



City Council Report

Date: October 15, 2018
To: City Council
Through: Karolyn Kent, Assistant City Manager
From: Christine Zielonka, Development Services Department Director
Jake West, Water Resources Department Director
Subject: Development Agreement for City Share Reimbursement
Eastmark DU 5/6S – S. Eastmark Parkway
10450 E. Point Twenty- Two Boulevard
Council District 6

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to provide information on a proposed Development Agreement for City Share Reimbursement between DMB Mesa Proving Grounds LLC, a Delaware limited liability company, hereinafter referred to as “Developer”, and the City of Mesa, hereinafter referred to as “Mesa”, for the reimbursement of \$95,212.00 for regional waterline improvements that are being required by Mesa in conjunction with the proposed residential development known as Eastmark DU 5/6S – S. Eastmark Parkway, located at 10450 E. Point Twenty-Two Blvd., 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 Developer is proposing the construction of a residential development known as Eastmark DU 5/6S – S. Eastmark Parkway, located at 10450 E. Point Twenty-Two Boulevard., 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 require 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.

Discussion

Mesa is requiring the Developer to install regional waterline improvements along Eastmark Parkway. 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 agreed to install the regional waterline improvements along Eastmark Parkway and to follow the terms and conditions of the Development Agreement including the Developer providing Mesa with copies of all contracts, invoices, lien releases and proof of payments that clearly and accurately document the unit costs 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

The 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

In accordance with Mesa's City Share policy and guidelines, Mesa's estimated City Share on this Development is \$95,212.00 (see Exhibit B within the Development Agreement for details).

Mesa's Share of funding for the improvements is budgeted in the Water Resources Department's FY 2018/2019 budget (Fund 31072014, Major Program CN0064, Phase 120).

Coordinated With

The Development Services and Water Resources Departments concur with this recommendation.