

**EXHIBIT 14**

**TO COMPLAINT FOR SPECIAL ACTION**

**FRANTI III HOLDINGS, LLC, ET AL V. CITY OF TUCSON**



# MEMORANDUM

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DATE: January 14, 2026  
For January 29, 2026 Hearing

TO: Jim Mazzocco  
Zoning Examiner

FROM: Koren Manning, Director  
Planning & Development Services

SUBJECT: SPECIAL EXCEPTION LAND USE –  
PLANNING & DEVELOPMENT SERVICES REPORT  
TP-ENT-1025-00021 TEP Vine Substation – Vine Avenue, R-2 (Ward 6)

**Issue** – This is a request by Tucson Electric Power Company (TEP) proposing the construction of the Vine 138 Kilovolt (kV) Substation as a special exception land use in the R-2 zone. The project site is approximately 1.6 acres in size and located on North Vine Avenue near its intersection with East Lee Street and adjacent to the North Ring Road, a private roadway serving Banner Campus, just northwest of Speedway Boulevard and Campbell Avenue (see Case Location Map). This project will replace older, lower-voltage equipment to serve increasing energy use in central Tucson.

A Distribution System use of this type in the R-2 zone is subject to Section 4.9.11.A.1, .2, .5, .8, .9, and .11 of the *Unified Development Code (UDC)* and requires approval through a Zoning Examiner Special Exception Procedure, in accordance with *UDC* Section 3.4.3. A public hearing before the Zoning Examiner is required. The Zoning Examiner renders a decision to grant the use with or without conditions, or to deny the use.

The Design Review Board (DRB) also completes a review of the proposed substation. The DRB meeting occurred on November 21, 2025. The DRB found the project in compliance with the *UDC* use-specific standards, specifically Section 4.9.11.A.8, with a vote of 4-0 in favor, as outlined in the Legal Action Report–Meeting Minutes of November 21, 2025.

**Planning & Development Services Recommendation** – The Planning & Development Services Department recommends approval of the special exception request, subject to the attached preliminary conditions.

**Background Information** – The proposed project site at 1602 N Vine Av of 1.6 acres currently houses the vacant former UA Facilities Management and Maintenance Operations Center, which includes a warehouse, a shop, an outdoor materials storage area and office space. These structures are proposed to be removed to accommodate the proposed unmanned 138 kV substation.

A previous Special Exception (SE-20-16) by Tucson Electric Power Company was proposed in 2021 for the N Vine Substation. It was determined by staff and the Zoning Examiner (ZE) on May 13, 2021, that the proposed special exception was in compliance with the performance criteria of *UDC* 4.9.11.A (Utilities - Distribution System). However, the ZE denied the special exception until additional information was available regarding the siting of the Kino-DMP Transmission

Project, with the final decision on the route pending from the Arizona Corporation Commission (ACC). Therefore, SE-20-16 was ultimately denied.

The current project scope for TP-ENT-1025-00021 is limited to 1.6 acres for the proposed substation, consisting of above-ground equipment such as transformers and switchgear. The Vine Substation will interconnect with the Kino Substation, located at the southeast corner of South Kino Parkway and East 36th Street, and the DeMoss-Petrie Substation, located near Interstate 10 and West Grant Road. The transmission line route used to connect these three substations was subsequently approved by the Arizona Corporation Commission (ACC) in September 2024. TEP plans to move forward with the construction of the route approved by the ACC. These off-site transmission and distribution lines are not part of the current N Vine Substation Special Exception proposal.

The N Vine Substation is related to the overall Midtown Reliability Project, which included previous special exception entitlement proposals for perpendicular overhead utility lines, including TP-ENT-1024-00022, TP-ENT-1024-00023, and TP-ENT-1024-00024. These cases were heard by the Zoning Examiner and were denied in early 2025 with subsequent appeals filed by the applicant to the Mayor and Council. The appeals were heard on August 6, 2025 and it was moved by the Mayor and Council to grant the appeals by a 5-2 vote with respect to 36th and Kino intersection and Grant and Oracle intersection, subject to all the conditions as recommended in the Planning Development and Services Department report. The TEP appeal for the Broadway and Euclid intersection was denied and will result in TEP undergrounding that crossing.

The Midtown Reliability Project will upgrade Midtown Tucson's 46 kV sub-transmission system to a more flexible and robust 138 kV system. This upgrade is intended to replace older, lower-voltage equipment that TEP states cannot keep pace with the increasing energy usage in central Tucson because of the aged and outdated Midtown system, which is at or near capacity. The new MRP line will interconnect Vine with the Kino Substation at South Kino Parkway and East 36th Street and the DeMoss-Petrie Substation located near Interstate 10 and West Grant Road.

Existing Land Use: Multiple metal and manufacturing buildings that support UA operations, including grounds maintenance, parts storage, engine repair, materials storage and office space.

Zoning Description:

R-2: This zone provides for medium density, single-family and multi-family, residential development, together with schools, parks, and other public services necessary for an urban residential environment. Select other uses, such as, day care and urban agriculture, are permitted that provide reasonable compatibility with adjoining residential uses.

Surrounding Zones and Land Uses:

North: Zoned NR-1; Neighborhood Preservation Zone, Single-Family Residential  
Existing Uses: UA Facilities Management & Maintenance Operations

South: Zoned R-2; Single-Family Residential & Multi-Family Residential  
Existing Uses: TEP 46kv open-air electric substation & UA 46kv gas-insulated substation

East: Zoned R-2 and PAD-28; Single-Family Residential & Multi-Family Residential, Banner Planned Area Development  
Existing Uses: Banner Medical Center, staff parking garage (5-stories)

West: Zoned R-2; Single-Family Residential & Multi-Family Residential  
Existing Uses: Single- & Multi -Family residences (1- and 2-stories)

Previous Cases on the Property:

SE-20-16 Tucson Electric Power Company – N Vine Street, R-2 Zone. This was a request for approval as a special exception land use for the construction of an electric substation in the R-2 zone at the same project location. On May 13, 2021, the Zoning Examiner denied the Special Exception since the Applicant was considering several different transmission line routes for Kino-DMP and a pending final decision regarding on-line-siting by the Arizona Corporation Commission (ACC).

Related Cases:

SE-98-32 Tucson Electric Power Company – Broadway Boulevard, R-1 Zone. This was a request for approval as a special exception land use for the reconstruction and expansion of an electric substation in the R-1 zone. The site is located south of the El Conquistador Estates Subdivision, within the north parking lot of El Con Mall, approximately 1,600 feet north of Broadway Boulevard. The applicant proposed an expansion from 2,726 to 5,670 square feet within an easement of 11,543 square-feet in size. On November 5, 1998, the Zoning Examiner approved the Special Exception request.

**Applicant's Request** – The applicant, TEP, proposes to construct a 138kv substation adjacent to the UA & the Banner Campus. The project is one component of TEP's planned Kino-DeMoss Petrie (DMP) 138kv Transmission Line Project. Interconnecting the Vine Substation with the Kino and DMP Substations will improve electric reliability by adding redundancy, allowing TEP to deliver energy from more than one direction. This substation will replace TEP's existing (adjacent) 46kv open-air substation within the next five years.

The project is one component of TEP's planned Kino-DMP 138kV Transmission Line Project, which will interconnect the Vine Substation with the Kino and DMP Substations, and improve electric reliability by adding redundancy, allowing TEP to deliver energy from more than one direction. This project also supports Tucson and the UA's renewable energy goals. TEP plans to design and construct this project as a gas-insulated substation (GIS) to insulate electrical equipment in sealed steel vessels, which prevents emissions

The Vine Substation will be a 138 kV-13.8 kV substation with three (3) 75 megavolt-amperes (MVA) transformers and gas-insulated switchgear (GIS) equipment. GIS equipment significantly reduces the area footprint of a substation. GIS substations are considered industry standard alternatives to standard air-insulated switchgear substations in locations where large land parcels are not available. TEP currently operates the Tucson Substation, located north of downtown Tucson, with GIS equipment. This equipment has been in service for over 15 years.

TEP is seeking relief from the 20-foot setback adjacent to residential zones on the north, south, and east boundaries to place the perimeter security wall on the property line (UDC 4.9.11.1). Additionally, TEP is seeking to increase the security perimeter wall height from 10-feet (UDC 4.9.11.9&10) to 13.5-feet to match the existing Banner wall height. The proposed Vine Substation is one component of the larger Kino to DeMoss-Petrie (Kino-DMP) Transmission Line Project (see Zoning Administrator Determination)

**Planning Considerations** – Land use policy direction for this area is provided by *Plan Tucson (PT)* and the *University Area Plan (UAP)*.

*Plan Tucson 2025*

*Plan Tucson* identifies this area in the Future Growth Scenario Map as a "University of Arizona Planning Area" which includes and surrounds large master-planned educational, medical, or business facilities. A fully realized campus area serves the local workforce and student population and includes a range of housing, a variety of retail opportunities, and convenient transit options. Existing examples include the University of Arizona and Banner University Medical Center.

*Plan Tucson* calls to invest in highest priority needs to manage and maintain public infrastructure and facilities that are fundamental to economic development and to sustaining and enhancing living conditions in the community. It provides policy direction to coordinate with utility companies and other public service providers for planning of infrastructure, facilities, and services, making sure infrastructure and facility construction is sensitive in design and location to environmental and historic resources. It calls to expand the use of state-of-the-art, cost-effective technologies and services for public infrastructure and facilities. PT also calls to improve the appearance of above-ground utilities and structures. It also supports methods to protect and improve air quality by reducing sources of air pollution. Plan Tucson provides policy direction to protect established residential neighborhoods by supporting compatible development, which may include other appropriate non-residential uses. It supports environmentally sensitive design that protects the integrity of existing neighborhoods, complements adjacent land uses, and enhances the overall function and visual quality of the street, adjacent properties, and the community.

*University Area Plan*

The goal of the *University Area Plan* is to ensure an adequate supply of high-quality public services to meet the current and projected needs of University Area residents and businesses. UAP encourages utility providers to coordinate the planning and development of projects to maximize efficiency while minimizing neighborhood disruption. The UAP supports new development which serves to enhance the character and quality of University Area neighborhoods. The UAP calls wherever possible to place utility and service equipment underground or in other visually screened locations (UAP Section 6, Policy 6). The *Plan* calls to complement surrounding development – utilize compatible building materials, setbacks, and step-backs, including buffering with appropriate screening techniques to mitigate the impact on adjacent uses (UAP, Design Guidelines Policy 1 and 3).

### **Design Considerations**

Land Use Compatibility – The proposed substation is located on the east side of N. Vine Avenue and west of the Banner staff parking garage on the Ring Road. The east boundary is adjacent to the Ring Road, which is a private driveway serving Banner, and the south boundary is adjacent to the existing TEP 46kV open-air electric substation which is to be replaced in the future. The property to the north is a UA-owned salvaging and recycling operation. Residential land uses lie to the west across N. Vine Avenue. The substation will be replacing the current UA Facilities Management & Maintenance Operations Center uses on this site.

The Vine Substation will support neighboring land uses and is compatible with surrounding development. The Project is located adjacent to the Banner Campus and is surrounded on three sides by higher intensity uses that support Banner and UA operations. The west side of the Project borders N. Vine Avenue across from residential uses. The previous use of the Property was for UA Facilities Management storage, engine repair and office use with associated levels of office/truck traffic, parking. The current screening along N. Vine Avenue is open wrought-iron fencing. The proposed Vine Substation will be an unmanned substation with a significant decrease in traffic along with improved edge treatment along N. Vine Avenue to transition to the neighborhood, including a 20-foot landscape area and a decorative masonry screen wall that is similar to the screen wall of the UA's existing 46 kV GIS substation south of the Property. The construction of this Project will strengthen energy infrastructure in this area and increase service reliability for customers.

The proposed project as an unmanned electric substation will generate quite fewer trips than the existing UA Facilities Center. The change in use for this site will relieve traffic and parking congestion and improve the visual quality along the Vine Avenue streetscape. No designated vehicular use areas are required. TEP will access the site from the Ring Road, and two gated entries from Vine Avenue, with parking inside the substation enclosure area as needed for periodic servicing of the substation.

The substation will have a 13.5-foot decorative masonry designed wall (red brick) to match the height, materials and style of the wall surrounding the existing UA's 46kV GIS substation south of the project site. The wall will be set on the north, east, and south property lines, completely surrounding the use. The Vine Avenue streetscape will be improved with the project's landscaping and decorative masonry wall. Currently the UA Facilities Management & Maintenance Operations Center is screened by an open wrought-iron fencing around the proposed special exception site, which does not provide screening or buffering of the existing parking area and facility operations.

No buildings are proposed as part of the project. A protective mechanical canopy, including a gantry crane, will be installed over the GIS equipment. This canopy will be 25 feet high in compliance with R-2 standards. The proposed substation can serve as a transition area between the lower-density/intensity residential uses to the west and the higher-intensity land uses related to the UA operations and Banner Campus to the east.

Lighting will be installed as part of the project strictly for emergency and maintenance situations that may occur at night. Post-development drainage conditions will resemble existing drainage conditions. The total runoff exiting the site is expected to be less than or equal to existing conditions.

### **Use-Specific Standards**

The following Unified Development Code (UDC) Use-Specific Standards 4.9.11.A.1, 2, 5, 8, 9, and 11. apply to the Distribution system use under R-2 zone.

- UDC 4.9.11.A.1 – The setback of the facility, including walls or equipment, shall be 20 feet from any adjacent residential zone. The property is surrounded on three sides (north, south, and east) by residential zoning but no residential uses. As there is no building proposed with this project and the perimeter wall is over 10 feet in height, the project's screen wall will serve as the building wall for purposes of setbacks. TEP intends to construct the perimeter wall on the property line for safety purposes and will be requesting relief from the 20-foot setback on the three boundaries (north, south and east).
- UDC 4.9.11.A.2 – Where a facility is not enclosed within a building, the surrounding screen shall be used as the building wall for purposes of setbacks. A 13.5-foot masonry wall will surround the entire facility, and it will constitute the building wall for purposes of setbacks. The proposed wall height is in accordance with federal critical infrastructure protection to ensure TEP's protection of its electric infrastructure. The wall height of 13.5 feet matches the existing UA 46kV open-air substation perimeter wall to the south.
- UDC 4.9.11.A.5 – The use shall not have any service or storage yards. No service or storage yards are proposed with this project.
- UDC 4.9.11.A.8 – Any building housing such facility shall be in keeping with the character of the zone in which it is located. The Design Review Board (DRB) shall review all applications and make recommendations to the Zoning Examiner. The DRB shall review architectural style, building elevations, materials on exterior facades, color schemes, new mechanical equipment locations, lighting of outdoor areas, window locations and types, screening, landscaping, vehicular use areas, and other contributing design features. The project was reviewed by the City's DRB on November 21, 2025. The DRB found the project in compliance with the UDC use-specific standards with a vote of 4-0 in favor, along with the addition of following measures 1) Ensure that the drop-in structures are finished with Core 10 finish to best match the brick wall that is being proposed; 2) Rainwater harvesting system be sloped toward the west to serve the landscaping that will be provided; and 3) East perimeter wall to be stepped-in to provide some visual relief from the very long wall. (see Preliminary Conditions).
- UDC 4.9.11.A.9 – The use shall be located wholly within an enclosed building or within an area enclosed on all sides with a masonry wall or compact evergreen hedge, not less than six feet, nor more than ten feet, in height. The project will be completely surrounded by a 13.5-foot masonry wall to ensure protection of its electric infrastructure in accordance with federal CIP standards.

- UDC 4.9.11.A.11 – The use shall be limited to water pumping and storage facilities, telephone exchanges, and power substations with an input voltage of no greater than 138 kilovolts. The project is a 138kV power substation and will replace TEP's existing 46kV open-air substation to the south.

**Conclusion** – The proposed special exception is consistent with *Plan Tucson* and the *University Area Plan* and in compliance with performance criteria of UDC 4.9.11.A. Subject to compliance with the attached revised preliminary conditions, approval of the special exception land use in the R-2 zone is appropriate.