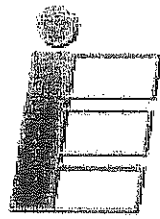


3rd Review

GPA06-15/ZON06-09

July 3, 2007



INVESTMENT EQUITY

PALM CANYON BUSINESS PARK

17750 N. 83rd AVENUE
NORTHWEST CORNER OF
LOOP 101 AND BELL ROAD
GLENDALE, ARIZONA

GPA06-15
ZON06-09

Developer:
Investment Equity
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Prepared: August 14, 2006
Revised: February 2, 2007
Last Revised: May 25, 2007
Last Revised: July 2, 2007

Introduction

This application presents a request to amend the City's General Plan and zoning designations to allow for the development of an office complex that will transform a remnant piece of property into an attractive, comprehensively planned, office project. The proposed project is located within the City of Glendale's North Valley Specific Area Plan on its western edge. The project will assemble property previously incorporated in the City of Peoria and in unincorporated Maricopa County as shown in the attached Map 1. As part of that effort, the application requests these properties not previously in Glendale to be added to the North Valley Specific Area Plan. The property currently located in Glendale is zoned for Industrial use, the County island for Agricultural use, and the City of Peoria parcel for Commercial use. The application seeks to amend the General Plan and Zoning to allow a Class-A office project that will compliment the existing development in place under the North Valley Specific Area Plan.

The approximately 26.1 acre site is located on the northwest corner of Bell Road and Loop 101 freeway (the "Property"). The site is currently vacant land and only approximately 17.9 acres are developable. This is due to the fact that the remaining acreage is occupied by the New River channel on the western portion of the property. The Property's other three sides are bounded by Bell Road along its south property line, the Loop 101 freeway on its eastern property line, and 83rd Avenue along its northern property line. This unique property is separated from all other development by these roadways and the New River channel. The property has excellent frontage along the Loop 101 freeway along the Property's eastern property line which provides high visibility and excellent opportunity for office development.

Minor General Plan Amendment

The proposed General Plan Amendment consists of a change in land use designation from Light Industrial (LI) to Office (OFC) for the property currently located in the City of Glendale. The current Light Industrial (LI) designation is the lowest intensity Industrial category which allows for uses such as light manufacturing, wholesale activities, and warehousing along with associated office and support uses. The application also seeks to establish the Office (OFC) designation for the property to be annexed into Glendale currently located in unincorporated Maricopa County and the City of Peoria. The requested Office (OFC) designation is appropriate due to the size and access constraints of the Property and the close proximity of residences across the New River channel in the City of Peoria. In addition, the Office designation is compatible with the Commercial activities that surround the area in the City of Glendale.

The Office designation will provide for professional Class-A offices in a quiet setting while being located in a way that is transitional from the Commercial uses and the Loop 101 freeway to the east and the residential uses on the west. The proposed Office designation should also create more jobs than the Light Industrial category since floor area in those categories is often used for material storage or machinery, rather than employees. The proposed offices will add to the City's job pool and provide tax revenue. The income generated by the new jobs translates into increased expendable income for

workers when spent at local retail outlets which are in close proximity to this site in particular. This amendment provides a tax base and economic benefit to the City with a comprehensively designed office project that is a major investment in Glendale's Loop 101 corridor.

The proposed amendment will meet the Goals and Objectives in the General Plan as follows:

Land Use Goal 1 – Relate residential areas with work places

The current designation already achieves this goal and the requested change furthers it by enhancing the community with increased jobs but no negative effects such as noise or smell that is often associated with industrial uses.

Land Use Goal 2 – Promote sound growth management measures

The requested Office designation promotes an employment category that does not adversely impact the balance of the neighborhoods and commercial uses already in place.

Land use Goal 3 – Create transition and buffer areas

The requested Office designation better meets this goal by buffering neighborhoods from the Loop 101 freeway with attractive office buildings rather than industrial buildings. It also still provides a transition between the commercial uses and the neighborhoods.

Land Use Goal 4 – Ensure compatibility between land use and transportation

The current designation meets this goal and the proposed amendment has been carefully considered by the developer. In doing so the project has been carefully reviewed by the City of Glendale Transportation Department for a traffic signal that will not be installed until warrants are met, though the infrastructure will be installed at the time of development.

Land Use Goal 5 – Encourage infill development

The requested designation fulfills this goal. The project is specifically requesting incorporation of land not previously in Glendale because of the existing infrastructure available in Glendale.

Redevelopment Element Goal 4 – Improve the image of deteriorating neighborhoods

The Property has remained undeveloped and due to its proximity to the Bell Road interchange, it has become a target of the homeless/panhandler. Repeated removal of garbage and improvised shelters has not decreased the activity. Once the Property is developed, this condition will cease to exist.

Urban Design Element Goal 2 – Encourage architectural variety

The proposed project is a Class-A office space not seen in the immediate area. The design will compliment the existing “big box” and corporate prototypical architectural style that predominates the area, but this project is a fresh design specific for this location and property.

Economic Development Element Goal 1 – Accelerate economic growth at a higher rate than population

The proposed Office designation will further promote this goal as the number of jobs created should be higher than the current designation of Industrial which often has floor area dedicated to materials, machinery, and storage rather than employees.

Economic Development Element Goal 2 – Encourage business growth for in-City job opportunities

The proposed Office designation provides for a diverse mix of businesses and again provides for a higher number of jobs than the current Industrial designation.

Economic Development Element Goal 3 – Attract diverse, high-paying industries

The proposed Office designation will allow for the location of professional and medical offices typically associated with higher salaries.

Other elements of the General Plan not specifically addressed above are not going unmet or their condition being substantially changed by the proposed application for a change in designation from Light Industrial (LI) to Office (OFC). The proposed amendment maintains a compatible land use designation and for the identified reasons above provides support for the requested Minor General Plan Amendment to the Office designation.

Rezoning

The three parcels that comprise this site are currently zoned Planned Area Development (PAD), Agricultural (A-1), and General Commercial (C-2.) The rezoning request is to include the A-1 and C-2 properties into the existing North Valley Specific Area Plan (NVSAP) PAD and designate all three under the General Office (GO) land use classification. A revised NVSAP Map 3 is attached and shows the total area of the three parcels as General Office; the existing Map 3 is also provided for reference. This will compliment the concurrent Minor General Plan Amendment which requests an Office land use designation. Table 2 and Map 13 of the NVSAP have also been revised and attached. Map 13 now shows the three parcels for this project incorporated into Parcel 5, and Table 2 shows the revised Parcel 5 acreage and designation of General Office.

This rezoning request is appropriate for many of the same reasons outlined for the Minor General Plan Amendment. The Property provides a transition from the intense commercial uses and the Loop 101 freeway to residences on the west bank of the New

River channel in a lower intensity than is provided by General Commercial or Industrial. The A-1 zoning district is also totally incompatible with the surrounding area and left over from when the property was originally part of the 83rd Avenue alignment prior to ADOT's construction of the Loop 101 freeway. The site lends itself to commercial office development with excellent frontage along the Loop 101.

The Property is proposed for development of a condominium office park with three 2-story buildings, facing east toward the Loop 101 freeway, with the primary parking lot area between the buildings and freeway. It is anticipated the space will be primarily general office, and we do not anticipate a high percentage of users will be medical related (one-third or less).

The requested amendment to the North Valley Specific Area Plan will be in conformance with the proposed General Plan designation of Office.

Location and Accessibility

The location of the subject site offers excellent accessibility for an office development. As noted above, the site has access to 83rd Avenue which is designated as a Major Arterial street and the site is located immediately west of the Loop 101 Freeway.

Full freeway interchanges are located south of the site at Bell Road and the Loop 101 Freeway and to the north at Union Hills and the Loop 101 Freeway. The freeway access points along with the major arterial access will provide good street circulation for the proposed development. The location of the property along the Loop 101 Freeway also provides excellent project marketability.

Circulation System

The site has on site circulation between buildings, parking lots, and amenity areas and meets the City of Glendale development standards,

Design Character

The architectural design character for the Palm Canyon Business Park is intended to be timeless. The developer is well known for its Class A office projects and this is no exception. The goal is to create a unique Class-A office project with high visibility along the Loop 101 Freeway. The building materials are natural stone and stucco along with tinted insulated glass. The buildings main entry points were designed as focal points to draw visitors and provide a well accented entry. Mechanical equipment will be screened by parapet walls and the landscaping will meet City of Glendale guidelines.

Development Schedule

Development of the site is planned as soon as building permits are obtained subsequent to the approval of the General Plan Amendment, rezone, and design review.

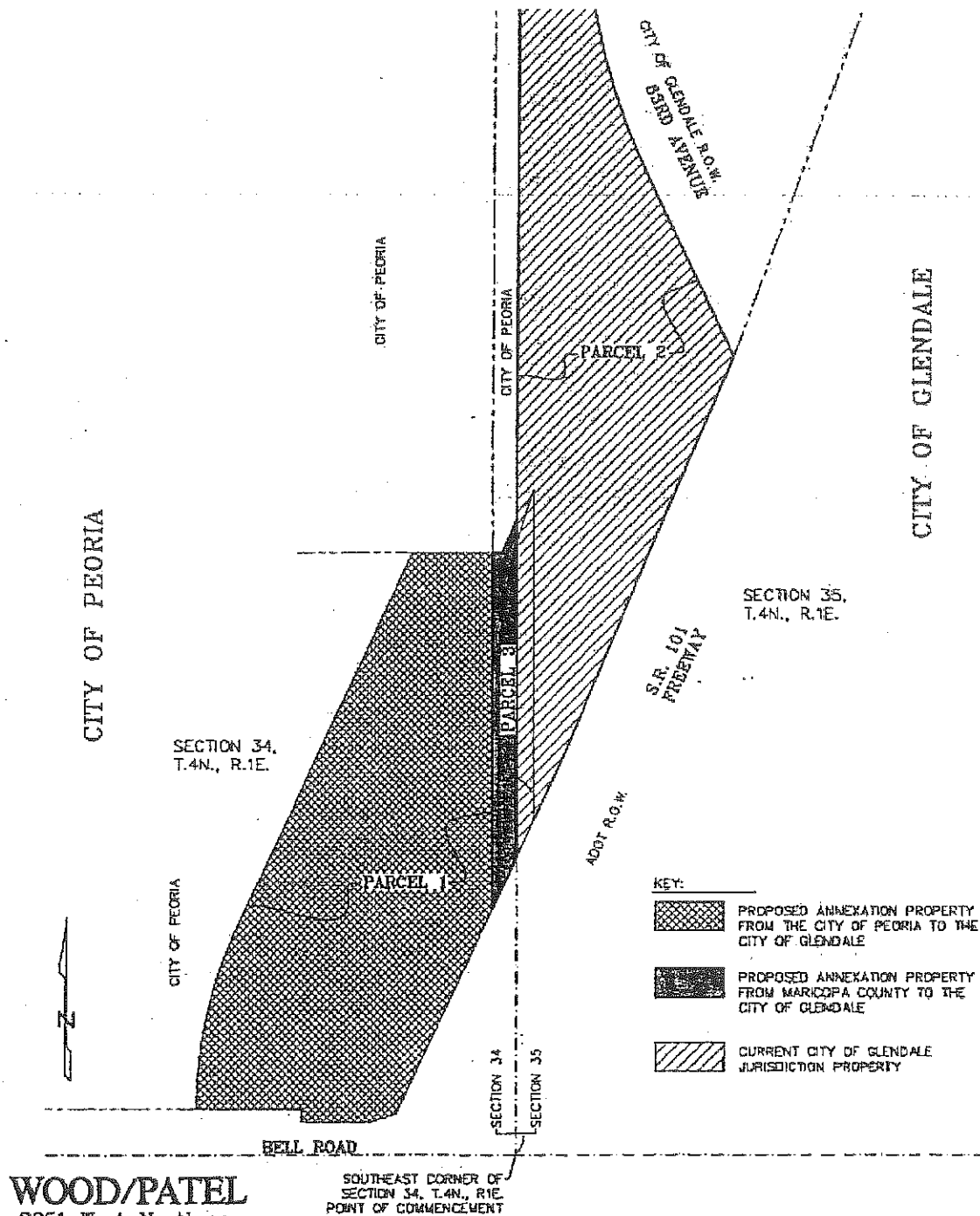
Community Facilities and Services

As an office development, the proposed project will not generate any need for additional schools, libraries, or other support generally created by residential uses. Police and Fire Services will be provided by the City of Glendale.

Public Utilities and Services

Water and sewer will be provided by the City of Glendale. Arizona Public Service will provide electric service.

Map 1



WOOD/PATEL
 2051 West Northern
 Phoenix, AZ 85021
 Phone: (602) 335-8500
 Fax: (602) 335-8580
 PHOENIX • MESA • TUCSON

GLENDALE
 SF - Single-Family 12.5
 du/score
 MF - Multi-Family 20.26
 du/score
 RC - Regional Center
 GC - General Commercial
 SC - Shopping Center
 LC - Limited Commercial
 LO - Limited Office
 GO - General Office
 BP - Business Park
 LI - Light Industrial
 NP - Neighborhood Park
 OS - Open Space

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TABLE 2

Amended

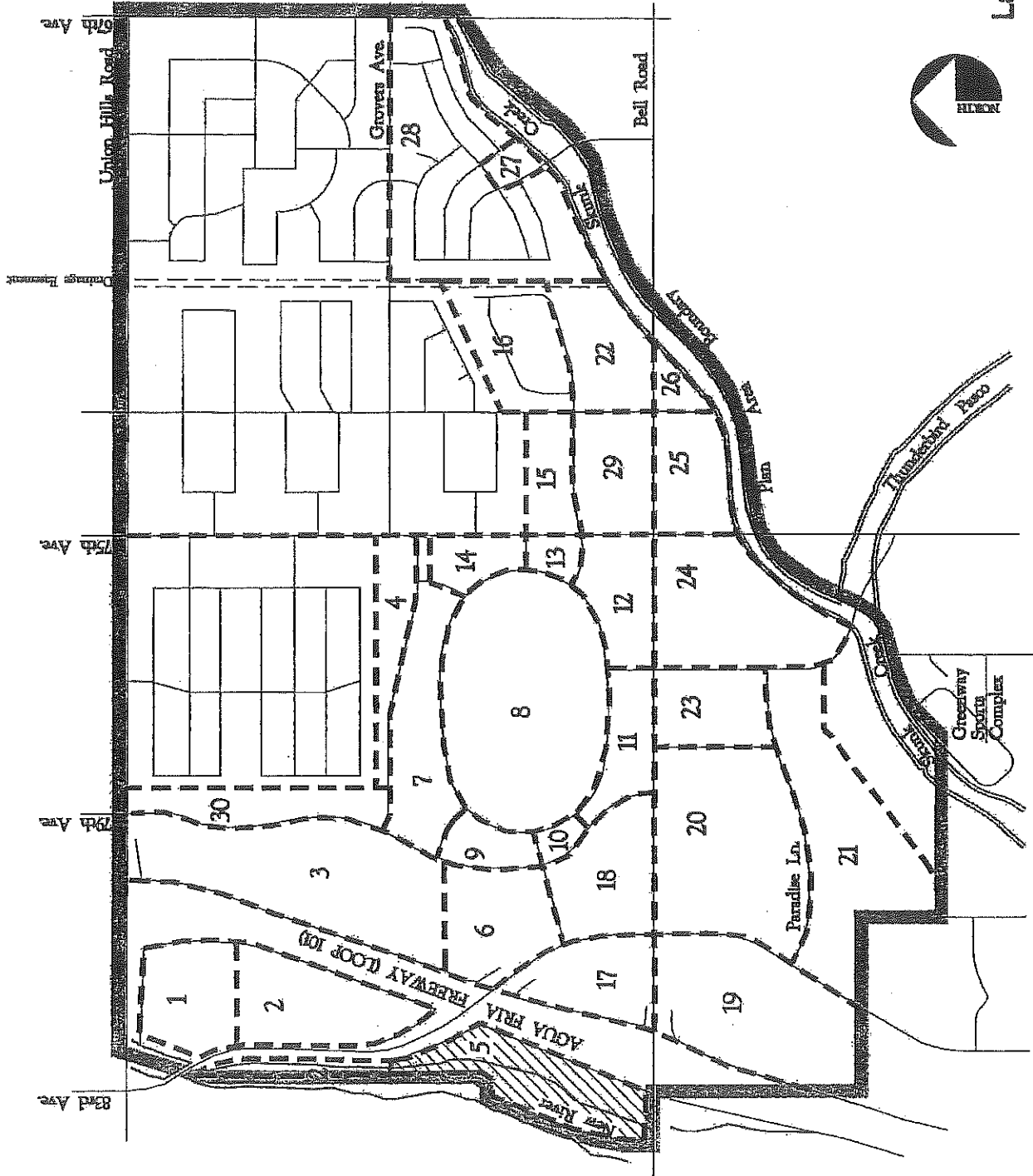
LAND USE INTENSITY

PARCEL LAND USE	ACRES	PER UNIT ACRE	MAXIMUM DEVELOPMENT UNITS	F.A.R.	BUILDING AREA (SQ.FEET)
1 Shopping Center	14.6			.30	191,709
2 Shopping Center	51.7			.30	345,467
3 Multi-family	53.8	21-26	1,136-1,399		
4 Neighborhood Park	11.0				
5 General Office *	26.1			.30	192,252
6 General Commercial	26.4			.30	345,467
7 Multi-family	26.4	20-26	686		
8 Regional Center	95.9			.30	1,253,454
9 General Commercial	7.6			.50	99,357
10 General Commercial	3.9			.30	51,974
11 General Commercial	12.8			.30	168,022
12 General Commercial	15.1			.30	198,201
13 General Commercial	4.0			.30	52,707
14 General Commercial	6.6			.30	86,402
15 Shopping Center	14.7			.30	192,230
16 Business Park	25.0			.30	327,876
17 General Office	16.3			.80	568,116
18 Shopping Center	22.4			.30	292,828
19 RC-General Office	40.0			.80	1,393,920
20 RC-Retail	52.1			.30	680,843
21 Multi-family	56.1	26	1,459		
22 Business Park	22.4			.30	292,331
23 RC-Retail	19.2			.30	250,905
24 RC-Retail	39.3			.30	513,572
24 RC-Retail	19.6			.30	256,132
26 General Commercial	3.4			.30	44,431
27 Neighborhood Park	10.0				
28 Single-Family	69.3	1-2.5	174		
29 Shopping Center	18.6			.30	243,588
30 Limited Office	22.6			.25	219,756
DEVELOPMENT AREA					
TOTAL:	809.9		3,718		8,591,068

*8.2 Acres West of 83rd Avenue in Floodway

Acreages subject to adjustment based on final street alignment.

Land Use Parcel Identification



Amended Land Use Parcel Map 13