MEMORANDUM REGARDING APPEAL

To:

Board of Adjustment

City of Mesa

From:

Dickinson Wright PLLC

Date:

April 4, 2017

Subject:

Appeal of Zoning Administrator Interpretation: Procedure to Change Use of Golf

Course Parcel in Red Mountain Ranch Planned Area Development.

Case No.:

BA16-049

Hearing:

April 12, 2017 (5:00 p.m.)

This law firm represents the Zoning Administrator of the City of Mesa ("City") in connection with the appeal of the Zoning Administrator's June 29, 2016 Interpretation as to the procedure the property owner must follow to convert a golf course parcel to a single residence development within the Red Mountain Ranch Planned Area Development ("PAD"). Specifically, the current owner of the golf course, which was developed as part of the Red Mountain Ranch PAD, wishes to convert an approximately 11-acre section of the golf course parcel, which is currently (and has been since inception) used as a golf practice driving range, into a 32-unit custom single residence housing development.

In a nutshell, the issue in dispute is whether, in order to change the use of golf course property to a residential development, the current owner of the golf course, Divot Partners, LLC ("Divot"), must request the City to amend the PAD as well as the condition of the City's prior approval of the PAD which requires that all development be in compliance with the Site Plan which was submitted by the previous owner/developer of the entire PAD. (Copy of 1989 Site Plan attached as Exhibit "A"). That Site Plan specifies that the property in question be part of the golf course, with no residential development units allocated to any portion of the golf course, much less the driving range portion. In summary, the Zoning Administrator correctly issued his Interpretation that Divot's proposed development requires a rezoning of the parcel for a change in use, not merely an administrative review of the new development plans for compliance with design and construction criteria listed in Mesa's Zoning Ordinance Section § 11-69-5, as Divot contends.

¹ When originally approved in 1983 as a mixed-use, master planned development, the Red Mountain Ranch project was approved by the City under a "Development Master Plan" ("DMP"). The name of this type of master-planned community has since been changed to a "Planned Area Development" or "PAD" under Section 22 of the Zoning Ordinance; but the change is in name only as it pertains to this appeal.

INTRODUCTION AND BACKGROUND

The central issue presented by this appeal is the applicability of the previously approved PAD and Site Plan for Red Mountain Ranch and whether the proposed conversion in use is a significant change that requires a modification to a condition of the existing zoning. Divot's position is that the proposed development requires only a site plan review before the Planning and Zoning Board, in which the Board may only apply the criteria established under Ordinance Section § 11-69, exclusive of any other considerations and without review by the City Council.

I. The Zoning Administrator's Interpretation is Correct.

On its face, the proposed development does not comport with the approved Site Plan and the condition imposed by the City Council when it approved Case No. Z89-36, which required "[c]ompliance with the basic development as shown on the site plan and elevations submitted."

Divot's position -- that the Zoning Ordinance only requires an administrative review to approve the conversion to residential development -- effectively ignores the condition attached by the City Council as a condition to rezoning of the property in 1990, and would defeat the purpose of that condition. The City Council imposes conditions/stipulations in almost every zoning case in an effort to protect and promote the public interest. Conditions requiring compliance with an approved site plan are specifically designed to provide predictability to, and protect the interests of, current and future property owners and residents in the area. This consideration is especially important in the context of a planned development such as Red Mountain Ranch, where residential property owners purchased their homes in reliance on the other amenities and features of the community, principally the central golf course feature.

Because the proposed development would represent a significant change to the approved Site Plan, which specifies that the affected property will be and remain part of the golf course, the Zoning Ordinance requires the owner to file and process a "new application" for an amendment to the zoning which is currently applicable to this parcel. This application process (which requires the City Council to adopt a new ordinance revising or deleting the previously approved condition) is a critical element of the planning process. Approval of the proposed development is a legislative act that will require the opportunity for public review and comment, and the consideration of all relevant factors by both the Planning and Zoning Board and the City Council.

Specifically, Chapter 22 of the Zoning Ordinance, which governs Planned Area Development Overlay Districts such as this one, and which Divot relies upon in its own appeal, provides that, especially where a project such as Red Mountain Ranch has been built out, its features must remain consistent with its approved development plan:

Conformance with Approved Plan-Modification After Initial Construction. When the [PAD] project has been completed, the use of the land . . . shall remain in conformance with the approved development plan except that any minor extension, alteration, or modification of existing buildings or structures may be reviewed and approved by the Zoning Administrator Hearing Officer or

Board of Adjustment in accordance with Chapter 67 Common Procedures of this Ordinance if the request is found to be consistent with the purpose and intent of the approved development plan.

Zoning Ordinance, § 11-22-5(E) (Emphasis added).

In short, Divot's proposed change of use of the driving range parcel from golf course to residential use is neither "minor," nor is it "consistent with the purpose and intent of the [Red Mountain Ranch] approved development plan." It therefore cannot be approved except through a rezoning process to amend the development plan itself.

II. History of Zoning of the Property.

On May 2, 1983, coinciding with the property's annexation into the City, the City Council established the original base zoning classifications for the approximately 820 acres commonly referred to as "Red Mountain Ranch," with base zones of M-l-PAD and R1-9-PAD in accordance with the Red Mountain Ranch Development Master Plan ("RMR DMP") (Case Z83-034). As a condition of approval, the City Council placed five (5) stipulations on the zoning, including City approval of the overall Development Master Plan and approval of all individual site plan and subdivision plats for all development tracts. The case was approved with the adoption of Ordinance No. 1704, which approved a DMP as described in the "Specific Plan -Red Mountain Ranch, dated March 21, 1983" (the "Specific Plan") (copy attached as Exhibit "B"). At the same meeting, City Council adopted the Specific Plan (Resolution No. 5198). The Specific Plan describes and depicts a mixture of housing types and densities (for residential uses) oriented around a golf course that included a practice range. Inclusion of the golf course with practice range in the Specific Plan illustrates that this amenity was contemplated as an integral feature of Red Mountain Ranch ever since the property was annexed into the City, and that the City Council considered the compatibility of the various uses, and the boundaries of each use, in relation to the golf course amenity when it approved the zoning case.

When the City Council approved the RMR DMP, it also approved the use of a specific portion of the property for golf course purposes. Thus, the golf course use was linked to the approval of the surrounding property for residential development -- a common development practice, and in accordance with the City's current PAD ordinance provisions set forth in § 11-22-1, et seq.

In 1990 the overall RMR DMP was modified through a rezoning in Case No. Z89-36, which established a PAD overlay district with conceptual zoning classifications of O-S, C-2, R-2-PAD, R-4-PAD, R1-9-PAD, and R1-35-PAD for the property. This rezoning case established the current zoning on the property (see Ordinance No. 2486). Case No. Z89-36 was filed by the property owner -- and approved by the City Council -- in order to rezone and modify the original development concepts with respect to certain undeveloped parcels, and to modify zoning boundaries to account for changed market conditions. Additionally, the property owner requested conversion of certain multi-family and commercial land uses to single-family residential use.

During the rezoning, the owner/applicant did not seek to assign any Dwelling Units to the golf course or the practice range. The approved 1983 RMR DMP had allowed a total of 2,570 Dwelling Units at an overall density of 3.1 Dwelling Units/Acre (4.7 Dwelling Units/Net Acre of residential use); the 1990 rezoning reduced the overall density by 286 units, all based upon specific dwelling unit allocations to specific parcels, not including the golf course or driving range. The rezoning process was required by the City in order for the property owner to modify the zoning condition requiring compliance with the previously existing RMR DMP.

Further, during the 1989-1990 rezoning case, the property owner reiterated in both the project summary and in the Site Plan that Red Mountain Ranch was a mixed use planned community centered on a golf course amenity. The current Site Plan was submitted during the case and was approved by the City Council with the adoption of Ordinance No. 2486. The City Council conditioned its approval of the rezoning case upon "[c]ompliance with the basic development as shown on the site plan and elevations submitted." That Site Plan reflects the existence, location and footprint of the golf course, which always included a practice range at its current location.

III. Stipulated Conditions Imposed in Connection with a Zoning Change.

Under its inherent police powers, a municipality may impose reasonable conditions on a rezoning case to serve the public interest.² Such conditions are a tool commonly used when the governing body of the municipality has concerns that the proposed changes may have impacts to the overall development.³ The Mesa Zoning Ordinance explicitly allows the City Council to impose conditions and stipulations on zoning changes as a condition of approval,⁴ and Mesa has employed such stipulations for more than three decades. These conditions are critical to protecting the community from potentially adverse or unforeseen impacts from a proposed use or development, to ensure the property owner abides by City development requirements/standards, and to avoid an unacceptable change for the neighborhood.⁵

Attached as Exhibit "A" is the 1989 Site Plan that the City Council approved in Case No. Z89-36. The 1989 Site Plan depicts the various areas within Red Mountain Ranch that are to be used for residential, open space, and golf course purposes, among others. The condition which the City Council placed on the zoning (i.e., compliance with the development "as shown on the site plan") is a fairly standard condition imposed by the City Council in zoning change cases to protect residents and to ensure the property owner develops the property as promised. In this instance, the City Council sought to ensure that the property owner developed the property—with a mix of commercial and residential uses around a golf course facility—in compliance with the approved 1989 Site Plan for the community. The golf course use was a central feature of the development. As a result of the legislatively imposed zoning condition, any development on the property that is inconsistent with the 1989 Site Plan must go through the legislative process to amend or eliminate the condition. Indeed, absent that process, the surrounding property owners

² See, e.g., Transamerica Title Ins. Co. v. City of Tucson, 23 Ariz. App. 385, 388, 533 P.2d 693, 696 (App. 1975) citing to Ayres v. City Council, 34 Cal.2d 31, 207 P.2d 1 (1949); Scrutton v. County of Sacramento, 275 Cal.App.2d 412, 79 Cal.Rptr. 872 (1969).

³ McQuillin Mun. Corp. § 25:103 (3d ed. 2009).

⁴Mesa Zoning Ordinance § 11-76-6(B).

⁵ Chrismon v. Guilford County, 322 N.C. 611,618, 370 S.E.2d 579, 583 (1988).

most directly affected by a proposed change in use would be denied the opportunity to express their views in the manner and in the forum contemplated, before their elected representatives on the City Council.

The golf course and practice range were built and exist today as depicted on the 1989 Site Plan. Divot's proposal to replace the existing practice range with a multi-unit single residence development was not contemplated in 1990 when the City Council approved the zoning, and it does not comply with the 1989 Site Plan. As a matter of policy and practice, as well as the above-quoted provisions of § 11-22-5(E) regarding development plan modifications after development, once a use is in place and relied upon for a period of time, it should not be readily upset.⁶

It should be emphasized that the Zoning Administrator has taken no position on the merit of Divot's proposed change of use; the Interpretation is limited to addressing the procedures which Divot must follow in order to request the change. The ultimate determination whether to modify the use rests in the discretion of the City Council, the elected representatives of the people, after opportunity for public comment. It may well be that the public and the City Council will be supportive of Divot's proposal; but that can only be determined through the rezoning process.

IV. Modifying or Removing Stipulations Imposed as a Condition of a Zoning Change under Mesa's Zoning Ordinance.

Careful review of the proposed development and the requirements in the Zoning Ordinance make it clear that Divot must file an application to modify or remove a condition, in order to deviate from the 1989 Site Plan and modify the Red Mountain Specific Plan and DMP. Permitting such a substantial modification through an administrative site plan review process would be a violation of the Ordinance.

As discussed above, the City Council approved the 1989 rezoning case subject to certain conditions, including conformity with the 1989 Site Plan. That condition cannot be removed, or the Site Plan changed, without a new zoning application. For example, under Ordinance § 11-67-10 (B), any modification to an approved site plan that does not comply with a condition of approval must be treated as a new application, unless the Zoning Administrator determines the change to be "minor." No such determination has been made, or is appropriate, in this case. Further, it is clear that the standards of Chapter 67 are applicable here, because they are incorporated by reference in Chapter 22 regarding modifications to development plans in PAD Overlay Districts. See § 11-22-5(C) and (E).

V. Divot's Argument Ignores Much of the Zoning Ordinance.

Divot asserts in its July 26, 2016 notice of appeal that the <u>only</u> limitation on development of the driving range parcel is its underlying RS-9 residential zoning classification, without even mentioning its inclusion in the controlling 1989 Site Plan as part of the PAD's golf course amenity. If Divot were correct, nothing would preclude the abandonment of the <u>entire</u> golf

⁶ McQuillin Mun. Corp. § 25:75 (3d ed. 2009).

course use for residential development. This absurd result only underscores the fact that Divot is simply <u>not</u> correct in its analysis.

Divot's entire argument as disclosed in its notice of appeal is based on its contention that § 11-22-2 of the Zoning Ordinance provides that even in the case of a Planned Area Development ("PAD") overlay, only the <u>underlying</u> zoning (in this case RS-9) matters with respect to permitted use of property within the PAD. Divot's argument, however, simply glosses over and ignores the actual <u>language</u> of the cited Section, which provides that:

The PAD overlay district is to be used in conjunction with one or more underlying base zoning districts, thereby permitting the same uses and activities as the underlying base zoning district(s), except those that may be excluded by the City Council.

Zoning Ordinance § 11-22-2 (emphasis added). In this case, of course, when the City Council approved the Red Mountain Ranch PAD in its current configuration in 1989, it expressly conditioned that approval upon compliance with the 1989 Site Plan, which limited the use of the driving range parcel to the golf course use, thereby "excluding" other uses.

Moreover, Divot also ignores § 11-22-5(E) as quoted and discussed above, providing that once a PAD has been developed, land uses cannot be changed but must remain "consistent with the purpose and intent of the approved development plan."

Even Divot does not dispute -- nor could it -- that in approving a PAD development (or previously a DMP development) such as Red Mountain Ranch, the City Council may direct the developer in the use of portions of the property, as specified in its published and advertised site plan or specific plan -- in this case the golf course use. The mechanism to establish and to enforce such a use under the Zoning Ordinance is the PAD/DMP overlay zoning, which is conditioned on compliance with the approved site plan/specific plan, irrespective of the underlying base zoning, which does not control in this context.

VI. Determining if a Change to a Plan is a Minor or Significant Modification.

Divot's proposed residential development clearly does not comply with the development of the overall PAD as depicted in the 1989 Site Plan. The only remaining question, therefore, is whether the proposed change in use and development would represent only a "minor" modification to the 1989 Site Plan or PAD. The Ordinance authorizes -- indeed requires -- the Zoning Administrator to make this discretionary determination.⁸

⁷ It should also be noted that the use of an underlying RS-9 zoning classification as the base zoning for even the golf course portion of the mixed-use development was essentially a matter of default, since there was no separate base zoning category which was available specifically for golf course use as part of a PAD or otherwise. See Zoning Ordinance, § 11-3-1(A), listing the available "Base Zones."

⁸ See, e.g., Mesa Zoning Ordinance § 11-67-10(B).

Minor Modifications.

Mesa distinguishes between minor and significant or major modifications -- as do many other jurisdictions. Minor modifications are typically those changes that are consistent with the original findings and conditions approved by the decision-making body, that are fundamentally equivalent to what was approved, and that do not intensify any potentially detrimental effects on the property. Requests for such "minor" changes are often handled administratively or through a site plan modification process requiring less than an actual rezoning of property.

Examples of minor modifications include small changes to setback requirements that still meet the minimum standards, rotating buildings, changes to aesthetic features of an approved elevation, or changes to the development resulting in essentially the same use/intensity of use as originally approved.

Major Modification.

In reviewing Divot's proposed development, the Zoning Administrator reasonably found that a practice range is not fundamentally equivalent to a single residence home development. Such an alteration in use as proposed by Divot would significantly change the use of the property and alter the anticipated density within the parcel. It would also deviate from the Red Mountain Ranch approved development plan as it has been built out over many years, in violation of § 11-22-5(E).

Residents who bought homes in Red Mountain Ranch reasonably anticipated a golf course and practice range (and any other uses ancillary to a golf course) in the area designated for golf course use. They likely understood the impact of such areas of restricted use on property values, community amenities, etc., and likely contemplated living near such uses when they purchased their properties. These residents could reasonably expect that the area designated for golf course use on the 1989 Site Plan would remain devoted to such use, unless and until the plan and condition were modified by a rezoning. Whether the requested change is nonetheless appropriate in the circumstances is a legislative determination to be made by the City Council, with public input and a public hearing process.

The Zoning Administrator has determined that Divot's proposed project requires more than a minor change to the 1989 Site Plan; therefore, Divot can only proceed by requesting, in a rezoning application, that the City Council modify or remove the condition which requires the entire golf course parcel to comply with the 1989 Site Plan.

VII. Effect of the New Zoning Ordinance on Previously Approved Projects.

There is express language in the updated Zoning Ordinance, made effective by the City Council in September 2011, which further supports the Zoning Administrator's Interpretation. During the process of updating the Ordinance, the City Council was concerned about the impact of a new ordinance on previously approved projects. The City Council clearly articulated that it wanted to preserve the City's ability to enforce the conditions the City Council had imposed in prior zoning cases, especially projects, such as this one, which are located in an existing DMP or

⁹ Mesa Zoning Ordinance § 11-67-10.

PAD Overlay Zoning District. The following language was added to the Zoning Ordinance to address these concerns:

Development of Projects Located within an Existing PC District, or within a PAD, DMP or BIZ Overlay Zoning Districts. A lot or parcel located within the Planned Community (PC) District, or within overlay districts such as Planned Area Development (PAD), Development Master Plan (DMP, under the zoning ordinance in effect prior to September 3, 2011), or Bonus Intensity Zone (BIZ), subject to a preliminary development plan, standards and/or with conditions of approval, and adopted prior to the effective date of the Zoning Code, shall be developed in accordance with the approved preliminary development plan, standards, and/or conditions of approval...

Zoning Ordinance § 11-1-6(E) (emphasis added). Divot's proposed project is not in accordance with the 1989 Site Plan or its conditions of approval. As outlined above, Divot is required to continue to comply with these use requirements or the City Council would at a minimum have to adopt a new ordinance, with explicit language revising or deleting the previously approved condition(s).

VIII. Mesa's Process Compared to Other Cities.

Mesa is not unique in how it reviews and processes requests to modify stipulations/conditions imposed as a condition of zoning. Other Arizona municipalities consider such modifications to be legislative acts subject to the process outlined in their zoning ordinances for significant modifications. Similarly, other municipalities evaluate a request to modify a condition of approval to determine if it is major, minor, or administrative, and their zoning ordinances outline assignment of the authority to determine this classification and the appropriate review and approval process for each. For example, the City of Tempe would require a nearly identical procedure to approve a change in use such as proposed by Divot, because its Zoning and Development Code states that a modification or removal of a condition can only be made by utilizing the same procedure that was used to impose the condition.

¹⁰ See, e.g., City of Tempe, Zoning and Development Code, Chapter 6, see also. City of Phoenix Zoning Information Guide Planning Hearing Officer Public Hearing Process. Revised May 29, 2015; City of Tucson, Unified Development Code Section 3.5.4.

¹¹ See, e.g., City of Tempe, Zoning and Development Code, Chapter 6; City of Tucson, Unified Development Code Section 3.5.4.

¹² See City of Tempe, Zoning and Development Code, Chapter 6.

¹³ City of Tempe, Zoning and Development Code, § 6-605.

IX. Conclusion.

The PAD overlay zoning on the driving range property includes the 1983 Specific Plan, the plan narrative, the modifications adopted in 1985 and 1990, and the 1989 Site Plan. These documents, uniformly and without exception, show a "golf course" use on the property where Divot desires to construct residential housing. Deviation from the designated and approved use would constitute a major change to the 1989 Site Plan and the DMP Plan, therefore, requires the City Council to amend, revise or delete the previously approved condition if the new use is to be approved. A contrary conclusion -- *i.e.*, that the proposed new use requires only site plan review for simple conformity with the RS-9 base zoning -- would render the condition meaningless.

Pursuant to the Zoning Ordinance, Ordinance No. 2486 can only be amended by Divot's submittal of a new application in accordance with the procedures outlined in § 11-76.¹⁴ Under Mesa's City Charter, the only way to amend or repeal an ordinance is by the City Council adopting another ordinance.¹⁵ Thus, any new application must state Divot's desire to amend Ordinance No. 2486, a legislative act which will require public hearings by both Planning and Zoning and the City Council. For these reasons, Divot's appeal of the Zoning Administrator's Interpretation should be denied, and the Interpretation should be affirmed.

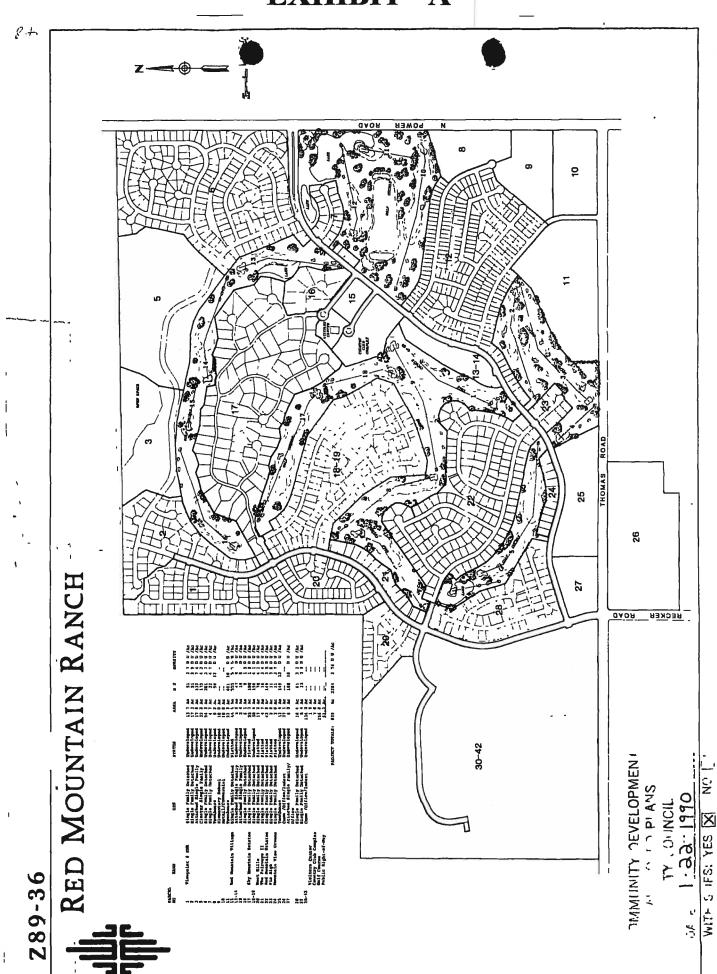
DICKINSON WRIGHT PLLC

| By_ | /S/ David J. Ouimette |
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¹⁴ Mesa Zoning Ordinance § 11-76-1.

¹⁵ Mesa City Charter, Article 2, § 210(D).

EXHIBIT "A"



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