

Call to Order: Mayor Wolcott called the Special City Council Meeting (Council Retreat) to order at 8:37 a.m. at the Surprise City Hall Community Room located at 16000 N. Civic Center Plaza, Surprise, Arizona 85374.

Roll Call: In attendance with Mayor Wolcott were Vice-Mayor, Skip Hall; Councilmembers Roland Winters; Jim Biundo; John Williams; Rachel Villanueva and Todd Tande.

Staff Present: City Manager, Chris Hillman; City Attorney Misty Leslie; Asst. City Attorney, Donna Bronski; Assistant City Attorney, Julie Kriegh; Cindy Coen, Senior Analyst; Asst. City Attorney, Debbie White; ACM, Jeff Mihelich; IT Director, Tammie Hollowell; Public Works Director, Dick McKinley; Communications Director, Ken Lynch; Asst. Police Chief, Don Schneidmiller; Asst. Fire Chief, Darrell Johnston and City Clerk, Sherry Ann Aguilar.

Public Present: Andy Cepon, Surprise resident.

Item 1: Consideration and action on the minutes of November 9, 2013 Special City Council Work Session - APPROVED

Council Member Biundo made the motion to approve the minutes of November 9, 2013 Special City Council Work Session. Council Member Winters seconded the motion. Seven yes votes. Motion carried.

Item 2: Presentation and Discussion related to:

City Attorney, Misty Leslie opened discussion highlighting various PAD maps; Village Plan Map; Wildlife Linkage Corridors and Noise Corridors.

- I. November Retreat Summary – Revisited the maps that were created during the discussion that took place at the November 2013 Retreat. Mayor Wolcott commented that there is one gateway that we forgot to mark on the west side of White Tanks and would like this acknowledged.
- II. Development Overview: General Plan to Site Plan
- III. Climbing the Development Pyramid

- a. General Plan
- b. Strategic Plans – this was updated at the November retreat. Water Master plan, transportation plan; Sports/Recreation Master plan and Parks and trails master plan.
- c. Specific Plans – Village Concept – 2035 Villages Map. Village Plans 1 & 3 were already adopted; and Village 5 is under construction. The others have not been addressed. Councilmember Biundo expressed concern about the issue of connectivity. How do we create the sense of a unified City when we have segments in the context of the City, and some of the village areas are not within the City limits. We need additional discussion about villages in general.
- d. Zoning and other tools – zoning; development agreements; infrastructure and platting. The players in the process; city council; zoning administrator; planning and zoning commission and board of adjustment. Mayor Wolcott asked when was the approval process be turned over to planning and zoning? Attorney Leslie commented that she not was sure on a date. The document was approved by the City Council in the SUDC. The Board of Adjustment is a quasi-judicial body and the final decision maker.
- e. Development team – management; planning staff; legal development committee
- f. Platting and Site Plan Review

Review of what is zoning? Legislative act; enforcement document.

- What is a zoning ordinance?

Mayor Wolcott – Zoning ordinance questions and clarification.

Councilmember Biundo – noticed to whom and how? Statutory requirements.

Vice Mayor Hall – Questioned the process for permitted uses for strategic pieces of property.

Attorney Leslie continued with powerpoint presentation.

- Zoning is your principal tool to meet your goal.
- Stipulations/conditions - In order to be effective, has to be in the body of the ordinance that you pass.
- Hard zoning/overlay districts

Mayor Wolcott – When does an overlay become a burden to the landowner? There can be exceptions.

CM Hillman – how do these overlay districts coincide with our current development agreements?

Mayor Wolcott – We are changing our focus on development, so now using these tools, how do we change the path we have been taking?

- Entitlement vs. vesting

Vice Mayor Hall – at what point would be considered vesting? Dirt moving, permits, etc., what constitutes that the property is vested?

State Land vs. City Zoning – All based around money. Council Member Tande, can we earmark the funds for schools in Surprise? Bronski - State funding source.

- Open Space Zoning
- Proposition 207
- Private property

Mayor Wolcott – We can make an argument for high end executive housing – start with foundational idea when the developers approach us, ask them to look at our vision. This is the direction we are trying to encourage everyone to go to.

Attorney Leslie - A lot of our Development Agreements don't have specific timeframes, newly approved ones will have a clear enforceable time frames such as 10 years, etc. We have 85 current agreements.

Vice Mayor Hall – Value is very tricky, comparison of nice homes in a non comparable area. Take developers who have entitlement and place on graph to show what types of developments we are going to have. Attorney Leslie, will do a presentation on density.

Councilmember Biundo, current development agreements, are they subject to discussion or not? Some that have been built out, but not expired, it really depends on the stipulations. We need to prioritize the areas we are going to focus on.

Councilmember Tande commented that with the data we have in our database, it should be doable. Attorney Leslie, they are poorly drafted and not consistent.

Attorney Bronski, development agreements are for having certainty for both developer and the City moving forward, and they are contracts, consideration.

- Platting – Preliminary and final plats

Councilmember Tande – Process seeing it coming at least 6 months in advance before Council votes on items, want to rely on City staff.

Mayor Wolcott commented that the development team will help with this process.

Councilmember Williams – When the final plat gets to Council, my interpretation is that we vote yes on it.

- Annexation Process

Councilmember Tande, what is involved with annexations, parcels, property owners? Are all types included?

- GPLET – Government Property Lease Excise Tax program
- Job Training Credits
- Creative Incentives
- Special Districts – SLIDS, parkway Imp Districts, enhanced Municipal Service Districts
- Community Facilities Districts

City Manager Hillman brought up the issue of Marley Park CFD and bonding capacity. Had high reserve, may be coming forward this year asking to release bonds.

Vice Mayor Hall – What is the requirement for the developer to disclose that the development has a CFD? Asst. Attorney Bronski, vigorous statute requirements to disclose that the development has a CFD. I was informed when we bought our home that there was a CFD.

Council Member Williams, this has been an issue for years, especially Luke Air Force Base and CFD's.

Attorney, we will research authority.

Break 10:10 a.m. to 10:30 a.m.

Continuation of discussion of powerpoint presentation.

- Governing Financing Tools
- Partnerships
- Things to consider

Vice Mayor Hall made the motion to adjourn the Special City Council Meeting at 10:33 a.m. and enter into executive session. Council Member Williams seconded the motion. Seven yes votes. Motion carried.

Reconvened Special Council Meeting at 12:05 p.m.

Continuation of discussion:

Future Items – Council Member Tande – Raise Bond Ratings; median strips that are in the City that don't have plants citywide;

Councilmember Williams – Development Agreements within Village 2; infill issues; strategic plan, add a pillar – consider recreation as a separate pillar;

Councilmember Villanueva – I want to see what we are going to do with the OTS – Needs upgrading, what's priority.

Councilmember Biundo – Discuss Villages, statuses, etc.

Adjournment:

Council Member Winters made the motion to adjourn the Special City Council Meeting at 12:13 p.m. Vice Mayor Hall seconded the motion. Seven yes votes. Motion carried.

Sharon R. Wolcott, Mayor

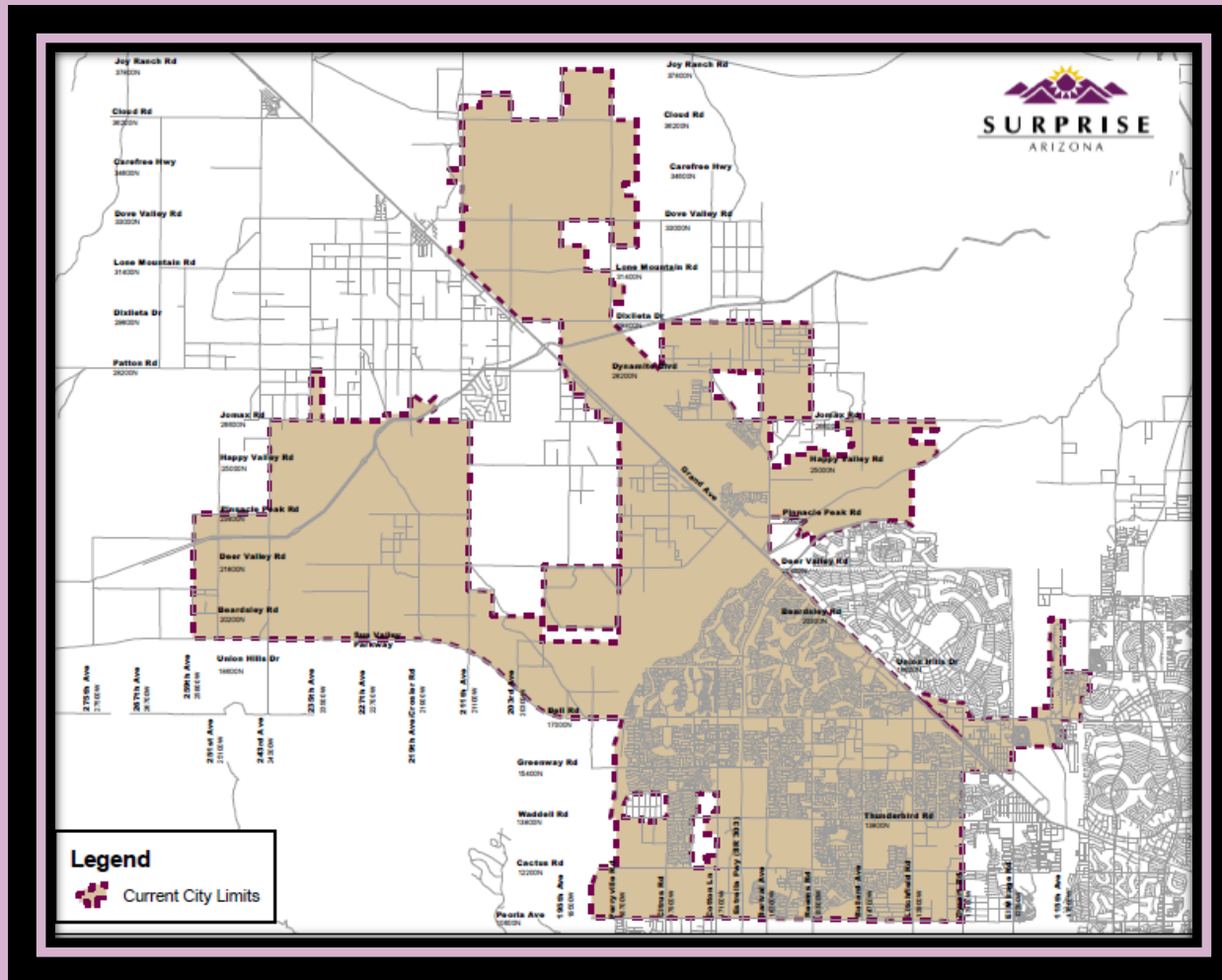
ATTEST:

Sherry Ann Aguilar, City Clerk

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Special City Council Meeting of **Saturday, March 1, 2014.**

Sherry Ann Aguilar, City Clerk



Toolbox – General Session

3/3/2014

The City of Surprise, Arizona



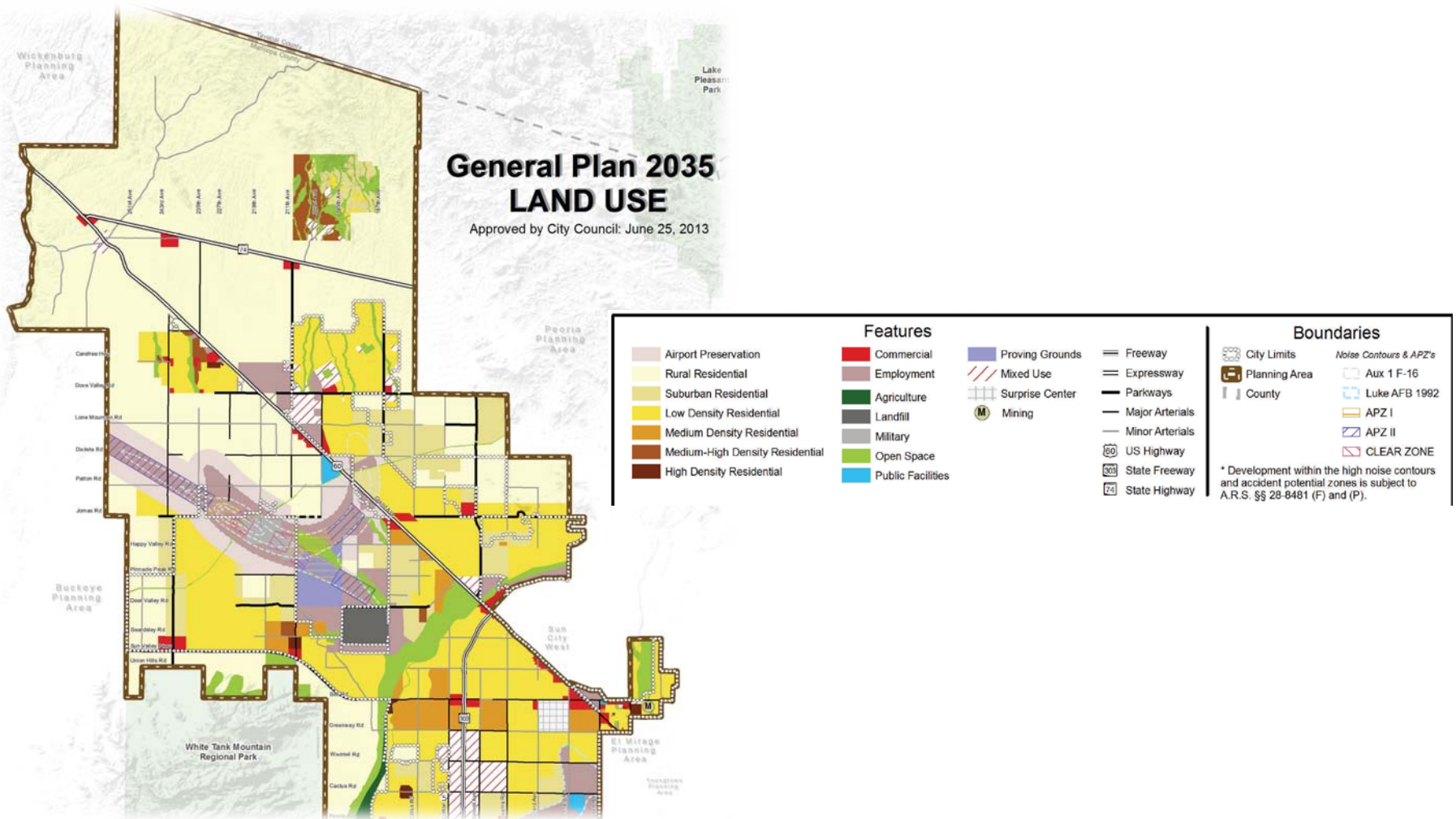
Planning Pyramid

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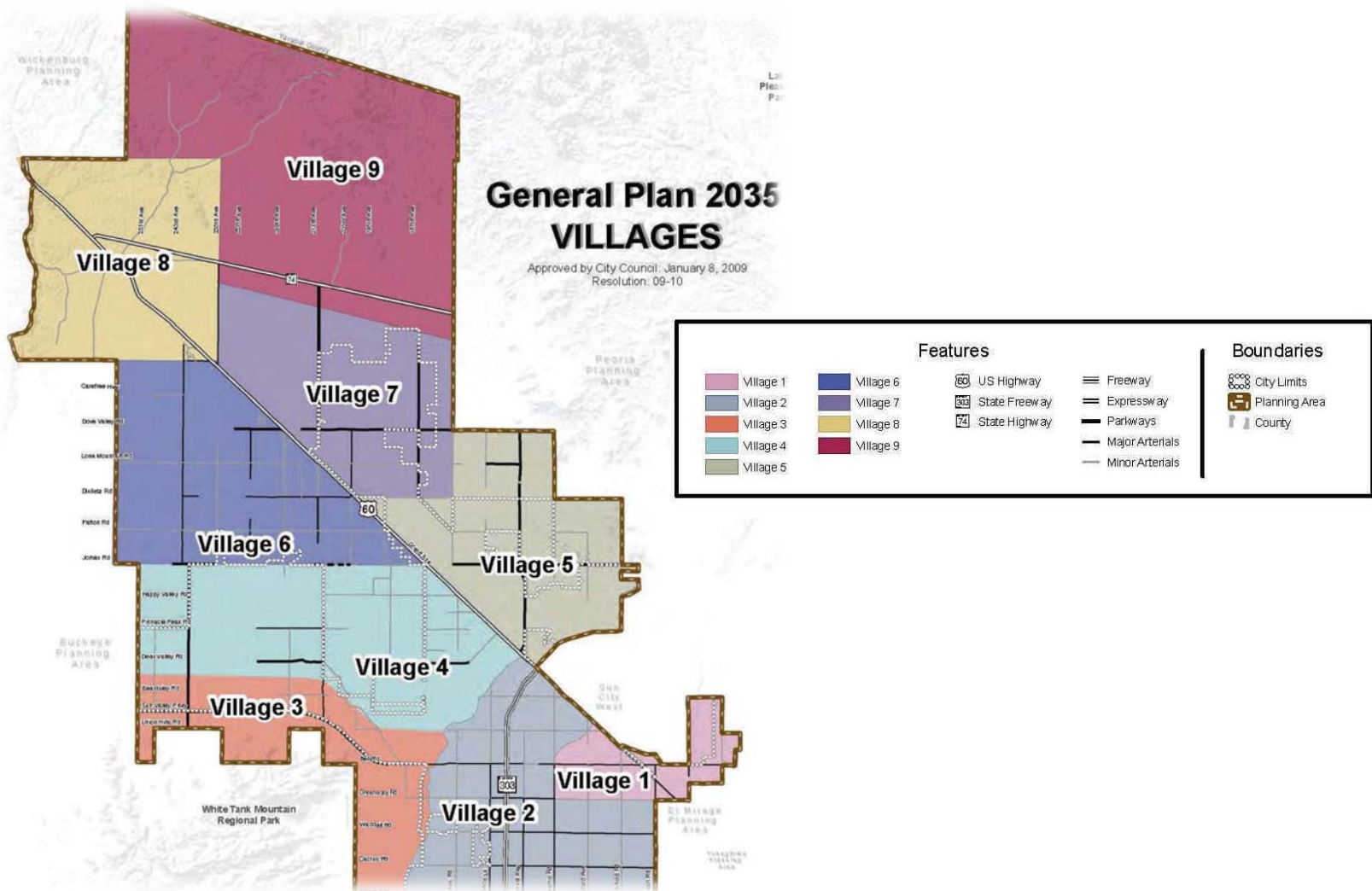
2035 Land Use Map

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2035 Villages Map

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Strategic Plans

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- The “Strategic Plan” – Updated at Budget Retreat
- Master Plans – Being Updated
 - ▣ Water Master Plan
 - ▣ Transportation Master Plan
 - ▣ Sports/Recreation Master Plan
 - ▣ Parks & Trails Master Plan
- Other Council Policies
 - ▣ Annexation Policy

The Strategic Plan

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- “Develop a high standard of community life through shared vision, superior service, and sustainable practices.”
- Strategic priorities:
 - Transportation
 - Economic development
 - Community lifestyle
 - Sustainability
 - Tourism
 - Education
 - Public safety

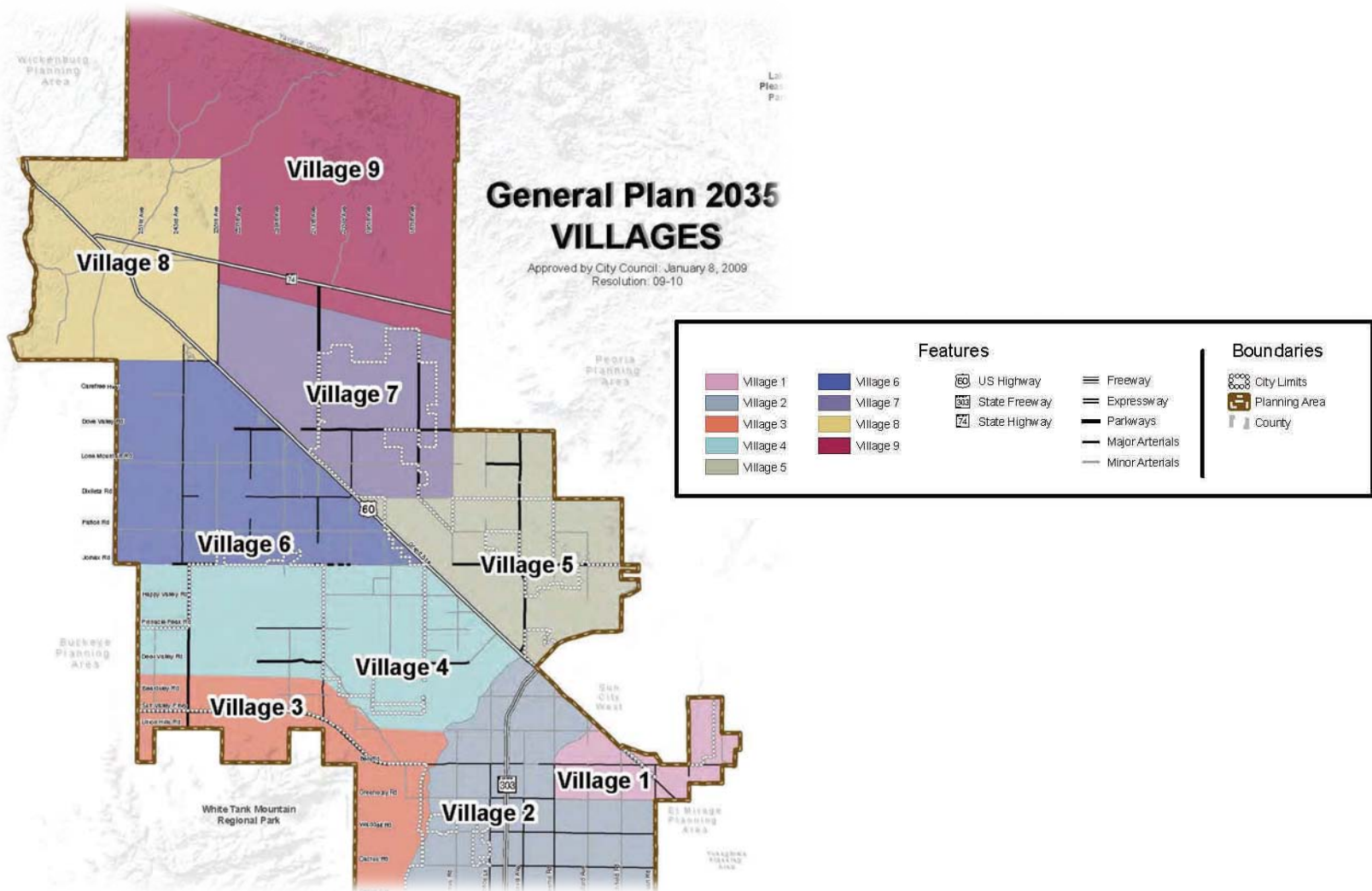
Specific Plans

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- Specific plans are more precise plans for a smaller segment of the City, though on a more regional level.
- Specific Plans called for in the General Plan are called Village Plans.
- They are adopted using a process similar to the General Plan.

2035 Villages Map

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Villages – Current Status

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- Village 1 – Adopted
- Village 2
- Village 3 – Adopted
- Village 4
- Village 5 – Under construction
- Village 6-9

Zoning and Other Tools

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- Zoning and other tools regulate development to encourage or limit development in such a way as to achieve the ultimate goals set out in the General, Strategic and Specific Plans.
- Tools include:
 - ▣ Zoning
 - ▣ Development Agreements
 - ▣ Infrastructure
 - ▣ Platting

Players in the Process

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- City Council
- Zoning Administrator
- Planning & Zoning Commission
- Board of Adjustment
- The Development Team

Role of the City Council

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- Establish Policies, Goals and Objectives
- Initiate, adopt, and amend:
 - a comprehensive, long-range General Plan
 - specific plans, regulations, programs, and legislation as needed for the systematic implementation of the General Plan
- Establish necessary boards, commissions or committees to implement the General Plan
- Consider and approve development agreements, impact fees, budget allocations, etc.

Role of the Zoning Administrator

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- The City Manager, or designee
- Responsible for enforcing zoning ordinances
 - ▣ Land use/building
 - ▣ Sign
 - ▣ Parking
 - ▣ Design standards
- Primary “interpreter” of zoning regulations
 - ▣ Can issue written interpretations

Planning & Zoning Commission

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- Responsible for Review and Recommendation to City Council:
 - ▣ General Plan & Village Plans
 - ▣ P&Z Regulations (SUDC)
 - ▣ “official Character Pattern and Zoning Maps”
- Responsible for review and approval of:
 - ▣ Site Plans
 - ▣ Major Site Plan Amendment
 - ▣ Conditional Use

Board of Adjustment

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- Responsible for reviewing request for a variance and appeal of a Zoning Administrator Decision.
 - Variance is departure from zoning in unique circumstances for very limited purposes (e.g. structure height/width).
 - Zoning Administrator Decisions include zoning determinations.
- Quasi-judicial body and the final decision maker.

Development Team

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- Management
- Planning Staff
- Legal
- Development Subcommittee

Working together to facilitate positive movement toward Council's Vision and Goals

What is “Zoning”?

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- Zoning is a legislative act that creates an enforcement document – the Ordinance
- Regulates land use to assure community goals are met:
 - Defines community character,
 - Ensures health, safety, aesthetics, and public values,
 - Prohibits land use for destructive purposes,
 - Groups together or separates land uses.

What “Zoning” is NOT.

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Zoning is not:

- Subdivision Design
- Site Orientation
- Architectural Regulation
- Site Engineering
- Construction Standards
- A Contract

What's in a Zoning Ordinance

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- Zoning Ordinances should include:
 - ▣ Specific descriptions of land uses permitted or disallowed (vague = void)
 - ▣ Stipulations /Conditions
- Proper notice required or void

Zoning is one of Council's Principle Tools to Meet its Strategic Goals

Stipulations / Conditions

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- Regularly applied to Zoning Ordinances and Preliminary Plats
- Stipulations and Conditions are the same: things that must be done for the zoning or preliminary plat to become effective.
- Conditions subsequent – A condition after zoning becomes effective, that if not satisfied, can invalidate the zoning (requires specific process).

Who can Zone?

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- The City has the right to regulate land use, limited only by
 - ▣ Vesting of property
 - ▣ Constitutional considerations
- Property owners may **request** a change in the zoning, Council not required to approve.

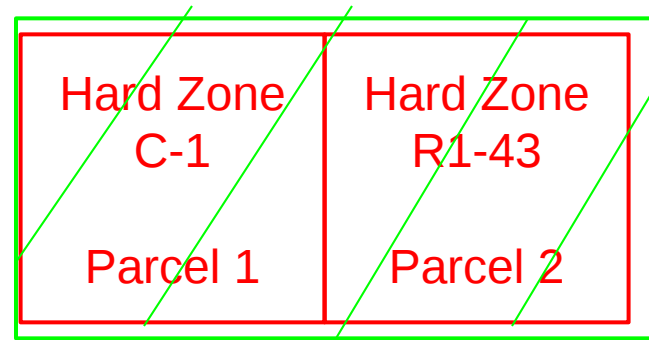
Hard Zoning v. Overlay Districts

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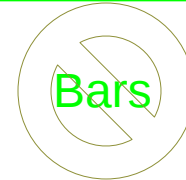
- Hard zoning is set of consistent land use rules that apply to all properties with the same zoning classification.
 - Traditional is R-1, C-2, etc.
 - PAD permits mixed traditional uses within the same zone.
- An Overlay District modifies the applicable Hard Zoning

Hard Zoning v. Overlay Districts

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Overlay



Example

You have Parcel 1 and Parcel 2.

1 is commercial and 2 is residential.

The City doesn't want bars in this area, so it adds a new rule that "overlays" the hard zoned area rules, saying they can keep all their original rules with this one additional rule of no bars.

Entitlement vs. Vesting

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“Entitlement” is the current development rules/regulations that apply to a property

“Vesting” is the point at which the property zoning cannot be changed without the consent of the current owner and occurs when an owner relies on a construction permit to the owners detriment (substantial monetary expenditures or property improvement).

State Lands v. City Zoning

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- Zoning of State Land, whether in or out of the City, is controlled by the state.
- Negotiations regarding zoning can be made as part of Annexation.
- The purpose of State Land is to raise funds.

Open Space Zoning

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- Public funds may be used for open space preservation.
- Private property/state trust land cannot be zoned as open space without owner consent.
- Alternatives:
 - ▣ Minimum lot size
 - ▣ Eminent Domain

Proposition 207

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- Also known as “Private Property Rights Protection Act”
- This was to amend ARS Title 12, Chapter 8, by adding article 2.1
- Essentially says that if a government regulation causes property value to drop, then the City must reimburse the difference.

Development Agreements

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- A written contract between the City and one or more corporate entities (developer) that establishes the developer's responsibility regarding development of a specified area. The development agreement may include design standards, community master plan, project phasing, infrastructure development, etc..
- Lives beyond life of council that adopts it.

Platting

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- Platting is the process by which property is subdivided
- Plats govern the configuration of lots and installation of infrastructure.
- Two part process, Preliminary and Final

Preliminary v. Final Plat

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- Preliminary plats are a discretionary part of the approval process.
- Preliminary plats can contain conditions/stipulation.
- Final plats must be approved if they are consistent with the preliminary plat and the conditions/stipulations approved.
- Final plats should not contain stipulations or conditions.

Annexation

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- Annexation is a political process that allows a city to expand its boundaries by adding land that is currently outside its City limits.
- Requires Owners consent.

GPLET

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- Government Property Lease Excise Tax program
- Used to incentivize development by reducing a project's operating costs by replacing the real property tax with an excise tax.
- The excise tax is established for the building type of use and is calculated on the gross square footage of building.
- GPLET requires that the land and improvements be conveyed to a government entity and leased back for private use.

Job Training Credits

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- The Arizona Job Training reimbursable grant is a job-specific reimbursable grant that supports the design and delivery of customized training plans for employers creating new jobs or increasing the skill and wage levels of current employees.
- An employer creating new jobs can apply for a grant to receive up to 75% of their eligible training expenses reimbursed.
- An employer seeking to supplement their current training plan and increase the skill level of their employees may apply for a grant to receive up to 50% of their eligible training expenses reimbursed.
- Funds are provided by Arizona Commerce Authority.

Creative Incentives

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- Creative incentives are a way for developers to get help with the developing process (permits, resources, money, approval) by doing a creative act for the City.
- The City will benefit from the creative action, and reciprocates assistance to the developer (ergo, not gifting).
 - An example is a new pizza delivery service wants to develop and the City will waive certain fees so long as they paint their cars Eggplant to match Surprise's color scheme.
- This will draw attraction to other potential businesses for economic development of Surprise.

Special Districts

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- Special taxing districts are portions of the City that agree to tax themselves to receive certain services in these areas provided to them.
- Includes for example:
 - ▣ SLIDS (Street Light Improvised Districts)
 - ▣ Parkway Improvement Districts
 - ▣ Enhanced Municipal Service Districts

CFD

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- Community Facilities Districts is a method to finance construction/purchasing of public infrastructure, which benefits the “ultimate owner” and “real property.”
- CFD’s are statutory special taxing districts with borrowing powers (bonding) created within the boundaries of the City.
- Is a way to finance/enhance local services.
- It is disliked because there is a lack of transparency and predictability to future property owners in the district.

Government Financing Tools

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- Bonds (e.g. IDA, Improvement district, etc.)
- State programs (e.g. job training tax credits, GPLET, single business district)
- Federal programs (e.g. CDBG in low income areas)

Partnerships

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- Partnerships are a cost/resource/time saving technique that is available to the City and private companies so long as they comply with the gift clause.
- These can include:
 - ▣ IGA (Intergovernmental Agreements)
 - ▣ Public-Private partnerships
 - ▣ Development Agreements

Things to Consider

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- Everything cannot be done all at once.
- Planning ahead.
- Everything Costs:
 - ▣ Time
 - ▣ Resources
 - ▣ Money
- How does this decision play into the overall strategy.
- Understand the consequences of action.