

COMMUNITY PLAN

Section 2 Site and Context

2.1 Regional Context

The Property is located in the southeastern portion of the City and is generally bounded by Elliot Road to the north, Ellsworth Road to the west, Signal Butte Road to the east, and Williams Field Road to the south. The Town of Queen Creek is approximately three (3) miles to the south and the Town of Gilbert is four (4) miles to the west. The Property has excellent access to regional freeway routes, including the San Tan Freeway ("Loop 202") which is located one-half (1/2) mile to the west, ~~the Williams Gateway Freeway ("SR24") to the southwest~~ and the Superstition Freeway ("U.S. 60"), which is located two and one-half (2.5) miles to the north. ~~To the south of the Property, approximately one-half (1/2) mile, is the planned Williams Gateway Freeway ("SR 802").~~ The Union Pacific Railroad is located three and one-half (3.5) miles to the south.

The Phoenix-Mesa Gateway Airport (the "Airport") is located immediately to the southwest of the Property and is positioned to be a major commercial reliever airport for Sky Harbor Airport. The Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority, comprised of representatives from the City, the City of Phoenix, ~~City of Apache Junction~~, Towns of Gilbert and Queen Creek, and the Gila River Indian Community.

Adjacent and to the west of the Airport at the intersection of Power and Williams Field Roads is the approximately 700 acre Arizona State University Polytechnic Campus ("ASU Poly"). To the east of the Property, in Pinal County, is a major Arizona State Land Department ("ASLD") holding that consists of approximately 275 square miles. This area, known as Superstition Vistas, is currently being planned and is projected to have over 1 million residents in the future.

Within the larger context, the Property enjoys spectacular views of the Superstition Mountains, which are located approximately fourteen (14) miles to the east. To the southwest lie the San Tan Mountains. Though distant, the Usury and Pass Mountains provide a dramatic background view to the north. Historically, most of this area has been used for agriculture and farming. In the last decade, conventional suburban subdivisions have been built in the area.

2.2 Historical Context

The Property was originally part of a larger 5,000 acre land holding owned by General Motors Company ("GM"). In 2004, GM sold approximately 1,800 acres to Pacific Proving, LLC, and in 2006, sold the remaining 3,200 acres to DMPG. Since 1953, the Property has been utilized as a vehicle testing and proving ground by GM and has been developed with many structures as well as several roadways and test tracks. The Desert Proving Ground facility was GM's only desert proving ground in the world. The local history of GM begins in 1937 when a laboratory was established on the Property for year-round heat, dust and high altitude tests. GM Desert Proving Ground was a facility for the testing of heating, ventilation, air-conditioning, and circulation, propulsion, and various automotive systems in harsh climate conditions. When initially established, the facility was located in a remote desert area with little surrounding development, other than the former Williams Airfield. This isolation was the perfect setting for a facility that required significant privacy.

2.3 Existing Site Character/Quality

Due to the historic use of the Property as a vehicle proving ground, there exist few natural features. The views from the Property to the adjacent mountain ranges provide the most positive aspect of the natural setting. ~~Prior to the development of the Property in 2011, the site contained the following. Itself can be characterized by several existing features including:~~

- A vast amount of asphalt roads related to the wide range of testing conditions, with the oval track being the most predominant
- Unusual grading and artificial topography created for the single purpose of vehicle testing and unusable for urban development
- A predominance of improvements including pavement, concrete and other obsolete industrial uses. These improvements are deteriorating and in many cases dilapidated
- More than 400,000 square feet of industrial buildings between twenty-five (25) and fifty (50) years old. None of the buildings are useful for any other purpose and will need to be demolished
- Site features including industrialized landfills and abandoned underground storage tanks, all in need of complete remediation

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- Irregular landforms due to the construction of several kinds of testing facilities
- Perimeter berming, fencing, and landscape screens that provide a buffer between the adjacent streets and the interior functions of the proving ground

The Powerline Floodway is improved with a concrete channel, which functions as a regional drainage way. Refer to **Exhibit 2.1** – Powerline Floodway Map, which is a map showing the location of the existing facility located on the Property.

Development of the Property commenced in 2011 with the construction of a 1.3 million square foot employment facility. Since then, over half of the Property is developed or in development with homes, schools, parks and supporting infrastructure, all in compliance with the CP.

2.4 Airport Sensitivity Area

The Property is located within an important area of the Southeast Valley that has been considered by the City to be a critical future employment area primarily due to the existence of the Airport and proximity to significant regional freeway systems, both existing and planned. DMPG embraces this vision as well as the desire of the City to expand the operations of the Airport. Further, it is clear that the Airport is the focal point of the area and will create a magnet for the growth of the area as a major employment and destination area. Based on the need for additional commercial passenger capacity in the Phoenix metropolitan area, the future of the Airport is as a commercial reliever to Sky Harbor Airport. Additional uses will include cargo and general aviation operations. To implement this common vision, DMPG has studied and analyzed appropriate development options for the Property. This vision involves the creation of a place that will attract the type and quantity of knowledge-driven, high-quality jobs, businesses, and amenities that will be the catalyst for the positive growth of the area in general and the Airport specifically.

2.5 Regional Drainage Patterns

The regional drainage area encompasses approximately ninety (90) square miles, extending into Pinal County to the east. The Property is within the *East Mesa Area Drainage Master Plan* prepared by FCDMC. In general this area flows from northeast to southwest toward the Gila River. The U.S. 60 and the Central Arizona Project (“CAP”) canal form major man-made drainage boundaries. Runoff is concentrated upstream of the CAP canal and discharged over the canal in overchutes.

The area north of the U.S. 60 is characterized by existing development with a complex drainage network that has evolved over time as land has been developed. Typically, this drainage network has a low capacity which can be exceeded during large storm events. The U.S. 60 has a system of collector channels and a detention basin system that collects runoff and discharges the detained flows under the freeway. These flows are collected in a system of flood control facilities including detention basins, storm drains, and channels that ultimately discharge to the East Maricopa Floodway (“EMF”) in several locations.

The area south of the U.S. 60 is characterized by historical agricultural and industrial land uses with large portions of undeveloped desert. The undeveloped desert areas are mostly characterized by shallow sheet flow and small braided washes. The GM Desert Proving Ground and Airport created substantial changes to the natural drainage patterns with the construction of facilities. The flows within this area are collected within various flood control facilities, including detention basins, storm drains and channels that ultimately discharge to the EMF in several locations.

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2.6 Topography And Slope

The existing topography of the Property has been greatly altered by the construction activities associated with the GM Desert Proving Ground. Berms were constructed around a substantial portion of the Property to provide a visual barrier from testing activities. On-site man-made depressions were built to store stormwater and prevent impact to the testing tract and facilities. Additional testing facilities such as off-road hills, skid pads, and oval tracks were constructed that altered the historical topography. Historically, prior to the GM construction activities, the existing slope of the Property ranged from one-half (1/2) to one (1) percent in an east to west and northeast to southwest direction.

2.7 Geology/Soils

The soils across the Property consist predominately of fine-grained soils classified as Silty to Sandy Clays and Clayey to Sandy Silts, with a smaller percentage of granular soils classified as Clayey to Silty Sands, relatively clean Sands and Gravelly Sands. Soils vary from nil to medium plasticity. The fine-grained soil consistency varied from soft to hard and the granular soil density varied from very loose to very dense. The engineering characteristics of the soil types encountered are considered to be average for collapse potential and for expansive potential when considering the proposed construction from a geotechnical and earthwork perspective.

2.8 Archeology

A cultural resources survey prepared by a consultant for GM prior to DMPG's acquisition of the Property indicates that there are five (5) archaeological sites on the Property, three (3) of which merited additional investigation consistent with the National Historic Preservation Act standards. DMPG's consultant has conducted further evaluation (in consultation with the City Historic Preservation Office and City Archaeologist) of the three (3) archaeological sites identified and concluded that one (1) site did not merit further evaluation and two (2) sites required additional data recovery. Data recovery will be coordinated with the appropriate regulatory agencies including the City. Following data recovery and consultation with its consultant, DMPG will proceed with any further evaluation required consistent with National Historic Preservation Act standards.

2.9 City Policies

Since the approval of the CP in 2008, the Mesa Gateway Strategic Development Plan ("MGSDP") has been approved and is a proposed plan for the southeast Mesa area surrounding the Airport and is currently in draft form. This plan is intended to assist the City in guiding the future growth of the area and provide direction to large and small properties within the area. The stated vision of the MGSDP is to be an internationally recognized destination for those looking for a sustainable place in which to live, work, learn and recreate. Its goal is to provide industries with an economically efficient business climate and its workforce and residents with access to the global resources desired of a knowledge-based economy. The MGSDP is intended to provide guidance for land use, transit and transportation development. DMPG has participated in this planning process and is committed to continuing to work with the City to ensure that the draft goals and policies of the MGSDP are consistent with the planning framework for Mesa Proving Grounds and that regional infrastructure is coordinated between DMPG and MGSDP.

Additionally, the City also adopted a new General Plan, This is My Mesa 2040: General Plan on June 14, 2014 (the "2014 General Plan"). The 2014 General Plan represented a departure from the previous general plan, with a stronger emphasis on goals and policies and identification of areas and character of neighborhoods. The 2014 General Plan identifies Eastmark as a Mixed Use Community Character type which identifies larger land areas where it is possible to develop a mixture of uses that will create a complete and identifiable community. Areas designated with the Mixed Use Community are expected to develop with one or more villages(s) and/or urban core(s) and contain an appropriate variety and mix of employment, industrial, office, retail, medical, educational, community service, tourism, entertainment, open space, recreational, and residential uses to provide a complete community.

Additionally, the City has approved the Elliot Road Technology Corridor concept that identifies the property along Elliot Road between Hawes Road and Signal Butte as an area as suitable for large employment type development in part given its proximity to infrastructure. The City has successfully attracted a major user to this area, which is currently building a state-of-the-art, 450,000-square-foot production facility.

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Exhibit 2.1 - Powerline Floodway Map

