

Queen Creek Employment Absorption Summary of Studies

In 2004, the Barney Family commissioned an economic impact study from Elliott Pollack. Upon review of that study, the Town of Queen Creek requested that the Barney's commission an additional study by Applied Economics for cross reference purposes. In September of 2006, the Town of Queen Creek participated with several neighboring communities in having the Urban Land Institute (ULI) produce a large scale and landmark planning study that included a large economic development component. All three studies are cited here. *Direct quotes are in italics.*

- ULI Study Objectives:
 - “Evaluate the economic development potential for the Williams Gateway Area.” (ULI, Page 7)
 - Based on 90 stakeholder interviews, discussion panel, on site briefing, tour, and study.
 - Covers “52 square miles bounded by the 230-kilovolt power lines north of Elliott Road on the north, by Meridian Road on the east, by Queen Creek Road on the south, and by Higley Road on the west.” (ULI, Page 9)
 - “The study area is huge—the size of communities such as Reston, Virginia, and Irvine, California, which have developed over 20- and 40-year periods, respectively.” (ULI, Page 9)
 - Housing and Employment Balance:
 - “How should we evaluate the relative merits of immediate rezoning requests for residential development in the area as they relate to our long-term interest in reserving adequate areas for future employment uses?” (ULI, Page 8)
 - “Successful communities consist of a broad spectrum of uses and activities—commercial, retail, industrial, institutional, infrastructure, recreational, and open-space—but **communities are all driven by the presence of people—people who need places to live.** Successful and desirable communities are the ones that balance these uses most appropriately.” (ULI, Page 9)
- Supply and Demand:
 - “The amount of industrial land (**9,000 acres**) designated on the cities’ cumulative General Plans is **a concern.**” (ULI, Page 23)
 - “During the panel’s projection horizon of 25 years, as many as **1,575 acres will be urbanized for warehouse and distribution, flex, research, development, and manufacturing space.**” (ULI, Page 11) These are the types of land uses anticipated for the existing Barney Farms General Plan designation.
 - “Data compiled from the Queen Creek General Plan indicates that the Town has designated **approximately three times as much employment land (based on MAG population projections) than the community will need over the long term to serve its future employment base.** If conditions warrant, it would be reasonable for Queen Creek to consider reducing its employment inventory to be more consistent with projected demand.” (Pollack, Page i) This is based on a 2004 review of the 2002 plan. The allocation has since doubled further minimizing any risk of Queen Creek not having enough employment land opportunity.
 - “The vacant employment land supply totals 3,060 acres. Projected employment land demand through 2030 is 904 acres, creating a **surplus of employment land of approximately 2,156 acres.**” (Pollack, Page ii)
- Negative Impact of Over Supply:
 - “...from a fiscal perspective, it is important for a community to plan for a reasonable mix of employment uses. **If there is too much employment land, that property will sit idle for decades, producing little in the way of income for a city.**” (Pollack, Page i)
- Positive Impact of Converting Some Land to Residential:
 - “Over the long term, the proposed land use changes for the Newell Barney property would generate a significantly more positive impact on the Town of Queen Creek, given the broader range of uses and the more accelerated development timeline. The two most important revenue sources for the Town are sales tax and state shared revenues. These are generated primarily by retail and

residential development, respectively. These additions to the proposed development help to offset the lower revenue generating capacity and longer development timeline for the industrial development components.” (Applied Economics, Page 12)

- According to the Applied Economics projected absorption table Exhibit A-1 and A-2, converting some of the Barney Farms land from employment to residential would actually accelerate job growth. Under the current general plan, only 160 acres will develop over 20 years. Under the change proposed in 2004, 200 acres would develop over the same 20 years. The new proposal with higher density of housing would only increase this acceleration effect for the reasons stated below.
- Protecting the Airport is Critical
 - Residential must stay away from the noise corridors:
 - *“The panel recommends that over the next 18 months the towns of Queen Creek and Gilbert and the city of Mesa proceed carefully and conservatively with the approval of new development proposals that respect the current 60-decibel contour and leave sufficient room for greater restrictions. The area of greatest change will be northeast of the airfield;” (ULI, Page 24)* While the airport must be protected, the Barney Farms proposal is outside the 60 decibel (DNL) corridor. The focus of this statement was primarily toward the DMB project and sites north of that, but, in the two years since, significant thought and consideration has been given to appropriate residential in general and to the Barney Farms site specifically. Due to the 4 mile distance from the airport, being outside the 60 DNL corridor, and offering a higher density product, the Barney Farms site is not in conflict with the airport.
 - Too much of the wrong type of housing in the wrong place is bad:
 - The panel expressed concern about protecting the airport from residential encroachment. This is a key question that needs to be addressed objectively based on measurable criteria. There are clearly areas that are inappropriate for residential development, but others that may be completely appropriate.
 - *“Several pending amendments to the general plans in Mesa and Queen Creek may not protect the airport’s future viability, because they introduce residential uses in areas where significant aircraft noise is projected to be an issue.” (ULI, Page 23)*
 - The panel correctly reinforces the need to preserve appropriate amounts of employment land. However, this needs to be balanced with the factors of supply and demand as well as potentially appropriate areas for residential development. The following quote applies to the traditional lower density housing, while the higher density housing proposed in the Barney Farms application remains under supplied in Queen Creek:
 - *“The briefing materials that the panel received noted that there is already an imbalance between employment opportunities and residential growth in the East Valley, and this disparity is continuing to grow. The panel’s observation of virtually unbridled residential construction surrounding the study area (though slowed recently because of the national and regional recession in housing starts and pricing) suggests that the study sponsors’ concern with preserving large swaths of the study area, especially within the flight overlay zones and those areas with potential for airport-related development, is well founded.” (ULI, Page 20)* This “imbalance” is in relation to lower density residential and not necessarily applicable to the Barney Farms proposal. See following quotes.
- The Proper and Beneficial Role of Appropriate Housing:
 - The conventional variety of lower density housing is not sufficient to meet the demands of employers evaluating this area. We don’t have nearly enough *“work force and starter housing”*. The wrong kind of housing in the wrong places is most definitely a potential threat to the airport. However, the right kind of housing in the right place is actually a key requirement and contributor to economic viability and attractiveness:
 - *“In every political jurisdiction, it is not merely the quantity of jobs created that is of interest—**the quality of the jobs created is critical.** The new residential development outside*

- the noise contours around Williams Gateway Airport—both current and projected—is **“move up”** development, with **lesser amounts of workforce and starter housing. A sustainable community, however, needs to provide suitable housing for a cross-section of income levels.** The types of jobs that will be attractive to these relatively new residents of the East Valley are generally high-value occupations—medical and professional, executive and managerial, academic and research, and aviation and high-tech manufacturing— with lesser but still important concentrations of service and unskilled jobs.” (ULI, Page 19)*
- Employee housing with close and even walking proximity to the employment centers is a critical expectation of the high end labor force we seek to attract but currently has very limited availability in Queen Creek. The Barney Farms proposal seeks to directly fill this void thereby providing Queen Creek a much needed competitive edge in attracting high quality employers. Due to its higher density and integration into the employment corridor in Queen Creek, the proposed residential development on Barney Farms will provide “*work force and starter housing*” within walking distance of the 400+ acre Barney Farms Business Park to the west, and the Meridian Ranch employment areas to the south.
 - **“It is a primary tenet of sustainable development to provide all types of facilities needed for daily living within close proximity— within walking distance, when possible.”** (ULI, Page 20)
 - The type of high end employment region we seek needs to be an integrated, mixed use, and high quality. “Compact residential densities” are central to a lifestyle offering we need to provide in order to attract major employers:
 - *“Urban villages should include a substantial amount of employment uses and **sustainable and compact residential densities**, supplemented by world-class amenities such as recreational uses, parks, and open space. The design and materials used for these communities should be of high quality and competitive with high-end communities and urban centers in the valley.”* (ULI, Page 36)
 - **“Corporate location and expansion decisions today often hinge on the availability of skilled or qualified labor, and it appears that the Phoenix area and the study area in particular are blessed with an ever-enlarging, well-trained labor pool. However, quality-of-life issues could work against attracting the right workers to the area.”** (ULI, Page 21)
 - *“Mass transportation issues, burgeoning commute times, uncoordinated arterial construction, lagging freeway construction, escalating fuel costs, and ever more congestion are likely to deter the continued attraction of **“creative class” workers.** These are the young professionals who can choose to live anywhere, the workers most sought after by progressive employers considering putting down roots in the East Valley. Even if a prized employee chooses to live in or near the study area and suffer a long commute, the **potential deterioration of his or her quality of life has serious consequences in terms of worker productivity and family health.**”* (ULI, Page 21)
 - The panel considered that including appropriate residential would be a key part of the study area build out:
 - *“Also, if adequate and appropriate lands are available, 60,000 residential units could be built on 11,000 acres in the study area—including a variety of single-family, townhome, condominium, rental apartment, and mixed-use projects.”* (ULI, Page 14)
 - **“The panel recommends master planning the area for high-density, mixed-use development with business, research, education, hospitality, retail, and residential uses.”** (ULI, Page 15)

In conclusion, it is clear that protecting the airport and preserving sufficient employment lands are critical to the long term sustainability of Queen Creek. However, upon closer examination, the Barney Farms proposal would not negatively impact the airport, it would not create a reduction in actually marketable employment land, and would actually serve to increase the quality job creation and economic development potential of Queen Creek.