



CITY OF SURPRISE
Planning and Zoning Commission Meeting
16000 N. Civic Center Plaza
Surprise, AZ 85374
Thursday, June 15, 2023 @ 6:00 PM
COUNCIL CHAMBERS

- A. Call To Order
- B. Roll Call
- C. Pledge of Allegiance
- D. Current Events and Reports
- E. Staff Reports
- F. Planning and Zoning Commission Agenda:

CALL TO THE PUBLIC:

INSTRUCTIONS: In order to address the Board\Commission, you will need to fill out a Call to the Public Form available at the front counter, and then turn it in to the Secretary before the meeting begins.

Note: A.R.S. 38-431.01(H) - During this time members of the public may address the Board\Commission only on issues within the jurisdiction of the Board\Commission which are not an item on the agenda. At the conclusion of the open call, the Board\Commission may respond to criticism, may ask staff to review the matter or may ask that the matter be put on a future agenda. No discussion or action shall take place on any item raised.

CONSENT AGENDA:

- | | | | |
|----|----------|--|--|
| 1. | Internal | Consideration and action to approve or disapprove the June 1, 2023 Planning and Zoning Commission Regular Meeting Minutes. | Alyssa Carpenter
Community
Development |
|----|----------|--|--|

REGULAR AGENDA ITEM - PUBLIC HEARING:

- | | | | |
|----|------------|--|---|
| 2. | District 3 | Consideration and action pertaining to a zone change for approximately 12.9 acres on the northwest corner of Cactus Road and Cotton Lane from Regional Commercial (CR/C-3 and CR/PUD) to Residential High Density (R-3). Case FS22-1472. | Trevor Fleetham
Community
Development |
| 3. | District 3 | Consideration and action pertaining to a Conditional Use Permit (CUP) with Site Plan for a vehicle service, minor repair facility, located within the Sierra Montana Planned Area Development (PAD). Case FS22-0587. | Chris Sexton
Community
Development |

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

- | | | | |
|----|----------|---|--|
| 4. | Citywide | Presentation and discussion pertaining to the draft of the Surprise General Plan 2040. | None

Jason Moquin
Community
Development |
| 5. | Citywide | Presentation and discussion pertaining to the results for the City of Surprise Housing Study. | None

Adam Lane
Community
Development |

- G. Other Business and Future Agenda Items
- H. Executive Session

For information purposes: Upon a public majority vote of a quorum ("Commission"), the Commission may hold an executive session, which will not be open to the public, but for only the following purposes: discussion or consideration of records exempt by law from public inspection (A.R.S. §38-431.03(A)(2));

or discussion or consultation for legal advice with the attorney or attorneys of the public body (A.R.S. §38-431.03(A)(3)).

Confidentiality Requirements: Pursuant to A.R.S. §38-431.03(C)(D), any person receiving executive session information pursuant to A.R.S. §38-431.02 shall not disclose that information except to the Attorney General or County Attorney or by agreement of the Commission, or as otherwise ordered by a court of competent jurisdiction.

The Commission may vote to hold an executive session for the purpose of obtaining legal advice from the Commission's attorney on any matter listed on the agenda pursuant to A.R.S. § 38-431.03(A)(3).

I. Adjournment

SHERRY ANN AGUILAR, CITY CLERK, MMC

POSTED: Thursday June 8th, 2023 @ 3:30 PM

SPECIAL NOTE: PERSONS WITH SPECIAL ACCESSIBILITY NEEDS, INCLUDING LARGE PRINT MATERIALS OR INTERPRETER, SHOULD CONTACT THE CITY CLERK'S OFFICE @ 623.222.1200 OR TTY 623.222.1002, BY NO LATER THAN 24 HOURS IN ADVANCE OF THE REGULAR SCHEDULED MEETING TIME.



CITY OF SURPRISE
Planning and Zoning Commission Meeting

Council Meeting Date: June 15, 2023

Contact Person: Alyssa Carpenter, Administrative
Assistant - Senior

Submitting Department: Community Development District: Internal

Staff Recommendations:

Consent: Yes

Regular: No

Public Hearing: No

Report/Discussion: No

Agenda Wording:

Consideration and action to approve or disapprove the June 1, 2023 Planning and Zoning Commission Regular Meeting Minutes.

Motion:

I move to approve/disapprove the June 1, 2023, Planning and Zoning Commission Regular Meeting Minutes.

Background:

Objective Analysis:

Policy Compliant:

Financial Impact:

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. 06-01-23 MINS

**CITY OF SURPRISE
PLANNING AND ZONING COMMISSION**

MEETING MINUTES

June 1, 2023 / 6:00 PM

**COUNCIL CHAMBERS
16000 North Civic Center Plaza
Surprise, AZ 85374**

CALL TO ORDER.

Chair Kevin Sartor called the Planning and Zoning Commission Meeting to order at 6:00 p.m. at Surprise City Hall, 16000 North Civic Center Plaza, Surprise, Arizona 85374, on June 1, 2023.

A. ROLL CALL

In attendance were Vice Chair Jared Holland, Commissioner Mitchell Rosenbaum, Commissioner Matthew Keating, Commissioner Dennis Bash, Commissioner Ken Chapman, Chair Kevin Sartor and Commissioner Dennis Smith.

STAFF PRESENT:

Ellen Van Riper, Chief Deputy City Attorney; Lloyd Abrams, Director of Community Development; Tiffany Copp, Assistant Director of Community Development; Trever Fleetham, Current Planner; Leslie Carnie, Current Planner; Tanner Wessel, Current Planner, Jani Wertin, Current Planner, Alyssa Carpenter; Planning and Zoning Secretary and Michelle Espie, Administrative Specialist.

COUNCIL MEMBERS PRESENT:

None.

B. PLEDGE OF ALLEGIANCE

C. CURRENT EVENTS REPORT

Director Lloyd Abrams introduced Jani Wertin, Planner I and Michelle Espie, Administrative Specialist to the Planning and Zoning Commission.

D. STAFF REPORT

None.

CALL TO THE PUBLIC:

Chair Sartor opened the call to the public to discuss any items not listed on the agenda.

Hearing no requests, Chair Sartor closed the call to the public.

CONSENT AGENDA:

Item 1 – Internal – Consideration and action to approve or disapprove the May 18, 2023 Planning and Zoning Commission Regular Meeting Minutes.

Commissioner Bash made a motion to approve the May 18, 2023, Planning and Zoning Commission Regular Meeting Minutes as presented. Commissioner Chapman seconded the motion. Motion passed with 5 votes in favor. Chair Sartor and Commissioner Smith abstained.

REGULAR AGENDA ITEMS REQUIRING A PUBLIC HEARING:

Item 2 – District 2 – Consideration and action regarding a rezone from Rural Residential (RR) to Community Commercial (C-2). The approximately 3.5 gross acre site consists of 6 vacant parcels generally located west of the intersection of Yorkshire Drive and Grand Avenue. Case FS22-1387

Leslie Carnie, Current Planner, presented item 2 to the Commission.

Chair Sartor opened the public hearing.

Hearing no requests, Chair Sartor closed the public hearing.

The Commission discussed the following:

None.

Vice Chair Holland made a motion to recommend approval of the rezone from Rural Residential (RR) to Community Commercial (C-2) subject to stipulations “a” and “b” as outlined in the staff report. Commissioner Smith seconded the motion. Motion passed with 7 votes in favor.

REGULAR AGENDA ITEM – NON-PUBLIC HEARING:

Item 3 – District 1 – Consideration and action pertaining to a proposed Master Site Plan Amendment to amend the applicable zoning code for the Asante Retail Center, a property generally located at the northwest corner of 163rd Avenue and Pat Tillman Blvd. Case FS22-0122.

Trever Fleetham, Current Planner, presented item 3 to the Commission.

The Commission discussed the following:

None.

Commissioner Rosenbaum made a motion to approve the Master Site Plan Amendment for Asante Retail Center, located at the northwest corner of 163rd Avenue and Pat Tillman Blvd, case FS22-0122, subject to stipulations ‘a’ and ‘b’ as outlined in the staff report. Commissioner Smith seconded the motion. Motion passed with 7 votes in favor.

Item 4 – District 6 – Consideration and action regarding a Site Plan for Desert Cove Office Warehouse generally located northeast of Peoria Avenue and Litchfield Road subject to stipulations “a” through “e”. Case FS22-1549

Tanner Wessel, Current Planner, presented item 4 to the Commission.

The Commission discussed the following:

None.

Commissioner Chapman made a motion to approve the Site Plan for Desert Cove Office Warehouse subject to stipulations ‘a’ through ‘f’. Vice Chair Holland seconded the motion. Motion passed with 7 votes in favor.

OTHER BUSINESS AND FUTURE AGENDA ITEMS:

None.

ADJOURNMENT:

Hearing no further business, Chair Sartor called for a motion to adjourn. Commissioner Smith made a motion to adjourn; Commissioner Chapman seconded the motion. All voted in favor.

Meeting adjourned at 6:15 p.m.

Kevin Sartor
Planning and Zoning Commission Chair

The foregoing instrument is a full, true, and correct copy of the original document on file in the office of the City Clerk, City of Surprise, Arizona.

ATTEST BY: _____
Alyssa Carpenter, Commission Secretary

DATE: _____



CITY OF SURPRISE Planning and Zoning Commission Meeting

Council Meeting Date: June 15, 2023

Contact Person: Trever Fleetham, PLANNER
SENIOR

Submitting Department: Community Development District: District 3

Staff Recommendations:

Consent: No	Regular: No	Public Hearing: Yes	Report/Discussion: No
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Agenda Wording:

Consideration and action pertaining to a zone change for approximately 12.9 acres on the northwest corner of Cactus Road and Cotton Lane from Regional Commercial (CR/C-3 and CR/PUD) to Residential High Density (R-3). Case FS22-1472.

Motion:

Motion to recommend approval to the City Council of a zone change from Regional Commercial to Residential High Density for an approximately 12.9-acre site located on the northwest corner of Cactus Road and Cotton Lane subject to stipulations 'a' through 'b' as outlined in the staff report.

Background:

Burch & Cracchiolo, P.A. request to rezone approximately 12.9 acres on the northwest corner of Cactus Road and Cotton Lane from Regional Commercial to Residential High Density to accommodate a build-to-rent residential development.

Objective Analysis:

Policy Compliant:

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. 00 FS22-1472 Avilla Foothills Rezone - Staff Report 061523 PZ
2. 01 - FS22-1472 Avilla Foothills Rezone - Vicinity Map

3. 02 - FS22-1472 Avilla Foothills Rezone - Existing Zoning Map
 4. 03 - FS22-1472 Avilla Foothills Rezone - Proposed Zoning Map
 5. 04 - FS22-1472 Avilla Foothills Rezone - Zoning Document
 6. 05 - FS22-1472 Avilla Foothills Rezone - Conceptual Site Plan
 7. 06 - FS22-1472 Avilla Foothills Rezone - Luke AFB Comments
 8. 07 - FS22-1472 Avilla Foothills Rezone - Affidavit of Posting
 9. 08 - FS22-1472 Avilla Foothills Rezone - Citizen Outreach Report REDACTED_Redacted
 10. FS22-1472 Avilla Foothills Rezone - PowerPoint
-

ZONE CHANGE

REPORT TO THE PLANNING AND ZONING COMMISSION

Case: FS22-1472

Project Name: Avilla Foothills – Rezone

Council District: 3 – Mesquite

Meeting Date: June 15, 2023

Planner: Trever Fleetham, AICP

Owner: NWC Cotton Lane & Cactus, LLC and JM AT CCL, LLC

Applicant: Brennan Ray with Burch & Cracchiolo, P.A.

Request: Zone Change from Regional Commercial (C-3, CR/PUD) to High Density Residential (R-3)

Site Location: Generally located on the northwest corner of Cactus Road and Cotton Lane

Site Size: 12.9 gross acres (approx.)

General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035.

Support/Opposition: Refer to the attached Citizen Participation Report.

Staff Recommendation: Based on the findings contained in this report, the Commission may **recommend approval of** the proposed Zone Change, subject to stipulations ‘a’ and ‘b’.

Project Description:

Brennan Ray with Burch & Cracchiolo, P.A., on behalf of NWC Cotton Lane & Cactus, LLC and JM AT CCL, LLC requests a Zone Change of approximately 12.9 gross acres (9.6 net acres) from Regional Commercial (CR/C-3 and CR-PUD) to High Density Residential (R-3). The project site is generally located on the northwest corner of Cactus Road and Cotton Lane.

40 The Conceptual Site Plan included with this rezone request proposes to develop the property
41 with one, two, and three-bedroom residences for rent, as permitted under the proposed High
42 Density Residential zoning.

43
44 **Background:**

45 **June 24, 2010:** The City Council approved Ordinance 2010-12, annexing the portion of
46 the project site within the PUD into the City of Surprise, and Ordinance 2010-13, creating
47 a PUD overlay known as “Northwest Corner of Cotton Lane and Cactus Road”, under
48 case FS10-051.

49
50 **November 15, 2016:** The City Council approved Ordinance 2017-01, annexing the
51 remainder of this property into the City of Surprise under case FS16-427.

52
53 **March 7, 2022:** The applicant was provided with Concept Review comments under case
54 CR22-0236.

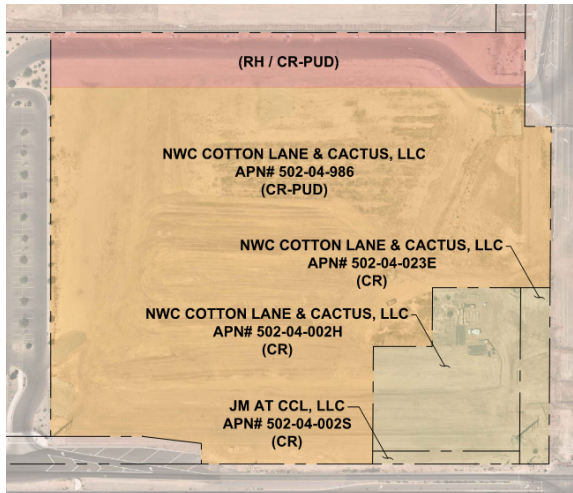
55
56 **November 10, 2022:** The applicant filed the subject case for a rezone under case FS22-
57 1472 and for a site plan review under case FS22-1473.

58
59 **March 15, 2023:** The applicant filed a Final Plat for these parcels under case FS23-0225
60 for the purpose of merging these parcels into a single parcel and dedicating the right-of-
61 way requested by the City.

62
63 **Analysis and Discussion:**

64 Zoning of the project site is currently split. Most of the site is zoned Regional Commercial
65 with a PUD overlay, with a small portion along the northern boundary identified as a
66 transition zone, allowing for Residential High-Density or Regional Commercial. The area
67 directly at the corner was excluded from the PUD and is zoned Regional Commercial.

68
69 The applicant requests a rezone of the full project site to High Density Residential (R-3).
70 The exhibits below show the current and proposed zoning of the site.
71



Existing Zoning

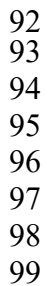


Proposed Zoning

This site has been zoned commercial since 2010 and has failed to develop consistent with the entitlements despite significant commercial and residential growth in Surprise and Maricopa County generally. The applicant provided a market study that described several constraints affecting this site:

“The CR/C-3 zoning was intended to ‘[accommodate] the development of large-scale planned commercial and office complexes.’ The site is not well suited for this type of development when considering its size (9.58 net acres), the existing physical constraints/conditions, and limited arterial street access and visibility.”

The market study, prepared by Rounds Consulting Group, included an identification of current and land use designations in the vicinity of the site (i.e., a 2-mile radius) that indicated there was an excess of 72.0 million square feet (1,651.0 acres) of land that is either currently vacant or underdeveloped. Within that 2-mile radius, there is approximately 15.7 million square feet of developable commercial land in Surprise proper. See exhibit below for reference.



100

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Case: FS22-1472 Avilla Foothills Rezone

A conceptual site plan, shown in the image below, was provided with the rezone request. The applicant currently proposes to develop the site with approximately 108, 1-story, predominately detached residences. Access is planned to be provided by a private drive easement on the north side of the site that connects to Cotton Lane. An emergency exit only gate is provided at the southwestern corner of the site. The applicant has had discussions with the adjacent Legacy Traditional School regarding this proposal; however, no concerns have been expressed by the school.

The development of the project site is subject to review and approval of a comprehensive site plan, in which the site design, architecture, parking, setbacks, and landscaping will be reviewed in accordance with the requirements prescribed by the city's aforementioned LDO requirements and the adopted Planning and Engineering Design Standards (PEDS). The site plan for this site is currently in review with City staff under case FS22-1473.



Utility and Services Table:

Electric:	APS
Water:	EPCOR
School District	Dysart USD

Conformance with Adopted Plans:

The Surprise General Plan 2035 shows the subject property as lying within the Neighborhood Character Area, which supports residential development as would be permitted under the requested zone change.

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Case: FS22-1472 Avilla Foothills Rezone

The proposed rezone is in compliance with the General Plan in that it promotes and facilitates the build out of vacant and underutilized land through infill, reuse, revitalization, and redevelopment activities for appropriate rural, suburban, or urban housing development.

The proposed rezone is also in compliance with the General Plan in that it contributes to a communitywide housing mix to serve the evolving demographic and economic needs of the City's residents.

Reviewing Agencies:

The request was routed to internal and external agencies, who indicated no objections to the request.

Luke Air Force Base noted that this project is subject to the Graduated Density Concept (GDC), and that compliance with the GDC is to be determined by considering the entire 320-acre half-section that this project resides in. Using this calculation methodology, this project adheres to the GDC.

Maricopa Water District (MWD) requested to review improvement and utility plans for review and approval before the City approves any development on the site.

Citizen Outreach:

The applicant held two outreach meetings: an in-person on February 28, 2023 and a second meeting virtually on March 1, 2023. Three neighbors attended the in-person meeting, and one additional neighbor attended the virtual meeting.

Neighbors expressed general concern about potential increases in traffic and adequacy of existing infrastructure. The neighbors were generally complimentary of the single-story build to rent concept.

A representative from the applicant's team also attended a Voice of Surprise virtual meeting to present the proposed development.

A summary of outreach efforts can be found in the attached Citizen Outreach Report.

Summary:

Staff concludes the proposed Zone Change is consistent with the Surprise General Plan 2035 and all applicable zoning codes.

Findings:

- The proposed Zone Change is consistent with the Surprise General Plan 2035.
- The proposed Zone Change will advance the goals and policies of the General Plan.

June 15, 2023 Planning & Zoning Commission
Case: FS22-1472 Avilla Foothills Rezone

Staff's Recommendation:

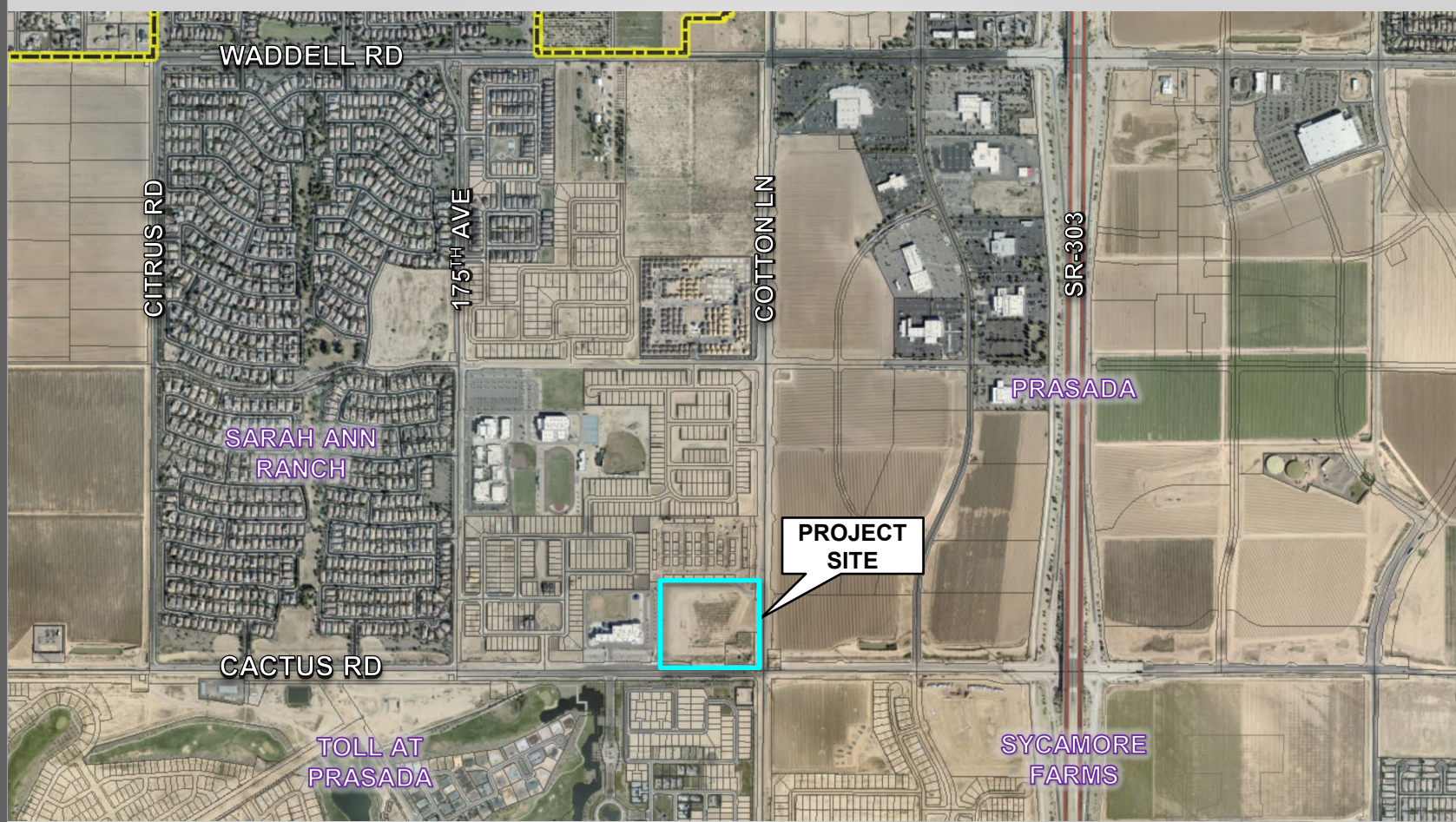
Based on the findings noted above, the Commission may move to recommend approval of case FS22-1472 to the City Council subject to stipulations 'a' and 'b' as follows:

- a. Development and use of the site shall be in substantial conformance with the project narrative entitled "Rezone Narrative for Avilla Foothills", dated April 27, 2023.
- b. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code.

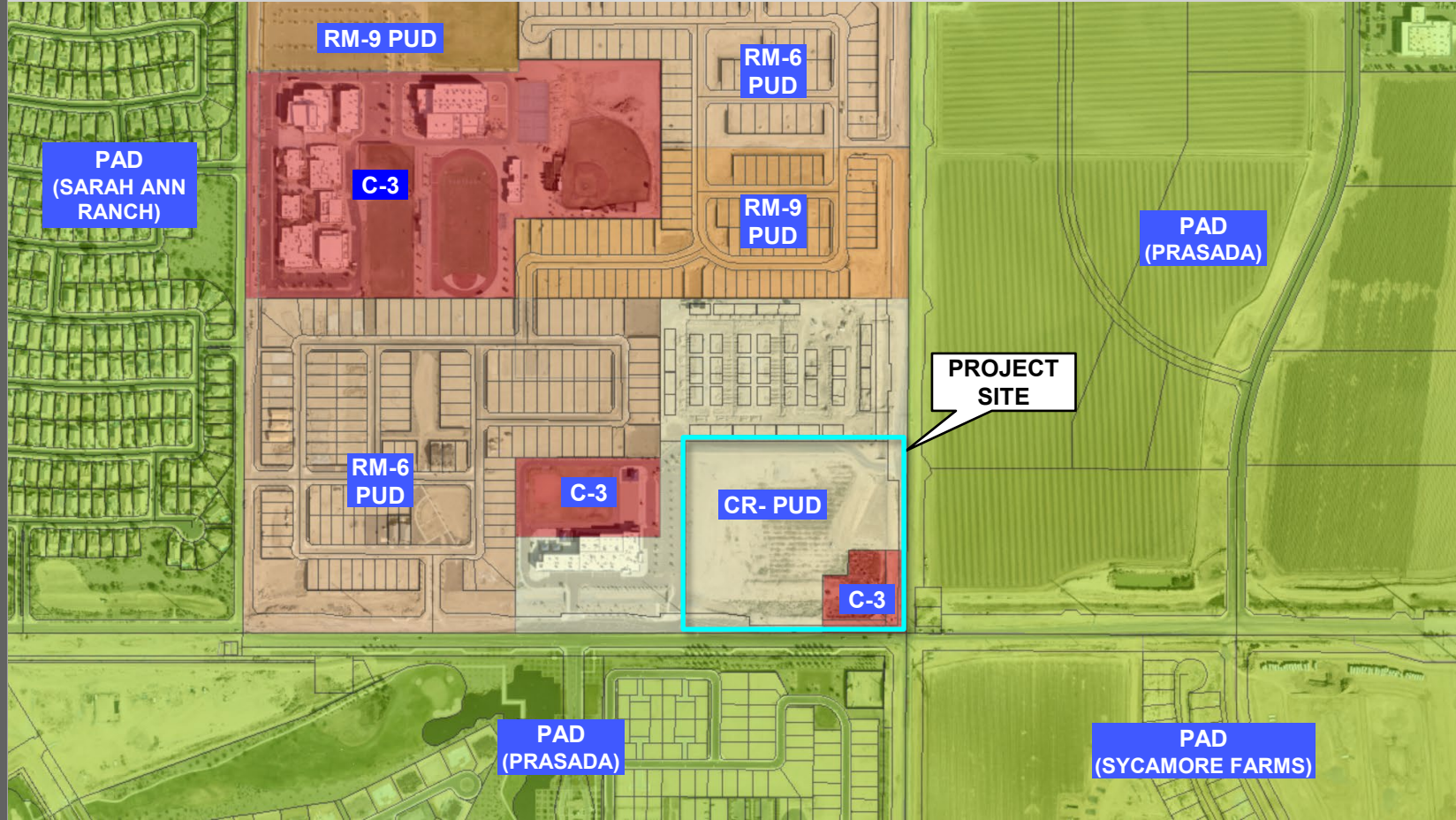
However, should the Commission wish to recommend **denial** of the request, the Commission should make its own findings and base its decision on those alternative findings.

Attachments:

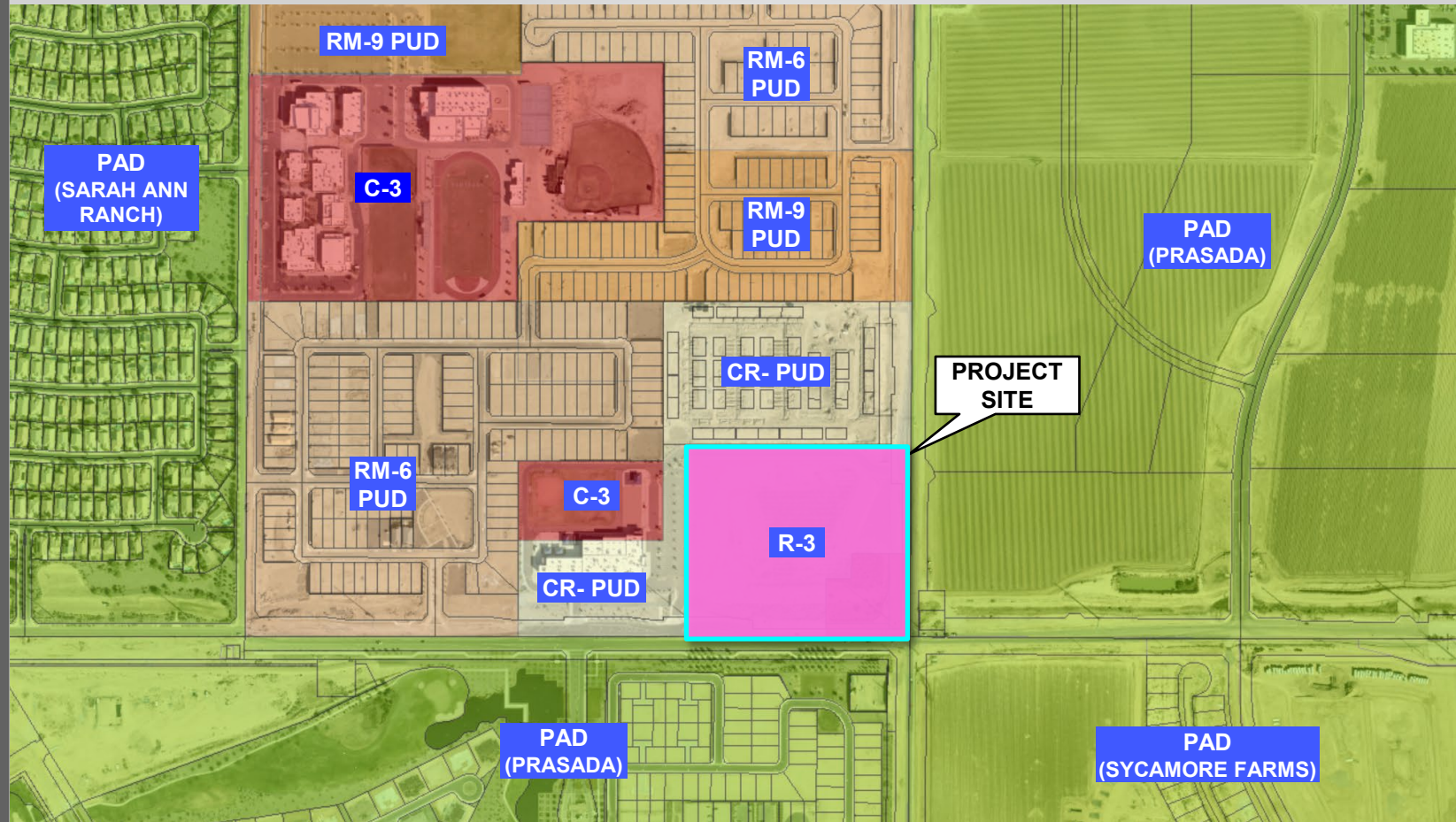
01 Vicinity Map
02 Existing Zoning Map
03 Proposed Zoning Map
04 Zoning Document
05 Conceptual Site Plan
06 Luke AFB comments
07 Affidavit of Site Posting
08 Citizen Outreach Report – REDACTED
PPT



FS22-1472 VICINITY MAP



FS22-1472 EXISTING ZONING MAP



FS22-1472 PROPOSED ZONING MAP

Rezone Narrative

for



Foothills

Northwest Corner of Cotton Lane and Cactus Road

by:

NexMetro Development, LLC

Case No.: FS22-1472

First Submittal: November 2, 2022

Second Submittal: March 8, 2023

Third Submittal: March 31, 2023

Fourth Submittal: April 24, 2023

Fifth Submittal: April 27, 2023

Development Team

Developer:

NexMetro Development, LLC
Attn: Jared Geisler
Santiago Fajardo
2355 E. Camelback Rd., Suite 805
Phoenix, Arizona 85016

Landscape Architect:

McGough Adamson
Attn: Nick Adamson
535 E. McKellips Rd., Suite 131
Mesa, Arizona 85203

Civil Engineer:

Terrascape Consulting
Attn: Lisa Nelson
645 E. Missouri Ave. Suite 420
Phoenix, Arizona 85012

Zoning & Entitlements:

Burch & Cracchiolo, P.A.
Attn: Brennan Ray
Madison Leake
1850 N. Central Ave., Suite 1700
Phoenix, Arizona 85004
Phone: (602) 274-7611

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Table of Exhibits

Exhibit No.	Description
1	Aerial
2	Character Area Exhibit
3	Existing and Proposed Zoning
4	Avilla Foothills Market Study
5	Conceptual Site Plan

AVILLA FOOTHILLS

I. INTRODUCTION

NexMetro Development, LLC (“NexMetro”) has built a reputation for developing high quality and successful single-story, single-family, rental communities throughout Maricopa County and other parts of the Country. Building on their experiences, NexMetro is the proposed developer of approximately 12.86 acres of land located at the northwest corner of Cotton Lane and Cactus Road (the “Site”). NexMetro is in escrow to acquire this challenging, vacant in-fill Site and develop it with a high-quality residential community known as “Avilla Foothills.” Avilla Foothills will contain approximately 108, 1-story, predominately detached residences that will be an attractive presence in the area and makes good land use sense with the nearby residential communities. To achieve this, NexMetro is requesting to rezone the Site from CR/C-3 Regional Commercial and CR/PUD to R-3 Residential High Density. NexMetro is also seeking Site Plan approval simultaneously with this rezoning request of the proposed site and development plans under case number FS22-1473.

Avilla Foothills will provide high-quality, unique, additional housing opportunities within the City of Surprise (the “City”). Avilla Foothills represents a lifestyle choice, presenting future residents a unique living experience and an alternative housing choice to the traditional options of single-family residences or apartment complexes. The proposed community combines the best elements of residential single-family living with multi-family-like lease terms and management. The combination of these elements creates a desirable residential option with upscale features and spacious indoor/outdoor living areas maintained by a professional management company, without the mortgage payment or HOA fees of a typical single-family development. The residences are one story in height, with the majority of them containing no more than 1 du/building, creating a “single family subdivision” feel throughout the neighborhood.

II. SITE AND SURROUNDING AREA

An aerial of the Site is attached as ***Exhibit 1***. North of the Site is being developed as a townhome residential development. East of the Site (across Cotton Lane) is undeveloped and being used for agricultural uses. Sterling Groves is to the south. Legacy Traditional School is to the west. The Site is designated as “Neighborhood” on the General Plan and is zoned CR/C-3 Regional Commercial and CR/PUD. See ***Exhibit 2***, Character Area Exhibit and ***Exhibit 3***, Existing and Proposed Zoning.

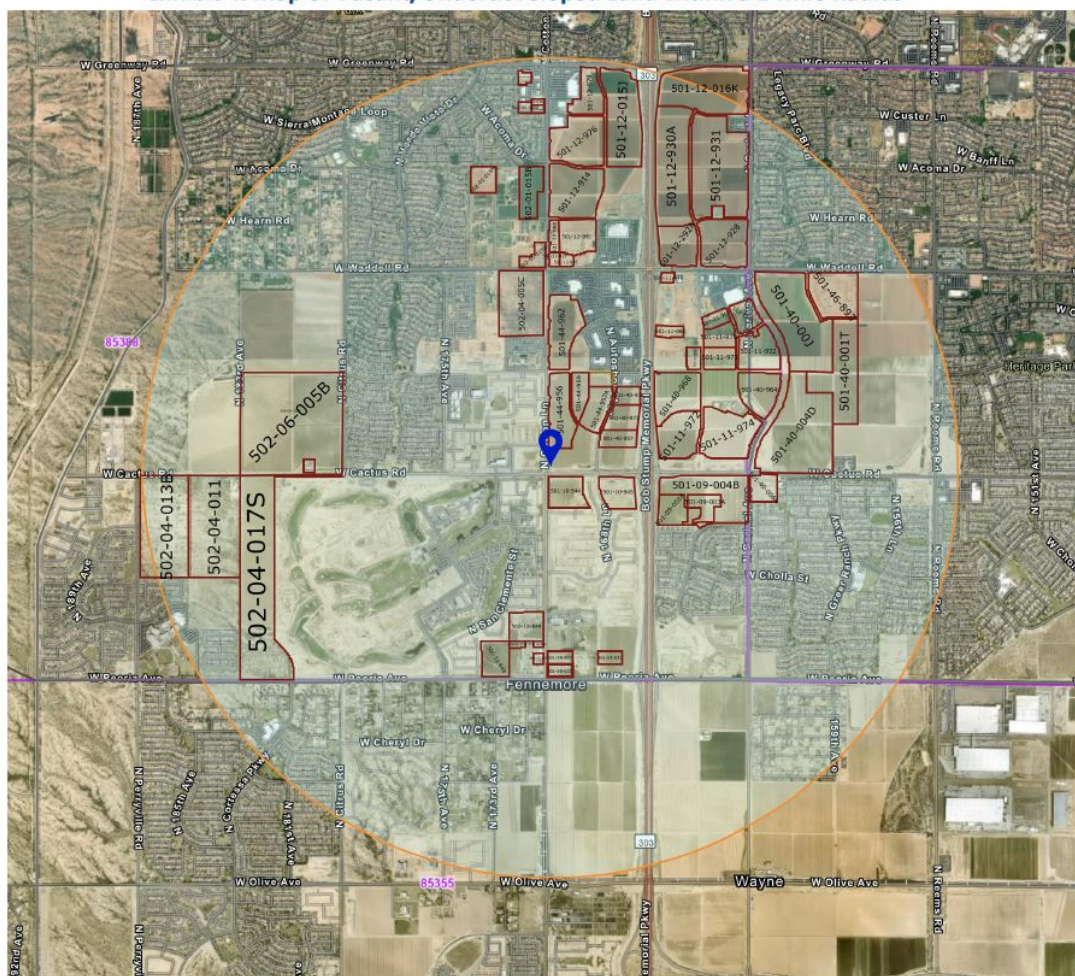
III. PROPOSED REZONING

NexMetro is proposing to rezone the Site from CR/C-3 and CR/PUD to R-3. Avilla Foothills will comply with the R-3 development standards. The R-3 zoning, like the development itself, is consistent with good planning principles by conforming with the residential character of the area, with an increased density to provide additional housing in the area.

Despite the Site’s commercial zoning since 2010, it has failed to develop consistent with the entitlements notwithstanding the substantial and significant commercial and residential growth that has occurred in Surprise and Maricopa County. This is likely due to extensive Site constraints and considerable changes in the commercial landscape. The CR/C-3 zoning was intended to “[accommodate] the development of large-scale planned commercial and office complexes.” The Site is not well suited for this type of development when considering its size (9.58± net acres), the existing physical constraints/conditions, and limited arterial street access and visibility. A

significant challenge to developing the Site for a large-scale planned commercial development is existing drainage requirements/constraints along Cotton Road and Cactus Road, which in turn limits access to the Site and visibility from the adjacent arterial roads. Another constraint is the limited Site access due in part to high-voltage power and drainage corridors. Further, a large-scale planned commercial development requires a significant anchor tenant, with good, direct access and visibility to be successful and viable. Commercial developments of this large-scale are typically located on sites between 15 – 25 acres in size. Conversely, the Site's size could be considered too large for an unanchored shopping center. Additionally considerable changes have taken place in the commercial landscape with the proliferation of online shopping and retailers trying to find faster, cheaper, and quicker ways to deliver goods to customers. The online growth was accelerated during the COVID-19 pandemic, which has further impacted traditional brick-and-mortar retail developments. Further, there are ample vacant and underutilized commercial sites near the Site. Specifically, as is discussed in further detail in the “*Avilla Foothills Market Study*” prepared by Rounds Consulting Group included as **Exhibit 4** (the “Rounds Study”), and illustrated on the below image from the Rounds’ Study, within an approximate 2-mile radius there is 71,957,365± square feet, or 1,651.9± acres of vacant or underutilized commercial land exists within two miles of the Site. A high-quality residential development is a viable and sustainable solution on the challenging site and will provide support to the existing and future commercial and employment developments in the area.

Exhibit 4: Map of Vacant/Underdeveloped Land within a 2-Mile Radius



Source: Maricopa County Assessor's Office

The state is facing a significant housing crisis. According to the Arizona Department of Housing, the state is short roughly 270,000 housing units. Specifically, Surprise is the number eight top growth city in America according to the U-Haul Growth Index. Ottawa University's campus in Surprise and the Taiwan Semiconductor Manufacturing plant only 20 minutes from Surprise will only continue to add to housing demand. This Site, located near schools and residential areas is well-suited to help meet the housing demand and provide an additional housing option to the area. This proposed development, located in a Residential Growth Area, will provide needed housing in an appropriate area and help to create a variety in housing choices.

The Rounds' Study contains a thorough analysis of the proposed development and its impact on the immediate area. The Rounds' Study recommends "the proposed development be approved to help address housing affordability concerns, diversify the City's inventory of housing products, and support the continued growth of the City's population and economy." The Rounds' Study noted that over the last 10 years, the City's population has grown at an annual average of 2.3% per year. Further, over the next ten years, the population in the City is projected to grow by 44.2% and add approximately 58,300 residents. Due to this growth "approximately 21,700 new residential housing units will need to be built in the City over the next 10 years to accommodate the expected population growth. However, a lack of housing supply, rising housing costs, and a lack of diverse housing product may hinder the City's ability to attract new residents and businesses; therefore, limit future growth." With the growth the City is anticipated to experience, nearly 21,700 residential units will need to be built; meaning the residential permits per year must increase from approximately 1,486 to approximately 2,170 per year over the next ten years to support the projected growth.

The Rounds' Study additionally found, that while a common concern is reducing commercial land, commercial uses are supported by the local population, therefore "addressing the issue of housing affordability throughout the region has shifted to become a crucial economic development concern." Therefore, "Surprise is in a unique position in that the City is projected to grow relatively fast compared to the overall region. By addressing the issue of housing affordability, the City can further enhance its competitive position in attracting incoming residents as well as those from across the region seeking to relocate. The proposed development will help to address the imbalance in the supply of residential housing and is unlikely to negatively impact City's potential for commercial development in the coming decade." The Rounds' Study states there is approximately 15.7 million square feet of developable retail space within the City, with 200,000 square feet being built each year. The current retail vacancy rate is expected to remain above 3.2% for the remainder of the decade in the City. For these and other reasons described in the Rounds' Study this development makes good use of the Site by providing necessary housing and benefit the economic condition of the City.

IV. SITE PLAN, LANDSCAPE PLAN, AMENITIES, ETC.

A. Layout

As is depicted on the Conceptual Site Plan (*Exhibit 5*), NexMetro is proposing to develop Avilla Foothills as a high-quality residential development that will make good use of this challenging site. Careful consideration has gone into the layout to create a community that is attractively designed and aesthetically landscaped.

The primary entry to the community will be located on the access road off Cotton Lane. This entry has been designed to create a sense of arrival. An emergency access is located on the

west side of the Site, adjacent to Legacy Traditional School. The proposed residences within the development are a mix of one, two, and three-bedroom units, with approximately 69% of the residences being detached and the one-bedroom residences being attached in a duplex style. The residences will range in square footage between approximately 690 sq. ft. and 1,265 sq. ft. The Site is well-equipped with amenities for residents to enjoy and socialize with one another including a pool, outdoor kitchen, open space, and a dog park.

The 1-story buildings are similar to what would be found in traditional single-family residential subdivisions and are a lower profile than what would be found in traditional garden-style multi-family communities (2- and 3-story buildings). The residences are grouped around pedestrian corridors to create a sense of arrival and place within the greater context of the community and greater connection within the community. The home interiors are an open concept design with 10-foot ceilings, large windows, and high-end finishes such as stainless-steel appliances and granite countertops.

The placement of the buildings and yard walls interact with the streetscape and adjacent developments by varying the roof lines and orientations, providing small-scale pedestrian corridors, amenities, landscape features, and architectural detail. Materials for both hardscape elements and housing product establish a theme and work harmoniously to create a visually pleasing environment. A unique feature of Avilla Foothills is that every residence includes a private, 6-foot masonry wall enclosing the rear yard that is nearly as wide as the residence itself, with a minimum depth of 8 feet. Residents are allowed to customize their yards upon approval by the property management company.

B. Landscaping and Open Space

The overall landscape theme is inspired by luxury living while also embracing an adapted Sonoran Desert style landscaping. The design, elements, and materials will create a sense of community and neighborhood, while adding a fresh approach to timeless desert environments for Arizona residential communities. The landscaping theme draws from the lush desert look and feel of an adapted Sonoran landscape tempered for the Arizona climate through the use of drought-tolerant elements. Open space requirements for multi-family residential developments are a result of the lack of private usable space typically associated with standard two and three-story multi-family communities. Avilla Foothills provides the best of both multi-family and single-family developments with common open space areas and private rear yards.

C. Architecture

The proposed architecture for Avilla Foothills is in keeping with the adjacent single-family homes and the surrounding area. There are three floor plans (1-, 2-, and 3-bedroom residences), each with distinct architectural elevations. Each floor plan has three separate, yet complementary architectural styles that provide visual interest and a change to the streetscape, each colorized to maintain the architectural character of the individual style. The leasing office, detached garages, and covered metal carport parking will be architecturally compatible with building elevations.

D. Development Standards

Avilla Foothills will comply with the R-3 development standards as demonstrated below. A 20-foot building setback will exist adjacent to Cactus Road and Cotton Lane. Avilla Foothills will have 36,880 square feet (6.58%) of common area open space in addition to the private rear yards each unit will have. Regarding private open space, 150 square feet of open space is provided

per unit; with 108 units there is a total of 16,200 square feet of private open space. The residences will be one story in height with a max height of 17'-11". The Site is 12.86 net acres. With 108 units proposed, density is 8.39 dwelling units a net acre. The development will comply with LDO standards in effect at the time of development. If unit count or density were to be revised, the development will comply with applicable standards from the LDO.

	R-3 (8-11.9 du/ac)
Min. setback to arterial ROW (ft)	20
Min. setback to collector and local ROW (ft)	15
Min. setback adjacent to residential zoning (ft)	10
Min. setback adjacent to non-residential zoning (ft)	20
Max. bldg. height (ft)	45
Open space (sf/du)	150

E. Traffic

Access to Avilla Foothills exists by a private drive easement on the north side of the Site that connects to Cotton Lane. Emergency access to the existing parking lot and driveway utilized by Legacy Traditional School on the west side of the Site is also provided. Civ Tech has prepared a Trip Generation Statement. Civ Tech concluded that the proposed 108-dwelling units are likely to generate less than 100 trips during the peak hour. Specifically, 108 dwelling units are anticipated to generate 768 trips on a typical 24 hour-weekday, with 56 trips during the AM peak hour and 67 trips during the PM peak hour. NexMetro has had discussions with the adjacent Legacy School regarding this proposal and traffic circulation. The Legacy School did not express any concerns about the proposed development.

V. OTHER CITY CONSIDERATIONS FOR ZONING AMENDMENTS

A. Utilities and Emergency Services

The Site is located in EPCOR's water service area and the City of Surprise's service area for wastewater.

B. Phasing

Development will be completed in a single phase.

C. Consistency with the City of Surprise General Plan

NexMetro's proposed development is consistent with the City's General Plan. The City's General Plan designates the Site as "Neighborhood." The proposed multi-family development supports the General Plan's goal to create a safe and secure community with diverse housing while making good use of a vacant lot. Additionally, the Site is located in a residential growth area as designated by the General Plan. Specifically, the proposed community is supported by the

following goals of the General Plan:

- Goal 1: Housing Stock
 - Policy 8. Promote and facilitate the build out of vacant and underutilized land through infill, reuse, revitalization and redevelopment activities for appropriate rural, suburban or urban housing development.
 - **Response:** This vacant infill site is underutilized and appropriate for housing development given the residential character of the area and General Plan designation.
- Goal 2: Seek a variety of housing option that meet the socioeconomic needs of people who live and work in the City
 - Policy 3: Promote various residential options that provide amenities and conveniences within the residence and surrounding community that is above the median housing mix
 - **Response:** Avilla Foothills helps provide housing diversity in the area by providing an alternate housing option to purchasing a single-family home for those who want a lock-it-and-leave-it maintenance free community with the benefit of single-family living with a private yard. Avilla Foothills will provide amenities including a pool, outdoor kitchen, open space, and a dog park.
 - Policy 5: Maintain a communitywide housing mix to serve the evolving demographic and economic needs of its residents
 - **Response:** Avilla Foothills adds to housing diversity and provides a housing option that may be suitable for the growing younger demographic of Surprise and Baby Boomers, pre-seniors, and seniors individuals.
- Goal 6: Housing Variety Provide high-quality housing in a range of residential densities and types
 - Policy 1: The City shall encourage development of neighborhoods that broaden the choice of type, size, and affordability of housing in Surprise
 - **Response:** Avilla Foothills creates a variety of housing product as discussed.
 - Policy 3: the City shall strive to create a balanced housing mix of detached and attached housing that fosters an economically sustainable city.
 - **Response:** Avilla Foothills provides both attached and detaching units, creating variety in the area.

VI. CONCLUSION

Avilla Foothills' community is an exciting and unique housing choice that makes good use of this Site. The proposed development is compatible with the surrounding area and would provide a high-quality, development that is appropriate in this residential area. Avilla Foothills creates a sustainable solution for this Site and an attractive presence in the area. We request your approval.

NexMetro Development, LLC

NEXmetro
Communities

Exhibit 1

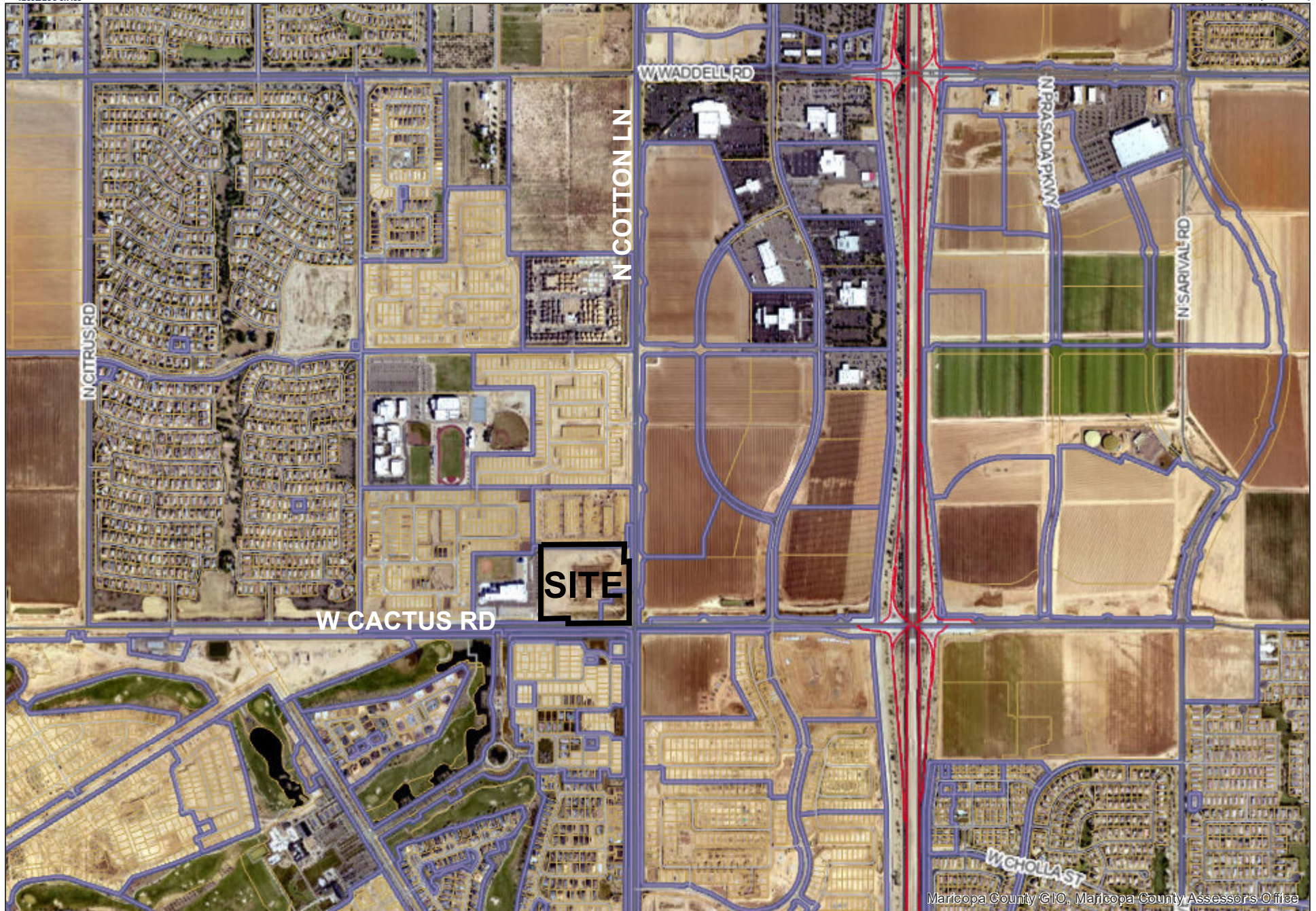


Exhibit 2

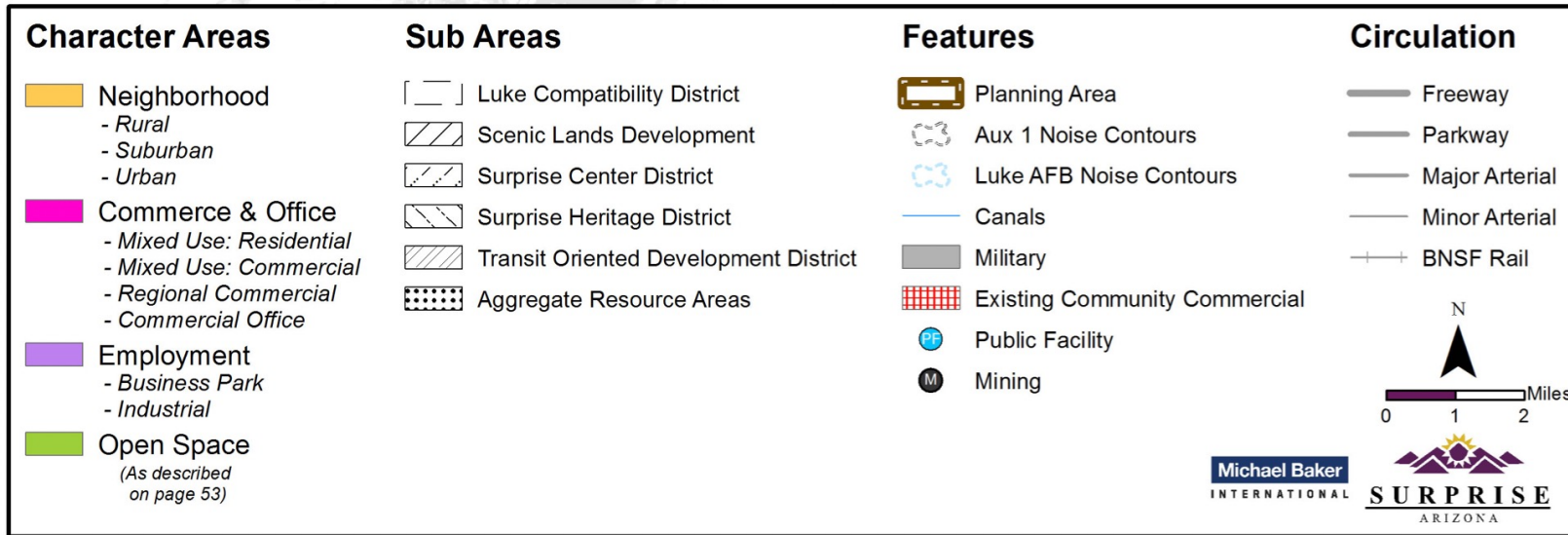
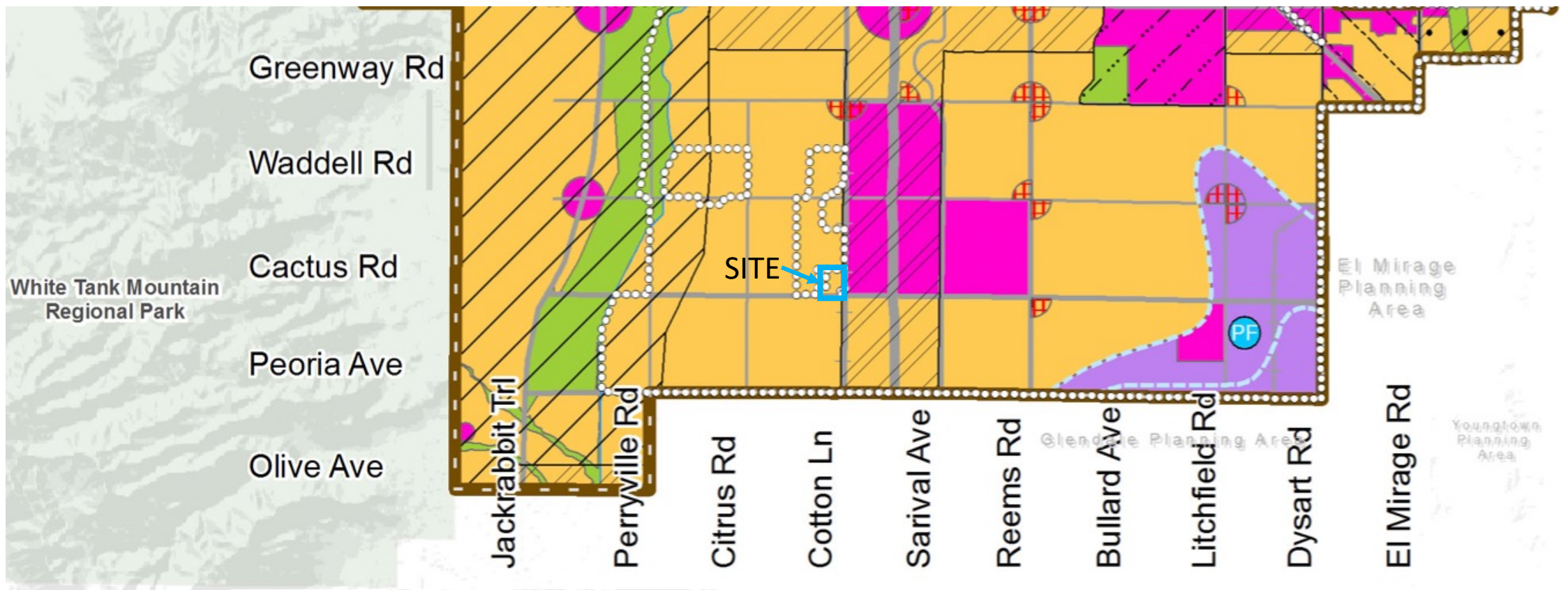


Exhibit 3

AVILLA FOOTHILLS
EXHIBIT A - EXISTING ZONING

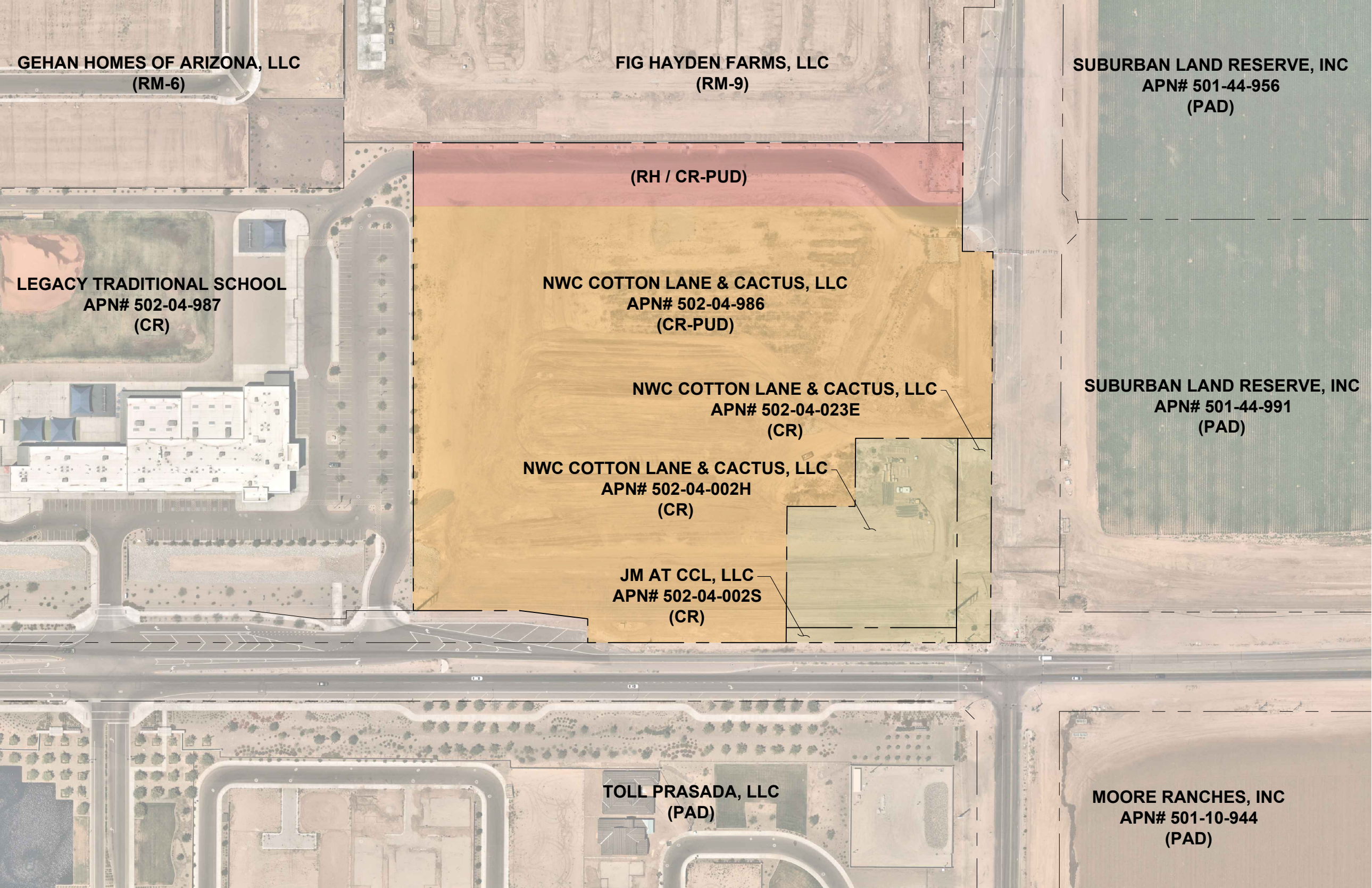


EXHIBIT A

EXISTING ZONING MAP

AVILLA FOOTHILLS
COTTON LANE AND CACTUS ROAD
SURPRISE, AZ



consulting
Terrascope
civil engineering • surveying • urban planning

645 East Missouri Ave, Suite 420
Phoenix, Arizona 85012
P: 602-297-8732

Date: 03/24/2023

Project No: 1384

CR: 22-0236; FS: 22-1472

AVILLA FOOTHILLS
EXHIBIT B - PROPOSED ZONING



EXHIBIT B

PROPOSED ZONING MAP

AVILLA FOOTHILLS
COTTON LANE AND CACTUS ROAD
SURPRISE, AZ

consulting
Terrascope
civil engineering • surveying • urban planning

645 East Missouri Ave, Suite 420
Phoenix, Arizona 85012
P: 602-297-8732

Project No: 1384

Date: 03/24/2023

**Legal Description
For
Zoning Boundary
Avilla Foothills**

Located in the Southeast Quarter of Section 14, Township 3 North, Range 2 West, Gila and Salt River Meridian, Maricopa County, Arizona. Described as follows:

Commencing at the Southeast corner of said Section 14;

Thence North 89°59'40" West, along the South line of said Southeast Quarter, a distance of 880.39 feet;

Thence departing said South line, North 00°00'10" East, a distance of 80.00 feet to the Point of Beginning;

Thence continuing North 00°00'10" East, a distance of 687.01 feet;

Thence South 89°59'45" East, a distance of 807.26 feet;

Thence South 00°22'01" West, a distance of 159.51 feet;

Thence South 89°29'20" East, a distance of 45.00 feet;

Thence South 00°22'01" West, a distance of 574.13 feet;

Thence North 89°59'40" West, a distance of 591.46 feet;

Thence North 00°00'15" East, a distance of 34.98 feet;

Thence North 83°09'10" West, a distance of 100.86 feet;

Thence North 89°59'40" West, a distance of 156.00 feet to the Point of Beginning;

Containing 605,240.80 square feet or 13.89 acres, more or less.

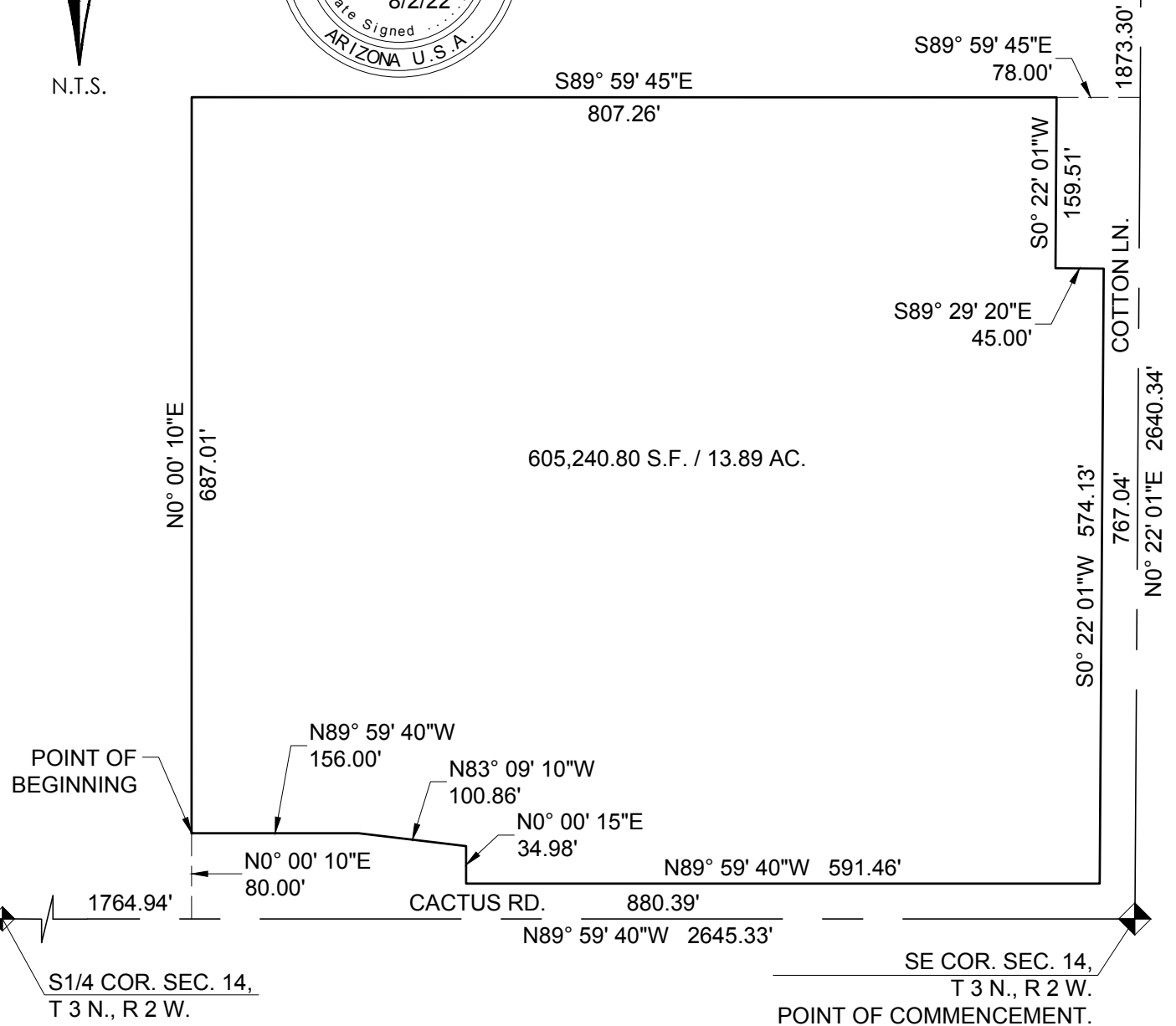




N.T.S.



E 1/4 COR. SEC. 14,
T 4 N., R 2 W.



645 E. MISSOURI AVE., STE. 420
PHOENIX, ARIZONA 85012

P:602.297.8732 • F:602.230.8458

EXHIBIT

ZONING BOUNDARY

AVILLA FOOTHILLS

CITY OF SURPRISE

Project No. 1384
Sheet 1 of 1

Date : 08/02/22

Exhibit 4



Date: April 17, 2023

To: Santiago Fajardo, Development Manager
NexMetro Communities

From: Rounds Consulting Group, Inc.

Re: Avilla Foothills Market Study

The following memorandum highlights the key findings of a market study conducted by Rounds Consulting Group, Inc. ("RCG") on behalf of NexMetro Communities ("NexMetro").

The purpose of this high-level market study is to determine the viability of a proposed multi-family residential development expected to be built in Surprise, Arizona. The analysis is intended to supplement a recent study completed by RCG regarding the rezoning of neighboring commercial land.

As proposed, Avilla Foothills will consist of 108 multi-family residential units and be built at the northwest corner of Cactus Road and Cotton Lane in Surprise, Arizona. The site is currently zoned as regional commercial ("CR" or "C-3"). The proposed development will require that the site be rezoned to R-3, high-density residential. According to Surprise's General Plan, the area where the site is located is anticipated to realize strong residential growth by 2035 (see Exhibit 1).

While the site is currently zoned for commercial development, there are several constraints limiting retail development on the site, including: location, access, and demand. Developers seek to build retail space in areas with high traffic and good visibility. The Loop 303 has shifted traffic patterns, making the site less visible. Furthermore, access to the site is restricted due to high voltage power and drainage corridors.

Retail developers will also consider demand and nearby competition when considering a site to develop. Currently, a Walmart Supercenter and the Prasada shopping center (which will have over 700,000 square feet of retail shops, restaurants, and entertainment) are located just 1 mile north on Waddell Road and a shopping center anchored by a 63,300 square foot Safeway with 42,500 square feet of additional retail space will be located 1 mile south on Peoria Avenue. Additionally, there is an abundance of commercial land south of the site.

An analysis of the economic, demographic and housing conditions in the Phoenix-Mesa-Chandler Metropolitan Statistical Area ("Phoenix MSA"), and the City of Surprise ("City" or "Surprise") and the area immediately surrounding the site will provide insight into the area's demand for residential and commercial land. The results of the analysis will determine if the market conditions support the rezoning of the site.

Specifically, the proposed project should be considered if 1) the development directly addresses the residential housing needs of the market area and the surrounding region and 2) if the rezoning of the site will not negatively affect the City's commercial land availability inasmuch as to hinder the City's future growth potential.

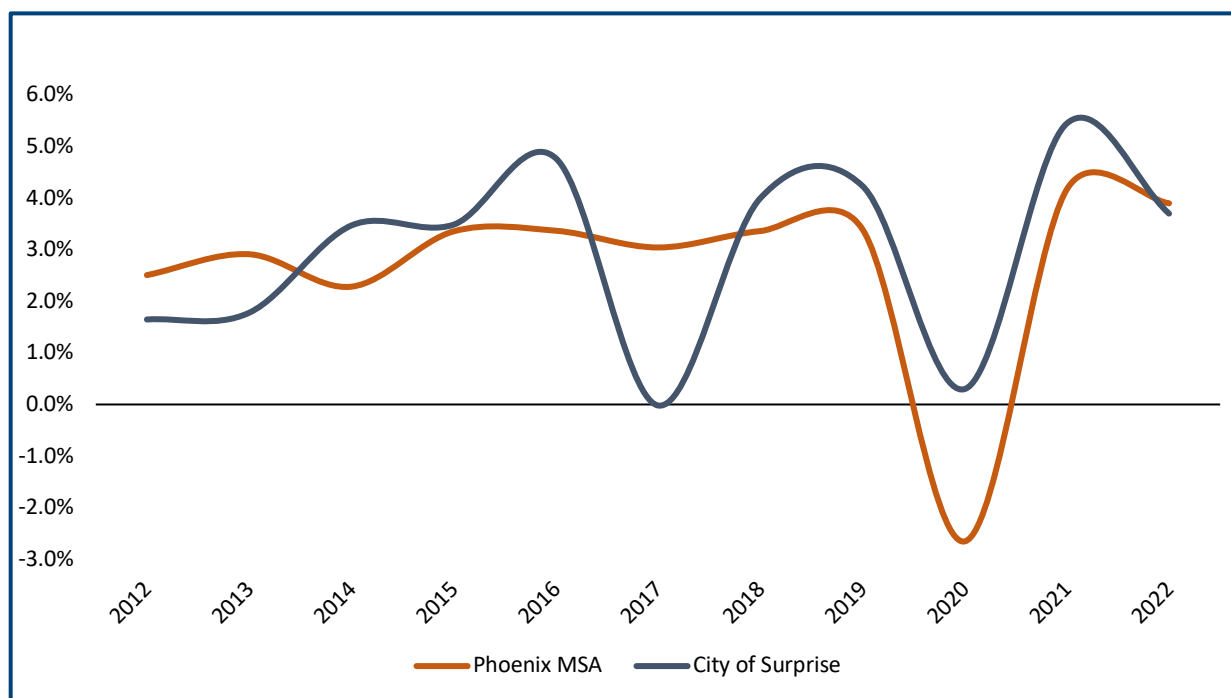


Economic and Demographic Summary

The Phoenix MSA has been among the fastest-growing regions in the U.S. for over a decade in terms of both employment and population growth. The Arizona Office of Economic Opportunity (“OEO”) estimates that in 2022, there were 2.3M people employed in the Phoenix MSA. This represents a 3.9% increase over the previous year. Over the last decade, employment has grown at an average rate of 2.7% per year.

The U.S. Bureau of Labor Statistics (“BLS”) estimated that in 2022, there were 61,400 people employed in the City. This represented a growth of 3.7% from 2021 to 2022. Since 2012, employment has grown at an average annual rate of 3.1% in the City, exceeding the average growth of the Phoenix MSA as a whole.

Figure 1: Annual Employment Growth in the Phoenix MSA and City of Surprise



Source: Arizona Office of Economic Opportunity; U.S. Bureau of Labor Statistics

Strong employment growth has resulted in the Phoenix MSA being one of the fastest growing regions in the nation. Numerous businesses have located and expanded operations throughout the Phoenix MSA and these jobs opportunities have attracted tens of thousands of people each year.

In 2021, there were 4.9M residents living in the Phoenix MSA, according to the OEO. Since 2011, the Phoenix MSA grew at an average rate of 1.6% per year. This compares to the national population which grew at an average annual rate of 0.6% over the same time period.

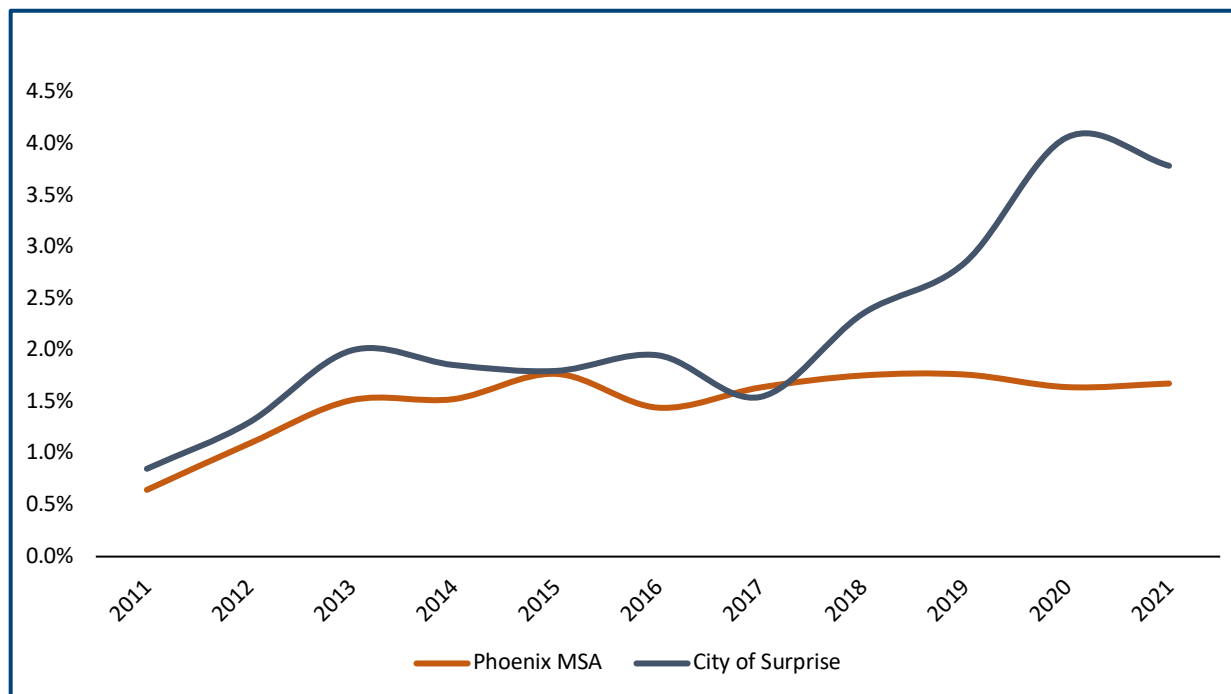
The overall regional growth has also spread to Surprise. In 2021, there were 149,700 residents living in the City, a 3.8% increase from 2020. Over the last 10 years the City’s population grew at an average annual rate of 2.3% per year (Figure 2).



Over the next 10 years, the population in the City is projected to grow by 44.2% and add approximately 58,300 residents. This compares to the population of Phoenix MSA which is projected to grow by 16.7% over the next 10 years.

Approximately 21,700 new residential housing units will need to be built in Surprise over the next 10 years to accommodate the expected population growth. However, a lack of housing supply, rising housing costs, and a lack of diverse housing product may hinder the City's ability to attract new residents and businesses; therefore, limit future growth.

Figure 2: Annual Population Growth in the Phoenix MSA and City of Surprise



Source: Arizona Office of Economic Opportunity

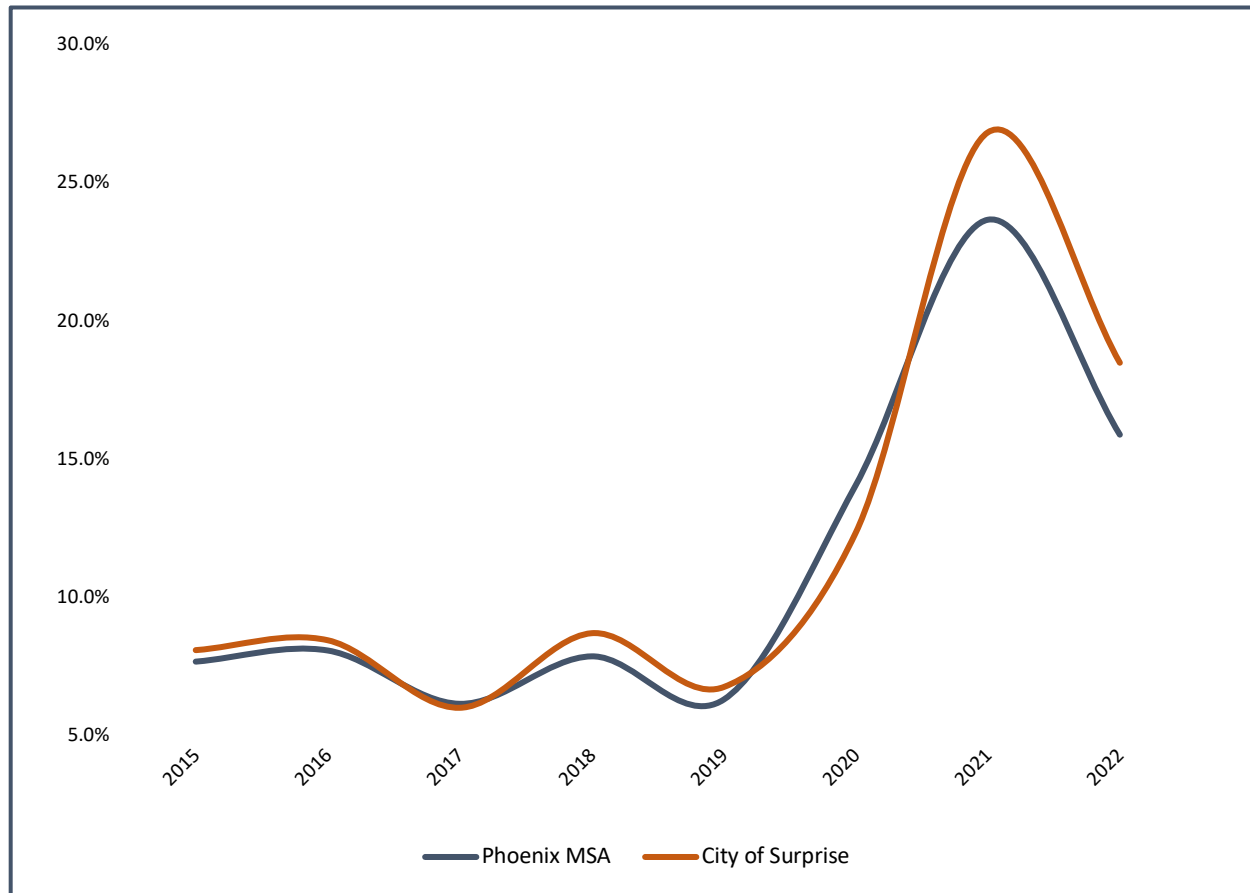
Residential Housing Market Conditions

While the strong employment and population performance throughout the region has resulted in the Phoenix MSA being among the nation's leaders in overall economic growth, it has also fueled an imbalance in the housing market. The influx of new residents caused the demand for residential housing to increase at a faster rate than the supply. As a result, home prices have risen sharply.

In 2022, the median sales price for a home in Surprise increased by 18.5% from a year ago to \$451,000. Overall, home prices in the Phoenix MSA grew by 15.9% over the last year, according to The Cromford Report. Since 2011, home prices in Surprise have increased at an average annual rate of 12.3%. This compared to an average annual growth of 12.5% in the Phoenix MSA.



Figure 3: Annual Change in Median Sale Price for the Phoenix MSA and City of Surprise



Source: The Cromford Report

The market forces influencing the recent rapid rise in home prices originate back to the Great Recession of 2008 and were exacerbated by the COVID-19 recession. The combination of low interest rates and excessive stimulus spending put pressure on housing prices as high-income individuals and potential homebuyers that were waiting for the right market conditions and began to buy starter homes, trade-up homes, investment properties, and/or second homes.

This unique circumstance has raised the cost of housing to levels that many cannot afford. New housing products of all types (e.g., starter homes, trade-up homes, multi-family, etc.) are necessary to mitigate affordability issues and alleviate housing shortages.

As previously discussed, approximately 58,300 residents are expected to relocate to Surprise over the next 10 years. This means that nearly 21,700 residential units will need to be built to support this growth. However, these units do not account for the existing housing shortage. Therefore, there will need to be an even greater increase in the supply of residential units in order impact affordability concerns.

Over the last 10 years, an average of 1,316 single family residential permits and 170 multi-family residential permits have been authorized in Surprise each year, according to the U.S. Census Bureau. This means a total of 1,486 residential permits have been authorized on average each year over the last 10



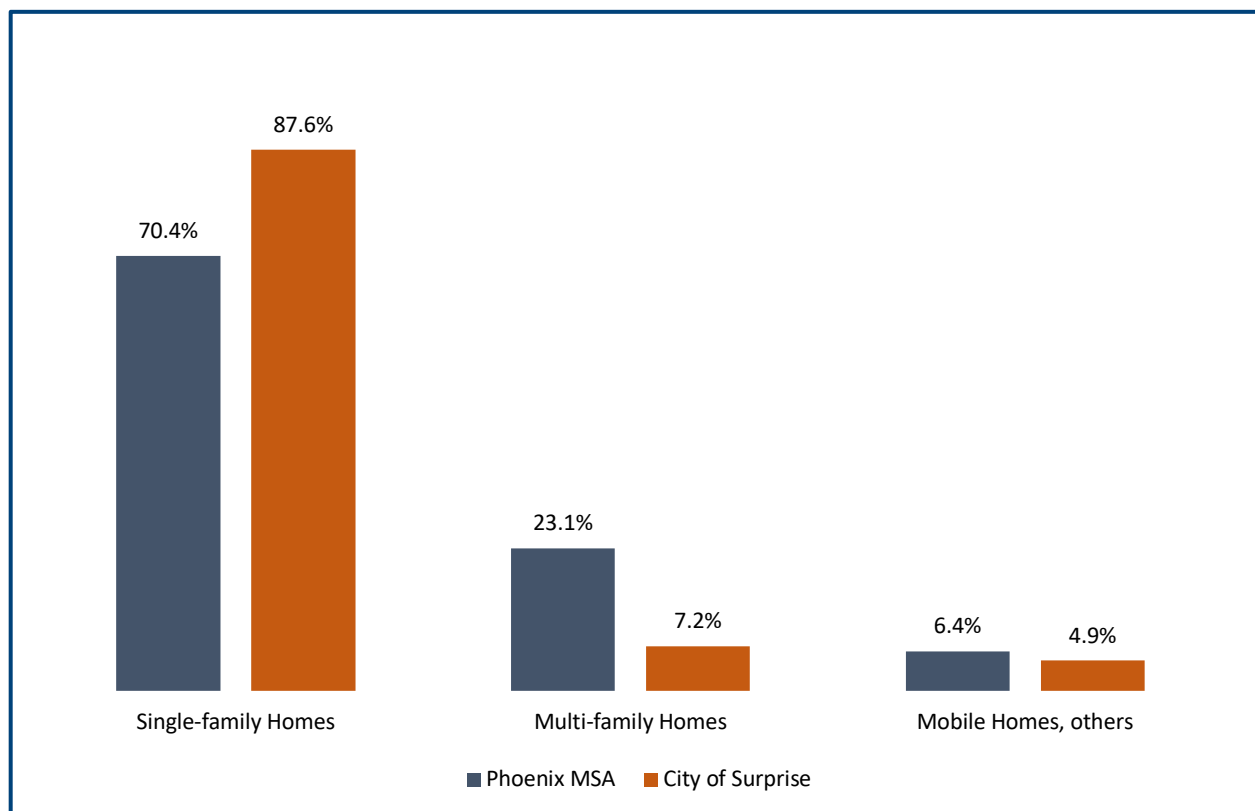
years (i.e., 2013 to 2022). That permit count needs to increase to approximately 2,170 units per year over the next 10 years to support the projected growth and moderate the housing shortage of the City.

In order to efficiently increase the supply of housing, the City will need to diversify its inventory of housing products, and enhance the availability of multi-family housing in order to meet the growing demand. If the City does not address the housing shortages, population growth in the City may be limited and affordability issues will persist. Potential residents may choose to locate outside the City where there are housing options more suitable to their needs and preferences.

In 2021, it was estimated that 87.6% of the homes in the City were single-family homes. This is a higher concentration than the overall Phoenix MSA, in which 70.4% of the homes were single-family. However, the rapid escalation of home prices, which is causing housing affordability issues, can be mitigated by adding additional housing product types like multi-family homes to the local housing market in Surprise.

Assuming the annual trend in permitting continues (i.e., 1,486 total residential permits per year), approximately 12,160 multi-family residential units (or 1,216 multi-family units per year) would need to be built in Surprise for the ratio to match that of the Phoenix MSA (i.e., 70.4% single-family, 23.1% multi-family, etc.).

Figure 4: 2021 Share of Homes in the Phoenix MSA, City of Surprise by Type



Source: U.S. Census Bureau; Esri



Impacts on Commercial Land Availability

The proposed development will require that approximately 13.0 acres be rezoned from a commercial designation to a high-density residential designation. A total of approximately 108 residential units are expected to be developed on the site.

A common concern for municipal leadership and elected officials is that reducing the amount of commercial land will hinder the future growth potential of the area. Commercial land is utilized for employment centers, retail shops, and entertainment districts, among other uses, that can generate significant tax revenues for the City. However, these establishments are supported by the local population and addressing the issue of housing affordability throughout the region has shifted to become a crucial economic development concern.

Surprise is in a unique position in that the City is projected to grow relatively fast compared to the overall region. By addressing the issue of housing affordability, the City can further enhance its competitive position in attracting incoming residents as well as those from across the region seeking to relocate. The proposed development will help to address the imbalance in the supply of residential housing and is unlikely to negatively impact City's potential for commercial development in the coming decade.

For context, consider the following. According to CoStar, the City is currently slightly underweighted in terms of the retail space related to the surrounding communities. There is approximately 42 square feet ("sq. ft.") of retail per person within Surprise proper. This compares to 65 sq. ft. per person in Glendale, 51 sq. ft. per person in Peoria, 54 sq. ft. in Phoenix, and 50 sq. ft. per person in Goodyear, Gilbert, and Avondale. Overall, there is an average of approximately 48 sq. ft. of retail space per person throughout the Phoenix MSA.

An analysis of the current and land use designations in the immediate vicinity of the site (i.e., a 2-mile radius) indicated that there was an excess of 72.0M sq. ft. (1,651.9 acres) of land that is either currently vacant or undeveloped (see Exhibit 2). Within that 2-mile radius, there is approximately 15.7M sq. ft. of developable commercial land in Surprise proper.

On average, approximately 200,000 sq. ft. of retail space is built in Surprise each year. Therefore, even if the amount of retail space per person within Surprise proper was increased to match the overall average in the Phoenix MSA, there is enough commercial developable land for the next 70+ years. If the amount of retail sq. ft. per person was the same as in Glendale, there is sufficient retail space for the next nearly 30 years. If the calculations are expanded to include the additional vacant/underdeveloped land within the 2-mile radius, there enough vacant land to support retail demand for the next 100+ years.

The above calculation does not consider the growth and development that will continue in the northwest part of the City which will shift the demand for commercially-zoned land to that area. Additionally, the calculation does not consider the existing land just outside the City to the south that is designated for commercial use, reducing the demand for retail within the area of the proposed site.

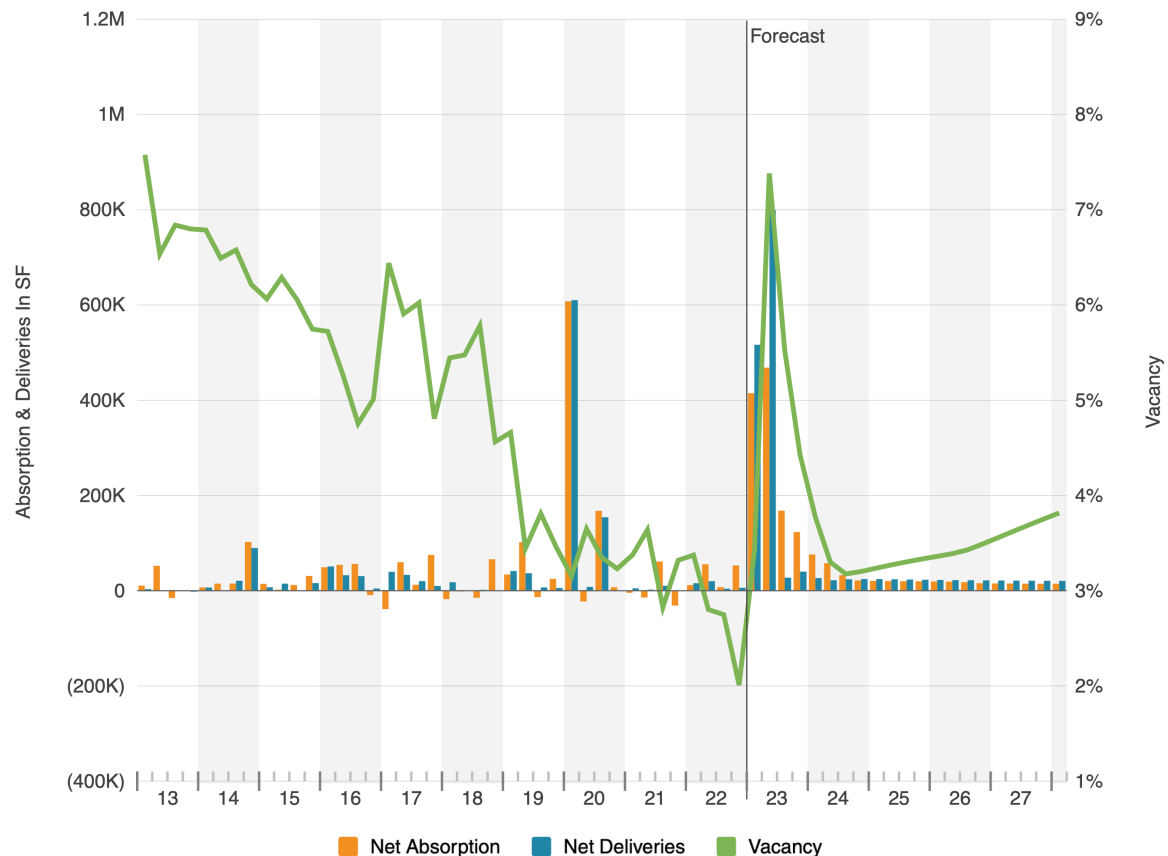
As of the first quarter of 2023 ("Q1 2023"), there was approximately 930,300 sq. ft. of retail space under construction in Surprise. This retail space is expected to be delivered to the market in the first half of 2023. This will increase the retail vacancy rate in Surprise from the current 2.6% (Q1 2023) to 7.4% by Q2 2023.



According to projections from CoStar, the vacancy rate will remain above 3.2% over the remainder of the decade (Figure 6).

Furthermore, the City's current land use plan indicates there is sufficient flexibility to accommodate various residential developments at the proposed site and throughout the surrounding area.

Figure 6: Surprise Retail Net Absorption, Net Deliveries, & Vacancy Rate



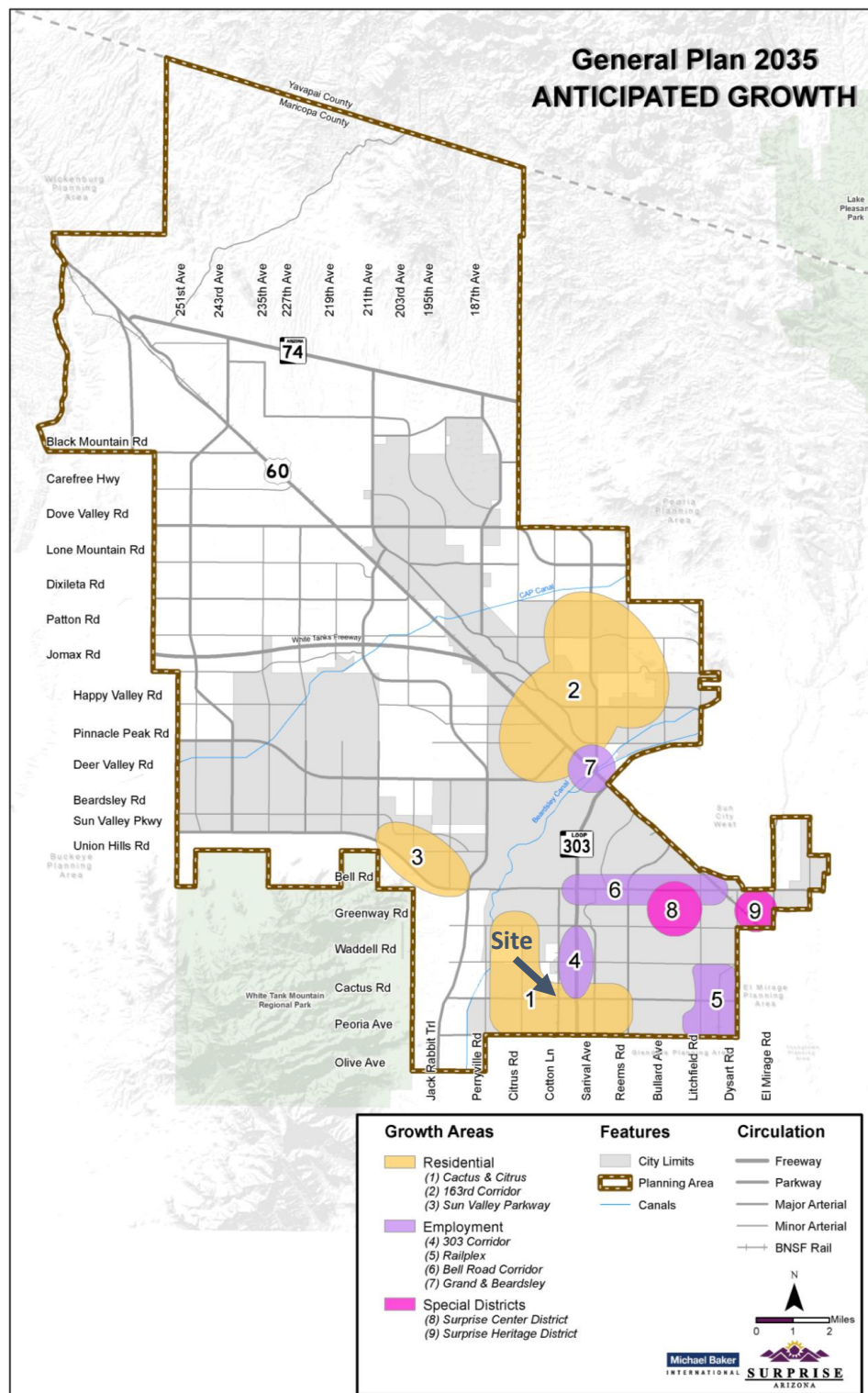
Source: CoStar

Concluding Remarks

RCG recommends the proposed development be approved to help address housing affordability concerns, diversify the City's inventory of housing products and support the continued growth of the City's population and economy.



Exhibit 1: Anticipated Residential Growth Areas



Source: Surprise General Plan 2035



Exhibit 2: Vacant/Underdeveloped Land in Surprise within a 2-Mile Radius

Vacant/Underdeveloped Land in Surprise within 2-Miles					
Parcel #	Lot Size (sq. ft.)	Lot Size (acres)	Parcel #	Lot Size (sq. ft.)	Lot Size (acres)
501-08-007	320,781	7.4	501-40-002J	3,260,160	74.8
501-08-008B	183,703	4.2	501-40-004D	3,536,486	81.2
501-08-023	223,989	5.1	501-40-006A	498,849	11.5
501-09-002A	544,502	12.5	501-40-957	437,198	10.0
501-09-003A	435,598	10.0	501-40-960A	1,309,177	30.1
501-09-004B	1,907,129	43.8	501-40-964	991,529	22.8
501-10-944	754,619	17.3	501-40-972	303,075	7.0
501-10-945	714,187	16.4	501-40-973	522,701	12.0
501-11-931	474,550	10.9	501-44-956	1,133,497	26.0
501-11-932	999,091	22.9	501-44-957A	690,852	15.9
501-11-946	90,753	2.1	501-44-958A	223,276	5.1
501-11-964	204,629	4.7	501-44-959	470,143	10.8
501-11-968	215,314	4.9	501-44-962	1,334,366	30.6
501-11-969	254,208	5.8	501-46-893	1,370,353	31.5
501-11-970	457,375	10.5	502-01-015B	659,716	15.1
501-11-971	470,545	10.8	502-01-018M	436,063	10.0
501-11-972	1,177,172	27.0	502-01-15D	307,843	7.1
501-11-974	1,602,436	36.8	502-04-005C	1,908,358	43.8
501-12-015J	2,177,268	50.0	502-04-011	3,484,800	80.0
501-12-016K	2,534,088	58.2	502-04-013B	3,313,217	76.1
501-12-913	94,051	2.2	502-04-017S	5,073,595	116.5
501-12-914	1,745,909	40.1	502-06-005B	6,882,528	158.0
501-12-928	1,510,099	34.7	502-12-848	655,595	15.1
501-12-929A	1,011,866	23.2	502-12-849	653,466	15.0
501-12-930A	2,728,035	62.6	502-12-850	75,896	1.7
501-12-931	3,496,920	80.3	502-12-852	46,722	1.1
501-12-976	1,603,463	36.8	502-12-855	73,246	1.7
501-12-979	759,637	17.4	502-87-963	99,216	2.3
501-12-986	119,542	2.7	502-87-967	75,801	1.7
501-12-990	217,692	5.0	502-87-968	52,065	1.2
501-12-991	823,678	18.9	502-87-969	92,328	2.1
501-40-001T	2,132,419	49.0	TOTAL	71,957,365	1,651.9

Source: Maricopa County Assessor's Office

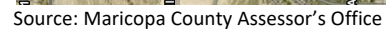
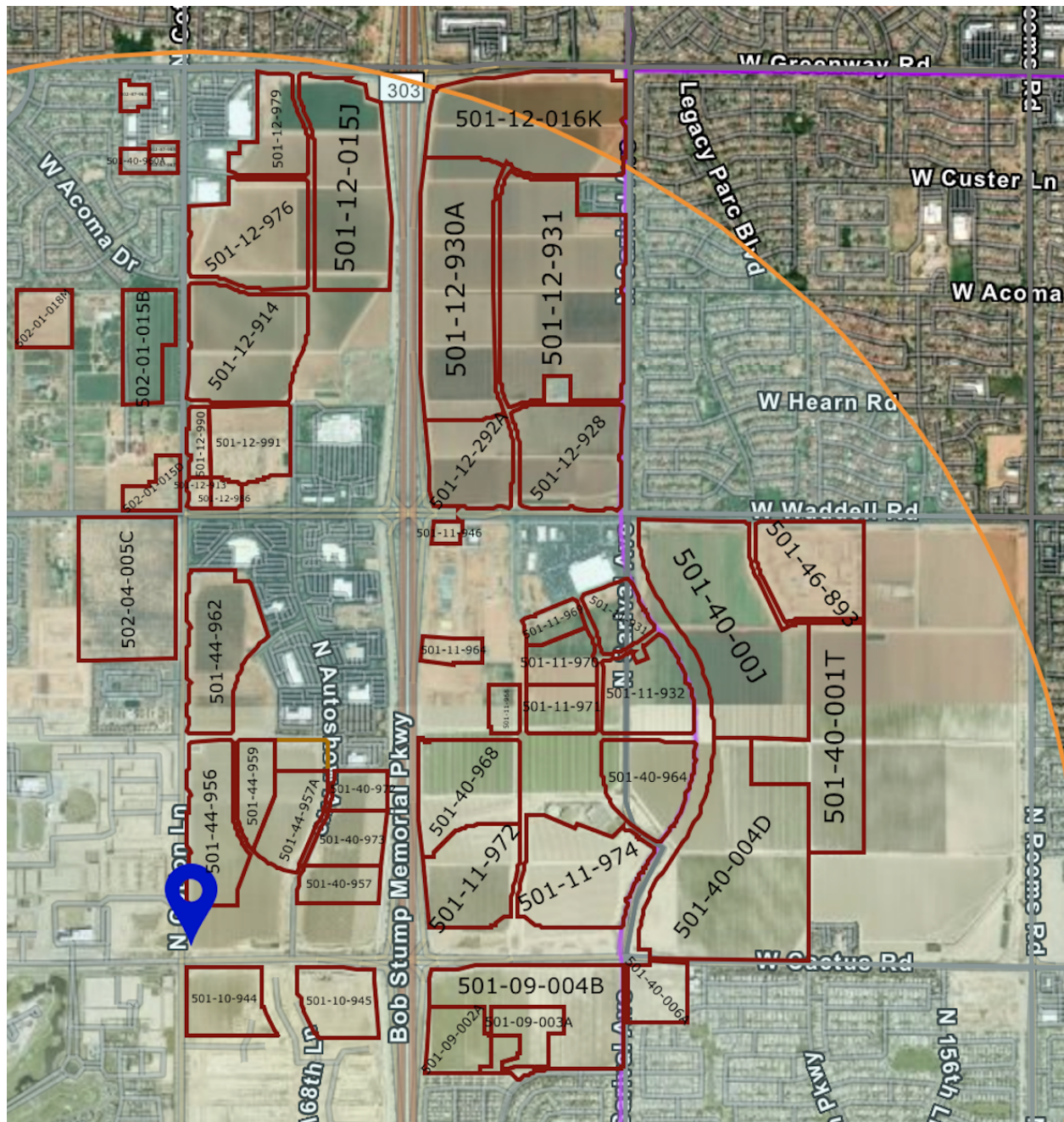


Exhibit 4: Map of Vacant/Underdeveloped Land within a 2-Mile Radius



Source: Maricopa County Assessor's Office



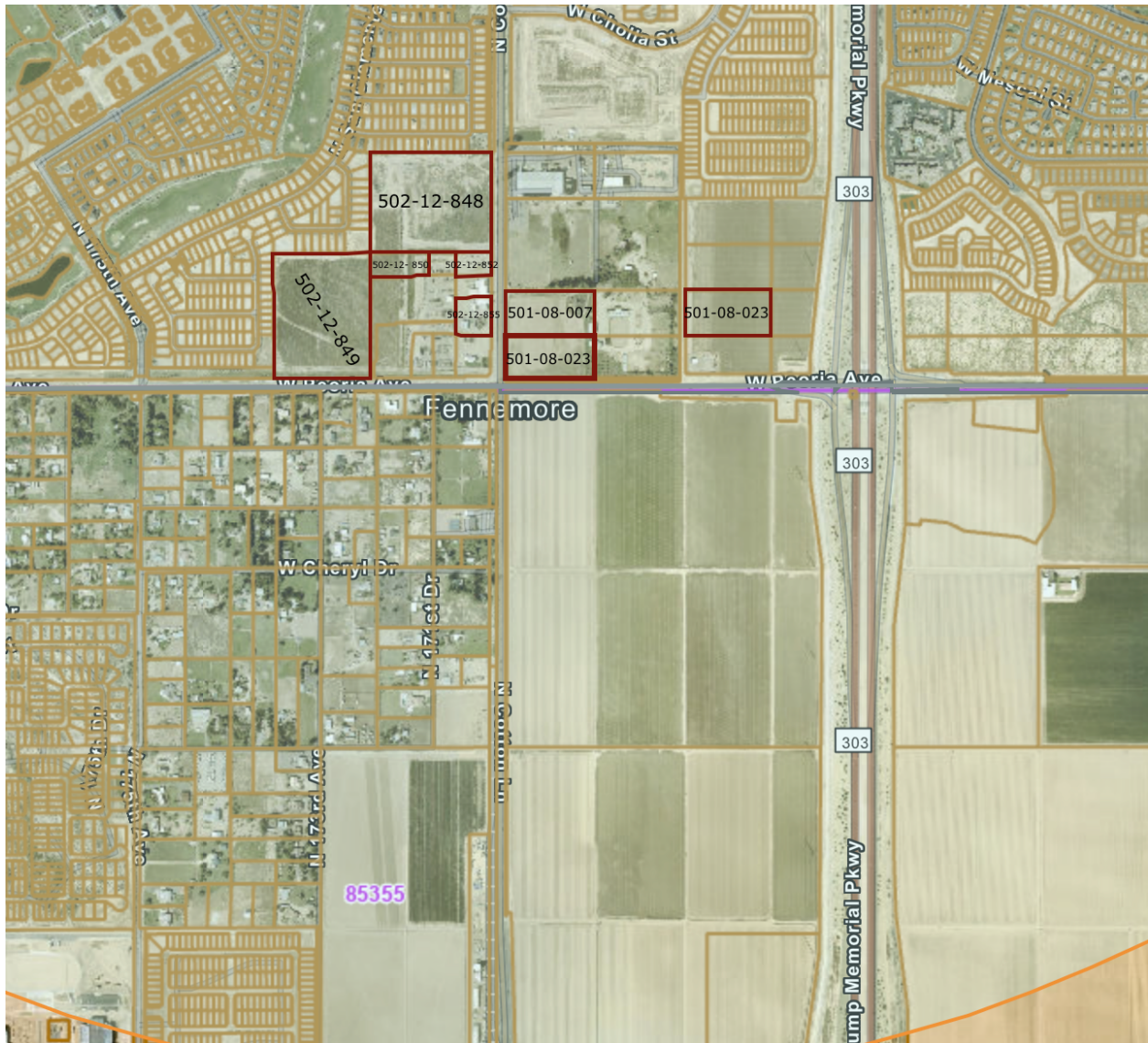
Exhibit 5: Map of Vacant/Underdeveloped Land within a 2-Mile Radius



Source: Maricopa County Assessor's Office

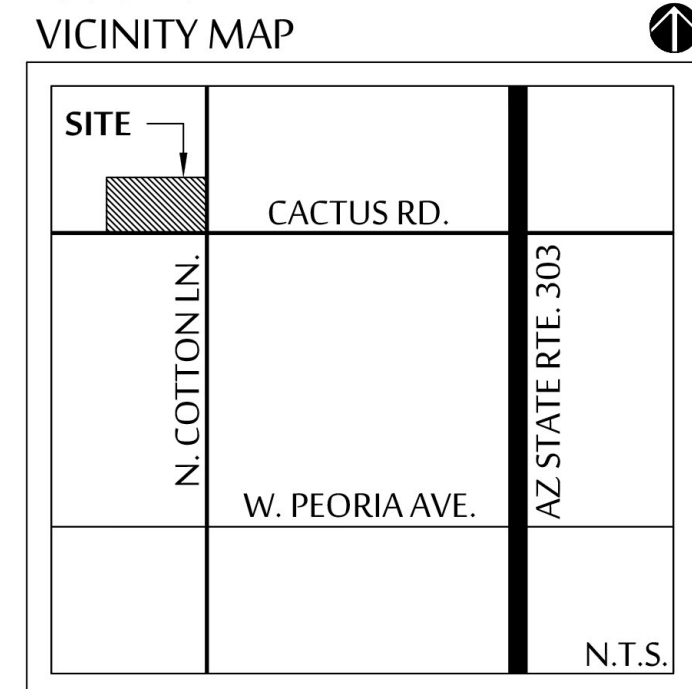


Exhibit 6: Map of Vacant/Underdeveloped Land within a 2-Mile Radius



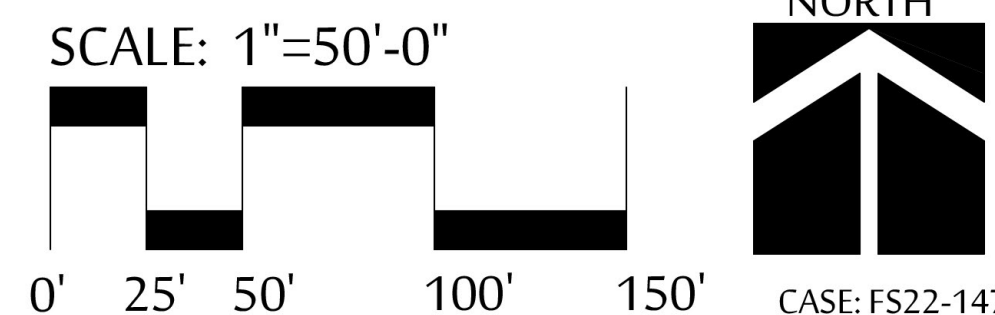
Source: Maricopa County Assessor's Office

Exhibit 5



DEVELOPER
 NEXMETRO COMMUNITIES
 2355 E. CAMELBACK RD. SUITE 805
 PHOENIX, ARIZONA 85016
 (480) 576-7882
 CONTACT: SANTIAGO FAJARDO
 santiago@nexmetro.com

LANDSCAPE ARCHITECT
 MCGOUGH ADAMSON
 535 E. MCKELLIPS RD. SUITE 131
 MESA, ARIZONA 85203
 (602) 997-9093
 CONTACT: NICK ADAMSON
 nicka@mg-az.com



NEXmetro
 Communities

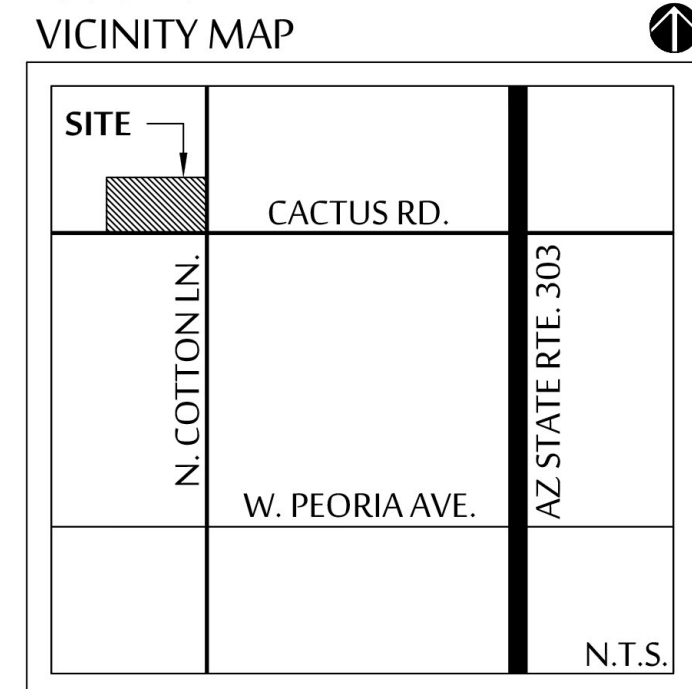
AVILLA - FOOTHILLS

CONCEPTUAL PLAN

N.W. CORNER OF CACTUS RD. & N. COTTON LN, SURPRISE, AZ
 FEBRUARY 15TH, 2023

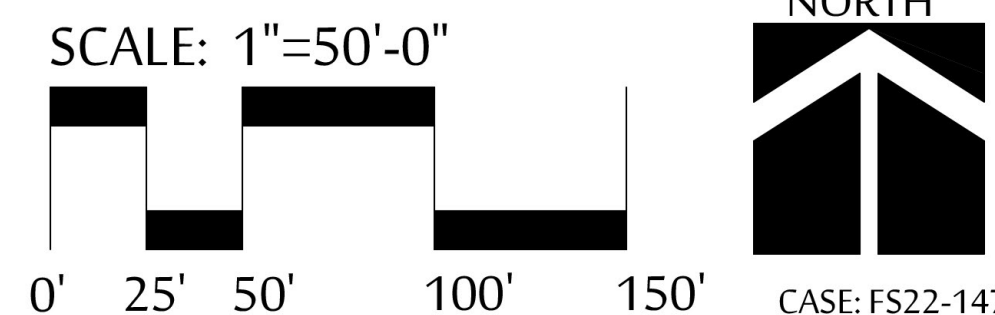


Landscape
 Architects
 Land
 Planning
 Irrigation



DEVELOPER
 NEXMETRO COMMUNITIES
 2355 E. CAMELBACK RD. SUITE 805
 PHOENIX, ARIZONA 85016
 (480) 576-7882
 CONTACT: SANTIAGO FAJARDO
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AVILLA - FOOTHILLS

CONCEPTUAL PLAN

N.W. CORNER OF CACTUS RD. & N. COTTON LN, SURPRISE, AZ
 FEBRUARY 15TH, 2023



Landscape
 Architects
 Land
 Planning
 Irrigation



**DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND**

30 May 2023

Mr. Christopher Toale
Director, Community Initiatives Team
56th Fighter Wing
14185 W. Falcon St.
Luke AFB AZ 85309-1629

Ms. Jessica Brinton
Planner II
City of Surprise Planning Department
16000 N. Civic Center Plaza
Surprise AZ 85374

Re: FS22-1473; Avilla Foothills (APN 502-04-986)

Dear Ms. Brinton

Thank you for the opportunity to provide comments on the rezone and site plan for the Avilla Foothills project. The site sits on approximately 12.9 acres of vacant land located on the northwest corner of Cactus Rd and Cotton Ln in Surprise, AZ. Avilla Foothills will contain approximately 108, 1-story detached residences. The site falls approximately 2.3 miles outside the Luke AFB 1988 JLUS 65 Ldn, "high noise or accident potential zone" as defined by A.R.S. § 28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. § 28-8461.

In an effort to promote a more compatible co-existence, Luke AFB follows the guidelines in the Graduated Density Concept (GDC). The GDC proposes, in the absence of a more restrictive state, county or municipal general or comprehensive plan, graduating densities away from the 65 Ldn as follows: a maximum of 2 du/ac from the 65 Ldn to 1/2 mile, a maximum of 4 du/ac from 1/2 to 1 mile, and a maximum of 6 du/ac from 1 to 3 miles.

This request with a proposed density of 8.4 du/ac does not fall within these guidelines and it should be noted, excessive densities underneath Luke AFB flight patterns pose a safety concern due to the potential for excessive noise and/or mishaps. However, the City of Surprise Planning Department has requested Luke AFB consider a density analysis to allow for a higher density development while still meeting the intent of the GDC. This project falls within the 320-acre, half section west of the 303 between Waddell and Cactus (Township 3 N, Range 2 W, Section 14) in which the City of Surprise will ensure does not exceed 6 du/ac and thus this request will not negatively impact the flying operations at Luke AFB.

The site is located within the "territory in the vicinity of a military airport," it will be subjected to approximately 165 over flights a day. If this development is approved, we recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. In

addition, a strong notification program on the part of the applicant would be essential to inform potential residents about Luke AFB operations.

If you have any questions, please contact my Community Planner, Ms. Jenn Rahn at (623) 856-9981.

Sincerely

TOALE.CHRISTOP
HER.P.1039696165

Digitally signed by
TOALE.CHRISTOPHER.P.10396
96165
Date: 2023.05.30 09:02:31 -07'00'

CHRISTOPHER P. TOALE

cc:

Colonel Keagan L. McLeese, Vice Commander, 56th Fighter Wing
Mr. Timothy A. Forero, GS-13, General Law Attorney, 56th Fighter Wing

AFFIDAVIT OF POSTING

Application No: FS22-1472
Applicant Name: Burch & Cracchiolo
Location: NWC Cactus & Cotton
Date Site Posted: 02/09/23

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Meghan Liggett
Applicant/Representative Signature

2/9/23
Date

This instrument was acknowledged before me on 02/09/23, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.



Marybeth Conrad
Notary Public

10.25.24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*

Notice of Public Hearing City of Surprise

Neighborhood Meeting

Date: February 28, 2023

Time: 6:00 P.M.

Location: Paradise Honors
High School Auditorium
(12775 N 175th Ave, Surprise, Az 85388)

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual Neighborhood Meeting

DATE: March 1, 2023

TIME: 6:00 PM

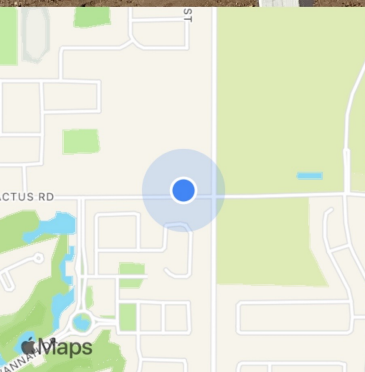
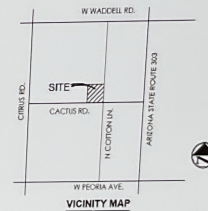
ONLINE ACCESS: https://bcattorneys.zoom.us/webinar/register/WN_CBzpGOMFTiesWBr5hSZUog

MEETING ID: 951 3745 8132

Case number: FS22-1472

Request: Rezone the Site from C-3 (Regional Commercial) to R-3 (Residential High Density).

For more information, call: 623-222-3011 Surpriseaz.gov



Feb 09, 2023 10:02AM
17300 W Cactus Rd
Maricopa County

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Date: February 28, 2023

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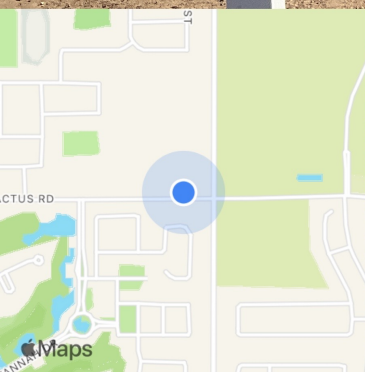
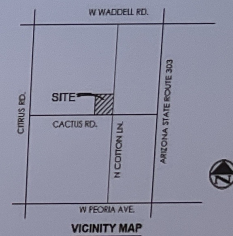
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Feb 09, 2023 10:02AM
 17300 W Cactus Rd
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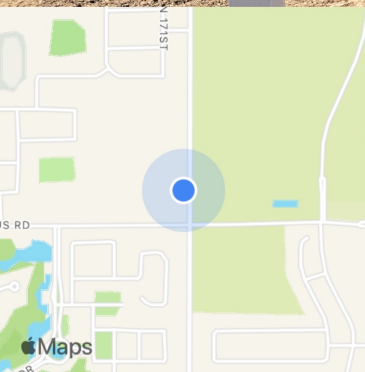
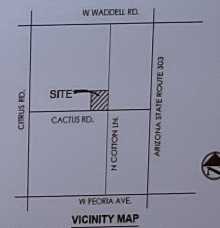
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Feb 09, 2023 09:37AM
12510-12514 N Cotton Ln
Maricopa County

Notice of Public Hearing City of Surprise

Neighborhood Meeting

Date: February 28, 2023

Time: 6:00 P.M.

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Time: 6:00 P.M.

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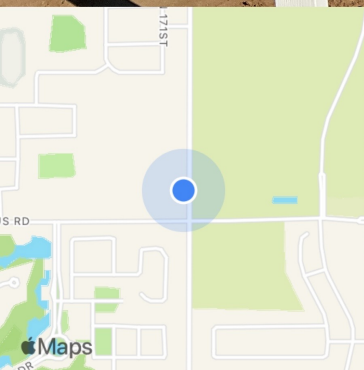
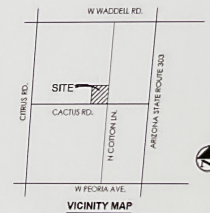
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Feb 09, 2023 09:37AM
12510-12514 N Cotton Ln
Maricopa County

AFFIDAVIT OF POSTING

Application No: FS22-1472

Applicant Name: Burch & Cracchiolo

Location: NWC Cactus & Cotton

Date Site Posted: 05/30/23

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I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Meghan Liggett 5/30/23
Applicant/Representative Signature Date

This instrument was acknowledged before me on 05/30/23, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.



Marybeth Conrad
Notary Public
10-25-24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*

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Neighborhood Meeting

Date: February 28, 2023

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High School Auditorium
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Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: June 20, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
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DATE: March 1, 2023

TIME: 6:00 PM

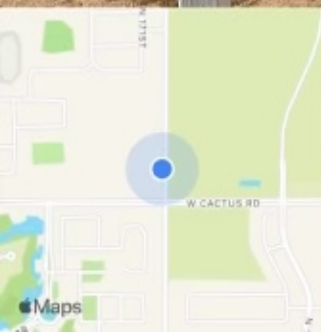
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May 30, 2023 08:02AM

12570 N Cotton Ln

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Maricopa County

Notice of Public Hearing

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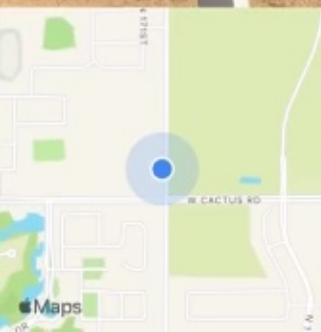
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12570 N Cotton Ln

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Maricopa County

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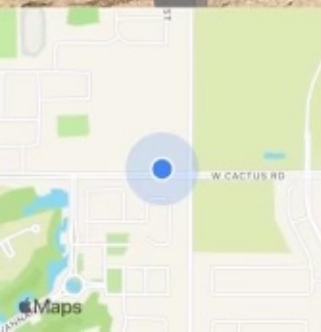
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For more information, call: 623-222-3011 Surpriseaz.gov



May 30, 2023 08:08AM

17300 W Cactus Rd

Page 65 of 351

Maricopa County

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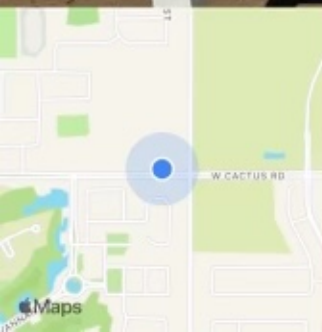
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May 30, 2023 08:08AM

17300 W Cactus Rd

Page 66 of 351
Maricopa County

CITIZEN PARTICIPATION REPORT FOR



Foothills

Northwest Corner of Cotton Lane and Cactus Road

by

NexMetro Development, LLC

Case No. FS22-1472

April 27, 2023

Citizen Participation Report For Avilla Foothills

Overview

NexMetro is the proposed developer of approximately 12.86 acres of land located at the northwest corner of Cotton Lane and Cactus Road (the “Site”). NexMetro is in escrow to acquire this challenging, vacant in-fill Site and develop it with a high-quality residential community known as “Avilla Foothills.” Avilla Foothills will contain approximately 108, 1-story, predominately detached residences that will be an attractive presence in the area and makes good land use sense with the nearby residential communities. To achieve this, NexMetro is requesting to rezone the Site from CR/C-3 Regional Commercial and CR/PUD to R-3 Residential High Density. NexMetro is also seeking Site Plan approval simultaneously with this rezoning request of the proposed site and development plans under case number FS22-1473.

Parties Affected by Application

The parties affected by the rezoning case included owners within 300’ of the site, The list of owners within 300’ can be found at **Exhibit 1**.

Details and Techniques Used to Involve the Public

The neighborhood meeting notice postcards were mailed out by Surprise Staff on February 9, 2023. The postcard included information about the in-person neighborhood meeting on February 28, 2023 and virtual meeting on March 1, 2023. The postcard can be found at **Exhibit 2**.

A newspaper ad ran in the paper on February 8, 2023. A copy of the ad can be found at **Exhibit 3**.

Two signs were posted on the Site on February 9, 2023. The signs included a brief description of the proposal and information about the in-person and virtual neighborhood meeting dates, time, and place. The Affidavit and photos of the signs can be found at **Exhibit 4**.

The first neighborhood meeting was held on February 28, 2023. The meeting summary and attendee reports can be found at **Exhibit 5**. The second neighborhood meeting was held on March 1, 2023, with the summary and attendee reports found at **Exhibit 6**.

NexMetro also engaged the services of a neighborhood outreach consultant who reached out to the Voice of Surprise leadership prior to filing the applications with the City of Surprise. The consultant also joined the VOS weekly zoom to present the proposed development, and no real concerns were voiced.

Summary of Concerns, Issues and Problems

Only four neighbors attended the neighborhood meetings, 3 at the in-person meeting and 1 at the virtual meeting. The neighbors gave complimentary comments about the single-story BTR concept. The neighbors expressed general concerns about the proposed “market rate” concept and not low-income multifamily development, the potential increase in traffic, and concerns about the adequacy of existing infrastructure including police and fire. It was discussed that compared to the commercial uses that could be built by right, this development will have a lesser impact on traffic. Also, it was explained to neighbors that City Staff evaluates the adequacy of infrastructure and impact fees that will be paid by NexMetro will in part help pay for police and fire services.

Exhibit 1

300' OWNERS	NM - COTTON & CACTUS	MAIL_ADDR1	MAIL_CITY	MAIL_ZIP
502-12-435&448	ALDRICH LANE			
502-12-444	ARP DEVIN			
502-12-449	CHINTALA VENKATA MANOJ			
502-12-441&442	CLARK SCOTT WILLIAM			
502-12-452	DEWEY STEPHEN T			
502-12-424+9	FIG HAYDEN FARMS LLC			
502-12-447	FLESCH FORREST			
502-05-734thru740	GEHAN HOMES OF ARIZONA LLC			
502-12-464	GHOSE ABHIMANYU			
502-12-450	HANDLER ERIC			
502-12-432	HAUPTMAN MICHAEL			
502-04-002S	JM AT CCL LLC			
502-12-466	KUMAR KAPIL			
502-12-426&440	LEAVITT CHASE			
502-12-439	LEE MARGARET			
502-04-987	LEGACY TRADITIONAL SCHOOL- W.SURPRISE			
502-13-305	MARICOPA COUNTY MUN WTR CONS DIST 1			
502-12-451	MARTINEZ MICHAEL			
501-10-944	MOORE RANCHES INC			
502-12-468	NOLAN JAMES S			
502-04-002H,023E&986	NWC COTTON LANE & CACTUS LLC			
502-12-465	OHFT PL LLC			
502-12-436&469	OWEN BRADLEY/KELLY			
502-12-462	PATEL SANKETKUMAR/DHARA			
502-12-423	PETERSON RYAN			
502-12-463	RIEMER DAVID NEAL			
502-12-461	RUSSO FABIAN			
502-12-434	SETHI SANJEEV/MRIDU			
502-04-979	STERLING GROVE COMMUNITY ASSOC INC			
501-44-956&991	SUBURBAN LAND RESERVE INC			
502-05-859	SWEETWATER FARMS COMMUNITY ASSOC			
502-12-443	THOMPSON JUSTIN			
502-12-490+10	TOLL PRASADA LLC			

502-12-460
502-12-467

TURNER MARK
VERGARA LENA/RAFAEL



Exhibit 2

[NOTICE OF UPCOMING NEIGHBORHOOD MEETING]

DEAR PROPERTY OWNER: The purpose of this mailing is to inform you that a Neighborhood Meeting is scheduled to review and solicit public input on Case FS22-1472, a request by Mr. Brennan Ray with Burch & Cracchiolo, PA, to rezone approximately 12.86 acres located on the northwest corner of Cactus Road and Cotton Lane from Regional Commercial (C-3) to Residential High Density (R-3).

One meeting will be conducted in-person and a second meeting will be conducted virtually.

At both meetings, the applicant and/or representative will be available to answer any questions and solicit comments on this request.

You are welcome to attend the following meetings:

In-Person

February 28, 2023 | 6:00 PM

Location: Paradise Honors High School Auditorium

12775 N 175th Ave
Surprise, AZ 85388

Virtual

March 1, 2023 | 6:00 PM

<https://bcattorneys.zoom.us/j/9876543210>
[binar/register/WN_CBzpGOME](https://bcattorneys.zoom.us/j/9876543210)
[TiesWBr5hSZUog](https://bcattorneys.zoom.us/j/9876543210)

*To learn more or provide input,
please contact:*

*Jessica Brinton at 623.222.3155 or
jessica.brinton@surpriseaz.gov*





PROJECT LOCATION:

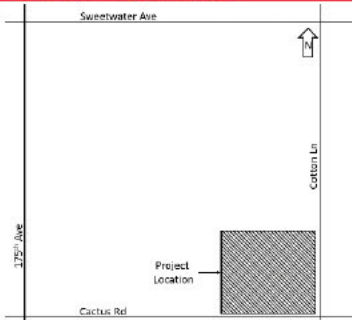


Exhibit 3

DEVELOPMENT PROJECT NEIGHBORHOOD MEETING

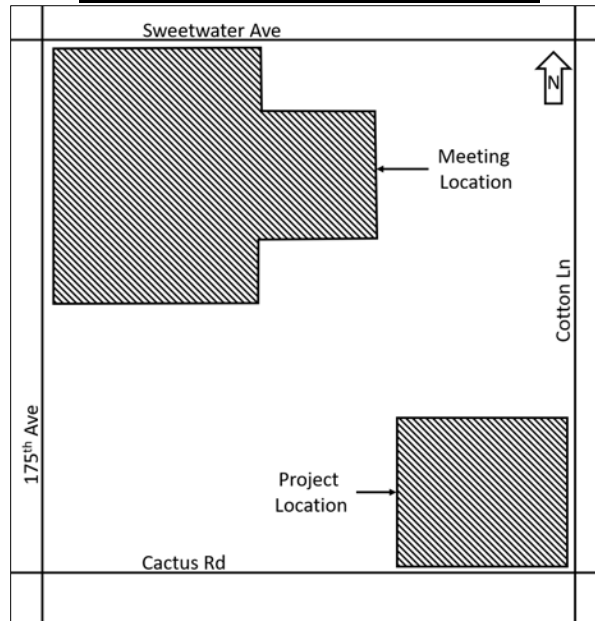
Please be advised, Burch & Cracchiolo, PA, on behalf of NWC Cotton Lane & Cactus, LLC and JM AT CCL, LLC, will host a Neighborhood Meeting to discuss the project referenced below. One meeting will be conducted in person, and a second meeting will be conducted virtually. Any member of the public may participate in the conversation as it pertains to this project. According to Surprise Municipal Code, the applicant is required to host a Neighborhood Meeting to present their project to the public while soliciting feedback and providing answers to questions. Please note, the City of Surprise is not the host of this meeting, however, the assigned City Planner will be available to provide information as needed in response to inquiries received from residents.

Applicant: Brennan Ray with Burch & Cracchiolo, PA, 602.234.8794, bray@bcattorneys.com
 City of Surprise Planner: Jessica Brinton, 623.222.3155, jessica.brinton@surpriseaz.gov

NEIGHBORHOOD MEETING DETAILS

In-Person Meeting	Virtual Meeting
DATE: Tuesday, February 28, 2023	DATE: Wednesday, March 1, 2023
TIME: 6:00 PM	TIME: 6:00 PM
LOCATION: Paradise Honors High School – Auditorium 12775 North 175 th Avenue Surprise, AZ 85388	ONLINE ACCESS: https://bcattorneys.zoom.us/webinar/register/WN_CBzpGOMFTiesWBr5hSZUog

PROJECT & MEETING LOCATION



PROJECT DESCRIPTION:

Rezone approximately 12.86 acres located on the northwest corner of Cactus Road and Cotton Lane from Regional Commercial (C-3) to Residential High Density (R-3) (APNs 502-04-986, 502-04-002H, 502-04-023E, and 502-04-002S). Surprise Planning Case FS22-1472.

Exhibit 4

AFFIDAVIT OF POSTING

Application No: FS22-1472
Applicant Name: Burch & Cracchiolo
Location: NWC Cactus & Cotton
Date Site Posted: 02/09/23

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Meghan Liggett
Applicant/Representative Signature

2/9/23
Date

This instrument was acknowledged before me on 02/09/23, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.



Marybeth Conrad
Notary Public

10.25.24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*

Notice of Public Hearing City of Surprise

Neighborhood Meeting

Date: February 28, 2023

Time: 6:00 P.M.

Location: Paradise Honors
High School Auditorium
(12775 N 175th Ave, Surprise, Az 85388)

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual Neighborhood Meeting

DATE: March 1, 2023

TIME: 6:00 PM

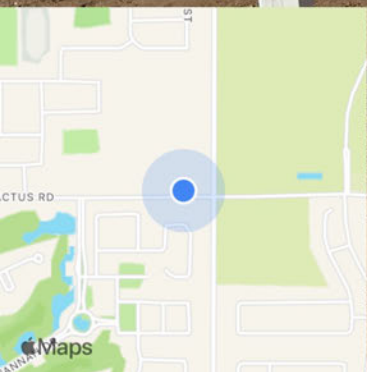
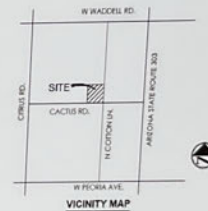
ONLINE ACCESS: https://bcattorneys.zoom.us/webinar/register/WN_CBzpGOMFTiesWBr5hSZUog

MEETING ID: 951 3745 8132

Case number: FS22-1472

Request: Rezone the Site from C-3 (Regional Commercial) to R-3 (Residential High Density).

For more information, call: 623-222-3011 Surpriseaz.gov



Feb 09, 2023 10:02AM
17300 W Cactus Rd
Maricopa County

Notice of Public Hearing

City of Surprise

Neighborhood Meeting

Date: February 28, 2023

Time: 6:00 P.M.

Location: Paradise Honors
High School Auditorium
(12775 N 175th Ave, Surprise, Az 85388)

Planning & Zoning

Date: TBD

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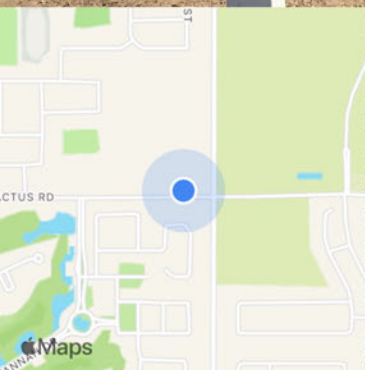
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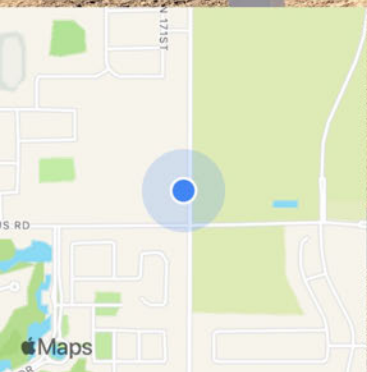
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MEETING ID: 951 3745 8132

Case number: FS22-1472

Request: Rezone the Site from C-3 (Regional Commercial) to R-3 (Residential High Density).

For more information, call: 623-222-3011 Surpriseaz.gov



Feb 09, 2023 09:37AM
12510-12514 N Cotton Ln
Maricopa County

Notice of Public Hearing City of Surprise

Neighborhood Meeting

Date: February 28, 2023

Time: 6:00 P.M.

Location: Paradise Honors
High School Auditorium
(12775 N 175th Ave, Surprise, Az 85388)

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual Neighborhood Meeting

DATE: March 1, 2023 TIME: 6:00 PM

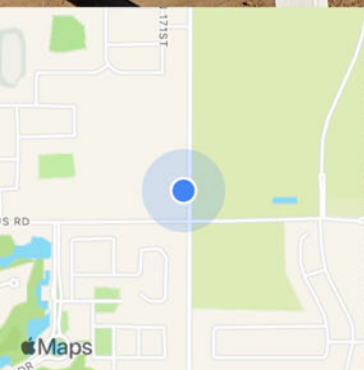
ONLINE ACCESS: https://bcattomeys.zoom.us/webinar/register/WN_CBzpGOMFTiesWBr5hSZUog

MEETING ID: 951 3745 8132

Case number: FS22-1472

Request: Rezone the Site from C-3 (Regional Commercial) to R-3 (Residential High Density).

For more information, call: 623-222-3011 Surpriseaz.gov



Feb 09, 2023 09:37AM
12510-12514 N Cotton Ln
Maricopa County

Exhibit 5

NexMetro: Cotton & Cactus , 2/28/23

Attendees

Jared Geisler – NexMetro Communities
Santiago Fajardo – NexMetro Communities
Tom Bilsten – Neighborhood outreach
Loyd Abrams – City of Surprise
Jessica Brinton – City of Surprise
Brennan Ray – Burch & Cracchiolo
Madison Leake – Burch & Cracchiolo
3 Neighbors

Overview/Introduction

- Site is northwest corner of Cotton and Cactus
- Under 13 gross acres
- Currently zoned for commercial uses
- Applications have been filed for a rezoning to R3 and Site Plan approval
- Neighborhood outreach has been ongoing, and we have worked closely with the City, neighbors, and local groups
- Primary access is on a private drive off of Cotton; a secondary access point is on Cactus
- There is an emergency access point near the southwest corner, on the Legacy School side.
- The community will be gated
- The development will have theme wall and an entry/exit gate
- Significant amount of open space in addition to each unit having a private yard
- Amenities include a pool, dog park, and open space area
- Ample setbacks on Cotton and Cactus
- Had discussions with the adjacent Legacy School regarding traffic and circulation. Legacy is not concerned with this development
- In connection with these applications, NexMetro has submitted a traffic impact analysis. This analysis found that this proposed development will generate less traffic than a commercial use allowed under the current zoning
- Renter demographics: this type of development is a lifestyle choice. Many renters could afford a single-family home but chose the maintenance free lifestyle
- This is a market rate development. Rents will be around \$1,600 to \$2,400
- NexMetro has found this type of development appeals to many single women
- This style of development also appeals to mature individuals and couples who want a low maintenance lifestyle
- This type of development brings many renters that already live in the area
- Minimum lease is 1 year; on average people rent for around 28 months
- All 1 story, the tallest building is about 17 feet
- 1, 2, and 3 bedroom units
- 108 units contained in 91 buildings. The 1-bedroom units are in a duplex.
- Density is about 8 du/ac
- Each unit type has three distinct architectural styles
- NexMetro is required to make off-site improvements, including drainage improvements on Cotton and Cactus

- Process: applications filed in November, continued neighbor outreach, neighborhood meetings on 2/28 and 3/1 (virtual), hearing dates are to be determined

Questions, Answers, and Comments

Q. Are more rentals needed in Surprise?

- A. The Valley (including Surprise) is experiencing a housing crisis. Estimates show The Valley is short about 200,000-300,000 housing units. Surprise continues to attract jobs, which creates demand for housing. What people are looking for in a home is also changing, rental communities are in demand.

Q. Comment that this corner of Cactus and Cotton will soon be developed with other apartment units

Q. Comment that more commercial is needed in the area

- A. There are multiple factors that make this Site not ideal for commercial uses. There are physical constraints on the Site including: a 50' drainage channel along Cotton, a 65' drainage along cactus, and the access point being fixed. Commercial uses also need to be visible and have easy access to be viable. Online sales have also reduced physical retail demand.

Q. Concern with traffic

- A. When traffic engineers consider traffic, they look at trips - which is a movement, not a vehicle. Traffic engineers focus trip generation for am and pm peak hours, this use does not generate a significant amount of peak hour trips especially compared to commercial uses.

Q. Neighbor comments that Surprise has too many apartments and not enough single-family homes.

Q. What happens if the economy changes and rentals aren't as popular?

- A. The way people look at living and homeownership has changed. This model has shown its viability over time. Tucson has had this product since the 90s. This is a niche that's for a very particular lifestyle.

Q. Neighbor comments development seems safe and she is not concerned about it causing crime.

Q. Comment that Surprise does not have enough police or fire resources.

- A. If this development is approved, NexMetro will pay impact fees that go in part to police and fire.

Q. Concern about water and other infrastructure

A. As part of this process, this application is reviewed by City Staff including planning, engineering, utilities. EPCOR has also provided a will serve letter for water.

Q. Concern about traffic including future homes and apartment in the area.

A. NexMetro's traffic impact analysis focuses on adjacent streets. The traffic impact analysis considered existing conditions, built scenario, and no build senecio. The traffic impact analysis projects into the future and assumes an increase in traffic.

End of Meeting.

Tuesday, February 28, 2023 at 6:00pm - Neighborhood Meeting
Case No. FS22-1472 - NexMetro Communities / Avilla Foothills (NWC Cotton Ln & Cactus Rd)

SIGN-IN SHEET (PLEASE PRINT)

NAME (Please Print)	ADDRESS (please include Zip Code)	PHONE NO.
Channon D.	985386	—
Andrew Berrefato		
Barb Berrefato		

Exhibit 6

**NexMetro: Cotton & Cactus , 3/1/23
(VIRTUAL)**

Attendees

Jared Geisler – NexMetro Communities
Santiago Fajardo – NexMetro Communities
Tom Bilsten – Neighborhood outreach
Loyd Abrams – City of Surprise
Jessica Brinton – City of Surprise
Brian Greathouse – Burch & Cracchiolo
Madison Leake – Burch & Cracchiolo
1 Neighbor

Overview/Introduction

- Site is northwest corner of Cotton and Cactus
- Under 13 gross acres
- Currently zoned for commercial uses
- Applications have been filed for a rezoning to R3 and Site Plan approval
- Primary access is on a private drive off of Cotton; a secondary access point is on Cactus
- There is an emergency access point near the southwest corner, on the Legacy School side.
- The community will be gated
- The development will have theme wall and an entry/exit gate
- Significant amount of open space in addition to each unit having a private yard
- Amenities include a pool, dog park, and open space area
- Ample setbacks on Cotton and Cactus
- This is a market rate development. Rents will be around \$1,600 to \$2,400
- All 1 story, the tallest building is about 17 feet
- 1, 2, and 3 bedroom units
- 108 units contained in 91 buildings. The 1-bedroom units are in a duplex.
- Density is about 8 du/ac
- Process: applications filed in November, continued neighbor outreach, neighborhood meetings on 2/28 and 3/1, hearing dates are to be determined

Questions, Answers, and Comments

Q. Is there a demand for this type of housing?

A. The Valley is in a housing shortage, the market is demanding all kinds of housing. This specific housing product is a niche that provides benefits of single family and multi family.

Q. Is there a demand for commercial uses on this Site?

A. This Site has access and visibility issues that make it not ideal for commercial uses. Drainage and other issues limit commercial options. This Site is well suited for multifamily and provides a transition between the neighboring school and nearby single family uses.

End of Meeting.

Attendee Report		
Topic	Webinar ID	Total Attendees
NH Meeting (Virtual Option) - NexMetro Communities / Avilla Foothills (Cotton Ln & Cactus Rd)	951 3745 8132	8
Panelist Details		
User Name	Email	
Santiago Fajardo	santiago@nexmetro.com	
Madison Leake	mleake@bcattorneys.com	
Jared Geisler	jared@nexmetro.com	
Tom Bilsten	tom.bilsten@gmail.com	
Brian Greathouse	bgreathouse@bcattorneys.com	
Attendee Details		
User Name	Email	
Andy Jochums	ajochums@beusgilbert.com	
Jessica Brinton	jessica.brinton@surpriseaz.gov	
EKEMINI MBEKANAKO		

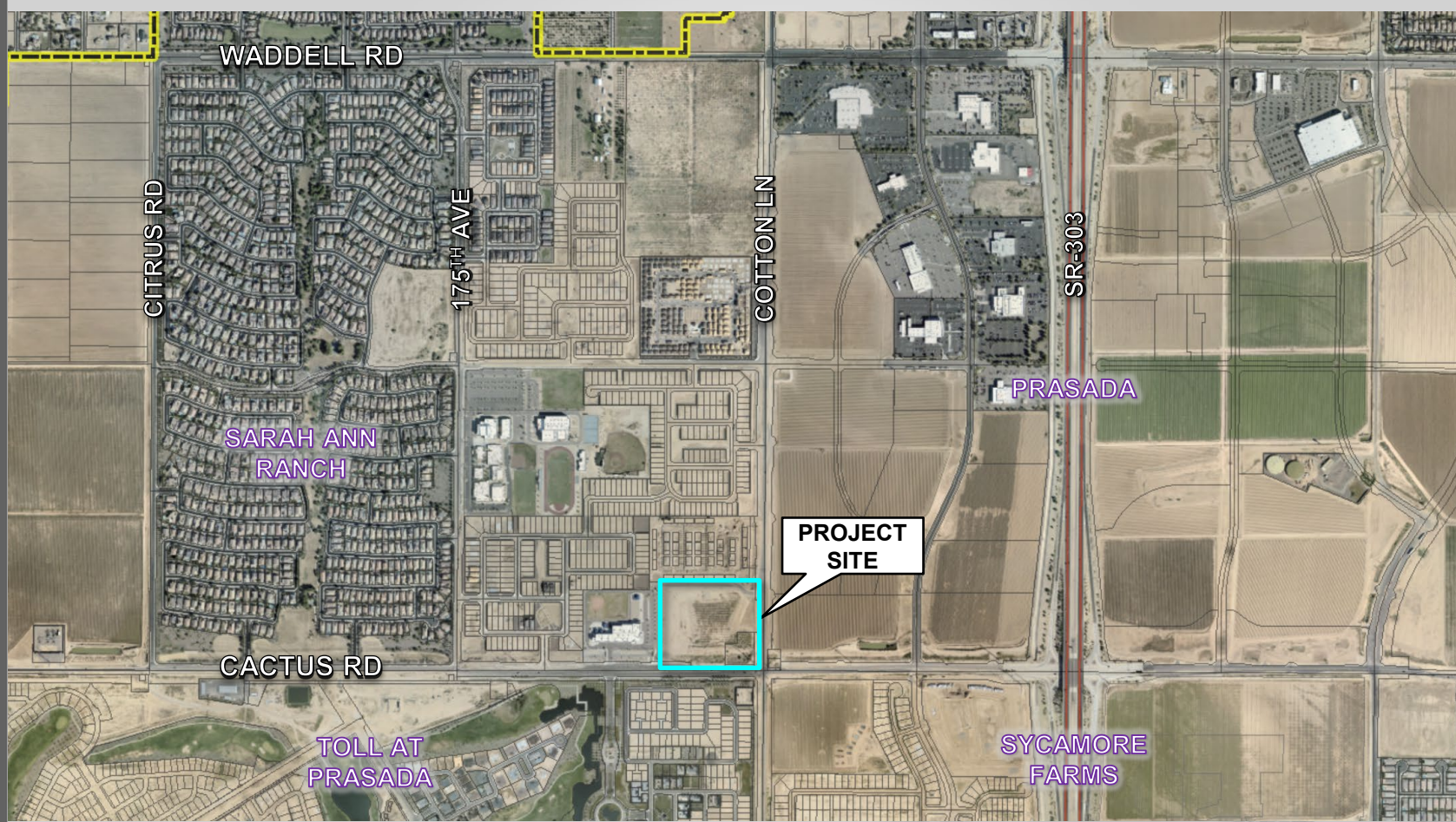


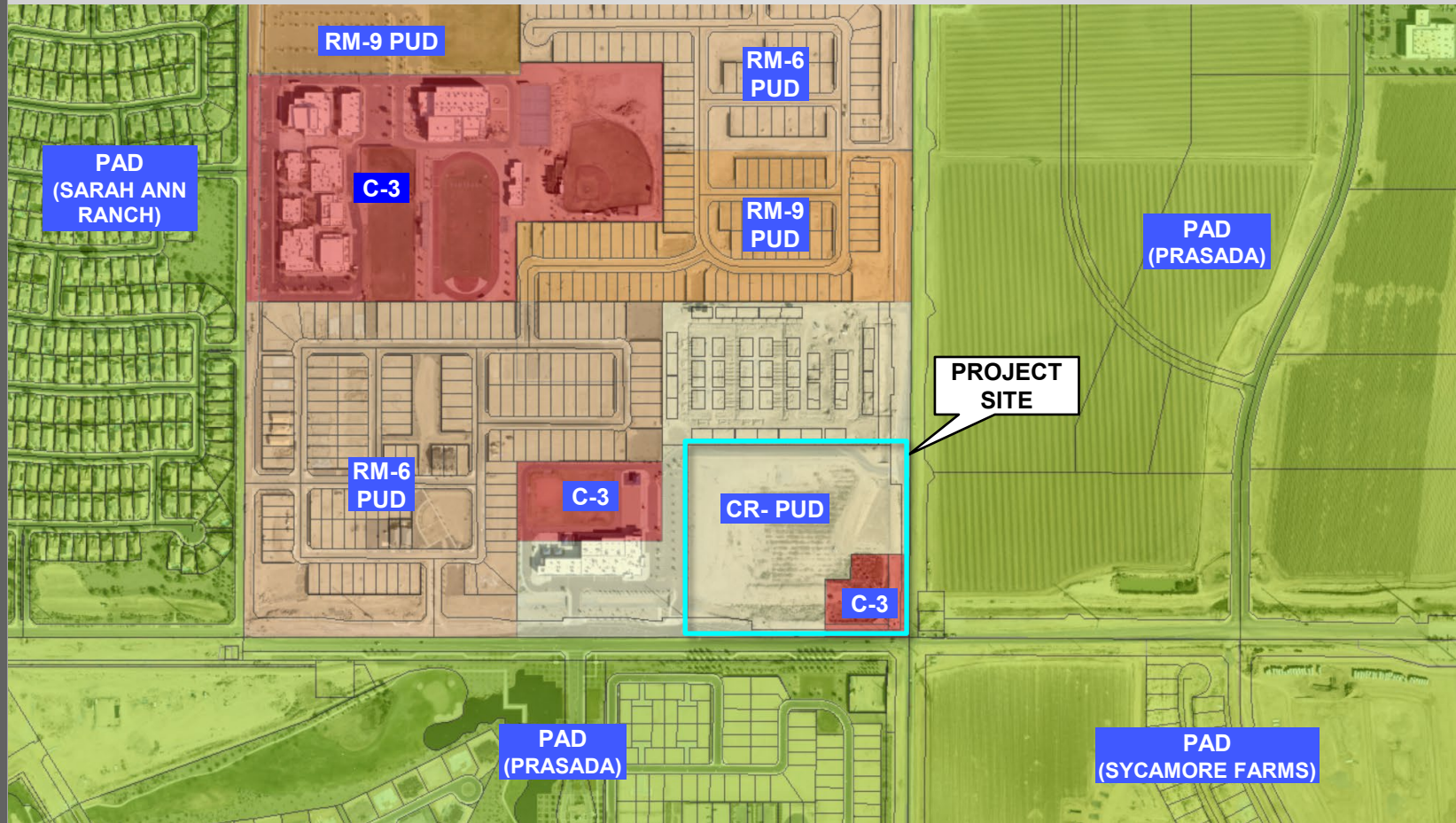
FS22-1472

Avilla Foothills

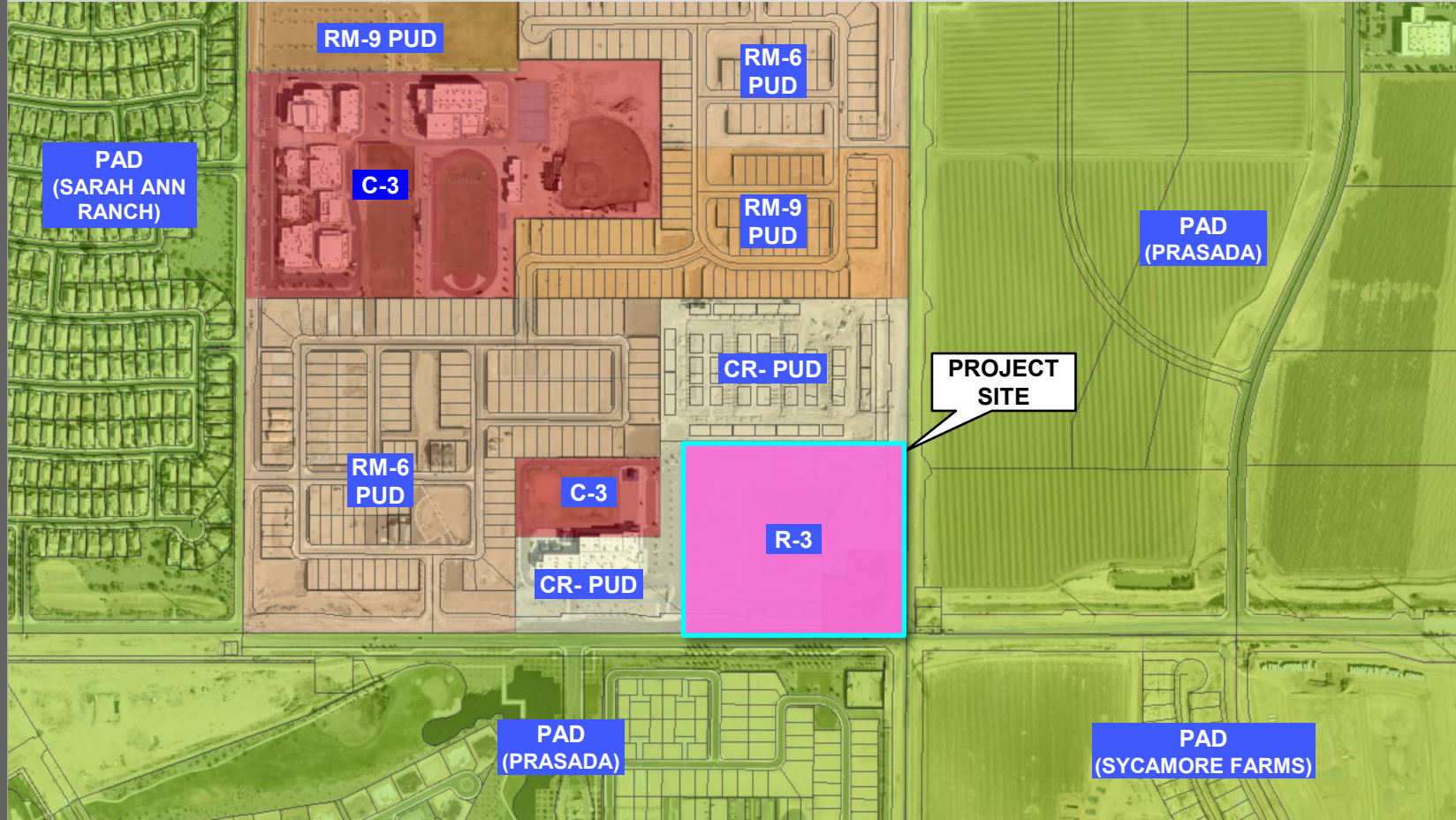
Rezone

Planning & Zoning Commission
June 15, 2023

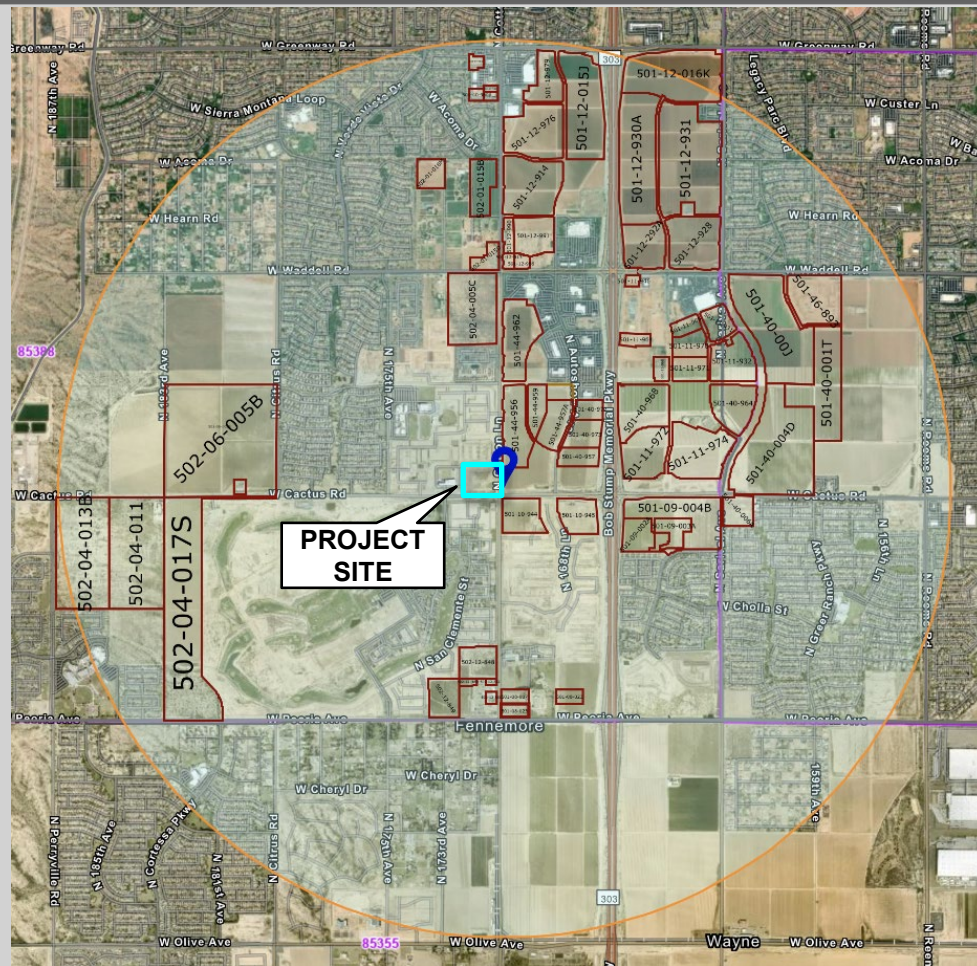




FS22-1472 EXISTING ZONING MAP



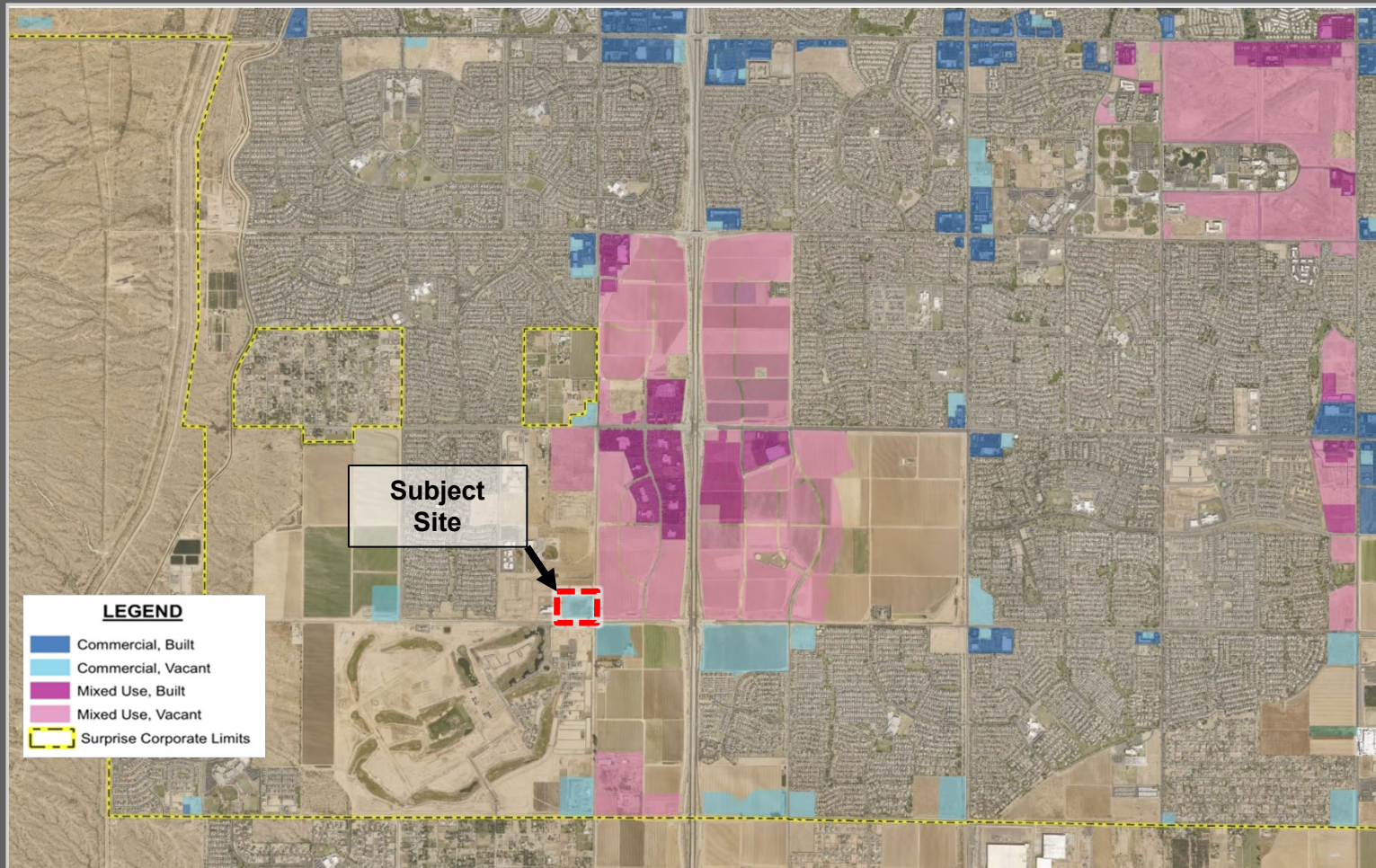
FS22-1472 PROPOSED ZONING MAP



- Sites outlined in red = vacant or underdeveloped commercial within 2-mile radius
- 15.7 million square feet of developable commercial land within Surprise proper within 2-mile radius

MARKET STUDY





COMMERCIAL OVERVIEW

Table 106-2e—Residential High Density (R-3) Zoning District

Net Density (du/ac)	8-11.9	12-14.9	15+
Min. setback to arterial ROW (ft) ²	20	20	20
Min. setback to collector and local ROW (ft) ²	15	15	15
Min. setback adjacent to residential zoning (ft)	10	15	20
Min. setback adjacent to non-residential zoning (ft)	20	20	20
Max. bldg. height ¹ (ft)	45	50	60
Open space (sf/du)	150	150	150

Notes:

1. The *height* of any *structure*, or portions thereof, shall not exceed 30 feet in *height* measured at the *setback* line when *adjacent* to *single-family, two-family, three-family development parcels*. The *height* of the *accessory structure* may increase at a ratio of one foot vertical for every one foot horizontal as measured relative to the property line to a maximum *height* equal to the *zoning*.
2. *Setback* may be reduced to ten feet along collector or local *right-of-way* for units that open to the *street* and exclude a perimeter wall.



CONCEPTUAL SITE PLAN



OUTREACH

- Site Posting, 300' Mailers, & Newspaper Publishing's
- Citizen Participation Meeting (In-Person) 2/28/2023
 - 3 attendees
- Citizen Participation Meeting (Virtual) 3/1/2023
 - 1 attendee
- General concerns on traffic, infrastructure in project vicinity
- No opposition to specific project



RECOMMENDATION

Staff recommends that Planning & Zoning Commission recommend Approval subject to stipulations “a” and “b”



SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You



Stipulations

- a) Development and use of the site shall be in substantial conformance with the project narrative entitled “Rezone Narrative for Avilla Foothills”, dated April 27, 2023.
- b) Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code.



CITY OF SURPRISE Planning and Zoning Commission Meeting

Council Meeting Date: June 15, 2023 Contact Person: Chris Sexton
Submitting Department: Community Development District: District 3
Staff Recommendations:

Consent: No	Regular: No	Public Hearing: Yes	Report/Discussion: No
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Agenda Wording:

Consideration and action pertaining to a Conditional Use Permit (CUP) with Site Plan for a vehicle service, minor repair facility, located within the Sierra Montana Planned Area Development (PAD). Case FS22-0587.

Motion:

I move to approve case FS22-0587, a Conditional Use Permit with Site Plan for SWC Cotton & Greenway Auto Repair located within the Sierra Montana PAD at Greenway & Cotton subject to stipulations 'a' through 'e' as outlined in the staff report.

Background:

Daniel Cox with SimonCRE, on behalf of Cotton Greenway Partners LLC, requests a CUP with Site Plan to allow for a new vehicle service, minor repair facility on a vacant parcel generally located south of Greenway Road and west of Cotton Lane within the Sierra Montana PAD.

Objective Analysis:

Policy Compliant:

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. 00 - FS22-0587 Cotton and Greenway Auto Repair CUP w Site Plan - Staff Report
2. 01 - FS22-0587 SWC Cotton & Greenway Auto Repair CUP with Site Plan - Vicinity Map
3. 02 - FS22-0587 SWC Cotton & Greenway Auto Repair - Zoning Map

4. 03 - FS22-0587 SWC Cotton & Greenway Auto Repair - Site Plan
 5. 04 - FS22-0587 SWC Cotton & Greenway Auto Repair - Landscape Plan
 6. 05 - FS22-0587 SWC Cotton & Greenway Auto Repair - Colored Elevations
 7. 06 - FS22-0587 SWC Cotton & Greenway Auto Repair - Noise Study
 8. 07 - FS22-0587 - SWC Cotton & Greenway Auto Repair - Public Participation Report Redacted
 9. 08 - FS22-0587 SWC Cotton & Greenway Auto Repair - Affidavit of Sign Posting
 10. FS22-0587 SWC Cotton & Greenway Auto Repair - PowerPoint
-

CONDITIONAL USE PERMIT

REPORT TO THE PLANNING AND ZONING COMMISSION

Case: FS22-0587

Project Name: SWC Cotton & Greenway Auto Repair

Council District: 3 – Mesquite

Meeting Date: June 15, 2023

Planner: Chris Sexton, Planner II

Owner: George Apostol, Cotton Greenway Partners LLC

Applicant: Daniel Cox, SimonCRE

Request: Conditional Use Permit with Site Plan for a new minor automobile service center

Site Location: Generally located south of the southwest corner of Greenway Road and Cotton Lane in the Sierra Montana Planned Area Development (PAD)

Site Size: 1.74 acres (approx.)

General Plan Conformance: The proposal is consistent with the Surprise General Plan 2035

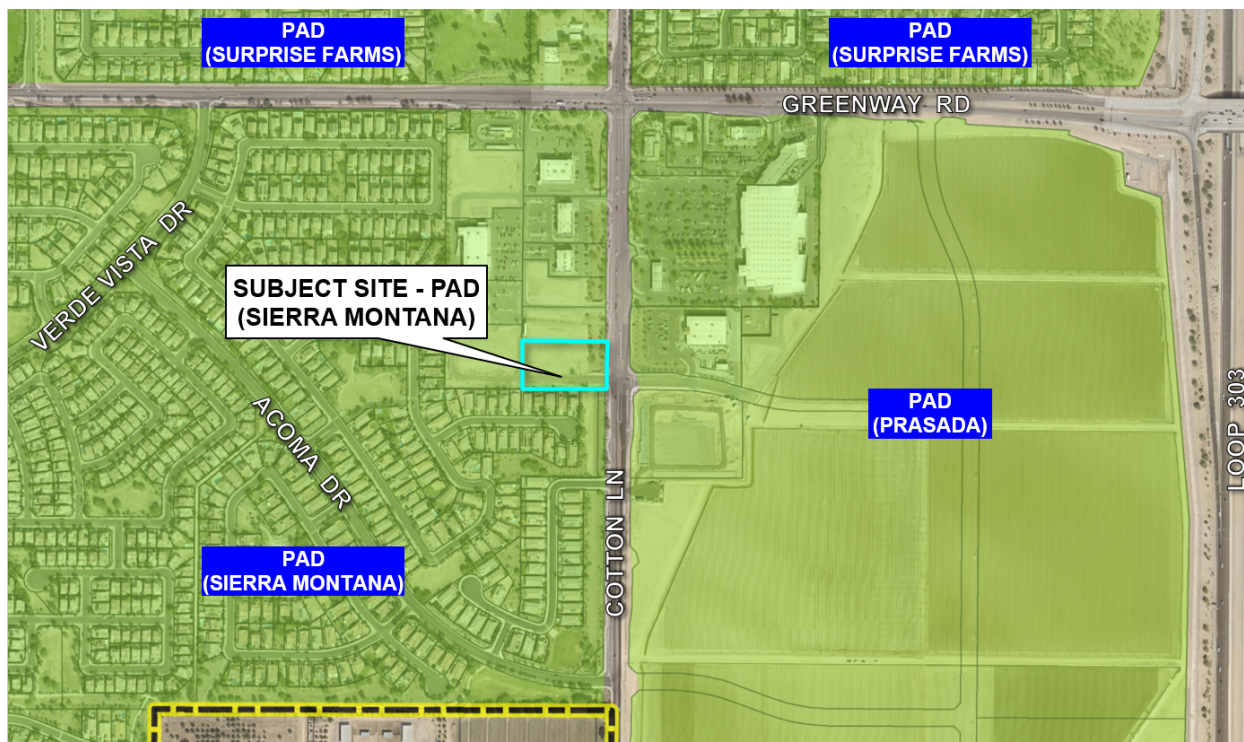
Support/Opposition: Refer to the attached Citizen Participation Report

Staff Recommendation: Staff recommends the Commission **approve** the subject Conditional Use Permit with Site Plan, Case FS22-0587, subject to stipulations 'a' through 'e'.

Project Description:

Daniel Cox, on behalf of Cotton Greenway Partners LLC, requests a Conditional Use Permit with Site Plan to allow for a new minor automobile service center, generally located south of the southwest corner of Greenway Road and west of Cotton Lane within the Sierra Montana PAD.

Surrounding Land Zoning:



Sierra Montana PAD (C-2)	Sierra Montana PAD (C-2)	Prasada PAD (PGV)
Sierra Montana PAD (C-2)	Sierra Montana PAD (C-2)	Prasada PAD (PGV)
Sierra Montana PAD (LDR)	Sierra Montana PAD (LDR)	Prasada PAD (PGV)

Background:

September 14, 2000: The Mayor and City Council approved the Sierra Montana Planned Area Development (PAD) under case PAD99-100.

January 13, 2022: Staff met with the applicant to discuss a proposed minor vehicle service center during a Concept Review meeting held under CR22-1818.

April 21, 2022: The applicant filed a request for a Conditional Use Permit with Site Plan regarding a new minor vehicle service center under FS22-0587, the case number.

May 24, 2022: The applicant held a citizen outreach meeting in the Media Room of Cimarron Springs Middle School. A summary of this meeting is included in the Citizen Participation Report attached to this staff report.

September 26, 2022: The applicant held a citizen outreach meeting in the Media Room of Cimarron Springs Middle School as the design of the building changed after the first Neighborhood Meeting. A summary of this meeting is included in the Citizen Participation Report attached to this staff report.

Analysis and Discussion:

The subject request involves a 5,848 square foot minor automobile service center with eight (8) service bays on a vacant 1.74-acre parcel located south of the southwest corner of Greenway Road and Cotton Lane. The subject site is zoned PAD and has an underlying land use designation of Community Commercial (C-2) within the Sierra Montana PAD. The PAD references Title 17 for land uses.

This CUP application has been reviewed against the standards listed above. Staff finds that this CUP application conforms to the requirements set under Title 17.

The site is to be accessed through existing shared driveways on the south and west sides of the property. The driveway on the west side is part of the overall internal circulation of the existing commerce center while the driveway on the south side provides direct access to and from Custer Drive. The proposed site plan also demonstrates pedestrian connectivity from the site out to the existing sidewalk along Custer Drive.

Sixteen parking spaces are required and seventeen are proposed, one of which is ADA accessible.

The proposed landscape meets the requirements of the Sierra Montana PAD and the Surprise Municipal Code. On-site the applicant is proposing 38% of landscape coverage, which meets the minimum requirement of 15%. The proposed onsite landscape will match the landscape of the existing development in Sierra Montana Crossing Plaza. A refuse enclosure is proposed to be located along the northeast portion of the site and will be screened by an enclosure and landscape.

The proposed building colors and material palette will match the existing buildings and complement the surrounding area.

Noise Study

In addition to the requirements set in Title 17, staff also requested a noise impact study, which the applicant provided. This noise study took into consideration the existing ambient noise level and compared them to the anticipated noise levels during operation of the car wash. The study concluded the following:

“When combined with the ambient background noise, the increase in noise level above the ambient background noise, the increase in noise level above the ambient baseline will be 0.2 dBA at NM1, 0.7 dB at NM2, 3.2 dB at NM3, 0.0 dB at NM4 and 0.0 at NM5. The increase in noise level attributed to the future operational noise levels will be less than significant and will not result in significant noise impacts at any of the nearby residential boundary locations.”

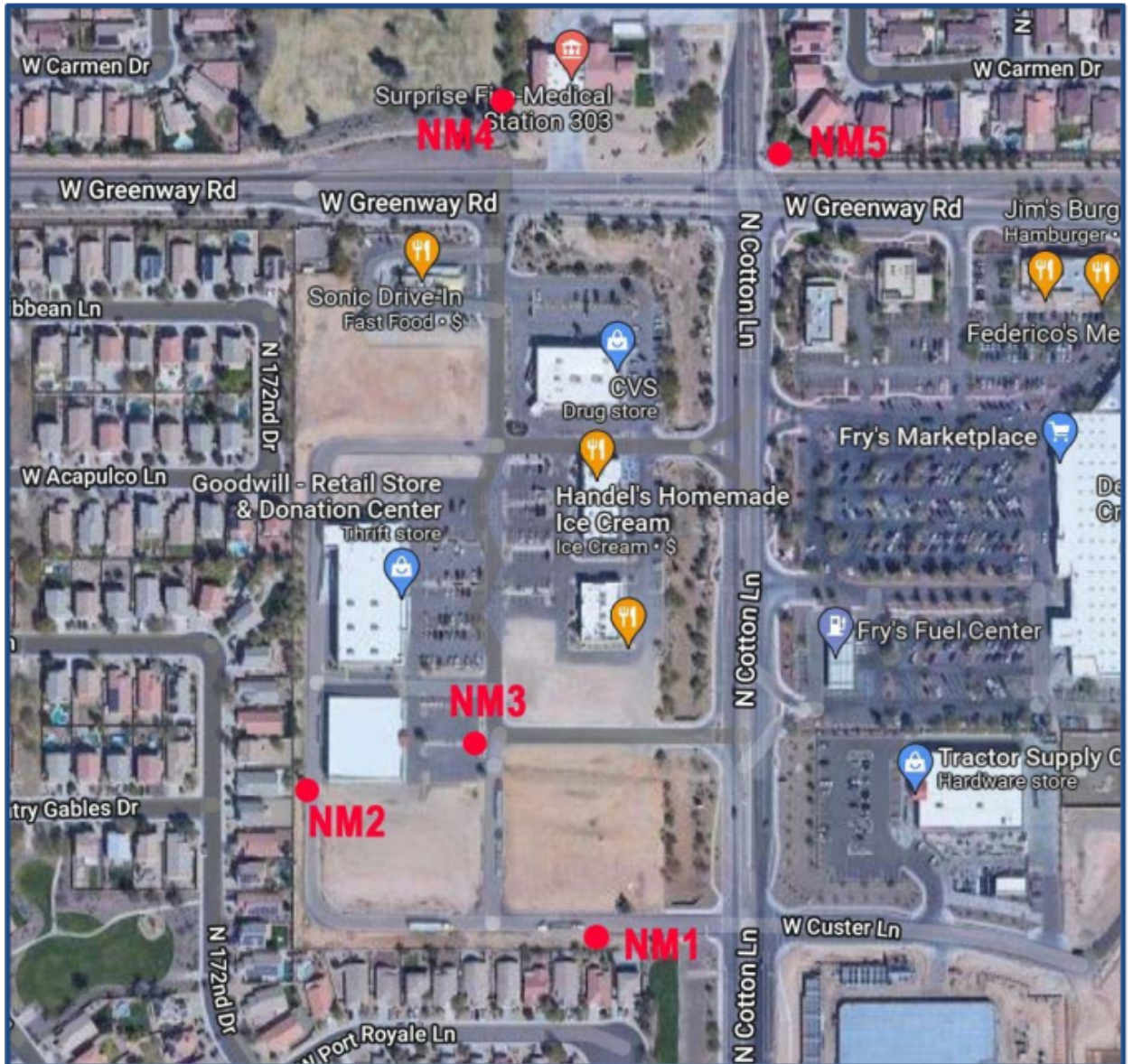


Figure 3. Noise Measurement Locations

Evaluative Criteria

The Sierra Montana PAD references the C-2 uses listed under Title 17 for Principally Permitted uses and Conditionally Permitted uses. Title 17 lists "Automobile service center, minor" as Conditionally Permitted in C-2 zoning districts but requires an analysis of any proposed Conditionally Permitted use to be based on the use specific standards listed under section 17.28.080.C.2. of Title 17. These standards include the following:

- A. All services and repairs shall be conducted entirely within an enclosed building except for the sale of gasoline.

Commentary: All services and repairs will be conducted entirely within the enclosed building.

- B. Outdoor storage is prohibited.

Commentary: Outdoor storage is not being proposed.

- C. Outdoor displays are prohibited.

Commentary: Outdoor displays are not being proposed.

- D. All buildings and/or structures (temporary or permanent) shall be screened from any residential zone.

Commentary: The proposed building that will house the main operation of the minor automobile service center will be screened from any residential zones with the existing 6-foot-tall block wall that abuts the property line to the commerce center south of Custer Drive. Additionally, there is a landscape buffer south of Custer Lane from the nearby residences.

- E. Any area used for parking shall be paved.

Commentary: Any area for parking will be paved.

- F. There shall be no manufacturing, compounding, processing or treatment of products other than that which is clearly incidental to retail sales or the business operation of a minor automobile service center, and where all such completed products are sold as retail on the premises.

Commentary: There will be no manufacturing, compounding, processing or treatment of products other than what is clearly incidental to retail sales or the business operation of a minor automobile service center, and where all such completed products are sold as retail on the premises.

Neighborhood Outreach:

Two meetings were held at the Cimarron Springs Middle School, both in-person and virtual. The applicant held two separate neighborhood outreach meetings, at the request of city staff, as there was a change in the building design after the first outreach meeting was held.

The first meeting was held on May 24, 2022, with two attendees present (1 in-person and 1-virtual). At this meeting, the primary concerns were related to noise, light pollution, traffic, and site security.

The second meeting was held on September 26, 2022, with four attendees (2-in-person and 2-virtual). The concerns and questions that were raised pertained to the number of stores the tenant owns, landscaping and lighting.

Attached to the public participation report are emails to attendees sharing landscaping and photometric plans and answers to additional questions.

A full summary of the meeting can be found in the attached Citizen Participation Report.

Conformance with Adopted Plans:

Surprise General Plan 2035: The proposal is consistent with the Surprise General Plan 2035.

The proposal is consistent with the Surprise General Plan 2035. The subject property is within the Neighborhood Character Area, which supports uses such as that proposed.

The proposed development adheres to the Neighborhood Character Area Development by providing supporting commercial uses to surrounding residential.

The proposed development adheres to the General Plan Development Guidelines common to all Community Commercial Types. The rooftop components and parking areas are properly screened. The site plan exhibits adequate drive-through queuing and parking lot circulation.

Reviewing Agencies:

In addition to the standard city reviewing agencies, Luke Air Force Base, the Arizona Department of Transportation, and the Maricopa Water District were included in the routing of this request. None of the reviewing agencies indicated any concerns over the request.

Summary:

The proposed Site Plan meets the requirements of the Surprise General Plan 2035, Sierra Montana PAD, Surprise Municipal Code, and all applicable zoning codes.

Findings:

- The proposed Site Plan is consistent with the Surprise General Plan 2035
- The proposed Site Plan demonstrates compliance with the Sierra Montana PAD.
- The proposed Site Plan demonstrates compliance with the Surprise Municipal Code and applicable development standards of the City's Land Development Ordinance.
- The proposed Site Plan demonstrates compliance with applicable development standards of Title 17.
- The reviewing agencies have indicated no objections to the request.

Recommendation:

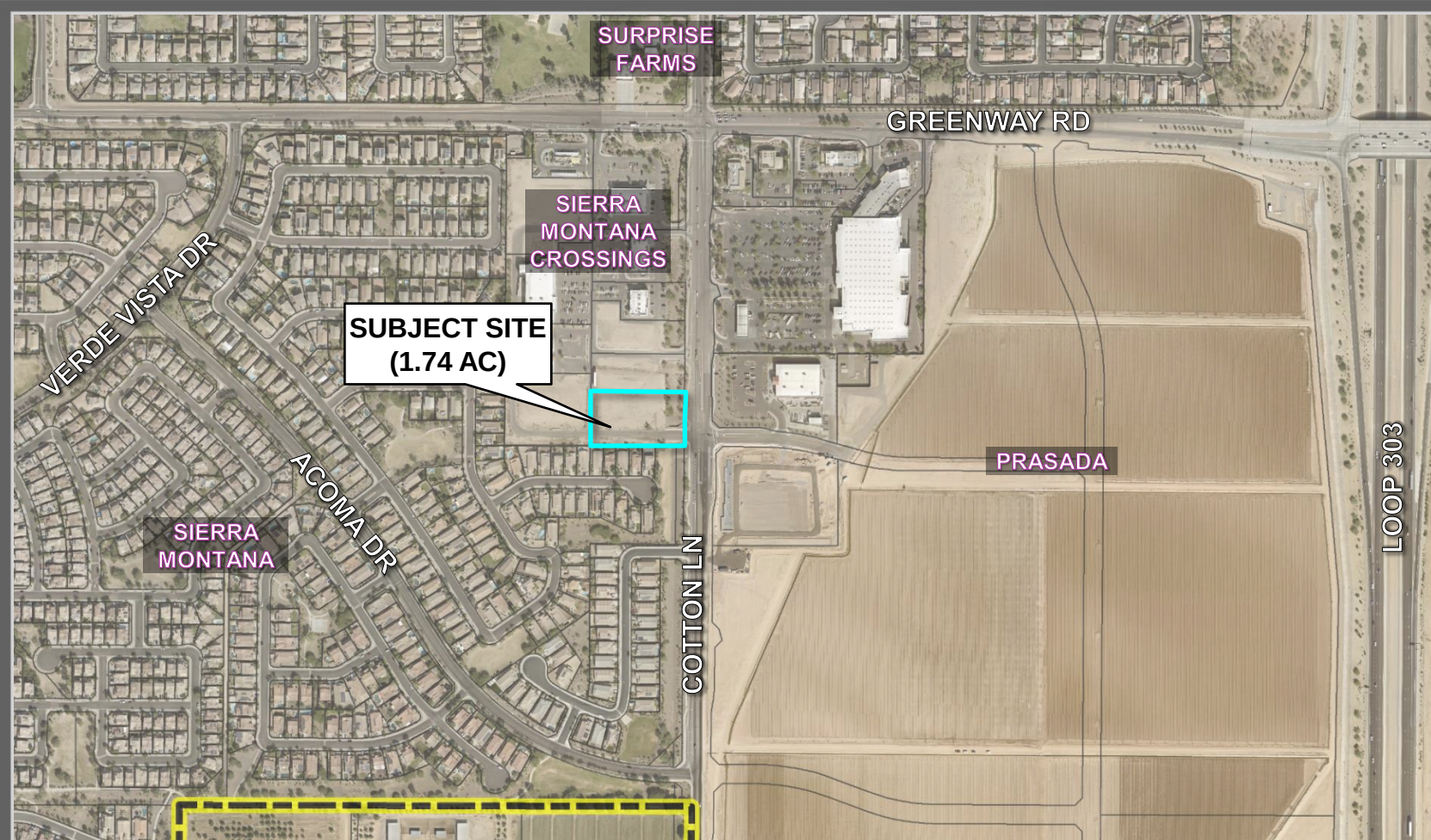
Based on the findings noted above, staff recommends the Commission move to **approve** Case **FS22-0587**, subject to stipulations ‘a’ through ‘e’ as outlined below:

- a. Development and use of the site shall be consistent with the Site Plan entitled “Kerry’s Car Care” consisting of one (1) sheet prepared by RKAA Architects and dated March 29, 2023.
- b. Landscaping of the site shall be consistent with the Landscape Plan entitled “Kerry’s Car Care” consisting of one (1) sheet prepared by RKAA Architects and received November 22, 2022.
- c. Building elevations shall be consistent with the Elevations entitled “Kerry’s Car Care” consisting of five (5) sheets prepared by RKAA Architects and received August 5, 2022.
- d. The applicant shall obtain a building permit for the subject facility within two (2) years of the effective date of Planning and Zoning Commission approval of this Conditional Use Permit. If the applicant does not obtain said building permit within the specified time, this Conditional Use Permit shall be deemed null and void.
- e. Non-compliance with the stipulations of approval of this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code.

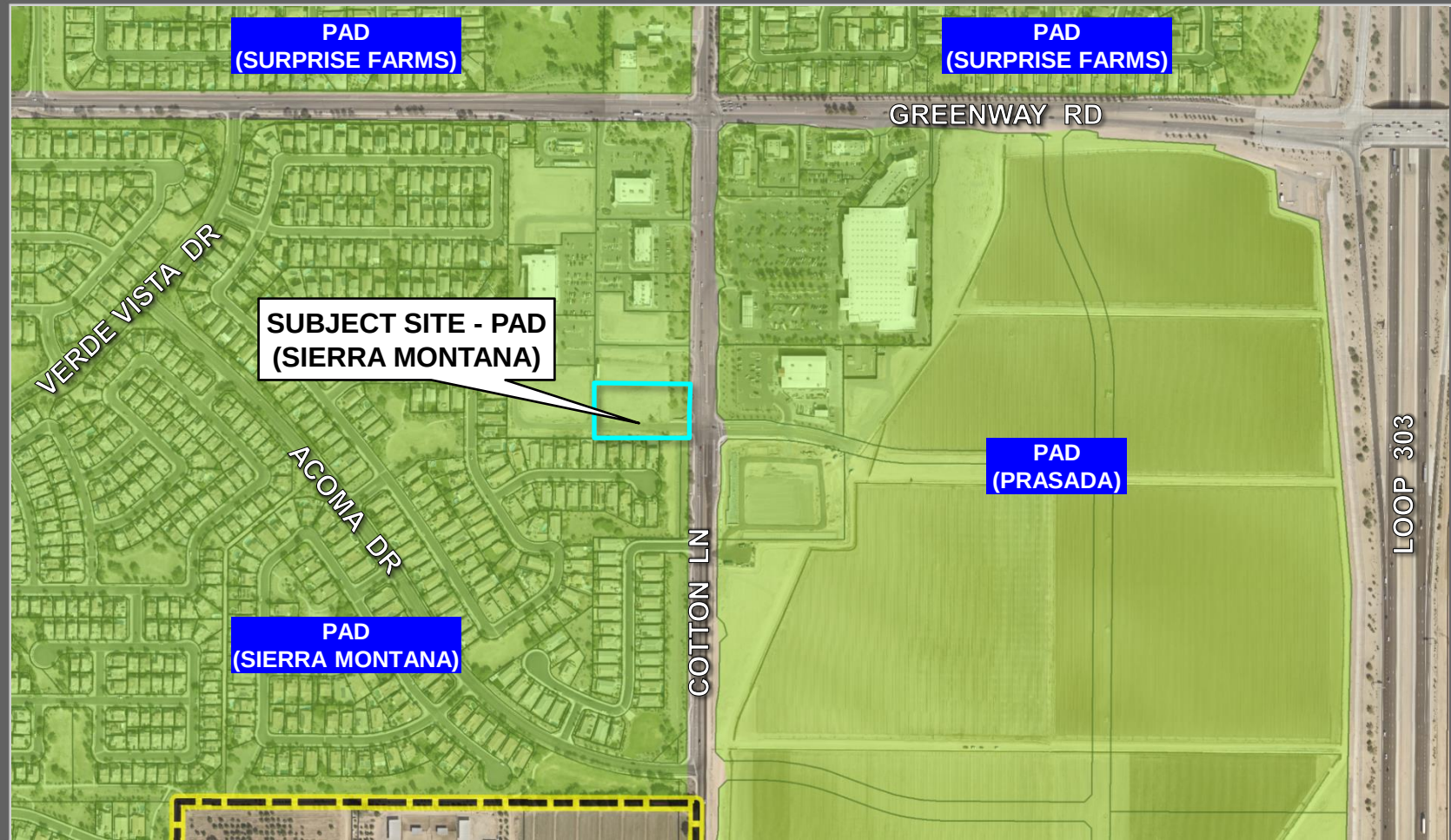
However, should the Commission wish to **deny** the request, the Commission should make its own findings and base its decision on those alternative findings.

Attachments:

01 Vicinity Map
02 Zoning Map
03 Site Plan
04 Landscape Plan
05 Elevations
06 Noise Study
07 Citizen Participation Report
08 Affidavit of Site Posting
PPT



FS22-0587 VICINITY MAP



**PAD
(SURPRISE FARMS)**

**PAD
(SURPRISE FARMS)**

GREENWAY RD

VERDE VISTA DR

**SUBJECT SITE - PAD
(SIERRA MONTANA)**

ACOMA DR

**PAD
(SIERRA MONTANA)**

**PAD
(PRASADA)**

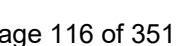
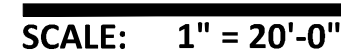
COTTON LN

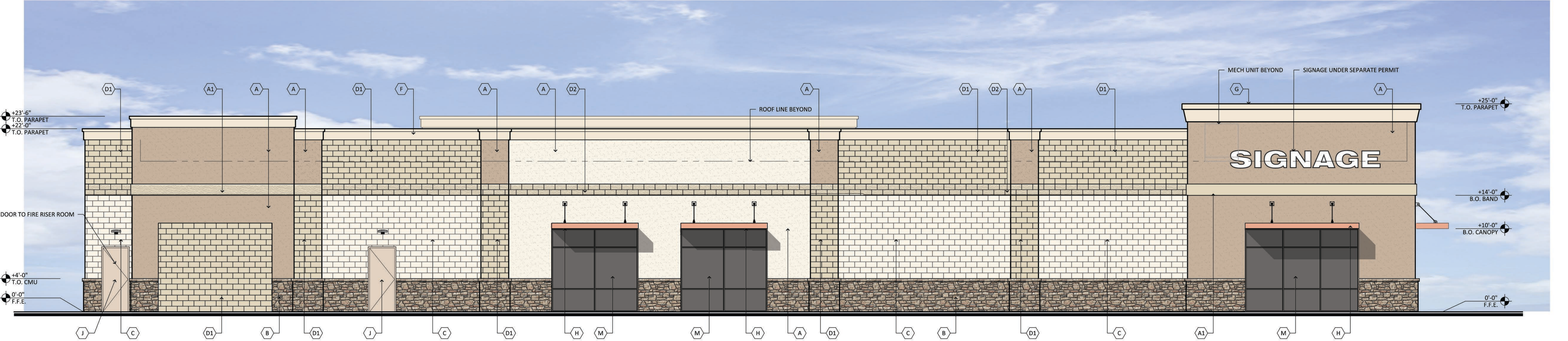
LOOP 303

FS22-0587 ZONING MAP

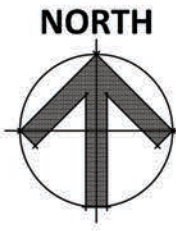
Total Area of the Site	75,806 SF
Total Impervious Area of the Site	38,500 SF
Adjusted Total of Pervious Area of the Site	37,306 SF
Percentage of Impervious Area for the Site	51%

S 89°59'51" E 359.12'





1 **EXTERIOR ELEVATION - SOUTH**
SCALE: 3/16" = 1'-0"

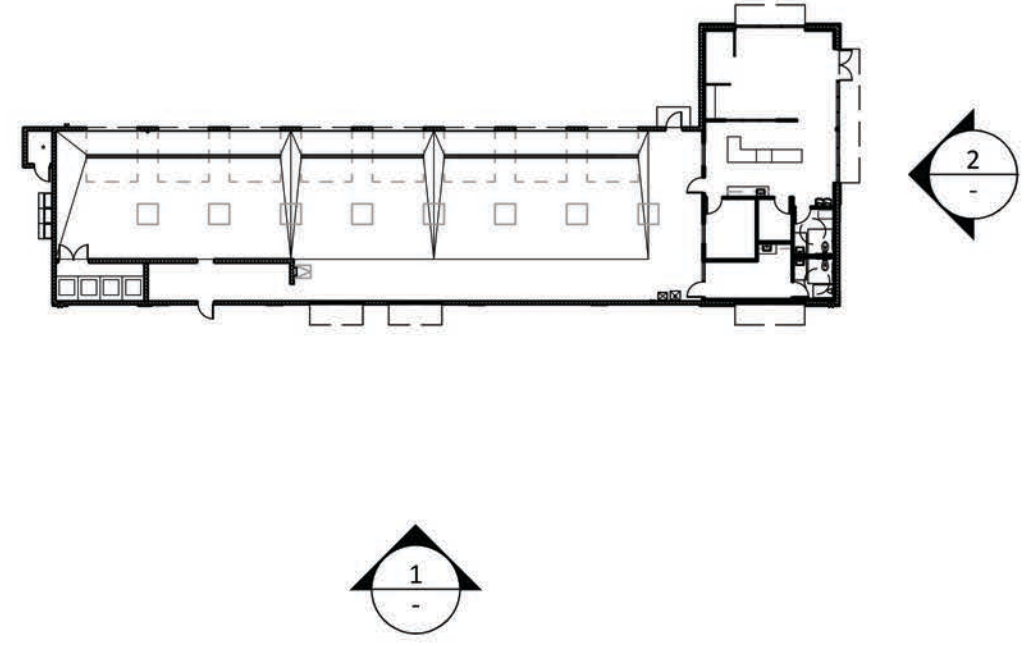


- A: STUCCO
PAINT - DEC 757 RINCON COVE
SMOOTH FINISH
- A1: STUCCO
PAINT - DE 6171 SAND DOLLAR
SMOOTH FINISH
- B: CULTURED STONE
SHALE COUNTRY LEDGESTONE
CSV 20044
- C: SMOOTH FACE 8X8X16 CMU
PAINT: DE 6169 MILK MUSTACHE
RUNNING BOND
- D1: SMOOTH FACE 8X8X16 CMU
MATCH DE 6171 SAND DOLLAR
RUNNING BOND
- D2: SPLIT FACE 8X8X16 CMU
MATCH DE 6171 SAND DOLLAR
RUNNING BOND
- E: CULTURED STONE CAP
TAUPE
- F: METAL GALVANIZED PARAPET CAP
PAINT - DEW 336 WHITE SAND
- G: STUCCO PARAPET
PAINT - DEW 336 WHITE SAND
- H: STEEL CANOPY
PAINT - DE 5178 ALOHA SUNSET
- J: HOLLOW METAL DOORS
PAINT - DEC 748 OYSTER
- K: GREEN SCREEN
- L: ALUMINUM STOREFRONT
BLACK ANODIZED
- M: SOLABAN 60 GLAZING
DARKEST TINT POSSIBLE
- N: SECTIONAL OVERHEAD GARAGE DOOR
PAINT - DE 6390 CHOCOLATE PUDDING

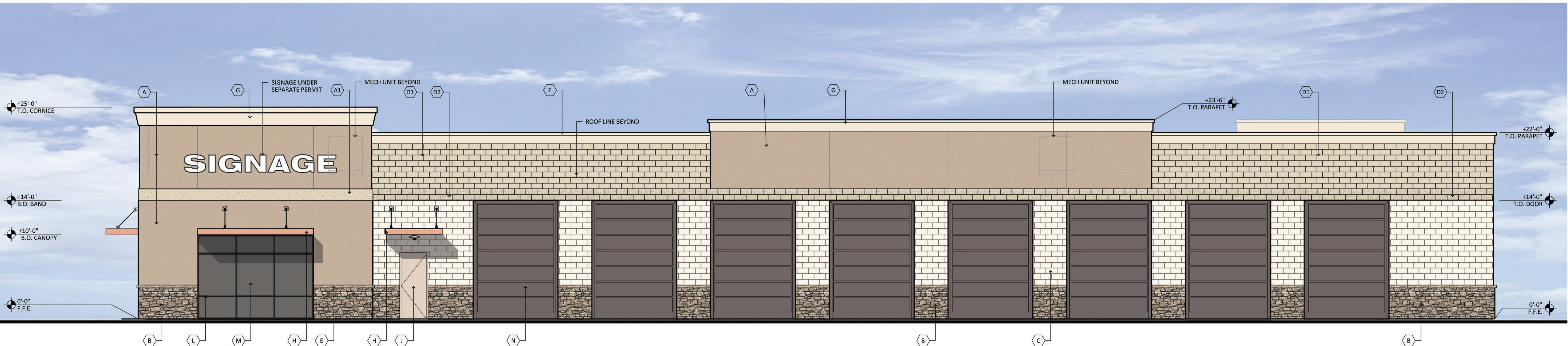
FINISHES



2 **EXTERIOR ELEVATION - EAST**
SCALE: 3/16" = 1'-0"



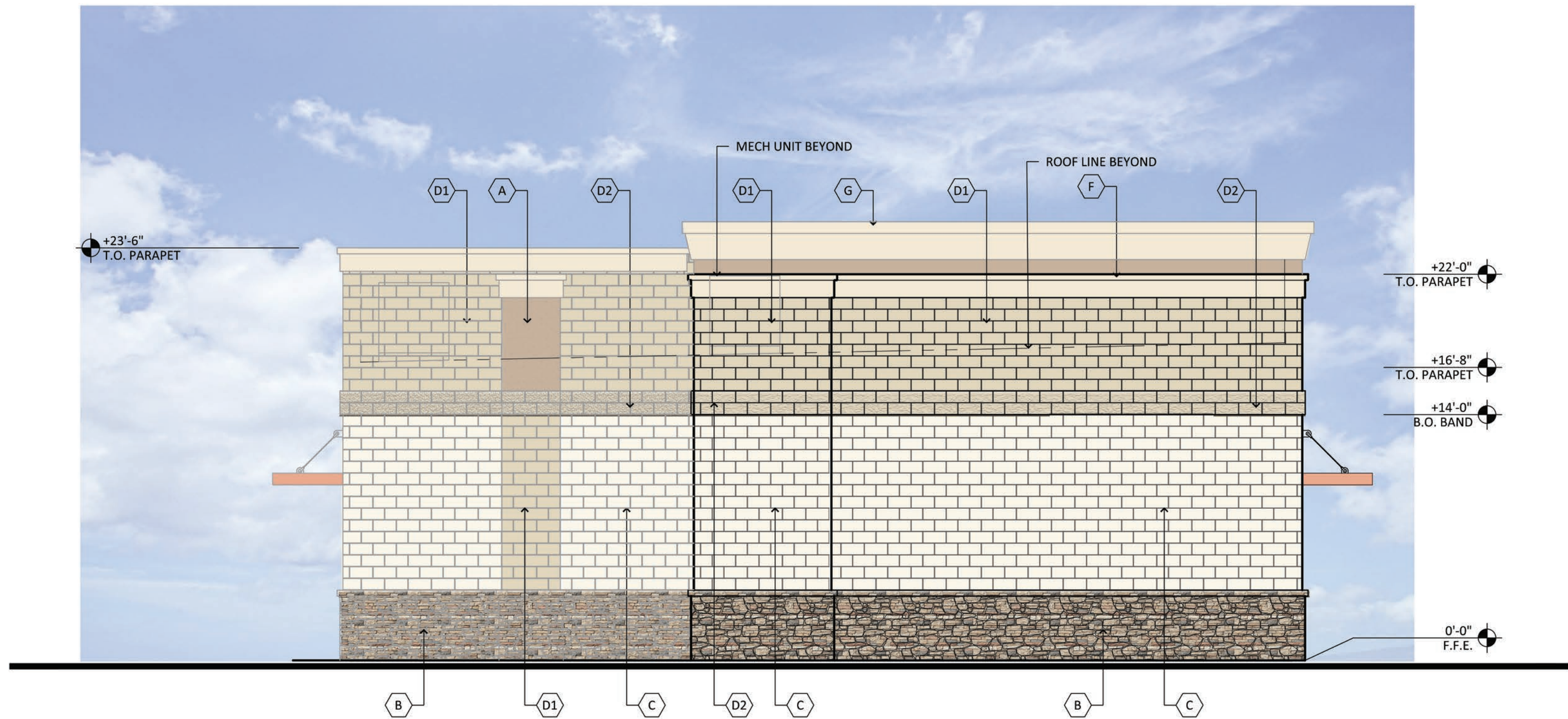
KEYPLAN



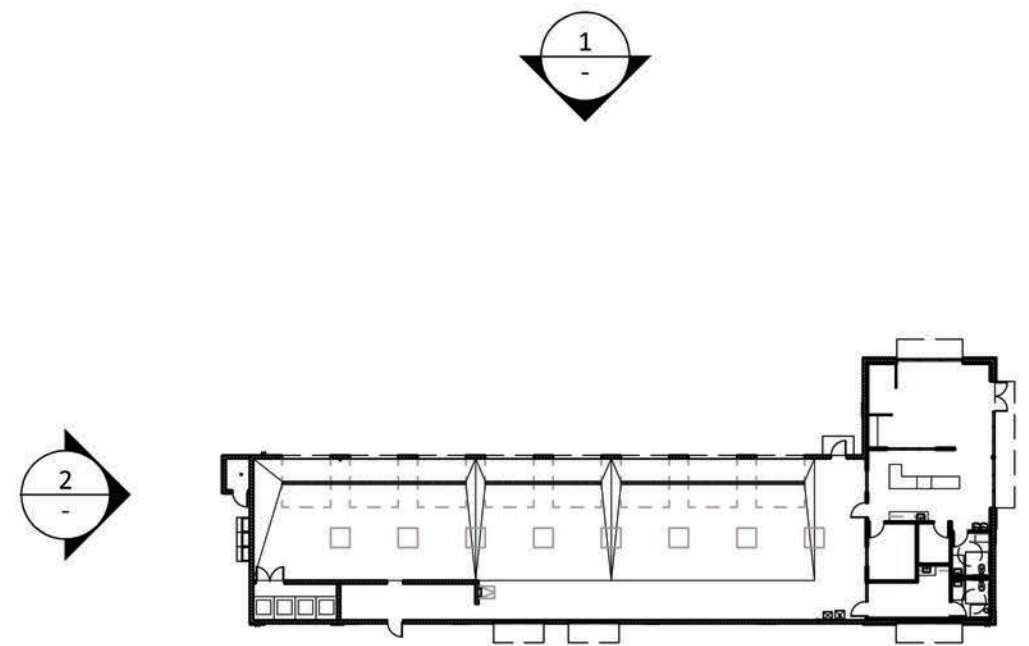
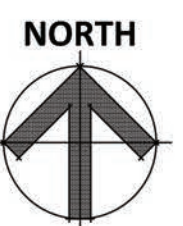
1 EXTERIOR ELEVATION - NORTH
SCALE: 3/16" = 1'-0"



- A: STUCCO
PAINT - DEC 757 RINCON COVE
SMOOTH FINISH
- A1: STUCCO
PAINT - DE 6171 SAND DOLLAR
SMOOTH FINISH
- B: CULTURED STONE
SHALE COUNTRY LEDGESTONE
CSV 20044
- C: SMOOTH FACE 8X8X16 CMU
PAINT - DE 6169 MILK MUSTACHE
RUNNING BOND
- D1: SMOOTH FACE 8X8X16 CMU
MATCH DE 6171 SAND DOLLAR
RUNNING BOND
- D2: SPLIT FACE 8X8X16 CMU
MATCH DE 6171 SAND DOLLAR
RUNNING BOND
- E: CULTURED STONE CAP
TAUPE
- F: METAL GALVANIZED PARAPET CAP
PAINT - DEW 336 WHITE SAND
- G: STUCCO PARAPET
PAINT - DEW 336 WHITE SAND
- H: STEEL CANOPY
PAINT - DE 5178 ALOHA SUNSET
- J: HOLLOW METAL DOORS
PAINT - DEC 748 OYSTER
- K: GREEN SCREEN
- L: ALUMINUM STOREFRONT
BLACK ANODIZED
- M: SOLABAN 60 GLAZING
DARKEST TINT POSSIBLE
- N: SECTIONAL OVERHEAD GARAGE DOOR
PAINT - DE 6390 CHOCOLATE PUDDING

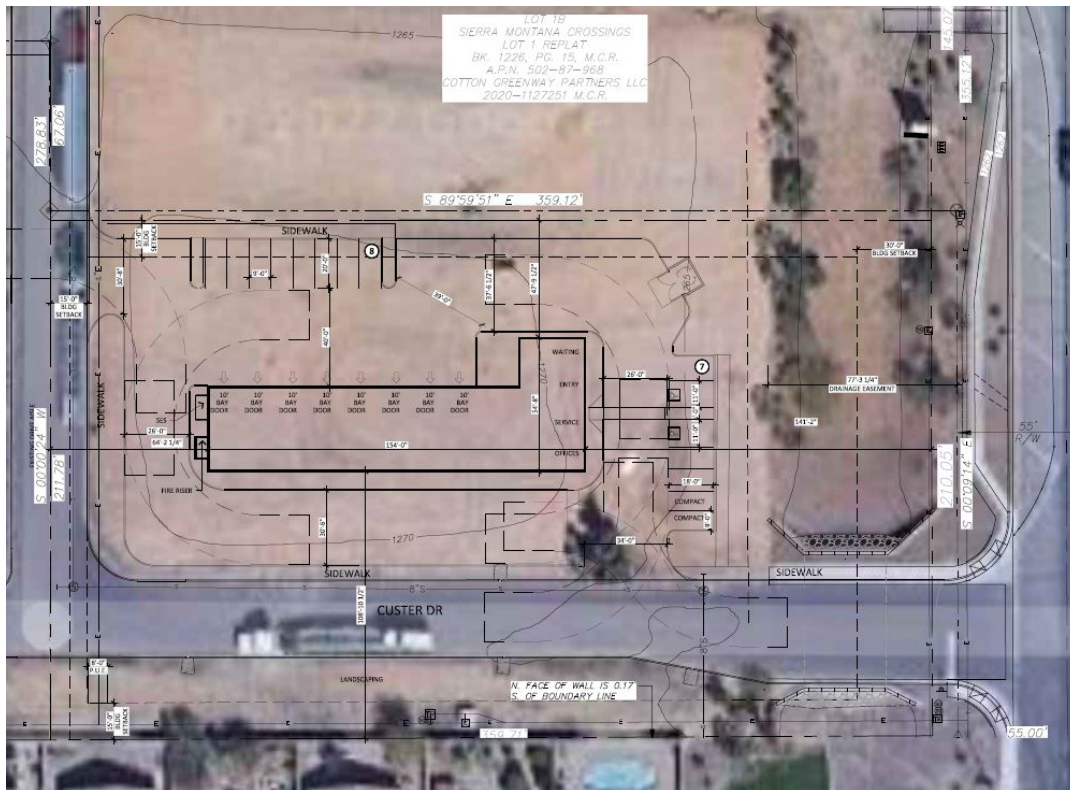


2 EXTERIOR ELEVATION - WEST
SCALE: 3/16" = 1'-0"



KEYPLAN

FINISHES



KERRY'S AUTO

NOISE STUDY – SURPRISE, AZ

CASE NUMBER: FS22-0587

AUGUST 2, 2022

PREPARED FOR:
SIMONCRE CSH, LLC

PREPARED BY:
ACOUSTICS GROUP, INC.
CONSULTANTS IN ACOUSTICS, NOISE & VIBRATION



Kerry's Auto Noise Study – Surprise, AZ

CASE NUMBER: FS22-0587

Prepared for:

SIMONCRE CSH, LLC
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Scottsdale, AZ 85251

Prepared by:

ROBERT WOO – Principal Acoustical Consultant, INCE
ANGELICA NGUYEN – Senior Acoustical Consultant

ACOUSTICS GROUP, INC.

CONSULTANTS IN ACOUSTICS, NOISE & VIBRATION

(877) 595-9988

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EXECUTIVE SUMMARY

Acoustics Group, Inc., (AGI) has conducted a noise study of the Kerry's Auto Project in Surprise, AZ. The Kerry's Auto's Site Plan has been reviewed, noise measurements conducted, noise levels analyzed, and an impact assessment performed to determine compliance with the City of Surprise Noise Ordinance.

Kerry's Auto's future operations were analyzed based on the proposed project location and site plan. The eight (8) northern facing roll up doors will direct operations noise to the western, northern, and eastern directions towards the existing residential and commercial developments. Noise from future equipment operations would be as high as 43.7 dBA at the residential boundary to the south (NM1), 45.1 dBA at the residential boundary to the west (NM2), 54.9 dBA at the commercial boundary to the west (NM3), 35.7 dBA at the fire station/residential to the north (NM4) and 35.2 dBA at the residential boundary to the north (NM5), respectively. When combined with the ambient background noise, the increase in noise level above the ambient baseline will be 0.2 dB at NM1, 0.7 dB at NM2, 3.2 dB at NM3, 0.0 dB at NM4 and 0.0 dB at NM5. The increase in noise level attributed to the future operational noise levels will be less than significant and will not result in significant noise impacts at any of the nearby residential boundary locations. The hourly future operations noise will clearly be below the measured existing ambient noise levels at each residential receiver location and the increase in hourly noise level will not be perceptible in the context of a community noise environment. The noise increase at the nearest commercial boundary will be 3.2 dB but is considered less than significant due to commercial uses.

Because the noise from air lifts, air ratchet, air drill, and impact wrenches are distinctive, the operational noise levels from the future Kerry's Auto has the potential to be occasionally audible to the nearest receivers when there are lulls in the ambient background noise. However, the future ambient noise environment that includes increases in vehicular traffic noise and potentially car wash operations would overshadow the incremental noise from Kerry's Auto.

This report has been organized into multiple sections for ease of reference. Section 1 introduces the Project and provides a general discussion on the Project Components. Section 2 discusses Noise Fundamentals, and Section 3 presents the Noise Standards. Section 4 discusses the Existing Noise Environment; Section 5 discusses the Noise Analysis and Section 6 discusses the Impact Assessment. Section 7 presents the Noise Control Measures. Section 8 discusses the Conclusion.

INTRODUCTION

Kerry's Auto proposes a new auto service center near the southeast corner of W Greenway Road and N Cotton Lane in Surprise, AZ. The future facility will operate from 7:00 AM to 7:00 PM Monday through Friday, 7:00 AM to 5:00 PM Saturday, and closed on Sunday. Refer to Figure 1 for the general location of the Site and a Vicinity Map. Land uses immediately surrounding the site are commercial and residential. Approximately 6-ft high noise barrier walls protect the residential land uses to the south, west, and north of the project site. The main noise concern is future automotive repair operations affecting the neighboring residential properties. Refer to the Appendix for the Project Drawings.



Figure 1. Location of the Project Site & Vicinity Map

NOISE

The magnitude by which noise affects its surrounding environment is measured on a logarithmic scale in decibels (dB). Because the human ear is limited to hearing a specific range of frequencies, the A-weighted filter system is used to form relevant results. A-weighted sound levels are represented as dBA. Figure 2 shows typical A-weighted exterior and interior noise levels that occur in human environments.

Several noise metrics have been developed to evaluate noise. L_{eq} is the energy average noise level and corresponds to a steady-state sound level that has the same acoustical energy as the sum of all the time varying noise events. L_{max} is the maximum noise level measured during a sampling period, and L_{xx} are the statistical noise levels that are exceeded xx-% of the time of the measurement. L_{50} is the average noise level that is exceeded 50% of the time, 30 minutes in a 60 minute period.

NOISE STANDARDS

The City of Surprise and the County of Maricopa Noise Ordinances do not adopt a specific noise standard limit. However, the Noise Ordinances state that no land uses or activities shall generate any noise perceptible beyond the boundaries of the immediate site (Section 101.1.7). As per Industry practice, an appropriate significant noise impact would occur if the project would result in a greater than 3 dB noise increase above the existing ambient background noise level. A greater than 3 dB noise increase is the threshold of audible change in the context of a community noise environment. Essentially, the noise produced by the future Kerry's Auto may not exceed the ambient noise level.

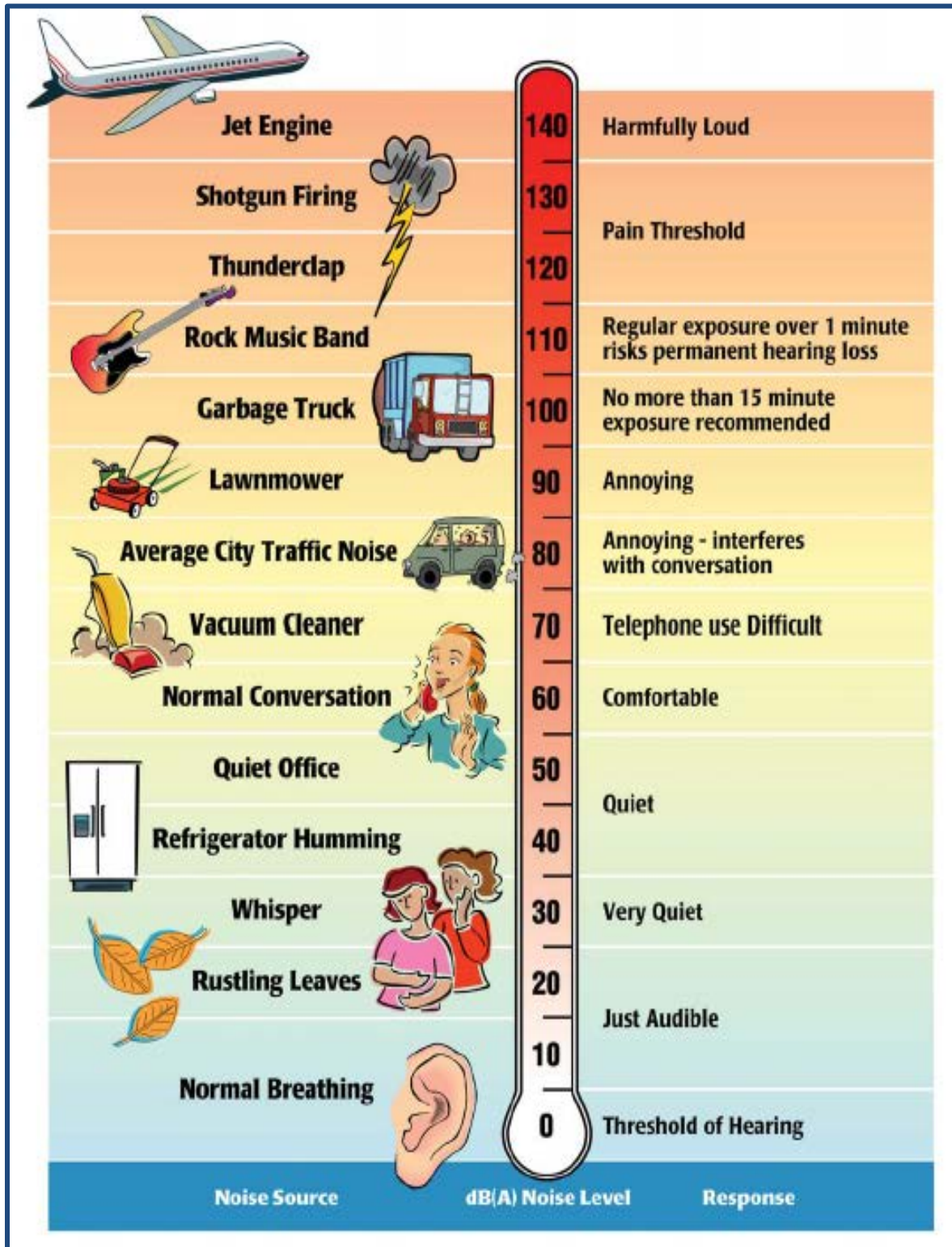


Figure 2. Typical A-weighted Noise Levels

EXISTING NOISE LEVELS

AGI conducted a site visit on March 24, 2022 to observe the project site and conduct a short term noise survey. Ambient noise measurements were conducted at the residential neighborhood to the south (NM1), the residential neighborhood to the west (NM2), commercial property to the northwest (NM3), the fire station to the north (NM4), and the residential neighborhood to the north (NM5). Figure 3 shows the location of the noise measurement locations.

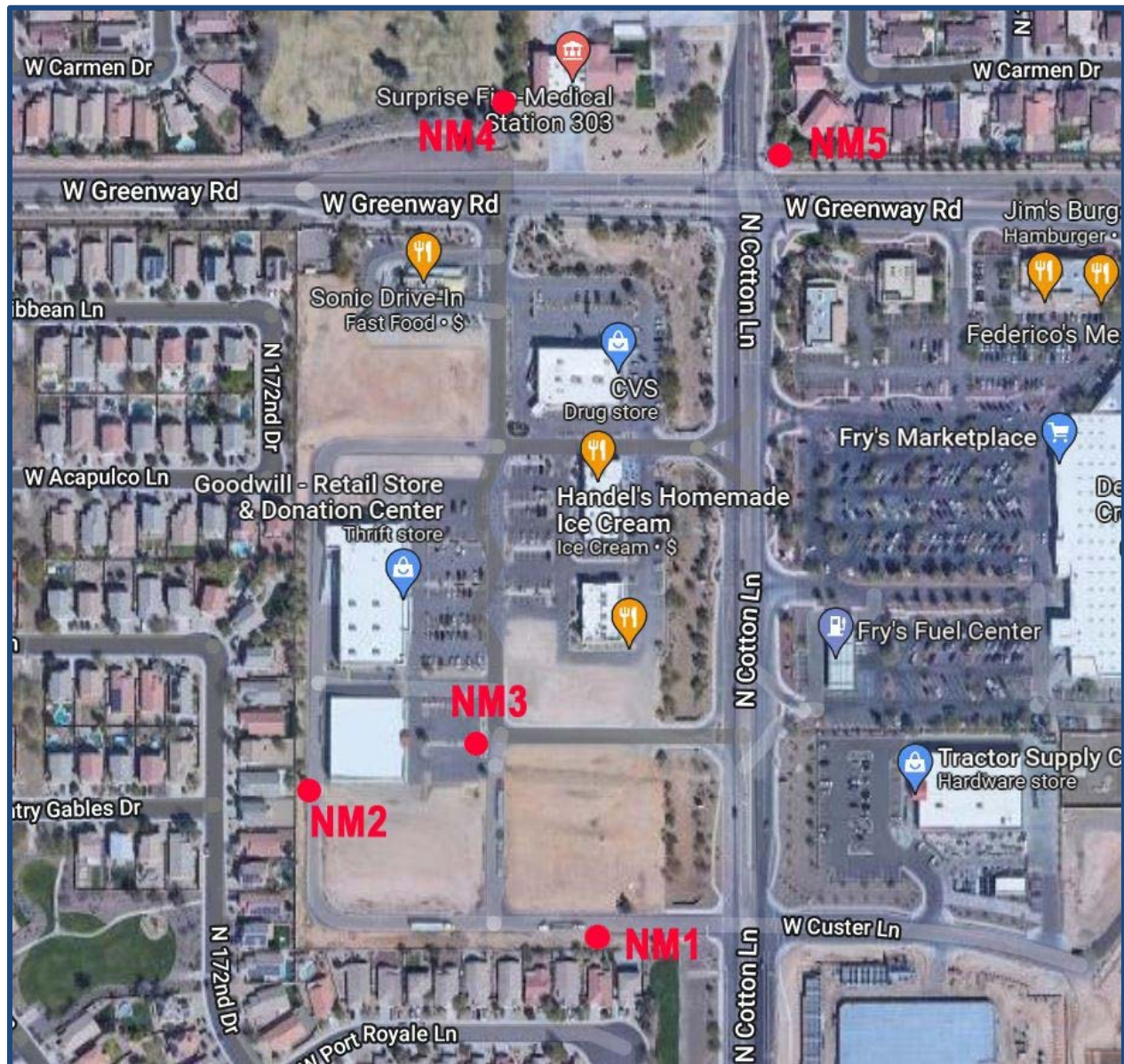


Figure 3. Noise Measurement Locations

The short-term Leq measured at location NM1 was 57.7 dBA. The noise sources contributing to the ambient measurement data at NM1 were from vehicular traffic, distant jet, birds, and wind chimes. The short-term Leq measured at receiver NM2 was 52.6 dBA with contributing noise sources from distant vehicular traffic, distant jet, and birds. At receiver NM3, the short-term Leq was 54.5 dBA and was primarily due to vehicular traffic, radio from the nearby KFC, and workers talking. The short-term Leq at receiver NM4 was 59.9 dBA and was attributed to vehicular traffic, birds, and dog barks. The short-term Leq was 70.3 dBA at location NM5 and was due to vehicular traffic and birds. Table 1 summarizes the noise measurement data from the survey. Refer to the Appendix for the measurement data sheets.

Table 1. Summary of Ambient Noise Measurements

Receiver	Location	Date	Time	A-weighted Sound Level, dBA			Contributing Noise Sources
				Lmax	Lmin	Leq	
NM1	South PL – Residential Boundary	3/24/2022	10:59 - 11:11 AM	76.1	39.3	57.7	Birds, traffic on N Cotton Ln, wind chime, and distant Jet
NM2	West PL - Residential Boundary	3/24/2022	11:15 - 11:25 AM	68.6	36.6	52.6	Distant Traffic, birds, and jet
NM3	Northwest Commercial Boundary	3/24/2022	11:28 - 11:39 AM	66.9	43.4	54.5	Traffic, jet, constant radio from KFC, and workers talking
NM4	North Fire Station	3/24/2022	11:45 - 11:56 AM	76.8	45.9	59.9	Cars, birds, and dog bark
NM5	North Residential Boundary	3/24/2022	11:58AM - 12:08 PM	86.9	55.1	70.3	Traffic, and birds

NOISE ANALYSIS

The future noise generated from Kerry's Auto operations has the potential to impact nearby properties. The methodology used to analyze and predict operations noise from the project involved the use of the CadnaA computer noise model. CadnaA can simulate the physical environment by factoring in x, y, and z geometrics of a particular site to simulate the buildings, obstacles, and typography. The model uses industry recognized algorithms (ISO 9613) to perform acoustical analyses. The noise generated by future operations was calculated by inputting acoustical sources at the project site. AGI's industry acoustical database was used for the modeling inputs.

Kerry's Auto Noise Study – Surprise, AZ

Kerry's Auto's future operations were analyzed based on the proposed project location and site plan. The eight (8) northern facing roll up doors will direct operations noise to the west, north and east directions towards the existing residences and commercial development.

Operational noise sources were modeled for peak hour activity where all the service bays are all operating simultaneously. The future facility will include 8 lifts, an alignment rack, air compressor and a standard array of pneumatic, electric and hand tools. The operator is forecasting as much as 905 vehicles per month or 30 vehicles per day for service¹. Typical noise sources from the facility will include the compressor, brake rotor lathe, loudspeaker public address, tire balance machine, releasing air from tires, impact wrench, tire dismount and remount, lifts, air ratchet, lift air valve, alignment rack, hammering, cars starting and car door slam. Table 2 lists the typical equipment and associated operational noise levels from the future facility.

Table 2. Kerry's Auto Typical Equipment and Operational Noise Sources

Source	Equipment Noise Level at 3 feet, dBA
Compressor	85.7
Brake Rotor Lathe	77.5
Loudspeaker	86.1
Tire Balance	69.6
Releasing Air from Tire	89.5
Impact Wrench Lugnut Removal	95.9
Tire Dismount & Remount	96.6
Impact Wrench Lugnut Install	100.2
Lowering Car	78.0
Air Ratchet	107.1
Lift Air valve	100.3
Alignment Rack Raising	74.7
Alignment Rack Lowering	67.0
Alignment Rack Hammering	85.2

Source: AGI Acoustical Database, 2021.

¹ Projected operational data for Kerry's Auto provided by SimonCRE, email received November 15, 2021.

The hourly Leq from future facility operations is estimated to be 43.7 dBA at the residential boundary to the south (NM1), 45.1 dBA at the residential boundary to the west (NM2), 54.9 dBA at the commercial boundary to the west (NM3), 35.7 dBA at the fire station/residential to the north (NM4) and 35.2 dBA at the residential boundary to the north (NM5), respectively. Table 3 summarizes the projected operational noise levels at the nearest boundaries. Refer to Figure 4 for a noise contour map of Kerry's Auto's Projected Operational Noise Levels. Refer to the Appendix for the projected individual equipment noise levels at each receiver location.

Table 3. Projected Operational Noise Levels at Nearest Boundaries

Receiver	Location	Future Operations Peak Hour Leq, dBA
NM1	South PL – Residential Boundary	43.7
NM2	West PL - Residential Boundary	45.1
NM3	Northwest Commercial Boundary	54.9
NM4	North Fire Station	35.7
NM5	North Residential Boundary	35.2

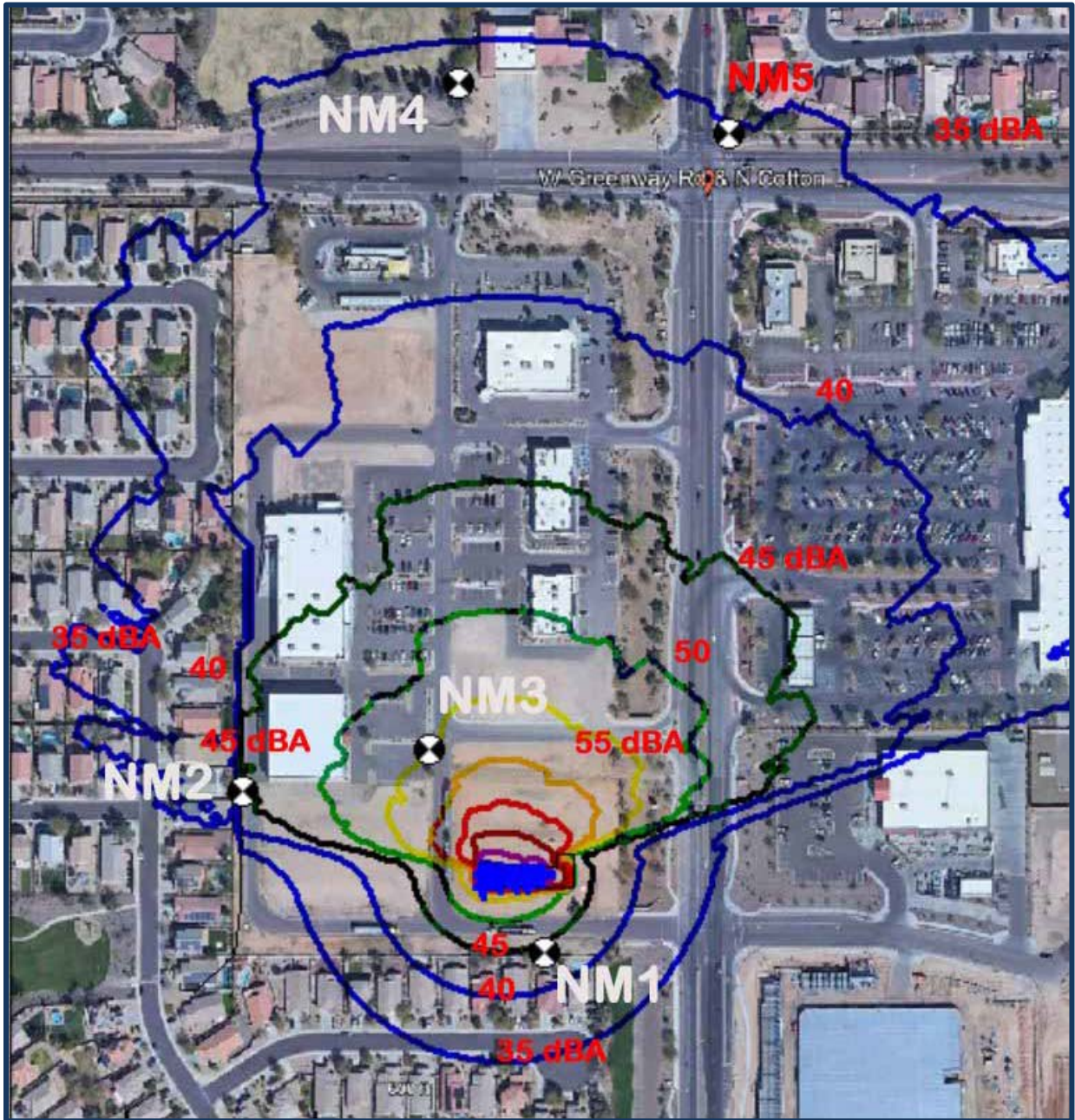


Figure 4. Noise Contour Map of Projected Kerry's Auto Operational Noise Levels

IMPACT ASSESSMENT

The hourly Leq from future facility operations is estimated to be 43.7 dBA at receiver NM1, 45.1 dBA at receiver NM2, 54.9 dBA at receiver NM3, 35.7 dBA at receiver NM4 and 35.2 dBA at receiver NM5, respectively. When combined with the ambient background noise, the increase in noise level above the ambient baseline will be 0.2 dB at NM1, 0.7 dB at NM2, 3.2 dB at NM3, 0.0 dB at NM4 and 0.0 dB at NM5. The increase in hourly noise level attributed to the future operational noise levels will be less than significant and will not result in significant noise impacts at any of the nearby residential boundary locations². The future operations hourly noise level will clearly be below the measured existing ambient noise levels at each residential receiver location and the increase in hourly noise level will not be perceptible in the context of a community noise environment. The noise increase at the nearest commercial boundary will be 3.2 dB but is considered less than significant due to commercial uses.

Because the noise from air lifts, air ratchet, air drill, and impact wrenches are distinctive, the operational noise levels from the future Kerry's Auto could be occasionally audible to the nearest receivers when there are lulls in the ambient background noise. However, the future ambient noise environment that includes increases in vehicular traffic noise and potentially car wash operations would overshadow the incremental noise from Kerry's Auto. Noise control measures are identified to reduce operational noise levels to lessen the potential for annoyance. Refer to Table 4 for a summary of the future Kerry's Auto operational noise levels and impact assessment.

² A significant noise impact would occur if the project would result in a greater than 3 dB noise increase above the existing ambient background noise level.

Table 4. Summary of Operational Noise Levels and Noise Impact Assessment

Receiver	Location	Future Operations Peak Hour Leq, dBA	Ambient Background Noise Level, dBA	Operations Noise plus Ambient Background Noise Level, dBA	Increase Above Ambient, dBA	Assessment
NM1	South PL – Residential Boundary	43.7	57.7	57.9	0.2	No Impact
NM2	West PL - Residential Boundary	45.1	52.6	53.3	0.7	No Impact
NM3	Northwest Commercial Boundary	54.9	54.5	57.7	3.2	No Impact ¹
NM4	North Fire Station	35.7	59.9	59.9	0.0	No Impact
NM5	North Residential Boundary	35.2	70.3	70.3	0.0	No Impact

Note: ¹ - Commercial zoning is not considered a noise sensitive location and subject to a greater than 3 dB increase threshold.

NOISE CONTROL

The following noise control measures are suggested to minimize noise at the nearest residential properties:

1. Low noise power tools such as electric or low noise equivalent, should be used.
2. Rotary electric lifts should be used in lieu of pneumatic lifts.
3. Noisy equipment such as the brake lathe should be located within the service area and shielded from line of site to the nearest homes to the north.
4. Service bay doors should be kept closed during operating hours when feasible.
5. The interior of the service bays should incorporate high ceilings to minimize noise reflection.
6. Acoustical absorptive panels with a minimum NRC of 0.75 should be included in the service bay ceiling and wall areas to reduce reflective noise.
7. A Licensed Architect should be consulted to ensure that the project complies with all applicable building and safety codes.
8. The final design of the project should be reviewed to ensure compliance with the acoustical recommendations.

CONCLUSION

AGI has conducted a noise study of the Kerry's Auto Project in Surprise, AZ. The Kerry's Auto's Revised Site Plan has been reviewed, noise measurements conducted, noise levels analyzed, and an impact assessment performed to determine compliance with the City of Surprise Noise Ordinance.

Kerry's Auto's future operations were analyzed based on the proposed project location and site plan. The eight (8) northern facing roll up doors will direct operations noise to the western, northern, and eastern directions towards the existing residential and commercial developments. Noise from future equipment operations would be as high as 43.7 dBA at the residential boundary to the south (NM1), 45.1 dBA at the residential boundary to the west (NM2), 54.9 dBA at the commercial boundary to the west (NM3), 35.7 dBA at the fire station/residential to the north (NM4) and 35.2 dBA at the residential boundary to the north (NM5), respectively. When combined with the ambient background noise, the increase in noise level above the ambient baseline will be 0.2 dB at NM1, 0.7 dB at NM2, 3.2 dB at NM3, 0.0 dB at NM4 and 0.0 dB at NM5. The increase in noise level attributed to the future operational noise levels will be less than significant and will not result in significant noise impacts at any of the nearby residential boundary locations. The future operations noise will clearly be below the measured existing ambient noise levels at each residential receiver location and the increase in hourly noise level will not be perceptible in the context of a community noise environment. The noise increase at the nearest commercial boundary will be 3.2 dB but is considered less than significant for commercial uses.

Because the noise from air lifts, air ratchet, air drill, and impact wrenches are distinctive, the operational noise levels from the future Kerry's Auto could be occasionally audible to the nearest receivers when there are lulls in the ambient background noise. However, the future ambient noise environment that includes increases in vehicular traffic noise and potentially car wash operations would overshadow the incremental noise from Kerry's Auto.

Noise from pneumatic tools, tire dismounting/mounting, air compressors and general operations has the potential to be audible at the nearest residences, commercial and office boundaries when there are lulls in the ambient background noise. However, during periods of less intense activity or when the ambient background noise is higher such as during the midday or afternoon, noise from the repair shop would be less noticeable. Noise control measures are identified to minimize the potential for annoyance on the nearest receivers. The recommended noise control measures will reduce future operations noise to below the ambient background at all of the nearby boundary locations.



REFERENCES

1. Caltrans Technical Noise Supplement, 1998.
2. Project Drawings dated June 23, 2022.
3. City of Surprise, AZ Noise Standards.
4. Greenway at Cotton 2 Quick Quack Car Wash – Noise Review Letter prepared by MD Acoustics, November 17, 2021.



APPENDIX

CITY OF SURPRISE EXTERIOR NOISE STANDARDS

MODELING INPUT & OUTPUT

SITE PLAN



CITY OF SURPRISE NOISE STANDARDS

Sec. 104-1.7. Noise and vibration standards.

- A. Noise restrictions . Land *uses* and/or activities shall not result in or generate any noise perceptible beyond the boundaries of the immediate site in violation of the noise regulations in this Code.
- B. Vibration . Every *use* shall be so operated that the ground vibration inherently and recurrently generated by the *permitted use* is not discernable, at any point beyond the site property line, without instruments.
- C. Construction of buildings and equipment operations . Any construction or repair work, or operation of any construction-type equipment or device(s) within any residential zone or within any residential designation within a planned area development (PAD) zone shall be unlawful within the hours of 9:00 p.m. to 5:00 a.m., except when the work is associated with an emergency operation or *public improvement*, and subject to the provisions of this section and any noise control ordinances within this Code.
- D. Property maintenance . Any outdoor maintenance or cleaning of private property that includes but is not limited to sweepers, tree or weed trimmers, leaf blowers, and lawn mowers shall be unlawful within the hours of 9:00 p.m. to 5:00 a.m., except when the work is associated with an emergency operation or *public improvement*, and subject to the provisions of this section and any noise control ordinances within this Code.



MODELING INPUT & OUTPUT

KERRY'S NEW LAYOUT

RECEIVERS

Name	M.	ID	Level Lr		Limit. Value		Land Use	Auto	Height		Coordinates		
			Day (dBA)	Night (dBA)	Day (dBA)	Night (dBA)			Noise Type	(m)	X (m)	Y (m)	Z (m)
NM1			43.6	-88	0	0	0	x	Total	1.5 r	291.24	161.91	1.5
NM2			30.5	-88	0	0	0	x	Total	1.5 r	145.06	241.19	1.5
NM3			37.8	-88	0	0	0	x	Total	1.5 r	235.56	260.9	1.5
NM4			17.4	-88	0	0	0	x	Total	1.5 r	250.32	584.33	1.5
NM5			17.7	-88	0	0	0	x	Total	1.5 r	381.63	560.59	1.5

INPUT SOURCES

Name	M.	ID	Result. PWL			Lw / Li Type	Value	norm. dB(A)	Operating Time		Height (m)	Coordinates		
			Day (dBA)	Evening (dBA)	Night (dBA)				Day (min)	Special (min)		X (m)	Y (m)	Z (m)
Lift 1			86	86	86	Lw	GY17		2	0	2 r	262	200	2
Lift 2			86	86	86	Lw	GY17		2	0	2 r	266	200	2
Lift 3			86	86	86	Lw	GY17		2	0	2 r	270	200	2
Lift 4			86	86	86	Lw	GY17		2	0	2 r	274	200	2
Lift 5			86	86	86	Lw	GY17		2	0	2 r	278	200	2
Lift 6			86	86	86	Lw	GY17		2	0	2 r	283	200	2
Lift 7			86	86	86	Lw	GY17		2	0	2 r	287	200	2
Lift 8			86	86	86	Lw	GY17		2	0	2 r	291	200	2
Car Start 1			86.2	86.2	86.2	Lw	GY15		1	0	1 r	262	200	1
Car Start 2			86.2	86.2	86.2	Lw	GY15		1	0	1 r	266	200	1
Car Start 3			86.2	86.2	86.2	Lw	GY15		1	0	1 r	270	200	1
Car Start 4			86.2	86.2	86.2	Lw	GY15		1	0	1 r	274	200	1
Car Start 5			86.2	86.2	86.2	Lw	GY15		1	0	1 r	278	200	1
Car Start 6			86.2	86.2	86.2	Lw	GY15		1	0	1 r	283	200	1
Car Start 7			86.2	86.2	86.2	Lw	GY15		1	0	1 r	287	200	1
Car Start 8			86.2	86.2	86.2	Lw	GY15		1	0	1 r	291	200	1
Car Door Slam 1			86	86	86	Lw	GY16		1	0	1 r	262	200	1
Car Door Slam 2			86	86	86	Lw	GY16		1	0	1 r	266	200	1
Car Door Slam 3			86	86	86	Lw	GY16		1	0	1 r	270	200	1
Car Door Slam 4			86	86	86	Lw	GY16		1	0	1 r	274	200	1
Car Door Slam 5			86	86	86	Lw	GY16		1	0	1 r	278	200	1
Car Door Slam 6			86	86	86	Lw	GY16		1	0	1 r	283	200	1
Car Door Slam 7			86	86	86	Lw	GY16		1	0	1 r	287	200	1
Car Door Slam 8			86	86	86	Lw	GY16		30	0	1 r	291	200	1
Car Start at alignment			86.2	86.2	86.2	Lw	GY15		1	0	1 r	262	200	1
Car Door Slam at alignment			86	86	86	Lw	GY16		1	0	1 r	262	200	1
Ratchet			118.2	118.2	118.2	Lw	GY12		15	0	2 r	262	200	2
Ratchet			118.2	118.2	118.2	Lw	GY12		15	0	2 r	270	200	2
Ratchet			118.2	118.2	118.2	Lw	GY12		15	0	2 r	278	200	2
Ratchet			118.2	118.2	118.2	Lw	GY12		15	0	2 r	287	200	2
Tire Balance 1			80.6	80.6	80.6	Lw	GY5		30	0	1 r	270	197	1
Tire Balance 2			80.6	80.6	80.6	Lw	GY5		30	0	1 r	278	197	1
Tire Air Release 1			100.5	100.5	100.5	Lw	GY2		30	0	1 r	270	197	1
Tire Air Release 2			100.5	100.5	100.5	Lw	GY2		30	0	1 r	278	197	1
Tire Mount 1			107.7	107.7	107.7	Lw	GY4		30	0	1 r	270	197	1
Tire Mount 2			107.7	107.7	107.7	Lw	GY4		30	0	1 r	283	197	1
Alignment Rack			107	107	107	Lw	GY3		2	0	1 r	262	200	1
Alignment Rack			85.8	85.8	85.8	Lw	GY8		2	0	1 r	262	200	1
Alignment Rack			78.1	78.1	78.1	Lw	GY9		2	0	1 r	262	200	1
Alignment Rack			96.3	96.3	96.3	Lw	GY10		2	0	1 r	262	200	1
Air Ratchet			118.2	118.2	118.2	Lw	GY12		30	0	1 r	262	200	1
Air Impact Wrench			107	107	107	Lw	GY3		15	0	0.5 r	274	200	0.5
Impact Wrench			107	107	107	Lw	GY3		15	0	0.5 r	266	200	0.5
Impact Wrench			107	107	107	Lw	GY3		15	0	0.5 r	274	200	0.5
Impact Wrench			111.3	111.3	111.3	Lw	GY6		15	0	0.5 r	283	200	0.5
Impact Wrench			111.3	111.3	111.3	Lw	GY6		15	0	0.5 r	291	200	0.5
Tire Mount 2			107.7	107.7	107.7	Lw	GY4		30	0	1 r	270	197	1
Tire Mount 2			107.7	107.7	107.7	Lw	GY4		30	0	1 r	283	197	1
Compressor			96.7	96.7	96.7	Lw	GY1		30	0	1.5 r	261.64	194.18	1.5

BARRIER INPUT

Name	M.	ID	Absorption		Z-Ext. (m)	Cantilever horz. (m)	vert. (m)	Height Begin (m)	End (m)
			left	right					
W Property Wall								2 r	2 r

x (m)	y (m)	z (m)	Ground (m)
148.53	358.84	2.00	0.00
147.93	312.84	2.00	0.00
143.93	310.84	2.00	0.00
143.93	184.83	2.00	0.00
141.26	161.49	2.00	0.00
120.59	141.49	2.00	0.00

New Building

x (m)	y (m)	z (m)	Ground (m)
291.50	204.00	8.40	0.00

8.4 g

260.16	204.00	8.40	0.00
259.97	193.45	8.40	0.00
305.55	193.52	8.40	0.00
x (m)	y (m)	z (m)	Ground (m)
305.55	209.97	8.40	0.00
297.55	210.04	8.40	0.00
297.61	204.00	8.40	0.00
291.50	204.00	8.40	0.00

NO BARRIER OUTPUT

Receiver Name	ID	Land Use	Limiting Value		rel. Axis			Lr w/o Noise Control dL req.				Lr w/ Noise Control		Exceeding		passive NC
			Day dB(A)	Night dB(A)	Station m	Distance m	Height m	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	
NM1				0	0			43.7	-88	43.7	-	0	0	-	-	-
NM2				0	0			45.1	-88	45.1	-	0	0	-	-	-
NM3				0	0			54.9	-88	54.9	-	0	0	-	-	-
NM4				0	0			35.7	-88	35.7	-	0	0	-	-	-
NM5				0	0			35.2	-88	35.2	-	0	0	-	-	-

Receiver Name	Lr w/o Noise Control			
	Ambient	Day dB(A)	Sum	Increase Above Ambient
NM1	57.7	43.7	57.9	0.2
NM2	52.6	45.1	53.3	0.7
NM3	54.5	54.9	57.7	3.2
NM4	59.9	35.7	59.9	0.0
NM5	70.3	35.2	70.3	0.0

BARRIER 1 OUTPUT

- 4 WESTERLY BAY DOORS CLOSED

Receiver Name	ID	Land Use	Limiting Value		rel. Axis			Lr w/o Noise Control dL req.				Lr w/ Noise Control		Exceeding		passive NC
			Day dB(A)	Night dB(A)	Station m	Distance m	Height m	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	
NM1				0	0			43.7	-88	43.7	-	0	0	-	-	-
NM2				0	0			41	-88	41	-	0	0	-	-	-
NM3				0	0			52.1	-88	52.1	-	0	0	-	-	-
NM4				0	0			32.3	-88	32.3	-	0	0	-	-	-
NM5				0	0			31.5	-88	31.5	-	0	0	-	-	-

Receiver Name	Lr w/o Noise Control			
	Ambient	Day dB(A)	Sum	Increase Above Ambient
NM1	57.7	43.7	57.9	0.2
NM2	52.6	41	52.9	0.3
NM3	54.5	52.1	56.5	2.0
NM4	59.9	32.3	59.9	0.0
NM5	70.3	31.5	70.3	0.0

ALL DOORS CLOSED OUTPUT

Receiver Name	ID	Land Use	Limiting Value		rel. Axis			Lr w/o Noise Control dL req.				Lr w/ Noise Control		Exceeding		passive NC
			Day dB(A)	Night dB(A)	Station m	Distance m	Height m	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	Day dB(A)	Night dB(A)	
NM1				0	0			43.6	-88	43.6	-	0	0	-	-	-
NM2				0	0			30.5	-88	30.5	-	0	0	-	-	-
NM3				0	0			37.8	-88	37.8	-	0	0	-	-	-
NM4				0	0			17.4	-88	17.4	-	0	0	-	-	-
NM5				0	0			17.7	-88	17.7	-	0	0	-	-	-

Receiver Name	Lr w/o Noise Control			
	Ambient	Day dB(A)	Sum	Increase Above Ambient
NM1	57.7	43.6	57.9	0.2
NM2	52.6	30.5	52.6	0.0
NM3	54.5	37.8	54.6	0.1
NM4	59.9	17.4	59.9	0.0
NM5	70.3	17.7	70.3	0.0

PARTIAL EQUIPMENT NOISE LEVELS

Source Partial Level Day

Name	M.	ID	NM1	NM2	NM3	NM4	NM5
Lift 1			-3.9	-11.4	4.1	-6.7	-6.5
Lift 2			-3.6	-8.2	11.2	-6.7	-6.5
Lift 3			-3.2	-3.2	11	-6.7	-6.5
Lift 4			-2.9	4.4	10.7	-6.7	-6.4
Lift 5			-2.6	4.1	10.4	-6.7	-6.4
Lift 6			-2.3	3.8	7.4	-6.7	-9
Lift 7			-2.2	3.5	9.7	-6.7	-9
Lift 8			-2.1	3.2	9.4	-6.7	-13.1
Car Start 1			-6.7	-14.3	0.4	-10.6	-10.4
Car Start 2			-6.4	-11.6	7.8	-10.6	-10.4
Car Start 3			-6	-7	7.6	-10.6	-10.4
Car Start 4			-5.7	0.9	7.3	-10.6	-10.3
Car Start 5			-5.4	0.6	7	-10.6	-10.3
Car Start 6			-5.1	0.3	3.9	-10.6	-13.2
Car Start 7			-5	0	6.3	-10.6	-13.2
Car Start 8			-4.9	-0.3	5.9	-10.6	-17.3
Car Door Slam 1			-6.3	-13.7	0.2	-10.7	-10.6
Car Door Slam 2			-6	-11	7.1	-10.7	-10.6
Car Door Slam 3			-5.7	-7	6.9	-10.7	-10.5
Car Door Slam 4			-5.4	0.3	6.6	-10.7	-10.5
Car Door Slam 5			-5.1	0	6.3	-10.8	-10.5
Car Door Slam 6			-4.9	-0.4	3.3	-10.8	-13.3
Car Door Slam 7			-4.7	-0.6	5.6	-10.8	-13.3
Car Door Slam 8			10.1	13.9	20	4	-2.2
Car Start at alignment			-6.7	-14.3	0.4	-10.6	-10.4
Car Door Slam at alignment			-6.3	-13.7	0.2	-10.7	-10.6
Rachet			33.5	22.9	39.8	26.3	26.5
Rachet			34.5	30.8	48.7	26.3	26.6
Rachet			35.3	40	48	26.3	26.7
Rachet			35.9	39.2	47.1	26.3	23.5
Tire Balance 1			3.4	-4	15.4	-2.8	-4.9
Tire Balance 2			4.2	1	14.8	-2.8	-4.7
Tire Air Release 1			22.5	14.5	36.8	18.8	16.2
Tire Air Release 2			23.3	21.2	36.2	18.8	16.5
Tire Mount 1			28	17.6	40.8	19.7	17.2
Tire Mount 2			29.4	32.3	39.7	19.7	20.1
Alignment Rack			16.1	7.6	22.9	11.4	11.6
Alignment Rack			-4.2	-12	3.2	-8.1	-7.9
Alignment Rack			-12.2	-20.3	-5.4	-17.4	-17.2
Alignment Rack			6	-1.9	13.3	2.3	2.5
Air Rachet			36.5	25.8	42.7	29.1	29.2
Air Impact Wrench			25.9	31.8	38.6	19.7	20
Impact Wrench			25.2	18.6	39.2	19.7	19.9
Impact Wrench			25.9	31.8	38.6	19.7	20
Impact Wrench			30.2	34.6	38.7	22.7	20.2
Impact Wrench			30.4	34	40.9	22.7	16
Tire Mount 2			28	17.6	40.8	19.7	17.2
Tire Mount 2			29.4	32.3	39.7	19.7	20.1
Compressor			18.7	9.3	18.5	14.8	13.2



PROJECT DRAWINGS

PROJECT DIRECTORY

APPLICANT:
SIMONCRE
6900 E 2ND ST
SCOTTSDALE, AZ 85251
CONTACT: AUSTIN GOTTSACKER
PHONE: 480.689.4174
E-MAIL: austin.gottssacker@simoncre.com

ARCHITECT:
RKA A ARCHITECTS, INC.
2233 E. THOMAS ROAD
PHOENIX, AZ 85016
CONTACT: NEIL FEASER
PHONE: (602) 955-3900
FAX: (602) 955-0496
E-MAIL: nfeaser@rkaa.com

PROJECT DESCRIPTION

NEW GROUND UP BUILDING FOR FUTURE VEHICLE SERVICES USE. WORK INCLUDES MAJOR UTILITIES INCLUDING ELECTRICAL, MECHANICAL, AND PLUMBING. SITE WORK INCLUDES NEW GRADING AND DRAINAGE, NEW PARKING STALLS, HARDSCAPE, AND LANDSCAPE AREAS.

SITE DATA

ASSESSOR PARCEL NO:	502-87-967
GROSS SITE AREA:	1.74 ACRES (75,794 S.F.)
NET SITE AREA:	1.196 ACRES (52,087 S.F.)
PROPERTY TYPE:	VEHICLE SERVICE: MINOR REPAIR
EXISTING ZONING:	C1 (SIERRA MONTANA PAD)
PROPOSED ZONING:	(UNCHANGED)
PROPOSED FLOOR RATIO:	6,307 / 52,087 = 12.1%

PARKING DATA

TOTAL PARKING REQUIRED: 1/500 GFA (6307/500) 30% MAY BE COMPACT (8'X16')	13 SPACES
TOTAL PARKING PROVIDED: (2) SPACES ARE COMPACT	15 SPACES
ACCESSIBLE SPACES REQUIRED:	1 SPACES
ACCESSIBLE SPACES PROVIDED:	2 SPACES
BICYCLE SPACES PROVIDED:	2 SPACES

GENERAL NOTES

- 75' DRAINAGE EASEMENT
- 35' FRONT BLDG SETBACK
- 20' SIDE / REAR BLDG SETBACK
- 4' PARKING SETBACK ALL SIDES
- 8' UTILITY EASEMENT FROM WEST PROPERTY LINE

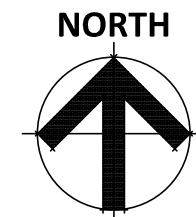


SITE PLAN

SCALE: 1" = 20'-0"



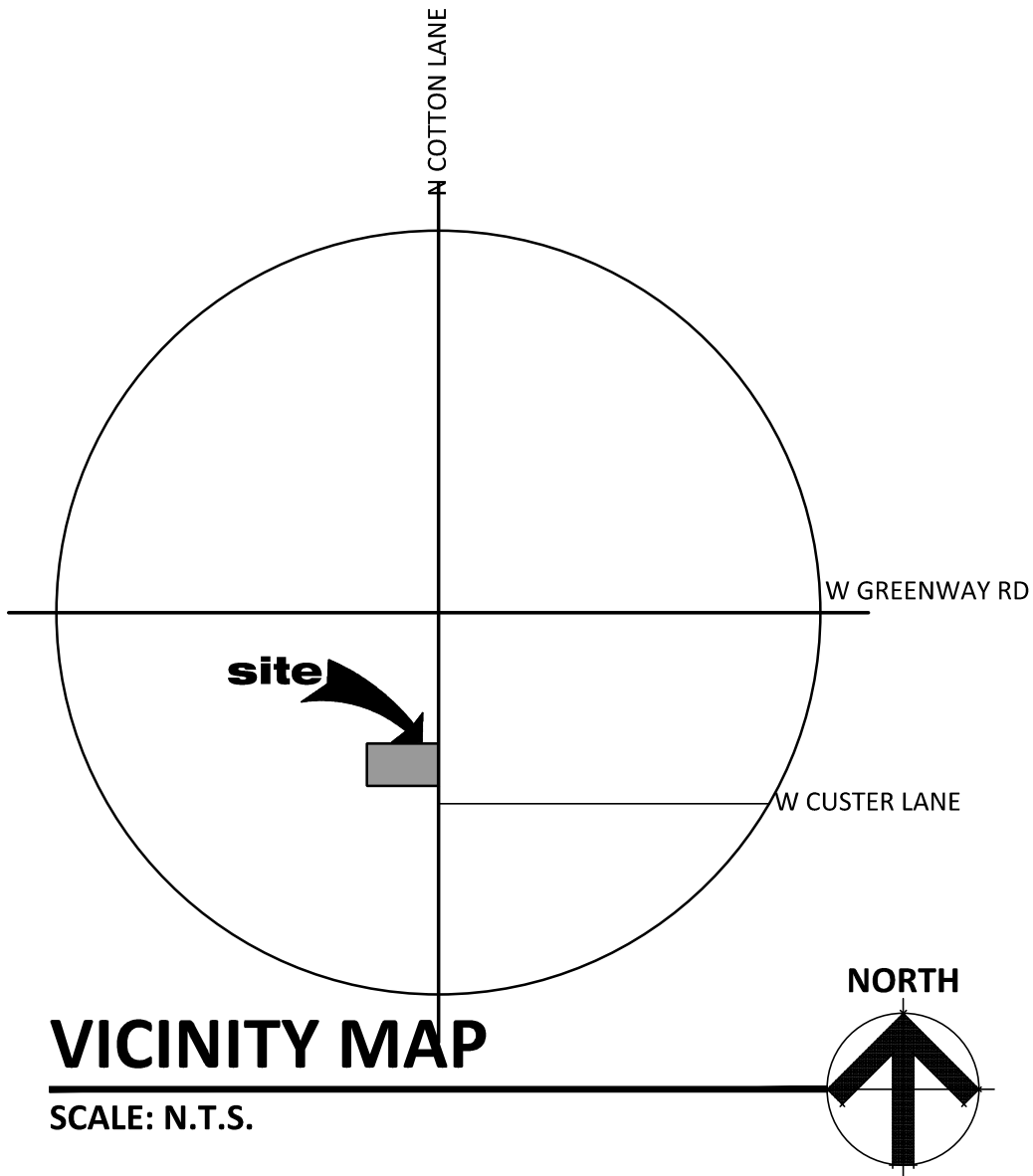
KERRY'S CAR CARE
SEC W GREENWAY RD & N COTTON LN
SURPRISE, AZ
DATE: 06-29-2022 (PRELIMINARY)



SP-1
V10

RKAA# 22018.00

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VICINITY MAP

SCALE: N.T.S.

THIS SITE PLAN HAS BEEN PREPARED WITHOUT THE AID OF A SURVEY. ALL PROPERTY BOUNDARIES ARE ROUGH APPROXIMATIONS. THIS DRAWING IS TO BE USED FOR CONCEPTUAL PURPOSES ONLY AND IT IS NOT TO BE THE BASIS FOR ANY LEGALLY BINDING DOCUMENTATION.

PUBLIC PARTICIPATION REPORT

Applicant: Daniel Cox; SimonCRE Scout IV, LLC

Subject Property: 15050 North Cotton Lane; APN: 502-87-967

Current Zoning: Sierra Montana Planned Area Development (PAD) – Commercial (C-2)

Proposed Use: Light Auto Repair

Application: Conditional Use Permit (CUP) Light Auto Repair

A. Executive Summary: Summary of public participation meeting:

- a. The mandatory neighborhood meeting was held on May 24, 2022, at 6:00 pm in the Media Room of Cimarron Springs Middle School, 17032 W Surprise Farms Loop S, Surprise, AZ 85388. An online option was also available and was held concurrently with the in-person meeting. During the course of the project, the building square footage was reduced, which altered the design. As such, residents who attended the first neighborhood meeting were notified. Also, an additional neighborhood meeting was held on September 26, 2022, at the same location. An online option was also available and was held concurrently with the in-person meeting.

B. Supporting Documentation:

- a. 1st Meeting Sign-In Sheet (Exhibit “A”)
- b. 1st Meeting questions and/or concerns raised and subsequent follow-up emails to residents (Exhibit “B”)
- c. 1st Meeting Affidavit of Sign Posting & Pictures (Exhibit “C”)
- d. Emails to residents notifying them of the design change (Exhibit “D”)
- e. 2nd Meeting Sign-In Sheet (Exhibit “E”)
- f. 2nd Meeting questions and/or concerns raised and subsequent follow-up emails to residents (Exhibit “F”)
- g. 2nd Meeting Affidavit of Sign Posting & Pictures (Exhibit “G”)

Exhibit A



Sign In Sheet
Cotton and Greenway – Proposed Kerry's Auto Care
05/24/2022

Name	Address	Email
JASON MOORE	11000 COTTON CIRCLE DR	JASON.MOORE@C3SAPRISCA2.G
MARY KODIL	[REDACTED]	[REDACTED]

Exhibit B

1st Neighborhood Meeting Minutes:

Date: 05/24/2022

Location: Cimarron Springs Middle School, 17032 W Surprise Farms Loop S, Surprise, AZ 85388

Start Time: 6:00 PM

Attendees: 2 residents - 1 in-person, 1 online (sign-in log attached)

Resident 1:

Question: Will there be landscaping between the wall and drive aisle?

Answer: Yes

Question: How tall will the building be?

Answer: The max building height will be 27ft

Resident 2:

Question: How will the tenant prevent oil and other automotive fluids from leaving the bay areas and going into the surrounding environment?

Answer: All shops have drains that keep any spillage from leaving the shop.

Question: Will there be security cameras on the southern wall?

Answer: The building will have cameras, but they're angled towards the building and won't capture anything else such as surrounding houses.

Question: How will you prevent thieves from breaking into the cars and stealing parts such as the catalytic converters?

Answer: Cameras and a well-lit area along with parking vehicles that are targeted inside.

Question: Can you move the trash enclosure to the north so that it's further away from the houses?

Answer: Yes. (trash enclosure was then shifted north)



Daniel Cox <daniel.cox@simoncre.com>

Surprise Neighborhood Meeting Follow-Up

Daniel Cox <daniel.cox@simoncre.com>

Fri, Jun 3, 2022 at 9:02 AM

To: [REDACTED]
Cc: Joshua Schripsema <joshua.schripsema@simoncre.com>, Ian Lang <ian.lang@simoncre.com>

Hi Mary,

I hope you're doing well and are gearing up for a great weekend. I wanted to follow up on the neighborhood meeting we had for our auto repair project in Surprise at the northeast corner of Cotton Ln & Custer Ln. We spoke with our tenant on the various questions you had and I've shared their responses below (in red). Also, we were able to shift the trash enclosure further north as you can see on the attached site plan.

How will Kerry's operationally prevent environmental hazards from occurring? Her specific questions were regarding how fluid, parts, etc. will be disposed of and how oil/mechanical fluid will be prevented from flowing outside the building.

- In all shops, we have drains that keep any spillage from leaving the shop. In addition to this, if this is regarding the enclosed shop, this will never even be able to be a concern.

Will there be security cameras on the southern wall? A few of the residents to the south had privacy concerns that cameras will record them in their homes/backyards.

- We do have cameras in our buildings to prevent and detour the other concerns that are listed, however, the cameras will be angled to view our business and nothing else.

What measures will be in place to prevent the cars from being targeted by auto thieves or others looking to steal the catalytic converters?

- Cameras and a well-lit area along with parking vehicles that are targeted inside.

Last, I've included our presentation as well so you can have that as a reference. We appreciate you coming out and asking questions regarding our project; it's allowed us to look deeper into how we can make this project a greater fit for the community, which we believe it will be.

Thank you,

Daniel Cox

Development Associate



6900 E. 2nd Street
Scottsdale, AZ 85251

D: 480.573.0933 | M: 858.444.6988

O: 480.745.1956 | F: 480.588.4150

Website | Email | vCard | LinkedIn

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2 attachments



2022-05-24 Neighborhood Meeting v2 PP - Surprise, AZ Kerry's Car Care (1) [Autosaved].pptx

11435K



2022-05-26 Surprise Kerrys SP - Trash Relo.pdf

1280K



Daniel Cox <daniel.cox@simoncre.com>

Surprise Kerrys - Neighborhood Meeting

Ian Lang <ian.lang@simoncre.com>

Wed, May 25, 2022 at 9:19 AM

To: [REDACTED] Joshua Schripsema <joshua.schripsema@simoncre.com>, Daniel Cox <daniel.cox@simoncre.com>

Mike,

Thanks for coming to the meeting yesterday. I appreciate the feedback. I have attached the slideshow that we presented yesterday and below is the answer to some of your questions that you asked during the meeting.

- The max building height is 27 feet
- See slide #6 for the landscaping plan, we have put additional landscape screening on the southern portion of the building
- See attached noise study outcome

Please let me know if you need anything else from me or if you have any questions or concerns.

Thanks!

Ian Lang

Development Associate



6900 E. 2nd Street

Scottsdale, AZ 85251

D: 480.933.8341 | M: 602.405.1971

O: 480.745.1956 | F: 480.588.4150

[Website](#) | [Email](#) | [vCard](#) | [LinkedIn](#)

[The Latest News & Views from SimonCRE Insights](#)

2 attachments



2022-05-24 Neighborhood Meeting v2 PP - Surprise, AZ Kerry's Car Care (1) [Autosaved].pptx
11435K



Sound Kerrys .pdf
985K

Exhibit C

CITY OF SURPRISE
Site posting Process

AFFIDAVIT OF POSTING

Application No: FS22-0587
Applicant Name: SimonCRE
Location: SWC Greenway & Cotton Ln
Date Site Posted: 05/04/22

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Meghan Liggett 5/4/22
Applicant/Representative Signature Date

This instrument was acknowledged before me on 05/04/22, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.



Marybeth Conrad
Notary Public
10.25.24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: May 24th, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual

Google Meets meet.google.com/kke-ccnd-fot

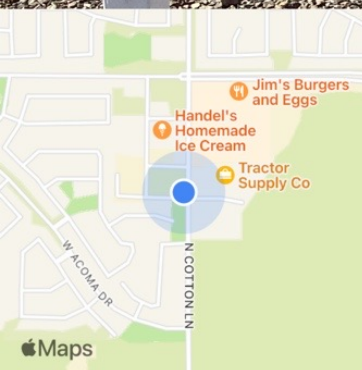
Join By Phone (US) +1 414-909-7212 PIN: 992 982 439#

Case number: FS22-0587



Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)



15010-15112 N Cotton Ln
Surprise AZ 85388

+33.621051, -112.426949

Wednesday, May 4, 2022 at 8:30:26 AM

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Planning & Zoning

City Council

Date: May 24th, 2022

Date: TBD

Date: TBD

Time: 6:00 P.M.

Time: 6:00 P.M.

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual

Google Meets meet.google.com/kke-ccnd-fot

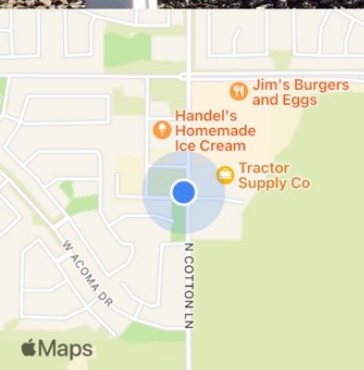
Join By Phone (US) +1 414-909-7212 PIN: 992 982 439#

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.



Please call to confirm dates: 623- 222-3011 Surpriseaz.gov



15010-15112 N Cotton Ln
Surprise AZ 85388
+33.621051,-112.426949

Wednesday, May 4, 2022 at 8:30:04 AM

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Planning & Zoning

City Council

Date: May 24th, 2022

Date: TBD

Date: TBD

Time: 6:00 P.M.

Time: 6:00 P.M.

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual

Google Meets meet.google.com/kke-cnd-fot

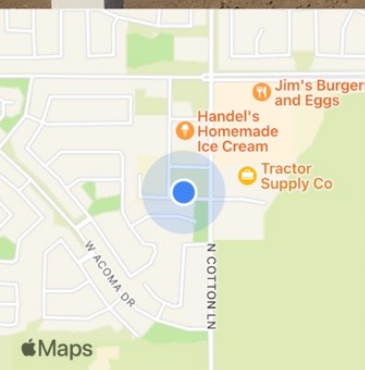
Join By Phone (US) +1 414-909-7212 PIN: 992 982 439#

Case number: FS22-0587



Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://surpriseaz.gov)



17100–17198 W Port Royale Ln
Surprise AZ 85388

+33.621067,-112.427682

Wednesday, May 4, 2022 at 7:46:11 AM

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Planning & Zoning

City Council

Date: May 24th, 2022

Date: TBD

Date: TBD

Time: 6:00 P.M.

Time: 6:00 P.M.

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

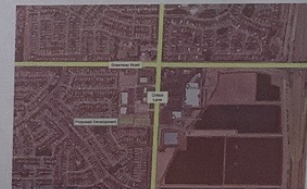
Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual

Google Meets meet.google.com/kke-ccnd-fot

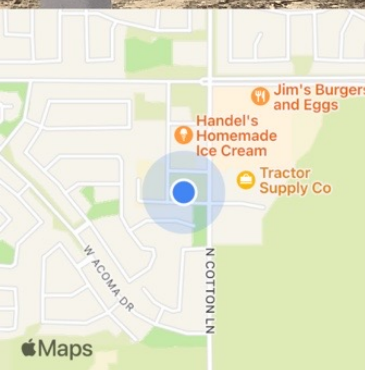
Join By Phone (US) +1 414-909-7212 PIN: 992 982 439#

Case number: FS22-0587



Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)



Surprise AZ 85388
+33.621186,-112.427642
Wednesday, May 4, 2022 at 7:45:43 AM



Exhibit D

Daniel Cox <daniel.cox@simoncre.com>

Surprise Neighborhood Meeting Follow-Up

Daniel Cox <daniel.cox@simoncre.com>

Fri, Jul 29, 2022 at 2:20 PM

To: [REDACTED]

Cc: Joshua Schripsema <joshua.schripsema@simoncre.com>, Ian Lang <ian.lang@simoncre.com>

Hi Mary,

I hope you've been well. As our Kerry's auto repair project progress further towards city approval, I wanted to follow up and provide a few updates. Due to budgetary concerns experienced on a similar project, we updated our site layout and building facade to make the project more feasible. The alterations include switching from a single-bay door to an 8-bay door design and changing some of the building materials.

Although this is a, somewhat, new design, the residents, and your concerns are still incorporated. The environmental and trash enclosure location concerns you expressed during our neighborhood meeting are still in place.

Please take a look at the referenced documents provided in the link below and let me know if you have any questions or additional concerns.

<https://dealforcecre.box.com/s/jd4sufjlpfrsrdeddaetacpqqyarvrs>

I know some of the topics I'm talking about are foreign - they were to me when I first started in real estate - so, if you want to talk on the phone for any clarification, feel free to give me a call on my cell at (858) 444-6988. Look forward to hearing from you and addressing any questions or concerns you may have. Have a great weekend!

Best,

Daniel Cox

Development Associate

6900 E. 2nd Street
Scottsdale, AZ 85251

D: 480.573.0933 | M: 858.444.6988

O: 480.745.1956 | F: 480.588.4150

[Website](#) | [Email](#) | [vCard](#) | [LinkedIn](#)

Got Skills? We've got job openings!

[Quoted text hidden]



Daniel Cox <daniel.cox@simoncre.com>

Surprise Kerrys - Neighborhood Meeting

Daniel Cox <daniel.cox@simoncre.com>

Tue, Aug 16, 2022 at 1:56 PM

To: [REDACTED]
Cc: Alex Pitrofsky <alex.pitrofsky@simoncre.com>, Christian Orr <christian.orr@simoncre.com>

Hi Mike,

I hope you've been well. As our Kerry's auto repair project progress further towards city approval, I wanted to follow up and provide a few updates. Due to budgetary concerns experienced on a similar project, we updated our site layout and building facade to make the project more feasible. The alterations include switching from a single-bay door to an 8-bay door design and changing some of the building materials.

Please take a look at the referenced documents provided in the link below and let me know if you have any questions or additional concerns.

<https://dealforcecre.box.com/s/jd4sufjlpfrsrdeddaetacapggyarvrs>

I know some of the topics I'm talking about are foreign - they were to me when I first started in real estate - so, if you want to talk on the phone for any clarification, feel free to give me a call on my cell at (858) 444-6988. Look forward to hearing from you and addressing any questions or concerns you may have. Have a great weekend!

Best,

Daniel Cox

Development Associate



6900 E. 2nd Street
Scottsdale, AZ 85251

D: 480.573.0933 | M: 858.444.6988

O: 480.745.1956 | F: 480.588.4150

[Website](#) | [Email](#) | [vCard](#) | [LinkedIn](#)

Got Skills? We've got job openings!

On Wed, May 25, 2022 at 9:19 AM Ian Lang <ian.lang@simoncre.com> wrote:

[Quoted text hidden]

Exhibit E



Sign In Sheet

Cotton and Greenway – Proposed Kerry's Car Care
09/26/2022

Name	Address	Email
Andy Cepen	[REDACTED]	[REDACTED]
MARGARET LIGU	[REDACTED]	"
Capt Abrams	City of Surprise	
Jason Moaush	CITY OF SURPRISE	
Billy (virtual)		[REDACTED] @m
Mike King (virtual)		[REDACTED]

Exhibit F

2nd Neighborhood Meeting Minutes:

Date: 09/26/2022

Location: Cimarron Springs Middle School, 17032 W Surprise Farms Loop S, Surprise, AZ 85388

Start Time: 6:00 PM

Attendees: 4 residents - 2 in-person, 2 online (sign-in log attached)

Resident 1:

Question: How many stores in the valley does the tenant have?

Answer: They have 5 stores in the valley but the parent company is a nationwide brand with operations in 5 different states.

Resident 2:

Question: What type of plants will be planted north of the southern screen wall? How tall will they be?

Answer: They'll be desert-native plants like the others within the center.

Resident 3:

Question: What type of lights will there be to the south and how bright will they be?

Answer: City of Surprise wouldn't approve excessively bright light fixtures or ones pointed towards residential housing, but we'll send the exact spec (spec was sent to resident).



Daniel Cox <daniel.cox@simoncre.com>

Surprise Kerrys - Neighborhood Meeting

Daniel Cox <daniel.cox@simoncre.com>

Tue, Sep 27, 2022 at 10:43 AM

To: [REDACTED]
Cc: Alex Pitrofsky <alex.pitrofsky@simoncre.com>, Christian Orr <christian.orr@simoncre.com>

Mike,

Thank you for attending our neighborhood meeting last night to discuss the Kerry's Car Care development we're proposing at the SWC of Cotton & Greenway. Following the meeting, I wanted to send you the presentation we discussed, as well as, our photometric plan, which details the luminosity and light fixtures along the southern wall. The light fixture that will be present along the southern wall is detailed on the second page of the photometric plan and is labeled "WDGE2 LED". In looking at that exhibit, you can see the light points directly at the ground, so no light will shine along the houses to the south.

If you have any further questions or need any additional information, please don't hesitate to contact me. Look forward to hearing from you and bringing this project to the Sierra Montana center!

Best,

Daniel Cox

Development Associate



6900 E. 2nd Street

Scottsdale, AZ 85251

D: 480.573.0933 | M: 858.444.6988

O: 480.745.1956 | F: 480.588.4150

[Website](#) | [Email](#) | [vCard](#) | [LinkedIn](#)

Got Skills? We've got job openings!

[Quoted text hidden]

2 attachments



Surprise, AZ Kerrys 2nd Neighborhood Meeting - PP.pdf

6543K



2022-08-05 Surprise Kerrys - Revised Photometric Plan.pdf

4855K



Daniel Cox <daniel.cox@simoncre.com>

Cotton & Greenway - Kerrys - Meeting Follow-Up

1 message

Daniel Cox <daniel.cox@simoncre.com>

Tue, Sep 27, 2022 at 10:16 AM

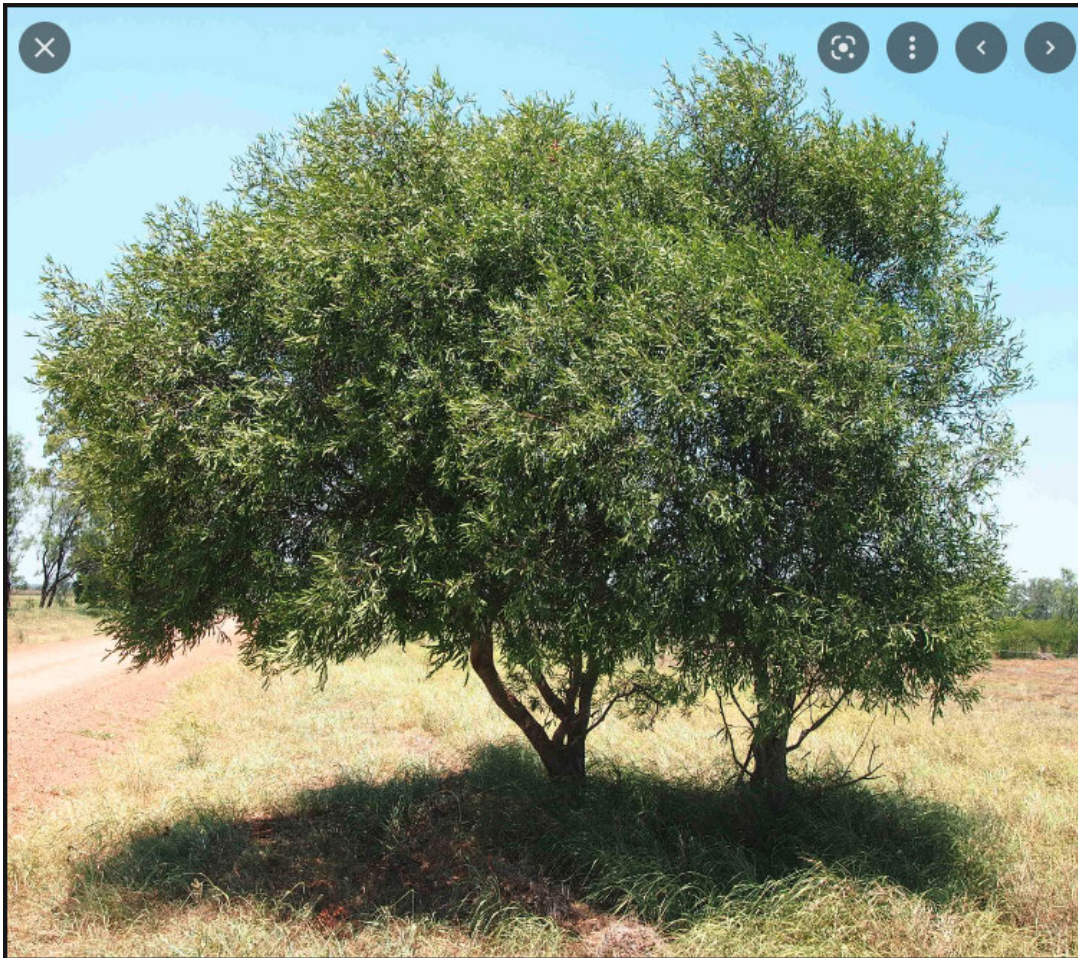
To: [REDACTED]
Cc: Alex Pitrofsky <alex.pitrofsky@simoncre.com>, Christian Orr <christian.orr@simoncre.com>

Billy,

Hope you're doing well. Thank you for attending our neighborhood meeting last night to discuss the Kerry's Car Care development proposed on the SWC of Cotton & Greenway.

Following up on your landscaping questions, please find attached our landscape plan showing the landscaping along the southern drive aisle, just north of the wall.

The main plant species lining that drive aisle will look like the below. When initially planted, they will be 3ft tall and will be kept below 6ft per the City of Surprise's standards.



Let me know if you have any questions or need any additional information. Looking forward to hearing from you and bringing this project to the center!

Best,

Daniel Cox

Development Associate



6900 E. 2nd Street
Scottsdale, AZ 85251

D: 480.573.0933 | M: 858.444.6988

O: 480.745.1956 | F: 480.588.4150

[Website](#) | [Email](#) | [vCard](#) | [LinkedIn](#)

Got Skills? We've got job openings!

2022-08-05 Surprise Kerrys - Updated Landscape Plan.pdf



Daniel Cox <daniel.cox@simoncre.com>

Cotton & Greenway - Kerry's - Meeting Follow-Up

Daniel Cox <daniel.cox@simoncre.com>

Tue, Sep 27, 2022 at 10:26 AM

To: [REDACTED]

Cc: Christian Orr <christian.orr@simoncre.com>, Alex Pitrofsky <alex.pitrofsky@simoncre.com>

Andy,

Hope you're doing well. Thank you for attending our neighborhood meeting last night to discuss the Kerry's Car Care development we're proposing within the Sierra Montana center.

Following up on the meeting, I wanted to send you the presentation we discussed, as well as, to leave you my contact information (below) in case you had any further questions or wanted any additional information on our development.

Look forward to hearing from you and bringing this project to your neighborhood!

Best,

Daniel Cox

Development Associate



6900 E. 2nd Street

Scottsdale, AZ 85251

D: 480.573.0933 | M: 858.444.6988

O: 480.745.1956 | F: 480.588.4150

[Website](#) | [Email](#) | [vCard](#) | [LinkedIn](#)

Got Skills? We've got job openings!



Surprise, AZ Kerrys 2nd Neighborhood Meeting - PP.pdf

6543K

Exhibit G

CITY OF SURPRISE
Site posting Process

AFFIDAVIT OF POSTING

Application No: FS22-0587
Applicant Name: SimonCRE
Location: SWC Greenway & Cotton Ln
Date Site Posted: 09/09/22

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior to** the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

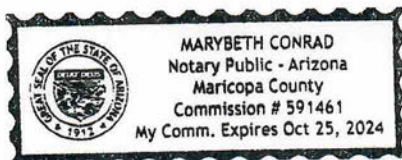
Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Meghan Liggett Date 9/9/22
Applicant/Representative Signature

This instrument was acknowledged before me on 09/09/22, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.



Marybeth Conrad
Notary Public
10.25.24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*



Notice of Public Hearing City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S.
Surprise, AZ 85388

Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk
Join by Phone:
(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

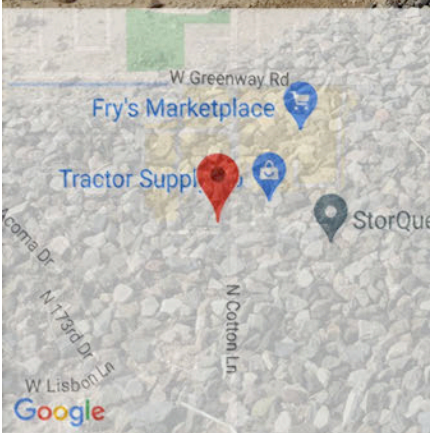


Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623-222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)

Sep 9, 2022 3:23:18 PM
324° NW

17138 West Port Royale Lane
Surprise
Maricopa County
Arizona





Notice of Public Hearing City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk
Join by Phone:
(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

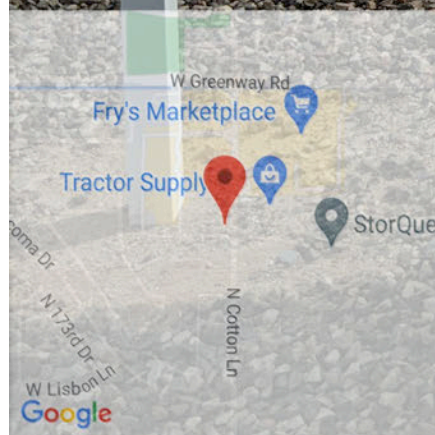
Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587



Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623-222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)



Sep 9, 2022 3:23:30 PM
175° S
15180 North Cotton Lane
Surprise
Maricopa County
Arizona



Notice of Public Hearing City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual Video Google Meets: meet.google.com/cpg-efqd-ryk

Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.



Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)

Sep 9, 2022 3:16:33 PM
103° E

17138 West Port Royale Lane
Surprise
Maricopa County
Arizona





Notice of Public Hearing City of Surprise

In-Person and Virtual

Neighborhood Meeting

Planning & Zoning

City Council

Date: September 26, 2022

Date: TBD

Date: TBD

Time: 6:00 P.M.

Time: 6:00 P.M.

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk

Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Case number: FS22-0587

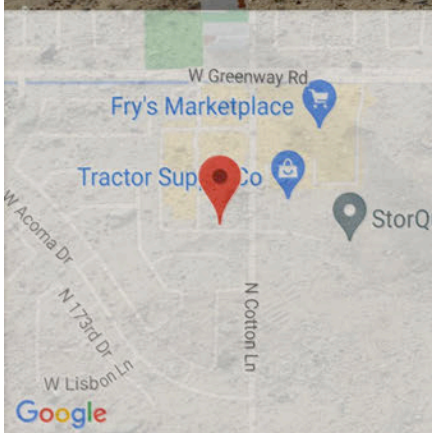


Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://surpriseaz.gov)

Sep 9, 2022 3:17:08 PM
251° W

17138 West Port Royale Lane
Surprise
Maricopa County
Arizona



AFFIDAVIT OF POSTING

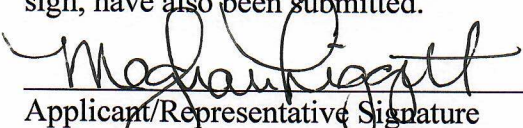
Application No: FS22-0587
Applicant Name: SimonCRE
Location: SWC Greenway & Cotton Ln
Date Site Posted: 05/25/23

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

 5/25/23
Applicant/Representative Signature Date

This instrument was acknowledged before me on 05/25/23, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.




Notary Public
10-25-24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual: Video Google Meets: meet.google.com/cpg-efqd-ryk

Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

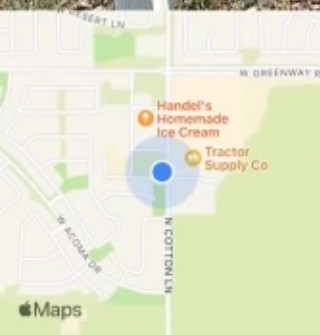
Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)



Notice of Public Hearing City of Surprise

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Neighborhood Meeting

Date: September 26, 2022

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Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk
Join by Phone:
(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 Surpriseaz.gov



May 25, 2023 09:41AM

15010-15112 N Cotton Ln

Page 171 of 351

Maricopa County

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk

Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

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Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
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Date: September 26, 2022

Time: 6:00 P.M.

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Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

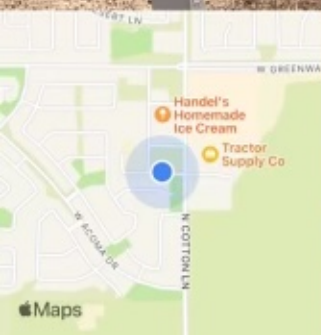
Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587



Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 Surpriseaz.gov



May 25, 2023 09:48AM
17100-17198 W Port Royale Ln
Page 1 of 1
351
Maricopa County

AFFIDAVIT OF POSTING

Application No: FS22-0587
Applicant Name: SimonCRE
Location: SWC Greenway & Cotton Ln
Date Site Posted: 05/25/23

In order to assist in providing adequate notice to interested parties, the applicant for any *type of public hearing* in the City of Surprise shall erect two (2) signs giving notice of the *date, time and place* of the scheduled hearings. These signs must be erected not less than **fifteen (15) days prior** to the date of the first hearing. The signs shall also include the nature of the request as contained on the formal zoning application. The size and format of this sign shall meet requirements established by the Planning and Zoning Department (see page 2).

Such notice shall be clearly legible and placed at a prominent location on the site – Generally adjacent and perpendicular to the public right-of-way. It shall be the *responsibility of the applicant* to erect and to maintain the sign on the subject property and to maintain the hearing information on the sign until final disposition of the case.

It shall also be the *responsibility of the applicant* to remove the signs within one week after the final disposition of the case.

I confirm that the site has been posted as required above, for the case noted above. A picture of the site posting, and photos of any subsequent changes/updates made to the sign, have also been submitted.

Meghan Liggett 5/25/23
Applicant/Representative Signature Date

This instrument was acknowledged before me on 05/25/23, by Meghan Liggett. I witness whereof I hereunto set my hand and official seal.



Mary Beth Conrad
Notary Public
10-25-24
My commission expires

*Return completed and notarized **affidavit** and all relevant **photos** to the Planning and Zoning Department at least fifteen (15) days **prior to** the scheduled meeting(s).*

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual: Video Google Meets: meet.google.com/cpg-efqd-ryk

Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

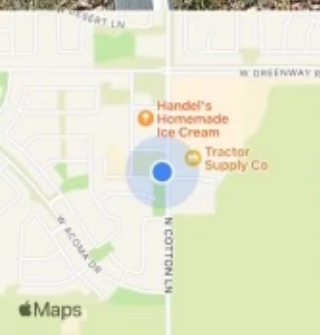
Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)



Notice of Public Hearing City of Surprise

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Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
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Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 Surpriseaz.gov



May 25, 2023 09:41AM

15010-15112 N Cotton Ln

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Maricopa County

Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
Surprise, AZ 85388

Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk

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(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

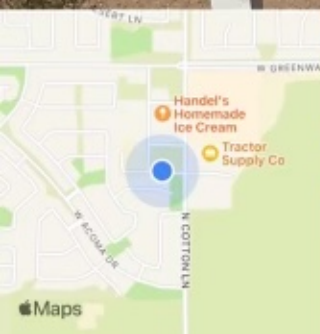
Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587

Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 [Surpriseaz.gov](https://www.surpriseaz.gov)



Notice of Public Hearing

City of Surprise

In-Person and Virtual

Neighborhood Meeting

Date: September 26, 2022

Time: 6:00 P.M.

Location: Cimarron Springs Middle School (Media Center)
17032 W Surprise Farms Loop S
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Virtual Video Google Meets: meet.google.com/cpg-efqd-nyk
Join by Phone:

(US) +1 405-267-0876 PIN: 155 449 125#

Planning & Zoning

Date: June 15, 2023

Time: 6:00 P.M.

Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

City Council

Date: TBD

Time: 6:00 P.M.

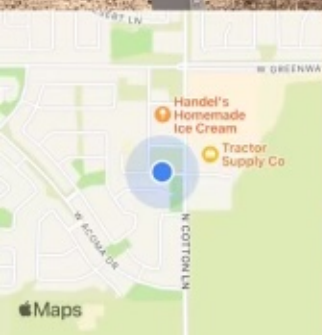
Location: 16000 N Civic Center Plaza
Surprise, AZ 85374

Case number: FS22-0587



Request: CUP to allow for Light Automotive Repair Use.

Please call to confirm dates: 623- 222-3011 Surpriseaz.gov

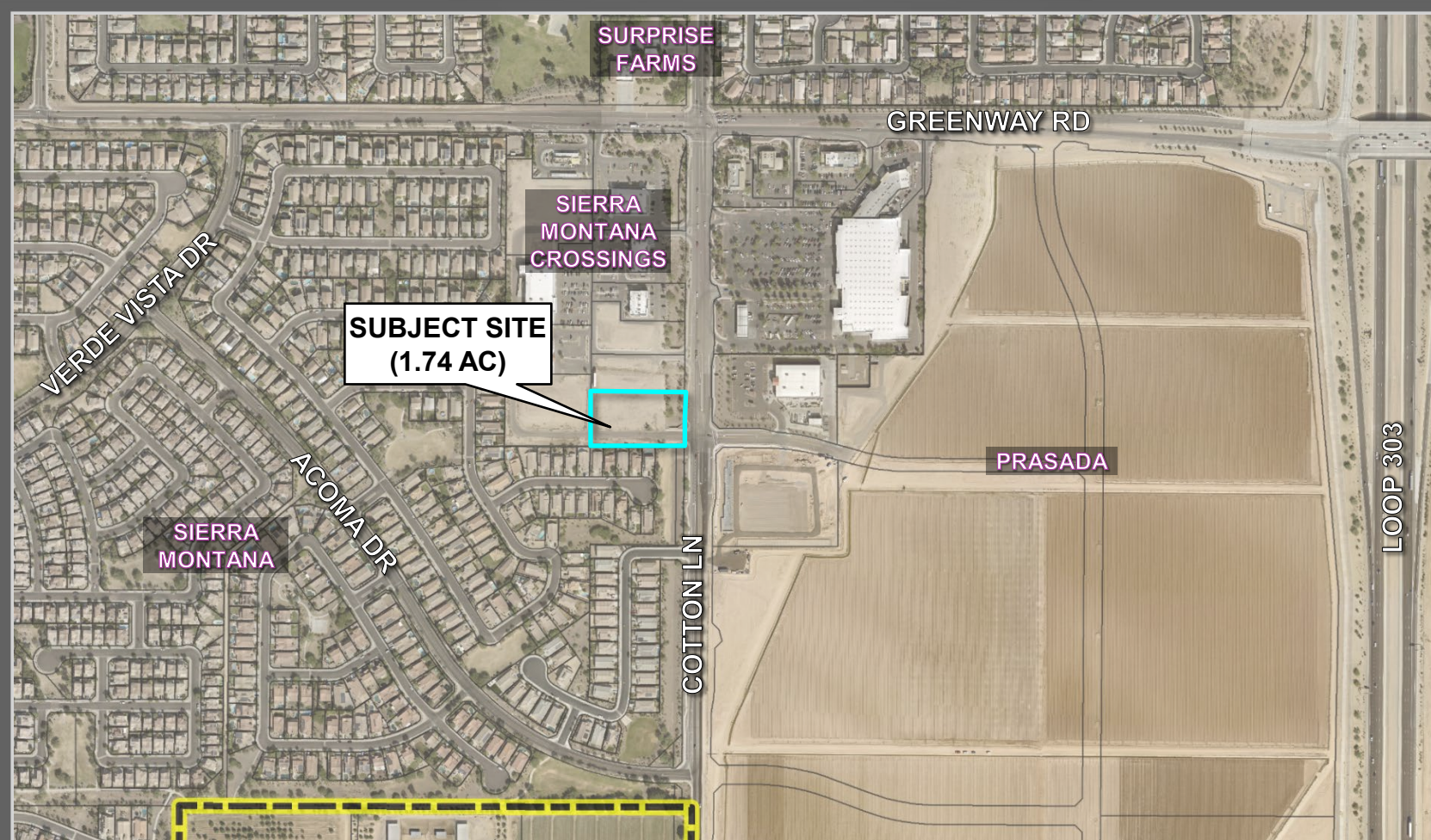


May 25, 2023 09:48AM
17100-17198 W Port Royale Ln
Page 1 of 1
351
Maricopa County

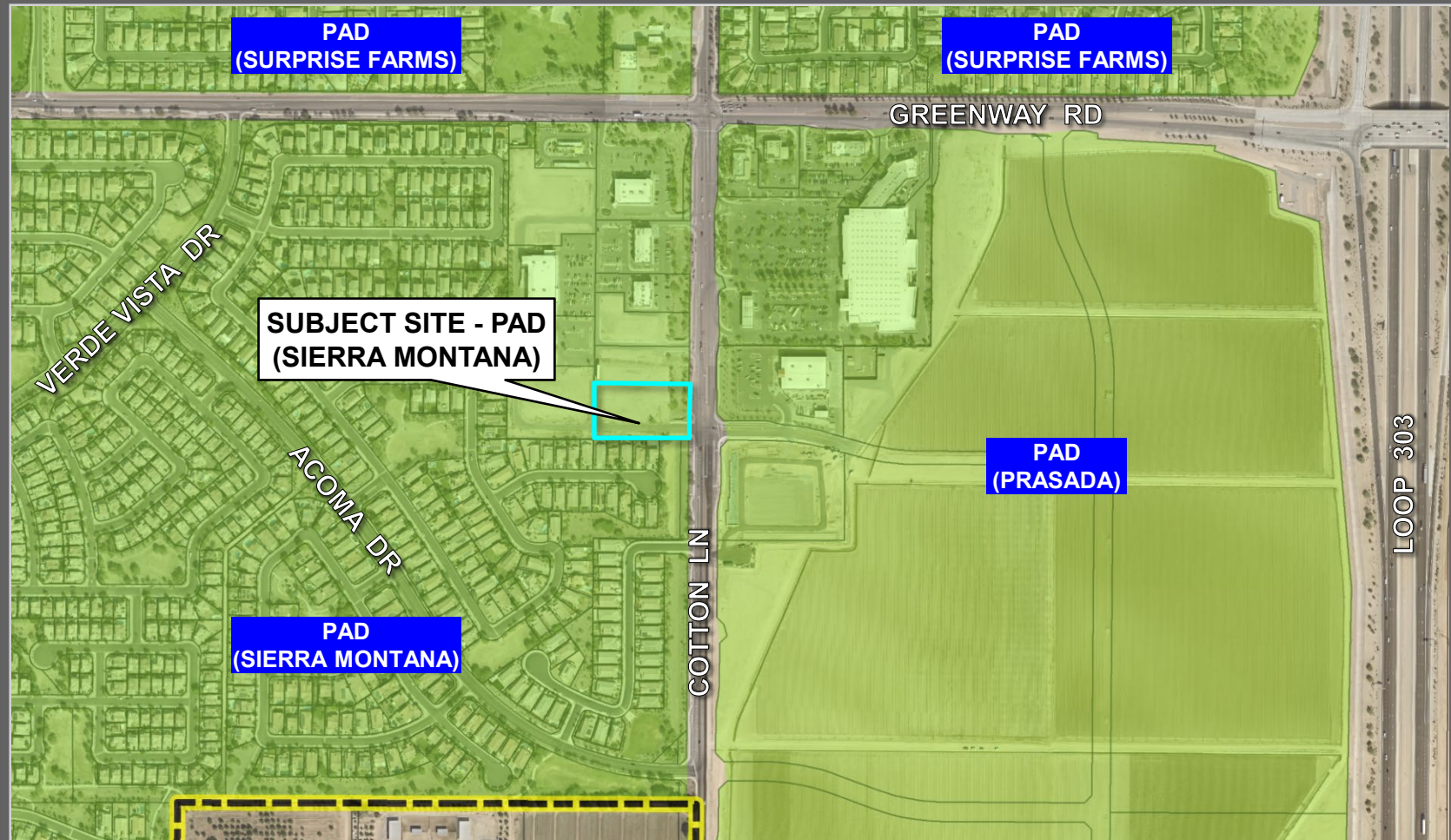


Cotton & Greenway Auto Repair FS22-0587 Conditional Use Permit with Site Plan

Planning & Zoning Commission – June 15, 2023

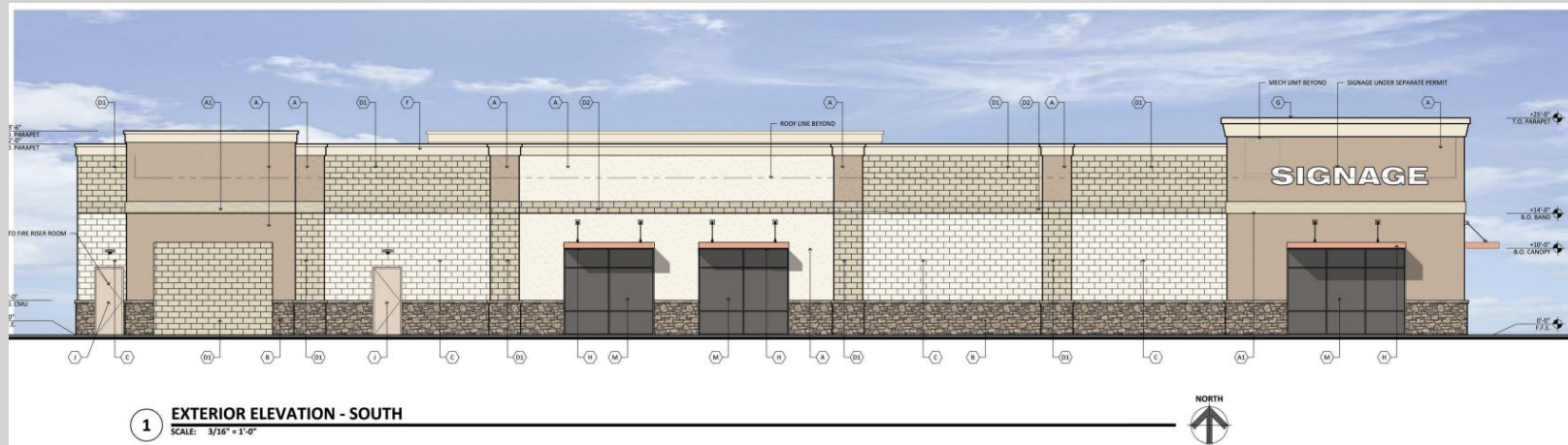


FS22-0587 VICINITY MAP



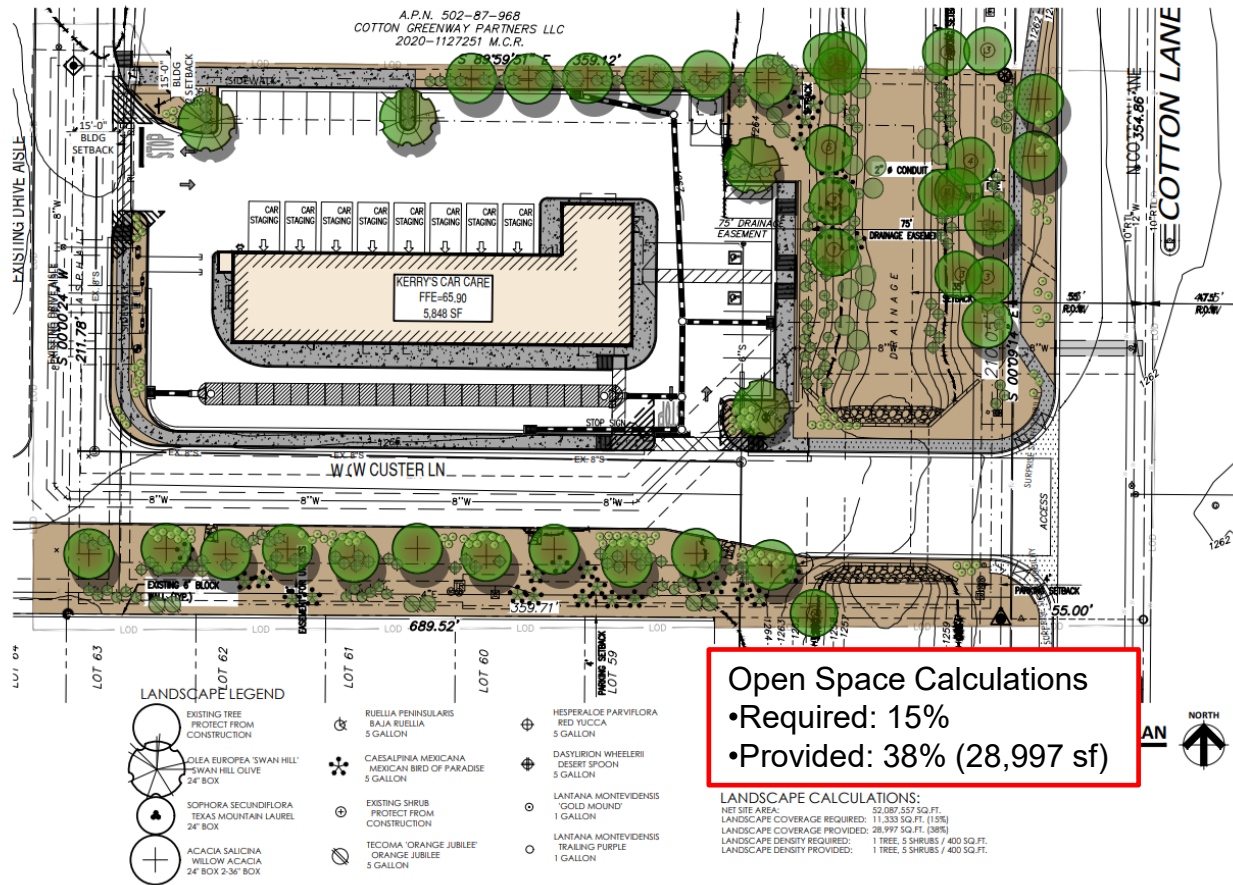
FS22-0587 ZONING MAP







FS22-0587 ELEVATIONS



Title 17.28.080(C)(12)

- ✓ All services/repairs conducted within an enclosed building
- ✓ Outdoor storage prohibited
- ✓ Outdoor displays prohibited
- ✓ All buildings screened from residential view
- ✓ Parking areas shall be paved
- ✓ Only completed products sold at retail on premises



Outreach

Neighborhood Meetings

- May 24, 2022 – Cimarron Springs Middle School
- September 26, 2022 – Cimarron Springs Middle School
 - Hybrid Meetings (In-Person & Virtual)
 - Concerns/Comments: building height, landscaping, oil spills, security cameras

RECOMMENDATION:

Staff Recommendation:

Approve subject to Stipulations 'a' through 'e'

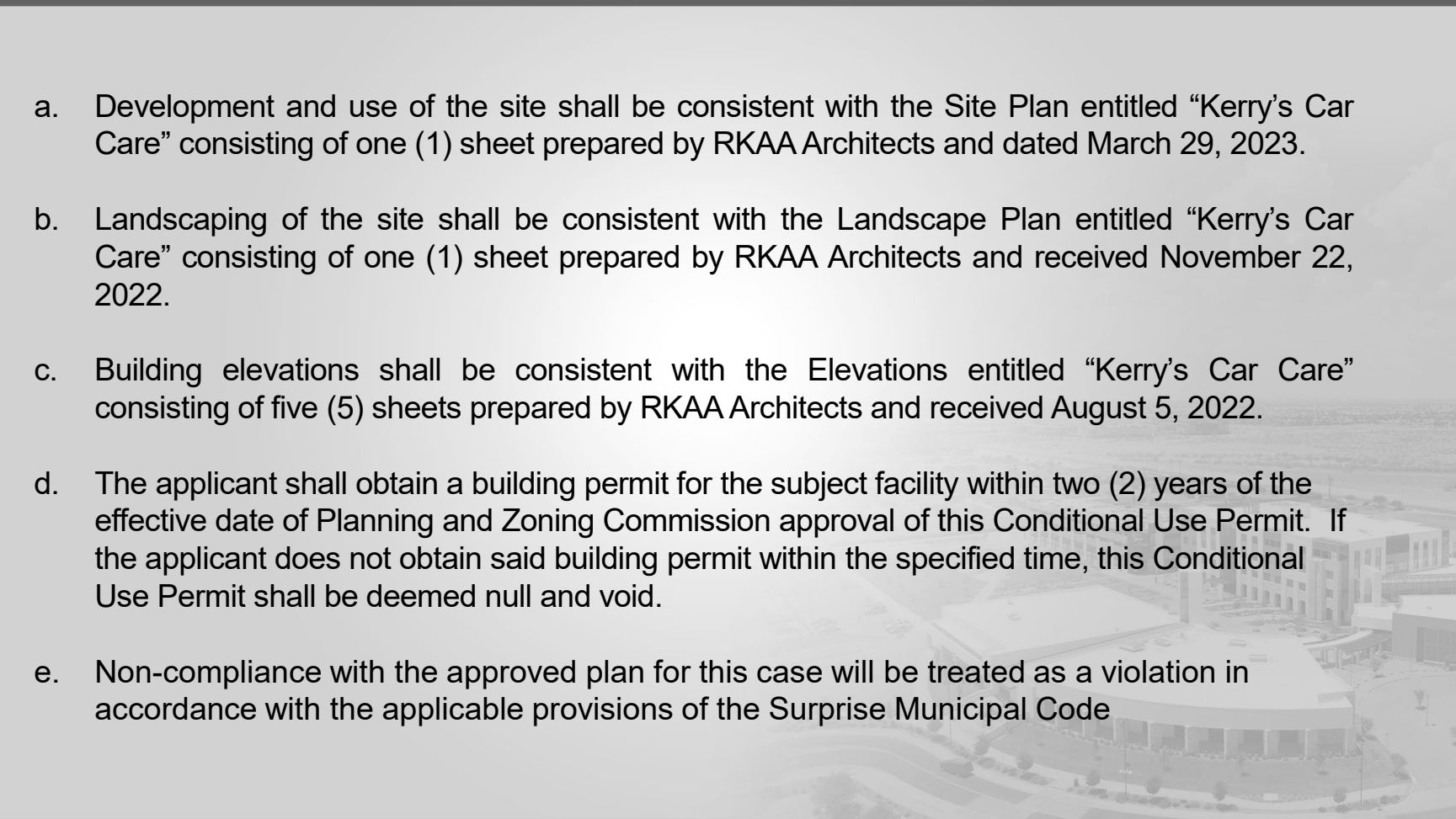


SURPRISE
ARIZONA

QUESTIONS OR COMMENTS?

Thank You



- 
- a. Development and use of the site shall be consistent with the Site Plan entitled “Kerry’s Car Care” consisting of one (1) sheet prepared by RKAA Architects and dated March 29, 2023.
 - b. Landscaping of the site shall be consistent with the Landscape Plan entitled “Kerry’s Car Care” consisting of one (1) sheet prepared by RKAA Architects and received November 22, 2022.
 - c. Building elevations shall be consistent with the Elevations entitled “Kerry’s Car Care” consisting of five (5) sheets prepared by RKAA Architects and received August 5, 2022.
 - d. The applicant shall obtain a building permit for the subject facility within two (2) years of the effective date of Planning and Zoning Commission approval of this Conditional Use Permit. If the applicant does not obtain said building permit within the specified time, this Conditional Use Permit shall be deemed null and void.
 - e. Non-compliance with the approved plan for this case will be treated as a violation in accordance with the applicable provisions of the Surprise Municipal Code



CITY OF SURPRISE Planning and Zoning Commission Meeting

Council Meeting Date: June 15, 2023 Contact Person: Jason Moquin, Planning Manager
Submitting Department: Community Development District: Citywide
Staff Recommendations: None

Consent: No Regular: No Public Hearing: No Report/Discussion: Yes

Agenda Wording:

Presentation and discussion pertaining to the draft of the Surprise General Plan 2040.

Motion:

Presentation and discussion only – no formal action required.

Background:

The General Plan is a comprehensive guide to the city's future growth and development. Arizona State Law requires every city and county in Arizona to prepare a General Plan to address growth. The State Law also requires the General Plan to be updated every 10 years. The current Surprise General Plan 2035 was ratified by the voters in 2013.

Over the course of the past year, staff and the hired consultant, Michael Baker International, have held numerous meetings with the General Plan Advisory Group, citizens, and stakeholder groups to collect input and feedback on the plan. The information received was compiled, analyzed, and incorporated into the draft of the Surprise General Plan 2040, which is now being prepared for formal review.

Objective Analysis:

Policy Compliant:

Financial Impact:

While this item does not have an immediate or direct financial impact, ongoing development activity in the City will inevitably have a future financial impact as additional resources are needed to provide city services.

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. P&Z Presentation 6.15.2023



SURPRISE2040

General Plan

Planning & Zoning Commission Workshop

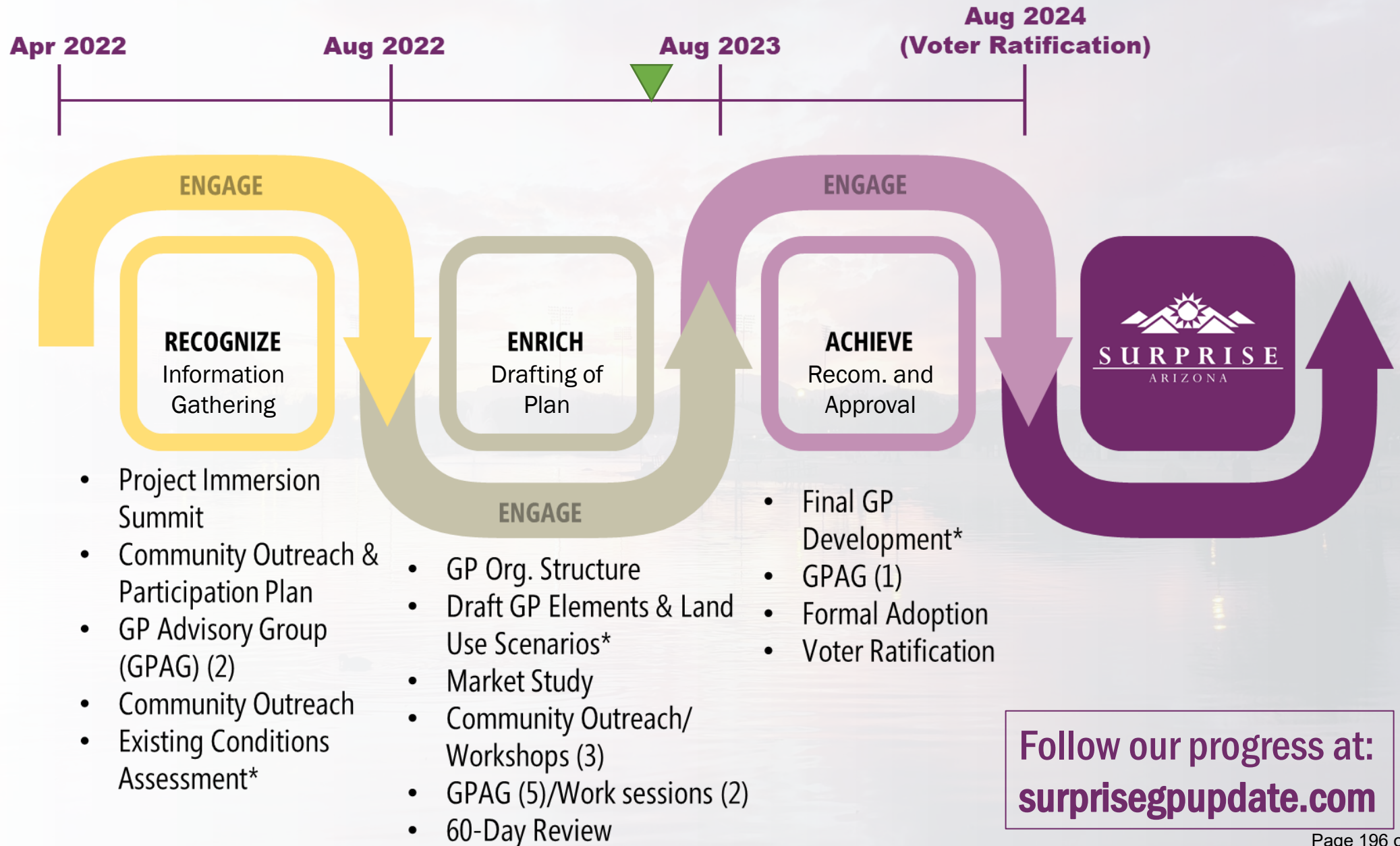


June 15,
2023

Meeting Focus

- 1. Review status of the overall General Plan Update project and process.**
 - Vision & Values
 - Organizational Structure
- 2. Provide broad summary of key topic and discussion areas**
 - Growth Areas
 - Land Use & Open Space
 - Housing
 - Transportation
 - Water Resources

General Plan Process





Vision & Values

General Plan Vision Statement

Existing General Plan 2035 Vision Statement

The City of Surprise strives to uphold the values of its residents, while balancing physical and economic growth, and maintaining a safe community. A high standard of living should be fostered by enhancing neighborhood and community amenities. Vibrant and diverse development is important for a young community, and Surprise should aim to preserve the uniqueness and history of the City.



Proposed General Plan 2040 Vision Statement

Against the picturesque backdrop of the White Tank mountains, Surprise is a distinct community that provides a high-quality life for residents of all ages. A range of rural to urban neighborhoods are safe and aesthetically pleasing. Community-wide mobility and accessibility is balanced with resource conservation to provide abundant greenways and open spaces for people to enjoy. Through responsible growth, the City's historic origins are embraced, while new thriving destinations provide cultural, employment, and shopping opportunities. This is complemented with well-planned infrastructure that creates a lasting foundation for the continued benefit of Surprise residents and visitors.

General Plan Values

Existing General Plan 2035 - Values

A Clean and Safe Community

(Surprise values) Well maintained streets, attractive commercial properties, and clean neighborhoods are vital to creating a safe, healthy, and enjoyable community.

Economic Development

(Surprise values) Support for small business is a community priority, with additional focus needed on downtown growth, attracting both high-end retail and a regional mall, and expanding higher education opportunities.

Sustainability

(Surprise values) Environmentally conscious development standards, water conservation strategies and valuing the preservation of open space, natural terrain and vegetation, will help prepare Surprise for long-term sustainability.

Quality Transportation Systems

(Surprise values) A complete transportation network helps support community connectivity and fosters future growth. Connecting to regional freeway systems is an important priority, as is completing partially built streets. Bike lanes, walking trails and commuter rail should be considered to help enhance the overall network.

Recreation

(Surprise values) Having the opportunity for recreation is a valued asset for all age groups in Surprise. Facilities should be expanded to include regional parks, a centralized community recreation center and other various facilities.

Proposed General Plan 2040 – Core Values

A Welcoming Place

(We value) A strong inclusive culture and commitment to action through embracing continued public engagement and collaboration among residents, government entities, institutions, and the business community.

A Livable Community

(We value) Responsible growth that promotes vibrant neighborhoods with distinct identities, offering a wide variety of attractive housing options for a diverse population.

A Connected City

(We value) Safe and accessible mobility choices for all ages and abilities, including well-maintained road networks, public transit, sidewalks, bike lanes, and trails with an emphasis on embracing new infrastructure technologies and future transportation modes.

A Competing Economy

(We value) Reliable employment supported by small to large businesses spanning multiple sectors, education and vocational training that is responsive to economic fluctuations and market shifts, coupled with enticing destinations attracting, visitors, new employers and innovative workforce talent.

A Healthy Lifestyle

(We value) A safe community with modern amenities, including a wide range of outstanding parks and recreational facilities, access to public and health services, and well-supported arts and cultural events and venues.

A Sustaining Environment

(We value) Thoughtful development, resource conservation, and appropriate infrastructure provisions that take financial, social, and environmental impacts into account to secure a resilient and adaptive future for all.





Organizational Structure

General Plan 2040 Organizational Structure

Introduction: Vision & Values

Value 1: A Welcoming Place*

Value 2: A Livable Community*

Value 3: A Connected City*

Value 4: A Sustaining Environment*

Value 5: A Healthy Lifestyle*

Value 6: A Competing Economy*

*Each chapter includes the following subsections:
Discussion, Goals, Policies

Implementation: Procedures, Plan, Action Matrix & Evaluation Metrics

Appendix: ARS Goal / Element Matrix

		REQUIRED ELEMENTS											
		Land Use & Growth Areas	Circulation	Recreation & Open Space	Revitalization & Redevelopment	Housing & Neighborhood Preservation	Environmental Planning & Conservation	Water Resources	Energy	Public Services & Facilities (Utilities)	Public Buildings	Safety	Cost of Development
Goal 2.1	Maintain a well-managed community form	●			●	●		●					●
Goal 2.2	Be a home for everyone	●	●	●	●	●	●	●	●	●		●	●
Goal 3.1	Develop a complete transportation network to support desirable patterns of development	●	●	●	●	●	●				●	●	●
Goal 4.1	Support economic competitiveness	●	●		●			●	●	●			
Goal 4.2	Be a Regional Economic Partner						●	●	●	●			
Goal 5.1	Offer superior recreational amenities and activities	●	●	●			●	●			●		
Goal 5.2	Foster a system of natural opens spaces	●	●	●	●		●	●				●	
Goal 6.1	Protect the health of our diverse environment	●		●			●	●					
Goal 6.2	Utilize a systems approach to sustainability	●		●		●	●	●	●				●
Goal 6.3	Reduce risk and thrive under change		●	●			●	●			●	●	
Goal 6.4	Provide exceptional core utilities					●	●	●	●	●			●

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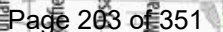
A scenic photograph of a lake at sunset. The sky is filled with soft, pink and orange clouds. In the background, several stadium lights are visible, suggesting a sports venue. The water in the foreground is calm, reflecting the colors of the sky and the lights. A small fountain is visible in the middle ground, creating ripples in the water. The overall atmosphere is peaceful and serene.

Growth Areas

2040 GP GROWTH AREA MAP



- **Expanded Residential Growth Areas 2 & 3**
- **Added Growth Area 7 – BNSF Rail Facility**





Land Use Plan & Open Space

Land Use Plan

2040 GP LAND USE & CHARACTER AREA MAP

- Refined land use plan and text to mitigate growth impacts

 Rural Residential Overlay

Legend

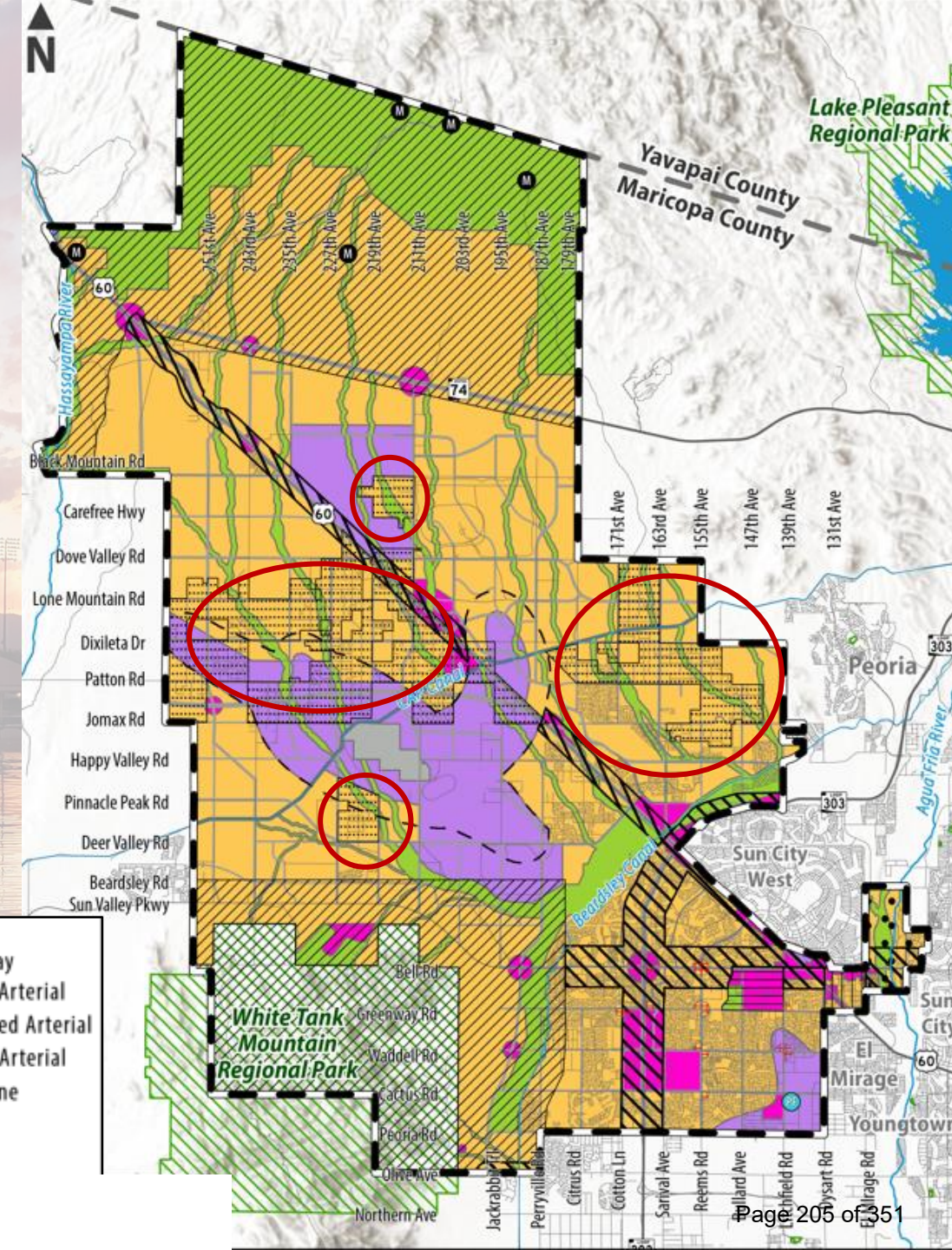
Character Area

-  Neighborhood
Rural, Suburban, Urban
-  Commercial & Office
*Mixed Use-Residential,
Mixed Use-Commercial,
Commercial Office, Regional
Commercial*
-  Employment
Business Parks, Industrial
-  Open Space

Sub Area

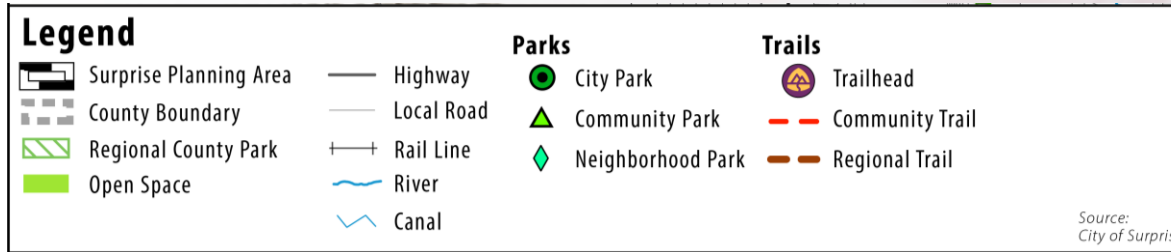
-  Rural Residential Overlay
-  Luke Compatibility District
-  Scenic Lands Development
-  Surprise Center District
-  Surprise Heritage District
-  Transit Oriented Development District
-  Aggregate Resource Area

-  State Trust Land
-  County Boundary
-  Regional County Park
-  Military
-  Aux 1 Noise Contours
-  Luke AFB DNL
-  Existing Community Commercial
-  Public Facility
-  Mining
-  Freeway
-  Major Arterial
-  Modified Arterial
-  Minor Arterial
-  Rail Line
-  Canal

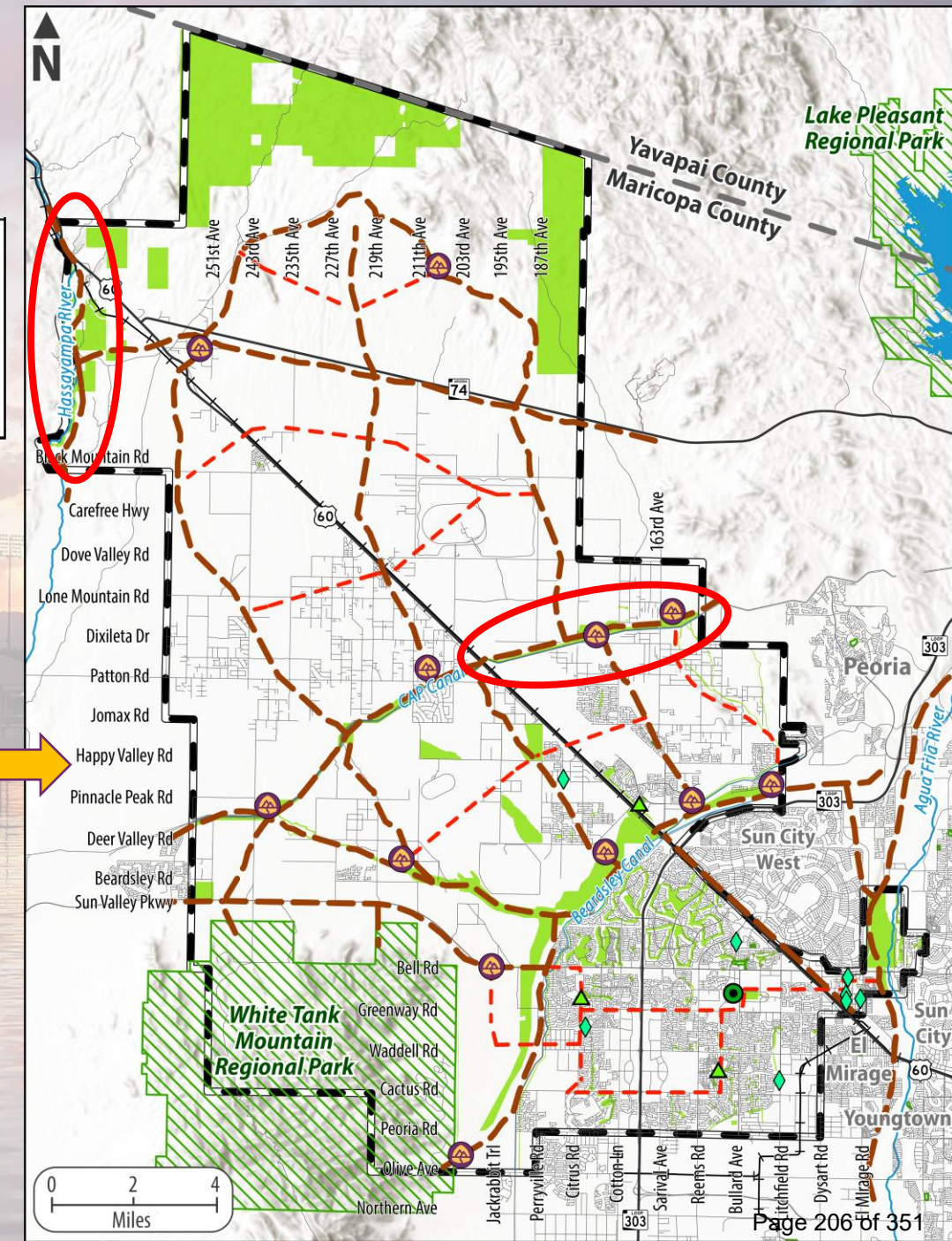
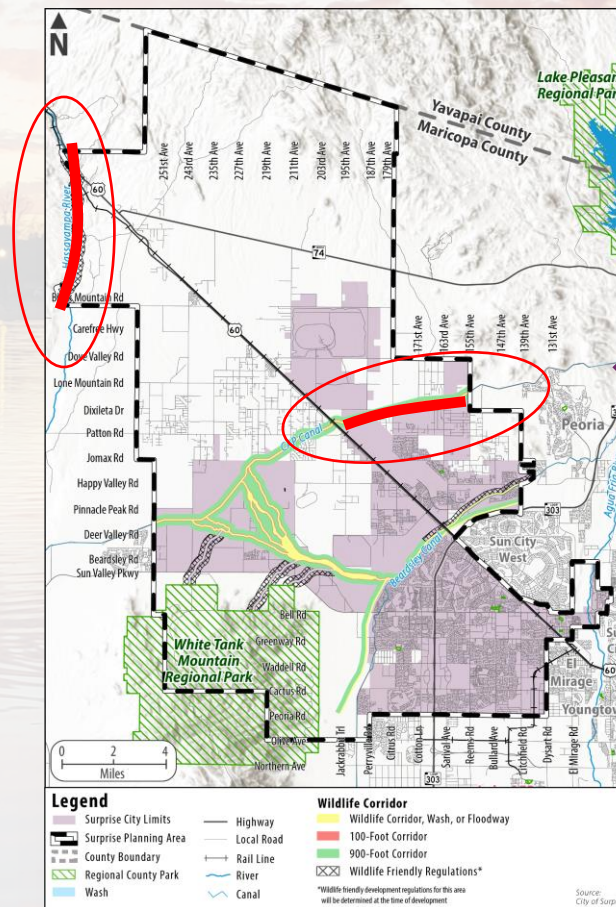


Open Space Plan

2040 GP Parks, Trails, Open Space & Recreation Map



- Maintain wildlife and recreational connectivity through natural and planned Open Space corridors.



A photograph of a lake at sunset. The sky is filled with soft, pink and orange clouds. In the background, several tall stadium lights are visible, their reflections shimmering on the water's surface. The water is calm, with gentle ripples. On the right side, there are some trees and a building, also reflected in the water. The overall mood is peaceful and serene.

Housing

Housing

2040 GP Value 2: Livable Community

- **A Balanced Approach to Housing (for All)**

- **Goal 2.2: Be a home for everyone**

Upholding the condition and quality of the city's housing stock is necessary to maintain safe, attractive, and livable neighborhoods for all people who want to live in Surprise. Surprise will also work to preserve housing opportunity through providing more diverse, accessible options within neighborhoods that expand the range of housing types, densities, and price points. (10 supporting policies - excerpts below)

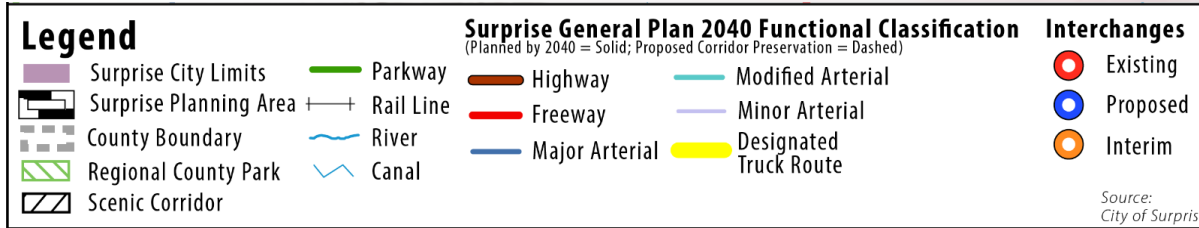
1. The City shall proactively update and implement local studies, ordinances, policies, and building codes to encourage development of residential neighborhoods that broaden the choice of housing type, size, price points, amenities, and conveniences so as to allow for a wide variety of options for all who live or want to live in Surprise.
2. Explore housing opportunities to ensure diversity such as accessory dwelling units, live-work spaces, and residential mixed density communities throughout the City.
3. Establish appropriate incentives and leverage other funding sources for the development of safe and quality housing that accommodates a diversity of housing types to better serve evolving demographic and economic needs of its residents.

A scenic photograph of a lake at sunset. The sky is filled with soft, pink and orange clouds. In the background, several tall stadium lights are visible, their reflections shimmering on the water's surface. The water is calm, with gentle ripples. On the right side, there are some trees and a building, also reflected in the water. The overall mood is peaceful and serene.

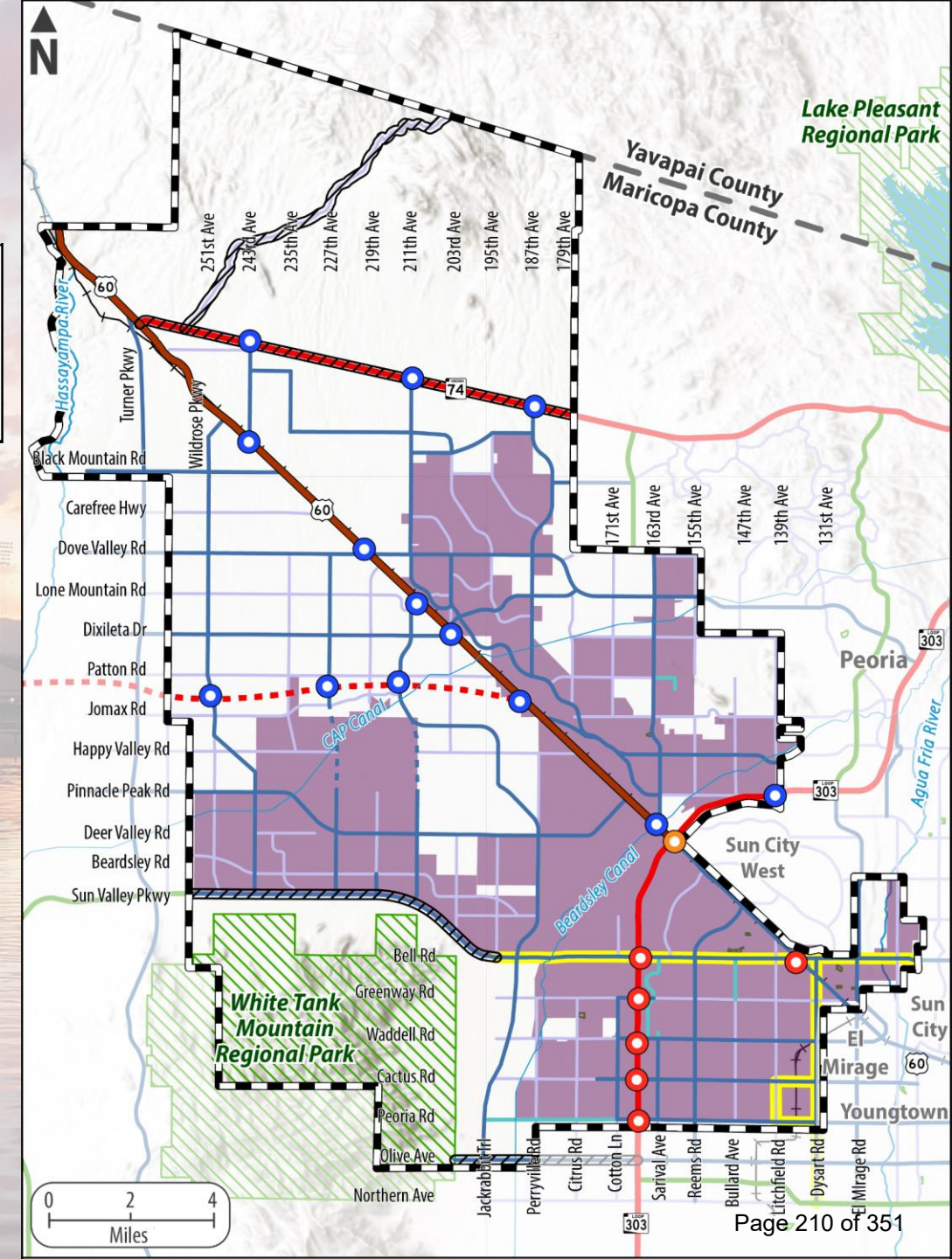
Transportation

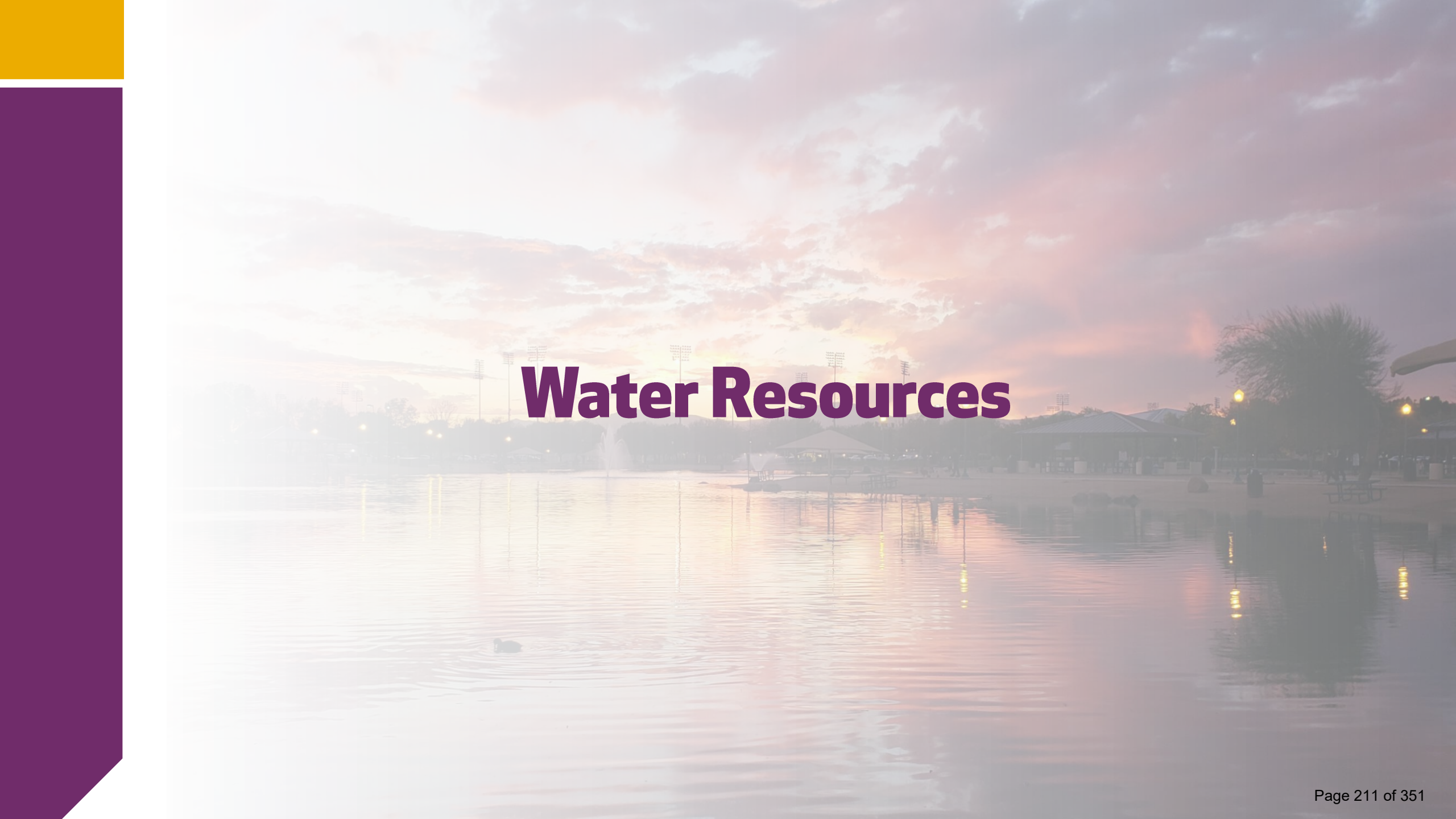
Transportation

2040 GP FUNCTIONAL CLASSIFICATION PLAN



- Updated Functional Classification Plan to align with City and regional transportation planning efforts/priorities.
- Refined supporting transportation goals, policies, and actions to promote partnerships/funding sources that help to mitigate congestion.





Water Resources

Water Resources

2040 GP Value 6: Sustaining Environment

- **Make Water Management/Conservation more prominent**
 - **Goal 6.5: Continuously and responsibly manage our water resources**

The City will continuously pursue to develop and implement programs that protect and enhance the City's water supply portfolio in accordance with the adopted Water Resource Management Plan. Within this work, the City will monitor and support efforts to improve regional cooperation and communications among appropriate agencies and communities.
 - **Goal 6.6: Bolster water conservation**

In the spirit of bettering the use of water across the City, Surprise will continue to promote water conservation in accordance with the adopted Water Resource Management Plan. The use of reclaimed water will also be encouraged, and there will be further investment into best management practices for the optimal capture of stormwater runoff.
 - **Goal 6.7: Ensure for safe and reliable water delivery**

The City of Surprise will continue to invest in water treatment, storage, and distribution systems to ensure reliable delivery of high-quality water to meet daily and emergency needs.

Water Resources

2040 GP Value 6: Sustaining Environment

- Make Water Management/Conservation more prominent

REQUIRED ELEMENTS														
		Land Use & Growth Areas	Circulation	Recreation & Open Space	Revitalization & Redevelopment	Housing & Neighborhood Preservation	Environmental Planning & Conservation	Water Resources	Energy	Public Services & Facilities (Utilities)	Public Buildings	Safety	Cost of Development	
Goal 2.1	Maintain a well-managed community form	●			●	●		●					●	
Goal 2.2	Be a home for everyone	●	●	●	●	●	●	●	●	●		●	●	
Goal 2.3	Foster a sense of place through maintenance, reuse, or redevelopment of maturing areas	●		●	●	●	●	●			●	●	●	
Goal 4.1	Support economic competitiveness	●	●		●			●	●	●				
Goal 4.2	Be a Regional Economic Partner						●	●	●	●				
Goal 5.1	Offer superior recreational amenities and activities	●	●	●			●	●			●			
Goal 5.2	Foster a system of natural opens spaces	●	●	●	●		●	●				●		
Goal 6.1	Protect the health of our diverse environment	●		●			●	●						
Goal 6.2	Utilize a systems approach to sustainability	●		●		●	●	●	●				●	
Goal 6.3	Reduce risk and thrive under change		●	●			●	●			●	●		
Goal 6.4	Provide exceptional core utilities					●	●	●	●	●			●	
Goal 6.5	Continuously and responsibly manage our water resources	●		●	●		●	●						
Goal 6.6	Bolster water conservation	●			●		●	●						
Goal 6.7	Ensure for safe and reliable water delivery				●		●	●					●	

Next Steps

Remaining Project Milestones

- **60-Day Review Period**
 - June 30, 2023 – August 30, 2023
- **Community Workshop #3**
 - August 10, 2023
- **PZ Commission Public Hearings - Recommendation**
 - October 5 & November 2, 2023 (recommendation)
- **City Council Public Hearing Consideration**
 - December 5, 2023 (consideration)
- **General Plan Ratification**
 - August 6, 2024 (Primary Election)

A photograph of a sunset over a body of water, likely a lake or a large pool. The sky is filled with soft, pink and orange clouds. In the background, several tall stadium lights are visible, suggesting a sports venue. The water in the foreground is calm, reflecting the colors of the sky and the lights. The overall mood is peaceful and serene.

Thank You



CITY OF SURPRISE Planning and Zoning Commission Meeting

Council Meeting Date: June 15, 2023 Contact Person: Adam Lane
Submitting Department: Community Development District: Citywide
Staff Recommendations: None

Consent: No Regular: No Public Hearing: No Report/Discussion: Yes

Agenda Wording:

Presentation and discussion pertaining to the results for the City of Surprise Housing Study.

Motion:

Discussion Only

Background:

The Human Service & Community Vitality Department in partnership with consultants Matrix Design Group, Inc., has completed a comprehensive housing needs analysis and market demand study for the City of Surprise. The purpose of this housing study is to analyze the housing stock and housing market within the City of Surprise, existing inventory of housing resources, identify gaps in the local housing market, identify trends that may affect the housing market over time, and develop strategies to address the current and future needs of the community.

Objective Analysis:

Policy Compliant:

Financial Impact:

There is no direct financial impact.

Budget Impact:

FTE Impact:

ATTACHMENTS:

1. P&Z Staff Report
 2. Surprise Housing Study Draft-Matrix 05 22 2023
 3. Surprise Housing Presentation-Matrix
-



Date: June 15, 2023
To: Planning & Zoning Commission
From: Adam Lane, Housing & Community Services Supervisor
Re: City of Surprise Housing Study Review and Presentation

Introduction

The Human Service & Community Vitality Department commissioned a comprehensive housing needs analysis and market demand study, to aid in the development of a comprehensive strategy to address housing needs in the City of Surprise. The results of the housing study are summarized in a written report, and are being presented today by Matrix Design Group, Inc.

Background

In 2020 the City adopted a Strategic Plan that identified the high priority need to increase access to and support the development of affordable housing. The completion of this new housing study is to provide the data and information necessary to help the City achieve a deeper understanding of local housing needs for all types of housing at all price levels, so that it can develop appropriate strategies to address them.

The scope of the study included; analyzing the housing stock and housing market within the City of Surprise, inventory existing housing resources, identifying gaps in the local housing market, identifying trends that may affect the housing market over time, and developing strategies to address the current and future needs of the community, with the overall goal of ensuring that housing opportunities are provided for households of all types, ages, and income levels.

Future Actions

- Presentation to City Council – June 20, 2023



SURPRISE
ARIZONA

SURPRISE

ARIZONA

City of Surprise Housing Study





City of Surprise Housing Study

Prepared for:

City of Surprise
Human Service and Community Vitality Department
Housing and Community Services
1600 N Civic Center Plaza
Surprise, AZ 85374

Prepared by:



2020 North Central Avenue
Suite 1140
Phoenix, AZ 85004

Contact: Christian Caron, PhD

Updated: May 22, 2023



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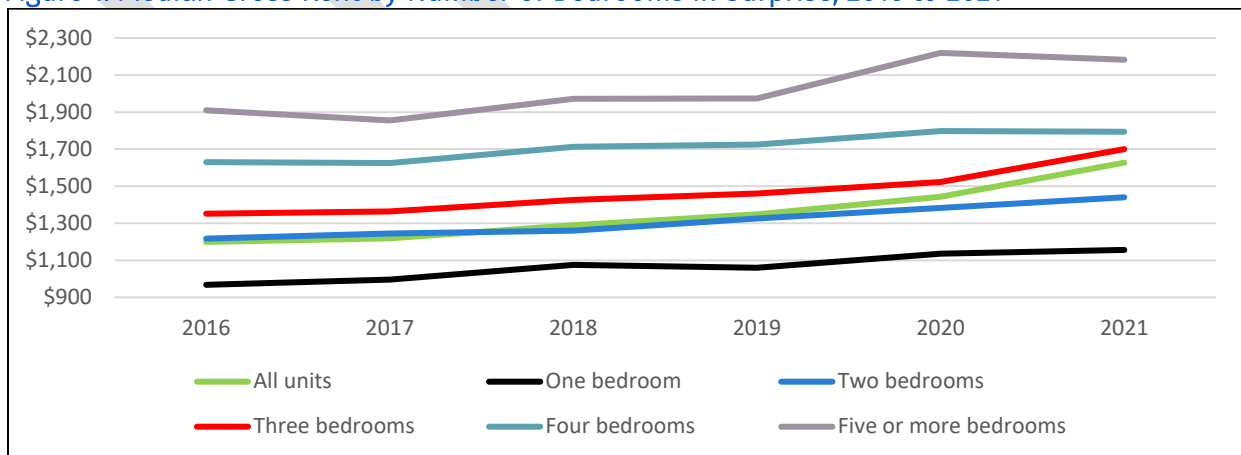
Executive Summary

In November 2022, the City of Surprise retained Matrix Design Group, Inc. (Matrix) to conduct a housing study. The study serves two main purposes. **First, it seeks to enhance policymakers', stakeholders', and the community's understanding of the housing challenges facing the city through detailed, state-of-the-art analytics and robust community engagement.** To that end, Matrix completed an exhaustive demographic, economic, and housing status profile; housing inventory and rental and owner market analyses; and housing needs assessment. **Second, it outlines a comprehensive housing strategy that Matrix developed in consultation with stakeholders, community leaders, and the general public.** The experiences of other communities that have successfully confronted similar challenges suggest that our recommendations, if implemented, will significantly improve existing conditions.

How expensive is it to rent or buy a home in Surprise?

Our findings rely heavily on five-year estimates from the 2021 American Community Survey (ACS), which covers the period from 2017 to 2021. While other data sources employed throughout the study provide more recent data, none can match the ACS's level of detail, rigor, and statistical reliability. **Median gross rent in Surprise during this period reached an all-time high of \$1,627 (see Figure 1). Since then, as Figure 2 shows, rents have failed to return to historical levels.** As of the first quarter of 2023, average gross rent in Surprise was \$1,722, although one-bedroom units were typically available for just under \$1,600. Home sale prices, too, have risen sharply in recent years, even when accounting for inflation. **As Figure 3 demonstrates, from March 2020 to June 2022, the median home sale price increased from \$338,210 to \$498,152.** While prices have since fallen, concurrent increases in mortgage rates have deterred many prospective buyers from purchasing homes. Assuming a 6% interest rate, 30-year loan term, and 20% down payment, the monthly mortgage payment for the median home purchased in March 2023 amounts to \$1,947. Note that this total excludes property taxes, insurance, and other fees.

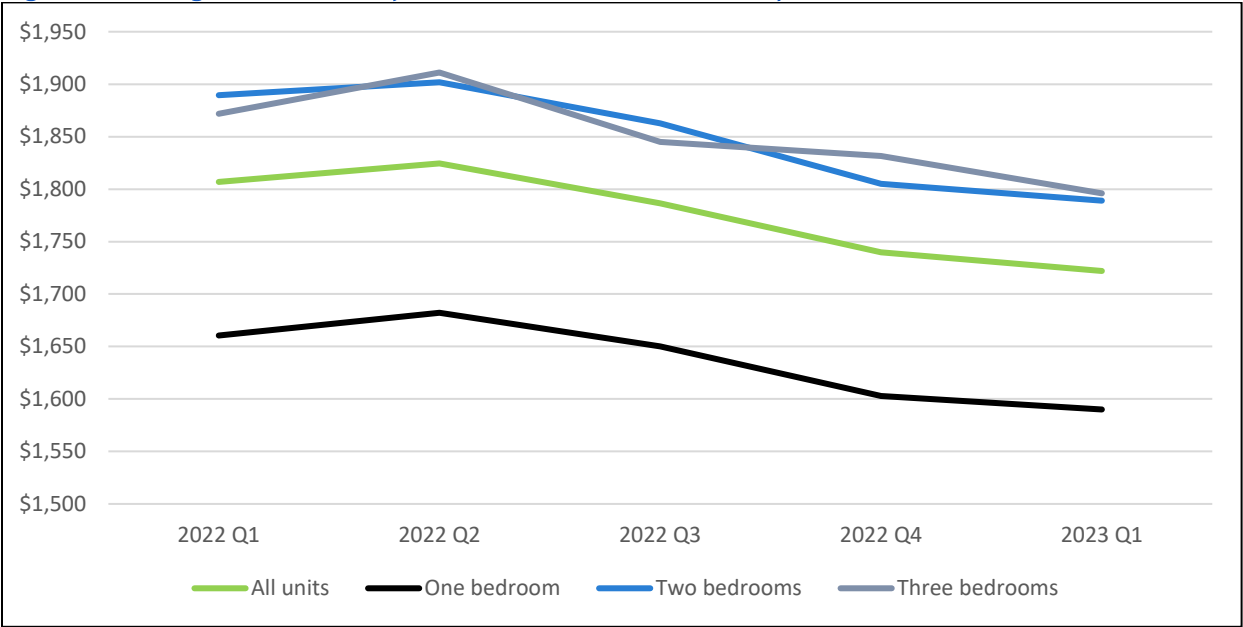
Figure 1. Median Gross Rent by Number of Bedrooms in Surprise, 2016 to 2021



Source: Five-year American Community Survey (2021)

Note: Dollar values adjusted for inflation to constant 2021 dollars.

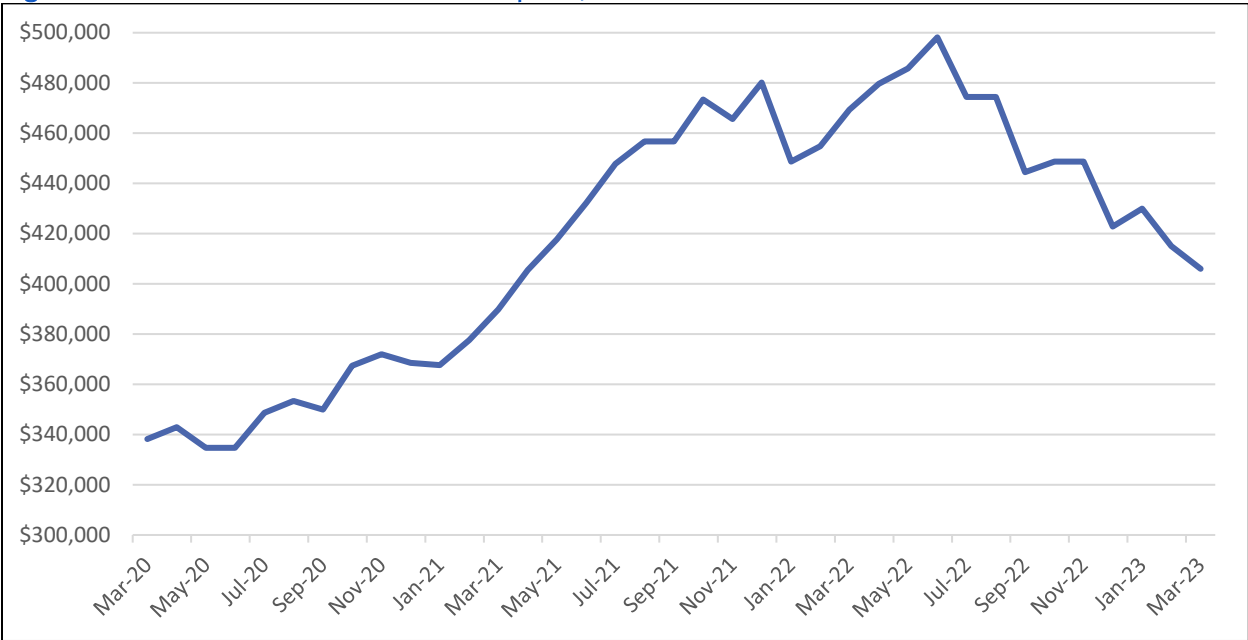
Figure 2. Average Gross Rent by Number of Bedrooms in Surprise, 2022 Q1 to 2023 Q1



Source: CoStar; Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2023 dollars.

Figure 3. Median Home Sale Price in Surprise, March 2020 to March 2023



Source: Redfin; Matrix Design Group, Inc.

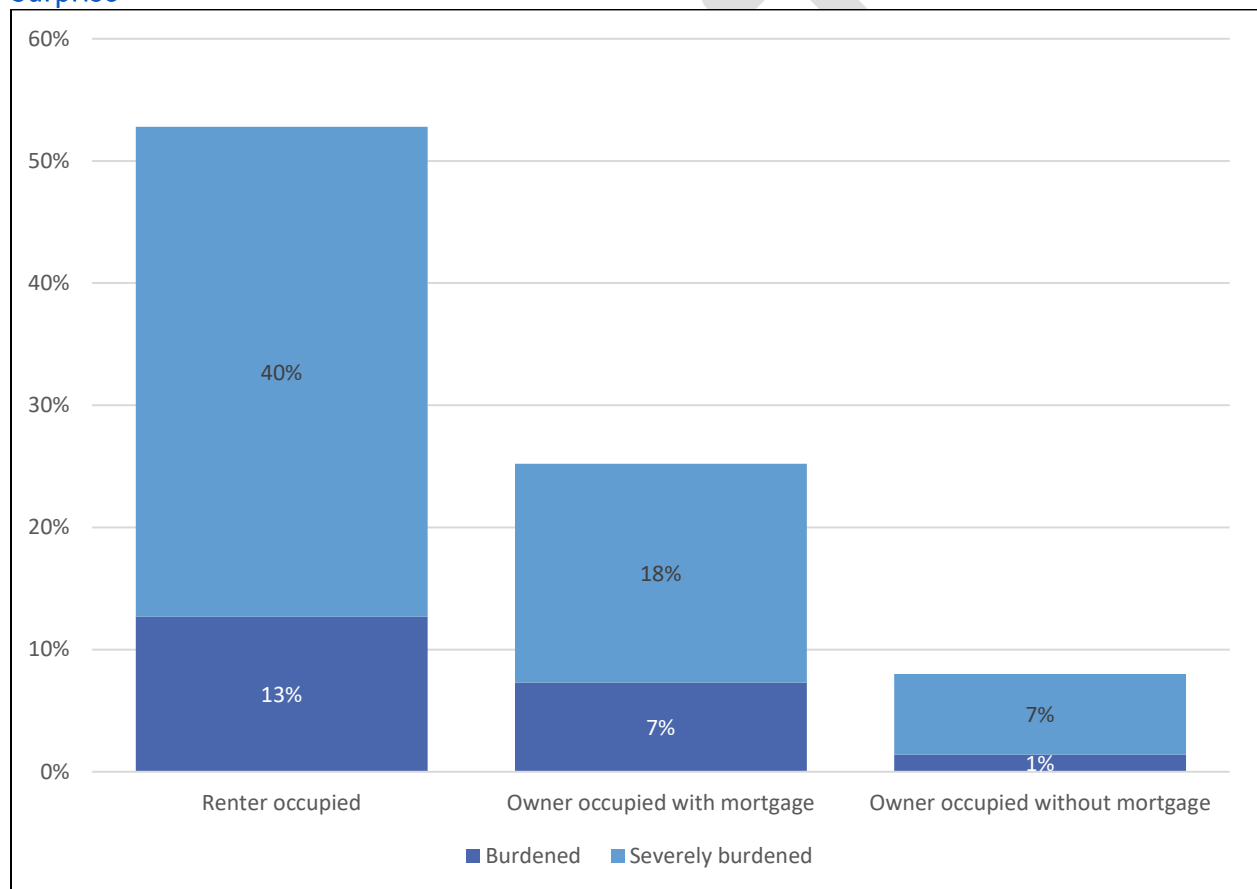
Note: Dollar values adjusted for inflation to constant 2023 dollars.



How widespread are cost-burdened renters and homeowners in Surprise?

As a general rule, housing costs should account for less than 30% of gross household income in order to be considered affordable. **Figure 4 reveals that 13% of renter households qualify as “cost burdened,” spending between 30 and 34.9% of household income on rent. For an additional 40% of households, rent accounts for 35% or more of household income, making them “severely cost burdened.”** While homeowners are in a stronger financial position, the fact that a quarter of them are burdened or severely burdened by housing costs is cause for concern. Furthermore, it is important to recognize that homeowners do not represent a random sample of the population. Rather, higher-income households tend to select into homeownership. This implies that the rate of cost-burdened or severely cost-burdened homeowners would increase markedly if a significant percentage of Surprise’s renters decide to purchase homes in the coming years.

Figure 4. Prevalence of Cost-Burdened and Severely Cost-Burdened Households by Tenure in Surprise



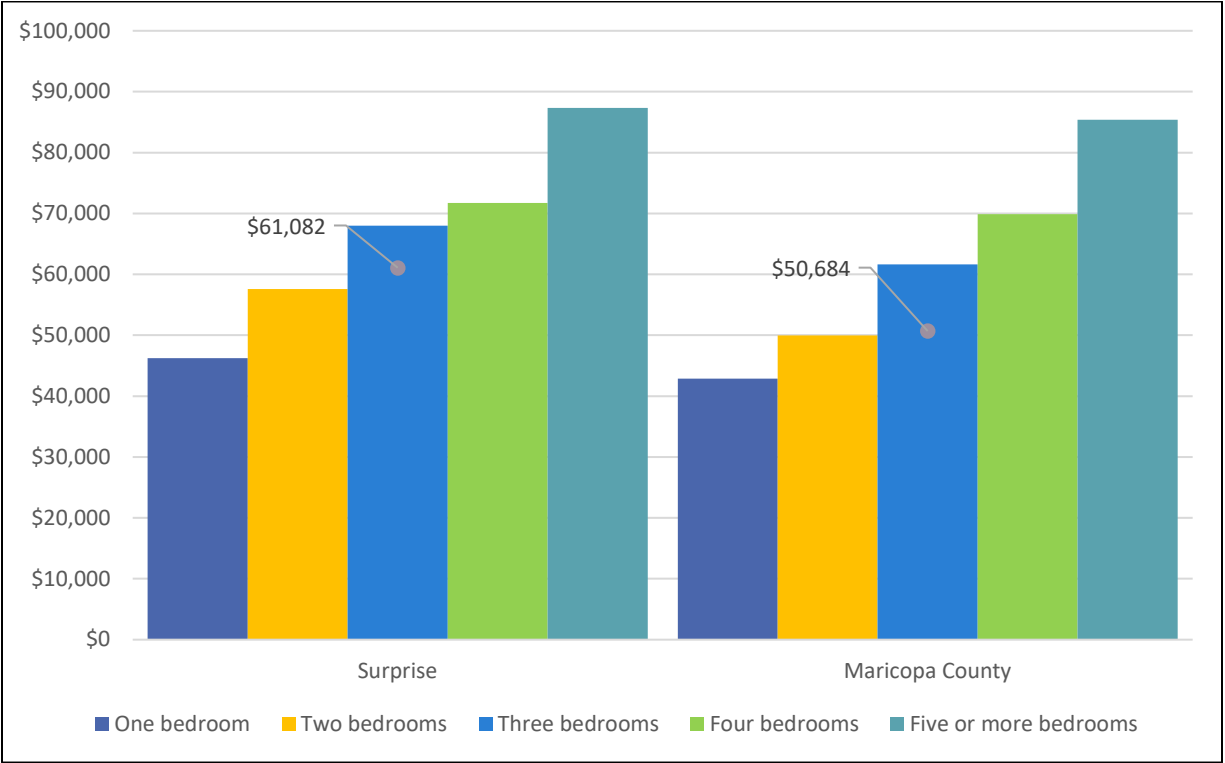
Source: Five-year American Community Survey (2021)

What type of unit can the median renter in Surprise afford?

The prevalence of cost-burdened or severely cost-burdened renter households in Surprise warrants a closer analysis of the challenges they face. Figure 5 compares the minimum income required to afford median rent for units with varying numbers of bedrooms to actual median renter household income, which is represented by the gray dot. **Surprise’s median renter income of \$61,082 is sufficient to contain**

rent for only one- and two-bedroom units to less than 30% of household income. Because rents are less expensive in surrounding communities, the same is true for Maricopa County, despite its significantly lower median renter household income (\$50,684). Units with three or more bedrooms are unaffordable for median renter households in both regions. To afford the typical three bedroom-unit in Surprise, for example, a household needs to earn at least \$68,002.

Figure 5. Minimum Income Required to Afford Median Gross Rent at 30% Threshold by Number of Bedrooms, 2021



Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

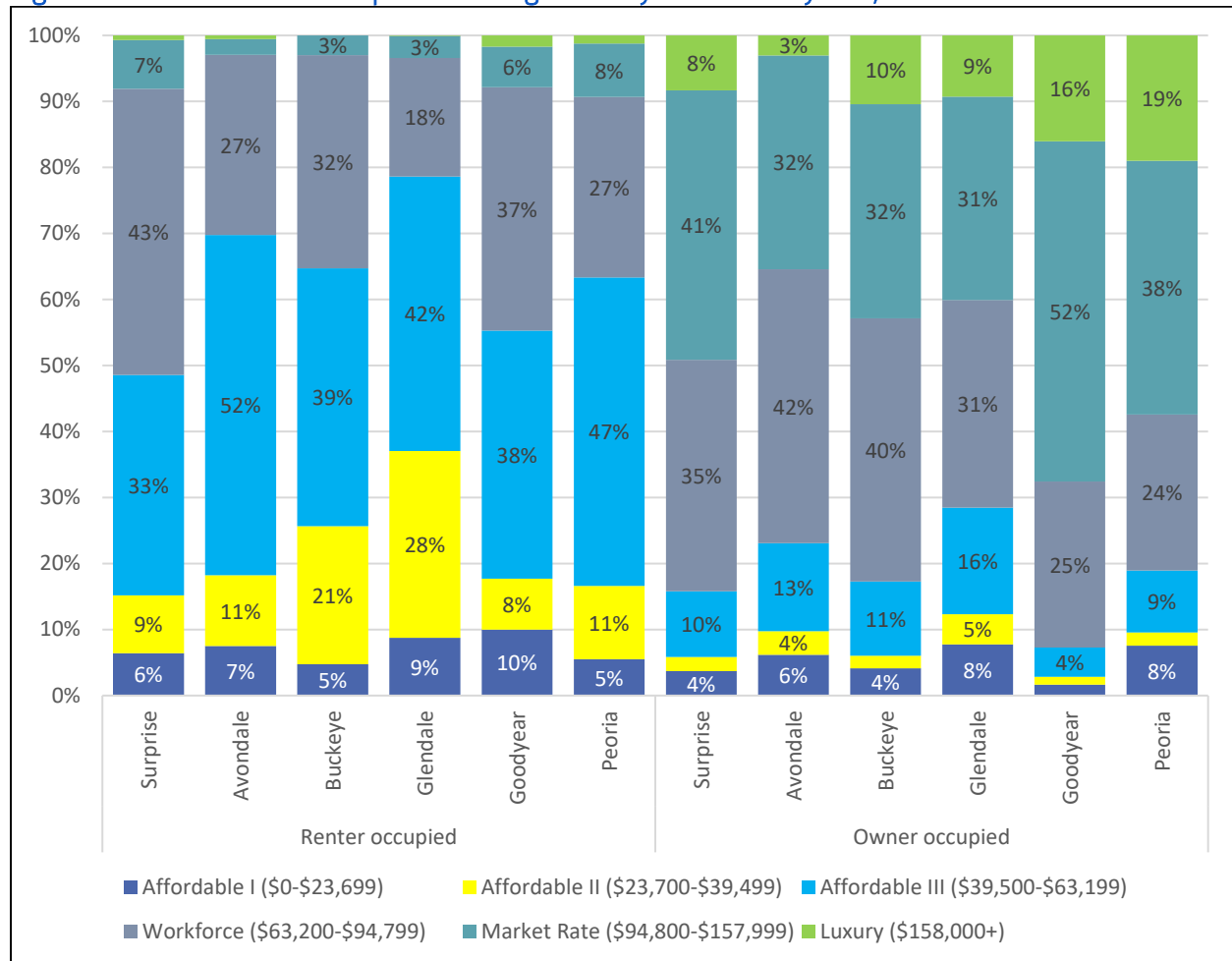
How affordable are renter- and owner-occupied homes in Surprise compared to nearby communities?

Figure 6 groups Surprise's renter- and owner-occupied households into affordability tiers, which are based on the 2021 area median income (AMI) of \$79,000 for the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area (MSA). Further, it compares the affordability composition of Surprise's inventories to those of Avondale, Buckeye, Glendale, Goodyear, and Peoria. Note that the dollar values represent the range of household incomes that could afford a home in a given category. For instance, the "affordable III" category encompasses the homes that a household earning between \$39,500 and \$63,199 is able to afford. **The results reveal that Surprise has fewer rental units in the three "affordable" tiers than every other city represented in the figure.** Indeed, just 48% of rental units limit rent to less than 30% of income for households earning less than \$63,200. **Surprise's owner inventory is even more middle- and upper- income-oriented, with 84% of homes falling into the workforce, market rate, and luxury ranges, leaving few options for prospective buyers earning significantly below AMI.** Proportionally



speaking, Glendale boasts almost twice as many “affordable” owner units as Surprise. Moreover, nearly half of Surprise homes are affordable only to households earning at least 120% of AMI, or \$94,800. As exemplified by the cases of Goodyear and Peoria, however, Surprise is not unique in having a large inventory of market rate and luxury homes.

Figure 6. Breakdown of Occupied Housing Stock by Affordability Tier, 2021



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

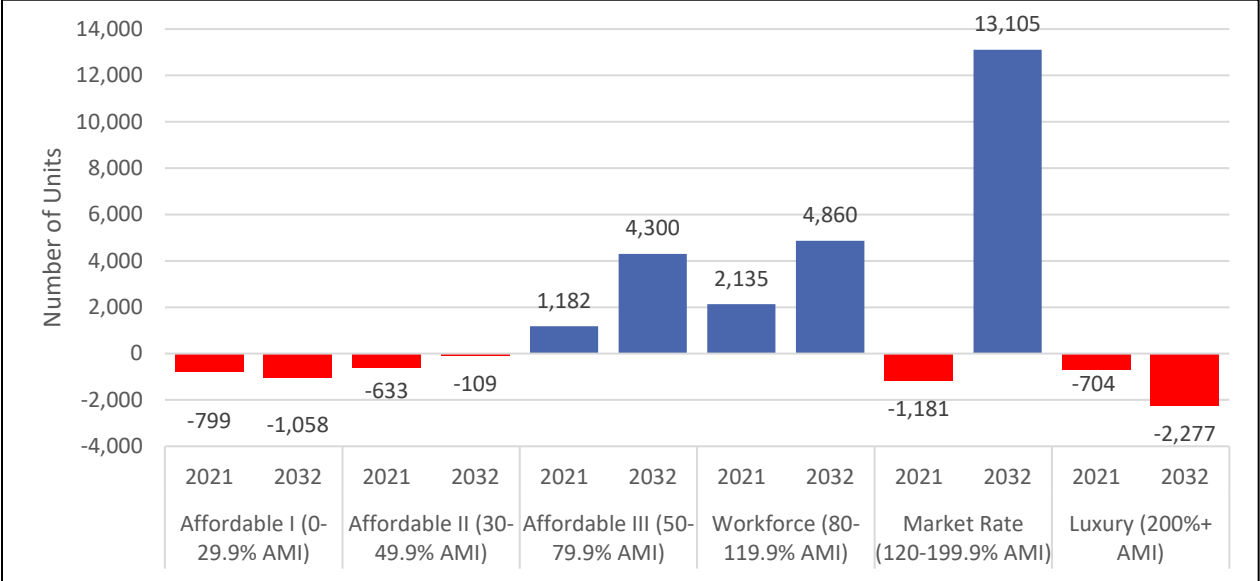
How large are the supply-demand gaps in Surprise’s housing market?

Surprise suffers from severe shortages of affordable homes for renter and owner households earning less than 50% of AMI, or \$39,499 (see Figures 7 and 8). Specifically, the deficits amount to 1,432 rental homes and 4,326 owner homes. In the latter market, an additional deficit of 3,112 homes exists in the top “affordable” tier, which covers households earning between \$39,500 and \$63,199. Surprise’s significant shortage of affordable homes disproportionately impacts younger and senior households, who tend to have low incomes. **Unless the city takes aggressive action to close these gaps, they are projected to reach unmanageable levels by 2032, especially in the owner market. Should our projections become reality, Surprise will inevitably witness increased rates of**



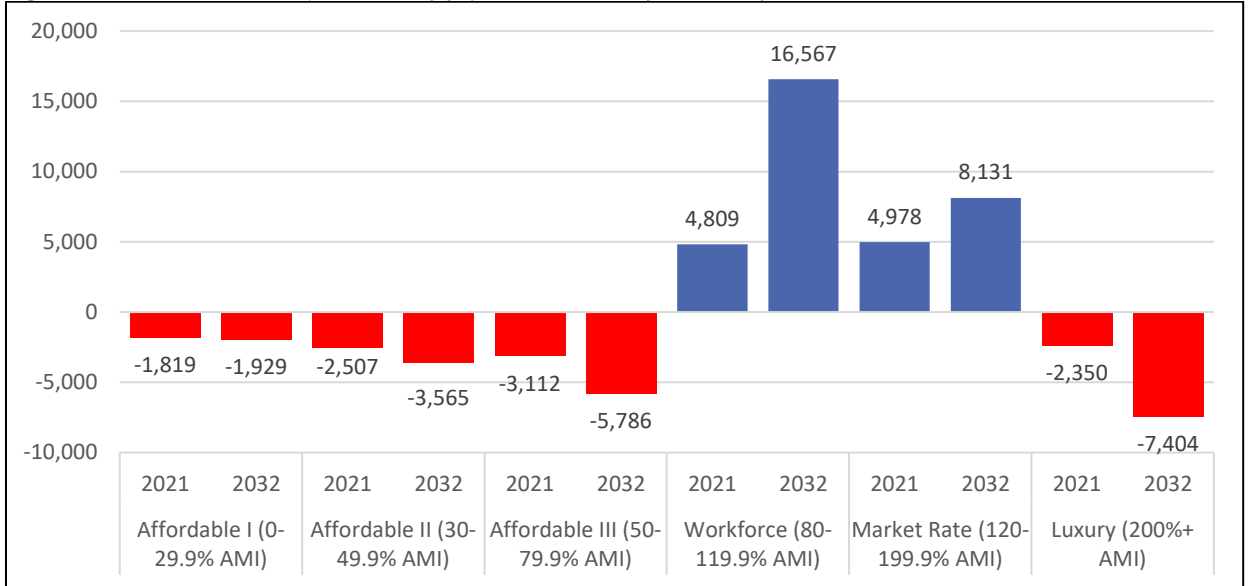
homelessness and overcrowding, among other undesirable consequences, as households struggle to meet their rent and mortgage payments. The results also indicate that Surprise’s deficit of luxury homes is expected to escalate dramatically, meaning high-income earners will be forced to purchase or rent homes that would be more suitable for households in the lower income brackets.

Figure 7. Actual and Projected Supply-Demand Gaps in Surprise's Rental Market, 2021 and 2032



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Figure 8. Actual and Projected Supply-Demand Gaps in Surprise's Owner Market, 2021 and 2032



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.



What can Surprise do to ameliorate existing and future housing shortages?

Surprise is not powerless in the face of growing shortages. We identified six solutions available to city leaders as they work to reverse recent trends.

1. Expand the types of residential districts that permit duplexes and triplexes by right and relaxing off-street parking requirements for these homes, which currently mandate two spaces per unit.
2. Promote accessory dwelling units by creating financing programs with favorable terms for borrowers, such as zero-interest or forgivable loans and grants.
3. Take advantage of the new state low-income housing tax credit and newly expanded Housing Trust Fund.
4. Lobby the Arizona State Legislature to devolve authority over housing policy to local governments, particularly as it relates to tax increment financing and land bank formation.
5. Finance the Newtown Community Land Trust, which creates permanently affordable housing by effectively removing the cost of land from a home's purchase price.
6. Create a density bonus program that allows developers to build more units per acre, provided that a certain percentage of units become affordable housing, and reduce or eliminate regulatory barriers, such as impact fees, that disincentivize affordable development.



Introduction

In November 2022, the City of Surprise selected Matrix Design Group, Inc. (Matrix) to conduct a housing study. The quantitative component of the study consists of a demographic, economic and housing status profile; housing inventory and rental and owner market analyses; and a housing needs assessment that offers insight into the types of housing the city should be prioritizing going forward. To provide additional context to the results, we use a time series cross sectional approach. That is, we examine how conditions have changed over time, as well as how they vary both within the city and across the region. Key to the within-city comparative analyses are a series of map visualizations that illustrate how conditions differ from neighborhood to neighborhood. In addition, we recommend a series of evidence-based steps that the city can take to improve the affordability and availability of housing. Recognizing that public acceptance is vital to the success of any housing plan, Matrix developed its recommendations after conducting a robust community engagement campaign alongside the city, which the study also details.

Methodology

The quantitative analyses utilize the most current and highest quality secondary data. The five-year 2021 American Community Survey (ACS), which covers the period from 2017 to 2021, serves as our main data source. Five-year ACS estimates are preferable to the alternatives because they offer unmatched statistical reliability and are available for small geographic units. In addition, we rely on several supplementary data sources that provide economic and housing data through the present. Below is a comprehensive list of the data sources employed in the study:

- American Community Survey five-year estimates
- 2020 U.S. Census
- Redfin
- US Department of Housing and Urban Development (HUD) Median Family Income Documentation System
- CoStar
- Bureau of Labor Statistics (BLS)
- Maricopa Association of Governments
- Maricopa County Assessor 2023 Parcel Data
- Arizona Department of Commerce's Office of Employment and Population Statistics
- Arizona Office of Economic Opportunity
- AirDNA

Recognizing the utility of a multi-method approach, Matrix validated its quantitative findings through interviews with stakeholders, a community survey, a focus group, and two community meetings. Matrix was able to engage the following organizations:

- Ability360
- Foundation for Senior Living
- Newtown Community Land Trust and Community Development Corporation
- Voice of Surprise



- Arizona Charter Academy
- Dysart Unified School District
- WeSERV

At the core of the housing needs assessment are a series of gap analyses that estimate the difference between supply and demand at tiers based on the 2021 area median income (AMI) of \$79,000 for the Phoenix-Mesa-Scottsdale MSA. By situating the city's housing market within a broader region that includes prospective buyers and renters who are inclined to consider Surprise during their housing search, AMI is better suited for evaluating affordability than Surprise-specific median household income. Table 1 displays the income range associated with each income tier, as well as the corresponding housing type. Homes in the first in the three "affordable" categories do not burden households whose incomes fall between 0 to 29.9%, 30 to 49.9% and 50 to 79.9% of AMI, respectively. The next classification, workforce housing, includes the homes priced appropriately for middle-income households, defined as those earning between 80 and 119.9% of AMI. Market rate and luxury homes are affordable only to households reporting annual incomes of at least 120% and 200% of AMI, respectively.

Table 1. Income and Housing Affordability Tiers for the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area, 2021

Income Tier	Income Range	Corresponding Housing Affordability Tier
Extremely low income (0-29.9% AMI)	\$0-\$23,699	Affordable I
Very low income (30-49.9% AMI)	\$23,700-\$39,499	Affordable II
Tax subsidy limits/low income (50-79.9% AMI)	\$39,500-\$63,199	Affordable III
Middle income (80-119.9% AMI)	\$63,200-\$94,799	Workforce
High income (120-199.9% AMI)	\$94,800-\$157,999	Market Rate
Very high (200%+ AMI)	\$158,000+	Luxury

Source: Department of Housing and Urban Development; Matrix Design Group, Inc.

Demographic, Economic, and Housing Status Profile

This section provides detailed demographic, economic, and housing status data on Surprise's population and households. More specifically, it explores the size and makeup of the population, household income, employment and wages, housing tenure, overcrowding, commuting patterns, and the geographic distribution of the group quarters population. Where appropriate and feasible, the analyses feature projections through 2032.

Population Size

Table 2 documents the population growth in Surprise, neighboring municipalities, and Maricopa County over the twenty-first century's first two decades and presents forecasted population estimates for 2030 and 2040. **At the turn of the twenty-first century, Surprise's population was just 32,667, before reaching 117,720 by the end of the century's first decade—equivalent to a 260% increase.** The city's meteoric growth rate during this 10-year interval (260%) dwarfed the 24% increase experienced by the entirety of Maricopa County and was exceeded only by that of Buckeye (667%). From 2010 to 2020, Surprise's population continued to rise at a faster rate (23%) than those of Maricopa County as a whole and most nearby municipalities, albeit to a lesser extent. Through 2040, Surprise is expected to keep growing at a healthy rate—a trend driven, in part, by the prospect that the city will annex unincorporated land. **Surprise is projected to add approximately 72,000 residents by the end of the current decade, and the 2030s are likely to bring similar relative population growth.** Surprise's anticipated growth rate underscores the need for the city to substantially increase its inventory of homes in the coming years.





Table 2. Actual and Projected Population Growth, 2000 to 2040

Region	Total Population					Aggregate Percent Change			
	2000	2010	2020	2030	2040	2000-2010	2010-2020	2020-2030	2030-2040
Surprise	32,667	117,720	144,246	216,700	307,500	260%	23%	50%	42%
Maricopa County	3,092,927	3,824,083	4,436,704	5,107,700	5,712,200	24%	16%	15%	12%
Avondale	36,400	76,418	89,480	101,800	111,900	110%	17%	14%	10%
Buckeye	6,697	51,377	93,629	186,600	305,400	667%	82%	99%	64%
Chandler	178,398	236,678	277,116	309,100	321,100	33%	17%	12%	4%
Glendale	219,392	226,866	248,686	306,400	323,400	3%	10%	23%	6%
Gilbert	111,250	209,458	268,728	293,500	308,800	88%	28%	9%	5%
Goodyear	19,700	65,566	96,789	140,300	192,200	233%	48%	45%	37%
Mesa	400,491	439,875	505,447	607,500	649,400	10%	15%	20%	7%
Peoria	109,923	155,053	191,849	232,400	273,700	41%	24%	21%	18%
Phoenix	1,324,016	1,448,683	1,611,162	1,881,900	2,019,300	9%	11%	17%	7%
Scottsdale	204,060	217,285	241,718	281,900	299,400	6%	11%	17%	6%
Tempe	158,671	162,010	181,580	217,100	247,000	2%	12%	20%	14%

Source: Arizona Department of Economic Security's Population Statistics Unit, Arizona Department of Commerce's Office of Employment and Population Statistics, and Arizona Office of Economic Opportunity; Maricopa Association of Governments.

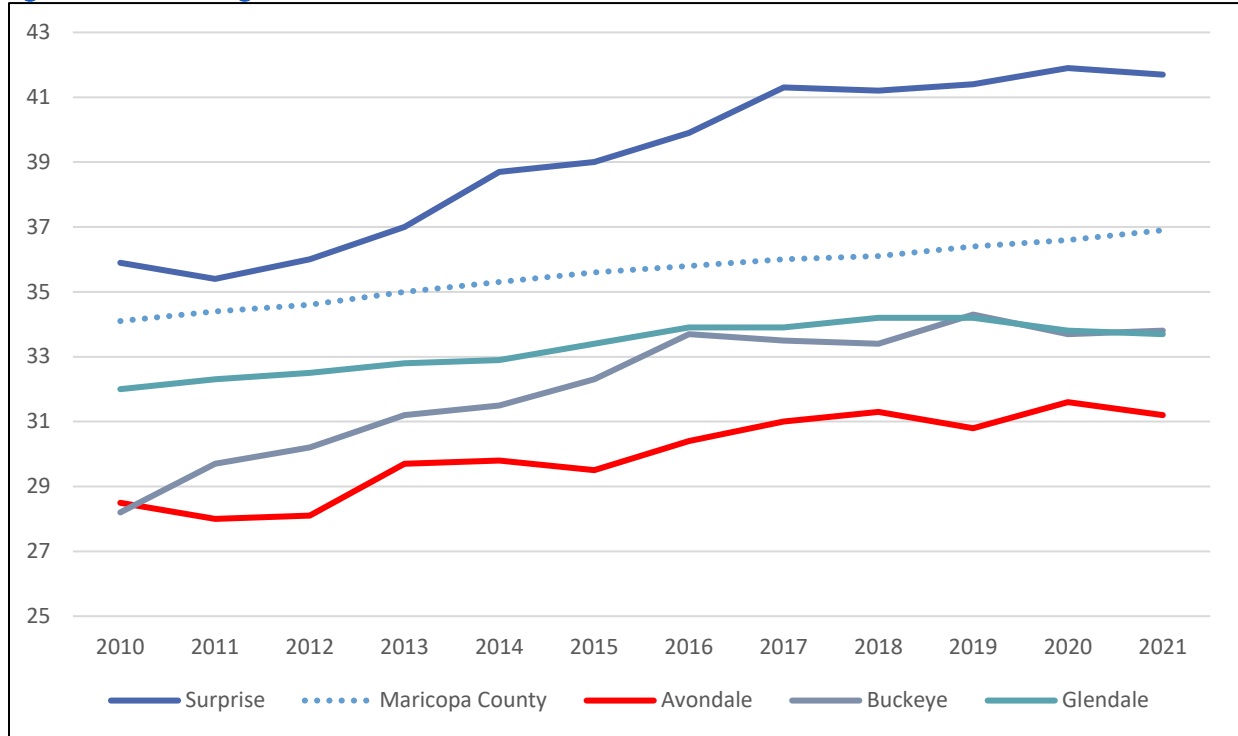
Population Age

Surprise's demographics have evolved markedly in recent years. Most notably, its population has aged at a faster rate than those of virtually all other West Valley municipalities and Maricopa County as a whole.

Figure 9 shows that the median age of Surprise residents increased from 35.9 in 2010 to 41.7 in 2021. By then, nearly five years separated the median Surprise resident from his or her Maricopa County counterpart, who was just shy of 37 years old. Surprise's age gaps with Avondale, Buckeye, and Glendale are even larger. The precipitous rise in Surprise's middle-aged and senior populations has been primarily responsible for its shifting age demographics. Figure 10 highlights the degree to which the age composition of residents varies both within Surprise and between jurisdictions. It shows that Surprise stands apart from other nearby communities in terms of the relative size of its 65-and-over population, who make up 23% of all residents. Nearly half of one zip code's population (85387) belongs to this age

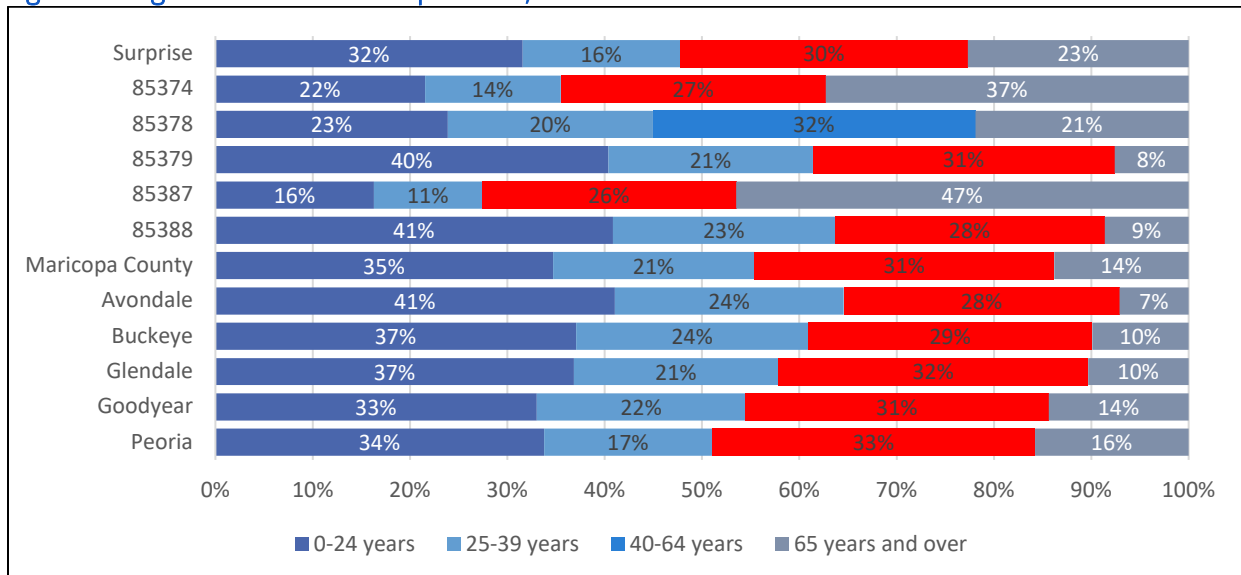
group. It is imperative that the city accommodate its aging population by offering adequate senior housing in the form of independent living, assisted living, and memory care facilities.

Figure 9. Median Age, 2010 to 2021



Source: Five-year American Community Survey (2010 to 2021)

Figure 10. Age Distribution of Population, 2021



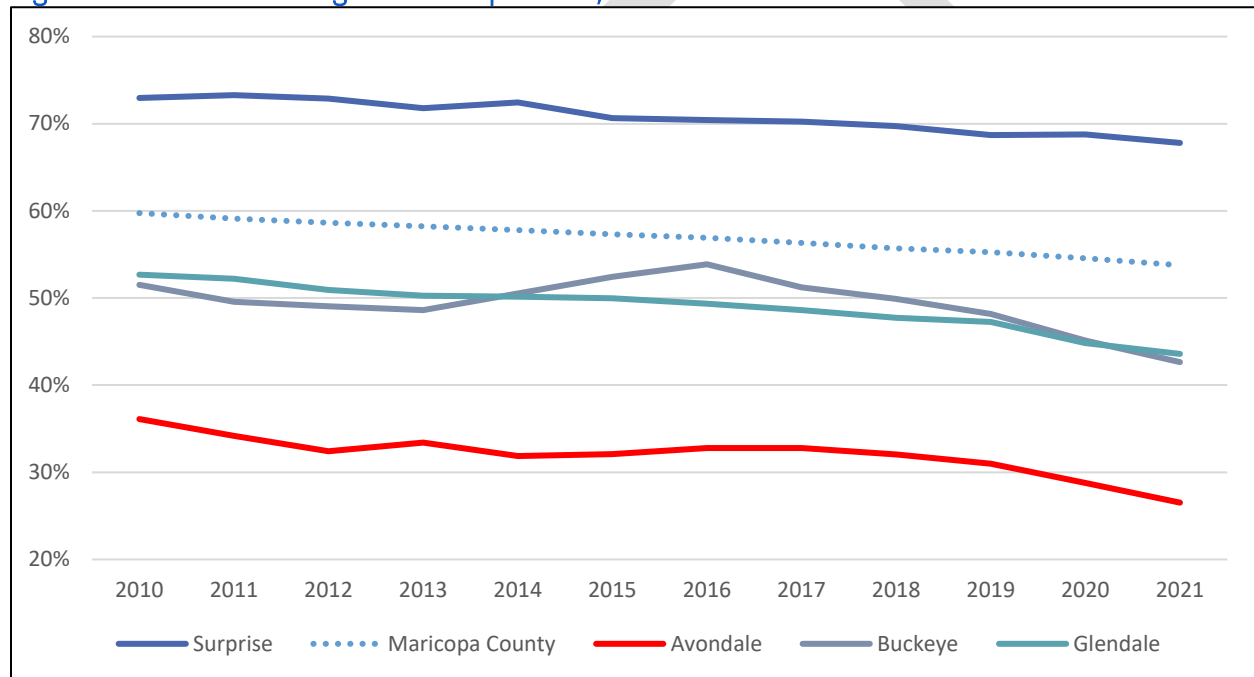
Source: Five-year American Community Survey (2021)



Population Racial/Ethnic Composition

Consistent with broader trends, Surprise became more racially/ethnically diverse from 2010 to 2021. During this period, whites fell from 73% to 68% of Surprise residents (see Figure 11), despite increasing in absolute population size by over 20,000. Surprise’s increased diversity, then, has primarily resulted from the fact that Hispanics have outpaced whites in relative population growth. Over the same 11-year interval, the city’s Hispanic population grew by 58%, and today, 21% of Surprise residents identify as Hispanic (see Figure 12). **Nevertheless, Surprise ranks among the least diverse communities in the region.** Overall, 54% of Maricopa County residents are white, and in some municipalities, such as Avondale, Buckeye, and Glendale, Hispanics either outnumber or are nearly equal to whites in population. Given the relationship between race/ethnicity and economic status, as Surprise continues to diversify, policymakers and stakeholders will likely need to do more to address housing affordability challenges.

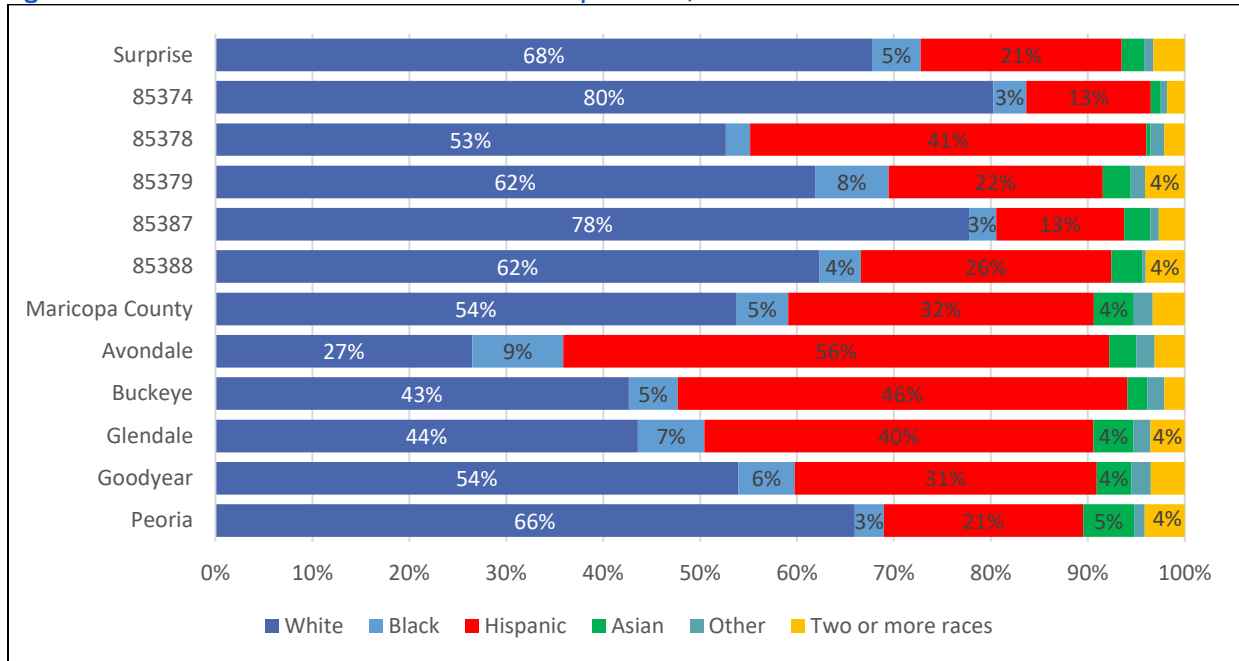
Figure 11. White Percentage of the Population, 2010 to 2021



Source: Five-year American Community Survey (2010 to 2021)

“Given the relationship between race/ethnicity and economic status, as Surprise continues to diversify, policymakers and stakeholders will likely need to do more to address housing affordability challenges.”

Figure 12. Racial/Ethnic Breakdown of the Population, 2021



Source: Five-year American Community Survey (2021)

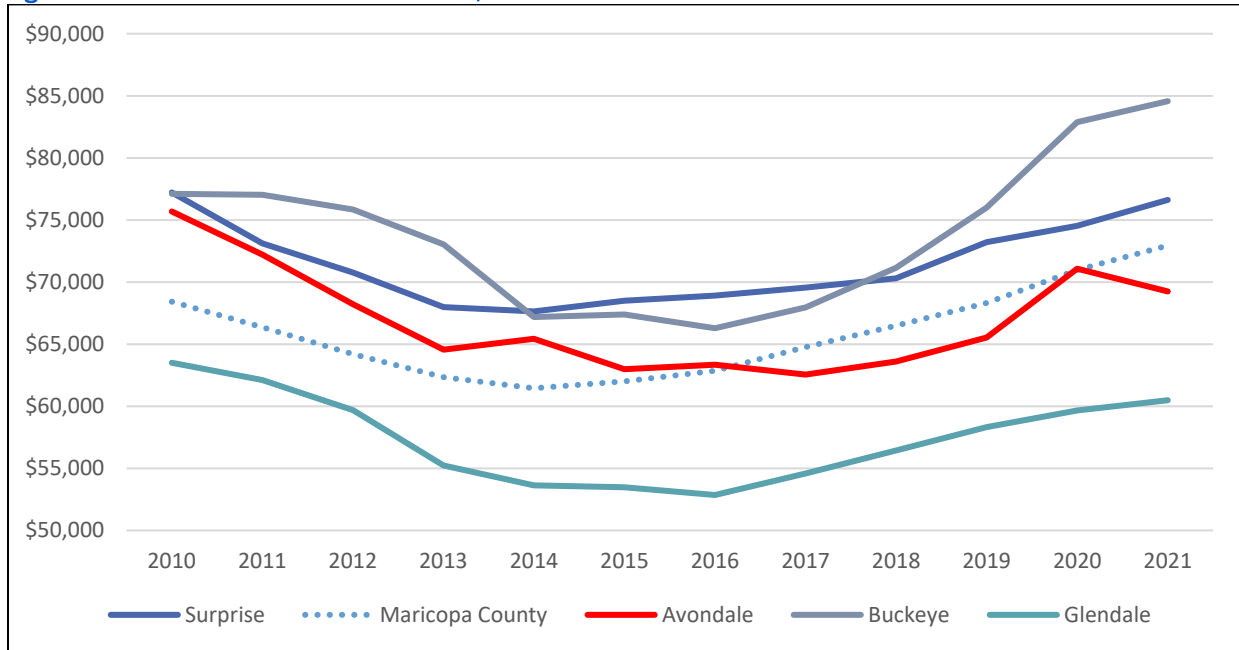
Household Income

A detailed analysis of household income offers preliminary insight into the capacity of residents of varying demographic backgrounds and socioeconomic status to afford housing. Figure 13 displays median household income estimates for Surprise, Maricopa County, and three other West Valley cities. Note that dollar values for 2010 to 2020 were adjusted for inflation to reflect real 2021 dollars. **In 2021, median household income in Surprise climbed to \$76,623, second only to Buckeye, continuing the trend of steady wage growth that began in 2014, when the Great Recession’s lingering effects finally abated.** The typical Surprise household has consistently fared better than its Avondale, Glendale, and Maricopa County counterparts. However, whereas Maricopa County has closed its income gap with Surprise in recent years, the opposite has been true for Avondale and Glendale. **Recent trends indicate that median household income is likely to decline slightly from its 2021 level in the coming years but stay within a narrow range that exceeds the historical average of \$71,533 (see Figure 14).**

“The typical Surprise household has consistently fared better than its Avondale, Glendale, and Maricopa County counterparts. However, whereas Maricopa County has closed its income gap with Surprise in recent years, the opposite has been true for Avondale and Glendale.”



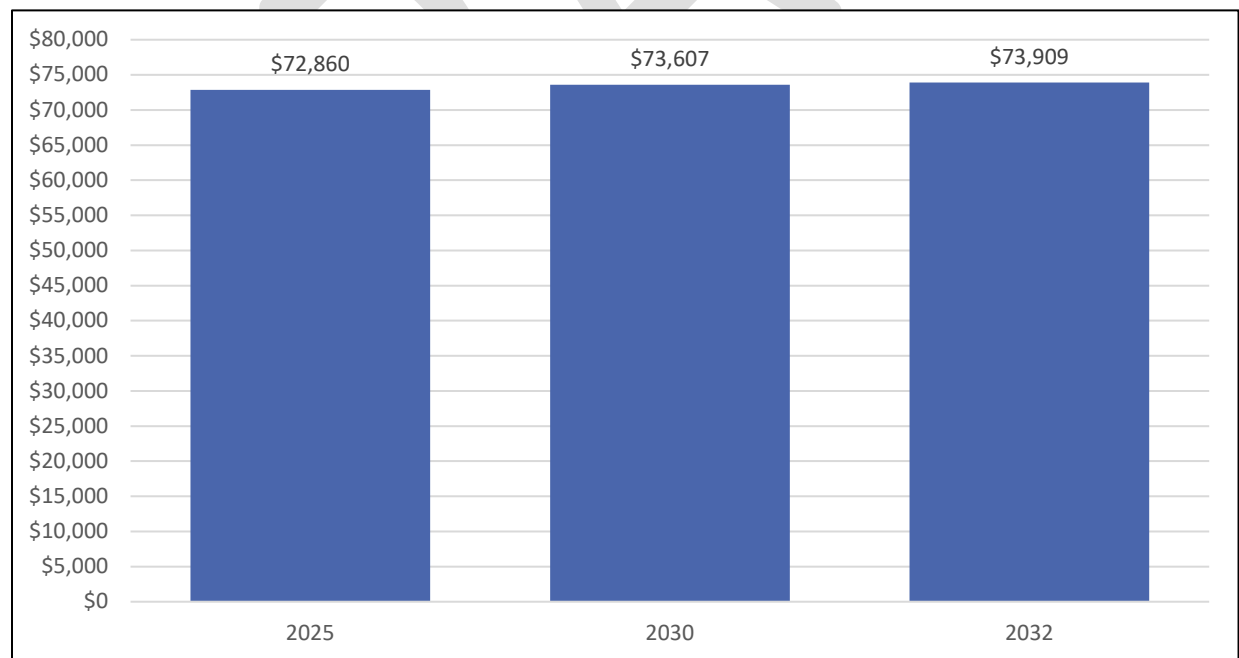
Figure 13. Median Household Income, 2010 to 2021



Source: Five-year American Community Survey (2010-2021); Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2021 dollars.

Figure 14. Median Household Income Projections for Surprise, 2025 to 2032

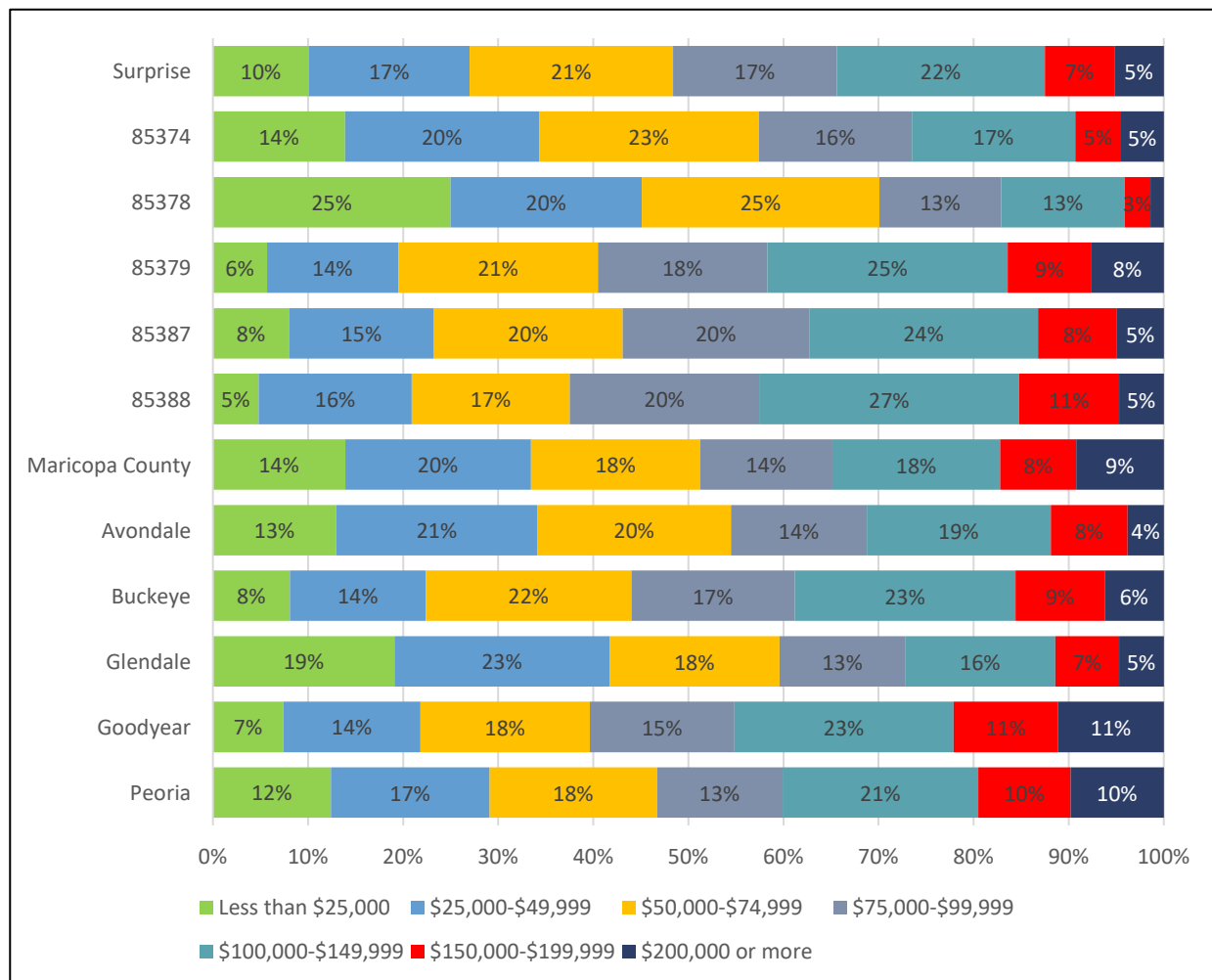


Source: Matrix Design Group, Inc.

Source: Dollar values adjusted for inflation to constant 2021 dollars.

Figure 15 features household income distributions for the regions of interest. For context, the federal poverty line for a family of four was \$26,500 in 2021. 11% of households earn less than \$25,000, compared to 15% for Maricopa County, 14% Avondale, 8% for Buckeye, and 19% for Glendale. Of the four Surprise zip codes, 85378 has the highest share of households with incomes below this critical threshold. Conversely, a mere 5% of households in 85388 earn less than \$25,000. **With 39% of its households earning between \$50,000 and \$99,000, Surprise is more middle class-oriented than most of Maricopa County.** Higher shares of homes in Buckeye and Maricopa County earn \$100,000 or more. Within Surprise, these more affluent households are most prevalent in 85388, where they represent 43% of all households.

Figure 15. Household Income Distribution, 2021



Source: Five-year American Community Survey (2021)

Table 3 classifies Surprise households into one of six income brackets as a percentage of area median income (AMI) for the Phoenix-Mesa-Scottsdale Metropolitan Statistical Area. In 2021, when AMI was \$79,000, 19% of Surprise households were considered either extremely low or very low income, meaning they earned 50% of AMI (\$39,500) or less. This represented a marginal decline from 2016. **The**



percentages of extremely low- and very low-income households will likely remain relatively stagnant through 2032, during which time the city is projected to add over 18,000 households in total. Despite growing as a proportion of all households between 2016 and 2021, households in the tax subsidy limits/low-income and high-income categories, which earned from \$39,500 to \$63,199 and \$94,800 to \$157,999 in 2021, respectively, are expected to follow a similar trend. **Whereas middle-income households are forecasted to drop from 24% to 21% of households between 2021 and 2032, extremely high-income households, which earned at least \$158,000 in 2021, are anticipated to rise to 16% of households in 2032, reversing the decline that occurred over the previous five years.**

Table 3. Actual and Projected Breakdown of Households by Income Tier in Surprise, 2016 to 2032

Income Tier	2016	2021	2025	2030	2032
Number of Households					
Extremely low income (0-29.9% AMI)	4,224	4,880	5,351	6,083	6,403
Very low income (30-49.9% AMI)	5,006	5,082	5,882	6,335	6,526
Tax subsidy limits/low income (50-79.9% AMI)	8,535	10,018	10,970	12,389	13,006
Middle income (80-119.9% AMI)	10,741	12,373	13,043	14,397	14,978
High income (120-199.9% AMI)	11,380	13,382	14,766	17,174	18,244
Very high (200%+ AMI)	6,361	6,471	8,144	10,283	11,288
Total	46,246	52,205	58,156	66,661	70,444
Percent of Households					
Extremely low income (0-29.9% AMI)	9%	9%	9%	9%	9%
Very low income (30-49.9% AMI)	11%	10%	10%	10%	9%
Tax subsidy limits/low income (50-79.9% AMI)	18%	19%	19%	19%	18%
Middle income (80-119.9% AMI)	23%	24%	22%	22%	21%
High income (120-199.9% AMI)	25%	26%	25%	26%	26%
Very high (200%+ AMI)	14%	12%	14%	15%	16%
Total	100%	100%	100%	100%	100%
AMI	\$71,000	\$79,000	\$78,000	\$77,400	\$77,200

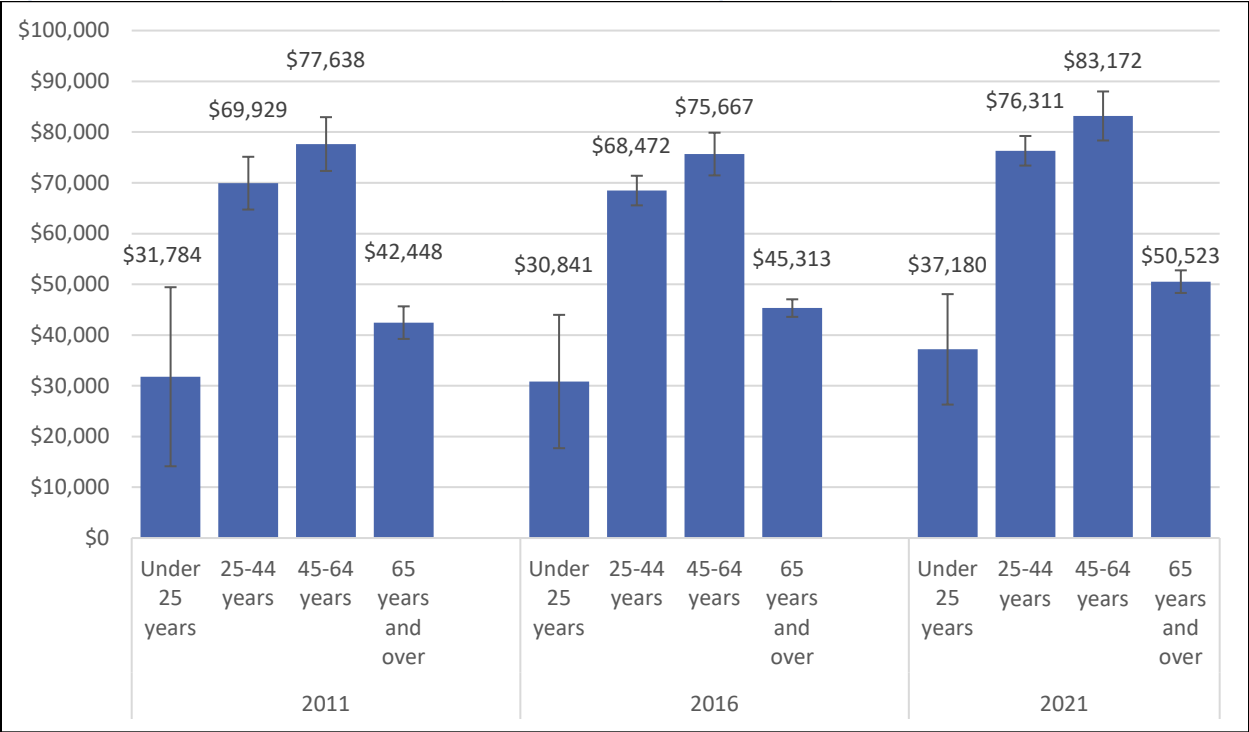
Source: Five-year American Community Survey (2016 and 2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2021 dollars.

Household Income by Age

How does household income vary depending on the age of the householder? Figure 16 offers insight into this question by displaying median household income estimates for four age categories over time. Note that because the sample sizes for the under-25 category are small, there is considerable statistical uncertainty surrounding the estimates, as indicated by the large 95% confidence intervals. The data reveal a predictable pattern. Median income is highest among households headed by 45-to-64-year-olds, reaching \$83,172 in 2021, followed closely by those headed by 25-to-44-year-olds. **Incomes tend to be markedly lower among senior-led households, but households headed by individuals below the age of 25, whose earnings barely exceeded \$37,000 in 2021, face an even more dire situation.** From 2011 to 2016, senior-led households were the only age group to experience an increase in median income, but all households regardless of householder age saw their median incomes rise in the years that followed.

Figure 16. Median Household Income by Householder Age in Surprise, 2011 to 2021



Source: Five-year American Community Survey (2011, 2016, and 2021); Matrix Design Group, Inc.

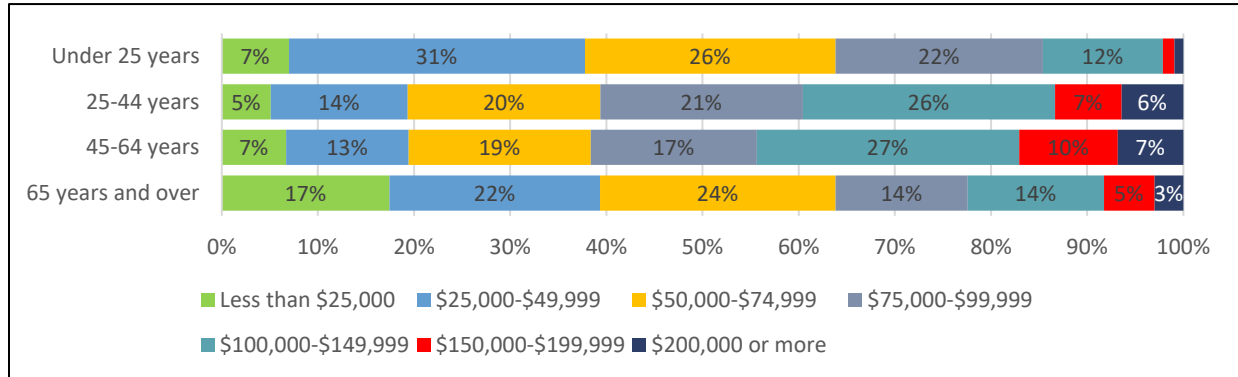
Note: Error bars are 95% confidence intervals. Dollar values adjusted for inflation to constant 2021 dollars.

The income distributions by householder age offer similar takeaways (see Figure 17). Incomes of less than \$50,000 are most prevalent in the under-25 and over-64 age categories, and only 14% and 22% of these households, respectively, report incomes of \$100,000 or more. A plurality of the youngest and oldest households earn between \$50,000 and \$74,999. Unlike their counterparts at either end of the age spectrum, a majority of households led by 25-to-44-year-olds and 45-to-64-year-olds earn over \$75,000. The highest-earning households are concentrated in the two middle age categories. **The limited and,**



often, fixed incomes of seniors and young people suggest that efforts to improve housing affordability should place particular emphasis on aiding these two vulnerable groups.

Figure 17. Household Income Distribution by Householder Age in Surprise, 2021

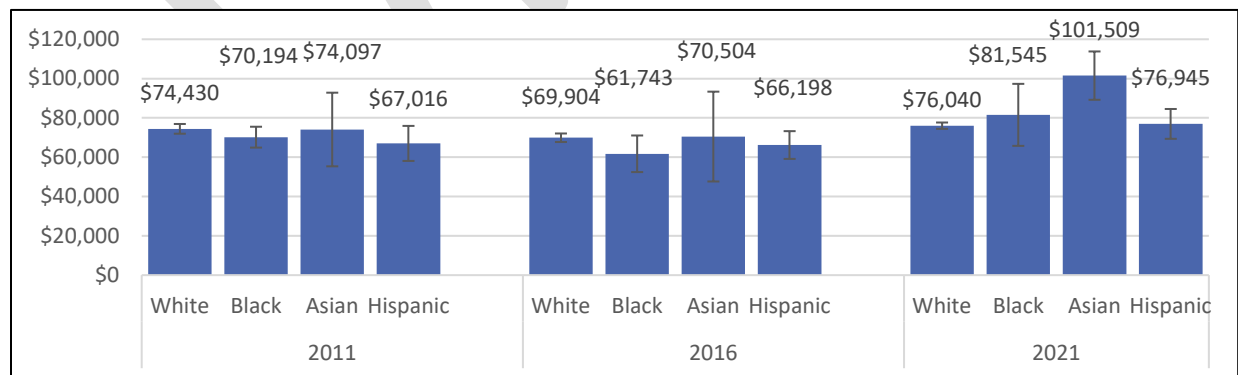


Source: Five-year American Community Survey (2021)

Household Income by Race/Ethnicity

The relationship between householder race/ethnicity and household income is depicted in Figures 18 and 19. Income estimates for minority-led households should be interpreted with caution, as the small sample sizes for Asians, blacks, and Hispanics yielded large confidence intervals. Nonetheless, the data offer useful insight. White median household income dropped from \$74,430 in 2011 to \$69,904 in 2016, before recovering to \$76,040 in 2021. Asians, too, experienced a temporary decline in median household income from 2011 to 2016, when their earnings were comparable to those of whites. But between 2016 and 2021, Asian median household income climbed to \$101,509—a 44% increase that significantly outpaced the rate of white median household income growth. Black- and Hispanic-led households enjoyed increases in earnings over the period as well. In fact, their median incomes surpassed those of white-led households in 2021.

Figure 18. Median Household Income by Householder Race/Ethnicity in Surprise, 2011 to 2021

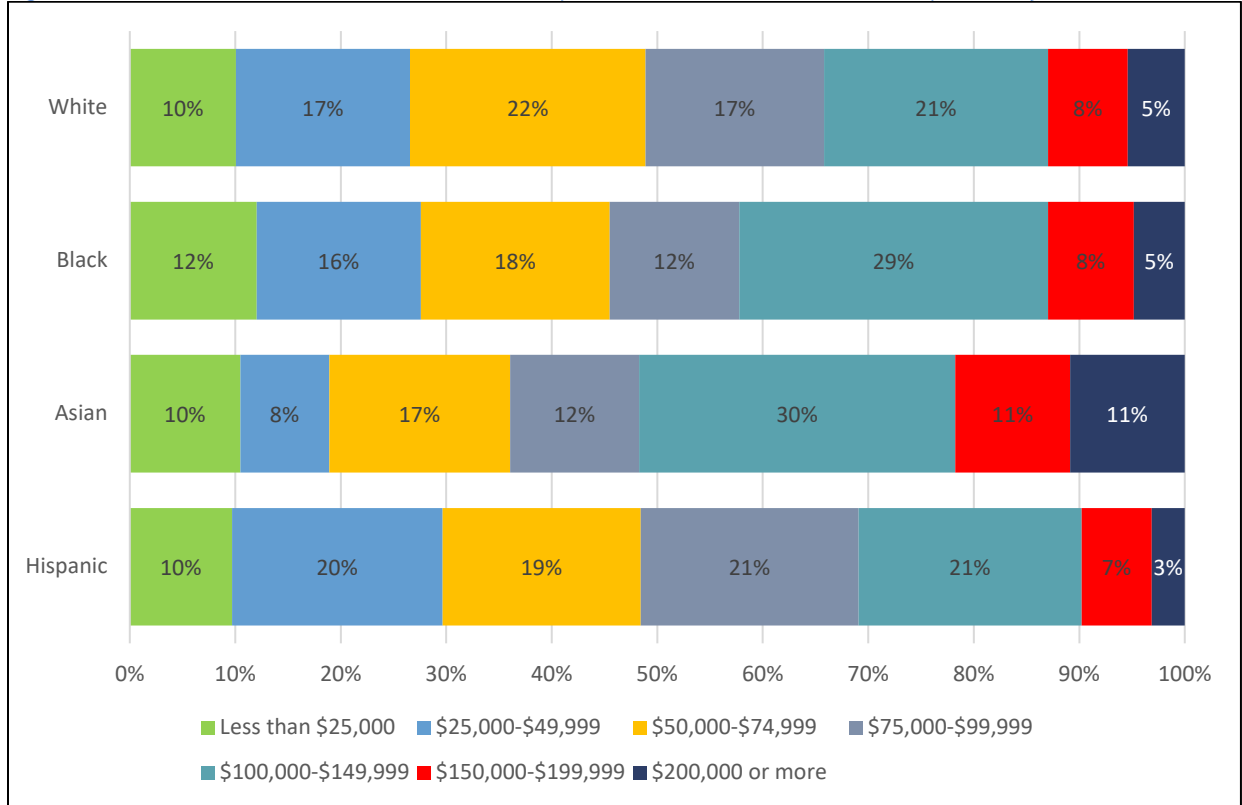


Source: Five-year American Community Survey (2011, 2016, and 2021)

Note: Dollar values adjusted for inflation to constant 2021 dollars. Error bars represent 95% confidence intervals.

Although the economic fortunes of black-led households have improved significantly in recent years, a disproportionate share of them continue to live in extreme poverty. **9% of black-led households earn less than \$15,000, compared to 5% of white- and Hispanic-led households and 2% of Asian-led households.** The income distribution data also reinforce the notion that the most affluent households in Surprise are headed by Asians. Indeed, their incomes are skewed toward the higher end of the spectrum, with 52% of them reporting incomes of \$100,000 or more. Unexpectedly, proportionally fewer whites and Hispanics fall into this income category than blacks.

Figure 19. Household Income Distribution by Householder Race/Ethnicity in Surprise, 2021



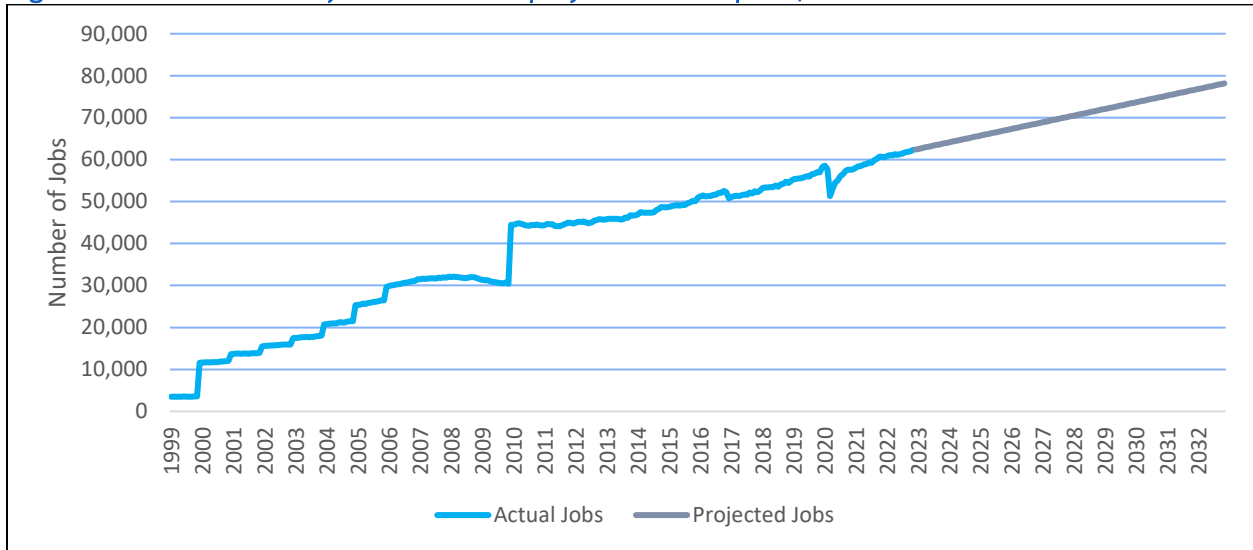
Source: Five-year American Community Survey (2021)

Employment Growth

The dramatic growth that Surprise’s economy has experienced over time is pictured in Figure 20. In 2000, Surprise’s economy supported 11,763 jobs. By 2010, that number had increased by 278%, to 44,485. Surprise continued to experience steady growth in the 2010s, adding just short of 12,000 jobs over the span of a decade. As of 2022, a total of 61,375 jobs existed in Surprise. Naturally, further population growth is anticipated to bring continued job growth. **From 2023 to 2032, employers are expected to create an average of 1,441 new jobs per year, reaching a total of 75,783 by the end of the period.**



Figure 20. Actual and Projected Total Employment in Surprise, 1999 to 2032

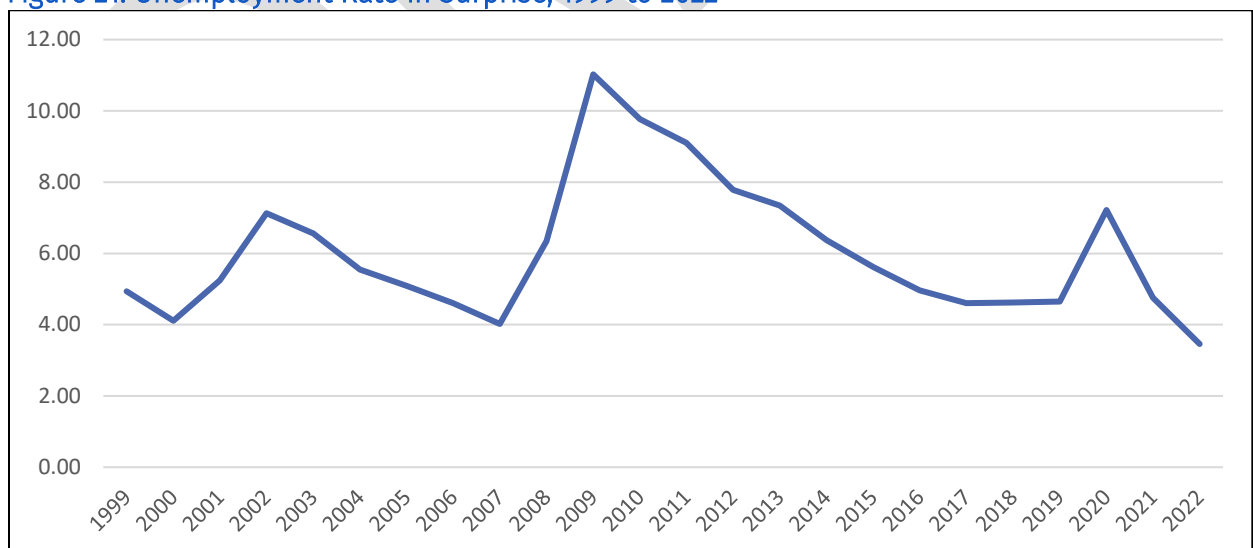


Source: Bureau of Labor Statistics; Matrix Design Group, Inc.

Unemployment

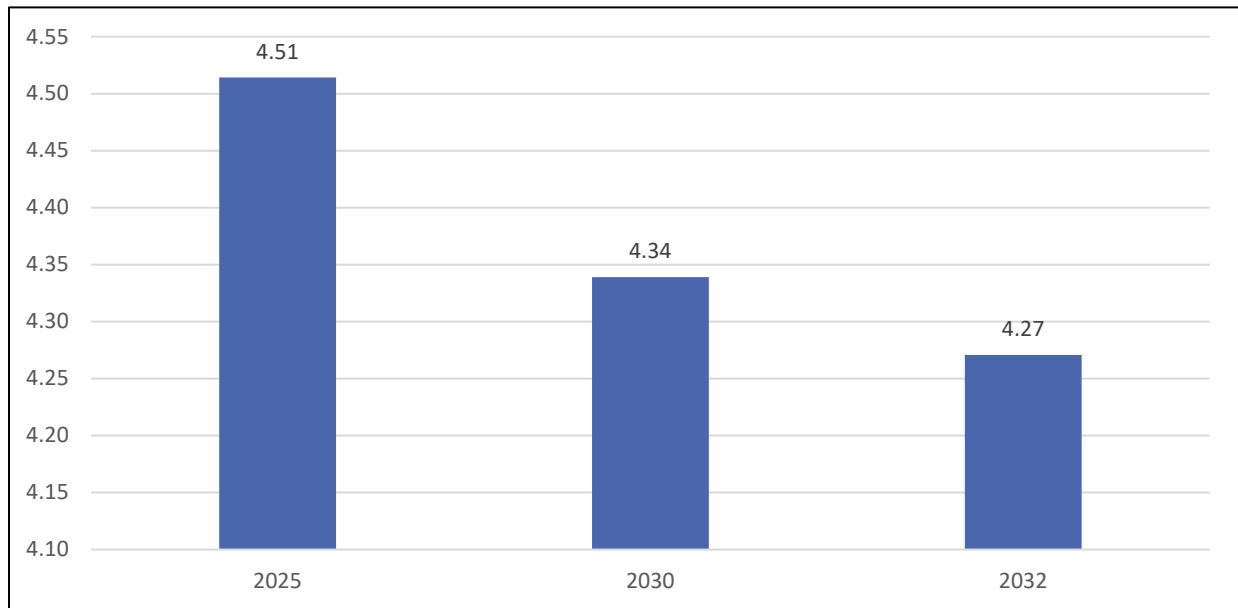
Figures 21 and 22 present unemployment figures for Surprise. From 1999 to 2022, the average unemployment rate was 6.04%. It peaked at 11.03% in 2009, amid the nadir of the Great Recession, before declining each year through 2018. **Subsequently, pandemic-induced lockdowns caused joblessness to sharply rise again, but it has fallen precipitously from its 2020 level of 7.22% since then.** In fact, Surprise recorded its lowest unemployment rate on record in 2022, at 3.46%. The city is projected to continue enjoying unemployment rates below the historical average through 2032.

Figure 21. Unemployment Rate in Surprise, 1999 to 2022



Source: Bureau of Labor Statistics

Figure 22. Projected Unemployment Rate in Surprise, 2025 to 2032



Source: Matrix Design Group, Inc.

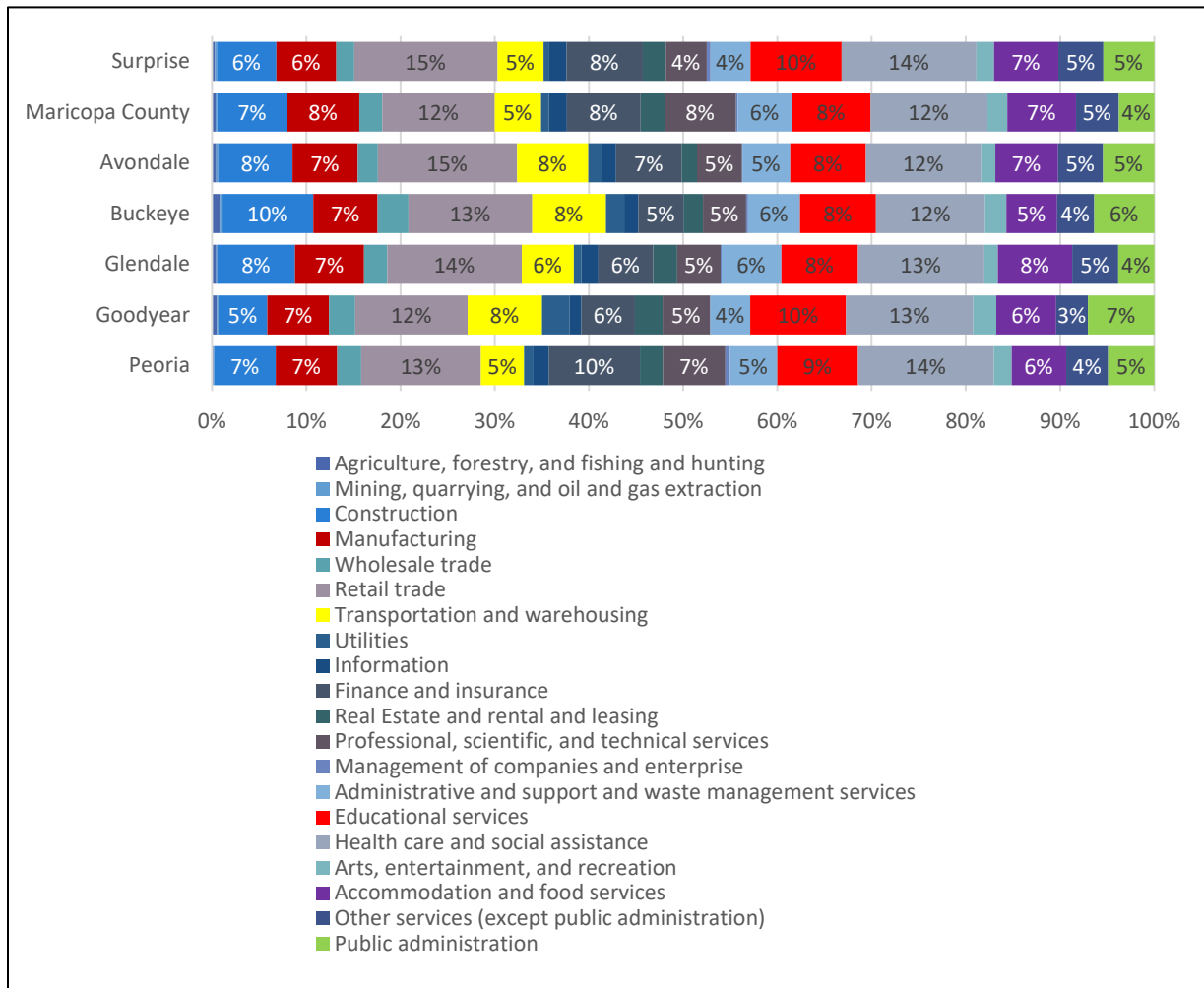
Employed Population by Industry

Figure 23 displays the percentage of residents employed in each industry by community. **Surprise's largest industry is retail trade, followed closely by health care and social assistance.** These industries, which also represent the top two employers among residents of Avondale, Buckeye, Glendale, Goodyear, Peoria, and all of Maricopa County, employ a combined 17,578 Surprise residents, or about 29% of the city's working population. Educational services is another major industry in Surprise, employing 10% of residents. Three industries are virtually nonexistent in Surprise, as well as in the broader region: agriculture, forestry, and fishing and hunting; mining, quarrying, and oil and gas extraction; and management of companies and enterprise. Overall, the industry composition of the employed population does not vary meaningfully from community to community.

"Subsequently, pandemic-induced lockdowns caused joblessness to sharply rise again, but it has fallen precipitously from its 2020 level of 7.22% since then. In fact, Surprise recorded its lowest unemployment rate on record in 2022, at 3.46%."



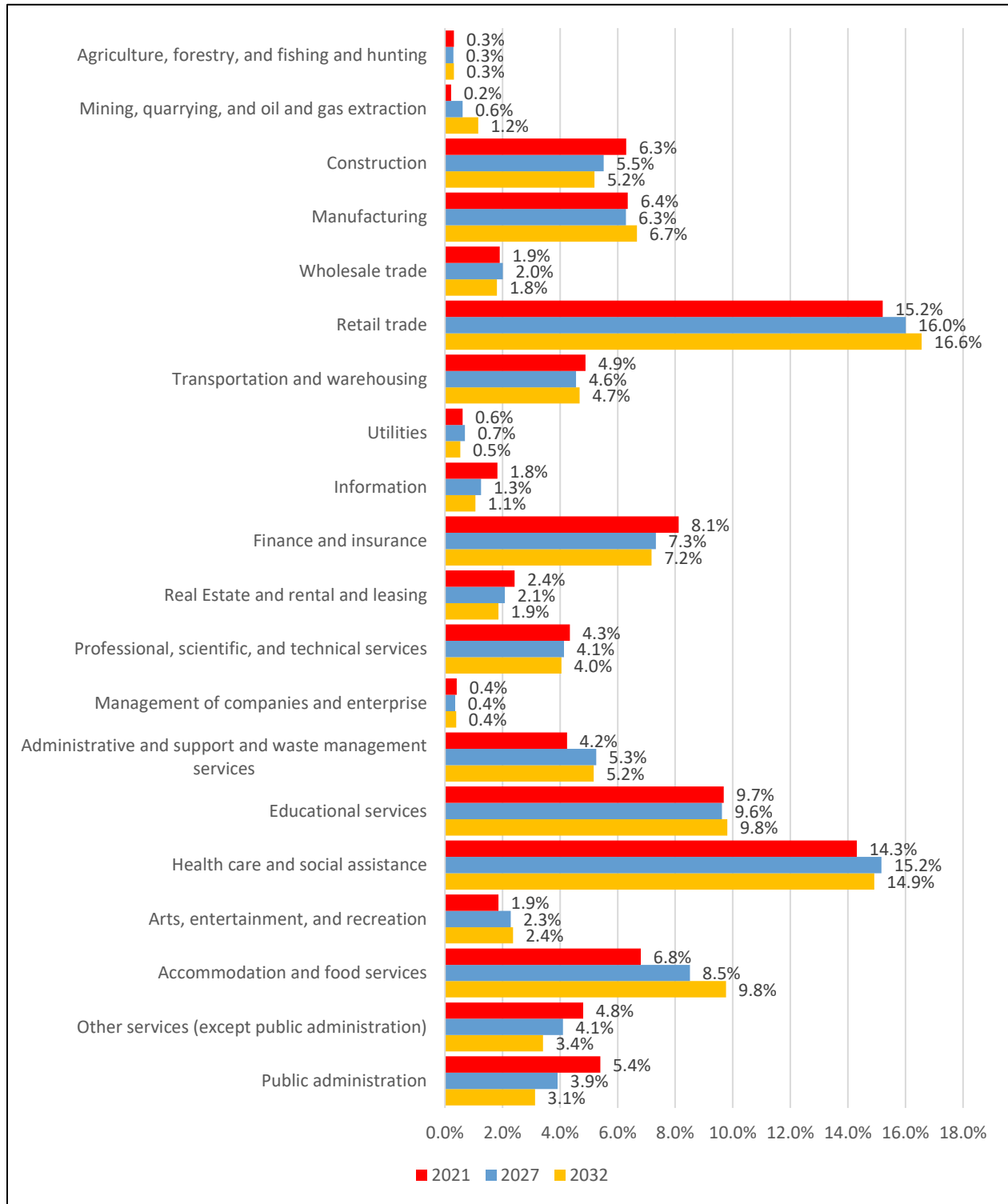
Figure 23. Industry Composition of Employed Population, 2021



Source: Five-year American Community Survey (2021)

Figure 24 reveals how the industry composition of Surprise’s employed population is projected to change over the next decade. Retail trade is expected to cement its status as Surprise’s top industry of employment, accounting for the jobs held by 16.6% of Surprise’s working residents in 2032. Similarly, the share of residents working in health care and social assistance is forecasted to increase to 15.2% in 2027, before dropping to 14.9% five years later. Besides retail trade, four industries will undergo shifts of at least one percentage point: mining, quarrying, and oil and gas extraction; construction; accommodation and food services; and public administration. **In short, the results suggest that Surprise’s economy is likely to change measurably in the coming years.**

Figure 24. Actual and Projected Industry Composition of Surprise's Employed Population, 2021 to 2032



Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

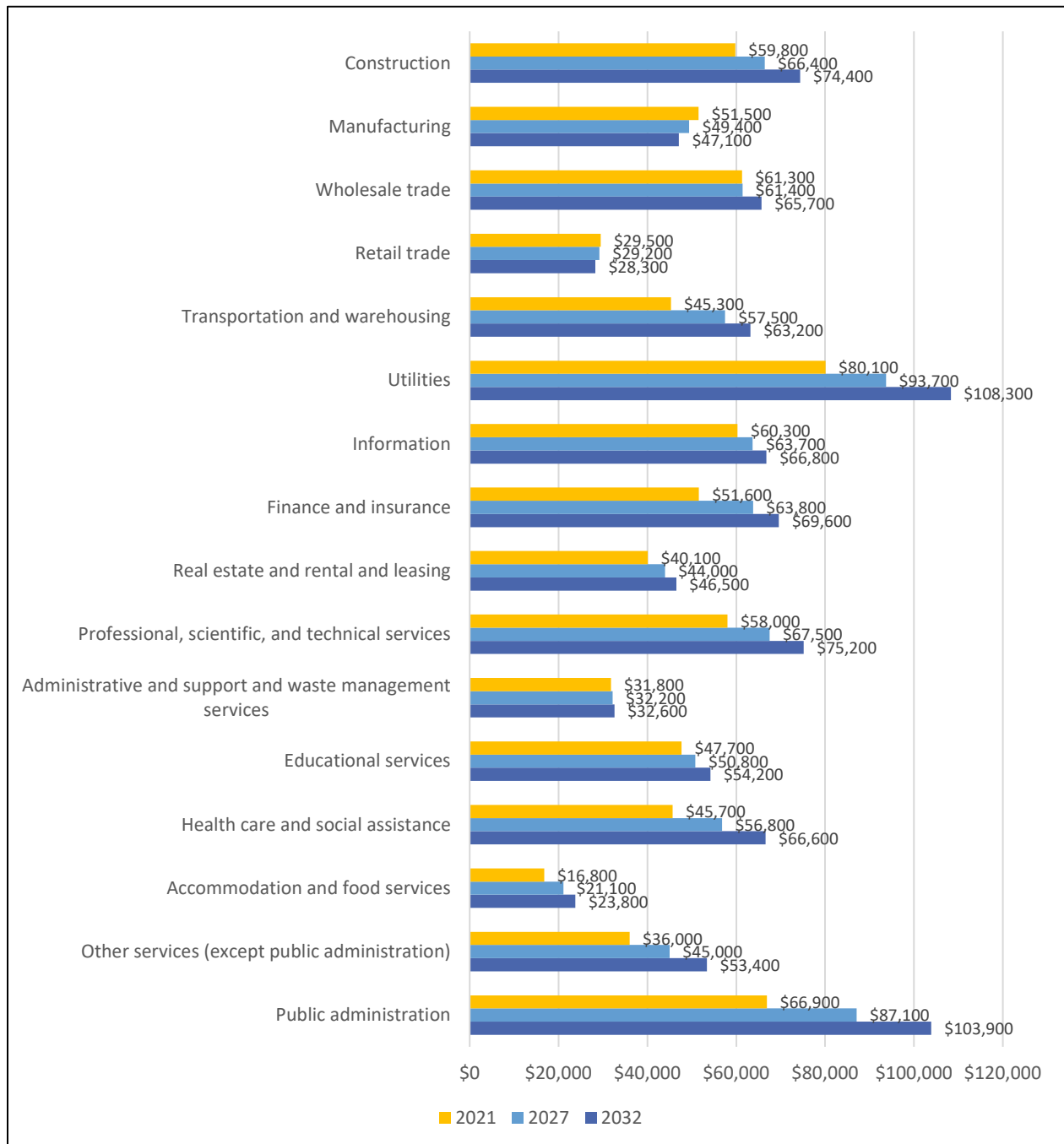


Wages by Industry of Employment

Figure 25 documents the extent to which Surprise residents' median wages by industry of employment are expected to shift from 2021 levels in 2027 and 2032. Note that all earnings estimates are in 2021 real dollars and that unforeseen developments—principally economic downturns—could dramatically alter an industry's outlook. In 2021, residents working in utilities enjoyed the highest median earnings (\$80,100), and recent trends suggest their wages will rise substantially over the short and long term. The median resident employed in this industry is projected to earn \$108,300 by 2032, outpacing most industries in relative wage growth. Residents employed in public administration are predicted to enjoy a pay increase of 55%—the largest of any industry. This trend will be driven by the anticipated decline in their share of the employed population from 5.4% in 2021 to 3.1% in 2032. As a shortage of these workers emerges, they will naturally gain leverage over employers at the negotiating table. Interestingly, despite growing in relative population size, workers in health care and social assistance are likely to see their earnings rise markedly as well. **Just two industries—retail trade and manufacturing—are projected to experience pay cuts over the next decade, but concerningly, they are set to employ approximately 23% of Surprise's working population by the end of the period.**



Figure 25. Actual and Projected Median Annual Earnings by Industry of Employment Among Surprise Residents, 2021 to 2032



Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2021 dollars. Due to insufficient historical data, median earnings projections are unavailable for agriculture, forestry, and fishing and hunting (2021 median earnings=\$34,625); mining, quarrying, and oil and gas extraction (2021 median earnings=\$74,464); arts, entertainment, and recreation (2021 median earnings=\$25,957); and management of companies and enterprise (2021 median earnings=\$54,185).



Commuting Patterns

An initial comparison of the commuting behaviors of Surprise residents and residents throughout the region appears in Figure 26. It shows that the workplaces of 68% of Surprise residents are located beyond the city's borders. For the most part, there is little variance from zip code to zip code, although 85387, where just 59% of residents work in a city other than Surprise, is a clear outlier. In the rest of Maricopa County, residents are 16 percentage points less likely than Surprise residents to be out-commuters. **Across the West Valley, however, Surprise is not unique in having such a high percentage of out-commuters.** In each of the five other cities represented in the figure, the share of residents who work outside their places of residence is even higher than in Surprise, ranging from 70% to 80%.

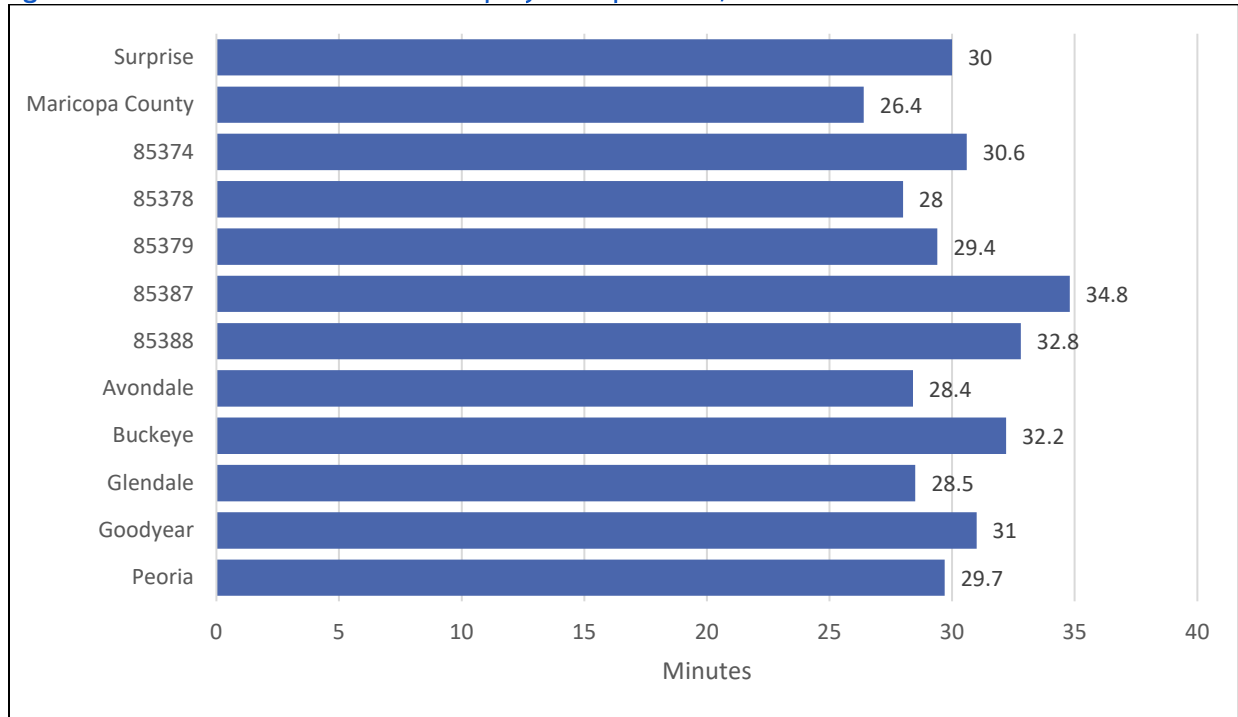
Figure 26. Breakdown of Employed Population by Place of Work, 2021



Source: Five-year American Community Survey (2021)

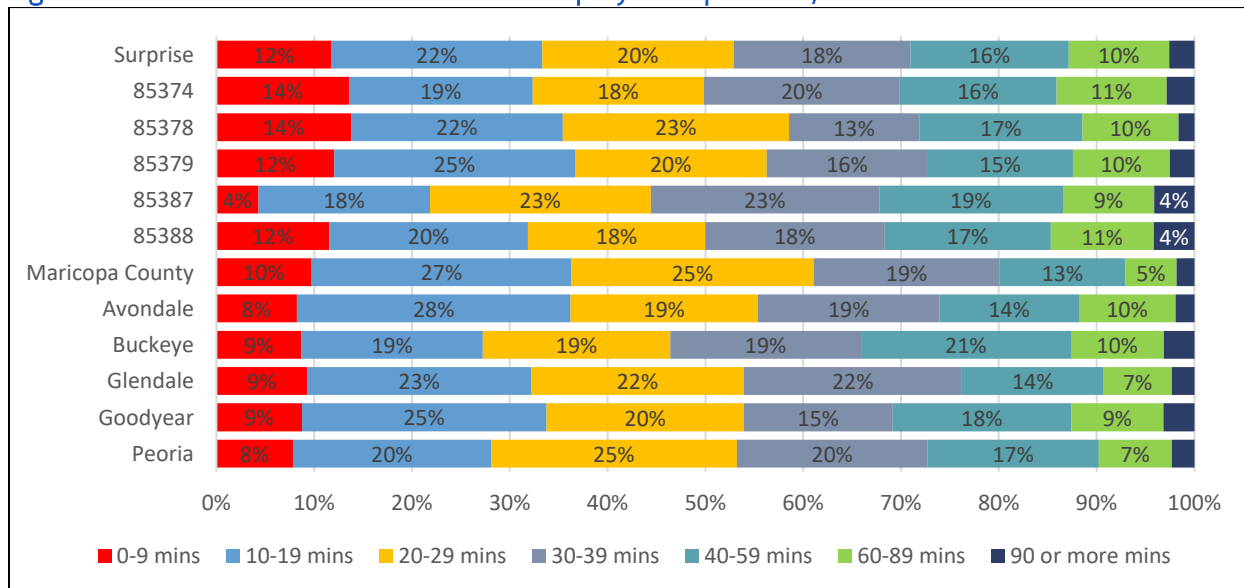
Figures 27 and 28 present commute time data by community. On average, Surprise residents spend 30 minutes traveling to work, but the commutes of those living in two zip (85387 and 85388) tend to be three to five minutes longer. The commute of the average Maricopa County resident (26.4 minutes) is shorter than that of the typical worker living in not just Surprise, but the West Valley more broadly. 47% of Surprise residents report that their commutes take 30 minutes or more, compared to 39% of Maricopa County residents.

Figure 27. Mean Commute Time of Employed Population, 2021



Source: Five-year American Community Survey (2021)

Figure 28. Commute Time Distribution of Employed Population, 2021



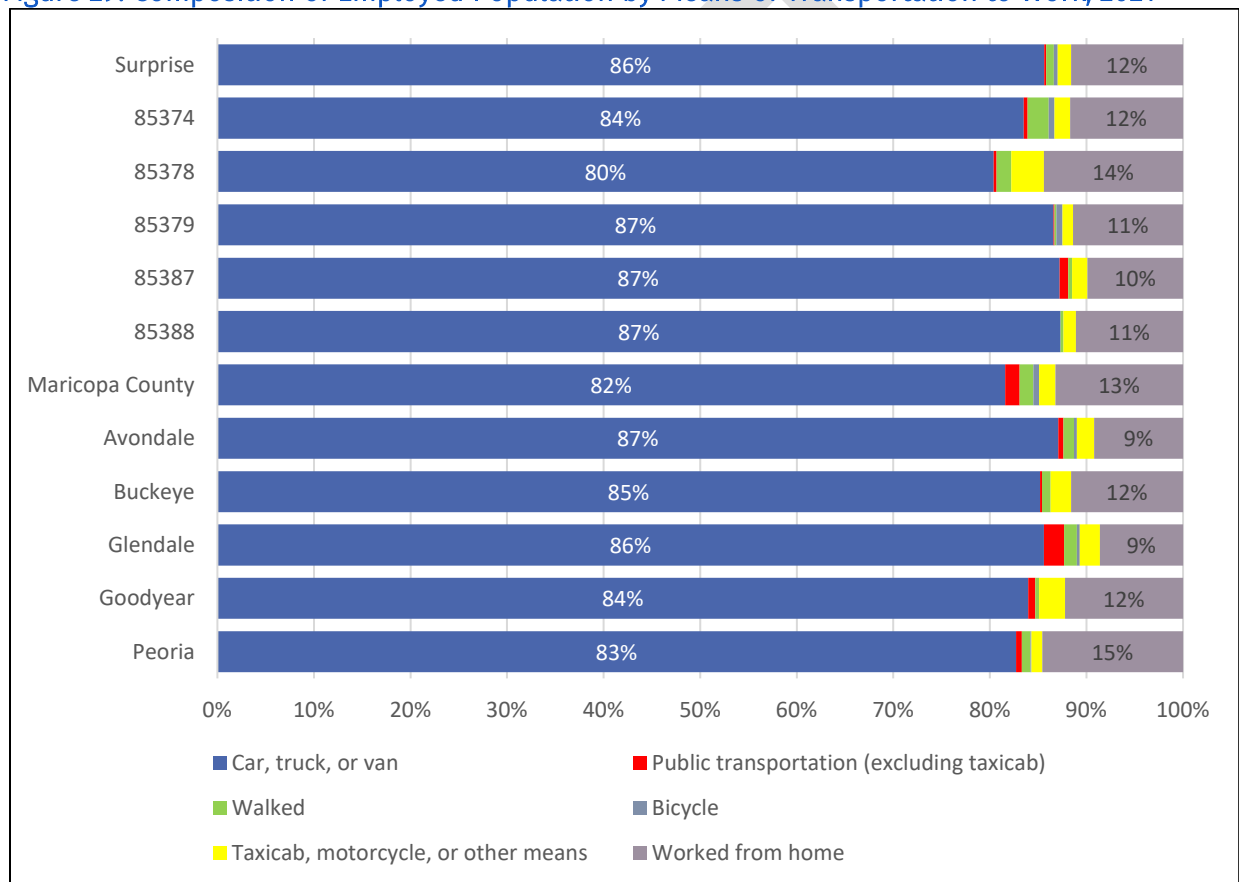
Source: Five-year American Community Survey (2021)

Figure 29 presents data on residents' means of transportation to work by community. Residents of the West Valley in general, but especially Surprise, Avondale, and Glendale, are more dependent on personal automobiles than those of broader Maricopa County. In each of those three cities, between 86%



and 87% of respondents report relying on cars, trucks, or vans to reach work, as opposed to 82% of Maricopa County residents. Surprise's limited public transit options are partly responsible for residents' heavy reliance on personal vehicles. Currently, Surprise lacks a fixed-route bus service allowing residents to travel within the city, but it is directly served by one Valley Metro route (571) featuring stops in El Mirage and Phoenix. **Consequently, while public transit use is low throughout the region, this is especially true in Surprise, where just 0.2% of residents claim to rely on these services for their daily commutes.** Researchers have repeatedly demonstrated that proximity to public transportation with high-frequency service significantly increases property values, with one study finding that homes located within a half mile from rail or bus rapid transit stations are worth between four and twenty-four percent more, on average.¹ As such, the city should strongly consider expanding its public transit offerings.

Figure 29. Composition of Employed Population by Means of Transportation to Work, 2021



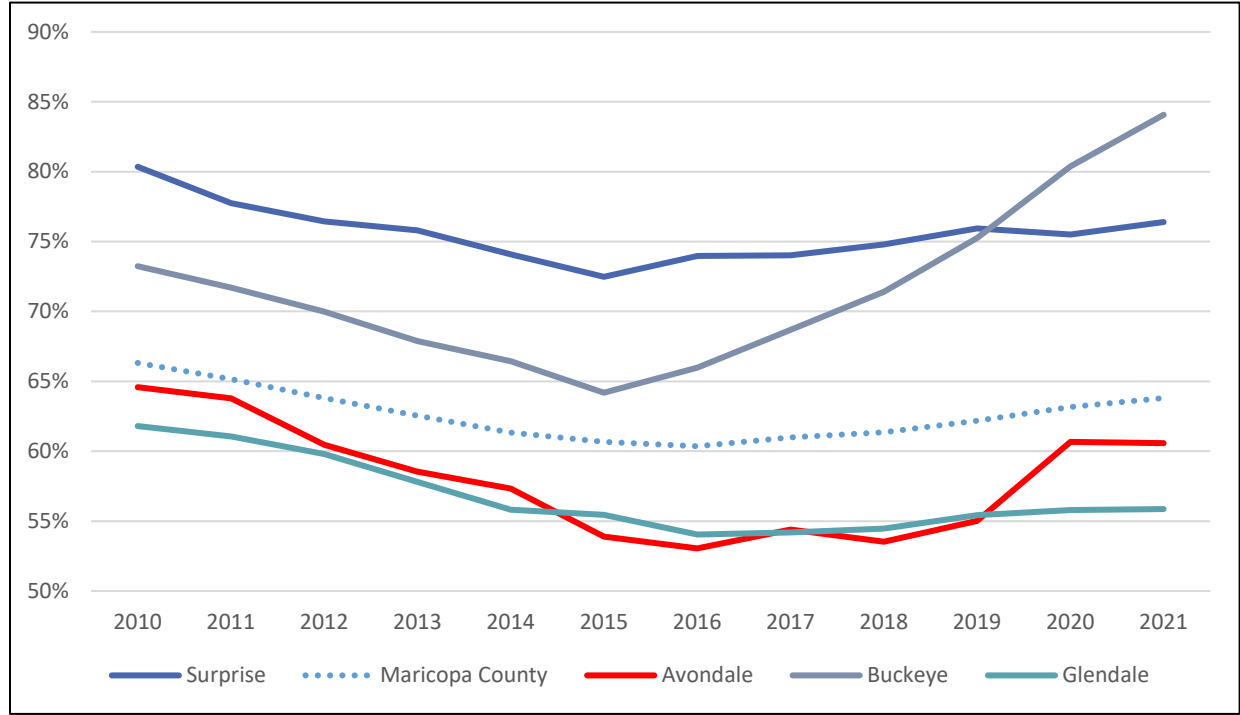
Source: Five-year American Community Survey (2021)

¹ American Public Transportation Association and National Association of Realtors. "The Real Estate Mantra – Locate Near Public Transportation." <https://www.apta.com/wp-content/uploads/The-Real-Estate-Mantra-Locate-Near-Public-Transportation.pdf>.

Housing Tenure

Homeownership is essential to building intergenerational wealth. Fortunately, Surprise has regularly enjoyed one of the higher homeownership rates in Maricopa County (see Figure 30). **Between 2010 and 2015, though, the city’s homeownership rate declined by nearly 10 percentage points, to 72%.** Since then, the homeownership rate has gradually recovered, reaching 76% in 2021. The rest of Maricopa County, including Avondale, Buckeye, and Glendale, witnessed similar trends during this period, although the increase in Avondale’s homeownership rate between 2019 and 2020 was particularly steep. From neighborhood to neighborhood in Surprise, the tenure composition of households varies dramatically. Figure 31 presents Census tract-level estimates of the ownership rate across Surprise. The map shows that homeownership is most common in the city’s northernmost, central, and western neighborhoods.

Figure 30. Homeownership Rate, 2010 to 2021

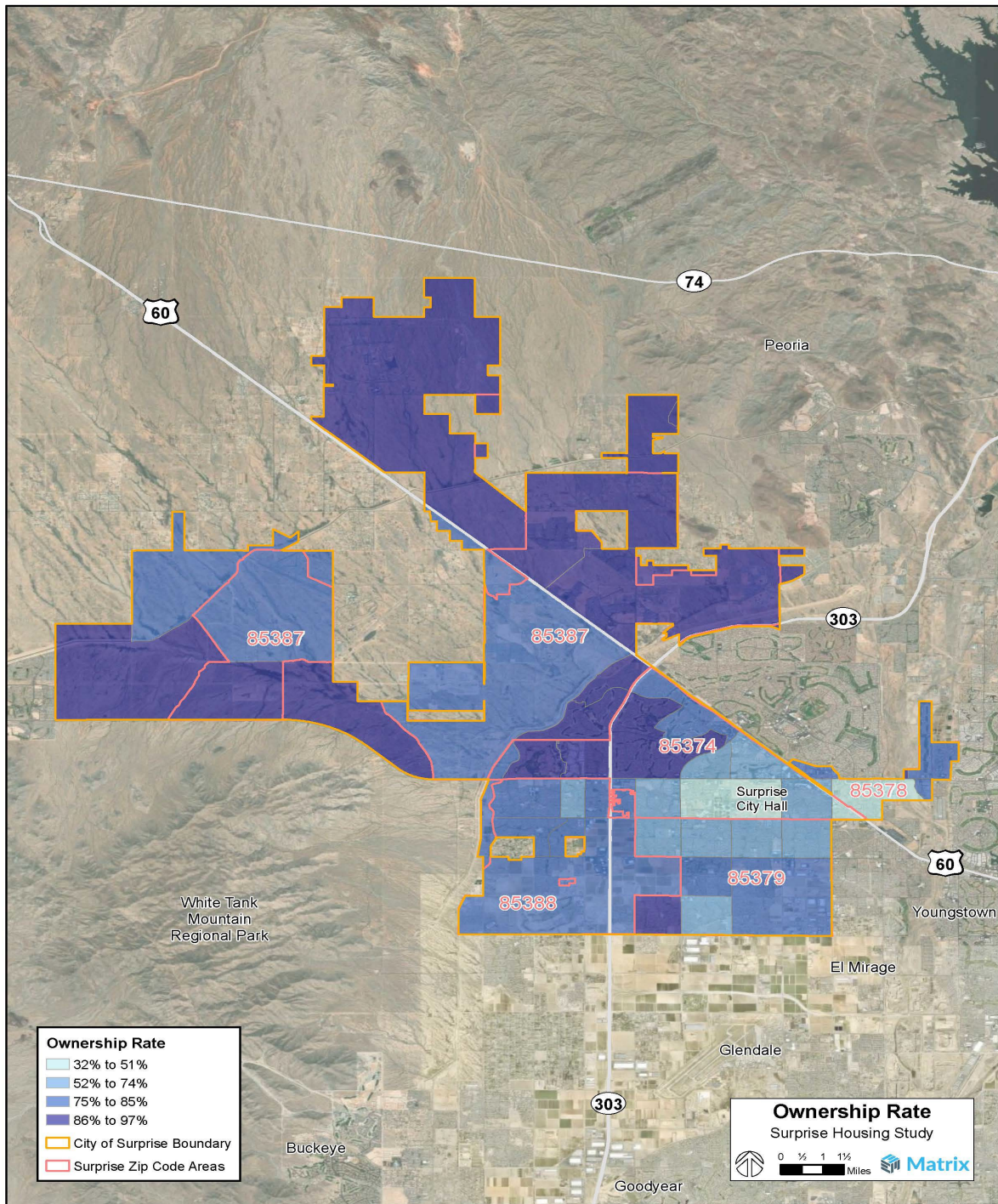


Source: Five-year American Community Survey (2010-2021)

“Researchers have repeatedly demonstrated that proximity to public transportation with high-frequency service significantly increases property values, with one study finding that homes located within a half mile from rail or bus rapid transit stations are worth between four and twenty-four percent more, on average.”



Figure 31. Homeownership Rate by Census Tract in Surprise, 2021

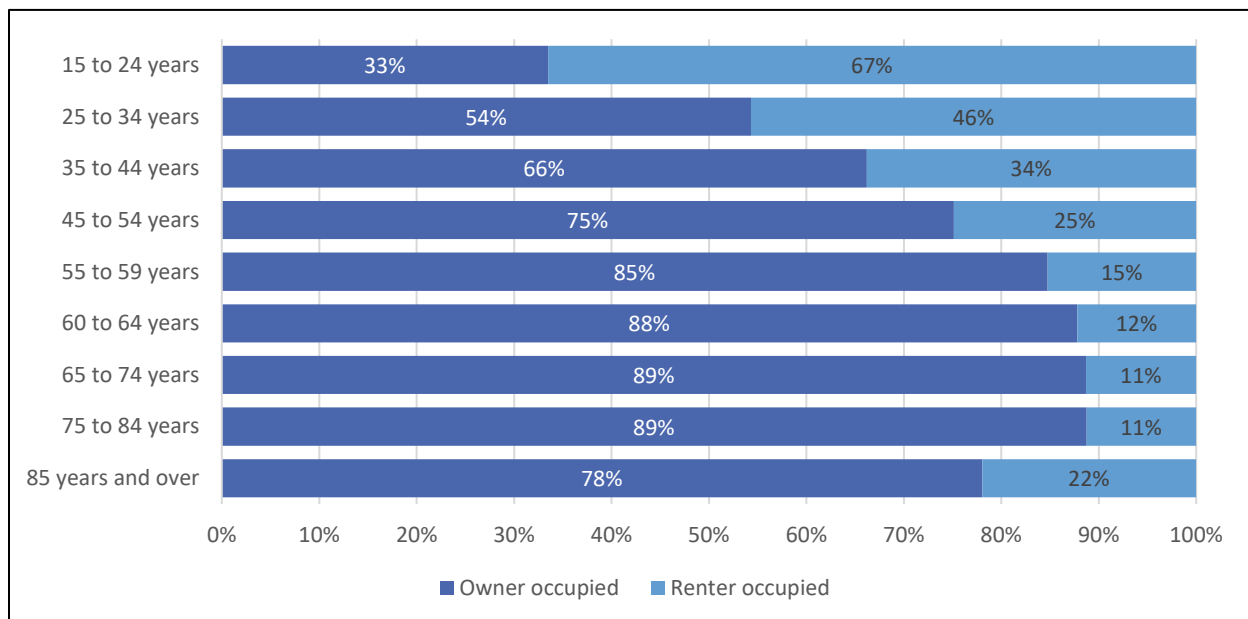


Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

Housing Tenure by Age

Housing tenure decisions are strongly related to householder age, with older residents tending to be far more likely than younger ones to be homeowners (see Figure 32). For example, whereas 89% of units headed by 65-to-74-year-olds are owner occupied, the same is true of only 54% of those with a 25-to-34-year-old householder. The relationship between the two variables, however, is slightly curvilinear in nature, as evidenced by the decline in homeownership that occurs after the age of 84.

Figure 32. Tenure Breakdown of Surprise Households by Householder Age, 2021



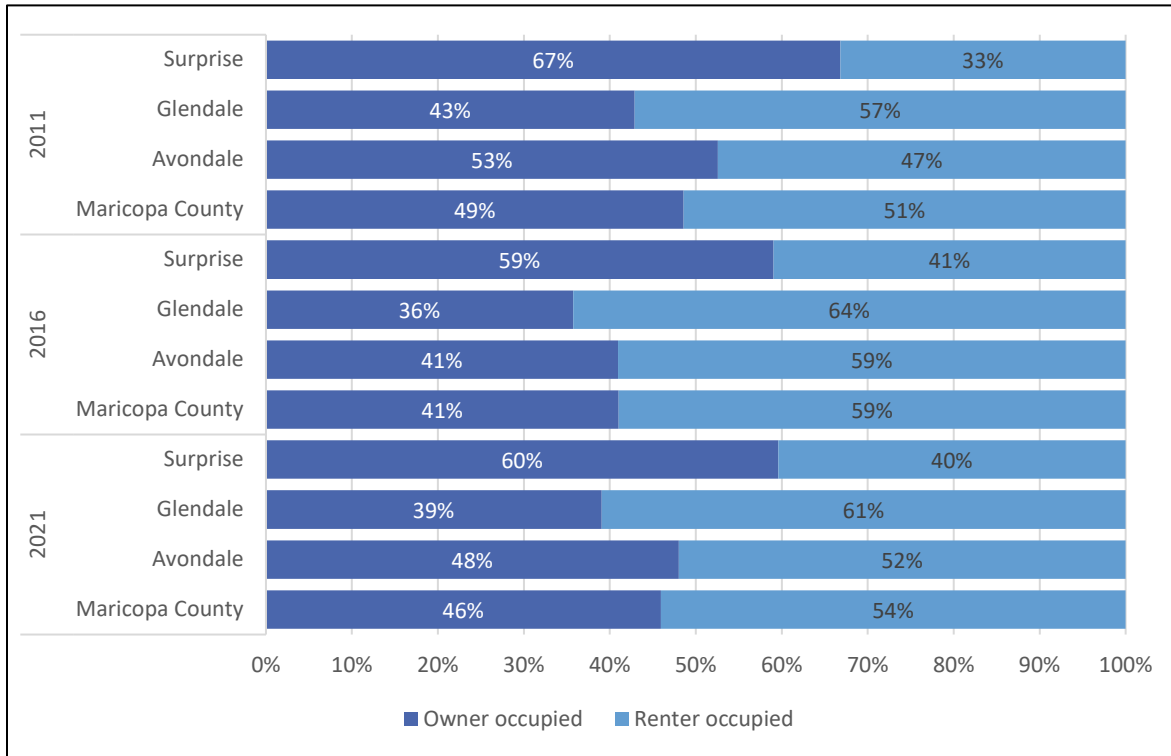
Source: Five-year American Community Survey (2021)

Between 2011 and 2021, the share of householders under the age of 45 who owned their homes fell from 67% to 60% (see Figure 33). **This finding is consistent with research demonstrating that recent developments, including rising home prices (especially in areas with limited supply and rapidly growing populations), burgeoning student debt, and an uncertain labor market, have made homeownership less accessible to millennials and members of Gen Z than it was for previous generations.** Scholars, accordingly, consider these younger householders to be part of “Generation Rent.” The broader region has witnessed a decline in homeownership among younger residents as well, albeit not to the same degree as Surprise. Encouragingly, however, Surprise’s under-45 ownership rate remains substantially higher than the county average.

“The broader region has witnessed a decline in homeownership among younger residents as well, albeit not to the same degree as Surprise.”



Figure 33. Tenure Breakdown of Households Led by Residents Below the Age of 45, 2011 to 2021

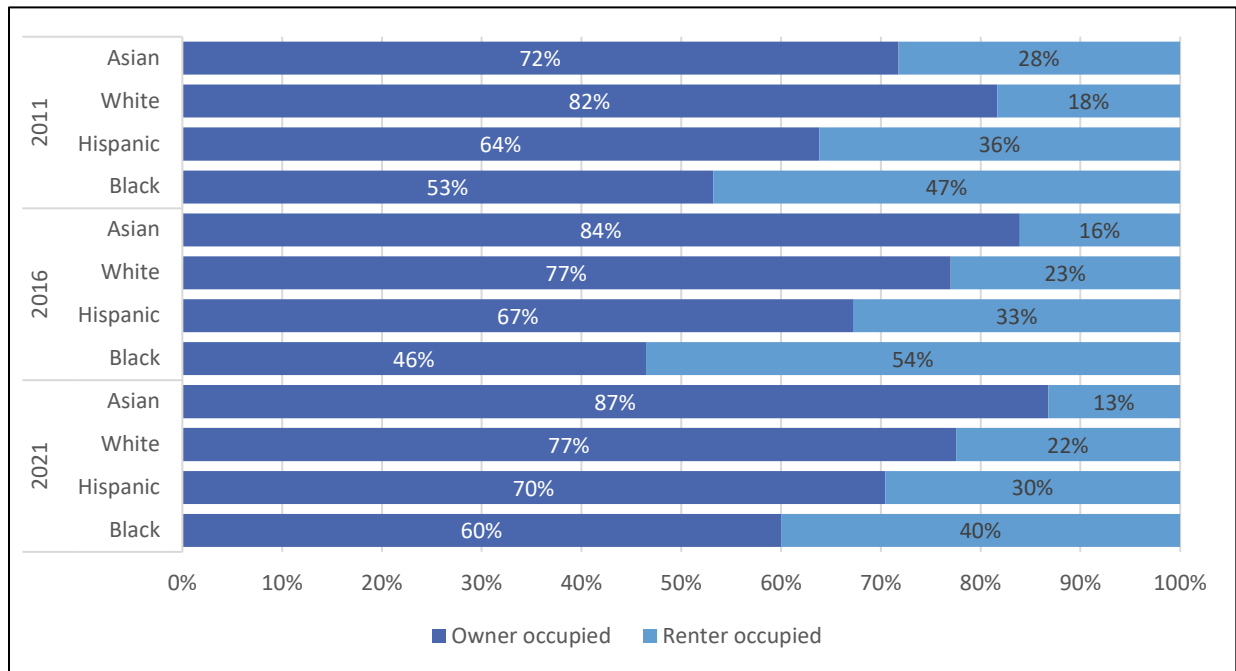


Source: Five-year American Community Survey (2011, 2016, and 2021)

Housing Tenure by Race/Ethnicity

Like practically all U.S. cities, Surprise suffers from racial/ethnic disparities in homeownership, with Asians and whites consistently exhibiting the highest ownership rates (see Figure 34). But with the exception of whites, all groups became more likely to report owning their homes from 2011 to 2021. The white ownership rate, in fact, dropped four percentage points over the period and was nine percentage points lower than the Asian ownership rate by 2021. Although 70% of Hispanic- and 60% of black-led households indicated that they owned their homes that year, the white ownership rate remained substantially higher. Increasing minority ownership rates is integral to closing the racial wealth gap that an abundance of previous research has documented. Indeed, despite making up 60% of the population, whites hold 84% of the nation's wealth. Furthermore, according to the Brookings Institution, the net worth of the median white household is ten times larger than that of the median black household. The nationwide white-black wealth gap, after accounting for the different population sizes of the two racial groups, amounts to a staggering \$10.14 trillion.

Figure 34. Tenure Breakdown by Householder Race/Ethnicity in Surprise, 2011 to 2021



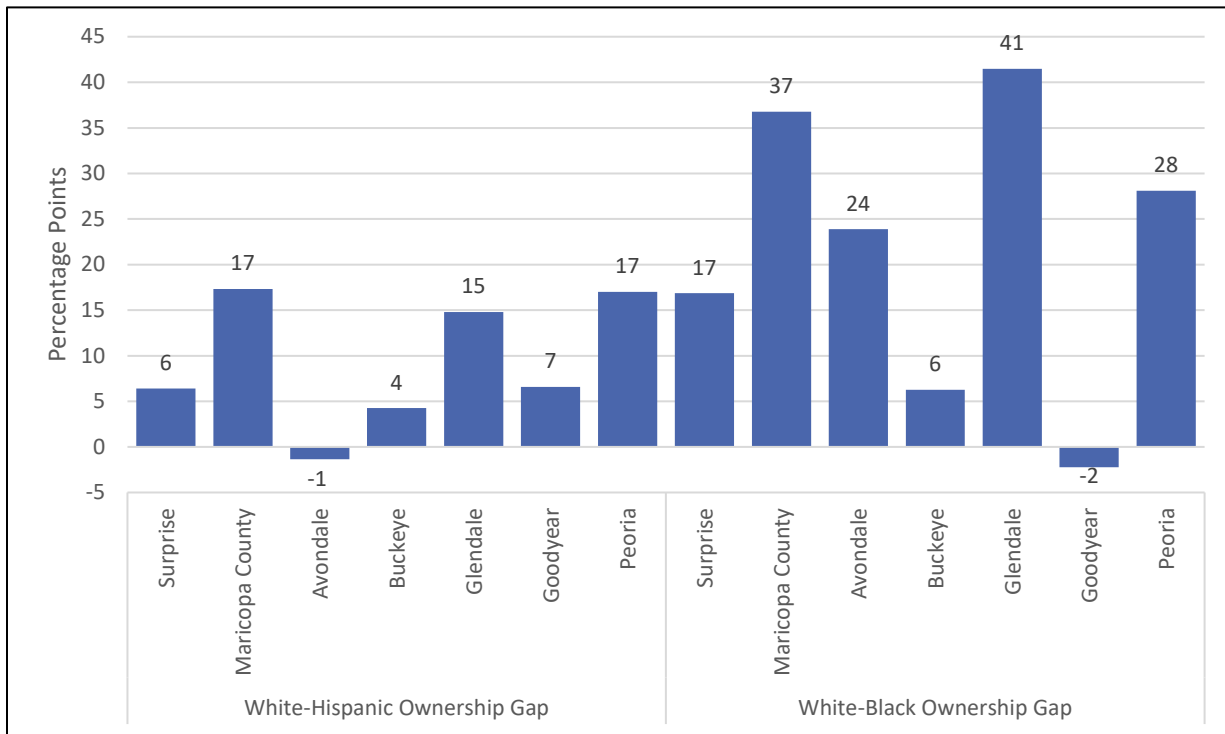
Source: Five-year American Community Survey (2011, 2016, and 2021)

Figure 35 compares the sizes of Surprise’s white-Hispanic and white-black ownership gaps to those of Maricopa County in its entirety and five West Valley municipalities. Positive values indicate that the white ownership rate exceeds the Hispanic or black ownership rates, while negative values indicate the opposite. In Surprise, whites are six percentage points more likely to own their homes than Hispanics. With the exception of Avondale, the remaining regions suffer from disparities of similar or greater magnitude. In general, the white-black ownership gaps are far larger. **White Surprise householders are 17 percentage points more likely than black Surprise householders to own their homes.** Buckeye and Goodyear are the only regions with more equitable black and white ownership rates. Notably, Maricopa County’s gap is an astounding 37 percentage points. In sum, although Surprise’s racial/ethnic ownership disparities are small in comparison to those of many surrounding communities, they are nonetheless sizeable, implying that white Surprise households hold considerably more wealth than their Hispanic and black counterparts.

“In sum, although Surprise’s racial/ethnic ownership disparities are small in comparison to those of many surrounding communities, they are nonetheless sizeable, implying that white Surprise households hold considerably more wealth than their Hispanic and black counterparts.”



Figure 35. White-Hispanic and White-Black Ownership Rate Gaps, 2021



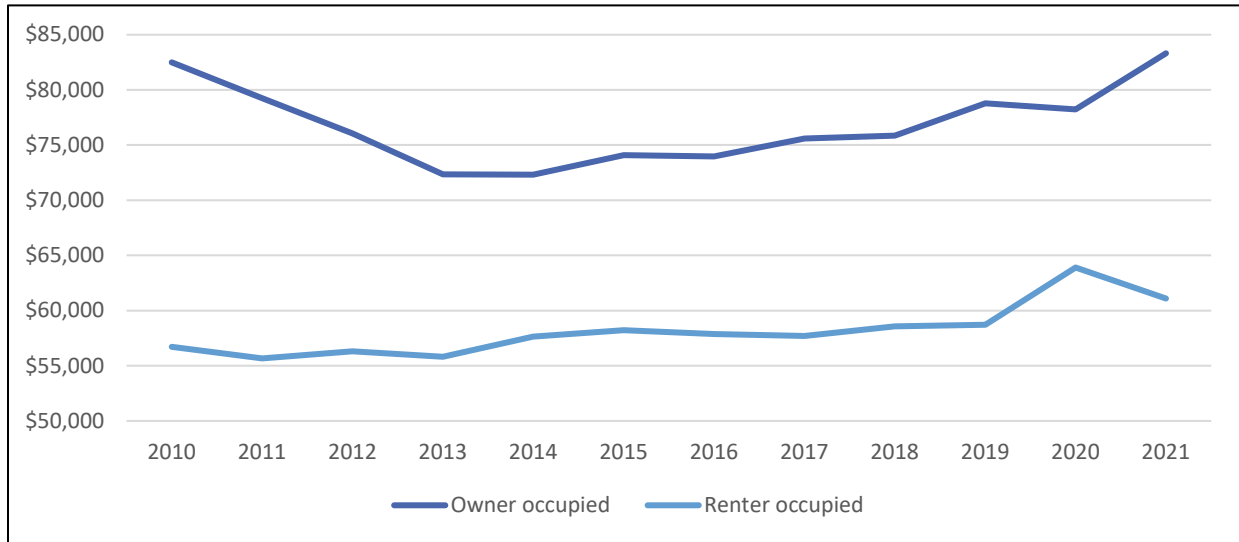
Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

Household Income by Housing Tenure

The relationship between housing tenure and median household income is depicted in Figures 36 and 37. As expected, homeowners' earnings have consistently exceeded those of renters, although the Great Recession impacted the former far more negatively. **From 2020 to 2021, owner and renter incomes further diverged as pandemic-induced shutdowns led to mass layoffs of service workers, who were disproportionately renters. In the absence of government stimulus payments and expanded unemployment insurance, the income drop-off among renters would have been even steeper.**

Meanwhile, in addition to benefitting from government stimulus, white-collar workers were able to transition to remote work. The wide income disparity between owners and renters is by no means unique to Surprise. In fact, 45% of Maricopa County owner households earn at least \$100,000, compared to just 17% of renter households. In Surprise, nearly half as many renters as owners reach this earnings threshold. Although the share of Surprise renters earning less than \$25,000 (14%) is low in comparison to the rest of the region, the city has proportionally more homeowners in this category than Peoria, Goodyear, and Buckeye as a result of its large senior population.

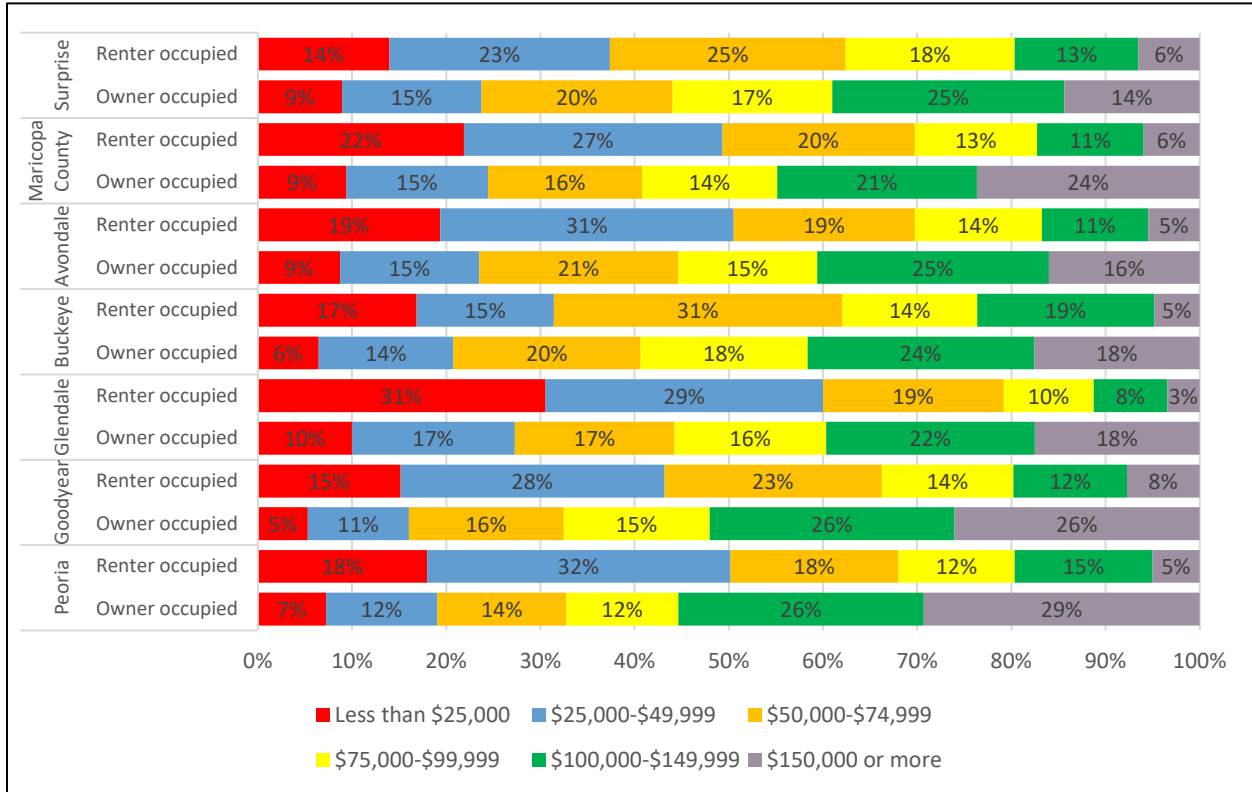
Figure 36. Median Household Income by Tenure in Surprise, 2010 to 2021



Note: Dollar values adjusted for inflation to constant 2021 dollars.

Source: Five-year American Community Survey (2010-2021)

Figure 37. Household Income Distribution by Tenure, 2021



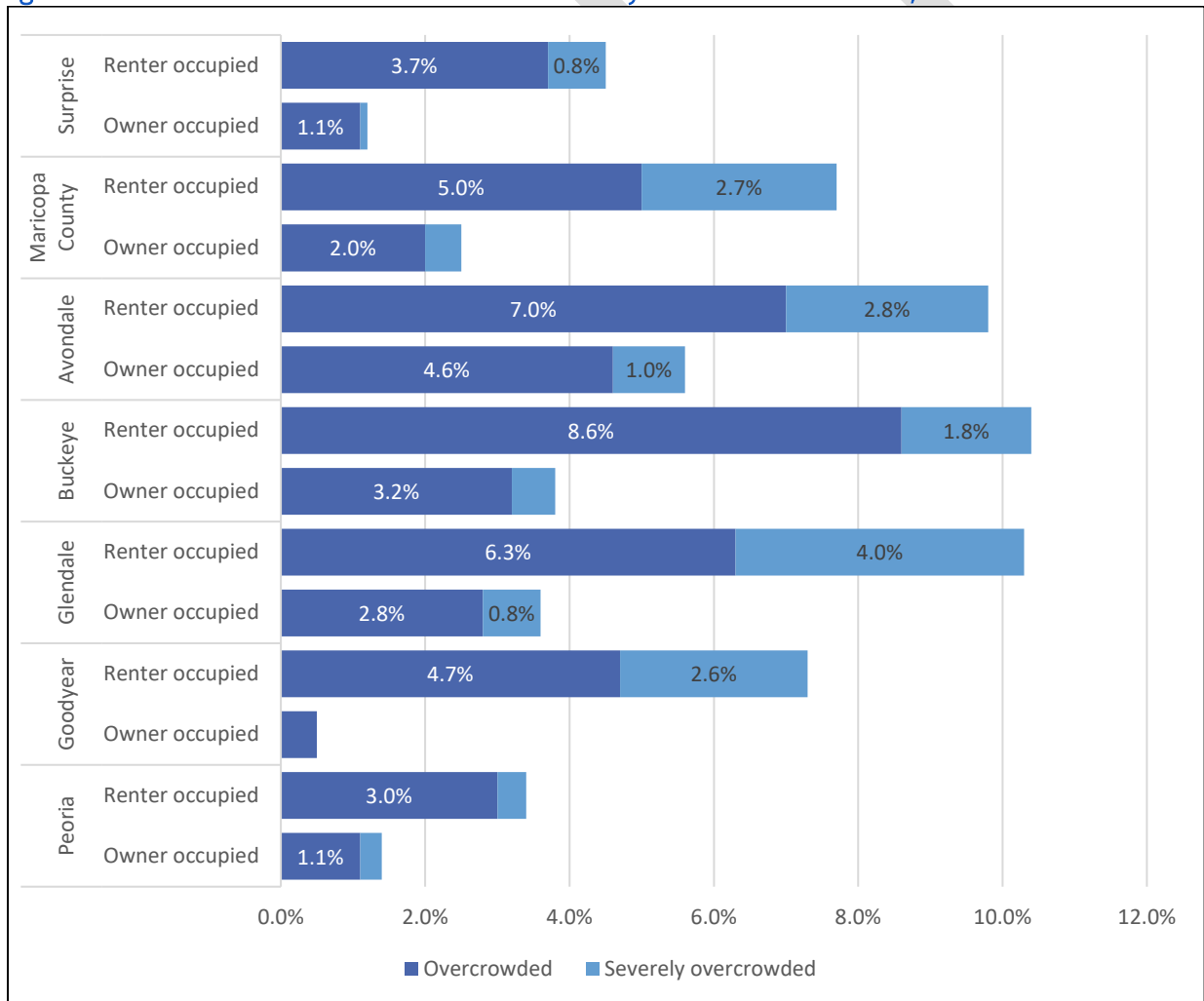
Source: Five-year American Community Survey (2021)



Overcrowding

Fortunately, overcrowding, which has been linked to mental health disorders, poor academic performance, and even an increased risk of contracting infectious diseases, is less common in Surprise than in most of the broader region. 3.7% of renter-occupied units are overcrowded, meaning they have between 1.01 and 1.5 occupants per room. An additional 0.8% of rental units have more than 1.5 occupants per room and thus qualify as severely overcrowded. In contrast, 7.7% of renter-occupied units in Maricopa County as a whole have more than one occupant per room. Renter overcrowding and severe overcrowding occur at even higher rates in Avondale, Buckeye, and Glendale. These findings represent preliminary evidence that rising rents have driven many households throughout the region to live in inadequate homes. Overcrowding is significantly less common in owner-occupied units, including in Surprise, where only 1.2% of owned homes qualify as such. In this regard, only Goodyear fares better. Although encouraging, the results are partly a function of Surprise's age demographics, given that seniors tend to head smaller households.

Figure 38. Prevalence of Overcrowded and Severely Overcrowded Homes, 2021

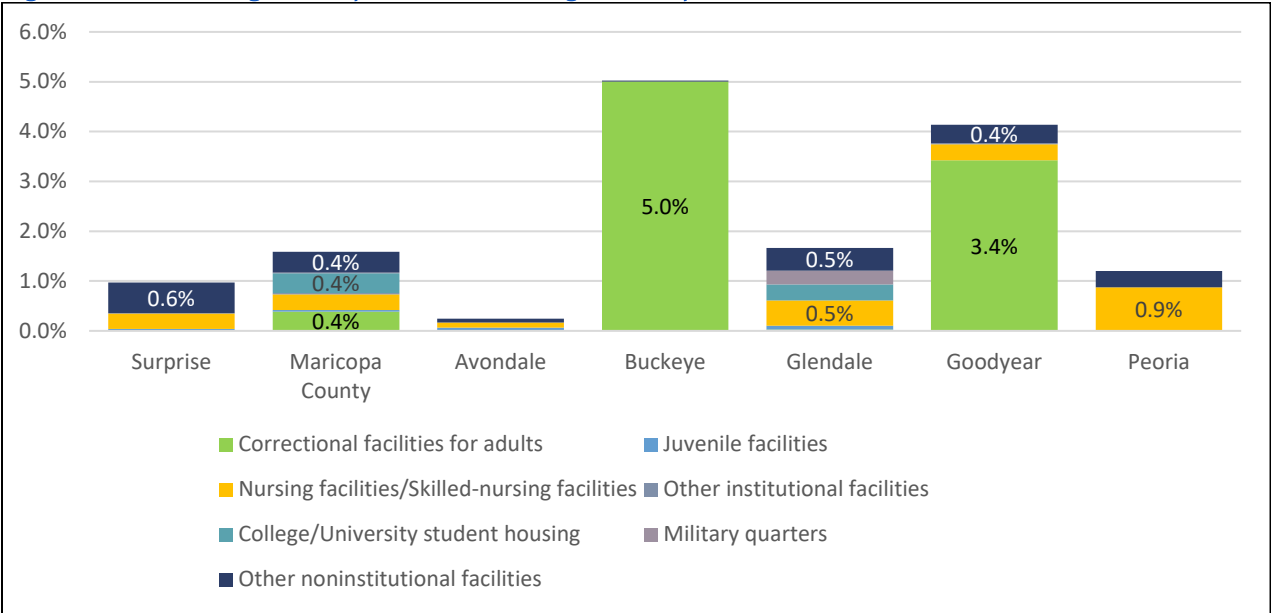


Source: Five-year American Community Survey (2021)

Group Quarters Population

Figure 39 displays the relative size of the group quarters population by community. **Just shy of one percent of Surprise’s population, or 1,390 residents, live in group quarters—a lower rate than those of every jurisdiction except Avondale.** These residents are concentrated in a few neighborhoods located in the central and southern parts of the city (see Figure 40). Due to the presence of state prisons in Buckeye and Goodyear, their group quarters populations dwarf those of Surprise and other nearby communities. Group quarters housing consists of institutionalized and noninstitutionalized facilities, with the primary distinction between the two being that that institutionalized residents are ineligible, unable, or unlikely to participate in the workforce. In Surprise, most of the group quarters population reside in unspecified noninstitutionalized housing, a category that includes emergency/transitional shelters, adult group homes, residential treatment centers, religious group quarters, and domestic violence shelters, among other facilities. Surprise’s institutionalized population includes residents of juvenile facilities and nursing homes.² Despite having the largest relative senior population of the communities of interest, Surprise has fewer nursing home residents as a share of its total population (0.3%) than Peoria and Glendale, implying that alternative forms of senior housing, such as memory care and independent and assisted living communities, are unusually popular in Surprise.

Figure 39. Percentage of Population Residing in Group Quarters, 2020

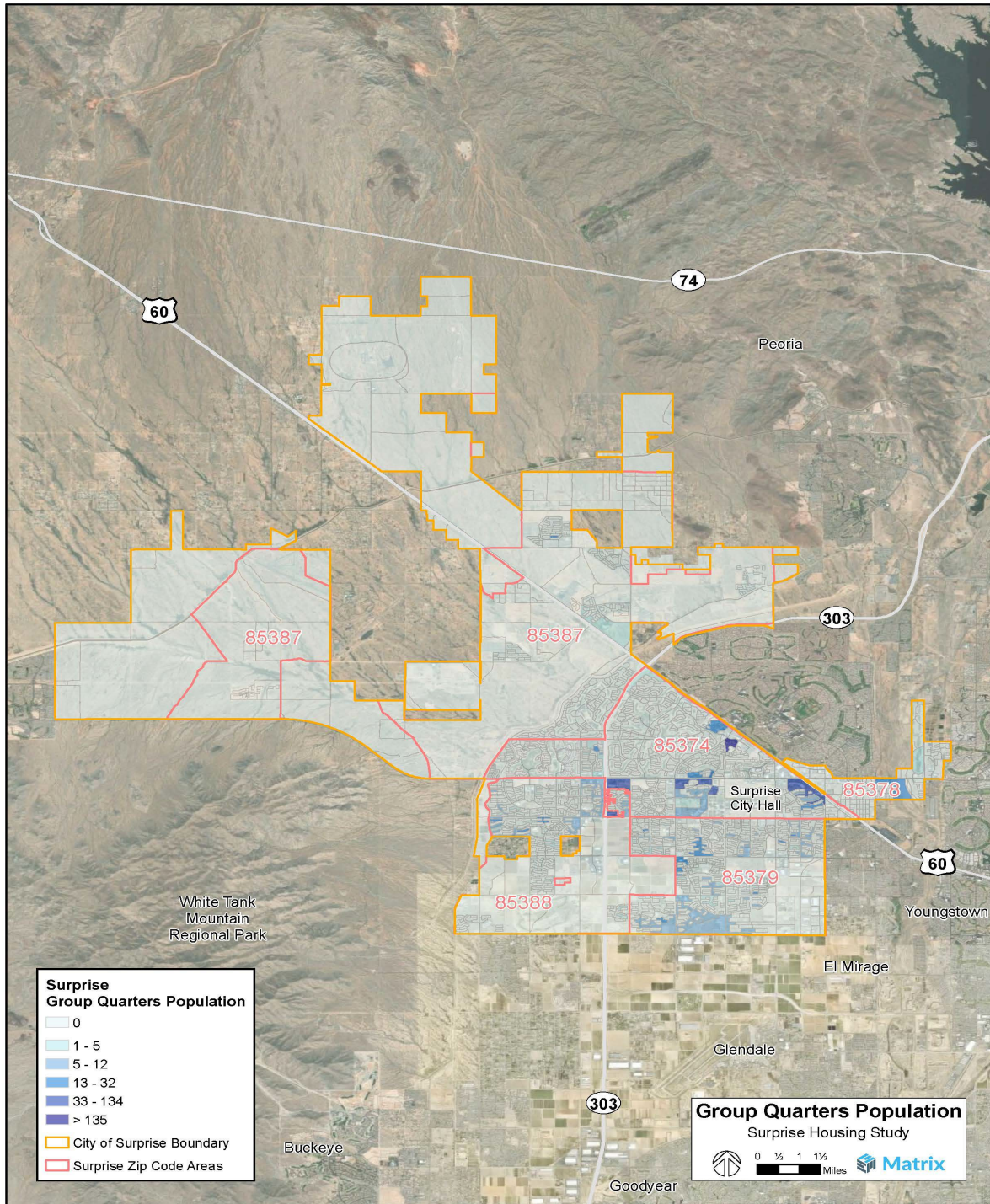


Source: 2020 U.S. Census

² The Appendix. provides information on six juvenile and noninstitutionalized living facilities located in Surprise. More detailed analyses of senior housing appear in later sections of the report.



Figure 40. Geographic Distribution of Group Quarters Population by Census Block in Surprise, 2020



Source: 2020 U.S. Census

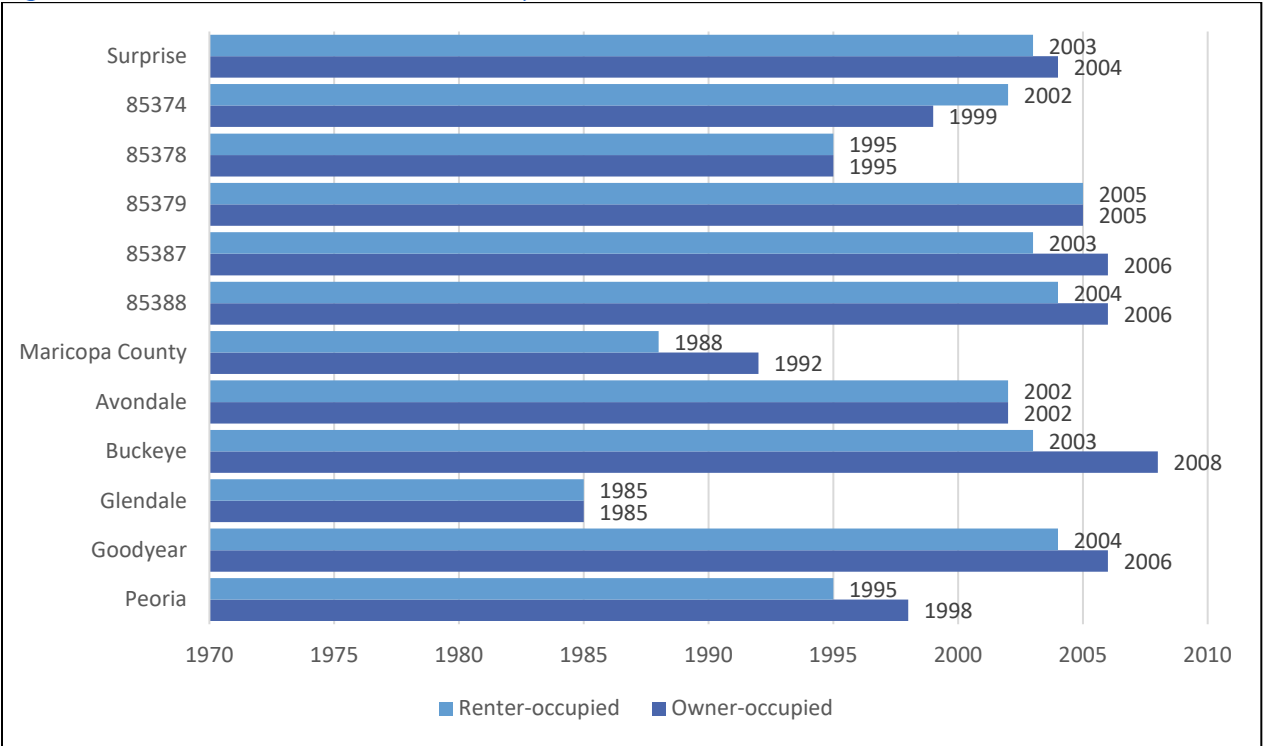
Housing Inventory Analysis

The remaining analyses focus on Surprise’s housing inventory and market. Below, we examine the age, condition, and physical characteristics of the housing stock; vacancies; and housing for underserved populations.

Age of Housing Stock

Consistent with the fact that the bulk of Surprise’s population growth has occurred over the past two decades, the city’s housing inventory is young by any measure. According to Figure 41, the median renter- and owner-occupied units, respectively, were erected in 2003 and 2004. In zip codes 85387 and 85388, the typical owner-occupied homes, at only 16 or 17 years old at the time of this writing, are even younger than the city-wide median. Surprise’s older homes are concentrated in two zip codes: 85374 and 85378. Maricopa County’s median owner- and renter-occupied homes, respectively, are 15 and 12 years older than their Surprise counterparts. Furthermore, only 8% of Surprise homes predate 1990 (see Figure 42). The same is true of 30% of homes in neighboring Peoria, which in turn has fewer homes in this category than Maricopa County (48%) and Glendale (62%).

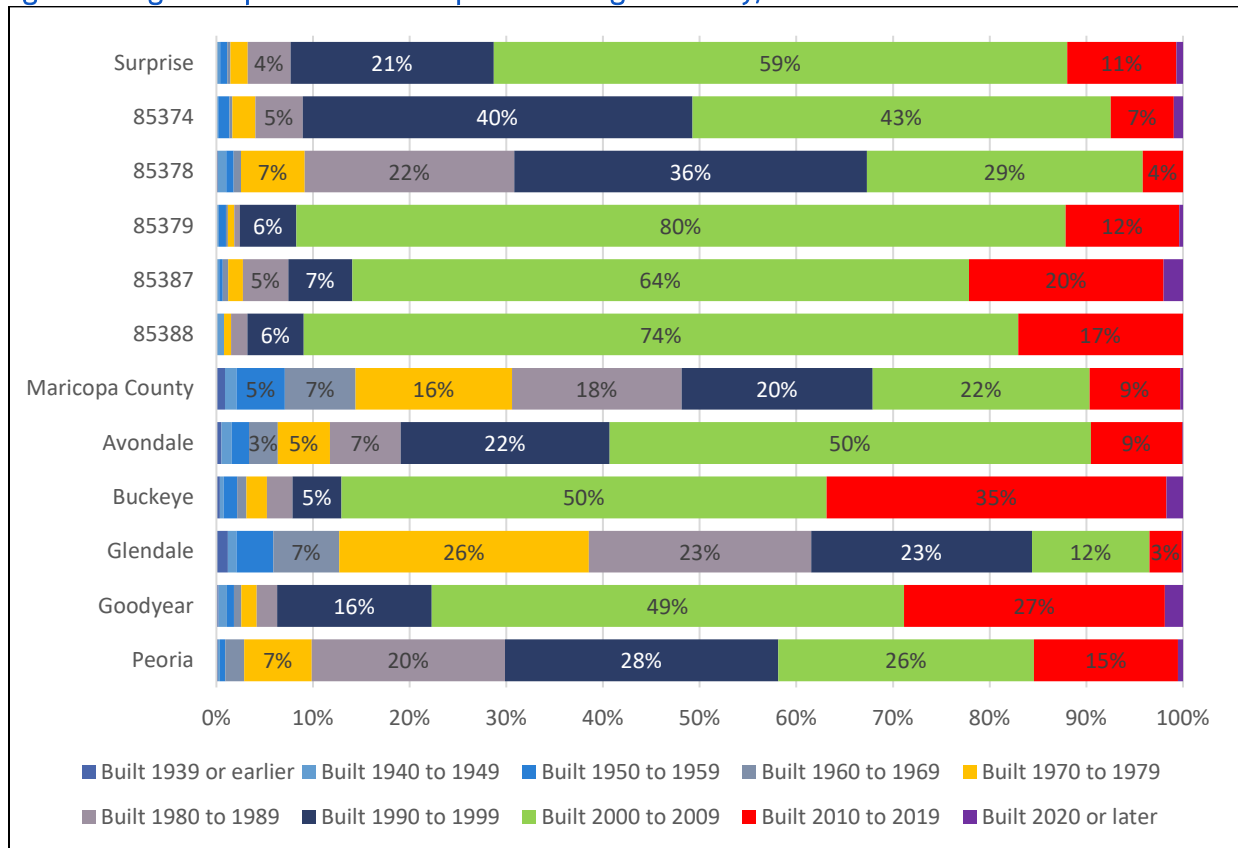
Figure 41. Median Year of Construction by Tenure, 2021



Source: Five-year American Community Survey (2021)



Figure 42. Age Composition of Occupied Housing Inventory, 2021



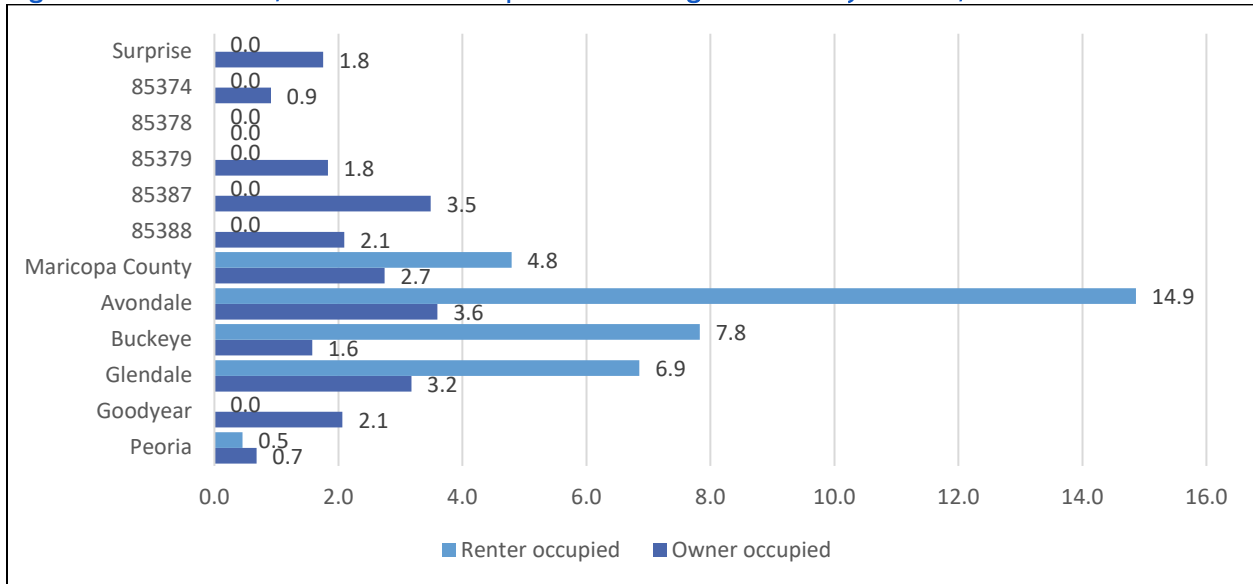
Source: Five-year American Community Survey (2021)

Condition of Housing Stock

The prevalence of units without complete plumbing or kitchen facilities is a reliable proxy for a housing inventory’s condition. Along with Goodyear, Surprise is an anomaly among Maricopa County cities in having virtually no renter-occupied units without complete plumbing facilities. These facilities are absent, however, in 1.8 per 1,000 owner-occupied units. The incidence of incomplete plumbing facilities is nearly twice as high among owner-occupied homes located in zip code 85387, at 3.5 per 1,000 units. Homes in the rest of Maricopa County, including Avondale and Glendale, are far more likely to have incomplete plumbing facilities than those in Surprise.

“Along with Goodyear, Surprise is an anomaly among Maricopa County cities in having virtually no renter-occupied units without complete plumbing facilities.”

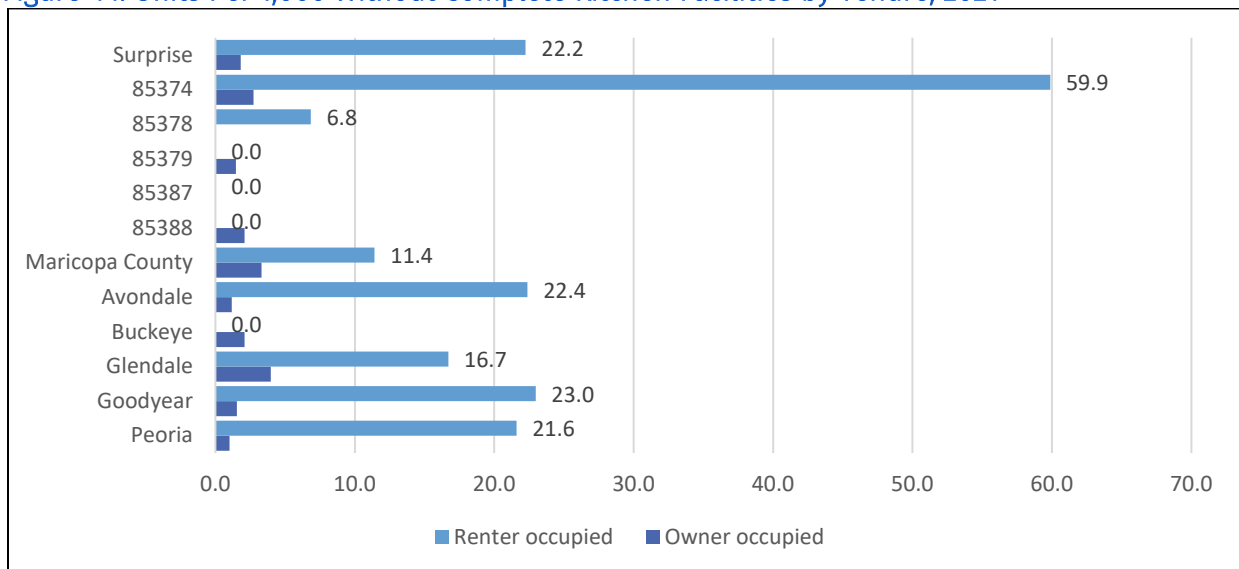
Figure 43. Units Per 1,000 Without Complete Plumbing Facilities by Tenure, 2021



Source: Five-year American Community Survey (2021)

Surprise does not fare quite as well when the condition of its housing stock is measured in terms of the incidence of incomplete kitchen facilities. **22.2 per 1,000 renter-occupied units in the city lack complete kitchen facilities, but such units are concentrated in zip code 85374.** Renter-occupied units without complete kitchen facilities are significantly less common in the rest of Maricopa County and parts of the West Valley. Among Surprise's owner-occupied homes, incomplete kitchen facilities are as rare as incomplete plumbing facilities, impacting 1.8 per 1,000 units. In Glendale, a homeowner is 122% more likely to live in a home lacking complete kitchen facilities.

Figure 44. Units Per 1,000 Without Complete Kitchen Facilities by Tenure, 2021



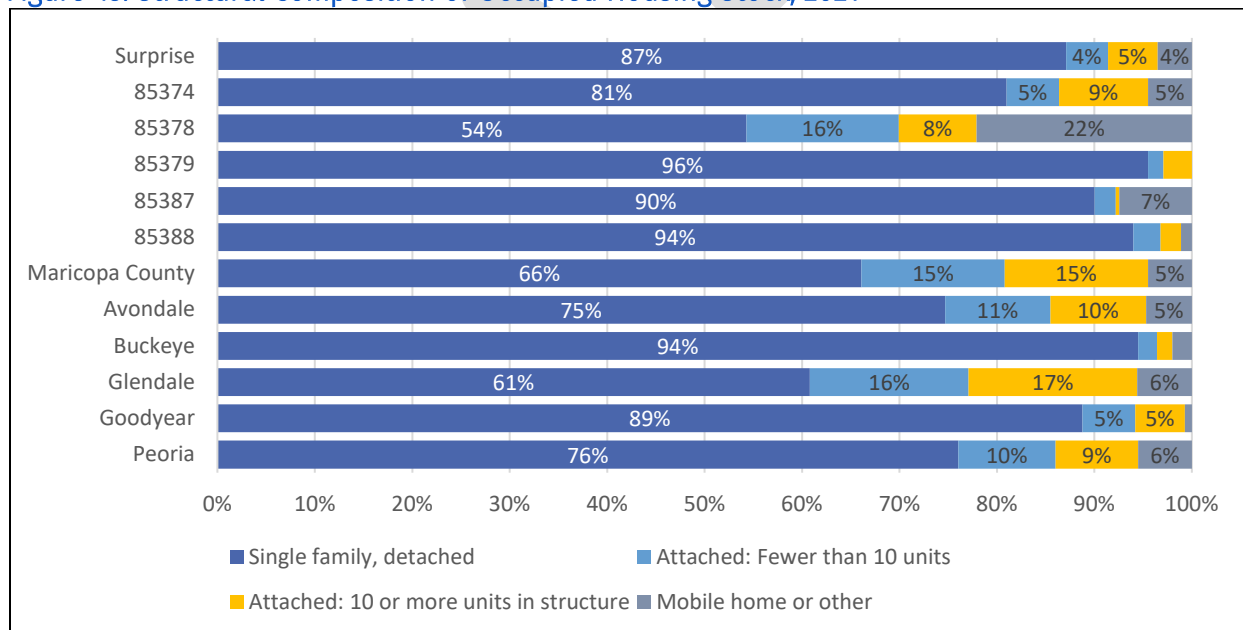
Source: Five-year American Community Survey (2021)



Structural Diversity

Given the strong relationship between a unit's physical characteristics and its price point, cities seeking to attract and retain residents across the income spectrum must offer a wide array of structural options. The structural diversity of each region's occupied housing stock is summarized in Figures 45 through 47. **87% of Surprise's total occupied inventory of 52,205 units are detached single-family homes—a rate exceeded only by that of Buckeye.** Those looking for alternatives to single-family homes in 85379 and 85388 likely need to expand their search to other neighborhoods within the city, given that such homes constitute 96% and 94% of their respective housing stocks. In the coming years, though, Surprise's multi-family inventory is likely to grow considerably; as of 2022, there were 9,910 multi-family units in the pipeline, at various stages of development.³ As expected, housing tenure is a strong predictor of a home's physical characteristics. In Surprise, owner-occupied units are 26 percentage points more likely to be traditional single-family homes than renter-occupied units. **Over time, Surprise has made incremental, but measurable, progress in diversifying its housing stock through increased density, with the share of detached single-family homes falling from 89% in 2010 to 87% in 2021.** Buckeye was the only community whose housing stock trended in the opposite direction during this period.

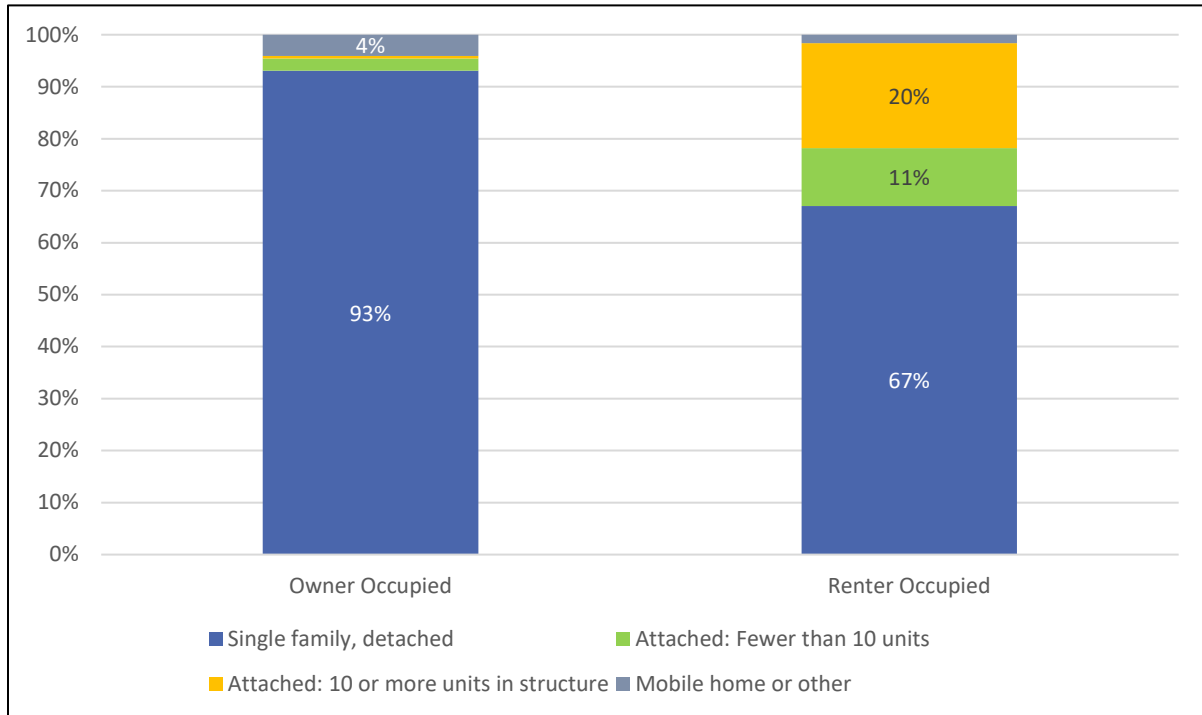
Figure 45. Structural Composition of Occupied Housing Stock, 2021



Source: Five-year American Community Survey (2021)

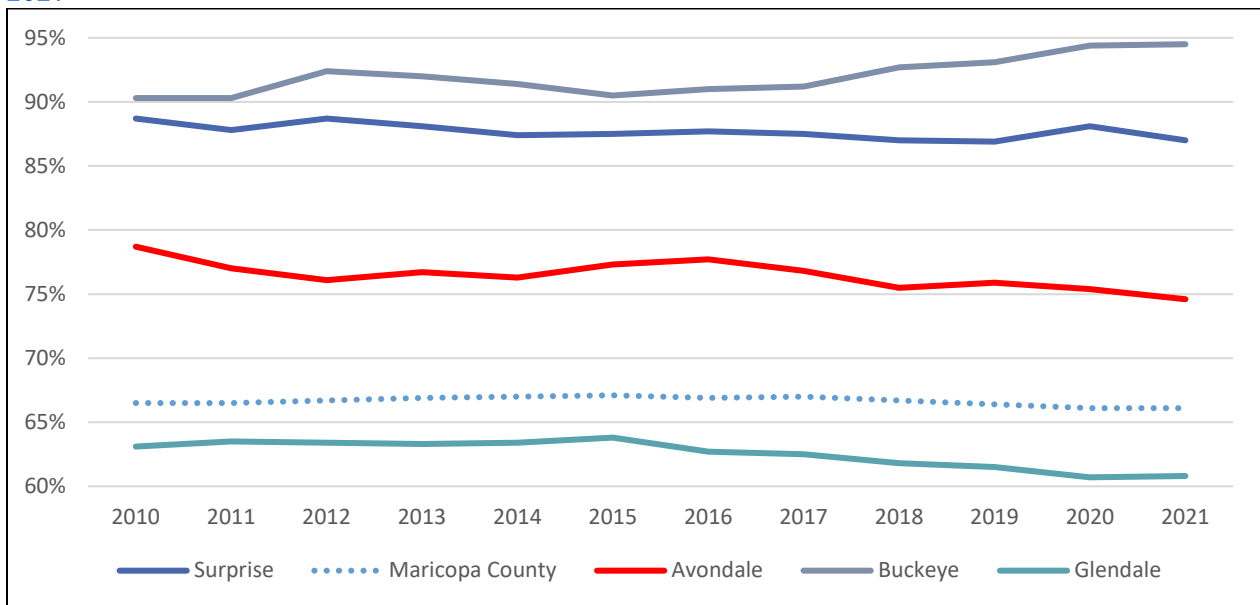
³ The Appendix breaks down these units by phase of development.

Figure 46. Structural Composition of Surprise's Occupied Housing Stock by Tenure, 2021



Source: Five-year American Community Survey (2021)

Figure 47. Detached Single-Family Homes as a Share of the Occupied Housing Stock, 2010 to 2021



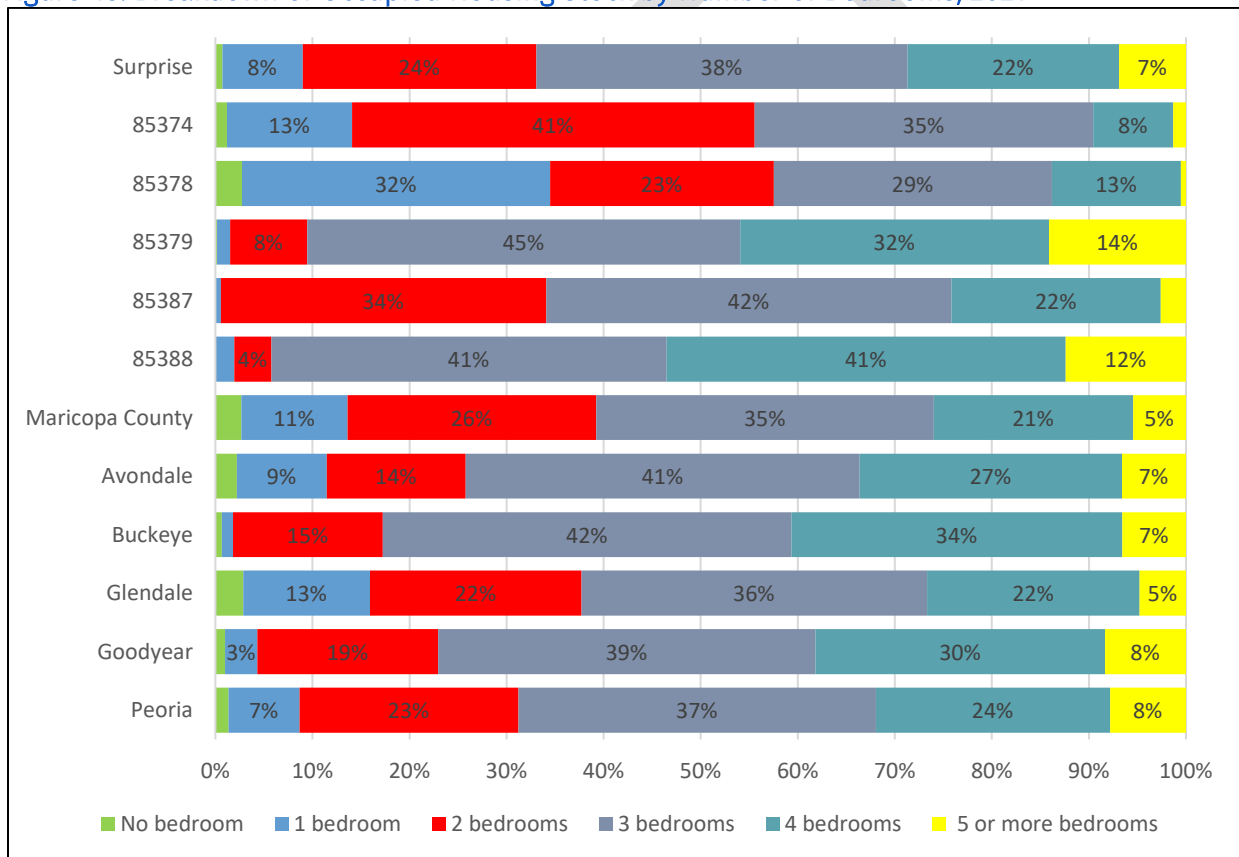
Source: Five-year American Community Survey (2010-2021)



Number of Bedrooms

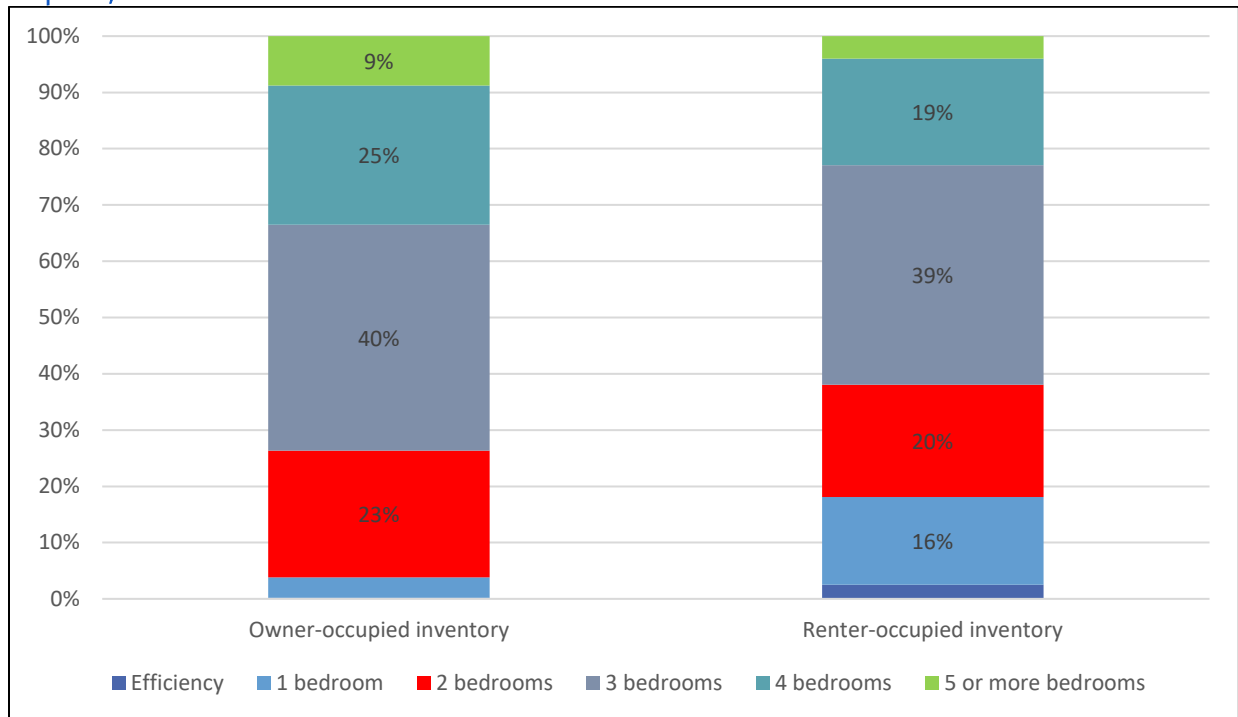
Reflecting its older population, Surprise has fewer homes capable of supporting larger households than much of the West Valley. As Figure 48 demonstrates, 29% of Surprise's total occupied housing stock feature four or more bedrooms. Zip code 85374 has even fewer units with four or more bedrooms as a share of its total occupied inventory (9%), while the richest supplies of these homes exist in zip codes 85379 (46%) and 85388 (54%). Surprise stands in sharp contrast to Buckeye, where the median resident is about eight years younger than his or her Surprise equivalent and, accordingly, 41% of homes contain four or more bedrooms. It is important to recognize, though, that these larger homes are more common in Surprise than in the rest of Maricopa County. Figure 49 reveals that tenure is strongly associated with a unit's number of bedrooms. Indeed, one would be hard-pressed to find an owner-occupied home with fewer than two bedrooms in Surprise.

Figure 48. Breakdown of Occupied Housing Stock by Number of Bedrooms, 2021



Source: Five-year American Community Survey (2021)

Figure 49. Composition of Renter- and Owner-Occupied Stocks by Number of Bedrooms in Surprise, 2021



Source: Five-year American Community Survey (2021)

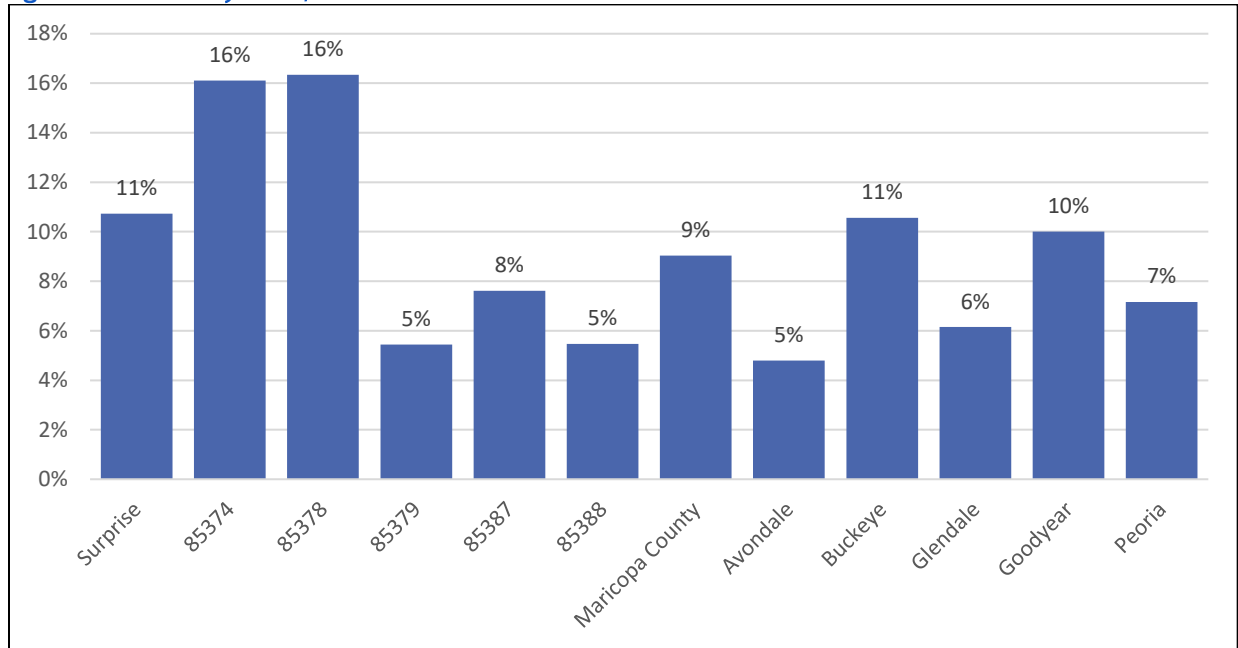
Vacancy Rate

An area's vacancy rate is a key indicator of the health of its housing market. For context, the consensus is that a city such as Surprise should aim for a vacancy rate between five and eight percent. A higher vacancy rate suggests that current properties are too expensive for prospective buyers and renters or that the neighborhood is otherwise undesirable, whereas a lower vacancy rate implies that turnover is rare, creating intense competition for available homes and thus driving up prices. Relatedly, market researchers observe that the vacancy rate can help predict the future direction of a housing market. In an area with an abundance of vacancies, prices are unlikely to face the same upward pressures that they would in one with a small available inventory.

Figure 50 presents the vacancy rate by community. Note that the rates include second homes that were unoccupied at the time of survey administration but whose owners would have been likely to reside in the units at some point in the future. **The data reveal that an unusually high percentage of homes are vacant in Surprise.** 11% of the city's housing units are categorized as such, whereas the rates for Avondale, Glendale, and Peoria range from 5% to 7%. Additionally, the average Maricopa County home is two percentage points less likely than its Surprise counterpart to be vacant. A closer analysis reveals that the culprit of Surprise's high vacancy rate is zip code 85374, where 16% of homes were empty at the time of survey administration. Historically, the rental vacancy rate has exceeded the owner vacancy rate, but the two rates have converged over time (see Figure 51). 6% of owner homes were vacant in 2021, compared to 2% of rental homes.

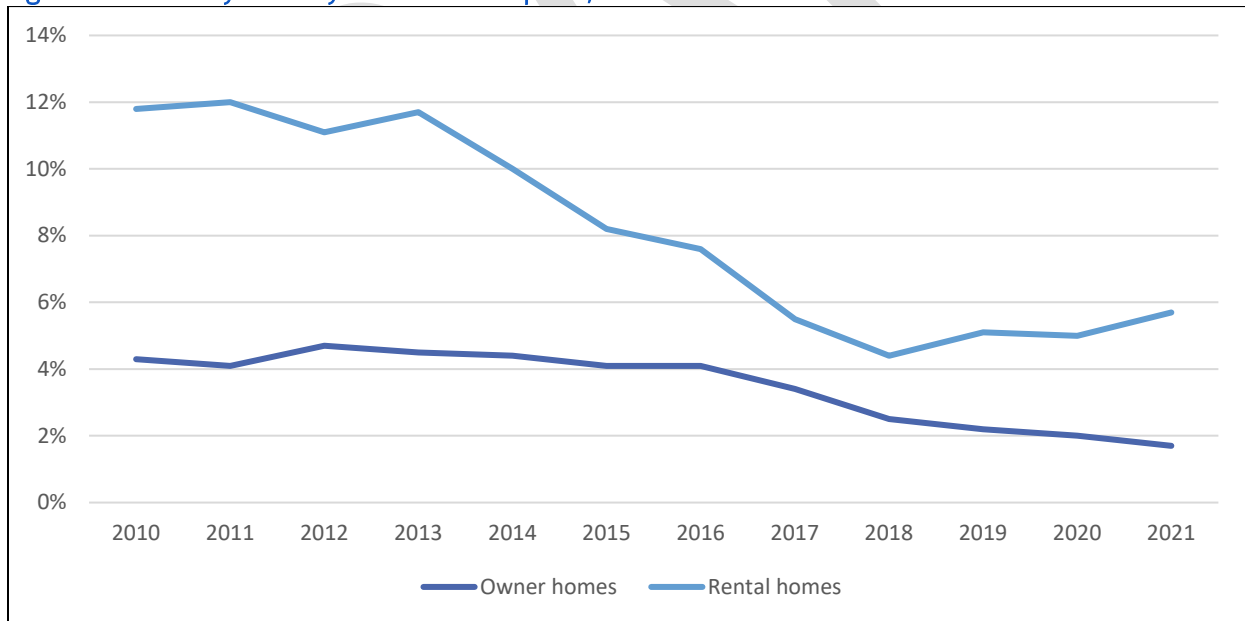


Figure 50. Vacancy Rate, 2021



Source: Five-year American Community Survey (2021)

Figure 51. Vacancy Rate by Tenure in Surprise, 2010 to 2021

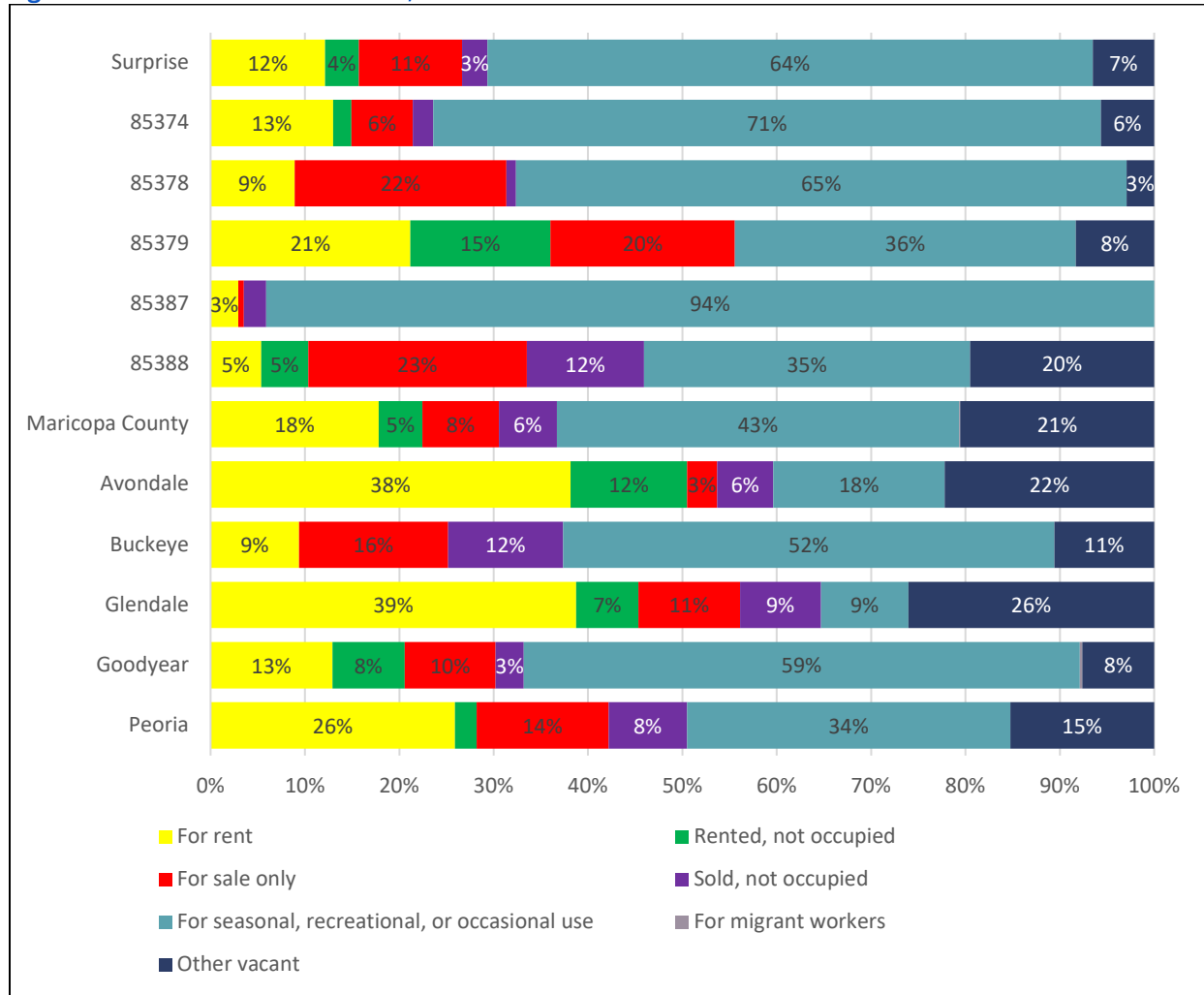


Source: Five-year American Community Survey (2010-2021)

Figure 52 reveals the most common underlying reasons for each region's vacancies. 64% of Surprise's 6,278 empty homes are reserved for seasonal, recreational, or occasional use, indicating a high likelihood that the owners will occupy them in the near future. Apparently, Buckeye and Goodyear are similarly

desirable cities for those in search of these second homes. While not as problematic as other types of vacant homes, second homes have the effect of reducing the available supply for year-round residents, which in turn leads to higher prices. An additional 23% of vacant units are either available for purchase or rent. **Homes that are vacant for other, miscellaneous reasons represent the next largest category, accounting for 7% of vacancies. Concerningly, this category includes abandoned or dilapidated units. In zip code 85388, abandoned or dilapidated homes represent up to 20% of vacancies.**

Figure 52. Status of Vacant Units, 2021



Source: Five-year American Community Survey (2021)

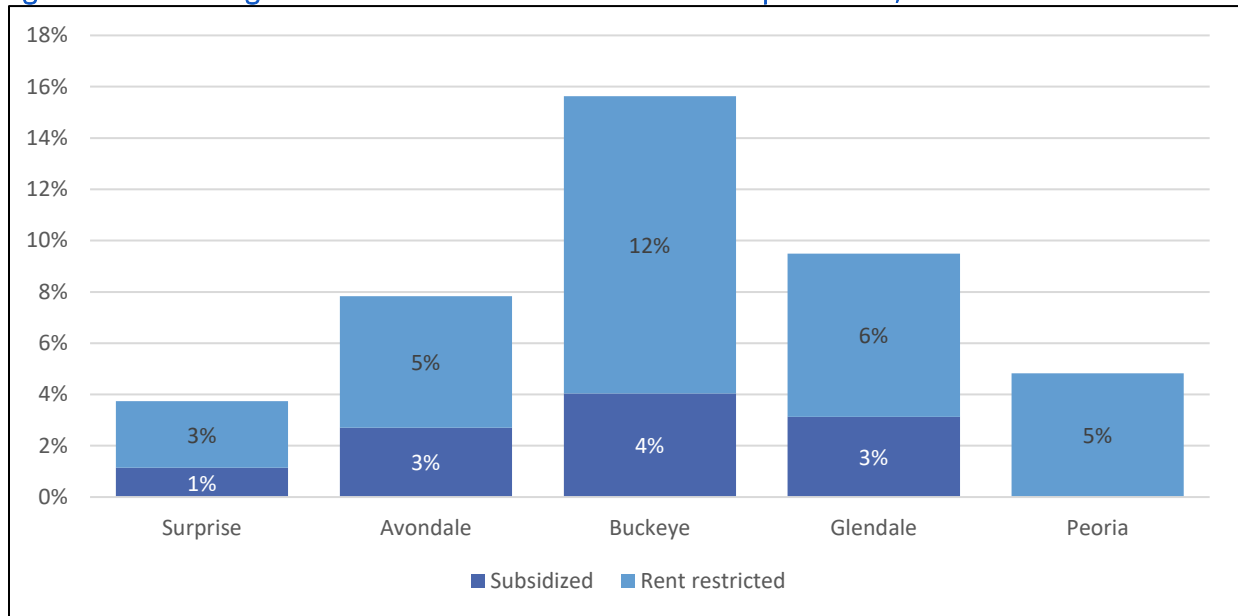
Subsidized and Rent-Restricted Housing

Figures 53 and 54 provide an overview of subsidized and rent-restricted housing. **Subsidized housing is rare across the West Valley, but this is especially the case in Surprise, where just 1% of apartments are subsidized by HUD's Section 8 or other federal programs (see Figure 53).** By contrast, subsidized apartments constitute at least 3% of the inventories of Avondale, Buckeye, and Glendale. Rent-restricted properties, which often benefit from low-income housing tax credits and serve



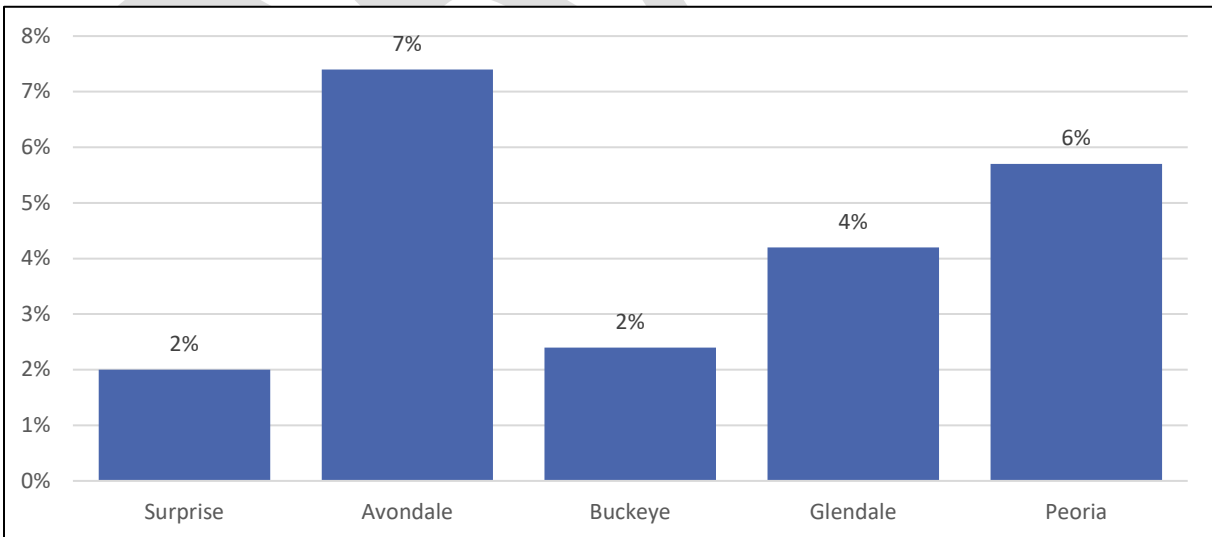
households earning between 30% and 80% of area median income, are more common. In Surprise, rent-restricted units make up 3% of the apartment inventory, but this rate is still lower than those of Avondale, Buckeye, Glendale, and Peoria. Consequently Surprise has the fewest relative unoccupied subsidized or rent-restricted apartments of the five cities (see Figure 54). **Surprise's vacancy rate of 2% suggests that demand for these homes exceeds the existing supply.**

Figure 53. Percentages of Subsidized and Rent-Restricted Apartments, 2023



Source: CoStar; Matrix Design Group, Inc.

Figure 54. Vacancy Rate of Subsidized or Rent-Restricted Apartments, 2023 Q1



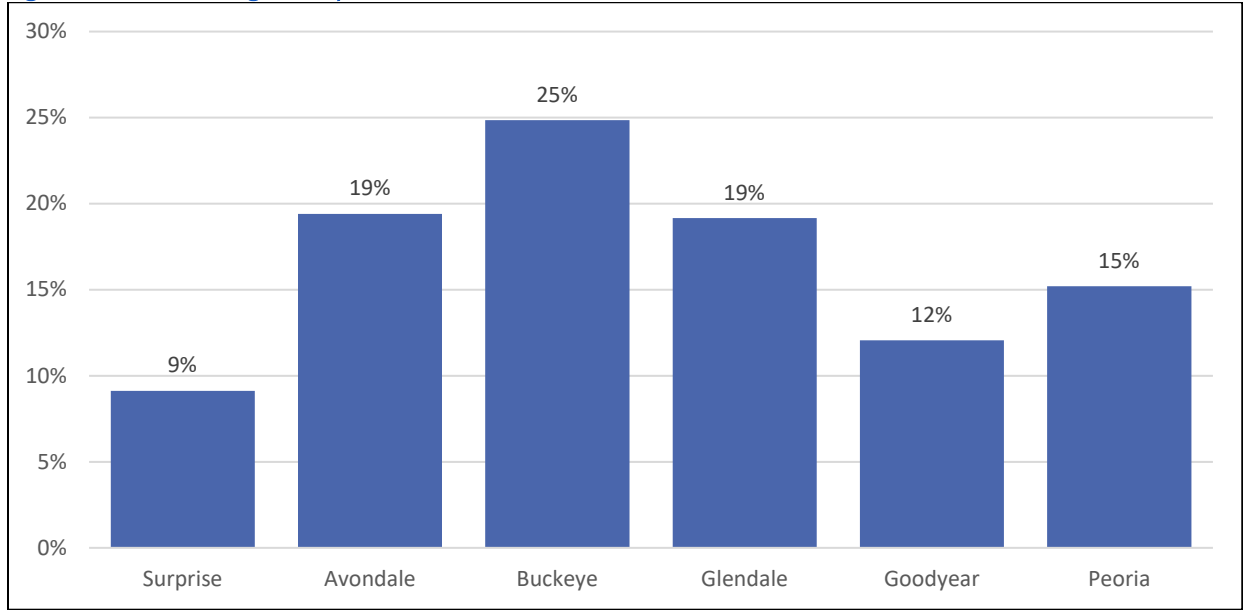
Source: CoStar; Matrix Design Group, Inc.

Accessible Housing

According to the ACS, approximately 6% of Surprise’s noninstitutionalized residents live with an ambulatory disability. Contrary to popular belief, dwelling units are exempt from Americans with Disabilities Act (ADA) accessibility standards since they do not qualify as public accommodations. It is therefore up to developers and landlords to ensure their dwelling units are accessible to people with disabilities. Unfortunately, the U.S. has a paucity of wheelchair-accessible homes, with the UD Project estimating that just 0.15% of homes meet accessibility standards nationwide. The challenges that people with disabilities face in securing accessible housing have prompted activists and advocacy organizations, including the central Arizona-based Ability 360, to take up the cause.

How does the availability of wheelchair-accessible housing vary across the West Valley? **According to Figure 55, 9% of apartments in Surprise feature wheelchair-accessible rooms.** While this figure is higher than the share of noninstitutionalized residents reporting an ambulatory disability, wheelchair-accessible apartments are more common in Avondale, Buckeye, Glendale, Goodyear, and Peoria. **The gap between Surprise and Buckeye, where 25% apartments are considered wheelchair accessible, is particularly large.** Despite its small inventory, however, Surprise has more vacant wheelchair-accessible apartments than every city except Goodyear. Indeed, Figure 56 shows that 8% of such apartments in Surprise are unoccupied, compared to 5% in Buckeye and Peoria and 6% in Avondale and Glendale.

Figure 55. Percentage of Apartments with Wheelchair-Accessible Rooms, 2023

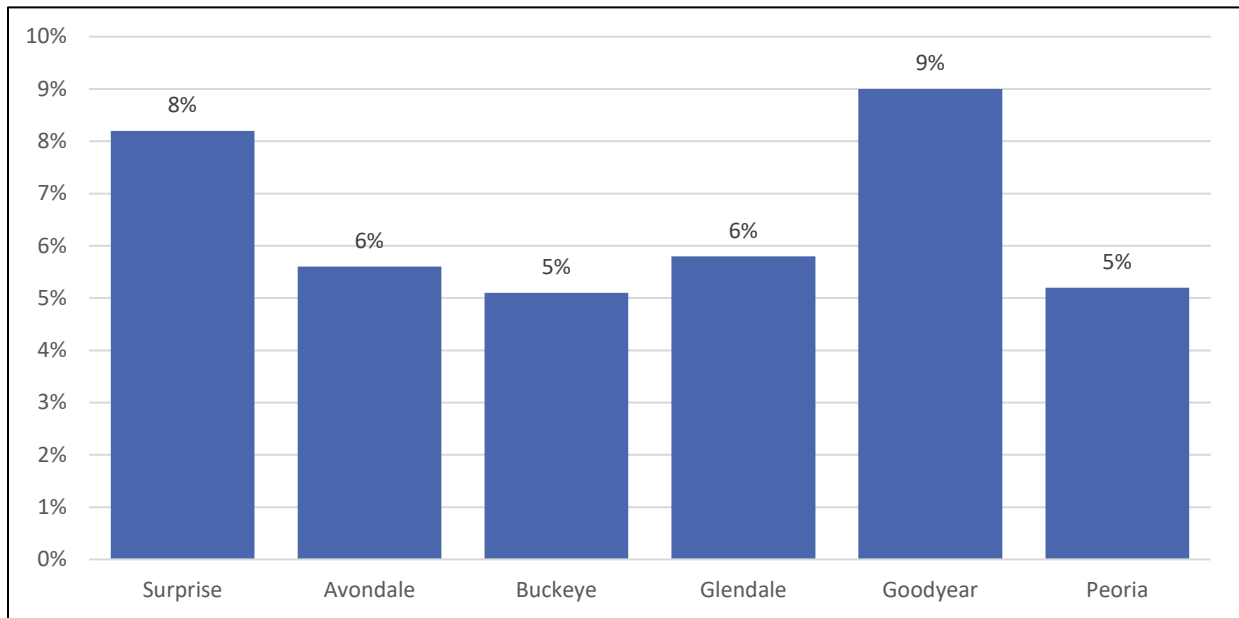


Source: CoStar; Matrix Design Group, Inc.

Note: Includes only properties with four or more units.



Figure 56. Vacancy Rate of Apartments with Wheelchair-Accessible Rooms, 2023 Q1



Source: CoStar; Matrix Design Group, Inc.

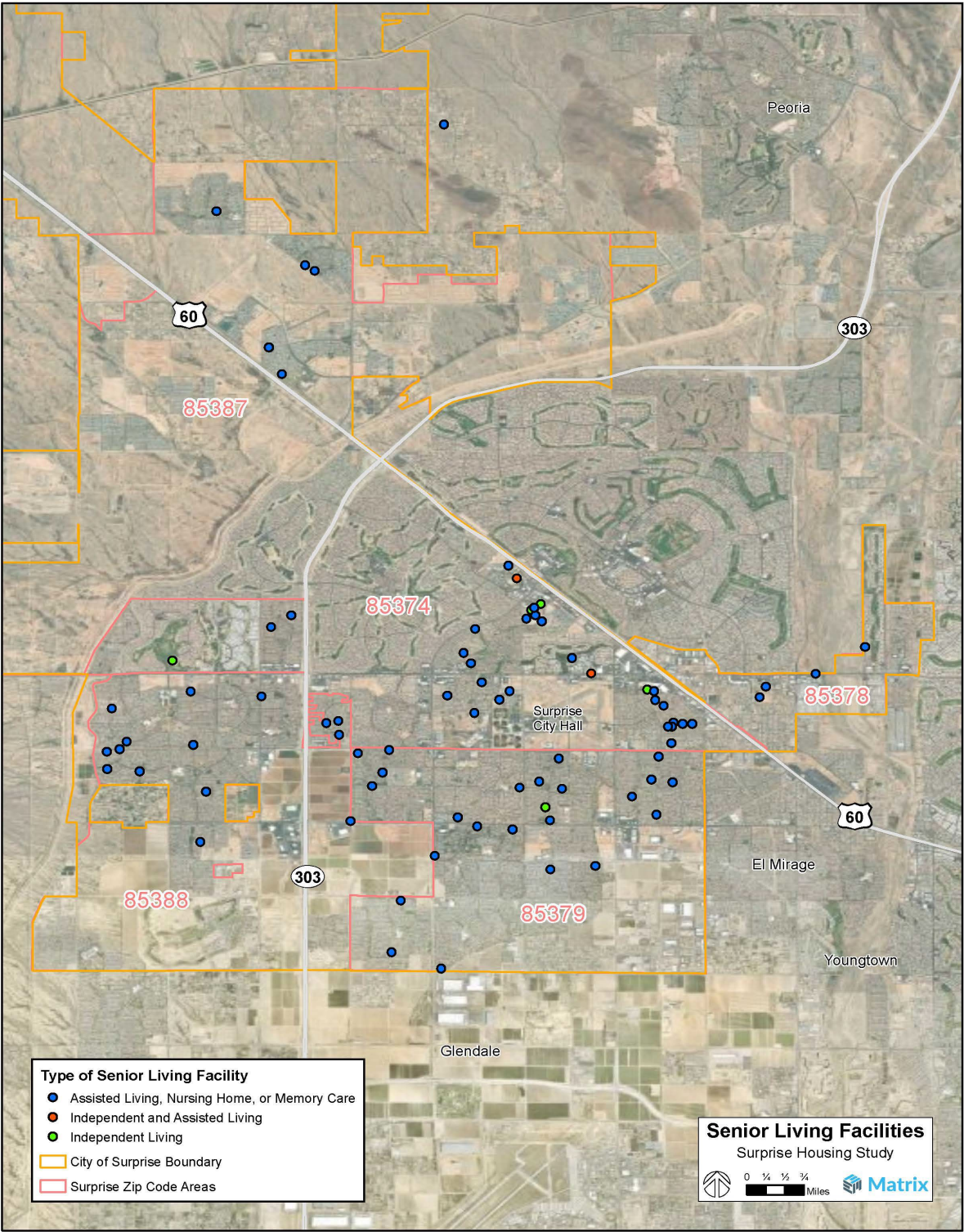
Note: Includes only properties with four or more units.

Senior Housing

It is critical that Surprise offer its substantial senior population a wide array of housing options. Figure 57 pinpoints the locations of Surprise's 82 senior living facilities. The city features five independent living communities, which are indicated by the green dots. An additional two properties, represented by the red dots, offer both independent and assisted living options. Overall, senior independent living units make up 6% of the city's apartment inventory (see Figure 58). Only Peoria, whose age demographics are similar to those of Surprise, has a higher percentage of senior independent living apartments. At 12%, the vacancy rate in Surprise's independent living communities is high in an absolute sense, but not compared to Goodyear, where an astonishing 35% of independent living units are empty (see Figure 59).

The remaining 75 properties denoted in Figure 57 are nursing homes or specialize in assisted living or memory care. These properties, represented by the blue dots, are scattered throughout the city but tend to be concentrated in the streets surrounding City Hall. **Considering that 9% of seniors living in Surprise, including 13% of those 75 years old and over, experience an independent living difficulty, nursing homes, memory care, and assisted living facilities play a vital role in the community.**

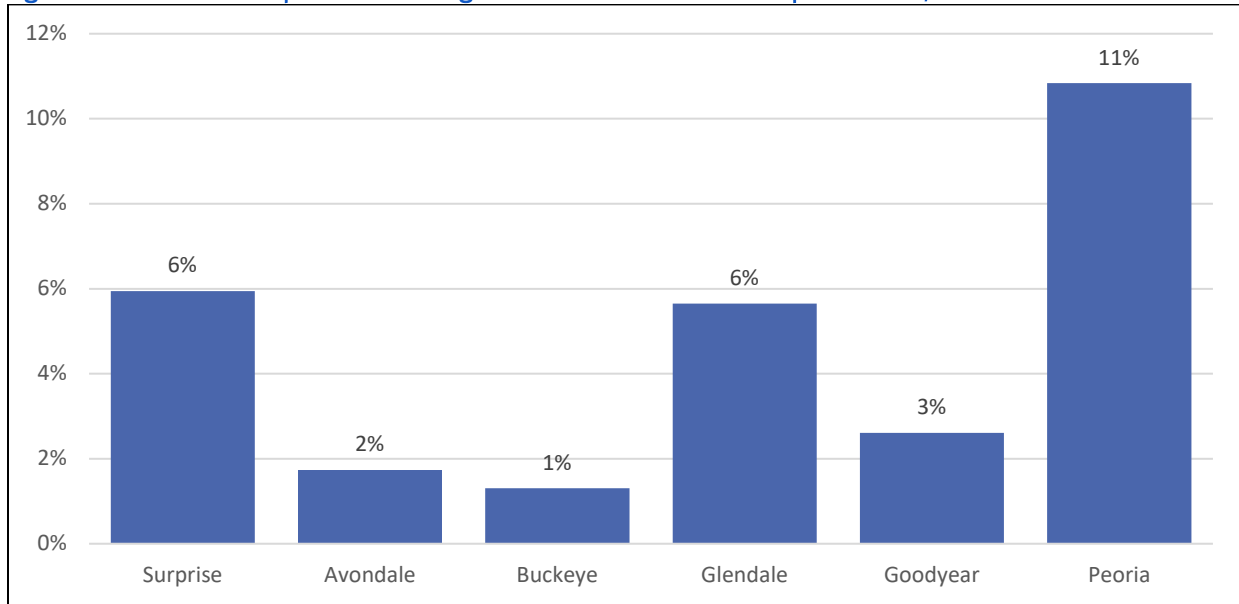
Figure 57. Senior Living Facilities in Surprise



Source: Matrix Design Group, Inc.



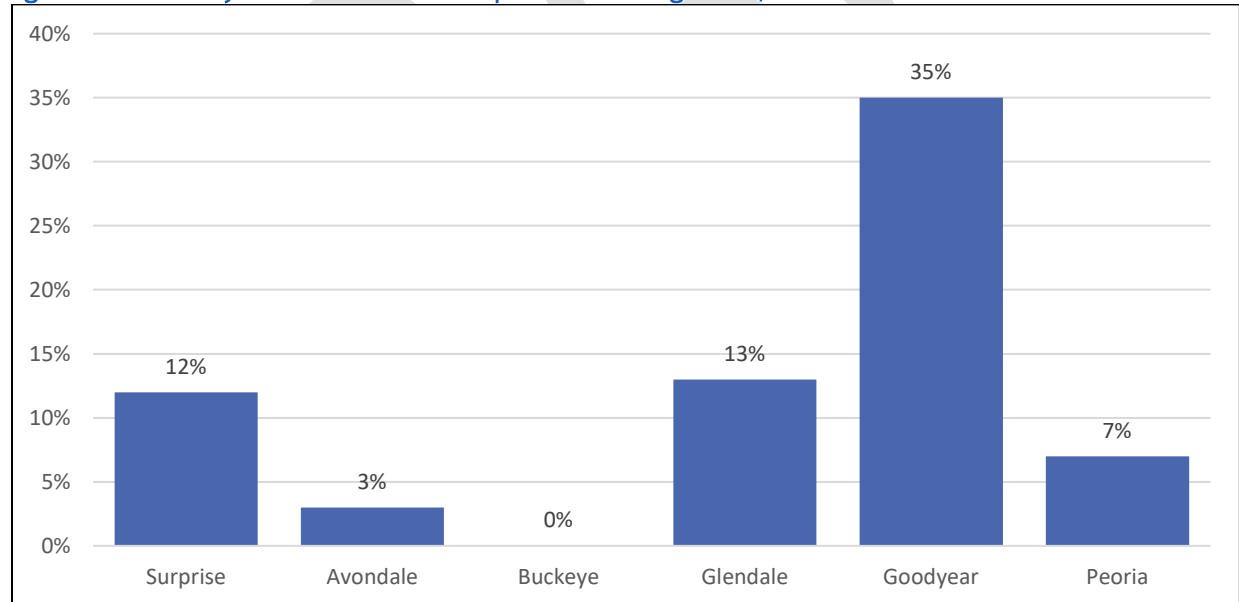
Figure 58. Senior Independent Living Units as a Share of All Apartments, 2023 Q1



Source: CoStar; Matrix Design Group, Inc.

Note: Includes only properties with four or more units.

Figure 59. Vacancy Rate in Senior Independent Living Units, 2023 Q1



Source: CoStar; Matrix Design Group, Inc.

Note: Includes only properties with four or more units.

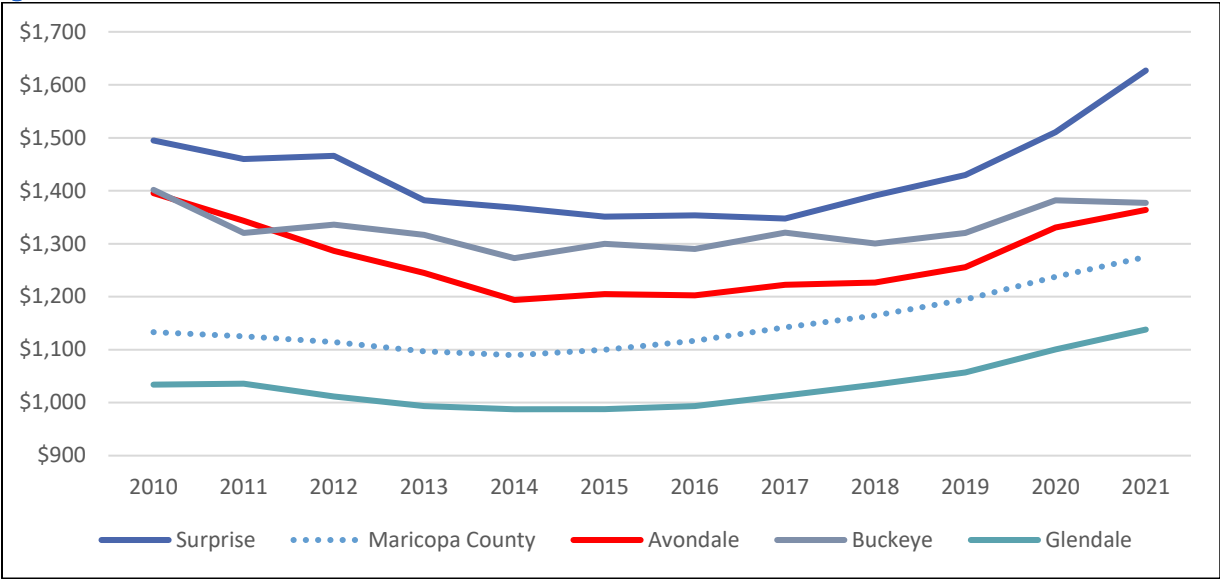
Rental Market Analysis

This section features a thorough analysis of Surprise’s rental market. It presents the most current available data on rental rates, including their relationship with commute times; rental affordability; the prevalence of cost-burdened renters; and short-term rentals.

Gross Rent

Figures 60 and 61 illustrate the extent to which typical rental costs have changed over time. Since at least 2010, Surprise has ranked among the most expensive cities for renters in Maricopa County and the West Valley. Moreover, the rental cost gap between Surprise and other communities has only widened in more recent years. **Between 2018 and 2021, median gross rent rose by 17% in Surprise, compared to between 6% and 10% in the other regions represented in the figure.** By 2021, median rent in Surprise had climbed to \$1,627. Average gross rents through the first quarter of 2023 appear in Figure 61. Although rents fell between the second and third quarters of 2022, they remain well above historical levels. The typical apartment in Surprise costs \$1,785—\$183 more than the Maricopa County average. Surprise’s rapidly rising rents have likely forced much of its low- or middle-income workforce to live outside the city.

Figure 60. Median Gross Rent, 2010 to 2021

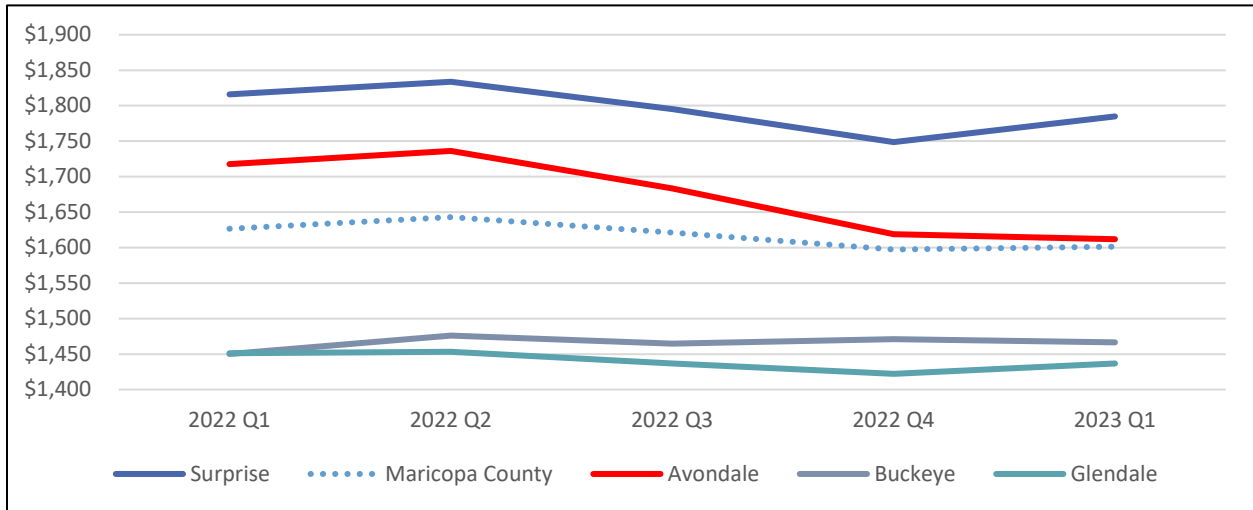


Source: Five-year American Community Survey (2010-2021)

Note: Dollar values adjusted for inflation to constant 2021 dollars.



Figure 61. Average Gross Rent, 2022 Q1 to 2023 Q1

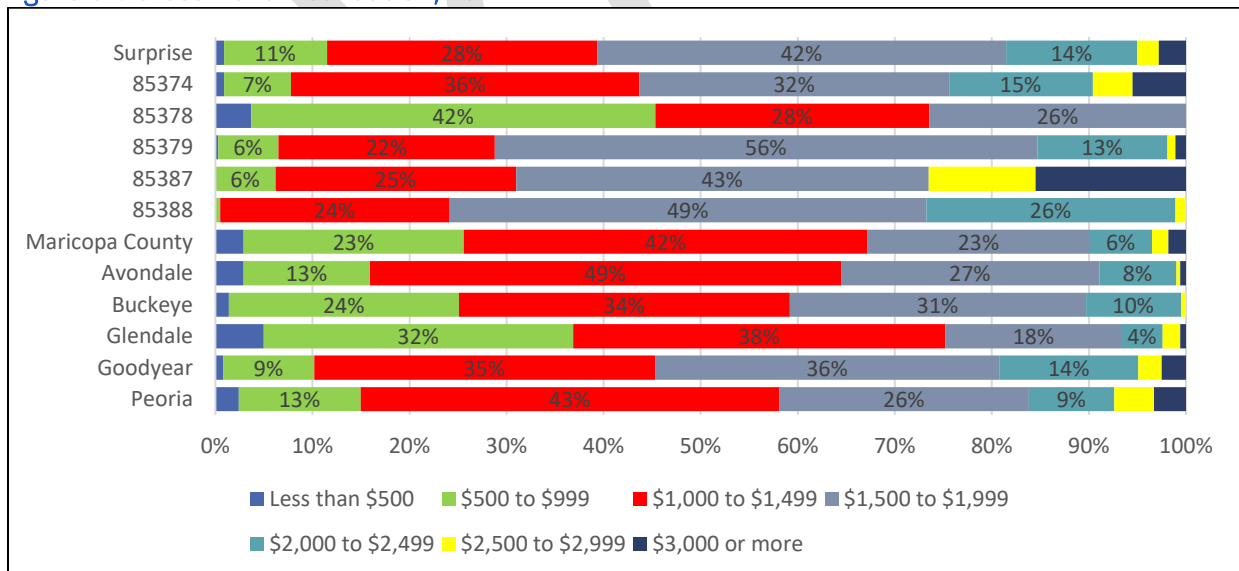


Source: Five-year American Community Survey (2021)

Note: Includes only properties with four or more units. Dollar values adjusted for inflation to constant 2023 dollars.

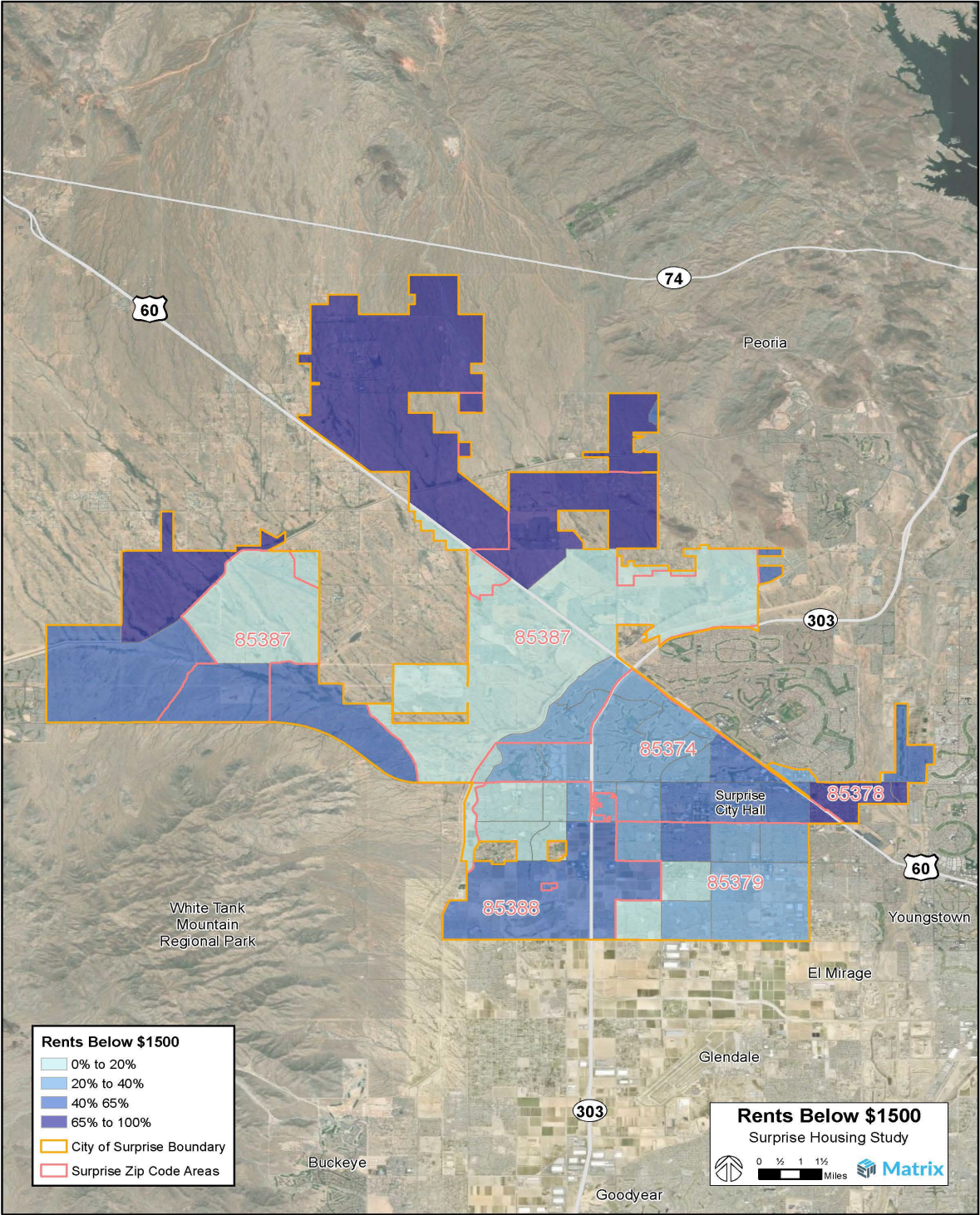
Within Surprise, there is significant variation in rental costs from neighborhood to neighborhood. Rents of \$1,500 or more are most common in zip code 85388, while less expensive rental units are disproportionately located in 85374 and 85378. The map displaying the percentage of units with rents below \$1,500 by Census tract reinforces these findings (see Figure 63).

Figure 62. Gross Rent Distribution, 2021



Source: Five-year American Community Survey (2021)

Figure 63. Percentage of Renter-Occupied Units with Gross Rents Below \$1,500 by Census Tract in Surprise, 2021



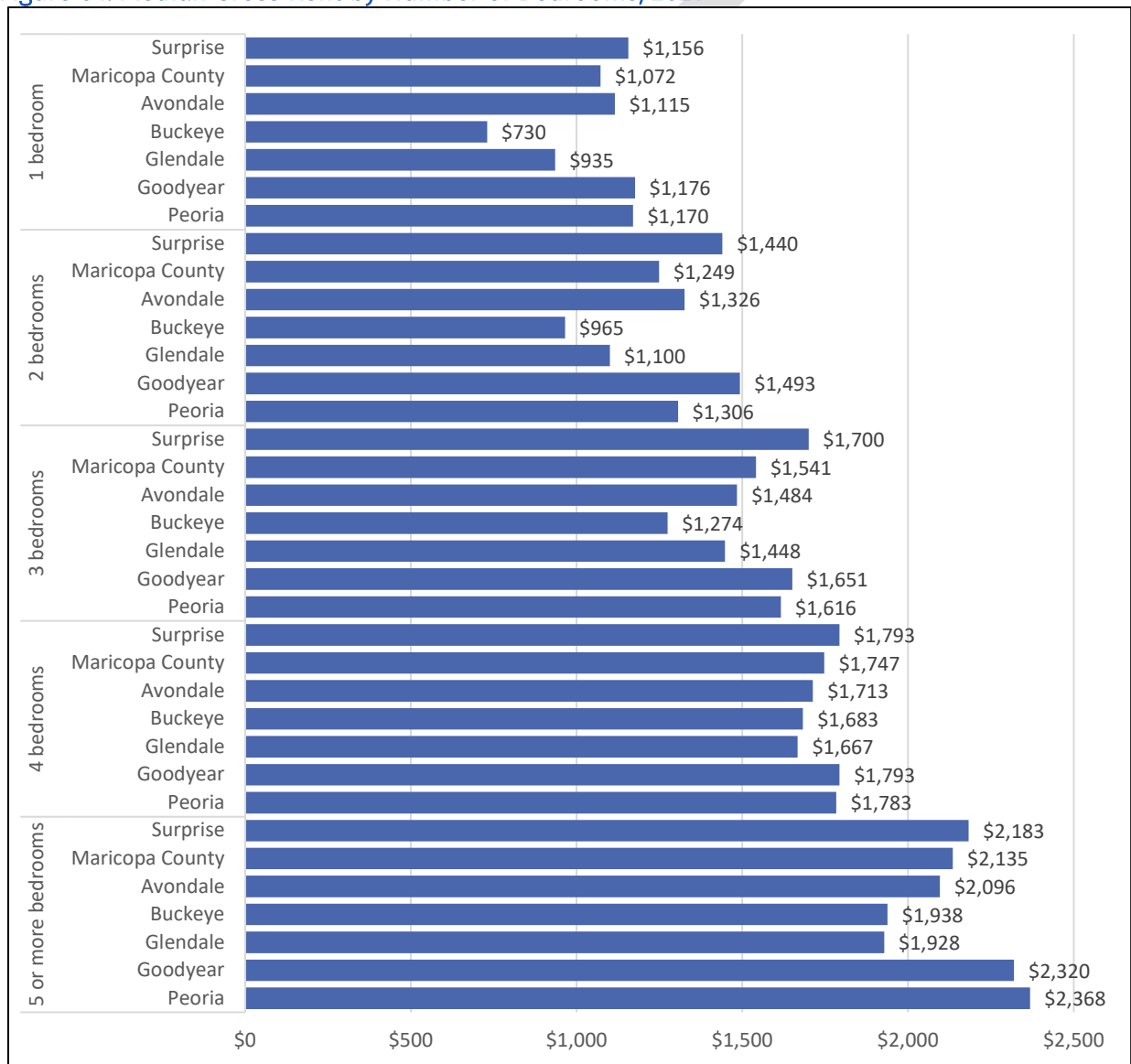
Source: Five-year American Community Survey (2021)



Gross Rent by Number of Bedrooms

How do rents across the region vary by the number of bedrooms in a unit? Figure 64 reveals that gross rent for the median one-bedroom apartment in Surprise is \$1,156. Although Glendale and, especially, Buckeye are significantly cheaper, one-bedroom units in the remaining regions rent out at similar rates. In Surprise, the price gap between a two- and one-bedroom unit is particularly large, at \$284. **Units with at least three bedrooms, which are required by families with multiple children, carry median rents starting at \$1,700.** Units with five or more bedrooms are considerably less expensive in Surprise than in Goodyear and Peoria, possibly because they are in low demand from Surprise's aging population.

Figure 64. Median Gross Rent by Number of Bedrooms, 2021

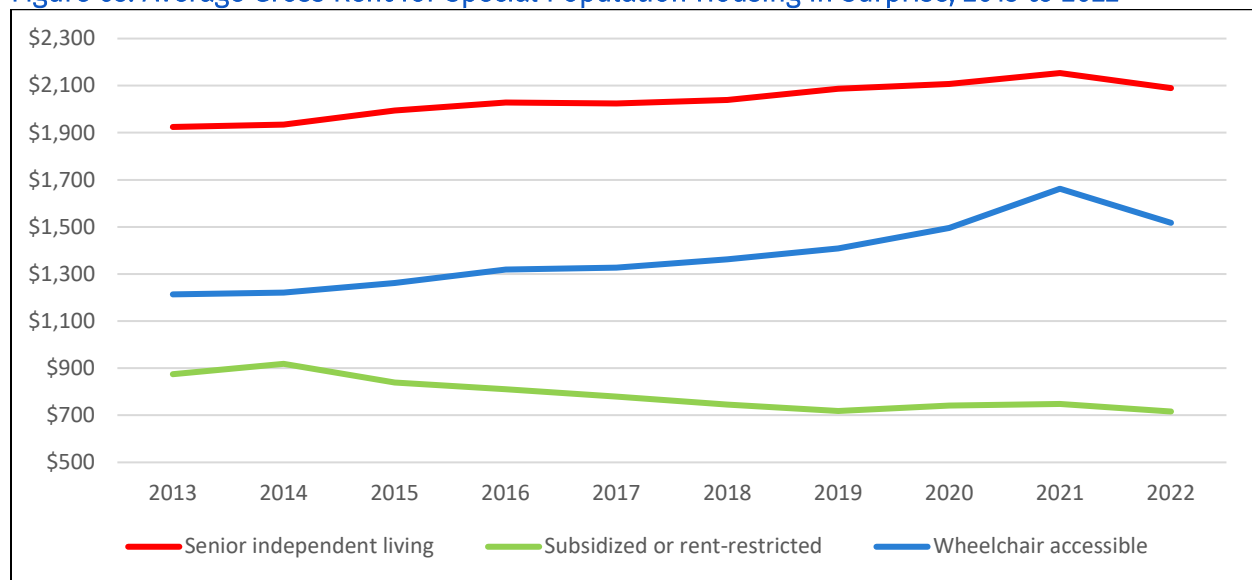


Source: Five-year American Community Survey (2021)

Gross Rent for Special Population Housing

Figure 65 presents average gross rents for apartments designed or intended for three special populations: seniors, low-income residents, and residents with ambulatory disabilities. Since 2013, inflation-adjusted rent for the average senior independent living unit has increased by \$164, reaching \$2,089 in 2022. Senior independent living units are considerably more expensive than other types of rentals, but residents requiring assisted living or memory care can expect to pay upwards of \$4,000 for a private room. Rents for wheelchair-accessible units have risen steadily over time, and they now cost an average of \$1,517 per month. Interestingly, it turns out that tenants of subsidized or rent-restricted apartments pay slightly less today than they did in 2013 once inflation is factored in.

Figure 65. Average Gross Rent for Special Population Housing in Surprise, 2013 to 2022



Source: CoStar; Matrix Design Group, Inc.

Note: Dollar values adjusted for inflation to constant 2022 dollars.

Rental Affordability Trends

A general rule is that rent should account for less than 30% of gross income in order to be considered affordable. Table 4 compares median renter income in both Surprise and the Phoenix Metropolitan Statistical Area (MSA) to median gross rent in Surprise from 2011 to 2021. Despite the \$5,416 increase in median renter household income over the period, rent was most unaffordable in 2021. That year, median gross rent rose to \$1,627, meaning a household would have needed to earn \$65,080 to contain rent to less than 30% of income. In reality, the median Surprise household earned \$61,082. In other words, it became the norm for renters to exceed the recommended affordability threshold. The comparison of median gross rent in Surprise to median renter household income in the Phoenix MSA is arguably more illuminating. It shows that, as of 2021, the median renter household in the Phoenix MSA earned \$50,470—over \$14,000 less than the amount needed to comfortably afford median rent in Surprise.

These findings strongly suggest that low or moderate-income households who may have



preferred to live in Surprise, and undoubtedly make up a substantial share of the city's workforce, have been forced to find rental housing elsewhere.

Table 4. Rental Affordability Trends in Surprise for Renter Households Earning Median Surprise Income and Median Phoenix Metropolitan Statistical Area Income

Year	Median Gross Monthly Rent in Surprise	Household Income Required to Afford Median Gross Rent in Surprise	Actual Median Renter Household Income in Surprise	Actual Median Renter Household Income in Surprise Relative to Required Income	Actual Median Renter Household Income in Phoenix MSA	Actual Median Renter Household Income in Phoenix MSA Relative to Required Income
2011	\$1,460	\$58,399	\$55,666	95%	\$43,091	74%
2016	\$1,354	\$54,159	\$57,866	107%	\$43,592	80%
2021	\$1,627	\$65,079	\$61,082	94%	\$50,470	78%

Source: Five-year American Community Survey (2010-2021)

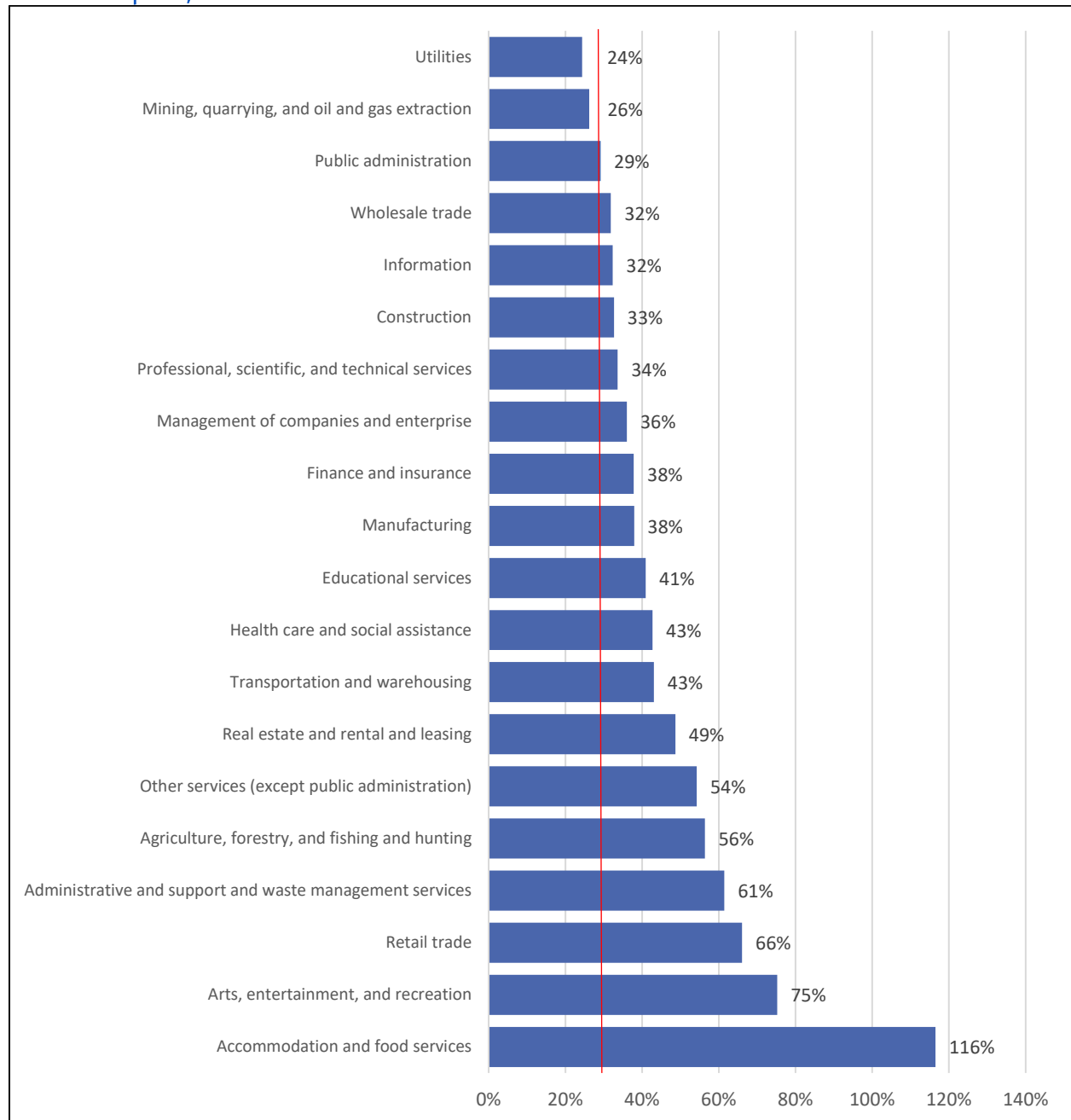
Note: Dollar values adjusted for inflation to constant 2021 dollars.

Rental Affordability by Industry of Employment

The percentage of median earnings accounted for by median gross rent in each industry of employment is presented in Figure 66, where the 30% affordability threshold is indicated by the red line. In all but three industries (utilities; mining, quarrying, and oil and gas extraction; and public administration), median gross rent represents 30% or more of median earnings. **Moreover, these high-paying industries account for the jobs held by just 6% of the city's employed population, meaning that all but a small proportion of the city's residents require a second income in order to contain rent to less than 30% of household income.** In the city's three largest industries (retail trade, health care and social assistance, and educational services), median gross rent accounts for between 41% and 66% of median earnings. **Even more concerning, rental costs exceed median earnings in accommodations and food services.**

"In all but three industries . . . median gross rent represents 30% or more of median earnings."

Figure 66. Percentage of Median Individual Earnings by Industry Accounted for by Median Gross Rent in Surprise, 2021



Source: Five-year American Community Survey (2021)

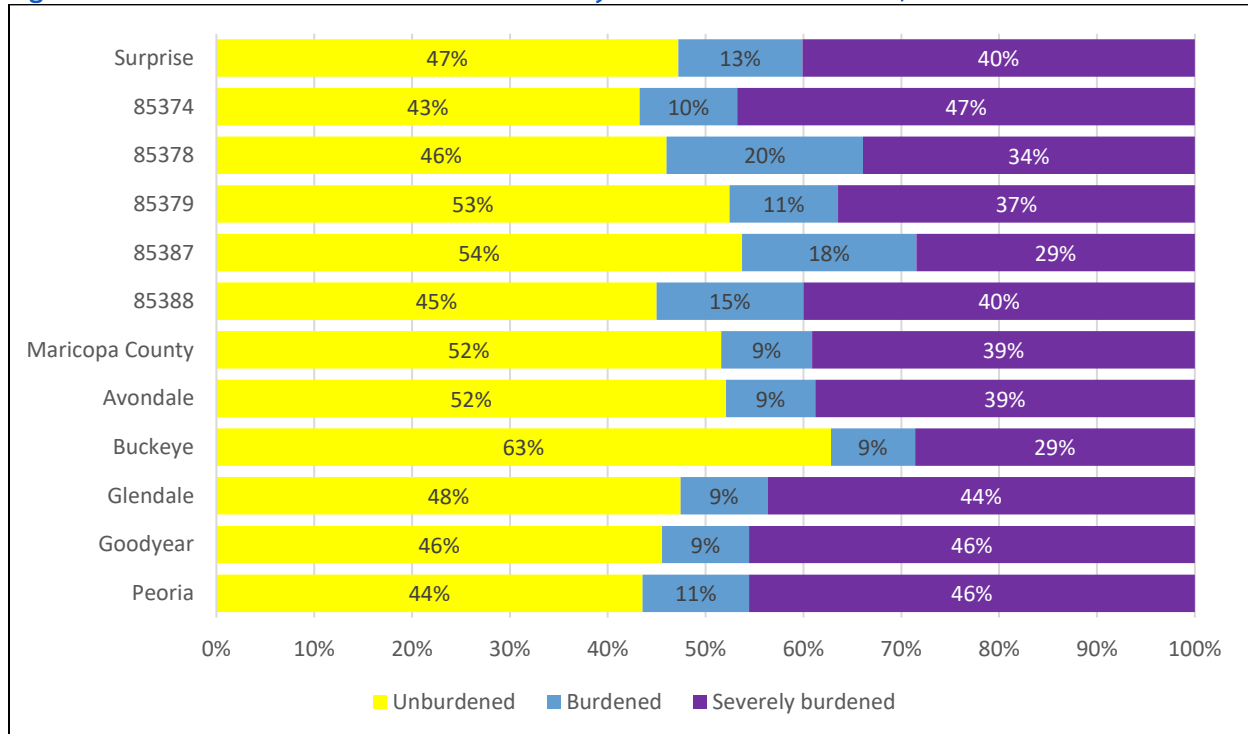
Cost-Burdened Renters

Cost-burdened renter households are widespread in Surprise, as well as in the broader region. As Figure 67 shows, 13% of renter households in Surprise are burdened by housing costs, meaning they spend between 30% and 34.9% of their incomes on rent. Rent accounts for 35% or more of the incomes of



another 40% of renter households, qualifying them as severely cost burdened. **From 2020 to 2021, Surprise renters became, on average, seven percentage points more likely to spend at least 30% of their incomes on rent—a remarkable increase not observed elsewhere in the West Valley (see Figure 68).** Rates of cost-burdened or severely cost-burdened renters are highest in zip codes 85388 and 85374. Renters in Buckeye did not struggle to nearly the same extent as those in the rest of the West Valley to meet their monthly housing costs.

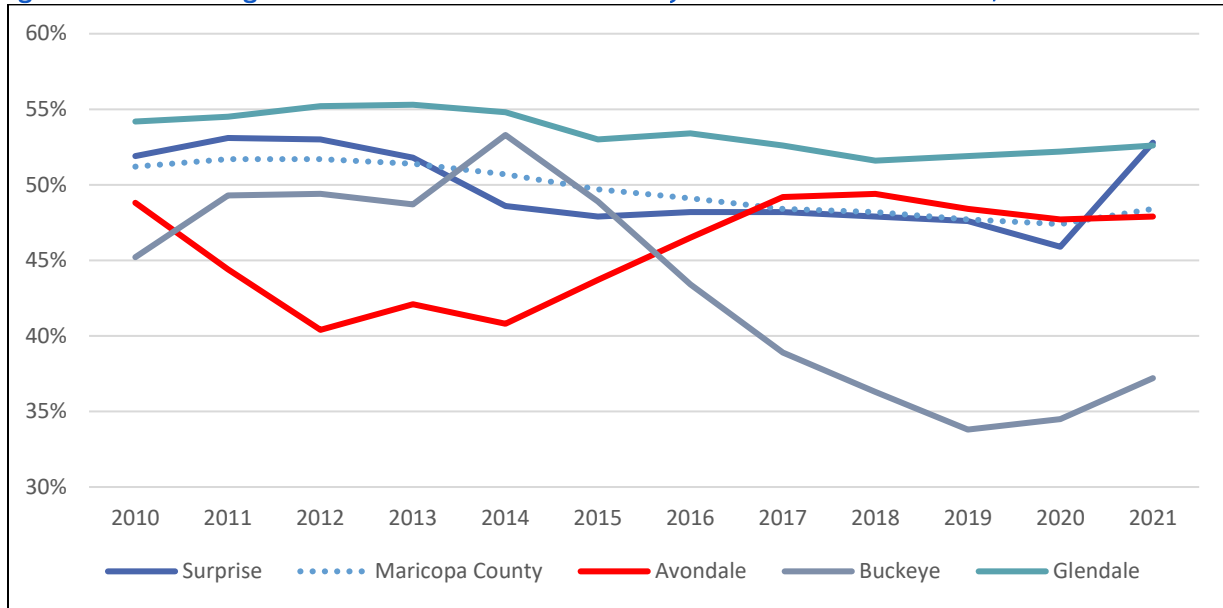
Figure 67. Breakdown of Renter Households by Cost-Burdened Status, 2021



Source: Five-year American Community Survey (2021)

“13% of renter households in Surprise are burdened by housing costs, meaning they spend between 30% and 34.9% of their incomes on rent. Rent accounts for 35% or more of the incomes of another 40% of renter households, qualifying them as severely cost burdened.”

Figure 68. Percentage of Cost-Burdened and Severely Cost-Burdened Renters, 2010 to 2021



Source: Five-year American Community Survey (2010-2021)

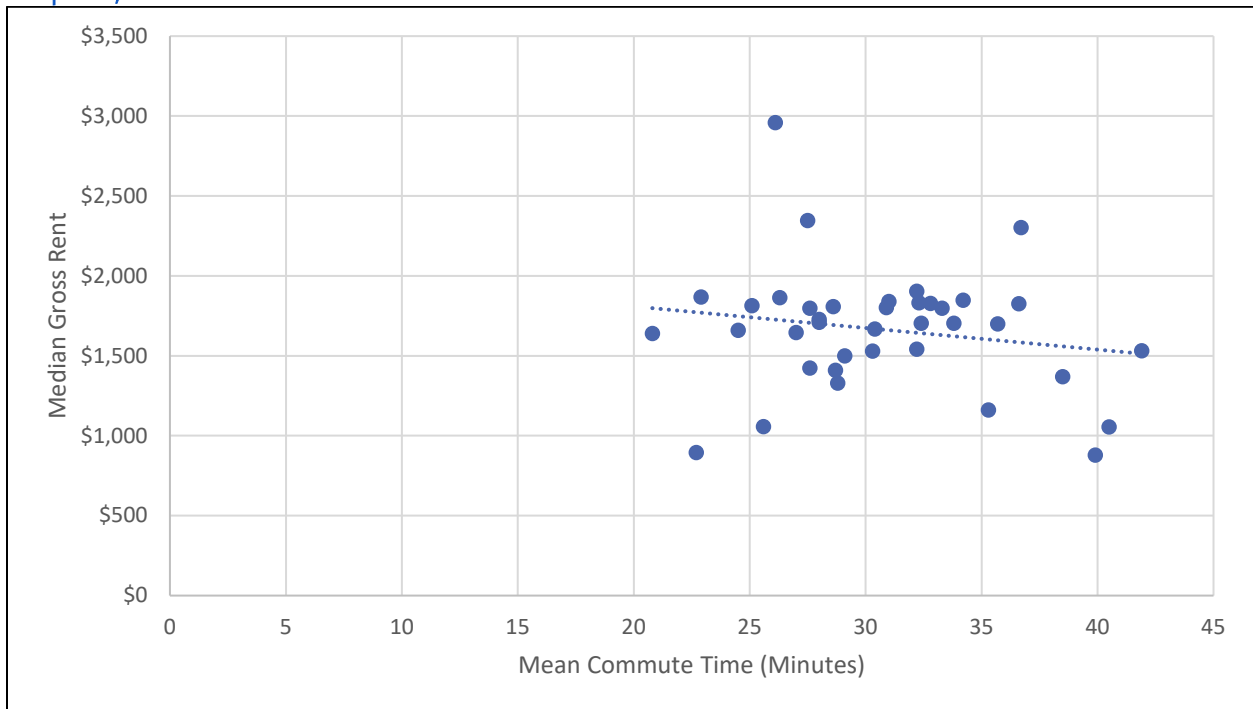
Relationship Between Commute Times and Rents

There is strong reason to believe that neighborhood-level commute times and rents are related. It is not immediately obvious, however, what the nature of that relationship should be. On the one hand, renters may be willing to pay more to live closer to their workplaces. On the other, workplaces tend to be located in a city's busier parts, and residents may place higher value on tranquility than shorter commute times. Figure 69 plots each Census tract's median gross rent against its mean commute time. **The results demonstrate that the two variables share a negative, but weak, relationship, indicating that residents who live in neighborhoods that typically entail longer commutes tend to pay less in rent.** At the very least, then, it is safe to say that renters are generally not willing to compromise on price in order to live farther from areas reserved for commercial or mixed use.

"At the very least, then, it is safe to say that renters are generally not willing to compromise on price in order to live farther from areas reserved for commercial or mixed use."



Figure 69. Relationship Between Mean Commute Time and Median Gross Rent by Census Tract in Surprise, 2021

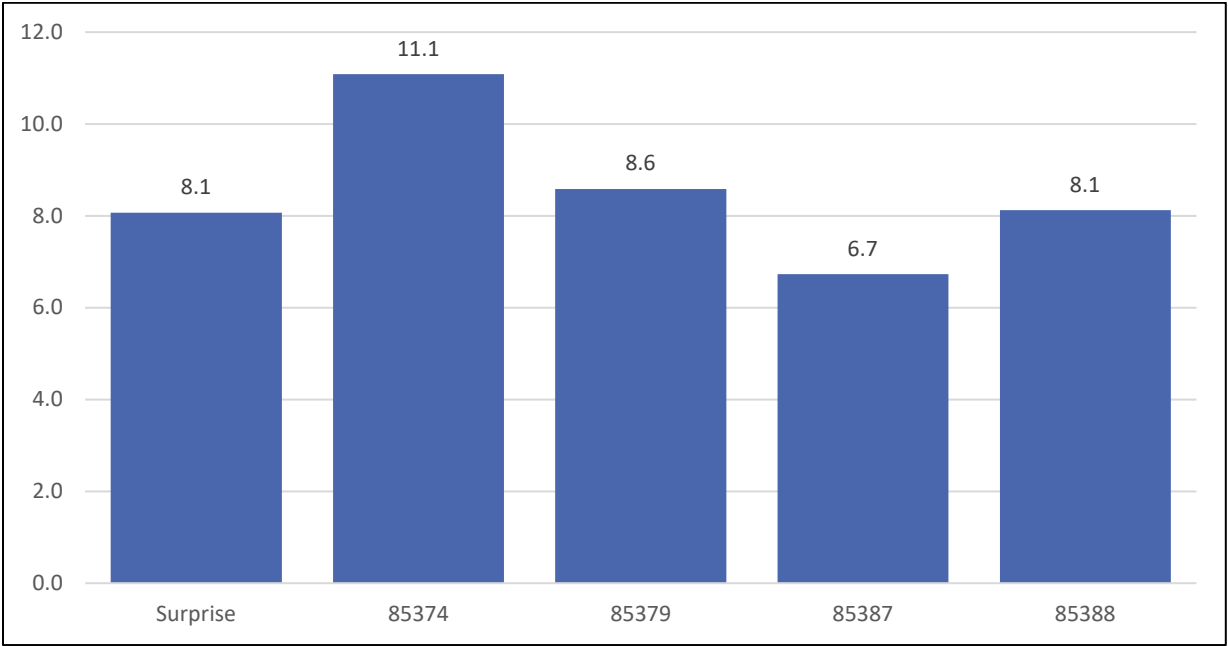


Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

Short-Term Rentals

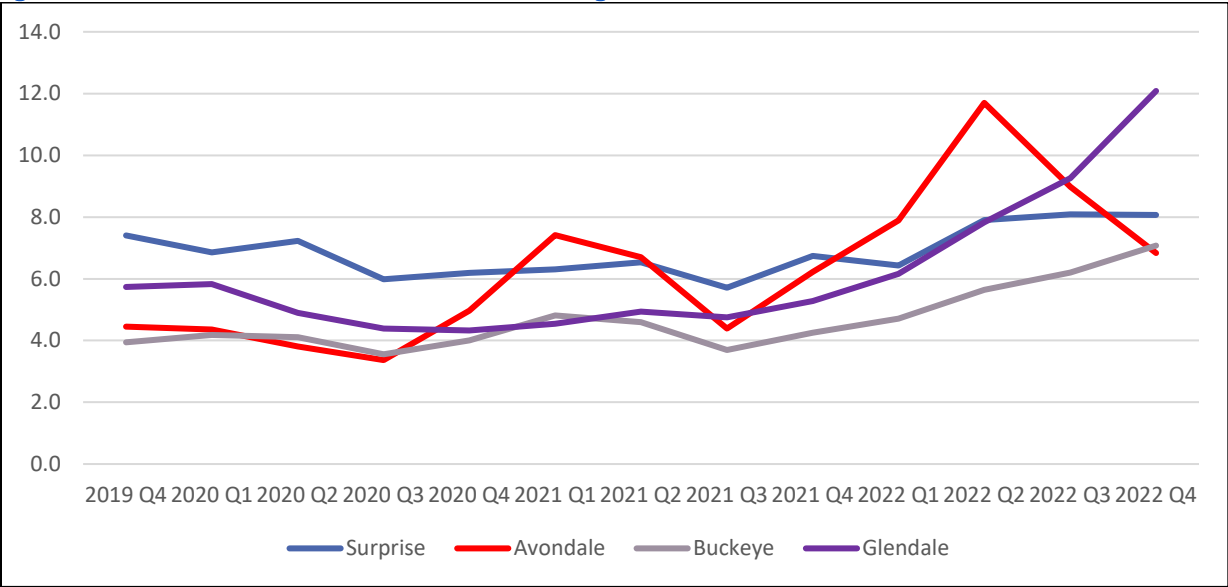
The growing popularity of platforms such as Airbnb and Vrbo has caused Maricopa County's short-term rental market (STR) to explode in recent years, thereby generating significant controversy. Opponents of STRs argue that STR operators have contributed to soaring rents by reducing the supply of long-term rentals available to residents, while proponents contend that the economic benefits of the additional tourism generated by STRs outweighs their costs. Figure 70 presents the number of STRs per 1,000 housing units in Surprise and its major zip codes. **It shows that Surprise has 8.1 STRs per 1,000 homes.** STRs are most common in zip code 85374, where they account for 11.1 of every 1,000 housing units. **As a share of the total housing stock, STRs have not increased to nearly the same degree in Surprise as they have elsewhere in the West Valley (see Figure 71).** For example, the STR market in Glendale more than doubled in size from the fourth quarter of 2021 to the fourth quarter of 2022, when STRs represented 12.1 of every 1,000 housing units in the city.

Figure 70. Short-Term Rentals Per 1,000 Housing Units in Surprise and Its Major Zip Codes, 2022 Q4



Source: AirDNA

Figure 71. Short-Term Rentals Per 1,000 Housing Units, 2019 Q4 to 2022 Q4



Source: AirDNA



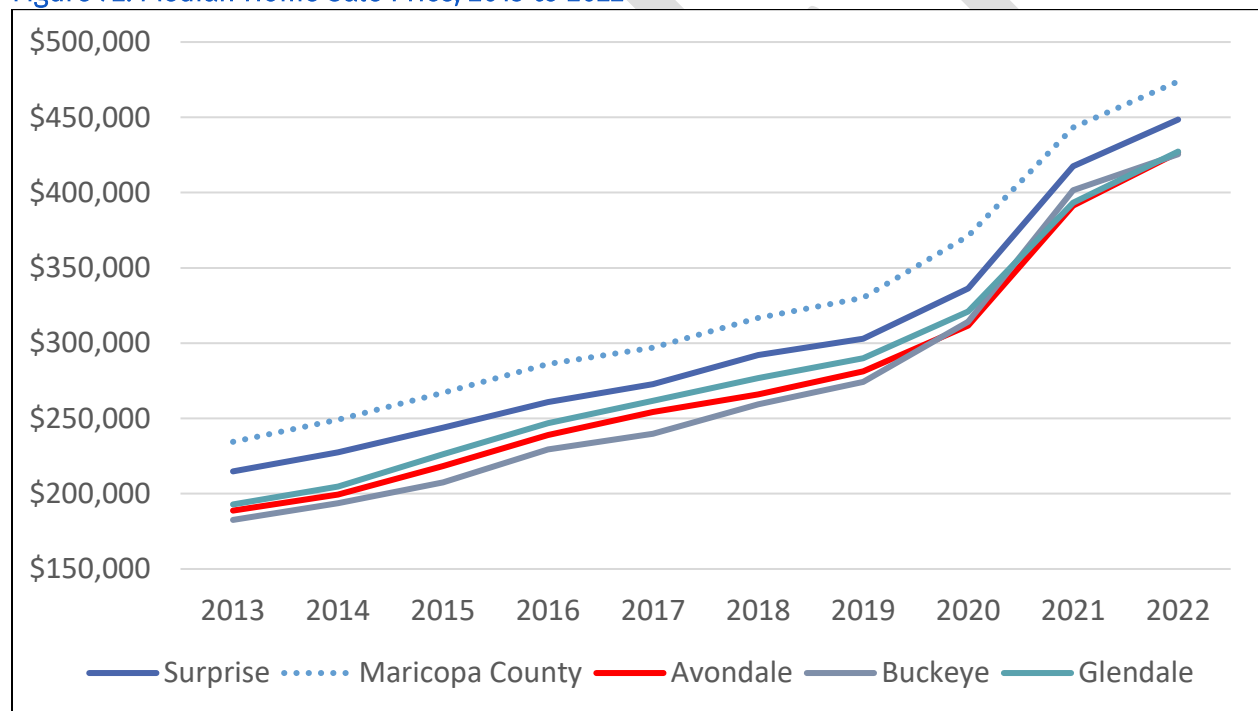
Owner Market Analysis

This section shifts the emphasis to Surprise's owner market. We comprehensively examine sale price trends, home sales and turnover rates, market demand dynamics, home values, owner affordability, and the prevalence of cost-burdened homeowners.

Median Home Sale Price

Home sale price trends across the region are depicted in Figure 72. In 2022, the median home in Surprise sold for \$448,500. **Prices have increased steeply over time even when accounting for inflation.** In 2013, for example, a comparable home sold for \$214,830. The rest of the West Valley and Maricopa County have witnessed similarly drastic price increases, driven by the high rate of migration into the region. However, the median home in Surprise is substantially more expensive than its equivalents in Avondale, Buckeye, and Glendale.

Figure 72. Median Home Sale Price, 2013 to 2022



Source: Redfin; Matrix Design Group, Inc.

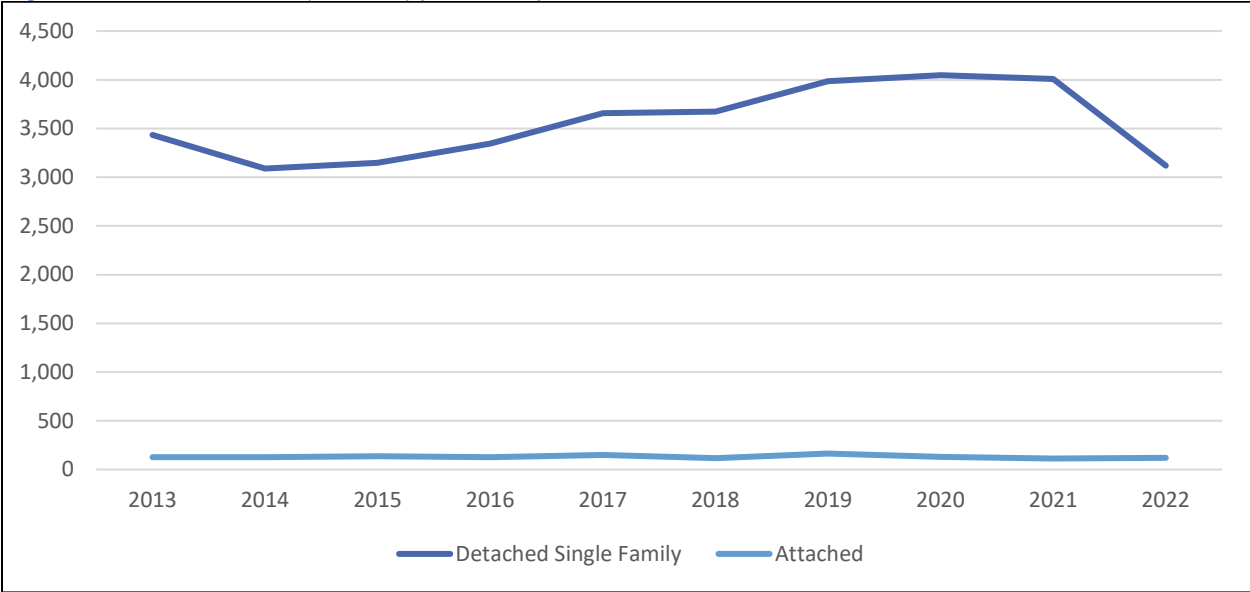
Note: Dollar values adjusted for inflation to constant 2022 dollars.

Home Sales and Turnover

Home sales and turnover data appear in Figures 73 and 74. In most years, between 3,000 and 4,000 detached single-family homes sold in Surprise (see Figure 73). **The number of sales steadily rose from 2014 to 2021, before sharply dropping off in 2022.** Consistent with the aforementioned observation

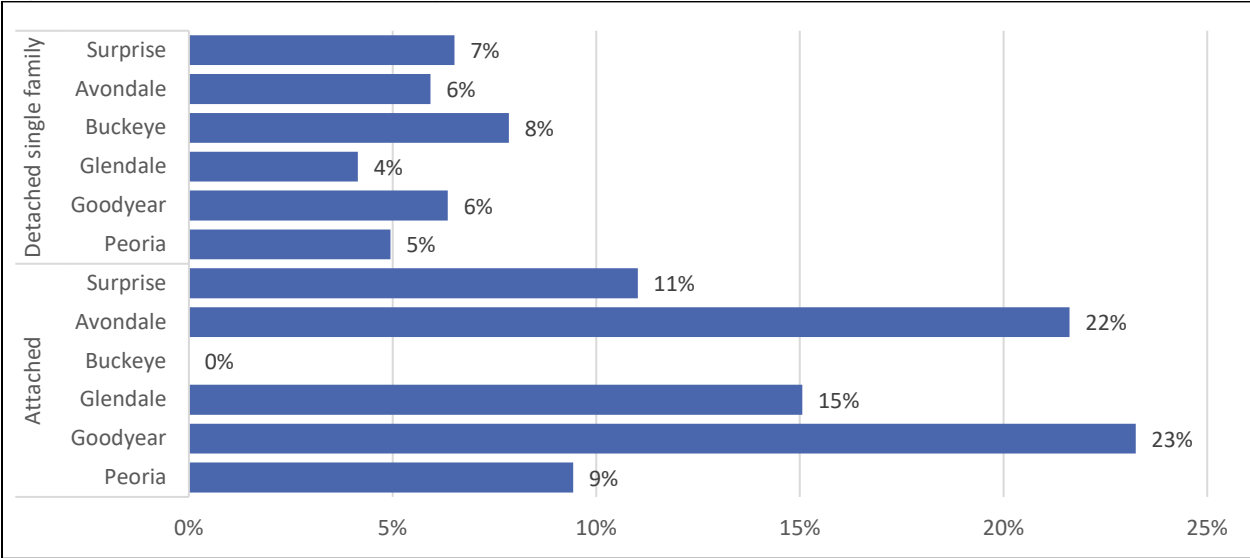
that Surprise’s housing stock lacks structural diversity, dramatically fewer attached homes were sold over the period. Figure 74 presents turnover rates for each unit type in Surprise and five other West Valley cities. Formally defined as the share of the sellable inventory sold in a given time period, the turnover rate indicates how “hot” or “cold” a real estate market is. **In Surprise, about 7% of detached single-family homes turned over in 2022.** Turnover occurred nearly as often in Avondale, Buckeye, and Goodyear. Across the region, turnover was far more likely to occur in attached homes than detached single-family homes. In Surprise, for instance, 11% of the former units had new owners by year’s end.

Figure 73. Home Sales by Unit Type in Surprise, 2013 to 2022



Source: Redfin; Matrix Design Group, Inc.

Figure 74. Turnover Rate by Unit Type, 2022



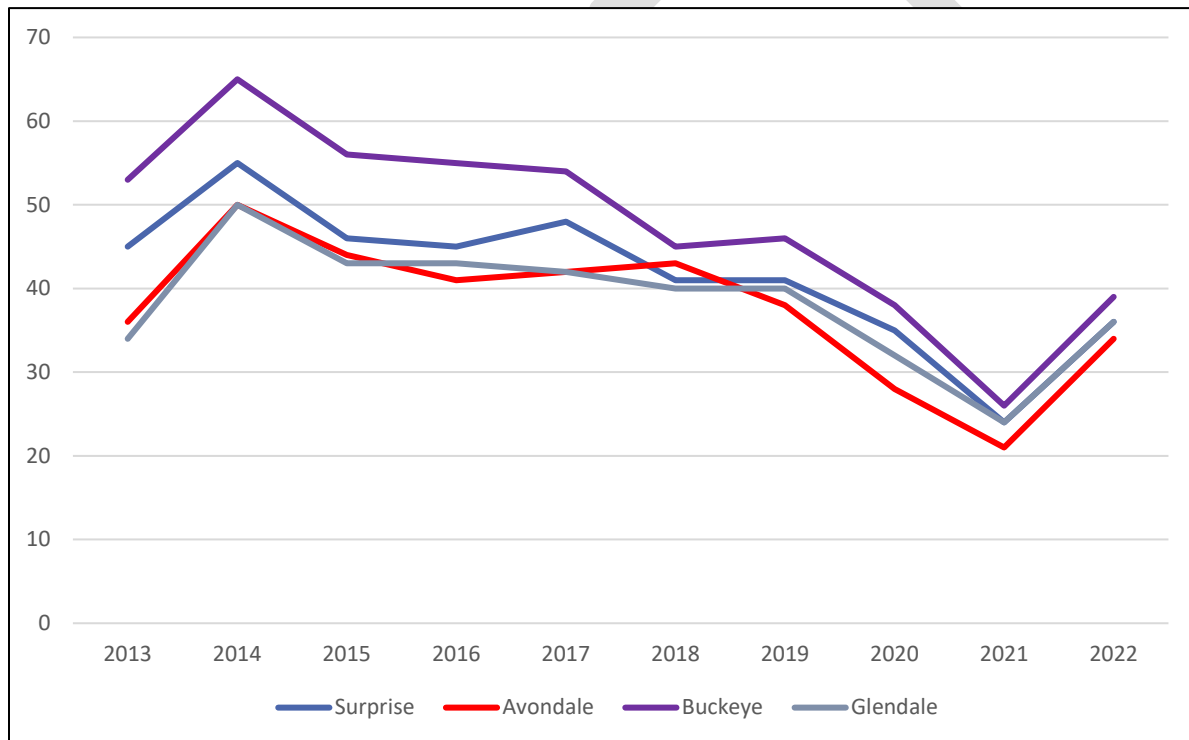
Source: Redfin; Maricopa County Assessor Parcel Data; Matrix Design Group, Inc.



Market Demand

Figures 75 and 76 reveal the extent to which the market has favored buyers or sellers over time. Demand for homes in Surprise reached unprecedented levels, at least in recent memory, amid the COVID-19 pandemic. **In 2021, the median home in Surprise took a record-low 24 days to sell after reaching the market—down from 35 days in 2020.** In the years leading up to the pandemic, it was atypical for a home to take less than six weeks to sell. As evidenced by the 12-day increase in median days on the market from 2021 to 2022, supply and demand have begun to return to historical levels. Data on the percentage of homes sold above list price buttress this view. **In 2021, 56% of Surprise homes ended up selling above the initially advertised price, but by 2022, the same was true of just 37% of sold homes.** Still, this figure is significantly higher than the historical average, which, prior to 2020, ranged from 13% to 20%. Other West Valley markets exhibited similar trends, further suggesting that pandemic-related factors have primarily been responsible for the volatility in Surprise's market.

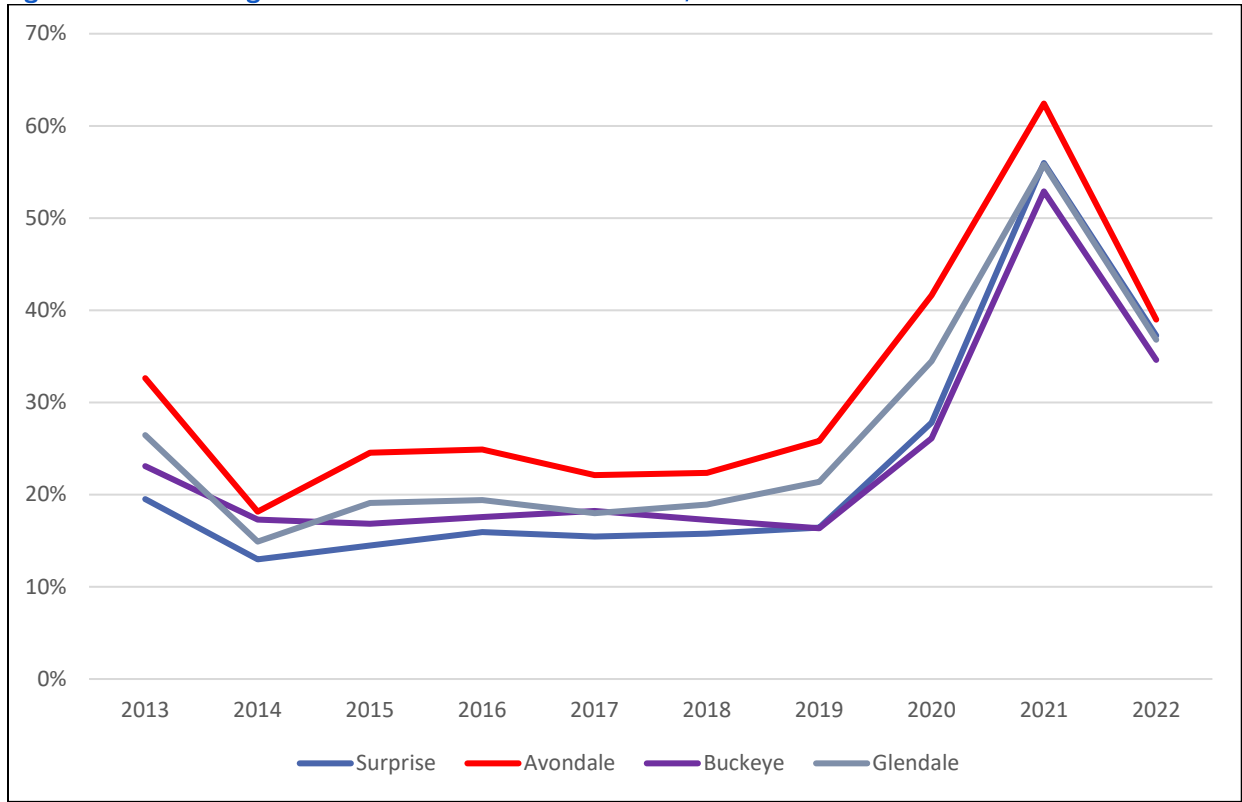
Figure 75. Median Days on the Market, 2013 to 2022



Source: Redfin

“As evidenced by the 12-day increase in median days on the market from 2021 to 2022, supply and demand have begun to return to historical levels.”

Figure 76. Percentage of Homes Sold Above List Price, 2013 to 2022



Source: Redfin

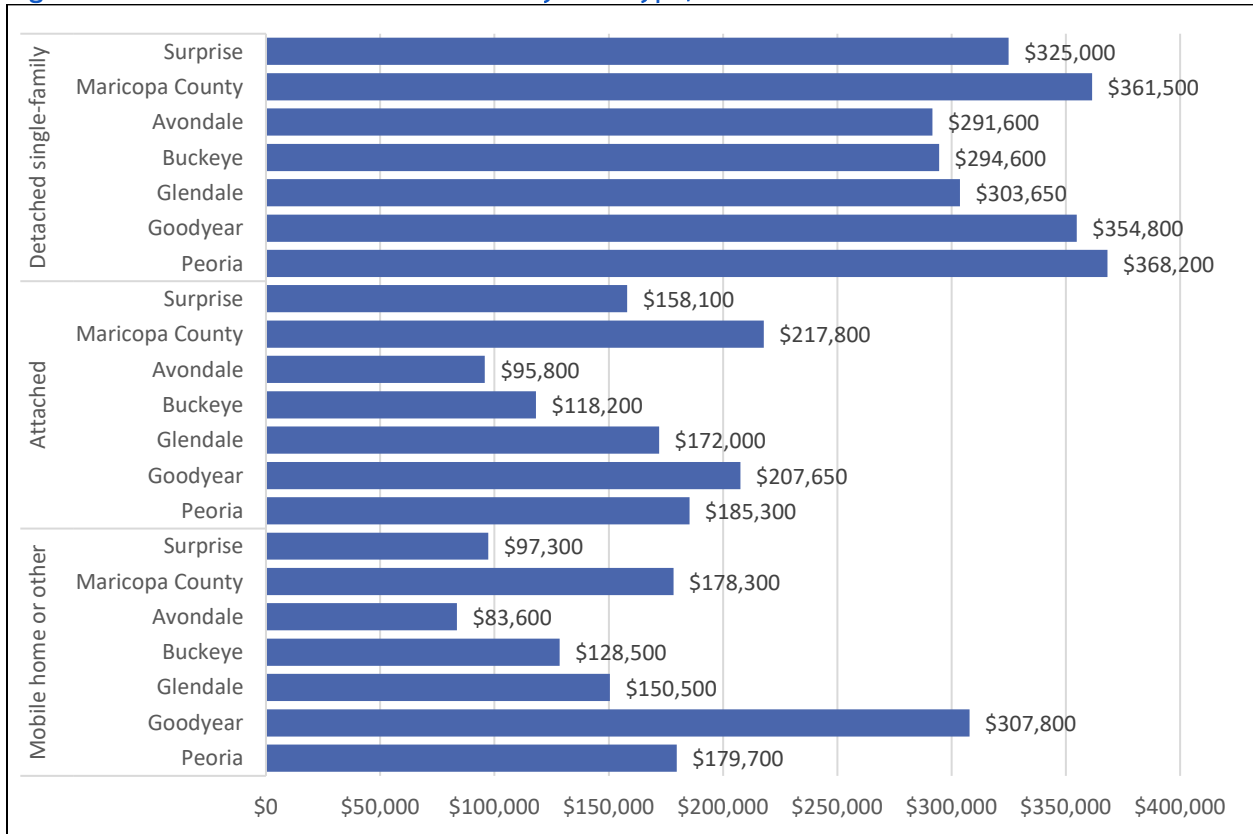
Home Values

Home value data for each community’s entire assessed inventory appear in Figure 77. **The 2023 full cash value of the median Surprise detached single-family home, which approximates its market value, is \$325,000.** Across the five major zip codes, estimated median values for such homes range from \$262,800 to \$347,000 (see Figure 78). The typical detached single-family home in Surprise is worth between \$21,350 and \$33,400 more than its equivalents in Avondale, Buckeye, and Glendale. Homeowners in Peoria, Goodyear, and the rest of Maricopa County can generally expect to receive more substantially for their homes than those in Surprise. As expected, other forms of owner units, including townhomes, condos, and mobile homes, tend to be far less expensive than traditional detached single-family homes. In Surprise, for example, the median attached home is valued at about half the price of its detached counterpart.

“The typical detached single-family home in Surprise is worth between \$21,350 and \$33,400 more than its equivalents in Avondale, Buckeye, and Glendale.”



Figure 77. Median Full Cash Home Value by Unit Type, 2023



Source: Maricopa County Assessor Parcel Data

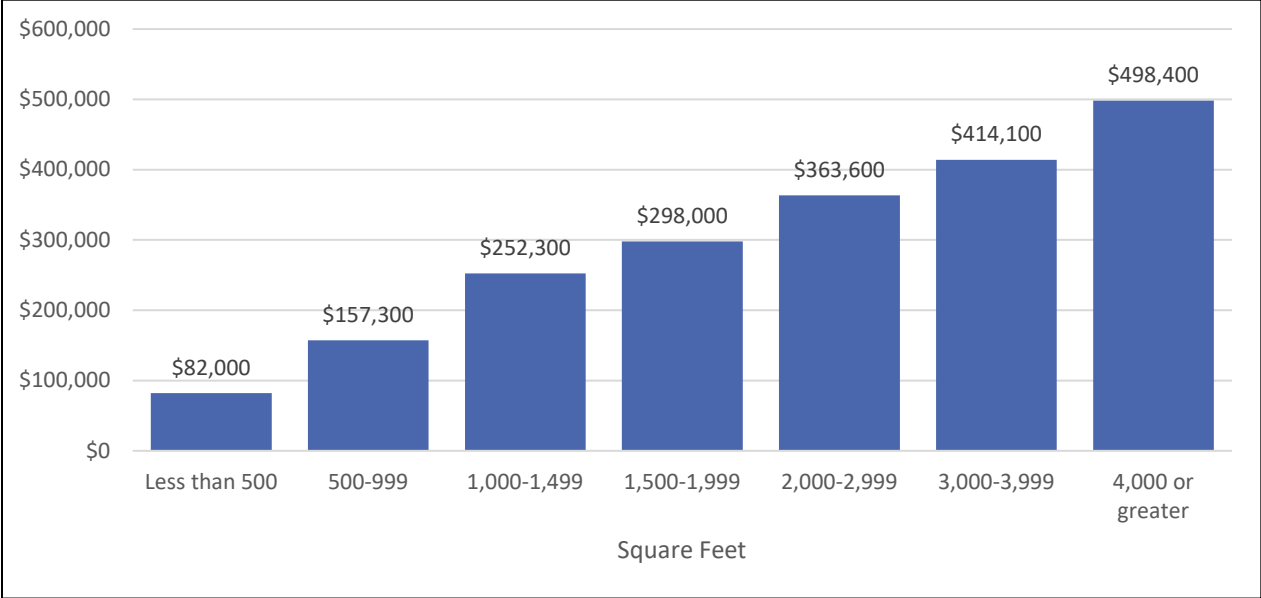
Figure 78. Median Detached Single-Family Home Full Cash Value in Surprise and Its Major Zip Codes, 2023



Source: Maricopa County Assessor Parcel Data

The relationship between home size and full cash value is depicted in Figure 79. The median home with between 500 and 999 square feet of livable space, which includes bathrooms, living rooms, bedrooms, and similar rooms but not basements or attics, has an estimated value of \$157,300. An increase in livable space to between 1,000 and 1,499 square feet raises the typical home’s value by \$95,000. After that point, subsequent increases in floor area generally yield smaller increases in value. **The median home with a livable floor area ranging from 3,000 to 3,999 square feet, which will usually have at least four bedrooms, has a median assessed value of \$414,100.**

Figure 79. Median Full Cash Value by Livable Space in Surprise, 2023



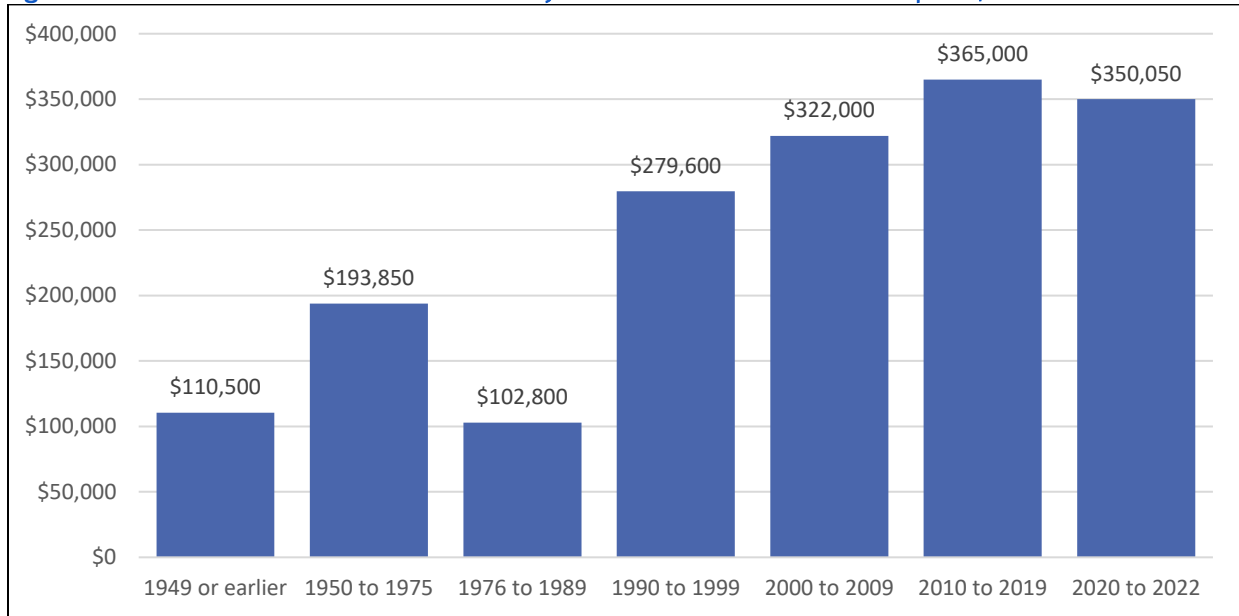
Source: Maricopa County Assessor Parcel Data

Figure 80 presents median home values by year of construction in Surprise. **In general, homes built before the beginning of Surprise’s period of sustained, rapid population growth are worth significantly less than newer homes.** The median home built between 1976 and 1989 is valued at just \$102,800, compared to \$279,600 for one built between 1990 and 1999. Homes constructed since the turn of the century would generally sell for over \$300,000. The median unit constructed between 2020 and 2022 is worth about \$15,000 less than one constructed in the prior decade, suggesting, contrary to the home sale price data presented previously, that Surprise may be on a path to becoming more affordable for moderate-income households. Of the approximately 5,000 units added to Surprise’s inventory in 2022 alone, over 1,500 are valued at less than \$250,000.

“Of the approximately 5,000 units added to Surprise’s inventory in 2022 alone, over 1,500 are valued at less than \$250,000.”



Figure 80. Median Full Cash Home Value by Year of Construction in Surprise, 2023



Source: Maricopa County Assessor Parcel Data

Owner Affordability Trends

How affordable is Surprise for new or prospective home buyers living not just in Surprise, but in the broader Phoenix MSA? **As Table 5 shows, the typical monthly mortgage payment for someone who purchased a home in 2021 is \$1,500.** To contain these costs to less than 30% of household income, a family needs to earn at least \$59,999. In 2021, the median family living in Surprise earned over \$24,000 more than this threshold. While median family income in the broader Phoenix metro area was lower, it was more than sufficient to cover the typical mortgage payment.

At first glance, these findings seem encouraging, but they are subject to multiple limitations. First, they are conditional on two assumptions: a 3.5% mortgage rate and 20% down payment, which is equivalent to \$83,520. A 3.5% mortgage rate is a reasonable estimate for a home purchased in 2021, but since then, rates have climbed to over 6%, which is more in line with the historical average, as part of an effort by the Federal Reserve to reduce inflationary pressures. Similarly, an \$83,520 down payment is unrealistic for many families, particularly those seeking to become first-time homebuyers, who also tend to have lower household incomes. Second, there are additional costs associated with homeownership beyond the mortgage payment, including property taxes, insurance, and HOA fees.

“As Table 5 shows, the typical monthly mortgage payment for someone who purchased a home in 2021 is \$1,500. To contain these costs to less than 30% of household income, a family needs to earn at least \$59,999.”

Table 5. Affordability of the Median Surprise Home Purchased in 2021

Variable	Value
Mortgage Rate	3.5%
Median Sale Price (2021)	\$417,600
Loan-to-Value	80%
Monthly Mortgage Payment (30-year term)	\$1,500
Required Annual Income to Afford Surprise Median Home Sale Price	\$59,999
Median Family Income - Phoenix Metro Area	\$79,000
Affordability for Median Family Earning Phoenix Metro Area MFI	132%
Median Family Income – Surprise	\$84,420
Affordability for Median Family Earning Surprise MFI	141%

Source: Department of Housing and Urban Development; Five-Year American Community Survey (2021); Redfin; Matrix Design Group, Inc.

How affordable are housing costs for existing Surprise homeowners, regardless of when they purchased their homes? Table 6 offers initial insight into this question, showing that the median owner household with a mortgage earns \$92,511, over \$30,000 more than the amount required to contain median monthly ownership costs of \$1,529 to less than 30% of income. **Buoyed by recent sharp rises in income, mortgagor households were in a stronger position in 2021 than in 2016 or 2011.** Although these findings are encouraging, it is important to recognize that, in addition to having a significantly lower income than the median Surprise homeowner, the typical family in the Phoenix MSA seeking to buy a house in Surprise today will usually face significantly higher ownership costs due to increased sale prices and interest rates. For owner households without mortgages, who have a median income of \$63,798, affording property taxes, insurance, HOA fees, and other expenses is rarely a challenge (see Table 7).

“Although these findings are encouraging, it is important to recognize that, in addition to having a significantly lower income than the median Surprise homeowner, the typical family in the Phoenix MSA seeking to buy a house in Surprise today will usually face significantly higher ownership costs due to increased sale prices and interest rates.”



Table 6. Ownership Cost Affordability for Median Mortgagor Household in Surprise, 2011 to 2021

Year	Ownership Costs for Median Mortgagor Household in Surprise	Household Income Required to Afford Median Surprise Mortgagor Household	Actual Median Mortgagor Household Income in Surprise	Actual Median Mortgagor Household Income in Surprise Relative to Required Income
2011	\$1,819	\$72,752	\$81,782	112%
2016	\$1,615	\$64,616	\$89,649	139%
2021	\$1,529	\$61,159	\$92,511	151%

Source: Five-year American Community Survey (2011, 2016, and 2021); Matrix Design Group, Inc.

Table 7. Ownership Cost Affordability for Median Non-Mortgagor Household in Surprise, 2011 to 2021

Year	Ownership Costs for Median Non-Mortgagor Household in Surprise	Household Income Required to Afford Median Surprise Non-Mortgagor Household	Actual Median Non-Mortgagor Household Income in Surprise	Actual Median Non-Mortgagor Household Income in Surprise Relative to Required Income
2011	\$449	\$17,973	\$54,688	304%
2016	\$494	\$19,755	\$59,585	302%
2021	\$448	\$17,919	\$63,798	356%

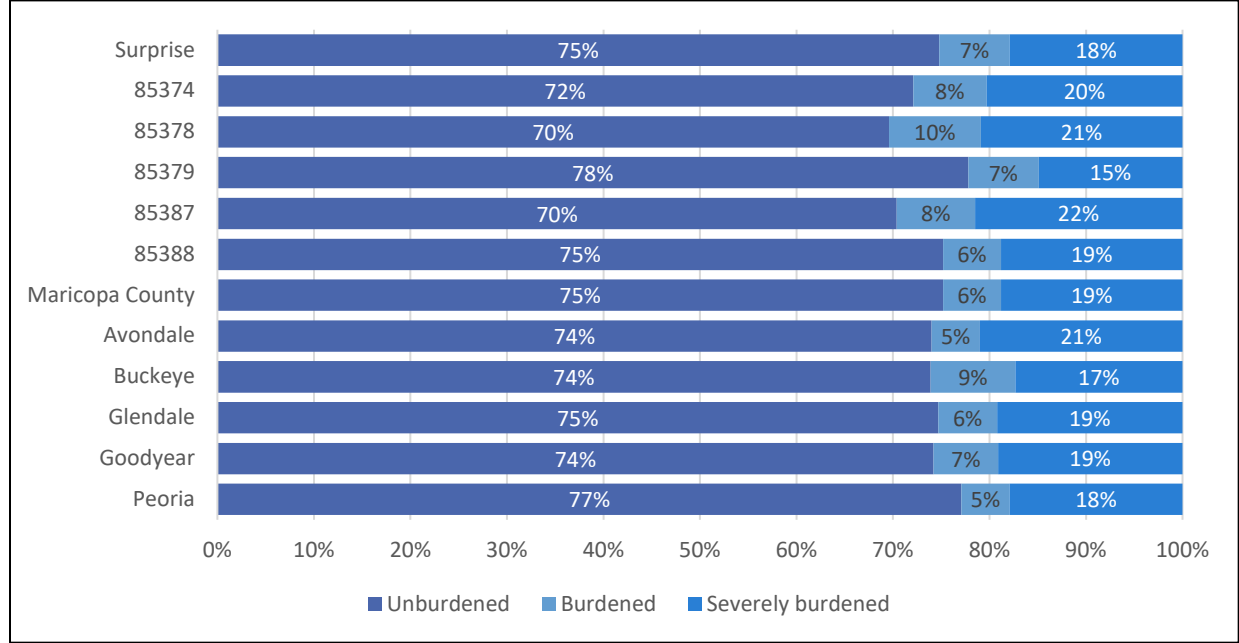
Source: Five-year American Community Survey (2011, 2016, and 2021); Matrix Design Group, Inc.

Cost-Burdened Homeowners

Figures 81 and 82 reinforce the notion that Surprise homeowners are generally secure in their homes. **25% of mortgagor households are considered cost burdened or severely cost burdened.** This rate is in line with the regional average. In certain pockets of Surprise, though, a higher share of households struggle to meet ownership costs. Specifically, in zip codes 85378 and 85387, 30% and 31% of

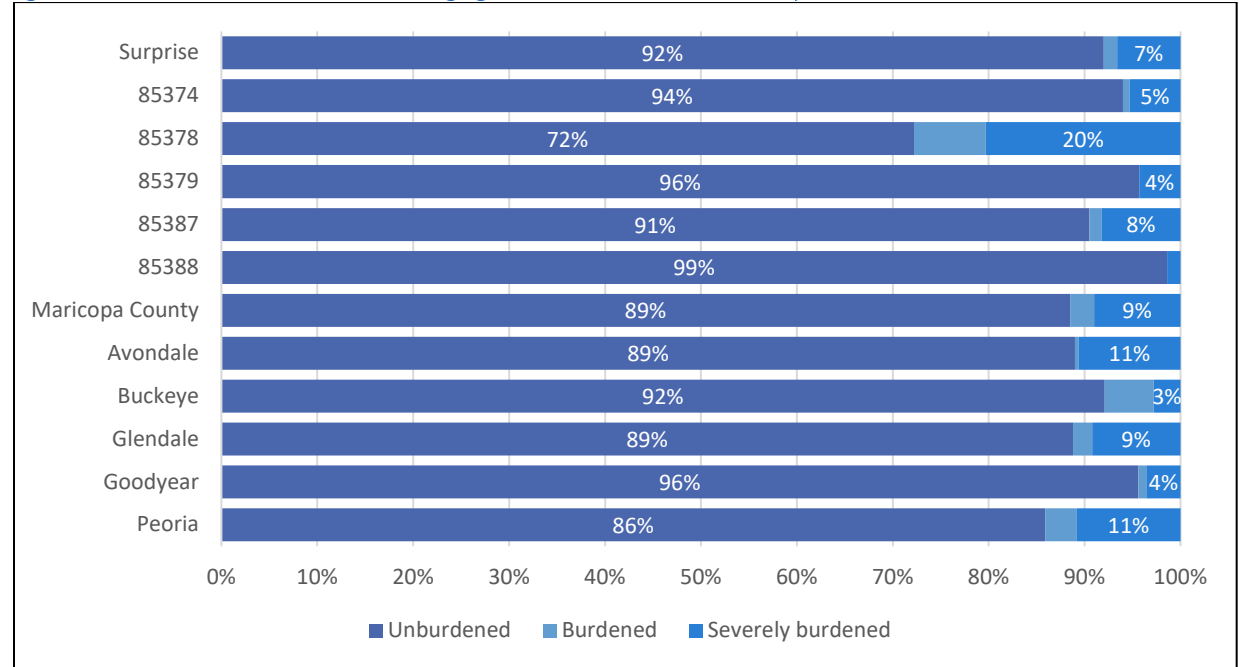
households, respectively, spend more than the recommended amount on housing. For owner households without mortgages, it is highly abnormal for housing costs to account for 30% or more of income. Just 8% of these households in Surprise qualify as burdened or severely burdened.

Figure 81. Breakdown of Mortgagor Owner Households by Cost-Burdened Status, 2021



Source: Five-year American Community Survey (2021)

Figure 82. Breakdown of Non-Mortgagor Owner Households by Cost-Burdened Status, 2021



Source: Five-year American Community Survey (2021)



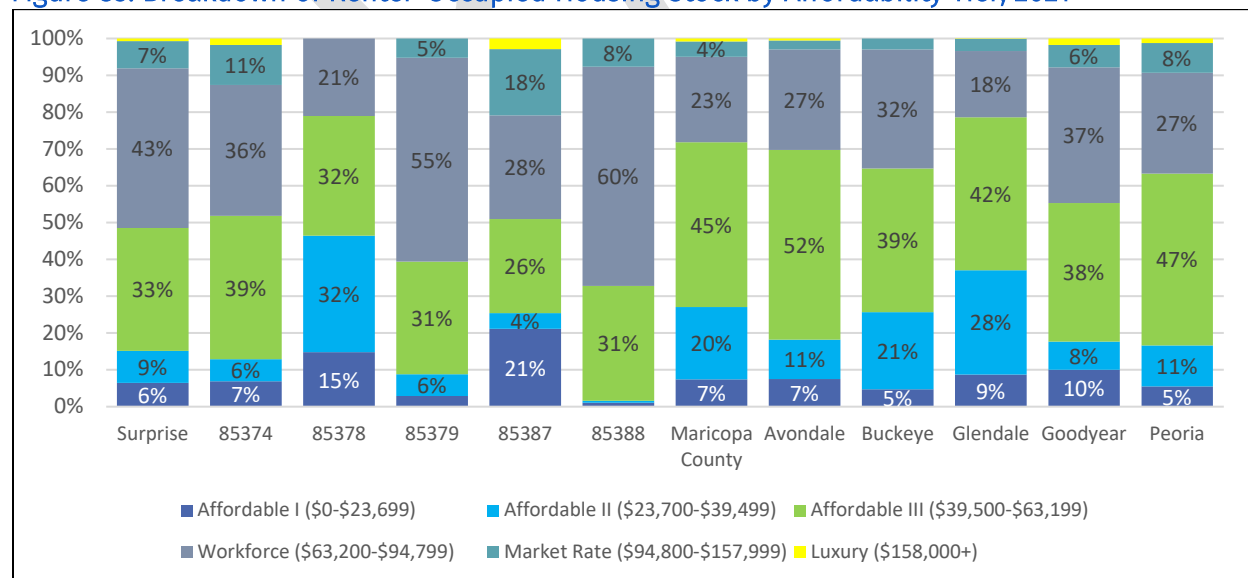
Housing Needs Assessment

The analyses presented in this section primarily measure the magnitude of Surprise's housing gaps. The rental and owner market gap analyses illustrate the extent of Surprise's deficits and surpluses at various price points. Employing a similar approach, we then focus specifically on the needs of senior-led households. Finally, we examine whether and to what extent homes with different numbers of bedrooms are in oversupply or undersupply.

Rental Housing Gap Analysis

Figure 83 categorizes Surprise's renter-occupied units based on their affordability for households earning different levels of area median income (AMI). In order to be sorted into an affordability tier, a unit must not force a household in the corresponding income range to spend 30% or more of its income on rent. **Units in the three "affordable" tiers, which do not burden households earning \$63,199 or less, account for 48% of Surprise's rental inventory. But of the 5,983 affordable rental units, only 1,869 are suitable for households earning below \$39,500.** These low-income households tend to be led by seniors dependent upon Social Security or individuals working in retail trade, accommodation and food services, and similar industries. **Significantly, Surprise has a lower percentage of units in the "affordable" tiers than Avondale, Buckeye, Glendale, Goodyear, Peoria, and Maricopa County as a whole.** A plurality (43%) of Surprise's rental units are considered workforce housing, meaning a household needs to earn at least \$63,200 to afford rent. Market rate and luxury rental units are rare across the city, representing just 8% of the occupied stock. For those in search of a higher-end unit, zip codes 85374 and 85388 offer the most options.

Figure 83. Breakdown of Renter-Occupied Housing Stock by Affordability Tier, 2021



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Dollar values represent income range needed to afford housing at each tier.



Table 8 compares the unit supply to the level of consumer demand at each affordability tier in Surprise. The estimated difference between supply and demand is referred to as the housing gap. A red value enclosed in parentheses indicates a housing deficit, while a black value denotes a housing surplus. In part because price is only one consideration on prospective homebuyers’ minds, it is unrealistic for supply and demand to be in perfect equilibrium at each price point. Still, the results can be a valuable asset to local leaders and stakeholders as they plan future developments. **The results indicate that Surprise has sizeable deficits of homes at the two lower “affordable” levels.** In total, Surprise has a shortage of 1,432 rental homes at appropriate price points for households earning less than 50% of AMI, or \$39,500. While luxury and market rate rentals are, too, in short supply, higher-income renters do not struggle to locate adequate housing. **As such, the city should place more emphasis on closing the housing gap that exists at the lower end of the price spectrum.** This is not to say, however, that the deficits of market rate and luxury rentals have no ramifications. Indeed, when more expensive rentals are in short supply, high-income residents resort to renting out units that could otherwise be occupied by low-to-moderate income households. The gap analysis also reveals that sizeable surpluses exist at the highest affordable and workforce tiers, suggesting that low-income households are commonly forced to stretch their budgets in order to rent in Surprise.

Table 8. Supply-Demand Gap by Affordability Tier in Surprise’s Rental Market, 2021

Affordability Tier	Renter Demand	Unit Supply	Gap
Affordable I (\$0-\$23,699)	1,592	793	(799)
Affordable (\$23,700-\$39,499)	1,709	1,076	(633)
Affordable (\$39,500-\$63,199)	2,932	4,114	1182
Workforce (\$63,200-\$94,799)	3,204	5,339	2,135
Market Rate (\$94,800-\$157,999)	2,089	908	(1,181)
Luxury (\$158,000+)	792	88	(704)

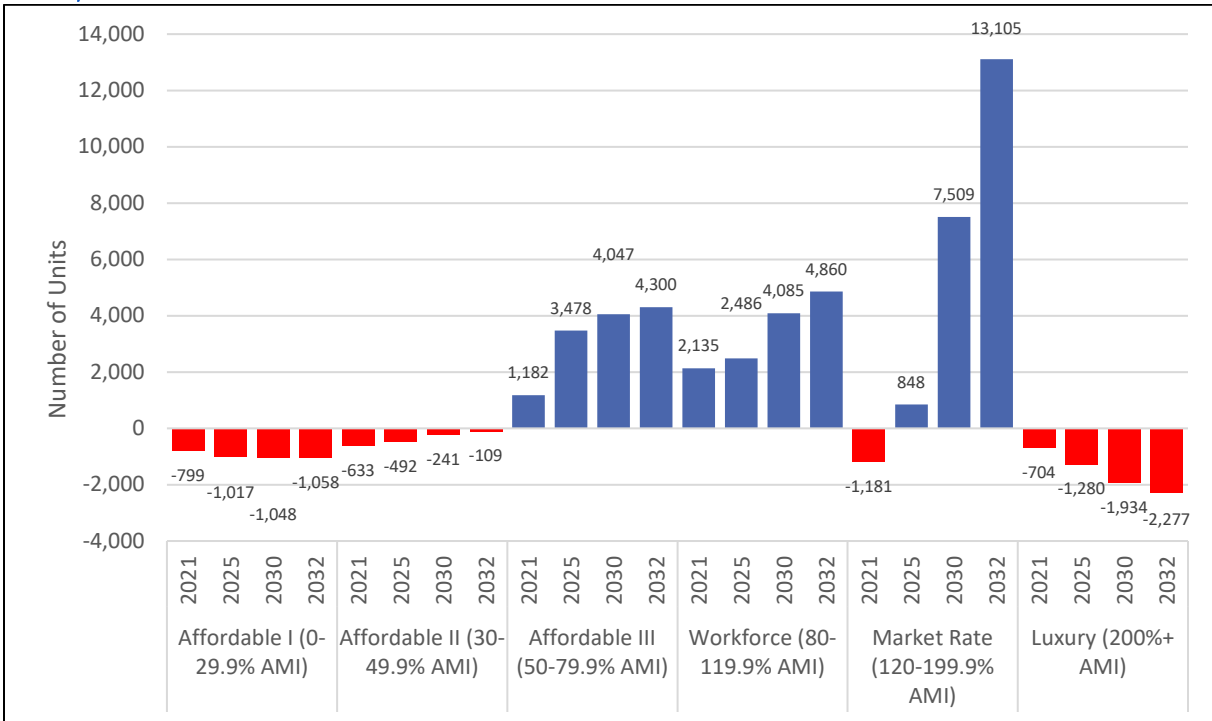
Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Dollar values represent income range needed to afford housing at each tier.

Are existing shortages expected to exacerbate or improve over time? Figure 84 plots the actual or projected housing gap at each affordability tier from 2021 to 2032. A surplus of market rate homes is expected to emerge by 2025, and it will only continue to grow in subsequent years. **In the event no action is taken, Surprise is projected to have a surplus of over 13,000 market rate rentals in 2032.** Similarly, the city will continue to have an excess of rentals suitable for households with incomes between 50% and 119.9% of AMI. While it is encouraging that the shortage of homes in the second “affordable” tier will all but close, the deficits at the extreme ends of the price spectrum are anticipated to reach unmanageable levels. **In as soon as 2025, over 1,000 households with incomes below 30% of AMI will be cost burdened.**



Figure 84. Actual and Projected Supply-Demand Gap by Affordability Tier in Surprise's Rental Market, 2021 to 2032



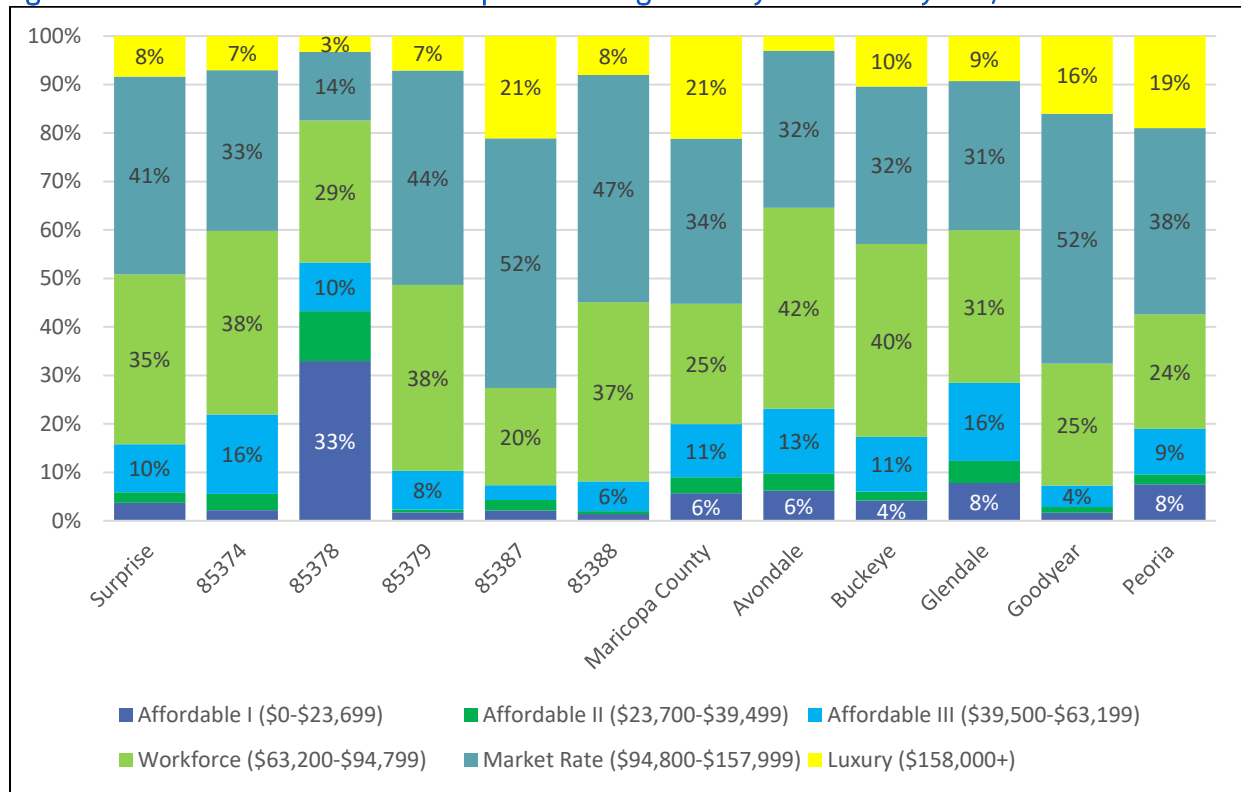
Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Area median income was \$79,000 in 2021.

Owner Housing Gap Analysis

Figure 85 sorts Surprise's owner-occupied homes into the various affordability tiers. In order to replicate the rental market gap analysis as closely as possible, estimated home values, rather than monthly ownership costs, were used as the basis for the analysis. The widely accepted rule that a home's value should not exceed three times annual gross household income informed the categorization of owner-occupied homes into the six tiers. The results reveal that Surprise's owner inventory is significantly more upper class-oriented than its rental inventory. **Only 16% of homes are affordable to households earning less than \$63,200, or 80% of AMI.** In this regard, Surprise is not too dissimilar from most of the West Valley and Maricopa County. Outlier communities include Glendale and Avondale, where over 20% of homes are affordable to households earning substantially less than AMI. **Surprise's owner inventory is concentrated in the workforce and market rate ranges, with 76% of owner-occupied homes being priced appropriately for households with incomes between \$63,200 and \$157,999.** In comparison to Maricopa County, Goodyear, and Peoria, Surprise has few luxury homes, defined as those that are affordable only to those households earning at least \$158,000, which is equivalent to 200% of AMI.

Figure 85. Breakdown of Owner-Occupied Housing Stock by Affordability Tier, 2021



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Dollar values represent income range needed to afford housing at each tier.

The supply-demand gap analysis suggests that the income composition of Surprise’s households and the price breakdown of its owner-occupied homes are severely mismatched. **Surprise has a nearly 10,000-unit surplus of workforce and market rate homes, leaving little room in the inventory for affordable and luxury homes alike. In total, there exists a deficit of 7,483 homes in the three “affordable” tiers.** This finding suggests that a significant share of homeowners with incomes below \$63,200, or 80% of AMI, are either cost burdened or would be unable to afford their homes were they to purchase them today. The luxury home shortage is significantly smaller, at 2,350 units.

“The supply-demand gap analysis suggests that the income composition of Surprise’s households and the price breakdown of its owner-occupied homes are severely mismatched.”



Table 9. Supply-Demand Gap by Affordability Tier in Surprise's Owner Market, 2021

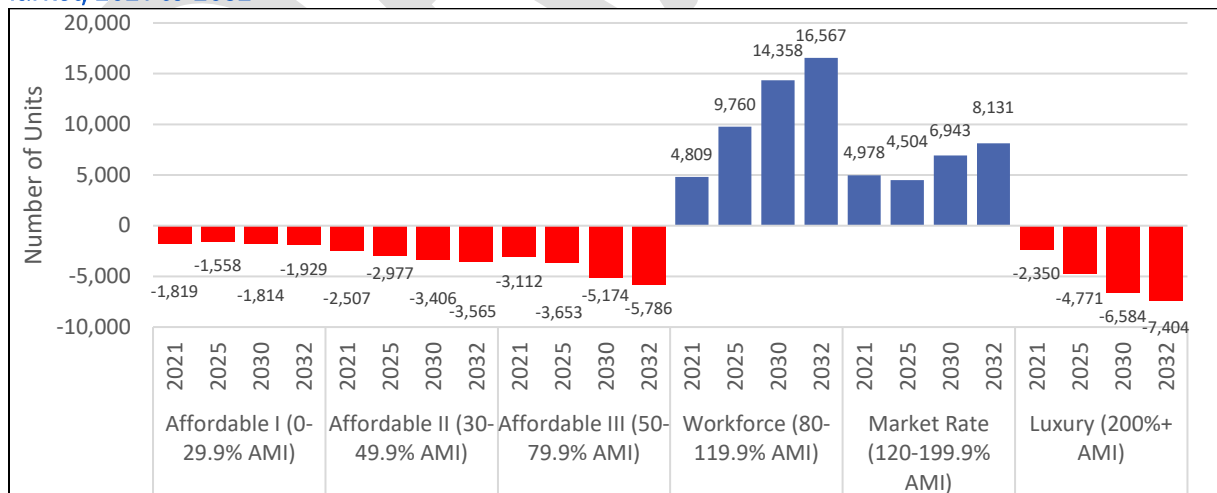
Affordability Tier	Owner Demand	Unit Supply	Gap
Affordable I (\$0-\$23,699)	3,287	1,468	(1,819)
Affordable (\$23,700-\$39,499)	3,374	867	(2,507)
Affordable (\$39,500-\$63,199)	7,085	3,973	(3,112)
Workforce (\$63,200-\$94,799)	9,169	13,978	4,809
Market Rate (\$94,800-\$157,999)	11,294	16,272	4,978
Luxury (\$158,000+)	5,678	3,328	(2,350)

Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Dollar values represent income range needed to afford housing at each tier.

Assuming recent trends continue, existing gaps in the owner market are expected to widen through 2032. **The surplus of workforce and market rate homes is projected to reach 24,698 units by the end of the period.** Meanwhile, the combined shortage at the three “affordable” levels will increase to 11,280 units. More than half of that deficit will occur in the 50% to 79.9% of AMI range. Likewise, the luxury home shortage is anticipated to grow by approximately 5,000 units. **Unless the city recalibrates its housing strategy or some unforeseen event causes the housing market to change course, existing shortages will reach unmanageable levels, severely hampering Surprise’s growth potential and residents’ quality of life.**

Figure 86. Actual and Projected Supply-Demand Gap by Affordability Tier in Surprise's Owner Market, 2021 to 2032



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Area median income was \$79,000 in 2021.

Senior Housing Gap Analysis

Surprise's substantial senior population underscores the importance of understanding whether and to what extent this particular demographic faces housing shortages. Table 10 presents estimated differences between supply and demand by affordability tier. **The results demonstrate that 3,008 senior households earn less than \$23,700 annually, but only 816 units in the renter- and owner-occupied inventories are affordable to them.** It is also difficult for the 6,842 senior households with incomes between \$23,700 and \$63,199 to find appropriately priced housing, considering that just 3,619 units fall into the corresponding affordability tiers. **For seniors alone, then, Surprise faces a 5,414-unit shortfall in the three "affordable" tiers.** Collectively, these findings indicate that seniors are disproportionately impacted by Surprise's deficit of homes at the lower end of the price spectrum. Only senior-led households with workforce- or market rate-level incomes are unaffected by shortages.

Table 10. Supply-Demand Gap by Affordability Tier in Surprise's Senior Housing Market, 2021

Affordability Tier	Senior Demand	Rental and Owner Unit Supply	Gap
Affordable I (\$0-\$23,699)	3,008	816	(2,192)
Affordable (\$23,700-\$39,499)	2,517	701	(1,815)
Affordable (\$39,500-\$63,199)	4,325	2,918	(1,407)
Workforce (\$63,200-\$94,799)	4,227	6,972	2,744
Market Rate (\$94,800-\$157,999)	3,222	6,200	2,978
Luxury (\$158,000+)	1,541	1,233	(309)

Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Note: Dollar values represent income range needed to afford housing at each tier.

Home Size Gap Analysis

Because home size and its price are inextricably linked, it is important to compare the supply of differently sized homes, as measured by number of bedrooms, to the level of demand. We estimated demand separately for rental and owner homes with varying numbers of bedrooms using data on household size. **Table 11 shows that there exists demand for 669 efficiency rental units, but Surprise has a mere 313 such units, leaving the city with a deficit of 356 units.** Similarly, although 5,922 renter households require one or two bedrooms, the current inventory features just 4,376 one-bedroom units. These households, which consist of between one and three people, commonly resort to renting out three- or four-bedroom units, which are in oversupply. Surprise also has insufficient five-or-more-bedroom rentals, with demand exceeding supply by 1,204 units.



Table 11. Supply-Demand Gap by Number of Bedrooms in Surprise's Rental Market, 2021

Number of Bedrooms	Renter Demand	Unit Supply	Gap
0	669	313	(356)
1	2,856	1,913	(943)
2	3,066	2,463	(603)
3	2,106	4,806	2,700
4	1,926	2,332	406
5 or more	1,695	491	(1,204)

Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

As Table 12 demonstrates, the dynamics are similar in Surprise's owner market. **Surprise has 10,517 owner homes with two or fewer bedrooms, but based on the fact that between one and three people compose 75% of owner households, we estimate that there exists demand for 25,572 such homes.** This over 15,000-unit gap leaves smaller households with no choice but to purchase three-or-more-bedroom homes, which represent a majority of the inventory. Given that increases in livable space substantially raise ownership costs, it is therefore not a coincidence that so many Surprise households find themselves cost burdened. The results also demonstrate that the city has a deficit of five-or-more-bedroom homes.

Table 12. Supply-Demand Gap by Number of Bedrooms in Surprise's Owner Market, 2021

Number of Bedrooms	Owner Demand	Unit Supply	Gap
0	740	83	(657)
1	8,428	1,450	(6,978)
2	16,405	8,984	(7,421)
3	4,734	15,999	11,266
4	5,240	9,864	4,624
5 or more	4,341	3,507	(834)

Source: Five-year American Community Survey (2021); Matrix Design Group, Inc.

Summary of Community Engagement Campaign

This section provides an overview of the community engagement campaign that Matrix conducted in coordination with the city. Matrix held two public meetings in which residents were given an opportunity to voice their concerns about the housing situation, interviewed stakeholders with unique insight into the city’s housing challenges, and created a community survey.

Community Survey

Matrix designed a 12-question survey intended primarily to measure Surprise residents’ attitudes toward housing. Full question wording and results can be found in the Appendix. The city then disseminated the survey, which ran from March 15, 2023, to March 31, 2023. 285 residents participated in the survey; their age breakdown appears in Table 13. Due to cost and time constraints, the survey employed non-probability sampling methods, including voluntary response sampling and convenience sampling. Because respondents were not selected at random, they may not be representative of the population as a whole. Consequently, the results, while informative, should be interpreted with caution.

Table 13. Age Breakdown of Resident Survey Respondents

Age Range	Percentage of Respondents
18-24	1%
25-34	7%
35-44	18%
45-54	25%
55-64	21%
65 and over	28%

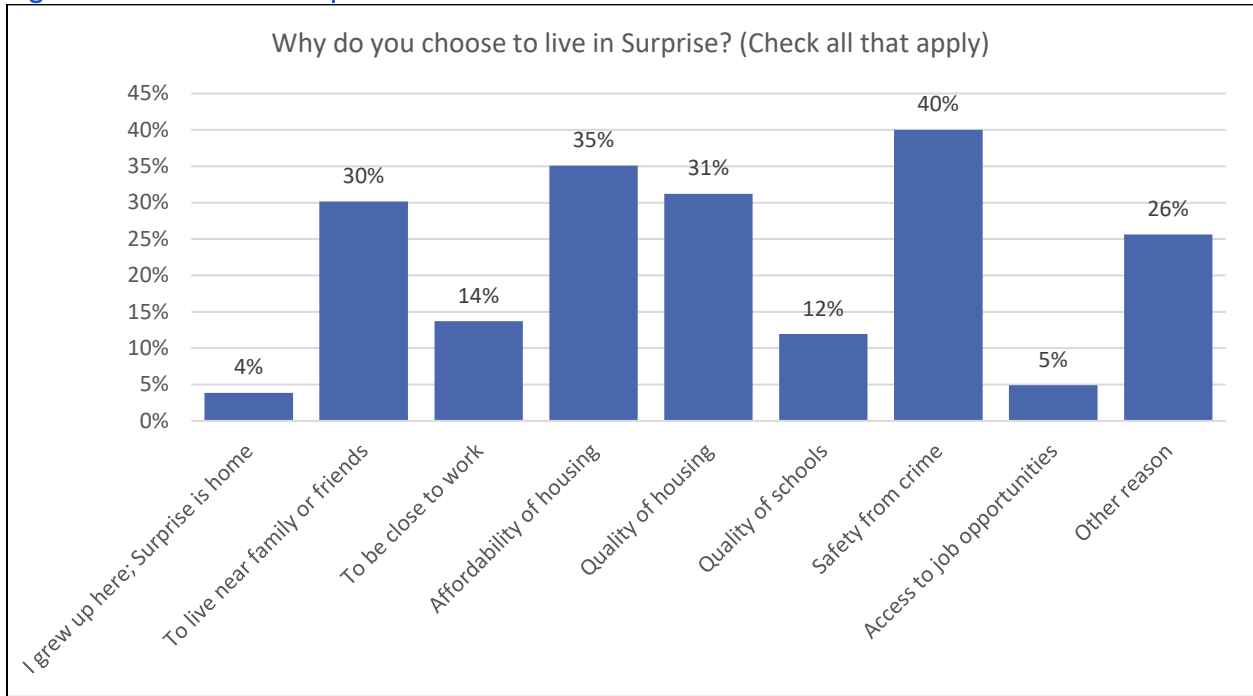
Source: Matrix Design Group, Inc.

Note: N = 285

Figure 87 reveals the most common reasons for living in Surprise. “Safety from crime” was cited by the highest percentage of residents (40%), followed by “affordability of housing” (35%) and “quality of housing” (31%). Relatedly, as Figure 88 shows, 37% of participants indicated they were “very satisfied” with their current housing, and an additional 43% claimed to be “satisfied.” Similarly, most respondents indicated it was “not difficult at all” to locate housing in the city. **At first glance, then, the results seem to suggest that residents are satisfied with housing conditions as they currently exist.**



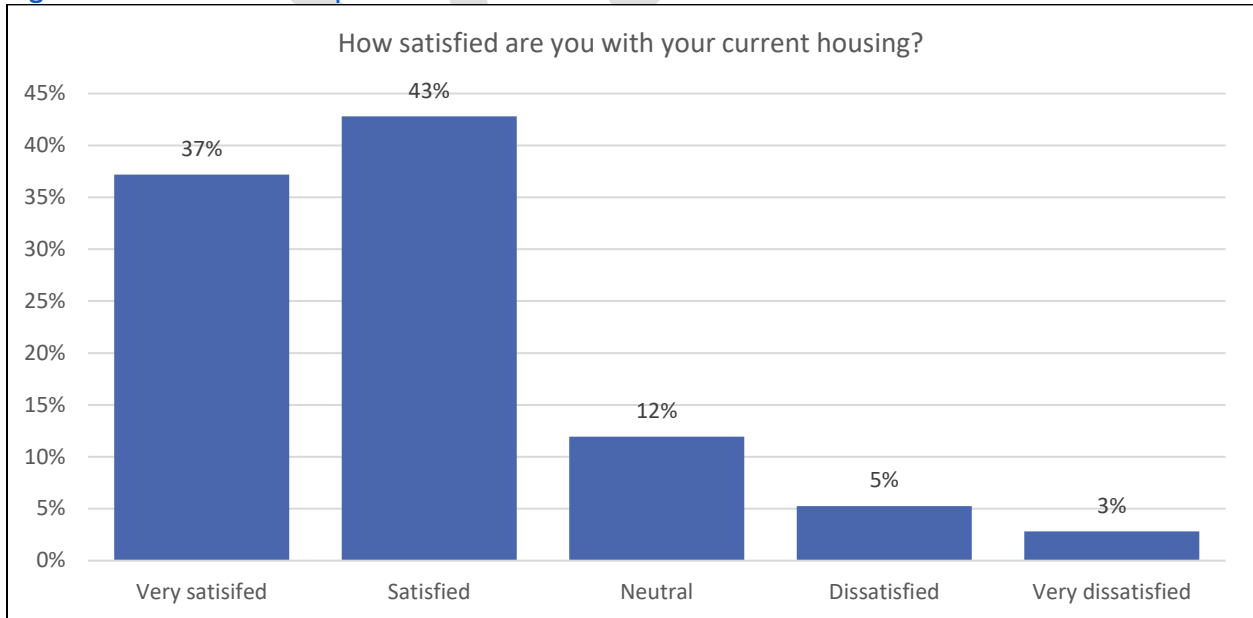
Figure 87. Question 2 Responses



Source: Matrix Design Group, Inc.

Note: N = 285

Figure 88. Question 4 Responses

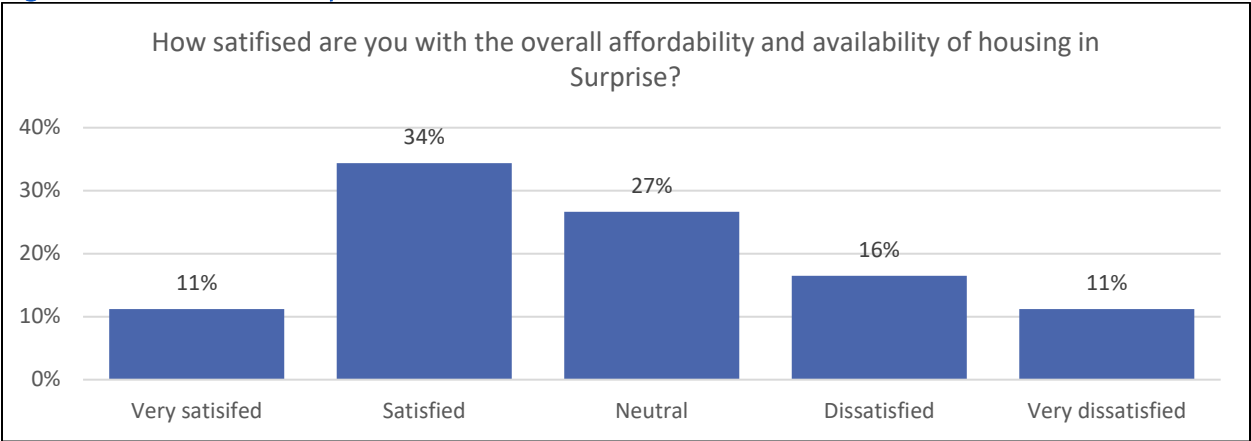


Source: Matrix Design Group, Inc.

Note: N = 285

Further interrogation of residents’ attitudes yields a more nuanced picture. **While residents are generally pleased with their own housing situations, they are less enthusiastic about conditions in their community, with fewer than half of respondents (45%) claiming to be “very satisfied” or “satisfied” with the overall affordability and availability of housing in Surprise (see Figure 89).** Moreover, a plurality of renters (39%) intend to buy a home outside of Surprise (see Figure 90), and when asked to identify Surprise’s most pressing housing issues, the most popular responses were that “younger people cannot afford to buy homes” (48%) and that “rent is unaffordable” (45%) (see Figure 91). There also exists widespread concern about homelessness (see Figure 92). Contrary to conventional wisdom, Figure 93 suggests that residents are open to options other than large single-family homes, with 52% indicating it is “important” or “very important” for Surprise to offer a wider variety of housing products.

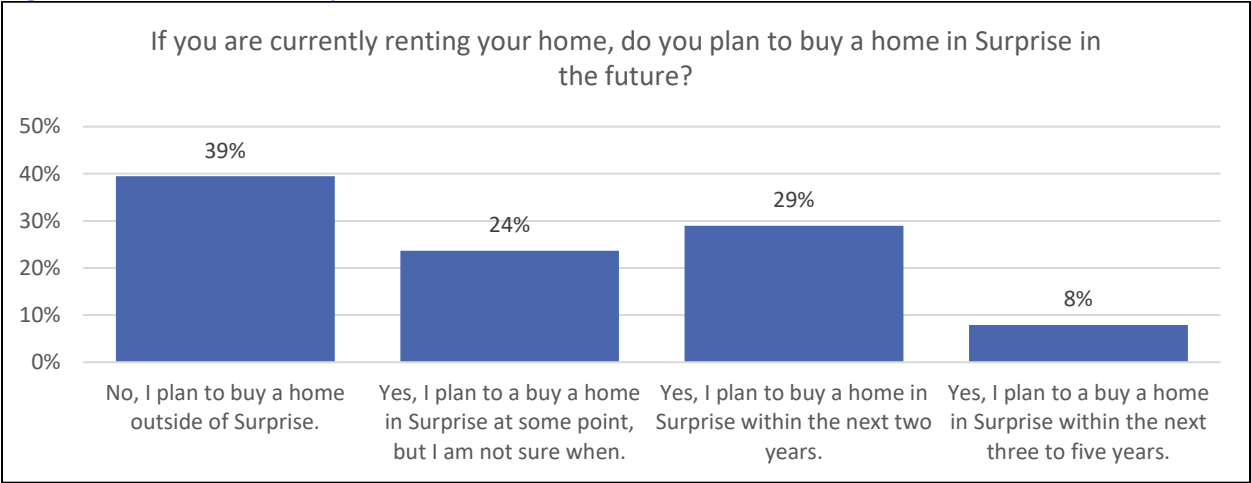
Figure 89. Question 5 Responses



Source: Matrix Design Group, Inc.

Note: N = 285

Figure 90. Question 8 Responses

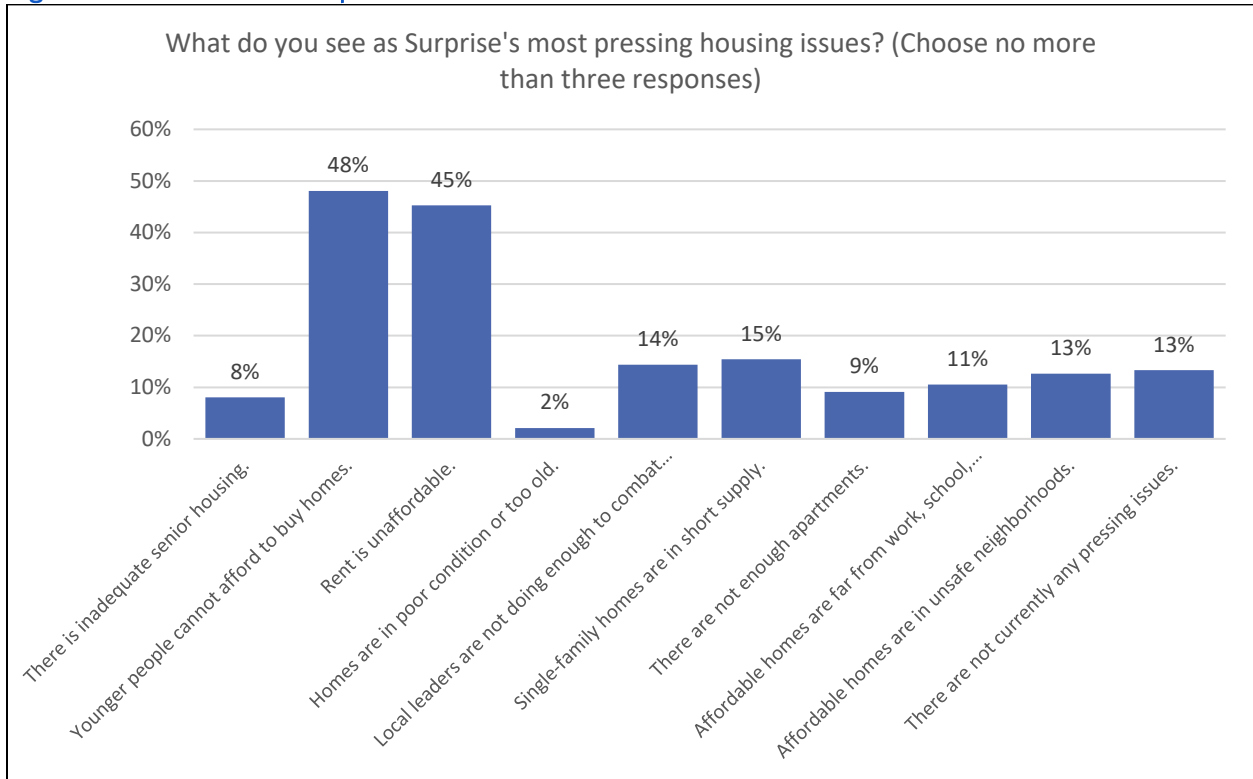


Source: Matrix Design Group, Inc.

Note: N = 38



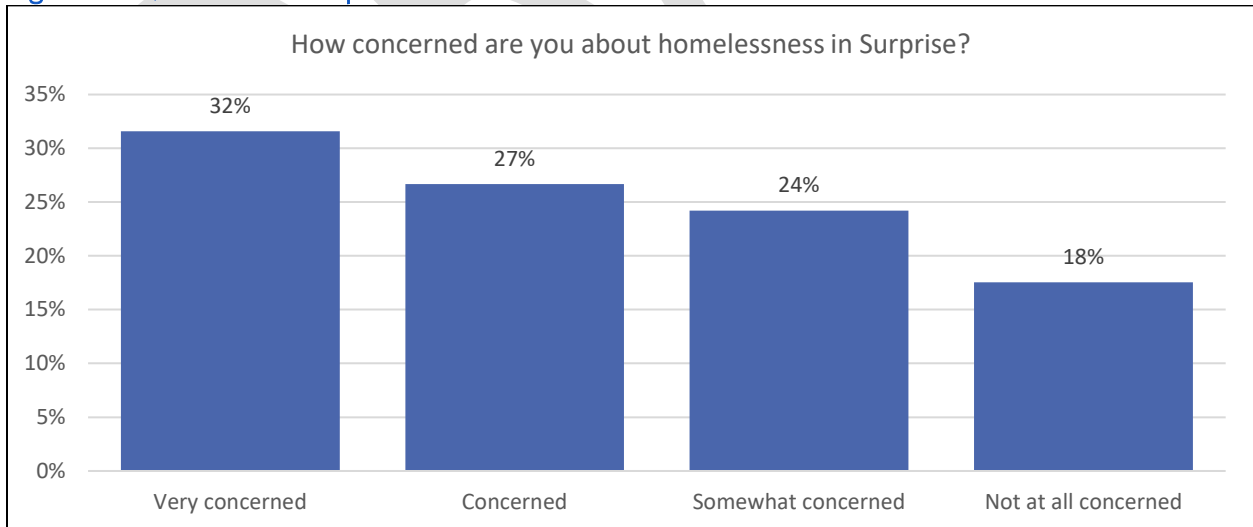
Figure 91. Question 11 Responses



Source: Matrix Design Group, Inc.

Note: N = 285

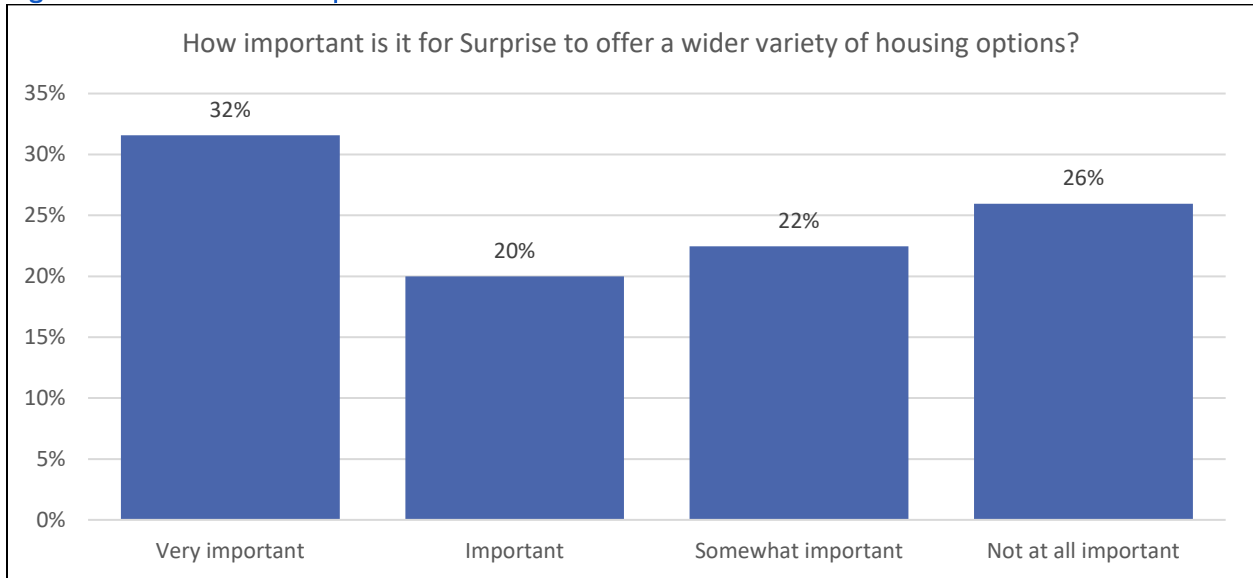
Figure 92. Question 10 Responses



Source: Matrix Design Group, Inc.

Note: N = 285

Figure 93. Question 9 Responses



Source: Matrix Design Group, Inc.

Note: N = 285

Stakeholder and Resident Input

As part of its community engagement campaign, Matrix engaged the following stakeholders, either in one-on-one interviews or in a focus group setting: Ability360, Foundation for Senior Living, Newtown Community Land Trust and Community Development Corporation, Arizona Charter Academy, Dysart Unified School District, and WeSERV. Stakeholders generally noted that the study’s empirical findings were consistent with their real-world observations. Representatives of the Arizona Charter Academy and Dysart Unified School District remarked, for example, that teachers and staff are struggling to afford housing in Surprise. **It is not uncommon, according to these stakeholders, for teachers to have to work second jobs or live with multiple roommates in order to meet their rent payments.** The financial difficulties facing Surprise teachers have led many to leave the profession or the area. Surprise’s struggle to attract and retain high-quality teachers has far-reaching negative ramifications, given that education is a major driver of economic development. Relatedly, an increasing number of families have reportedly been priced out of the area, and many of those who have opted to stay have had to apply for housing assistance. Research demonstrates that housing insecurity has negative impacts on student achievement, a finding validated by our stakeholder interviews.

Matrix also learned about the vital roles played by Ability360 and Newtown Community Land Trust (Newtown) in promoting housing accessibility and affordability, respectively. **Led by people with disabilities, Ability360 works to improve housing accessibility through its Community Block Grant-funded Home Modification program.** As its name implies, the program finances door widenings, the installation of ramps and grab bars, and other modifications that increase the ability of someone with a disability to live independently. The service is available to low-to-moderate income Arizona residents. Newtown makes homeownership more attainable to families earning significantly less than AMI by



retaining ownership of the land that sits beneath the homes it sells. In addition, the organization offers homebuyer education and financial coaching, among other resources, that help keep families in their homes.

In partnership with the city, Matrix hosted a pair of community meetings on April 10, 2023. A significant number of attendees were part of Voice for Surprise, a group ardently opposed to further multi-family development. Recognizing that continued population growth is all but inevitable due, in part, to the planned semiconductor plant, Voice of Surprise members emphasized that they were not anti-growth but, rather, pro-responsible growth. They expressed concern about the impacts of rapid population growth on traffic, class sizes, and the availability of water, with some arguing that Surprise risked losing the small-town charm that had attracted them to the city in the first place. Still, there was widespread acknowledgement that housing costs had increased dramatically in recent years. One attendee suggested that individual decisions, rather than policy changes, are the solution to Surprise's housing challenges, arguing that young people who cannot afford homes should live with their parents until they can afford a down payment and mortgage. **Residents also noted that Surprise has vast amounts of developable land, suggesting it is within the capacity of the city to meet the increased demand for housing that it is likely to experience in the coming years.**

In the absence of a scientific survey with a representative sample, it is difficult to estimate exactly how widely the Voice of Surprise's views are shared by residents at large. Indeed, scholars have long observed that those who feel most intensely about an issue and have higher socioeconomic status disproportionately participate in local government and politics. **However, we have reason to believe that a sizeable number of Surprise residents are steadfastly opposed to any measure that would, in their view, dramatically alter the character of the city. The strategies that local leaders and stakeholders pursue must account for this reality.**





Comprehensive Housing Strategy

This section outlines a comprehensive housing strategy that, if implemented, will ultimately increase the affordability and availability of housing in Surprise. We recommend that the city work to expand duplexes and triplexes; finance accessory dwelling units; take advantage of state-level funding sources, principally the new low-income housing tax credit and expanded Housing Trust Fund; lobby for the passage of legislation that devolves authority over housing policy to local governments; support the Newtown Community Land Trust; and facilitate and incentivize affordable development. **While any one of these recommendations is unlikely to be a panacea, the available evidence suggests a multi-pronged approach is likely to have a measurable positive impact.**

Expand Duplexes and Triplexes

Duplexes and triplexes are an appealing compromise for low- or moderate-income households who desire both more privacy than is offered by large multifamily complexes and the ambiance of a suburban or rural neighborhood. Along with accessory dwelling units (ADUs) and townhomes, duplexes and triplexes are among the most popular types of “missing middle housing.” Historically, attached single-family homes, small multifamily homes, and similar housing types were relatively common in the U.S., but the advent of single-family zoning in the mid-twentieth century rendered them all but obsolete. Although they remain “missing” in housing inventories across the country, they have made a comeback in recent years as demand for a wider array of housing products has increased. Proponents of “gentle density,” who recognize the practical and political unfeasibility of constructing high-rise apartments or condos in single-family districts, have been integral to the proliferation of alternative housing types. **Critically, duplexes and triplexes can be built in such a way that makes them nearly indistinguishable from single-family homes, thus preserving the character of a neighborhood.**

Unfortunately, Surprise has been slow to embrace gentle density. According to the 2021 American Community Survey, less than 3% of the city’s homes meet the definition of “missing middle” housing. The spread of duplexes and triplexes, in particular, has been thwarted by restrictions found in Article II, Section 106-1.8 of Surprise’s Zoning and Use Standards. Currently, these housing types are prohibited in residential rural (RR) and residential low-density (R-1) districts. **We propose permitting duplexes and triplexes by right in all residential districts.**

In significantly increasing development costs, the requirement that each individual unit in a duplex or triplex have two dedicated off-street parking spaces has, too, stymied the construction of these homes. **Our experience in the implementation of zoning reforms elsewhere leads us to conclude that the two parking spaces per unit requirement is excessive, even when accounting for Surprise’s limited public transportation options.** Given that ADUs and small multifamily homes attract similarly sized households, we recommend that they be governed by the same parking space requirements. Currently, ADUs are mandated to have only one parking space per unit.

Finance Accessory Dwelling Units

Also referred to as mother-in-law suites, granny flats, or carriage houses, ADUs are small units (typically between 600 and 1,000 square feet) that share a lot with a larger residence. Like duplexes and triplexes,



ADUs have gained popularity in recent years as an alternative to traditional single-family homes. Although residents are free to not only build but also rent out ADUs throughout Surprise's single-family residential districts, residents report that ADUs are rare. ADU expansion would provide significant benefits to the city. **In addition to being an affordable alternative to traditional single-family homes, ADUs can help homeowners meet their mortgage payments by generating rental income. Furthermore, contrary to popular belief, ADUs do not negatively impact property values.⁴**

The cost prohibitive nature of ADU construction is among the primary reasons these homes have failed to gain traction in Surprise. Construction of a 600-square foot ADU is estimated to start at \$90,000, and conventional financing options suffer from severe shortcomings. In particular, cash-out refinancing and home equity loans and lines of credit fail to cover the costs of construction for homeowners who have failed to accumulate sufficient equity, limit the amount of equity borrowers can extract, and do not account for the future rental income that the ADU will generate. **In recent years, municipalities have begun experimenting with grants, zero-interest loans, and deferred interest-free loans, which usually range from \$10,000 to \$30,000, to fill funding gaps.** At least one city (Montpelier, Vermont) has leveraged Community Development Block Grants to fund ADUs. Similarly, an innovative program in Napa, California provides forgivable loans amounting to as much as \$50,000. Under this program, homeowners who rent out their ADUs to low-income tenants are eligible to have their debts reduced by five percent per year. In addition to establishing one or more of these financing programs, the city should partner with nonprofit groups, and potentially other lenders, to ensure that projected rental income, at least up to a certain threshold, counts as qualifying income for the purpose of credit approval.

Leverage State-Level Funding Sources

In a bipartisan effort to promote the development of affordable housing, state lawmakers established a low-income housing tax credit (LIHTC) as part of 2021's SB 1124. In doing so, Arizona joined 16 other states in supplementing the federal LIHTC program, which finances 30% or 70% of low-income unit construction costs through 4% or 9% credits, respectively, to be redeemed annually over a 10-year period. Since its creation as part of the Tax Reform Act of 1986, the federal LIHTC program has proven itself to be the single most effective affordable housing intervention in Arizona, subsidizing construction costs for 97% of the state's affordable units.

Arizona's new state-level LIHTC program, which represented the state's most significant investment ever in affordable housing at the time of its creation, seeks to further close the profitability gap between affordable and market rate projects by providing \$4 million annually in tax credits through 2025. Intended to be paired with the federal LIHTC program, these state credits are projected to generate an estimated \$160 million worth of investments over the program's lifespan. While

⁴ Gnagey, Jenny, Matt Gnagey, and Christopher Yench. "The Impact of Legalizing Accessory Dwelling Unit Rentals on Property Values: Evidence from Ogden, Utah." *Journal of Housing Research*, 2022. <https://www.tandfonline.com/doi/abs/10.1080/10527001.2022.2106039>



the state-level funding is allocated equally between rural and metro projects, the 9% federal credits are reserved for the former. In March 2023, construction of the first state LIHTC-funded apartment complex commenced in Glendale, following an announcement that Globe and Prescott Valley would be the sites of the first rural projects to receive state tax credit funding. **Given LIHTC's indisputable record of spurring development, we strongly recommend that Surprise similarly work to attract developers who would be inclined to leverage this funding source.** At the time of this writing, one credit allocation cycle remains, but there is a possibility the program will be extended or strengthened in the future.

Arizona's expanded Housing Trust Fund (HTF) represents an additional opportunity for the city as it confronts growing housing shortages and rising rates of homelessness. **In addition to financing affordable housing developments, the HTF supports rental assistance, foreclosure and eviction prevention, and emergency and transitional housing programs, among others.** It works in tandem with federal programs, providing match and leverage resources. Historically, the HTF had been funded exclusively through the sale of unclaimed property, but in 2022, lawmakers injected \$60 million into it as part of the state's \$18 billion annual budget. The investment came three years after the state, following a period of Great Recession-induced cutbacks, recommitted to the HTF by providing \$15 million in funding. **The rapid rate at which this funding was consumed suggests that city leaders and stakeholders must act promptly in order to benefit from the state's most recent investment in the HTF.** In a positive development, the Senate-approved state budget for fiscal year 2024 is set to inject an additional \$150 million to the HTF, provided it can pass the House in its current form.

Lobby State Leaders to Pass Municipality-Empowering Legislation

Land banks are widely recognized as an effective tool for reducing vacancies and, by extension, the imbalance between supply and demand. **These public or nonprofit organizations acquire properties that have been rejected by the private market—usually because they are tax delinquent or carry other significant liabilities.** After clearing the property's title, the land bank will typically sell it to an affordable housing developer or help arrange its demolition. The benefits of land banks are well documented, with one study finding that the value they recover far exceeds operating costs.⁵ **Furthermore, it is likely not a coincidence that land banks tend to operate within cities known for their affordable rents and home sale prices, such as Houston and San Antonio.**

Yet, according to the Center for Community Progress, Arizona is not the site of any of the approximately 250 land bank or land banking programs that exist in the U.S. The likely culprit is that the legislature has not explicitly authorized local and county governments to establish public land banks. **We therefore propose that Surprise, in partnership with other localities, lobby state leaders to enact land-bank enabling legislation and then begin the process of forming countywide or municipal land banks.**

⁵ Whitaker, Stephan and Thomas J. Fitzpatrick IV. "Land Bank 2.0: An Empirical Evaluation." *Journal of Regional Science*, vol. 56, no. 1, 2016, pp 156-175. <https://onlinelibrary.wiley.com/doi/full/10.1111/jors.12206>.



While states across the political spectrum, including Georgia, Tennessee, and New York, have adopted similar legislation, the election of Governor Hobbs, a steadfast supporter of affordable housing initiatives, suggests land bank advocates likely have an ally in the state's highest office.

Additionally, the city should attempt to persuade state leaders to reverse the 1999 repeal of legislation authorizing the use of tax increment financing (TIF). A powerful stimulator of (re)development in blighted areas, TIF funds affordable housing and commercial improvements by earmarking the resulting future property and sales tax revenues. TIF was first utilized in California in 1952, before rapidly diffusing throughout the U.S. Today, Arizona is the only state that does not allow communities to fund affordable housing projects through this innovative public financing mechanism. The favorable political conditions created by widespread concern over housing affordability and the shift in partisan control of the governorship raise the possibility that state leaders will be open to revisiting existing policy. In the event Surprise is authorized to resume using TIF in the future, the city would likely be prohibited by a myriad of state statutes, including the Private Properties Rights Protection Act, from specifying the minimum percentage of revenues that must be devoted to affordable housing or mandating that a certain share of units within a TIF district be affordable to low- or moderate-income households. **As such, the city should instead offer voluntary incentives that serve to increase the profitability of affordable housing projects in TIF districts—namely, density bonuses.**

Finally, we suggest that the city urge the Arizona State Legislature to create an expedited development review process for affordable housing projects. HB 2536, which passed the House unanimously in March 2023 but remains stalled in the Senate at the time of this writing, would achieve this end by allowing city administrators to review and approve development plans without public meetings or hearings in limited circumstances. The project delays that result from an unnecessarily lengthy development review process raise costs for developers, and it is likely the case that these delays disproportionately impact affordable housing projects, given their reduced profitability. Should HB 2536 become law, it would be in the interest of the city to waive public hearing or meeting requirements for housing projects that dedicate a significant share of units to households earning less than 80% of AMI.

Augment the Newtown Community Land Trust

Community land trusts (CLTs) strive to create permanently affordable housing through unique means. These nonprofit entities use private and public funds to acquire land, which remains under their ownership for the foreseeable future. Depending on the land's level of development and the condition of its structural improvements, the CLT will typically proceed to build a new home or renovate an existing one. Next, the home, excluding the underlying land, is sold to an income-eligible household. **The effective removal of the land from the purchase price allows the home to be sold below market rate.** Moreover, via restrictive covenants, ground leases, and other means, the CLT is able to ensure the home's subsequent buyer(s) will belong to a similar income tier. Scholarly research attests to the benefits



of CLTs.⁶ In addition to reducing a home's sale price to as low as 74% of its assessed value, CLTs have been found to reduce rates of delinquency and foreclosure while simultaneously allowing homeowners to build wealth and, eventually, transition to market rate housing.⁷

Surprise is served by the Newtown Community Land Trust (Newtown), a Tempe-based nonprofit founded in 2001. In 2022, Newtown sold a Surprise home to a family earning significantly below AMI for \$315,000—\$54,000 less than its appraised unrestricted market value. Maricopa County, but not the city, helped fund the project. **We recommend that the city join other nearby municipalities in allocating funding to Newtown, as well as educate low-income families on the organization's activities. Based on our public engagements, we have reason to believe that CLT efforts will encounter less public opposition than other affordable housing initiatives.**

Reduce Burdensome Regulations and Incentivize Affordable Development

Our research uncovered two additional regulations the city should reconsider. First, the requirement that each two-bedroom apartment in properties with four or more units have two parking spaces undoubtedly hinders the construction of affordable housing by significantly raising development costs. This regulation is also needlessly burdensome given the lower rates of car ownership among low-income residents. **We therefore recommend that Surprise reduce this requirement to either 1.5 or 1.75 off-street parking spaces per two-bedroom unit.** Second, the city currently imposes hefty impact fees on multi-family developments, with the cost per dwelling unit amounting to \$1,384. **In order to spur the construction of affordable housing, we propose that Surprise follow the example of Glendale in waiving or reducing impact fees for projects that receive LIHTC funding or meet other eligibility criteria.**

Statewide restrictions on inclusionary zoning and rent control are among the laws that further limit the development of affordable housing. However, while Surprise is forbidden from *requiring* that properties meet certain affordability criteria, it is free to *incentivize* developers to build affordable housing. **Density bonuses are the most attractive incentive Surprise can offer to developers.** These programs typically increase the maximum allowable units per acre on the condition that a certain percentage of those units be affordable to low-income households. While Surprise does not impose limits on the number of units per acre that a developer can build in high-density residential districts, stringent restrictions exist in residential low-density, residential medium-density, and mixed-use medium-density districts. The city should leverage these restrictions to entice developers to include affordable units in their project plans.

⁶ Temkin, Kenneth, Brett Theodos, and David Price. "Balancing Affordability and Opportunity: An Evaluation of Affordable Homeownership Programs with Long-Term Affordability Controls." The Urban Institute, 2010. <https://www.urban.org/sites/default/files/publication/29291/412244-Balancing-Affordability-and-Opportunity-An-Evaluation-of-Affordable-Homeownership-Programs-with-Long-term-Affordability-Controls.PDF>.

⁷ Thaden, Emily. "Making Sense of the Low Rates of Delinquencies and Foreclosures in Community Land Trusts." Lincoln Institute of Land Policy, 2010. <https://www.jstor.org/stable/pdf/resrep18338.1.pdf>.



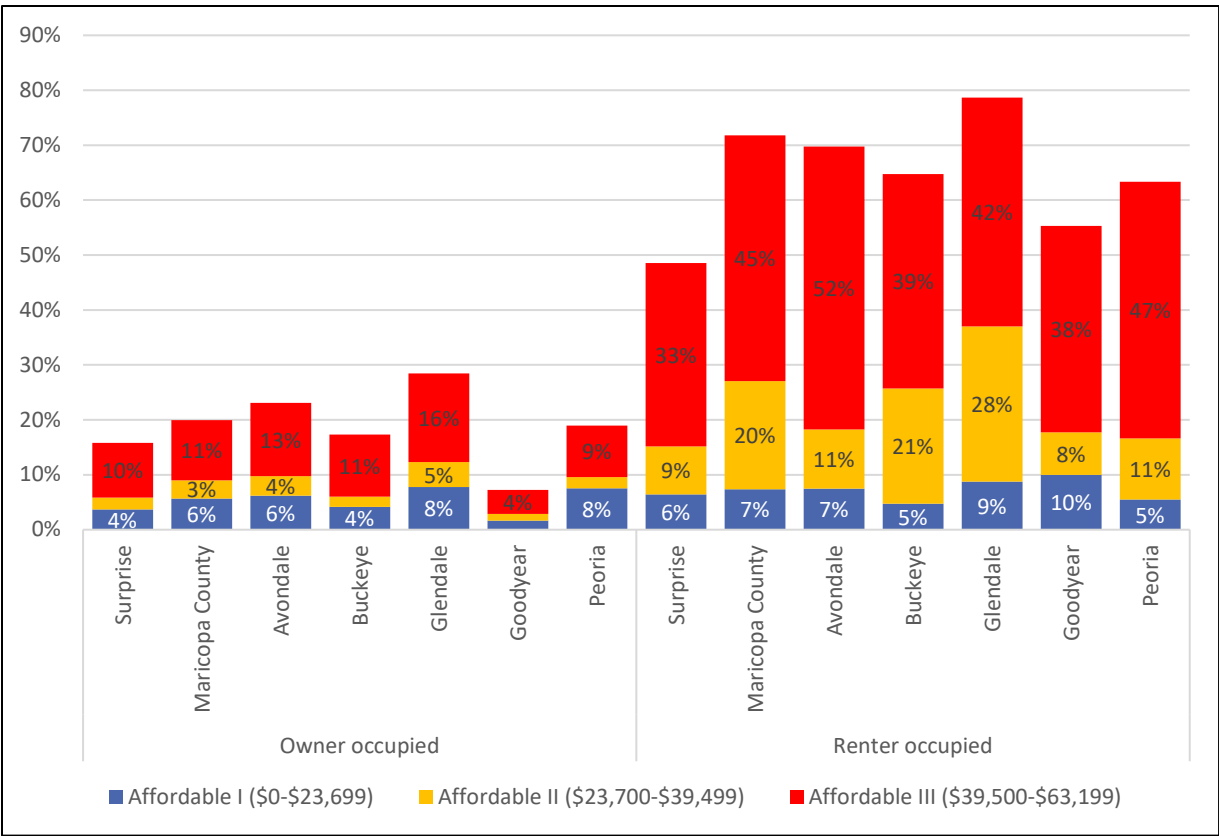
Moreover, because density shares a positive relationship with a property's value, any such program would not run afoul of the Private Property Rights Protection Act.



Key Findings and Implications

- Surprise has experienced astounding growth in recent decades, but its housing inventory has struggled to adapt accordingly. **Proportionally speaking, Surprise has fewer “affordable” renter-occupied units than Maricopa County as a whole and at least five other West Valley cities (see Figure 94). Further, by a substantial margin, it trails Avondale and Glendale in the percentage of “affordable” owner-occupied homes.** While such homes make up similar shares of Surprise’s and Buckeye’s inventories, the latter city boasts a richer supply of workforce owner housing. The greater availability of lower- and middle-income-oriented housing in surrounding communities likely hinders Surprise’s ability to attract and retain younger families in particular.

Figure 94. Affordable Homes as a Share of Occupied Housing Stock by Tenure



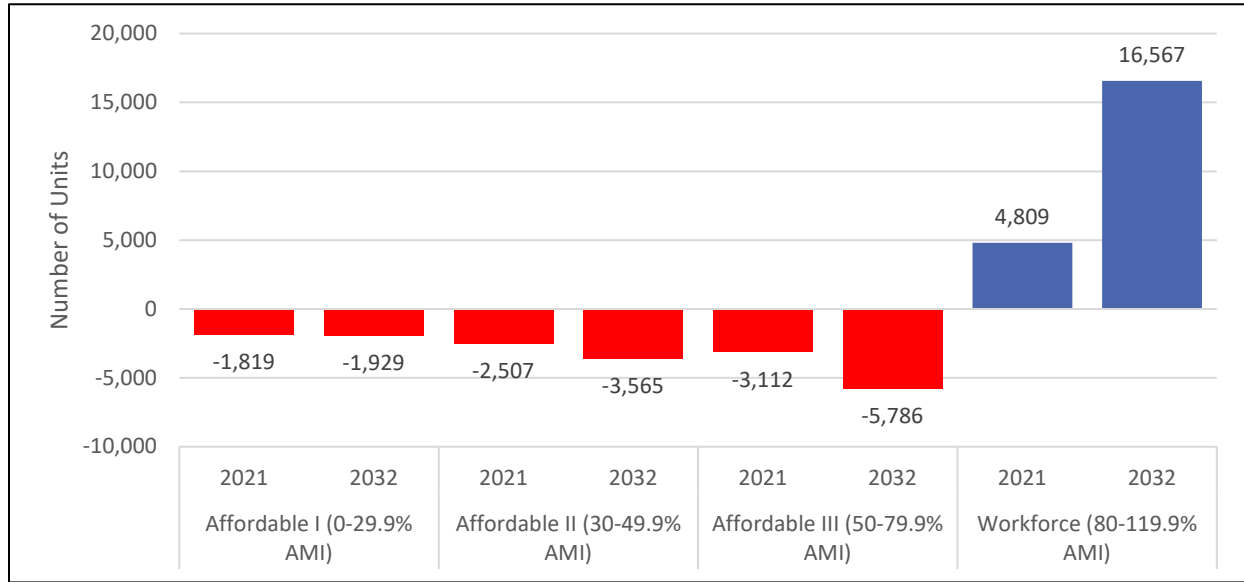
Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

- Incomes have failed to keep pace with rapidly escalating home sale prices and rents, leaving the city with a shortage of affordable homes for low-income households (see Figure 95). Prospective low-income home buyers commonly find themselves forced into workforce housing, which carries excessive costs for households earning below 80% of AMI, or \$63,200, despite being in oversupply. Similarly, Surprise suffers from a deficit of affordable rental units for households



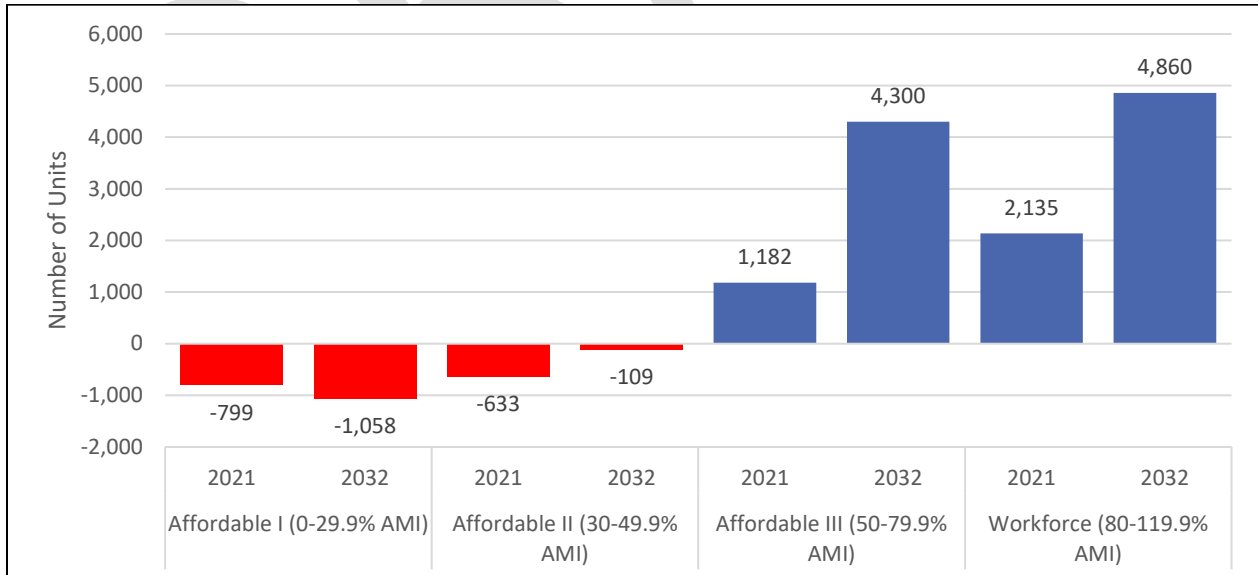
earning below 50% of AMI, or \$39,499 (see Figure 96). Due to their lower incomes, younger and senior households bear the brunt of these shortages. **Deficits are forecasted to grow through 2032, exposing Surprise to increased rates of homelessness and overcrowding.**

Figure 95. Supply-Demand Gaps in the Affordable and Workforce Segments of Surprise's Owner Market



Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.

Figure 96. Supply-Demand Gaps in the Affordable and Workforce Segments of Surprise's Rental Market

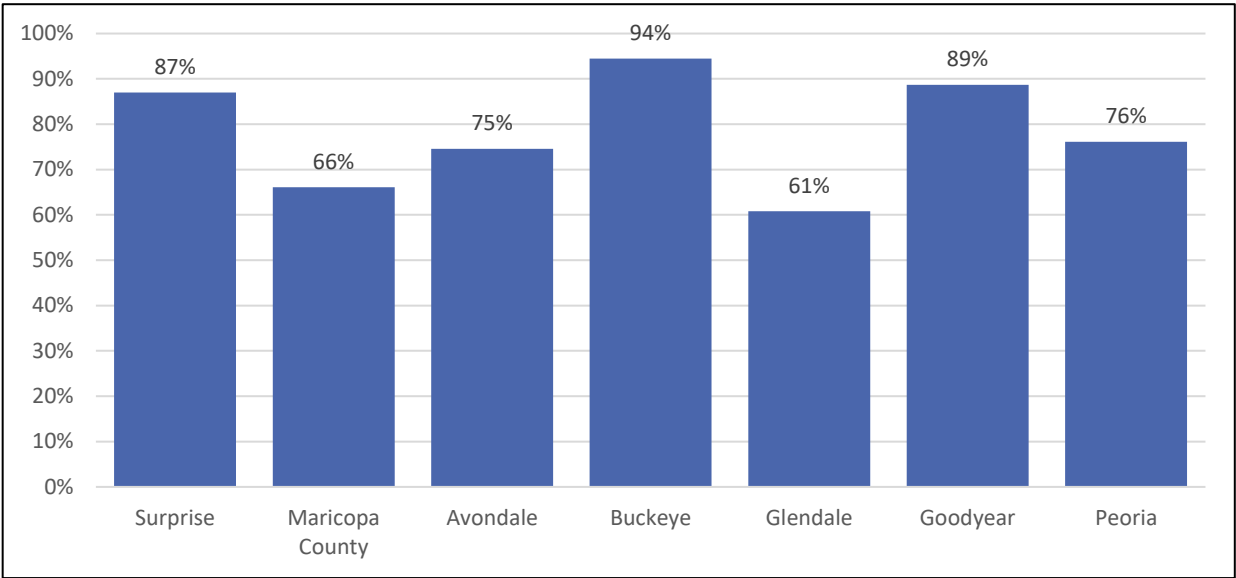


Source: Five-year American Community Survey (2021); Department of Housing and Urban Development; Matrix Design Group, Inc.



- **Surprise’s shortage of affordable rental housing has resulted in a sharp increase in the rate of cost-burdened or severely cost-burdened renters since 2020, with 53% of these households now spending 30% or more of their incomes on rent.** Housing costs generally do not place the same strain on homeowners, yet approximately a quarter of those with mortgages qualify as cost burdened or severely cost burdened. Surprise’s high rate of cost-burdened or severely cost-burdened households threatens its prospects for future economic growth, as residents with reduced disposable incomes are less inclined to dine out, consume entertainment, and participate in recreational activities.
- Detached single-family homes represent 87% of Surprise’s housing stock, making it less structurally diverse than those of Peoria and a number of other neighboring communities (see Figure 97). **The predominance of detached single-family homes, which tend to be more expensive than attached or multi-family alternatives, contributes to Surprise’s affordability challenges.** Surprise residents have an appetite for increased product type diversity, with 74% of survey respondents indicating it is at least somewhat important for Surprise to offer a wider array of housing options.

Figure 97. Detached Single-Family Homes as a Share of Occupied Housing Stock, 2021

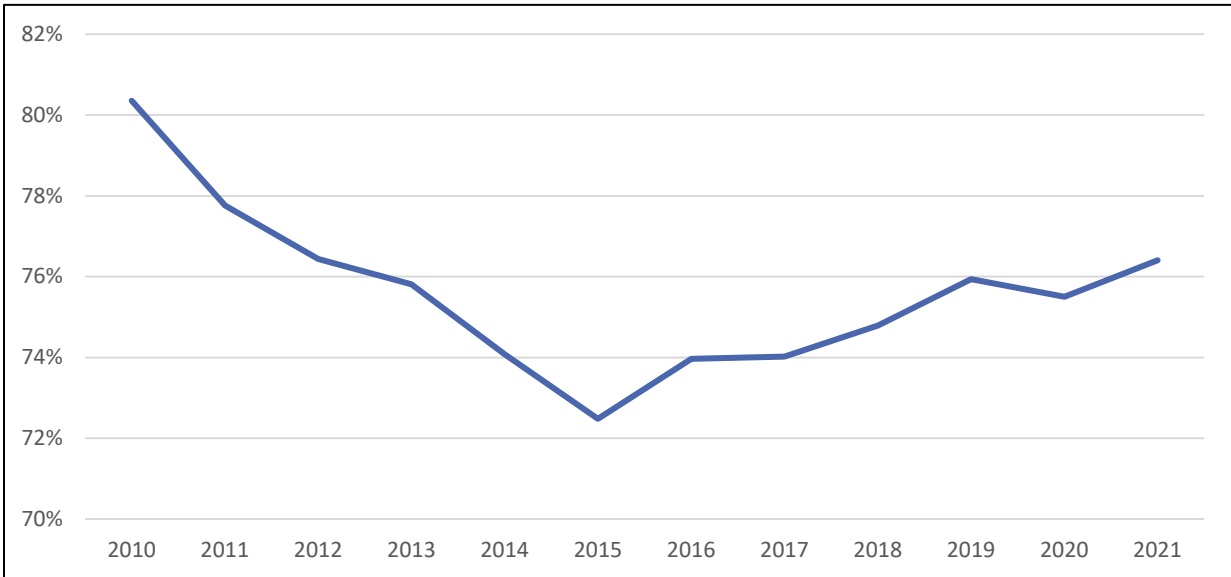


Source: Five-year American Community Survey (2021)

- While residents are generally content with their own housing situations, they acknowledge that the existing inventory is failing to accommodate the needs of the city’s growing population. There exists widespread concern that Surprise is unaffordable for young prospective home buyers, and a significant share of those currently renting in Surprise intend to buy their homes elsewhere. **The data bear out the notion that owning a home in Surprise is becoming increasingly unfeasible: Since 2010, Surprise’s overall homeownership rate has by fallen four percentage points (see Figure 98).** The decline has been even sharper among households led by residents below the age of 45, whose ownership rate now stands at only 60%. The growing inaccessibility of homeownership in Surprise severely limits the ability of young families to build intergenerational wealth.



Figure 98. Homeownership Rate in Surprise, 2010 to 2021



Source: Five-year American Community Survey (2010-2021)

- In order to meet these challenges, Surprise should implement a comprehensive housing strategy.** We recommend that public officials promote duplexes, triplexes, and accessory dwelling units through zoning changes, reductions in parking requirements, and financing programs. In addition to reducing or eliminating other burdensome regulations, the city should also implement voluntary incentive programs, such as density bonuses, that stimulate development. Other solutions exist at the state level. In particular, we recommend that Surprise stakeholders, developers, and leaders leverage the new state low-income housing tax credit and expanded Housing Trust Fund, as well as lobby for the passage of legislation that empowers localities to make their own housing policy decisions. Finally, we urge the city to support the admirable work of the Newtown Community Land Trust.

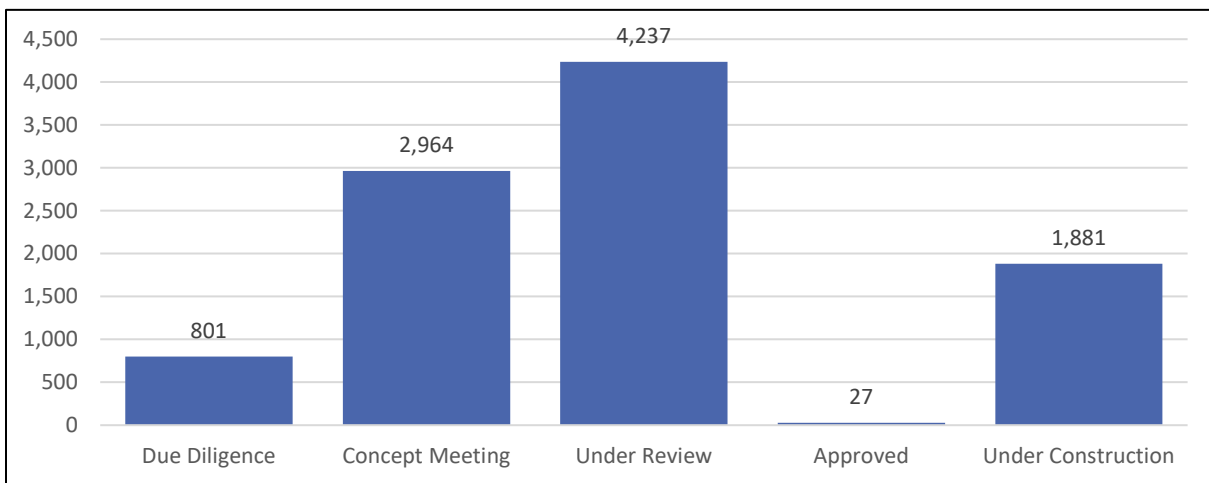
Appendix

Table 14. Examples of Group Quarters Facilities in Surprise

Facility Name	Address	Facility Type
Second Chance Group Homes	12129 West Bell Rd, Surprise, AZ 85378	Juvenile and adult group homes
A New Leaf West Valley Housing Assistance Center	12779 West Grand Ave, Surprise, AZ 85374	General emergency/transitional housing
St Vincent de Paul Society St Clare of Assisi Conference	17211 West Bell Rd, Surprise, AZ 85374	General emergency/transitional housing
RISE Services, Inc.	12129 West Bell Rd, Surprise, AZ 85378	Adult group homes
Surprise Homebase Youth Services	12215 West Bell Rd, Surprise, AZ 85374	Juvenile emergency/transitional housing
Hope House of Arizona Aging Out of Foster Care	16291 West Yucatan Dr, Surprise, AZ 85379	Young adult emergency/transitional housing

Source: Matrix Design Group, Inc.

Figure 99. Multi-Family Units in the Pipeline by Phase of Development, 2022



Source: City of Surprise



Table 15. Community Survey Questions and Responses

Question Text	Option 1	Option 2	Option 3	Option 4	Option 5	Option 6	Option 7	Option 8	Option 9	Option 10	Option 11
What is your age?	Under 18 (0%)	18-24 (1%)	25-34 (7%)	35-44 (18%)	45-54 (25%)	55-64 (21%)	65+ (28%)	—	—	—	—
Why do you choose to live in Surprise (Check all that apply)	I grew up here and consider Surprise to be home (4%)	To live near family or friends (30%)	To be close to work (14%)	Affordability of housing (35%)	Quality of housing (31%)	Access to job opportunities (5%)	Quality of schools (12%)	Safety from crime (40%)	Other (26%)	—	—
How long have you lived in your current housing?	Less than one year (10%)	1 to 3 years (20%)	3 to 5 years (18%)	5 to 10 years (18%)	More than 10 years (35%)	—	—	—	—	—	—
How satisfied are you with your current housing?	Very satisfied (37%)	Satisfied (43%)	Neutral (12%)	Dissatisfied (5%)	Very dissatisfied (3%)	—	—	—	—	—	—
How satisfied are you with the overall affordability and availability of	Very satisfied (11%)	Satisfied (34%)	Neutral (27%)	Dissatisfied (16%)	Very dissatisfied (11%)	—	—	—	—	—	—

housing in Surprise?											
How difficult was it for you to locate housing in Surprise?	Very difficult (5%)	Difficult (9%)	Somewhat difficult (26%)	Not difficult at all (60%)	—	—	—	—	—	—	—
Do you own or rent your home?	I rent my home or live in a home rented by someone else. (12%)	I own my home or live in a home owned by someone else. (86%)	None of the above. (2%)	—	—	—	—	—	—	—	—
If you are currently renting your home, do you plan to buy a home in Surprise in the future?	Yes, I plan to buy a home in Surprise within the next two years. (4%)	Yes, I plan to buy a home in Surprise within the next three to five years. (3%)	Yes, I plan to buy a home in Surprise at some point, but I am not sure when. (3%)	No, I plan to continue to rent in Surprise indefinitely. (3%)	No, I plan to buy a home outside of Surprise. (2%)	I am not a renter. (87%)	—	—	—	—	—
How important is it for Surprise to offer a wider	Very important (32%)	Important (20%)	Somewhat important (22%)	Not at all important (26%)	—	—	—	—	—	—	—



variety of housing options?											
How concerned are you about homelessness in Surprise?	Very concerned (32%)	Concerned (27%)	Somewhat concerned (24%)	Not concerned at all (18%)	—	—	—	—	—	—	—
What do you see as Surprise's most pressing housing issues? (Choose no more than three responses)	There is inadequate senior housing. (8%)	Younger people cannot afford to buy homes. (48%)	Rent is unaffordable. (45%)	Homes are in poor condition or too old. (2%)	Local leaders are not doing enough to combat homelessness. (14%)	Single-family homes are in short supply. (15%)	There are not enough apartments. (9%)	Affordable homes are far from work, school, or retail centers. (11%)	Affordable homes are in unsafe neighborhoods. (13%)	There are not currently any pressing issues. (13%)	Other (30%)
Thank you for taking the time to share your feedback. If you have any additional comments about housing in Surprise, please	Available upon request.	—	—	—	—	—	—	—	—	—	—

provide them below.											
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Source: Matrix Design Group, Inc.

Note: N = 285.



SURPRISE

ARIZONA

City of Surprise, Human Service and Community Vitality Department
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June 14-15, 2023



SURPRISE

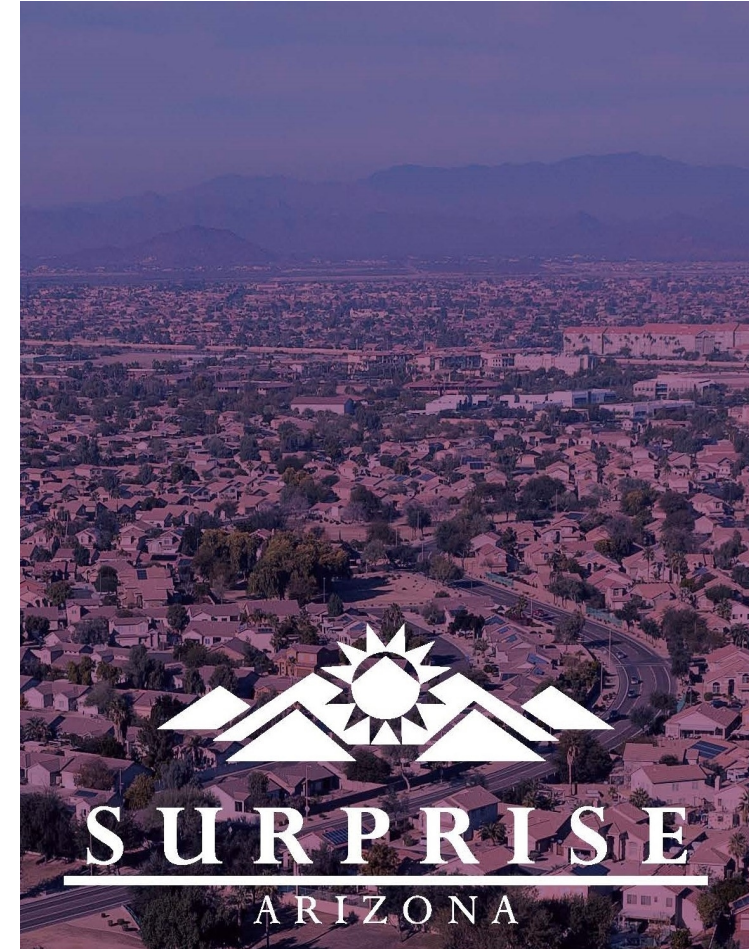
ARIZONA

City of Surprise Housing Study



Agenda

- Introduction
- Housing Study Findings
- Housing Strategy Overview



Introduction

Joining You Today



Zakary Payne, PE
Director of Government
Consulting Services



Christian Caron, PhD
Senior Research Analyst



Robert Mansolillo
Planner

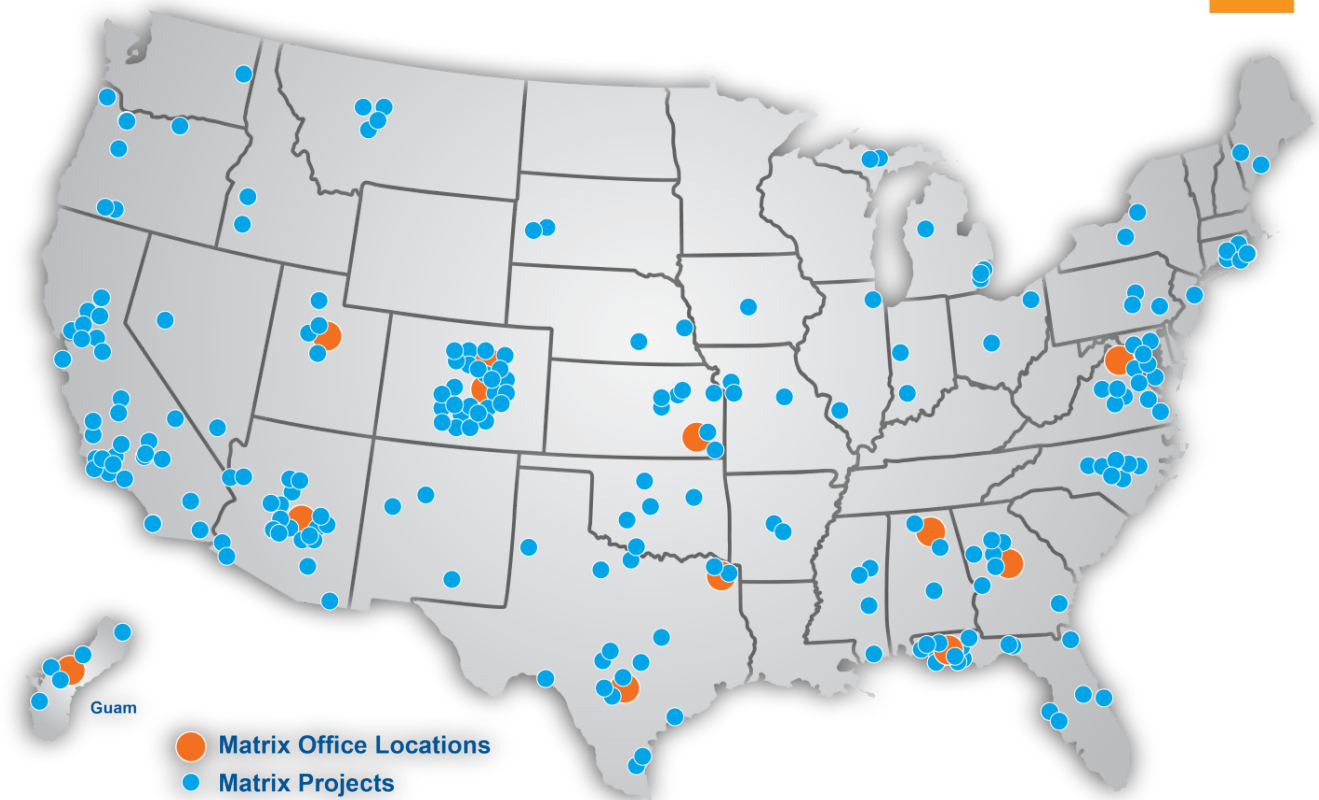
About Us

Matrix Design Group

- Founded in 1999
- Employee-Owned
- 200+ Employees
- 12 offices
- Interdisciplinary

Our Team

- Government Consulting Services
- Nationally recognized military planners, engineers, and economic analysts



Background

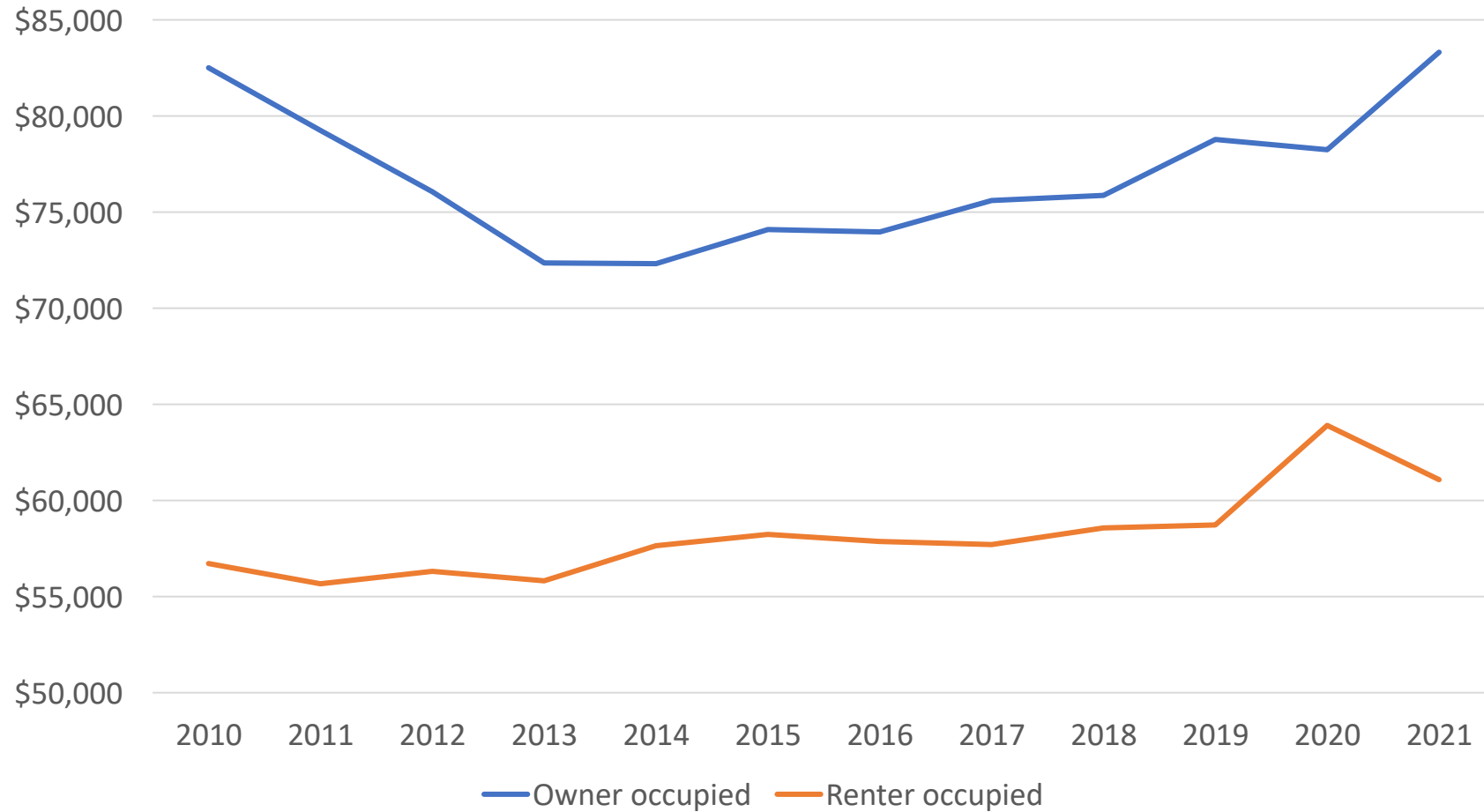
- **Matrix retained in November 2022 to complete the study**
- **Tasks**
 - Produce a report that provides the City a basis for formulating housing priorities, policies, and intervention strategies
 - Population and demographic profile
 - Housing inventory and market demand analysis
 - Housing needs assessment
 - Comprehensive housing strategy
 - Educate and engage the community



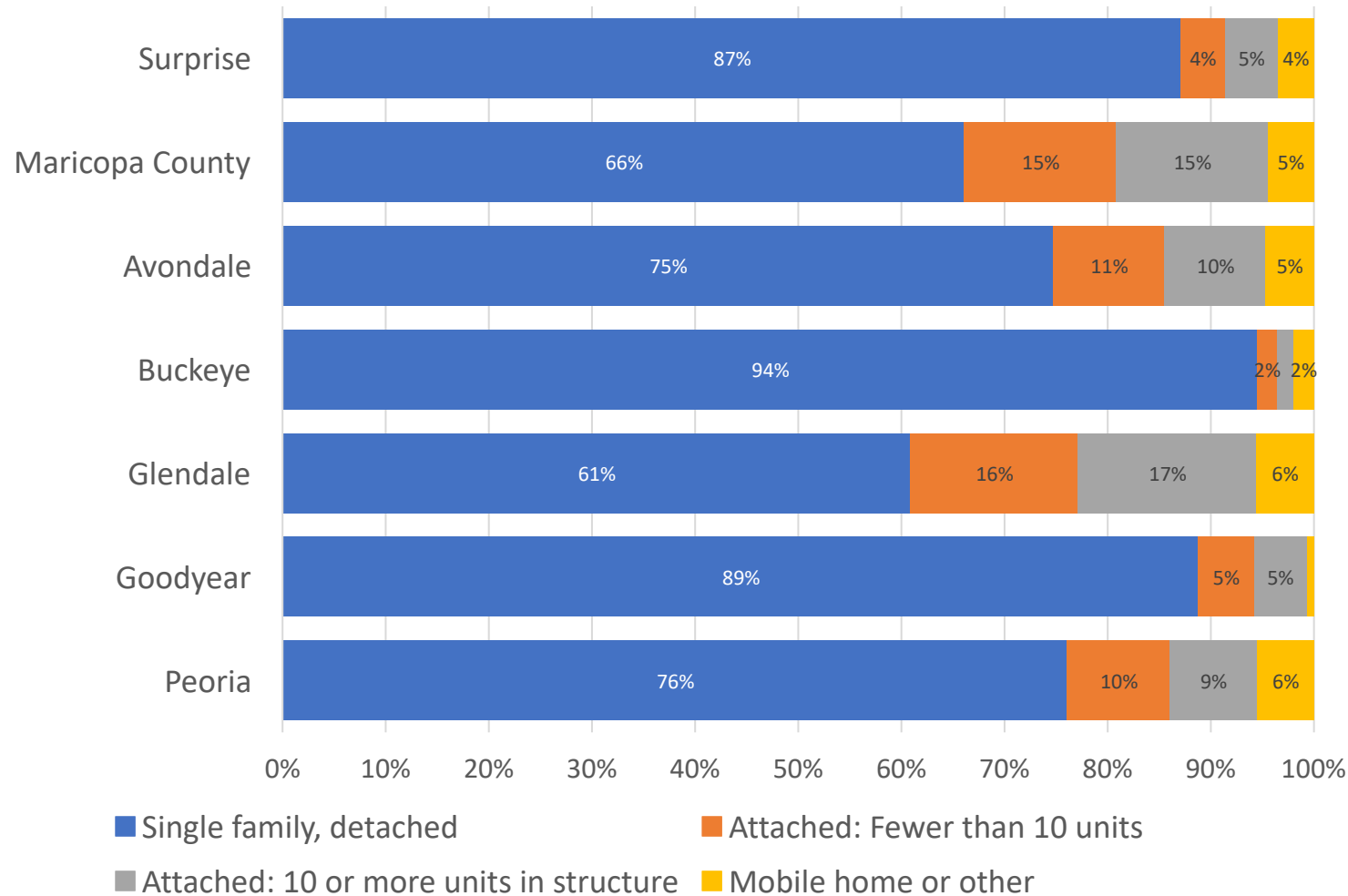
Housing Study Results



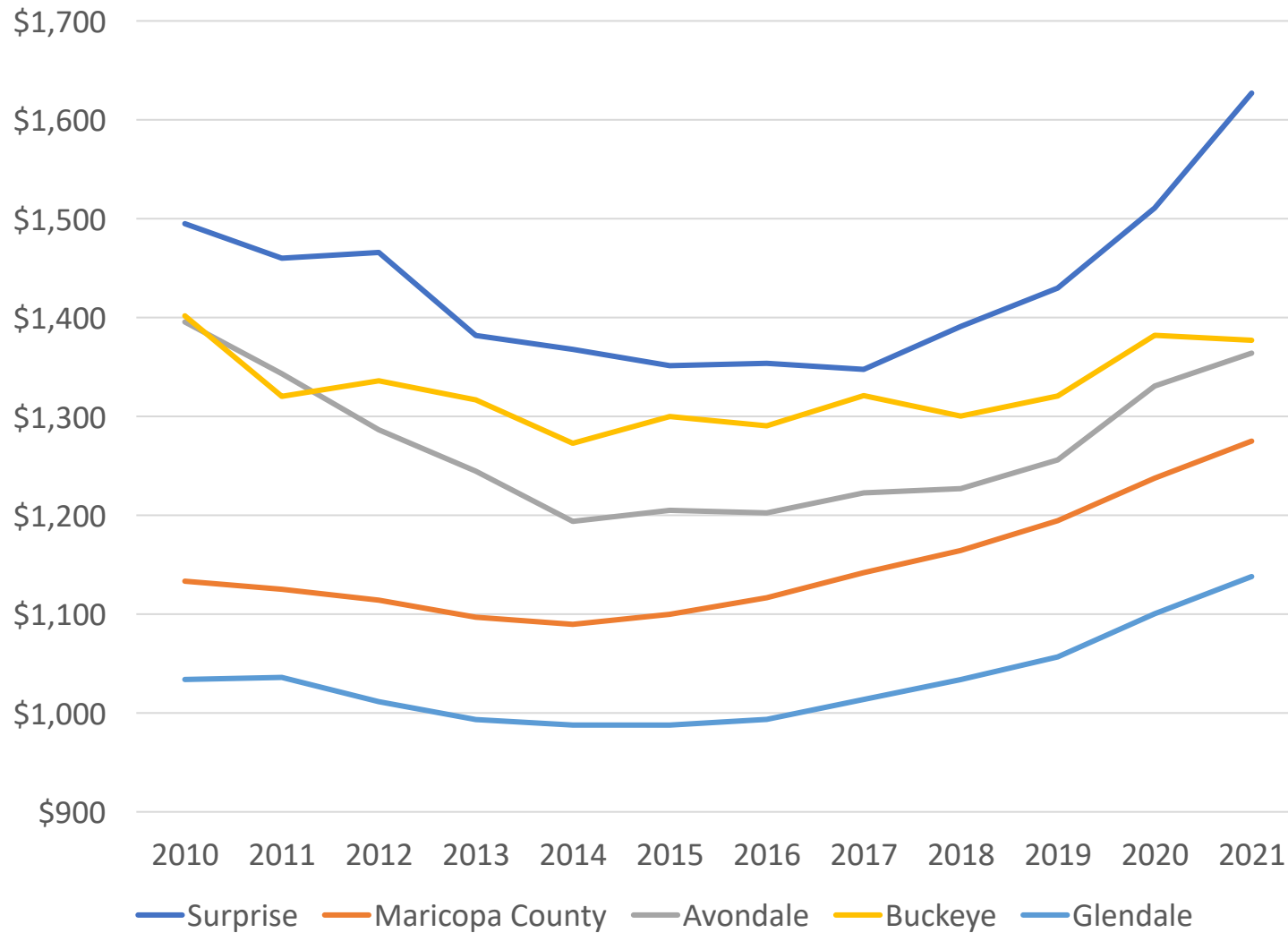
Median Household Income by Tenure, 2010-2021



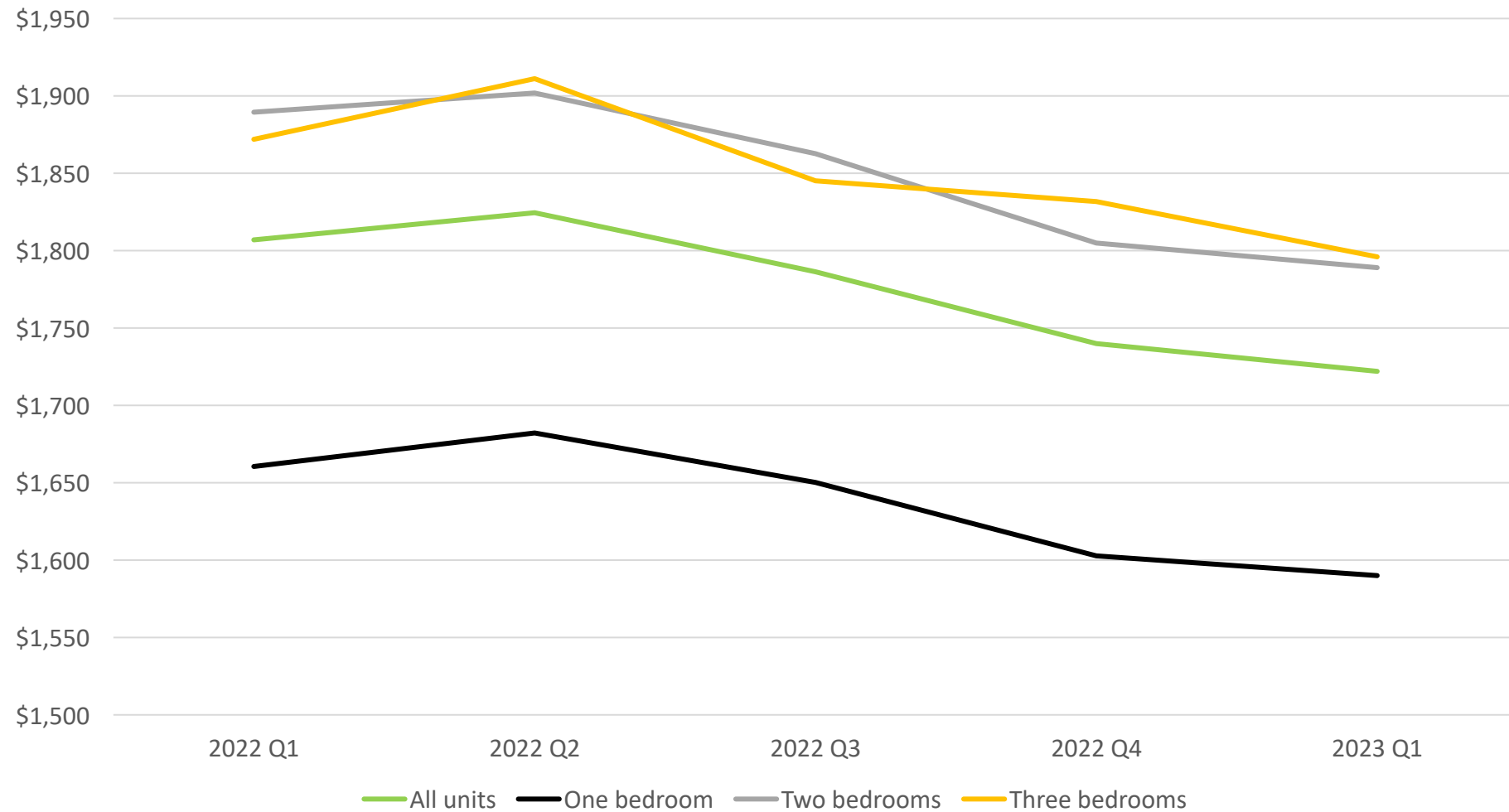
Structural Characteristics of Housing Stock, 2021



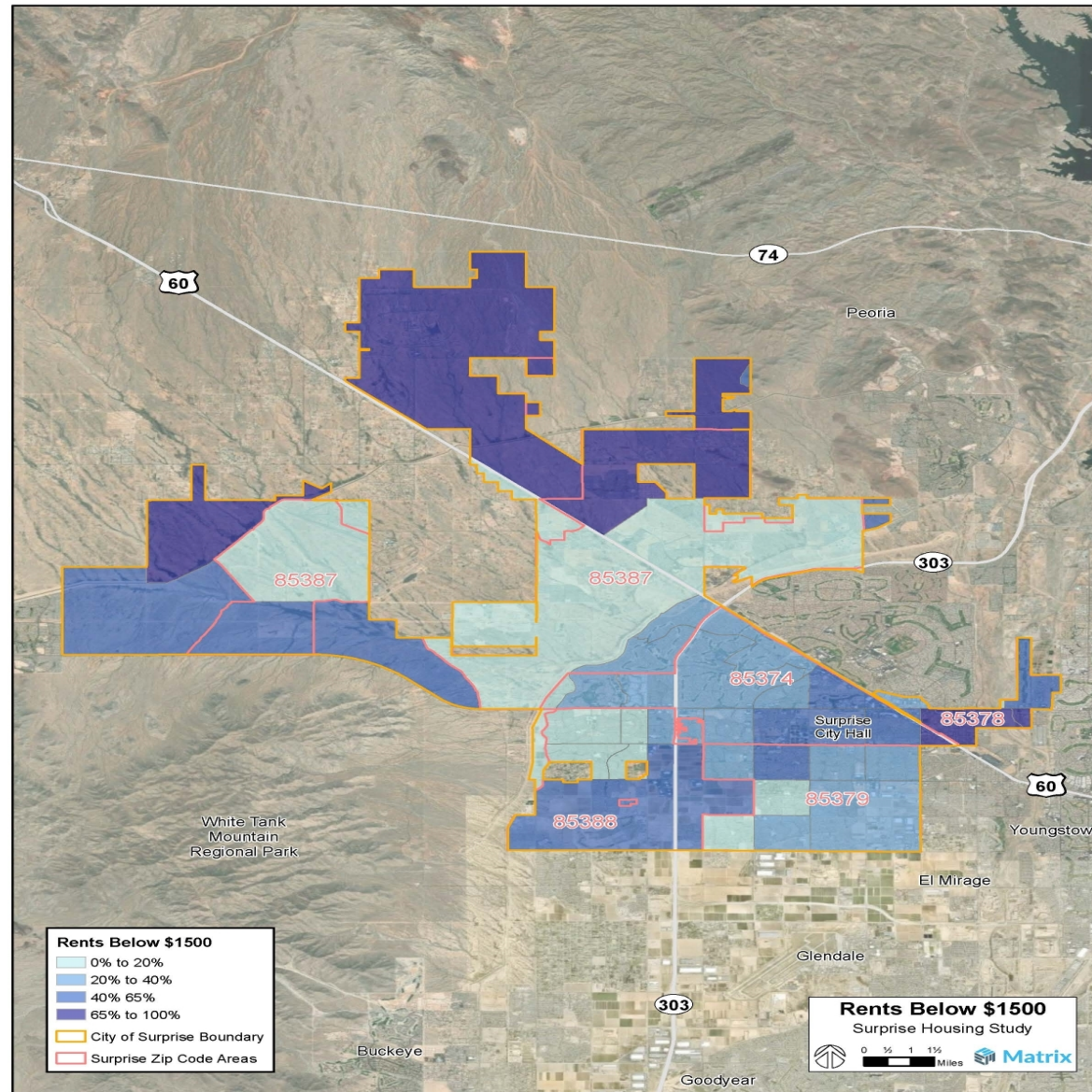
Median Gross Rent, 2010-2021



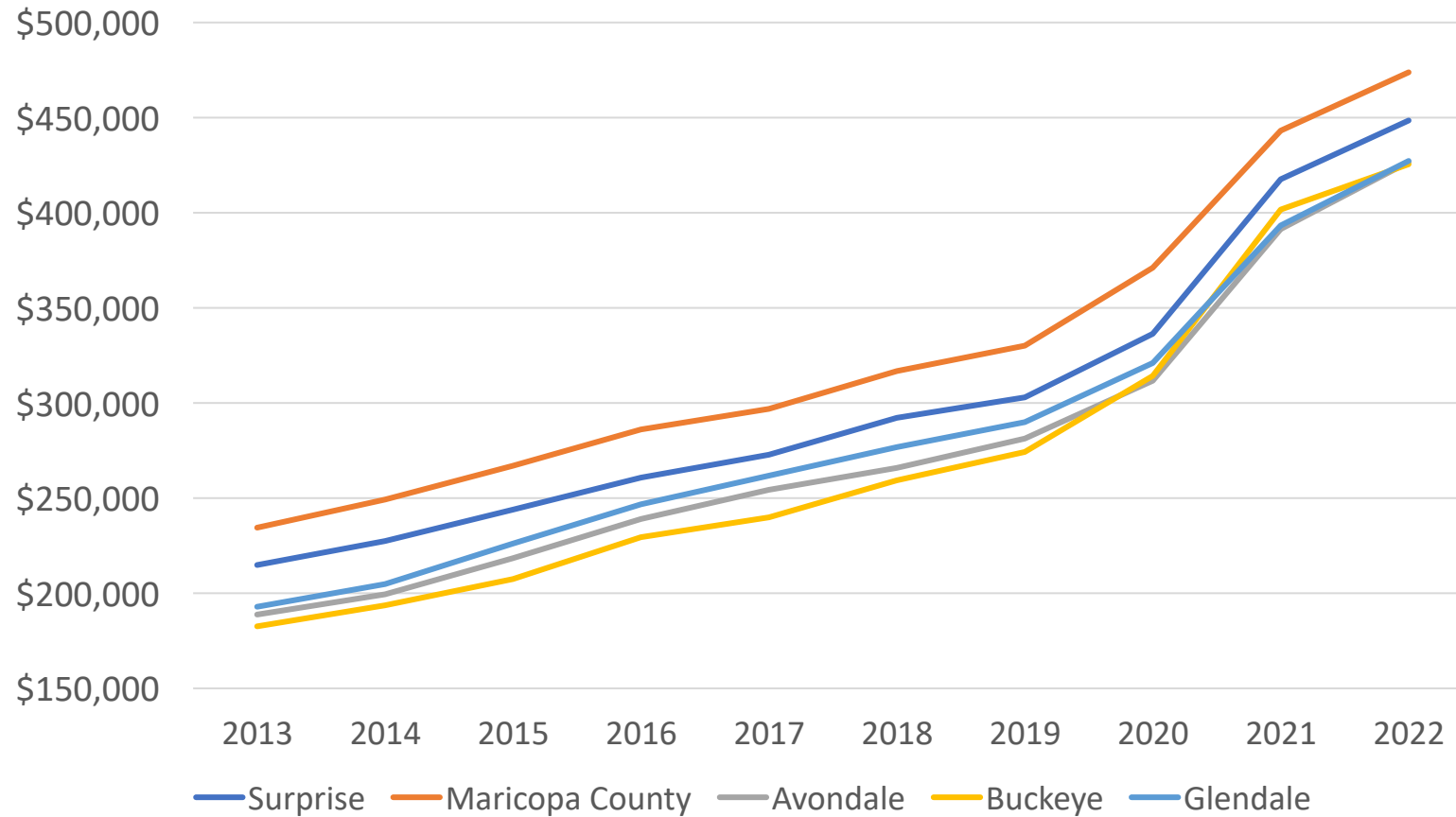
Average Gross Rent, 2022 Q1-2023 Q2



Intracity Variation in Rents, 2021



Median Home Sale Price, 2013-2022

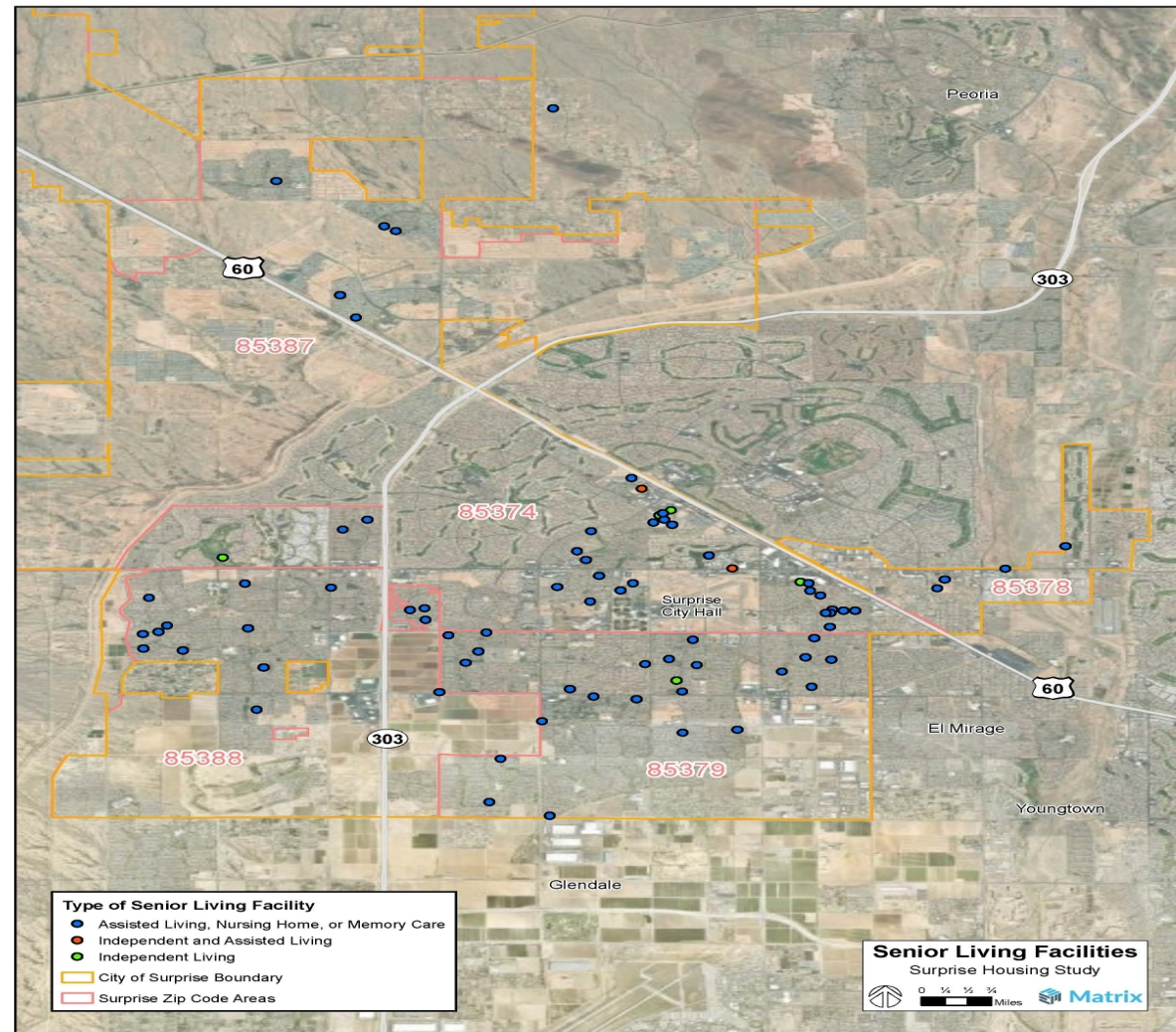


Cost-Burdened Renters and Homeowners

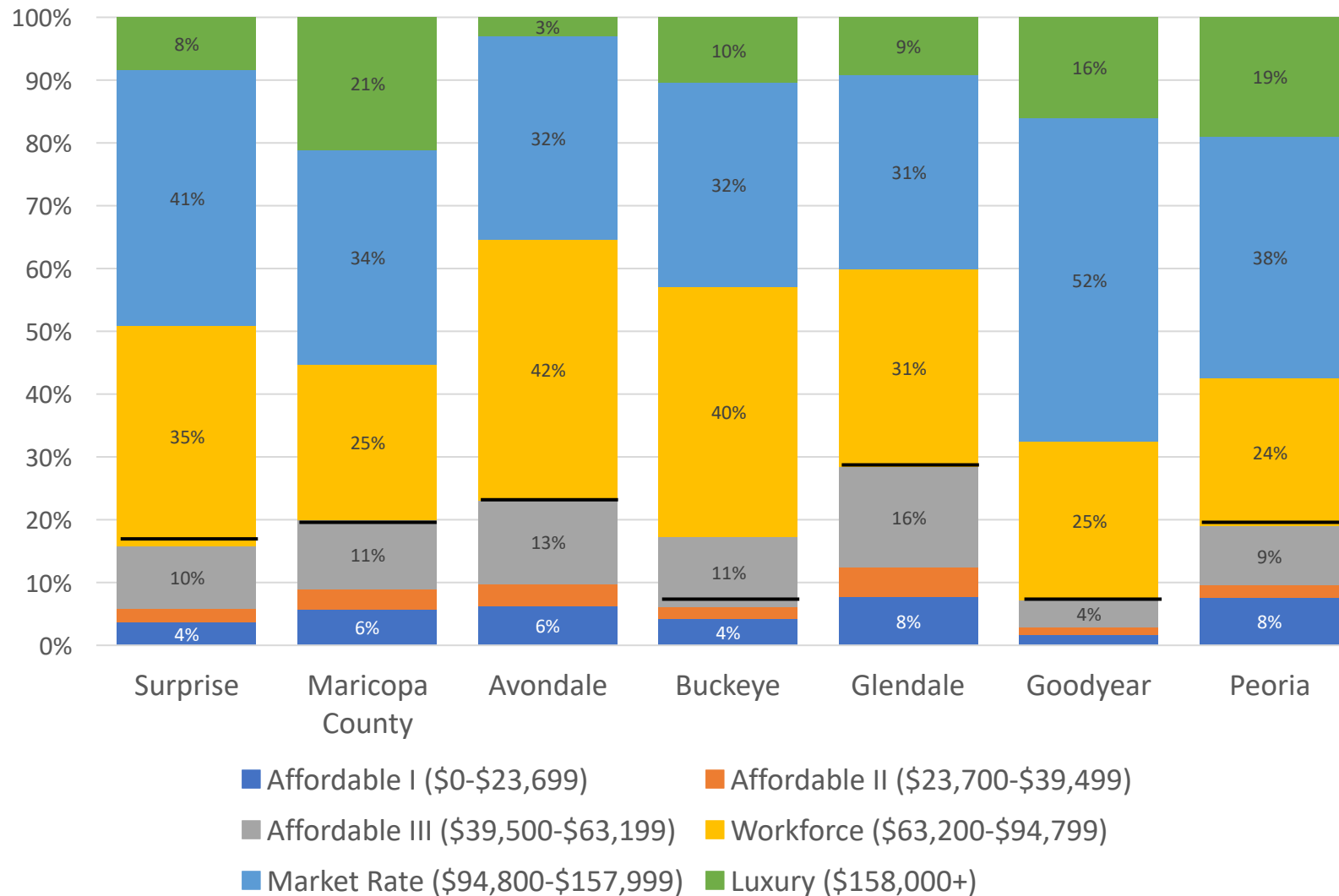
- Households that spend 30% or more of income on housing are considered cost burdened
- 53% of renter households in Surprise are cost burdened, compared to 25% of owner households
- Surprise households dependent upon a single income typically fail to meet the 30% threshold
 - Median earnings in only three industries (utilities; mining, quarrying, and oil and gas extraction; and public administration) are high enough to afford median rent, while only two industries (utilities and mining, quarrying, and oil and gas extraction) typically pay enough to afford median homeownership costs

Senior Housing Overview

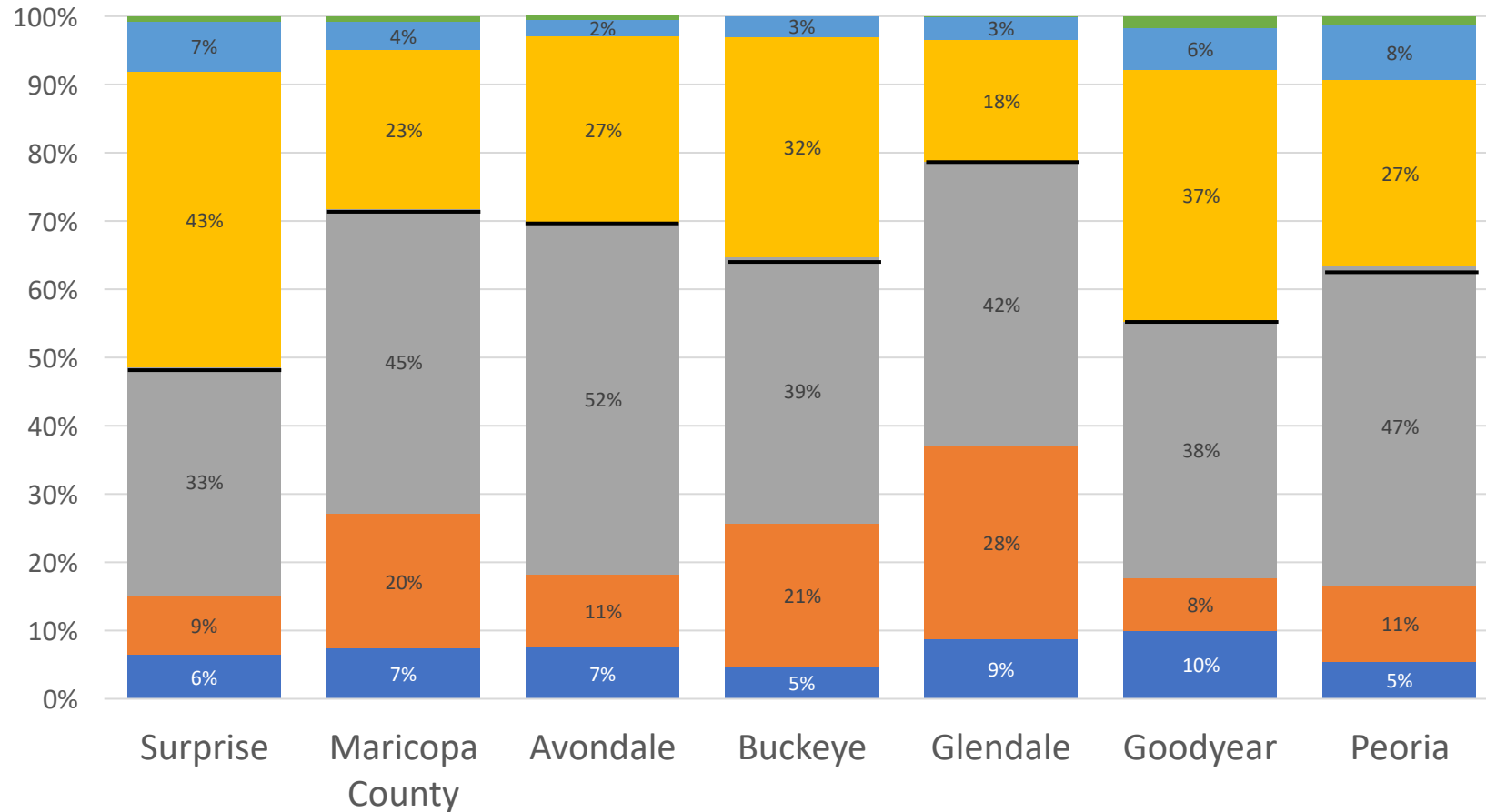
- **23% of population is 65+**
 - 9% of seniors experience an independent living difficulty
- **82 senior living facilities**
- **\$2,089 average gross rent and 12% vacancy rate in independent living communities**
- **Assisted living and memory care cost upwards of \$4,000 per month**



Occupied Owner Stock by Affordability Range, 2021

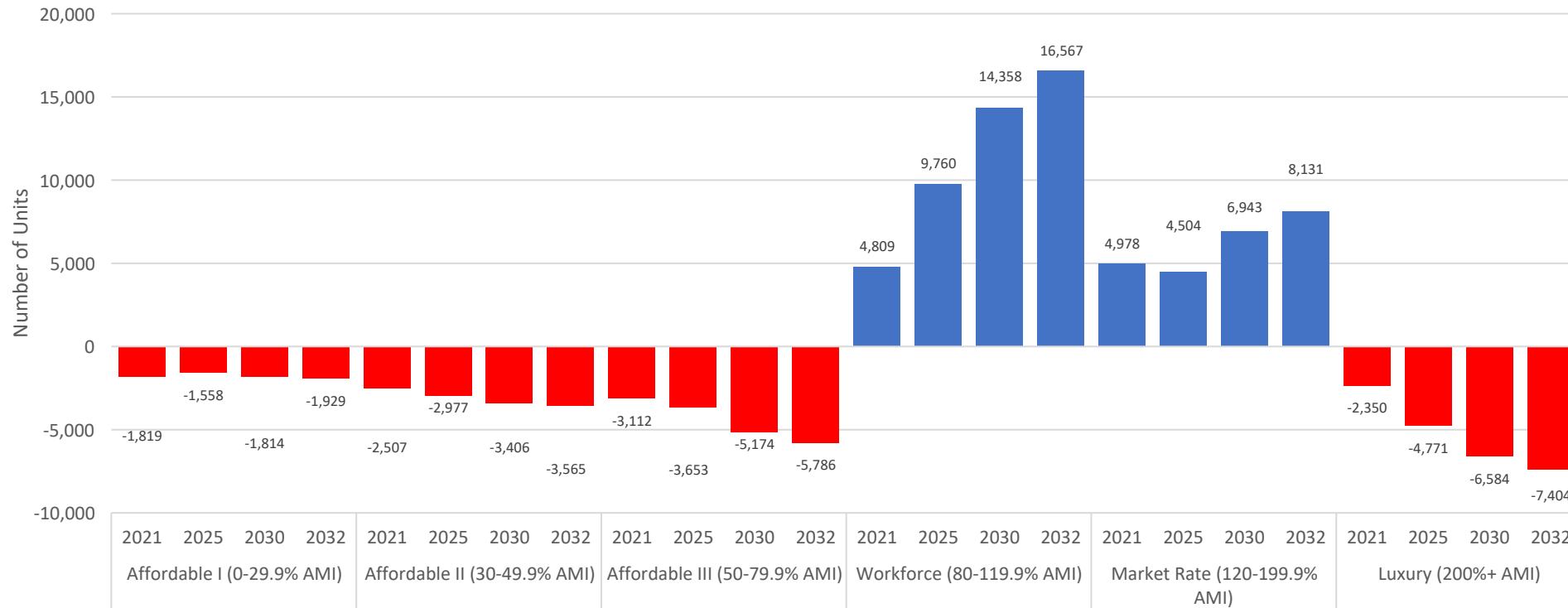


Occupied Rental Stock by Affordability Range, 2021

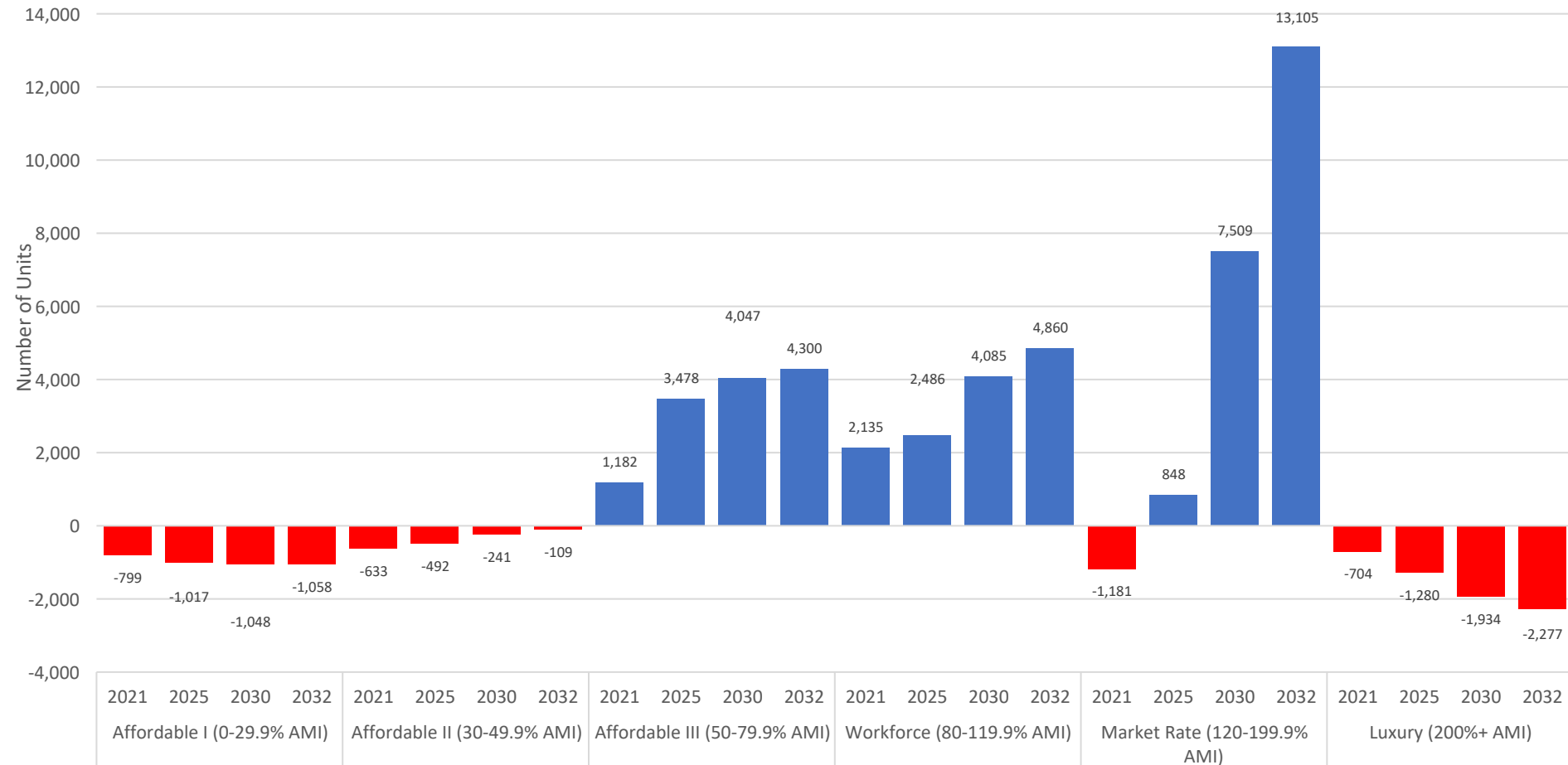


- Affordable I (\$0-\$23,699)
- Affordable II (\$23,700-\$39,499)
- Affordable III (\$39,500-\$63,199)
- Workforce (\$63,200-\$94,799)
- Market Rate (\$94,800-\$157,999)
- Luxury (\$158,000+)

Actual and Projected Gaps in the Owner Market



Actual and Projected Gaps in the Rental Market



Housing Study Conclusions

- **Renter incomes have failed to keep pace with rising rents, leaving most renters cost burdened**
- **Surprise has among the lowest share of affordable rental units in the West Valley**
- **The most affordable rental units are likely to continue to be in short supply as surpluses of workforce and market rate units emerge**
- **Homeownership has become out of reach for many due to rapidly increasing home prices**
- **Deficits of affordable and luxury owner homes are expected to grow in the coming years**

Housing Strategy Overview

Potential Solutions

- **Allow duplexes and triplexes in residential rural (RR) and residential low-density (R-1) districts and reduce off-street parking requirements**
- **Finance accessory dwelling units through zero-interest loans or grants and loosen zoning restrictions**
- **Leverage AZ's new low-income housing tax credit and expanded Housing Trust Fund**
- **Augment the Newtown Community Land Trust**
- **Lobby state leaders to pass legislation empowering local governments to establish land banks and fund housing projects through tax increment financing (TIF)**
- **Offer developer incentives, such as density bonuses, and reduce/waive impact fees and other burdensome regulations**

Thank you!
We welcome any comments or questions