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Planning and Development Services**

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To: General Plan Update Citizen Review Committee 2020
From: Adam Yaron, Project Coordination Liaison
Through: Erin Perreault, AICP, Long Range Planning Director
CC: Randy Grant, Community & Economic Development Director
Date: September 21, 2020
Re: Item 3: Draft General Plan 2035 – Section 2 – Revitalization Chapter, Conservation, Rehabilitation, and Redevelopment Element

This memorandum presents the General Plan Update Citizen Review Committee (CRC) with the Draft General Plan 2035 – Section 2 – Revitalization Chapter, Conservation, Rehabilitation, and Redevelopment Element (Pages 193-197).

BACKGROUND

As part of the Citizen Review Committee Workplan – the CRC will be reviewing the version of the Task Force recommended Draft 2035 General Plan (Enclosure 1) that includes content that was not originally found in the Scottsdale General Plan 2001, but was included in the Draft Plan per the General Plan Task Force, as noted in a darker **BLUE** color as “**(NEW)**”. This version of the Draft Plan also includes input from a Technical Advisory Committee (TAC) comprised of city staff that reviewed and provided input on the plan between February and April of 2020 (city staff comments notated in **GREEN**) and comments in **RED** which are derived from community members during the Citizen Outreach that occurred since 2014.

INTRODUCTION

The Conservation, Rehabilitation, and Redevelopment Element is a newer state mandated element, that was enacted into state law (2007) long after the 2001 Scottsdale General Plan had been adopted and ratified. In November of 2019, the Scottsdale City Council adopted the Draft 2035 General Plan Conservation, Rehabilitation, and Redevelopment Element as created by the General Plan Task Force, into the 2001 Scottsdale General Plan, to continue to comply with State Statute requirements. Consequently, both the 2001 Plan and the Draft 2035 Plan have the same Conservation, Rehabilitation, and Redevelopment Element.

As Scottsdale matures and approaches build-out, redevelopment will become a greater focus for the community. The city will need to focus attention on conservation and rehabilitation of more mature properties, seek creative infill development strategies, and support redevelopment in areas showing decline while still recognizing and maintaining those elements that make each neighborhood special. The draft Neighborhood Conservation, Rehabilitation and Redevelopment Element intends to address such by including goals and policies specific to revitalization and infill development, formal redevelopment, neighborhood character and identity, and rehabilitation of structures.

ARIZONA REVISED STATUTES FOR THE CONSERVATION, REHABILITATION, AND REDEVELOPMENT ELEMENT

Per Arizona Revised Statutes (9-461.05 (E)) the General Plan SHALL include a Conservation, Rehabilitation and Redevelopment Element, consisting of plans and programs for any part or phase of the following:

- a) The elimination of slums and blighted areas;
- b) Community redevelopment, including housing sites, business and industrial sites and public buildings sites; and
- c) Other purposes authorized by law.

KEY TERMS

When reviewing the Conservation, Rehabilitation and Redevelopment Element, it is important to understand and review the following key terms:

1. Neighborhood Conservation- Similar to preservation, neighborhood conservation seeks to maintain significant character-defining features of a neighborhood, such as lot size, building height, and streetscapes.
2. Rehabilitation - Modifying a structure or feature of the built environment to replace damaged or deteriorated features.
3. Revitalization- The investment of public and/or private dollars into an area's-built environment to attract new activity and residents and improve quality of life. This may include adapting existing buildings for new purposes.
4. Redevelopment- The general term relating to 'informal redevelopment' means the change of the existing development in an area or on a property, sometimes by demolishing existing buildings, and replacing the demolished development with new building(s) or structures.
5. Redevelopment Authority (i.e. 'Formal Redevelopment') is defined by the State Statute and involves the formal designation of redevelopment areas according to State Statutory requirements, followed by the creation of a redevelopment plan that identifies deficiencies, outlines opportunities and details a program for revitalization of an area.
6. Blight- The visible and physical decline of a property or neighborhood due to any of the following: defective/inadequate street layout; faulty lot layout; unsanitary/unsafe conditions; deterioration of site/improvements; too many owners; tax delinquency exceeding fair value of land; defective title conditions; improper/obsolete platting; and/or conditions that endanger life or property.
7. Slum- An area where there is a predominance of buildings or improvements in which the public health, safety or welfare is threatened because of dilapidated/obsolescent buildings or improvements, inadequate provisions for ventilation, light, air sanitation or open spaces, overcrowding and/or conditions that endanger life or property.
8. Infill- There are two distinct versions of 'infill' that should be considered.
 - a. The general term 'infill' is similar to general redevelopment. It is the development of vacant, underdeveloped or underutilized sites within an established area, rather than development of vacant or undeveloped sites on the outskirts or outside of the city. When the term infill is used in the General Plan, this is the definition that is referred to.
 - b. The State of Arizona's Infill Incentive District is one of many tools that cities can utilize to encourage infill development (as generally defined above) in particular

locations that meet statutory criteria. This tool recognizes that the strict application of zoning district standards and regulations might inhibit infill revitalization, and redevelopment and preclude the provision of public amenities and benefits. However, for cities to utilize this specific tool, they must define a district boundary that meets the State’s qualifying criteria. This version of ‘infill’ is an optional tool that communities may use to assist in the implementation of General Plan goals. Infill Incentive Districts are not the same as the general definition of infill development used in the General Plan and noted above.

CURRENT CONDITIONS

Revitalization

Revitalization and general redevelopment have become a critical part of the economic viability of the community as the city matures. Scottsdale tries to prevent decline in mature areas by acting before there is a loss of vitality or attractiveness, as the stability of residential neighborhoods is essential to Scottsdale’s quality of life.

Scottsdale will continue to see more of a focus on infill and revitalization as part of its progression toward build-out. As redevelopment and infill development occurs in the city, it will be important to balance these changes with conservation of, and integration with, existing neighborhood character and identity.

Formal Redevelopment in Scottsdale

Formal Redevelopment refers to the State-granted authority and process of redevelopment (Enclosure 2).

To stay ahead of property and neighborhood decline, Scottsdale was proactive in exercising its formal redevelopment authority to designate redevelopment areas in commercial portions of the community that were experiencing deterioration. At the height of Scottsdale’s formal redevelopment efforts, four (4) redevelopment areas, each with redevelopment plans, had been designated in following areas:

- **Southeast Downtown Redevelopment Area/Plan (1993)** - generally properties bounded by Miller Road to the east, Earll Drive to the south, Scottsdale Road to the west and Indian School Road to the north. Redevelopment area designation/plan repealed: 2004.
- **Waterfront Redevelopment Area/Plan (1994)** – generally those properties adjacent to the north and south banks of the Arizona Canal between 68th street to the west and 74th Street to the west. Redevelopment area designation/plan repealed: 2003.
- **Los Arcos Redevelopment Area/Plan (1996)** – generally those properties adjacent to Scottsdale Road (from Thomas Road south to the city’s southernmost limit) and along the full length of McDowell Road between the city’s eastern and western city limits. Redevelopment area designation/plan sunsetted: 2016.
- **Downtown Redevelopment Area/Plan (1997)** – generally properties bounded by Miller Road to the east, Osborn Road to the south, 68th Street to the west, and Camelback Road to the north. Redevelopment area designation/plan repealed: 2002.

As noted, three (3) redevelopment areas/plans have been repealed by an act of the Scottsdale City Council and one (1) has sunset. These repeals occurred in part because of growing regional, state, and national movements opposing formal redevelopment, coupled with state and federal court cases that generally limited the redevelopment powers available for jurisdictions to utilize. Today, Scottsdale has no formal Redevelopment Areas.

Housing Rehabilitation Programs

Scottsdale's Housing Rehabilitation Program is administered through the Human Services Department. The program is a federally-funded, interest-free deferred loan to qualified low- and moderate-income homeowners to finance a contract for home repairs between a homeowner and contractor.

The Roof Repair and Replacement Program provides federal assistance to repair or replace deteriorated roofing systems that pose a serious threat to the health, safety or welfare of a household.

The Emergency Repair Program provides federal assistance through a grant to address household repairs that affect the immediate livability of the home. Repairs are based on priority of emergency.

CONSERVATION, REHABILITATION AND REDEVELOPMENT ELEMENT KEY CONSIDERATIONS

The following are key considerations of the Conservation, Rehabilitation and Redevelopment Element:

- **Blighted, Distressed and Underutilized Properties.** Scottsdale has been proactive in the prevention of blighted properties in neighborhoods. Consequently, the city has been fortunate to experience few blighted conditions. However, the State Statute requires that this element include policies for the elimination of slums and blighted areas. Therefore, the draft 2035 General Plan includes a policy (CRR 1.2) that addresses blight, in order to comply with the State Statute.
- **Infrastructure.** The draft 2035 General Plan includes a policy (CRR 1.6) related to upgrading substandard infrastructure during redevelopment, which is an important component of neighborhood revitalization and redevelopment.
- **Clarification of Terms.** The draft 2035 General Plan replaced the term 'revitalization' with the terms rehabilitation and/or redevelopment to meet the State Statute intent of the element. Revitalization efforts are more appropriate in the Neighborhood Preservation and Revitalization Element (Item #2 on this agenda).

STAFF RECOMMENDATION

Staff recommends that the General Plan Citizen Review Committee confirm receipt of and consider any public comments submitted on this agenda item and then review the Draft General Plan 2035 – Section 2 – Revitalization Chapter, Conservation, Rehabilitation, and Redevelopment Element (Enclosure 1) and discuss any questions or comments you may have regarding this item during the CRC public meeting discussion.

To help prompt this discussion, please review and consider the following dialogue box while reviewing the enclosure materials provided with this memo:

Pertaining to the DRAFT 2035 GENERAL PLAN SECTION 2, REVITALIZATION CHAPTER, CONSERVATION, REHABILITATION, AND REDEVELOPMENT ELEMENT, the Citizen Review Committee should:

- Consider if any of the applicable goals or policies should be modified or removed. Consider the Technical Advisory Committee city staff edits (**GREEN**) and comments in (**RED**) which are derived from community members during the Citizen Outreach that occurred since 2014. Furthermore, are there any goals or policies that should be added?
- How can Scottsdale encourage infill development while maintaining neighborhood distinctiveness?
- How can the city encourage private rehabilitation of aging structures?

Enclosure:

1. Draft General Plan 2035 – Section 2 – Revitalization Chapter, Conservation, Rehabilitation, and Redevelopment Element (Pages 193-197).
2. Slum Clearance and Redevelopment: Arizona Revised Statutes 36-1471



CONSERVATION, REHABILITATION, & REDEVELOPMENT ELEMENT[‡]

As a maturing city, Scottsdale increasingly needs to focus on the conservation and rehabilitation of aging properties, seek creative infill development strategies, and support context-sensitive redevelopment in areas showing signs of decline. It is also critical to involve residents in infill and redevelopment decisions affecting their neighborhoods.

Redevelopment means to change existing development in an entire area or on an individual property through modification or complete replacement. These “informal” redevelopment efforts are typically led by the private sector to enhance aging areas. Sometimes cities help with and encourage informal redevelopment through supportive ordinances, processes, or public-private partnerships, such as funding public infrastructure to benefit the redevelopment purpose and community.

At times it has been necessary for the city to use the “formal” Redevelopment Authority granted to cities by the State of Arizona. The Redevelopment Authority Statute (ARS 36-1471) provides tools for protecting the health, safety, and welfare of citizens by improvement of deteriorated urban conditions, acquisition and sale of property, establishment of open space, and achievement of other locally-approved redevelopment goals. To use this authority, the city must designate an area as a formal Redevelopment Area, according to statutory criteria, and adopt a Redevelopment Plan to establish goals and policies to accomplish the redevelopment intent.

The goals and policies of the Conservation, Rehabilitation, & Redevelopment Element discuss both “informal” and “formal” redevelopment, recognizing that any “formal” redevelopment must be approved by the City Council and conform to Arizona State Statute requirements.

Goals and Policies

GOAL CRR 1

Support high-quality, context-appropriate redevelopment, rehabilitation, and conservation to promote long-term neighborhood stability.

Policies

CRR 1.1 Support redevelopment that is sensitive to the identity and character of Scottsdale's maturing neighborhoods. *[Cross-reference Character & Design; Housing; and Neighborhood Preservation & Revitalization Elements]*



CRR 1.2 † Continue strategic and proactive intervention efforts for property redevelopment, rehabilitation, and maintenance on properties beginning to show signs of decline, so as to prevent further progression of blight, distress, underutilization, or deterioration. *[Cross-reference Safety; Housing; and Neighborhood Preservation & Revitalization Elements]*

CRR 1.3 Support the proactive participation of affected residents and business owners during the planning and implementation of redevelopment and neighborhood conservation projects. *[Cross-reference Community Involvement and Neighborhood Preservation & Revitalization Elements]*

CRR 1.4 Strive to replace affordable housing removed by redevelopment projects. *[Cross-reference Housing Element]*

CRR 1.5 Protect established areas/neighborhoods by promoting context-appropriate infill development; sensitive neighborhood and property assemblage; and innovative adaptive reuse of existing community resources and historic properties. *[Cross-reference Character & Design; Land Use; Arts, Culture & Creative Community; and Neighborhood Preservation & Revitalization Elements]*

CRR 1.6 (NEW) Upgrade substandard infrastructure during redevelopment and rehabilitation projects. *[Cross-reference Safety; Public Services & Facilities; and Cost of Development Elements]*

CRR 1.7 (NEW) Encourage proactive neighborhood stewardship to prevent property and neighborhood decline, and help neighbors-in-need, homeowners, and property owners with property rehabilitation. *[Cross-reference Safety; Neighborhood Preservation & Revitalization; and Healthy Community Elements]*

GOAL CRR 2

Sustain the long-term economic well-being through redevelopment, rehabilitation, and conservation.

Policies

CRR 2.1 Support and encourage public and private economic reinvestment in mature, declining areas. *[Cross-reference Public Services & Facilities and Economic Vitality Elements]*

CRR 2.2 Encourage reinvestment that positively impacts the visual impressions and experiences of residents, businesses, and visitors. *[Cross-reference Public Services & Facilities and Economic Vitality Elements]*



CRR 2.3 † Promote redevelopment and rehabilitation of older antiquated commercial areas to maintain Scottsdale’s standing as one of the major retail, restaurant, and entertainment destinations within the metropolitan area. *[Cross-reference Land Use; Public Services & Facilities; and Economic Vitality Elements]*

CRR 2.4 † Foster redevelopment and rehabilitation of mature employment centers to enhance Scottsdale’s job market and provide new job opportunities. *[Cross-reference Land Use; Public Services & Facilities; and Economic Vitality Elements]*

CRR 2.5 Encourage healthy, resource- and energy-efficient building materials and methods during conservation, rehabilitation, and redevelopment efforts. *[Cross-reference Environmental Planning; Healthy Community; and Energy Elements]*

CRR 2.6 Promote the presence and capacity of existing infrastructure, such as telecommunications, as an incentive to encourage more infill development. *[Cross-reference Land Use and Public Services & Facilities Elements]*

CRR 2.7 (NEW) Coordinate the processing of redevelopment proposals across city departments to reduce project costs and promote expediency.

GOAL CRR 3 (NEW)

Use formal Redevelopment Authority only when necessary to enhance economic conditions and improve the health, safety, and welfare of the community.

Policies

CRR 3.1 † (NEW) Use redevelopment plans to promote careful and sensitive redevelopment of blighted or vacant areas.

CRR 3.2 † (NEW) Correct the deficiencies of areas experiencing blight or potentially hazardous conditions that affect the health, safety, and welfare of community members. *[Cross-reference Safety Element]*

CRR 3.3 † Use relocation benefits to minimize hardship on community members during the formal redevelopment process. *[Cross-reference Housing and Healthy Community Elements]*



***changed the name of the former Los Arcos Redevelopment Area to reflect its current designation**

INDIAN BEND RD.
 LINCOLN DR.
 MCDONALD DR.
 CHAPARRAL RD.
 CAMELBACK RD.
 INDIAN SCHOOL RD.
 THOMAS RD.
 MCDOWELL RD.
 MCKELLIPS RD.

56th ST. 64th ST. SCOTTSDALE RD. HAYDEN RD. PIMA RD. LOOP 101

Single Central Business District

Single Central Business District Boundary



DRAFT

36-1471. Definitions

In this article, unless the context otherwise requires:

1. "Area of operation" means the area within the territorial boundaries of the municipality.
2. "Blighted area" means an area, other than a slum area, where sound municipal growth and the provision of housing accommodations is substantially retarded or arrested in a predominance of the properties by any of the following:
 - (a) A dominance of defective or inadequate street layout.
 - (b) Faulty lot layout in relation to size, adequacy, accessibility or usefulness.
 - (c) Unsanitary or unsafe conditions.
 - (d) Deterioration of site or other improvements.
 - (e) Diversity of ownership.
 - (f) Tax or special assessment delinquency exceeding the fair value of the land.
 - (g) Defective or unusual conditions of title.
 - (h) Improper or obsolete subdivision platting.
 - (i) The existence of conditions that endanger life or property by fire and other causes.
3. "Bonds" means any bonds, including refunding bonds, notes, interim certificates, debentures or other obligations.
4. "Clerk" means the clerk or other official of the municipality who is the custodian of the official records of the municipality.
5. "Commission" or "slum clearance and redevelopment commission" means an agency of a municipality created pursuant to section 36-1476.
6. "Federal government" includes the United States or any agency or instrumentality, corporate or otherwise, of the United States.
7. "Local governing body" means the council or other legislative body charged with governing the municipality.
8. "Mayor" means the mayor of a municipality or other officer or body having the duties customarily imposed upon the executive head of a municipality.
9. "Municipality" means any incorporated city or town in the state.
10. "Obligee" includes any bondholder, agents or trustees for any bondholders, or lessor demising to the municipality property used in connection with a redevelopment project, or any assignee or

assignees of a lessor's interest or any part thereof, and the federal government when it is a party to any contract with the municipality.

11. "Person" means any individual, firm, partnership, corporation, company association, joint stock association or body politic, and includes any trustee, receiver, assignee or other similar representative thereof.

12. "Public body" means the state or any municipality, county, village, board, commission, authority, district or any other subdivision or public body of the state.

13. "Real property" includes all lands, including improvements and fixtures on the land, and property of any nature appurtenant to the land, or used in connection with the land, and every estate, interest and right, legal or equitable therein, including terms for years and liens by way of judgment, mortgage or otherwise and the indebtedness secured by the liens.

14. "Redeveloper" means any person, partnership or public or private corporation or agency which enters or proposes to enter into a redevelopment contract.

15. "Redevelopment contract" means a contract entered into between a municipality and a redeveloper for the redevelopment of an area in conformity with a redevelopment plan.

16. "Redevelopment plan" means a plan, other than a preliminary or tentative plan, for the acquisition, clearance, reconstruction, rehabilitation or future use of a redevelopment project area.

17. "Redevelopment project":

(a) Means any work or undertaking:

(i) To acquire slum or blighted areas or portions of these areas and lands, structures or improvements, the acquisition of which is necessary or incidental to the proper clearance or redevelopment of these areas or to the prevention of the spread or recurrence of slum conditions or conditions of blight in the area.

(ii) To clear any areas by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities and site improvements essential to the preparation of sites for uses in accordance with a redevelopment plan.

(iii) To sell, lease or otherwise make available land in areas for residential, recreational, commercial, industrial or other use or for public use or to retain land for public use, in accordance with a redevelopment plan.

(b) Includes the preparation of a redevelopment plan, the planning, surveying and other work incident to a redevelopment project and the preparation of all plans and arrangements for carrying out a redevelopment project.

18. "Slum area" means an area in which both of the following are true:

(a) There is a predominance of buildings or improvements, whether residential or nonresidential.

(b) The public health, safety or welfare is threatened because of any of the following:

- (i) Dilapidated, deteriorated, aging or obsolescent buildings or improvements.
- (ii) The inadequate provision for ventilation, light, air, sanitation or open spaces.
- (iii) Overcrowding.
- (iv) The existence of conditions that endanger life or property by fire and other causes.