

Exterior Building Color & Material Samples
Color Drawdowns
Archaeological Resources
Airport Vicinity Development Checklist
Parking Study
Trip Generation Comparison
Parking Master Plan



ARIZONA PUBLIC SERVICE

Michael J. Bouche, R.L.S.
Senior Land Agent
Land Services Department

Mail Station 3286
P.O. Box 53933
Phoenix, AZ 85072-3933
T: 602-371-7033
C: 602-809-3544
F: 602-371-6586
michael.bouche@aps.com

December 1, 2016

BERRY RIDDELL LLC
Attn. Michele Hammond
6750 E. Camelback Road, Suite 100
Scottsdale, AZ 85251

RE: *Highway Easement Abandonment*

Dear Ms. Hammond:

Per your request for Arizona Public Service Company's (APS) concurrence to the abandonment of the East 30' of the Easement for Highway purposes recorded in Docket 7132, Page 539, Maricopa County Records, the following information is provided.

I have researched our records and found that the subject property is situated within the APS service territory.

Our GIS records and a field visit indicate that there are existing APS facilities in the area of said proposed abandonment.

APS has no objection to the proposed abandonment of said Easement for Highway purposes with the stipulation that an Electric Easement be retained or granted to cover our facilities, said easement area per the attached legal and exhibit. I can assist with this easement document if needed.

Should you have further questions concerning this matter, please contact me at (602) 371-7033 or michael.bouche@aps.com.

Sincerely,

A handwritten signature in blue ink that reads "Michael J. Bouche". The signature is fluid and cursive, written over a light blue circular stamp.

Michael J. Bouche, R.L.S.
Senior Land Agent
Land Services Department
Arizona Public Service Company

Scottsdale Heights

Abandonment Application - Scottsdale Road

810-PA-2015

Utility Company Correspondence

10-AB-2016
08/23/16

Michele Hammond

From: Michael.Bouche@aps.com
Sent: Thursday, August 18, 2016 12:26 PM
To: Michele Hammond
Subject: RE: Scottsdale Heights

Michele,

If the area of the 55' easement that is outside (east) of the 75' road dedication is retained as a PUE, I will be good.

Let me know if you need anything else from me.

Mike

From: Michele Hammond [mailto:mh@berryriddell.com]
Sent: Wednesday, August 17, 2016 4:52 PM
To: Bouche, Michael J
Subject: RE: Scottsdale Heights

USE CAUTION - EXTERNAL SENDER:(mh@berryriddell.com)

Do not click on links or open attachments that are not expected.

For questions or concerns, please email the APS Cyber Defense Center team at ACDC@apsc.com or contact the APS Helpdesk.

Mike:

We would certainly be willing to maintain a PUE to cover the APS equipment. I asked our land planner and engineer if the development intends to utilize the equipment but it's too early for us to define the service location and needs. That being said, we should assume that the existing equipment will be utilized with a possibility for relocation. So as for now, we should maintain/dedicate a PUE.

Let me know if you have additional questions.

Thanks!

Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251
602-463-4081 cell
480-385-2753 direct
480-385-2757 fax
mh@berryriddell.com

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From: Michael.Bouche@aps.com [<mailto:Michael.Bouche@aps.com>]
Sent: Friday, August 12, 2016 11:56 AM
To: Michele Hammond <mh@berryriddell.com>
Subject: RE: Scottsdale Heights

Michele,

I have reviewed this and found that we do service this area and we do have existing equipment within this 55' easement. This equipment is also shown on the ALTA you provided. I cannot consent to this abandonment unless a PUE is retained to cover our equipment or I prepare an APS Utility Easement for this. Do you know if the planned development will be using this equipment as their power source or has relocate ideas for this?

Mike
602-371-7033

From: Michele Hammond [<mailto:mh@berryriddell.com>]
Sent: Wednesday, August 10, 2016 4:25 PM
To: Bouche, Michael J
Subject: Scottsdale Heights

Michael,

I am completing an abandonment application for the site shown in the attached graphic. Can you confirm whether or not APS serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
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CenturyLink
Network Real Estate
5025 N. Black Canyon Hwy
Phoenix, AZ 85015



9/2/2016

APPROVED
With Reservations

Michele Hammond
Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251

SUBJECT: Roadway Easements
Project Name: 7225 E. Dove Valley Rd.
APN: 216-51-298

Re: Request for vacation of the roadway easement on the property 7225 E. Dove Valley Rd., Scottsdale, Maricopa County, as described in more detail in the application, lying within the Northwest Quarter of Section 14 Township 5 North, Range 4 East, Gila and Salt River Meridian.

Michelle:

QWEST CORPORATION d/b/a CENTURYLINK QC has reviewed the request for the subject vacation and has determined that it has no objections with respect to the areas proposed for vacation.

It is the intent and understanding of CenturyLink that this Vacation shall not reduce our rights to any other existing easement or rights we have on this site or in the area.

This vacation response is submitted with the **stipulation** that an 8' Public Utility Easement be maintained on the West property line of 7225 E. Dove Valley Rd. on the new plat. A copy of the plat, when recorded, will be appreciated.

If CenturyLink facilities are found within the vacated area as described, the Applicant will relocate the facilities at Applicant's expense and within guidelines set by CenturyLink and all regulating entities. All relocations will be done under the supervision of a CenturyLink Inspector. Please note that our records indicate an abandoned cable which appears to run east from Scottsdale Rd. through the property. You need not worry about it, if found.

If you have questions or concerns, please call Gladys Zeilstra at 480-560-0404.

Sincerely yours,

Karen Caime
Right of Way Agent
Qwest Corporation d/b/a CENTURYLINK QC
APN: 216-51-298 Leasenet #:P779559
Cave Creek WCE: Jesus Arrieta



SOUTHWEST GAS CORPORATION

August 29, 2016

Michele Hammond
Berry Riddell LLC
6750 E. Camelback Road, Suite 100
Scottsdale, AZ 85251

Re: Vacation and Abandonment of roadway easement
REQ 4270 - Scottsdale & Dove Valley, Scottsdale, AZ

To Whom It May Concern:

Southwest Gas Corporation ("SWG") has reviewed the request to vacate and abandon a portion of roadway easement referenced above.

After review, SWG has determined that there are existing or proposed facilities in all or a portion of the area proposed to be vacated and has no objection to the request for vacation as presented; however, in order to protect these facilities, SWG requests a perpetual easement be saved and reserved to SWG as a condition of the Order of Vacation.

Please RESERVE and EXCEPT the following:

An easement to Southwest Gas Corporation on, over, in, under, across, above and through the area described in REQ No. 4270.

Nothing in this Vacation or response is intended or shall be construed to affect, reduce, or diminish any other existing property rights or easement SWG may have at this site or within the area affected. SWG retains the right to use any other reservations, easements, licenses or other property rights in which it may have an interest or that otherwise may be located within the area being vacated.

If you or the applicant have any questions; or if the applicant wishes to discuss this matter further, please contact Conflict Review at (480)730-3845.

Respectfully,

Alis Gause
Analyst I/Right-of-Way
(602)484-5281



August 18, 2016

Michele Hammond
Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251

RE: Abandonment Request for Scottsdale Heights - Abandonment Request APN# 216-51-298

Ms. Hammond,

I have reviewed the abandonment request for Scottsdale Heights - Abandonment Request APN# 216-51-298, in Scottsdale, AZ. Based upon the supplied drawings/exhibits that you've submitted, it has been determined that COX has no facilities within the PUE and therefore we approve your request to abandon.

Please note that although Cox Communications approves this abandonment we do so with the understanding that we will not assume any construction, relocation and/or repairs costs associated or in result of this abandonment.

If I can be of further assistance, please contact me using the contact information below.

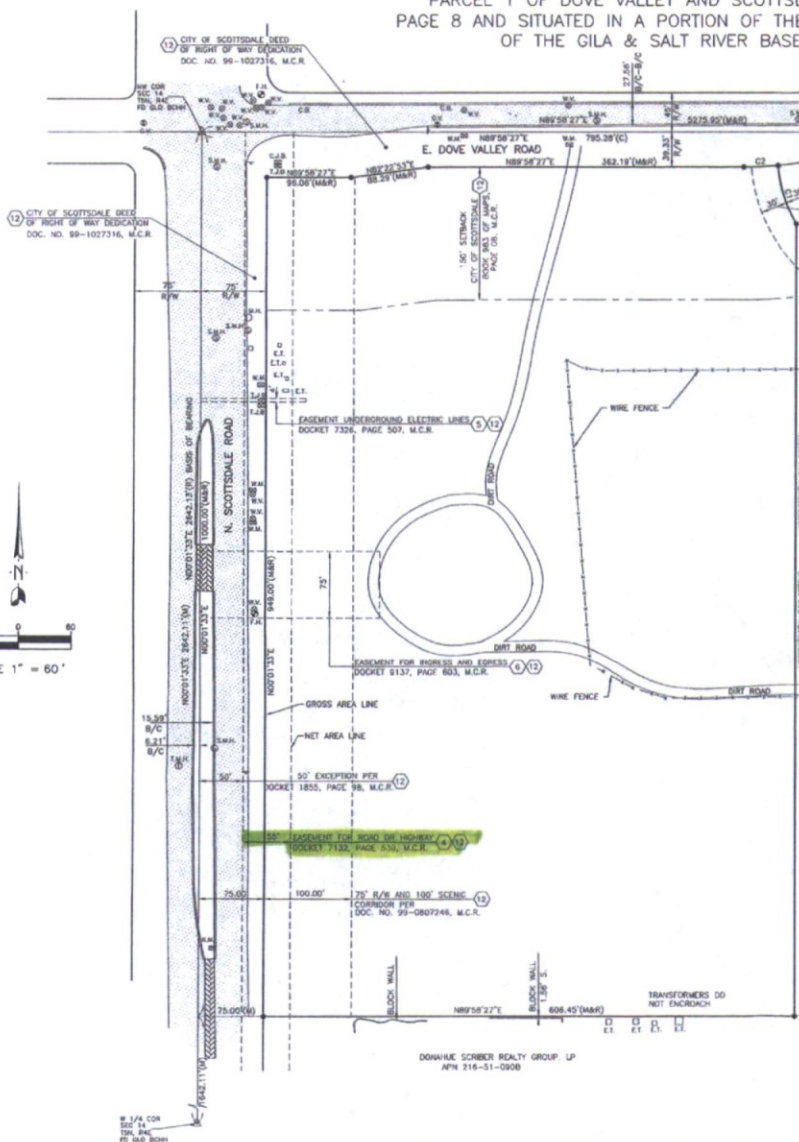
Kenny Hensman

Kenny Hensman

COX Communications
Permitting Group
Right of Way Agent II
kenny.hensman@cox.com

ALTA/ACSM LAND TITLE SURVEY

PARCEL 1 OF DOVE VALLEY AND SCOTTSDALE ROAD, AS RECORDED IN BOOK 983 OF MAPS, PAGE 8 AND SITUATED IN A PORTION OF THE NORTHWEST QUARTER, SECTION 14, T. 5 N., R. 4 E. OF THE GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA



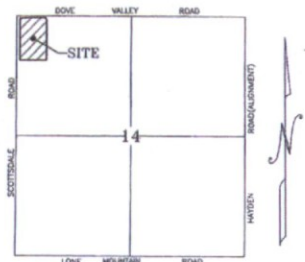
CURVE	LENGTH	CHORD	DELTA
C1	88.56	150.00	28°24'18\"
C2	88.55	150.00	28°24'43\"
C3	38.99	407.00	5°28'30\"
C4	143.45	407.00	18°54'47\"
C5	143.82	407.00	18°27'53\"

LEGEND

- (#) SCHEDULE "B" ITEM
- INDICATES A CORNER OF SURVEY SET A 1/2" BAR & CAP R.L.S. # 36070
- F.H. FIRE HYDRANT
- G.V. GAS VALVE
- W.V. WATER VALVE
- B/C BACK OF CURB
- T.J.B. TELEPHONE JUNCTION BOX
- C.J.B. CABLE JUNCTION BOX
- "T" SIGN
- C.B. CATCH BASIN
- T.M.H. TELEPHONE MANHOLE
- S.M.H. SEWER MANHOLE
- W.M. WATER METER
- E.T. ELECTRIC TRANSFORMER
- M.C.R. MARICOPA COUNTY RECORDER
- (M) MEASURED
- (R) RECORDED
- BRCH BRASS CAP IN HAND HOLE
- R/W RIGHT OF WAY
- APN ASSESSOR'S PARCEL NUMBER
- ASPHALT PAVEMENT
- BRICK PAVERS

SCHEDULE "B" DOCUMENTS

- (1) EASEMENT FOR ROAD OR HIGHWAY AND INCIDENTAL PURPOSES DOCKET 7132, PAGE 539, M.C.R. (PLOTTED)
- (2) EASEMENT UNDERGROUND ELECTRIC LINES AND INCIDENTAL PURPOSES DOCKET 7336, PAGE 507, M.C.R. (PLOTTED)
- (3) EASEMENT FOR EGRESS AND EGRESS AND INCIDENTAL PURPOSES DOCKET 8137, PAGE 603, M.C.R. (PLOTTED)
- (4) UNRECORDED AGREEMENT CONTAINED IN NOTICE OF REMBURSEMENT AGREEMENT RECORDED IN DOCUMENT NO. 88-493827, M.C.R. AND PARTIAL RELEASE RECORDED IN DOCUMENT NO. 00-0338754, M.C.R. (AFFECTS PROPERTY, NOT PLOTTED)
- (5) UNRECORDED AGREEMENT CONTAINED IN NOTICE OF REMBURSEMENT AGREEMENT RECORDED IN DOCUMENT NO. 89-403929, M.C.R. (AFFECTS PROPERTY, NOT PLOTTED)
- (6) UNRECORDED AGREEMENT CONTAINED IN NOTICE OF REMBURSEMENT AGREEMENT RECORDED IN DOCUMENT NO. 89-492929, M.C.R. AND PARTIAL RELEASE RECORDED IN DOCUMENT NO. 00-0338753, M.C.R. (AFFECTS PROPERTY, NOT PLOTTED)
- (7) COVENANTS, CONDITIONS, RESTRICTIONS, DOCUMENT NO. 89-0807249, M.C.R. RECORDED AS DOCUMENT NO. 89-1027218 AND AMENDMENT RECORDED AS 2007-0869776, M.C.R. (PLOTTED)
- (8) EASEMENT FOR UTILITIES AND SLOPE AND INCIDENTAL PURPOSES DOCUMENT NO. 2002-1033181, M.C.R. (DOES NOT AFFECT PROPERTY)
- (9) EASEMENTS, RESTRICTIONS, RESERVATIONS, CONDITIONS, AND SET-BACK LINES BOOK 983 OF MAPS, PAGE 08, M.C.R. (PLOTTED)



SEC 14 T 5 N, R 4 E
VICINITY MAP
N.T.S.

NOTES

- 1) THIS SURVEY WAS PERFORMED BASED ON INFORMATION CONTAINED IN A TITLE REPORT PREPARED BY CLEAR TITLE AGENCY OF ARIZONA, FILE NO. 10-517317, DATED JUNE 11, 2015
- 2) THE BASIS OF BEARINGS FOR THIS SURVEY IS THE WEST LINE NORTHWEST QUARTER OF SECTION 14, T. 5 N., R. 4 E. ALSO BEING THE CENTER LINE OF SCOTTSDALE ROAD USING A BEARING OF N00°01'33"E
- 3) NET AREA OF PARCEL IS 901,485 SQ. FT. OR 12,6569 ACRES. GROSS AREA OF PARCEL IS 579,835 SQ. FT. OR 13,3135 ACRES.
- 4) SUBJECT PROPERTY IS ZONED C-2 ESL (CENTRAL BUSINESS DISTRICT) SETBACK, HEIGHT AND BULK RESTRICTIONS ARE NOT CLEARLY DEFINED AND MAY APPLY.
- 5) ACCORDING TO FIRM FLOOD INSURANCE RATE MAP NO. 040130001C DATED OCTOBER 18, 2013, THE SUBJECT PROPERTY IS LOCATED IN ZONE A AND ZONE AE. ZONE A IS DESCRIBED AS "AREAS OF 100-YEAR FLOODS, AREAS OF 100-YEAR FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE, AND AREAS PROTECTED BY LEVEES FROM 100-YEAR FLOODS." ZONE AE IS DESCRIBED AS "BASE FLOOD ELEVATIONS DETERMINED."
- 6) THERE IS NO OBSERVABLE EVIDENCE OF EARTH MOVING, CURRENT OR RECENT CONSTRUCTION, NOR ANY EVIDENCE SITE HAS OR IS BEING USED AS A SOLID WASTE DUMP, SLUMP OR SANITARY LANDFILL.
- 7) THERE ARE NO WETLANDS ON PROPERTY

LEGAL DESCRIPTION

PARCEL 1 OF LAND DIVISION MAP FOR DOVE VALLEY AND SCOTTSDALE ROAD, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 983 OF MAPS, PAGE 08.

CERTIFICATION

TO: 124 SHEA INVESTMENTS LLC, AN ARIZONA LIMITED LIABILITY COMPANY
CLEAR TITLE AGENCY OF ARIZONA

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 2, 3, 4, 6, 7a, 7b, 7c, 8, 9, 10, 11b, 13, 16, 17 AND 18 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON JULY 15, 2015.

ROBERT J. BLAKE
DATE OF MAP: JULY 24, 2015
REGISTERED SURVEYOR STATE OF ARIZONA
RUSTICATION NO. 36070



Clouse Engineering, Inc.
BUSINESS SURVEYORS
1401 E. Camelback Road, Suite 100
Phoenix, AZ 85016
Tel: 602-998-3300 Fax: 602-998-3310

ALTA/ACSM LAND TITLE SURVEY
7225 EAST DOVE VALLEY ROAD
SCOTTSDALE, ARIZONA

Revised

Date: 07-24-15
As-Built
Job No. 150701

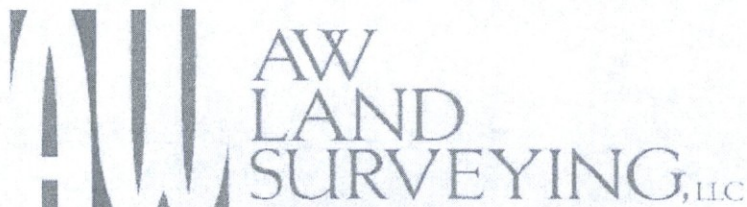
EXHIBIT A

LEGAL DESCRIPTION

Easement for Highway Purposes Easement Release

That portion of the Easement for Highway Purposes recorded in Docket 7132, Page 539, Maricopa County Records, lying within the North half of Section 14, Township 5 North, Range 4 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

The North 1000 feet of the East fifty five feet of the West 105 feet of the North Half of said Section 14.

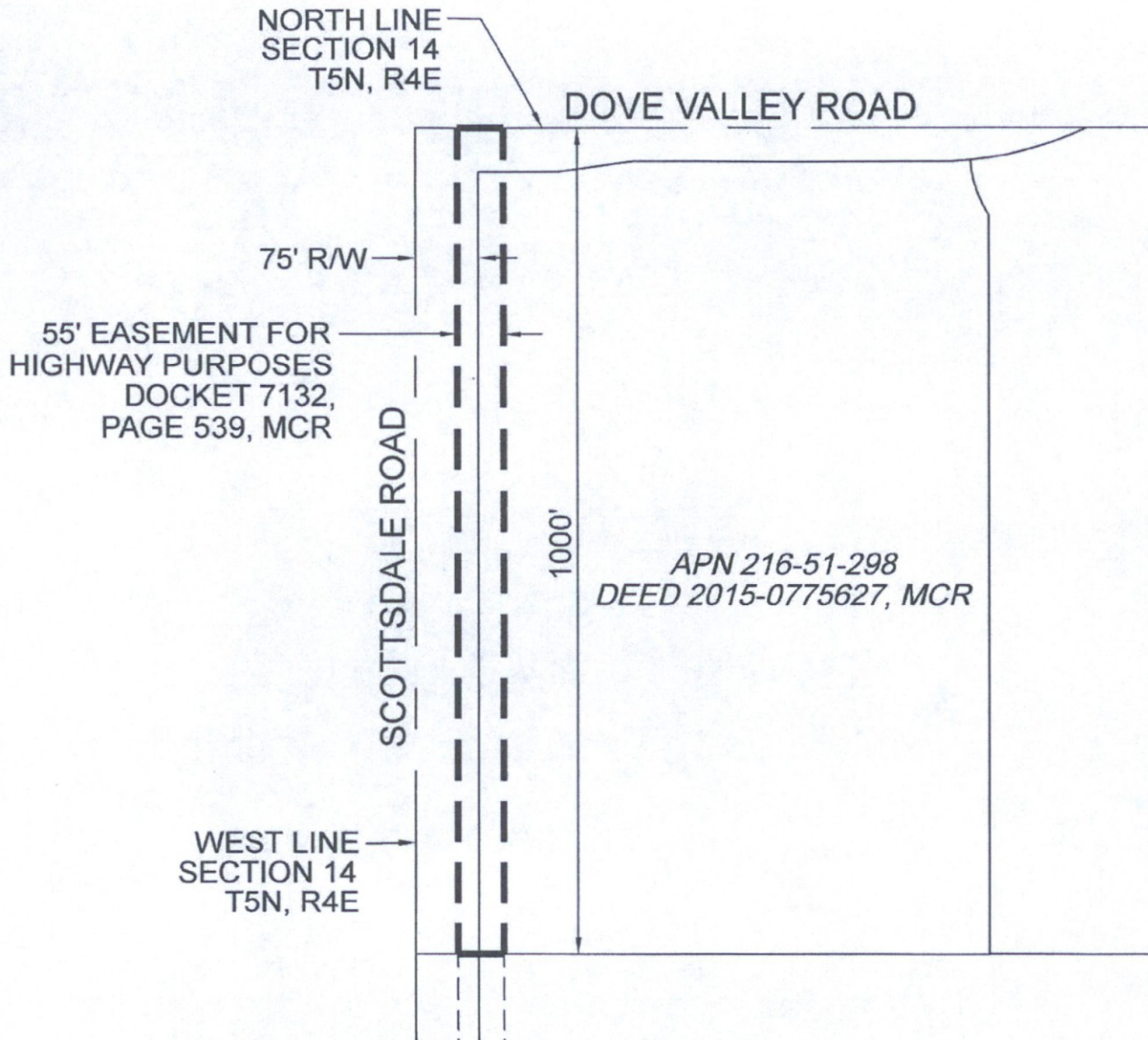


P.O. Box 2170, Chandler, AZ 85244
Daniel D. Armijo, RLS (480) 244-7630
Brian D. Warren, LSIT (480) 243-4287



August 10, 2016
AWLS #16-062

EXHIBIT "B"
EASEMENT FOR HIGHWAY PURPOSES
RELEASE OF EASEMENT



**AW
LAND
SURVEYING, LLC**

P.O. BOX 2170, CHANDLER, AZ 85244
(480) 244-7630
(480) 243-4287



DRAWN BY: DDA CHECKED BY: DDA DATE: 08/10/16 JOB NO.: 16-062

SHEET NO. **2 OF 2**

Michele Hammond

From: Wagner Sherry A <Sherry.Wagner@srpnet.com>
Sent: Thursday, August 11, 2016 11:19 AM
To: Michele Hammond
Subject: FW: Scottsdale Heights - Abandonment Request

From: Wagner Sherry A
Sent: Thursday, August 11, 2016 11:12 AM
To: 'mh@berryriddell.coim' <mh@berryriddell.coim>
Subject: FW: Scottsdale Heights - Abandonment Request

Michele,
SRP has no objection to the abandonment of Scottsdale Road south of Dove Valley Road as shown on your exhibit. This is in an APS serving area.
If you have any questions please feel free to contact me.
Sherry Wagner

Sherry Wagner

Sr. Right of Way Technician
602-236-3126

From: Streeper Matthew E (Matt)
Sent: Thursday, August 11, 2016 10:52 AM
To: Wagner Sherry A <Sherry.Wagner@srpnet.com>
Subject: FW: Scottsdale Heights - Abandonment Request

Sherry please review the email below and answer the customers questions. I think this is APS area but not sure.

Thank you Sherry

Matt

From: Michele Hammond [mailto:mh@berryriddell.com]
Sent: Thursday, August 11, 2016 10:04 AM
To: Streeper Matthew E (Matt) <Matt.Streeper@srpnet.com>
Subject: Scottsdale Heights - Abandonment Request

SRP EXTERNAL WARNING: PROCEED WITH CAUTION. WHEN IN DOUBT, REPORT IT!

Matt:

I am completing an abandonment application for the site shown in the attached graphic (SEC of Scottsdale & Dove Valley, Scottsdale, AZ). Can you confirm whether or not SRP serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251
602-463-4081 cell
480-385-2753 direct
480-385-2757 fax
mh@berryriddell.com

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Michele Hammond

From: Mann, Doug <DMANN@SCOTTSDALEAZ.GOV>
Sent: Thursday, August 11, 2016 10:45 AM
To: Michele Hammond
Subject: RE: Scottsdale Heights - Scottsdale Rd Abandonment

Hi Michele – the 75-foot right-of-way is sufficient for Water Resources' interests. We have no objection to your client's request to release the 55-foot wide roadway easement.

You can print this email as our response when submitting your application for release.

Doug Mann
9379 E San Salvador Drive
Scottsdale, AZ 85258
480.312.5636



"Water Sustainability through Stewardship, Innovation and People"

From: Michele Hammond [mailto:mh@berryriddell.com]
Sent: Thursday, August 11, 2016 9:50 AM
To: Mann, Doug
Subject: Scottsdale Heights - Scottsdale Rd Abandonment

Doug:

I am completing an abandonment application for the site shown in the attached graphic. Can you confirm whether or not you have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Related Zoning case is 9-ZN-2016.

Thank you!

Michele Hammond

From: Michele Hammond
Sent: Thursday, August 11, 2016 10:04 AM
To: 'matt.streeper@srpnet.com'
Subject: Scottsdale Heights - Abandonment Request
Attachments: Scottsdale Heights ALTA with Roadway Easement AB.PDF

Matt:

I am completing an abandonment application for the site shown in the attached graphic (SEC of Scottsdale & Dove Valley, Scottsdale, AZ). Can you confirm whether or not SRP serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251
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Michele Hammond

From: Michele Hammond
Sent: Thursday, August 11, 2016 10:07 AM
To: 'greg.cooper@swgas.com'
Subject: Scottsdale Heights - Abandonment Request
Attachments: Scottsdale Heights ALTA with Roadway Easement AB.PDF

Greg:

I am completing an abandonment application for the site shown in the attached graphic (SEC of Scottsdale & Dove Valley, Scottsdale, AZ). Can you confirm whether or not SW Gas serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251
602-463-4081 cell
480-385-2753 direct
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Michele Hammond

From: Michele Hammond
Sent: Thursday, August 11, 2016 10:10 AM
To: 'phnxrow@centurylink.com'
Subject: Scottsdale Heights - Abandonment Request
Attachments: Scottsdale Heights ALTA with Roadway Easement AB.PDF

Good Morning:

I am completing an abandonment application for the site shown in the attached graphic (SEC of Scottsdale & Dove Valley, Scottsdale, AZ). Can you confirm whether or not Century Link serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
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Michele Hammond

From: Michele Hammond
Sent: Wednesday, August 10, 2016 4:24 PM
To: 'Michael.Bouche@aps.com'
Subject: Scottsdale Heights
Attachments: Scottsdale Heights ALTA with Roadway Easement AB.PDF

Michael,

I am completing an abandonment application for the site shown in the attached graphic. Can you confirm whether or not APS serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
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Michele Hammond

From: Michele Hammond
Sent: Thursday, August 11, 2016 9:50 AM
To: 'dmann@scottsdaleaz.gov'
Subject: Scottsdale Heights - Scottsdale Rd Abandonment
Attachments: Scottsdale Heights ALTA with Roadway Easement AB.PDF

Doug:

I am completing an abandonment application for the site shown in the attached graphic. Can you confirm whether or not you have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Related Zoning case is 9-ZN-2016.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
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Michele Hammond

From: Michele Hammond
Sent: Thursday, August 11, 2016 9:53 AM
To: 'kenny.hensman@cox.com'
Subject: Scottsdale Heights - Abandonment Request
Attachments: Scottsdale Heights ALTA with Roadway Easement AB.PDF

Kenny,

I am completing an abandonment application for the site shown in the attached graphic (SEC of Scottsdale & Dove Valley, Scottsdale, AZ). Can you confirm whether or not COX serves this site and would they have any objection to the abandonment of this roadway easement? Please keep in mind that this roadway easement overlaps existing right-of-way and a scenic corridor, both of which will be maintained with our development proposal.

Thank you!



Michele Hammond

Principal Planner
BERRY RIDDELL LLC
6750 E. Camelback Road, Suite 100
Scottsdale, Arizona 85251
602-463-4081 cell
480-385-2753 direct
480-385-2757 fax
mh@berryriddell.com

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**AN APPRAISAL REPORT OF AN ABANDONMENT OF AN EASEMENT ACROSS
13.31 ACRES OF VACANT LAND
LOCATED AT THE SOUTHEAST CORNER OF
SCOTTSDALE ROAD AND DOVE VALLEY ROAD
SCOTTSDALE, MARICOPA COUNTY, ARIZONA 85266**

Prepared for and Authorized by

Mr. Michael Lieb
Shea 124 Investments, LLC
11811 North Tatum Boulevard, Suite 1051
Phoenix, AZ 85028

Effective Date of Valuation

May 25, 2016

Date of Inspection

May 25, 2016

Date of Report

June 10, 2016

Prepared by

Roger L. Dunlap, MAI
Roger L. Dunlap & Associates, LTD.
9401 East Diamond Rim Drive
Scottsdale, Arizona 85255

RLD File: Scottsdale - Dove Valley Abandonment

Client File: Scottsdale Heights -

Scottsdale & Dove Valley

Roger L. Dunlap & Associates, LTD.

**10-AB-2016
08/23/16**

RLD

Roger L. Dunlap & Associates, LTD.

Appraisals • Consulting • Litigation Support

June 10, 2016

Mr. Michael A. Lieb, Manager
Shea 124 Investments, LLC
C/O Ms. Michele Hammond
Principal Planner
Berry Riddell LLC
6750 East Camelback Road, Suite 100
Scottsdale, AZ 85251

Subject: Abandonment of an Easement Across 13.31 Acres of Vacant Land Located at the Southeast Corner of Scottsdale Road and Dove Valley Road, Scottsdale, Maricopa County, Arizona 85266

Dear Mr. Lieb:

Please find attached a copy of my appraisal report, containing 81 pages, wherein I provide an opinion of the market value of the subject property, in the fee simple estate, as well as the value of an easement abandonment. The effective date of valuation is May 25, 2016, the date of inspection. Mr. Michael Lieb is the client. The intended use of this report is for right-of-way and easement abandonment. The intended users of this report are Mr. Michael Lieb and Shea 124 Investments, LLC; and the City of Scottsdale.

The subject was vacant land on the date of inspection. The final value opinion is subject to the assumptions, limiting conditions, special limiting condition and value definition shown in the body of this appraisal report. There are no extraordinary assumptions or hypothetical conditions. During the course of this appraisal and analysis, the appraiser became familiar with the subject property and its location. The property inspection and all necessary investigation and analyses were made by the appraiser.

Sales and other market data for similar properties in the immediate and competing areas were analyzed, and well-informed individuals familiar with real estate values for this type of property were interviewed. The best available market data were analyzed. Public records were also utilized to assist in the valuation of this property.

Mr. Michael Lieb
June 10, 2016
Page 2

This appraisal has been prepared to comply with the appraisal reporting guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) as established by the Appraisal Foundation, and the Standards of Professional Practice as defined by the Appraisal Institute. As of the date of this report, Roger L. Dunlap has completed the requirements of continuing education for the Appraisal Institute and the State of Arizona.

The easement to be abandoned affects land area that will still be subject to a right of way dedication on the west 25 feet and to a scenic corridor on the east 30 feet. The abandonment of the easement has no practical impact on the subject property and only nominal value.

Based on the market data found in my research, appropriate analysis and professional judgment, it is my opinion that the "as is" market value of the subject property, in fee simple, as of the effective date of this appraisal, May 25, 2016, is:

**EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS
\$8,700,000**

Based on the market data found in my research, appropriate analysis and professional judgment, it is my opinion that the "as is" market value of the easement to be abandoned by the City of Scottsdale, in fee simple, as of the effective date of this appraisal, May 25, 2016, is:

**ONE THOUSAND DOLLARS
\$1,000**

This letter must remain attached to the report, which contains 81 pages plus related exhibits, for the value opinion set forth to be valid.

Assuming that the subject is marketed by a professional brokerage firm, it is my judgment that the subject could sell in its "as is" condition within a 3-6 month period if it were offered at a price within ten percent of the appraised value. Exposure time would be similar.

I appreciate the opportunity to be of service to you.

Respectfully Submitted,

Roger L. Dunlap

Roger L. Dunlap, MAI
Certified General Real Estate Appraiser
Arizona Certificate #31062

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Zoning Summary	

EXECUTIVE SUMMARY

Type of Property: 13.31 acres of vacant residential land (proposed transition from commercial zoning and land use plan designation)

Address/Location: At the southeast corner of Scottsdale Road and Dove Valley Road, Scottsdale, Maricopa County, Arizona 85266

Assessor Tax Parcel Number: 216-51-298

Total Full Cash Value: \$2,224,500 (2016)

Real Estate Taxes: \$5,079.36 (2015). There are no prior year delinquent taxes.

Interest Appraised: Fee simple

Site Area: ±13.31 acres or 579,825 SF (per Maricopa County Assessor)

Zoning: C-2 ESL, Central Business District and Environmentally Sensitive Lands

Flood Zone Designation: The subject is in Zone "X" - Map #04013C0895L. The effective date of the map is October 16, 2013. Flood insurance is not required in a Zone "X."

Highest and Best Use: Medium-density residential development

Date of Inspection: May 25, 2016

Effective Date of Market Value: May 25, 2016

Date of Report: June 10, 2016

Value Opinion

Subject Property: \$8,700,000

Property rights in easement to be abandoned: \$1,000

Marketing Period: 3-6 months

Exposure Time: 3-6 months

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. That the legal description for the subject property provided to the appraiser is correct.
2. An ALTA survey was provided to the appraiser. All other plans and specifications noted in this report are correct.
3. That the title to the property is marketable, free and clear of all liens.
4. That the property is appraised as if owned in fee simple.
5. That the fee simple interest in the property signifies all ownership interests of the property rights subject only to the limitations of the four powers of government.
6. That responsible ownership and competent management exist for the property.
7. That the appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is he responsible for the reliability of government data utilized in the report.
8. That compensation for appraisal services rendered is dependent only upon the delivery of this report and that it is not contingent upon the value opinions herein.
9. That this report considers nothing of a legal character and that the appraiser assumes no responsibility for matters of a legal nature.
10. That testimony or attendance in court is not required by reason of this appraisal, unless arrangements are previously made.
11. That hidden defects within the materials of the structures, or defects which are inaccessible to normal inspection, are not the responsibility of the appraiser.
12. That construction, whether existing or to be completed, is assumed to be done according to the plans and specifications furnished to the appraiser, and that such construction is legal in character and meets all governmental requirements.
13. That information furnished by the client, property owner, agent or management is correct as received.
14. That neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser. That no part of this appraisal may be reproduced without the permission of the appraiser.

15. That the appraiser cannot predict or evaluate the possible effects of future wage price control actions of the government upon rental income or financing of the subject property; hence, it is assumed that no control will apply which would nullify contractual agreements, thereby changing property values.
16. That the subject property is not, nor will be, in violation of the National Environmental Policy Act, the State Environmental or Clean Air Act, or any and all similar government regulations or laws pertaining to the environment.
17. That this report is the confidential and private property of the client and the appraiser. Any person other than the appraiser or the client who obtains and/or uses this report or its contents for any purpose not so authorized by the appraiser or the client is hereby forewarned that all legal means to obtain redress may be employed against him/her.
18. That adequate utility services are available for the subject property and that they will continue to be so in the foreseeable future. These include electricity, water and sewer.
19. An environmental site survey was not provided to the appraiser. Moreover, the appraiser is not qualified to detect or evaluate the subject site for environmental criteria. Thus, this appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers, urea formaldehyde foam insulation, or other toxic, hazardous or contaminated substances, and/or underground storage tanks (containing hazardous materials), or the cost of encapsulation or removal thereof.
20. Statement of Policy. The following statements represent official policy of the Appraisal Institute with respect to neighborhood analysis and the appraisal of residential real estate:
 - a. It is improper to base a conclusion or opinion of value upon the premise that the racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.
 - b. Racial, religious, and ethnic factors are deemed unreliable predictors of value trends or price variance.
 - c. It is improper to base a conclusion or opinion of value, or a conclusion with respect to neighborhood trends, upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.

Special Limiting Condition

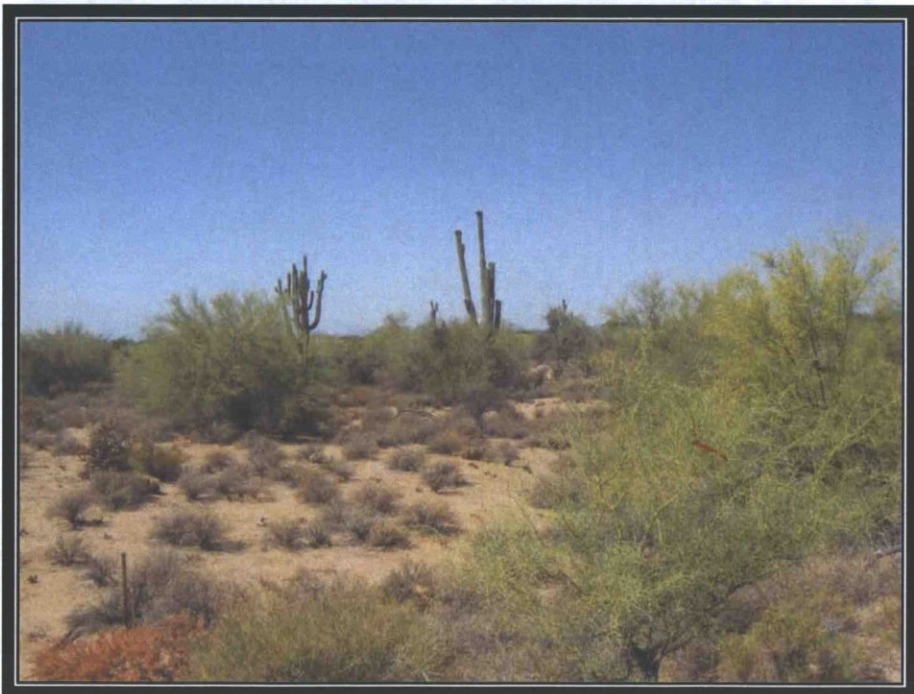
1. The following items relating to the subject were not available to the appraiser: Phase I environmental report, soil report, title report, complete plans and specifications.

SUBJECT PHOTOGRAPHS

All photos were taken on May 25, 2016



Looking south from the northeast corner of the subject property



Looking southwest from the northeast corner of the subject property



Looking east from the northwest corner of the subject property



Looking southeast from the northwest corner of the subject property



Looking south from the northwest corner of the subject property



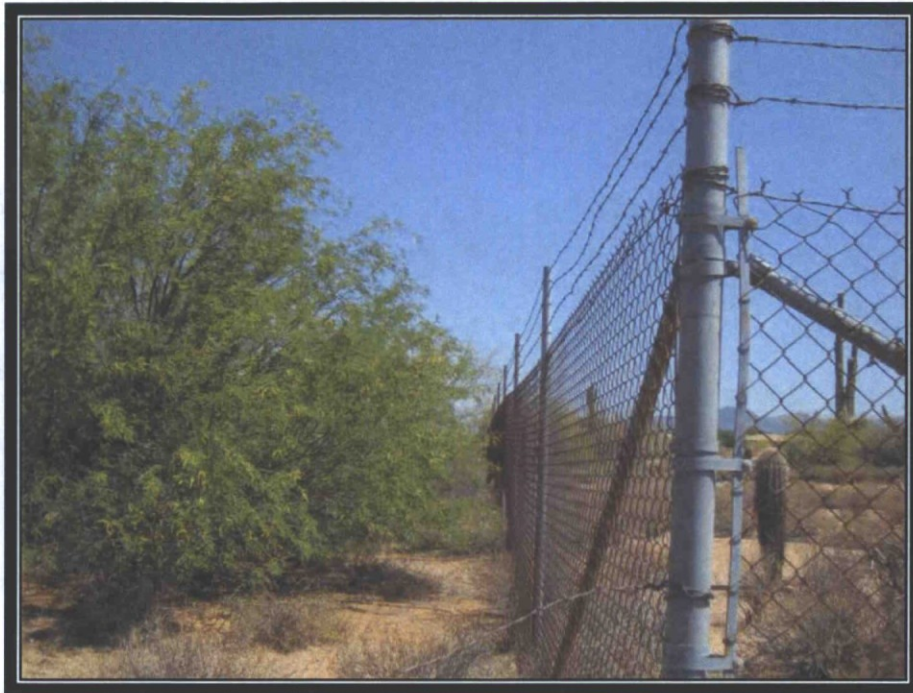
Rezoning sign on subject property



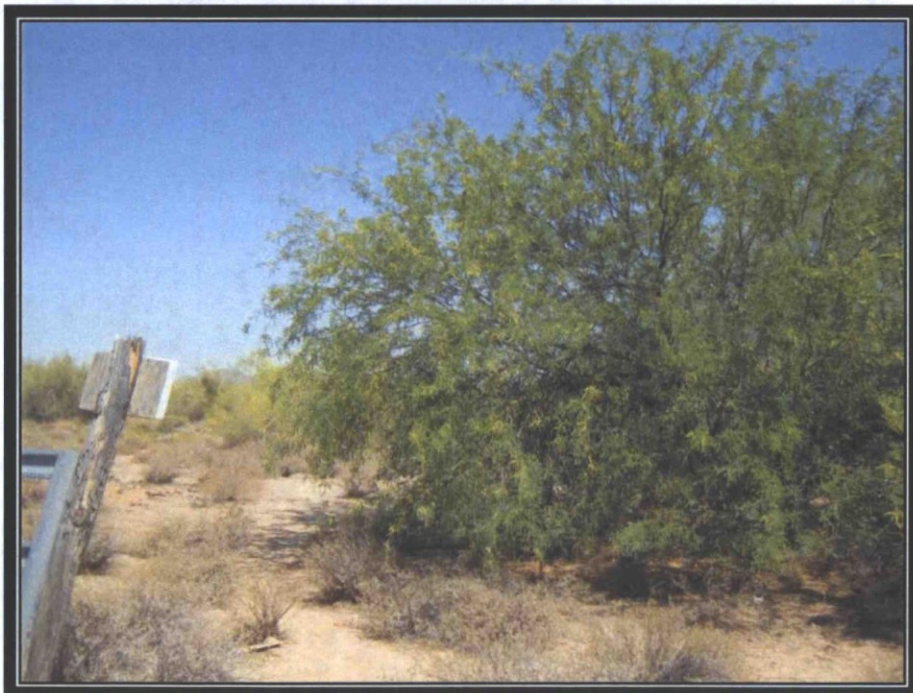
Gas easement marker



Southeast property corner



Looking north from the southeast corner of the subject property



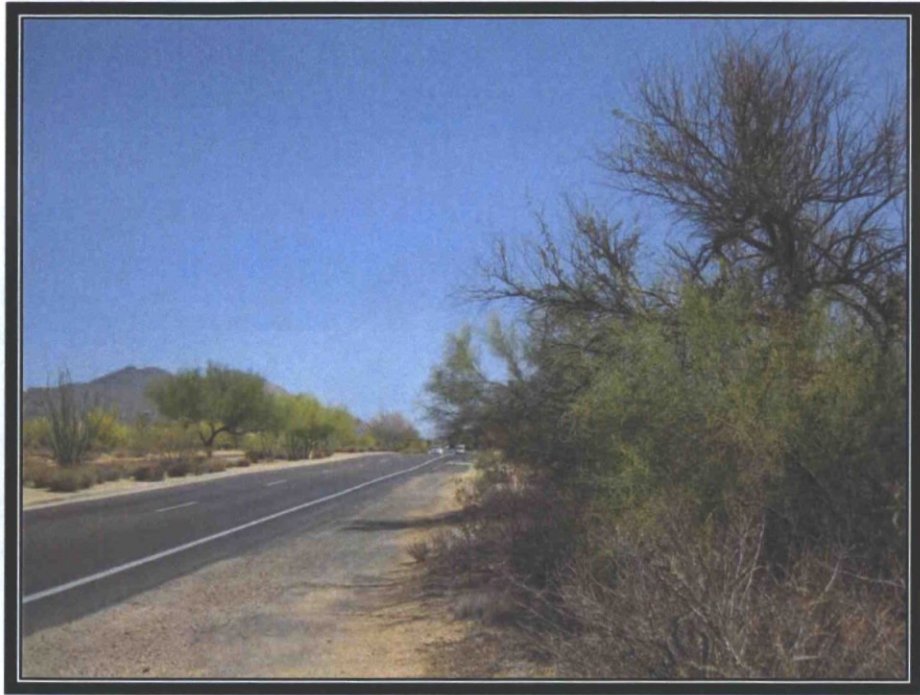
Looking northwest from the southeast corner of the subject property



Looking east from the southwest corner of the subject property



Looking northeast from the southwest corner of the subject property



Looking north from the southwest corner of the subject property

INTRODUCTION

DESCRIPTION OF THE ASSIGNMENT

The client has requested an estimate of value for the entire subject property and for the easements and right-of-way that need to be abandoned by the City of Scottsdale, so that the City can be compensated and abandon the easements and rights of way. Final plat approval can then be secured so that the client can record a plat and develop the proposed subdivision. The property must be appraised so that the City can be compensated at market value for the City-owned property to be conveyed into private ownership.

This appraisal has been prepared to comply with the appraisal reporting guidelines of the Uniform Standards of Professional Appraisal Practice (USPAP) as established by the Appraisal Foundation, and the Standards of Professional Practice as defined by the Appraisal Institute.

IDENTIFICATION OF SUBJECT PROPERTY

The subject property is 13.31 acres of vacant land located at the southeast corner of Scottsdale Road and Dove Valley Road in Scottsdale, Arizona. It is in Section 14, T5N, R4E, G&SRB&M. A copy of the subject's legal description is located in the addenda at the end of the report.

SCOPE OF WORK

The scope of work included:

1. A physical inspection of the subject property;
2. A collection of zoning information from the City of Scottsdale, including any stipulations which may affect the use of the property;
3. Conversations with market participants, including real estate brokers, property owners and representatives of financial institutions, etc., in the Phoenix metro area;
4. Examination and analysis of the market relative to the subject property's area, using data developed by the appraiser as well as secondary sources of information;
5. Primary data collection, including gathering sales of comparable properties as well as other relevant market data; and,
6. Application of the relevant approaches to value based on the highest and best use of the subject property as well as the availability of pertinent market data.

On the date of value, the appraiser inspected and photographed the subject property.

In the search for data, the appraiser employed Xceligent CDX Commercial Real Estate Research, Realquest, Loopnet, and the Internet sites of the Maricopa County Assessor, Recorder and Treasurer as well as others.

In the course of completing this appraisal, the following individuals (among others) who are familiar with real estate values in the subject's market, and/or the subject property type were consulted:

Bev Peterson, Planner with Town of Carefree (480)488-3686
Vickie, Planning clerk with Town of Carefree (480)488-3686
Chris Brozina, Mark-Taylor Residential Inc., MT Pinnacle LLC, (480) 991-9111
Michael Lieb, Shea 124 Investments, LLC; President, Michael A. Lieb, Ltd (602) 870-9741
Kevin Ransil, Development Partner for JLB Partners (480) 717-6575
Richard M. Eneim, vice-president and principal with Keystone Homes (480) 428-1001

Purpose, Intended Use, Client and Intended User of the Appraisal

The purpose of this appraisal is to estimate the market value of the subject and the easements and rights of way that need to be abandoned as of May 25, 2016, the date of valuation, in the fee simple interest. Mr. Michael Lieb is the client. The intended use of this report is for right-of-way and easement abandonment. The intended users of this report are Mr. Michael Lieb and Shea 124 Investments, LLC; and the City of Scottsdale.

Property Rights Appraised

This appraisal values the fee simple estate which can be defined as:

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.¹

The appraisal also values the right of way easement that is proposed for abandonment. An easement is defined as:

Easement

An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right-of-way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.²

¹Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. s.v."fee simple estate" (Chicago: Appraisal Institute, 2002). CD-ROM

²*The Dictionary of Real Estate Appraisal*, Third Edition, 1993, Page 110.

Effective Date of Valuation and Date of the Report

The subject property was inspected on May 25, 2016. Therefore, the effective date for the “as is” market valuation is May 25, 2016. The report date is June 10, 2016.

Definition of Market Value

Market value is defined by the Office of the Comptroller of the Currency under 12 CFR, Part 34, Subpart C-Appraisals, 34.42 Definitions [f], as follows:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;*
- (2) Both parties are well-informed or well-advised, and acting in what they consider their own best interests;*
- (3) A reasonable time is allowed for exposure in the open market;*
- (4) Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and*
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.³*

Ownership History of the Subject Property

No title report was provided by the client. According to a review of the public record report, parcel 216-51-298 (7225 East Dove Valley Road) is vacant and has a land area of reportedly 579,825 SF. The subject was the previous home of Carefree Studios which was utilized for the filming of the Dick Van Dyke TV show. This site was annexed into the City of Scottsdale with commercial zoning in the 1980's. Improvements on the subject have since been removed and the site has been vacant for approximately two decades.

The subject property is owned by Shea 124 Investments LLC, and HV & Canal LLC. Shea 124 Investments LLC, and HV & Canal LLC acquired the property from Dove Valley Scottsdale, LLC via a special warranty deed dated October 28, 2015, document #2015-150775627, records of Maricopa County. The sale price was \$8,260,000.

³*Federal Register*, vol. 55, no. 163, August 11, 1990, pages 34228 and 34229; also quoted in the Glossary of the Uniform Standards of Professional Practice, 2000 edition.

The property was originally acquired by Rex Corporation from MDT Holdings, L.L.C. and Berkus Family Partnership, L.P., via a special warranty deed dated March, 14, 2005, document #2005-0329066, records of Maricopa County. The sale price was \$12,913,362. The subject was subsequently transferred through a series of non-arms' length transfers to Dove Valley Scottsdale, LLC, in 2007, via special warranty deed, document #2007-1319207. The sale in 2005 occurred near the peak of the market, just prior to the Great Recession and is not useful in determining the current land value of the subject.

There have been no other reported sales of the subject property in the previous five years and it was not listed for sale as of the date of valuation.

The subject was vacant land on the date of inspection.

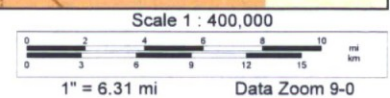
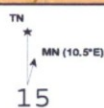
Area Map



Data use subject to license.

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www.delorme.com



AREA ANALYSIS

Metropolitan Phoenix is located in Maricopa County which is also known as the “Valley of the Sun.” Maricopa County is located in south central Arizona and contains ±9,127 square miles of land area. Phoenix is the state capital, county seat and the largest city in the state. Maricopa County has grown to become the 4th largest county in the country in terms of population. Growth has been attributed to a variety of factors, including favorable cost of living, recreational opportunities, weather and availability of employment. The official town site was originally selected in 1870, although several people were living in the area in the early 1860's. In the late 1860's, the Swilling Irrigation Canal Company was organized and is responsible for giving Phoenix its name. The new city was to be located on top of ancient canals and villages of a vanished civilization and therefore rise upon the ashes of the old - just as the legendary Phoenix Bird, when consumed by fire, rose from its own ashes. Phoenix was incorporated in 1881.

Figure 1

Arizona, U.S. Economic Indicators			
Unemployment Rate (Seasonally Adj.)			
	<u>Mar '16</u>	<u>Feb '16</u>	<u>Mar '15</u>
United States	5.0%	4.9%	5.5%
Arizona	5.4%	5.5%	6.2%
Arizona unadjusted rate	5.1%	5.2%	5.4%

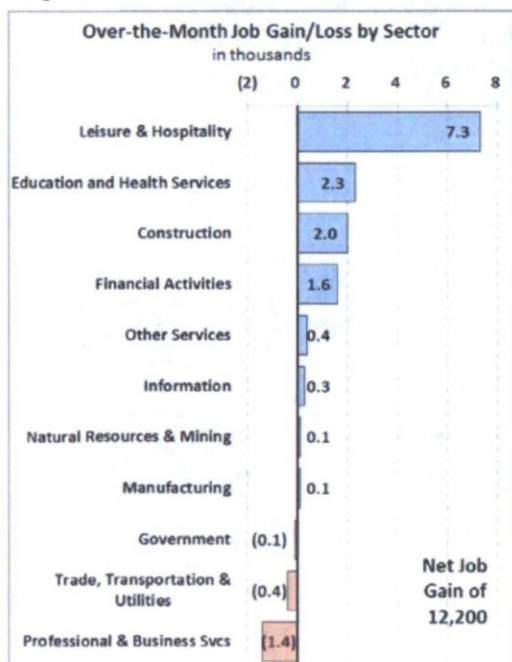
Arizona Nonfarm Employment (in Thousands)			
	<u>Mar '16</u>	<u>Feb '16</u>	<u>Mar '15</u>
Overall	2,712.6	2,700.4	2628.3
Over-Month % Chg.	0.5%	1.0%	0.3%
Year-to-Year % Chg.	3.2%	3.0%	2.4%

Arizona's seasonally adjusted unemployment rate dropped one-tenth of a percentage point from 5.5% in February to 5.4% in March. The U.S. seasonally adjusted unemployment rate increased from 4.9% in February to 5.0% in March. A year ago, the Arizona seasonally adjusted rate was 6.2% and the U.S. rate was 5.5% (see **Figure 1**).

Over the Month

Arizona gained 12,200 Nonfarm jobs (0.5%) in March (see **Figure 2**). This was more than the post-recessionary ('10-'15) average gain of 11,800 jobs. The Private Sector gained 12,300 jobs (0.5%), which is slightly less than the post-recessionary ('10-'15) average gain of 12,700 jobs in March. Gains were recorded in eight of the eleven sectors while three sectors posted losses. The gains were reported in Leisure and Hospitality (7,300 jobs), Education and Health Services (2,300 jobs), Construction (2,000 jobs), Financial Activities (1,600 jobs), Other Services (400 jobs), Information (300 jobs), Natural Resources & Mining (100 jobs), and Manufacturing (100 jobs). Losses were reported in Government (100 jobs), Trade, Transportation & Utilities (400 jobs), and Professional & Business Svcs (1,400 jobs). The net job gain was 12,200 jobs.

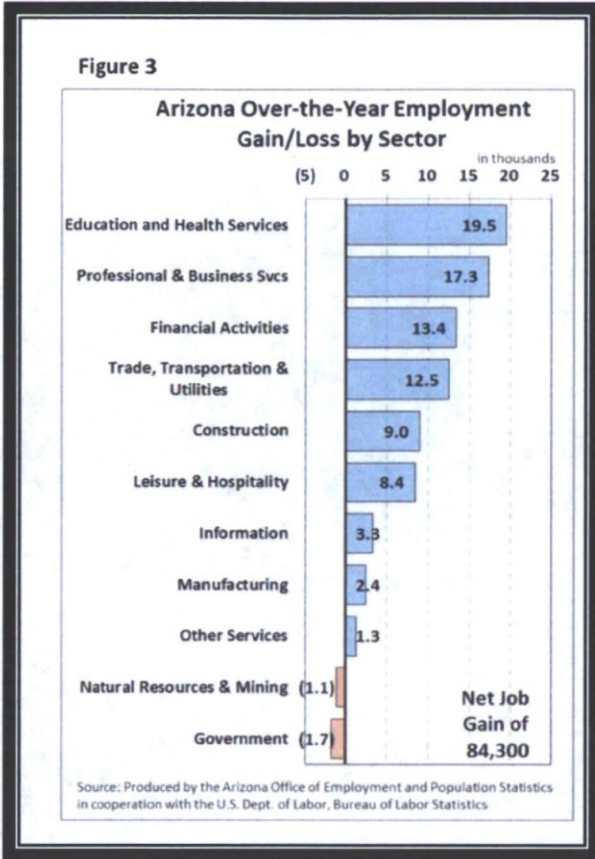
Figure 2



jobs), Natural Resources and Mining (100 jobs) and Manufacturing (100 jobs). The losses were recorded in Professional and Business Services (-1,400 jobs), Trade, Transportation and Utilities (-400 jobs) and Government (-100 jobs).

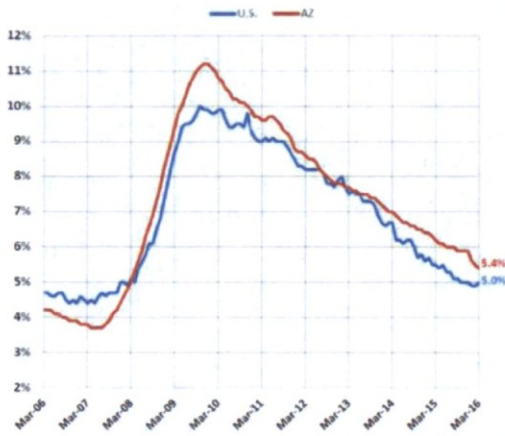
Over the Year

Arizona Nonfarm employment grew by 3.2% (84,300 jobs) over the year in March (see **Figure 3**). The Private Sector accounted for all of the March gains, adding 86,000 jobs (3.9%). Government employment declined by 1,700 jobs (-0.4%) in March. Nine of the eleven sectors reported job gains while two sectors reported losses. The sectors with the largest gains included Education and Health Services (19,500 jobs), Professional and Business Services (17,300 jobs) and Financial Activities (13,400 jobs). Other employments gains were reported in Trade, Transportation and Utilities (12,500 jobs) Construction (9,000 jobs), Leisure and Hospitality (8,400 jobs), Information (3,300 jobs), Manufacturing (2,400 jobs), and Other Services (1,300 jobs). Job losses were reported in Government (-1,700 jobs) and Natural Resources And Mining (-1,100 jobs).

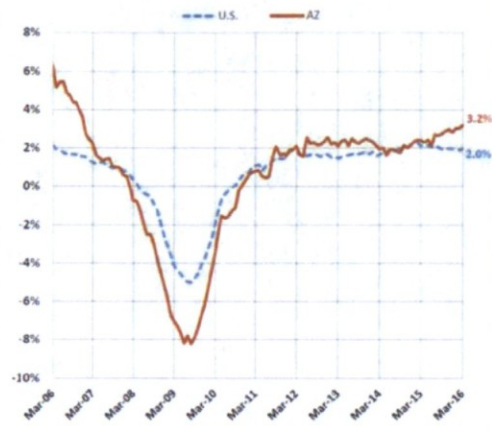


LABOR MARKET TRENDS CHARTS

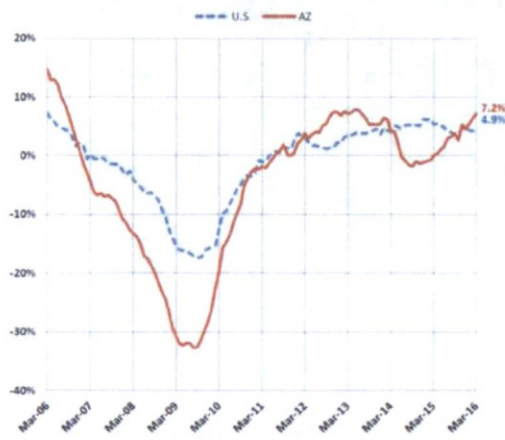
**Arizona & U.S. Unemployment Rate
Seasonally Adjusted**



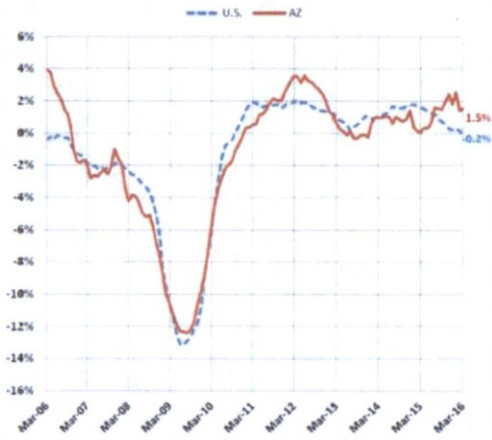
**Arizona & U.S. Nonfarm Employment
Year-to-Year Percent Change**



**Arizona & U.S. Construction Employment
Year-to-Year Percent Change**



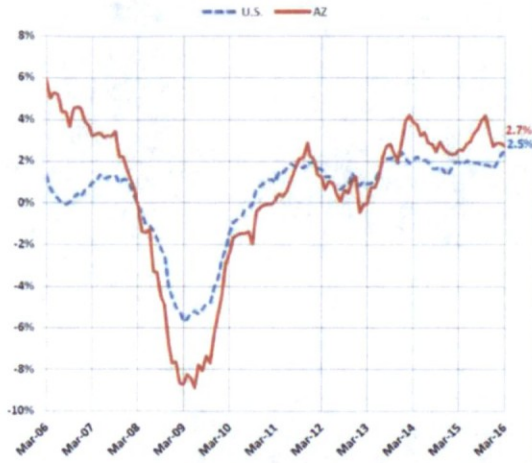
**Arizona & U.S. Manufacturing Employment
Year-to-Year Percent Change**



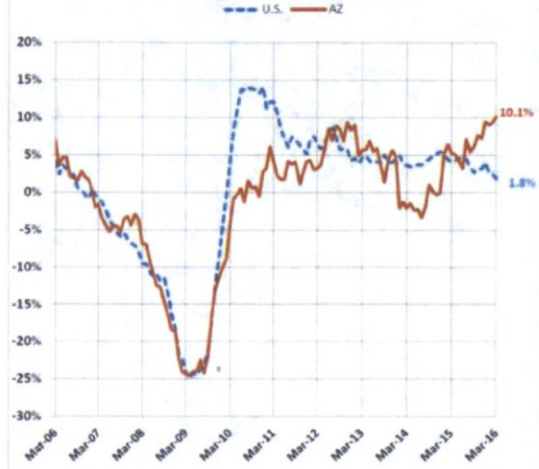
Source: Prepared by the Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

LABOR MARKET TRENDS CHARTS

**Arizona & U.S. Retail Trade
Year-to-Year Percent Change**



**Arizona & U.S. Employment Services
Year-to-Year Percent Change**



**Arizona & U.S. Health Care
Year-to-Year Percent Change**



**Arizona & U.S. Leisure & Hospitality
Year-to-Year Percent Change**



Source: Prepared by the Arizona Office of Employment and Population Statistics, in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

MARICOPA COUNTY UNEMPLOYMENT RATES

Year	Annual Average
2000	2.7%
2001	3.9%
2002	5.6%
2003	4.9%
2004	4.0%
2005	4.1%
2006	3.5%
2007	3.6%
2008	5.7%
2009	7.7%
2010	8.6%
2011	7.7%
2012	7.1%
2013	6.7%
2014	5.8%
2015	5.1%

MARICOPA COUNTY LABOR FORCE 2015													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVERAGE
Total Civilian Labor Force	2,000,281	2,003,039	1,996,057	2,004,259	2,004,835	2,007,037	1,998,408	1,997,633	2,013,838	2,019,091	2,023,909	2,018,780	2,007,264
Total Employment	1,886,514	1,897,231	1,902,464	1,908,943	1,914,623	1,900,314	1,885,650	1,884,530	1,905,798	1,915,240	1,924,785	1,924,797	1,904,239
Total Unemployment	113,767	105,808	93,593	95,316	90,212	106,723	112,758	113,103	108,040	103,851	99,144	93,983	103,025
Unemployment Rate	5.7%	5.3%	4.7%	4.8%	4.5%	5.3%	5.6%	5.7%	5.4%	5.1%	4.9%	4.7%	5.1%

Population Data and Trends

The US Census Bureau estimates population in Maricopa County of 4,076,438 in 2015 compared to a population of 3,072,149 in 2000. This represents a compounded growth rate of 2.07% per year. The following table illustrates population growth in Maricopa County from 2000-2015.

MARICOPA COUNTY HISTORIC POPULATION GROWTH

Year	Population	% Change From Previous Year
2000	3,072,149	
2001	3,173,219	3.29%
2002	3,261,203	2.77%
2003	3,353,875	2.84%
2004	3,559,540	6.13%
2005	3,577,074	0.49%
2006	3,663,915	2.43%
2007	3,753,413	2.44%
2008	3,808,829	1.48%
2009	3,821,136	0.32%
2010	3,817,117	-0.11%
2011	3,843,370	0.69%
2012	3,884,705	1.08%
2013	3,944,859	1.55%
2014	4,008,651	1.62%
2015	4,076,438	1.69%

Source: Office of Employment & Population Statistics, Arizona Dept. of Administration

Most of the population growth has occurred outside the city of Phoenix where there is more developable land. Population increases are primarily attributed to employment opportunities, affordable housing, good weather and economic dislocation from other regions. Maricopa County currently accounts for about 60 percent of the State's population.

Although the Phoenix metropolitan area has exhibited strong long-term historical growth, annual net population gains have varied substantially, following the economic cycles affecting the region. During economic downturns, new in-migration typically declines. The fact that 2010 saw the first decline in the County's population since World War II, is a testament to the severity of the market downturn that was unfolding at the time. Population growth projections show growth of 1.4%/year to the year 2050.

Arizona Population Estimates and Projections

County	2015 Population Estimates	2050 Population Projections	Average Annual Numeric Change	Annualized growth rate
Apache	72,215	59,900	-352	-0.5%
Cochise	129,112	157,900	823	0.6%
Coconino	141,602	173,000	897	0.6%
Gila	54,406	53,900	-14	0.0%
Graham	38,475	54,200	449	1.0%
Greenlee	10,555	10,600	1	0.0%
La Paz	21,183	22,900	49	0.2%
Maricopa	4,076,438	6,698,400	74,913	1.4%
Mohave	205,716	310,900	3,005	1.2%
Navajo	109,671	119,500	281	0.2%
Pima	1,009,371	1,370,500	10,318	0.9%
Pinal	406,468	1,035,500	17,972	2.7%
Santa Cruz	50,270	70,200	569	1.0%
Yavapai	217,778	337,900	3,432	1.3%
Yuma	214,991	345,700	3,735	1.4%
Arizona	6,758,251	10,821,000	116,079	1.4%

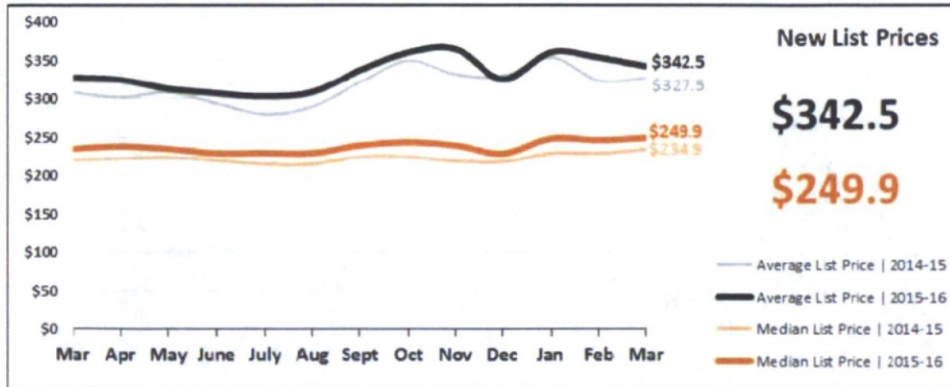
The region typically attracts a continual flow of immigrants seeking new opportunities. This employment-related in-migration has brought a large number of young, well-educated residents to the region. The median age of Maricopa County residents is 33.6 years, which is somewhat younger than the national median of 36 years. About 50 percent of the population is in the prime work force age range of 20 to 59 years old. The median household income is \$55,099 in Maricopa County per the 2012 data. Maricopa County also offers a well-educated work force. About 26 percent of adults have some college education, and

an additional 33 percent have completed an associate's, bachelor's or graduate degree.

Housing

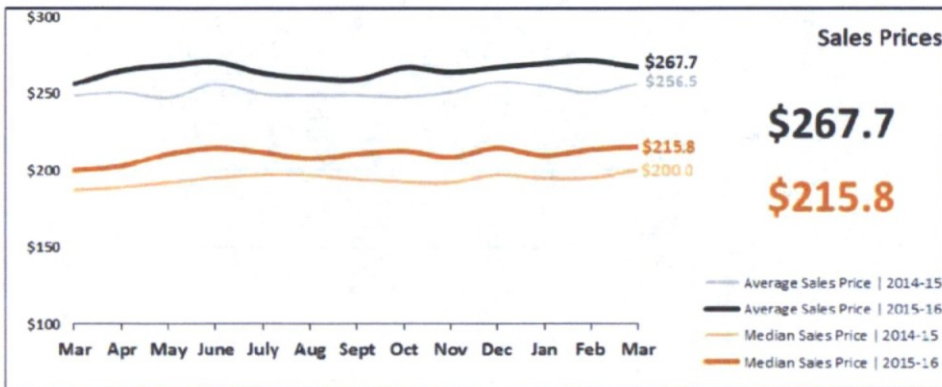
During the boom period of 2003 through 2007, metropolitan Phoenix averaged 49,158 single family permits per year with 60,872 permits issued in 2004 and 63,570 permits issued in 2005, according to R.L. Brown. In 2011 there were only 7,204 permits issued and 11,852 were issued in 2012. In 2013 there were 12,432 permits issued. In 2014, the year-over-year number of permits fell 12% to 10,997. The Town of Gilbert Planning Department provided the statistics found in the following table. This table depicts the single family building permit activity for most of the cities in the metro area. The slightly under 16,000 issued permits in 2015 is a 44% increase over 2014, but far below the pace of previous recovery periods.

The following statistics are provided by the Arizona Regional Multiple Listing Service (MLS)
ARMLS® COPYRIGHT 2016



New average list prices are up +4.6% year-over-year average. The year-over-year median is up +6.4%.

List prices of new listings with list dates from 3/1/2016 to 3/31/2016, 0 day DOM sales removed



Sales prices are up +4.4% year-over-year on average while the year-over-year median is also up +7.9%.

MLS sales prices for closed listings with a close of escrow date from 3/1/2016 to 3/31/2016, 0 day DOM sales removed

About 92 percent of the housing stock is made up of single family houses and townhouses. Relative to other large urban areas, Maricopa County offers a wide variety of reasonably priced, newer housing. As of March 2016, median sale prices increased from \$200,000 year-over-year for 2014-2015 to \$215,800 for 2015-2016. The increase is 7.9%. Average sale prices increased from \$256,400 to \$267,700 or 4.4%. Average marketing time is 81 days.

**Maricopa Association of Governments
Population and Housing Inventory Projections for Maricopa County**

Year	Total Resident Population		Total Housing Units	
	Total	In Households	Total	Occupied
2005	3,681,025	3,616,690	1,479,767	1,352,967
2010	4,216,499	4,142,401	1,685,134	1,556,706
2020	5,230,300	5,139,943	2,104,440	1,959,300
2030	6,135,000	6,029,587	2,502,040	2,331,270

The housing inventory projections reflect net additions to the inventory after demolitions and therefore, understate in a relatively minor way total new construction activity. Recent trends have surpassed previous projection estimates which has led to the overbuilt market.

Utilities

Although water supply is constrained in an arid desert climate such as Phoenix, there is generally adequate water for the overall region. The completion of the Central Arizona Project (CAP) has allowed the Phoenix area to receive water transported from the Colorado River to supplement local surface and groundwater supplies. However, increasing limitations on groundwater pumping have been mandated by the Arizona Groundwater Management Code, requiring a gradual total cutback in the 500,000 acre-feet of groundwater which is over drafted annually. These regulations will have an impact on development patterns in the metropolitan area, but are not generally expected to constrain overall growth in the economy and population. The Palo Verde Nuclear Power Project is expected to provide adequate electrical power to serve anticipated population and employment growth. Utility services are adequate and are typically provided by the following:

Electricity:	Salt River Project, Arizona Public Service Company
Natural Gas:	Southwest Gas Company
Telephone:	CenturyLink & others
Water:	Salt River Project/Municipal
Sewer:	Municipal

Availability of water, sewer, electricity and gas has historically been adequate in the metro area. Utility costs have been average for the metro area, particularly when compared with other similar metro areas in the West. At this time, there are no factors which suggest any changes in the adequacy of utility services in the metro area. The trend for solar use and development is gaining momentum. Future development potential is not hampered by current or foreseeable utility shortages in the metro area.

Transportation

The metropolitan area has major airport and freeway infrastructure developments underway which will substantially improve accessibility within the region. According to the public information office at Sky Harbor International Airport, the airport is the 9th busiest airport in the country in terms of number of total passengers. Airline passenger traffic for 2015 was 44,006,205; which is a large increase from 38,554,530 in 2010. Forecasts suggest a continuing upward trend assuming stable economic conditions.

In order to meet continued demand, the airport has recently completed several extensive upgrades and projects at an estimated cost of \$2.0 billion. The projects include an automated train, new taxiways, and continuation of on-going improvements to airport security.

The Phoenix metropolitan area is served by Interstate 17 (I-17), which runs in a north/south direction and Interstate 10 (I-10), which merges with I-17 near Sky Harbor International Airport. I-17 provides access to Prescott and Flagstaff to the north. I-10 provides access to Los Angeles to the west and Texas, New Mexico and Southeastern and Atlantic Seaboard states to the east. Other metro freeways such as the Loop 101, Loop 202 and the San Tan Freeway also provide access for travelers. According to The Maricopa Association of Governments, new freeways will be added over the next several years, some of which are currently under construction. If population continues to grow as in the past, the freeway system will most likely remain over-taxed. Inefficient transportation has resulted from the development of urban centers and residential developments scattered throughout the metropolitan area. This situation has exacerbated the problem of designing an efficient mass transit system. The light rail project opened for operation in December 2008. The expansion of an additional 3.1 miles to Mesa opened August 22, 2015. Transportation availability and efficiency remains one of the Phoenix area's challenges to future economic growth.

Financial

Numerous state and national banks are located throughout the Phoenix area. State-chartered credit unions also serve metropolitan Phoenix. The Phoenix metro area is presently served by a number of large financial institutions such as Bank of America, JP Morgan Chase and Wells Fargo to name a few. Extensive branch banking operations are also maintained by the large national banks as well as many local and regional banks. Banking and financial services adequately serve the needs of the growing metro area.

Education

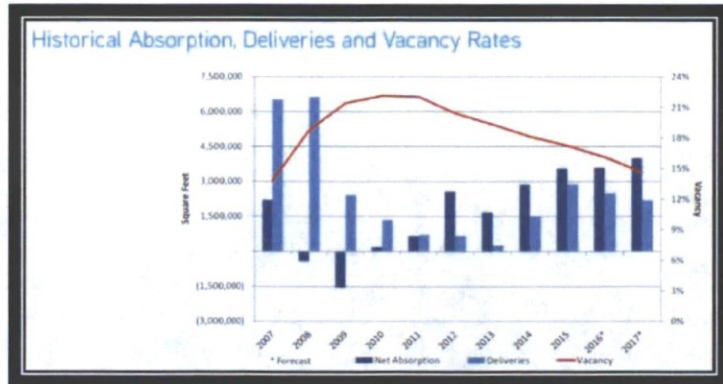
Metropolitan Phoenix offers a broad educational system from elementary through doctoral degree programs. There are numerous schools of higher learning in the Phoenix area, including Arizona State University. Arizona State University is a major university offering numerous bachelor's degree programs, master's degree programs and doctoral degree programs. ASU has developed a 300-acre site in west Phoenix.

There is also an ASU East Campus located at the Williams Gateway Airport facility. The Phoenix metropolitan area also offers community colleges and other private technical schools offering a wide range of educational opportunities.

Office Market

The following summary of the Greater Phoenix office market relies in part on the Colliers International *Greater Phoenix Office Research & Forecast Report for the 4th Quarter 2015*.

The office market closed 2015 on an upswing. Demand strengthened throughout 2015, peaking in the 4th quarter. Net absorption for the year was over 3.5 million square feet. As demand has increased, more projects are under construction. There are almost three million square feet of office product under construction as of the end of the year. Vacancy trended lower for the fifth consecutive year. Rents are rising.

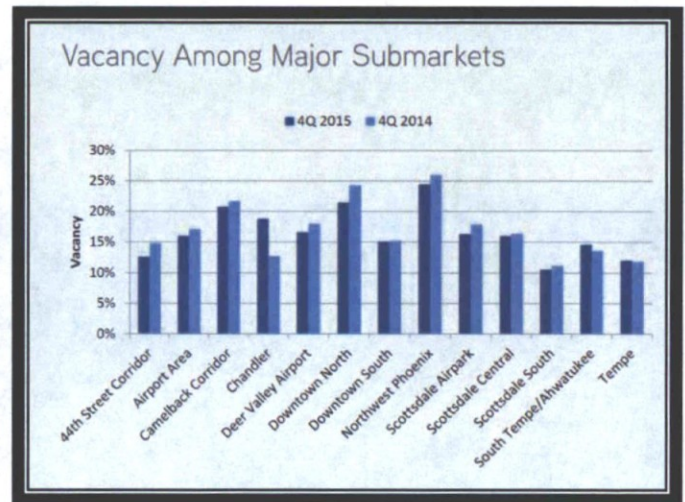


Market Indicators Relative to prior period	Market Q4 2015	Market Q4 2014
Vacancy	↓	↓
Net Absorption	↑	↑
Construction	↑	↓
Rental Rate	↑	↑

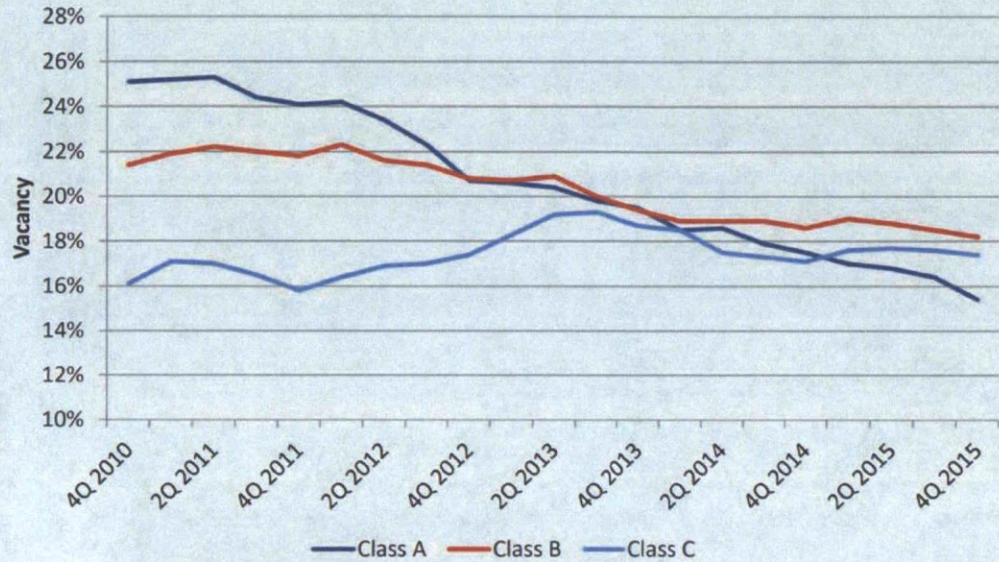
Fourth Quarter Employment Trends*	Market Q4 2015	Market Q4 2014
Total Nonfarm Phoenix Metro	↑	↑
Office-Using Phoenix Metro	↑	↑
Total Nonfarm United States	↑	↑
Office-Using United States	↑	↑

*Source: Bureau of Labor Statistics

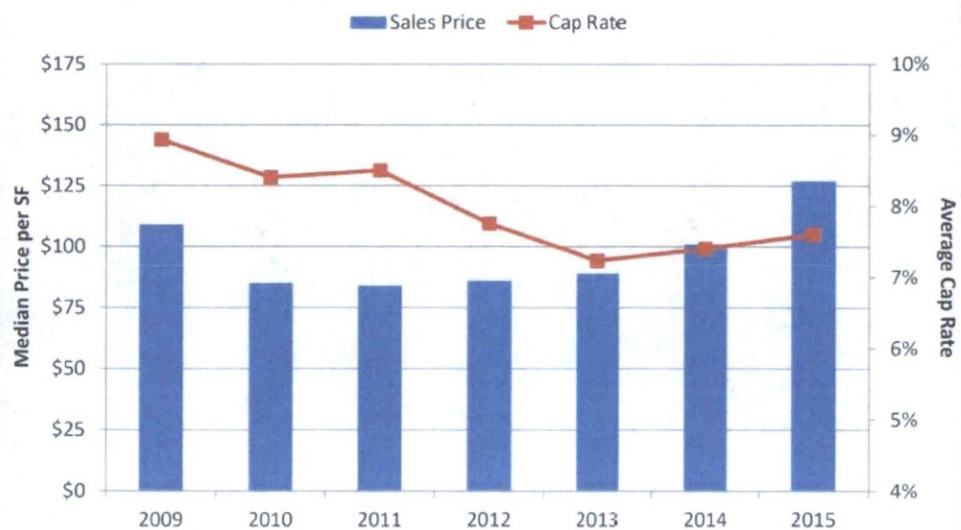
Summary Statistics	Phoenix Market	Phoenix Class A	Phoenix Class B
Vacancy Rate	17.2%	15.4%	18.2%
Change from 4Q 2014 (bps)	-90	-210	-40
Net Absorption (thousands SF)	1,941	1,477	449
New Construction (thousands SF)	1,521	1,274	247
Under Construction (millions SF)	2,674	2,289	384
Asking Rents Per Square Foot Per Year	\$22.30	\$26.56	\$20.74
Change from 4Q 2014	4.5%	6.6%	3.7%



Vacancy by Property Class



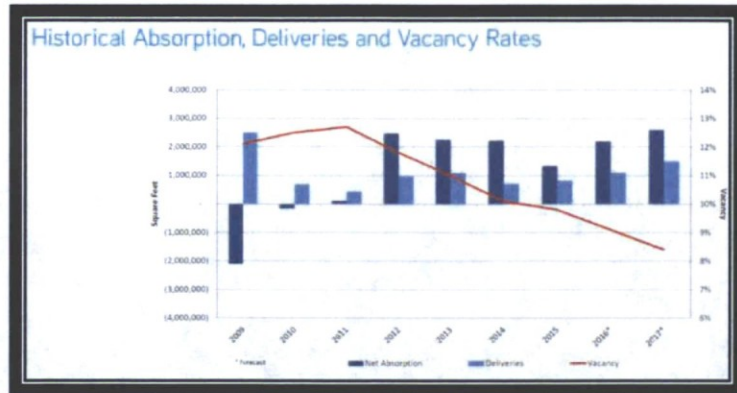
Investment Trends



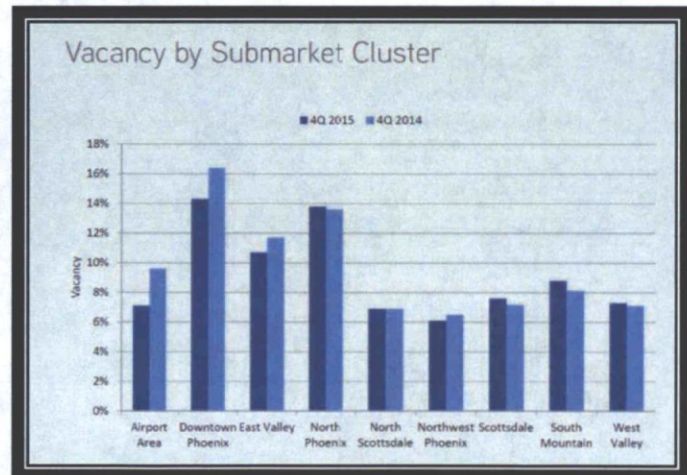
Retail

The following summary of the Greater Phoenix office market relies in part on the Colliers International *Greater Phoenix Retail Research & Forecast Report for the 4th Quarter 2015*.

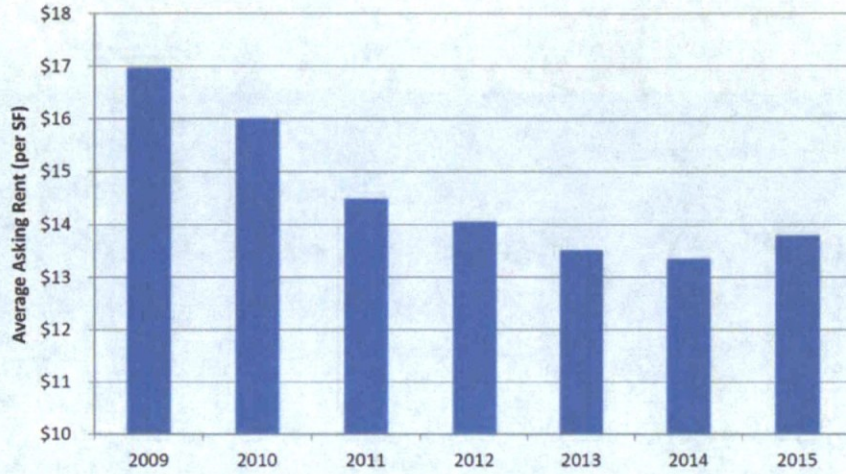
Vacancy in the greater Phoenix market ended 2015 at 9.8%, 30 basis points lower than the previous year. Average asking rents increased 3.4% during the year to \$13.80/SF. Some of the strongest rent growth has been in the West Valley. Sales of shopping centers slowed late in the year. Prices were essentially unchanged as capitalization rates inched higher. One of the most prominent redevelopment efforts in the coming years will be the redevelopment of Metrocenter. Part of the new development will feature a new Walmart store with 148,000 SF. The outlook for 2016 is positive. The local economy is strengthening as shown by job growth, in-migration and a rebound in the housing market.



Market Indicators Relative to prior period	Market Q4 2015	Market Q4 2014
Vacancy	↓	↓
Net Absorption	↓	↑
Construction	↓	↑
Rental Rate	↓	↓
Fourth Quarter Employment Trends*		
Total Nonfarm Phoenix Metro	↑	↑
Total Nonfarm United States	↑	↑
*Source: Bureau of Labor Statistics		
Summary Statistics Phoenix Market		
Vacancy Rate	9.8%	
Change from 4Q 2014 (bps)	-30	
Net Absorption (thousands SF)	228	
New Construction (thousands SF)	103	
Under Construction (thousands SF)	2,281	
Asking Rents Per Square Foot Per Year	\$13.80	
Change from 4Q 2014	3.4%	



Asking Rents Trends



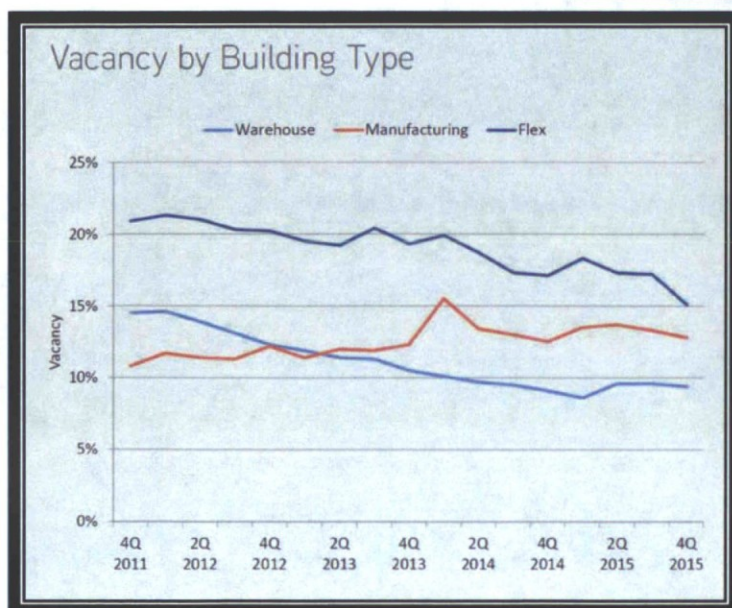
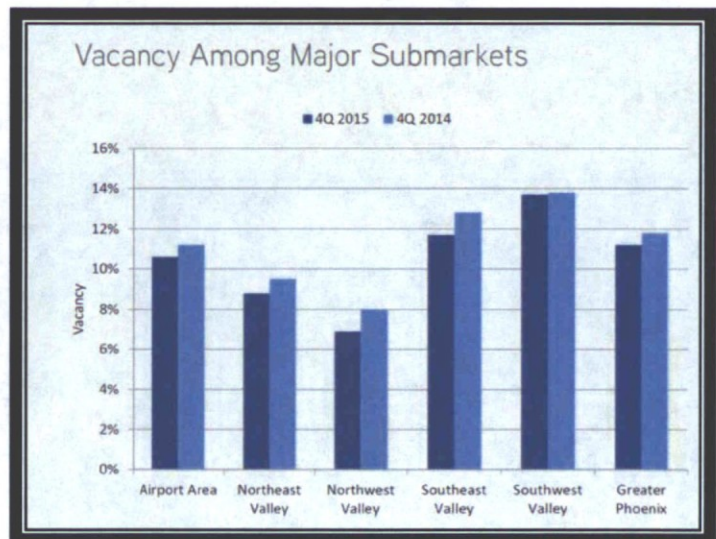
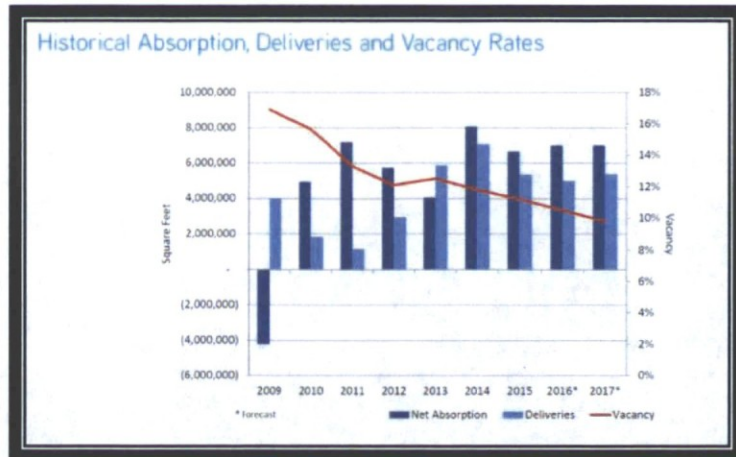
Investment Trends



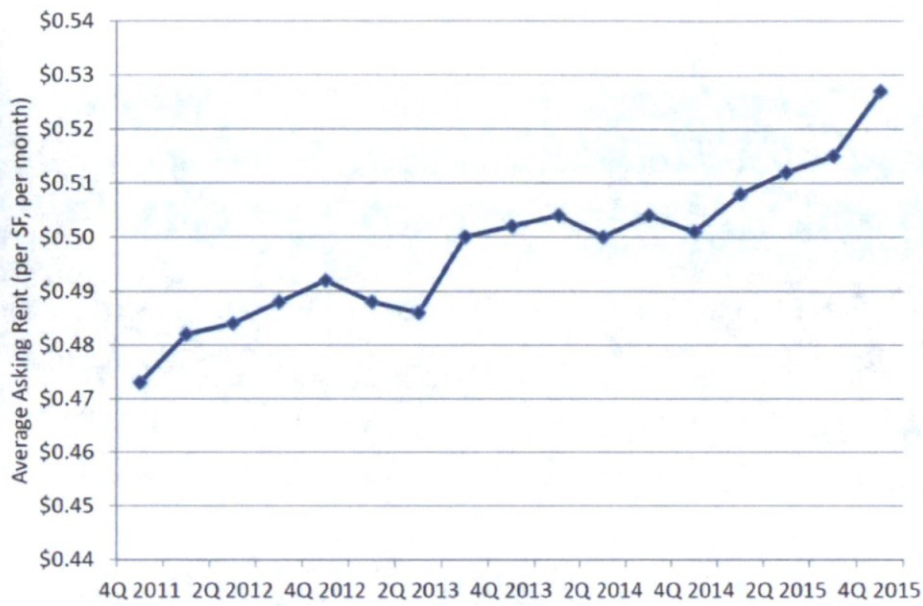
Industrial

The following summary of the Greater Phoenix office market relies in part on the Colliers International *Greater Phoenix Industrial Research & Forecast Report for the 4th Quarter 2015*.

Following a mostly flat three quarters, the final quarter of 2015 saw some tightening in the vacancy rate to 11.2%; a fall of 60 basis points for the year. The current vacancy rate is at its lowest point since early 2008. Construction slowed in the second half of 2015. Deliveries were below the pace for 2014. Approximately 5 million square feet are expected to be delivered in 2016. Net absorption surged in the 4th quarter with over 2.5 million square feet. Net absorption for all of 2015 was over 6.6 million square feet. Vacancy is projected to further improve in 2016 with net absorption outpacing new deliveries by approximately one million square feet. The vacancy rate should be in the mid 10% range by the end of 2016.



Asking Rent Trends



Investment Trends

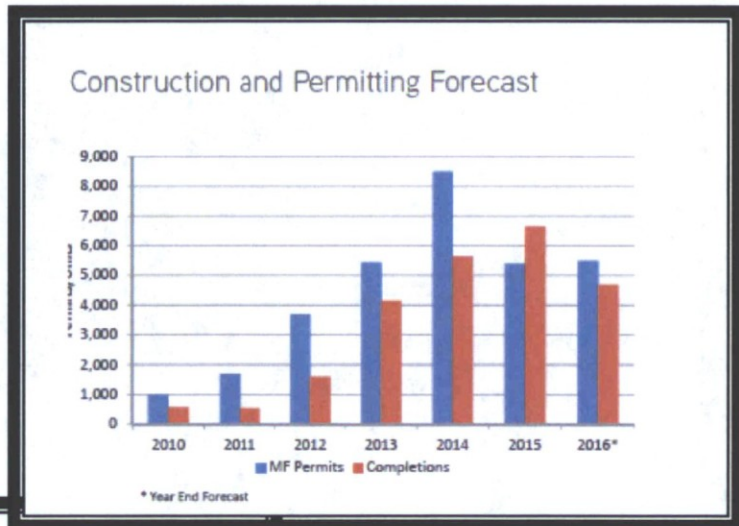


Multi-Family

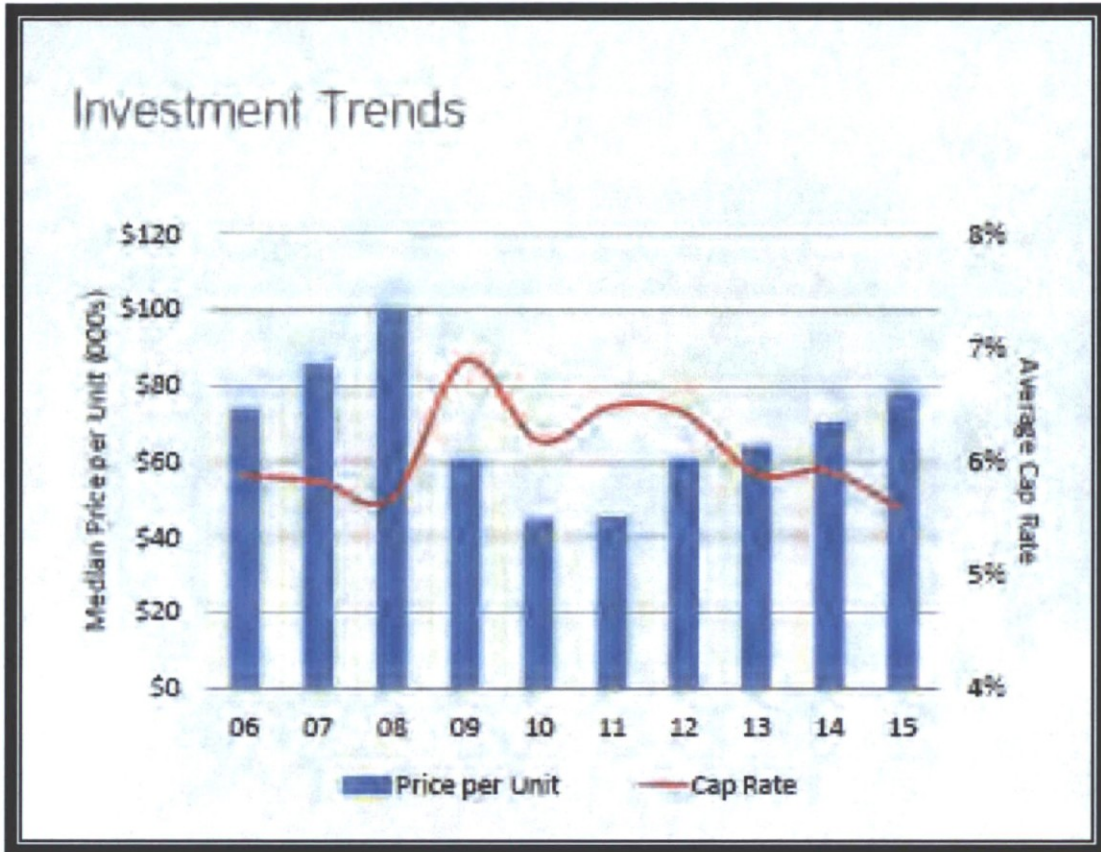
The following summary of the Greater Phoenix office market relies in part on the Colliers International *Greater Phoenix Industrial Research & Forecast Report for the 4th Quarter 2015*.

The greater Phoenix multi-family market continued to improve in 2015. Vacancy was considerably lower at the end of the year to 5.7%, even though new construction has been stimulated by increased demand and supply has increased by almost 7% over the past three years. The rate of completion of new product will slow in 2016. Average rents rose 6.5% in 2015 to \$872. Sale prices increased by more than 10% to an average of \$91,200/unit and capitalization rates are going down to an average of 5.3%.

Market Indicators Relative to prior period	Market Q4 2015	Market Q4 2014
Vacancy	↓	↓
Rents	↑	↑
Transaction Activity	↑	↓
Price Per Unit	↑	↓
Cap Rates	↓	↑



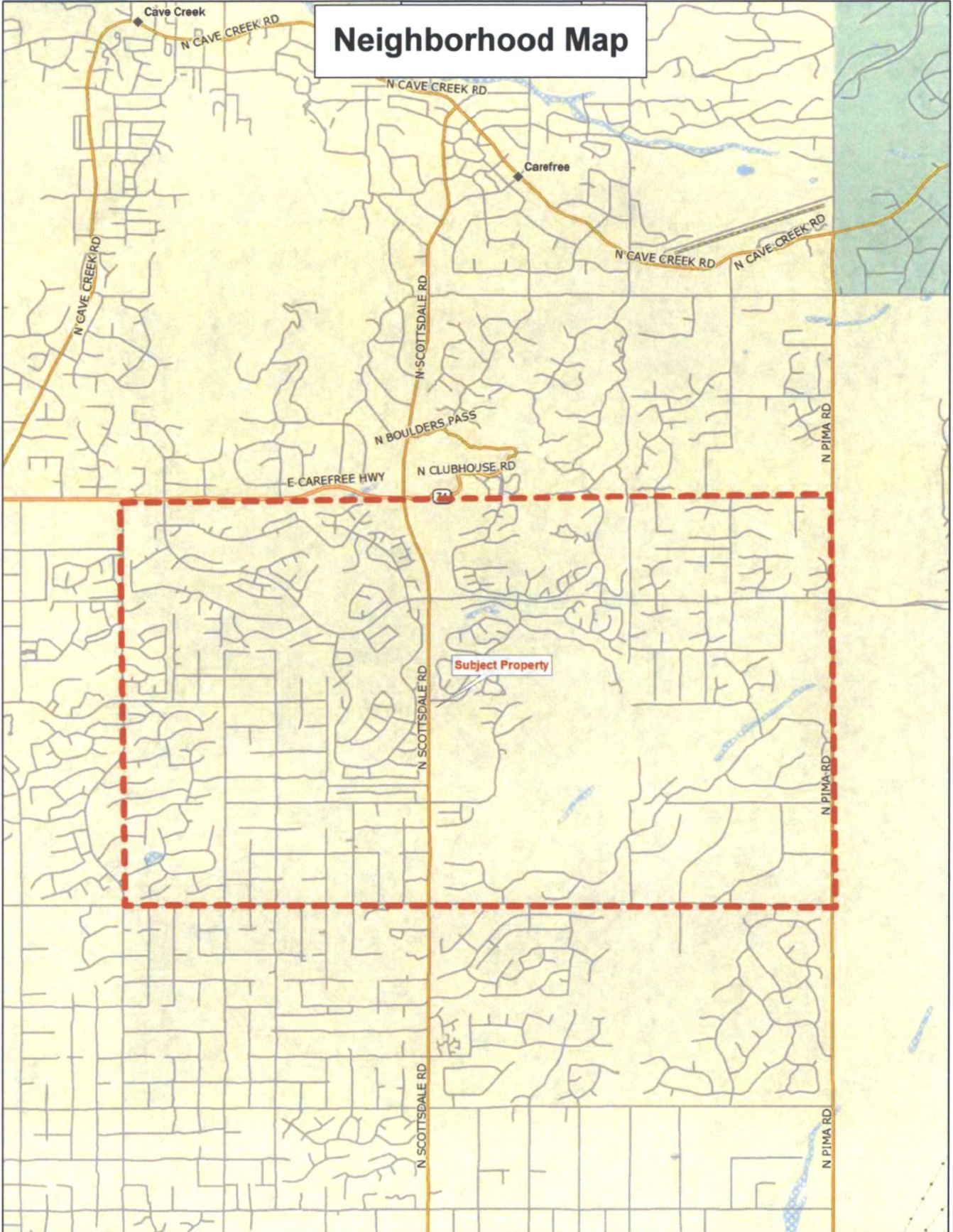
Summary Statistics	Phoenix Market
Vacancy Rate	5.7%
Change from 4Q 2014 (bps)	-50
Asking Rents Per Month	\$872
Change from 4Q 2014	6.5%
Median Sales Price Per Unit (YTD)	\$91,200
Average Cap Rate	5.3%



Summary

Most market sectors are showing improvement and steady growth. Barring new shocks to the market, the improving job situation and increasing in-migration to the state should help to sustain the recovery that is in process.

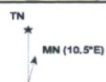
Neighborhood Map



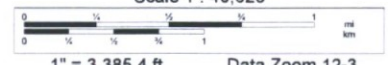
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Scale 1 : 40,625



NEIGHBORHOOD SUMMARY

Neighborhood - A group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.⁴

The subject property is located at the southeast corner of Scottsdale Road and Dove Valley Road in the city of Scottsdale. The subject's neighborhood is defined by the Carefree Highway alignment on the north, Lone Mountain Road on the south, Pima Road on the east and the 60th Street alignment on the west. The neighborhood contains approximately seven square miles. The neighborhood consists mostly of semi-custom and custom residential development on large lots with intermittent supporting commercial development along Scottsdale Road and Carefree Highway.

Scottsdale is located in the eastern part of metropolitan Phoenix; Arizona's "Valley of the Sun." Scottsdale begins in the south as a long, narrow north-south wedge of land between the city limits of Phoenix and the Salt River Pima-Maricopa Indian Community. At Doubletree Ranch Road, the northern boundary of the Indian Community, Scottsdale widens to the east, and has now spread to the border with Fountain Hills. Scottsdale has grown from a small farming community of one square mile and 2,000 people in 1951 to an area of 184 square miles and more than 219,000 people.

Transportation

Scottsdale is accessed via the Loop 101 Freeway. The Loop 101 Freeway runs north-south through the City and connects Scottsdale to Interstates 10 (east-west) and 17 (north-south) as well as other metropolitan freeways. National and international air service are provided via Phoenix Sky Harbor International Airport, just west of Scottsdale's southern border. In addition, Scottsdale Municipal Airport is located in north-central Scottsdale. This is a public facility, owned and operated by the City of Scottsdale. The Scottsdale airport has an 8,250', lighted and paved runway. Charter/commuter services, fuel, tie-downs and hangers are also available.

Major Employers

Honor Health
Mayo Clinic
Vanguard,
GoDaddy
General Dynamics
Guardian 8
Scottsdale Unified School District
City of Scottsdale

⁴Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. s.v. "neighborhood" (Chicago: Appraisal Institute, 2002). CD-ROM

POPULATION

	1990	2000	2014 (est.)
Scottsdale	130,885	202,705	225,698
Maricopa County	2,130,400	3,072,149	4,008,651
State of Arizona	3,680,800	5,130,632	6,667,241

Arizona Dept. of Administration - azstats.gov

LABOR FORCE

	1990	2000	2014
Civilian Labor Force	77,752	116,007	124,135
Unemployed	2,520	2,804	5,865
Unemployment Rate	3.2%	2.4%	4.7%

Arizona Dept. of Administration - azstats.gov

PROPERTY TAX

	1990	2000	2014
Elementary / High School	5.08	5.57	4.16
City / Fire District	0.87	1.19	1.24
Maricopa County	3.51	3.35	3.88
Totals (Maricopa County)	9.46	10.11	9.29

Arizona Dept. of Revenue & Arizona Tax Research Foundation

SALES TAX / TRANSACTION PRIVILEGE TAX

Scottsdale	1.65%
Maricopa County	0.70%
State	5.60%

Arizona Dept. of Revenue & Arizona Tax Research Foundation

Government

Scottsdale was founded in 1888, but not incorporated until 1951. Scottsdale is governed by a mayor, six councilpersons and a town manager. Scottsdale has a municipal fire department.

Taxes

The state has a 5.6% transaction privilege tax, Maricopa County has a 0.7% tax and Scottsdale has a 1.65% tax rate for a total of 7.95% on transactions in the city.

Utilities

Local utilities are reported to be adequate. Electric power in the area is provided by Arizona Public Service or Salt River Project. Natural gas is provided by Southwest Gas Corporation. Telephone service is provided by AT&T and CenturyLink Communications. The City of Scottsdale provides water, sewer, trash, and recycling services.

Economic Activities

Scottsdale is known for its hospitality industry, serving both the business and leisure visitor. In addition to resorts, the Scottsdale economy contains a diverse mix of financial services from banking to insurance and investment; business services from advertising and public relations to software development; computer services, professional services, and major health care providers anchored by Scottsdale Memorial Health systems and the world renowned Mayo Clinic. The city has seen major growth in the Scottsdale Airpark, surrounding the Scottsdale Municipal Airport and the 101 Freeway, where it curves from a north-south to an east-west orientation.

Amenities

Scottsdale is a well-known resort and shopping destination. It has long been a center for art galleries, and includes the focal points for two major artists of the twentieth century - Paolo Soleri's studio, Cosanti, and Taliesin West, the western campus of the Frank Lloyd Wright School of Architecture.

Scottsdale provides numerous venues for dramatic, dance and musical productions, art exhibits, and performances by the Scottsdale Symphony Orchestra. The city is also the Spring home of the San Francisco Giants baseball team, and the host for the Waste Management Phoenix Open, a major golf tournament.

Recreational Facilities

Scottsdale has 41 public parks that encompass 941 acres, four public swimming pools, 105 miles of bike lanes, 67 miles of paved paths and 143 miles of non-preserve trails, including a unique 7.5 mile greenbelt providing flood control and offering numerous recreational opportunities including sailing and fishing. In addition, Scottsdale counts four libraries, 32 indoor theaters, four bowling alleys, 30 golf courses, five museums, 20 tennis parks and 58 athletic fields. The downtown area includes, besides numerous shops, a civic center, stadium/multi-use cultural facility and a Center for the Arts seating 800 for theater, 160 for cinema and containing 15,000 feet of exhibit space for performing and visual arts. Westworld, a major equestrian development in the northern part of the city, provides 11 open arenas, 480 permanent horse stalls, two polo fields, a four-mile cross country equestrian course, a grand prix field, a bazaar area, parking for 13,000 cars and recreational vehicle hook-ups.

The City has assembled over 30,000 acres for the McDowell Sonoran Preserve. Most recently, in 2013, the Arizona State Land Department auctioned 2,365 acres of State Trust land to the City of Scottsdale for \$21.3 million (\$9,006/acre). Scottsdale purchased the land,

located south of the Bell Road alignment, between the 120th and 136th street alignments to add to its McDowell Sonoran Preserve.

Educational Facilities

The Scottsdale Unified School District serves the community through 33 schools: five high schools, seven middle schools, 20 elementary schools and an alternative school for grades 4 - 12. Total student enrollment is over 27,000 students. The District employs over 3,000 people. In addition, the city supports a number of charter, private and religious schools. Scottsdale Community College is on the border of Scottsdale and the Salt River Pima-Maricopa Indian Community.

Summary and Conclusion

The subject is located in a developing area of north Scottsdale. The character of the neighborhood is heavily influenced by the many upscale housing developments as well as public and private golf courses.

SITE DESCRIPTION

LOCATION

The subject site is located at the southeast corner of Scottsdale Road and Dove Valley Road, 7225 East Dove Valley Road, Scottsdale, Arizona.

LEGAL DESCRIPTION

The subject is legally described as a portion of Section 14, T5N, R4E, G&SRB&M Maricopa County, Arizona. A complete legal description for the subject property is provided in the addenda.

SITE FEATURES

The subject site is a nearly rectangular parcel. The site is approximately 646 feet wide from east to west along its south boundary. It has a maximum north/south dimension of approximately 965 feet. The subject tapers to the southwest slightly along the north property line, adjacent to Dove Valley Road. The reader is referred to the assessor map and aerial photo, attached as exhibits, following the Site Description section of the report.

The site was vacant land as of the date of inspection.

ADJACENT USES

North:	Dove Valley Road and single-family residential
East:	Vacant
South:	Commercial
West:	Scottsdale Road and single-family residential

ACCESS

Primary access to the subject is via Scottsdale Road and Dove Valley Road. Dove Valley Road is accessed via Scottsdale Road, a paved road that connects to the Loop 101, approximately nine miles to the south. Carefree Highway is located approximately one mile to the north, which connects to Interstate 17, approximately 12 miles to the west. Local and regional access to the subject is adequate and typical for the area.

TRAFFIC COUNT

The traffic count adjacent to the subject property on Scottsdale Road to the west was 20,500 ADT in 2014, according to the City of Scottsdale Internet site. Traffic counts along Dove Valley Road were unavailable, but traffic was light on the date of inspection.

TITLE REPORT/RESTRICTIONS AND EASEMENTS

No title report was provided. An ALTA survey provided by the client indicates the strip of land to be abandoned will be encumbered with a right of way dedication on the western 25 feet and within a 100 foot scenic corridor over the east 30 feet, which will prohibit any development on the area to be abandoned. No structures of any kind will be allowed within the easement area. These easements consume a significant portion of the "bundle of rights" that will be conveyed to the applicant.

Utilities

The utilities that are available to the subject site are shown below.

Gas:	Southwest Gas
Electricity:	Arizona Public Service
Water:	City of Scottsdale
Sewer:	City of Scottsdale
Trash Disposal:	City of Scottsdale or private
Telephone:	CenturyLink

All available utility services are reported to be adequate.

Environmental

A Phase I environmental study was not supplied by the client. No evidence of environmental problems was noted during the inspection of the subject. The opinion of value assumes the property is free and clear of any environmental problems.

Topography/Soils

The subject site has gently sloping topography with native Sonoran vegetation and some washes. There was no evidence of puddling or flooding on the subject site. Based on nearby development, there do not appear to be any soil problems.

Zoning/Allowed Property Use

The subject property is zoned C-2, Central Business District, by the City of Scottsdale. According to the City's zoning ordinance, C-2 zoning is intended to permit all uses permitted in the (C-1) neighborhood commercial district, plus commercial activities designed to serve the community. This district includes uses usually associated with the central business district and shopping facilities which are not ordinarily compatible with residential development. The subject is in the process of being rezoned (case # 9·ZN·2016) to R-3 ESL, and the General Plan amended to "Urban Neighborhoods" and "Cultural/Institutional/Public Use" to allow for medium density residential development on the site.

Permitted uses in a C-2 zone include, but are not limited to, business and professional services and offices such as; business schools, hospitals for animals, medical or dental offices including a laboratory, museum, optician, municipal uses, and private and charter schools. Residential use is also permitted provided that the dwelling units are physically integrated with commercial establishments. The following retail sales are also permitted, among others; appliance store, art gallery, bookstore, clothing store, drugstore, hardware store, liquor store, restaurants, hotels, and movie theaters. Churches and daycare centers are also permitted as other uses.

A limited list of uses subject to conditions include, private and charter schools, restaurants, and animal hospitals.

Some of the uses subject to a conditional use permit include; adult uses, bars, bus station, funeral home, pool hall, live entertainment, and plant nursery.

The performance standards for C-2 zoning are detailed in the following table.

Minimum Lot Size (SF)	Floor Area Ratio	Required Setbacks		
		Front Yard	Rear Yard (FT)	Side Yards (FT)
43,000	<80% of the net lot area	None	25 or 50	25 or 50

Source: Sec. 5.1404, Revised Code of the City of Scottsdale

The subject property is also located within the Environmentally Sensitive Lands Ordinance area. The purpose of the environmentally sensitive lands regulations is to identify and protect environmentally sensitive lands in the city and to promote the public health, safety and welfare by providing appropriate and reasonable controls for the development of such lands.

Excerpts from the City of Scottsdale’s zoning ordinance, detailing all of the permitted uses in the C-2, and ESL zones are provided in the addenda.

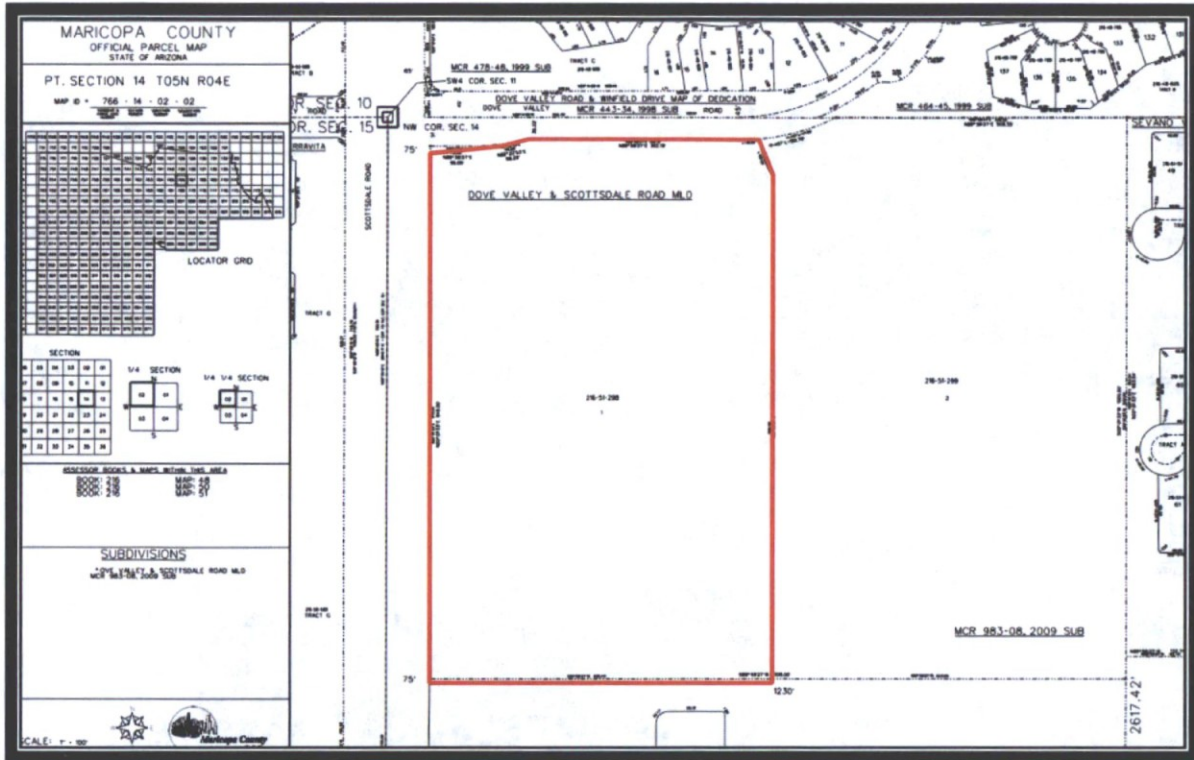
Flood Plain

The subject property is located in Zone “X” flood plain (Maps #04013C0895L), effective October 16, 2013. Zone X is the area determined to be outside the 500-year flood and protected by levee from the 100-year flood. Flood insurance is not required in a Zone “X.”

Functional Utility of Site

The site's functional utility is good for varied uses including commercial and residential development purposes. It has a good location with access currently along its north and west sides. It is not located in a flood plain. It is a nearly rectangular parcel. The proposed project for the subject property (Scottsdale Heights) will include one driveway access point from Dove Valley Road.

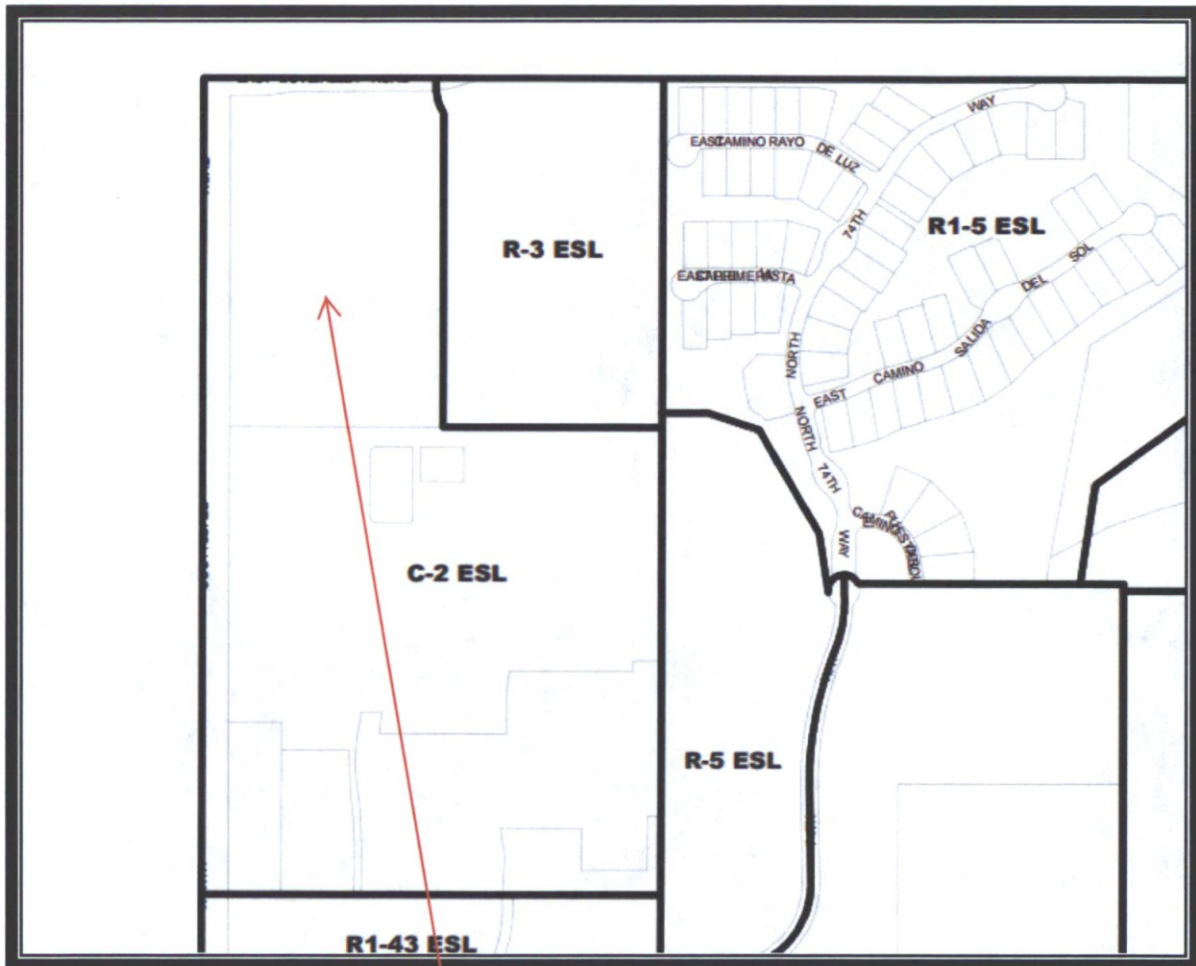
Assessor Map



Aerial Photograph

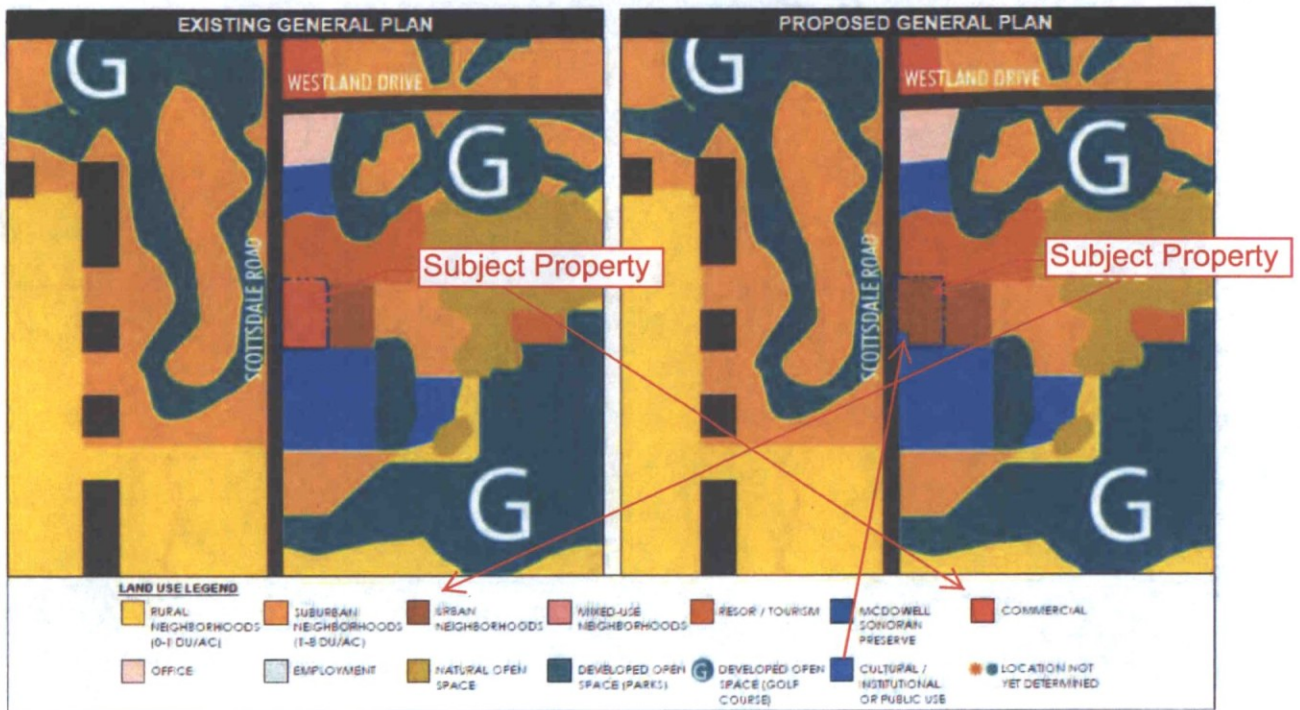


Zoning Map

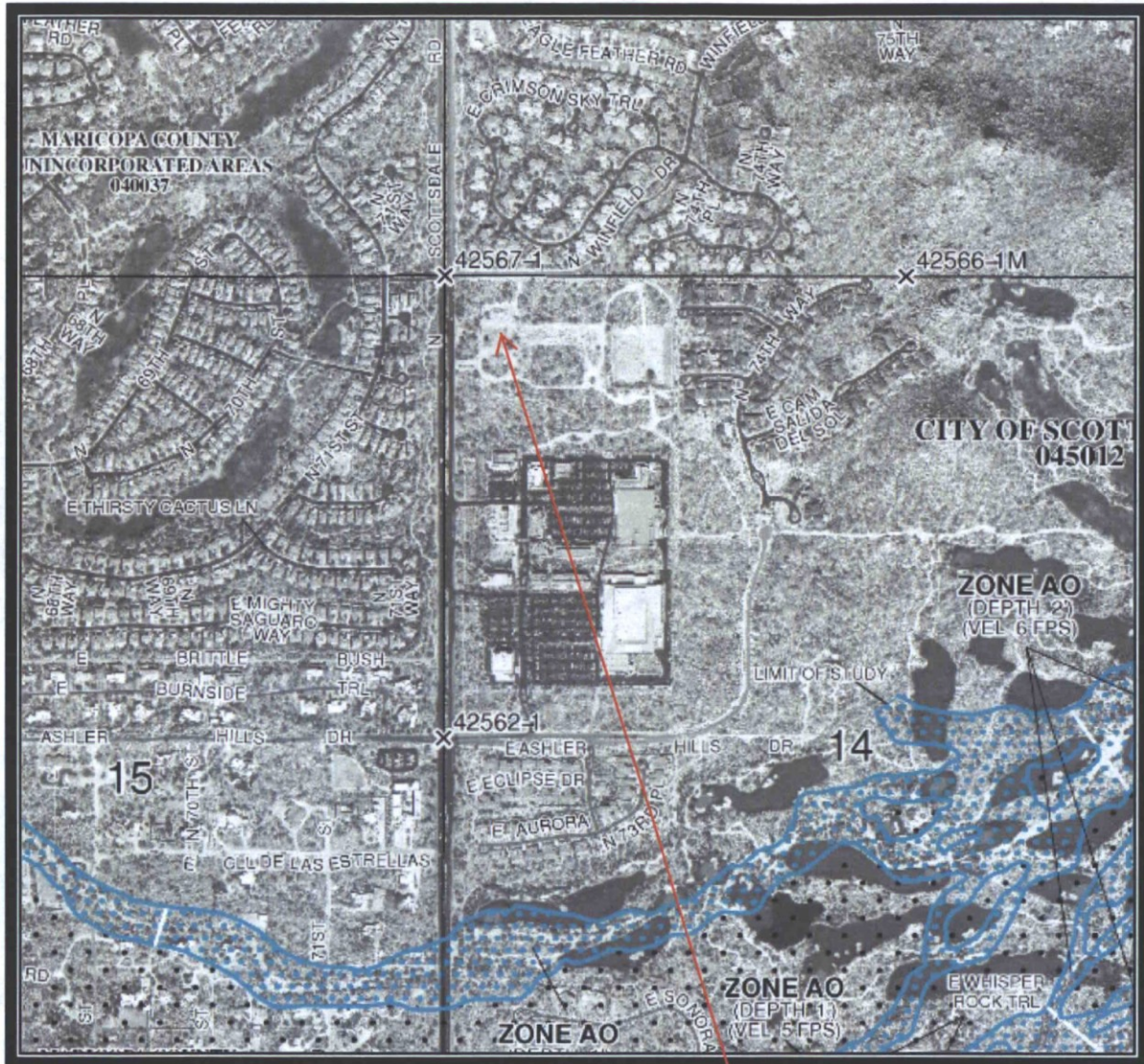


Subject Property

Land Use Plan



Flood Map



Subject Property

REAL ESTATE TAXES & FULL CASH VALUE

The taxing authority for the subject is Maricopa County. The subject is identified by tax assessor number 216-51-298.

Assessed valuations are based on "limited and full cash values" estimated by county assessors. Tax rates will vary throughout the county. Assessed valuations are multiplied by both primary and secondary rates. Resulting real estate taxes are a total of both rates applied to primary and secondary assessed valuations. The primary rate includes the State of Arizona, Maricopa County, school district and college funds. The secondary rate accounts for flood zone, CAWCD, bonds, overrides, volunteer fire department and library funds. The assessor uses the Market Approach to value vacant land. The total estimate is called the Full Cash Value (FCV) and it is synonymous with market value according to state statute. It may or may not approximate actual market value since the assessor uses mass formula techniques for these determinations. The assessor values are determined for ad valorem tax purposes. The value ascribed may or may not be related to the fair market value for the subject property.

Taxes and Full Cash Value (FCV)

A five-year tax and assessment history is provided for the subject property below. The assessed value is low as compared to the conclusion of value.

Taxes

APN	2013	2014	2015	2016	2017
216-51-298	\$4,379.88	\$4,922.84	\$5,953.64	N/A	N/A

Full Cash Value

APN	2013	2014	2015	2016	2017
216-51-298	\$364,500	\$451,800	\$853,200	\$2,224,500	\$4,496,300

HIGHEST AND BEST USE SUMMARY

Highest and best use may be defined as:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.⁵

The definition of highest and best use indicates that there exist two types of highest and best use. The first type is the highest and best use of the land or site "as if vacant." The second is the highest and best use "as improved." Moreover, in each case the existing use may or may not be different from the site's highest and best use.

The determination of highest and best use results from the appraiser's judgment and analytical skills. The eventual use determined from the analysis represents an opinion, or conclusion, rather than an absolute fact. To determine the highest and best use, four criteria must be considered sequentially. For a use to be the highest and best use, it must be:

- 1) Legally permissible
- 2) Physically possible
- 3) Financially feasible
- 4) Maximally productive

Legally Permissible

The subject property is zoned C-2 ESL by the City of Scottsdale. This zoning category is consistent with the City's General Land Use Plan map, which shows the subject in an area intended for commercial uses. The subject is in the process of being rezoned (case # 9·ZN·2016) to R-3 ESL, and the General Plan is being amended to "Urban Neighborhoods" and "Cultural/Institutional/Public Use" to allow for medium density residential development.

According to the City of Scottsdale "Urban Neighborhoods" are meant to "encourage the location of more intense mixed-use centers and regional employment cores along regional networks while incorporating appropriate transitions to adjoining land uses."

The "Scottsdale Heights" planned development for the subject property will include 123 attached residential units, with approximately 1.6 acres of common open space. This equates to approximately 9 units per acre.

⁵Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. s.v. "highest and best use" (Chicago: Appraisal Institute, 2002). CD-ROM

It is my opinion that uses legally and potentially permitted per the City of Scottsdale, which are generally in conformance with similar uses in the neighborhood, would tend to support the highest and best use of the land, provided that such uses are physically possible and financially feasible for the subject site.

Physically Possible

The subject property contains approximately 13.31 Acres of land area. A soil report was not provided to the appraiser. Based on the inspection, which included a visual observation of the site and surrounding development, there do not appear to be any soil problems. A Phase I environmental study was not supplied by the client. No evidence of environmental problems was noted during the inspection of the subject. The opinion of value assumes the property is free and clear of any environmental problems. The subject is not located in a flood plain.

The subject parcel is nearly rectangular in shape and has frontage on Scottsdale Road and Dove Valley Road. Access to the subject site is adequate and typical for the area. The site appears to be suitable for potential allowable uses within the physical constraints indicated herein. The site size, shape and location appear to be well-suited for commercial or medium density residential development.

Given the location and pending re-zoning of the subject, a residential use of the site would tend to maximize the value of the subject property. The feasibility of commercial uses is addressed below.

Financially Feasible

Elliott D. Pollack and Company was retained by the developer to conduct a limited retail market analysis related to a proposed rezoning of the subject property. The study analyzed the commercial retail market area surrounding the intersection of Scottsdale and Dove Valley. A summary of existing retail centers in the north Scottsdale market area was provided including their size, occupancy and vacancy status, the types of anchor tenants in the centers, and similar information. The market area was defined as a four mile radius surrounding the subject property.

According to the market study, over 1.8 million square feet of retail space is located within the market area surrounding the intersection of Scottsdale and Dove Valley Roads. The market area has a vacancy rate of 14.3%, which is 60% higher than the average Greater Phoenix vacancy rate of 9.0%. Smaller and unanchored centers in the market area are currently performing poorly compared to larger centers that have major anchor tenants. However, a number of large retail centers in the area are also experiencing high vacancy rates including: EI Pedrigal with a 32.1% vacancy rate, Scottsdale North Marketplace, located just one mile south of the subject property at the southeast corner of Scottsdale and Lone Mountain Roads, anchored by AJ's Fine Foods has a 43.7% vacancy rate. Stage Coach Village in Cave Creek has a 39.0% vacancy rate, and The Shops at Dove Valley Ranch in Phoenix have a vacancy rate of 33.7%.

The study concludes that the market area's 14.3% vacancy rate is much higher than the Greater Phoenix average vacancy rate of 9.0%. Thus, there is no apparent demand for additional retail space within the market area today and limited demand for space in the foreseeable future due to the lack of density of residential development in the area and the modest population growth rate predicted for north Scottsdale.

Maximally Productive & Conclusion

Given the forgoing considerations with respect to the legally permissible, physically possible and financially feasible criteria, the highest and best use of the subject site would be for medium-density residential development.

VALUATION PROCESS

Typically, the market value of real estate can be estimated by applying three approaches: cost, sales comparison and income.

COST APPROACH: A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of, or replacement for, the existing structure; deducting accrued depreciation from the reproduction or replacement cost; and adding the estimated land value plus an entrepreneurial profit. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.⁶ Since the subject property consists of vacant land, the cost approach is not applicable.

SALES COMPARISON APPROACH: A set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, applying appropriate units of comparison, and making adjustments to the sale prices of the comparables based on the elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant; it is the most common and preferred method of land valuation when comparable sales data are available.⁷ The sales comparison approach to value will be employed.

INCOME APPROACH: A set of procedures through which an appraiser derives a value indication for an income-producing property by converting its anticipated benefits (cash flows and reversion) into property value. This conversion can be accomplished in two ways. One year's income expectancy can be capitalized at a market-derived capitalization rate or at a capitalization rate that reflects a specified income pattern, return on investment, and change in the value of the investment. Alternatively, the annual cash flows for the holding period and the reversion can be discounted at a specified yield rate.⁸ The income approach is not employed in this appraisal.

⁶*The Dictionary of Real Estate Appraisal*, 3rd Edition, 1993, Page 81.

⁷*The Dictionary of Real Estate Appraisal*, 3rd Edition, 1993, Page 318.

⁸*The Dictionary of Real Estate Appraisal*, 3rd Edition, 1993, Page 178.

LAND VALUATION

The subject site will be valued using the sales comparison approach. The sales comparison approach provides an estimate of market value by comparing recent sales of similar properties in the surrounding or competing areas to the subject property. Inherent in this approach is the principle of substitution which holds that "when several similar or commensurate commodities, goods, or services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based."⁹

By analyzing sales which qualify as arms'-length transactions with reasonable market exposure between willing and knowledgeable buyers and sellers, price trends can be identified from which value parameters may be extracted. Comparability in physical, locational and economic characteristics represent important criteria in analyzing the sales in relation to the subject property. The basic steps involved in the application of this approach are as follows:

1. *Researching recent, relevant sales throughout the competitive area for sales similar to the subject property;*
2. *Selecting properties considered most comparable to the subject, and then analyzing the selected comparable properties giving consideration to the date of sale and any change in economic conditions which may have occurred since the date of value. Other relevant factors of a physical, functional or locational nature are also considered as well as the interest conveyed;*
3. *Reducing the sales price to common units of comparison as indicated by the market;*
4. *Making appropriate adjustments between the comparable properties and the subject property; and,*
5. *Interpreting the adjusted sales data and reaching a valid conclusion of market value.*

To apply this approach to value, the market was searched for land sales considered to be the most similar in terms of location, size, highest and best use, zoning, etc. The sales were analyzed and adjusted for differences between the subject and the comparable. The subject is a parcel of C-2 ESL zoned land. It is located at the southeast corner of Scottsdale Road and Dove Valley Road. The address of the subject property is 7225 East Dove Valley Road. The subject property contains 13.31 acres (579,825 SF) of land area. The General Plan shows the subject in an area intended for commercial uses. The subject is in the process of being rezoned (case # 9·ZN·2016) from C-2 ESL

⁹Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 4th ed. s.v. "substitution" (Chicago: Appraisal Institute, 2002). CD-ROM

to R-3 ESL, and the General Plan is being amended to show the subject in an "Urban Neighborhoods" and "Cultural/Institutional/Public Use" area to allow for medium-density residential development and an interpretive trail.

The unit of comparison used for the subject site is price per SF, as this is one unit commonly used by market participants in the subject's market. Finally, the sales are reconciled into a final indication of market value. The basic elements of comparison have been considered in the adjustment process.

Sales sheets detailing the salient details of the sales are presented in the following pages followed by a summary table and a location map.

Medium-density residential land is among the more difficult property types to value. One reason is that developers actually do a development approach when deciding how much they can pay for a given parcel of land. They project sale prices for the end product, the costs of development, required entrepreneurial incentive and calculate what price can be paid per unit after deducting all of these expenses. A given parcel of land would have different value for differing projects, depending on the density and type of product that was proposed. In theory, if all properties were developed to their ultimate highest and best use, SF prices for medium-density residential land would be more uniform. However, there are an inadequate number of sales to create a more perfect market, such as the stock market, where there are hundreds of sales in a given day and value can be calculated to within pennies. This is not the case with real estate. In addition, the price per unit varies drastically depending on the density and type of product planned for a given development. High density apartment land in downtown Phoenix often sells in the \$10,000/DU neighborhood, while higher quality, less dense residential land is often sold at \$70,000 or more per unit.

Generally speaking, the higher the density for a given project, the lower the price per unit and the lower the density, the higher the price per unit, which means that land suitable for low density development is not necessarily less valuable than apartment land when analyzed on a price/SF of land area.

All of the sales were researched, inspected and photographed. Ultimately, four sales that have occurred over the last two and a half years and are most similar to the subject were employed as direct comparables.

These are the best available sales based on the market research. The sales were all fee simple transactions which were found to be arms'-length. All of the sales were verified with a broker or a party to the sale. In addition, every sale was verified with recorded and notarized documents, which included the sale price.

VACANT LAND COMPARABLE NUMBER 1



Property Identification Data

Location: SEC Scottsdale Road and Silverstone Drive; 7215 East Silverstone Drive, Scottsdale

Legal Description: Parcel E, Silverstone at Pinnacle Peak, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 883 of Maps, Page 17

Assessor's Tax Parcel Number: 212-03-597 (Previous a portion of 212-02-001J)

Sale Data

Conditions of Sale: Arms'-length

Sale Price: \$10,000,000

Interest Conveyed: Fee simple

Financing Terms: Cash to seller (private lender)

Cash Equivalency Adjustment: N/Ap

Cash Equivalent Price: \$10,000,000
Unit Price: \$13.74/SF
Date of Sale: November 2013
Date of Sale Recording: January 29, 2014
Instrument Type: Special warranty deed
Instrument Number: 2014-0060687
Seller: LaSalle 115 Holdings, LLC - Series 34 Villa Volterra (M&I)
Buyer: MT Pinnacle LLC
Confirmed By: Roger Dunlap
Confirmed With: Chris Brozina, Mark-Taylor Residential Inc., MT Pinnacle LLC, (480) 991-9111
Date Inspected: June 7, 2016 and previous occasions
Sales History: Prior sale in June 2013, reportedly non-arms-length, recorded in document 2013-0576544 for \$6,542,000 or \$8.99/SF; prior transfer via Trustee's Deed in August 2012, non-arms'-length, recorded in document 2012-0132536; prior sale in December 2006 for \$22,292,043 involving multiple parcels.

Site Data

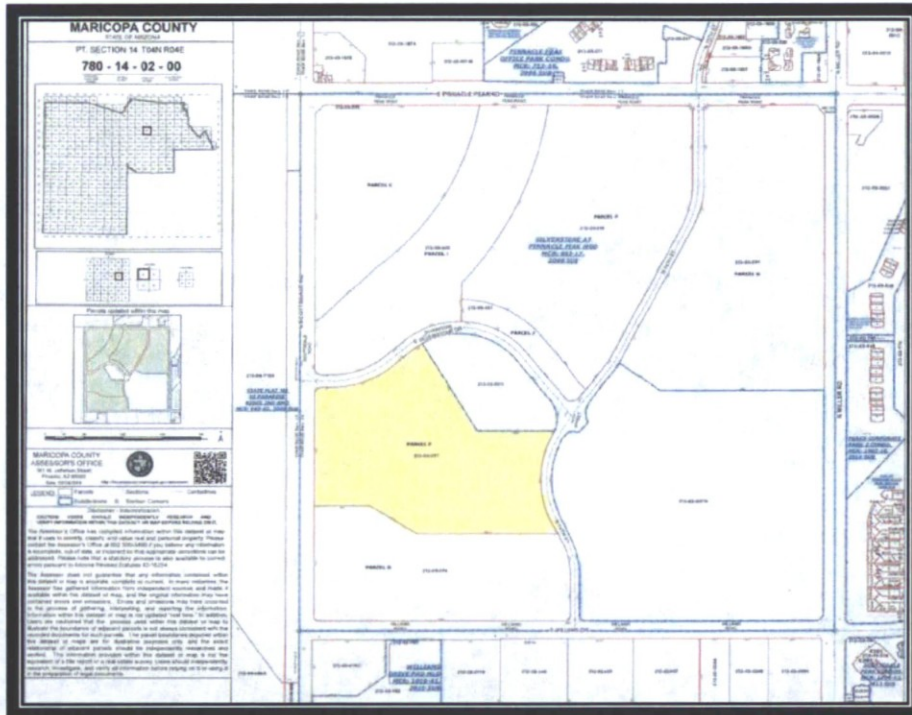
Shape: Irregular
Size: ±16.713 acres or 728,018 SF
Zoning: R-5, PCD, Scottsdale
Frontage: Approximately 578 feet on Scottsdale Road, 765 feet on Silverstone Drive and 533 feet on 74th Street
Traffic Count: 37,800 ADT on Scottsdale Road according to City of Scottsdale 2012 Traffic Count Map

Legal Access:	Yes
Visibility:	Good
Topography:	Level
Flood Zone:	AO
Utilities:	All to site
Off Sites:	Paved streets
Site Utility:	Adequate
Highest and Best Use:	Multi-family development

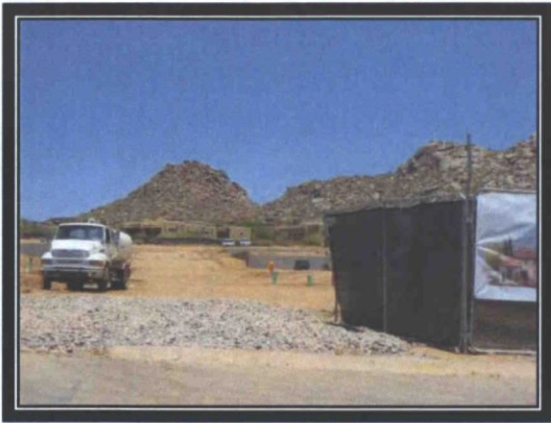
Comments:

The buyer reported that this property was originally purchased by BMO Harris from a foreclosure. The bank was motivated and the buyer was willing to pay cash and was able to close in 60 days. The bank had multiple previous offers above \$11,000,000 including an offer at \$11,250,000. It is the buyer's opinion that the property has a market value of \$11,250,000. The previous developer on the site attempted to market it at \$15,000,000. They had a homebuilder in escrow at \$11,000,000 for one year, however, they could not get the entitlements necessary for more units. The site has a maximum allowable density of 262 units. The property is not yet developed. The sale price equates to \$38,168/unit.

Assessor Map & Aerial Photograph - Land Sale 1



VACANT LAND COMPARABLE NUMBER 2



Property Identification Data

Location: 10426 East Jomax Road, Scottsdale

Legal Description: The SW4 of the SW4 of the SW4 of Section 33, T5N, R5E of the G&SRB&M, Maricopa County, Arizona; except the south 33 feet thereof.

Assessor's Tax Parcel Number: 216-80-004

Sale Data

Conditions of Sale: Arms'-length

Sale Price: \$2,340,779

Interest Conveyed: Fee simple

Financing Terms: Cash

Cash Equivalency Adjustment: N/Ap

Cash Equivalent Price: \$2,340,779

Unit Price: \$5.66/SF

Date of Sale: April 2014

Date of Sale Recording: April 18, 2014

Instrument Type: Special warranty deed

Instrument Number: 2014-0252189

Seller: Pathfinder TRF Four LLC

Buyer: Torino Holdings, LLC

Confirmed By: Roger Dunlap

Confirmed With: Michael Lieb, Torino Holdings, LLC, Lieb Realty & Investments (602) 859-2977

Date Inspected: June 7, 2016 and previous occasions

Sales History: Prior sale in October 2012 recorded in document 2012-0925172 for \$2,050,000 or \$4.95/SF (this sale also included the improvements on the site)

Site Data

Shape: Rectangular

Size: ±9.5 acres or 413,820 SF per deed

Zoning: C-2, ESL, Scottsdale

Frontage: Approximately 317 feet on Jomax Road and 387 feet on Pinnacle Peak Parkway

Traffic Count: N/Av

Legal Access: Yes

Visibility: Average

Topography: Gently sloping

Flood Zone: X

Utilities: All to site

Off Sites: Paved streets

Site Utility: Adequate

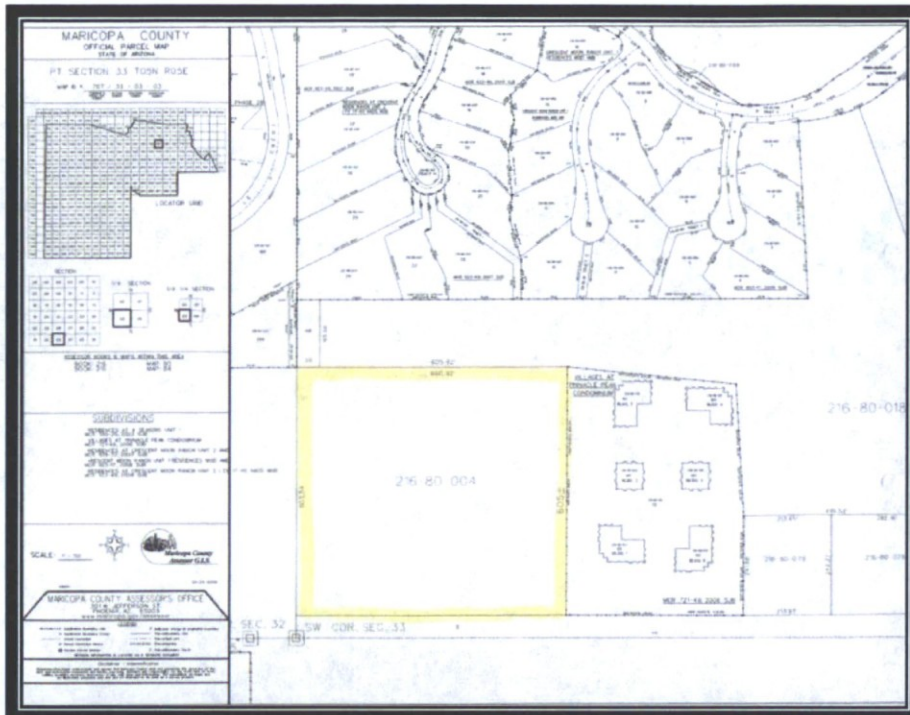
Highest and Best Use: Residential development

Comments:

This is the sale of Pinnacle Peak Patio, an historical restaurant, brewery and bar, located at the foot of Pinnacle Peak. The site has excellent views of the mountains and the north Scottsdale area from all directions. The sale included in the improvements on the site, however, was purchased for the land. The preliminary plat and rezoning request proposal was for 55 units, 5.5 DU/Acre, and rezoning from the existing C-2, ESL to R-4, ESL. The units are planned to be two-story with building setbacks of 30 feet on the west, 20 feet on the north, 20 feet on the east and no building setback on the south. Entitlements were completed after the sale in April 2014 and the property subsequently sold in February 2016 for \$10,000,000, or \$24.17/SF to K Hovnanian Homes, which will build duplex homes in a gated community called "Summit at Pinnacle Peak Patio."

The sale price equates to \$42,560/unit. The most recent sale, as fully entitled equates to \$181,818/unit.

Assessor Map & Aerial Photograph - Land Sale 2



VACANT LAND COMPARABLE NUMBER 3 (Sale of Subject Property)



Property Identification Data

Location: 7225 East Dove Valley Road, Scottsdale
Legal Description: Portion of Section 14, T5N, R4E, G&SRB&M
Assessor's Tax Parcel Number: 216-51-298

Sale Data

Conditions of Sale: Arms'-length
Sale Price: \$8,260,000
Interest Conveyed: Fee simple
Financing Terms: Cash
Cash Equivalency Adjustment: N/A
Cash Equivalent Price: \$8,260,000
Unit Price: \$14.25/SF

Date of Sale:	October 2015
Date of Sale Recording:	October 28, 2015
Instrument Type:	Special warranty deed
Instrument Number:	2015-0775627
Seller:	Dove Valley Scottsdale, LLC
Buyer:	Shea 124 Investments, LLC and HV & Canal, LLC
Confirmed By:	Roger Dunlap
Confirmed With:	Michael Lieb, Shea 124 Investments, LLC; President, Michael A. Lieb, Ltd (602) 870-9741
Date Inspected:	June 7, 2016 and previous occasions
Sales History:	No sales reported in the previous three years
<u>Site Data</u>	
Shape:	Nearly rectangular
Size:	±13.31 acres or 579,825 SF
Zoning:	C-2, ESL (in the process of being rezoned to R-3 ESL case # 9-ZN-2016)
Frontage:	580 feet along the south side of Dove Valley Road, 950 feet along the east side of Scottsdale Road
Traffic Count:	20,000 (2014) along Scottsdale Road per City of Scottsdale traffic count map
Legal Access:	Yes
Visibility:	Good
Topography:	Level
Flood Zone:	X
Utilities:	All to site

Off Sites: Paved street Scottsdale Road and Dove Valley Road

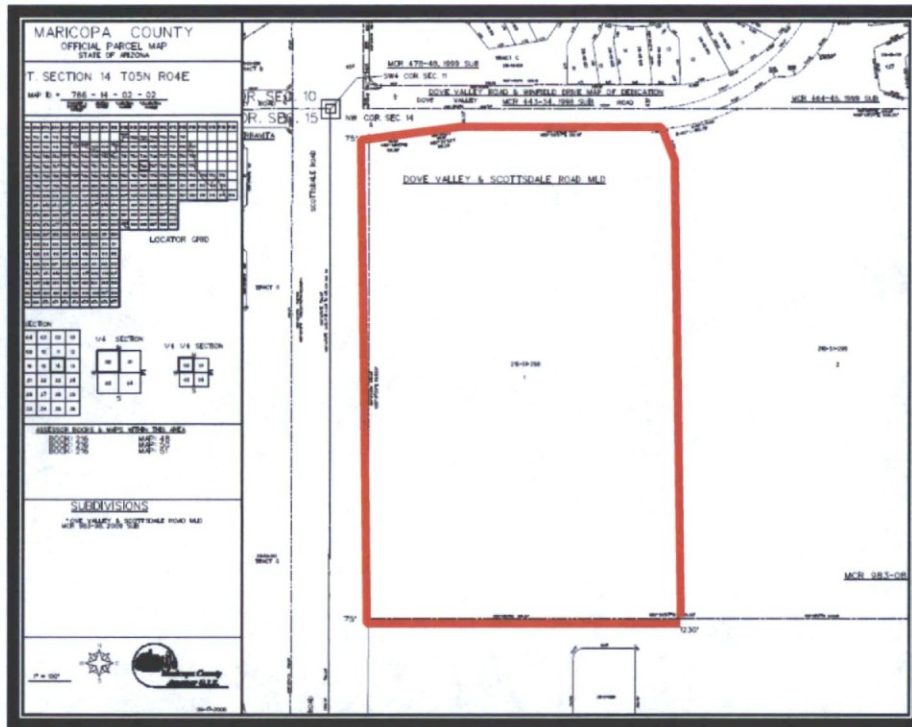
Site Utility: Adequate

Highest and Best Use: Residential development

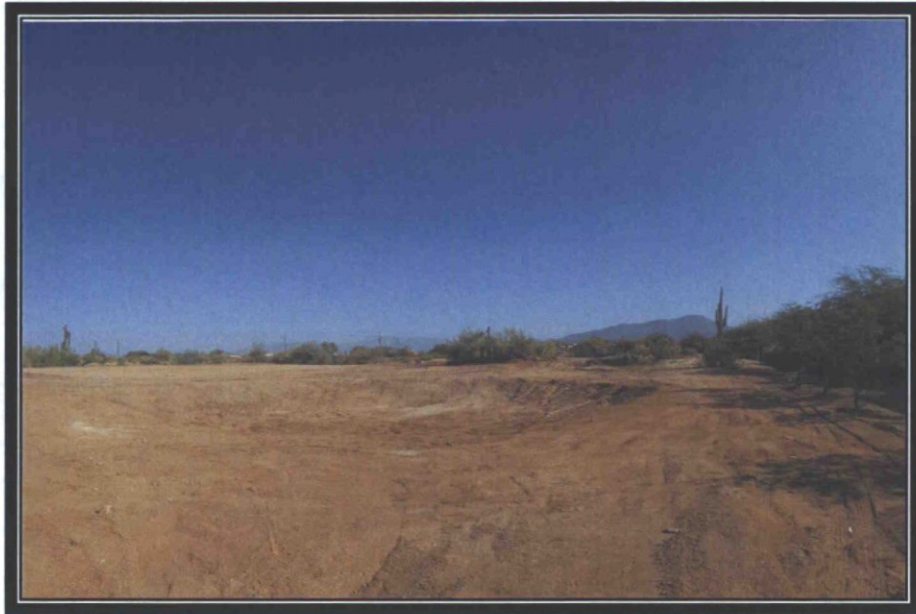
Comments:

The sale is the subject property and is located at the southeast corner of Scottsdale Road and Dove Valley Road. It is planned for a project known as "Scottsdale Heights" which will include 123 attached residential units, with approximately 1.6 acres of common open space. The sale price equates to \$67,154/unit.

Assessor Map & Aerial Photograph - Land Sale 3 (Sale of Subject Property)



VACANT LAND COMPARABLE NUMBER 4



Property Identification Data

Location: 8601 Cave Creek Road, Carefree
Legal Description: Portion of Section 36,T6N, R4E, G&SRB&M
Assessor's Tax Parcel Number: 216-26-177B

Sale Data

Conditions of Sale: Arms'-length
Sale Price: \$1,824,000
Interest Conveyed: Fee simple
Financing Terms: Cash
Cash Equivalency Adjustment: N/A
Cash Equivalent Price: \$1,824,000
Unit Price: \$8.13/SF
Date of Sale: April 2016
Date of Sale Recording: April 13, 2016

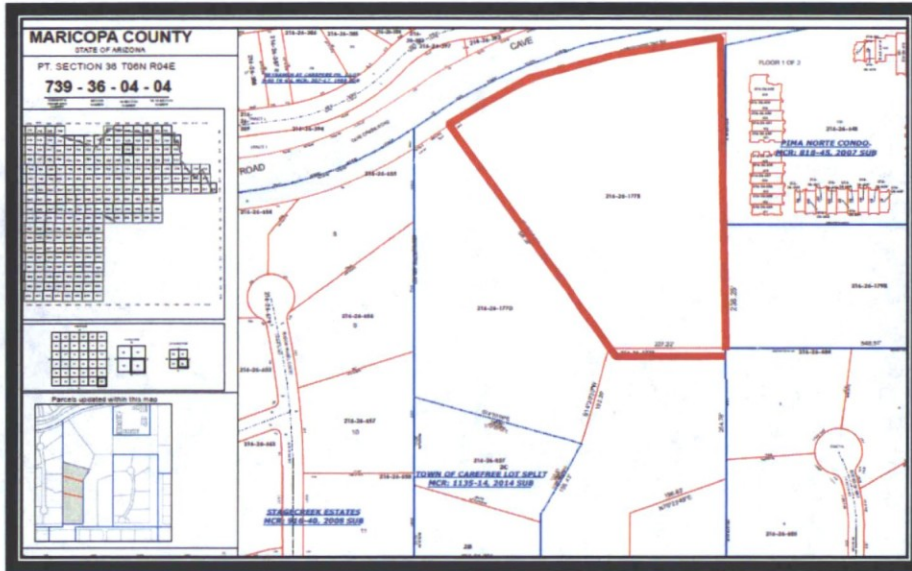
Instrument Type:	Special warranty deed
Instrument Number:	2016-0243919
Seller:	Carefree Garden Offices, LLC
Buyer:	Keystone at Eastwood, LLC.
Confirmed By:	Marc Bigelow
Confirmed With:	Bev Peterson, Planner with Town of Carefree (480) 488-3686; Richard M. Eneim, vice-president and principal with Keystone Homes (480) 428-1001
Date Inspected:	June 7, 2016 and previous occasions
Sales History:	No other sales within the past five years
<u>Site Data</u>	
Shape:	Irregular
Size:	±5.15 acres or 224,469 SF
Zoning:	RUPD, Carefree - see comments
Frontage:	570 feet along the south side of Cave Creek Road
Traffic Count:	Traffic counts were unavailable in front of the subject along Cave Creek Road, but traffic was fairly light on the date of inspection
Legal Access:	Yes
Visibility:	Good
Topography:	Level
Flood Zone:	X
Utilities:	All to site
Off Sites:	Paved street along Cave Creek Road
Site Utility:	Adequate
Highest and Best Use:	Medium-density residential development

Comments:

The sale property is located at the southwest quadrant of Cave Creek Road and Pima Road. The site had previously been used as a movie studio. It is located adjacent to residential condominiums and a medical office building. According to a planner with Carefree, the 5.15 acre site will be a gated community called Eastwood, and is planned for 39 medium-density residential units (5,755 SF per lot). The sale parcel had been freshly cleared of improvements on the date of inspection. The sale price equates to \$46,769/unit.

The buyer representative said the sale price was contingent on entitlements, which the buyer completed. Mr. Eneim said the zoning work took over 1.5 years and added a lot of value to the property.

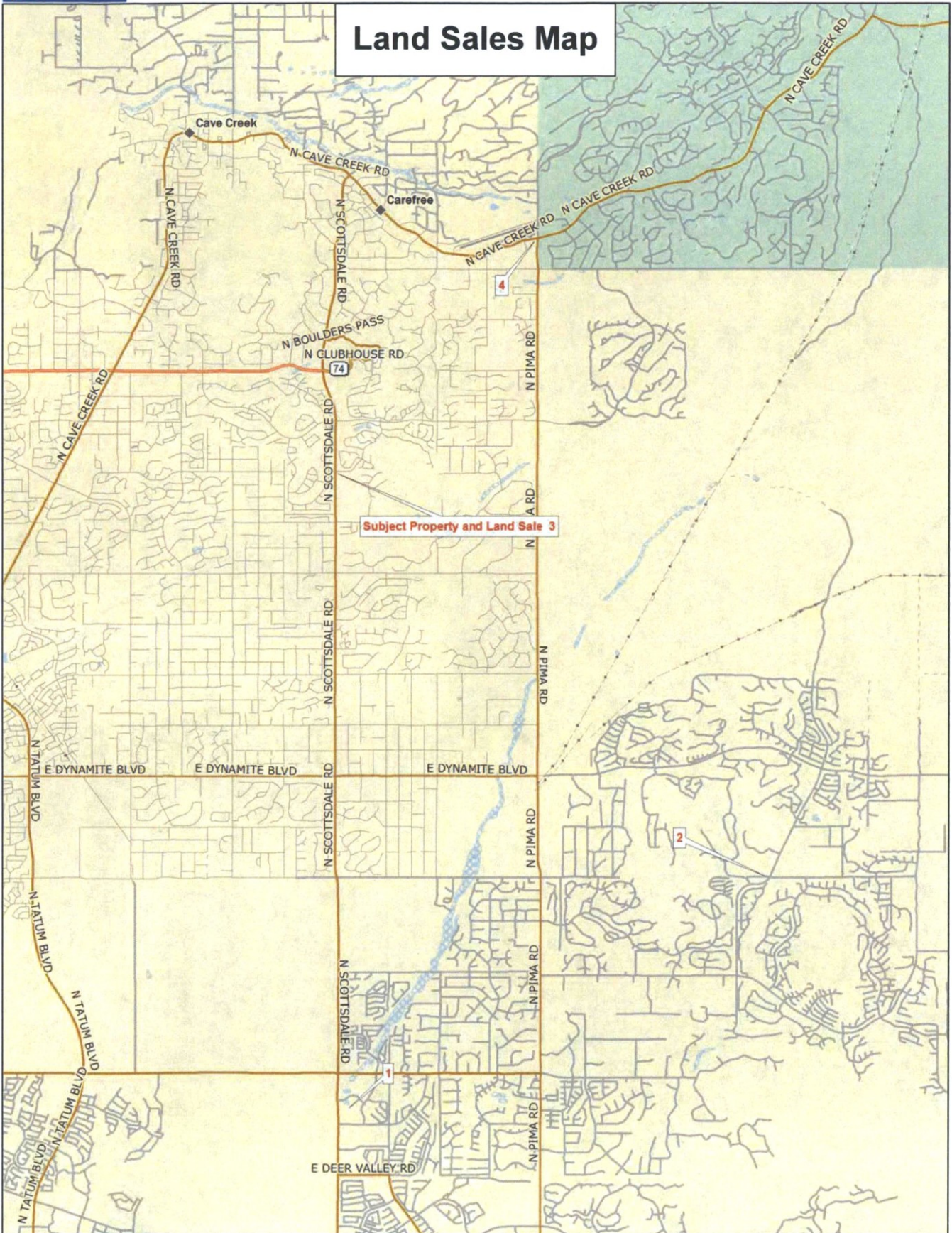
Assessor Map & Aerial Photograph - Land Sale 4



Summary Table of Comparable Land Sales

Sale	Subject	1	2	3	4
Location	Southeast corner of Scottsdale Road and Dove Valley Road. 7225 East Dove Valley Road, Scottsdale	7215 East Silverstone Drive, Scottsdale	10426 East Jomax Road, Scottsdale	7225 East Dove Valley Road, Scottsdale	8601 Cave Creek Road, Carefree
Date of Sale	May 25, 2016 (DOV)	November 2013	April 2014	October 2015	April 2016
Price		\$10,000,000	\$2,340,779	\$8,260,000	\$1,824,000
Recording Number		2014-0060687	2014-0252189	2015-0775627	2016-0243919
Financing		Cash	Cash	Cash	Cash
Site Area (acres)	13.31	16.713	9.50	13.31	5.15
Topography	Level	Level	Gently sloping	Level	Level
Utilities	All to site	All to site	All to site	All to site	All to site
Zoning	C-2 ESL	R-5, PCD	C-2, ESL	C-2 ESL	RUPD
Flood Zone	X	AO	X	X	X
Off Sites	Paved streets	Paved streets	Paved streets	Paved streets	Paved streets
Sale Price/SF		\$13.74	\$5.66	\$14.25	\$8.13

Land Sales Map



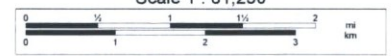
Data use subject to license.

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www.delorme.com



Scale 1 : 81,250



1" = 1.28 mi

Data Zoom 11-3

Discussion of Adjustments

All sales were fee simple, cash equivalent, arms'-length transactions and therefore do not require any adjustments for property rights conveyed, conditions of sale or financing.

The other adjustment considerations were for market conditions (time), differences in location, zoning, available utilities, parcel shape, parcel size, flood plain, topography and off-site improvements. When a sale's characteristic is considered to be inferior to the subject by comparison, a positive adjustment is made to the comparable's sale price. Conversely, when a sale's characteristic is considered superior in comparison to the subject, a negative adjustment is applied.

An adjustment grid showing the adjustments to the comparables is located at the end of this discussion.

Market Conditions

As discussed in the area analysis, the residential market is improving and there is good demand for infill sites. A +10% annual market conditions adjustment is applied to all of the sales.

Location

The locational adjustment refers to each property's physical location and surrounding property uses in comparison to the subject. The subject is located at the southeast corner of Scottsdale Road and Dove Valley Road. It is in a good area for medium-density residential development with frontage along Scottsdale Road and Dove Valley Road, and adjacent to transportation, shopping, amenities and services. The subject is located in an upscale area of North Scottsdale and there are few nuisances or negative influences in the area.

Land Sale 1 is located approximately six miles south of the subject with frontage along Scottsdale Road. Land Sale 1 has similar characteristics in comparison to the subject, but has a slightly superior location with closer access to the Loop 101. Land Sale 1 is adjusted -5% for superior location.

Land Sale 2 is located in an area with slightly superior demographics in comparison to the subject and better access to the Loop 101. Land Sale 2 also requires a location adjustment of -5%.

Land Sale 3 is the sale of the subject property and no adjustment is necessary.

Land Sale 4 is located three miles northeast of the subject at the southwest quadrant of Pima Road and Cave Creek Road. Land Sale 4 has inferior access to shopping, amenities and local freeways in comparison to the subject. Land Sale 4 require a +10% adjustment for this element of comparison.

Zoning

The subject is zoned C-2 ESL, by the City of Scottsdale with a General Plan designation of commercial uses. The zoning and general plan designation are in the process of being changed to allow for residential development. Land Sale 1 sold with zoning in place to allow for residential development. An adjustment of -10% is necessary to Land Sale 1. Land Sales 2, 3 and 4 sold with similar zoning to the subject's, with significant zoning work required to secure entitlements and no adjustment is necessary for this criterion.

Available Utilities

The subject has availability to all utilities. Available utilities are considered to be adequate. All of the comparable land sales are similar and no adjustment is made to any of the sales for this factor.

Shape

The subject site is nearly rectangular in shape. All of the sales are either rectangular or large enough that an efficient site plan is possible. No adjustments for shape are required.

Size

The market typically reflects higher sale prices per SF for smaller sales and lower sale prices per SF for larger transactions as there is a larger pool of potential purchasers who can afford to compete for smaller sites. The subject parcel is about 13.31 net acres in size. Land Sale 1 with 16.71 acres, is slightly larger than the subject and requires an adjustment of +5%. Land Sale 2 with 9.50 acres is smaller in comparison to the subject and requires an adjustment of -5%. Land Sale 3 is the subject and no adjustment is necessary. Land Sale 4 with 5.15 acres is substantially smaller in comparison to the subject and requires an adjustment of -10%.

Flood Plain

The subject is in Zone "X" - Map 04013C0895L. The effective date of the map is October 16, 2013. Land Sale 1 is located in zone AO, and requires an adjustment of +5%. Land Sales 2, 3, and 4 are also in flood zone X and no adjustments are required.

Topography

The subject parcel is level and at grade with the surrounding properties. All of the sales have similar topography and are developable. No adjustments are required for topography.

Off-Sites In Place

This element of comparison refers to the existence of off site improvements such as paved streets, curbs, etc. If these items are not in place a developer will consider his cost to install them at the time of development. The subject property and all land sales are adjacent to paved streets. No adjustment is applied to these sales for this criterion.

The following table sets forth the adjustment process described above.

Land Sales Adjustment Grid

	Subject	L-1	L-2	L-3	L-4
Price/SF		\$13.74	\$5.66	\$14.25	\$8.13
Property Rights Conveyed	Fee Simple	Fee simple 0%	Fee simple 0%	Fee simple 0%	Fee simple 0%
Financing	Cash/C.E.	Cash 0%	Cash/C.E 0%	Cash/C.E 0%	Cash 0%
Conditions of Sale	Arms'-length	Arms'-length 0%	Arms'-length 0%	Arms'-length 0%	Arms'-length 0%
Adjusted Price/SF		\$13.74	\$5.66	\$14.25	\$8.13
Market Conditions +10%/year	May 25, 2016 (DOV)	11/13 +26%	4/14 +22%	10/15 +6%	4/16 +1%
Adjusted Price/SF		\$17.31	\$6.91	\$15.11	\$8.21
Location	Average	-5%	-5%	0%	+10%
Zoning	C-2 ESL	-10%	0%	0%	0%
Available Utilities	All available	0%	0%	0%	0%
Shape	Nearly rectangular	0%	0%	0%	0%
Size	13.31 acres	+5%	-5%	0%	-10%
Flood Plain	X	+5%	0%	0%	0%
Topography	Level	0%	0%	0%	0%
Off-Sites in Place	Asphalt streets	0%	0%	0%	0%
Cumulative Adjustment		-5%	-10%	0%	0%
Adjusted Price/SF		\$16.44	\$6.22	\$15.11	\$8.21

Land Valuation Summary

The adjusted sale prices range from \$6.22 to \$16.44/SF with a mean of \$11.50/SF. Land Sale 1 showed the highest value. Land Sale 2 had the lowest adjusted value. Sale 3, being the recent sale of the subject property in its current, unentitled state is the best indicator of value in my opinion.

The sales show a wide adjusted range.

Following is a table of all of the sales that were considered as part of the original universe of data.

Document Number	Address	Date	Price	Size (SF)	Size (AC)	Price/SF	Zoning
2014-0060687	SEC Scottsdale Road and Silverstove Drive, Scottsdale	1/29/2014	\$10,000,000	728,018	16.71	\$13.74	R-5, PCD
2014-0252189	10426 East Jomax Road, Scottsdale	4/18/2014	\$2,340,779	413,820	9.50	\$5.66	C-2, ESL
2015-0775627	7225 East Dove Valley Road, Scottsdale	10/28/2014	\$8,260,000	579,825	13.31	\$14.25	C-2, ESL
2016-0243919	8601 Cave Creek Road, Carefree	4/13/2016	\$1,824,000	224,469	5.15	\$8.13	RUPD
2015-0339833	SEC Peak View Road and Cave Creek Road, Phoenix	5/14/2015	\$6,572,400	794,099	18.23	\$8.28	R1-6
2015-0444903	NW of East Mayo Boulevard and 68th Street, Phoenix	4/14/2015	\$35,000,000	2,070,141	49.60	\$16.91	S-1
2015-0660434	Southeast of East Chauncey Lane and North Scottsdale Road, Scottsdale	6/4/2015	\$16,600,000	453,460	10.41	\$36.61	PCD
2015-0405332	5366 East Rancho Manana Road, Cave Creek	6/8/2015	\$2,575,000	217,816	5.00	\$11.82	DR-190

We considered the sale of a 10.16 acre, R1-6 zoned site located at the southeast corner of Peak View Road and Cave Creek Road, in Phoenix. The site sold to Lennar Homes in May 2015 for \$6,572,400, or \$8.28/SF. The sale price equates to \$91,283/unit. Lennar plans to build 72 houses on the site with an average lot size of 6,000 SF. The sale is located adjacent to a large storage unit complex and has inferior demographics in comparison to the subject. This sale would support a price higher than \$8.28/SF for the subject.

We also considered the sale of a multi-family zoned site located near Scottsdale Road, between the Loop 101 and Mayo Boulevard. The 49.6 acre parcel sold in April 2015 for \$35,000,000; or \$16.20/SF. The site is planned for 900 units (2,400 SF per unit). The site has superior access to the local freeway system in comparison to the subject, and is located adjacent to the Scottsdale 101 Shopping Center. Denser development is planned for this site, nevertheless this sale supports the conclusion of value for the subject.

A 10.41 acre PCD zoned parcel sold in June 2015 for \$16,600,000; or \$36.61/SF. This is a State Land Trust sale and is located at the southeast corner of Scottsdale Road and Chauncey Lane. The site is planned for a mixed-use project with 300 apartments, office and retail. This is a far superior location in comparison to the subject and supports a conclusion of value of less than \$36.61/SF.

Lastly, we considered the sale of a five acre parcel of DR-190 zoned residential land in Cave Creek. The property sold in May 2015, for \$2,575,000; or \$11.82 /SF. The site is located near the upscale Rancho Manana Resort, but has inferior zoning and surrounding amenities in comparison to the subject. This sale would support a conclusion of value of higher than \$11.82/SF for the subject.

Given the improving market conditions, and the sale of the subject (Land Sale 3) at \$14.25/SF in October 2015, Land Sale 3 is given the most emphasis, and supports a conclusion of value higher than \$14.25/SF for the subject property as of the date of value.

Conclusion

In reference to the previously discussed land valuation and after considering the merits of each sale and other market data, it is my opinion that the subject's fee simple site value is \$15.00/SF.

**579,825 SF X \$15.00 = \$8,697,375, rounded to \$8,700,000
EIGHT MILLION SEVEN HUNDRED THOUSAND DOLLARS**

Valuation of Right of Way to be Abandoned

The client has requested an opinion of value for the real property to be conveyed from the City to the adjacent landowner. The purpose of the assignment is to express an opinion of value of the property rights in the 52,195 SF right of way easement that is to be abandoned by the City of Scottsdale.

An easement is defined as:

Easement

An interest in real property that conveys use, but not ownership, of a portion of an owner's property. Access or right-of-way easements may be acquired by private parties or public utilities. Governments dedicate conservation, open space, and preservation easements.¹⁰

Consistent with the Arizona Department of Transportation Right of Way Procedures Manual, FHWA certified January 1, 2016, the adjoining property ("subject property"), was first valued as a separate parcel. The base value of the subject property, was concluded to be \$15.00/SF. The property is then to be valued as assembled with the property to be abandoned. The plottage value created by the assemblage must then be allocated between the adjoining parcel and the excess parcel, recognizing that both parcels are needed to create plottage value, but taking into consideration what each contributes to that value. The portion of the allocation attributed to the property to be abandoned is the market value of the property to be abandoned.

In valuing the assembled parcels, the costs of physically joining the property to be abandoned with the adjacent property, such as earthwork; or soft costs such as professional fees, carrying costs and profit required to realize the plottage value must be considered.

The encumbered value of the property to be abandoned must be calculated, taking into account the fact that the strip of land to be abandoned will also be encumbered with a right of way dedication on the western 25 feet of the easement to be abandoned and within a 100' scenic corridor over the east 30 feet of the easement, which will prohibit any development on the area to be abandoned. The developer will not be able to do anything with the affected property that could not have been done with the easement in place; namely, the property will continue to function as Scottsdale Road and the adjacent scenic corridor. The developer still has no use or control over the affected area. In eminent domain acquisitions it is common for the condemning body to pay up to 99% of fee value for the types of encumbrances that will remain on the affected property, as there is virtually no use or value remaining to the fee owner.

The easement to be abandoned also is of no use and has no constructive value to the City of Scottsdale. Its only value is the amount which the City can charge the proposed developer to abandon the easements. If anything other than a relatively nominal payment would be

¹⁰The Dictionary of Real Estate Appraisal, Third Edition, 1993, Page 110.

required, the value question becomes very circular. The City is motivated to see to it that the land area is used efficiently, in an attractive development that will enhance the area.

It would not be equitable for the City to extract an inordinate payment from the property owner in exchange for giving up unneeded property rights in the subject property. Until recently, the City did not demand compensation for the abandonment of easements that are no longer needed. Although the easement is of no use to the City, the City must be compensated for the property rights it is relinquishing to the fee property owner so as to not violate the "gift clause" of the Arizona constitution, which prohibits the conveyance of any City property to a private individual without adequate compensation. However, only a nominal value can be supported.

Based on the market data found in my research, appropriate analysis and professional judgment, it is my opinion that the "as is" market value of the property to be abandoned, subject to easements, as of the effective date of this appraisal, May 25, 2016, is:

ONE THOUSAND DOLLARS
\$1,000

EXPOSURE TIME AND MARKETING PERIOD

Exposure Time is defined as:

The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.¹¹

Reasonable Marketing Time is defined as:

The estimated amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of appraisal.¹²

In researching the market for comparables, real estate participants active in the subject's area that are familiar with the subject property type were interviewed concerning a probable marketing period for the subject. In addition, the marketing period for the sales considered as comparables were considered in the estimate.

Based on the information obtained during the course of preparing this appraisal, the conclusion is that a marketing period of about 3-6 months is reasonably probable. This assumes that the subject property is marketed at a value within ten percent of the appraised value, and also assumes professional marketing. The exposure time would also be for a similar period.

¹¹Appraisal Standards Board of the Appraisal Foundation, Statement on Appraisal Standard No. 6, September 16, 1992.

¹²Appraisal Standards Board of the Appraisal Foundation, Advisory Opinion G-7, September 16, 1992.

CERTIFICATION

RE: An Easement Abandonment Across 13.31 Acres of Vacant Land Located at the Southeast corner of Scottsdale Road and Dove Valley Road, Scottsdale, Maricopa County, Arizona 85266

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
5. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this appraisal.
7. My analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
8. I have made a personal inspection of the property that is the subject of this report.
9. It is noted that Mr. Marc Bigelow assisted significantly with this report by performing the following tasks under the direction of the appraiser: researched subject and comparable sale information and developed the report. The conclusions and analyses contained in the report are mine alone.
10. The reported analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute.

CERTIFICATION (CONTINUED)

RE: An Easement Abandonment Across 13.31 Acres of Vacant Land Located at the Southeast corner of Scottsdale Road and Dove Valley Road, Scottsdale, Maricopa County, Arizona 85266

11. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives. As of the date of this report, Roger L. Dunlap has completed the requirements of the continuing education program of the Appraisal Institute.
12. The appraisal assignment and my value conclusions as well as other opinions, analysis and/or judgment expressed herein are not based on a requested minimum valuation, specific valuation or the approval of a loan.
13. The undersigned hereby acknowledges that he has the appropriate education and experience to complete the assignment in a competent manner. The reader is referred to the appraiser's Professional Qualifications located in the Addenda.
14. The appraiser has not performed any services regarding the subject property within the three-year period immediately preceding acceptance of this assignment.

Roger L. Dunlap

Roger L. Dunlap, MAI
Certified General Real Estate Appraiser
Arizona Certificate #31062

June 10, 2016

Date

ADDENDA

Appraiser's Qualifications
Appraisal License
Contract Letter for Appraisal Services
Legal Description
Alta Survey
Easement to be Abandoned
General Plan Amendment & Zoning Project Narrative
Zoning Summary

Appraiser's Qualifications

Professional Qualifications of
Roger L. Dunlap, MAI

Roger L. Dunlap & Associates, Ltd.
Appraisals • Consulting • Litigation Support
9401 East Diamond Rim Drive
Scottsdale, AZ 85255-9123
(480) 585-0700 (Voice)
(480) 585-7343 (Fax)
(602) 549-8935 (Mobile)
Roger@RLDLTD.com

EDUCATION:

Arizona State University; Tempe, Arizona
B.A. in English awarded May 1998

Phoenix College; Phoenix, Arizona
A.A.S. in Paralegal studies, May 1983
Member, Phi Beta Kappa Honor Fraternity

Camelback High School; Phoenix, Arizona
Diploma awarded May 1976

PROFESSIONAL DESIGNATIONS:

Appraisal Institute MAI designation

APPRAISAL COURSES:

Real Estate Appraisal Principles (Course & Exam), Basic Valuation Procedures (Course & Exam), Litigation Valuation (Course & Exam), Capitalization Theory and Techniques, Part A (Course & Exam); Uniform Standards of Professional Appraisal Practice (Course & Exam), Appraising from Blueprints (Course & Exam), Appraising Industrial Properties (Course & Exam), Analyzing Operating Expenses (Course and Exam), Highest and Best Use and Market Analysis (Course & Exam), Advanced Income Capitalization (Course & Exam), Advanced Sales Comparison and Cost Approaches (Course and Exam), Report Writing and Valuation Analysis (Course and Exam), Advanced Applications (Course and Exam), Appraising Convenience Stores (No Exam), Partial Interest Valuation - Divided (No Exam) Condominiums, Co-ops and PUD's (No exam), Business Practice and Ethics (No exam), Supervising Beginning Appraisers (No exam) Appraising and Analyzing Office Buildings for Mortgage Underwriting (No exam), Appraisal Through the Eyes of the Reviewer (No exam), Appraising the Appraisal: Appraisal Review - General (No exam), Residential Report Writing (No exam), Online Data Verification Methods (No exam), Review Theory - General (Course and Exam)

PROFESSIONAL LICENSES:

Certified General Real Estate Appraiser, Arizona Certificate #31062; Idaho Certificate #CGA-1621

EXPERIENCE:

June 1998 – Present

Roger L. Dunlap & Associates, LTD. (formerly Dunlap Litigation Services, L.L.C.)

President and CEO of corporation providing commercial appraisals; and real estate consulting services and litigation support for real estate attorneys, lenders, government agencies and individuals. Qualified as an expert witness in Yavapai County, Mohave County and Maricopa County, Arizona and Canyon County and Twin Falls County, Idaho Superior Courts. A partial list of clients is attached.

October 1985 – May 1998

Dushoff & McCall
Phoenix, Arizona

Real Estate Analyst/Paralegal for law firm with a practice emphasizing eminent domain and real estate related litigation.

VALUATION ASSIGNMENTS:

I have been engaged in valuation assignments for purposes of estate valuation, mortgage financing, buyer/seller transactions, title disputes, land exchanges, right of way abandonments and condemnation matters, among others. I have appraised a variety of property types throughout Arizona and Idaho. I have worked in most municipalities of the Phoenix metro area as well as rural areas including properties located on three Indian reservations, and in thirteen of fifteen Arizona counties; as well as Boise, Caldwell, Nampa, Emmett, Twin Falls, Burley and other cities in Idaho. Property types I have appraised include land parcels, proposed and existing commercial and industrial projects on Indian reservations, all types of retail/commercial property, offices, medical facilities, multifamily residential property, and industrial projects ranging from small owner/user manufacturing properties to hi-tech industrial corporate headquarters. I have been engaged to conduct Standard 3 reviews for bank clients and government agencies.

PARTIAL LIST OF CLIENTS

Arizona Department of Transportation
Gene D. Cox
(520) 400-7169

James M. Balogh, Esq.
Tempe, Arizona
(480) 755-7955

Philip M. Barlow & Associates
Mesa, Arizona
(480) 756-2776

Blandford Homes
Scottsdale, Arizona
(480) 892-4492

Central Arizona Water Conservation District
Phoenix, Arizona
(623) 869-2274

Country Bank
Prescott, Arizona
(928) 443-9595

Davison, Copple, Copple & Copple
Boise, Idaho
(208) 342-3658

Embry Riddle Aeronautical University
Prescott, Arizona
(928) 777-6600

Farmers and Merchant's Bank
Colby, Kansas
(785) 460-3321

First American Title Insurance Company
Scottsdale, Arizona
(602) 685-7681

First Community Bank
Fort Collins, Colorado
(970) 232-3074

City of Flagstaff
Flagstaff, Arizona
(928) 779-7623

City of Glendale
Glendale, Arizona
(623) 930-2983

Higley Unified School District
Gilbert, Arizona
(480) 279-7063

K. Hovnanian Homes
Phoenix, Arizona
(480) 824-4175

Lennar Homes
Scottsdale, Arizona
(480) 718-1378

Magellan Law, PLC
Scottsdale, Arizona
(602) 443-4888

Maricopa County Fiduciary's Office
Phoenix, Arizona
(602) 506-7407

City of Mesa
Mesa, Arizona
(480) 644-3050

City of Phoenix
Phoenix, Arizona
(602) 495-2006

Pinal County Public Works Department
Florence, Arizona
(520) 866-6982

City of Prescott
Prescott, Arizona
(928) 777-1130

Town of Prescott Valley
Prescott Valley, Arizona
(928) 759-3079

Town of Queen Creek
Queen Creek, Arizona
(480) 358-3192

State of Arizona
School Facilities Board
Phoenix, Arizona
(602) 542-6501

Toll Brothers, Inc.
Scottsdale, Arizona
(480) 596-5807

URS Corporation
Phoenix, Arizona
(602) 371-1100

Yavapai County
Prescott, Arizona
(928) 771-3183

Appraisal License

STATE OF ARIZONA
BOARD OF APPRAISAL

BE IT KNOWN THAT

ROGER L. DUNLAP
HAS MET ALL THE REQUIREMENTS AS A
Certified General Real Estate Appraiser

In accordance with Arizona Revised Statutes and on authority of the Board of Appraisal, State of Arizona.

In witness whereof the Arizona Board of Appraisal caused to be signed by the Chair of the Board and the Executive Director

This registration shall remain evidence thereof unless or until the same is suspended, revoked or expires in accordance with provisions of law.

CERTIFICATE NUMBER

31062

EXPIRATION DATE

May 31, 2017


Chair, Board of Appraisal 3-30-2015 Date Issued

Executive Director of the Board of Appraisal 3-30-2015 Date Issued

SHALL REMAIN PROPERTY OF ARIZONA BOARD OF APPRAISAL

CR0157

Contract Letter for Appraisal Services

RLD

Roger L. Dunlap & Associates, LTD.

Appraisals • Consulting • Litigation Support

May 23, 2016

Mr. Michael A. Lieb, Manager
Shea i24 Investments, LLC
C/O Ms. Michele Hammond
Principal Planner
Berry Riddell LLC
6750 East Camelback Road, Suite 100
Scottsdale, AZ 85251

Via E-mail: mh@berryriddell.com

SUBJECT: Appraisal of property at SEC Scottsdale Road and Dove Valley Road, Scottsdale, AZ

Dear Mr Lieb:

This documents our agreement with regard to an appraisal report on the above referenced property. The appraisal will estimate the market value of right of way that the City of Scottsdale proposes to abandon to the adjacent property owner. You are the client and intended user of the appraisal report. The other intended user is the City of Scottsdale.

I propose to prepare a narrative appraisal report for a total of \$2,500, in a PDF format. Hard copies, if required, will cost an additional \$75/copy. The appraisal will employ the sales comparison approach to value and will use the "across the fence" method to value the property to be abandoned, taking into account its limited utility and lack of potential buyers.

The appraisal fee includes all travel expenses and other related out of pocket expenses. The appraisal fee does not include future meetings subsequent to completion of the appraisal, depositions, arbitration, preparation for and/or appearance in court, FedEx charges, updates, etc., in the event such circumstances should occur.

We have commenced working on the report per your instructions and will have it done by June 10, 2016 or sooner.

Future meetings, subsequent to completion and delivery of the appraisal report, depositions, appraisal review, arbitration, and preparation for and/or appearance in court will be billed at \$250/hour for my time and \$100/hour for staff time. This hourly rate will remain in effect for one year from the date of this proposal.

Page 2 - Appraisal Proposal
May 23, 2016
Michael Lieb

**SUBJECT: Appraisal of property at SEC Scottsdale Road and Dove Valley Road,
Scottsdale, AZ**

The appraisal will be subject to certain Underlying Assumptions and Limiting Conditions as attached hereto. The appraisal report will be prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP). **The appraisal will assume the subject property is not adversely affected by any environmental problems.**

The appropriate signature will indicate your agreement with the terms and conditions stated herein. Thank you for hiring our firm. Please give me a call if you have any questions regarding this contract. Please return one signed copy to our office. E-mail is acceptable.

Sincerely,

Roger L. Dunlap

Roger L. Dunlap, MAI
Certified General Real Estate Appraiser
Arizona Certificate #31062

Agreed and Accepted

Michael A. Lieb

Shea 124 Investments, LLC
By: Michael A. Lieb, Manager

May 30, 2016

Date

UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

1. That the legal description available to the appraiser is correct.
2. That a current A.L.T.A. survey was not provided to the appraiser, and that all other plans and specifications noted in this report are correct.
3. That the title to the property is marketable, free and clear of all liens.
4. That the property is appraised as if owned in fee simple title.
5. That the fee simple estate in the property contains the sum of all interests which may exist.
6. That responsible ownership and competent management exist for the property.
7. That the appraiser is not responsible for the accuracy of the opinions furnished by others and contained in this report, nor is he responsible for the reliability of government data utilized in the report.
8. That compensation for appraisal services rendered is dependent only upon the delivery of this report and that it is not contingent upon the values estimated herein.
9. That this report considers nothing of a legal character and that the appraiser assumes no responsibility for matters of a legal nature.
10. That testimony or attendance in court is not required by reason of this appraisal, unless arrangements are previously made.
11. That hidden defects within the materials of the structures, or defects which are inaccessible to normal inspection, are not the responsibility of the appraiser.
12. That construction, whether existing or to be completed, is assumed to be done according to the plans and specifications furnished to the appraiser, and that such construction is legal in character and meets all governmental requirements.
13. That information furnished by the client, property owner, agent, or management is correct as received.
14. That neither this report, nor any of its contents, may be used for the sale of shares or similar units of ownership in the nature of securities, without specific prior approval of the appraiser. That no part of this appraisal may be reproduced without the permission of the appraiser.

15. That the appraiser cannot predict or evaluate the possible effects of future wage price control actions of the government upon rental income or financing of the subject property; hence, it is assumed that no control will apply which would nullify contractual agreements, thereby changing property values.
16. That the subject property is not, nor will it be, in violation of the National Environmental Policy Act, the State Environmental or Clean Air Act, or any and all similar government regulations or laws pertaining to the environment.
17. That this report is the confidential and private property of the client and the appraiser. Any person other than the appraisers or the client who obtains and/or uses this report or its contents for any purpose not so authorized by the appraiser or the client is hereby forewarned that all legal means to obtain redress may be employed against him/her.
18. That adequate utility services are available for the subject property and that they will continue to be so in the foreseeable future. This includes electricity, water and sewer.
19. An environmental site survey was not provided to the appraiser. However, the appraiser is not qualified to detect or evaluate the subject site for environmental criteria. Thus, this appraisal does not take into consideration the possibility of the existence of asbestos, PCB transformers, urea formaldehyde foam insulation, or other toxic, hazardous, or contaminated substances, and/or underground storage tanks (containing hazardous materials), or the cost of encapsulation or removal thereof.
20. Statement of Policy. The following statements represent official policy of the Appraisal Institute with respect to neighborhood analysis and the appraisal of residential real estate:
 - a. It is improper to base a conclusion or opinion of value upon the premise that the racial, ethnic, or religious homogeneity of the inhabitants of an area or of a property is necessary for maximum value.
 - b. Racial, religious, and ethnic factors are deemed unreliable predictors of value trends or price variance.
 - c. It is improper to base a conclusion or opinion of value, or a conclusion with respect to neighborhood trends, upon stereotyped or biased presumptions relating to race, color, religion, sex, or national origin, or upon unsupported presumptions relating to the effective age or remaining life of the property being appraised or the life expectancy of the neighborhood in which it is located.
21. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the

requirements of the Act. If so, this fact could have a negative effect upon the value of the property. Since I have no direct evidence relating to this issue, I did not consider possible non-compliance with the requirements of ADA in estimating the value of the property. If at a later date, it is determined that the subject does not conform, I reserve the right to adjust the value accordingly.

22. Appraiser liability extends only to the stated client and not to subsequent parties or users, and the liability to the amount of the fee received by the appraiser.

Legal Description

Legal Description

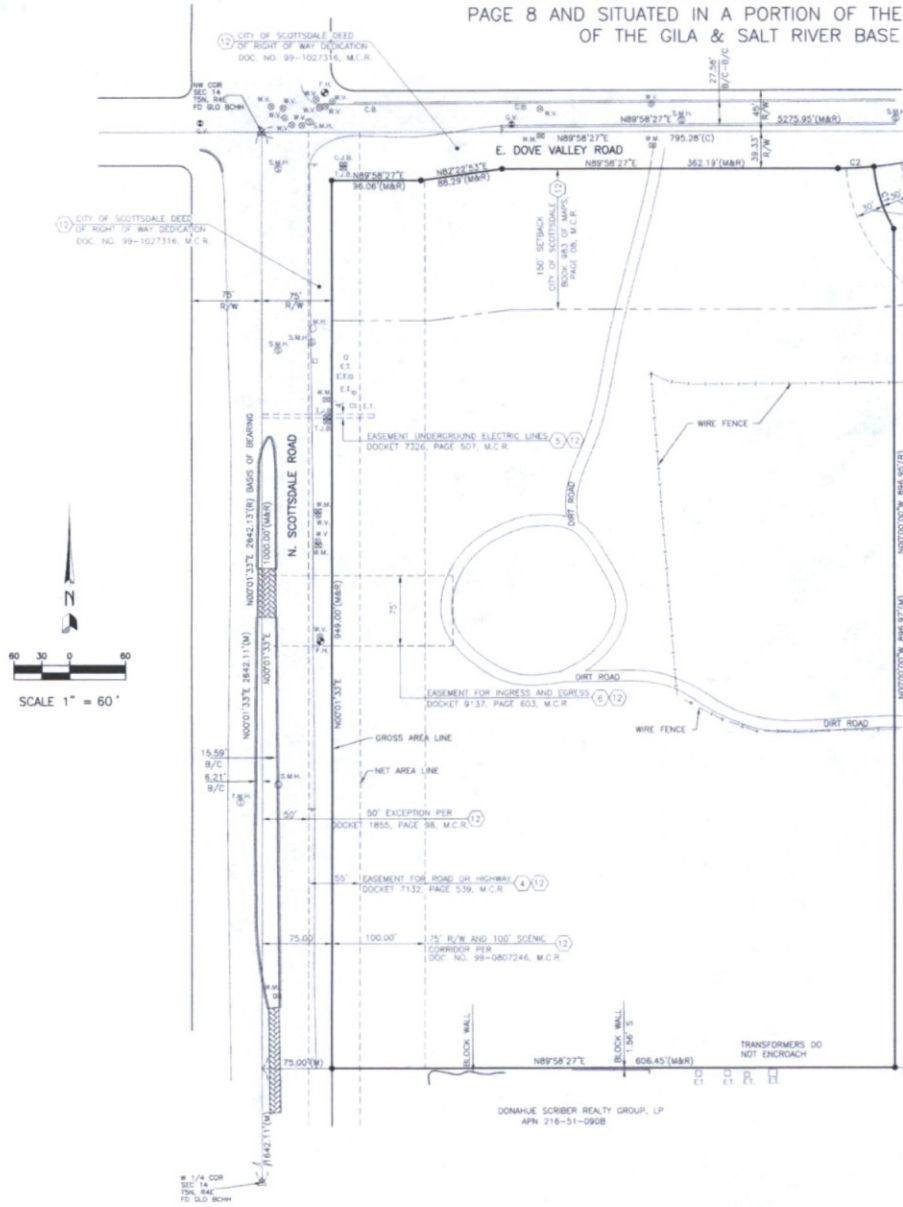
EXHIBIT "A"

Parcel 1 of Land Division Map for DOVE VALLEY AND SCOTTSDALE ROAD, according to the Plat of record in the Office of the County Recorder of Maricopa County, Arizona, recorded in Book 983 of Maps, Page 8.

Alta Survey

ALTA/ACSM LAND TITLE SURVEY

PARCEL 1 OF DOVE VALLEY AND SCOTTSDALE ROAD, AS RECORDED IN BOOK 983 OF MAPS, PAGE 8 AND SITUATED IN A PORTION OF THE NORTHWEST QUARTER, SECTION 14, T. 5 N., R. 4 E. OF THE GILA & SALT RIVER BASE & MERIDIAN, MARICOPA COUNTY, ARIZONA



CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	69.56	150.00	26°34'16" (M)
C2	68.55	150.00	26°32'43" (W)
C3	38.96	407.00	52°28'03" (M&W)
C4	141.45	407.00	19°54'47" (M)
C5	141.82	407.00	19°57'53" (W)

LEGEND

- (#) SCHEDULE "B" ITEM
- INDICATES A CORNER OF SURVEY SET A 1/2" S&P & CAP R.L.S. # 36070
- F.H. FIRE HYDRANT
- G.V. GAS VALVE
- W.V. WATER VALVE
- B/C BACK OF CURB
- T.A.B. TELEPHONE JUNCTION BOX
- C.J.B. CABLE JUNCTION BOX
- SIGN
- C.B. CATCH BASIN
- F.M.H. TELEPHONE MANHOLE
- S.M.H. SLEWER MANHOLE
- W.W. WATER WELL
- E.T. ELECTRIC TRANSFORMER
- M.C.R. MARICOPA COUNTY RECORDER
- (M) MEASURED
- (R) RECORDED
- BOH+ BRASS CAP IN HAND HOLE
- R/W RIGHT OF WAY
- APN ASSESSORS PARCEL NUMBER
- ASPHALT PAVEMENT
- BRICK PAVERS

SCHEDULE "B" DOCUMENTS

- 4 EASEMENT FOR ROAD OR HIGHWAY AND INCIDENTAL PURPOSES DOCKET 7132, PAGE 539, M.C.R. (PLOTTED)
- 5 EASEMENT UNDERGROUND ELECTRIC LINES AND INCIDENTAL PURPOSES DOCKET 7326, PAGE 507, M.C.R. (PLOTTED)
- 6 EASEMENT FOR INGRESS AND EGRESS AND INCIDENTAL PURPOSES DOCKET 9137, PAGE 603, M.C.R. (PLOTTED)
- 7 UNRECORDED AGREEMENT CONTAINED IN NOTICE OF REIMBURSEMENT AGREEMENT RECORDED IN DOCUMENT NO. 89-493928, M.C.R. AND PARTIAL RELEASE (AFFECTS PROPERTY, NOT PLOTTED)
- 8 UNRECORDED AGREEMENT CONTAINED IN NOTICE OF REIMBURSEMENT AGREEMENT RECORDED IN DOCUMENT NO. 89-493928, M.C.R. (AFFECTS PROPERTY, NOT PLOTTED)
- 9 UNRECORDED AGREEMENT CONTAINED IN NOTICE OF REIMBURSEMENT AGREEMENT RECORDED IN DOCUMENT NO. 89-493928, M.C.R. AND PARTIAL RELEASE (AFFECTS PROPERTY, NOT PLOTTED)
- 10 COVENANTS, CONDITIONS, RESTRICTIONS DOCUMENT NO. 99-0807249, M.C.R. RE-RECORDED AS DOCUMENT NO. 99-1027218 AND AMENDMENT RECORDED AS 2007-0989376, M.C.R. (PLOTTED)
- 11 EASEMENT FOR UTILITIES AND SLOPE AND INCIDENTAL PURPOSES DOCUMENT NO. 2002-1235781 M.C.R. (DOES NOT AFFECT PROPERTY)
- 12 EASEMENTS, RESTRICTIONS, RESERVATIONS, CONDITIONS, AND SET-BACK LINES BOOK 983 OF MAPS, PAGE 08, M.C.R. (PLOTTED)



SEC 14 T 5 N. R 4 E
VICINITY MAP
N.T.S.

NOTES

- THIS SURVEY WAS PERFORMED BASED ON INFORMATION CONTAINED IN A TITLE REPORT PREPARED BY CLEAR TITLE AGENCY OF ARIZONA, FILE NO. 10-517317, DATED JUNE 11, 2015.
- THE BASIS OF BEARRINGS FOR THIS SURVEY IS THE WEST LINE NORTHWEST QUARTER OF SECTION 14, T. 5 N., R. 4 E., ALSO BEING THE CENTER LINE OF SCOTTSDALE ROAD USING A BEARING OF N00°01'33"E.
- NET AREA OF PARCEL IS 55,145.50 FT. OR 12.6599 ACRES. GROSS AREA OF PARCEL IS 578,935.50 FT. OR 13,151.59 ACRES.
- SUBJECT PROPERTY IS ZONED C-2 USE (CENTRAL BUSINESS DISTRICT) SETBACK, HEIGHT AND BULK RESTRICTIONS ARE NOT CLEARLY DEFINED AND MAY APPLY.
- ACCORDING TO FIRM FLOOD INSURANCE RATE MAP NO. 04013008A, DATED OCTOBER 16, 2013, THE SUBJECT PROPERTY IS LOCATED IN ZONE X AND ZONE AE. ZONE X IS DESCRIBED AS "AREAS OF 500-YEAR FLOOD. AREAS OF 100-YEAR FLOOD WITH AVERAGE DEPTHS OF LESS THAN 1 FOOT OR WITH DRAINAGE AREAS LESS THAN 1 SQUARE MILE; AND AREAS PROTECTED BY LEVEES FROM 100-YEAR FLOOD." ZONE AE IS DESCRIBED AS "BASE FLOOD ELEVATIONS DETERMINED."
- THERE IS NO OBSERVABLE EVIDENCE OF EARTH-MOVING, CURRENT OR RECENT CONSTRUCTION, NOR ANY EVIDENCE SITE HAS OR IS BEING USED AS A SOLID WASTE DUMP, DUMP OR SANITARY LANDFILL.
- THERE ARE NO WETLANDS ON PROPERTY.

LEGAL DESCRIPTION

PARCEL 1 OF LAND DIVISION MAP FOR DOVE VALLEY AND SCOTTSDALE ROAD, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 983 OF MAPS, PAGE 08.

CERTIFICATION

TO: 124 SHEA INVESTMENTS LLC, AN ARIZONA LIMITED LIABILITY COMPANY
CLEAR TITLE AGENCY OF ARIZONA

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 2, 3, 4, 6, 7a, 7b, 7c, 8, 9, 10, 11b), 13, 16, 17 AND 18 OF TABLE A THEREOF THE FIELD WORK WAS COMPLETED ON JULY 15, 2015.

ROBERT J. BLAKE
DATE OF MAP: JULY 24, 2015
REGISTERED SURVEYOR STATE OF ARIZONA
REGISTRATION NO. 36070



Clouse Engineering, Inc.
ENGINEERS & SURVEYORS
1642 E. DOWNTOWN AVENUE
PHOENIX, ARIZONA 85026
TEL: 602-995-5300 FAX: 602-985-9310

ALTA/ACSM LAND TITLE SURVEY
7225 EAST DOVE VALLEY ROAD
SCOTTSDALE, ARIZONA

Revised

Date
07-24-15
As-Built
Job No.
150701

Easement to be Abandoned

gr 7132 4-539

STATE OF ARIZONA
County of Maricopa

1968 (37) IN LOCKET & FORD 7132 PAGE 539
MARICOPA CO. BD. OF SUPERVISORS

Fee No.
97354

When recorded, return to:
Maricopa County Board of Supervisors

Witness my hand and official seal.
CLIFFORD L. WARD
County Recorder
By: *E. S. Adams*
Deputy Recorder

01-DEED
Compared
Photostated
Fee: 1.00

EASEMENT FOR HIGHWAY PURPOSES

ITEM NO. DD 3433 416-51-2A & Pt. 2B R/W. 2 B-68
SOUTHWESTERN RESEARCH AND GENERAL INVESTMENT COMPANY, an Arizona corporation

GRANTORS,

for and in consideration of the sum of One Dollar and other valuable consideration, receipt of which is hereby acknowledged, do hereby grant to MARICOPA COUNTY, a political subdivision of the State of Arizona its successors, assigns, a permanent easement and right-of-way, for the following purposes, namely: The right to enter upon the hereinafter described land and grade, level, fill, drain, pave, build, maintain, repair and rebuild a road or highway, including incidental purposes consistent therewith, together with such bridges, culverts, ramps and cuts as may be necessary, on, over, under, and across the ground embraced within the right-of-way situated in the County of Maricopa, State of Arizona, and described as follows:

The East Fifty-five(55) feet of the West 105 feet of the North One-half(N $\frac{1}{2}$) of Section Fourteen(14), Township Five(5) North, Range Four(4) East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

11-11-68
7/2/68
5/7/68
1/6/68
4/7/68

To have and to hold the said easement and right-of-way unto Maricopa County, a political subdivision of the State of Arizona and unto its successors and assigns forever, together with the right of ingress and egress to permit the economical operation and maintenance of said public highway and all incidents thereto and together with the right to authorize, permit, and license the use thereof for utilities or other public purposes not inconsistent with its primary use as a highway.

And the Grantors hereby covenant that they are lawfully seized and possessed of his aforementioned tract or parcel of land; that they have a good and lawful right to sell and convey it; and that they will warrant the title and quiet possession thereto against the lawful claim of all persons.

The said agreement to include the right to cut back and trim such portion of the branches and tops of the trees now growing or that may hereafter grow upon the above described premises as may extend over said right-of-way, so as to prevent the same from interfering with the efficient maintenance and operation of said public highway.

In the event the right, privilege and easement herein granted shall ever be abandoned and permanently cease to be used for the purposes herein granted all rights herein granted shall cease and revert to the grantors, their heirs or assigns.

Wherever in the foregoing instrument the plural is used, it will be read as singular when necessary, and whenever words indicating gender are employed they will apply to either masculine, feminine or neuter as the context requires.

SOUTHWESTERN RESEARCH AND GENERAL INVESTMENT COMPANY, an Arizona corporation

Witness this 27th day of May 1968
STATE OF ARIZONA
County of Maricopa
Before me, *[Signature]*
State of Arizona, on this day personally appeared

By: *[Signature]*
Harry Polk, President and General Manager

known to me to be the person whose name is subscribed to the foregoing instrument as *[Name]* of the Corporation described in the foregoing instrument and as such acknowledged to me that *[Name]* executed the same for and in behalf of the Corporation and the intention therein expressed was its free act and deed and by one of them, its authorized agent.

Given under my hand and seal of office, this 27th day of May, 1968.

My Commission Expires March 13, 1972

**General Plan Amendment &
Zoning Project Narrative**

*Scottsdale Heights
Scottsdale & Dove Valley*

**GPA & Zoning
Project Narrative**

810-PA-2015

Request for a non-major General Plan Amendment
from Commercial to Urban Neighborhoods and non-major
General Plan Amendment from Commercial to
Cultural/ Institutional / Public Use

&

Rezoning from C-2 ESL to R-3 ESL

Prepared for:
Shea 124 Investments, LLC

Prepared by:
Berry Riddell LLC
6750 E. Camelback Road, Suite 100
Scottsdale, AZ 85251
480-385-2727

9-ZN-2016
4/1/16

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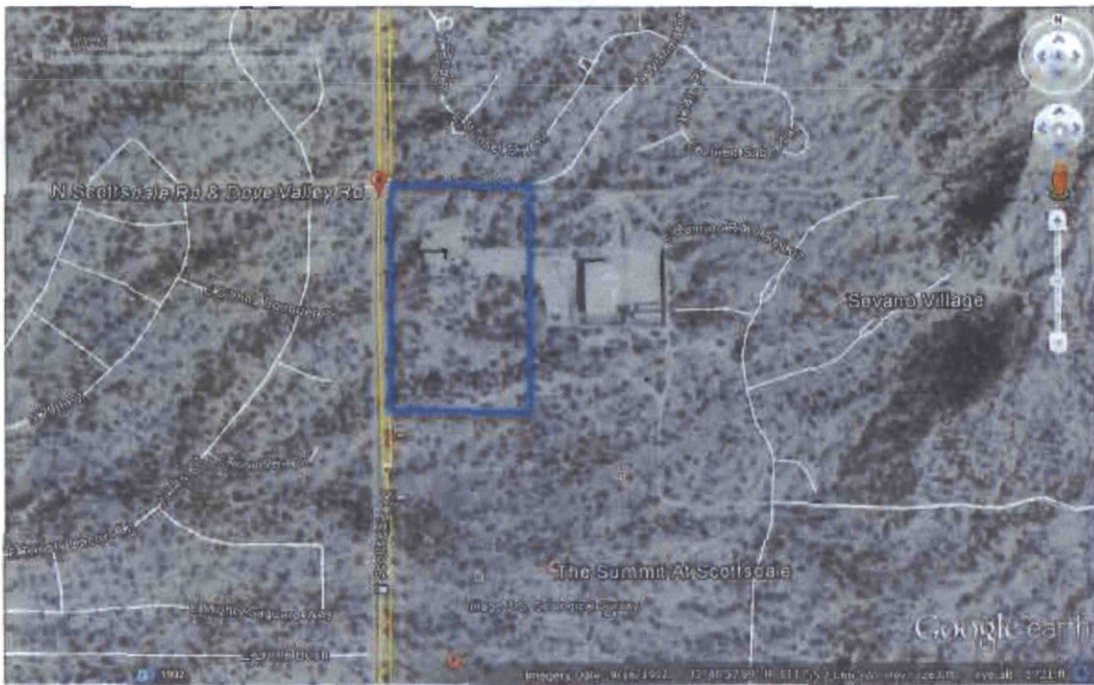
I. Request

The request is for a non-major General Plan Amendment (“GPA”) from the Commercial land use category to Urban Neighborhoods land use category and a downzoning from C-2 ESL to R-3 ESL on a 14+/- gross acre property located at the southeast corner of Scottsdale Road and Dove Valley Road (the “Property”), north of The Summit shopping center. The development proposal for Scottsdale Heights includes a 123-unit residential community with common open space. The request also includes a non-major GPA from Commercial to Cultural/Institutional or Public Use on a 1.6+/- gross acre property just south of the residential site for the development of a multi-use path/interpretive trail.

II. Zoning Background

The existing commercial zoning was established in the 1960’s under Maricopa County’s jurisdiction to allow for the development of the Carefree Studios which was utilized for the filming of the second Dick Van Dyke TV show. This site was annexed into the City of Scottsdale with commercial zoning in the 1980’s. The 1992 aerial below depicts the former Studio improvements on the site which have since been removed and the site has been vacant for approximately two decades. The site, which is currently zoned C-2 ESL, was included as part of case 10-ZN-2001 (Whisper Rock Phase 3) in October 2001, which at the time included the remaining unplanned portion of the Whisper Rock community and the undeveloped portions of the Scottsdale Summit retail development along Scottsdale Road including the subject Property. Subsequently, the 14+ site immediately to the east, known as Paloma, was rezoned from C-2 ESL to R-3 ESL in December 2006 (Case 23-ZN-2005) for the development of a 90-unit residential community. The Paloma site has remained vacant since that time but is slated to begin development in 2016.

1992 Aerial



2015 Aerial



Post annexation, the character of the surrounding area began to change with the development of multiple upscale residential communities and golf courses. In the late 1980s to early 1990s, the Terravita master plan community, located directly to the west across Scottsdale Road began development. It was soon joined by Winfield, located to the north and Whisper Rock to the east and south beyond the Summit shopping center. Much of the subject site has been scarred or graded with the previous Carefree Studios development as depicted in the aerial photos of the site (above).

III. Project Overview

The Reserve at Pinnacle Peak Patios is a residential community with 123 attached units on 14 acres (8.8 dwelling units/acre).

Scottsdale Heights will provide several benefits for its neighbors:

- The property is presently zoned C-2 ESL, which would allow a wide range of commercial uses.
- As part of this project, the property will be downzoned from C-2 ESL to R-3 ESL.
- Reduce building heights from the allowed 36' to maximum 30', two-stories.
- The residential uses proposed will result in a reduction in traffic of 91.3%, compared to the potential commercial uses.
- Preservation of the Scenic Corridor along Scottsdale Road and addition of multi-use path along the southern edge (planned to pay tribute to Dick Van Dyke and memorialize the history of this parcel).

IV. General Plan Overview

General Plan - Six Guiding Principles:

Per the General Plan, six Guiding Principles articulate how the appropriateness of a land use change to the General Plan is to be qualified. These six Guiding Principles are as follows:

- 1. Value Scottsdale's Unique Lifestyle & Character**
- 2. Support Economic Vitality**
- 3. Enhance Neighborhoods**
- 4. Preserve Meaningful Open Space**
- 5. Seek Sustainability**
- 6. Advance Transportation**

Further, there are twelve "Elements" or sections of the General Plan containing the City's policies on the following sub-categories: 1) Character And Design, 2) Land Use, 3) Economic Vitality, 4) Community Involvement, 5) Housing, 6) Neighborhoods, 7) Open Space And Recreation, 8) Preservation And Environmental Planning, 9) Cost Of Development, 10) Growth Areas, 11) Public Services and Facilities and 12) Community Mobility. These Elements further breakdown the "Goals And Approaches" established in each chapter. The following section will provide a detailed description of how this request and proposed development satisfies and furthers the Guiding Principles and is consistent with the relevant Goals and Approaches found within the City's General Plan. As described in Section V of this narrative, the Reserve at Pinnacle Peak Patios is consistent with the Plan's Guiding Principles and the Goals and Approaches contained in the following Elements.

The General Plan sets forth a collection of goals and approaches intended to integrate the Guiding Principles into the planning process and provide a framework for proposed development and the built environment. These goals and approaches are, however, not intended to be static or inflexible and the General Plan clearly recognizes this by stating: "The General Plan is designed to be a broad, flexible document that changes as the community needs, conditions and direction change." It is with this inherent flexibility in mind that the proposed non-major GPA not only meets, but also exceeds the goals and approaches established by the City in the General Plan.

This request is for a non-major General Plan Amendment to the land use category and map contained in the Land Use Element of the General Plan. As previously stated, the six Guiding Principles and twelve Elements (sub-categories of the Guiding Principles) articulate, via goals and approaches, how the appropriateness of a land use change to the General Plan is to be qualified. The following sections of the Project Narrative describe how this application and proposed development of the Property satisfies the Guiding Principles and Goals and Approaches within the General Plan.

V. Elements of the General Plan

Character and Design Element

The Character and Design Element states that "Development should respect and enhance the unique climate, topography, vegetation and historical context of Scottsdale's Sonoran desert environment, all of which are considered amenities that help sustain our community and its quality of life." This Element indicates that Scottsdale Values:

- The special characteristics of the Sonoran Desert setting, including climate, vegetation, and topography.
- Quality design that incorporates concepts, such as but not limited to context, aesthetics, craftsmanship, function, durability, and sustainability.
- Physical settings that enhance people's sense of place and comfort. Public and private spaces incorporated within and linked to adjacent developments that enable comfort, human scale, and social interaction.

Response: The proposed development responds to and embraces these community values as follows:

- The development will be sensitive to the existing Sonoran desert setting and topography. The site is gradually slopes from north to south, has some graded areas (former Carefree Studios) and is devoid of any significant topographic features. The proposed site plan for the residential community will include natural NAOS, re-vegetated NAOS and developed open space. It will be designed to blend with the desert landscape palette on the adjoining residential and commercial properties.
- The development will incorporate quality design concepts that enhance the design character of the area and promote sustainability. The development of the vacant Property with luxury residential will complement and enhance the quality of the existing neighborhood. The architecture, color palette and building materials will be compatible with the sensitive, quality design elements used throughout the Terravita, Winfield, Las Piedras and Whisper Rock. The applicant's intent is to development with a desert character commensurate with the intent of the Environmentally Sensitive Lands Ordinance (ESLO), revegetation scarred areas where feasible. Native desert landscaping and design elements will be incorporated with the development of this community both internally and along the perimeter streetscape and Scenic Corridor.
- The development will establish physical settings and improvements that enhance people's sense of place and comfort. The proposed development will be low profile and will maintain views to nearby natural environmental features. The previous Carefree Studios development scarred and graded the site. The proposed development not only intends to dedicate required NAOS and to maintain the integrity of the ESLO through site design (revegetating scarred areas), architectural character and landscaping.
- The site plan provides convenient connections for residents to access the adjoining commercial uses, the Scenic Corridor and "Dick Van Dyke" public multi-use path to the south. This public recreational path and trail network along the perimeter of the Property links to more extensive off-site network of pedestrian and equestrian trails.

This non-major GPA is consistent with the following goals and approaches contained within the Character and Design Element:

Character and Design Goals and Approaches

1. Determine the appropriateness of all development in terms of community goals surrounding area character and the specific context of the surrounding neighborhood.

- Respond to regional and citywide contexts with new and revitalized development in terms of:
 - Scottsdale as a southwestern desert community.
 - Relationships to surrounding land forms, land uses and transportation corridors.
 - Contributions to city wide linkages of open space and activity
 - Zones.
 - Consistently high community quality expectations.

Response: The project responds to its southwestern desert community context through desert sensitive site design and preservation of natural features and vegetation. It preserves views to surrounding landforms and provides linkages to adjacent open spaces and supporting commercial land uses. Careful and sensitive project design meets high community quality expectations. The proposal is consistent with this Goal and Approach.

- Encourage projects that are responsive to the natural environment, site conditions, and unique character of each area, while being responsive to people's needs.

Response: Although the project site has been partially graded in the past, this project will maintain the existing natural topographic features that remain as well as the existing mature native vegetation. It will also improve natural features through sensitive revegetation while responding to people's needs by creating trail and sidewalk connections.

- Ensure that all development is a part of and contributes to the established or planned character of the area of the proposed location.

-Resort Villages are concentrations of major resort facilities. A variety of tourist accommodations, quality office, specialty retail, recreation uses including golf courses and tennis courts, employment, and compatible high amenity residential neighborhoods are all components.

Response: The Character Types Map of the General Plan designates this Property as a Resort Village along Scottsdale Road. These character areas contain medium density neighborhoods that include a variety of commercial centers and resorts. A wide variety of recreational and leisure opportunities are integrated into the fabric of these districts. The General Plan notes that pedestrian and bicycle linkages from neighborhood to

neighborhood and from neighborhood to commercial, cultural, educational and recreational components are vital in weaving these areas into a livable community. The physical character of these districts varies widely throughout the community and is based on period of construction and the surrounding topography and natural features.

As noted in the General Plan (pp. 44-45) Resort Villages fall within and are a special feature of the Suburban Desert Character Type. This Property and surrounding properties were designated as part of the Resort Village due to their proximity to a variety of high quality resort (ie: The Boulders), retail/restaurant and recreational opportunities in this area. The proposed luxury residential community not only accommodates a demand in this sub-market, but is arguably a more appropriate land use in this location as it will add to the existing mixture of uses with a compatible high amenity residential neighborhood. The upscale nature of the Scottsdale Heights will complement surrounding residential, commercial, resort and recreational uses and with its open space and trail connections will be seamlessly integrated into the fabric of the Resort Village. The proposal is consistent with and furthers this Goal and Approach.

2. Review the design of all development proposals to foster quality design that enhances Scottsdale as a unique southwestern desert community.

- Promote, evaluate and maintain the Scottsdale Sensitive Design Principles that when followed will help improve and reinforce the quality of design in our community.

Response: Scottsdale's Sensitive Design Principles are fundamental to the design and development of the subject property. The proposed residential community will complement and enhance the quality of the existing master planned communities which have formed the surrounding context. Its architecture, color palette and building materials will be compatible with the sensitive, quality design elements used throughout Terravita, Winfield, Las Piedras and Whisper Rock.

The development will establish physical settings and improvements that enhance people's sense of place and comfort. The proposed development will be low profile and will maintain views to nearby natural environmental features. The previous Carefree Studios development scarred and graded the site. The proposed development not only intends to dedicate required NAOS and to maintain the integrity of the ESLO through site design, architectural character and landscaping.

4. Encourage "streetscapes" for major roadways that promote the city's visual quality and character, and blend into the character of the surrounding area.

- Apply the **Scenic Corridor** designation in circumstances where a substantial landscape buffer is desired to maintain views, the desert character is a vital part of the neighborhood setting, and buffering of roadway impacts is important. This allows for a larger landscaped area that can minimize the impact of highly traveled roads adjacent to neighborhoods.
- Establish specific Scenic Corridor guidelines and policies for the design and maintenance of these visually significant roadways.
- Other visually significant roadways include roadways with buffered setbacks, Desert Scenic Roadways (in ESLO districts), and roadways with specific streetscape design themes.

Response: Scottsdale Road is designated as a Scenic Corridor per the City's Scenic Corridor plans and policies with the goal to preserve views and enhance native vegetation along significant frontages providing a more rural and open feel to be enjoyed by the community. The Scenic Corridor is proposed to be a minimum of 75' and an average of 100'.

6. Recognize the value and visual significance that landscaping has upon the character of the community and maintain standards that result in substantial, mature landscaping that reinforces the character of the city.

- Require substantial landscaping be provided as part of new development or redevelopment.
- Maintain the landscaping materials and pattern within a character area.
- Encourage landscape designs that promote water conservation, safe public settings, erosion protection, and reduce the “urban heat island” effect.
- Encourage the retention of mature landscape plant materials.

Response The development proposal promotes a low-water use desert landscape palette in keeping with the existing on-site and surrounding desert context. The site and landscape design will enhance the surrounding character, minimize building mass, and naturally integrate with adjacent properties while providing shade and comfort for the future residents of the community. The native and desert-adapted plant palette proposed will promote water conservation. The majority of the mature native trees existing on this site will be retained with the proposed site plan.

7. Encourage sensitive outdoor lighting that reflects the needs and character of different parts of the city.

- Establish lighting standards that relate to the ambient lighting designations contained within the 2000 I.E.S. standards revisions.
- Encourage lighting designs that minimize glare and lighting intrusions into neighborhood settings.
- Encourage creative and high quality designs for outdoor lighting fixtures and standards that reflect the character of the local context.

Response: Lighting will be designed in an appropriate manner and respectful of the nearby single-family residential developments, minimizing glare and promoting the City’s dark-sky policy while maintaining safety for future residents. Lighting standards will be selected to coincide with the high quality design of the overall project. The specific light fixtures to be submitted with the Development Review application will be high-quality designs that reflect the neighborhood character and local context.

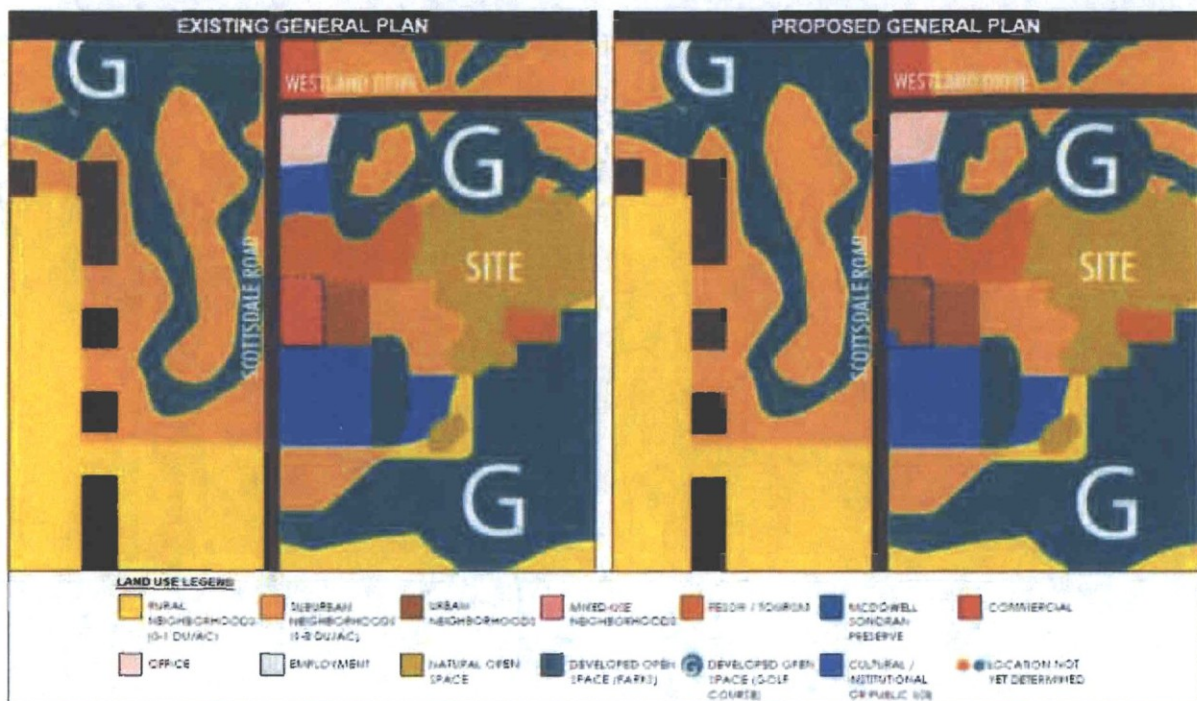
Land Use Element

The Land Use Element embraces the concept that land uses complement each other visually, aesthetically, socially, and economically, and to avoid conflicting, damaging or otherwise unwanted land uses from compromising the overall character of a site, a neighborhood, or the community.

The Land Use Element Vision Statement reads: *“Scottsdale is first and foremost a residential community and Southwest tourist destination where the diversity and arrangement of land uses is designed to enhance quality of life and ensure long-term prosperity. Our land uses must complement each other visually, aesthetically, socially, and economically.”*

This General Plan amendment will add to the diversity of land uses in the area. The proposed land use will complement other uses in the area aesthetically, socially and economically.

The General Plan states “Neighborhoods” focus on a range of mostly residential classifications and “residential land uses should be designated to accommodate a mix of dwelling types and densities for the a variety of neighborhood and environmental conditions.” The proposed Reserve at Pinnacle Peak Patios is consistent with the statement above. The project will add to the mix of dwelling types and densities and is appropriate given the environmental conditions extant on the Property.



This non-major GPA is consistent with and furthers the following goals and approaches contained within the Land Use Element:

Land Use Goals and Approaches

3. Encourage the transition of land uses from more intense regional and citywide activity areas to less intense activity areas within local neighborhoods.

- Encourage the location of more intense mixed-use centers and regional employment cores along regional networks while incorporating appropriate transitions to adjoining land uses.

- Encourage transitions between different land uses and intensities through the use of gradual land use changes, particularly where natural or man-made buffers are not available

Response: The surrounding mix of land uses in the area includes a range of commercial, recreational (golf/ open space) and a range of residential densities. The immediate area surrounding the subject Property contains properties zoned R-4R ESL to the north, C-2 ESL to the south, R1-5 ESL and R-3 ESL to the east and R1-10 ESL to the west. The proposed development provides an excellent and gradual transition from the more intense Commercial land uses located to the south to the Residential uses to the north and east.

The luxury residential community will provide an aesthetic character and density commensurate with the surrounding context and will provide a logical transition from the variety of more intense land uses in the Summit to the multi-family and single-family residential neighborhoods to the north, east and west.

4. Maintain a balance of land uses that support a high quality of life, a diverse mixture of housing and leisure opportunities and the economic base needed to secure resources to support the community.

- Provide a variety of housing types and densities and innovative development patterns and building methods that will result in greater housing affordability.
- Maintain a citywide balance of land uses that support changes in community vision/dynamics (established by future community visioning processes) over time.

Response: Locating the proposed residential community within the Resort Village Character Type on an underutilized/undeveloped commercial parcel helps establish a greater variety of housing types and a logical balance of land uses in this area. Maintaining a citywide balance of land uses is an important planning goal that stimulates the economic base of Scottsdale. The proposed development will bring a wider array of housing options to this area of the Scottsdale community. It will provide a more affordable housing option to the larger lot single-family homes in north Scottsdale and is an appropriate density adjacent to Scottsdale Road.

5. Develop land use patterns that are compatible with and support a variety of mobility opportunities/choices and service provisions.

- Integrate the pattern of land uses and mobility systems in ways that allow for shorter and fewer automobile trips and greater choices for mobility.
- Support the physical integration of residential uses with retail uses to provide opportunities for pedestrian oriented development.
- Ensure Scottsdale's transportation choices respond to the land use patterns and local neighborhood lifestyles.
- Provide an interconnected open space system that is accessible to the public, including pedestrian and equestrian links, recreation areas, and drainage ways.

Response: The proposed development is well situated to offer greater choices for local mobility. The project proposes pedestrian connections along Scottsdale Road bordering the western perimeter of the site. Additionally a public multi-use path is planned along the southern edge, with connections to the Summit shopping center. This improvement will physically integrate the proposed residential use with adjacent retail uses, resulting in fewer automobile trips as called for in the General Plan.

Residents will have a convenient link to the existing trail/sidewalk interconnected open space system along Scottsdale Road within the Scenic Corridor and will thus be able to participate in the active neighborhood lifestyle that this neighborhood provides.

7. Sensitively integrate land uses into the surrounding physical and natural environments, the neighborhood setting, and the neighborhood itself.

- Incorporate appropriate land use transitions to help integrate into surrounding neighborhoods.
- Incorporate open space, mobility, and drainage networks while protecting the area's character and natural systems

Response: The development proposal meets the goal of incorporating appropriate land use transitions to better integrate into surrounding neighborhoods by providing a site design that responds to the natural topography and preserves view corridors. Further, the areas of existing natural open space will be maintained within the proposed residential community and new re-vegetated and developed interior open spaces and amenities will be incorporated with the design. The neighborhood sensitive development goals proposed for this project all contribute towards an appropriate transition with respect to development pattern, intensity and the natural desert character.

Economic Vitality Element

This non-major GPA is consistent with the following goal and approach contained within the Economic Vitality Element.

Economic Vitality Goals and Approaches

7. Sustain the long-term economic well being of the city and its citizens through redevelopment and revitalization efforts.

- Encourage and support the renovation and reuse of underutilized or vacant parcels/buildings/shopping centers.

Response: The C-2 commercial zoning on this property is no longer a viable land use. This land use is intended for commercial activities designed to serve the community. The Property is not ideal or even attractive for commercial use due the seemingly abundant commercial retail in the area in comparison to the number of supporting rooftops.

This General Plan goal and approach encourages the reuse of underutilized or vacant parcels. The proposed development represents an opportunity to implement the recommendations of the General Plan by integrating medium density residential into the area and developing a privately owned commercial parcel by providing more rooftops that will support the existing area retail and support services. The proposed residential community will provide additional quality housing options in this desirable and developing area of the community.

Elliott D. Pollack and Company was retained by the developer to conduct a limited retail market analysis related to a proposed rezoning of a 14 acre C-2 Property. A full copy of the study is provided with this application.

This study analyzed the commercial retail market area surrounding the intersection of Scottsdale and Dove Valley. A summary of existing retail centers in the north Scottsdale market area was provided including their size, occupancy and vacancy status, the types of anchor tenants in the centers, and similar information. A broad overview of the Greater Phoenix retail market was also provided. The market area was defined as a four mile radius surrounding the subject property and is referred to in this report as the north Scottsdale Market Area.

According to local brokers and other online resources, over 1.8 million square feet of retail space is located within the market area surrounding the intersection of Scottsdale and Dove Valley Roads. The market area has a vacancy rate of 14.3%, which is 60% higher than the average Greater Phoenix vacancy rate of 9.0%.

Smaller and unanchored centers in the market area are currently performing poorly compared to larger centers that have major anchor tenants. However, a number of large retail centers in the area are experiencing high vacancy rates including:

- *El Pedrigal with a 32.1% vacancy rate.*
- *Scottsdale North Marketplace, located just one mile south at the subject property at the southeast corner of Scottsdale and Lone Mountain Roads, anchored by AJ's Fine Foods has a 43.7% vacancy rate.*
- *Stage Coach Village in Cave Creek with a 39.0% vacancy rate.*
- *The Shops at Dove Valley Ranch in Phoenix with a 33.7% vacancy rate.*

Conclusions

The current high level of vacancy within the market area demonstrates there is a significant inventory of vacant available retail space. The market area's 14.3% vacancy rate is much higher than the Greater Phoenix average vacancy rate of 9.0%. Thus, there is no apparent demand for additional retail space within the market area today and limited demand for space in the foreseeable future due to

the lack of density of residential development in the area and the modest population growth rate predicted for north Scottsdale.

Because of the large inventory of vacant building space, the addition of new retail centers in the market area would likely have no effect on increasing retail sales for the City of Scottsdale. In fact, the introduction of additional retail space in the market area would only disperse sales among competing shopping centers. Alternatively, the addition of residential development within the market area would support and strengthen existing retail centers. This would lead to increased local spending, higher retail sales activity, and the collection of additional retail sales taxes by the City of Scottsdale.

Community Involvement Element

Community Involvement Goals and Approaches

This non-major GPA is consistent with the following goals and approaches contained within the Community Involvement Element:

- 1. Seek early and ongoing involvement in project/policy-making discussions.**

Response: Public participation is an important component of successful planning and community building and decision making. Scottsdale prides itself as a community that encourages citizen involvement and public participation. The development team for Scottsdale Heights has met with key neighborhood stakeholders, decision-makers and informally with City staff to discuss the proposed development. The development team continues to meet with potentially affected neighbors in the surrounding communities and other stakeholders and these efforts will be ongoing throughout the process to ensure the community is aware of the proposed development. Additionally, our public open house meeting was held on February 22nd at the Foothills Academy. Citizens were notified and encouraged to attend to gather details about the proposed residential community. A complete Citizen Outreach Report is provided with this application documenting the outreach efforts and community feedback. (See Neighborhood Involvement/Citizen Input Report). We intend to have a secondary open house meeting.

Housing Element

The Housing Element Vision Statement reads: *“Scottsdale will be a community that embraces a variety of housing opportunities that enhance the character, diversity, and vitality of the city, as well as respect and conserve our Sonoran desert.*

Scottsdale has historically been a community that embraces a variety of housing opportunities to enhance the character, diversity, and vitality of the City, as well as respect and conserve the Sonoran Desert. Scottsdale encourages housing options that provide a wide range of opportunities for people and provide sustainable, environmentally sensitive qualities that blend with the City's natural surroundings. Scottsdale Heights will add to the variety of housing opportunities in this north Scottsdale area. The development will not only integrate a unique housing product into the Resort Village, it will provide housing options for people who prefer a lower-maintenance resort lifestyle. This project will assist in achieving the City's stated vision by creating a high quality residential community that enhances the character and diversity of the neighborhood and respects the Sonoran desert environment.

This non-major GPA is consistent with the following goals and approaches contained within the Housing Element:

Housing Goals and Approaches

2. Seek a variety of housing options that blend with the character of the surrounding community.

- Maintain Scottsdale's quality-driven development review standards for new housing development.
- Encourage physical design, building structure, and lot layout relationships between existing and new construction to help the new developments complement the surrounding neighborhoods.

Response: This proposal offers a medium density patio home community (123 dwellings at 8.8 dwelling units/acre), which fits appropriately within the range of residential densities and intensity already developed in the area. The proposed residential community with its lower-scale architectural style (lower heights than the current commercial zoning) will harmonize with and complement the surrounding neighborhood context and Sonoran desert character. By limiting building height to 30' the new community will be consistent with the purpose and intent of the ESL district.

The proposed native and desert-adapted plant palette will conform to the ESL plant list. Undisturbed native vegetation will be maintained in place wherever possible and native plants will be used to re-vegetate portions of the site that have been graded and scarred.

Prior to site development and construction the site plan and housing product design will be reviewed by the Development Review Board for environmental sensitivity, landscape, architectural style, building scale, materials and colors.

4. Encourage housing development that provides for "live, work, and play" relationships as a way to reduce traffic congestion, encourage economic expansion and increase overall quality of life for our residents.

- Encourage a variety of housing densities throughout Scottsdale, with mixed-uses in areas of major employment and transit hubs, to offer greater live-work choices to a broader economic range of households.
- Work to adjust the housing mix based on changing demographics and economics of the city.

Response: The General Plan encourages a variety of housing densities throughout Scottsdale, with mixed-use, urban and suburban neighborhood areas near trails, golf and commercial retail such as this area (Terravita, Winfield, Whisper Rock). The development of the subject Property as a distinctive Scottsdale luxury residential community will provide additional housing opportunities for the wider community along with the part-time residents seeking the “live, work, and play” lifestyle and land use concept supported by the General Plan.

Neighborhood Element

The Enhance Neighborhoods Guiding Principle of the General Plan identifies several goals and approaches intended to ensure Scottsdale’s long-standing commitment to providing a quality physical and social environment for its citizens. This General Plan Element recognizes that neighborhood viability and sustainability is as equally important as a strong economic foundation. Further, changes in neighborhoods should be in harmony with the existing character.

This non-major GPA is consistent with the following goals and approaches contained within the Neighborhood Element:

Neighborhood Goals and Approaches

4. Preserve and enhance the unique sense of neighborhood found in diverse areas of Scottsdale through neighborhood conservation.

- Create, preserve and enhance pedestrian, vehicular, and alternative transportation mode connections and links between the neighborhoods and other neighborhood-supporting land uses throughout the community.
- Improve and maintain the current landscape, sign, and design standards throughout the community.

Response: Scottsdale Heights will achieve this goal by connecting the development to the pedestrian linkage system along Scottsdale Road within the Scenic Corridor and providing a new public multi-use path along the southern boundary tying into the existing commercial retail development. The project will maintain and enhance the existing native desert landscape and will establish high-quality sign and architectural design standards that complement this unique neighborhood.

5. Promote and encourage context-appropriate new development in established areas of the community.

- Encourage new development efforts toward existing developed areas in Scottsdale.
- Encourage green building and sensitive design techniques and alternatives in conjunction with infill development.

Response: The proposed development satisfies the General Plan goal of encouraging new development efforts within existing developed areas in Scottsdale and the use of existing infrastructure while supporting developed areas in a manner that is complementary and sustainable. The site plan emphasizes contextually sensitive design to complement the surrounding suburban neighborhoods to the north, east and west, and the commercial uses to the south.

This proposed non-major GPA for **Urban Neighborhood and Cultural/ Institutional/ Public Use** land use represents a significant improvement over the **Commercial** land use for the following reasons:

- 1) The proposal will reduce the unit count and density on the property from 150,000 s.f of commercial to 123 dwelling units. As such it will better complement existing development in the vicinity.
- 2) The reduction in intensity on the site will result in a significant reduction in traffic on the surrounding street network and a reduction in demands on other existing infrastructure in this area. The existing commercial zoning would generate 8,830 daily weekday trips as opposed to the proposed residential development which would generate 770 daily weekday trips (an 8,069 trip reduction or 91.3%).
- 3) This residential community helps achieve the stated General Plan goal of “context-appropriate” new development due to the smaller building footprint associated with this housing and the smaller amount of surface parking and paved accessways needed to serve the development.
- 4) Proposed two-story homes with 30’ building height will have less visual impact than the three-story, 36’ building height allowed under the existing zoning.
- 5) The low-profile residential community will employ sensitive design techniques related to siting and orientation of buildings that will be more sensitive to areas of onsite NAOS and better maintain views to nearby environmental features.

Open Space and Recreation Element

The Open Space and Recreation Element of the General Plan recognizes the significance of natural and urban open spaces and recreational opportunities. By maintaining connected open space corridors, such as trail systems, the continuous visual and

functional linkages within and between local neighborhoods serves to reinforce the regional open space network.

This non-major GPA is consistent with the following goals and approaches contained within the Open Space and Recreation Element:

Open Space & Recreation Goals and Approaches

1. Protect and improve the quality of Scottsdale's natural and urban environments as defined in the quality and quantity of its open spaces.

- Provide a variety of opportunities for passive and active outdoor recreational activities, such as hiking, horseback riding, mountain biking, rock climbing and wildlife observation.
- Provide access areas of sufficient size and with adequate facilities for public use and open space system access.
- Preserve and integrate visual and functional connections between major city open spaces into the design of development projects.

Response: Preserving Scenic Corridors and common open space contributes to interconnectivity and buffering adjacent to neighboring properties. The proposed location and orientation of NAOS on this development is far superior to that of a commercial development (approved zoning) with large expanses of surface parking areas.

In addition to maintaining visual and functional multi-use path connectivity and wildlife corridors, the open space will provide excellent opportunities for passive and active outdoor recreational activities, such as hiking, horseback riding, mountain biking, and wildlife observation as called for in this goal and approach. As the Property will not be walled, people as well as wildlife will have no impediments to accessing adjoining open spaces.

Preservation and Environmental Planning Element

The preservation of our community relies on a built environment that is sustainable and in harmony with the natural environment. There are several ways to accomplish this goal which include, but are not limited to, encouraging green building standards and environmentally sensitive design philosophies, and maintaining meaningful, connective open space.

The Preservation and Environmental Planning Element Vision Statement reads in part:

“Scottsdale is a community that embraces conservation and preservation of the environment. The city’s decision makers will work to conserve elements of the natural environment where possible and restore areas where past development has degraded it.

As noted earlier, the Scottsdale Heights development will restore native vegetation where it has been degraded. This non-major GPA is consistent with the following goals and approaches contained within the Preservation and Environmental Planning Element:

Preservation and Environmental Planning Goals and Approaches

2. Enhance the quality of life in Scottsdale by safeguarding the natural environment.

- Retain Scottsdale's image and heritage of the Sonoran Desert.
- Encourage developments to retain and integrate the desert ecosystem where appropriate.
- Maintain scenic views to preserve the aesthetic values of the area for all to enjoy and for its contribution to the quality of life for residents and visitors.

Response: The ESL Ordinance establishes guidelines for development in the northern regions of Scottsdale and the protection of sensitive natural areas and will serve as a model for the preservation of local plants, wildlife, and natural resources to maintain the biodiversity and long-term sustainability of the area's ecology. As previously mentioned, the proposed residential community will preserve undisturbed native vegetation, connected wildlife habitat, and scenic view corridors inherent to Scottsdale's vision. The developer also intends to significantly enhance through revegetation, a portion of the site, which has been graded and is currently devoid of vegetation. Project design standards will incorporate native Sonoran desert vegetation throughout the site and the low profile buildings will maintain scenic views to nearby natural features.

9. Protect and conserve native plants as a significant natural and visual resource.

- Enhance, restore, and sustain the health, productivity and biodiversity of our Sonoran Desert ecosystem through native plant retention.
- Retain and preserve native plants to retain a Sonoran desert character.
- Encourage the retention of mature trees because trees recycle air pollutants through photosynthesis.
- Retain and protect indigenous native vegetation to reduce water consumption, stabilize the soil, and provide desert wildlife habitat.

Response: Native plants are considered to be a significant environmental feature that promotes the maintenance of natural conditions and enhances aesthetic benefits to the community. The NAOS areas will be preserved and significantly enhanced with the redevelopment of this site and strong efforts will be made to salvage native vegetation wherever possible. Mature native plants will be retained within the natural wash corridor onsite and within perimeter buffer areas. Where the wash corridor has been piped under

the restaurant patio, it will be restored using natural contouring and native plant materials to maintain stormwater flows across the site.

The developer proposes to revegetate the denuded site to provide a meaningful, connective NAOS pattern consistent with the surrounding context. The proposed residential community will maintain a low-water use plant palette that will be integrated with the existing desert vegetation.

Cost of Development Element

Cost of Development

The impacts to development and on-going community services associated with the subject property will be minimized due to existing off-site infrastructure and a reduction in the overall site intensity as a result of the proposed General Plan land use amendment from Commercial to Urban Neighborhoods and Cultural/ Institutional/ Public Use. An analysis of demands associated with the existing (commercial) and proposed (residential) land uses for this region of Scottsdale indicate substantial reductions in vehicular trips per day, water use and wastewater generation associated with residential uses. These findings are based on the TIMA, Water and Wastewater reports submitted with the application.

Public Services and Facilities Element

The Public Services and Facilities Element notes that Scottsdale Values “A community in which residents can live, work, and play in close proximity and where neighborhoods have easy connections to other neighborhoods and public facilities.”

The Reserve at Pinnacle Peak Patios development also values these elements and will assist in achieving the City’s vision for a connected and accessible open space system.

This non-major GPA is consistent with the following goal and approach contained within the Public Services and Facilities Element:

Public Services and Facilities Goals and Approaches

10. Provide recreational opportunities to meet the needs of all areas of the community through public facilities.

- Develop parks, paths, and trails with the participation of private development through required fees, dedication of land, and construction of facilities.

Response: An average 100’ wide Scenic Corridor will be maintained along Scottsdale Road. As mentioned above, the request includes a non-major GPA from Commercial to Cultural/Institutional or Public Use on a 1.6+/- gross acre property just south of the

residential site for the development of a multi-use path/interpretive trail. The existing commercial zoning was established in the 1960's under Maricopa County's jurisdiction to allow for the development of the Carefree Studios which was utilized for the filming of the second Dick Van Dyke TV show. This site was annexed into the City of Scottsdale with commercial zoning in the 1980's. Preservation of the Scenic Corridor along Scottsdale Road and addition of multi-use path along the southern edge which will pay tribute to Dick Van Dyke and memorialize the history of this parcel provide unique connectivity opportunities with the development of this Property.

Community Mobility Element

The Community Mobility Element relates to protecting the function and form of regional corridors and protecting the physical integrity of regional transportation networks to reduce the number, length and frequency of automobile trips. Additionally, this section of the General Plan seeks to prioritize regional connections to safely and efficiently move people and goods beyond City boundaries, to relieve traffic congestion, to optimize all forms of mobility, and to protect neighborhoods from the negative impact of regional and citywide transportation networks. Finally, the General Plan recognizes that there is diversity throughout neighborhoods and that each neighborhood may, in fact, have different mobility needs.

This non-major GPA is consistent with the following goals and approaches contained within the Community Mobility Element:

Community Mobility Goals and Approaches

2. Protect the physical integrity of regional networks to help reduce the number, length, and frequency of automobile trips, to improve air quality, reduce traffic congestion, and enhance quality of life and the environment.

- Improve air quality, by encouraging live, work, and play relationships in land use decisions that reduce the distance and frequency of automotive generated trips.

Response: The Property has frontage on Scottsdale's arterial street system accessed via Dove Valley. These frontages will be improved to provide pedestrian facilities that reduce the distance and frequency of automobile trips as directed by the City.

Clustering housing near commercial, recreational and resort uses reduces the number and distance of automobile trips, improves air quality, thereby enhancing the quality of life for surrounding residents. The anticipated traffic counts for the proposed residential development (123 dwelling units) are substantially less than the counts associated with the existing commercial land use designation approved for the site. The existing commercial zoning would generate 8,830 daily weekday trips as opposed to the proposed residential development which would generate 770 daily weekday trips (an 8,069 trip reduction).

7. Maintain Scottsdale's high aesthetic values and environmental standards in the city's transportation system.

- Ensure that the streets designated as scenic corridors are sensitively integrated into natural desert setting and the integrity of the scenic setback is preserved.

Response: The perimeter and internal streetscapes will provide continuity through use of cohesive native landscaping and design elements established for the proposed residential community and will uphold the aesthetic values and environmental standards of Scottsdale's transportation system. The project proposes an average 100' wide Scenic Corridor along the western boundary and 50'+ wide public multi-use path/open space area along the southern boundary. Internally, the design of the project will ensure that all infrastructures for the driveway and parking will be sensitively integrated into the natural and/or physical settings.

VI. Conclusion

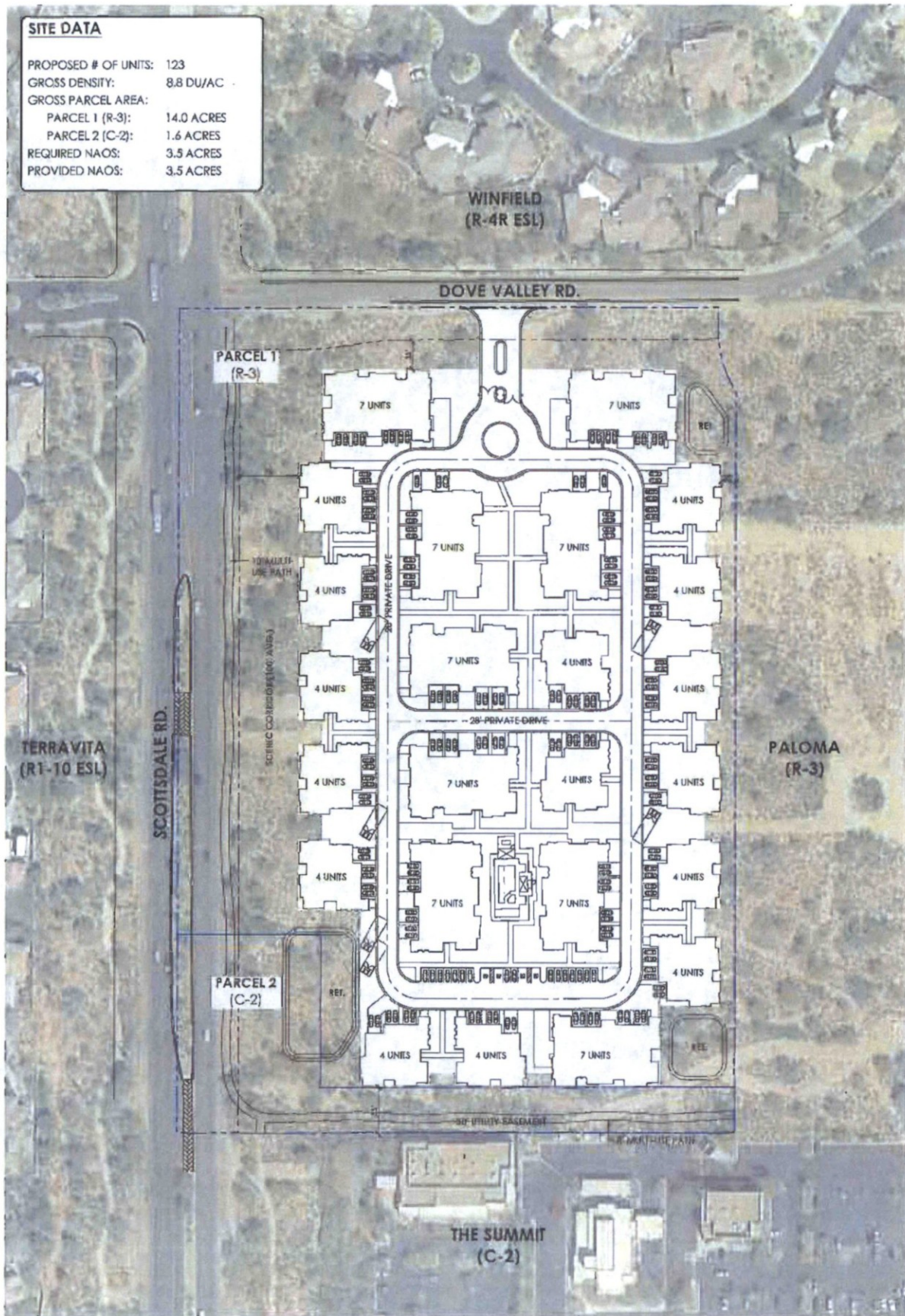
Scottsdale Heights will bring a luxury residential community to an underutilized commercial site in north Scottsdale. The proposed residential community will provide an aesthetic character and density compatible with the surrounding context and will provide as a logical transition in land uses from the commercial uses to the south and the adjoining residential neighborhoods and recreational uses in the area.

The proposed development represents an opportunity to implement the recommendations of the General Plan by integrating medium density residential into the area and provide additional quality housing options in this desirable and developing area of the community.

This downzoning from C-2 ESL to R-3 ESL and non-major GPA from Commercial to Urban Neighborhoods and Commercial to Cultural/ Institutional/ Public Use will cluster housing near existing commercial and recreational uses reducing the number and distance of automobile trips, improving air quality, thereby enhancing the quality of life for surrounding residents. The anticipated traffic counts for the proposed residential development (123 dwelling units) are substantially less than the counts associated with the existing commercial land use designation approved for the site.

SITE DATA

PROPOSED # OF UNITS: 123
 GROSS DENSITY: 8.8 DU/AC
 GROSS PARCEL AREA:
 PARCEL 1 (R-3): 14.0 ACRES
 PARCEL 2 (C-2): 1.6 ACRES
 REQUIRED NAOS: 3.5 ACRES
 PROVIDED NAOS: 3.5 ACRES



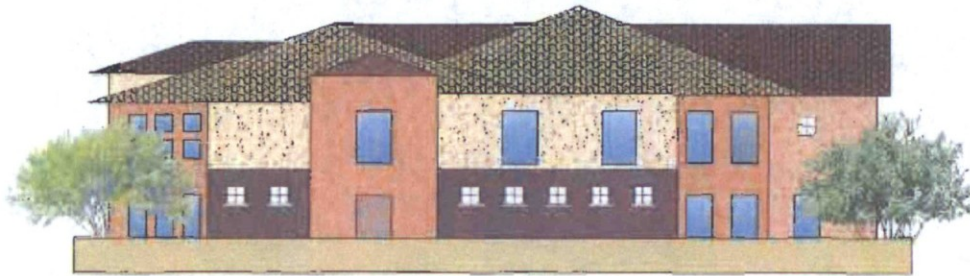
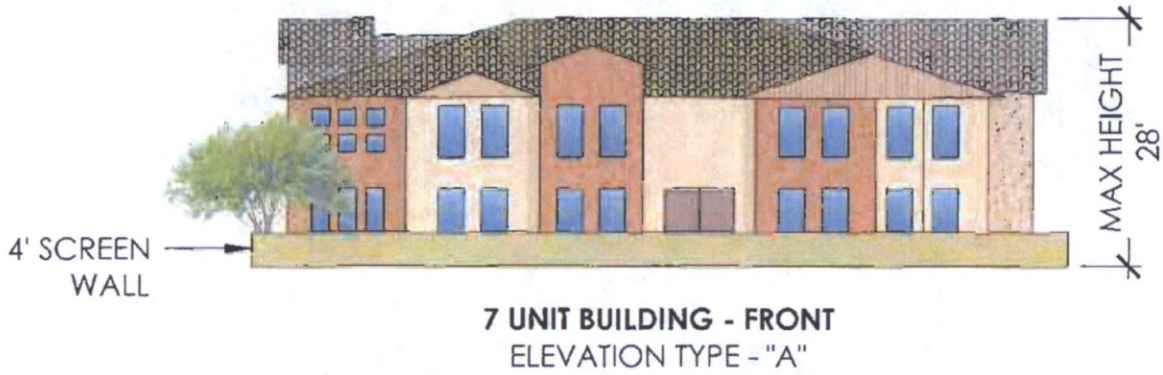
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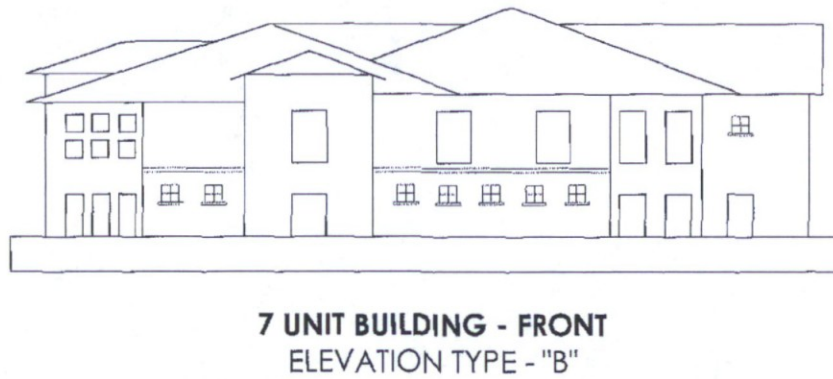
SCOTTSDALE HEIGHTS
 CONCEPTUAL SITE PLAN

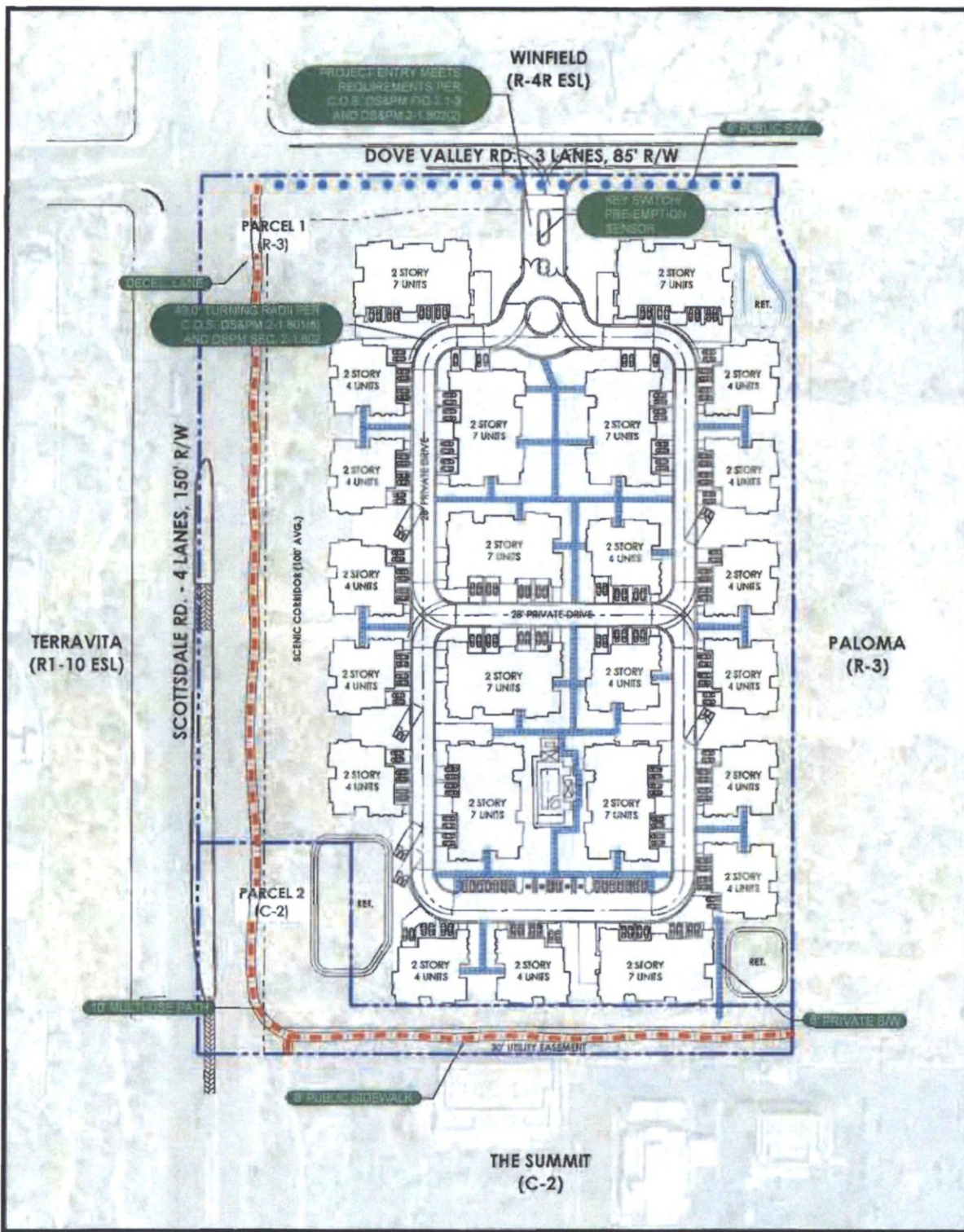
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4/1/16







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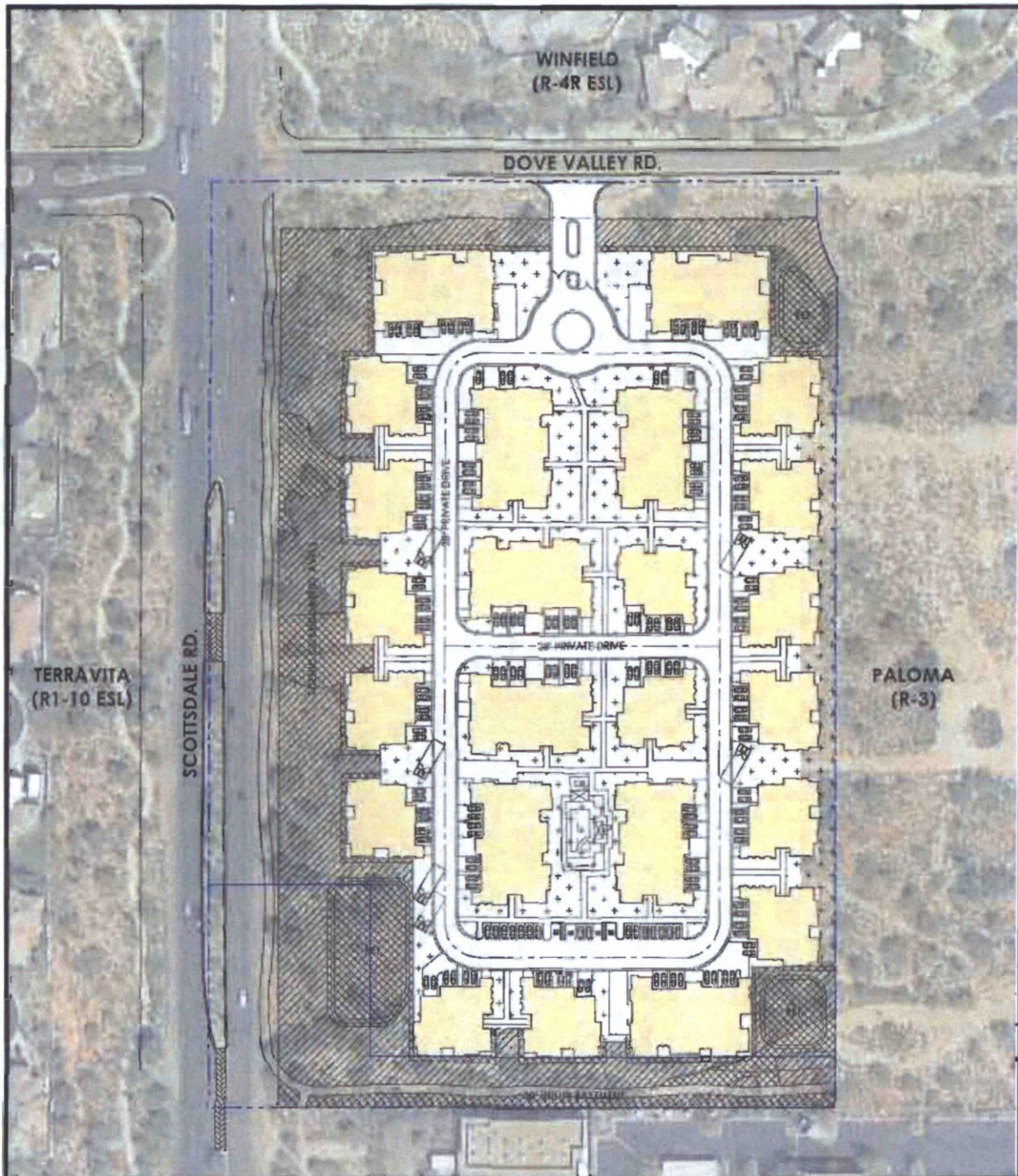


LEGEND:

-  6' PUBLIC SIDEWALK
-  6' PRIVATE SIDEWALK
-  8'-10' PUBLIC MULTI-USE PATH
-  COMMERCIAL TURNING RADII (25'-49'-55')

CROSS SECTION:





LEGEND

- ZONE A: NATURAL VEGETATION**
 The identified areas are intended to depict the undisturbed portion of the property which will remain in the current natural state.

- ZONE B: ENHANCED PLANTING**
 Concentrated at the project entry and throughout the project's common areas, this zone will be irrigated and planted with nursery grown landscape plant material. Plant selections will be designed to complement the naturally occurring vegetation, but will be planted more densely. Salvaged plant material from onsite may be used in this zone.

- ZONE C: NATIVE PLANTING**
 The identified areas will be revegetated to visually mitigate the disturbance caused by construction. The plant selection and density will be designed to appear similar to the Natural Vegetation Zone. Salvaged plant material from onsite may be used in this zone.

LANDSCAPE NOTES:

1. ALL PLANT MATERIAL TO COMPLY WITH CITY OF SCOTTSDALE ESL PLANT LIST.
2. ALL DISTURBED AREAS TO BE TOP DRESSED WITH 'DESERT FLOOR' DECOMPOSED GRANITE TO MATCH COLOR AND SIZE OF ADJACENT INERT MATERIAL.
3. ALL BERMS TO HAVE MAXIMUM 4:1 SIDE SLOPES.
4. BOULDERS ARE TO BE SURFACE SELECT SITE BOULDERS, 1/3 BURIED IN SOIL, TYP.

9-ZN-2016
4/1/16

Zoning Summary

Sec. 5.1400. (C-2) CENTRAL BUSINESS DISTRICT.

1.

Sec. 5.1401. Purpose.

This district is intended to permit all uses permitted in the (C-1) neighborhood commercial district, plus commercial activities designed to serve the community. This district includes uses usually associated with the central business district and shopping facilities which are not ordinarily compatible with residential development.

Sec. 5.1402. Approvals required.

No structure or building shall be built or remodeled upon land in the C-2 district until Development Review [Board] approval has been obtained as outlined in article I, section 1.900 hereof.

(Ord. No. 3225, § 1, 5-4-99)

Sec. 5.1403. Use regulations.

A. Uses permitted. Buildings, structures, or premises shall be used and buildings and structures shall hereafter be erected, altered or enlarged only for the following uses:

1. Business and professional services.

a. Business and professional offices.

b. Business schools.

c. Hospital for animals including boarding and lodging provided that there are no open kennels maintained and provided all activities will be conducted in soundproof buildings.

d. Medical or dental offices including laboratory.

e. Museum.

f. Optician.

g. Municipal uses.

h. Private and charter school having no room regularly used for housing or sleeping overnight. Subject to Development Review Board approval and compliance with standards including, but not limited to, the following as well as those otherwise required in the district.

(1) Location: All proposed private and charter schools shall be located a minimum of five hundred (500) feet from any adult use.

(2) Lot area: The minimum lot area shall be equal to that required for the district, except that no lot shall be less than forty-three thousand (43,000) square feet (net).

(3) There shall be no outside speaker system or bells, if the school building is within one hundred (100) feet of a single-family dwelling or multifamily dwelling unit.

(4) Open space: Per underlying zoning district open space requirements. All NAOS requirements of the district must be met and may be applied towards the overall open space requirement subject to compliance with NAOS standards.

(5) Parking: Parking shall observe the front yard setbacks of the district for all frontages. One-third (1/3) of the required parking may be shared parking with other establishments present on site. Parking shall be located and screened per the requirements of the district.

(6) Outdoor recreation area: All outdoor playgrounds and recreation areas shall be enclosed by a wall or fence sufficient in height to protect the safety and welfare of the students and shall be located within the side or rear yard. Any playground or outdoor recreation area shall be located a minimum of fifty (50) feet from any residential district and screened by a minimum six-foot high wall.

(7) Drop-off area: A drop-off area accommodating a minimum of five (5) vehicles shall be located along a sidewalk or landing area connected to the main entrance to the school. This area shall not include internal site traffic aisles, parking spaces, fire lanes, etc.

(8) Any public trails or pedestrian connections shall be incorporated into the site plan and approved by the Development Review Board.

(9) Circulation plan: The applicant shall submit a circulation plan to insure minimal conflicts between the student drop-off area, potential van and bus drop-off area, parking, access driveways, pedestrian and bicycle paths on site.

i. Studio for professional work or teaching of any form of commercial or fine arts.

2. Residential.

a. Dwelling units physically integrated with commercial establishments (limited to one (1) dwelling unit for each business establishment).

3. Retail sales.

a. Antique store.

b. Appliance store.

c. Art gallery.

d. Automobile parts store.

e. Bakery.

f. Bicycle store.

g. Big box. Any single retail space (limited to permitted retail uses in this C-2 district) with a building footprint of equal to or greater than seventy-five thousand (75,000) square feet, if:

(1) Primary access is not on a local collector* street; and

Note: *At the request of the city the term residential has been changed to collector in this subsection.

(2) Residential zoned property is not located within one thousand three hundred (1,300) feet of the Big box property line (except residential zoned properties separated from the Big box by the Pima Freeway or developed with non-residential uses).

However, big box is not permitted in the Environmentally Sensitive Lands Supplementary District.

Also See Sections 1.403 and 5.1403.B.

h. Bookstore.

i. Camera store.

j. Candy store.

k. Carpet and floor covering store.

l. Clothing store.

m. Craft shop conducted in conjunction with retail business which may include ceramics, mosaics, fabrics, jewelry, leather goods, silk screening, dress designing, sculpturing and wood carving.

n. Department store.

o. Drugstore.

p. Electronic equipment store.

q. Fabric store.

r. Florist.

s. Furniture store.

t. Gift shop.

u. Grocery store or supermarket.

v. Gun shop.

w. Hardware store.

x. Hobby or toy store.

y. Home improvement store.

z. Ice cream store.

- aa. Import store.
 - bb. Liquor store.
 - cc. Music store.
 - dd. Pawnshop.
 - ee. Pet shop.
 - ff. Restaurants, excluding drive-in or drive-through types.
 - gg. Sporting goods store.
 - hh. Stationery store.
 - ii. Swimming pool supply store.
 - jj. Variety store.
 - kk. Restaurant with associated microbrewery where brewed beer is consumed only on-premises and brewery occupies no more than fifteen (15) percent of the floor area of the establishment.
4. Services.
- a. Appliance repair.
 - b. Bank.
 - c. Barber or beauty shop.
 - d. Bowling alley.
 - e. Broadcasting station and studio, radio or television excluding transmitting or receiving towers.
 - f. Clothes cleaning agencies and laundromats excluding industrial cleaning and dyeing plants.
 - g. Fitness studio.
 - h. Hotel, motel, and timeshare project.
 - i. Movie theater (indoor only).
 - j. Post office.
 - k. Printing, lithography, publishing or photostating establishment.
 - l. Fraternities and sororities.
 - m. Shoe repair.
 - n. Taxidermist.

- o. Telephone answering service.
 - p. Turkish bath that may include masseur and/or masseuse.
5. Other uses.
- a. Accessory buildings.
 - b. Churches and places of worship.
 - c. Day care center, if the drop off or outdoor play area is more than one hundred (100) feet from a residential district.
 - d. Wireless communications facilities; Types 1, 2, and 3, subject to the requirements of Sections 1.906, 3.100 and 7.200.
 - e. Temporary buildings for uses incidental to construction work, to be removed upon completion or abandonment of construction work.

B. Uses permitted by a conditional use permit.

- 1. Adult uses (see Section 1.403 for criteria).
- 2. Automated carwash.
- 3. Bars and cocktail lounges (see Section 1.403 for criteria).
- 4. Big box. Any single retail space (limited to permitted retail uses in this C-2 district) with a building footprint of equal to or greater than seventy-five thousand (75,000) square feet, if:
 - a. Primary access is on a local residential street; or
 - b. Residential zoned property is located within one thousand three hundred (1,300) feet of the Big box property line (except residential zoned properties separated from the Big box by the Pima Freeway or developed with non-residential uses).

However, Big box is not permitted in the Environmentally Sensitive Lands Supplementary District.

For Use Permit Provisions and Criteria, See Section 1.403.

- 5. Bus station, excluding overnight parking and storage of buses.
- 6. Day care center, if the drop off or outdoor play area is within one hundred (100) feet from a residential district (see section 1.403 for criteria).
- 7. Funeral home and chapel.
- 8. Game center.
- 9. Gasoline service station (see section 1.403 for criteria).
- 10. Health studio.

11. Live entertainment (see section 1.403 for criteria).
12. Wireless communications facilities; Type 4, subject to requirements of sections 1.400, 3.100 and 7.200.
13. Plant nursery (see section 1.403 for criteria).
14. Pool hall.
15. Residential health care facility (see section 1.403 for criteria).
16. Teen dance center (see section 1.403 for criteria).
17. Internalized community storage (see section 1.403 for criteria).
18. Restaurant with associated microbrewery with limited wholesale and retail sales of the brewed product, where the floor area utilized for brewing, bottling and/or packaging occupies no more than thirty (30) percent of the floor area of the establishment.
19. Seasonal art festival.

(Ord. No. 1851, § 1, 11-5-85; Ord. No. 1902, § 1, 9-2-86; Ord. No. 1971, § 1, 8-4-87; Ord. No. 2232, § 1, 6-6-89; Ord. No. 2311, § 1, 8-21-90; Ord. No. 2394, § 1, 9-16-91; Ord. No. 2430, § 1, 1-21-92; Ord. No. 2470, § 1, 6-16-92; Ord. No. 2620, § 1, 8-2-94; Ord. No. 2858, § 1, 12-5-95; Ord. No. 3048, § 2, 10-7-97; Ord. No. 3034, § 1, 11-4-97; Ord. No. 3103, § 1, 1-6-98; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3394, 6-19-01; Ord. No. 3493, § 1, 3-4-03; Ord. No. 3542, § 1, 12-9-03)

Editor's note: The amendment to paragraph B above by Ord. Nos. 1851 and 1902 did not number subparagraphs. Numbers have been editorially supplied for consistency.

Sec. 5.1404. Property development standards.

The following property development standards shall apply to all land and buildings in the C-2 district:

A. Floor area ratio. In no case shall the gross floor area of a structure exceed the amount equal to eight-tenths multiplied by net lot area in square feet.

B. Volume ratio. In no case shall the volume of any structure exceed the product of the net lot area in square feet multiplied by 9.6 feet.

C. Open space requirement.

1. In no case shall the open space requirement be less than ten (10) percent of the net lot area for zero (0) feet to twelve (12) feet of height, plus four-tenths percent of the net lot for each foot of height above twelve (12) feet.

2. Open space required under this section shall be exclusive of parking lot landscaping required under the provisions of article IX of this ordinance.

D. Building height. No building shall exceed thirty-six (36) feet in height except as otherwise provided in article VI or article VII.

E. Density.

1. Hotels, motels, and timeshare projects shall provide not less than ten (10) guest rooms and/or dwelling units with a minimum gross land area of one thousand (1,000) square feet per unit.

2. Multiple-family dwellings shall provide a minimum floor area of five hundred (500) square feet for each dwelling unit.

F. Yards.

1. Front Yard.

a. No front yard is required except as listed in the following three (3) paragraphs and in article VII hereof, unless a block is partly in a residential district, in which event the front yard regulations of the residential district shall apply.

b. A minimum of one-half (1/2) of the open space requirement shall be incorporated as frontage open space to provide a setting for the building and a streetscape containing a variety of spaces.

c. Where parking occurs between a building and the street a yard of thirty-five (35) feet in depth between the street and parking shall be maintained. This depth may be decreased to a minimum of twenty (20) feet subject to Section 10.402.D.3.

2. Side Yard.

a. A side yard of not less than fifty (50) feet shall be maintained where the side of the lot abuts a single-family residential district or abuts an alley which is adjacent to a single-family residential district. The fifty (50) feet may include the width of the alley.

b. A side yard of not less than twenty-five (25) feet shall be maintained where the side lot abuts a multiple-family residential district. The twenty-five (25) feet may include any alley adjacent to the multiple-family residential district.

3. Rear Yard.

a. A rear yard of not less than fifty (50) feet shall be maintained where the rear lot abuts a single-family residential district or abuts an alley which is adjacent to the single-family residential district. The fifty (50) feet may include the width of the alley.

b. A rear yard of not less than twenty-five (25) feet shall be maintained where the rear lot abuts a multiple-family residential district. The twenty-five (25) feet may include any alley adjacent to the multiple-family residential district.

4. All operations and storage shall be conducted within a completely enclosed building or within an area contained by a wall or fence as determined by Development Review [Board] approval or use permit.

5. Other requirements and exceptions as specified in article VII.

(Ord. No. 1840, § 1, 10-15-85; Ord. No. 2818, § 1, 10-17-95)

Sec. 5.1405. Off-street parking.

The provisions of article IX shall apply.

Sec. 5.1406. Signs.

The provisions of article VIII shall apply.

Sec. 6.1010. ENVIRONMENTALLY SENSITIVE LANDS ORDINANCE.**Sec. 6.1011. Purpose.**

The purpose of the environmentally sensitive lands regulations is to identify and protect environmentally sensitive lands in the city and to promote the public health, safety and welfare by providing appropriate and reasonable controls for the development of such lands. Specifically, the environmentally sensitive lands regulations are intended to:

- A. Protect people and property from hazardous conditions characteristic of environmentally sensitive lands and their development. Such hazards include rockfalls, rolling boulders, other unstable slopes, flooding, flood-related mud slides, subsidence, erosion, and sedimentation.
- B. Protect and preserve significant natural and visual resources. Such resources include, but are not limited to, major boulder outcrops and large boulders, major ridges and peaks, prime wildlife habitat and corridors, unique vegetation specimens, significant washes, and significant riparian habitats.
- C. Protect renewable and nonrenewable resources such as water quality, air quality, soils, and natural vegetation from incompatible land uses.
- D. Minimize the public costs of providing public services and facilities in ESL areas such as streets, water, sewer, emergency services, sanitation services, parks, and recreation. Costs associated with the design and development of infrastructure in environmentally sensitive areas can be higher than costs in other areas of the city due to the unique and fragile nature of such lands.
- E. Conserve the character of the natural desert landscape. Guide the location and distribution of meaningful on-lot and common tract open space and protect sensitive environmental features to sustain the unique desert character found in ESL areas.

GRAPHIC LINK: On-Lot vs. Tract N.A.O.S.

- F. Recognize and conserve the economic, educational, recreational, historic, archaeological, and other cultural assets of the environment that provide amenities and services for residents and visitors.
- G. Assure that decisions regarding development in environmentally sensitive areas are based on complete and accurate information about the environmental conditions including drainage features and probable development impacts.
- H. Minimize the impacts of development by controlling the location, intensity, pattern, design, construction techniques, and materials of development and construction.
- I. Retain the visual character of the natural landscape to the greatest extent feasible by regulating building mass, location, colors, and materials; grading location, design and treatment; and landscaping design and materials.
- J. Maintain significant open spaces which provide view corridors and land use buffers, protect landmarks and large boulders, and prime wash habitats, by preserving these features in their natural state to maintain the city's unique desert setting.
- K. Protect environmentally sensitive lands, while also recognizing the legitimate expectations of property owners and the city's overall economic goals.
- L. Encourage innovative planning, design, and construction techniques for development in environmentally sensitive areas.

(Ord. No. 2305, 1, 2-19-91; Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1020. APPLICABILITY OF REGULATIONS.

Sec. 6.1021. Applicable districts and conditions.

All underlying zoning districts, to which the ESL overlay zoning district applies, shall be identified with the suffix "ESL". To accomplish the purposes in Section 6.1010, the City may apply the ESL district to lands that contain one (1) or more of the following environmental conditions:

- A. Land slopes of fifteen (15) percent or greater.
- B. Unstable slopes, which exhibit one or more of the following conditions:
 - 1. Boulder collapse
 - 2. Boulder rolling
 - 3. Rockfalls
 - 4. Slope collapse
 - 5. Talus slopes
- C. Special features, as described in the definitions (Section 3.100) and the Protected Peaks and Ridges Map:
 - 1. Boulder features
 - 2. Natural landmarks, including archaeological sites
 - 3. Protected peaks
 - 4. Protected ridges
- D. Watercourses:
 - 1. Major watercourses

GRAPHIC LINK: Major Washes/Flood Plains

- 2. Minor watercourses
- E. Exposed/shallow bedrock
- F. Undisturbed native vegetation
- G. Wildlife habitat
- H. Landform classes as indicated on the ESLO Landforms and Protected Peaks and Ridges Maps:
 - 1. Lower desert landform
 - 2. Upper desert landform
 - 3. Hillside landform

(Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03)

Sec. 6.1022. Exemptions and exceptions.

- A. The ESL regulations shall apply to all public or private development projects within the ESL district, except as provided in Sections 6.1022B. and 6.1023, exemptions. In the event of a conflict between the ESL regulations and any other provision of the Zoning Ordinance, the ESL regulations shall prevail.
- B. New construction shall comply with the requirements of this Ordinance except for development approved prior to May 21, 2004 as shown on the ESLO exemptions schedule below:

ESLO EXEMPTIONS SCHEDULE - SPECIFIC DEVELOPMENT STANDARD(2)

TABLE INSET:

		Selection	Building Height (24		Individual	
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	of NAOS & 50 cfs wash protection	feet) for Single Family Residential (R-1) Districts	Subdivision Perimeter Walls	Lot Walls (lots zoned R1-35 or larger)	Construction Envelopes	Paint LRV
Stage of development as of May 21, 2004	1) No approved plans	Not Exempt	Not Exempt	Not Exempt	Not Exempt	Not Exempt
	2) Approved rezoning with amended development standards	Exempt if addressed in amended standards	Exempt if addressed in amended standards	Exempt if addressed in amended standards	Exempt if addressed in amended standards	Not Exempt
	3) Approved Masterplan Development (1)	Exempt	Exempt	Exempt if addressed in the Master Plan	Exempt	Exempt
	4) Approved residential Preliminary Plat	Exempt	Exempt if addressed in plat approval	Exempt if addressed in Plat Approval	Exempt if addressed in plat approval	Not Exempt
	5) DRB Approval (other than single-family residential)	Exempt	N/A	N/A	N/A	Not Exempt
	6) Approved Final Plat	Exempt	Exempt	Exempt if addressed in Plat Approval	Exempt if addressed in plat approval	Not Exempt
	7) Rezoning and Development under Hillside District	Exempt	Exempt	Exempt	Exempt	Exempt
	8) Building Permit	Exempt	Exempt	Exempt	Exempt	Exempt

Notes:

1) Masterplan Development is: At least eighty (80) acres in area, and a) contains at least two (2) zoning districts, and/or b) contains at least two (2) phases.

2) Development Agreements control when they are in conflict with ordinance standards.

C. Development exempted by Section 6.1022.B shall comply with the standards and processes applicable to the development at the date of such approval. New applications for exempted properties are strongly encouraged to follow as closely as feasible the most recent ESL standards.

D. Hardship/exemption provisions--Upon an application by a property owner claiming that the application of an ESL amendment causes hardship, City Council may allow a property to develop under a previously adopted requirement of ESL, upon findings that:

1. A substantial hardship is demonstrated that would significantly reduce the ability to use a parcel(s),
2. The exception will be consistent with the intent and purpose of the Environmentally Sensitive Lands Ordinance, and

3. The application of the new ESL standards would not achieve significant benefit for the protection of the environment and the community.

(Ord. No. 3395, § 1, 12-11-01; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1023. Hillside district exemptions.

The ESL regulations shall not apply to a development project, which was the subject of a pending application as of February 19, 1991, or development approvals under the provisions of the former hillside district, Section 6.800 through 6.810. For the purposes of this Section, "development approval" means rezoning, use permit, subdivision plat, master plan, Development Review Board, variance or building permit approval.

A. *Applicability of hillside district regulations.* Exempt development projects shall be developed under the hillside district regulations and development standards in effect when the development project was approved, including rezoning stipulations.

B. *Application of ESL regulations to exempt development projects.* The owner of a development project exempt under this Section may elect to develop under the ESL regulations. The election must be communicated in writing to the zoning administrator before application is made for further development approval following the effective date of ESLO (February 19, 1991).

C. If the effect of an election to develop under the ESL regulations is to alter the densities or land uses approved under the hillside district, or changes the size or configuration of any hillside conservation (HC) zoned area, the election is conditioned upon City Council approval of a rezoning pursuant to the provisions of sections 1.300 and 6.1090.

D. If the owner of an exempt development project elects to apply the ESL regulations to only a portion of the development project, the owner must demonstrate that those portions of the project developed or to be developed under hillside district regulations meet all requirements of those regulations, including the preservation of hillside conservation areas through easement or dedication.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1024. Special exceptions from the ESL regulations.

A. Special exceptions from the ESL regulations may be approved by the zoning administrator in the following circumstances:

1. *Nonbuildable parcel.* If the application of the ESL regulations to a parcel, which was a legally constituted lot on which development would have been permitted prior to the adoption date of ESLO (February 19, 1991), would prevent the development of at least one (1) single-family dwelling, the parcel may be developed with one (1) single-family dwelling pursuant to the grant of a special exception, provided that such development otherwise conforms to the ESL regulations as closely as reasonably possible.

2. *Nonhillside district development project approvals.* Modifications to development project approvals, or subsequent development approvals for development projects approved under nonhillside district zoning classifications prior to the effective date of ESLO (February 19, 1991) are subject to the ESL regulations. However, it is the intent of these regulations that such development project be brought into compliance with the ESL regulations as closely as reasonably possible without creating undue hardship on the owner.

B. Special Exception Submittal Requirements. In addition to the submittal requirements described in section 6.1090, applications for special exceptions from the ESL regulations authorized in this section shall include the following:

1. Documentation of existing development approvals for the development site and the special exception eligibility of the parcel.

2. Environmental mapping necessary to identify the ESL regulation(s) from which the special exception is requested.

3. A development plan showing the approved land uses and the areas that will be affected by the

proposed special exception.

4. A report describing the proposed exceptions from the ESL regulations and describing the rationale for the exceptions.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1030. APPROVALS REQUIRED.

Sec. 6.1031. Rezoning and use permits in Hillside Landform.

When reviewing the compatibility of rezoning and use permit applications in the Hillside Landform on land with slopes between fifteen (15) and twenty-five (25) percent that is not a severely constrained area, the following shall be considered:

- A. Grading and other site preparations are within the limits established by the *Development Design Guidelines for Environmentally Sensitive Lands*, and whether essential grading complements the natural land forms.
- B. Vehicular and pedestrian circulation conforms to the *Development Design Guidelines for Environmentally Sensitive Lands*, and is within the emergency standards acceptable for fire truck use.
- C. Views to development from viewpoints, as defined in Section 3.100, have been analyzed, and whether the applicant has demonstrated to the city manager or designee that satisfactory methods will be used for revegetation, plant protection/salvage, minimization of cuts and fills, and blending of structures with the site in terms of building mass and color hue, value, and chroma (from the *Munsell Book of Color*).
- D. Human lives and property are protected from unstable slopes, flooding, and other safety hazards.
- E. The placement, grouping, scale, and shaping of structures complements the natural landscape.
- F. Large, graded bare areas are fully revegetated.

(Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1032. Plats.

All applications for preliminary plats in the ESL Overlay District shall be reviewed for compliance with the ESL provisions and approved by the Development Review Board.

(Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1033. Individual Single-Family Applications in the Hillside Landform.

Single-family homes that are not part of a subdivision plat and proposed within the Hillside Landform shall be reviewed for compliance with specified site design criteria intended to promote public safety and shall be approved by the Development Review Board. (See Section 6.1070(C)).

(Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1034. Master Development Plan Applications.

A. When a master development plan is required, a rezoning shall not be approved without the concurrent approval by the City Council of the site development, conceptual circulation, and conceptual phasing master plans, and conceptual open space master plan for the entire area to be rezoned.

B. No on-site or off-site development for any phase of a master development plan shall begin until the circulation, phasing, parking, drainage, water, and wastewater master plans have been approved by the master planning staff and the project review division, and the environmental design concept master plan has

been approved by the Development Review Board.

1. The master plans shall be provided for the entire development project unless it can be demonstrated to the city manager or designee that the master plan can be prepared for one or more discreet phases that can stand alone independent of the entire project.

C. Approvals for individual buildings shall not be granted until the master development plan, including all the required parts of the plan, has been approved.

D. Modifications to approved master development plans.

1. Major changes to the permitted uses, density or gross floor area described in a site development master plan defined in section 6.1094(B)(1), or to other master plans approved as part of a rezoning, use permit or City Council approved amended development standards must be reviewed and approved by the City Council subject to the notice and hearing provisions of Sections 1.600 and 1.700. In general, major changes are those that affect more than ten (10) percent of either the land or gross building square footage. Staff may determine that a change is major due to the impacts of the proposed changes, even where less than ten (10) percent of land or intensity is affected.

The transfer of units between parcels as provided in an approved master-planned development zoning case is not a major change.

2. Minor changes to the site development plan and all other master plans, consistent in scope and intent with the originally approved plans, may be approved by city staff. In general, minor changes affect less than ten (10) percent of either the land area or gross building square footage.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1040. ESL USE RESTRICTIONS

Land uses shall be those permitted in the underlying zoning district except as follows:

Land uses in the hillside landform areas with land slopes over twenty-five (25) percent, special features or unstable slopes are restricted to the following, provided that uses must also be permitted by the underlying zoning: residential uses including resort units and related streets and utilities; the activities identified in the Conservation Open Space (COS) district; (section 6.703 of the Zoning Ordinance) and golf tees. Ancillary resort uses, such as restaurants, meeting rooms or parking areas for more than five (5) cars are not permitted.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1050. INTENSITY OF DEVELOPMENT.

In applying the provisions of this section, applicants shall use the ESL Landforms and Protected Peaks and Ridges Maps, unless otherwise exempted by Section 6.1022B or 6.1023.

The intensity of development in the lower desert and upper desert landforms shall be determined by the underlying zoning district, and shall not exceed the maximum as provided in Table B, Section 6.1081. Where the NAOS density incentive or cluster option is used, Table B shall serve as the "base" intensity on the parcel.

The intensity of development in the hillside landform shall be determined as follows:

- A. The base and maximum intensities of development in the hillside landform on slopes less than twenty-five (25) percent, on exposed/shallow bedrock, or in major or minor watercourses, shall be as follows:

TABLE INSET:

	Single-Family Detached D.U./Acre	Attached Multifamily D.U./Acre	Resort Hotel/Casita Units/Acre	Nonresidential Floor Area Ratio
Base	0.2	1.0	2.0	0.05
Maximum	1.0	3.0	8.0	0.20

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1. The underlying zoning must permit the base intensities and uses.
 2. Intensities above the base level up to the maximum intensity may be approved by the City Council after notice and hearing as provided in Section 1.600 and 1.700, and upon a finding that the proposed intensity meets the guidelines set forth in Section 6.1031.
 3. Resort hotel/casita units are limited to resort hotel guest rooms or casitas that do not have individual driveway access to each unit. Parking areas for more than five (5) cars, restaurants, meeting rooms, and other ancillary uses must be located on land that is not a severely constrained area.

B. Except when modified as provided in subparagraph (E) of this section, the maximum permitted intensity on land in the hillside landform with slopes from twenty-five (25) to thirty-five (35) percent or boulder features, shall be one (1) dwelling or resort unit per twenty (20) acres (1/20 or .05 d.u./ac.). Ancillary resort uses, such as restaurants, are not permitted.

1. Intensities up to a maximum intensity of one (1) dwelling or resort unit per five (5) acres (1/5 or .2 d.u./ac.) may be approved by the city council, after notice and hearing as provided in section 1.600 and 1.700, and upon demonstration by the applicant and finding by the city council that the land proposed for the increased intensity is not visible from viewpoints, as defined in section 3.100 and that the proposed intensity is compatible with the considerations listed in section 6.1031. In making its determination, the city council shall consider the following factors:

- a. Visibility and viewpoints of the proposed developments from scenic corridors, collector and arterial streets.
- b. The impact of the development on the environmental conditions listed in Section 6.1021.

C. Except when modified as provided in subparagraph E. of this section, the maximum permitted intensity on land in the hillside landform with slopes over thirty-five (35) percent or on unstable slopes shall be one (1) dwelling or resort unit per forty (40) acres (1/40 or .025 d.u./ac.). Ancillary resort uses, such as restaurants, are not permitted.

D. General guidelines.

1. If a lot encompasses two (2) slope categories the intensity limit is determined by reference to the slope category of the land on which the majority of the construction envelope is located. The purpose of this provision is to provide flexibility in lot configuration.

E. The City Council may grant a special exception from the maximum intensities allowed by subparagraphs B. and C. of this section for parcels which meet the following requirements:

1. Qualifications. Only parcels, which meet the following qualifications, are eligible for development as a special exception under the provisions of this subparagraph E.:
 - a. The parcel consists of at least nine (9) acres, at least eighty (80) percent of which are severely constrained areas.
 - b. On February 19, 1991, the parcel was a legally constituted lot on which development would have been permitted under the terms of the ordinance in effect at the time the lot was created or was annexed to the city.
 - c. No density transfer is proposed.
 - d. The area which will be disturbed by the proposed development is less than twenty (20) percent of the development site area.
 - e. More than eighty (80) percent of the development site area will be preserved as natural area open space (NAOS).
2. Findings. Higher intensities may be granted pursuant to the special exception permitted by this subparagraph only where the Council finds that:
 - a. The maximum intensities otherwise permitted by this ordinance would create a

substantial disincentive to develop the site with a desirable and appropriate use and/or intensity, and the requested change is the minimum required in order to remove excessive constraints on the development of the site.

- b. The requested intensity will not create increased health or safety hazards to people or property resulting from unstable slopes or other environmental hazards.
- c. Units will be placed at lower elevations or at other locations on the property selected to reduce the grading which will be required to access the structures.
- d. Visibility of development from viewpoints as defined in Section 3.100 is limited.

3. Procedure.

- a. Before the City Council hears an application for special exception, the Development Review Board shall review the plans to ensure that any development proposed for unstable slopes, special features or other environmental conditions, is appropriate to these conditions, and preserves them to the maximum extent possible.
- b. Applications for exceptions under this section shall include the submittals set forth in section 6.1090 of this Ordinance, and shall be subject to notice and hearing as provided in sections 1.600 and 1.700.

F. The permitted development intensity in the hillside landform shall be calculated as follows:

- 1. Determine the location of each environmental condition referenced in section 6.1050A., B., and C. If more than one (1) condition is present on the same land area that which imposes the greatest restriction shall determine the intensity for development on that land area.

TABLE INSET:

Slope Category	Landform Condition	Base Lot Area Per Dwelling Unit	Potential Density
Under 25%	Major/Minor washes protected peaks/ridges	5 acres	*Subject to Council Approval
25--35%	Exposed bedrock shallow bedrock	20 acres	*Subject to Council Approval
Over 35%	Boulders, unstable slopes	40 acres	*Subject to Council Approval

- 2. Determine the amount of land in acres impacted by each environmental condition.
- 3. Multiply the total acreage impacted by each environmental condition by the intensity permitted by section 6.1050A. through C. for that condition.
- 4. On parcels of twenty (20) or more gross acres, the permitted intensity for small areas of twenty thousand (20,000) square feet or less which have environmental conditions different than those of the surrounding area, shall be determined by the intensity permitted on the surrounding area. If a small area abuts both a lower and a higher intensity area, the small area shall be divided equally between the two (2) intensities.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03)

Sec. 6.1060. OPEN SPACE REQUIREMENTS.

A. *NAOS requirements.*

- 1. In order to preserve sensitive environmental conditions, retain and protect meaningful desert open space, maintain visual amenities, and mitigate hazards and promote the health, safety and welfare of the public, a percentage of the acreage containing specified conditions shall be set aside as natural area open space (NAOS). The minimum percentage of NAOS based on slope and landform category is provided in Table A.

Using Table A, NAOS requirements are determined by slope and landform which corresponds to the

location of other environmental conditions such as unstable slopes, undisturbed desert vegetation, boulder features, and watercourses. Where these provisions conflict with the minimum NAOS dimensions described in Section 6.1060F., the more restrictive provisions of Section 6.1060F. shall take precedence.

2. Land designated as NAOS shall be permanently maintained as open space. The applicant shall demonstrate to the satisfaction of the City Attorney that the entire NAOS area will be permanently maintained as natural area open space through easements, donation or dedication to the city and/or conservancy, land trust or similar entity. A similar entity is an organization that has goals and purposes consistent with permanently maintaining NAOS and can demonstrate its ability to maintain the NAOS to the satisfaction of the City Attorney. _____

Table A

TABLE INSET:

	Lower Desert Landform	Upper Desert Landform	Hillside Landform
0--2%	20%	25%	50%
Over 2% up to 5%	25%	25%	50%
Over 5% up to 10%	30%	35%	50%
Over 10% up to 15%	30%	45%	50%
Over 15% up to 25%	30%	45%	65%
Over 25%	30%	45%	80%
Minimum NAOS after reductions if applicable. (See Sec. 6.1060B)	15% (See Sec. 6.1060F. for minimum dimensions)	20% (See Sec. 6.1060F. for minimum dimensions)	40% (See Sec. 6.1060F. for minimum dimensions)

3. If NAOS is located in a common tract owned by a homeowners association, the property shall be maintained through a common maintenance agreement.

4. If NAOS is located on individual lots (on-lot NAOS), the individual property owner shall be responsible for maintenance. (See Section 6.1100 for detailed information regarding maintenance of NAOS.)

5. Common-tract NAOS locations and boundaries, including precise acreage, shall be shown on the subdivision plat and/or map of dedication.

6. On-lot NAOS locations: In applications where NAOS is provided on individual lots, approximate boundaries and precise acreage of the proposed NAOS shall be shown on and conform to an exhibit approved by the city manager or designee prior to or concurrent with filing a final subdivision plat and/or map of dedication.

GRAPHIC LINK: [Slope Analysis](#)

B. *NAOS reduction.* NAOS requirements may be reduced as provided herein. The minimum NAOS after reductions, for the gross lot area of the development project and for each development site or parcel shall be fifteen (15) percent in lower desert, twenty (20) percent in upper desert, and forty (40) percent in hillside landforms.

1. *Proportional reduction in NAOS for Conservation Open Space COS and Hillside Conservation HC areas.* An owner is entitled to reduce the required NAOS by calculating the percentage of the total parcel that is zoned Conservation Open Space (COS) and Hillside Conservation (HC) areas, and reducing the NAOS requirement for the remainder of the property by this same percentage.

2. *Reduction for regional drainage facility.* Where a development site contains areas dedicated for regional stormwater management pursuant to approved city regional drainage and flood control plans developed by the city, having a design flow of two thousand (2,000) cfs or more and providing drainage for one (1) square mile (one (1) section) or more, the NAOS requirement shall be reduced as follows:

- a. The NAOS requirement shall be reduced one (1) square foot for each revegetated one (1) square foot of the regional drainage facility (1:1).
- b. The NAOS requirement shall be reduced one (1) square foot for each two (2) square feet of turf or similar improvements for recreational areas within the regional drainage facility (1:2). The reduction for improved areas shall not exceed fifty (50) percent of the original NAOS requirement.

GRAPHIC LINK: N.A.O.S. Re-vegetation Credit

3. *Reduction for revegetation.* On land stripped of natural vegetation or scarred prior to January 1, 1990, the NAOS requirement for the parcel shall be reduced by two (2) square feet for every one (1) square foot of revegetated NAOS (2:1). This provision cannot be used to increase the maximum revegetated NAOS above the thirty (30) percent maximum referenced in Section 6.1060D.2.
4. *Reduction for designated historical or archaeological site.* Land designated as a permanently protected historical or archaeological site, approved by the city, shall be used to reduce the required NAOS by two (2) square feet for each one (1) square foot of approved site (2:1).
5. *Lower desert landform with minimal slopes and limited environmental conditions.* Sites within the lower desert landform having slopes of 0 percent--five (5) percent, may reduce the required amount of NAOS to fifteen (15) percent if the applicant can demonstrate to the satisfaction of the Zoning Administrator that the property contains no boulder features, no minor or major watercourses and contains undisturbed native plant densities* with less than ten (10) trees/cacti per acre. Where these provisions conflict with the minimum NAOS dimensions described in Section 6.1060F., the more restrictive provisions of Section 6.1060F. shall take precedence.

*Native plants include the specific species defined in article V, protection of native plants, section 46-105 through 46-120 of the City Code.

C. Density Incentive for increases in NAOS.

1. A density incentive bonus not to exceed twenty (20) percent of the density otherwise allowed under Table B, Section 6.1018, Base Intensity by Zoning Category may be granted to applicants who provide more meaningful NAOS than is required in Section 6.1060A. of this Ordinance. The bonus must be approved by the City Council after notice and hearing as provided in sections 1.600 and 1.700, and providing further that the following criteria are met:
 - a. The bonus applies only in the R1-43, R1-70, R1-130, and R1-190 residential zoning districts.
 - b. The incentive must be calculated using the base NAOS standards for the development project, and cannot be used in combination with any reductions in NAOS.
 - c. The additional NAOS must be undeveloped natural area and cannot include revegetated areas.
 - d. The additional NAOS must respond to site conditions and the surrounding context to maximize connections with existing or planned open space on adjoining properties including the McDowell Sonoran Preserve.

2. The increase in density is calculated by multiplying the percent of gross land area of the parcel to be provided as additional NAOS, times the base density as established in Table B.

D. Types of NAOS. The NAOS requirement may be satisfied by two (2) types of open space: undeveloped natural areas and revegetated areas.

1. *Undeveloped natural areas.* Undeveloped natural areas shall constitute a minimum of seventy (70) percent of the required NAOS. This minimum applies to both "on-lot" and "common tract" NAOS.
 - a. Infill. When native plants in a designated undeveloped natural area are significantly less dense than under natural conditions because of man-made or natural disturbance to the land, the developer may increase the density and number of species of native plants to approximate the natural conditions of the vegetation community.
 - b. Infill areas shall count as undeveloped natural area for NAOS if approved by the City Manager or designee.

2. *Revegetation.* Revegetation areas shall qualify as NAOS, but in no case shall constitute more than thirty (30) percent of the required NAOS. These provisions cannot be used in conjunction with those contained in Section 6.1060B.3. To increase the maximum percentage of revegetated NAOS above thirty (30) percent. Revegetated areas shall meet following requirements:

- a. Planting programs for revegetated areas may include transplanted and seeded methods of application and shall include a list of proposed plant species and quantities. (See Section 6.1091A.1.k.)
- b. Planting programs shall be consistent with the slope aspect of the surrounding natural vegetation, and shall be consistent with the species and density of surrounding vegetation and adjacent natural desert.
- c. All materials, design and construction techniques for revegetation shall be approved by the City Manager or designee. Decisions of the City Manager or designee may be appealed to the Development Review Board as provided in Section 6.1110.
- d. Incorporate boulders and salvaged surface material to match and blend with surrounding desert character.
- e. Provide a temporary watering program.
- f. In those cases where previously scarred or cleared areas are to be restored, the plant species and density shall be determined by matching the existing natural vegetation on similar terrain in the vicinity.
- g. The design and installation of revegetation shall help to minimize the downstream transport of sedimentation.

E. *Improved open space.* When the open space requirement of the underlying zoning district exceeds the NAOS requirements imposed by the ESL standards the balance of the required open space may be either improved open space or NAOS.

F. *Distribution of NAOS.*

1. *NAOS dimensions.*

- a. The minimum contiguous area for NAOS is four thousand (4,000) square feet.
- b. The minimum horizontal dimension for NAOS areas is thirty (30) feet, except that the minimum horizontal dimension for NAOS located along roadsides will be twenty (20) feet.
- c. Where the minimum finished lot size is twenty-two thousand (22,000) square feet or less, NAOS shall be placed in common tracts, or on other lots within the same subdivision unless the city manager or designee approves placement in contiguous areas on adjacent lots. See Section 6.1070A. for on-lot NAOS design standards and Section 6.1090 for on-lot NAOS submittal requirements.

2. *Modification of NAOS dimensions.* The city manager or designee may approve modifications to the minimum NAOS dimensions set forth above, subject to the following criteria:

- a. The NAOS location standards set forth in paragraph 3. are met.
- b. Reductions in dimensions will maintain NAOS areas that are easily recognizable and that will not result in maintenance problems due to their proposed locations.
- c. Adjacent land uses, such as streets, will not negatively impact the viability of vegetation or other features of the land to be preserved.

GRAPHIC LINK: Minimum N.A.O.S. Dimensions

3. *NAOS selection and location.* The location of NAOS on a site plan or preliminary plat shall emphasize the following, however, in no event shall the provisions of this section require greater area of NAOS dedication than currently required by Section 6.1060.A, B and C of this Ordinance:

- a. Preservation of natural watercourses. The need for unimpeded wildlife access and movement within and between NAOS areas is an important criteria. Therefore, minor and major watercourses, vista corridors and scenic corridors, particularly where located adjacent to the

McDowell Sonoran Preserve, shall be given key consideration as riparian habitats associated with major and minor watercourses.

b. Continuity of open space within the development project and with adjacent developments or with the McDowell Sonoran Preserve.

c. Continuity of "on-lot" open spaces on adjoining lots.

d. Preservation of the most significant features and vegetation, including rock outcroppings, and significant concentrations of native vegetation in relation to the surrounding development project.

e. Distribution throughout the developed area and avoidance of concentration in one (1) location.

f. Location in areas where a buffer is desirable along the property boundary, or where it is contiguous with NAOS on adjacent property, including property within the McDowell Sonoran Preserve.

g. Location in areas visible from streets or common areas.

h. The City has prepared high priority NAOS location maps to provide guidance on the location of NAOS. Each site plan submitted shall demonstrate how the applicant will consider the best means to achieve the delineations of NAOS areas as depicted on these maps in order to meet City policies.

4. *NAOS distribution within master planned developments.* Where a master plan developer elects to provide NAOS in excess of the minimum NAOS requirement for specific development sites, such excess NAOS may be credited against NAOS requirements for other development sites on the master plan, provided that the NAOS credits are documented on an open space master plan which identifies excess NAOS by development site and allocates such excess to specific development sites elsewhere on the property. The master plan developer must authorize the allocation in writing.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1070. DESIGN STANDARDS.

A. General Standards.

1. Development projects shall employ design techniques which reduce the disruption of the severely constrained areas (SCA) of a parcel defined in Section 6.1081A.1., reduce the amount of streets and pavement, maximize open space, reduce the length of water and sewer systems, and minimize the restructuring of natural drainage systems.

GRAPHIC LINK: [Example—Flag Lot](#)

2. The intensity calculated in Sections 6.1050 and 6.1080 shall be the maximum permitted intensity. A structure or residential building construction envelope that is located in more than one (1) density category in Section 6.1050B. and C. shall be considered as located in the higher density area if the majority of the floor area or construction envelope area (over fifty (50) percent) is in the less restricted condition and the incursion into a lower intensity area extends less than twenty (20) feet for structures or thirty-five (35) feet for construction envelopes.

GRAPHIC LINK: [Construction Envelope](#)

GRAPHIC LINK: [Construction Envelopes in 2 Categories](#)

3. Construction envelopes are required when NAOS is proposed on individual lots. All impervious surfaces and improved open space shall be contained within construction envelopes. (See construction envelope definition in Section 3.100).

4. Underground utility corridors and drainage improvements outside of the construction envelopes shall be included in the revegetated open space.

5. The NAOS shall be clearly identified and protected during building by methods and techniques approved by the City Manager or designee.
6. On-lot NAOS shall be designed with consideration of the surrounding context to connect with existing or planned open space on adjacent properties so that continuous areas of meaningful open space are formed.
7. On-lot NAOS shall not be located within the required front yard where the front yard depth is less than forty (40) feet.

B. Building Heights.

1. The maximum building height is that prescribed by the underlying district except as modified by the following:
 - a. The maximum building height in the ESL district shall be established by a plane measured vertically above the existing natural terrain elevation prior to grading; as the natural grade rises, the maximum height will rise accordingly. Small areas of rugged terrain inconsistent with this plane will not increase or reduce building height. Small areas are those features with a maximum width of twenty-five (25) feet.
 - b. The maximum building height for all buildings in single-family residential (R1) districts including the Foothills Overlay, shall be twenty-four (24) feet unless exempted pursuant to Section 6.1022.

GRAPHIC LINK: Building Heights

- c. The maximum building height in the hillside landform shall be the height prescribed by the underlying district or thirty (30) feet whichever is lower, except as modified by Section 6.1070B.1.d. below.
- d. The Development Review Board may permit additional building heights in the hillside landform up to a maximum height of forty (40) feet where the applicant demonstrates that the additional height will reduce the visual impact of the structure or site work from established viewpoints, and will reduce the area required for grading, or other land disturbance activities, on sensitive conditions.

C. Hillside Landform Site Design Criteria: Hillside lands are prone to natural hazards. In order to protect lives and property from disasters resulting from poorly designed hillside development and to mitigate the potential for increased erosion, boulder rolling, rockfalls, and landsliding, the Development Review Board (DRB) shall review individual site plans located within the hillside landform that are not part of a subdivision plat against the following criteria:

1. All construction shall be set back a minimum of twenty (20) feet from boulder features as defined in Section 3.100. The DRB may approve exceptions to these criteria where specific design solutions protect public safety.

GRAPHIC LINK: Boulder Feature

2. Unprotected slopes shall be protected from focused stormwater flows.
3. All storm runoff shall be directed towards natural channels using best practices for erosion control.
4. Minimize removal of native vegetation from areas outside of construction envelopes.
5. Minimize incidental impact from other natural hazards including erosion, subsidence, boulder rolling, rockfalls, flooding, flood related mud slides, unstable slopes and landsliding relating to the site and surrounding property.

D. Protected Peaks and Ridges.

1. All building projects shall be set back an average of three hundred (300) feet horizontally and a minimum of two hundred (200) feet from a protected peak or a protected ridge.

GRAPHIC LINK: Viewpoints--Protected Ridges

2. The maximum elevation of any structure within four hundred (400) feet horizontally of a protected

peak or ridge shall be at least twenty-five (25) feet below the elevation of the nearest point of a protected peak or ridge.

3. Protected peaks and ridges shall be identified on ESLO Protected Peaks and Ridges Maps prepared by the City, and may be revised as follows:

Request for map refinement shall include a visual analysis from viewpoints as defined in Section 3.100, and be subject to subsection E, below.

4. Protected peaks and ridges on a property shall be shown on final plats at the time of City Council approval.

E. *Revisions of ESL Landform and Protected Peaks and Ridges Maps.* Landforms are identified on the ESL Landforms and Protected Peaks and Ridges Maps by the City. The maps may be revised as follows:

1. Applicants for a specific development project may request a change in all or part of the landform boundaries on the ESL Landforms and Protected Peaks and Ridges Maps prior to or concurrently with a development project application. The applicant shall submit technical data to the City Manager or designee to support the request. If the City Manager or designee determines that the request represents more than a minor refinement, the requested landform boundary change shall be prepared by an Arizona State registered geologist and shall include a technical analysis to support the requested map revision. The definitions of the three (3) landform areas shall be used by consulting geologists for their analysis of changes in the landform boundaries.

2. Minor refinements to the ESL Landforms and Protected Peaks and Ridges Maps shall be subject to the approval of the City Manager or designee.

3. Major revisions of the ESL Landforms and Protected Peaks and Ridges Maps shall be subject to Development Review Board approval. Development Review Board approval shall occur prior to the Planning Commission and City Council public hearings if the request is made concurrently with a submittal for a rezoning or use permit approval.

4. A property owner may request a revision of the ESL Landforms and Protected Peaks and Ridges Maps on their property independently from a submittal for a specific project. Such submittals shall follow all processes and requirements in Section 6.1070E1. and shall be subject to approval of the Development Review Board.

F. *Boulder Features.* Development shall not be permitted on or immediately adjacent to boulder features within the ESL area as defined in Section 3.100 and a setback of twenty (20) feet shall be maintained around the boulder feature unless otherwise approved by the Development Review Board. The Development Review Board may permit development on boulder features which meet this definition where the applicant demonstrates that the proposed construction will meet the following criteria:

1. When a proposed structure will be occupied, the applicant shall submit a technical analysis prepared by an Arizona State registered geologist demonstrating that the boulder feature is stable and does not present a threat to the proposed structure.

2. The applicant has demonstrated that the proposed construction will blend into the boulder feature so that the boulder feature is still substantially visible from public or private streets, and the structure does not detract significantly from the character of this special feature.

G. *Site and Structure Development Design Standards.*

1. Within the ESL district:

a. Mirrored surfaces or any treatments which change ordinary glass into a mirrored surface are prohibited.

b. Reflective building and roofing materials (other than windows) including materials with high gloss finishes and bright, untarnished copper, aluminum, galvanized steel or other metallic surfaces, shall be textured or have a matte or non-reflective surface treatment to reduce the reflection of sunlight onto other property.

c. Materials used for exterior surfaces of all structures shall blend in color, hue, and tone with the surrounding natural desert setting to avoid high contrast.

d. Surface materials of walls, retaining walls or fences shall be similar to and compatible with those of the adjacent main buildings.

- e. Development design and construction techniques should blend scale, form and visual character into the natural landform and minimize exposed scars.
- f. Exterior lighting should be low scale and directed downward, recessed or shielded so that the light source is not visible from residential development in the area or from a public viewpoint.
- g. No paint colors shall be used within any landform that have a LRV greater than thirty-five (35) percent.
- h. Exterior paint and material colors shall not exceed a value of six (6) and a chroma of six (6) as indicated in the *Munsell Book of Color* on file in the Planning Systems Department.
- i. Plant materials that are not indigenous to the ESL area shall be limited to enclosed yard areas and non-indigenous plants that have the potential of exceeding twenty (20) feet in height are prohibited. A list of indigenous plants is available from the Planning and Development Services Department. Outdoor community recreation facilities, including parks and golf courses shall be allowed turf as specified in Section 6.1070G1.j.
- j. Turf shall be limited to enclosed areas not visible offsite from lower elevation. Outdoor recreation facilities, including parks and golf courses, shall be exempt from this standard.
- k. All equipment appurtenant to underground facilities, such as surface mounted utility transformers, pull boxes, pedestal cabinets, service terminals or other similar on-the-ground facilities, shall have an exterior treatment that has a LRV of less than thirty-five (35) percent or otherwise screened from view from the adjoining properties.
- l. It is the intent of this Ordinance to leave washes in place and in natural conditions where practical. When necessary, modifications to natural watercourses and all walls and fences crossing natural watercourses shall be designed in accordance with the standards and policies specified in chapter 37 (Floodplain and Stormwater Regulation) of the City of Scottsdale Revised Code, and the City's Design Standards and Policies Manual. Requests to modify, redirect or divert watercourses of fifty (50) cfs or greater flow in a 100-year event shall include the following:
 1. Justification for the request.
 2. Plans showing:
 - a. That the application will result in an equal or enhanced quality of open space.
 - b. That any proposed wash modification will include restoration of the watercourse with vegetation of the same type and density removed for the modifications.
 - c. If a wash is being redirected or modified that it enters and exits the site at the historic locations, and that the result will not impact drainage considerations for adjacent properties.
 - d. If a wash is being diverted into a structural solution (e.g. underground pipe), that the change will not impact the drainage conditions on adjacent properties and will not reduce the integrity of any upstream or downstream corridor as meaningful open space.

An application for the modification of a wash mentioned above, may be granted by the Zoning Administrator subject to approval of the design solution for the drainage facilities and subject to the finding that the purpose of this overlay district (Section 6.1011) has been achieved. However, in no event shall the provisions of this Section require greater area of NAOS dedication than currently required by Section 6.1060.A, B and C of this Ordinance.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1071. Design guidelines.

A. General Guidelines.

1. Clustering, density transfer, NAOS or CA should be used to protect the most sensitive areas on a plat.
2. Unless specifically approved by City Council:
 - a. NAOS shall not be enclosed by walls that disrupt its continuity with NAOS on adjacent properties;
 - b. Walls are prohibited from disrupting the continuity of NAOS corridors and wildlife corridors or habitats located along major and minor watercourses;
 - c. Walls shall not enclose or disconnect contiguous NAOS or be permitted to cross washes of fifty (50) cfs greater flow in a 100-year event;
 - d. Fences shall not block wildlife movement in and through NAOS and/or natural watercourses.
3. Subdivision walls are prohibited unless as allowed pursuant to the hardship exemption in Section 6.1022.D. When approved, perimeter walls shall be subject to the Development Review Board and shall incorporate the following criteria:
 - a. These walls shall incorporate alignments and vertical designs that undulate in a manner that blends with the character of the site's terrain and protects major native plant specimens and boulders;
 - b. These walls shall contain ground level openings of at least nine (9) square feet in area with a dimension of three (3) by three (3) feet, and be spaced no more than two hundred (200) feet apart, including openings for drainage ways, in order to allow wildlife movements and passage of localized stormwater flows;
 - c. These walls shall be built of materials that blend into the heavy textures and rustic character of the vegetation, boulders and other features of the natural desert setting; and
 - d. These walls shall be set back from the perimeter property line a minimum of:
 1. Fifteen (15) feet where the subdivision or master planned development is adjacent to a vacant property;
 2. Fifteen (15) feet or a distance equal to the required side yard for the underlying zoning district, whichever is greater, where the subdivision or master planned development is adjacent to a parcel that has an existing residence, an existing subdivision or the McDowell Sonoran Preserve; or
 3. Zero (0) feet where the subdivision is adjacent to natural area open space (NAOS) or conservation area (CA) tract within the same subdivision or master planned development that the walls are located within.
4. On single family residential parcels containing thirty-five thousand (35,000) square feet or larger, individual lot or site walls, where permitted by this Ordinance, shall be setback a minimum of fifteen (15) feet from a side or rear property line unless the parcel is adjacent to natural area open space (NAOS) or conservation area (CA) within a separate tract as a part of a master planned development or subdivision.
5. Sensitive site planning that responds to the environmental conditions will frequently lead to smaller average lot sizes, a reduction in disturbed land area, or fewer lots. The applicant has the burden of demonstrating that the proposed intensity can be developed on the site in a sensitive manner that is consistent with this Ordinance, the Development Design Guidelines for Environmentally Sensitive Lands, and other approved City policies and guidelines.
6. The specific location of a construction envelope shall be shown on the site plan submitted for the permit and shall be clearly fenced or contained during construction of the improvements permitted. Disturbance to sites during construction should be minimized and limited to the portions of the site on which improvement is shown on the approved site plan. No clearing, grading, grubbing etc, may occur outside of the approved construction envelopes.

No grading permits shall be issued on lots with R1-190, R1-130, R1-70, R1-43 or R1-35 zoning unless they are submitted in conjunction with building plans for on-site structures, except for drainage facilities, driveways or utilities required with the approved subdivision plans to serve the subdivision or adjacent properties.

B. Guidelines for the McDowell Sonoran Preserve Boundary.

1. NAOS outside the McDowell Sonoran Preserve boundary should be oriented to maintain habitat and unimpeded wildlife movement to and from the preserve.
2. Promote continuity of open spaces at the preserve boundary.

GRAPHIC LINK: Meaningful Open Space

3. Maximize the provision of NAOS at the preserve boundary to create a natural buffer to the preserve.
4. Any trail development through NAOS areas adjacent to the preserve must be coordinated with the Preserve Trail Plan.

(Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1080. SENSITIVE DESIGN OPTIONS**Sec. 6.1081. Density transfer.**

The density transfer option is intended to provide an incentive for developers to move construction from portions of their parcel with severe environmental constraints to less constrained areas. A density transfer may be approved through the use of amended development standards and the approval processes in Sections 6.1083A. and B. The benefits of transfer decline as development in the most sensitive areas increases. The use of this option can lead to the preservation of significant areas of environmentally sensitive lands including land slopes over fifteen (15) percent, watercourses, and special features.

A. Density transfer for Conservation Area (CA).

1. In order to qualify for the maximum rate of density transfer (1:1) the severely constrained areas (SCA) must be designated CA. The severely constrained areas are those portions of the hillside landform containing or surrounded by any one (1) of the following environmental conditions; provided that for purposes of density transfer only, SCA shall not include areas of ten (10) acres or more which do not contain any of the environmental conditions specified below, even if the area is surrounded by one (1) or more conditions, so long as any development proposed for the surrounded area is not visible from viewpoints established on the City's special features map:

- a. Land slopes over twenty-five (25) percent.
- b. Unstable slopes as listed in Section 6.1021B.
- c. Special features as listed in Section 6.1021C.

The rate of transfer for the parcel is reduced in proportion to reductions in the amount of SCA that is designated as CA.

2. The applicant may request that undisturbed natural areas and land stripped of natural vegetation or scarred prior to January 1, 1990, which has been revegetated be established as CA as follows:

- a. The applicant shall demonstrate to the satisfaction of the City Attorney that the entire NAOS area will be permanently maintained as natural area open space through easements, donation or dedication to the City or other entity. If NAOS is located in a common tract owned by a homeowners association, the property shall be maintained through a common maintenance agreement.
- b. Land designated CA may also be rezoned to the conservation open space (COS) district except that only the unimproved land in the COS district is eligible for density transfer calculations.
- c. The receiving area is the portion of the property that will receive the density transfer. The maximum permitted density in the receiving area is equal to the number of units

being transferred from the CA or unimproved COS areas, plus the base intensity for the receiving area from Table B.

3. Density transfer calculations. The base intensity for the existing zoning shall be determined using Table B and shall be permitted to be transferred to another area of the parcel as follows:

- a. Determine the acreage of SCA on the gross parcel.
- b. Determine the percent of SCA that is designated CA by dividing the CA acreage by the SCA acreage. This percentage is the rate of density transfer for the parcel. Only the area of NAOS to be designated CA may be included in the calculation of land eligible for density transfer.
- c. Determine the base intensity for the land designated CA by multiplying the CA acreage times the intensity in Table C for the applicable zoning district. Sensitive lands that are not SCA may also be selected by the applicant for CA in order to transfer density to less constrained areas.
- d. Determine the number of units eligible for density transfer by multiplying the percent of land designated CA (b. above) times the base intensity for the land designated CA (c. above).
- e. The calculation established in a. through d. above may be summarized by the following formula:

TABLE INSET:

Percentage of SCA designated CA	X	Acres designated CA	X	Base intensity of designated CA	=	Total permitted density transfer for the CA area
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B. *Density transfer bonus for regional drainage.* In order to promote regional drainage and flood control, the applicant may request that the land area required for regional drainage facilities, as part of an approved City regional drainage and flood control plan developed by the City, may be used for a density transfer as follows:

- 1. A one-hundred (100) percent transfer of the intensity permitted under the existing zoning by Table B may be used for a density transfer.
- 2. The land area from which the density is transferred must be legally secured through conservation or open space easements or dedication. The land may be designated CA or rezoned to the open space district (OS) where appropriate.

C. *Eligible receiving areas.* The portion of the development project that can receive density transfer shall have less sensitive environmental conditions than the CA or COS land from which the density is transferred. Eligible receiving areas are any portions of the development project that do not contain slopes over twenty-five (25) percent, unstable slopes, special features, minor watercourses or major watercourses.

D. *Off-site transfers.* Density transfers to noncontiguous parcels may be approved, in order to encourage the transfer of development rights from more sensitive areas to those that are less sensitive. Noncontiguous transfers permit the owners of less sensitive lands to join in a single application with the owner of more sensitive areas, and to transfer development potential from the more sensitive to the less sensitive areas without the need for rezoning.

An application to make a noncontiguous transfer must be signed by the owners of both parcels, and must meet the procedural requirements of this section, and Section 6.1083, and the following criteria:

- 1. On February 19, 1991, the parcel was a legally constituted lot on which development would have been permitted under the terms of the Ordinance in effect at the time the lot was created or was annexed to the City.
- 2. At least eighty (80) percent of the parcel from which density will be transferred (the "transfer parcel") must consist of severely constrained areas.
- 3. No development will be permitted on the transfer parcel.
- 4. The transfer parcel must be permanently secured as CA through easements, donation or

- dedication to the City or other entity, by a means approved by the City Attorney or zoned COS.
- 5. The parcel to which density will be transferred (the "receiving parcel") must be located within the ESL district in the upper desert or lower desert landform.
- 6. No permits will be issued for the receiving parcel, until the transfer parcel has been permanently secured as CA or rezoned COS.

Table B
Base Intensity by Zoning Category*

*These numbers shall be used in calculating the following:

- a. The number of units or intensity to be used in a density transfer.
- b. The maximum number of units for any parcel where a density transfer is not being used.
- c. The "base" intensity on a parcel before the NAOS density incentive is applied.
 - 1. Residential uses, excluding guest rooms.

TABLE INSET:

District	Factor (DU/AC)	District	Factor (DU/AC)
R1-190	.21	R-3	12.93
R1-130	.31	R-4	8.31
R1-70	.55	R-4R	7.54
R1-43	.83	R-5	23.00
R1-35	1.04	S-R	12.44
R1-18	1.87	PNC	4.00
R1-10	3.12	PCC	4.00
R1-7, MH	4.16	PCoC	4.00
R1-5	5.00	PCP	25.00
R-2	7.28		

- 2. Hotels, motels, and resorts.

TABLE INSET:

District	Factor (Guest Rooms/Acre)
R-4R	10.62
R-5	33.00
C-2	43.56
C-3	43.56
PRC	21.78
WP	43.56

- 3. Nonresidential uses.

TABLE INSET:

District	Factor (Floor Area Ratio)
S-R	.4
C-O, I-G, I-1,	.6
C-1, C-2, C-3, C-4, C-5, SS, PRC, WP, PCP	.8

PNC, PCC	.3
PcoC	.2
P-3	1.0

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1082. Cluster development option.

The cluster development option is intended to provide an opportunity for more flexibility in platting lots and for site planning under ESL regulations than in the underlying zoning districts. The Development Review Board may approve clustering if the application is in compliance with the standards in Section 6.1083A. This option allows for increased sensitivity to site conditions and permits the clustering of the development onto less land area so portions of the land remain undisturbed. These standards cannot increase the intensity allowed on a development site. Clustering may enable applicants to use the land more efficiently or to utilize more of the allowable intensity. The following limitations apply:

A. The density shall not exceed the applicable density for the parcel. Before this site planning option is applied to a parcel, a determination of density must be approved according to the options and applicable procedures available including:

1. Using Table B to determine the base intensity under existing zoning.
2. Using Sections 6.1050B. and C. to determine permitted density.
3. Using the density transfer procedures to increase the density.
4. Rezoning the parcel.

B. The density that has been approved for any parcel may be allocated to any areas of a parcel with a plat or site plan subject to the following limitations:

1. Development standards may only be modified in compliance with the requirements of Section 6.1083.
2. The site plan, or plat, must comply with the requirements of Section 7.858, site planning standards and guidelines.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1083. Amended development standards.

Amended development standards may be approved, in accordance with Section 6.1083A. or B. below, upon finding that the amended development standards are in conformance with Section 6.1011 purpose, of the Environmentally Sensitive Lands Regulation, and in order to encourage sensitivity to site conditions and to provide flexibility in site planning.

A. *Development Review Board Public Hearing process.* The Development Review Board may approve amended development standards for the underlying zoning district concurrently with the preliminary plat approval subject to the following:

1. Application and public hearing procedures of Section 1.900.
2. The existing zoning district and proposed use is for single-family dwellings.
3. The base density in Table B has not been exceeded.
4. The minimum area of the development is ten (10) gross acres.
5. The minimum lot sizes may be reduced by no more than twenty-five (25) percent of the minimum lot size required in the underlying district.
6. Minimum setbacks and minimum distance between buildings of the applicable zoning district requirements may be reduced by no more than twenty-five (25) percent. In no case shall the setback of a garage or carport that opens towards the street be less than twenty (20) feet from the back of curb, or when present, the back of sidewalk. The minimum side yard or rear yard,

where the side or rear yard is adjacent to designated open space tracts may be reduced to five (5) feet. Setbacks on the perimeter of the development project shall be equal to or greater than those imposed by the existing zoning on parcels within fifty (50) feet of the perimeter of the development project.

7. Minimum lot width may be reduced by no more than twenty-five (25) percent of the minimum lot width required in the underlying district. However, if the applicant can demonstrate that a flag lot design better achieves the purposes of the ESL Overlay District, flag lots with a minimum width of twenty (20) feet may be approved.

GRAPHIC LINK: [Flag Lots](#)

8. If the underlying zoning is R1-18, R1-10 R1-7 or R1-5, one (1) of the side yard setbacks may be zero (0), provided that the dwellings are constructed as single-family detached homes. The minimum distance between buildings is five (5) feet.

9. The development must be served by public or private water and sanitary sewer facilities if the minimum lot sizes are less than sixty thousand (60,000) square feet.

10. The amended development standards are approved concurrently with the preliminary plat.

11. The required common open space is to be permanently maintained as natural open space as demonstrated in documents satisfactory to the City Attorney prior to the issuance of any permits.

12. Demonstrate compliance with the design criteria stated in Section 6.205 for planned residential development.

13. Any modified standards for the development shall be recorded on the final plat.

14. The applicant shall demonstrate to the satisfaction of the Development Review Board that the modifications better achieve the purposes of ESL in Section 6.1010 than the existing standards.

B. City Council Public Hearing Process. The City Council may approve amended development standards for the underlying zoning district which exceed the limitations in Section 6.1083A. pursuant to the following:

1. Application and public hearing procedures of Section 1.600 and 1.700.

2. In reviewing such applications, the City Council shall compare the requested intensity and use to the environmental conditions and to the General Plan to determine the appropriateness of the amended development standards.

3. The applicant shall demonstrate that the stated modifications better achieve the purposes of ESL regulations in Section 6.1011 than the existing zoning.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1090. ESL SUBMITTAL REQUIREMENTS

Sec. 6.1091. All applications.

A. In addition to any other information required by the Scottsdale Zoning Ordinance (Ordinance No. 455, as amended) and the Scottsdale Revised Code, applications for development approval under ESL shall include the following:

1. *Base submittal requirements for all projects:*

- a. Location and size of project boundaries, including any phasing plans.
- b. Project description.
- c. A.L.T.A. survey.

- d. Site development plan showing all existing and proposed construction, including density calculations.
 - e. Aerial map.
 - f. Site plan superimposed on the aerial map.
 - g. Topography map (two (2) foot contours intervals).
 - h. Slope analysis superimposed on the topography map with NAOS calculation table.
 - i. NAOS analysis site plan, including proposed civil improvements and proposed construction envelope concept plan.
 - j. Environmental features map, including applicable landforms, protected peaks and ridges, unstable slopes, boulder features, watercourses, vegetation and wildlife habitats, viewsheds, and manmade or fire scarring.
 - k. Native plant submittal and revegetation plan and program, including transplanting and/or reseeding methods and the list of plants and density of application.
 - l. Geotechnical report for sites with shallow bedrock and/or boulders.
 - m. Drainage and grading report and plan.
 - n. Archaeology data, reports, and/or plans as required by Chapter 46 of the City Code.
2. *Additional submittal requirements for master planned projects:*
 - a. Master environmental design concept plan.
 - b. Phasing plan.
 - c. Circulation plan.
 - d. Water and wastewater plan.
 3. *Additional submittal requirements for preliminary plat and development review board submittals:*
 - a. Master environmental design concept plan.
 - b. Cuts and fills site plan.
 - c. Amended development standard justification report.
 - d. Vista/scenic corridors, including cross section details.
 - e. Public trail plan.
 - f. Landscaping plan.
 - g. Color and material samples.
 - h. Wall plans.
 - i. Boulders that exceed six (6) feet in width and six (6) feet in height.
 - j. If proposing modification per Section 6.1070.G.1.I., the delineation of natural watercourses of fifty (50) cfs or greater flow in a 100-year event.
 4. *Additional submittal requirements for single family residential permits:*
 - a. Boulders that exceed six (6) feet in width and six (6) feet in height;
 - b. If proposing modification per section 6.1070.G.1.I., the delineation of natural watercourses of 50 cfs or greater flow in a 100-year event.
 5. *Modified submittal requirements.* The City Manager or designee may require additional information to identify or analyze specific environmental conditions, or may waive submittal requirements determined unnecessary for appropriate review of the project.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03; Ord. No. 3540, § 1(Exh. 1), 4-20-04)

Sec. 6.1092. Master Development Plan Submittal.

A. A master development plan shall be submitted where:

1. Section 48-35 of the Subdivision Ordinance requires a development master plan.
2. The underlying zone requires a master development plan, e.g., Section 5.4002, planned commerce park (PCP), Section 6.204, planned residential development (PRD) or Section 5.2103, planned community district (PCD);
3. The city manager or designee determines that a master plan is necessary for the orderly development of the project, in accordance with the requirements of this Ordinance.

(Ord. No. 2305, § 1, 2-19-91; Ord. No. 3225, § 1, 5-4-99; Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1100. Maintenance and violations.

A. *Maintenance--Improved areas.* The owner of private property on which grading or other work has been performed pursuant to a grading plan approved under the ESL regulations, shall maintain in perpetuity and repair all graded surfaces and erosion control devices, retaining walls, drainage structures or devices, and planting and ground covers according to specifications established by the city.

B. *Maintenance--Natural Area Open Space (NAOS).*

1. NAOS shall be permanently preserved in its natural condition to be self-sustaining.
2. The removal of small amounts of man-made trash and debris that may accumulate within NAOS is permitted.
3. Clearing, pruning, raking, and landscaping within NAOS areas is prohibited except as provided in subsections 4, 5, and 6 below.
4. Maintenance of public non-paved trails within NAOS shall be subject to specific approval by city staff.
5. The removal of man-made dumping piles, and specified invasive, non-indigenous plants and weeds within NAOS shall be subject to specific approval by city staff.
6. A defensible space will be permitted to be established and maintained around homes in Wildland/Urban Interface and Intermix areas as defined in Section 3.100. The removal of flash fuels, which include invasive annual grasses, for an area of thirty (30) feet from a habitable structure, to provide for fire safety around dwellings, is permitted, but shall not result in the destruction of native plants* within NAOS.
7. Dead or dying native plants within NAOS shall be left in place to provide wildlife habitat.
8. NAOS easements may be released by the Zoning Administrator only to the extent such releases conform to the standards set forth in Section 6.1060F.

*Native plants include the specific species defined in article V, protection of native plants, Section 46-105 through 46-120 of the City Code.

C. *Violations.*

1. A violation of any provision of the ESL district shall be subject to the violation and penalty provisions in Article I of the Zoning Ordinance.
2. Upon conviction for a violation of any provision of Section 6.1100. or the conditions of a permit issued hereunder, the court shall impose a fee of fifty dollars (\$50.00) for a preservation fund, in addition to any other fines or penalties.
3. Funds obtained from this fee shall be used to supplement the City's preservation efforts through deposit into the Trust for McDowell Mountain Land Acquisition.

(Ord. No. 3395, § 1, 12-11-01)

Sec. 6.1110. Appeals.

The applicant may appeal a decision of the City Manager or designee to the Development Review Board. The appeal must be in writing, filed with the Planning and Development Services Department within fifteen (15) days of the date on which written notice of the decision was mailed to the applicant, and must state the reasons for appeal, and the relief requested. The City Manager or designee shall place the appeal on the next available Development Review Board agenda and shall notify the applicant in writing of the time and place at which the Development Review Board will consider the appeal. Decisions of the Development Review Board may be appealed to the City Council as provided in Section 1.907 of this Ordinance.

(Ord. No. 3395, § 1, 12-11-01; Ord. No. 3501, § 1, 4-1-03)

ORDINANCE NO. 3696

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AMENDING ORDINANCE NO. 455, THE ZONING ORDINANCE OF THE CITY OF SCOTTSDALE, BY AND FOR THE PURPOSE OF AMENDING ARTICLE VI. SUPPLEMENTARY DISTRICT, SECTION 6.1083, AMENDED DEVELOPMENT STANDARDS, AND SECTION 6.1090, ESL SUBMITTAL REQUIREMENTS, INCLUDING SECTION 6.1091, ALL APPLICATIONS, AS PROVIDED IN CASE NO. 2-TA-2006.

WHEREAS, the Planning Commission held a public hearing on June 28, 2006 and July 12, 2006; and

WHEREAS, the City Council held hearing on September 26, 2006 and considered a text amendment to the Zoning Ordinance of the City of Scottsdale, Case No. 2-TA-2006;

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Scottsdale, as follows:

Section 1. That the Zoning Ordinance of the City of Scottsdale, is amended by amending Article VI. Supplementary District, Section 6.1083, Amended Development Standards and Section. 6.1090, ESL Submittal Requirements, including Section 6.1091, All Applications, as set forth in Exhibit 1, attached hereto and incorporated herein by reference.

Section 2. If any section, subsection, sentence, clause, phrase or portion of this ordinance or any part of the code adopted herein is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions thereof.

PASSED AND ADOPTED by the Council of the City of Scottsdale this 26 day of September, 2006.


ATTEST:

CITY OF SCOTTSDALE, an Arizona
municipal corporation

By: _____
Carolyn Jagger
City Clerk

By: _____
Mary Manross
Mayor

APPROVED AS TO FORM:

By:  _____
Deborah Robberson
City Attorney

ESL AMENDED DEVELOPMENT STANDARDS
Draft 6-26-06
All changes shown in bold caps and strike-throughs

Sec. 6.1083 Amended development standards.

~~Amended development standards may be approved, in accordance with Section 6.1083A. or B. below, upon finding that the amended development standards are in conformance with Section 6.1011 purpose, of the environmentally sensitive lands regulation, and in order to encourage sensitivity to site conditions and to provide flexibility in site planning.~~

- ~~A. *Development Review Board Public Hearing process.* The Development Review Board may approve amended development standards for the underlying zoning district concurrently with the preliminary plat approval subject to the following:~~
- ~~1. Application and public hearing procedures of Section 1.900.~~
 - ~~2. The existing zoning district and proposed use is for single family dwellings.~~
 - ~~3. The base density in Table B has not been exceeded.~~
 - ~~4. The minimum area of the development is ten (10) gross acres.~~
 - ~~5. The minimum lot sizes may be reduced by no more than twenty five (25) percent of the minimum lot size required in the underlying district.~~
 - ~~6. Minimum setbacks and minimum distance between buildings of the applicable zoning district requirements may be reduced by no more than twenty five (25) percent. In no case shall the setback of a garage or carport that opens towards the street be less than twenty (20) feet from the back of curb, or when present, the back of sidewalk. The minimum side yard or rear yard, where the side or rear yard is adjacent to designated open space tracts may be reduced to five (5) feet. Setbacks on the perimeter of the development project shall be equal to or greater than those imposed by the existing zoning on parcels within fifty (50) feet of the perimeter of the development project.~~
 - ~~7. Minimum lot width may be reduced by no more than twenty five (25) percent of the minimum lot width required in the underlying district. However, if the applicant can demonstrate that a flag lot design better achieves the purposes of the ESL Overlay District, flag lots with a minimum width of twenty (20) feet may be approved.~~
 - ~~8. If the underlying zoning is R1-18, R1-10, R1-7 or R1-5, one (1) of the side yard setbacks may be zero (0), provided that the dwellings are constructed as single-family detached homes. The minimum distance between buildings is five (5) feet.~~
 - ~~9. The development must be served by public or private water and sanitary sewer facilities if the minimum lot sizes are less than sixty thousand (60,000) square feet.~~

- ~~10. The amended development standards are approved concurrently with the preliminary plat.~~
- ~~11. The required common open space is to be permanently maintained as natural open space as demonstrated in documents satisfactory to the City Attorney prior to the issuance of any permits.~~
- ~~12. Demonstrate compliance with the design criteria stated in Section 6.205 for planned residential development.~~
- ~~13. Any modified standards for the development shall be recorded on the final plat.~~
- ~~14. The applicant shall demonstrate to the satisfaction of the Development Review Board that the modifications better achieve the purposes of ESL in Section 6.1010 than the existing standards.~~

~~B. City Council Public Hearing Process. The City Council may approve amended development standards for the underlying zoning district which exceed the limitations in Section 6.1083A, pursuant to the following:~~

- ~~1. Application and public hearing procedures of Section 1.600 and 1.700.~~
- ~~2. In reviewing such applications, the City Council shall compare the requested intensity and use to the environmental conditions and to the General Plan to determine the appropriateness of the amended development standards.~~
- ~~3. The applicant shall demonstrate that the stated modifications better achieve the purposes of ESL regulations in Section 6.1011 than the existing zoning.~~

A. TO ENCOURAGE SENSITIVITY TO SITE CONDITIONS AND PROVIDE FLEXIBILITY IN SITE PLANNING, DEVELOPMENT STANDARDS MAY BE AMENDED UPON FINDING THAT THE AMENDED DEVELOPMENT STANDARDS ACHIEVE THE PURPOSES OF THE ENVIRONMENTALLY SENSITIVE LANDS ORDINANCE IN SECTION 6.1011 BETTER THAN THE EXISTING DEVELOPMENT STANDARDS.

B. THE DEVELOPMENT REVIEW BOARD MAY APPROVE AMENDED DEVELOPMENT STANDARDS FOR:

- 1. A SUBDIVISION, CONCURRENT WITH A PRELIMINARY PLAT APPROVAL;**
- 2. A LAND DIVISION, CONCURRENT WITH A BUILDING SITE PLAN;**
- 3. ANY LOT NOT ESTABLISHED THROUGH A RECORDED PLAT, CONCURRENT WITH A BUILDING SITE PLAN; AND**
- 4. ANY LOT ESTABLISHED THROUGH A RECORDED PLAT BEFORE APPLICATION OF THE ESL OVERLAY DISTRICT, CONCURRENT WITH A BUILDING SITE PLAN.**

C. THE DEVELOPMENT REVIEW BOARD DELEGATES ITS AUTHORITY TO APPROVE AMENDED DEVELOPMENT STANDARDS FOR ALL APPLICATIONS OTHER THAN SUBDIVISIONS TO THE PLANNING AND ZONING GENERAL MANAGER AND THE DEPUTY CITY MANAGER, OR DESIGNEES. THE PLANNING AND ZONING GENERAL MANAGER AND THE DEPUTY CITY MANAGER SHALL BOTH SIGN THE BUILDING SITE PLAN, IF APPROVED. THE DEVELOPMENT REVIEW BOARD SHALL HEAR ANY APPEAL OF THE DECISION BY THE PLANNING AND ZONING GENERAL MANAGER AND DEPUTY CITY MANAGER.

D. ALL APPLICATIONS FOR AMENDED DEVELOPMENT STANDARDS:

- 1. ARE SUBJECT TO THE APPLICATION AND PUBLIC HEARING REQUIREMENTS OF SECTION 1.900;**
- 2. ARE FOR EXISTING ZONING DISTRICTS AND SINGLE-FAMILY DWELLINGS ONLY; AND**
- 3. SHALL COMPLY WITH TABLE B, BASE INTENSITY BY ZONING CATEGORY, IN SECTION 6.1081.**

E. THE DEVELOPMENT REVIEW BOARD, OR THE PLANNING AND ZONING GENERAL MANAGER AND DEPUTY CITY MANAGER, AS APPLICABLE, MAY APPROVE AMENDED DEVELOPMENT STANDARDS IN CONFORMANCE WITH THE FOLLOWING LIMITATIONS:

- 1. IN A SUBDIVISION OR LAND DIVISION, THE MINIMUM LOT AREA MAY BE REDUCED UP TO TWENTY-FIVE PERCENT (25%).**
- 2. FOR LOTS NOT IN A SUBDIVISION OR LAND DIVISION, THE MINIMUM LOT AREA OF THE UNDERLYING ZONING DISTRICT SHALL NOT BE REDUCED.**
- 3. MINIMUM SETBACKS AND MINIMUM BUILDING SEPARATIONS MAY BE REDUCED UP TO TWENTY-FIVE PERCENT (25%).**
- 4. THE MINIMUM SETBACK OF A GARAGE OR CARPORT THAT OPENS TOWARDS THE STREET SHALL BE TWENTY (20) FEET FROM THE BACK OF CURB, OR BACK OF SIDEWALK, WHEN PRESENT.**
- 5. THE MINIMUM SIDE YARD OR REAR YARD, WHERE THE SIDE YARD OR REAR YARD IS ADJACENT TO A DESIGNATED OPEN SPACE TRACT, MAY BE REDUCED TO FIVE (5) FEET.**
- 6. SETBACKS ON THE PERIMETER OF A SUBDIVISION OR LAND DIVISION SHALL BE EQUAL TO OR GREATER THAN THE**

SETBACKS OF THE UNDERLYING ZONING ON ADJACENT PARCELS.

7. THE MINIMUM PERIMETER WALL SETBACK REQUIRED IN SECTION 6.1071.A,3.D. MAY BE REDUCED TO TEN (10) FEET.

8. MINIMUM LOT WIDTH MAY BE REDUCED UP TO TWENTY-FIVE PERCENT (25%). HOWEVER, IF THE APPLICANT DEMONSTRATES THAT A FLAG LOT DESIGN BETTER ACHIEVES THE PURPOSES OF THE ESL OVERLAY DISTRICT, FLAG LOTS MAY HAVE A TWENTY (20) FEET MINIMUM LOT WIDTH.

9. IF THE UNDERLYING ZONING IS R1-18, R1-10, R1-7 OR R1-5, ONE (1) OF THE SIDE YARD SETBACKS MAY BE ZERO (0), IF THE DWELLINGS ARE SINGLE-FAMILY DETACHED HOMES. THE MINIMUM BUILDING SEPARATION SHALL BE FIVE (5) FEET.

10. THE SUBDIVISION OR LAND DIVISION SHALL BE SERVED BY PUBLIC OR PRIVATE WATER AND SANITARY SEWER FACILITIES IF THE MINIMUM LOT SIZES ARE LESS THAN SIXTY THOUSAND (60,000) SQUARE FEET.

11. BEFORE ANY PERMIT IS ISSUED, THE REQUIRED COMMON OPEN SPACE SHALL BE PERMANENTLY MAINTAINED AS NATURAL OPEN SPACE IN DOCUMENTS SATISFACTORY TO THE CITY ATTORNEY.

12. PLANNED RESIDENTIAL DEVELOPMENT SHALL CONFORM TO THE DESIGN CRITERIA IN SECTION 6.205.

13. THE AMENDED DEVELOPMENT STANDARDS SHALL BE RECORDED ON THE FINAL PLAT OR OTHER APPLICABLE FINAL RECORDED DOCUMENT. WITHIN FIVE (5) DAYS OF RECORDATION, THE APPLICANT SHALL SUBMIT A COPY OF THE RECORDED DOCUMENT TO THE CITY.

Sec. 6.1090. ESL submittal requirements.

Sec. 6.1091. All applications.

A. In addition to any other information required by the Scottsdale Zoning Ordinance (Ordinance No. 455, as amended) and the Scottsdale Revised Code, applications for development approval under ESL shall include the following:

1. *Base submittal requirements for all projects:*
 - a. Location and size of project boundaries, including any phasing plans.
 - b. Project description.

- c. A.L.T.A. survey.
 - d. Site development plan showing all existing and proposed construction, including density calculations.
 - e. Aerial map.
 - f. Site plan superimposed on the aerial map.
 - g. Topography map (two (2) foot contours intervals).
 - h. Slope analysis superimposed on the topography map with NAOS calculation table.
 - i. NAOS analysis site plan, including proposed civil improvements and proposed construction envelope concept plan.
 - j. Environmental features map, including applicable landforms, protected peaks and ridges, unstable slopes, boulder features, watercourses, vegetation and wildlife habitats, viewsheds, and manmade or fire scarring.
 - k. Native plant submittal and revegetation plan and program, including transplanting and/or reseeding methods and the list of plants and density of application.
 - l. Geotechnical report for sites with shallow bedrock and/or boulders.
 - m. Drainage and grading report and plan.
 - n. Archaeology data, reports, and/or plans as required by Chapter 46 of the City Code.
2. *Additional submittal requirements for master planned projects:*
- a. Master environmental design concept plan.
 - b. Phasing plan.
 - c. Circulation plan.
 - d. Water and wastewater plan.
3. *Additional submittal requirements for preliminary plat and development review board submittals:*
- a. Master environmental design concept plan.
 - b. Cuts and fills site plan.
 - c. Amended development standard justification report.
 - d. Vista/scenic corridors, including cross section details.

- e. Public trail plan.
 - f. Landscaping plan.
 - g. Color and material samples.
 - h. Wall plans.
 - i. Boulders that exceed six (6) feet in width and six (6) feet in height.
 - j. If proposing modification per Section 6.1070.G.1.I., the delineation of natural watercourses of fifty (50) cfs or greater flow in a 100-year event.
4. *Additional submittal requirements for single family residential permits:*
- a. Boulders that exceed six (6) feet in width and six (6) feet in height;
 - b. If proposing modification per section 6.1070.G.1.I., the delineation of natural watercourses of 50 cfs or greater flow in a 100-year event.

5. ~~Modified submittal requirements. The City Manager or designee may require additional information to identify or analyze specific environmental conditions, or may waive submittal requirements determined unnecessary for appropriate review of the project.~~ **ADDITIONAL SUBMITTAL REQUIREMENTS FOR LAND DIVISIONS.**

A. THE FOLLOWING INFORMATION SHALL BE SHOWN ON THE BUILDING SITE PLAN:

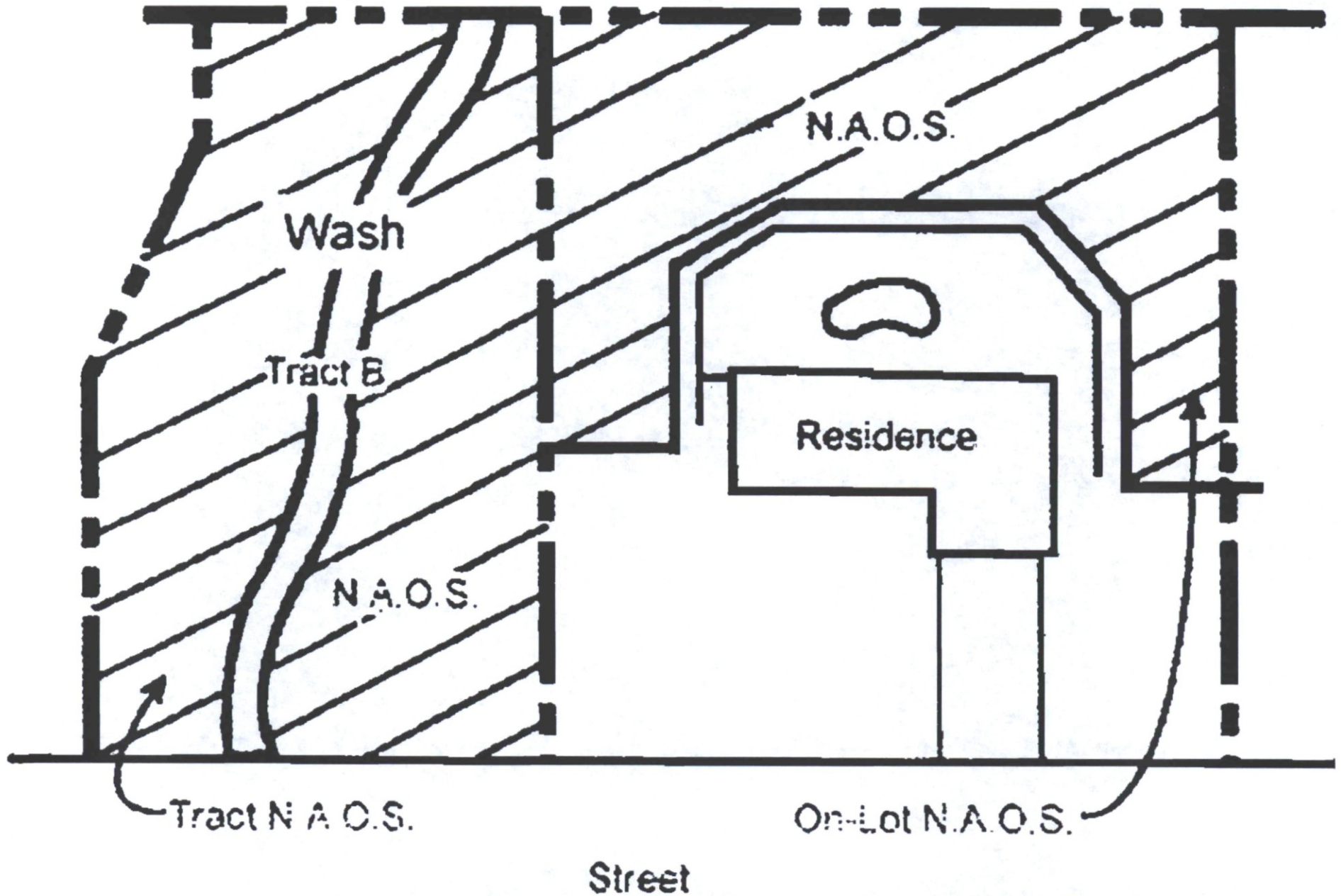
- (1) THE LOCATION OF ALL YARDS AS REQUIRED BY THE UNDERLYING ZONING DISTRICT.
- (2) THE LOCATION OF ALL SETBACKS FOR WALLS AND FENCES AS REQUIRED IN SECTION 6.1071.A.3.D, THE UNDERLYING ZONING DISTRICT, AND THE FOOTHILLS OVERLAY DISTRICT, IF APPLICABLE.
- (3) THE LOCATION OF ALL PROPOSED DRAINAGE EASEMENTS.
- (4) THE SETBACKS AND MINIMUM BUILDING SEPARATIONS FOR ADJACENT LOTS AND THE LOCATION OF ANY EXISTING IMPROVEMENTS WITHIN FORTY (40) FEET OF THE PERIMETER OF THE LAND DIVISION.
- (5) THE LOCATION OF ANY BOULDER FEATURES, ROCK OUTCROPPINGS AND AREAS WITH LAND SLOPES EXCEEDING TWENTY-FIVE PERCENT (25%).

B. VERIFICATION OF NOTICE TO ALL OWNERS OF LAND WITHIN FIFTY (50) FEET OF THE PERIMETER OF THE LAND DIVISION, INCLUDING DETAILS OF THE NOTIFICATION METHOD AND THE RESPONSE OF THE OWNERS NOTIFIED.

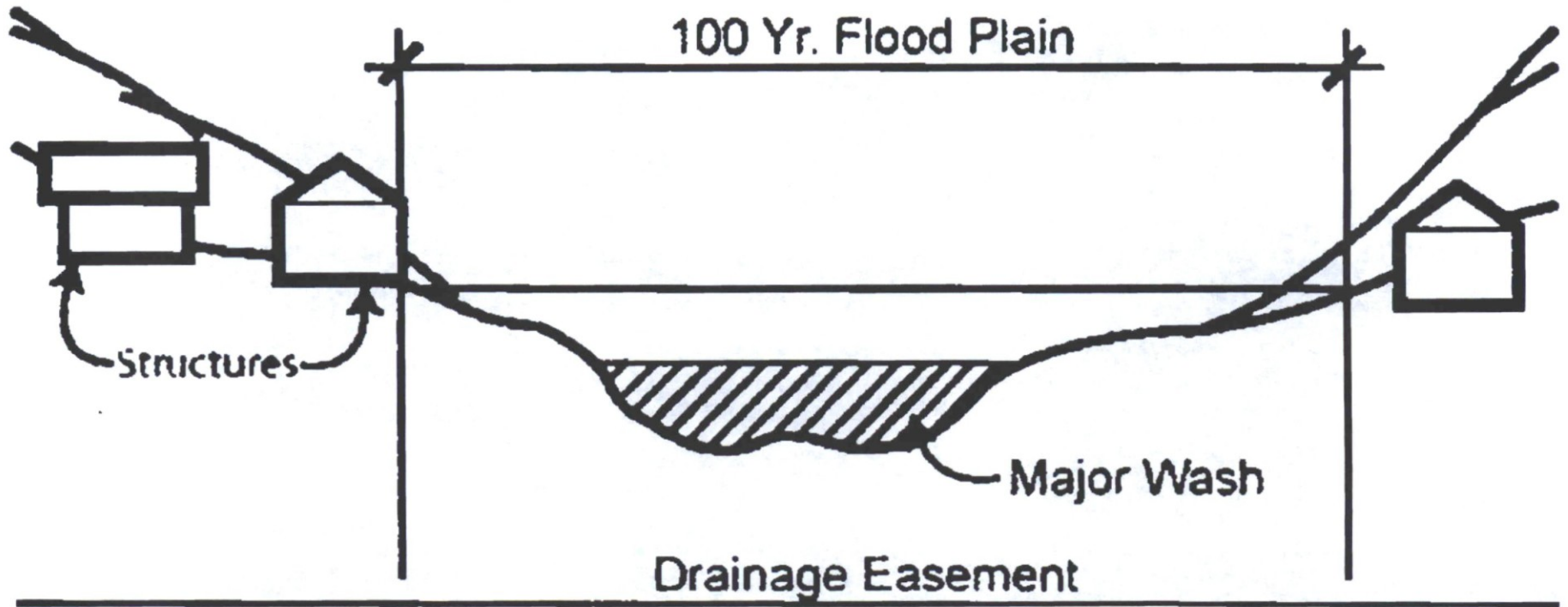
6. ADDITIONAL SUBMITTAL REQUIREMENT FOR LOTS NOT IN A SUBDIVISION OR LAND DIVISION. A COMPLETE SITE PLAN FOR THE MAIN DWELLING AND ALL OTHER PROPOSED IMPROVEMENTS TO THE LOT.

7. MODIFIED SUBMITTAL REQUIREMENTS. THE CITY MANAGER OR DESIGNEE MAY REQUIRE ADDITIONAL INFORMATION TO IDENTIFY OR ANALYZE SPECIFIC ENVIRONMENTAL CONDITIONS, OR MAY WAIVE SUBMITTAL REQUIREMENTS DETERMINED UNNECESSARY FOR APPROPRIATE REVIEW OF THE PROJECT.

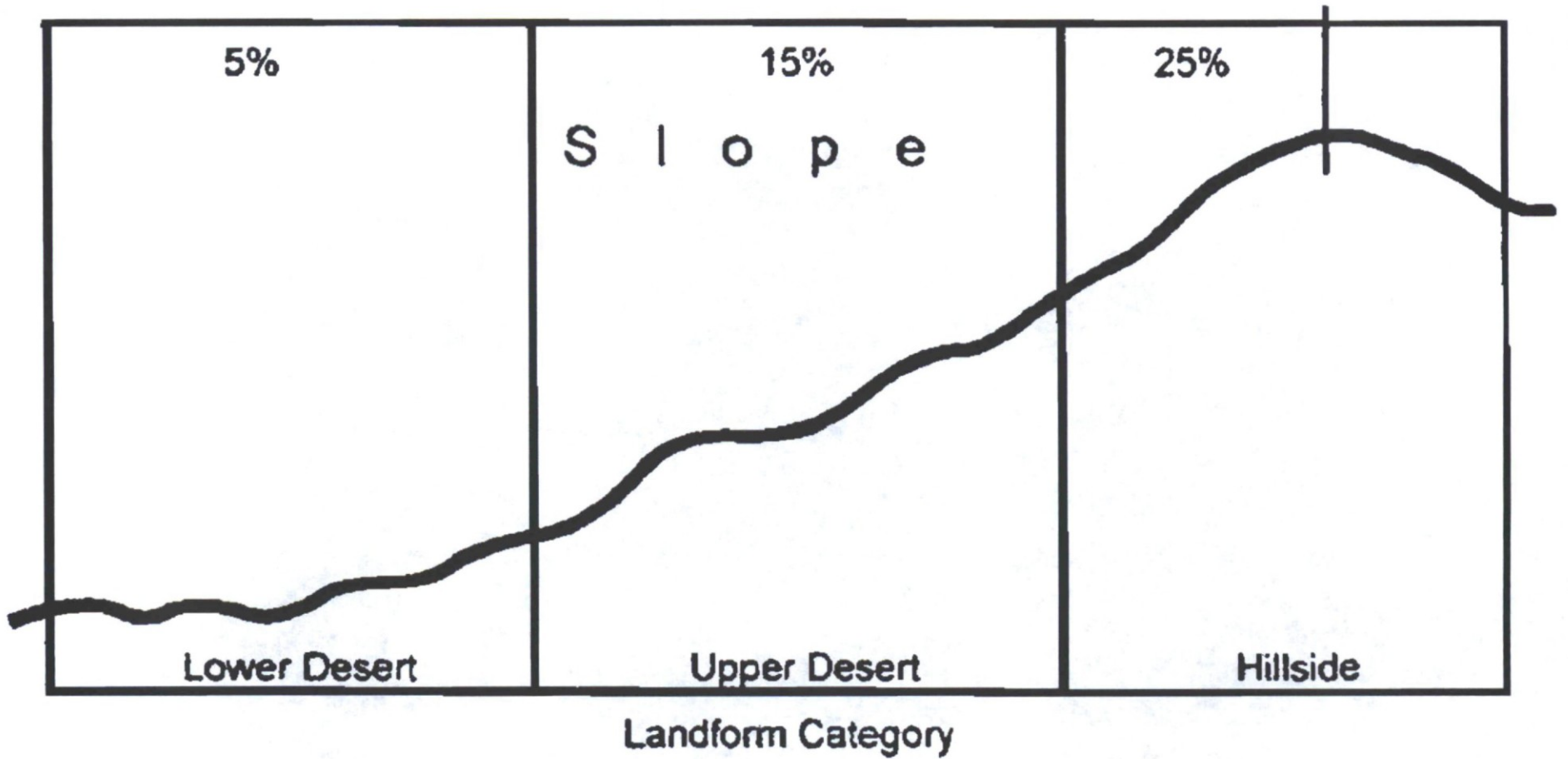
On-Lot vs. Tract N.A.O.S.



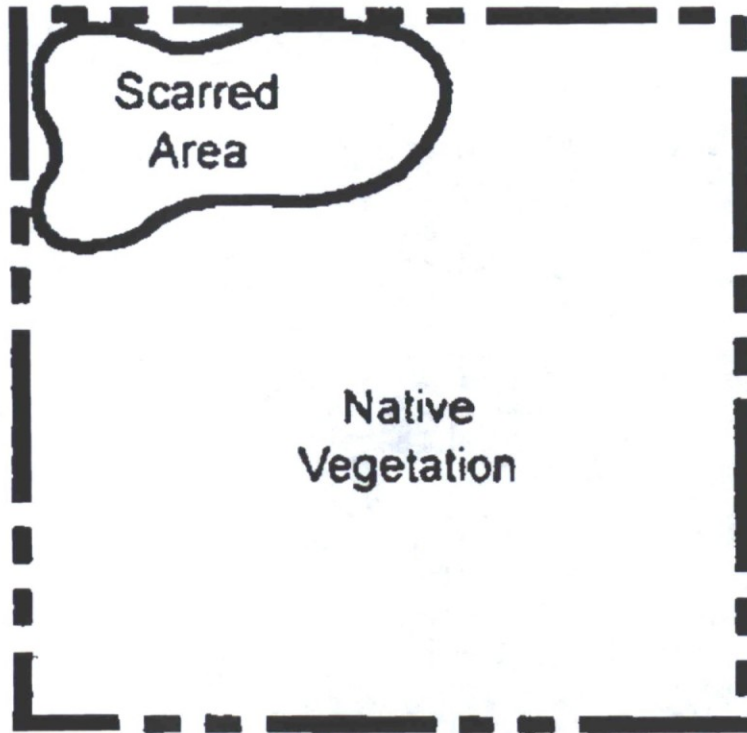
Major Washes / Flood Plains



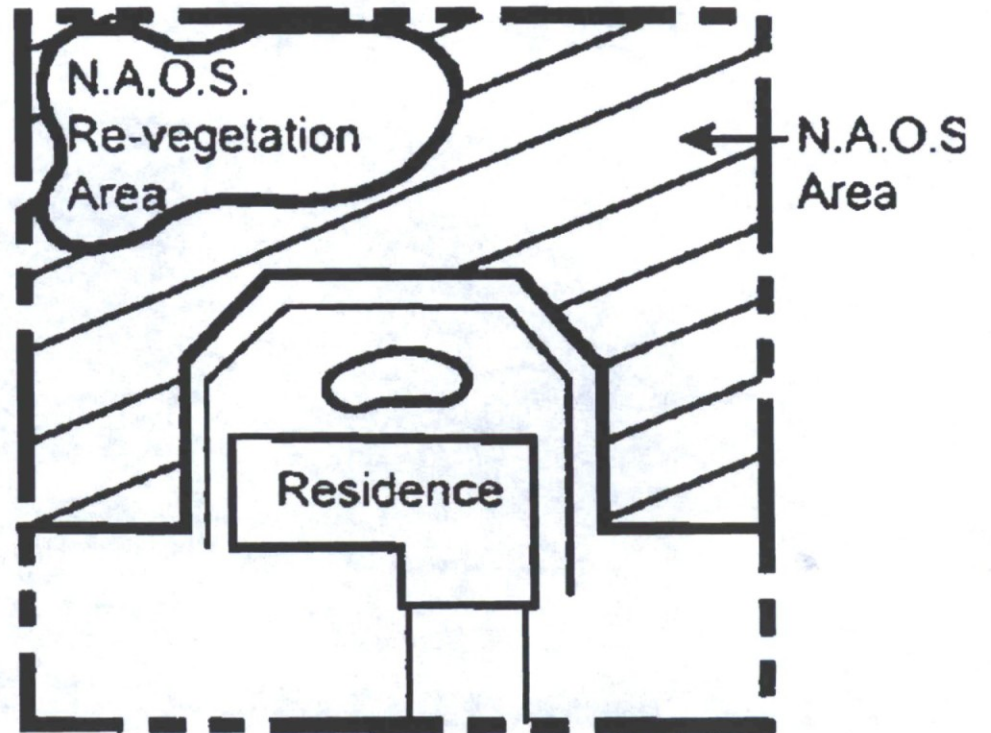
Slope Analysis



N.A.O.S. Re-vegetation Credit

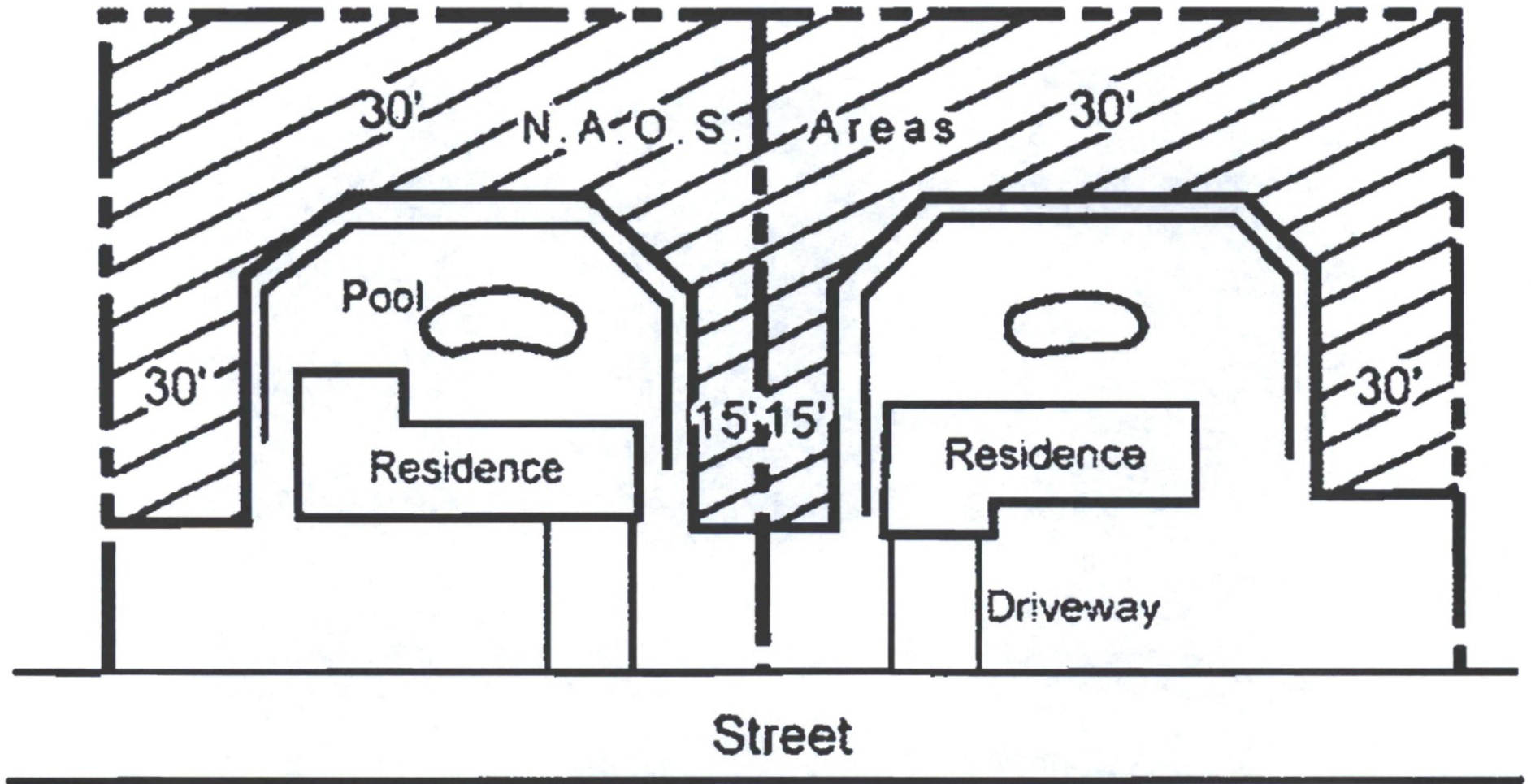


Lot 1
Pre-Development

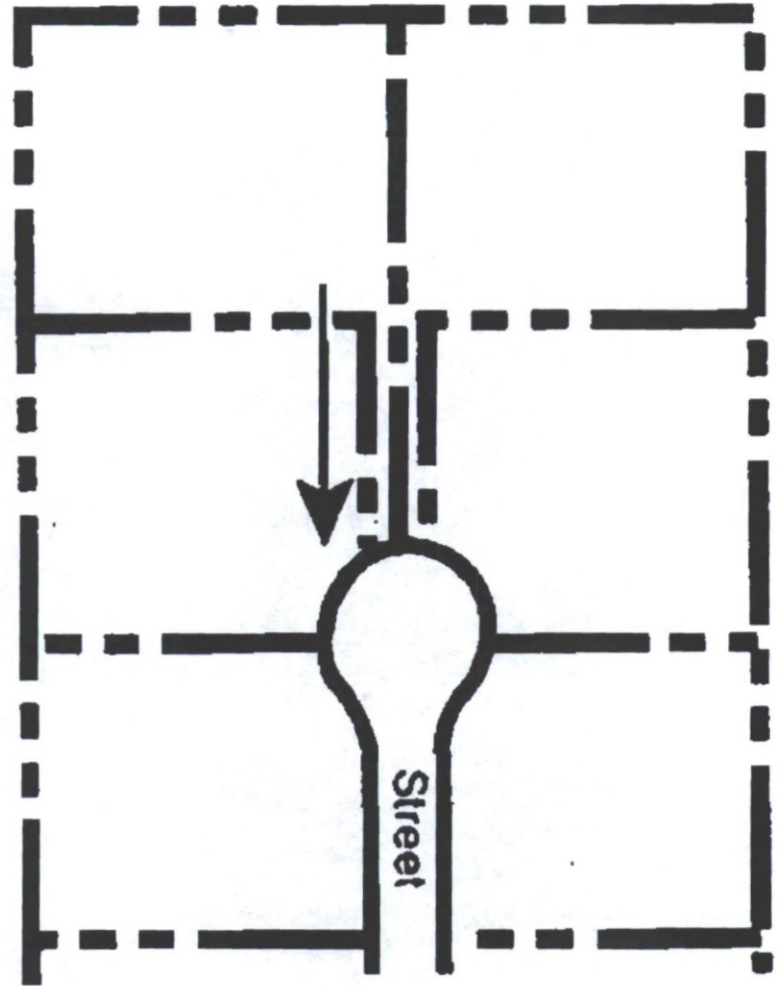
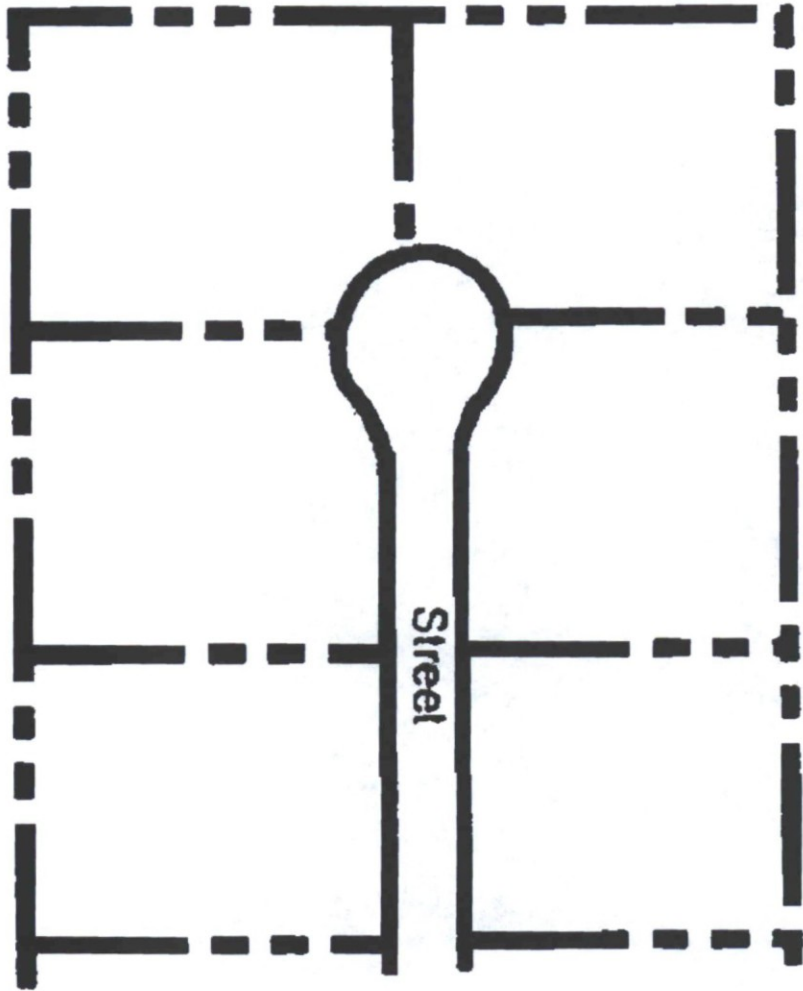


Lot 1
Post-Development

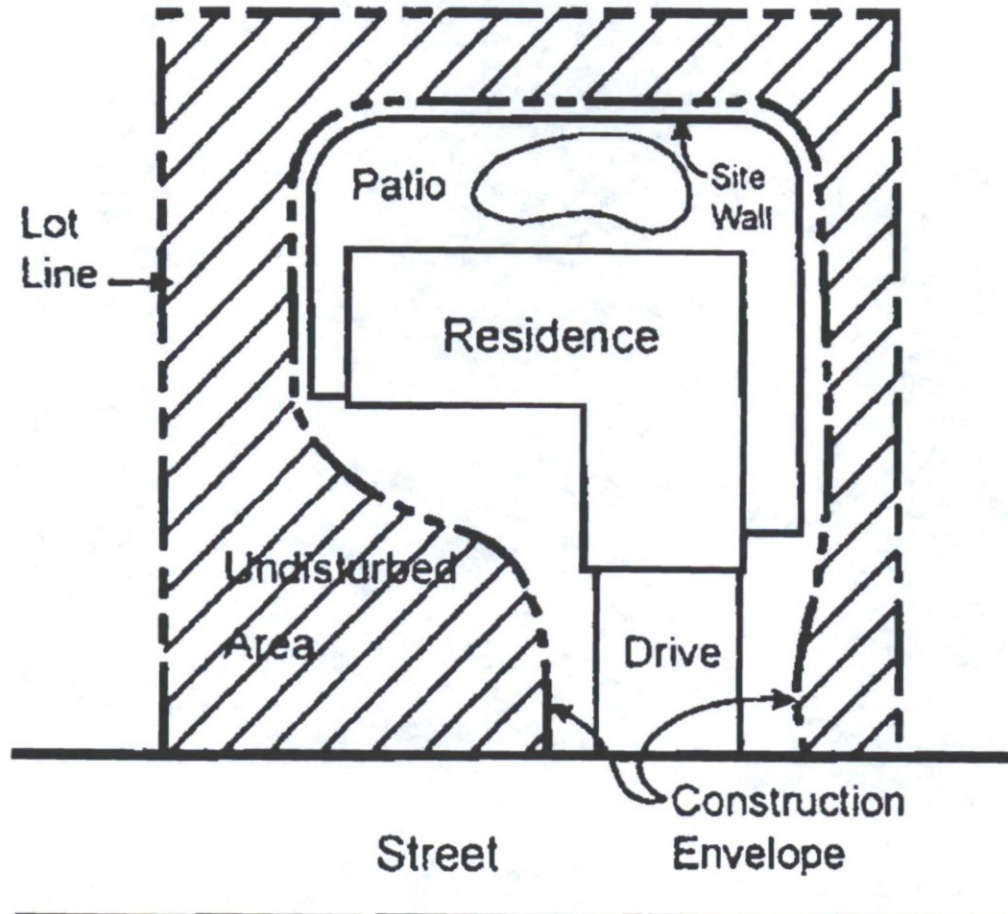
Minimum N.A.O.S. Dimensions



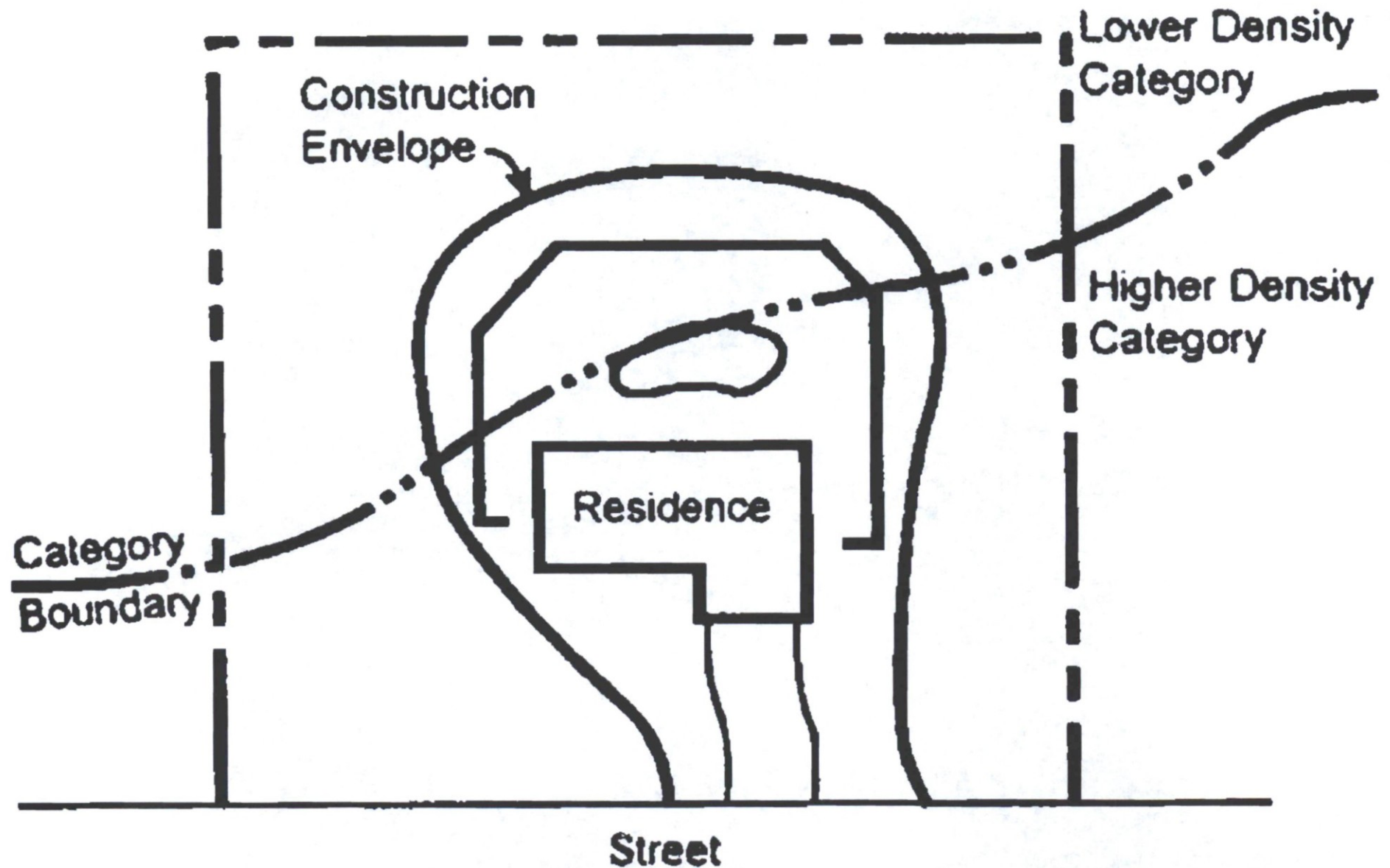
Reduce the Amount of Streets



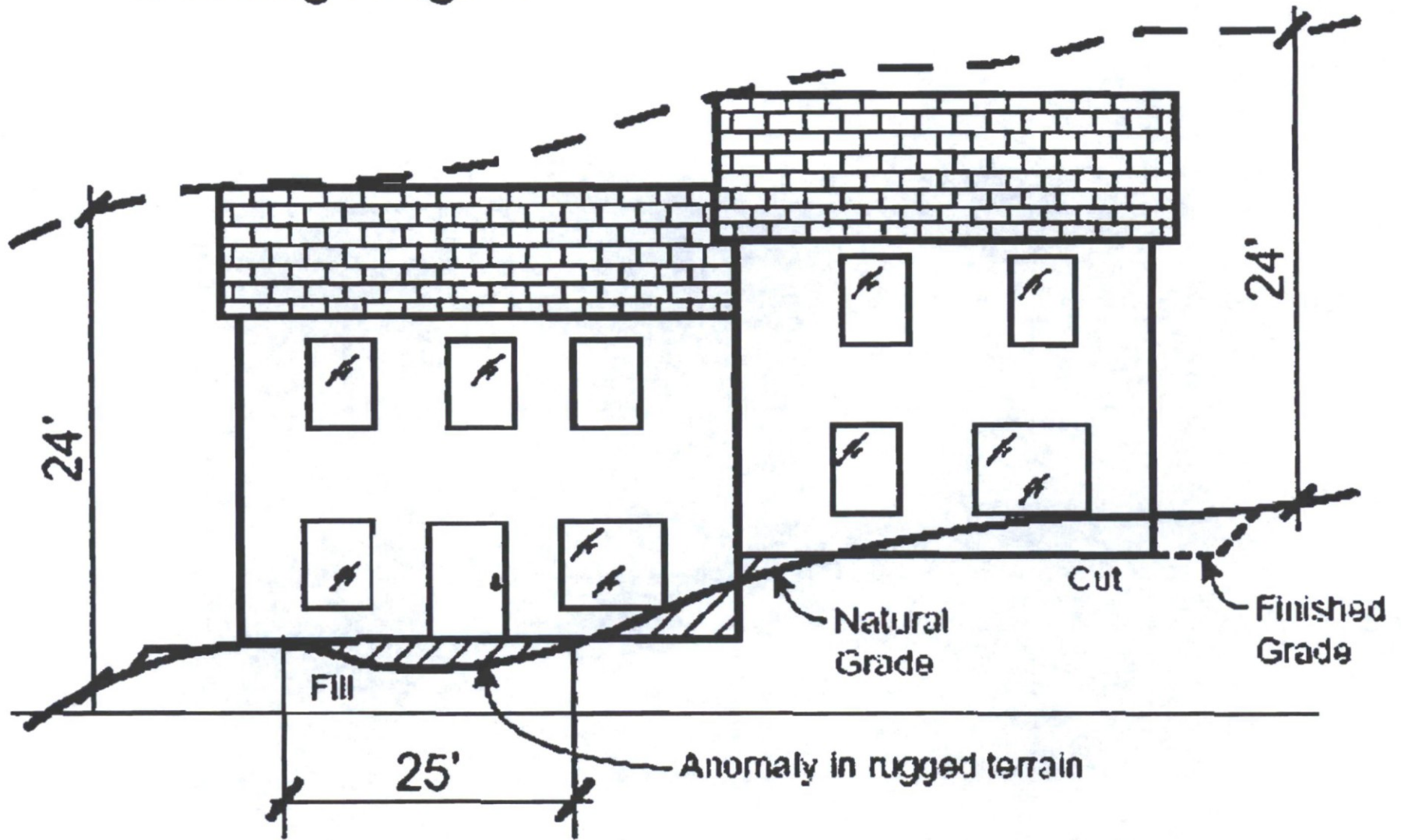
Construction Envelope



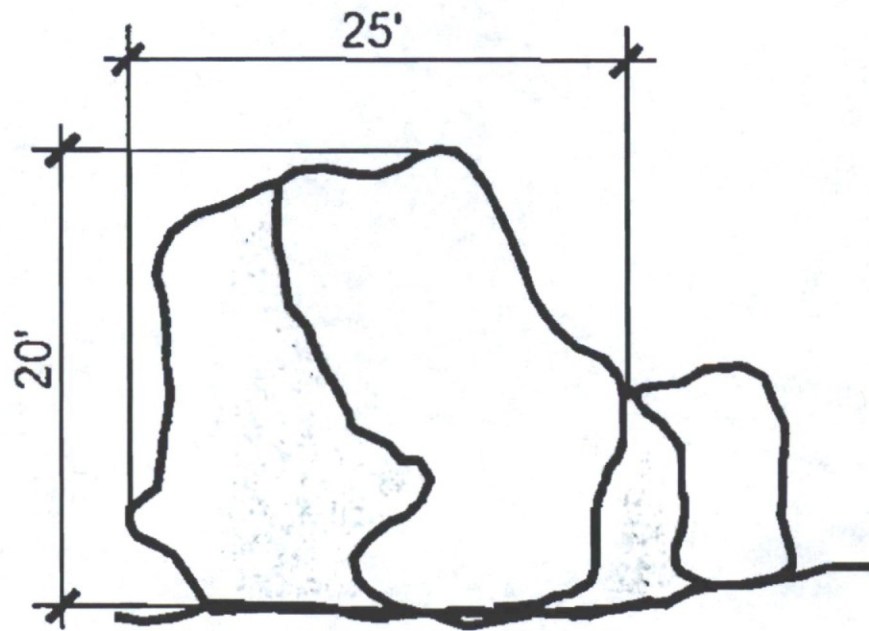
Construction Envelopes in 2 Categories



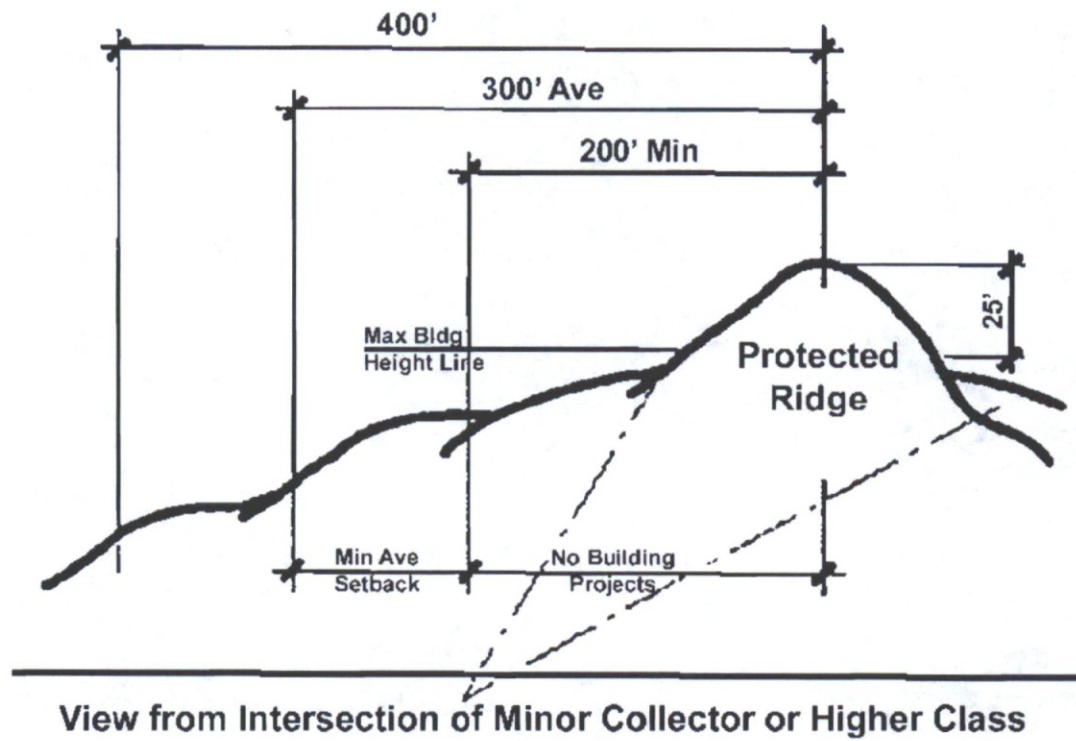
Building Heights



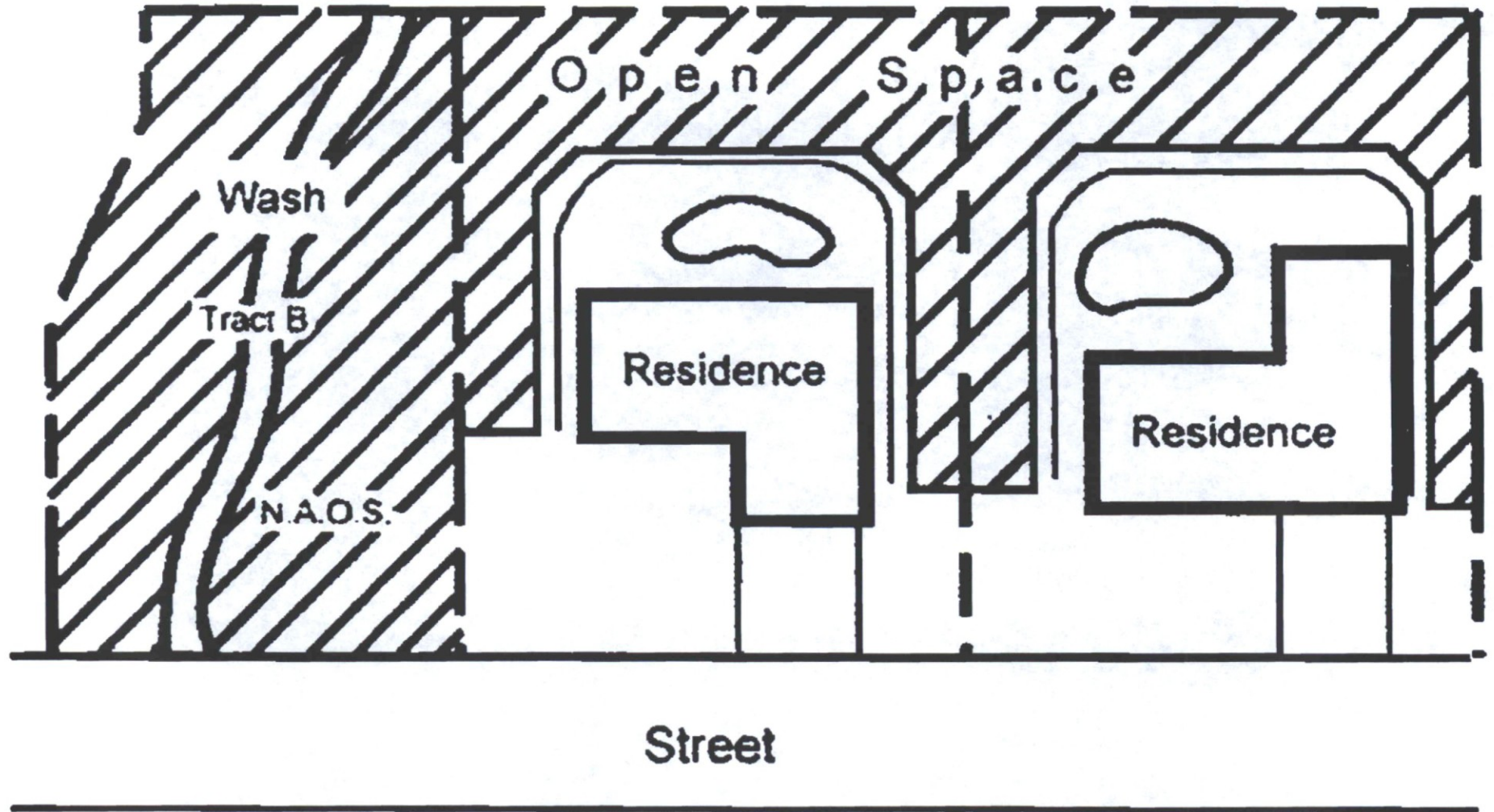
Boulder Feature



Viewpoints - Protected Ridges



Meaningful Open Space



Flag Lots

