

TOWN OF FOUNTAIN HILLS
MINUTES OF THE REGULAR MEETING
OF THE FOUNTAIN HILLS PLANNING & ZONING COMMISSION
JANUARY 12, 2026

A Regular Meeting of the Fountain Hills Planning & Zoning Commission was convened at 16705 E. Avenue of the Fountains in open and public session at 6:00 p.m.

Members Present: Chairperson Dan Kovacevic; Commissioner Mathew Corrigan; Commissioner Peter Gray; Commissioner Nick Proctor and Commissioner Phil Sveum

Members Absent: Commissioner Scott Schlossberg

Staff Present: Development Services Director John Wesley and Executive Assistant Paula Woodward.



**TOWN OF FOUNTAIN HILLS
SUMMARY MINUTES OF THE REGULAR MEETING OF
THE PLANNING AND ZONING COMMISSION
JANUARY 12, 2026**

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE AND MOMENT OF SILENCE

Chairperson Kovacevic called the Regular Meeting of the Fountain Hills Planning and Zoning Commission held on January 12, 2026 to order at 6:00 p.m. and led the Commission and audience in the Pledge of Allegiance and Moment of Silence

2. ROLL CALL

Commissioners Present: Chairperson Dan Kovacevic; Commissioner Mathew Corrigan; Commissioner Peter Gray; Commissioner Nick Proctor; Commissioner Phil Sveum

Staff Present: Development Services Director John Wesley and Executive Assistant Paula Woodward

Commissioners Absent: Commissioner Scott Schlossberg

3. STATEMENT OF PARTICIPATION

4. CONSENT AGENDA

- a. **CONSIDERATION AND POSSIBLE ACTION:** approving the regular meeting minutes of the Planning and Zoning December 8, 2025.

MOVED BY Commissioner Gray to approve the regular meeting minutes of the Planning and Zoning Commission December 8, 2025. **SECONDED BY** Commissioner Proctor. Vote: 5/0 Unanimously

5. REGULAR AGENDA

- a. **PUBLIC HEARING, with CONSIDERATION AND POSSIBLE ACTION:** Relating to Ordinance 26-02 amending Zoning Ordinance Chapter 27, Downtown Overlay, Section 27.02 A. related to permitted density for residential development.

The following residents addressed the Commission:
Larry Meyers

MOVED BY Commissioner Corrigan to continue the public hearing relating to Ordinance 26-02 amending Zoning Ordinance Chapter 27, Downtown Overlay, Section 27.02 A. related to permitted density for residential development to the Planning and Zoning Commission meeting, March 9, 2026. **SECONDED BY** Commissioner Gray. Vote: 5/0

- b. **DISCUSSION:** Review and discuss the planned update to the Zoning Ordinance to adjust the list of permitted uses, re-organize chapters, and revise standards for some uses.

No Action Taken

c. CONSIDERATION AND POSSIBLE ACTION: Appointing a Chairperson to the Planning and Zoning Commission.

MOVED BY Commissioner Proctor to appoint Dan Kovacevic to Chairperson to the Planning and Zoning Commission. **SECONDED BY** Commissioner Sveum. Vote: 5/0 Unanimously

d. CONSIDERATION AND POSSIBLE ACTION: Appointing a Vice Chairperson to the Planning and Zoning Commission.

MOVED BY Chair Kovacevic to appoint Peter Gray to Vice Chairperson to the Planning and Zoning Commission. **SECONDED BY** Commissioner Proctor. Vote: 5/0 Unanimously

6. COMMISSION DISCUSSION/REQUEST FOR RESEARCH TO STAFF

No Action Taken

7. SUMMARY OF COMMISSION REQUESTS FROM DEVELOPMENT SERVICES DIRECTOR

No Action Taken

8. REPORT FROM DEVELOPMENT SERVICES DIRECTOR

No Action Taken

10. ADJOURNMENT

Chairperson Kovacevic adjourned the meeting of the Fountain Hills Planning and Zoning Commission at 7:04 p.m.

Post-Production File

Town of Fountain Hills
Planning and Zoning Commission Meeting
January 12, 2026

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be a totally verbatim record of the proceedings.

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KOVACEVIC: I'd like to call to order the Monday, January 12th, 2026, regular meeting of the Planning and Zoning Commission. Can we start with the Pledge of Allegiance in a moment of silence?

IN UNISON: I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

KOVACEVIC: All right. Thank you. Paula, can we take the roll, please?

WOODWARD: Commissioner Sveum.

SVEUM: Present.

WOODWARD: Commissioner Porter. I'm sorry. Proctor.

PROCTOR: Proctor's here. Thank you.

WOODWARD: Commissioner Gray.

GRAY: He confused me, but I'm present.

WOODWARD: Commissioner Corrigan.

CORRIGAN: Here.

WOODWARD: Chair Kovacevic.

KOVACEVIC: Here.

Okay. We have a statement of participation. Anyone wishing to address the Commission regarding items listed on the agenda should fill out a request to comment card located in the back of the council chambers and hand it to the clerk prior to consideration of the agenda item.

Once the agenda item has started, late requests to speak cannot be accepted. When your name is called, please approach the podium, speak into the microphone, and state your name and if you are a resident for the public record. Please limit your comments to three minutes to avoid disruption of the meeting, to maintain decorum, and provide for an equal and uninterrupted presentation. Applause is not permitted except when community members are being honored by the Commission.

Okay. Agenda item number 4, the consideration and possible action approving the regular meeting minutes of the Planning and Zoning Commission from December 8th.

Can I get a motion to approve?

GRAY: So moved.

SVEUM: Support.

KOVACEVIC: Okay. All in favor? Aye.

IN UNISON: Aye.

KOVACEVIC: Opposed? Okay, five.

WOODWARD: 5-0.

KOVACEVIC: Yeah. Okay. Number 5 on the agenda, public hearing with consideration of possible action relating to Ordinance 26-02, amending Zoning Ordinance, Chapter 27, Downtown Overlay, Section 27-02(a), related to permitted density for residential development.

Director Wesley.

WESLEY: Commissioners, happy New Year. Good to see you all this evening. I'll go through a presentation for you, then we can have some discussion about this topic.

So as stated, this is a consideration of amending the Zoning Ordinance Chapter 27 with regard to the allowable density in the Downtown Overlay District.

Just as a quick background, you'll recall a year ago, we were working on this overlay and discussing various options for it as ultimately approved by -- or recommended for approval by this Commission back in June. It allowed for a maximum of 50 units per acre by right in the downtown area. When council considered the ordinance and made its final action on it, they reduced that maximum by right density down to 35 units per acre.

And when considering the Zoning Ordinance to apply, the ordinance to the downtown area to rezone it, some questions and concerns came up with regard to that density.

And so the council sent this back to the Commission to consider amendments to Chapter 27 with regard to the allowed density.

So at the council meeting, there were several concerns that were stated with regard to the density, a density of 35 units per acre, that it would zone out the ability to achieve some economic development goals, to encourage developers to buy up land, to

consolidate small parcels into larger ones, and thereby, again eliminate some of the other development economic activity, negatively impact the area -- of the area north of the Avenue. It would choke the area with traffic.

There's a need to save land for businesses, not apartments. The desire was to reduce the density back down to the current eight units per acre or something similar to that and let Park Place be the dense area for entertainment. So those are the type of comments that were made and concerns that were raised. Not discussed at that time, because there wasn't actually an agenda item to discuss, the details of the ordinance or the fact that the Avenue District does not allow ground floor residential. And so you're going to maintain commercial uses on the ground floors within the Avenue District.

The Business District allows ground floor residential only through a special use permit. So again, the Commission - the council has control over maintaining the commercial uses on the ground floor in that area could become all residential unless as approved by council to go that way.

The Innovation District does not allow any residential by right first floor, second floor. It does not have the densities. It's just like any other commercial area in town requiring an SUP for any residential. And again, the maximum height is 40 feet throughout this area in the C-2 district. So that again limits the scale and density at which development will actually take place.

So again, one of the concerns was somebody could come in and buy up multiple properties, have a larger block, and not just the individual 6,000 square foot lots that we've largely considered that you would only get two or three units on, but you buy up a larger area, you clear it, and redevelop. So what would that maybe be like?

I picked this one area off of Parkview as an example. If somebody were to try to consolidate those, you've got eight existing lots, six owners, five buildings existing. If you're able to combine that, you've got 48,000 square feet.

So at eight units per acre, that's eight units going on those lots at 16, that's 17 units per acre. At the 35 that was previously approved, that's 38 lots or 38 units that would go on

there, and it would need an SUP again for any of that to be on the ground floor.

Another example that was mentioned was Park Place. Park Place type development happening on these lots. Here's an example from a portion of Park Place. That segment that's highlighted there has 12 units, 6 on each side. So you could fit two of those areas per floor. So you get 24 units per floor. At 35 units per acre, the most you can have is 38. So you could have, you know, one floor part of a second one and have your 38 units and you'd get there. So again, the scale of that is not quite the same really as trying to picture another Park Place being put at that location.

So what's needed for downtown? We're after having a vibrant, active, lively entertainment core here along the Avenue. And looking at various sources, I found a range of -- generally, you're looking for 12- to 15,000 people per square mile. That sounds like a lot but remember that's over a square mile. So when we bring that down to basically the walkable area of the downtown area using Parkview and -- excuse me, Verde River and the Avenue as the center, you get about a hundred acres in that area. So you're looking for 1,500 to 1,800 people at 2 people per unit; 750 to 900 units would be desirable in this area. There's currently about 350 units within this area.

So could we get another 400 units, 500 units in here is what we're looking at to have the type of population to make the area, again, the lively type of downtown urban core that we are wanting.

So as this applies into Plat 208, because that's the area where this overlay applies, you've got about 11-1/2 acres of vacant land in that area. And so again, at 8 units per acre, you'll get 92 units going up to -- keep just doubling that 16, 184. Double that again at 32, you've got 360. So at the doubling of that, you get something close to what I would say we ought to have in this area to have the type of population support for an urban area.

We do have site plans that have been approved. Building permits have been approved for Park Place. Those are not moving forward at this point. We don't know what might come forward in the future. But just again for the context, 102 and 82 units in those two different buildings, that would make up some of that additional.

And remember also that the parking lots within Plat 208, those are jointly owned by all the owners in Plat 208. They're not available for development. So we're talking about the individual lots and not the big parking areas.

So again, just some background and historic comparison here. So when we started this, we were looking at our existing ordinance that allows eight units per acre by right, which is one unit basically per 6,000 square foot lot, which is what most we have in the downtown area.

When I started this process, I thought, gee, could I be bold and suggest 15 units per acre because that is for Fountain Hills. That seemed like it would be a good move forward. However, as we thought about that, even by the time I got to the actual council or Commission -- first Commission meeting, I'd run those numbers a little bit more and saw that really didn't help get us anywhere in terms of moving the needle or getting interest in bringing the development to the downtown. So at that first meeting, we started talking about moving on up to 30 units per acre. And then, as stated before, the Commission, as you continue discussion, moved it all the way up to 15 units per acre at that time because we were looking at some of the other projects that have been developing in the area that were in that 40-to-50-unit range.

So some things that have been reviewed and approved before across the street at Belvedere Suites. Again, these are small properties with a few units. But when you look at it in terms of density, that's 38 units per acre there. The Bondy development that has been approved now by council just east of the Zapata and west of the Chase, that's 21 units per acre on that one. You may recall down on the Avenue back behind Sofritas four small units on a small lot, that equates out to 69 units per acre on that one. And Park Place is at 45 units per acre.

So some options for you to consider. And again, the field is really open however you'd like to look at this, but one option certainly is no change. Just recommend to the council that they leave it as it previously approved. You could keep the Avenue at the 35 per acre but lower it elsewhere. You could lower it throughout all the districts and certainly a lot of choices in between with that.

And I'm just going to end it here by just leaving the slide up for your consideration and looking at that in the downtown area. The green lots are the ones that are vacant. The yellow one is vacant currently, but it's a Bondy development. So we think that's moving forward, but still vacant at this time.

And then in total, there's 21 acres of developable land. That's not including the parking lots throughout the downtown. And so you can have that number.

And so with that, again, we're looking for vibrant entertainment active downtown area, 15 units per acre. It will not get us there in staff's opinion. Staff recommends at least 20 units per acre but can support keeping the ordinance as it is.

So with that, I'll go back to that slide and see what questions and comments you have for me or if you're ready to open up to the public.

KOVACEVIC: Well, I'm going to keep you waiting. Do we have any speaker cards, Paula?

WOODWARD: Yes, Chair, one speaker card.

KOVACEVIC: Okay. Let's hear from the speaker.

WOODWARD: Larry Myers.

MEYERS: Larry Meyers, 44-year resident. And my comments come directly from the discussions we've had inside the Economic Development Committee. And I disagree with John on the definition of vibrant. I don't think adding apartments makes anything vibrant. I think when you look at this, if you're going to look for what I've always characterized as the "fun zone", you have to go and look at a place like Cave Creek. Cave Creek is not on the way to anywhere. It's a destination. The only way you're going to make Fountain Hills something is to have it be a destination.

And to take your land and use it up so you can build a bunch of apartments -- and I worry about parcel consolidation because I don't think we need any more Park Places. I just don't. They don't make anything vibrant. Park Place is built there and it's -- nothing is vibrant. I'm on the Avenue. And it's a bunch of -- I'm 74 so I can say it. It's a bunch of old people walking little dogs is what it is.

So it's once again where you have the land and you make the land available for something other than what you're really trying to do, and then you scratch your head

and go, why didn't we get what we want? The Target Plaza, I always go back to it. It's the poster child for this. It was never going to be a successful shopping center. And they turned it into a shopping center. And now it's not a successful shopping center. And then we had to turn it into apartments because it's not a successful shopping center. It would have been a better use.

And so this is the core area of the town. If you want vibrancy, you need Cave Creek or something similar. And if you use up the land to build apartments, you can't do it. I get the thought because this whole discussion revolved that night around the building next to the Thai restaurant and the Chase Building. And if you put eight apartments there, you end up with 60 something density. Okay. Fine. That's one lot.

But if you take the entire Plat 208 that's left, and you consider that as -- on the whole, don't think for a moment these apartment developers aren't going to come in there and offer exorbitant sums of money to the people that have owned these things. Most of them have owned it for a long time. They'll take the money in a heartbeat.

So I -- that's where this conversation sort of got its seed -- I'll wrap this up -- got its seed. It came from the Economic Development Committee meeting and what we're really trying to do in the downtown.

And just one last thing. So on the Economic Development Committee sits a small business woman, Grapeables, Jo McKellips. And all of the -- she was asked this question. So all of those apartments, look all around the plaza and see all of that high density housing, higher density housing, and ask a small business person how many of those people are your customers? And you will get the answer, not that many.

And so by adding a bunch more apartments, you're not going to get vibrant. You're going to get exactly what you have now, which is a town searching for vibrancy only out of land.

And so that's why I brought it up at the council meeting, and they agreed to go to 16. And then, great. If you have a postage stamp and somebody wants to do like the building next to the Thai restaurant, get an SUP. What's the harm? It can't be that expensive in the scope of a project.

So that was -- I'm the one that brought it up to him and that's why I -- and I didn't even get it the night you guys settled on 50. It passed right over my head until I thought about parcel consolidation kills the downtown.

So that's all I have to say on the subject. And I hope you'll consider what council's wishes were at 16. John's original was 15, and I disagree with his assessment tonight. Thank you.

KOVACEVIC: Sure. Mr. Meyers.

MEYERS: Yes.

KOVACEVIC: Looking at that -- the map there and the green parcels that are vacant, how would you think that parcel consolidation would work?

MEYERS: Well, let's take the one in the low -- what would be the lower left-hand corner. If I bought the green one on the end, on the right end, and I bought the green one on the left end, and then I bought everything in the middle, what do you end up with? A Park Place building.

KOVACEVIC: Well, a very expensive piece of real estate before you start.

MEYERS: Yeah, except for apartments are pretty profitable.

KOVACEVIC: Well, I think maybe the Park Place owner might feel differently because of the cost of doing even construction from bare ground. So I think that -- I understand what you're saying, but it would seem to be almost not affordable to even consider tearing those buildings down and starting over again.

MEYERS: Okay. So I'll go back to the Target Plaza. We allowed the highest density in the town. The council did; you guys didn't. Planning and Zoning saw better. We got nothing for it. We gave -- we got no concessions at all. It's, what, 6.8 acres? And we got 300 one-bedroom apartments. Of those 300 one-bedroom apartments, how many people are going to Grapeables to drink wine? And they're also out on Shea.

I just look at these things as pieces of land. Now, if I took the green one on the end and I said, oh, I don't know, pick one of those cool places out in Cave Creek on Main Street, and I turned it into that, which is more vibrant? A bunch of apartments or according to western bar --

KOVACEVIC: The Horny Toad, is that what you're looking for?

MEYERS: Excuse me?

KOVACEVIC: You want to look for The Horny Toad, is that what you want?

MEYERS: Something. I mean, we will have to be a destination because we are not on the way to anywhere, and that's not a bad thing if you know how to deal with it. We don't. I've told Amanda. I said, has anybody knocked on any of the owner's doors out at Cave Creek and said, hey, have you ever thought about a second location? We want to be that. No, we've not done it but --

KOVACEVIC: Can I offer a contrast? Can I --

MEYERS: Yeah. Yeah. Absolutely.

KOVACEVIC: The Target, I mean, it's not a comparable. I mean, that was -- there's no buildings to tear down. It's just asphalt, and I have --

MEYERS: You can tear those buildings down.

KOVACEVIC: Well --

MEYERS: To the one -- to the west of the Target --

KOVACEVIC: Oh, the one retail building. Yeah.

MEYERS: Yeah.

KOVACEVIC: But we're not talking about -- and plus, they own the -- they owned it themselves already. So it's not like they have to buy it and tear anything down on top of that. You know, we can agree to disagree. It's fine. I mean, I understand what you're saying, but I think likelihood of anyone doing that is pretty remote because the cost of construction. And again, we're seeing that with Bar Shea's project on the Ave. The density -- well, I guess I shouldn't have a discussion with him anymore.

WESLEY: Yeah, and I think we're --

MEYERS: Yeah. We can -- Bar Shea's --

KOVACEVIC: Well, let's not go there.

MEYERS: Yeah.

KOVACEVIC: I'm just --

MEYERS: You know it's a different --

KOVACEVIC: Yeah.

MEYERS: It's an animal that --

KOVACEVIC: Well, it's raw land. That's the difference.

MEYERS: Well, I know it was an animal that was originally contemplated and got disrupted. So it's not really a good example. At one point, he obviously thought it was a spectacular deal. Now, it's not such a spectacular deal as we can see because of the disruption. But I just -- I'm for preserving -- I mean, I'm okay with it. If nobody wants to make anything of Fountain Hills in terms of entertainment, then just go ahead and build it.

KOVACEVIC: Well --

MEYERS: And I just don't see apartments as the answer to vibrancy. I see them as the answer to more 50 percent of the time population, which then makes it tougher on businesses to be vibrant. And that's why I'm always for preserving the land. And everybody always comes at me and says, oh, it's been empty for 50 years. Yeah. And 60, another 10 years from now, somebody's going to go, oh my, God.

KOVACEVIC: Right.

MEYERS: We needed that land. So that's why I always -- I take the same position. I'm very consistent.

KOVACEVIC: Yeah. Yeah, I think -- yeah. We'll move. We got -- we need to move on though.

Paula, do we have any more speaker cards?

WOODWARD: No, Chair.

KOVACEVIC: Okay. Council members. Anybody? Do you want -- you're all in trouble when I start doing drafting. But I took a look at this, and this is why we will not wind up with another Park Place, and I can share this. I think I have enough for -- as long as the couples can share, I think I have enough for everybody. Here. If you want to -- do you need another one? Does anybody need another one?

SVEUM: Yes.

KOVACEVIC: I've got more.

SVEUM: You got two.

KOVACEVIC: I thought I left you on upstairs, did I not? Okay. And Mr. Meyers, you make -- there's one point that I think we need to resolve before we can make a solid recommendation. And that is if there were a catastrophe or some type of calamity that wiped out an entire quadrant, and somebody came in and bought the entire quadrant, and we're sitting here with a 35 or 45 unit per acre, by right, could they -- these -- each quadrant if you divide -- where the streets are divides it into four. I'm talking -- I'm just talking about the Avenue and the Business District. And if somebody came along and bought that quadrant, including the parking, could they, by right, build 350 units at 35 units an acre, or 450 units at 35 units at 45 units an acre and if that's what's in the four corners of the ordinance?

And -- because I think the number is 45 units an acre. If you look, because 45 units an acre on the buildable lots is 25 units an acre, which is what our ordinance is. So that gives us the density that's in our ordinance, which, in theory, should be fine. Because the difference between this and Park Place is that Park Place includes parking. And when we say 45 units in the Overlay District, we're not including the common area or the parking.

So at the existing ordinance of 35 units an acre, it's only 19 units an acre. It's down to 16 units an acre in one of the quadrants. And I've -- each sheet represents one of the quadrants.

So we really aren't talking about crazy density here. And that's if everything that could be built as apartments was built as apartments. And above All American, you're not getting apartments. You know, the Chase Bank isn't going anywhere for a while. I mean, I don't see that scenario. But if it happened, we'd be at between 16 and 19 units an acre for each 10-acre quadrant in the district.

So I don't think that where we're at right now is unreasonable. But I agree, we don't want 350 units in one of those quadrants down in the town. But you know, four units in this building, six units in that building is -- I think we need it because if we're going to have only restaurants and only retail and only entertainment on the first floor, we need

to import a market to patronize the businesses. Otherwise, all we're doing is legislating vacancy. And we don't want that because when the real estate brokers and the insurance brokers move out, there's no market to bring in the entertainment or the restaurant or the retail.

So I think we need to, at the very minimum, keep the 35 units an acre. And I could see supporting up to 45 as long as we could specify we're not building on the parking. And I don't -- I need your help for that, John. How do we put that into the ordinance and make that recommendation?

GRAY: Well, you would just simply require a stipulation with each of those quadrants that required the density to be surface parked. You don't care about the configuration. You care about the open space that's used for parking. So you just put that stipulation in and that would be your constraint.

WESLEY: So Chair, Commissioners, I haven't had a lot of time to think all of that through. But basically the overlay is based on the way it is platted today, with the lots as they are and the sizes as they are. And there's various components of the ordinance that fall back to that saying, if you're a 6,000 square foot lot, then you don't require your own parking. It's already there.

So if somebody's going to come back then and replat that so it's all one big lot, we don't have 6,000 square foot lots anymore. How does this overlay even apply? Well, it really doesn't work anymore. But I would have to think through how that would really happen, I guess, maybe regardless if we think it's a reality we need to spend any time on. But it would take some steps along that line to replat the land. And that's another step that that we would have some control of to be able to prohibit what you're talking about from happening.

KOVACEVIC: But how will we prohibit that? I mean, would -- Commissioner Gray offered a suggestion.

WESLEY: Right.

KOVACEVIC: I mean, does the overlay only apply to this plat? I don't --

WESLEY: So yes, it's specifically designed to apply to this area of Fountain Hills. It won't

ever apply anywhere else.

KOVACEVIC: Okay. Well, let's hear from the other commissioners if anybody else has anything to say. Commissioner Gray.

GRAY: We're just perpetually stuck in this chicken or the egg to regentrify, to not regentrify, what happens next in Fountain Hills, right? Your density calcs here and the methodology behind it are certainly solid on the basis that you retain the surface parking. But isn't the more macro thing that's not really on the agenda but what's really behind all of this is to say, what do we want to happen? I mean, what's supposed to happen in these quadrants, right? And we're going to use that terminology forever because you brought it up. Quadrants.

Mr. Meyers' vision, we'll call it, of Cave Creek southeast, valid. The idea that we could commercialize the ground floor and put stacked density over top up to, whatever, 35, 45, 50 units of the acre, valid. Leave it alone. Not ideal, but valid. Keep the configuration, et cetera, et cetera.

But in reality, in my opinion, which isn't a popular one probably, but I think what we're trying to do here is to simply enable a scale of development that says, hey, let's bring money in. Let's get money in. Let's champion, in my opinion, let's champion the idea of plat consolidation, replating, getting rid of these overlays in the 208s and so on and so forth because it's 40-year-old planning methodology that we're trying to work with.

And maybe, maybe it just needs to be blown up. Maybe. Right?

I mean, we keep throwing these iterative ticky-tack, we're going to dip our toe in the water here and we're going to turn a little left and turn a little right, but we're not really serious about it. That's what we always do.

And this is a perfect example of it. The fact that we got to 50. It didn't go over very well. And we're coming back saying, well let's cut that in half or let's cut that by 70 percent. Well, then we're back to square one again, which is okay. But I don't think that's what we're saying, you know, in the other venues.

And so I don't know if this is -- I don't know if density is the right catalyst to allow economic development to talk with, you know, I don't know, the red developments of

the world or whomever. But I think that's the conversation we should have here and let the density be the byproduct of it.

KOVACEVIC: Commissioner Sveum.

SVEUM: It seems like that the parking lots are driving the design.

WESLEY: Constraint.

SVEUM: It's a huge constraint. Is the constraint. And you're working around something that really, like you said, is 50 years old, that should be looked at as more of a development asset that you can't use is building around the frame. And it doesn't lead to great development. And we're picking and choosing, you know, this little eighth of an acre lot here and this one there.

Frankly, I'll take design over density any day if it's well done. I will. And I think when we approved the one plan that became Bondy, that was -- we approved it initially for 12 units. And then she sold the property and then -- now it is six. I thought that plan was great for the 12 unit building that she wanted to build.

And it's almost -- you know, I just throw the units per acre out the window. It's not even -- to me, it's not even important. It was great design. We're only talking 12 units. You got 12 more customers, 24 more customers on the Avenue that are paying a pretty hefty price that probably would go to Grapeables or the other establishments and spend some money out.

So it's -- I agree. A lot -- I think you really hit on something, Peter, that should be looked at closer. And it is the big -- some of the biggest decisions that might be made going long term into the future. What happens with these -- especially these two districts, the Business and the Avenue District?

Maybe that's something to really have some more discussion about. What can be done with those lots? What can be done in a more grander vision and not just sit on 38 units per acre, 22 units per acre, and everyone feels good because we've lessened the density. I don't think that's good planning.

And I'm not looking for 50 or 60 units per acre. I'm looking for good design and good development that will create value for the rest of the building owners that have their

investments in these -- and especially in these two areas. How can we enhance those areas?

I think some of the things that we've done, frankly, I think restricting first level to retail is a mistake. I think it's onerous mistake, devaluation of people's property, by restricting the use of that first floor to sales tax driven businesses. Just my opinion. But I think that this density is just a small part of good design and long-term design.

So sorry, long-winded opinion, but I think Peter's hitting on something here that we should really give some thought to.

KOVACEVIC: Commissioner Proctor.

PROCTOR: Well, I agree with everything that's being said here. It seems to me when I was reading this that we're trying to pound a square peg into a round hole here, and I agree that we're dealing with an old system. I've never been a fan of Plat 208 and how everything is done. So blowing up the system has a -- rang a certain appeal to me. I don't know how you would approach that because there are property rights and we have to deal with a lot of different factors here.

But I view that downtown, you know, we need some density. Now, what that may be -- I'm not big on, you know, everything apartments. But I view -- if you have some density, that's going to attract business. It's going to attract a need. When you have people, there's going to be a need for something and then we'll get things in. Who knew we'd have Oka Sushi, sushi restaurant in town, and we built it, some density. People like it and they come from both downtown and around.

I think the International Dark Sky Discovery Center is going to drive visitors. It's going to be a destination. And I think somehow, we've got to build on that with our land usage in a combination of commercial and retail and entertainment development. What that is, I don't know. But we've got to figure out how we can use those vast spaces that are just parking lots now. I don't know how we approach that, but I like blowing up the system and seeing what we can come up with.

KOVACEVIC: Commissioner Corrigan.

CORRIGAN: So what I'm hearing, I think what I'm hearing here is that maybe we're

looking at the wrong strategy. Maybe we should be looking at paradigms or models of the success stories rather than the ordinance and the zoning per se. Is that what -- I think that's what I'm hearing. And I hope I'm hearing from Mr. Meyers that that's the idea.

The plan is to take a successful model, duplicate that somehow, hopefully in Arizona. And whether it's -- I don't know, Flagstaff with their observatory and, you know, as Commissioner Proctor stated, we've got the Discovery Center coming up soon and success models around that, whether successful or not. Is that what I'm hearing? I think that's what I'm hearing. Am I right or wrong or? I mean, that's what I think I should be hearing because we want success in Fountain Hills. Let's look for examples elsewhere with this population.

When I see 12,000 per mile, that's half of Fountain Hills population. That's not realistic. What's realistic is a model or an example of some other community that speaks to success. They've done it successfully and we can do that too. Similar size, similar population, similar property values, so on and so forth. My thought.

KOVACEVIC: Commissioner Gray, you have something else?

GRAY: Yeah, I got more notes. I pretty much concur with everything that everybody said here. John, what's the origins of these overlays? Was that just once upon a time and the idea that we need to aggregate to cover our infrastructure costs, like a special assessment sort of structure?

WESLEY: Chair, Commissioner Gray, of course, I don't really have details on that history. I put together what I think the basic history is from my understanding when this area was platted originally in the county, with these small lots in Zone C-2, that it was platted and developed in a way that really didn't conform with the C-2 Zoning Ordinance as the I think Target or Safeway. That's C-2 zoning.

And so through the county, they were issuing variances to allow for the lots to be built upon without having their own parking because it was common parking had a hundred percent lot coverage, those things.

And so after the area -- after the town incorporated, the town looked at, okay, well,

how do we move forward? We've got a platting pattern that has gotten started and a Zoning Ordinance that doesn't exactly match. And so they created this overlay, so that the development had a way to move forward with conformity to a zoning. And it was with an overlay versus creating some kind of new base zone. And so that's just what we've carried forward since that time.

GRAY: So I know we've talked about it in other cases, but are there mechanics available to dismantle an overlay?

WESLEY: Certainly, there are. We could -- another option, we could have taken through this process would be to create some new zoning district and rezone from the C-2 to a new base zone. The challenge with that potentially comes through Prop 207 issues and what we may be doing to somebody's property values as we really change a base zone. It's possible. And we could go back and look at that. It became -- again, as we also wanted to expand up and include the Innovation District. That's another reason why the overlay seemed to be the better approach to getting all the things we wanted to do versus base zones, but it is possible.

GRAY: I mean, just -- you know, obviously, the objective would be take away the restrictions to development that come with some of the components of the platting. But I think that that's something we really need to look at in Fountain Hills is these, you know, the 208s and the other one that we always talk about --

KOVACEVIC: 106.

GRAY: Yeah. I mean, these things are just perpetually in the way of -- you know, any, any true meaningful reinvestment. I'll just dive into it, I think.

My thought is hold for now and let's figure out a way to solve kind of the bigger problem. I don't really think we should pick up the density conversation. I do think density is maybe a little bit more important to the equation than Commissioner Proctor -- just because, you know, that is how you pick up younger demographic. You get that little bit deeper profile there.

I also think, you know, just based on what we see in my day job, density at a certain threshold is really key to getting a level of development investor in that can really do

something with properties.

I think we also -- we have always thought in Fountain Hills at the parcel level. We've always thought about protecting the investment of whomever bought C-2 parcel, you know, one, two, three, four or five.

But we're not talking about coming in and taking parcels through eminent domain or some governmental vehicle. We're talking about a developer in this theoretical conversation that's coming in and paying fair market value plus a premium that makes it such a good idea that you want to sell. So investment protected, profit gained, you know, we're moving on for the betterment here.

I think we need to probably remove our -- you know, whatever they're called -- our blinders for individual plat ownership as though we're preserving a family farm or something. That's not what we're doing. We're preserving C-2 parcels in a Business District that were bought for the purpose of investment and a return on that investment.

I think the traffic conversation, which is I heard John say that's, you know, in part what led to this request, as always, that's kind of just an erroneous go to.

And then finally looking to Commissioner Sveum. I know that ASU School did some work with the state trust land. I don't know if there's an opportunity to play with some modeling in this space, too. I mean, let's -- if we can take a public institution that we're all paying property taxes into anyway and levy them and give that design school some opportunity to play in the sandbox, I say, let's do it. Let's see what it can -- let's see what comes out of that, utopian or otherwise, and then figure out how we want to change our underlying construct. But again, I think we just need to park it for right now and maybe solve for a bigger problem.

KOVACEVIC: Anybody else?

PROCTOR: I'm just curious if our strategic planning group has discussed this along in their discussions.

WESLEY: Chair, Commissioner Proctor, I haven't been attending their meetings lately. I'm not sure exactly what they've been talking about, but I did get heads up about a

meeting coming up in a couple of weeks that I'm going to be invited to attend. And as I looked at that agenda, I believe I saw something along these lines on there, but I'm not for sure.

PROCTOR: Yeah. I think it'd be nice to coordinate thinking along this line. See what they're thinking up too. The more minds on this, the better, I would suppose.

KOVACEVIC: Yeah. And my thought out of the box is, well, I totally agree. If we were coming in and we were going to design a downtown area, you know, let's do it. Let's start from scratch and let's do it.

The issue we have here is that there's -- the Chamber of Commerce didn't know how many owners there were, but they guessed about 110 owners. And to do anything with even the common areas, you need two-thirds. I've heard anywhere from a hundred percent to a simple majority, but I had some conversation today with Amanda. You need two-thirds to do anything. So you need 66 owners to do anything different with Plat 208.

And so as -- I mean, it would be great to be able to blow the thing up and start over again and do it right. But as a practicality, I don't know how that happens. I mean, so I do -- we have an overlay in effect right now, correct?

WESLEY: Two, yes.

KOVACEVIC: So if we did nothing and MCO decides to go out and take space in the Business District, they would have to be replaced by a restaurant, entertainment or retail?

WESLEY: So today on the Avenue with no change to the zoning, is that what you're saying?

KOVACEVIC: Yes.

WESLEY: So for the MCO or one of the realty offices moves out --

KOVACEVIC: Right.

WESLEY: -- another realty office can just move in. That's fine.

KOVACEVIC: They can?

WESLEY: Yes, because we haven't changed the ordinance yet.

KOVACEVIC: I thought we had. That's why that was my question.

WESLEY: No, we haven't. That was the step we were at. I was applying the new ordinance to the downtown, but council postponed action on that pending this discussion. So no, those two existing ordinances are still in place, so there's no --

KOVACEVIC: Okay. Because I thought --

PROCTOR: I'm sorry. Can you repeat that? I mean, I thought --

WESLEY: No. The council did not take action to approve the new overlay. They postponed any action pending this discussion and change on density.

PROCTOR: On the Avenue?

WESLEY: On the Avenue or any place. Yes, they did not -- they approved Chapter 27 to be part of the Zoning Ordinance, but they have not applied it to land. We have not rezoned the downtown yet.

PROCTOR: So the restriction for first floor use was not -- is not in place yet?

WESLEY: Not yet, no.

KOVACEVIC: Because how -- my feeling is if we don't allow for density, we have got to import a market in order to support a first floor of sales tax paying businesses. And if we don't import that market, we should scrap the overlay. And of that, I am in a hundred percent agreement with you guys. And we should -- yeah, maybe look at ways to do something completely different. So now what?

WESLEY: I say you make a motion to approve your 45 units breaker, and we go on. No. I guess what I'm hearing from the Commission is a continuance. I would say probably for at least two months to let us explore some options to bring back to you for further consideration and expand it from just the discussion tonight. Tonight, you were just agendized to discuss density. I've been hearing a lot more than just density, and so I have to agendize it as a as a wider discussion if that's where you want to go.

GRAY: Chair.

KOVACEVIC: Commissioner Gray.

GRAY: I think we're -- you know, before we spend too much energy of mostly John's, well, I think we're kind of asking for permission to play in the sandbox a little bit, right? I

mean, if the council, if the town is not going to support, what's the point, right?

KOVACEVIC: Um-hum.

GRAY: But we're asking for a little latitude and permission to re-scheme.

KOVACEVIC: So what we're looking for is a motion for a continuance then is what it sounds like for -- you think two months?

WESLEY: That's in March.

KOVACEVIC: March?

WESLEY: Um-hum.

KOVACEVIC: Okay. So does anybody make a motion to continue this until March?

PROCTOR: So moved.

GRAY: Second.

KOVACEVIC: Okay.

CORRIGAN: I'm not in disagreement if we have a little discussion. But my question is, we can continue this until the cows jump over the moon. What's next? How do we wrestle with this? We're playing with a deck or a hand dealt from a deck that we didn't want. And now we're talking about changing decks, basically. That's a daunting task. I don't know if two months is going to be sufficient time to come up with some viable options.

And some of those viable options are distasteful. I heard eminent domain. I mean, that is an option. It's not one that I would be welcome to consider on council, that's for sure. But it is an option. How do you bring that change about? That's the question. Where do we go next if we continue this? Do we have a work session between us and maybe the planning -- the strategic planning people? Where do we go next?

WESLEY: Chair, Commissioners, my thoughts are to look at some of the things you've talked about this evening. I can explore what some of the other zoning options might be to help address some of the comments that I've heard.

I think it would be important to have some leadership from Plat 208 to come to the meeting, if possible, so they can explain to you directly what the constraints are they have and what they see as some of the possibilities. And I probably also am going to

need to touch bases back through at least the town manager to see how far we can really go with the discussions at this point because basically the council only directed us to talk about density. Well, you are, but, you know, are they really want us to expand that or not? So I need to find out the answer to that.

So I think there's some things I can do in two months I can bring back. And then from there, I think you can make a better decision about moving forward at that point.

CORRIGAN: Are there unintended consequences by delaying this?

WESLEY: So certainly, one of the main issues that the Economic Development Office has been trying to do is get the zoning north of Palisades, because they've had interest of employment type uses in that area that can't go with the basic zoning. And so that's another thing that we'll explore. Can we go ahead and just complete the rezoning of the overlay for the Innovation District and not rezone the rest of it so those tools are at least in place for that development? That's one of the main things is that concern there.

Secondarily to that is we have had various inquiries, although none recently, for development within Plat 208 where they've wanted to do a little bit higher density. But contrary to what Mr. Meyer said earlier, but similar to what he has said in other situations, is if you have to go through that hearing process, it introduces risk, it introduces time, it introduces costs. So a lot of developers just don't want to do it. Even if the chances of success are fairly good, they just don't want to do it. And so that's why we're trying to determine what is the thing we want downtown and make it the easiest thing to do and not the hardest thing to do.

KOVACEVIC: Anybody else? Okay. We have a motion. We have a second for continuance to the March meeting.

Paula, you want to take a roll call?

WOODWARD: Yes. That would be March 9th.

Commissioner Proctor.

PROCTOR: Aye.

WOODWARD: Commissioner Sveum.

SVEUM: Aye.

WOODWARD: Chair Kovacevic.

KOVACEVIC: Aye.

WOODWARD: Commissioner Gray.

GRAY: Aye.

WOODWARD: Commissioner Corrigan.

CORRIGAN: Aye.

WOODWARD: 5-0.

KOVACEVIC: Okay. Our next item is review and discuss the planned update to the Zoning Ordinance to adjust the list of permitted uses, reorganized chapters, and revise standards for some uses.

WESLEY: Okay. Chair, Commissioners, in my spare time, because I like to do things with zoning and you all also keep adding to that, so I appreciate that. I've been looking at and working on an overall update to our Zoning Ordinance for consideration by you and ultimately the town council.

So just a little background. The Zoning Ordinance we have was initially adopted in 1993. That was taking what was the county ordinance prior to that and making some adjustments to it for the town but still pretty much a copy of the county ordinance at the time. There has not been a comprehensive update to our zoning ordinance in 30 years, but a lot of tweaks here and there, but no real comprehensive review.

And so I've been looking at and working on various changes to reorganize the chapters, move from our list of uses to use categories and create tables for those, and then organization of the development standards and requirements.

So we're not really, at this point, proposing any substantive changes to the provisions. It's mostly get these things in place, I think, as a precursor to then looking more comprehensively, but there may be some provisions along the way. We'll see if that could be modified.

So here is an example. On the left are the existing ordinance chapters. And so you can see the district pieces are scattered through and the various standard chapters are kind of scattered through. So I want to reorganize them so they flow together better.

And then currently in the zoning ordinance chapters, using the commercial as an example, we have a list of very specific types of uses. Some of those things aren't as prominent as they may be used to be 30 years ago, but we see the uses listed. And then in a separate section, you see what requires a special use permit and so forth.

What I'm proposing is that they come together in a table. So it's much easier then to see a use -- see what zoning districts and you know where they are allowed much more quickly and easily. And then also in the commercial chapter to pull the town center commercial into the commercial chapter instead of being a separate chapter in the ordinance. So again, you can see all the different commercial districts in one spot. As far as the use categories, again, if you recall back a couple of slides ago, we had the list of uses by name. So here, we'd put them into categories that describe what can fit in a category. And so when new things come in that aren't listed, it makes it easier for me as the zoning administrator to look at those characteristics and see where something fits.

Then also in the use table, it has these numbers. And those are four footnotes at the end of the table, which are very simple statements about some qualifications or requirements that go along with the particular use.

So again, if you recall back -- I'll go ahead and go back there real quick on this slide. You can see on the right-hand column, you have the use. But then there are various provisions and so forth that go along with the use. It's not just a straight list of uses. And so you have to read through all those things to understand the uses.

This puts some of those things in footnotes at the end. So again, it's easier to see the use and where it's allowed and then go find any of the related standards. But then it also has other more detailed references if it's got a longer list of requirements, such as sending you back to the chapter that has the use categories or to another section that provides details on how you implement a particular use. So I think that those in combination will make our zoning ordinance a lot more user friendly, easy to follow for staff and anybody else that's trying to utilize our zoning ordinance.

So the chapters have all been drafted for a first round review, and my thought is that

we'll bring a chapter or two at a time to the Commission, so you can look through how each is being organized, compare it to the existing chapter, provide any feedback on how that looks. And then once we have been through those, we can package them together and go through the actual hearing process.

Again, my plan at this point is not to make substantive changes to the content, although we'll see things as we go through that don't make much sense that we'll want to modify, but I don't want to get bogged down with detailed discussions. I want to get all the organization, the bones there, in good shape, and then we can maybe look back in more detail some of those things.

So that's the idea. That's the plan. Hopefully, you're excited about this chance to delve into details of the Zoning Ordinance. Any comments or questions you have at this point?

KOVACEVIC: Okay. Not yet.

WESLEY: Okay. Probably have those chapters for you in February then.

KOVACEVIC: Do we have to -- we won't get bogged down.

WESLEY: Yes. Absolutely.

KOVACEVIC: Okay. Next item. Consideration of possible action of appointing a chairperson to the Planning and Zoning Commission.

Commissioners.

PROCTOR: If I could begin this. I've always believed why make a change if something is working? Well, so I would propose that we reappoint Chairman Kovacevic for another year.

KOVACEVIC: Thank you.

PROCTOR: Second.

KOVACEVIC: Anybody else? So all in favor?

IN UNISON: Aye. 5-0.

WOODWARD: 5-0.

KOVACEVIC: Consideration of possible action appointing a vice chairperson to the Planning and Zoning Commission.

Commissioner Corrigan.

CORRIGAN: I'd like to nominate Commissioner Sveum.

KOVACEVIC: Is that -- you're not -- do you --

SVEUM: I'm going to decline. Thank you.

KOVACEVIC: All right.

CORRIGAN: That's not very nice.

GRAY: You see how Dan just accepted it?

KOVACEVIC: Yeah. Nominate Commissioner Gray.

CORRIGAN: I'll make that motion again and the adage of why change something that's working very well. I would renominate Commissioner Gray.

KOVACEVIC: I'll second.

All in favor?

IN UNISON: Aye. 5-0.

WOODWARD: 5-0.

KOVACEVIC: Okay. Discussion request for research to staff. Anything for John?

CORRIGAN: Well, I could say with the workload that you have just an unsolicited comment. Whatever they're paying you, it ain't enough.

KOVACEVIC: All right. Number 7, Commission requests from development services. Director Wesley.

WESLEY: So Commissioners, I guess really, the only thing is that we'll continue to look at options for the downtown area and that zoning, which leads us into our next item, which is where we talk about upcoming meetings. And Paula, I'm not recalling anything that we have for a February meeting. Are you either -- so we can use that as looking at a couple of zoning chapters then and start that process. So look forward to seeing you then for that discussion.

KOVACEVIC: All right. Commissioner Sveum.

SVEUM: John, could you send out that map that showed the quadrants and the green, with the color?

WESLEY: Sure.

SVEUM: Could you send that out to all of us, please?

WESLEY: Sure.

SVEUM: Thank you.

KOVACEVIC: And Director Wesley, do you have a report for us?

WESLEY: That's it. That's my report.

KOVACEVIC: Okay. Motion to adjourn.

SVEUM: I'll make that motion.

KOVACEVIC: I'll second.

All in favor?

IN UNISON: Aye.

KOVACEVIC: That's a wrap.

Having no further business, Commissioner Sveum adjourned the Regular Meeting of the Planning and Zoning Commission held on January 12, 2026, at 7:04 p.m.

TOWN OF FOUNTAIN HILLS

Dan Kovacevic, Chairperson

ATTEST AND PREPARED BY:

Paula Woodward, Executive Assistant

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting held by the Planning & Zoning Commission of Fountain Hills in the Town Hall Council Chambers on the 12 of January 2026. I further certify that the meeting was duly called and that a quorum was present.

DATED this 9 Day of February 2026.

Paula Woodward, Executive Assistant

