

# La Cholla Commons

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## Narrative for Major General Plan Amendments

November 6, 2014

**Prepared for:**

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## Exhibits

- Location Map
- Aerial Photograph
- Pima Association of Governments – Transportation Analysis Zones
- Proposed General Plan Land Use Designations
- Land Use Master Plan

## **A. Project Summary**

The La Cholla Commons property is located along the west side of La Cholla Boulevard between Glover Road and Lambert Lane. The General Plan currently contemplates a mix of uses including 5 RAC residential, commercial/office, and public/semi-public facilities. The proposal is to comprehensively plan this 1.5 mile frontage of La Cholla Boulevard. The designation of the entire corridor is proposed as Master Planned Community, with the intention of allowing future rezoning for a mix of residential, neighborhood commercial, and office uses. Future uses would be oriented to provide convenient and appropriate services to the surrounding neighborhood as well as future residents.

This amendment proposal is to change the designated land use from Medium Density Residential (MDR), Rural Low Density Residential (R-LDR), Public/Semi-Public (PSP), and Neighborhood Commercial/Office (NCO) to Master Planned Community (MPC). The Master Planned Community Designation is best suited for this location because it will allow a complimentary mix of uses and ensure cohesive, well planned development along length of La Cholla Boulevard

The proposed amendment in land uses is supported by several factors, including its location on La Cholla Boulevard (a major, regional arterial roadway with future widening to a four-lane divided arterial with sidewalks and multi-use paths), location adjacent to two major signalized arterial intersections, and compatibility with surrounding land uses.

The General Plan envisions this area as a mix of residential densities and commercial uses. The Master Planned Community will continue that vision but in a comprehensive manner.

## **B. Property Data**

*Location:* The property is located immediately west of La Cholla Boulevard, south of Glover Drive, and north of Lambert Lane.

*Area of Properties/General Plan Amendment:*

North of Naranja Drive: 8± acres.

South of Naranja Drive: 186± acres

*Assessor Parcel Numbers:*

North of Naranja Drive: Portions of 224-11-061J, 224-11-061H, 224-11-061G, 224-11-060A, A portion of 224-11-038C

South of Naranja Drive: Portions of 224-20-001B, 224-20-001C, 224-20-002B, 224-20-002D, 224-20- 002E, 224-23-001A

*Existing Land Uses:* The proposed development surrounds the Casas Adobes Baptist Church and school, which will serve as a core for future development. The remainder of the site is vacant.

*Existing Zoning:* The property is currently zoned Single Family Residential District, R1-144.

*Existing Oro Valley General Plan Designations:* Various portions of the property are designated as Rural Low Density Residential (R-LDR), Medium Density Residential (MDR), Public/Semi-Public (PSP), and Neighborhood Commercial/Office (NCO).

*Requested Oro Valley General Plan Designations:* The requested land use designation for the property is Master Planned Community (MPC).

### **C. General Plan Amendment Criteria**

In accordance with Section 22 of the Oro Valley Zoning Code Revised, the disposition of the General Plan amendment proposed shall be based on consistency with the vision, goals, and policies of the General Plan, with special emphasis on compliance with the following criteria:

#### **1. The proposed change is necessary because conditions in the community changed to the extent that the plan requires amendment or modification.**

- In the subsequent year following the approval and adoption of the Town of Oro Valley 2005 General Plan, the Regional Transportation Authority (RTA) was formed as part of the 2006 Pima County Transportation Bond initiative. The RTA is currently in the Design Phase to improve La Cholla Boulevard to a four-lane desert parkway between Overton Road and Tangerine Road. The La Cholla Corridor, as it is referenced, is one of the Region's key north-south corridors presented and approved in the 2006 Pima County, Transportation bond initiative passed by the voters; connecting Tangerine Road to Interstate 10 (through an improved connection at Ruthrauff Road). In 2013 the Average Daily Traffic (ADT) counts were approximately 7,400 along La Cholla Boulevard between Naranja Drive and Lambert Lane. Future Traffic Conditions (2040), established by the RTA, place the ADT counts for La Cholla Boulevard between Naranja Drive and Lambert Lane at 21,830, and 23,164 for La Cholla Boulevard between Naranja Drive and Tangerine Road. The formation and implementation of the RTA, and the changing transportation condition of La Cholla Boulevard to a major north-south corridor, will increase the viability and accessibility of the site, creating demand for a variety of uses along its route.
- The Town of Oro Valley is growing, not only in size but also in desirability. Since the year 2000, the population of Oro Valley has increased 25%, to just over 40,000 residents (*Source: US Census*). The rise in popularity, and the increased desire for communities to establish a live, work, play environment, leads to the need to adjust land uses to allow for flexibility and variety in each land use aspect. Locating neighborhood scale commercial in close proximity to residential users can encourage

more walking and biking, reducing vehicle miles traveled in the community, and increasing employment opportunities.

- An in-depth residential market analysis, demonstrating the changing market conditions, is further explained within the section of criteria #3 of this narrative.
- A market study has been prepared, analyzing the current and expected viability of the various land uses proposed. A draft of the study is attached to this document as an appendix.

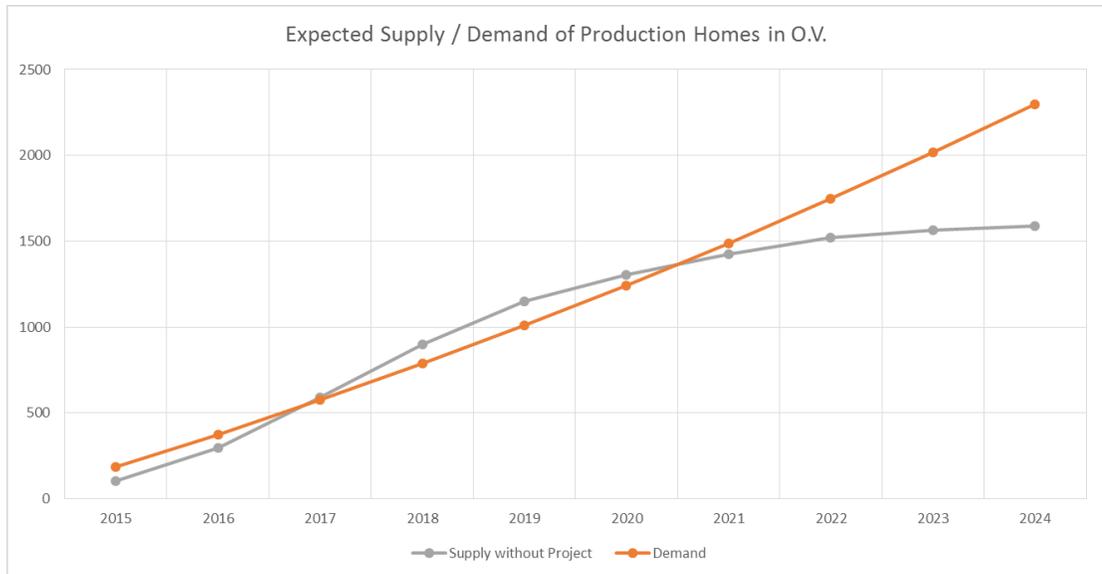
**2. The proposed change is sustainable by contributing to the socio-economic betterment of the community, while achieving community and environmental compatibility.**

- If approved, the property will be designated as a Master Plan Community. The Master Plan will set standards and themes to ensure that the development is compatible with the surrounding uses. It is anticipated that Naranja Drive on the north and Lambert Lane on the south will be improved as part of the project. La Cholla Boulevard improvements are planned as part of the 2006 Regional Transportation Authority's (RTA) initiative which once completed will adequately accommodate traffic associated with the proposed land uses. Public facilities and infrastructure already exist, and/or are planned to be constructed nearby, thus accounting for the additional burden on public infrastructure that may be associated with this project. This development will contribute to the long-term socio-economic betterment of the community by providing convenient retail and offices uses close to existing consumers and future residents.
- This proposed development will achieve community and environmental compatibility by providing open space in and along the washes and recreational areas throughout the site. Connections to the proposed trails through the development and connecting to the existing trail/path system will be provided. It is intent of the owner that future development fully comply with the requirements outlined in the Environmentally Sensitive Lands Ordinance (ESLO). The development will also include landscape buffers to further soften the appearance of future development from neighboring residents. The proposed natural and functional open space trails combined with walkable land uses will result in synergy, and the promotion of the desired live, work, play environment.
- The Master Plan will include aesthetic themes and standards which will ensure future development is compatible with its surroundings.
- The Master Plan provides a transition in density from east to west. On both the south and western boundaries larger lots, a buffer yard, or a combination of both will provide a transition from this development to the larger lot developments nearby.

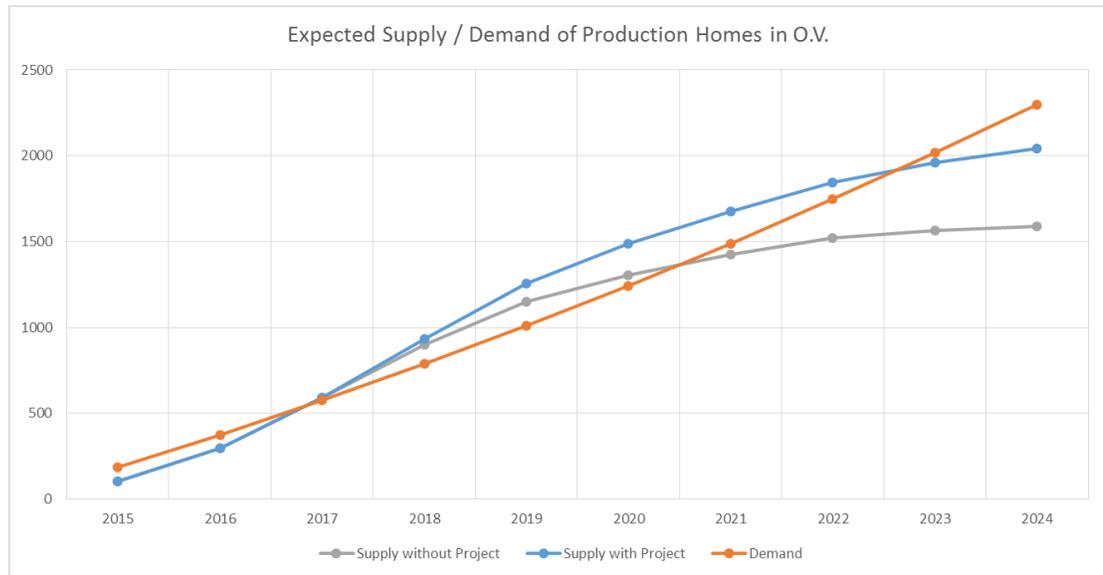
**3. The proposed change reflects market demand which leads to viability and general community acceptance.**

- The Town of Oro Valley is growing, not only in size but also in desirability. Since the year 2000, the population of Oro Valley has increased 38%, to just over 40,000 residents (*Source: US Census*). Along La Cholla Boulevard, residential developments are in various stages of construction and platting, including the neighboring developments of Saguaros Viejos (118 lots) on the north side of Naranja Drive, Meritage on Naranja (120 lots) on the south side of Naranja Drive, and Rancho de Plata (50 lots) and Rancho del Cobre (68 lots) to the north near Glover Rd. Over the last 12 months (August 2013 to July 2014) over 180 residential building permits have been pulled within Town limits, which is in line with the average of 183 per year over the last decade (*Source: Orange Reports, The Sales and Permit Report – August 2014, Volume 319*).

The market area applicable to this project has an expected annual growth rate of roughly 2% (*Source: Valbridge Property Advisors, Draft Market Demand Report – October 2014*). This number is derived from analyzing growth over a period of 10 years, 2000 -2010, and establishing a trend projection. During this time period, the country experienced an economic recession and real estate bubble, which contributed to the low growth rate projection. The graph below measures modeled demand for production type housing at an annual growth rate of 5%, against production home inventory that is known to exist or be in the platting process and assumed to be absorbed at a rate of 2 homes per month, per community phase (currently absorption rates are around 3 homes per month). The table clearly shows that a supply shortage will likely exist starting in 2020.



Given that the land planning, design, platting, and construction process typically takes 3-4 years in Oro Valley, it is imperative that additional home sites be planned for now in order to avoid a shortage. The graph below shows the anticipated housing supply with this project’s anticipated start of 2018. Supply needs to stay slightly ahead of demand, and this project will accomplish this goal for a couple more years, but demand is still anticipated to outpace supply by 2022 even with this project.



Real Estate websites such as Zillow and Movoto, show home prices having increased 5-7% over the last 12 months (Source: [www.zillow.com](http://www.zillow.com) – 9/19/2014); coupled with The Town of Oro Valley recently being ranked as one of the top 10 safest suburbs, and continually providing a nationally ranked education system, it is clear that increased market demand within the community will need to be addressed through land use amendments to the General Plan.

- As part of 2006 Pima County Transportation Bond, approved by the voters, the Pima Association of Governments (PAG) modeled future trends to determine the transportation needs of the region. In 2005, the use of census information along with conventional transportation models led to the development of Transportation Analysis Zones (TAZ). Pima County was divided into 859 TAZ’s. Using historical trends in housing, employment, and land use, PAG anticipated the needs for the year 2040 for each TAZ. Between Overton Road and Moore Road, along La Cholla Boulevard, there are 8 zones (Refer to *Traffic Analysis Zones Exhibit*). The table below displays each of the 8 TAZ, their respective 2005 population, their expected 2040 population, their respective 2005 employment total, and their expected 2040 employment total:

<b>Zone #</b>	<b>2005 – Population</b>	<b>2040 – Population</b>	<b>2005 – Employment Total</b>	<b>2040 – Employment Total</b>
689	178	3,286	4	1,051
681	291	446	46	6
656	104	811	169	278
651	2,576	2,311	85	49
<b>621</b>	<b>78</b>	<b>508</b>	<b>1</b>	<b>642</b>
617	2,634	2,928	305	512
584	2,745	3,057	214	307
564	1,459	2,291	151	182

Source: Pima Association of Governments

- The data above demonstrates that total housing along the La Cholla Corridor between Overton Road and Moore Road is anticipated to increase over 55%, while total employment is anticipated to increase almost 210% along the same stretch. The proposed Master Planned Community site is within Zone #621. This zone in particular, shows significant increases in both housing and total employment by the year 2040.
- The proposed change in land use accurately reflects the anticipated demand that will follow the future development of the La Cholla Corridor as demonstrated in the planning models conducted by the Pima Association of Governments. The transformation of La Cholla Boulevard into a major north-south arterial will lead to increased viability of the site, and demand a variety of uses, both residential and commercial, to not only serve those residents within the immediate vicinity, but those traveling both north and south to other destinations.
- Section C-1 of this document provides statements and a graph regarding market supply and historically modeled demand.
- A market study is being prepared, analyzing the current and expected viability of the various land uses proposed. A draft of the study is attached to this document as an appendix.

**4. The amendment will not adversely impact the community as a whole, or a portion of the community without an acceptable means of mitigating these impacts through the subsequent zoning and development process.**

- This General Plan amendment request seeks to change the existing land use designation to Master Planned Community, allowing for neighborhood scale flexibility and innovative planning of a mix of residential and commercial uses. The site is located along a future north-south corridor, La Cholla Boulevard, and between two

major arterial roadways, Lambert Lane and Naranja Drive. Specific impacts along the projects perimeter will be addressed during the rezoning phase of the entitlement process or during subsequent detailed development proposals.

- This property is ideal and appropriate for neighborhood scale commercial and residential development with the location between two major arterial roads.
- The General Plan envisions this area as a mix of non-low density residential and commercial uses. The Master Planned Community will continue that vision but in a comprehensive manner.
- Amphitheater School District has funded plans to construct a new elementary school in the southwest portion of Rancho Vistoso. This, along with the significant increase in education-related property taxes that this development will generate, will allow the School District to continue to provide the high quality of education that Oro Valley residents have come to expect.

## **D. General Plan Policy Conformance**

A number of Oro Valley's General Plan policies will be met by this development. Below are a few key points:

### **1. Land Use**

- This proposed commercial development will not encroach into the wash areas and leave these areas as natural undisturbed open space. (Policy 1.1.3)
- This development will be low scale, neighborhood oriented, and compatible with surrounding current and future residential uses. La Cholla Boulevard is proposed to be improved by the Regional Transportation Authority (RTA) to a four lane desert parkway. These improvements have the ability to support the human-scale commercial development proposed, while providing the Town with sales tax revenue. (Policy 1.2.1)
- The area surrounding the subject property has been largely developed with single family residential uses. Locating compatible activity centers and residential neighborhoods are encouraged. (Policy 1.3.1)
- The southeastern and northeastern corners of the site are located at two major intersections along the La Cholla Boulevard arterial. The General plan encourages the development of commercial and higher density residential units near major arterials. (Policy 1.3.2)
- The General Plan encourages the clustering of commercial development at specific nodes or villages. The location of the site at the intersection of La Cholla Boulevard and Naranja Drive would provide an ideal location for neighborhood oriented commercial development. (Policy 1.3.4)
- The Town encourages the use of Master Planning. This request is part of a larger overall area to be designated as Master Planned Community. The location, fronting 1.5 miles along La Cholla Boulevard, is ideal for the use of comprehensive planning consistent with the General Plan. (Policy 1.3.5)
- The project will decrease density from east to west. The project will include buffer yards, larger lots, or a combination to minimize impacts to the surrounding properties to the west and south across Lambert Lane. (1.4.7)
- **The Town will require master planning for projects which exceed 40 acres in size. (1.4.11)**

### **2. Community Design**

- Once the land use is designated as a Master Plan Community, the use of a Planned Area Development (PAD) zoning designation will be pursued. The purpose of Planned Area Development (PAD) zoning is to improve and protect the public health, safety, and welfare by pursuing unified planning and development and provide for development proposals, which are superior to that which may occur under

conventional zoning regulations. Elements associated with a PAD include architecture, landscaping, and site design standards to ensure a consistent and quality design along the corridor and throughout the site. The designs will take into consideration the surrounding neighborhoods, and current Town of Oro Valley Design Guidelines to ensure that future development is compatible. (Policy 2.1.1)

### **3. Economic Development**

- With the location along La Cholla Boulevard, and proximity to established residential units, the proposed neighborhood oriented commercial development will not only help to prevent expenditure leakage, but also provide local options for residents (both current and new) to obtain basic services without the need for a vehicle. (Policy 3.1.1)

### **4. Cost of Development**

- The dedication for right-of-way along La Cholla will be donated for the La Cholla corridor improvements. As previously mentioned, the RTA will improve the La Cholla Boulevard corridor. The development will provide required widening and improvements along both Naranja Drive and Lambert Lane. (Policy 4.1.1 and Policy 4.1.4)

### **5. Public Facilities, Services, and Safety**

- Municipal facilities are already located nearby, and therefore able to service this development without imposing a significant burden. (Policy 6.1.1)
  - Below are the driving distances to public facilities from the subject property:
    - Fire Stations
      - 1.3 miles southeast - Golder Ranch Fire Station 376
      - 2.1 miles northwest - Northwest Fire Station 339
      - 2.7 miles northeast - Golder Ranch Fire Station 375
    - Police Stations
      - 1.0 mile east - Oro Valley Main Police Station
    - Schools
      - 0 miles - Casas School
      - 0.3 miles northwest - Wilson K-8 School
      - 0.5 miles west - Ironwood Ridge High School
      - 1.6 miles east - Copper Creek Elementary School
      - 2.8 miles northeast - Painted Sky Elementary School

- Town Hall
  - 1.0 mile east
  
- Parks
  - 0.5 miles east - Lambert Lane Park (undeveloped)
  - 1.5 miles south - Linda Vista Neighborhood Park
  - 1.8 miles east - Naranja Town Site Park
  - 2.0 miles east - CDO River Front Park
  - 2.8 miles southwest - Arthur Pack Regional Park
  
- Additionally, utilities are already available to the property.
- Efficient and safe vehicular and non-motorized traffic circulation is a primary design consideration and amenity to the proposed master planned community. (Policy 5.1.5)
- The Town encourages development design and orientation that promotes and facilitates multi-modal transportation access, particularly in and around major activity centers. The proposed Master Plan will promote multi-modal transportation access by providing a walking and biking friendly community. Facilities such as sidewalks, trails, bikes lanes and paths will be evaluated with the plan.

## 6. Open Space and Natural Resources Conservation

- The site designates the multiple washes as Critical Resource areas. The remainder of the site is designated Resource Management Area Tier 2 or is already developed. The site will comply by leaving the washes and additional areas on-site as natural undisturbed open space. (Policy 11.2.7)
- The future development will locate buildings, parking, and associated amenities outside of the wash areas to the greatest extent possible. Other open space areas will be provided and will enhance the pedestrian mobility of the Master Plan Community area. (Policy 11.2.9)
- The future development will comply with the requirements contained in the ESLO, by providing adequate buffers consistent with the site characteristics. (Policy 11.2.12)
- The future development will only use vegetation on the Recommended Plant List and prohibit certain invasive, allergenic, and nuisance species within the development. (Policy 11.2.15)
- This development will meet the Native Plant Preservation Plan guidelines from the Town. (Policy 11.2.16)
- To protect the views on Naranja Drive and La Cholla Blvd., both of which are designated scenic corridors by the Town of Oro Valley, the future building masses and heights will be evaluated to ensure view protection is consistent with Town policies. (Policy 11.3.1)

- This proposed development maintains the character of the views along Naranja Drive and La Cholla Boulevard by providing landscape buffers and underground utilities. (Policy 11.3.2)
- To ensure the proposed development blends and/or enhances the natural environment, all utilities will be placed underground. This will help protect the views from surrounding properties and roads. (Policy 11.3.3)
- To protect the scenic night sky in the community, the proposed development will meet the requirements established in the Town of Oro Valley Outdoor Lighting Code. To control obtrusive aspects of outdoor lighting usage, this proposed development will have reduced and/or shielded lighting. Additionally, the surrounding public will benefit from portions of the open space on-site not receiving active illumination at night. (Policy 11.4.2)

## **7. Water Resources**

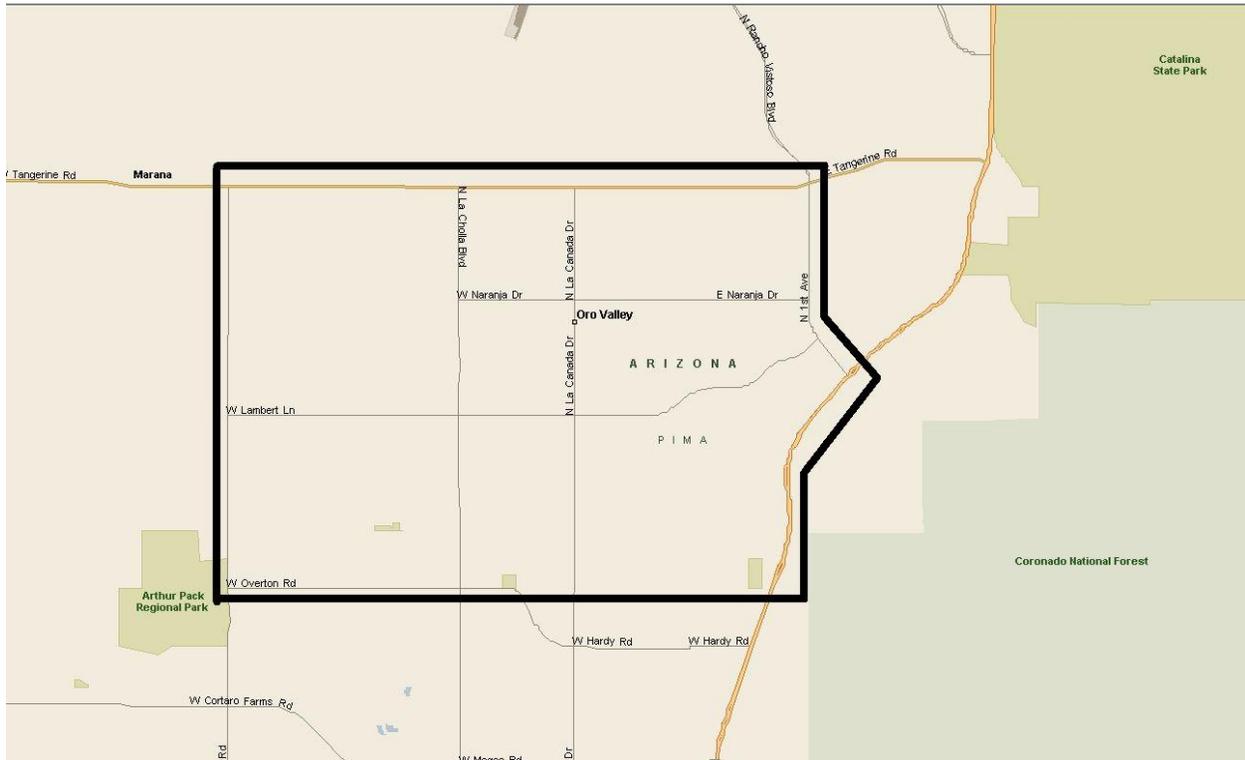
- The wash areas on the site will be designated as open space in compliance with the ESLO. (Policy 12.1.1)
- This development will be served by Oro Valley Water Utility, which participates in the Central Arizona Project (C.A.P.) and other regional groundwater protection initiatives. (Policy 12.2.1)
- Future development will include water conservation features, including water efficient irrigation system and drought tolerant vegetation. (Policy 12.3.2)

## **8. Housing**

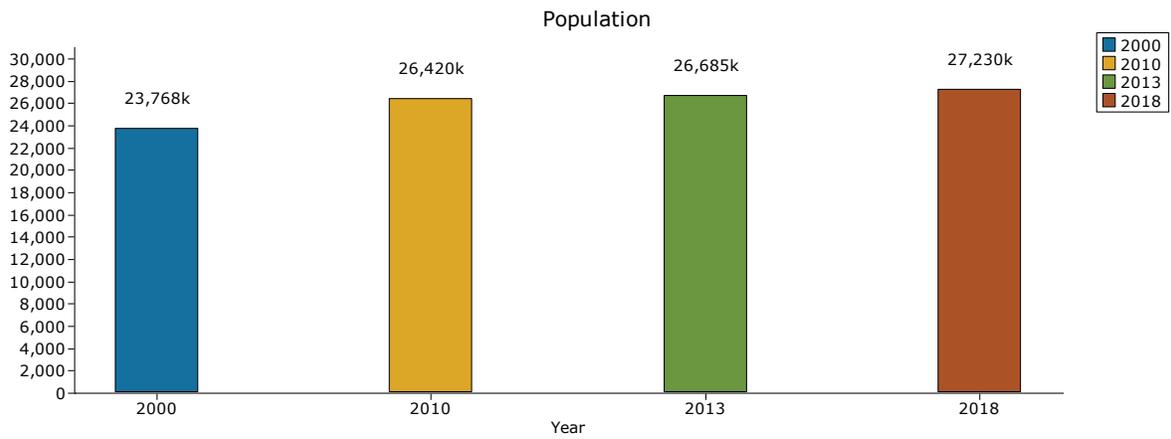
- Under the heading of encouraging and maintaining a range of housing opportunities, the General Plan states the following, which aligns very well with this proposal, “The Town shall encourage the development of a variety of types of homes to accommodate the varied needs of residents, including single-family attached and detached, townhomes, small apartments (3-4 units), condominiums, active retirement communities and congregate care housing...” (Policy 7.2.1)
- “The Town shall allow and encourage master planned communities that offer high-quality neighborhoods with a variety of residential densities and appropriately located commercial uses to serve the community.” (Policy 7.2.3)

# APPENDIX: MARKET ANALYSIS

# Neighborhood Demographics



## Neighborhood Population Growth Projection:

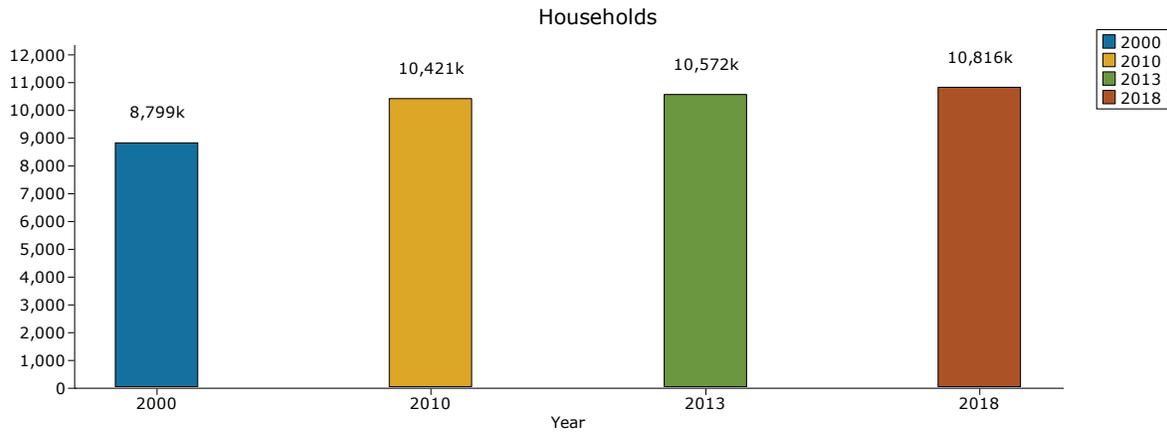


## Neighborhood Population Summary Compared to Tucson MSA:

Population Summary		
Population	Neighborhood	Tucson MSA
2010 Census	26,420	980,263
2013 Estimate	26,685	1,003,140
2018 Projection	27,230	1,032,970
<b>Gross Population Change</b>		
2010 - 2013	1.0%	2.3%
2013 - 2018	2.0%	3.0%
<b>Average Annual Population Change</b>		
2010 - 2013	0.3%	0.2%
2013 - 2018	0.4%	0.6%
Median Age (2013)	47.1	38.0
<b>Households</b>		
2013 Estimate	10,572	397,760
2018 Projection	10,816	410,226
Avg. New HH/Year 2013-2018	49	2,493
2013 - 2018 % Change	2.3%	3.1%
Avg. Annual Change 2013 - 2018	0.5%	0.6%
Average Household Size (2013)	2.52	2.46

Source: U.S. Census Bureau, Census 2010

## Neighborhood Projected Household Growth:

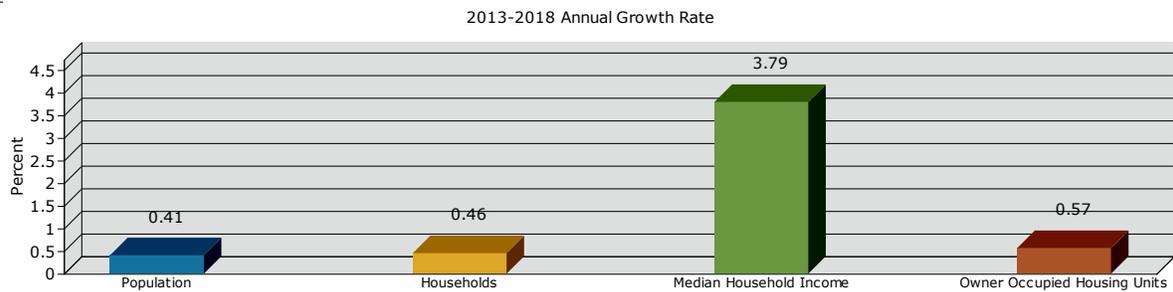


## Neighborhood Income Statistics compared to Tucson MSA:

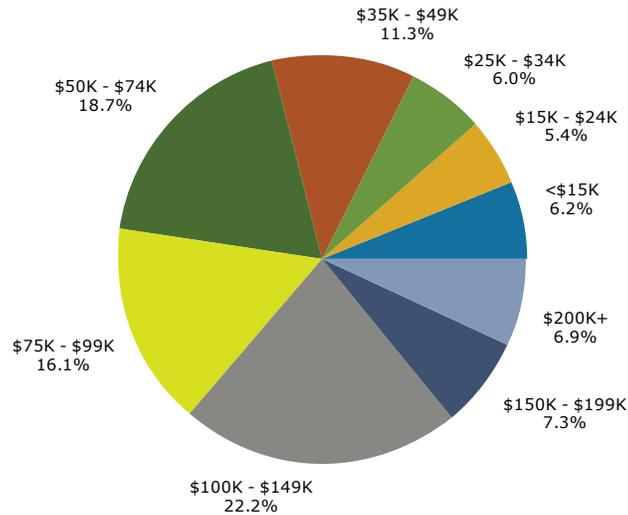
Income		
	Neighborhood	Tucson MSA
Average HH Income	\$95,350	\$60,355
Median HH Income	\$77,834	\$43,502
Per Capita Income	\$38,013	\$24,459
Household Income		
\$0 - \$15,000	6.2%	15.4%
\$15,000 - \$24,999	5.4%	12.1%
\$25,000 - \$34,999	6.0%	12.6%
\$35,000 - \$49,999	11.3%	15.2%
\$50,000 - \$74,999	18.7%	18.8%
\$75,000 - \$99,999	16.1%	10.3%
\$100,000 - \$149,999	22.2%	9.9%
\$150,000 - \$199,999	7.3%	3.0%
\$200,000 +	6.9%	2.6%

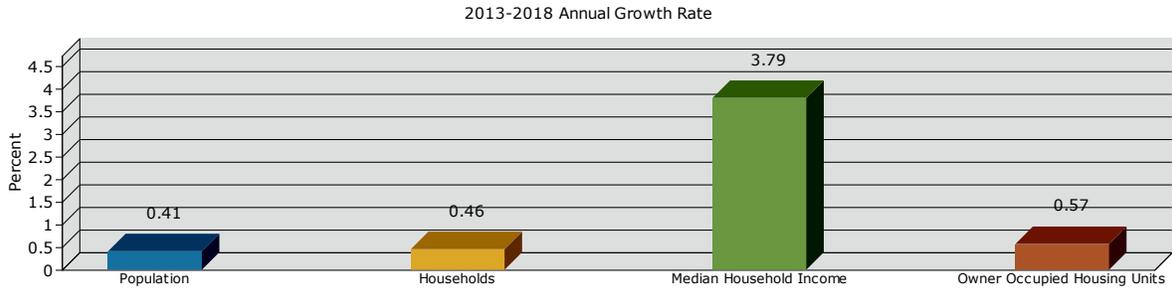
Source: U.S. Census Bureau, Census 2010

## Neighborhood Growth:



## Household Income:

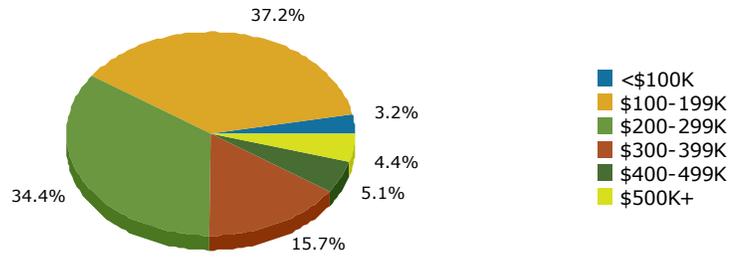




Housing (2013)		
% Owner Occupied	75.1%	55.0%
% Renter Occupied	17.8%	34.0%
% Vacant	7.1%	11.0%
Median Home Value	\$224,073	\$146,486

Source: U.S. Census Bureau, Census 2010

2013 Home Value



# Employment Demographics

## Neighborhood Employment

Total Businesses:	1,227
Total Employees:	4,610
Total Residential Population:	26,685
Employee/Residential Population Ratio:	0.17

Source: Dun & Bradstreet, Inc.

## Employment by Industry

	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	34	2.8%	90	2.0%
Construction	104	8.5%	364	7.9%
Manufacturing	36	2.9%	130	2.8%
Transportation	13	1.1%	48	1.0%
Communication	7	0.6%	23	0.5%
Utility	2	0.2%	10	0.2%
Wholesale Trade	43	3.5%	156	3.4%
<b>Retail Trade Summary</b>	<b>126</b>	<b>10.3%</b>	<b>688</b>	<b>14.9%</b>
Home Improvement	7	0.6%	19	0.4%
General Merchandise Stores	5	0.4%	186	4.0%
Food Stores	11	0.9%	36	0.8%
Auto Dealers, Gas Stations, Auto	3	0.2%	9	0.2%
Apparel & Accessory Stores	9	0.7%	108	2.3%
Furniture & Home Furnishings	15	1.2%	42	0.9%
Eating & Drinking Places	22	1.8%	74	1.6%
Miscellaneous Retail	54	4.4%	215	4.7%
<b>Finance, Insurance, Real Estate Summary</b>	<b>138</b>	<b>11.2%</b>	<b>423</b>	<b>9.2%</b>
Banks, Savings & Lending Institutions	8	0.7%	60	1.3%
Securities Brokers	9	0.7%	24	0.5%
Insurance Carriers & Agents	17	1.4%	31	0.7%
Real Estate, Holding, Other Investment	104	8.5%	307	6.7%
<b>Services Summary</b>	<b>720</b>	<b>58.7%</b>	<b>2,388</b>	<b>51.8%</b>
Hotels & Lodging	5	0.4%	77	1.7%
Automotive Services	10	0.8%	49	1.1%
Motion Pictures & Amusements	29	2.4%	157	3.4%
Health Services	54	4.4%	194	4.2%
Legal Services	9	0.7%	24	0.5%
Education Institutions & Libraries	21	1.7%	382	8.3%
Other Services	592	48.2%	1,505	32.6%
<b>Government</b>	<b>4</b>	<b>0.3%</b>	<b>291</b>	<b>6.3%</b>
<b>Totals</b>	<b>1,227</b>	<b>100%</b>	<b>4,610</b>	<b>100%</b>

Source: Dun & Bradstreet, Inc.

# Net Worth and Age Cohorts

## Neighborhood Net Worth Profile

Wealth	People	Percentage
<\$15,000	1,462	13.8%
\$15,000-\$34,999	476	4.5%
\$35,000-\$49,999	321	3.0%
\$50,000-\$74,999	530	5.0%
\$75,000-\$99,999	432	4.1%
\$100,000-\$149,999	744	7.0%
\$150,000-\$249,999	990	9.4%
\$250,000-\$500,000	1,836	17.4%
\$500,000+	3,780	35.8%
<b>Total</b>	<b>10,572</b>	<b>100.0%</b>
	Median Net	\$278,009
	Average Net	\$960,806

Source: U.S. Census Bureau

## Net Worth by Household Age

	<25	25-34	35-44	45-54	55-64	65-74	75+
<\$15,000	57	338	372	267	253	97	78
\$15,000-\$34,999	27	117	148	80	56	24	24
\$35,000-\$49,999	5	47	113	70	47	26	12
\$50,000-\$99,999	16	128	263	213	139	118	84
\$100,000-\$149,999	6	76	125	165	137	167	69
\$150,000-\$249,999	5	58	150	247	273	113	145
\$250,000+	1	98	316	1,307	1,646	1,350	898
<b>Total</b>	<b>117</b>	<b>861</b>	<b>1,488</b>	<b>2,349</b>	<b>2,553</b>	<b>1,894</b>	<b>1,309</b>
Median Net Worth	\$15,548	\$28,882	\$64,905	\$250,001	\$250,001	\$250,001	\$250,001
Average Net Worth	\$50,051	\$165,872	\$284,084	\$923,231	\$1,200,203	\$1,205,730	\$1,008,277

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2013 and 2018.

Demographic Summary	Census 2010	2013	2018	2013-2018	2013-2018
				Change	Annual Rate
Total Population	26,420	26,685	27,230	545	0.41%
Population 50+	11,361	12,213	12,979	766	1.22%
Median Age	46.0	47.1	48.3	1.2	0.50%
Households	10,421	10,572	10,816	244	0.46%
% Householders 55+	51.0%	54.5%	58.0%	3.5	1.25%
Owner/Renter Ratio	4.8	4.2	4.3	0.1	0.47%
Median Home Value	-	\$224,073	\$245,839	\$21,766	1.87%
Average Home Value	-	\$254,609	\$278,344	\$23,735	1.80%
Median Household Income	-	\$77,834	\$93,730	\$15,896	3.79%
Median Household Income for Householder 55+	-	\$70,385	\$89,107	\$18,722	4.83%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

Total Population	Census 2010		2013		2018	
	Number	% of Total	Number	% of Total	Number	% of Total
Total(50+)	11,361	43.0%	12,213	45.8%	12,979	47.7%
50-54	2,442	9.2%	2,411	9.0%	2,055	7.5%
55-59	2,264	8.6%	2,414	9.0%	2,433	8.9%
60-64	2,084	7.9%	2,249	8.4%	2,414	8.9%
65-69	1,609	6.1%	1,808	6.8%	2,131	7.8%
70-74	1,127	4.3%	1,328	5.0%	1,635	6.0%
75-79	817	3.1%	904	3.4%	1,116	4.1%
80-84	604	2.3%	618	2.3%	662	2.4%
85+	414	1.6%	481	1.8%	533	2.0%
65+	4,571	17.3%	5,139	19.3%	6,077	22.3%
75+	1,835	6.9%	2,003	7.5%	2,311	8.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

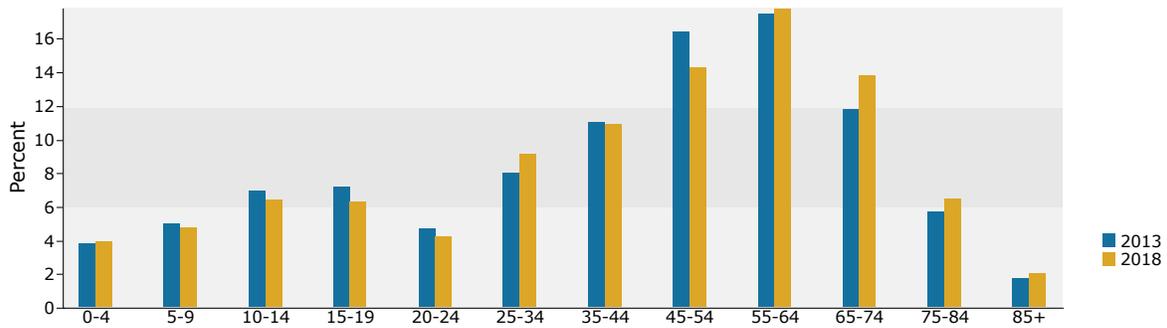
2013 Households by Income and Age of Householder 55+								
	55-64	Percent	65-74	Percent	75+	Percent	Total	Percent
Total	2,553	100%	1,894	100%	1,309	100%	5,756	100%
<\$15,000	140	5.5%	94	5.0%	178	13.6%	412	7.2%
\$15,000-\$24,999	91	3.6%	138	7.3%	170	13.0%	399	6.9%
\$25,000-\$34,999	124	4.9%	84	4.4%	210	16.0%	418	7.3%
\$35,000-\$49,999	252	9.9%	173	9.1%	297	22.7%	722	12.5%
\$50,000-\$74,999	424	16.6%	433	22.9%	216	16.5%	1,073	18.6%
\$75,000-\$99,999	408	16.0%	353	18.6%	67	5.1%	828	14.4%
\$100,000-\$149,999	645	25.3%	391	20.6%	124	9.5%	1,160	20.2%
\$150,000-\$199,999	221	8.7%	120	6.3%	25	1.9%	366	6.4%
\$200,000+	249	9.8%	107	5.6%	23	1.8%	379	6.6%
Median HH Income	\$88,236		\$76,230		\$38,605		\$70,385	
Average HH Income	\$107,326		\$91,934		\$53,622		\$90,044	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

2018 Households by Income and Age of Householder 55+								
	55-64	Percent	65-74	Percent	75+	Percent	Total	Percent
Total	2,588	100%	2,223	100%	1,460	100%	6,271	100%
<\$15,000	95	3.7%	78	3.5%	180	12.3%	353	5.6%
\$15,000-\$24,999	44	1.7%	84	3.8%	116	7.9%	244	3.9%
\$25,000-\$34,999	84	3.2%	69	3.1%	206	14.1%	359	5.7%
\$35,000-\$49,999	156	6.0%	125	5.6%	267	18.3%	548	8.7%
\$50,000-\$74,999	282	10.9%	365	16.4%	215	14.7%	862	13.7%
\$75,000-\$99,999	524	20.2%	550	24.7%	123	8.4%	1,197	19.1%
\$100,000-\$149,999	853	33.0%	618	27.8%	264	18.1%	1,735	27.7%
\$150,000-\$199,999	275	10.6%	191	8.6%	49	3.4%	515	8.2%
\$200,000+	274	10.6%	144	6.5%	39	2.7%	457	7.3%
Median HH Income	\$103,545		\$90,717		\$47,055		\$89,107	
Average HH Income	\$125,455		\$108,636		\$68,934		\$106,335	

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

Population by Age

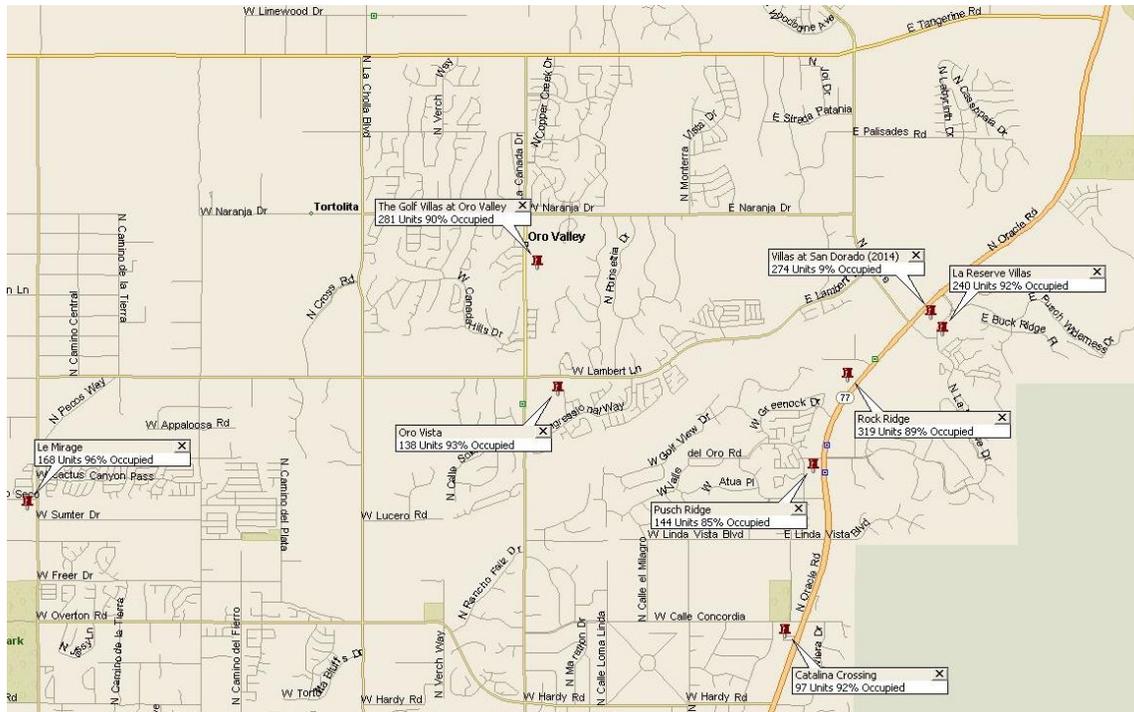


**Medical Expenditures**

	Average Amount Spent	Total
<b>Health Care</b>	\$6,275.01	\$66,339,358
<b>Medical Care</b>	\$2,768.02	\$29,263,457
Physician Services	\$354.22	\$3,744,785
Dental Services	\$564.91	\$5,972,262
Eyecare Services	\$68.72	\$726,509
Lab Tests, X-Rays	\$89.38	\$944,887
Hospital Room and Hospital Services	\$214.18	\$2,264,313
Convalescent or Nursing Home Care	\$19.54	\$206,623
Other Medical services (1)	\$158.03	\$1,670,706
Nonprescription Drugs	\$164.65	\$1,740,655
Prescription Drugs	\$680.73	\$7,196,668
Nonprescription Vitamins	\$95.01	\$1,004,468
Medicare Prescription Drug Premium	\$117.17	\$1,238,730
Eyeglasses and Contact Lenses	\$118.06	\$1,248,091
Hearing Aids	\$31.70	\$335,145
Medical Equipment for General Use	\$6.64	\$70,165
Other Medical Supplies (2)	\$85.08	\$899,450
<b>Health Insurance</b>	\$3,506.99	\$37,075,901
Blue Cross/Blue Shield	\$1,114.37	\$11,781,133
Commercial Health Insurance	\$664.12	\$7,021,068
Health Maintenance Organization	\$565.43	\$5,977,735
Medicare Payments	\$708.70	\$7,492,424
Long Term Care Insurance	\$150.25	\$1,588,431
Other Health Insurance (3)	\$304.12	\$3,215,110

Source: Bureau of Labor Statistics

# Multifamily Supply



## Supply:

Existing Multifamily									
Property	Location	Total Units	Year Built	Unit Types	Avg. Rent	Units	Overall Occ.	Lambert	Naranja
Golf Villas	10950 N La Canada	231	1999	1BR/1BA	\$957	50	90%	1.25 mi	1.1 mi
				2BR/2BA	\$1,082	140			
				3BR/2BA	\$1,297	41			
La Reserve Villas	10700 N La Reserve	240	1988	1BR/1BA	\$725	64	92%	3.55 mi	3.6 mi
				2BR/2BA	\$825	148			
				3BR/2BA	\$925	28			
Oro Vista	1301 W Lambert	138	2006	1BR/1BA	\$719	32	93%	1.15 mi	1.6 mi
				2BR/2BA	\$852	82			
				3BR/2BA	\$1,104	24			
Catalina Crossing	9095 N Oracle	97	1985	1BR/1BA	\$565	66	92%	3 mi	3.65 mi
				2BR/1BA	\$785	1			
				2BR/2BA	\$809	18			
Push Ridge	9901 N Oracle	144	1998	1BR/1BA	\$729	48	85%	2.8 mi	3.15 mi
				2BR/1BA	\$889	8			
				2BR/2BA	\$864	60			
Rock Ridge	10333 N Oracle	319	1995	1BR/1BA	\$710	96	89%	3 mi	3.15 mi
				2BR/2BA	\$808	192			
				3BR/2BA	\$995	31			
Villas at San Dorado	10730 N Oracle	274	2014	1BR/1BA	\$1,000	102	35%		
				2BR/2BA	\$1,242	136			
				3BR/2BA	\$1,490	36			
Le Mirage	9777 N Thornydale	168	1995	1BR/1BA	\$624	60	96%	2.2 mi	2.7 mi
				2BR/2BA	\$744	76			
				3BR/2BA	\$919	32			
Total/Average		1,611		1BR/1BA	\$754		84%		
				2BR/2BA	\$903				
				3BR/2BA	\$1,080				

Demand:

<b>Multifamily Residual Demand</b>	
Households	10,572
x Current Renter rate	x 25%
	2,643
x .95 frictional vacancy	x.95
Rental Unit Demand	2,511
Existing Units	1,611
Residual Demand for Rental Units	900
Household Growth Projection 2013-2023	1,750
x Projected Renter rate	x 30%
Renter Growth Projection	525
x .95 frictional vacancy	x.95
Future Renter Demand	499
Total Rental Units Demanded 2013-2023	1,399
Multifamily Projects Under Construction	0
Residual Demand for Multifamily Units Thru 2023	1,399

Conclusion:

- Demand is strong
- However, scale and market demand is not met by complexes under construction.
- Area has seasonal empty-nesters in a population weighted to older age cohorts.
- Recommend casita apartments such as Tucson Rental Homes and Avilla, NOT stacked 2 and 3 story garden units with higher density.

# Single Family

Single Family Demand Analysis		
Housing Price	\$250,000	\$500,000
20% Down	\$50,000	\$100,000
Loan Amount	\$200,000	\$400,000
30 year loan, 4.25%	\$984	\$2,460
Taxes, Ins.	\$350	\$700
Monthly Payment	\$1,334	\$3,160
<b>Ann. Inc. Req. at 33%</b>	<b>\$48,509</b>	<b>\$114,909</b>
% of the Area Population With Sufficient Income for Housing		
Price Range	71.20%	Approx. 35%

Single Family Existing Supply							
Name	Builder	Location	Total Lots	Lots Remaining	Months on Market	Absorption Per Year	Price:
Uplands	AF Sterling	La Canada & Lambert	14	2	18	8	300K+
Rancho de Plata	Meritage	La Cholla & Tangerine	50	32	8	27	280-350k
Desert Sky	Dorn	NW of Desert Sky & Oracle	40	1	60	7.8	210-240K
Sunset Canyon	Copper Canyon	SWc of Tangerine & Vista del Oro		15			549-700K
Rancho de Cobre	Maracay	11752 N Mabini	68	50	8	27	380k+
Total/Average			172	100		17.45	
Outside Neighborhood Boundary							
Shannon Estates		Shannon & Magee	55	28	12	27	270-400K
Cortina Terrace	Miramonte	Shannon & Magee	12	9	60	0.6	200-250K
La Cholla Vista	Pulte	Magee & La Cholla	42	8	12	34	250-325K
Total/Average			109	45		20.53	
Overall Total/Average			281	145		18.99166667	

Single Family Approved Lots (In Platting Process)			
Name	Builder	Location	Total Lots
Saguaros Viejos	AF Sterling	Near NWc of La Cholla & Naranja	118
Meritage on Naranja	Meritage	SWc of Naranja & La Cholla	120
<b>Total Approved Lots</b>			<b>238</b>
Single Family Proposed Lots (Submitted for Approval)			
Name	Builder	Location	Total Lots
OVTC	AF Sterling	Oracle & Pusch View Lane	60
River's Edge	Davis Development	Naranja & Pusch Ridge Vistas	55
SEC Lambert & La Cholla	N/A	Sec of Lambert Ln. & La Cholla Blvd	154
Meritage on First	Meritage	Nec of 1st & Palasades	255
<b>Total Proposed Lots</b>			<b>524</b>
			<b>at 50% for risk and unknown</b>
			<b>262</b>

### 2013-2023 Household Growth Projection:

	1750 Households
x Owner Occupancy rate	x 70%
Demand 2013-23	1,225 Households
- Existing Supply	100 Homes
- Planned Supply	500 Homes
<b>Net Demand 2013-23</b>	<b>625 Homes</b>

#### Remarks:

- The market is currently coming out of a recession and STDB growth projections are under-represented. Our projections are based on historical 2000-2010 household growth rates which equally rate the growth cycle and the recession in that decade.
- Owner occupancy rates projected to decrease from 75% to 70% as the area matures.
- Price range is \$250,000 to \$500,000 move up segment.
- Given age cohort information, low maintenance for sale units would meet needs on this market niche.

# Retail



## Shopping Center Retail Supply

Center Name	Location	Total S.F.	Year Built	Vacancy	Asking Rents/ S.F.
Shoppes at Thornydale Crossings	Tangerine & Thornydale	158,197	2007	8.0%	\$18-\$28
Thornydale Plaza	9665-9725 N. Thornydale Rd.	76,975	1997	9.3%	\$23
Thornydale Village	Thornydale & Overton Rd	57,612	1995	56.7%	\$16
Mercado at Canada Hills	La Canada Dr. & Lambert Ln	54,517	2008	3.6%	\$19
Strip Retail Center	La Canada Dr. & Naranja Dr.	13,527	2003	0.0%	N/Ap
Shops at Oro Vista	La Canada Dr. & Lambert Ln	59,017	2002	20.0%	\$17
Strip Retail Center	La Canada Dr. & Lambert Ln	23,022	2000	18.8%	\$20-\$21
Strip Retail Center	10420 N. La Canada Dr.	75,333	1993	2.9%	\$17
Placita del Oro	Tangerine & 1st Avenue	63,891	2002	17.0%	\$21
Safeway Vistoso Center	Tangerine & Rancho Vistoso	100,363	1999	0.0%	N/Ap
Target/ Home Depot	10775-10885 N. Oracle Rd.	609,385	1993	0.6%	N/Ap
San Jose Plaza	10110 N. Oracle Rd.	13,785	2000	21.3%	\$16-\$20
<b>Total S.F.</b>		<b>1,305,624</b>		<b>6.9%</b>	<b>\$16-\$28</b>

\*Excluding Thornydale Village, due to inferior appeal and functionality, the overall vacancy rate is reduced to 4.4%, which is below frictional vacancy

Demand:

## Retail Surplus/Leakage Analysis Summary

Industry Summary	Demand	Supply	Retail Gap	Leakage	Businesses
Total Retail Trade and Food &	\$373,861,255	\$75,787,562	\$298,073,693	66.3	118
Total Retail Trade	\$337,381,202	\$70,095,500	\$267,285,702	65.6	110
Total Food & Drink	\$36,480,053	\$5,692,062	\$30,787,991	73.0	8

Source: Dun & Bradstreet

Proposed Shopping Center Developments		
Name	Location	Approx. Planned S.F.
Mercado Mandarin	Near NWC of La Cholla & Naranja	50,000
Rancho del Cobre	SWc of Naranja & La Cholla	50,000 - 60,000
<b>Total Proposed S.F.</b>		<b>100,000 - 110,000</b>

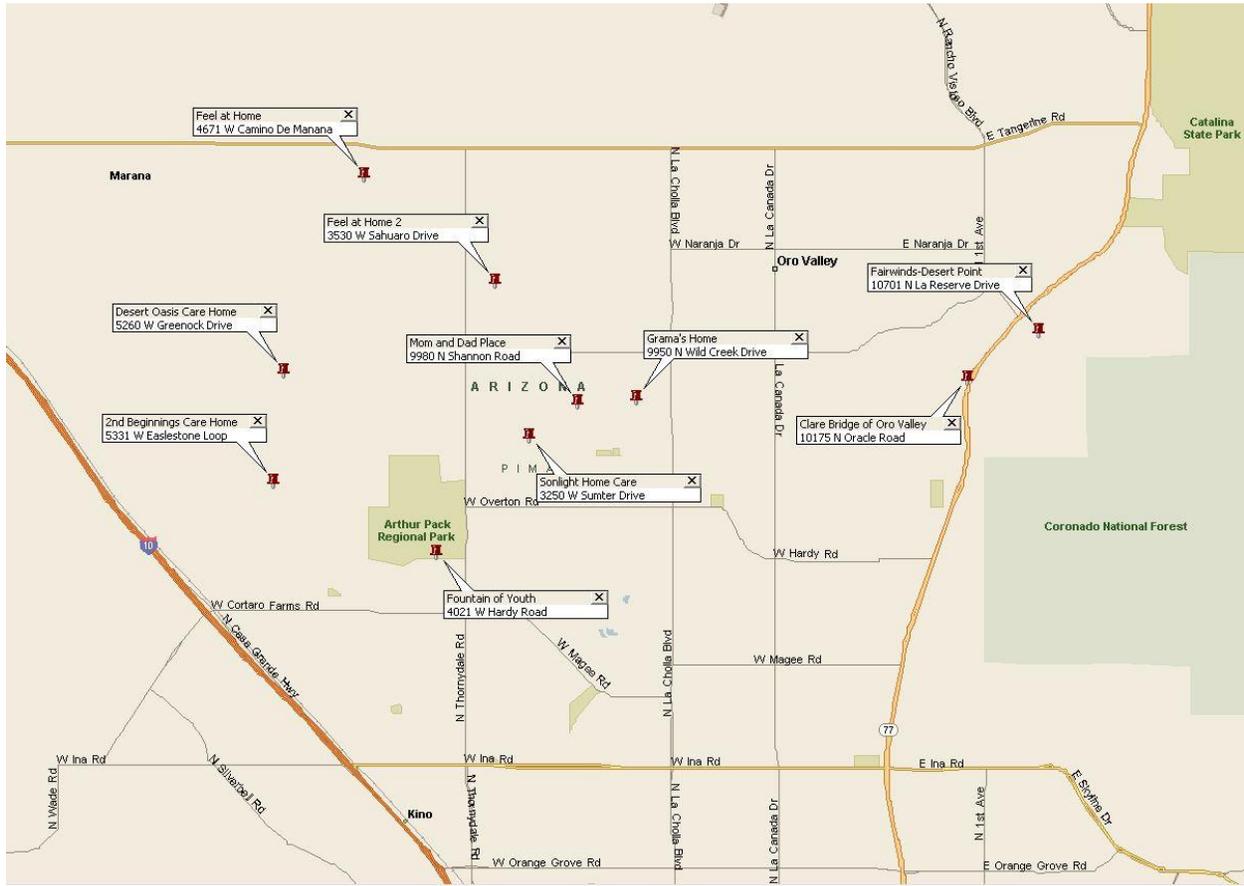
Household Disposable Income Profile (2013)		
	Number	Percent
<\$15,000	767	7.3%
\$15,000-\$24,999	696	6.6%
\$25,000-\$34,999	864	8.2%
\$35,000-\$49,999	1,603	15.2%
\$50,000-\$74,999	2,321	22.0%
\$75,000-\$99,999	1,781	16.8%
\$100,000-\$149,999	1,812	17.1%
\$150,000-\$199,999	336	3.2%
\$200,000+	392	3.7%
Total	10,572	100.0%
Median Disposable Income	\$62,015	
Average Disposable Income	\$77,128	

Source: U.S. Census Bureau

Conclusion:

- The area has a significant retiree and seasonal population
- There is significant discretionary income for food, services, and medical services
- Centers with higher vacancy lack curb appeal and inviting attractive architecture to create a sense of place. The area is not overbuilt. Higher vacancy centers have design and/or functional obsolescence issues.
- There is household and income growth demand for a planned center in 2 years but likely with a 5 to 7 year delivery.
- Despite demand, immediate construction would not take place for at least 2 years due to planning/entitlement time as the market is still coming out of a recession and development is less risky with strong pre-leasing.

# Assisted Living



Supply:

Existing Assisted Living Beds		
LEGALNAME	ADDRESS	CAPACITY
CLARE BRIDGE OF ORO VALLEY	10175 NORTH ORACLE ROAD	42
FAIRWINDS - DESERT POINT	10701 NORTH LA RESERVE DRIVE	75
2ND BEGINNINGS CARE HOME	5331 WEST EAGLESTONE LOOP	4
DESERT OASIS ADULT CARE HOME	5260 WEST GREENOCK DRIVE	10
FEEL AT HOME 2 ASSISTED LIVING	3530 WEST SAHUARO DIVIDE	5
FEEL AT HOME ASSISTED LIVING	4671 WEST CAMINO DE MANANA	10
FOUNTAIN OF YOUTH, LLC	4021 WEST HARDY ROAD	5
GRAMA'S HOME, LLC	9950 NORTH WILD CREEK DRIVE	5
MOM AND DAD PLACE, LLC	9980 NORTH SHANNON ROAD	10
<b>Total</b>		<b>166</b>

Population:

Total Population	Census 2010		2013		2018	
	Number	% of Total	Number	% of Total	Number	% of Total
Total(50+)	11,361	43.0%	12,213	45.8%	12,979	47.7%
50- 54	2,442	9.2%	2,411	9.0%	2,055	7.5%
55- 59	2,264	8.6%	2,414	9.0%	2,433	8.9%
60- 64	2,084	7.9%	2,249	8.4%	2,414	8.9%
65- 69	1,609	6.1%	1,808	6.8%	2,131	7.8%
70- 74	1,127	4.3%	1,328	5.0%	1,635	6.0%
75- 79	817	3.1%	904	3.4%	1,116	4.1%
80- 84	604	2.3%	618	2.3%	662	2.4%
85+	414	1.6%	481	1.8%	533	2.0%
65+	4,571	17.3%	5,139	19.3%	6,077	22.3%
75+	1,835	6.9%	2,003	7.5%	2,311	8.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2013 and 2018.

Affordability:

Net Worth by Household Age							
	<25	25-34	35-44	45-54	55-64	65-74	75+
<\$15,000	57	338	372	267	253	97	78
\$15,000- \$34,999	27	117	148	80	56	24	24
\$35,000- \$49,999	5	47	113	70	47	26	12
\$50,000- \$99,999	16	128	263	213	139	118	84
\$100,000- \$149,999	6	76	125	165	137	167	69
\$150,000- \$249,999	5	58	150	247	273	113	145
\$250,000+	1	98	316	1,307	1,646	1,350	898
Total	117	861	1,488	2,349	2,553	1,894	1,309
Median Net Worth	\$15,548	\$28,882	\$64,905	\$250,001	\$250,001	\$250,001	\$250,001
Average Net Worth	\$50,051	\$165,872	\$284,084	\$923,231	\$1,200,203	\$1,205,730	\$1,008,277

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri Forecasts for 2013 and 2018.

Demand:

Assisted Living Demand							
2013	Age	Income	Health	2018	Age	Income	Health
75-84	1,522	1,370	343	75-85	1,778	1,600	400
				<i>Change</i>	256	230	57
85+	481	433	217	85+	533	480	240
				<i>Change</i>	52	47	23
<b>TOTAL</b>			560				640

Inputs:

	75-84	85+
Affordability	90%	90%
Health	25%	50%

Conclusion:

- Population age cohorts and income cohorts intersect to infer considerable demand.
- Balancing development of targeted medical and wellness services with assisted living development appears to have strong demand.

# Conclusions

The district boundaries utilized were designed to emphasize the immediate area. This included a district of at least 1 mile up to 3 mile boundaries. District lines were set with the intent to provide an accurate depiction of the immediate neighborhood. Therefore, regional retail such as the Walmart anchored retail center at Tangerine and Oracle, which serves a larger trade area much farther north, luxury homes against Pusch Ridge, older dwellings to the south, and higher density merchant built housing to the west were specifically excluded.

A review of population statistics indicated excessively optimistic projections in 2008 based upon a high growth housing bubble. The 2013 projections tend to understate growth due to projections made during a recession. Therefore, I reviewed growth rates from 2000 to 2010, which included five years of recession bracketing five years of expanding economy. The usefulness of this time period is derived from its balance of both strong and weak economies.

The growth projected based on 2000 through 2010 would be over 1,900 units. I back this off to 1,750 housing units. As the area matures and given current trends, there's likelihood of more rather than fewer renters. So I reduced the home ownership components from 75% to 70%. However, I only used a 25% rental component for rental housing because of the age cohorts within this neighborhood, thereby allocating approximately 5% to senior housing.

Household income is over 50% higher in the neighborhood than the Tucson MSA. Employment demographics likely infer a considerable seasonal resident, empty nester, and family components, based upon the .17 employee/residential population ratio.

Over 60% of the residents have net worth of above \$150,000, with the majority concentrated in the 45 year and older age cohorts. Moreover, about 55% of householders are 55 years or older.

In conclusion, this is a moderately affluent neighborhood, with many residents at or just past their peak earning years based upon these statistics. Housing that is easier to maintain, adaptable for greater accessibility and flexible for varied occupancy by different generations, will generate greatest demand.

#### For Sale Residential Conclusions:

- Owner occupancy rates are forecasted to decline from 75% to 70% due to age cohorts in the neighborhood and due to changing market preferences.
- A likely price range is \$250,000 to 500,000 which is a move up segment and also accounts for both low and medium density development.
- Based upon neighborhood demographics including wealth and age, for sale units that emphasize low maintenance, adaptability to meeting physical needs, and inter-generational use would attract broader demand.
- Even with planned developments in the neighborhood, there appears to be additional demand of 600+ for sale residential units.
- It is important to be aware of the gradually changing age of the neighborhood population, whereby, ease of using housing will attract demand. Therefore, this inherently infers some demand for attached products such as townhomes. The current develop pipeline of townhomes and condominiums is quite shallow, which is typical in recessionary periods. There is a demand for about 100 to 200 townhomes or casita style apartments.

#### Multi-Family Conclusions:

- Demand for multi-family is strong with residual demand of about 1400 units.
- Traditional garden apartments of two to three stories is inconsistent with scale of the existing neighborhood.
- Multi-family use should be limited to a combination of one and two stories designed to attract the market segments typically found within casita projects such as those developed by Avilla and Tucson Rental Homes.
- The market segments consist of seasonal visitors, empty nesters, a few families in modest segments of larger units, and single employed professionals. Single employed professionals, particularly females, are attracted to this product's lower density, low maintenance, and greater similarity to living in owner occupied residence whether it be a townhome or single family home.

#### Retail Conclusions:

- The area has a significant retiree and seasonal population
- There is significant discretionary income for food, services, and medical services
- Centers with higher vacancy lack curb appeal and inviting attractive architecture to create a sense of place. The area is not overbuilt. Higher vacancy centers have design and/or functional obsolescence issues.
- There is household and income growth demand for a planned center in 2 years but likely with a 5 to 7 year delivery.

- Despite demand for about 200,000 S.F., immediate construction would not take place for at least 2 years due to planning/entitlement time as the market is still coming out of a recession and development is less risky with strong pre-leasing.
- Medical expenditures infer demand for supporting services oriented to 55+ age cohorts, included in the retail demand.
- Observing retail development, Oracle Road, La Canada, and Tangerine Road have attracted retail development but, there is a hole in the center of the immediate neighborhood in the area along La Cholla, primarily at Lambert Lane but secondarily at Naranja Drive.

#### Assisted Living Conclusions:

- Population age cohorts and income cohorts intersect to infer considerable demand.
- Balancing development of targeted medical and wellness services with assisted living development appears to have strong demand.
- There are 166 senior care beds in the immediate area. For assisted living, mobility is less important though a sense of place for a senior resident is also important. Moreover, this neighborhood is proximate to the Town hall, Town library, and parks without having to navigate the heavy traffic on Oracle Road. Even assuming dislocation out of the immediate area, there is unmet assisted living demand for over 200 beds, increasing by 80 more beds over the next 10 years.

# EXHIBITS





Ironwood Ridge  
High School

NARANJA DR.

MERITAGE ON  
NARANJA  
(NOT A PART)

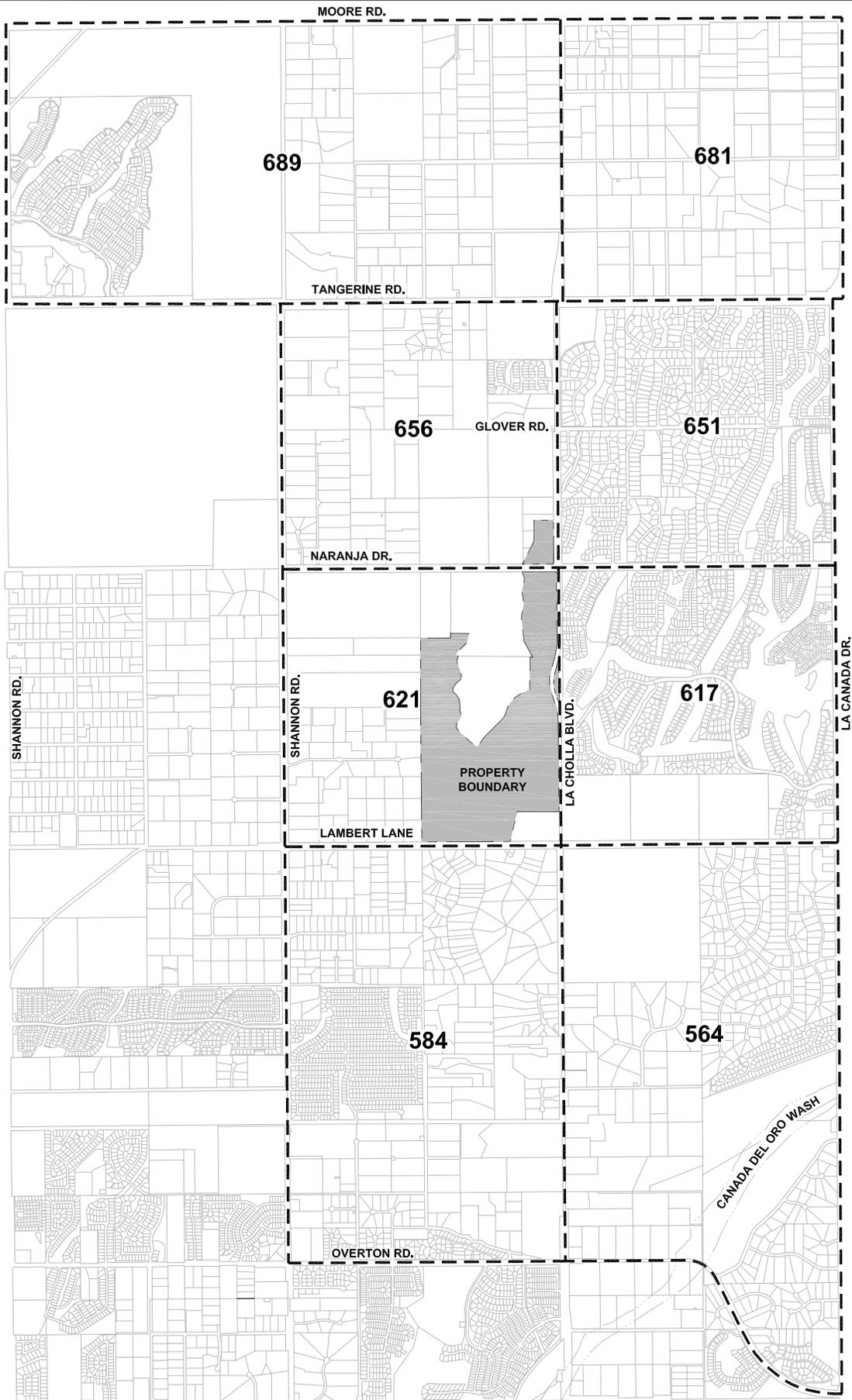
LA CHOLLA BLVD.

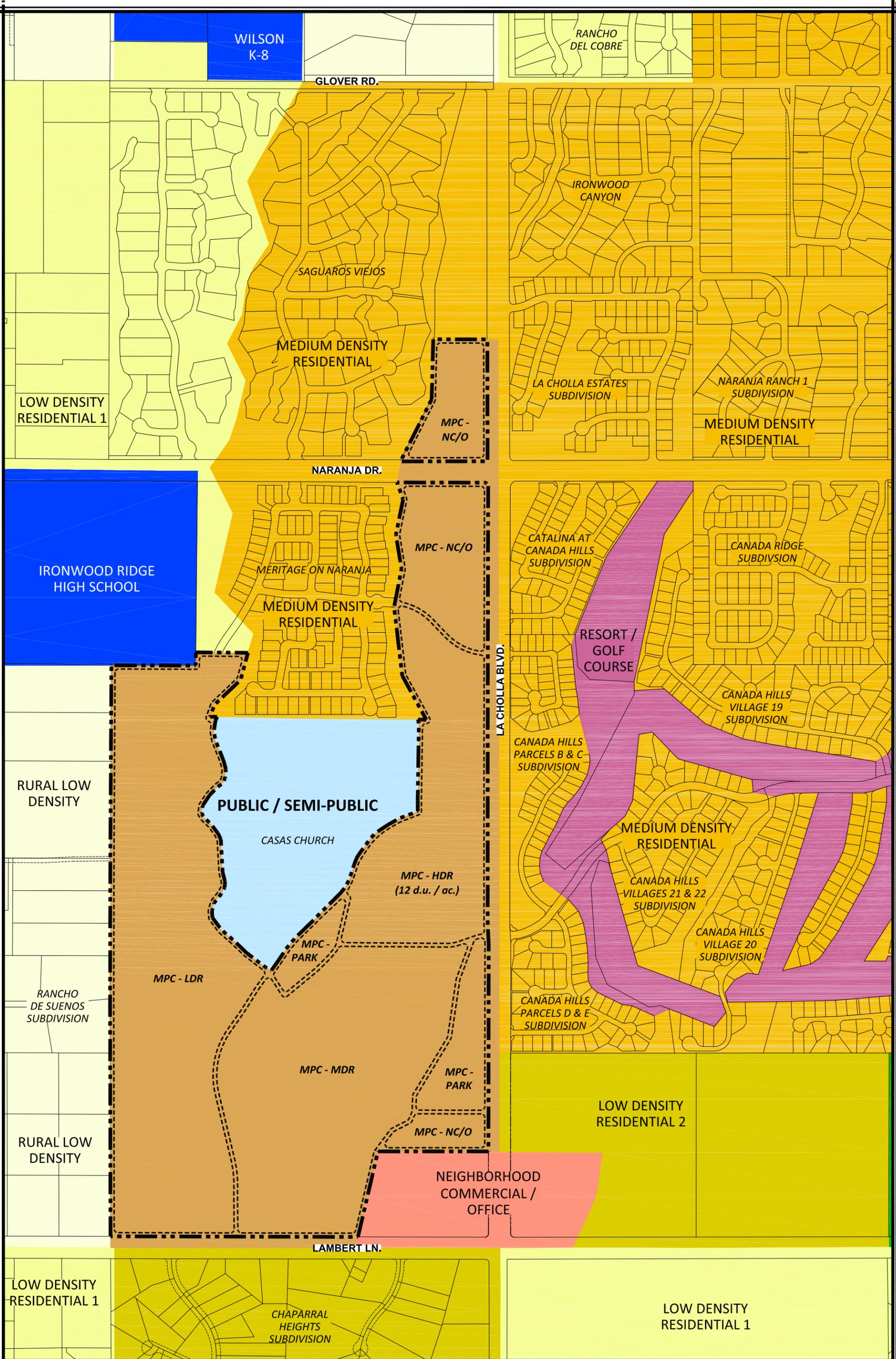
CASAS  
CHURCH  
(NOT A PART)

CANADA HILLS DR.

CROSS RD.

LAMBERT LN.







## **Special Area Policies – November 7, 2014 Applicant Draft**

### General

1. All land use designations shall conform to the land use designations of the Oro Valley General Plan, except as provided herein.
2. Planning unit boundaries are shown graphically. The actual boundaries extend to the centerline of adjacent rights-of-way or property boundaries.
3. Proposed roadway alignments are subject to change.
4. Lands outside the Critical Resource Areas shall be considered Resource Management Area 2.
5. At the time of rezoning a master plan shall be prepared through the use of a Planned Area Development zoning for the entire site, including a Master Land Use Plan, Master Drainage Plan, Master Traffic Plan and Master Recreational Plan. The master planning shall include anticipated development phasing, main trunk infrastructure, master schedule of improvements, landscaping, signage and thematic elements.
6. A single-story residential building height limit (not to exceed 24 feet) shall be in effect within 300 feet of the property lines of existing homes to the south and west of the boundary of the master plan.
7. A 200 foot natural open space buffer shall be maintained from the property lines of existing homes to the west of the Master Planned Community.
8. This Master Planned Community shall adhere to the Town's Environmentally Sensitive Lands Ordinance.
9. This Master Planned Community shall be limited to 778 residential units.
10. Senior Living neighborhoods shall feature a design pallet of colors, materials and architectural details that are compatible with the surrounding community, meeting or exceeding the Town's design guidelines. A bland "institutional" aesthetic shall not be permitted.

### Neighborhood Commercial / Office

11. Neighborhood Commercial / Office parcels on Naranja Drive and La Cholla Boulevard have a back-up designation of "Medium Density Residential" once remainder of the Master Planned Community residential parcels have been developed.

*Planning*  
(520) 229-4832

*Permitting*  
(520) 229-4800

*Inspection & Compliance*  
(520) 229-4821

*Engineering*  
(520) 229-4875

*Operations*  
(520) 229-5070

*Transit*  
(520) 229-4990

*It's in our nature.*

11000 N. La Cañada Drive • Oro Valley, Arizona 85737  
fax: (520) 742-1022 • www.orovalleyaz.gov

### High Density Residential

12. Apartments as defined by the Oro Valley Zoning Code Revised are not allowed within this Master Planned Community.
13. Attached residential development shall be limited to townhouses or condominiums as defined by the Oro Valley Zoning Code Revised, with a density not to exceed 12 homes per acre with no more than six units may be attached to each other in a linear fashion, and Medium Density Residential (2.1 – 5.0 homes per acre) and Senior Care Facilities shall also be permitted within the High Density Residential area.

### Park

14. The Park areas within the Master Plan shall count toward the recreation area acreage required by Town Code for residential development within the Master Plan. The Park areas shall be improved by the developer with a commensurate level of amenities as required by the Zoning Code. The Town may require dedication of the 7.9 acre Park area to the Town as determined during the rezoning process, following completion of required improvements by the developer.



## OFFICE OF LEGAL COUNSEL

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701 W. Wetmore Road • Tucson, AZ 85705 • TDD (520) 696-5055

### GOVERNING BOARD MEMBERS

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Jo Grant

November 6, 2014

James M. Kai, LEED-AP  
VP Operations/Finance  
Kai Enterprises/JMK Family Properties/Kai Motels Inc.  
P.O. Box 2305  
Cortaro, AZ 85652 -2305

### **RE: Planning and Zoning Application Process for OV1114-002; School Enrollment Capacity**

Dear Mr. Kai:

I would like to again thank you, and Messrs. Wexler and Oland, for meeting with Jim Burns and I last week to discuss your planned project. I appreciated, very much, the opportunity to get some additional clarification on your plans.

I also appreciate and commend you and your company for your commitment to the community and your sincere support of our public schools. Our discussions included a commitment from the Kai companies to enter into a donation agreement that would greatly ameliorate the enrollment impact we might expect from your residential project. With current enrollment capacity at each affected school, the support provided by your firm through the donation agreement we still must finalize, and the existing commitments of other developers of a similar nature, we do anticipate that we will be able to serve the enrollment we would expect from your project.

Thank you again for your interest and concern for our schools. I look forward to concluding our agreement very soon.

Sincerely,

Todd A. Jaeger, J.D.  
Associate to the Superintendent & General Counsel