



City Council Report

Date: March 20, 2017
To: City Council
Through: Karolyn Kent, Assistant City Manager
From: Christine Zielonka, Development Services Director
Subject: Development Agreement with Property Owners with Property Fronting Ray Road between Power Rd. and Ellsworth.
Council District 6

Purpose and Recommendation

This development agreement is to clarify the rights and future obligations of certain property owners making connection to sewer and water lines along East Ray Road between Power and Ellsworth Roads.

Background

The City of Mesa constructed public water, sewer and street improvements along the East Ray Road alignment between S. Power Road and S. Ellsworth Road in 2010. The purpose of the City improvements was to promote economic development through enhancement of critical infrastructure in southeast Mesa. To facilitate construction of the improvements, the property owners participating in this Development Agreement dedicated Right of Way (ROW) to the City to allow construction of the road, sewer and water lines. Approximately 14.7 acres were dedicated to the City by the property owners. When these properties develop, they will connect to the water and sewer lines as required under City development standards.

Discussion

Generally, when the City has constructed infrastructure improvements, property owners connecting to the water and sewer lines are required to reimburse the City for their proportionate share of the cost of the improvements based on the length of their property's frontage along the road (Mesa City Code 9-8-3(H)(4), ("Buy-Ins"). In this situation the property owners have dedicated land required for the road improvements, water and sewer lines, and pursuant to the Development Agreement the property owners who dedicated right-of-way will develop to City standards. Also, due to its location, the developers will comply with the Mesa Gateway Strategic Development Plan in developing the properties. Therefore, as clarified in the Development Agreement, the property owners will not be assessed the utility line "Buy-In" fee for these specific properties when development occurs and the property connects to the utility lines.

Alternatives

Council could elect to assess the Buy-In fee even though the property owners have already dedicated land to complete the infrastructure improvements.

Fiscal Impact

There is no significant fiscal impact related to this Development Agreement. However, by providing the land to the City for the improvements there are future potential development opportunities along the Ray Road corridor in southeast Mesa.

Coordinated With

Water Resources, Engineering and Development Services Departments support the recommended action and are in agreement with the proposed agreement.