



City Council Report

Date: June 26, 2017
To: City Council
Through: Karolyn Kent, Assistant City Manager
From: Christine Zielonka, Development Services Department Director
RJ Zeder, Transportation Department Director
Subject: Development Agreement for In-Lieu Payment and Dedication of Right-of-Way

Sunland Springs Village Unit 9
District 6

Purpose and Recommendation

The purpose of this report is to provide information on a proposed Development Agreement for In-Lieu Payment and Required Dedication of Right-of-Way between Farnsworth Development Company, an Arizona corporation, hereinafter referred to as “Developer”, and the City of Mesa, hereinafter referred to as “Mesa”, for an In-Lieu Payment of \$882,660.60 for the Developers cost of the public street improvements on South Meridian Road and East Guadalupe Road that are being required by Mesa in conjunction with the proposed residential development known as Sunland Springs Village Unit 9, located at 11403 E. Guadalupe Road, hereinafter referred to as “Development”.

Staff is recommending approval of the Development Agreement and the Resolution.

Background

The Developer is proposing to construct a development known as Sunland Springs Village Unit 9, located at 11403 E. Guadalupe Road, as shown on exhibit “A” within the attached Development Agreement. The Development is subject to the regulations contained in Title Nine, Chapters Six and Eight of the Mesa City Code, which requires the Developer to dedicate necessary right-of-way. An In-Lieu payment is being required for the future design, installation and construction of the future public street improvements on South Meridian Road and East Guadalupe Road.

Discussion

Mesa has determined that the Required Dedications and the design, installation and/or construction of the Required Improvements are not currently necessary due to the adequacy of existing public street improvements on South Meridian Road and East Guadalupe Road. It is in Mesa's interest for the Required Dedication and the inclusion of the Required Improvements to be included in a future comprehensive City capital project at a more appropriate time.

As an alternative to designing, installing and constructing the required improvements now, Mesa has approved Developer's remittance of a cash payment which shall include all design costs, labor and material cost, plus twenty percent (20%) for future contingency costs as identified within Exhibit C of the attached Development Agreement.

Alternatives

One alternative would be for Mesa not to enter into the Development Agreement. This would mean that the Developer would be required to complete required improvements and dedicated the required right-of way at the time of development.

This alternative is not recommended at this time as it may delay the current development plans for the property.

Fiscal Impact

By approving the Development Agreement, the City will receive an In-Lieu payment of \$882,660.60 from the Developer for future public street improvements on South Meridian Road and East Guadalupe Road.

Coordinated With

The Development Services and Transportation Department concur with this recommendation.