

# PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

## Flagstaff Rehab Campus Annexation Request

**PUBLIC HEARING**  
**PZ-20-00164-03**

**DATE:** November 23, 2021  
**MEETING DATE:** December 8, 2021  
**REPORT BY:** Genevieve Pearthree

### **REQUEST:**

A request from Flagland, LLC to annex approximately 10.06 acres located at 7000 North Highway 89. The property is identified as Coconino County Assessor's Parcel Number 301-50-005G. The current owner is Flagland LLC.

### **STAFF RECOMMENDATION:**

Staff recommends the Planning and Zoning Commission, in accordance with the findings presented in this report, forward the annexation application to the City Council with a recommendation for approval with conditions.

### **PRESENT LAND USE:**

The subject site previously contained Blue Ribbon Homes, a manufactured home dealership. The site is heavily treed and has steep slopes toward the eastern property boundary.

### **PROPOSED LAND USE:**

If this annexation is approved, the property will be designated with Highway Commercial (HC) zoning and a Resource Protection Overlay (RPO) to facilitate the development of a 174-bed mental behavioral health and substance abuse treatment campus and two commercial pads. After annexation, the site is proposed to be combined with the vacant parcel to the south (APN 113-17-011A), which is already in city limits, and then be subdivided into four separate parcels. Parcels 1 and 2 will consist of the campus, while parcels 3 and 4 are identified as future commercial development (they are conceptually shown as restaurant/café uses).

### **NEIGHBORHOOD DEVELOPMENT:**

See the attached vicinity map.

North: Commercial development (Mary's Café and Conoco Gas Station), Coconino County CH-10,000 Zone

South: Vacant parcel APN 113-17-011A, City of Flagstaff Highway Commercial (HC) zone; Trails End Retreat single-family residential subdivision, City of Flagstaff Single-Family Residential (R1) zone

East: National Forest, Coconino County AR-2 ½ Zone

West: Highway 89; several commercial developments across the street, Coconino County CH-10,000 Zone

### **REQUIRED FINDINGS:**

The Commission shall find that the requested annexation complies with Section 9-471 of the Arizona Revised Statutes, the applicable goals and policies set forth in the City's General Plan (Flagstaff Regional Plan 2030), and Flagstaff Zoning Code Division 10-20.90: Annexations.

---

### **STAFF REVIEW:**

#### **1. Project Information**

##### **A. Overview**

The parcel at 7000 North Highway 89 (APN 301-50-005G) that is the focus of this approximately 10.06-acre annexation request is adjacent to the northern Flagstaff city boundary and is located just east of North Highway 89. The parcel is within the Urban Service Boundary as identified by the Flagstaff Regional Plan 2030 (the Regional Plan),

and will receive city trash, water, and sewer service upon annexation. The subject site previously contained Blue Ribbon Homes (a manufactured home dealership) and is in the Heavy Commercial (CH-10,000) Coconino County zoning district. The parcel is proposed to be annexed into the Flagstaff city limits with Highway Commercial (HC) zoning and a Resource Protection Overlay (RPO). The applicant proposes to develop a 174-bed mental behavioral health and substance abuse treatment campus and set aside two areas for future commercial development.

After annexation, the subject parcel is proposed to be combined with the approximately 2.15-acre vacant parcel to the south (APN 113-17-011A), which is already inside the city limits. The combined parcels (12.21 acres total) will then be divided into four separate parcels. Parcels 1 and 2 will consist of the campus. The proposed use, Custodial Care (a sub-category of Institutional Residential), is allowed in the HC Zone, but requires a Conditional Use Permit (CUP) if there are shelter facilities located within ¼ mile. The applicant conducted an analysis of all development within ¼ mile of the subject property and determined that no such facilities are present within this radius. Parcels 3 and 4 are proposed to be future commercial pads (conceptually shown as restaurants/cafes).

The applicant has also submitted a concurrent Concept Zoning Map Amendment request (PZ-20-00164-04) to rezone the northern 1.10 acres of the subject parcel from HC to (RR) Rural Residential zoning once the parcel is annexed. The purpose of that request is to accommodate an Equestrian Recreational Facility that will provide equine therapy to patients and be an accessory use to the primary Custodial Care Use. City Code Chapter 6-03: Animal Keeping does not allow large livestock (including horses) in the HC zone, but does allow large livestock in the RR zone. The Zoning Code allows Equestrian Recreational Facilities with a CUP in the RR zone. The Zoning Map Amendment case is conditioned on a successful Annexation case.

## **B. Project Details**

As discussed previously, after annexation the subject parcel is proposed to be combined with the approximately 2.15-acre vacant parcel to the south (APN 113-17-011A), which is already inside the city limits. The combined parcels (12.21 acres total) will then be divided into four separate parcels through the subdivision plat process.

Parcel 1 (approximately 8.08 acres) will consist of a rehabilitation substance treatment campus containing 30 beds for detox and 80 beds for residential treatment (40 beds for women and 40 for men). There will be 51,587 square feet of buildings:

- Residential Treat Center (Men): 10,546 square feet building
- Residential Treatment Center (Women): 10, 546 square feet building
- Dining Hall: 4,128 square feet building, 1,670 square feet patio
- Group activities: 5,333 square feet building, 3,116 square feet patio
- Detox: 11,550 square feet building, 1,191 square feet patio
- Administration: 3,231 square feet
- Outpatient Program: 4,453 square feet building, 1,627 square feet patio
- Equestrian Area: 1,800 square feet stable, 700 square feet patio

The buildings are currently proposed to be 1-2 stories and are discussed for reference only. Building floor plans and elevations will be formally reviewed and approved with a future Site Plan application.

Parcel 2 (approximately 2.69 acres) is proposed to contain a 64-bed sober living facility (32 beds for women and 32 beds for men), consisting of 13,922 square feet of new buildings:

- Sober Living (Women): 4,974 square feet
- Sober Living (Men): 4,974 square feet
- Sober Living Management: 3,974 square feet

The buildings are currently proposed to be 1-2 stories and are discussed for reference only. Building floor plans and elevations will be formally reviewed and approved with Site Plan.

Parcel 3 (0.81 acres) and parcel 4 (0.63 acres) will be set aside for future commercial development. On the Concept Plan they are shown as future restaurants/cafes (a 4,400 square-foot building on parcel 3 and a 3,000 square-foot building on parcel 4). These parcels are not intended to be developed at this time. Development on these sites will be approved with future Site Plan submittals for each parcel.

The entire development site is required to meet the resource protection standards for either commercial or residential zones. The HC zone section is required to protect at least 30% of tree resources. The RR zone section is required to protect at least 50% of the tree resources. The site is protecting 63% of tree resources total. Commercial zones require at least 60% of slopes with a 17-24.99% grade to be protected and residential zones require at least 70% protection; the project is protecting 100% of these slopes. There are no slopes steeper than 24.99% on the site.

### **C. Project History and Next Steps**

The applicant submitted for Concept Plan and Concept Plat review prior to submitting Annexation and Concept Zoning Map Amendment applications. The purpose of the Concept Plan/Plat reviews is to determine whether the proposed project conceptually conforms with City Code. The City of Flagstaff Inter-Division Staff (IDS) made this determination and as such deemed both applications to be “Complete with Conditions” (the Concept Plan on March 16, 2021 and the Concept Plat on May 19, 2021).

The applicant will apply for Site Plan review and approval should the City Council approve the Annexation and Concept Zoning Map Amendment applications. Site Plan constitutes a formal approval, which, if obtained, will allow the applicant to apply for Civil Engineering Plans and Building Permit review. The applicant will also be required to receive a Conditional Use Permit (CUP) for the proposed equestrian facilities in the 1.1-acre RR Zone section of Parcel 1. The CUP public hearing before the Planning and Zoning Commission can be scheduled after Site Plan approval.

The applicant will also submit for Final Plat review as part of the Modified Subdivision Process to subdivide the entire 12.21-acre site into four separate parcels. The City Council approves final plats.

## **II. Required Findings**

If this annexation request is approved, the City of Flagstaff corporate limits will expand to include an approximately 10.06-acre parcel that will be designated with Highway Commercial (HC) zoning and a Resource Protection Overlay (RPO). The requirements and procedures for annexing real property into the city are provided by Section 9-471 of the Arizona Revised Statutes, the applicable goals and policies set forth in the City’s Regional Plan, and Flagstaff Zoning Code Section 10-20.90: Annexations. The Commission shall find that the Annexation request complies with these standards.

### **A. Arizona State Statute Compliance**

Arizona Revised Statute 9-471 sets forth the standards for properties that can be annexed, along with required processes and procedures for cities and towns to annex real property. This statute allows cities and towns to annex property that is contiguous to the exterior boundaries of the city or town into which it will be annexed. Subsection S of ARS 9-471 states that a parcel is considered contiguous if it meets these requirements:

1. The territory is owned by one person
2. The city or town and the owner of the real property agree to the annexation
3. The territory adjoins the exterior boundary of the annexing city or town for at least three hundred feet

The parcel subject to this annexation request meets this requirement. It has just one owner (Flagland LLC), who is also the applicant. The shared boundary between APN 301-50-005G and the current City of Flagstaff corporate boundary is approximately 1,031.16 linear feet.

This statute also requires cities to adopt a zoning classification that permits densities and uses no greater than those permitted by the County immediately before the annexation. The current County zoning is CH-10,000 Commercial Heavy Zone, which requires a 10,000 square foot minimum parcel size. The closest City zoning classification is the HC zone, which allows Custodial Care and Restaurant/Café land uses and has a 9,000 square foot minimum lot area.

Adoption of a similar zoning classification through annexation does not require a separate rezoning ordinance. However, because the applicant is electing to rezone the northern 1.10-acres of the subject parcel as Rural Residential (RR), a separate Concept Zoning Map Amendment is required. The applicant has submitted this application (PZ-20-00164-04) concurrently. Please see the separate Planning and Zoning Commission Zoning Map Amendment Staff Report for more information about the rezoning request.

### **B. City of Flagstaff Regional Plan 2030 Compliance**

All proposed annexations shall be evaluated as to whether the application is consistent with the policies of the General Plan. For clarification, the City's General Plan is titled *Flagstaff Regional Plan 2030* (the Regional Plan). The Regional Plan (Maps 21 and 22 on pages IX-26 through 29) designates this parcel as an Area in White, which retains its existing entitlements. The Regional Plan also identifies this parcel as a future Rural Pedestrian Shed.

The proposed annexation should not be detrimental to most of the persons or property in the surrounding area or the community in general (Regional Plan, pg. III-10). Additionally, the City's basic position regarding annexation is that the annexation must demonstrate a favorable benefit to the taxpayers of the City. The property is currently assessed property tax as at the rate for parcels in unincorporated Coconino County. Once the site is annexed, redeveloped, and the two existing parcels are subdivided into four parcels, the parcels will be assessed property tax at the rate for parcels incorporated into the city limits.

This property is located within the Urban Growth Boundary (UGB) per the Regional Plan. Thus, for the annexation application, staff is not required to analyze all of the Regional Plan goals and policies—just the basic annexation policies as outlined here. The UGB includes all the lands and future land uses that have been included in the City's Arizona Department of Water Resources (ADWR) 100-year adequate water supply designation. The following Regional Plan policies are considered by staff to be the most pertinent to the annexation:

- **Policy LU.7.2 (page IX-32)** - Require unincorporated properties to be annexed prior to the provision of City services, or that a pre-annexation agreement is executed when deemed appropriate.
- **Policy WR.4.3 (page VI-13)** - Development requiring public utility services will be located within the Urban Growth Boundary.

The proposed development, which will be partially located on the currently unincorporated parcel, will require new City water and sewer services once annexed. The proposed annexation is consistent with the relevant goals and policies of the Flagstaff Regional Plan 2030, and furthermore the application complies with all the requirements set forth in the Arizona Revised Statutes related to annexations.

The Regional Plan policies associated with the Concept Zoning Map Amendment case are analyzed as part of the Staff Report for that case and are not included here. This is because the primary uses proposed on the parcel subject to the annexation request—Custodial Care and Restaurant/Café—are allowed in the HC zone. The equine therapy facility is proposed as an accessory use to the primary Custodial Care use.

### **C. Public Facilities and Service Impact Analysis**

One of the requirements of Flagstaff Zoning Code Section 10-20.90: Annexations is for the applicant to include information on how the development will be provided with appropriate levels of infrastructure and services within 10 years after the annexation. The applicant provided the following impact analyses, which were used to determine required infrastructure improvements.

**i. Traffic/Right-of-Way Impact**

The scope of a Traffic Impact Analysis (TIA) is generally determined by the estimated peak hour trips generated by a development, per the Engineering Standards. According to the Traffic Impact Statement provided by CivTech Inc., the campus and the two commercial pads are anticipated to generate 91 new vehicle trips during the AM peak hour and 96 new vehicle trips during the PM peak hour. A full TIA is required when 100 or more new peak hour trips are generated.

The Impact Statement estimated traffic counts and public transportation usage for the new development by evaluating existing traffic patterns at the applicant's campus in Tucson, AZ, and using standard traffic estimates for sit down restaurants (the applicant selected this use because it is on the higher end of potential traffic counts for the two new commercial pads—parcels 3 and 4—adjacent to the campus). Most new peak hour trips are anticipated to be generated by the commercial pads. Most vehicular traffic to the campus is anticipated to be generated by employees and visitors because no patients will use personal vehicles or take public transportation to access the site. All patient trips will either be in vans operated by the facility or in third party private vehicles (the Tucson facility currently operates a 6-passenger and a 15-passenger van for client travel; the Flagstaff facility intends to do something similar). Further, only two employees are anticipated to use public transportation daily (this estimate was based on employee public transit usage at the Tucson facility).

**Transportation Improvements**

The Traffic Statement identified the need for two new full-access driveways from North Highway 89 (there is an existing driveway to Blue Ribbon Homes that will be closed when the site redevelops). Both driveways will be served by new right turn lanes. North Highway 89 already includes a continuous left turn lane. The development will dedicate additional right of way to accommodate the right turn lanes as well as edge improvements (5-foot landscaped parkway, 6-foot sidewalk, curb, and gutter).

The project site is not currently serviced by transit. The closest bus stop is located 0.25 miles to the southwest on North Christmas Tree Lane. From there, the bus goes southwest along North Highway 89 to central Flagstaff. The Regional Plan identifies a future express route along North Highway 89.

Pedestrian and bicycle access to the subject property is provided by existing sidewalks and bike lanes on North Highway 89, in addition to the new sidewalk/parkway to be installed by the project adjacent to the site.

The City approved the Traffic Statement on September 2, 2021. Highway 89 is ADOT (Arizona Department of Transportation) right of way, however, which means ADOT will need to provide final review and approval of the construction plans as part of the Site Plan review process.

**ii. Water and Sewer Impact Analysis**

The City of Flagstaff Water Services Division completed a Water and Sewer System Analysis for the proposed project on October 26, 2021. The proposed development is located within the City of Flagstaff Urban Growth Boundary per the Regional Plan, and can be served by City water and sewer utilities. Currently there is no infrastructure in the ground on-site to support this development, so all on-site sewer and water systems will have to be designed and built. No off-site water or sewer improvements will be required. It is the developer's responsibility to design and construct all on-site and connecting water infrastructure per the City of Flagstaff Engineering Standards.

### **Water and Sewer Improvements**

Currently, all public water infrastructure exists near the property (there is an existing 12-inch water line in North Highway 89 that dead ends at the southern property limits and an 8-inch main in Trails End Drive. These mains fall within the City of Flagstaff pressure Zone 'B'. The City of Flagstaff will provide water and sewer service to this site upon acceptance and dedication of all required public improvements. The 12-inch waterline along North Highway 89 will be extended across the frontage of the property in the public right of way. This line will support several connections to service the proposed development throughout the site: an 8-inch domestic waterline that will provide service to the nine (9) new buildings on site and loop to the 8-inch main in East Trails End Drive, a 4-inch fire sprinkler line, and four fire hydrants.

Sewer service will be provided by a connection to an existing 8-inch sewer line in the southwest corner of the site that flows to East Trails End Drive. The project will be required to extend the 8-inch sewer line from the southern boundary to the northern boundary of the development site to allow for future connections in accordance with Zoning Code section 10-30.50.060.C: Public Improvements.

### **iii. Stormwater Analysis**

The subject property is in FEMA Zone X, which is defined as an area with a minimal flood hazard. The site's overall drainage concept is for stormwater to drain away from the proposed buildings while not having any negative impact on the drainage that enters from, and flows to, adjacent properties. To do this, the development will provide detention (Low Impact Development—LID) to offset additional stormwater runoff associated with an increase in impervious surfaces on the site. To determine required stormwater infrastructure, the applicant has submitted a Preliminary Drainage Report that analyzed the peak discharge rates for the 2-, 10-, and 100- year storms in pre-and post-development conditions.

The Drainage Report divided the drainage of the site into three drainage basins: stormwater runoff entering the existing drainage channel (B1), runoff entering East Trails End Drive (B2), and offsite flows (B3). Drainage Basin B1 includes rehabilitation substance treatment campus, sober living units, one of the future commercial lots, and associated sidewalk and parking areas. The stormwater discharge location for this drainage basin is the existing drainage channel located at the adjacent property boundary next to the Trails End Subdivision. Drainage Basin B2 will include the remainder of the on-site area, which includes the other lot for future development. The stormwater discharge location for this drainage basin is East Trails End Drive. Drainage Basin B3 is the offsite portion of the site on North Highway 89 and East Trails End Drive, which includes the proposed right turn lanes and sidewalks along the frontage roads.

### **Stormwater Improvements**

The Preliminary Drainage Report identified the need for an extended detention basin in the southern portion of the site to provide the required detention/LID storage volume. The site will surface drain where possible and have catch basins and storm drain to convey flows to the extended detention basin. The storm drain infrastructure will be further designed with the Site Plan submittal and Civil Plan review. Based on the proposed site mitigation measures, the development of the site will not have any additional impacts to the downstream drainage conditions.

### **iv. Schools**

The proposed development of the subject site will not affect the local school district.

### **v. Fire Protection**

According to Fire Department staff, the site will be served by Fire Station 3, located at 4500 East Purina Avenue. The site is within the desired response time.

## **D. Citizen Participation**

**i. 10-20.30.060: Neighborhood Meeting**

The applicant held a virtual neighborhood meeting via Zoom on June 30, 2021 required for Annexation applications per section 10-20.30.060: Neighborhood Meeting of the Zoning Code. Prior to holding the meeting, the applicant submitted a Neighborhood Meeting Plan in compliance with this section that identified the required parties to be notified, notification methods, and how the meeting would be conducted. City Code requires the applicant to notify property owners, citizens, jurisdictions and public agencies within 300 feet of the development or that may be affected by the application, but gives the Planning Director discretion to expand the notification area if deemed necessary. The Planning Director determined that a 600-foot notification radius was appropriate to capture all nearby property owners.

During the meeting the applicant provided background information about the project and answered questions posed by meeting attendees through the meeting chat or verbally. The applicant created a Record of Proceedings, which included background materials shared during the meeting and a list of questions from meeting attendees and responses. This document was provided to meeting attendees and city staff via hard copy mail and email in accordance with city code. Staff was contacted by two community members who requested additional information about the development.

The applicant requested, and received approval from the Planning Director, to waive the requirement for the second neighborhood meeting because the Record of Proceedings was deemed sufficient to address meeting attendees' questions (most of which focused on the details of how the facility would operate).

**B. 10-20.30.080: Notice of Public Hearings**

Public hearings before the Planning and Zoning Commission and City Council are conducted in conjunction with requests for annexation. In accordance with Arizona State Statute and City Code, notice of the public hearing was provided by placing an ad in the Arizona Daily Sun, posting notices on the property, and mailing a notice to required government agencies and all property owners within 600 feet (exceeding the minimum of 300 feet) of the site excluding rights-of way. No public comments have been received as of the writing of this report.

**REQUIRED FINDINGS:**

The Planning and Zoning Commission shall find the annexation application meets the required findings for approval: 1) it complies with City Code section 10-20.90: Annexations, 2) it complies with Arizona Revised Statute 9-471, and 3) it meets applicable goals and policies set forth in the City's General Plan, "Flagstaff Regional Plan 2030".

**Recommendation**

Staff recommends the Planning and Zoning Commission, in accordance with the required findings presented in this report, forward the annexation request to the City Council with a recommendation for approval with the following conditions:

1. The subject property shall enter into the City of Flagstaff corporate limits with Highway Commercial (HC) zoning and a Resource Protection Overlay (RPO).

**Attachments:**

1. Application
2. Blank Annexation Petition and Legal Description
3. Proposed Annexation Map
4. Annexation Narrative
5. Public Hearing Legal Ad

6. Vicinity Map
7. Zoning Vicinity Map
8. Concept Plan, Concept Plat, and Concept Zoning Map Amendment
  - Civil and Architectural Concept Plan
  - Concept Plat, including Preliminary Landscape Calculations and Natural Resource Protection Plan
  - Concept Zoning Map Amendment, including requirement to extend sewer line from Water and Sewer Impact Analysis
9. Concept Building Materials, Elevations, Floor Plans, Civic Space
  - Conceptual materials
  - Admin Building concept floor plans and elevations
  - Detox Building concept floor plans and elevations
  - Group Building concept floor plans and elevations
  - Kitchen/Dining Building concept floor plans and elevations
  - Outpatient Building concept floor plans and elevations
  - Residential Treatment Center Buildings (Women and Men) concept floor plans and elevations
  - Sober Living Management Building concept floor plans and elevations
  - Sober Living Residential Buildings (Women and Men) concept floor plans and elevations
  - Open Space Concepts
10. Public Participation Plan