

59 BUTLER MULTIFAMILY PROPERTY

Request

Applicant desires to obtain City approval for an Amended Plat of Las Casas Contentas subdivision to allow for efficient redevelopment of the property. Upon approval, 70 undeveloped lots will be consolidated into 1 lot, 4 tracts will be consolidated into 1 tract, and a ½-acre of contiguous land will be annexed into the subdivision. The remaining 20 lots where townhomes were built will remain as part of the subdivision.

Background and Justification for Request

The final plat for Las Casas Contentas was approved by City Council and recorded in 1972. It consists of 90 platted townhome lots and 4 common area tracts. Only 20 of the 90 lots were built in or about 1973 although the entire site was graded and water/sewer was installed to the first phase of development. A swimming pool (now abandoned) was also constructed.

Since the initial phase of development, the property has been effectively abandoned. It traded hands a few times including having been bought for the real estate tax liens. Most recently, another developer proposed building out the original townhome design and created updated architectural and engineering plans to do so. These were all but final City approved for construction. Unable to get construction financing, however, the developer defaulted on his land loan and the property went back to the lender. Applicant is purchasing the property from the lender.

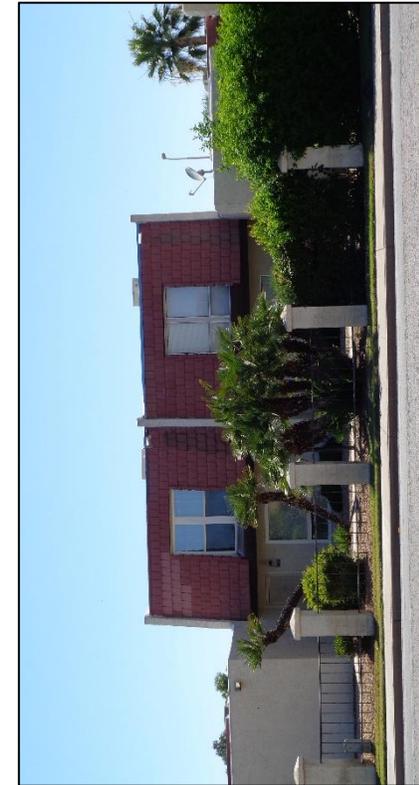
The CC&Rs that govern the subdivision is antiquated and places undue restrictions and financial burdens on the 20 existing townhome residents. The owner of the 70 lots maintains voting control of the CC&Rs and can amend them at will. Unable to pay for upkeep, the HOA has been forced to drain the swimming pool and the common areas have fallen into disrepair. There is barely enough money collected from the 20 existing townhome owners to maintain the landscaping, let alone the parking lot and buildings. At times, the HOA has had \$100 in its bank account due to HOA fee delinquencies and defaults. The property is subjected to trash dumping on a regular basis.

This is a problem that needs resolution.

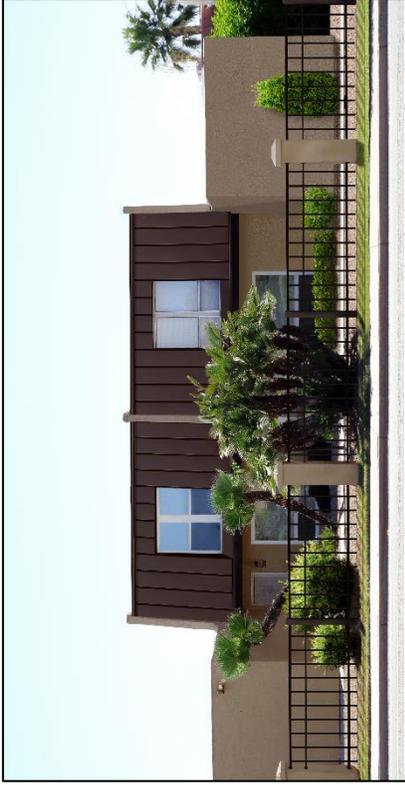
Applicant's Vision

The entire Las Casas Contentas plat together with the ½-acre contiguous parcel is approximately 8-acres (gross) and is zoned R-4. Applicant intends to build a new multifamily development on the vacant land which integrates the 20 existing townhomes. As part of the new development, Applicant plans a cosmetic remodel of the townhomes including new paint, light fixtures, likely replacement of the red tile siding, and new landscaping of the common areas.

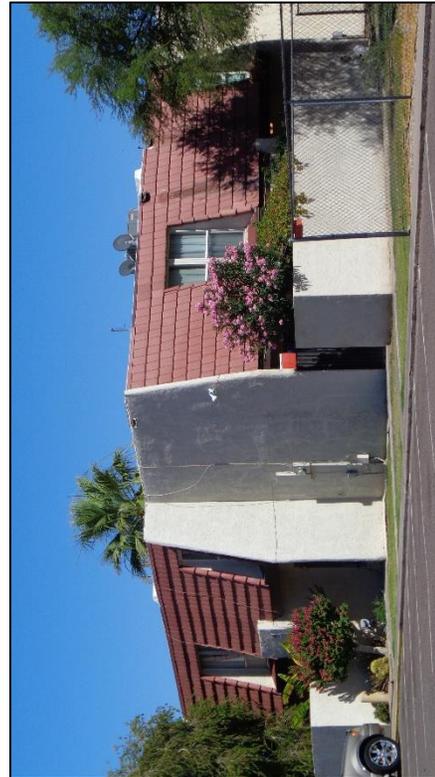
Applicant plans to remodel the perimeter fence on 59th Ave which will include new fence panels and a reduction in the number of existing piers. Applicant plans to remodel the main entry median into the community to include a new monument sign, theme landscaping and lighting.



Current



Possible future



Current



Possible future

New construction is anticipated to use forms, materials and colors found in the existing townhomes. These include rectangular shapes, flat roofs with parapets, and non-stucco cladding as accent features. Liberal landscaping and open space consistent with current City standards will far exceed what was platted and designed for the property in 1972.

The new development could be apartments, condominiums, duplexes, patio homes, townhomes or other higher density residential design. The market and finance opportunities will drive the product decision. In any case, it will meet the standards indicated in the Development Standards Table below. The development will proceed through normal City approval processes including Site Plan and Design Review. If the product is “for-sale” the developer must resubdivide the property in compliance with the Subdivision Ordinance.

Applicant is intent on buying the land and working with the existing 20 townhome owners and the City to create a first-class development compliant with current City standards. This will be a huge improvement for the existing project, the neighbors and the City in general. But in order to purchase the property, the Applicant must have the undeveloped lots consolidated into one lot in order to start with a blank canvas.

Once a blank canvas is achieved, the property becomes ripe for redevelopment and financing. Until then, investors and lenders will not want to mess around with this failed project. There is too much uncertainty with City approvals to make taking on this cost and risk worthwhile.

Surrounding Land Uses

The subject property is surrounded by R-4 zoned properties to the North, South, and West. East of the subject property across 59th Ave is a single-family subdivision zoned R1-6. West of the subject property across 60th Ave is the Disabled American Veterans building and apartments. To the south is the Standard 59 Apartments. To the north is Weberplex Ten apartments and 4 single-family homes. The 20 existing townhomes along 59th Ave range in size from 1,036 to 1,320 SF.

Existing Townhome Owners

On Thursday, June 13, 2017 at 5:30PM a meeting was held in the Glendale Public Library Main where the HOA management company invited all the townhome owners to attend. Seven of 20 owners attended to hear Applicant describe its vision as described herein. They were also shown a video of the Property. A full, thoughtful, positive discussion ensued. Then they filled out questionnaires to express their level of support. The owners in attendance were unanimously supportive.

On Wednesday, July 19, 2017, Applicant mailed a color print out of the slides presented at the Library along with a cover letter explaining the vision and a link to the Property video and Applicant’s web site. Applicant received 5 additional questionnaires back, all of which expressed strong support. One resident, who has macular degeneration and could not read or respond to the questionnaire, was contacted personally. She also expressed strong support. Multiple attempts have been made to contact the remaining townhome owners including by mail, email and telephone. They are all investor-owners. Applicant has received no phone calls or emails. All owners will be notified of Council action dates.

CC&Rs

Article XII Section 3 provides that the CC&Rs may be amended by a 67% vote of the Owners. Owners is defined as those owners of Lots whether developed or not. Applicant is purchasing 70 of the 90 platted lots which equals 77.7%. This will allow Applicant to amend and restate the CC&Rs to accommodate the Amended Plat and resolve other outdated governance provisions. The townhome owners were presented with 10 items that would be changed in the revised CC&Rs, all of which benefit them and future owners. The CC&Rs will be amended and restated following recording of the approved Amended Plat. The proposed Amended and Restated CC&Rs are provided with this submittal.

Article VII Section 3 provides that title to the Common Areas known as Tracts A, B, C, and D shall be conveyed to the Association provided, however, that this conveyance is not required until at least 50% of the 90 platted lots are sold and conveyed to bona fide purchasers. This threshold was never reached and the Tracts were not conveyed. Applicant is buying the Tracts. A deed is attached which will verify the 70 lots and Tracts are currently in common ownership.

Article VII Section 1 provides that every Owner shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to certain provisions. That will not change after the Amended Plat is recorded. In fact, pursuant to the Amended Plat and CC&Rs, the townhome owners will have a blanket easement over Lot 1 and Tract A further ensuring them the same rights as they currently enjoy. Based on Glendale's current development standards, townhome owners will have more and better amenities and open space than was originally conceived in the currently recorded plat and corresponding development plan.

Recorded CC&Rs can be viewed at

<https://recorder.maricopa.gov/UnOfficialDocs2/pdf/19720291778.pdf>.

A Redlined of the proposed Amended and Restated CC&Rs showing changes from the current recorded CC&Rs is available at <https://www.dropbox.com/s/xprsys7v11qhw4x/Redline%20-%20CC%26Rs%20AMENDED%20AND%20RESTATED.pdf?dl=0>. Applicant will provide townhome owners with a link for their review.

60th Ave Dedication and Improvements

The City has agreed to undertake (or reimburse Visiquest for) the construction of the west ½ of 60th Ave which, including Applicant's obligation for the east ½ street improvements, will provide long sought after full-street access. This will require the City to enter into a 3-party Development Agreement with Applicant and Judy Peck - who owns the necessary 60th Ave Right-of-Way ("Peck"). Through negotiations with the Applicant, Peck has agreed to make her dedication (at no cost) subject to certain conditions which will be set forth in the Development Agreement.

Currently, the Disabled American Veterans ("DAV") property to the west has a chain link fence and a dirt retention basin along 60th Ave - both of which are an eyesore. Applicant is requesting the City build a masonry wall with modest landscaping along the DAV and Peck properties as part of their street improvement obligations.

Property Video



or

https://netorg2192763-my.sharepoint.com/personal/jbroder_vqholdings_com/_layouts/15/guestaccess.aspx?docid=154fc2431629b49f9b97479afbff976bf&authkey=ASwUE4b_Ymxc7N_ksEwJ9ow

Property

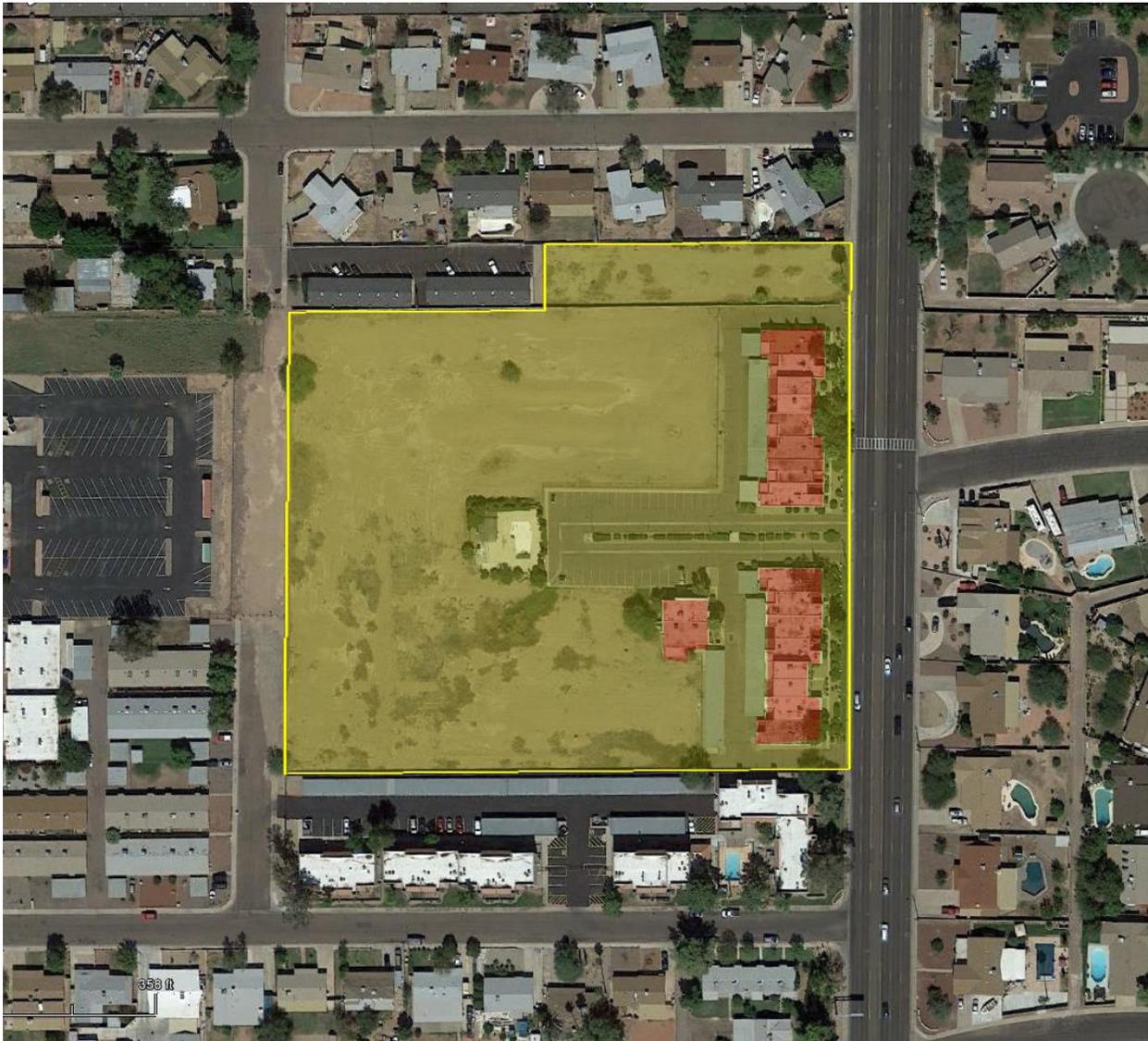


Table of Development Standards

	Standard	Proposal and Explanation
Density	R-4 allows 20 units per gross acre on parcels of 5-acres or larger.	140 units maximum. The subject property is 8-acres gross. There are 20 existing units in the Las Casas Contentas plat. [8x20=160-20-140].
Height	Maximum 2-stories or 30'	2-stories; 30' maximum.
Private Open Space	100 SF per unit	100 SF will be provided including outdoor storage room.
Common Open Space	30% exclusive of parking areas	30% exclusive of parking areas. Perimeter landscape buffer adjacent to parking shall be included as Common Open Space.
Parking	1 bedroom – 1 space 2+ bedrooms – 2 spaces 1 additional guest space for every 3 units 1 covered space per unit	Effectively 1.3 spaces for 1 bedroom and 2.3 spaces for 2 and 3 bedrooms.
Perimeter Building Setback	20' + 1:1 increase for buildings over 20' in height.	20' + 1:1 increase for buildings over 20' in height.
Perimeter Landscaping Buffer	25'. Design and Development Manual recommendation, subject to relief for conditions and aesthetics.	8' average proposed.
Building Separation	20' + 1:1 increase for buildings over 20' in height. Design and Development Manual recommendation, subject to relief for conditions and aesthetics.	20' + 1:1 increase for buildings over 20' in height. Design and Development Manual recommendation, subject to relief for conditions and aesthetics.
Amenities	Design and Development Manual recommendations.	Swimming pool, ramada, grills, secured bike storage, and resident meeting area.
Design Review	Required.	With the exception of a 25' perimeter landscape buffer, nearly all of the Design and Development Manual can be incorporated into the new construction.