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November 23, 2020

Via Email: Evan.Balmer@mesaaz.gov

Mr. Evan Balmer Planner II, Development Services City of Mesa 55 North Center Street Mesa, Arizona 85201

Re: <u>Cadence Development Unit 3 – Third Submittal</u>

Major Community Plan Amendment ZON20-00491

Dear Evan:

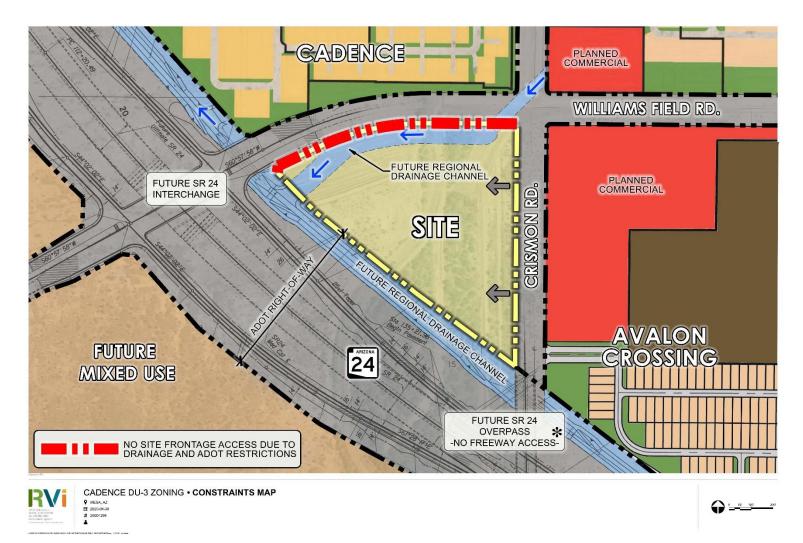
Please accept this letter and associated documents as the third submittal of our request, on behalf of Harvard Investments, for a Major Community Plan Amendment for Cadence to modify the allowed land uses for Development Unit 3 ("DU3") within Cadence. The following narrative provides details and justification to better articulate the significant development constraints impacting DU3, which diminish the viability and marketability of DU3 for commercial and retail uses. The proposed Major Amendment to the Cadence CP will specifically add the Multi-Residence and Community Residence Small Lot Land Use Groups to the Land Use Budget for DU3, such that DU3 could be developed exclusively as a residential development project. Community Commercial and Community Mixed Use will remain as allowed Land Use Groups to maintain flexibility, but with no minimum requirement.

Cadence Community Plan History. The Cadence Community Plan ("Cadence CP") was approximately two years in the making and was approved by the City of Mesa in September 2012. At the time that the Cadence CP was approved, the City of Mesa was continuing to enforce a longstanding policy that discouraged residential development south of Williams Field Road. This was a direct response to the input and operational characteristics of Boeing, who used the Williams Field Road corridor for Apache helicopter flight testing. Within Cadence, this impacted both DU3 and what was Development Unit 5 ("DU5"). DU5 has since been removed from the boundaries of the Cadence CP and incorporated into the recently approved Avalon Crossing Community Plan. The Cadence CP originally designated both DU3 and DU5 for non-residential uses as a matter of policy - there was never any meaningful discussion, debate, or analysis regarding the appropriateness of residential uses within either of these development parcels. In the time since 2012, the City has moved away from this long-standing policy and approved at least two entitlement applications that include residential development south of Williams Field Road. These applications include the former 20 acre DU5 (now part of the 170 acre Avalon Crossing community) as well as a project called Destination at Gateway (243 acres). Both projects, located south of Williams Field Road and with convenient access to the future State Route 24, include

significant residential components. DU5 was modified, as part of Avalon Crossing, such that a minimum of 7 acres out of the original 20 acres (and out of the total 170 acres) must be reserved exclusively for non-residential uses.

With the effective change in City policy regarding non-residential development south of Williams Field Road, Cadence now has the opportunity for the first time to truly evaluate the realistic development potential of DU3. As a result of this analysis, and the constraints discussed below, Harvard believes that a single, high-quality Multi-Residence or Community Residence Small Lot development is the most viable and practical development solution for DU3.

Access Constraints. The most significant constraint for DU3 is access to the site. This is also the most important consideration for viable commercial development. At first glance, DU3 may appear to be ideally situated for commercial uses due to the property's location at the intersection of two arterial roadways and at an interchange for the planned SR24 freeway.



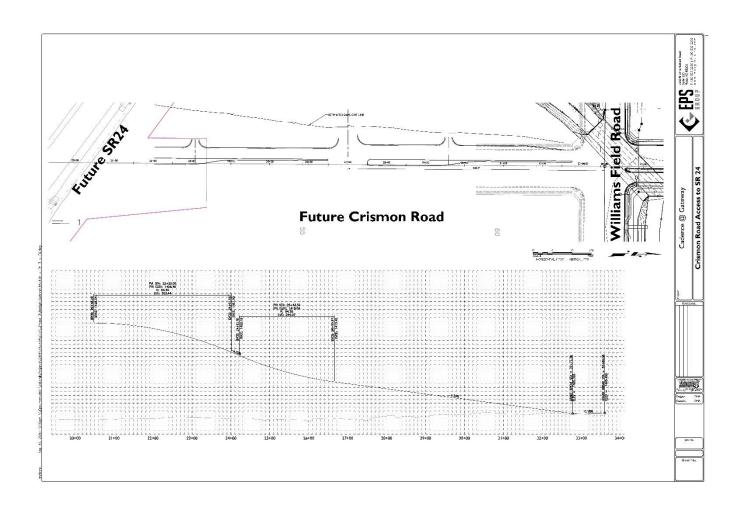
SR24/Williams Field Road Interchange Access. The future State Route 24 freeway off-ramp, at Williams Field Road, is located at the immediate northwest corner of DU3. To facilitate the freeway off-ramp design and related facilities, ADOT's access control area extends approximately 800' along DU3's north frontage. No private driveway access is allowed within the ADOT access control area. The result is that two-thirds of the Williams Field Road frontage of DU3 has no opportunity for access. This leaves approximately 335' of DU3 frontage where a driveway access could be located. The City of Mesa requires a minimum distance of 660' from an intersection for a median cut that allows partial left-turn access and 880' for a full-access median cut. Because of the ADOT access constraints, left turn access cannot be achieved to DU3 from Williams Field Road, thus eliminating critical access into the property. Per City of Mesa guidelines, a right-in/right-out driveway would potentially be allowed; however, such a right-in/right-out driveway is not feasible for the reasons discussed below. The practical result of the property constraints is that DU3 is effectively cut-off from any access to Williams Field Road.

Maricopa County Flood Control Regional Drainage Channel. In addition to the ADOT access control limitations as discussed above, the Williams Field Road frontage along DU3 is further, and more severely, constrained by the future Williams Field Road regional drainage channel. A 100' wide regional drainage channel currently exists along the north side of Williams Field Road to the east of DU3 ("Regional Channel"). The Regional Channel is planned to be extended along the northern boundary of DU3 to the future SR24 Freeway where the Regional Channel will outfall into an ADOT constructed drainage channel ("ADOT Channel"). Per plans approved by the City of Mesa, an underground box culvert crossing is already under construction that cuts diagonally through the intersection of Williams Field and Crismon Roads. Upon development of DU3, the last segment of the Regional Channel will then be constructed along the northern 100' of DU3 to connect to the ADOT Channel that parallels the SR 24 Freeway. The Regional Channel, combined with right-of-way along DU3's northern boundary, will consume nearly 3-acres of developable land in DU3. Although the Cadence CP identifies DU3 as nearly 20 acres, once right-of-way, the Regional Channel and other limitations are considered, DU3 is left with only 13.5 acres of developable land. In order to gain access to DU3 from Williams Field Road for the limited right-in/right-out driveway discussed above, a significant box culvert structure would need to be developed to cross the Regional Channel. Such a channel crossing is simply not financially viable for a development site of this size, particularly when the other access constraints are considered.

As a point of reference, the Regional Channel currently extends along Williams Field Road from Crismon Road, east to Signal Butte Road. Several new developments exist on the north side of Williams Field Road adjacent to the Regional Channel. Because of the cost and complexities of crossing the channel, not a single access point or channel crossing has been developed along this one-mile of frontage of Williams Field Road for these developments. The cost of developing a crossing over the Regional Channel, particularly for the limited access it would provide to DU3, renders the crossing infeasible.

The result of these combined constraints along Williams Field Road is that driveway access is not feasible and Crismon Road is the only viable access into and out of DU3.

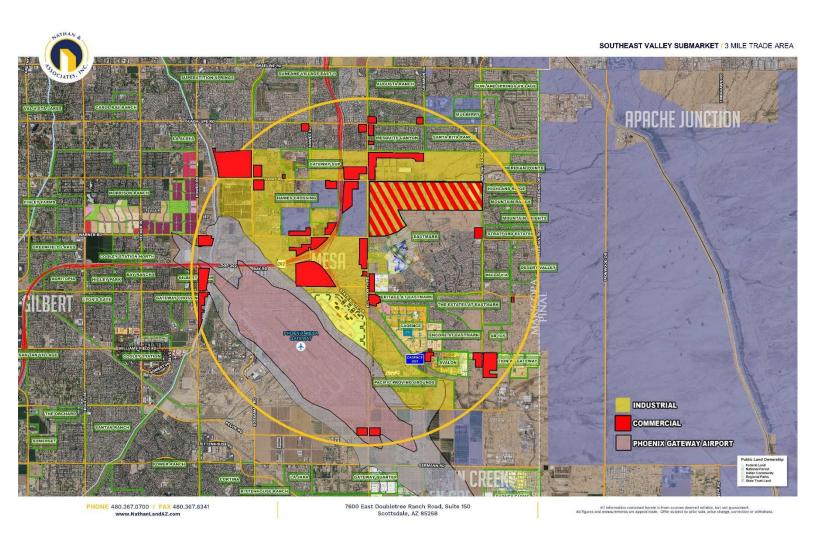
Crismon Road Access. As noted, Crismon Road is the only meaningful access to DU3. With the development of DU3, and Avalon Crossing to the east, Crismon Road will be extended south from Williams Field Road to the southern property line of DU3. Crismon Road will eventually be extended to the south as an above-grade crossing over the SR24 Freeway mainline. However, this grade-separated connection will not be constructed by ADOT until the ultimate SR24 alignment is completed. The ultimate buildout of the SR24 has no timeline and no funding. In the interim, Crismon Road will dead-end at the SR24 Freeway providing no connectivity for DU3 to the larger area and zero opportunity for drive-by traffic. Eventually, even once the above-grade crossing is constructed, there is no direct freeway access from Crismon Road thus limiting the long-term access potential for DU3. In addition, because of the above-grade nature of the Crismon Road crossing over the SR24, there will be additional access constraints that impact DU3 as shown on the below exhibit.



Specifically, in order to achieve the elevation necessary to crossover the SR24, Crismon Road will be elevated along a significant portion of the DU3 frontage. At the mid-point of DU3, where a full-access driveway is contemplated in coordination with Avalon Crossing, Crismon Road will be 8' above the grade of the adjacent DU3 property. For the remaining southern half of the DU3 frontage, no access drives are viable due to the severely elevated design cross-section for the road. Instead, a large berm or retaining wall will run along this portion of the DU3 frontage. The design characteristics for Crismon Road provide both access and visibility constraints for DU3. The practical result is that DU3's only viable access points into and out of the property will be from the northern frontage of DU3. No access is viable from the southern frontage of DU3 and no access is viable from Williams Field Road.

Without any direct connection to SR24, now or in the future, with no access to Williams Field Road and severely constrained access to Crismon Road, DU3 is not a feasible location for any meaningful commercial and retail development.

Site Context and Other Non-Residential Development Opportunities. While DU3 holds limited value as a non-residential development parcel due to the significant access constraints, the City of Mesa has retained significant opportunities in the immediate area for nonresidential development, including commercial, employment and industrial. approved example is the Avalon Crossing CP, located to the east of DU3 across Crismon Road. Although significant residential development has been approved within Avalon Crossing, the hard corner of Williams Field and Crismon Roads has been retained for a meaningful commercial and retail component, including a minimum of 100,000 square-feet of non-residential development. Although immediately across the street from DU3, Avalon Crossing does not share the same access constraints as DU3. In fact, Avalon Crossing is ideally situated for full, commercial access points on both its Williams Field Road and Crismon Road frontages given the Regional Channel has no impact on either roadway within Avalon Crossing. Beyond Avalon Crossing, all of the property south of the SR24 Freeway and north of Pecos Road, between 222nd Street and Ellsworth Road, (approximately 1,200 acres) is designated for non-residential development. Looking to the larger area, significant opportunities remain for the development of non-residential, employment and commercial uses within the trade area as shown on the below map.



As a result, the reallocation of 13.5 acres of non-prime, non-residential land within DU3 will not have a meaningful, or noticeable, impact on the long-term development potential in the area for commercial, employment, and industrial uses.

Proposed Development Plan – Multi-Residence of Community Residential Small Lot.

For these reasons, Harvard strongly believes that a self-contained multi-residence community, or high-density small lot residential community, is the most appropriate land use for DU3. Any attempt to mandate a small commercial or mixed-use component within DU3 would result in a compromised development project. Harvard believes that in order to maintain the quality and character of development established within the larger Cadence community, the most appropriate path forward is to develop a high-quality single-use project without the requirement for any commercial or mixed-use component.

* * *

In closing, the Cadence CP was intentionally designed as a flexible regulatory framework intended to evolve over time as the area continued to develop. Specifically, Section 3.6 of the Cadence CP contemplated that amendments may be necessary from time to time in order to respond to changed market, development conditions and patterns, or as more detailed planning, specific character, and design themes developed. In the time since the Cadence CP was approved in 2012, the economy, residential market, and consumer demands have changed. So to have the City's policy towards residential uses south of Williams Field Road. Additionally, as plans for the extension of the SR24 Freeway have evolved, the viability of DU3 as a meaningful non-residential parcel have significantly diminished. The proposed revised Land Use Budget for DU3, which introduces Multi-Residence and Community Residence Small Lot development as options within DU3, represents a feasible, reasonable development concept that is responsive to the market.

Should you have any questions or require additional information, please do not hesitate to contact me at (602) 256-4456 or sdemmit@gblaw.com. Thank you.

Sincerely, GAMMAGE & BURNHAM

By

Susan E. Demmitt

SED/nas