

## StoneHaven – reply to Councilwoman Joyce Clark’s blog of May 30, 2017

*Comments were provided by James J. Miller, Director of Real Estate and employee of John F. Long Properties for the better part of the past 40 years.*

### Part 1 of 3

*On May 30, 2017 Councilwoman Joyce Clark’s personal blog was titled **Stonehaven, Facts not Fiction**. The problem with her blog is that she does not have all the facts correct and sometimes she leaves out important facts that would paint a complete and accurate picture. For example, Councilwoman Clark blogs “Did you know that the applicants, John F. Long Trust and Pulte Homes, originally submitted their new plan with 3,000 SF lots? They revised their plan to 4,000/4,500 SF lots when the Planning Department advised them there is no R 1-3 zoning category in Glendale and it would not be supported.”. What she didn’t say was that John F. Long and Pulte Homes eliminated the 3,000 square foot lots because of her concern and that the Planning Department is supporting the revised plan that includes 4,000 and 4,500 square foot lots. As noted at the Planning Commission hearing, there are at least 16 other subdivisions in Glendale with 4,000/4,500 square foot lots.*

*Councilwoman Clark blogs:*

- The applicants represent verbally that they expect Bethany Home Road to be completed before the contractual drop-dead date of January 1, 2021. The only date that should be relied upon in is the date within the agreement between the city and the John F. Long Trust. *Councilwoman Clark later blogs: “Fact: Bethany Home Road does not need to be completed until Jan. 1, 2021 per a separate agreement between the John F. Long Trust and the City of Glendale.”.*

*Councilwoman Clark’s two statements do not make sense. She says StoneHaven verbally represented January 1, 2021 and later she says it is fact. What is her point? But the FACTS are that Article 1.2 of the Development Agreement entered into by City of Glendale and the John F. Long Trust states “The Parties acknowledge that the Bethany Home Road Extension will be completed and accepted on or before January 1, 2022 (subject to Force Majeure Events and any mutually-agreed extensions) (“Outside Completion Deadline”), and the City reserves all rights and remedies under this Agreement in event that JFLT fails to complete the Bethany Home Road Extension by the Outside Completion Deadline.”. January 1, 2022 is the date we have been representing all along.*

*Councilwoman Clark blogs:*

- Within this agreement the city must pay \$1.2 million to the John F. Long Trust for the north half of the Bethany Home Road right-of-way (ROW). This is precedent setting.

*The Bethany Home Road alignment is not precedent-setting, it’s unique. It’s the only one mile stretch in the City where a section-line road alignment is occupied by a major irrigation*

*canal. With the Grand Canal in the way, Councilwoman Clark's subdivision did not have to install the north half of Bethany Home Road, so unlike most folks who live on a section line, Councilwoman Clark's house price included no share for the Road – that was a great deal for her. Of course the Longs have to, and will, install the south half – their half – of Bethany Home Road, but that left the City to figure out how to pay for the north half. The City and the Longs sat down, rolled up their sleeves, and figured out a way to get it done using impact fees from within StoneHaven – no costs to any existing residents in the area, only to the new residents. And that agreement is already done and signed.*

*All across Arizona, the standard practice is for developers to install their adjacent half-streets – never both sides of the street on their perimeters. (Of course developers have to install full streets inside their subdivisions.) That's not just a tradition; it's how Arizona complies with the United States Supreme Court ruling in the Dolan v. City of Tigard. Councilwoman Clark knows all this, of course, but in her effort to keep open farm fields next to her house, she's trying to tell you that the Longs should get tagged for both sides of the street – now that would be unprecedented.*

*Councilwoman Clark blogs:*

- The city plans to pay this \$1.2 million for the north half of Bethany Home Road right-of-way from the Development Impact Fees (DIF) generated by every home within the project. Instead of the ability to use DIF paid to the city for Heroes Park or other projects, the city will use a majority of the DIF to pay \$1.2 million to the John F. Long Trust.

*As many years as Councilwoman Clark has served on the City Council, she should know that it is illegal to take Traffic Impact Fees (which are also called DIF) and use them for parks or anything else other than for traffic related projects. Based upon our current Amended PAD application, I have projected that the residential and commercial development will generate \$6,500,000 in Traffic Impact Fees to the City. Our estimate for the City's north half improvements, including land, is approximately \$3,500,000 leaving approximately \$3,000,000 in Traffic Impact Fees generated by the StoneHaven development to use on other City traffic projects. I project that StoneHaven will generate to the City approximately \$1,250,000 in separate Parks and Recreation Impact Fees to be exclusive use for parks and certainly can be used for Heroes Park. The City requires our development to pay separate impact fees for specific purposes. So in addition to the Traffic and Parks Impact Fees, I am projecting separate fees for Police \$490,000; for Fire \$1,640,000; Water \$3,840,000; Wastewater \$2,700,000 for total impact fees from StoneHaven of approximately \$16,420,000. My projections are lower than the Applied Economics study because it is based upon the current application of 1,365 homes vs. the 1,406 used in the study.*

*Councilwoman Clark blogs:*

- Proponents of the new plan throw out a figure of \$49 million in new revenue to the city. That is over a period of 7 to 10 years, averaging about \$4 million a year. The proponents had

to really stretch to come up with this figure for they even included the city tax you pay on your electric, gas, cable and phone bills within that number.

*Councilwoman Clark is dead wrong when she attributes the \$49 million in direct City revenues to “the proponents” of StoneHaven. The City commissioned and paid for – on its own – an economic impact study, because the City likes to know the facts before they make up their mind – unlike Councilwoman Clark. Then, after misleading you about who did the study, she gets the numbers wrong. She says the study reports an annual impact of \$4 million a year, but it’s actually \$5.5 million a year. Finally, Councilwoman Clark criticizes the study for including the City taxes residents pay on their utility bills. Seriously? It’s \$389,000, less than 1% of the \$49 million total, and it’s still new revenue to the City.*

*Councilwoman Clark blogs:*

- They also fail to tell you that the majority of the DIF generated within their stated \$49 million will go right back to the John F. Long Trust to pay for the Bethany Home ROW.

*This statement is absolutely not true and is misleading. As stated above, the Traffic Impact Fees used for Bethany Home Road are approximately \$1,200,000 out of a total of all impact fees from StoneHaven development which totals \$16,420,000. The Traffic Impact Fees are paying for the City’s share of the road. This is far from the majority that Councilwoman Clark states. The majority of the \$49 million is new sales tax revenue to the City, and the City gets every penny of those dollars.*

*Councilwoman Clark blogs:*

- Another little known fact is that each and every home within Glendale does not earn enough annual tax revenue to pay for the annual services (public safety is just one) the city provides to that home. I do not know what the current annual loss per home to the city is. The figure I learned years ago was \$200 per home annually.

*Is there a fact in Councilwoman Clark’s statement? Councilwoman Clark states: “I do not know what the current loss per home to the city is. The figure I learned years ago was \$200 per home annually.” She does not know what the current loss is - could it even be a current profit instead? Why didn’t she simply ask staff what the current number is? How many years, 5 10, 15 20? As stated above, the City’s economic study concludes that Arizona State shared revenue (based upon StoneHaven’s new roof tops) will generate \$993,000 or \$706 per home. Did the figure she learned years ago take in effect State shared revenues? Without the 1,365 new homes, the commercial and other ongoing revenues of \$4,580,000 will not be generated to the City. These two new revenue sources generated by the 1,365 residents contribute a total per home revenue to the City of \$4,061.*

*Using her statement and logic, is Councilwoman Clark saying that every current home in her district is costing the City \$200 annually?*

*Councilwoman Clark blogs:*

- Typically, a developer will make a “donation” to the school districts that will be affected by the influx of new students. It could be \$200, \$500 or \$1,000 per home. No one knows the real figure as it is between the developer and the school district. Is it any wonder that school districts never withhold their approval for a new subdivision? Who pays for this “donation?” Not the developer. It is added to the price of the home as is the Development Impact Fee (DIF). That means the buyer of a home in Stonehaven automatically pays for DIF and the “donation” to the school district(s). This should be of interest to the potential home buyer, especially if that person is an “empty-nester” or millennial with no children.

*John F. Long built approximately 34,000 homes from the early 1950's to 1990. I started work for JFL in 1977 and there never has been a donation that Councilwoman Clark is describing. None of JFL's donations to schools were ever tied to zoning and never were cash amounts that Councilwoman Clark is describing. It is true that the company has given land for schools.*

*Councilwoman Clark is not stating facts that she can prove, but shamefully goes so far as to insinuate that Pendergast Elementary and Tolleson High School districts' integrity can be bought with cash behind closed doors. This is wrong on so many levels. If she truly believes in what she is saying as fact, it is her duty as a Council person and citizen to inform the State School Boards and Arizona Superintendent of Public Instruction. She won't, because she has no facts to support her claim.*

*Councilwoman Clark's last statement above regarding DIF being added to the price of the house and that it should be disclosed to potential buyers is confusing. All DIFs paid by the homebuilder to Glendale are payable at the time of obtaining a building permit for the individual home. This is a City of Glendale fee charged for every new home – and it's not optional. So it is a cost to build the home, just like concrete, lumber, plumbing and all other costs to permit and build the home. Is she saying that we should tell the empty-nester or millennial with no children that the cost of their home includes just under \$15,000 of DIF paid to the City of Glendale in order to get a building permit for their home?*