

DESERT SKY APARTMENTS

REDEVELOPMENT PLAN

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1. REDEVELOPMENT PLAN

1.1 INTRODUCTION

The NRP Group (the “Developer”) is currently in escrow to acquire approximately 9.94 acres (the “Site”) in Phoenix, Arizona (the “City”). Despite its redevelopment potential, the Site faces significant physical and public safety challenges that have deterred investment and revitalization. To evaluate these conditions, the Developer has prepared a separate *Redevelopment Report* evaluating the Site’s eligibility as a Redevelopment Area under Arizona Revised Statutes (“ARS”) 36-1471 et seq.

Based on the findings of the report, the Site qualifies for a designation as a Redevelopment Area, warranting the creation of this Redevelopment Plan (the “Plan”). The Plan provides a strategic framework to eliminate “Blighted” and “Slum Conditions” through targeted improvements, infrastructure upgrades, and investment incentives. It outlines the necessary land use changes, zoning changes, and public-private partnerships essential for transforming the Site into a vibrant, high-density residential community aligned with the City’s long-term planning objectives.

1.2 APPLICABILITY OF STATE STATUES

1.2.1 Redevelopment Statute ARS 36-1479

ARS 36-1479 provides the legal framework for the preparation and approval of redevelopment plans by municipalities. This statute outlines the necessary steps and requirements for municipalities to address Slum or Blighted Areas through redevelopment while adhering to local and state regulations.

1.2.1.1 Required Components of a Redevelopment Plan

The statute specifies that a redevelopment plan must include the following components to ensure its completeness and alignment with local objectives:

- A. A statement of the boundaries of the redevelopment project area;
- B. A map showing the existing uses and conditions of the real property within the redevelopment project area;
- C. A land use plan showing proposed uses and conditions of the real property within the redevelopment project area;
- D. Information showing the standards of population densities, land coverage, and building intensities in the area after redevelopment;
- E. A statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, building codes and ordinances;
- F. A statement as to the kind and number of site improvements and additional public utilities which will be required to support the new land uses in the area after redevelopment;
- G. A statement of the proposed method and estimated cost of the acquisition and preparation for redevelopment of the redevelopment project area and the estimated proceeds or revenues from its disposal to redevelopers;
- H. A statement of the proposed method of financing the redevelopment project; and,
- I. A statement of a feasible method proposed for the relocation of families to be displaced from the redevelopment project area.

1.3 LOCATION AND LAND USE CONTEXT

This section is in compliance with Sections 2.1.1.1.A, 2.1.1.1.B, and 2.1.1.1.C.

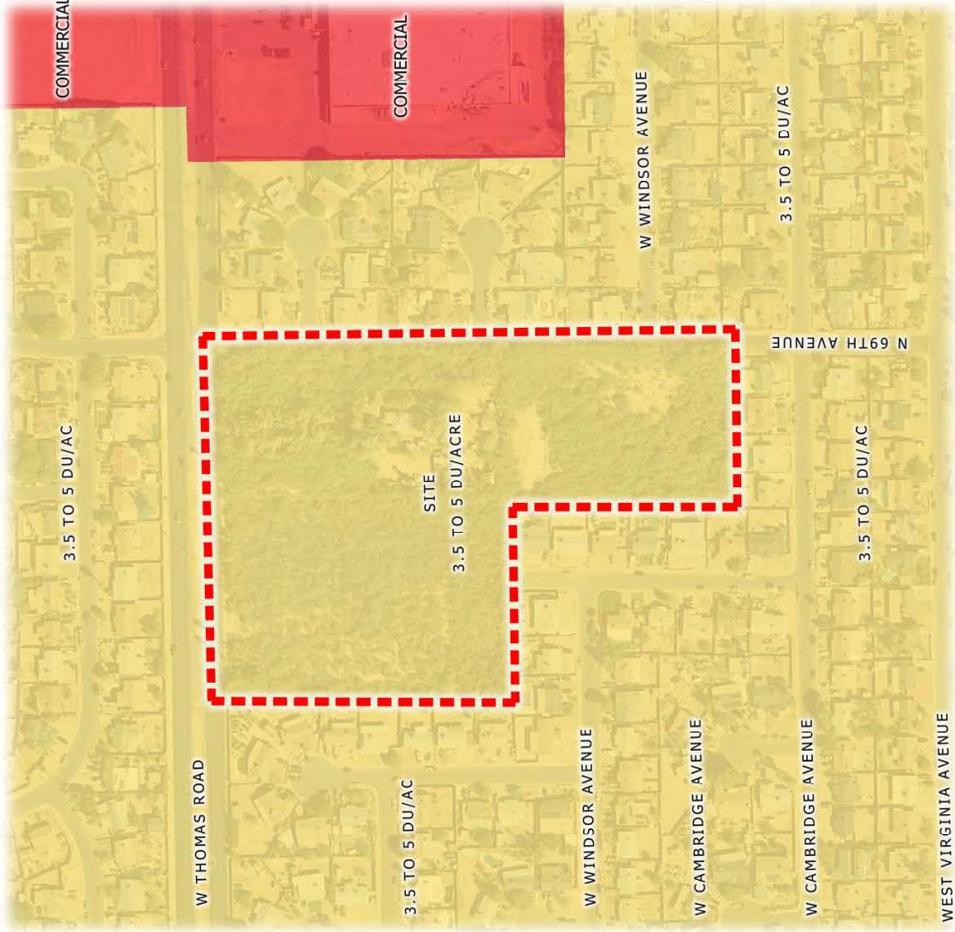
The redevelopment project area is bounded by West Thomas Road to the north, North 69th Avenue to the east, and existing single-family residential homes to the south and west. The existing and proposed land uses are illustrated in **Exhibit 2.2A: Existing and Proposed Land Use**, while the current conditions of the property and surrounding areas are detailed in **Exhibit 2.2B: Context Plan**.

Currently, the Site is vacant and designated with a land use of 3.5-5 du/acre – Traditional Lot, consistent with the adjacent single-family residential properties. Further east, at the intersection of West Thomas Road and North 67th Avenue, the land use transitions to commercial. The proposed Plan requires reclassifying the Site to a land use designation of 15+ du/acre – Higher Density Attached, to accommodate the proposed residential density of 29.00 du/acre, which supports townhouses, condos or apartments.

1.4 POPULATION DENSITY, LAND COVERAGE, AND BUILDING INTENSITIES

This section is in compliance with Section 2.1.1.1.D.

After redevelopment, the Site, spanning 9.94 gross acres, will accommodate two hundred eighty-eight (288) residential units distributed among nine (9) three-story buildings. This results in a proposed dwelling unit density of 29.00 dwelling units per acre (du/ac). The proposed lot coverage is twenty-one (21) percent, allowing for efficient utilization of the land while maintaining an appropriate balance of open areas. Furthermore, eleven (11) percent of the site is dedicated to open space, providing essential recreational and communal areas for residents. These standards reflect a carefully considered approach to population density, land coverage, and building intensity that aligns with modern urban redevelopment principles.



EXISTING LAND USE

- 3.5 TO 5 DU/ACRE - TRADITIONAL LOT
- COMMERCIAL



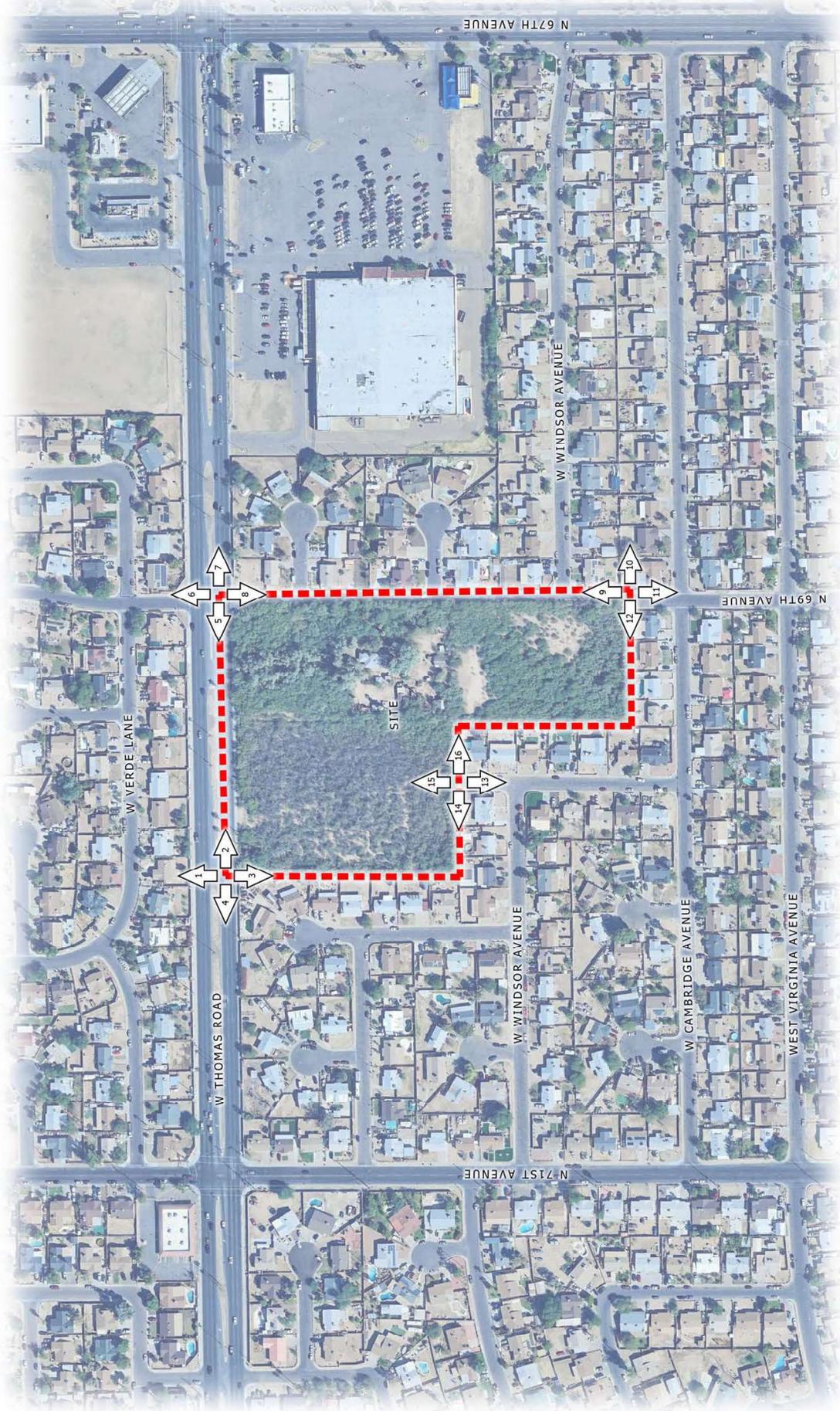
PROPOSED LAND USE

- 3.5 TO 5 DU/ACRE - TRADITIONAL LOT
- COMMERCIAL
- 15+ DU/ACRE - HIGHER DENSITY ATTACHED TOWNHOMES, CONDOS, OR APARTMENTS

Disclaimer: The graphic shows conceptual information and is subject to change. Actual locations and configurations to be defined at the time of subdivision plat or site plan submittal.

EXHIBIT 1.2A: EXISTING AND PROPOSED LAND USE MAP





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EXHIBIT 1.2B: CONTEXT PLAN





Image 1



Image 4



Image 2



Image 3



Image 6



Image 5



Image 7



Image 8



Image 9



Image 12



Image 10



Image 11



Image 15



Image 14



Image 16



Image 13

1.5 PROPOSED SITE MODIFICATIONS

This section is in compliance with Section 2.1.1.1.E.

To facilitate the proposed Plan and support the intended residential density, the Redevelopment Plan includes a request to rezone the Site from R1-6 and S-1 to R-4. The rezoning is necessary due to the Site's irregular shape and limited size, which makes it unsuitable for single-family residential development. In addition to the rezoning, improvements will be made to the adjacent half right-of-way along West Thomas Road and North 69th Avenue. These improvements are intended to enhance the accessibility, safety, and overall functionality of the surrounding street network. No changes to building codes or ordinances beyond those necessitated by the zoning district adjustment are proposed at this time.

1.6 PROPOSED SITE IMPROVEMENTS

This section is in compliance with Section 2.1.1.1.F.

The redevelopment of the Site will require a range of site improvements and public utilities to support the proposed two hundred eighty-eight (288) unit residential development. As shown on **Exhibit 1.6A: Conceptual Site Plan** and **Exhibit 1.6B: Rendered Conceptual Site Plan**, site improvements will include grading and leveling the property to prepare for construction of nine (9) three-story residential buildings, with the architectural design and exterior treatments illustrated in **Exhibit 1.6C: Conceptual Elevations**. The Plan will also include the installation of a stormwater management system comprising of retention basins and underground drainage infrastructure to manage runoff. Roadway and access improvements will include enhancements to the half right-of-way along West Thomas Road and North 69th Avenue, the construction of one (1) primary and one (1) secondary access point, and the addition of internal sidewalks and pedestrian pathways. Parking facilities will consist of surface parking lots providing approximately four hundred seventy-seven (477) parking spaces, including ADA-compliant spaces and two hundred ninety-two (292) covered parking spaces. Landscaping improvements will cover eleven (11) percent of the site, with trees and shrubs supported by a drip irrigation system, along with the installation of streetlights and wayfinding signage to ensure safety and accessibility throughout the development.

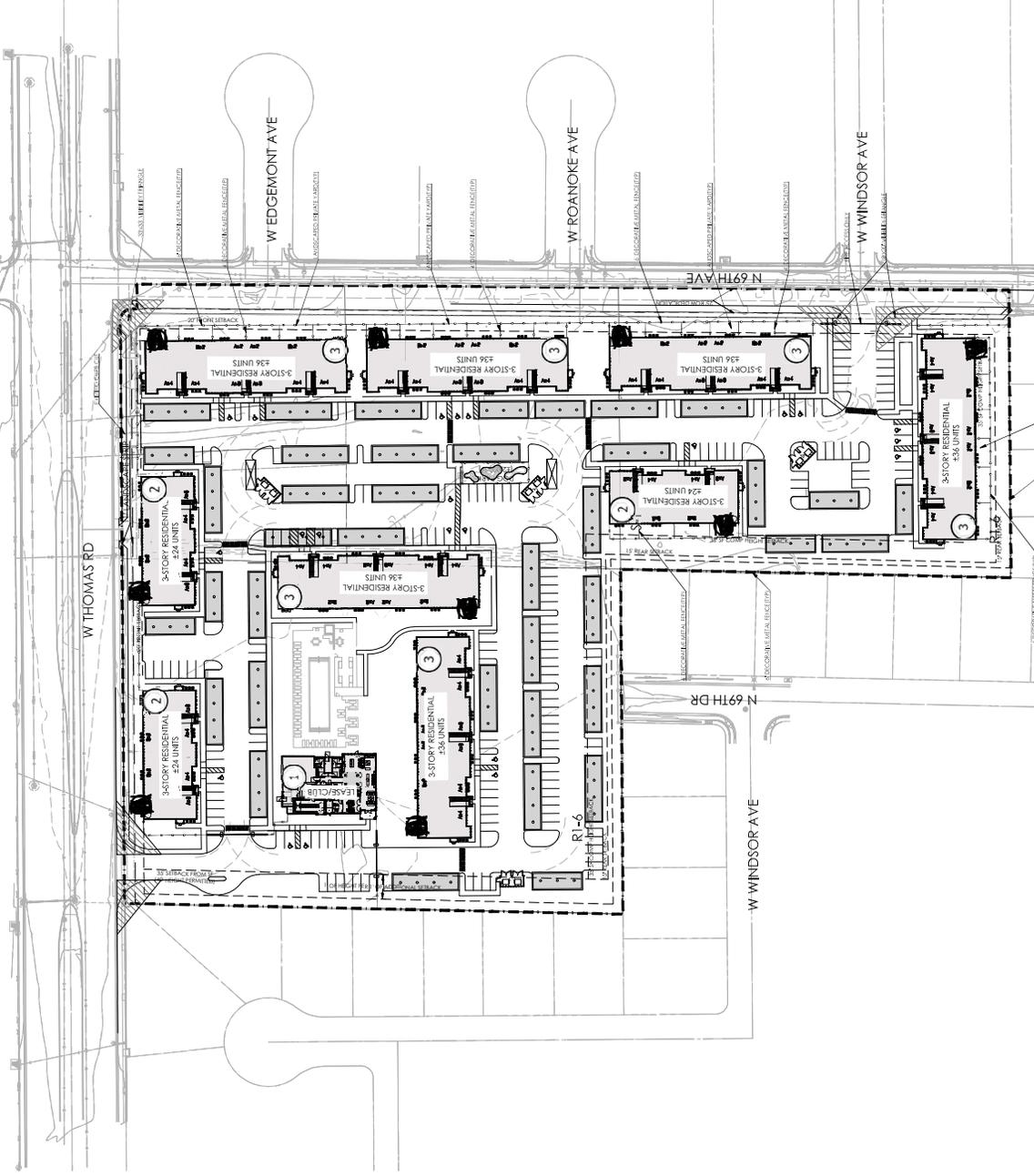
Public utility extensions and upgrades will include water supply lines with the installation of fire hydrants, sanitary sewer line connections to the municipal system, and electrical service lines and transformers to support the residential units. Telecommunications infrastructure will provide broadband internet and telephone services, while natural gas pipelines may be extended to serve the residential buildings. Additional features will include four (4) dedicated trash and recycling collection points with enclosures, as well as street signage and traffic calming measures to enhance safety. These improvements and utility installations are essential to ensure the functionality, safety, and sustainability of the development and to meet regulatory requirements.

1.7 ESTIMATED COST

This section is in compliance with Section 2.1.1.1.G.

The proposed method for the acquisition and preparation of the redevelopment project area involves a private party acquisition of the land at \$4,320,000. Site preparation activities, including demolition of existing structures and tree salvage work, are estimated to cost an additional \$500,000. The total estimated cost for acquisition and site preparation is therefore \$4,820,000.

Following acquisition and preparation, the total estimated project cost is projected to be \$61,000,000. Upon completion, the estimated value of the fully developed project is expected to be approximately \$73,500,000. These figures reflect the anticipated proceeds from the redevelopment effort, which demonstrate the financial viability and value-added benefits of the project.



TOTAL UNITS (H)		REPERMITTED		PROVIDED	
1 BEDROOM	NA	1	1	288	60%
2 BEDROOM	NA	1	1	198	90%
3 BEDROOM	NA	1	1	90	91%
AVERAGE UNIT SIZE	NA			80K	
GROSS DENSITY	210 DU/AC			293 DU/AC	
NET DENSITY	210 DU/AC			293 DU/AC	
STORAGE (CARS) (PERCENTAGE)	8.5			8.5	
STORAGE (CARS) (TOTAL)	180			250	
HEIGHT (FEET) (MAX)	60			60	
HEIGHT (FEET) (AVG)	60			60	

PARKING REQUIRED		PARKING PROVIDED	
CATEGORY	SPACES	CATEGORY	SPACES
1 BEDROOM	1.00	ACCESSIBLE (STANDARD)	2
2 BEDROOM	1.00	STANDARD	200
3 BEDROOM	1.00	CARPOL	2
TOTAL REQUIRED	432	TOTAL PROVIDED	204

PARKING PROVIDED		TOTALS	
CATEGORY	SPACES	REQUIRE (STANDARD)	TOTALS
ACCESSIBLE (STANDARD)	2	2	2
STANDARD	200	200	202
CARPOL	2	2	2
TOTAL PROVIDED	204	204	204

- LEGEND**
- 1 CLUBHOUSE
 - 2 BUILDING TYPE C
 - 3 BUILDING TYPE D

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EXHIBIT 1.6A: CONCEPTUAL SITE PLAN

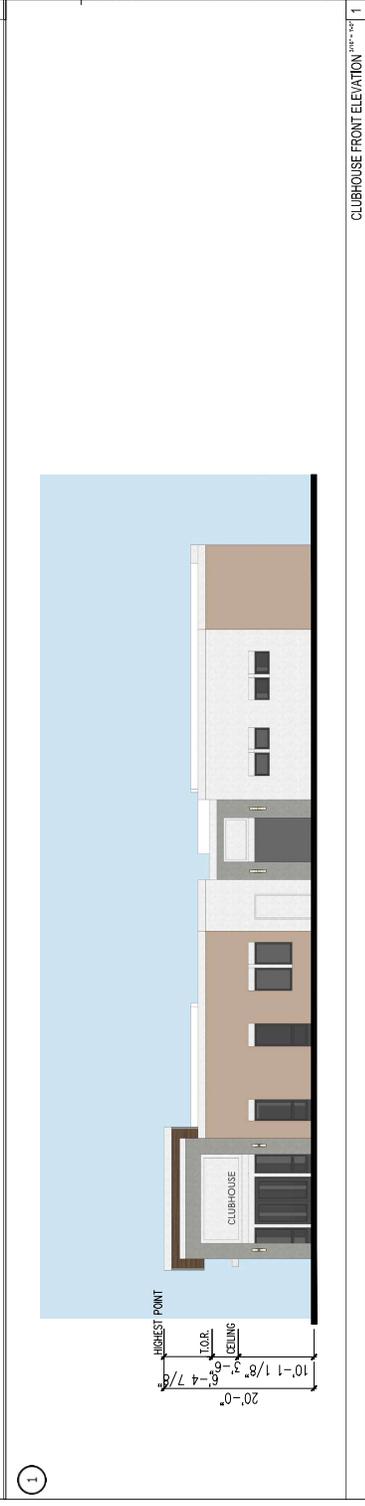
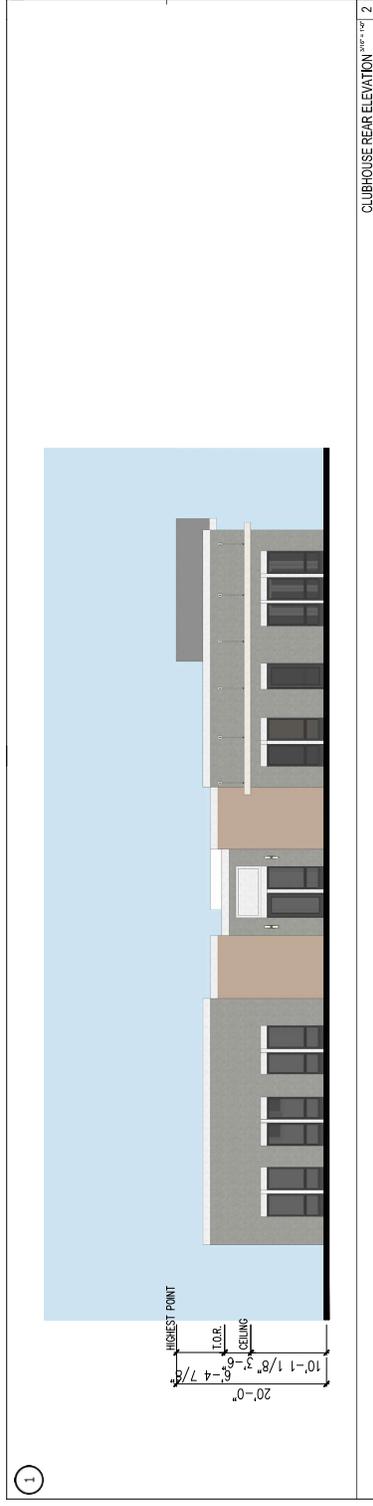
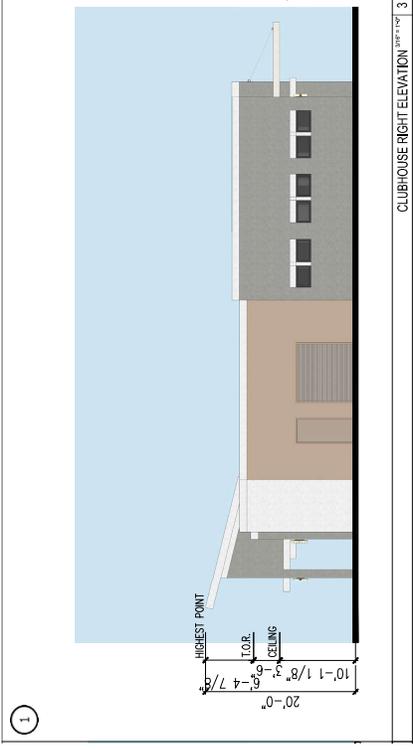
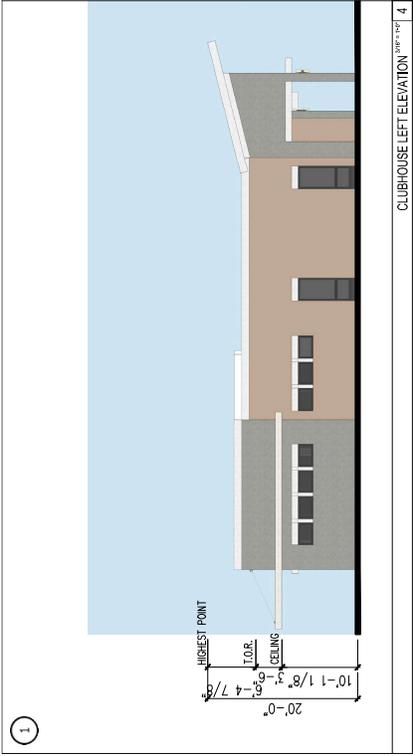




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EXHIBIT 1.6B: RENDERED CONCEPTUAL SITE PLAN

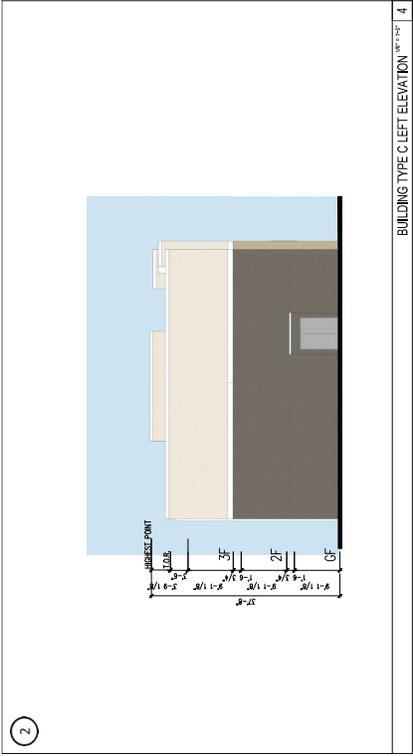




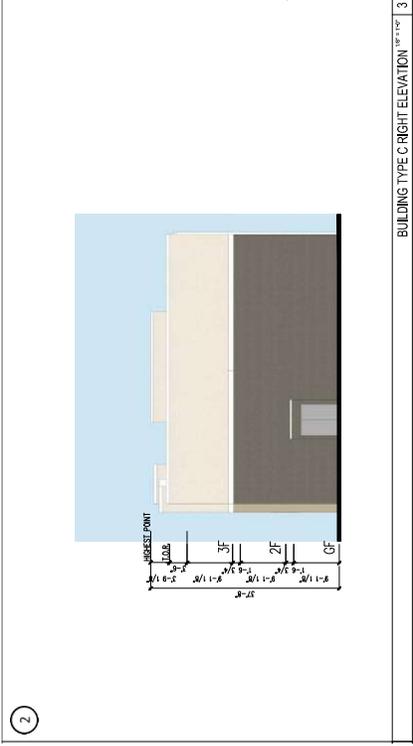
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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS





BUILDING TYPE C LEFT ELEVATION 10'-0" x 14'-0" 4



BUILDING TYPE C RIGHT ELEVATION 10'-0" x 14'-0" 3



BUILDING TYPE C REAR ELEVATION 10'-0" x 14'-0" 2

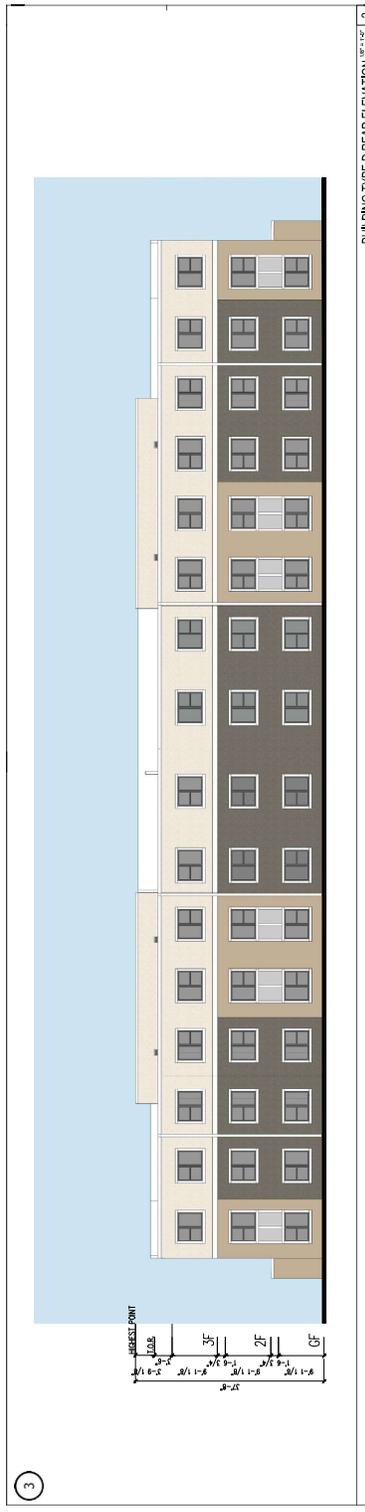
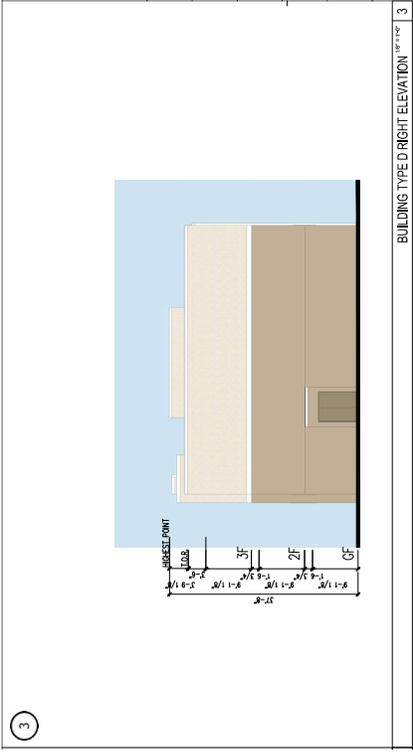
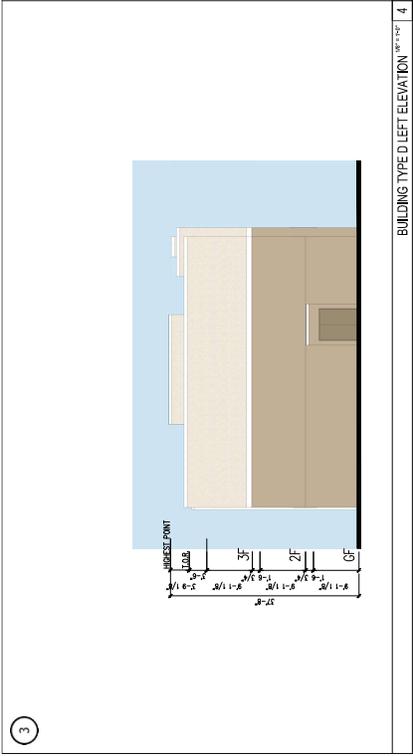


BUILDING TYPE C FRONT ELEVATION 10'-0" x 14'-0" 1

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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED





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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED



1



CLUBHOUSE FRONT VIEW-2 | 2

1



CLUBHOUSE FRONT VIEW-1 | 1

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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED



1



CLUBHOUSE REAR VIEW#1 | 2

1



CLUBHOUSE FRONT VIEW#3 | 1

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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED



1



CLUBHOUSE REAR VIEW#3 | 2

1



CLUBHOUSE REAR VIEW#2 | 1

Disclaimer: The graphic shows conceptual information and is subject to change. Actual locations and configurations to be defined at the time of subdivision plat or site plan submittal.

EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED



2



BUILDING TYPE C REAR VIEW | 2

3



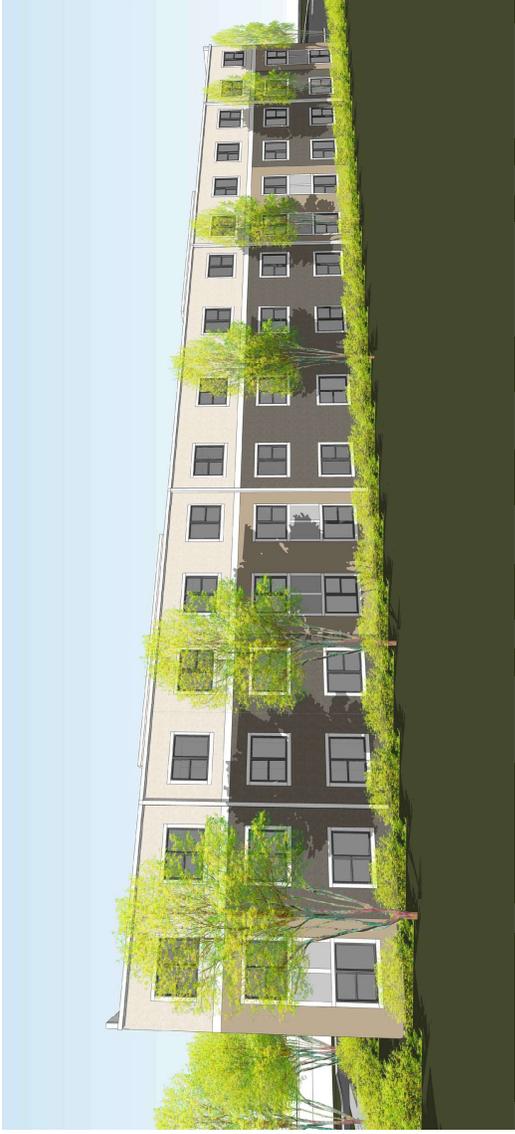
BUILDING TYPE C FRONT VIEW | 1

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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED



2



BUILDING TYPE D REAR VIEW | 2

3



BUILDING TYPE D FRONT VIEW | 1

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EXHIBIT 1.6C: CONCEPTUAL ELEVATIONS CONTINUED



1.8 PROPOSED FINANCING METHOD

This section is in compliance with Section 2.1.1.1.H.

The redevelopment project will be financed through a combination of traditional debt and equity. This financing structure ensures that the project has the necessary capital to proceed with site acquisition, preparation, and construction, while balancing risk and return for stakeholders. The use of traditional financing methods reflects the project's sound financial planning and alignment with industry-standard practices for similar redevelopment efforts.

1.9 RELOCATION OF FAMILIES TO BE DISPLACED

This section is in compliance with Section 2.1.1.1.I.

The Site is currently vacant, and the one (1) residence located on the Site is unoccupied. Therefore, no families or individuals will need to be relocated as part of the redevelopment process. Additionally, there are no adjacent residences that require relocation during the redevelopment period, ensuring minimal disruption to the surrounding community.

1.10 CONCLUSION

The implementation of the proposed multi-family development will eliminate the existing Blighted and Slum Conditions, transforming the Site into a vibrant, high-density residential community. This Plan will not only enhance the physical environment but also contribute to the economic and social well-being of the surrounding area. By introducing new housing opportunities, improving infrastructure, and fostering a safer and more connected neighborhood, the project is expected to support increased household health, community safety, and overall quality of life. The revitalization of the Site aligns with broader municipal goals for sustainable growth and will serve as a catalyst for continued investment and improvement in the area.