City Council Report

Date: May 7, 2018

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 City Share Reimbursement

Guadalupe Road and Signal Butte Road Improvements –
2836 S. Signal Butte Road
Council District 6

Purpose and Recommendation

The purpose of this report is to provide information on a proposed Development Agreement for City Share Reimbursement between Legacy Traditional School – East Mesa, an Arizona non-profit corporation, hereinafter referred to as "Developer", and the City of Mesa, hereinafter referred to as "Mesa", for the reimbursement of $112,000.00 for regional street and street lighting improvements that are being required by Mesa in conjunction with the proposed commercial development known as E. Guadalupe Road and S. Signal Butte Road Improvements, located at 2836 S. Signal Butte Road, hereinafter referred to as "Development".

Staff recommends Council approve the Development Agreement for Reimbursement of City Share and the Resolution authorizing the City Manager or his designee to sign the Development Agreement.

Background

The Legacy Traditional School – East Mesa is proposing the construction of a commercial development known as E. Guadalupe Road and S. Signal Butte Road Improvements, 2836 S. Signal Butte 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 design and install the offsite improvements adjacent to the proposed development as required by Mesa standards. Offsite regional improvements are being required to ensure that Mesa's minimum standards for transportation and infrastructure are maintained.

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Discussion

Mesa is requiring the Developer to install regional street and street lighting improvements along Signal Butte Road and Guadalupe Road, Mesa proposes to financially participate in the regional improvement costs and will reimburse the Developer for Mesa's share of the costs as identified within exhibit "B" of the attached Development Agreement for City Share Reimbursement.

The Developer has agreed to install the regional street and street lighting improvements along Signal Butte Road and Guadalupe Road and to follow the terms and conditions of the Development Agreement by providing Mesa with copies of all contracts, invoices, lien releases and proof of payments that clearly and accurately document the unit costs that were paid by the Developer for the regional offsite improvements.

In order for Mesa to reimburse the Developer for Mesa's share of project costs, Mesa must enter into the attached Development Agreement.

Alternatives

One alternative would be for Mesa to not enter into the Development Agreement. This would mean that the Developer would most likely not install any of the regional improvements that are necessary to provide for Mesa's transportation and infrastructure required to meet the overall regional need of the development of the property within this area.

This alternative is not recommended at this time due to the public need to complete the regional improvements.

Fiscal Impact

The total estimated City Share is $126,657.60. In accordance with Mesa's City Share policy and guidelines, if the estimated City Share exceeds $112,000.00, the Developer is required to accept public bids for the improvements that qualify for City Share. The Developer has declined to offer all improvements that qualify for City Share through the public bidding (see exhibit "C" within the Development Agreement for details), therefore the maximum City Share for this project shall be limited to $112,000.00 (see exhibit "B" within the Development Agreement for details).

Mesa's Share of funding for the improvements is budgeted in the Transportation Department's FY 2017/2018 budget (Fund 1307, Major Program CN0003, Phase 104).

Coordinated With

The Development Services and Transportation Departments concur with this recommendation.