



City Council Report

Date: February 22, 2016
To: City Council
Through: Kari Kent, Assistant City Manager
From: Christine Zielonka, Development Services Department Director
Angelica Guevara, Development & Sustainability Project Manager
Subject: Save the Family Community Events Center Land Conveyance and
Development Agreement
Council District 4

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to convey a 3,450 square feet (0.07 acres) City-owned parcel to Save the Family Foundation of Arizona (STF) and enter into a development agreement to restrict the uses on the parcel. STF will be constructing a 2,424 square foot conference center between their existing 15,000 square foot headquarters and the Mesa United Way (MUW) offices located south of University Drive, east of Center Street at 129 E. University Drive. This will be a shared conference center with Mesa United Way and will be available to other non-profit community groups. STF will be responsible for building, maintaining and managing the conference center. This building was always anticipated to be part of the STF complex on the south side of University Dr. but was unable to be built as part of the prior projects due to the lack of funding.

Council is asked to consider two resolutions authorizing the City Manager to: 1.) Convey the 3,450 square foot lot from Mesa to STF; and 2.) Enter into a development agreement with use restrictions on the conference center.

Staff is recommending approval of the two resolutions.

Background

In 2012, the City of Mesa issued a request for proposals for redevelopment of the Escobedo Apartments. The proposal submitted by Gorman & Companies, Inc. in partnership with STF and the West Mesa Community Development Corporation was supported by Council and development agreements and leases were approved by Council with a 65-year term in two phases. The new Helen's Hope Chest building and STF headquarters building were included in the first phase of the Escobedo at

Vista Verde project. There were very specific land use restrictions placed on the properties as part of the Phase 1 and Phase 2 leases and development agreements to insure that the buildings continued to be used for the public good as envisioned by STF in their proposal for the property.

The parcel for the proposed conference center was created by the City through a lot split in 2012 to separate it from the agreements and leases for the Escobedo project and to allow the City to now convey it directly to STF at a nominal fee.

The remnant parcel was always intended to be a non-profit incubation center where smaller collaborating non-profits in Mesa could share office space, conference rooms, and a training room. The intent is for the space to be used by STF, its partner MUW, other non-profits, and the residents in the community. STF envisions a "Business Center for non-profits" which would reduce overhead and increase operating efficiencies for Mesa-based non-profit agencies that choose to take part.

Discussion

STF is now ready to move forward with the construction of the 2,424 square foot conference center. The City of Mesa is proposing to convey the 3,450 square foot lot to STF for a nominal rate of \$10.00.

Along with the conveyance of the parcel, a Development Agreement is included as a separate document with Declarations of Use Restrictions to limit the allowable uses in the conference center to match the restrictions already imposed on the community services campus south of University Drive. This includes the STF Headquarters and is also consistent with the uses proposed within the conference center identified by STF.

Reverter language requiring the parcel to revert back to the City has been added to the Special Warranty Deed conveying the land to STF to ensure the parcel cannot be sold or separated from the STF Offices.

STF is proposing to connect water and sewer utilities across the existing property lines which is not consistent with the Terms and Conditions for the Sale of Utilities. This condition is due to the existing STF offices being on one parcel and the proposed community events center being on another. Requiring separate sewer and water connections is cost prohibitive for STF.

A presentation was made to the Sustainability and Transportation Committee (SAT) on Thursday, January 28, 2016 to consider eliminating the separate service connection and metering requirements from the Terms and Conditions for the Sale of Utilities. The SAT made a recommendation to allow interconnected service across parcel boundaries. Endorsement of the SAT recommendation was approved at the Feb. 8, 2016 Council meeting.

Alternatives

- 1. APPROVAL OF THE CONVEYANCE OF THE LAND TO SAVE THE FAMILY FOUNDATION OF ARIZONA FOR \$10.00 AND AUTHORIZATION FOR THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT WITH SAVE THE FAMILY FOUNDATION OF ARIZONA.** (Preferred alternative)
- 2. SPECIFY CHANGES TO THE AGREEMENTS OR CONVEYANCE OF THE LAND.** Council could direct staff to make changes to the proposed agreements prior to final approval.
- 3. DENY APPROVAL OF THE CONVEYANCE AND DEVELOPMENT AGREEMENT.** Council could deny the proposed agreement and conveyance of the land. Save the Family Foundation of Arizona would not be able to construct the conference center.

Fiscal Impact

The proposed conveyance of the land and development agreement will not result in any new fiscal impact for the City.

As of July 16, 2012 the developer and STF assumed responsibility for site security and landscape maintenance over the land. Those costs have not been incurred by the City.

Consistent with Council approval of the future sale price for the STF campus, the sale of this parcel for \$10.00 will allow STF to provide additional benefit to residents of Mesa.

Coordinated With

The redevelopment of Escobedo was discussed with residents of the Washington Park neighborhood. The public discussions were coordinated by the West Mesa CDC.

The conveyance of the land and the development agreement has been coordinated by the Development Services Department and the City Attorney's Office and has included involvement with other affected departments.