

# CITY COUNCIL REPORT



Meeting Date: February 10, 2026  
General Plan Element: *Land Use*  
General Plan Goal: *Create a sense of community through land uses*

## **ACTION**

### **Adaptive Reuse Text Amendment**

**3-TA-2024#3**

#### **Request to consider the following:**

Adopt Ordinance No. 4701 for the purpose of amending the City of Scottsdale Zoning Ordinance (Ordinance No. 455) regarding certain provisions of Article VII., Sections 7.1300. through 7.1304. (Multifamily Conversion developments.), and any associated sections to address State of Arizona legislation HB2110 (2025 legislative session) intended to allow for the adaptive reuse or redevelopment of existing commercial, office, or mixed-use parcels for multifamily residential use as provided in Case 3-TA-2024#3.

#### **Key Items for Consideration**

- Implementation of House Bill 2110 (2025), which requires cities to:
  - Allow adaptive reuse or redevelopment of at least 10% of existing commercial, office, or mixed-use parcels for multifamily residential use
  - Establish objective standards for eligible projects, without requiring a rezoning, conditional use permit, or public hearings
- Ordinance changes required to align City's qualification requirements with House Bill 2110
- City Council previously adopted companion updates to Scottsdale Commercial and Employment Hubs and Essential Areas Table in December 2025
- Planning Commission recommended approval of proposed text amendment 7-0

#### **Related Policies, References:**

City of Scottsdale General Plan 2035, as amended  
Zoning Ordinance  
3-TA-2024 (related to HB2297 – approved in 2024)  
3-TA-2024#2 (related to HB2110 – approved in 2025)

## **STAFF CONTACT**

Brad Carr, AICP, LEED-AP  
City of Scottsdale  
480-312-7713  
bcarr@scottsdaleaz.gov

Action Taken \_\_\_\_\_

## **APPLICABILITY**

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Citywide

## **BACKGROUND**

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### **Goal/Purpose of Request**

In 2024, the State of Arizona adopted the legislative provisions of House Bill 2297 (HB2297), which the City of Scottsdale implemented via [3-TA-2024](#). Those provisions required municipalities to adopt standards permitting the conversion of *no more than* ten percent (10%) of existing commercial, office, or mixed-use *buildings* to multifamily residential use without a public hearing. At that time, City staff utilized Maricopa County Assessor Land Use Codes to identify 982 eligible buildings, totaling approximately 9.5 million square feet of floor space. After applying exclusionary provisions of the legislation and considering General Plan land-use balance, the City implemented the statute by allowing 1% (94,972 sq. ft. or 10 buildings, whichever occurs first) to convert to multifamily use without a public hearing under the adaptive reuse provisions.

On April 7, 2025, the State of Arizona revised the regulatory framework for adaptive reuse with the approval of HB2110 (*Attachment 1*). This amendment to Section 9-462.10 of Title 9, Chapter 4, Article 6.1 of the Arizona Revised Statutes builds upon provisions first established in 2024 through HB2297. The amendment shifted the metric from buildings to *parcels* and increased the minimum conversion allowance to *at least* 10 percent of all existing commercial, office, or mixed-use parcels citywide to multifamily development, without a public hearing. In addition, HB2110 included expanded language related to the application of average sound levels at prospective parcels in order to clarify the eligibility of parcels in the vicinity of an airport. The updated legislation expanded upon the State's intent to promote adaptive reuse of existing commercial, office, and mixed-use parcels for multifamily residential development, applying those provisions to a broader range of parcels in qualifying municipalities.

On June 24, 2025, City Council approved [3-TA-2024#2](#) to address updates made to the adaptive reuse legislation with HB2110 during the 2025 legislative session. However, on September 26, 2025, the City received a letter from State Representative Leo Biasiucci expressing concerns regarding the application of the City's approach to implementing HB 2110. In response to those concerns, the City revised its approach to the implementation of qualification exclusions related to properties in the vicinity of an airport. The revised approach discontinues the use of mapped Traffic Pattern Airspaces (TPAs) for Scottsdale Airport and Phoenix Sky Harbor International Airport and instead relies on a sound level criterion to determine eligibility for properties located within the vicinity of an airport. The revised approach to the airport exclusion resulted in significantly more properties being eligible for the City's adaptive reuse provisions and required updates to the Scottsdale Commercial and Employment Hubs (exclusion parcels) and associated Essential Areas Table. The City Council adopted changes to those documents on [December 1, 2025](#).

The City desires to make further changes to the Zoning Ordinance to ensure compliant implementation of A.R.S. § 9-462.10. These proposed updates will clarify qualification criteria as they relate to properties that are located in the vicinity of an airport to ensure consistency with HB2110 and recent changes to the Scottsdale Commercial and Employment Hubs (exclusion parcels) and associated Essential Areas Table.

## PROPOSED APPROACH

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The updates of HB2110 along with the revised implementation of exclusions have the effect of increasing the number of parcels that are eligible to utilize the adaptive reuse provisions. Under the prior implementation approach, the Traffic Pattern Airspace (TPAs) of both the Scottsdale Airport and Phoenix Sky Harbor International Airport covered large portions of the city, particularly areas of existing commercial, office, and mixed-use parcels. Under the prior implementation approach, 404 parcels out of a total of 4,071 commercial parcels met the base statutory criteria. This approach was intended to preserve the City's existing planning and public hearing framework as much as possible.

The City's revised implementation approach will not include the TPA exclusionary provisions as noted above and would thus maintain all 4,071 commercial parcels identified as meeting the base statutory criteria. The larger number of potentially eligible parcels also means the City can designate a larger number of specific parcels as Commercial or Employment Hubs (Hubs), which are not eligible for conversion. 407 parcels were designated as Hubs by the recent City Council action.

Updates to the City's Zoning Ordinance are required in conjunction with the revised interpretation and implementation framework of the airport vicinity disqualification that was adopted by City Council as a part of the Hubs update. The proposed changes to the Zoning Ordinance (*Attachment 2*) codify the City's revised approach to implementation of HB2110, specifically as it relates to parcels that are excluded from the adaptive reuse provisions. The revised Zoning Ordinance language clarifies the application of a minimum sound threshold that must be met in order to disqualify a parcel from application of the adaptive reuse provisions. Under the revised Zoning Ordinance provisions, a parcel would be excluded from utilizing the adaptive reuse provisions if it is located in the vicinity of an airport *and* has an average sound level sixty-five (65) decibels or greater. This update will generally only exclude those parcels directly adjacent to the Scottsdale Airport.

## IMPACT ANALYSIS

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### **Housing Cost**

Approval of the proposed zoning text amendment enables will introduce more multifamily residential development on properties that have historically been commercial in nature. In conjunction with state law, staff has considered the scope of the zoning text amendment, as well as aspects which would affect the cost of construction. Staff has not identified any factors that would substantially impact the cost to construct housing for sale or for rent.

### **Community Impact**

The full extent of future impacts is currently unknown. HB2110 is intended to facilitate additional multifamily residential development on properties that have historically been commercial in nature. This may limit future commercial economic development, future employment, and future commercial tax revenues as a result. The legislation eliminates the opportunity for public input in the land development process by removing the requirement for public hearings on qualifying projects. It remains uncertain how many commercial, office, and/or mixed-use property owners will choose to pursue these new provisions. Nonetheless, a community's ability to prepare and respond to change through careful review and consideration of proposed land use changes is an indication of its resilience and sustainability. Although the impact of this new State Law offers both positive and negative changes, the city will look to respond to emerging trends, issues, and opportunities associated with the implementation of HB2110.

### **Public Participation**

Efforts to provide notification are limited by the deadlines for adoption enacted by the State. The City of Scottsdale promotes public participation in the development of the built environment and has complied with best practices for public outreach associated with this text amendment.

City staff hosted two open house events to discuss proposed changes to the Zoning Ordinance on Tuesday, January 6, 2026. A total of 2 people attended the in-person sessions. Overall, attendees expressed concern regarding the conversion of commercial properties to multifamily development as required by the new State Law. The full citizen involvement report can be found as *Attachment 3*. To this date staff has not received any public input regarding the proposed Zoning Ordinance updates.

### **Policy Implications**

This continues a recent trend of pre-emption established by the State in the last number of years. As was the case both then and now, the city will continue to support the retention and restoration of local decision-making authority and oppose unfunded mandates and preemptive efforts that remove the ability to set policy at the local level. Ultimately, however, the city is required to comply with state law, including HB2110.

## **OTHER BOARDS & COMMISSIONS**

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### **City Council – Initiation**

This update to the Zoning Ordinance was initiated by the City Council on [December 1, 2025](#) as a part of a larger effort to make updates to the Adaptive Reuse provisions to conform with HB2110.

### **Planning Commission – Recommendation**

On [January 14, 2026](#), the Planning Commission voted unanimously (7-0) through the Consent Agenda to recommend the City Council adopt Ordinance No. 4701.

### **Staff Recommendation to Planning Commission**

Staff recommended that the Planning Commission find that the proposed text amendment is consistent and conforms with the adopted General Plan and make a recommendation to City Council for adoption of Ordinance No. 4701.

## **STAFF RECOMMENDATION**

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### **Recommended Approach:**

Adopt Ordinance No. 4701 for the purpose of amending the City of Scottsdale Zoning Ordinance (Ordinance No. 455) regarding certain provisions of Article VII., Sections 7.1300. through 7.1304. (Multifamily Conversion developments.), and any associated sections for the purpose of addressing State of Arizona legislation HB2110 (2025 legislative session) intended to allow for the adaptive reuse or redevelopment of existing commercial, office, or mixed-use parcels for multifamily residential use as provided in Case 3-TA-2024#3.

## **RESPONSIBLE DEPARTMENT**

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### **Planning and Development Services**

Current Planning Services

**APPROVED BY**

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\_\_\_\_\_  
Brad Carr, AICP, LEED-AP, Report Author

1/23/2025

Date

  
\_\_\_\_\_  
Tim Curtis, AICP, Current Planning Director  
Planning Commission Liaison  
Phone: 480-312-4210 Email: tcurtis@scottsdaleaz.gov

1/23/2026

Date

  
\_\_\_\_\_  
Erin Perreault, AICP, Senior Director  
Planning & Development Services  
Phone: 480-312-7093 Email: eperreault@scottsdaleaz.gov

01/26/2026

Date

**ATTACHMENTS**

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1. [2025 Arizona Fifty-Seventh Legislature – House Bill 2110 Legislative Text](#)
2. Ordinance No. 4701
  - a. Exhibit A: Adaptive Reuse Text Amendment – 3-TA-2024#3
3. Citizen Involvement Report

**ATTACHMENT 1**

House Engrossed

development; adaptive reuse; rezoning; prohibition

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

**CHAPTER 41**  
**HOUSE BILL 2110**

AN ACT

AMENDING SECTION 9-462.10, ARIZONA REVISED STATUTES; RELATING TO MUNICIPAL  
ZONING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2       Section 1. Section 9-462.10, Arizona Revised Statutes, is amended  
3 to read:

4       9-462.10. Commercial buildings; multifamily residential  
5 development; adaptive reuse; prohibition on  
6 rezoning or municipal review; objective  
7 standards; applicability; definitions

8       A. ~~On or before January 1, 2025~~ WITHIN NINETY DAYS AFTER THE  
9 EFFECTIVE DATE OF THIS AMENDMENT TO THIS SECTION, the governing body of a  
10 municipality with a population of one hundred fifty thousand or more  
11 persons shall establish objective standards to allow multifamily  
12 residential development or adaptive reuse ~~or not more than ten percent of~~  
13 ~~the total~~ OF existing commercial, office or mixed use ~~buildings~~ PARCELS  
14 within the municipality without requiring a conditional use permit, a  
15 planned unit development or rezoning application or any other application  
16 that would require a public hearing. The governing body of the  
17 municipality ~~may modify the percentage of existing commercial, office or~~  
18 ~~mixed use buildings within the municipality available for multifamily~~  
19 ~~residential development or adaptive reuse every ten years~~ SHALL:

20       1. ALLOW FOR MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE  
21 OF AT LEAST TEN PERCENT OF THE EXISTING COMMERCIAL, OFFICE OR MIXED USE  
22 PARCELS. FOR THE PURPOSES OF DETERMINING THE MINIMUM PERCENTAGE OF  
23 PARCELS ELIGIBLE FOR MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE  
24 REUSE, THE GOVERNING BODY OF THE MUNICIPALITY MAY ANALYZE THE COMMERCIAL,  
25 OFFICE AND MIXED USE PARCELS EVERY TEN YEARS.

26       2. NOT DESIGNATE INDIVIDUAL PARCELS THAT ARE ELIGIBLE FOR  
27 MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE.

28       3. NOT EXCLUDE COMMERCIAL, OFFICE OR MIXED USE PARCELS FROM  
29 MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE OTHER THAN AS  
30 ALLOWED BY SUBSECTIONS B AND G OF THIS SECTION OR IF TEN PERCENT OF THE  
31 PARCELS HAVE ALREADY BEEN DEVELOPED OR ADAPTED FOR REUSE.

32       4. NOT EXCLUDE COMMERCIAL, OFFICE OR MIXED USE PARCELS FROM  
33 MULTIFAMILY RESIDENTIAL DEVELOPMENT OR ADAPTIVE REUSE IF THE AVERAGE SOUND  
34 LEVEL AT THE PARCEL IS BELOW SIXTY-FIVE DECIBELS.

35       B. A municipality may designate commercial or employment hubs and  
36 other essential commercial or employment use areas where existing  
37 commercial, office, employment or mixed use ~~buildings~~ PARCELS are excluded  
38 from the provisions of this section. The designations made pursuant to  
39 this subsection may not exceed ten percent of the existing commercial,  
40 office, employment or mixed use ~~buildings~~ PARCELS within the municipality.  
41 A municipality may modify the commercial or employment hubs that are  
42 excluded from the provisions of this section once every ten years.

43       C. For multifamily residential development or adaptive reuse, the  
44 objective standards established by a municipality shall require ~~but may~~  
45 ~~not require more than~~ ONLY the following:

1        1. A municipal site plan review and approval process requirement,  
2 including site plan review by any utility provider impacted by the  
3 proposed development.

4        2. Adequate public sewer and water service for the entire proposed  
5 development.

6        3. Compliance with all applicable building CODES and fire codes.

7        4. That the existing buildings are economically or functionally  
8 obsolete.

9        5. That the existing buildings are located on a parcel or parcels  
10 that are at least one acre in size but not more than twenty acres in size.

11        6. A set-aside of ten percent of the total dwelling units for  
12 either moderate-income housing or low-income housing or any combination of  
13 the two for at least twenty years after the initial occupation of the  
14 proposed development. The developer may set aside more than ten percent  
15 at the developer's sole discretion.

16        D. The objective standards may not contain parking space  
17 requirements that exceed the parking requirements that apply to  
18 multifamily residential buildings or adaptive reuse buildings under the  
19 existing zoning code unless the proposed multifamily residential  
20 development or adaptive reuse also qualifies as a mixed use development.

21        E. A municipality ~~may~~ SHALL not withhold a demolition permit if a  
22 multifamily residential development meets the requirements of this  
23 section. For a multifamily residential development, all of the following  
24 apply:

25        1. The demolition of all or a portion of the existing commercial,  
26 office or mixed use buildings shall be allowed.

27        2. Setback requirements may not exceed what is required in the  
28 existing zoning code for multifamily residential buildings, INCLUDING  
29 MIXED USE BUILDINGS WITH THE MAJORITY OF FLOOR AREA DEDICATED TO  
30 RESIDENTIAL USES.

31        3. Notwithstanding section 9-462.01, subsection C, the maximum  
32 height and density shall be equal to the highest allowable multifamily  
33 height and density for a multifamily zoning district OR A ZONING DISTRICT  
34 THAT ALLOWS RESIDENTIAL DEVELOPMENT, INCLUDING COMMERCIAL DISTRICTS THAT  
35 ALLOW FOR RESIDENTIAL DEVELOPMENT, WHICHEVER HEIGHT AND DENSITY IS GREATER  
36 in the municipality within one mile of the ~~building~~ PARCEL to be  
37 redeveloped. If there is no multifamily zoning district in the  
38 municipality within one mile of the ~~building~~ PARCEL to be redeveloped, the  
39 maximum height and density shall be equivalent to the next closest  
40 multifamily zoning district OR A ZONING DISTRICT THAT ALLOWS RESIDENTIAL  
41 DEVELOPMENT, INCLUDING COMMERCIAL ZONING DISTRICTS THAT ALLOW FOR  
42 RESIDENTIAL DEVELOPMENT WHICHEVER HEIGHT AND DENSITY IS GREATER.

43        4. The allowable height may not exceed five stories and a  
44 municipality may limit the height to two stories in the areas of a  
45 MULTIFAMILY RESIDENTIAL DEVELOPMENT site DIRECTLY ADJACENT TO AND within

1 one hundred feet of single-family residential zones. ~~Multifamily~~  
2 ~~residential development that is constructed pursuant to this section does~~  
3 ~~not qualify as being within one mile of the building being redeveloped or~~  
4 ~~the next closest multifamily building~~ THE MUNICIPALITY SHALL ALLOW FOR  
5 GREATER HEIGHT IN THE REMAINDER OF THE SITE.

6 5. MULTIFAMILY RESIDENTIAL DEVELOPMENT THAT IS CONSTRUCTED PURSUANT  
7 TO THIS SECTION DOES NOT QUALIFY AS BEING WITHIN ONE MILE OF THE PARCEL  
8 BEING REDEVELOPED OR THE NEXT CLOSEST MULTIFAMILY PARCEL.

9 F. A municipality ~~may~~ SHALL not withhold a demolition permit if an  
10 adaptive reuse project meets the requirements of this section. For  
11 adaptive reuse, all of the following apply:

12 1. The demolition of a portion of the existing commercial, office  
13 or mixed use building or buildings shall be allowed.

14 2. The setback requirements for the proposed use shall apply. If  
15 the minimum setback requirement that applies to the existing commercial,  
16 office or mixed use building is less than the minimum setback requirement  
17 that applies to the ~~proposed~~ MULTIFAMILY use, the existing SETBACK SHALL  
18 REMAIN AND THE building shall be considered nonconforming for setback  
19 purposes unless easements, including public utility easements, are located  
20 within setback areas.

21 3. If the maximum allowable height that applies to the existing  
22 commercial, office or mixed use building exceeds the maximum allowable  
23 height for the proposed use, the existing height ~~may~~ SHALL remain and THE  
24 BUILDING shall be considered nonconforming for height purposes and the  
25 existing building may be expanded to the maximum allowable density for ~~the~~  
26 ~~proposed~~ MULTIFAMILY use. Any rooftop appurtenances shall be included  
27 within the height exemption.

28 G. This section does not apply to any of the following:

29 1. Land in an area that is designated as a district of historical  
30 significance pursuant to section 9-462.01, subsection A, paragraph 10.

31 2. Land in an area that is designated historic by a local  
32 government.

33 3. Land in an area that is designated as historic on the national  
34 register of historic places.

35 4. Land in the territory in the vicinity of a military airport or  
36 ancillary military facility as defined in section 28-8461.

37 5. Land in the territory in the vicinity of a federal aviation  
38 administration commercially licensed airport or a general aviation or  
39 public airport as defined in section 28-8486.

40 6. Land in a municipality that is located on tribal land.

41 H. For the purposes of this section:

42 1. "Adaptive reuse" means converting an existing building from the  
43 use for which it was constructed to ~~a new~~ MULTIFAMILY use by maintaining  
44 some or all of the elements of the building.

1        2. "Building code" has the same meaning prescribed in section  
2 9-1301.

3        3. "Economically or functionally obsolete" means the commercial,  
4 office or mixed use ~~building~~ PARCEL is in a state of disrepair or has AT  
5 LEAST a fifty percent vacancy in the total leasable square footage.

6        4. "Low-income housing" means housing:

7        ~~(a)~~ for a person or persons whose household income does not exceed  
8 eighty percent of the area median income.

9        ~~(b) For which the occupant pays not more than thirty percent of the  
10 occupant's gross income for the occupant's rent or mortgage, as determined  
11 by the Arizona department of housing and adjusted for household size based  
12 on the United States department of housing and urban development.~~

13        5. "Moderate-income housing" means housing:

14        ~~(a)~~ for a person or persons whose household income does not exceed  
15 one hundred twenty percent of the area median income.

16        ~~(b) For which the occupant pays not more than thirty percent of the  
17 occupant's gross income for the occupant's rent or mortgage, as determined  
18 by the Arizona department of housing and adjusted for household size based  
19 on the United States department of housing and urban development.~~

20        6. "Multifamily residential development" means a building or  
21 buildings that are designed and used for residential purposes and that  
22 contain more than one apartment or dwelling unit for sale or for rent but  
23 that are not adaptive reuse.

24        7. "Nonconforming" means structures that have received ~~building and~~  
25 ~~zoning~~ OCCUPANCY permits under the regulations in place at the time of  
26 construction.

27        8. "Rooftop appurtenances":

28        (a) Means rooftop structures that principally house air  
29 conditioning equipment, solar panels, utilities, elevators, other energy  
30 production facilities and other nonhabitable structures.

31        (b) Includes open space features, swimming pools, space for use by  
32 residents and landscaping.

33        (c) Does not include enclosed areas, spires, bell towers, domes,  
34 cupolas, pediments, obelisks or monuments.

35        Sec. 2. Retroactivity

36        Section 9-462.10, Arizona Revised Statutes, as amended by this act,  
37 applies retroactively to from and after December 31, 2024.

38        Sec. 3. Emergency

39        This act is an emergency measure that is necessary to preserve the  
40 public peace, health or safety and is operative immediately as provided by  
41 law.

APPROVED BY THE GOVERNOR APRIL 7, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 7, 2025.

**ATTACHMENT 2**

**ORDINANCE NO. 4701**

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AMENDING THE CITY OF SCOTTSDALE ZONING ORDINANCE (ORDINANCE NO. 455) REGARDING CERTAIN PROVISIONS OF ARTICLE VII., SECTIONS 7.1300. THROUGH 7.1304. (MULTIFAMILY CONVERSION DEVELOPMENTS.), AND ANY ASSOCIATED SECTIONS FOR THE PURPOSE OF ADDRESSING STATE OF ARIZONA LEGISLATION OF HB2110 INTENDED TO ALLOW FOR THE ADAPTIVE REUSE OR REDEVELOPMENT OF EXISTING COMMERCIAL, OFFICE, OR MIXED-USE PARCELS FOR MULTIFAMILY RESIDENTIAL USE.

WHEREAS, the City wishes to amend the Zoning Ordinance of the City of Scottsdale, Ordinance No. 455, regarding certain provisions of Article VII. Sections 7.1300. through 7.1304. (Multifamily Conversion developments.), and any associated sections for the purpose of addressing recent State of Arizona legislation of HB2110 intended to allow for the adaptive reuse or redevelopment of existing commercial, office, or mixed-use parcels for multifamily residential use; and

WHEREAS, the Arizona Legislature adopted House Bill (HB) 2110, as an emergency measure, necessary to preserve the public peace, health or safety and is operative immediately; and

WHEREAS, HB 2110 applies retroactively to, from, and after December 31, 2024; and

WHEREAS, HB2110 codified certain statutory provisions, including Arizona Revised Statutes (A.R.S.) § 9-462.10(A), which provides, in part, that the governing body of a city or town with a population of 150,000 or more must establish objective standards, to allow "multifamily residential development" or "adaptive reuse", as those terms are defined in the statute, on at least ten percent (10%) of the total existing commercial, office or mixed-use parcels within its jurisdictional boundaries, subject to certain requirements and limitations; and

WHEREAS, HB2110 codified certain other statutory provisions, including A.R.S. § 9-462.10.(B), which provides, in part, that a municipality may designate not more than ten percent (10%) of existing commercial or employment hubs and other essential commercial or employment use areas where existing commercial, office, employment or mixed-use parcels are excluded from the provisions of A.R.S. § 9-462.10; and

WHEREAS, HB2110 codified certain other statutory provisions, including A.R.S. §§ 9-462.10(C) through 9-462.10(G) and associated subsections, which provides, in part, various requirements, exceptions, and limitations relating to "multifamily residential development" or "adaptive reuse", as those terms are defined in the statute; and

WHEREAS, this Ordinance is being adopted by the City Council to comply with the new statutory requirements and regulations established pursuant to HB2110; and

WHEREAS, the City Council has considered the probable impact of this Ordinance on the cost to "construct housing for sale or rent; and

WHEREAS, the Planning Commission held a public hearing on January 14, 2026 and considered a proposed text amendment to the Zoning Ordinance of the City of Scottsdale in Case No. 3-TA-2024#3; and

WHEREAS, the City Council has determined that the proposed amendment to the Zoning Ordinance of the City of Scottsdale is in conformance with the General Plan, as amended.

BE IT ORDAINED by the Council of the City of Scottsdale as follows:

Section 1. That the Zoning Ordinance of the City of Scottsdale, Ordinance No. 455, is hereby amended as specified in that certain document entitled "Adaptive Reuse Text Amendment - 3-TA-2024#3," declared to be a public record of the City of Scottsdale, attached as Exhibit A, and hereby referred to, adopted, and made a part hereof as if fully set out in this Ordinance. New text is represented by grey shading and deleted text represented by strikethrough.

Section 2. If any section, subsection, sentence, clause, phrase or portion of this Ordinance, or any part of the Scottsdale Revised 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, Maricopa County, Arizona this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

ATTEST:

By: \_\_\_\_\_  
Ben Lane  
City Clerk

CITY OF SCOTTSDALE, an Arizona  
municipal corporation

By: \_\_\_\_\_  
Lisa Borowsky  
Mayor

APPROVED AS TO FORM:  
OFFICE OF THE CITY ATTORNEY

By:   
Luis E. Santaella, Acting City Attorney  
By: Joe Padilla, Deputy City Attorney

**ADAPTIVE REUSE TEXT AMENDMENT**  
**3-TA-2024#3**

**Section 1.** That the Zoning Ordinance of the City of Scottsdale, ARTICLE VII. – GENERAL PROVISIONS, Section 7.1300 through Section 7.1304. are amended as follows with all new language depicted in grey shading and deleted language in strike-through:

**Sec. 7.1300. Multifamily Conversion developments.**

**Sec. 7.1301. Purpose.**

A. These provisions describe the qualifications, application requirements, and property development standards for a development application for a Multifamily Conversion development. The qualifications, requirements, and regulations in these provisions are in addition to the other codes and requirements of the City of Scottsdale.

**Sec. 7.1302. Qualifications.**

A. A Multifamily Conversion development shall only be established upon all of the following requirements being met:

1. *Location.*
  - a. The Multifamily Conversion development shall be located on a parcel or parcels that have an existing commercial, mixed-use, or office building or buildings and that have received a Certificate of Occupancy on or before December 31, 2024, and
  - b. The Multifamily Conversion development shall be located on a parcel or parcels that were created pursuant to Chapter 48 of the City of Scottsdale Revised Code on or before December 31, 2024 and are a minimum of one (1) net acre in size, but not more than twenty (20) net acres in size, and
  - c. The Multifamily Conversion development shall not be located in any of the following areas:
    - i. An area designated as a Commercial or Employment Hub or Essential Commercial or Employment Use Area on the Scottsdale Commercial and Employment Hubs and Essential Areas Table on file with the Planning Department, or
    - ii. An area designated as a district of historical significance pursuant to A.R.S. § 9-462.01.A.10., or
    - iii. An area designated as historic by the City of Scottsdale or on the national register of historic places, or
    - iv. Land, which by whole or part, is located in the territory in the vicinity of a military airport or ancillary military facility as defined in A.R.S. § 28-8461, or
    - v. Land, which by whole or part, is located in the territory in the vicinity of a federal aviation administration commercially licensed airport or a general

aviation or public airport as defined in A.R.S. § 28-8486, or that has an average sound level of sixty-five (65) decibels or higher.

vi. ~~Land, which by whole or part, has an average sound level of 65 decibels or higher measured along the lot line abutting the primary street frontage.~~

d. For Multifamily Conversion developments with multiple parcels, such parcels must be contiguous and under single ownership or control to meet the minimum net acreage size requirements. Adjacent right-of-way and alleys shall not be considered as contributing to the contiguity of parcels.

2. *Water and sewer infrastructure.*

a. The Multifamily Conversion development shall demonstrate adequate public water and sewer infrastructure service for the entire proposed development, as administered by the City of Scottsdale.

3. *Building and fire codes.*

a. The Multifamily Conversion development shall demonstrate compliance with all applicable building code and fire code requirements, as adopted by the City of Scottsdale.

4. *Economically or functionally obsolete buildings.*

a. The Multifamily Conversion development shall demonstrate that the existing building or buildings located on the parcel or parcels of the development have beenare economically or functionally obsolete, to the satisfaction of the Zoning Administrator or designee.

5. *Moderate-income housing or low-income housing.*

a. The Multifamily Conversion development project shall allocate a minimum of ten (10) percent of the total dwelling units of the Multifamily Conversion development as either moderate-income housing or low-income housing, or any combination thereof, for at least twenty (20) years after the initial occupation of the proposed development project, in a form satisfactory to the City Attorney or designee.

6. *Maximum quantity of conversion parcels.*

a. The Multifamily Conversion development shall be located on a parcel that, cumulatively with any existing and approved Multifamily Conversion development, does not exceed the Scottsdale Total Allocated Multifamily Conversion Development Projects Allotment on file with the Planning Department, and as administered by the Zoning Administrator or designee. Fulfillment of the Scottsdale Total Allocated Multifamily Conversion Development Projects Allotment shall be determined by:

i. The number of parcels redeveloped for Multifamily Conversion under this Ordinance; in cumulative with

ii. The number of parcels with approved building permits for Multifamily Conversion under this Ordinance but not yet completed; in cumulative with

- iii. The number of parcels with submitted construction documents for development of a Multifamily Conversion under this Ordinance but not yet permitted.

**Sec. 7.1303. Application requirements.**

- A. Prior to issuance of any permit for a Multifamily Conversion, the property owner shall submit for review of a development application, subject to the requirements of Sec. 1.300. The Zoning Administrator or designee shall review a development application for a qualified Multifamily Conversion development. The Zoning Administrator or designee shall have the authority to approve, approve with stipulations, or deny a development application for a qualified Multifamily Conversion development and the decision shall not be appealable. The property owner must receive approval of the development application before any permit for a Multifamily Conversion development will be issued.
- B. In addition to the standard requirements of a development application, any development application for a Multifamily Conversion development shall demonstrate the following application requirements, to the satisfaction of the Zoning Administrator or designee:
  1. A site plan in conformance with City of Scottsdale rules, regulations, and guidelines for development. The site plan shall also demonstrate, amongst other requirements, that the proposed development is located on a parcel or parcels that are a minimum of one (1) net acre in size, but not more than twenty (20) net acres in size, and that the Scottsdale Total Allocated Multifamily Conversion Development Projects Allotment has not, or will not be, exceeded by the proposed development.
  2. A site plan review and approval by all applicable utility providers impacted by the proposed development.
  3. Adequate existing public water supply and service, and sewer capacity and service for the entire proposed development, as administered by the City of Scottsdale.
  4. Compliance with all applicable building code and fire code requirements, as adopted by the City of Scottsdale.
  5. That the proposed Multifamily Conversion development is located on a parcel or parcels that have an existing commercial, mixed-use, or office building or buildings that received a Certificate of Occupancy on or before December 31, 2024.
  6. That the existing building or buildings located on the parcel or parcels of the proposed Multifamily Conversion development ~~have been are~~ economically or functionally obsolete, for at least six (6) continuous months.
  7. That the proposed Multifamily Conversion development will allocate a minimum of ten (10) percent of the total dwelling units of the Multifamily Conversion development as either moderate-income housing or low-income housing, or any combination thereof, for at least twenty (20) years after the initial occupation of the proposed development, in a form satisfactory to the Zoning Administrator and City Attorney or designees. The final form of documentation of this requirement shall be recorded by the City prior to issuance of any building permit.

**Sec. 7.1304. Property Development Standards.**

A. A Multifamily Conversion development shall be subject to the property development standards of the zoning district for which the proposed development is located within, except as modified by this section. If there is a conflict between the property development standards of the underlying zoning district and the property development standards outlined in this section, the property development standards of this section shall control.

1. *Density.*

a. Multifamily Conversion.

- i. The maximum multifamily residential density for a Multifamily Conversion development shall be equal to the highest allowable multifamily residential density of a multifamily residential zoning district shown in Table 4.100.A., or the portion of a Planned Community (P-C) with an underlying zoning district comparable to a multifamily residential district shown in Table 4.100.A., or a zoning district that permits residential development as an allowed land use, whichever density is greater, within one (1) mile of the subject Multifamily Conversion development. If there is no multifamily residential zoning district within one (1) mile of the subject Multifamily Conversion development, the maximum multifamily residential density for the subject Multifamily Conversion development shall be equivalent to the next closest multifamily residential zoning district by distance or the next closest zoning district in proximity to the subject Multifamily Conversion development that permits residential development as an allowed land use, whichever density is greater.
- ii. A Multifamily Conversion development constructed pursuant to the provisions of this section does not qualify as being within one (1) mile of a subsequent Multifamily Conversion development, or as the next closest multifamily residential district.

2. *Building height.*

a. Multifamily Conversion.

- i. The maximum building height for a Multifamily Conversion development located directly adjacent to and within one hundred (100) feet of a Single-family Residential District shall not exceed the lesser of two stories or thirty (30) feet (inclusive of rooftop appurtenances). This building height limitation applies only to buildings of the Multifamily Conversion development that are located within one hundred (100) feet of a Single-family Residential District.
- ii. The maximum building height for a Multifamily Conversion development that is not located within one hundred (100) feet of a Single-family Residential District shall not exceed the lesser of five (5) stories or sixty (60) feet, or the highest allowable multifamily residential building height (exclusive of rooftop appurtenances) for a multifamily residential zoning district shown in Table 4.100.A., or the portion of a Planned Community (P-C) with an underlying zoning district comparable to a multifamily residential district shown in Table 4.100.A., or a zoning district that permits residential development as an allowed land use, whichever building height is greater, within one (1) mile of

Ordinance No. 4701

Exhibit A

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the subject Multifamily Conversion development. If there is no multifamily residential zoning district within one (1) mile of the subject Multifamily Conversion development, the maximum building height for the subject Multifamily Conversion development shall be equivalent to the next closest multifamily residential zoning district by distance or the next closest zoning district in proximity to the subject Multifamily Conversion development that permits residential development as an allowed land use, whichever building height is greater.

- iii. Any Multifamily Conversion development constructed pursuant to the provisions of this section does not qualify as being within one (1) mile of a subsequent Multifamily Conversion development, or as the next closest multifamily residential district.

3. *Building setbacks.*

a. Multifamily Conversion.

- i. The minimum building setback for a Multifamily Conversion development shall be equivalent to the building setback requirements of the Townhouse Residential (R-4) zoning district.

4. *Private outdoor living space.*

a. Multifamily Conversion.

- i. All dwelling units shall include private outdoor living space located directly adjacent to the dwelling unit.
- ii. Each private outdoor living space shall be at least six (6) feet deep and sixty (60) square feet in area.

## 3-TA-2024#3 – Adaptive Reuse Citizen Involvement Report

### **Introduction**

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In response to new Arizona Laws passed by the Arizona State Legislature in April 2025, Scottsdale City Council initiated the following text amendment at their regular meeting on December 1, 2025, in order to comply with State Law:

- 3-TA-2024#3, Adaptive Reuse Text Amendment. Request by City of Scottsdale to amend the City of Scottsdale Zoning Ordinance (Ordinance No. 455) for the purpose of addressing HB2110.

Consequently, as required by the city's Zoning Code, staff conducted two open houses where the public was invited to review, and provide public comment on, these amendments.

### **Summary of Open Houses**

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Two open house events were held to discuss the proposed changes to the Zoning Code. Both events were advertised through an 1/8-page ad in the *Arizona Republic* newspaper, the *Scottsdale P & Z Link* e-newsletter, and postcards sent to the City's interested parties list.

Residents and stakeholders were encouraged to review case information online, which includes:

- Review of the Chaptered Version of the State Law (HB2110)
- The City's draft Zoning Code text amendment
- An option to submit public comments
- Planning Commission and City Council hearing schedules

The first open house took place on Tuesday, January 6, 2026, at One Civic Center – Community Development Conference Rooms 1 & 2 from 10:00 am – 11:30 am, and the second on Tuesday, January 6, 2026, at One Civic Center – Community Development Conference Rooms 1 & 2 from 4:00 pm – 5:30 pm. A total of two (2) people attended the in-person sessions.

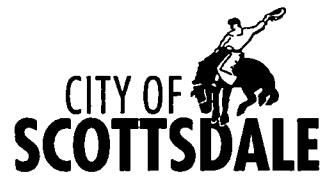
The same material was presented at both sessions (*Enclosure 1*), covering:

- Requirements of the new State bill, and
- How the proposed Zoning Code text amendment addresses the changes, and
- Efforts by the City of Scottsdale to mitigate any potential adverse impacts

Overall, attendees expressed concern regarding the conversion of commercial properties to multifamily development as required the new State Law. No written comments were submitted.

Enclosures:

1. 3-TA-2024#3 Information Boards Presented at Open House
2. Open House Sign-in Sheets



# **Adaptive Reuse Zoning Code Amendment**

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## **State Law Requirements & City Compliance**

**HB 2110 | 3-TA-2024#3**

1 | 3-TA-2024#3

*Enclosure 1*



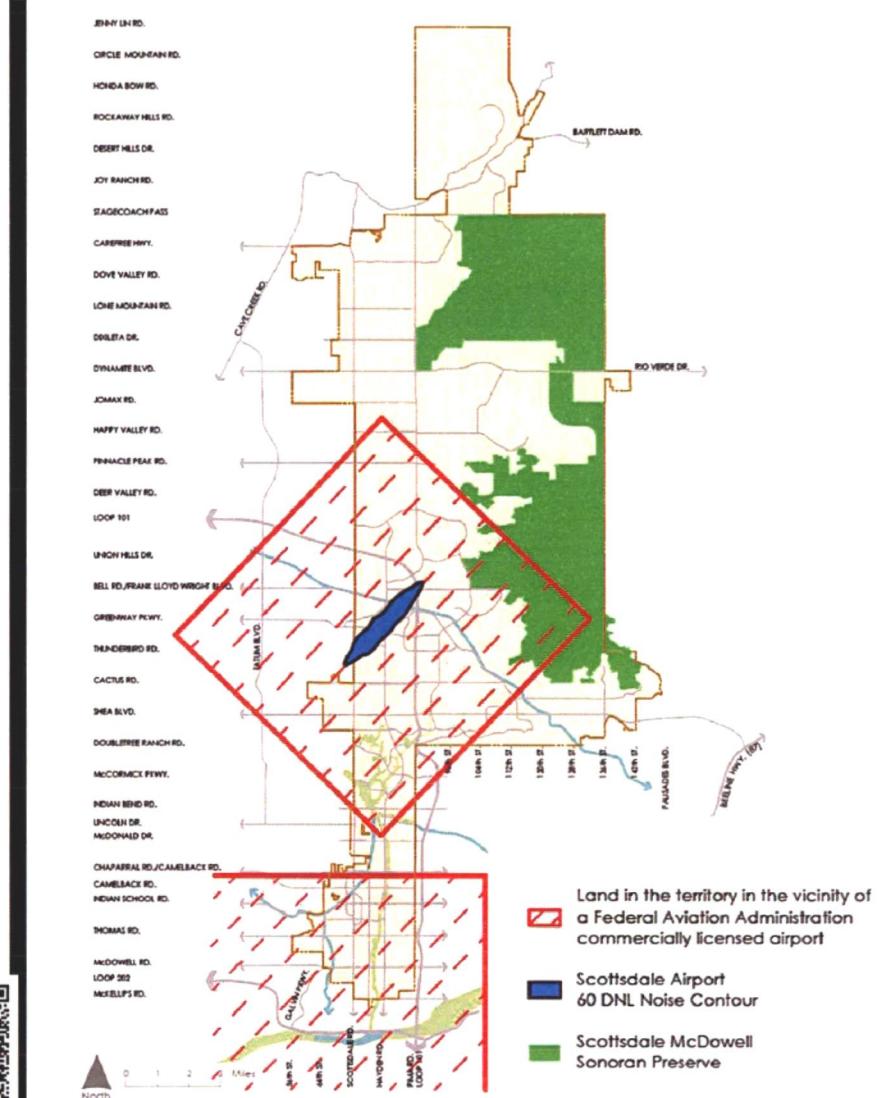
# Background and Purpose

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- State of Arizona grants cities and towns with local authority the ability to set zoning/land use regulations subject to State Law
- HB 2110 was passed by the State Legislature and signed by the Governor in April 2025 to allow adaptive reuse of parcels with existing commercial, office and mixed-use buildings to be redeveloped as multi-family housing
- The City must comply with State Law
- Update methodology for determining adaptive reuse/multifamily conversion parcel eligibility
- Zoning Ordinance updates are necessary to align with recently adopted updates to Commercial & Employment Hubs and Essential Areas Table *(adopted by City Council on 12/1/2025)*

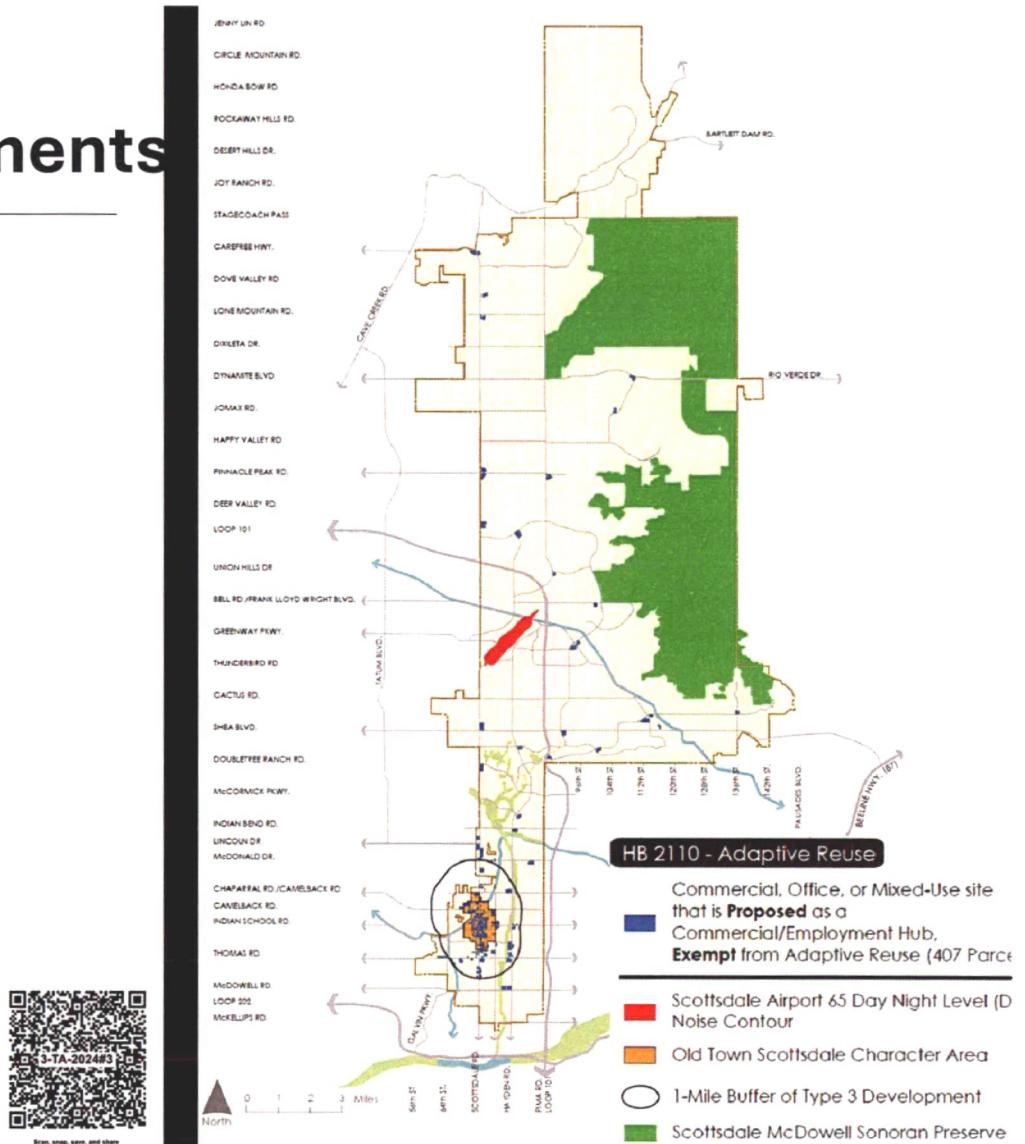
## Why an update is needed

- HB2110 (2025) revised adaptive reuse/multifamily conversion requirements
- City will no longer use Traffic Pattern Airspace boundaries for determining parcel eligibility/ineligibility of adaptive reuse/multifamily conversion
- Updated methodology ensures statutory alignment
- Fully replaces prior approach presented in 2024-2025



# Updated Statutory Requirements

- 4,071 commercial, office, and mixed-use parcels citywide  
(previously 404 parcels with TPA)
- 407 parcels (10%) now eligible for adaptive reuse/multifamily conversion  
(previously 40 parcels with TPAs)
- 407 parcel (10%) designated as Hubs and ineligible for adaptive reuse/multifamily conversion  
(previously 40 parcels with TPAs)

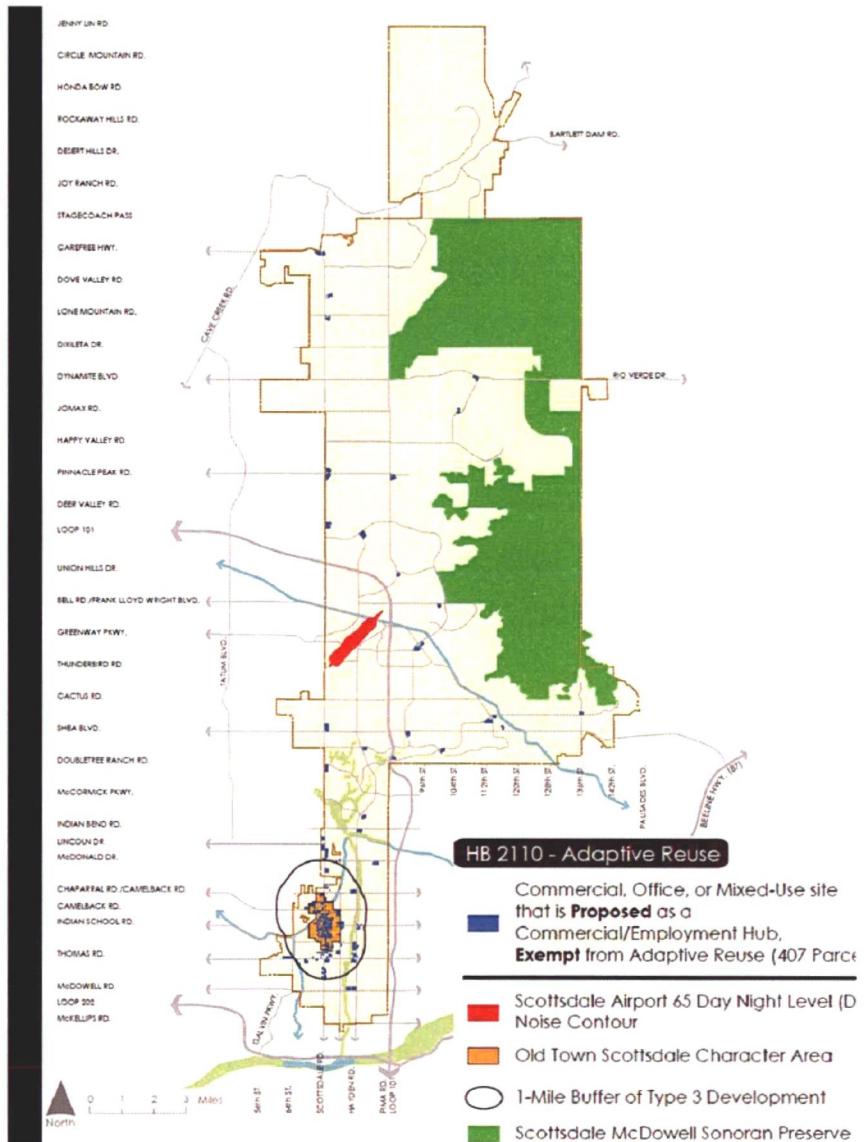


# Hub Selection Methodology

## Identification of Ineligible Parcels

Citywide, uniform, transparent criteria:

- Neighborhood Hubs Focus
  - Existing Designated Hubs (40 parcels)
  - New Hubs (23 additional parcels)
- Key Areas In/Around Old Town
  - Type 1 Areas (90 parcels)
  - Within Old Town Couplets (141 parcels)
  - Larger Old Town parcels (39 parcels)
  - Within 1-mile of Old Town (74 parcels)
- 407 total Hub parcels designated as ineligible for adaptive reuse/multifamily conversion
- Predictable and impartial implementation



## Next Steps

## 3-TA-2024#3: Adaptive Reuse

### Public outreach and open houses

When: Tuesday, January 6, 2026  
Time: 10:00 AM to 11:30 AM  
Location: One Civic Center  
Community Dev. Conf. Rooms 1 & 2  
7447 E. Indian School Road, Ste 105  
Scottsdale, AZ 85251

When: Tuesday, January 6, 2026  
Time: 4:00 PM to 5:30 PM  
Location: One Civic Center  
Community Dev. Conf. Rooms 1 & 2  
7447 E. Indian School Road, Ste 105  
Scottsdale, AZ 85251

### Planning Commission

- Recommendation hearing (January 14, 2026)

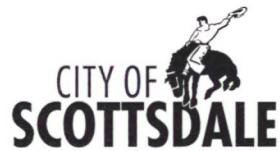
### City Council

- Action Hearing (Tentatively February 10, 2026)

*Adaptive Reuse*



Scan, snap, save, and share



# Adaptive Reuse Text Amendment

## 3-TA-2024#3

Open House Sign-In Sheets for 10:00 AM January 6, 2026

Name	Address
Phone	E-mail
Name	Address
Phone	E-mail
Name	Address
Phone	E-mail
Name	Address
Phone	E-mail
Name	Address
Phone	E-mail
Name	Address
Phone	E-mail
Name	Address
Phone	E-mail
Name	Address
Phone	E-mail

*Please note that the City of Scottsdale receives requests from citizens to review comment cards and sign-in sheets and the city is obligated to release any information on the cards/sheets that is considered a public record.*



## Adaptive Reuse Text Amendment

**3-TA-2024#3**

Open House Sign-In Sheets for 4:00 PM January 6, 2026

Name	Warren Pfeffer	Address	18893 N 92nd Way
Phone		E-mail	warren@factpath.net
Name	<u>Sherry</u> <u>Gonzales</u>	Address	
Phone		E-mail	gobecjan@gmail.com
Name		Address	
Phone		E-mail	
Name		Address	
Phone		E-mail	
Name		Address	
Phone		E-mail	
Name		Address	
Phone		E-mail	
Name		Address	
Phone		E-mail	

*Please note that the City of Scottsdale receives requests from citizens to review comment cards and sign-in sheets and the city is obligated to release any information on the cards/sheets that is considered a public record.*