

ITEM P2  
DATE 9/16/04  
STUDY SESSION**planning division**  
**MEMORANDUM**

To: John Wesley, Planning Director  
 From: Gordon Sheffield, Senior Planner *GS*  
 Date: September 10, 2004  
 Subject: Decision Points for Enactment of Infill Working Committee Recommendations

At their Study Session last Monday, the City Council asked for a document that would summarize the decisions needed to be made by Council to enact the recommendations of the Infill working Committee in their Final Report. This memo outlines the four recommended areas for action, and tries to detail the decision-making authority for enacting the change, the status of the recommendation and the steps needed to implement the specific action. Regarding in-house programs, time frames are for projects completed in tandem (ie: one project ends before the next one begins).

**Use Existing Planning and Engineering Related Programs and Processes (Table 1)**

Recommended Action	Decision Steps	Status
Encourage Use of BIZ and PAD Overlay Districts	Staff, P&Z Board, City Council	Presently Adopted – No Council Action Needed
Encourage Use of CUP Process for Mixed-Use Projects	Staff, P&Z Board, City Council	Presently Adopted – No Council Action Needed
DIP and SCIP Process	Staff, Zoning Administrator, Board of Adjustment	Presently Adopted – No Council Action Needed
Non-Zoning Appeal Process	Staff, Building Board of Appeals (for building and fire code related items), City Engineer	Presently Adopted – No Council Action Needed

Note: All of these items above already exist, the recommendation is to refocus how these tools are used.

**Develop Modifications to Existing Zoning Ordinance Requirements (Table 2)**

Recommended Action	Decision Steps	Status	Work Needed	Budget Range	Time Frame
Develop Proportional Development Standards	<ul style="list-style-type: none"> <li>Staff</li> <li>DR Board</li> <li>Downtown Development Committee</li> <li>P&amp;Z Board</li> <li>City Council</li> </ul>	<ul style="list-style-type: none"> <li>Conceptual Idea</li> <li>Council Okay Needed to Begin Project</li> </ul>	<ol style="list-style-type: none"> <li>Staff/Technical Design Sub -Committee Work on Details</li> <li>Develop Draft Changes and Circulate for Review and Comment</li> <li>Review Work through Public Hearing Process</li> </ol>	<ol style="list-style-type: none"> <li>In-house w/ Staff and Volunteers</li> <li>Consultants &amp; Staff Partial to Total Overhaul of Zon.Ord. - \$15,000 to \$150,000</li> </ol>	<ol style="list-style-type: none"> <li>One year</li> <li>Consultants &amp; Staff - Four Months to Two Years (Partial or Total Zon Ord Package)</li> </ol>
Modify List of Permitted Uses in Zoning Ord.	<ul style="list-style-type: none"> <li>Staff</li> <li>RFP/Consultant ?</li> <li>Oversight Committee ?</li> <li>P&amp;Z Board</li> <li>City Council</li> </ul>	<ul style="list-style-type: none"> <li>Conceptual Idea</li> <li>Council Okay Needed to Begin Project</li> <li>Budget?</li> <li>In-house or Joint Staff/ Consultant Project?</li> </ul>	<ol style="list-style-type: none"> <li>Define Scope of Project – Minor Tweak or Overhaul Entire Zoning Ord.?</li> <li>Develop Oversight Committee?</li> <li>Develop Draft Changes and Circulate for Review and Comment</li> <li>Public Hearing/Adoption Process</li> </ol>	<ol style="list-style-type: none"> <li>Minor Tweak – In house w/ Staff and Volunteers</li> <li>Consultants &amp; Staff \$15,000 to \$150,000</li> </ol>	<ol style="list-style-type: none"> <li>One Year (In-house)</li> <li>Consultants &amp; Staff - Four Months to Two Years (Partial or Total Zon Ord Package)</li> </ol>

**Develop Modifications to Existing Zoning Ordinance Requirements (Table 2) - Continued**

Recommended Action	Decision Steps	Status	Work Needed	Budget Range	Time Frame
Develop Transit Oriented Development (TOD) Ord.	<ul style="list-style-type: none"> <li>• Staff</li> <li>• RFP/Consultant ?</li> <li>• Oversight Committee ?</li> <li>• P&amp;Z Board</li> <li>• City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual Idea</li> <li>• Adopted Policy Statement in Mesa 2025 General Plan (Policy T-2.03a, page 3-7)</li> <li>• Council Okay Needed to Begin Project</li> <li>• Budget?</li> <li>• In-house or Joint Staff/ Consultant Project?</li> </ul>	<ol style="list-style-type: none"> <li>1. Staff/Technical Design Committee Work on Details</li> <li>2. Develop Draft Changes and Circulate for Review and Comment</li> <li>3. Review Work Through Public Hearing Process</li> </ol>	<ol style="list-style-type: none"> <li>1. In house</li> <li>2. \$15,000 to \$50,000 for Consultant</li> </ol>	<ol style="list-style-type: none"> <li>1. Four months to One Year</li> <li>2. In-house (Already budgeted)</li> </ol>

**Public Hearing Improvements (Table 3)**

Recommended Action	Decision Steps	Status	Work Needed
Zoning Hearing Officer	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Downtown Development Committee ?</li> <li>• P&amp;Z Board</li> <li>• City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Ordinance Revision Pending Before P&amp;Z Board (Request Under Study)</li> <li>• Fee Status (same or different fees structure as P&amp;Z Case?)</li> </ul>	<ol style="list-style-type: none"> <li>1. P&amp;Z Board Recommendation</li> <li>2. Develop Eligibility and Use Guidelines, and Process Steps</li> <li>3. Develop Calendar</li> <li>4. Fee Changes to Support Program?</li> <li>5. Contract w/ Hearing Officer</li> </ol>
Concurrent Review of P&Z and Design Review Board Cases	<ul style="list-style-type: none"> <li>• Staff</li> <li>• DR Board</li> <li>• P&amp;Z Board</li> <li>• City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Presently Adopted, No Council Action Needed</li> </ul>	None, Policy in Place

**Pre-Plan Neighborhood/Transportation Corridors and the Creation of Special Districts (Table 4)**

Recommended Action	Decision Steps	Status	Work Needed	Budget Range	Time Frame
Specific Plans	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Downtown Development Committee ?</li> <li>• P&amp;Z Board</li> <li>• City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual Idea</li> <li>• Council Okay Needed to Begin Project</li> </ul>	<ul style="list-style-type: none"> <li>• Modify Zoning Ord. to "enable" Standards</li> <li>• Prioritize Areas</li> </ul>	<ol style="list-style-type: none"> <li>1. In-house</li> <li>2. Consultant 15 to 50 thousand per plan</li> </ol>	<ol style="list-style-type: none"> <li>1. 2 years</li> <li>2. 1 year to 18 months</li> </ol>
Infill Development Incentive Districts	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Downtown Development Committee ?</li> <li>• P&amp;Z Board</li> <li>• City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual Idea</li> <li>• Consultant?</li> <li>• Council Okay Needed to Begin Project</li> </ul>	<ul style="list-style-type: none"> <li>• Modify Zoning Ord.</li> <li>• Determine Budget Impact</li> <li>• Develop Budget</li> <li>• Study/Prioritize Areas</li> </ul>	<ol style="list-style-type: none"> <li>1. In-house</li> <li>2. Consultant 15 to 50 thousand per plan</li> </ol>	<ol style="list-style-type: none"> <li>1. 2 years</li> <li>2. 1 year to 18 months</li> </ol>
Study West Mesa Transportation Corridors	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Downtown Development Committee ?</li> <li>• P&amp;Z Board</li> <li>• City Council</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual Idea</li> <li>• Consultant?</li> <li>• Determine Neighborhood Priority</li> <li>• Council Okay Needed to Begin Project</li> </ul>	<ul style="list-style-type: none"> <li>• Decide to Undertake Program</li> <li>• Staff/Consultant?</li> <li>• Organize Neighbor Comm.</li> <li>• Dev Plan &amp; Rvw. w/ Peer Grps.</li> <li>• Public Hearing Process</li> </ul>	<ol style="list-style-type: none"> <li>1. In-house</li> <li>2. Consultant 15 to 50 thousand per plan</li> </ol>	<ol style="list-style-type: none"> <li>1. 2 years</li> <li>2. 1 year to 18 months</li> </ol>
Hire Sr. Level Planning Infill Specialist	<ul style="list-style-type: none"> <li>• City Council</li> <li>• City Manager</li> <li>• Planning Director</li> </ul>	<ul style="list-style-type: none"> <li>• Conceptual Idea</li> <li>• Council Okay Needed</li> </ul>	Council/City Manager Decision	\$60 to 80,000 per year	Budget Cycle?



# City Council Report

Date: August 15, 2004  
To: Mayor Hawker and City Council Members  
Through: Mike Hutchinson, City Manager  
Paul Wenbert, Deputy City Manager  
From: Jack Friedline, Development Services Manager  
Subject: Infill Working Committee Final Report  
(Citywide)

## Purpose and Recommendation

A year ago last February, the General Development Committee of the City Council supported the organization of a citizen working committee to study infill development in Mesa. The Infill Working Committee (IWC) that was formed consisted of several sitting members of citizen boards that reviewed and advised the Council on land use, design and economic development issues. This Final Report completes the work of the Infill Working Committee, and provides four key areas of recommendations regarding infill related policy objectives.

Alternative B, which encompasses all four options described by the report, is recommended for approval.

When presented to the General Development Committee last May, staff indicated that it would present the report to each of the land development related citizen advisory boards. To date, the Planning and Zoning Board and the Downtown Development Committee have both recommended approval of Alternative B.

## Background

The Mesa 2025 General Plan recognized the need to begin planning the development of by-passed, or vacant land parcels. It also recognized that older, existing development in the City may no longer be economically viable in its present form, and newer land uses or buildings may be needed to serve that general vicinity. The Infill Working Committee, with the help of many City Staff members, researched the question of what constitutes an "infill project", and what policies may need to be adopted or changed to facilitate high quality projects of this kind.

In researching the infill question, it was discovered that infill development could become the dominant form of development in Mesa within the next 10 to 20 years unless new tracts of vacant land are "annexed" into the Mesa Planning Area. Large tracts of vacant land on the eastern and southern edge of the City are no longer available to a great extent. New projects will need to focus on older sites that were by-passed during the initial development wave (Fiesta Quadrant), or the reuse of old sites for new projects (the Target store at the SWC Longmore and Southern, or the reuse of the "old" Target site at the SWC Dobson and Main.).

Initially, the IWC presented their findings in a draft report that was presented to the General Development Committee a year ago last July. After reviewing the findings, the GDC asked the IWC to reassess its recommendation on fee waivers and rebates, and bring back a new report. The IWC researched the waiver/rebate question by listening to staff planners from neighboring cities explain the methods used in their cities for infill projects, and by asking a member of the development community that develops infill sites and has used financial incentives to discuss the impact of development fee related incentive rebates or waivers. After this presentation, the Committee agreed that financial incentives could be used when appropriate, and included a fee waiver/rebate program (Infill Development Incentive Districts) as part of their pre-planning recommendation (#4). The IWC also reorganized their report from seven recommendations to four, and placed an emphasis on pre-planning efforts along four west Mesa transportation corridors.

## **Discussion**

The recommendations of the Infill Working Committee Final Report center on the development of an enhanced regulatory tool kit for infill projects. In some cases, the tool kit would use similar processes to those already used, such as overlay zoning districts and the Development Incentive Permit/Substantial Conformance Improvement Permit (DIP/SCIP) processes. In other cases, the Committee recommended the initiation of City sponsored land use studies centered on transportation corridors and the surrounding neighborhoods. The Committee also recommended a review of the Zoning Ordinance with an eye towards the development of proportional development standards for smaller sites, a Transit Oriented Design (TOD) policy for the West Main Street light rail corridor, and the provision of mixed land use zoning district options for infill sites. Two methods of expediting public hearing related development reviews are provided. The idea behind recommending the implementation of four broad alternatives was to provide as many options as possible. Infill sites are generally associated with some "problem" that may have prevented initial development earlier, and providing several alternatives could provide means by which answers to these problems may be found.

The following outline summarizes the four alternatives recommended by the IWC:

- 1) **USE EXISTING PLANNING AND ENGINEERING RELATED PROGRAMS AND PROCESSES**, including:
  - A) Increasing awareness and use of BIZ and PAD Overlay Districts, and the use of Council Use Permits (CUPs) authorizing mixed land use projects;
  - B) Increasing awareness and use of the DIP and SCIP review processes; and
  - C) Providing better awareness of existing appeal processes (including both zoning and non-zoning related appeals).
  
- 2) **DEVELOP MODIFICATIONS TO EXISTING ZONING ORDINANCE REQUIREMENTS**, including:
  - A) Develop "proportional" modifications to existing development standards in order to permit economically competitive development for smaller land parcels.
  - B) Modify the list of permitted uses in zoning districts to create opportunities for "by right" mixed land use zoning districts; i.e.: permit multiple residential uses in commercial districts or possibly permit small service or office uses such as barber shops and beauty salons in residential districts through the approval of Special Use Permits. Part of this discussion should also be focused on the development of a

*Transit Oriented Development (TOD)* ordinance to take advantage of opportunities for land use changes along the forthcoming light rail line on West Main Street.

- 3) PUBLIC HEARING PROCESS IMPROVEMENTS, in particular:
  - A) The use of a zoning hearing officer for minor rezoning and site plan related hearing requirements; and
  - B) Concurrent review of zoning and design review cases for "consent" type proposals. To a certain extent, this particular suggestion already takes place.
  
- 4) PRE-PLAN NEIGHBORHOOD/TRANSPORTATION CORRIDORS AND THE CREATION OF SPECIAL DISTRICTS:
  - A) Specific Plans are a tool used to implement general plans, but are designed to address the specific land uses and development standards of a specific geographic area. This enabling statute permits a city to address any land use or site related development issues with requirements unique to the area governed by that plan.
  - B) Infill Development Incentive Districts (IDIDs) are similar to a Specific Plan, but takes the concept one step further by also allowing a City Council to permit some waivers of development related fees, such a development impact fees or building permits. The catch is that fees from projects in other areas of the community cannot be raised to offset the cost of the waivers. In addition, the IDID may be used to develop expedited review processes or development standards unique to that geographic area. The authority to establish an IDID would rest with the City Council, who would have the option to review individual projects.
  - C) Develop, consider and adopt studies (such as Specific Plans and Infill Development Incentive Districts) that focus on transportation related corridors. The IWC identified the West Main Street light rail line, West Broadway Road, West University Drive and all of Country Club Drive. Other corridors that may warrant study may be identified later, but these four were brought up initially by the IWC as worthy of study, empirically different from one another, as well as different from other areas of Mesa.
  - D) As part of the implementation of this recommendation, it is also recommended that a Planning Infill Specialist\* be hired. This position would be filled by a person with specific knowledge of the development of infill related policies, IDIDs, specific plans and the application of these policies on infill related sites. The idea is to provide a specialist who understands the difficulties inherent in the development of infill sites and can provide suggestions to facilitate the development of the project. The individual hired for the position should also be skilled in facilitating neighborhood meetings to help coordinate the citizen input required for developing specific plans and IDIDs.

\*Such a position is only needed if all or portions of the Pre-planning Alternatives (identified as 4A through 4C) are adopted as part of a comprehensive approach to infill development. The first three IWC recommendations (Alternatives 1 through 3) described could be accommodated through the use of existing staff members and/or by using consultants.

### **Alternatives**

- A) DO NOT ACCEPT THE RECOMMENDATIONS OF THE INFILL WORKING COMMITTEE REPORT: Infill related projects would continue to be processed as

existing Zoning and other development related codes require. There would be no set policy for infill sites, and projects involving by-passed or underutilized parcels will continue to be processed in a standard manner, with no special attention.

- B) **ACCEPT THE RECOMMENDATIONS OF THE INFILL WORKING COMMITTEE IN TOTAL:** Several small changes will be needed to initiate and enact the recommendations, including a presentation to the Design Guideline Review Committee regarding the development of proportional development standards for smaller sites. Other changes may include the use of a consultant or additional in-house staff to review permitted land uses in zoning districts and the development of small changes to the use of existing overlay districts, such as the BIZ and PAD districts. Also, discussions would begin on the development of city sponsored specific plans or infill incentive districts. Such plans would, of necessity, ask for neighborhood and local business input into how that neighborhood or corridor should develop.
- C) **MODIFY THE RECOMMENDATIONS OF THE INFILL WORKING COMMITTEE:** The Report identifies four broad categories that could be used for facilitating infill related projects. Each of the four broad categories is further divided into sub-recommendations, such as modifying the land use categories in the zoning ordinance to accommodate mixed-use projects and modifying the development standards in the zoning ordinance to accommodate proportional standards for smaller sites. It is possible that the City Council could adopt portions of this report and develop a hybrid approach that suits their particular needs. If a modified approach is taken, the result may be fewer options to address some of the problems associated with the development of infill sites.

#### **Fiscal Impact**

- A) **DO NOT ACCEPT ANY OF THE RECOMMENDATIONS:** There would be no change to the existing budget if the City Council chooses not to adopt any of the recommended alternatives identified by the IWC Final Report.
- B) **ACCEPT ALL FOUR RECOMMENDATIONS IN TOTAL:** The fiscal impact of implementing all four alternatives identified by the IWC Final Report is broken down by each recommended alternative found in the report. If in-house staff members were used, the implementation of all four alternatives would total about \$100,000 annually. If consultants are used, implementation of all four alternatives over time (say two to three years) may reach as high as \$676,500. The \$100,000 estimate does not include funding for infill development incentive district rebates/fee waivers. The \$676,500 estimate does include a \$250,000 fund for such rebates/waivers, based on the City of Chandler model described below.
- B1) **RECOMMENDED ALTERNATIVE 1 – USE OF EXISTING PROGRAMS:** The use of this alternative will have very little or no fiscal impact on City processes, as many of these programs are already in place and have already been budgeted.
- B2) **RECOMMENDED ALTERNATIVE 2 – MODIFICATIONS TO THE ZONING ORDINANCE:** The cost of this alternative depends on the use of in-house staff or the hiring of a consultant. Present estimates of updating the entire Zoning Ordinance through the use of a consultant range in the neighborhood of \$150,000 to \$160,000. If in-house staff (without an increase in the number of staff present)

is used, the cost goes down but the time to complete the project goes up because of competing responsibilities.

- B3) **RECOMMENDED ALTERNATIVE 3 – PROCESS IMPROVEMENTS:** There are minor fiscal impacts to the use of a Zoning Hearing Officer (ZHO) or to the concurrent review of Design Review Board and rezoning requests. The “cost” of concurrent review would be paid in additional time if the requests are delayed or if staff and applicant guess wrong and the case is rerouted back a step or two. The ZHO option could make use of the existing hearing officer process and its hearing officer. If an outside hearing officer(s) would be used, set compensation amounts on a per case basis are possible. For example, Civil Hearing Officers are currently paid \$100 per case per hearing. If a hearing officer heard one-half the number of zoning cases heard last year, this cost would total \$3500 per year.

The City of Phoenix currently uses contract zoning hearing officers, and pays them at a rate of \$65 per hour. Simple cases may run two hours in time (including preparation time for the hearing officer before the actual public hearing). More complex cases may run five hours in preparation and public hearing time, and therefore cost \$325 each. Assuming 85% of 35 cases per year are “simple” and 15% are “complex”, paying a contract-hearing officer would cost about \$6500 a year, based on the Phoenix model.

- B4) **RECOMMENDED ALTERNATIVE 4 – PRE-PLANNING OPTIONS:** Again, the cost of implementing this alternative is dependent on the use of in-house staff or an outside consultant. This option does include the hiring of a mid to senior level planner at a cost of roughly \$60,000 to \$70,000 annually. This staff member would be responsible for developing specific plans, infill incentive districts, and working with applicants that wish to develop individual infill projects. Individual neighborhood/corridor specific plans or infill development incentive districts may cost \$50,000 to \$75,000 each, if a consultant is used. That cost may be reduced, according to local consultants, depending upon the degree of work completed in partnership with in-house staff.

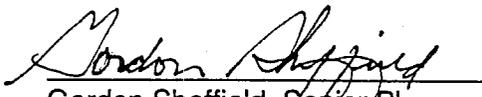
In addition, monies would need to be budgeted for fee waivers and/or rebates related to the Infill Development Incentive District. As stated in the Report, a related raise in development related fees could not compensate the cost of the fee waivers/rebates. Rather, this incentive is paid through the use of General Fund monies. As an example, the City of Chandler sets aside \$250,000 annually for their owner occupied housing incentive, which is limited to a designated “infill” district (primarily the North Chandler area).

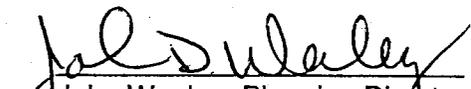
- C) **ADOPT A LIMITED PROGRAM BASED ON SOME (NOT ALL) OF THE RECOMMENDED ALTERNATIVES:** If only the first three recommended alternatives are adopted, without the fourth (Pre-planning), most of the work could be done in-house, without hiring additional staff or a consultant. The trade-off would be additional time to complete the project. Hiring additional staff or consultants would result in costs that would range anywhere within the \$100,000 to \$676,500 range identified in Fiscal Impact B above, based on the combination of recommended alternatives chosen by the City Council.

**CONCURRENCE**

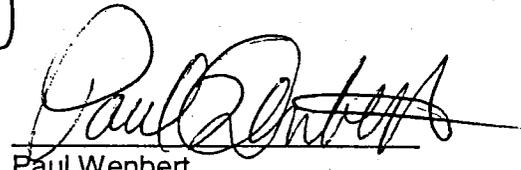
Planning Division staff coordinated the writing of the Infill Working Committee Final Report, with IWC members, and provided copies of the report to all participants and contributors from other City Departments and Divisions. The Infill Working Committee concurs with the recommendation to accept the report and all four of the alternatives described therein.

Planning Division staff has also presented this report to the Planning and Zoning Board, the Downtown Development Committee, the Design Review Board and the Ad hoc Redevelopment Advisory Committee. Both the Planning and Zoning Board and the Downtown Development Committee boards recommended approval with one dissension. In both cases, the dissenting vote came because of concerns regarding the overall cost of implementing the recommended projects. Also attached is a memo that more fully develops the idea of how the costs of these programs may be spread over a period of time. No formal votes were taken at the Design Review Board or Ad Hoc Redevelopment Advisory Committee, although several members voiced support of the recommendations.

  
Gordon Sheffield, Senior Planner  
Staff Originator

  
John Wesley, Planning Director

  
Jack Friedline  
Development Services Manager

  
Paul Wenbert  
Deputy City Manager

  
Mike Hutchinson  
City Manager