ITEM #: 4.
DATE: November 4, 2026

BOARDS, COMMISSIONS AND COMMITTEES STAFF REPORT

SUBJECT: REZONE APPROXIMATELY 137.77 ACRES FROM PALM VALLEY CROSSING 5TH AMENDED & RESTATED PAD TO PALM VALLEY CROSSING 6TH AMENDED & RESTATED PAD

STAFF PRESENTER(S): Ann Dolmage, Principal Planner

OTHER PRESENTER(S):
Ed Bull, Burch & Cracchiolo

SUMMARY

This is a public hearing to request a rezone of approximately 137.77 acres, generally located at the northeast corner of West Van Buren Street and North Litchfield Road, from Planned Area Development (PAD) to PAD with multiple underlying zoning districts. The proposed PAD will be known as the Palm Valley Crossing 6th Amended and Restated PAD.

RECOMMENDATION

1. Conduct a public hearing to consider a rezone of approximately 137.77 acres generally located at the northeast corner of West Van Buren Street and North Litchfield Road, from PAD to PAD (the Palm Valley Crossing 6th Amended and Restated PAD), with multiple underlying districts.

2. Recommend approval of the request to rezone approximately 137.77 acres generally located at the northeast corner of West Van Buren Street and North Litchfield Road, from PAD to PAD (the Palm Valley Crossing 6th Amended and Restated PAD), with multiple underlying districts, as set forth in the draft of Ordinance. (Ann Dolmage, Principal Planner).

STIPULATIONS

See Attachment A (Draft Ordinance)

FISCAL IMPACT

Although a fiscal impact analysis has not been conducted on this specific project, all new development will have an ongoing fiscal impact on the city. The development is responsible for construction of all infrastructure necessary to serve the site and will generate one-time revenue for the city through payment of permits, construction sales tax, and development impact fees. Longer term fiscal impacts include increased demands for municipal services, the costs of which may or may not be offset by increased property values/tax levies, city sales tax, state shared revenues, and the increased demand for commercial and retail development. Any areas that will be maintained by the city are constructed by the developer and then conveyed to the city two years after construction.

BACKGROUND AND PREVIOUS ACTIONS

On March 28, 1995, the City Council approved a rezone of 192.53 acres from I-1 (Light Industrial) and R1-7 (Single-Family Residential) to the Palm Valley Metroplex Planned Area Development (PAD). The PAD included areas on both sides of Litchfield Road, south of I-10, and permitted a range of commercial and industrial uses, as well as an entertainment district. A development agreement for Palm Valley Metroplex was approved in June and amended in August of the same year. At the time of the development agreement amendment, the name of the PAD changed to Palm Valley Crossing.

The original rezone was followed by amendments in 2004, 2007, 2008, 2011, and 2021, all of which affected only portions of the original PAD area. The 2008 amendment removed forty (40) acres from Palm Valley Metroplex and created a new mixed-use commercial PAD known as Goodyear Palms Plaza, on the west side of Litchfield Road, immediately south of I-10. (This area is now known as Celebration Plaza.)

The most recent amendment for Palm Valley Crossing was approved in 2024. This amendment modified the underlying zoning of Lot 3 to allow service uses to permit an office/warehouse building on that lot. It also resolved inconsistencies in land use maps approved under previous versions of the PAD by changing areas described as Regional Shopping Center and Retail to General Commercial (C-2). Finally, it restated the unchanged parts of the PAD, so that guidelines and policies for the full Palm Valley Crossing PAD could be found within a single document, known as “Palm Valley Crossing 5th Amended and Restated Planned Area Development (February 2024)”.

On September 13, 2005, a Site Plan was approved for two connected buildings at the north end of the Palm Valley Crossing shopping center, south of Auto Drive and east of Litchfield Road: a 30,500-square-foot building and a 11,500-square-foot building. The Site Plan assumed that the entire space would be used for retail, with a parking requirement of 141 spaces (one space per 300 square feet of floor area). A parking supply of 162 spaces was proposed for that Site Plan, giving the combined buildings a surplus of 21 spaces.

After approval of this Site Plan, Palm Valley Church took occupancy for both spaces. Per the Zoning Ordinance, places of worship require more parking than retail space, since any areas used for assembly must be parked at a rate of one space per 75 square feet, while non-assembly areas are parked at a rate of one space per 300 square feet. It is not clear if a new parking analysis was conducted for the church to ensure that there would be adequate on-site parking for that use.

Palm Valley Church has identified a need for additional parking and wishes to establish an off-site parking lot for staff and volunteers on the west half of a 4.5-acre parcel on the north side of Auto Drive (Assessor’s Parcel Number 500-03-355, known as Lot 18 in the existing PAD). A hotel with 112 guest rooms is planned for the east half of Lot 18.

The purpose of the rezone is as follows:

- Change the underlying zoning of Lot 18 in Palm Valley Crossing PAD from ARC/SC to C-2, which will facilitate the development of a hotel on one side of Lot 18 and an overflow parking lot for Palm Valley Church on the other side (a Minor Land Division is currently underway to split the parcel).

- Reduce the minimum landscape setback along interior side property lines between adjacent C-2 lots, from ten (10) feet to zero (0) feet. This will enable the hotel and church parking lot to locate an access drive along their shared interior property line so that both new parcels can be developed as one contiguous project. This will also bring other C-2 lots within the PAD that are not meeting this requirement into conformity with the PAD.

- Re-establish development standards for certain lots within the PAD (Lots 6, 7, 8, 9, 10, 11, 12, 13, 15a, 18, 19, 20, 21 and 21b). These standards were originally established in the 2007 amendment to the PAD but were inadvertently omitted in later amendments. An Administrative Determination completed by staff in September 2025 identified and corrected the issue, but including the standards in

the PAD as well will keep all information in one place.

STAFF ANALYSIS

Current Policy:
A rezoning request requires public review and approval by the Planning and Zoning Commission and the City Council. The proposed rezone must be in conformance with the General Plan and should not adversely impact the surrounding area as outlined in the Zoning Ordinance.

Summary of the Rezoning Request:
See Attachment B (Aerial Photo), Attachment C (Details of the Request) and Attachment D (Project Narrative).

Summary of Compliance with Rezoning Evaluation Criteria:
See Attachment E (Detailed Evaluation Criteria).

Attachments

Attachment A - Ordinance 2026-XXXX
Attachment B - Aerial Photo
Attachment C - Details of Request
Attachment D - Project Narrative
Attachment E - Detailed Evaluation Criteria