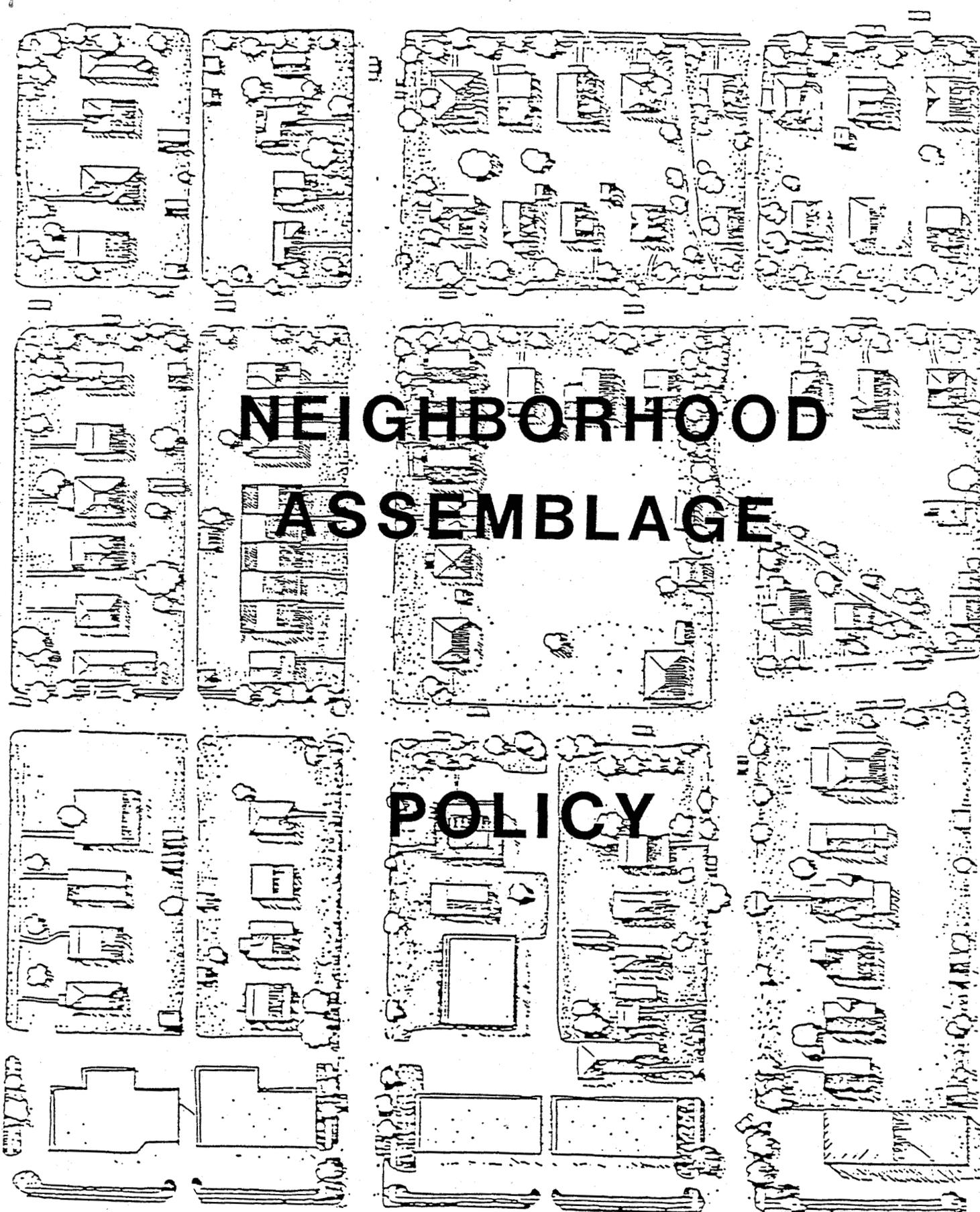


**APPROVED**



## **INTRODUCTION:**

The City of Scottsdale has very recently begun to deal with a new planning issue—neighborhood assemblages. Neighborhood assemblage is the process within which the property owners of a specific neighborhood seek a buyer for their collective properties, or a developer interested in a neighborhood for redevelopment seeks to put all property owners under contract. The City becomes involved because the neighborhood under the contract must almost always be rezoned to achieve the types and intensities of land uses that make the assemblage economically viable.

The City of Scottsdale has already experienced the mixed results of the assemblage phenomenon. The rapid growth of the city, the expansion of the valley-wide freeway system, and the future RPTA public transit system will undoubtedly create new assemblage pressures. Even though these assemblages would need to be dealt with on an individual basis, a comprehensive policy direction would take much of the uncertainty out of this divisive issue for the homeowner, the neighbor and the developer.

The neighborhood assemblage policy has been prepared in order to articulate City Council's objective of protecting its many viable and stable residential neighborhoods and of protecting the integrity of the City's General Plan as an expression of community goals. The policy also provides some flexibility to allow the rezoning of neighborhood assemblages when mitigating factors point to the community-wide benefits of assembling and redeveloping an individual neighborhood.

A draft neighborhood assemblage policy is attached in the concluding portion of this document. The policy itself is preceded by a compilation of information that describes assemblages and why a City Council policy direction would be useful.

## **WHAT FACTORS CONTRIBUTE TO THE NEIGHBORHOOD ASSEMBLAGE PHENOMENON:**

There are at least four factors that encourage neighborhood assemblage in many U.S. cities. These factors are increasingly present in the City of Scottsdale and interest in neighborhood assemblages by both individual residential property owners and developers is expected to grow in the future.

The rapid growth of non-residential development in suburban, non-downtown locations has made many residential subdivisions vulnerable to potential assemblage. Improvements in transportation access, such as the construction of freeway system and a regional public transit system, could put existing lower density residential neighborhoods in the path of a large body of commuters and consumers. Once non-residential uses are introduced in close proximity to existing residential developments, homeowner's frustration over the encroachment of non-residential development into neighborhoods, both real and perceived, can lead to the destabilization of neighborhoods and the push to redevelop to alternative uses.

## **WHERE DO NEIGHBORHOOD ASSEMBLAGES TAKE PLACE:**

Neighborhood assemblage opportunities are fairly easy to chart. They most often take place where land values may be increasing—for example, near transportation improvements like expressway interchanges or rapid transit stations, and in

neighborhoods near or in the path of office and other commercial real estate developments.

Where a reasonable amount of land becomes available for redevelopment (i.e. 20-40 acres) and a population base exists in reasonable proximity to provide employees and customers, a residential neighborhood can become at risk.

More often than not, targeted neighborhoods had not previously been subject to any destabilizing factors. The neighborhoods may be only 10-25 years old and can continue to be a good, convenient place to live provided that the speculation of possible neighborhood assemblages can be controlled.

### **WHAT ARE THE CONSEQUENCES OF NEIGHBORHOOD ASSEMBLAGES:**

The primary consequences of neighborhood assemblage relate to land use, planning, and transportation issues.

From a land use perspective, the cumulative results of land use changes resulting from assemblage can drive up the cost of housing by reducing the supply of residential homes. Secondly, the resulting dominance of non-residential uses to the exclusion of housing opportunities can upset the typical land use balance that most cities are looking for to create a living and working environment in close proximity.

Neighborhood assemblages can also affect a city's transportation system. In the valley today, the RPTA is planning a comprehensive public transportation system that will only succeed if the system is supported by a strong mix of land uses to take advantage of this alternate means of transportation. Scottsdale's Citizens Committee for Better Transportation has also made its recommendations to tackle the pressing issue of effectively moving traffic on the city's streets. The loss of stable residential neighborhoods through the proliferation of nonresidential uses will not only affect the land use balance, but will also add congestion to Scottsdale's major arterial streets.

The consequences of neighborhood buy-outs/assemblages are socio-economic and fiscal. They can be very negative when they cause rampant speculation by homeowners leading to the postponement of repairs and reinvestment, causing the deterioration of neighborhoods under contract or under assemblage. Even the rumor of an assemblage can have the same effect. Finally, holdouts against assemblage may be pressured by neighbors not to block such initiatives and to just follow along. The fiscal impact of a buy-out can be very high, taking into account the cost of road improvements and the extension of City services (i.e. water, sewer, police, etc.).

However, a neighborhood buy-out can have some positive effects. A buy-out will usually ensure a profit for property owners far beyond the value of their lots and homes. Also, it allows a neighborhood to avoid gradual decline and it can temporarily increase land values. Some cities demand planned area developments for the whole buy-out and they extract fees for public improvements from the developer.

## **WHY DOES THE CITY OF SCOTTSDALE NEED A POLICY ON NEIGHBORHOOD ASSEMBLAGES:**

A City of Scottsdale policy on neighborhood assemblages will produce three positive results.

The policy will articulate the wishes and direction of both City Council and the Scottsdale community. It will provide a clear statement to concerned homeowners and the development community about the importance of maintaining the integrity of our residential neighborhoods. Also, it will provide a flexible approach to future rezoning land use decisions by recognizing that growth and change may allow the redevelopment of a specific neighborhood in the best interest of that neighborhood and the Scottsdale community at large.

A neighborhood assemblage policy will benefit the City's homeowners and our development community by providing a clear policy direction that can be relied on when Scottsdale's citizens and developers are formulating their personal and business land use decisions.

## **RESOLUTION 3157**

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA CREATING A NEIGHBORHOOD ASSEMBLAGE POLICY.

WHEREAS, the City Council has become aware of the increasing interest by homeowners in some neighborhoods to assemble their properties for sale to developers, and

WHEREAS, the City Council has also become aware of developer interest in assembling existing residential neighborhoods for higher density residential uses and non-residential uses inconsistent with the City of Scottsdale's General Plan, and

WHEREAS, a neighborhood is generally defined as a platted subdivision that historically forms a significant neighborhood unit, and

WHEREAS, neighborhood assemblages may have adverse consequences for the City of Scottsdale, including the loss of stable residential neighborhoods, the creation of a community-wide imbalance between residential and non-residential uses, speculation leading to the postponement of repairs and reinvestment in neighborhoods under contract, and the high cost of providing new road improvements and the extension of services, and

WHEREAS, neighborhood assemblages may conversely have some limited positive benefits under specific circumstances, including the avoidance of gradual neighborhood decline.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Scottsdale:

That the City Council declares as its general policy discouraging neighborhood assemblages that anticipate land uses incompatible with the General Plan Land Use Element, and/or other planning goals and policies.

That the City Council, when considering a General Plan amendment or zoning approval for an assembled neighborhood, will require that the guidelines specified below be considered as a precondition to approval:

1. The assembled neighborhood is in transition; requiring substantial reinvestment to maintain the area for continued residential use at existing densities.
2. The proposed development will not establish a land use pattern that is likely to set a precedent and thereby generate future pressure for redevelopment on adjacent residential properties.
3. The proposed development will be compatible with adjacent land uses and must protect the stability and integrity of existing residential neighborhoods through such devices as, but not limited to, setbacks, height restrictions, use restrictions, buffering techniques, and traffic access restrictions.

4. All elements of the plan for redevelopment (including land use, density, buffering, scale, traffic, etc.) shall conform to the basic planning principles, City policies, and the General Plan of the City of Scottsdale. The General Plan shall be amended if the proposed redevelopment does not conform to the Land Use Element.
5. The proposed developer should provide an agreement to purchase all of the property within the area to be rezoned that would become binding on the proposed developer upon the passage of an ordinance changing the zoning the area. In the alternative, the developer shall satisfy City staff that the proposed development can be successfully accomplished notwithstanding the presence of parcels not forming part of the redevelopment.
6. The proposed development cannot more appropriately be accommodated in an area having suitable and existing zoning.
7. City staff shall determine if the preservation or replacement of housing opportunities is an important community objective in the area of the proposed development. If so, the proposed developer shall demonstrate how this objective is being met by the proposed development.

Be it further resolved that the City of Scottsdale Planning and Zoning Department shall make this resolution available to the community.

PASSED AND ADOPTED by the Council of the City of Scottsdale this \_\_\_\_\_ day of \_\_\_\_\_ 1989.

\_\_\_\_\_  
Herbert R. Drinkwater, Mayor

ATTEST:

Mark Mazzie  
City Clerk

By: \_\_\_\_\_  
Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Thomas J. Wilson, City Attorney