

There has been a lot of confusion about the announcement that land, within the Preserve boundary, is going to be rezoned. There are two separate cases:

1. 20-ZN-2014 which will rezone all the land that has been acquired to date, that is in the Preserve, as Conservation Open Space. This is a good thing as it will limit ANY future use of this land to conservation. Currently, most of it is zoned for residential.
2. 19-ZN-2014 which will rezone the remaining State Trust Land, that is within the Preserve boundary but which the city HAS NOT acquired, to match the uses in the 2002 General Plan, which is the General Plan that is in use now.

This 2<sup>nd</sup> case is really confusing, and the information that has been put out so far doesn't seem to help much, so current McDowell Sonoran Preserve Commission (MSPC) chairman, Jim Heitel, and I have put together a summary of what this is all about and what the implications are, to help everyone better understand why this is being done and what it means to the future completion of the Preserve. Jim has spend 5 years on the MSPC and I have spent 9 years on it, plus both of us were involved in the 2002 General Plan update that forms the basis for this rezoning.

As noted in this summary, I will follow up by sending you all the two exhibits that are important and provide the details. So if you don't get them, be sure to let me know and we will figure out how to get them to you. Also if you have any questions after reading this, please feel free to send them to me and I will do my best to answer them. There is also a lot of information on the city's web site, just look up the two cases above to see it.

Howard

## **State Land Rezoning**

For those of you who are concerned about the rezoning of state trust land that is in the Preserve Recommended Study Boundary (RSB) or who have attended one of the open houses on this rezoning and still don't understand what is going on, we will try to tell you what it is all about.

The bottom line is that this rezoning is something agreed to by the city back in 2002 when the State Land Commissioner and city worked together to help the city acquire as much of the state Trust land in the RSB as possible, while still satisfying the State Land Department mandate of selling the land for the highest and best use, which basically means to the highest bidder. So this rezoning is just the city fulfilling that agreement, which has allowed the city to acquire all the land they have for the Preserve that was State Trust Land (about 13,000 acres).

### **Background**

Prior to 2002, due to the state approved "Growing Smarter" Arizona Preserve Initiative, the City of Scottsdale asked the State Land Commissioner to reclassify land within the RSB as "Suitable for Conservation". As a result, he did reclassify about 13,000 of the roughly 17,000 acres of State Trust land in the RSB as suitable for conservation, but did not reclassify about 4,000 acres. The reclassification basically said that the land reclassified could be sold for conservation and

not development, which also lowered the assessed value of that land and allowed matching funds from the state's Arizona Preserve Initiative (API) to be used to acquire the land. As a result of this reclassification, the city has bought all of the land reclassified Suitable for Conservation using nearly \$80M in state matching funds to help pay for that land; so the city now owns all of the Reclassified land, which when combined with the land already acquired, pushes the Preserve to over 30,000 acres, all bought with money already received and that will be received from the two sales tax increases the public voted on. This is a remarkable achievement by any measure.

The land in question with this rezoning is the 4,000 acres of State Trust Land that was in the RSB, but which was ***not reclassified*** as Suitable for Conservation and which has not been bought by the city as yet. Part of the agreement, reached between the city and the State Land Department in 2002, was:

1. That the city would move housing density off the Reclassified land onto the land not reclassified.
2. That the city would change the General Plan to reflect that (which was already done in 2002).
3. That the city would rezone that land to match the modified General Plan to complete the density transfer. All this was agreed to in exchange for reclassifying the 16,600 acres, of which 13,000 acres are now part of the northern part of the Preserve, as suitable for conservation, thereby lowering the cost to the city to acquire it and virtually eliminating competitors (home builders).

### **Current Preserve Status**

The city currently owns over 30,000 acres of land that is permanently protected and in the Preserve. This is about 80% of all the land that was in the Recommended Study Boundary (RSB) which was the boundary of all the land Scottsdale wanted to include in the Preserve. This includes ALL of the land the State Land Department reclassified as "suitable for conservation". The city has used up most of the money the sales tax increases for the Preserve generated to buy all this land and put in trailheads and trails, so there isn't enough left to buy much of the remaining 4,000 acres. There also is virtually no money left in the API fund, so Scottsdale has also tapped about as much of that fund as it can to help acquire all this land. Additionally the city has already bought ALL of the land reclassified and those API funds were ONLY to be used to acquire reclassified land.

The remaining 4,000 acres will cost a lot because of its location and the "transferred density."

The city council got an action plan, from the McDowell Sonoran Preserve Commission, a number of years ago that defined a plan to get money to buy the rest of the land, however the council has not acted on this plan. The plan was simple and direct. It required conducting a survey at an appropriate time in order to determine the public's desire to complete the Preserve, and if desired, the mechanism to raise the money. If the public did want to complete the Preserve, the most popular mechanism to acquire the funds would be put before the voters. In

order to complete the Preserve, additional funds will be required so the only way to complete it is to implement this plan and secure public support.

### **Current Application**

The current application is to change the zoning on the remaining state land to match the General Plan that was agreed to and approved by the voters in 2002. Unfortunately, General Plan categories do not exactly match a particular zoning classification so the challenge is to pick the correct zoning classification to match both the General Plan category and any agreed to housing density. The number of units agreed to back in 2002 was over 6,000 dwelling units on all the non-reclassified land and the number of units proposed in this rezoning application is only 5,000 so there would be a reduction from the agreed to number of units. There are two exhibits that are important, all the rest really don't show anything. I will send both of them to you separately, in case your e-mail server filters out messages with attachments. If you don't get both of them within a day, and want to see them, e-mail me back and I will find a way to get them to you. The two exhibits are:

1. The land use table that contains the parcel number (letter), acres, number of units agreed to, the zoning classification proposed for each parcel, and the number of units that will be built on that parcel if this application is approved.
2. The parcel map that shows all the land included in this application, the parcel number (letter), the number of acres, and the General Plan category for that parcel.

Between the two you can see exactly what will be built on each parcel, number of units and density.

### **Questions**

**Are there any concerns?** Yes there are a couple, in particular the move of some commercial and resort from an area up by Legend Trails to Scottsdale Road, something not in the 2002 General Plan, however the exact locations of both the commercial and resort were specified as being determined in the future, so technically this is consistent with the original state intent. Additionally moving the 40 acre commercial site clearly reduces impacts to the existing preserve and may assist in future desires to purchase some of the unclassified lands where that commercial was located. Also, some of the zoning requested does not match the General Plan category for some parcels exactly, but if we can limit the overall number of units to 5,000 instead of over 6,000; or about 7,400 that the requested zoning would allow, then the city, and everyone who lives in north Scottsdale, will benefit knowing that some future zoning attorney will be restricted by a development agreement between the city and the state.

**If this land is in the RSB, why rezone it and why can it be developed?** While all this land is in the RSB, the city does not own it and does not have enough money left from the two taxes, to buy it, so when the State Land Department puts the land up for sale, the highest bidder will get it. This is what we all agreed to back in 2002. The RSB basically is a boundary that identifies all the land Scottsdale would like to buy to put into the Preserve, but there is no guarantee that will

happen. Of the original 34,000 acres in the RSB, the city has successfully acquired over 30,000 acres leaving just this remaining 4,000 acres that will also be the most expensive because of its location.

**Won't rezoning the land increase its value, making it more difficult for the city to buy?** The answer is probably yes, but there is a big advantage in having it planned already. State Trust Land is completely different than private land in that if a developer develops a plan for a State Trust Land parcel, he can then buy it and develop according to that plan, regardless of what restrictions the city has. If we let this happen, the densities could be way above the 5,000 units this application will limit the development to; assuming someone other than the city is the successful bidder. So there is some risk either way, but with this rezoning, it will be hard to deviate from the plan adopted with the rezoning.

### **Conclusion**

This rezoning is to complete an agreement made back in 2002 that benefitted Scottsdale's effort to preserve as much land as possible and resulted in Scottsdale being able to buy about 16,600 acres of State Trust Land at very reasonable prices, including 13,000 acres north of the McDowell Mountains. It also allowed Scottsdale to get significant matching funds from the state Arizona Preserve Initiative land acquisition fund to help pay for all that land. Without this agreement, Scottsdale would not have been able to buy all the land for the Preserve it has acquired from the state so it is important to honor the agreement that made this possible.

Approving this rezoning now will limit the number of units that can be built on the remaining 4,000 acres to 5,000 units. This is really a big benefit to everyone living in North Scottsdale because if developers bought this land, without a development plan in place, they could put any number of units on it, dramatically increasing the population and congestion in this area. While the rezoning may raise the cost of the land somewhat, it also provides some assurance of what will be built assuming the city does not have the funds to buy the land when it goes up for auction.

Howard Myers – Former McDowell Sonoran Preserve Commissioner (in 2002) and Chair (to 2012)

Jim Heitel – Current McDowell Sonoran Preserve Commissioner and Chair and former Planning Commissioner in 2002

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