prior to the first subdivision plat or site plan review.
8. In conjunction with Regional Plan policy LU.13.5. If vertical mixed use is not feasible, the site design of commercial buildings that are at-grade with the commercial corridor (Butler Avenue and/or South Fourth Street) will need to have architecture that mimics a 2-story building in order to support a feeling of enclosure that has been shown to make activity centers more comfortable to walk in.
9. The Lot Coverage/Building information chart on the Concept Zone Plan of Canyon Del Rio and Exhibit "D", Density Chart of the Development Agreement for Canyon del Rio set target densities and intensities for parcels within Canyon del Rio.
10. All private roads shall remain open to the public and shall never be gated.
11. Development in the Canyon del Rio Property be proceeded by permit from the Arizona Department of Agriculture for removal/destruction of a protected plant species.
12. The developer (CDRI) provide to the City a document that describes how the "resource banks" will be administered and excess resources will be distributed to other sites and how the transferred resources will be permanently protected. The document will be provided to the City in conjunction with the first preliminary plat or site plan review proposed for a parcel in Canyon del Rio.

Attachments:

- Application
- Location Map; Existing Zoning Exhibit; Exhibit with Rezone Boundary
- Narrative w/ plan analysis
- Concept Zoning Plan
- Canyon del Rio Sustainable Family Living Plan
- Settlement Agreement
- Draft Development Agreement
- Public participation Plans and Correspondence
- Fire Department Letter from Jerolyn Byrne
- Arizona Leather Flower correspondence