

Recker and Thomas Roads Land Auction

City Council
Study Session

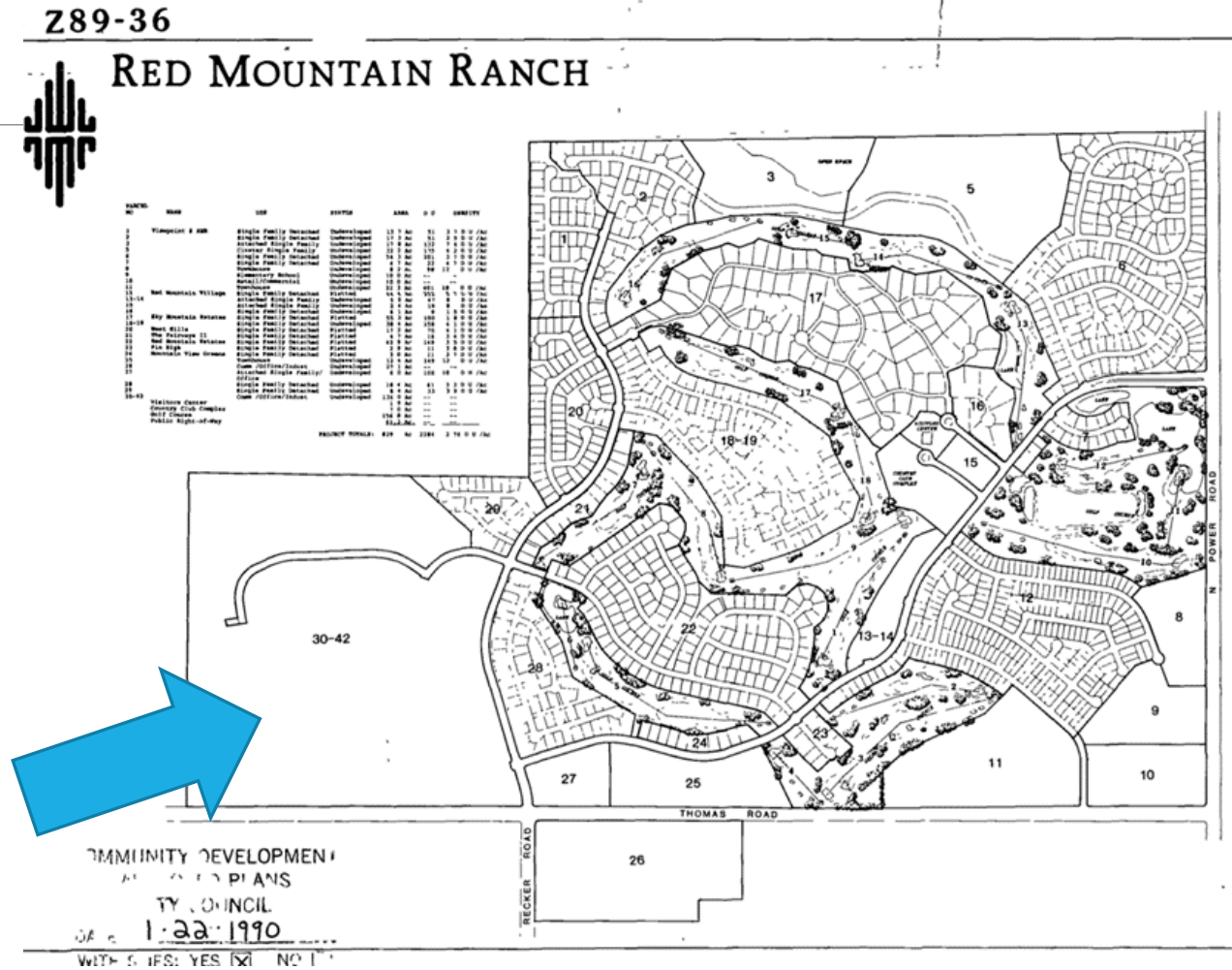
MAY 16, 2019

ANGELICA GUEVARA,
PROJECT MANAGER



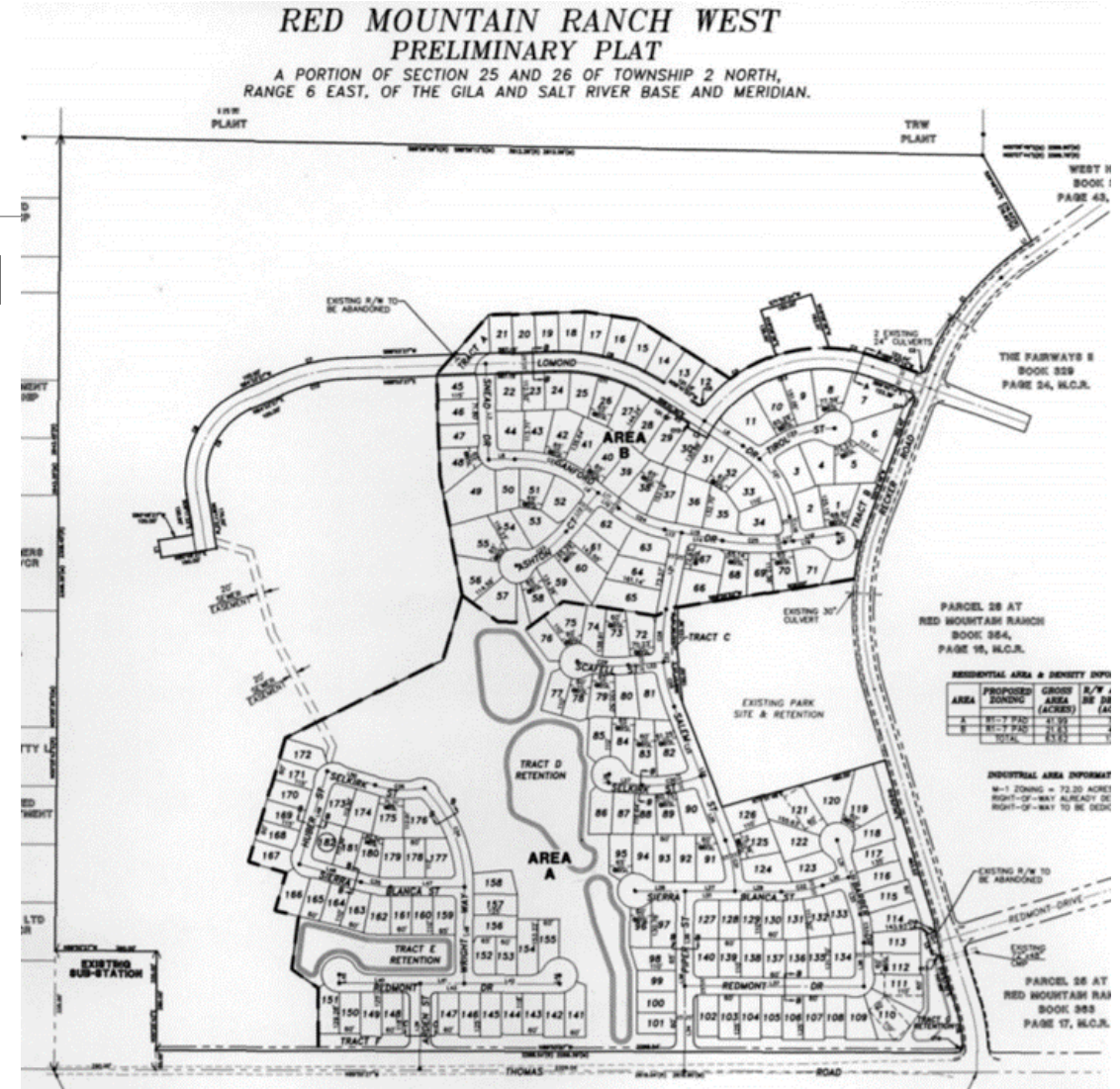
ZONING HISTORY

- 1983: 820 acres for Red Mountain Ranch Development Master Plan included City-owned property
- 1985: Modified 450 acres to allow higher density totaling 2570 units
- 1989: Modify and update the Red Mountain Ranch Development Master Plan



1998 REZONING

- Rezone from industrial to residential
- City Manager recommends purchasing property for District Park
- Southern portion of site: *“more active types of recreational uses such as baseball or soccer fields”*
- Northern portion of site: *“passive types of uses such as jogging and hiking trails”*



PRELIMINARY DISTRICT PARK DESIGN

- FY 1998/99 District Park design
- \$850,000 existing General Obligation Bonds were used for park design
- Design included: lighted baseball and soccer fields, picnic areas, multiple playgrounds, bike and walking trails, sports courts
- Additional \$8.5M in bonds were proposed for park construction

MARCH 2000 BALLOT: QUESTION 8

\$8.5M of the \$62.2M
bonds were for the
District Park
development

Recker and Thomas Park Development:

- Lighted Athletic Sports fields
- Group picnic areas
- Nature trails
- Multiple playgrounds
- Lighted Basketball and Volleyball courts
- City-wide use

MARCH 2000 ELECTION RESULTS

Questions	For the Question	Against the Question
Question 8 ** Parks, Recreation & Cultural Facility Bonds	17,838 44.8%	21,925 55.1%

* Passed
** Failed

SEPTEMBER 2000 BALLOT: QUESTION 2

\$9.4M of the
\$13.025M bonds
were for the
construction of a
new large
City park

Recker and Thomas Park
Development:

- Lighted Youth sports ball fields
- Soccer fields
- Group picnic areas
- Nature trails
- Multiple playgrounds
- Basketball and volleyball courts
- City-wide use

SEPTEMBER 2000 ELECTION RESULTS

Bond Questions	For the Bond	Against the Bond
Question 2** Purpose: Youth Baseball/Softball and Soccer Fields, Park Development and City Pool Renovation Amount: \$13,025,000	14,551 41.6%	20,364 58.3%

* Passed

** Failed

Z01-28

PF

Ord. # 3909

133 ± acres

2570' ±

N RECKER RD

282' ±

1136' ±

484' ±

445' ±

859' ±

2556' ±

E THOMAS RD

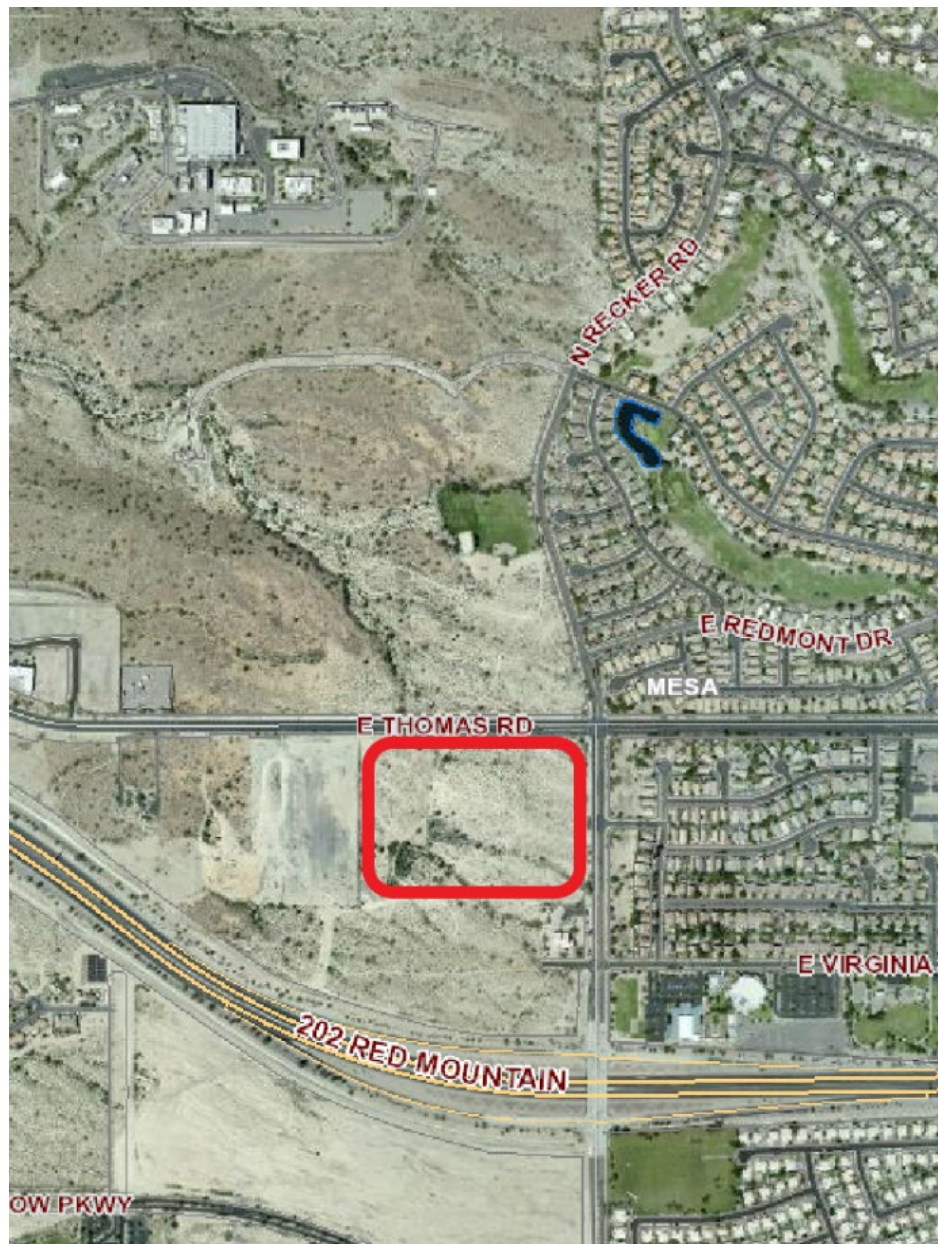
2567' ±

PROPERTY REZONE

- 2001 City initiated rezoning from Industrial to Public Facility
 - Allows large-scale government, public utility, recreational and educational facilities
 - Included the SRP substation
- Staff report: *“no plans for future park given the defeat of the bonds”*
- Right of way for Star Valley Road existed
- Included sewer lift station constructed in 1987 to serve Red Mountain Ranch area

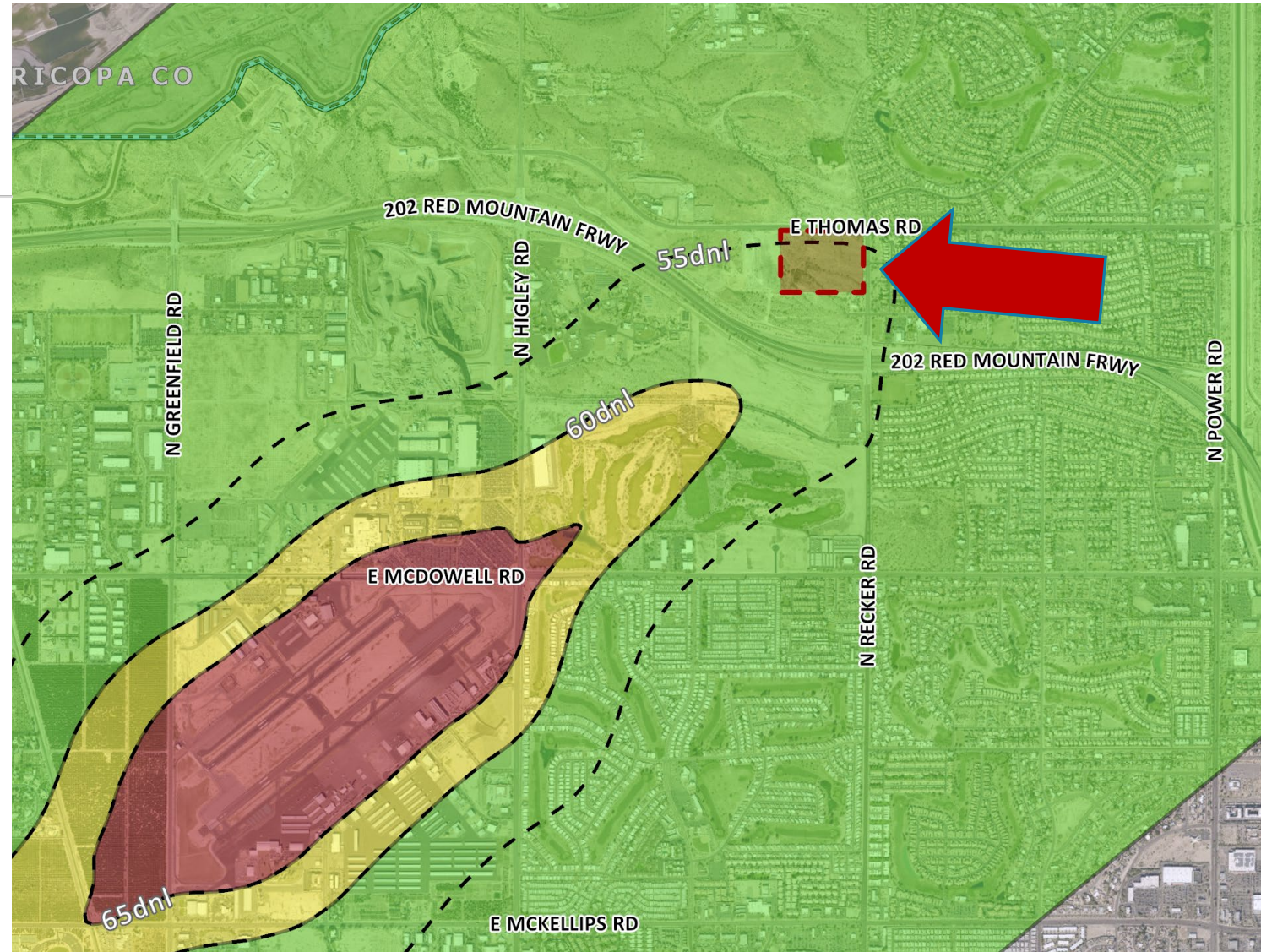
REQUEST FOR REZONING OF SOUTHWEST CORNER

- 2017 applicant request for minor general plan amendment and rezone of 27 acres
- Requested medium density residential
- Concern with elimination of commercial uses to support the area if approved



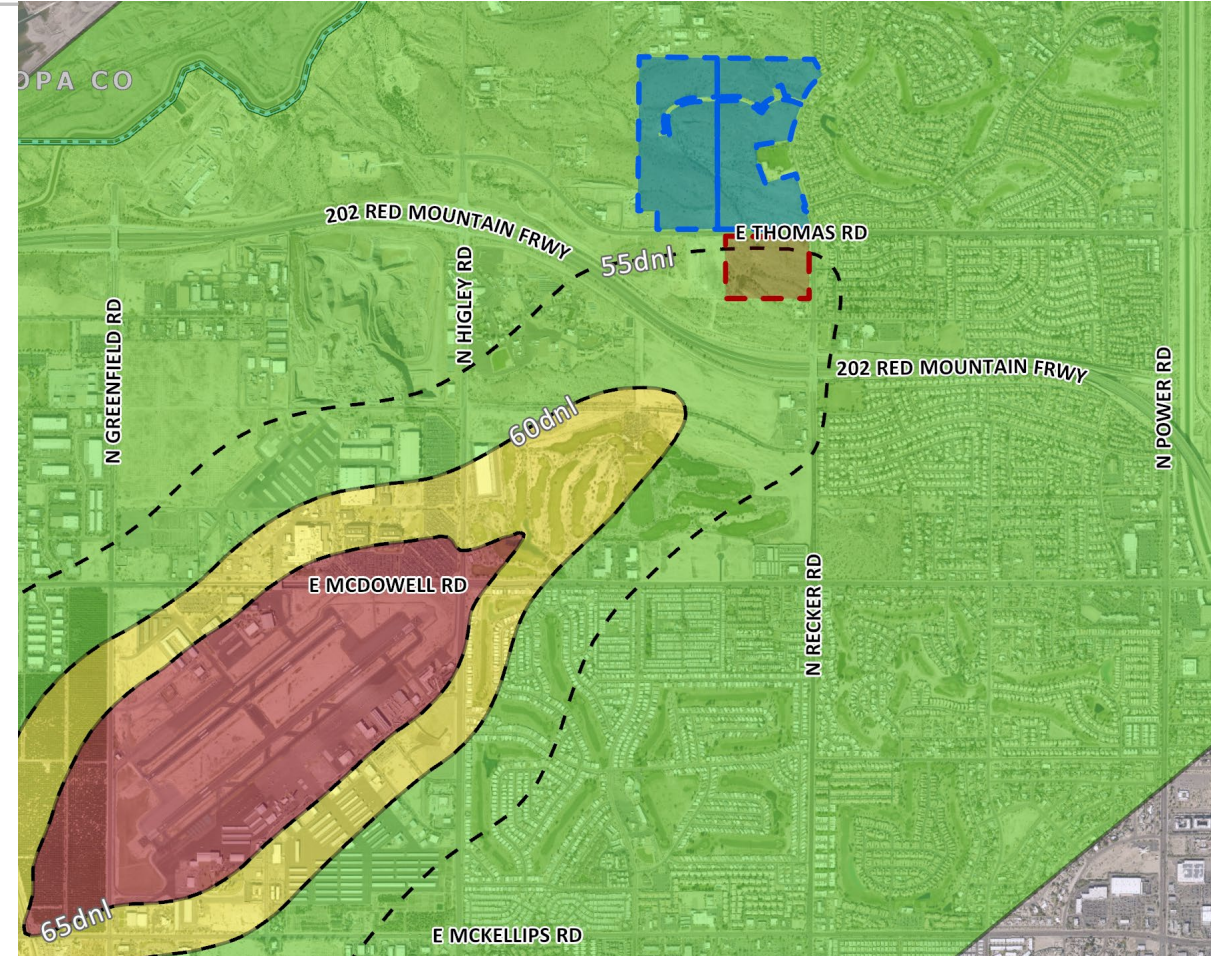
CONCERNS FROM FALCON FIELD AIRPORT

- SW corner within 55 DNL
- Property lines up with two runways
- Airplanes fly directly over



STAFF DISCUSSIONS WITH DEVELOPER

- Residential not appropriate at the southwest corner
- Northwest City-owned corner of Thomas and Recker Rds. out of 55 DNL area and more appropriate for residential
- August 2018 developer appraisal for 69 of the approx. 132 acres of City-owned property was valued at \$8,625,000



1st APPRAISAL CITY-OWNED PROPERTY

- Appraisal Dated May 3, 2018
- Appraised value included entire parcel 132.54 acres
- Residential density at 3 to 3.5 dwelling units per acre
- \$25,500,000 appraisal did not deduct acreage for the City-owned sewer lift station, a non-developable Nammo buffer along the north property line, and undevelopable acreage due to topography

2nd APPRAISAL CITY-OWNED PROPERTY

- Appraisal Dated August 19, 2018
- Restrictions provided to appraiser:
 - Buffer along north property line (588 feet)
 - Retain land for the sewer lift station (2.7 acres)
- Reduce developable acreage to approx. 94.57 acres due to topography
- Residential density reduced to 2 dwelling units per acre
- Appraised Value: \$15,600,000

CONCLUSION OF DEVELOPER DISCUSSIONS

- No agreement was reached on the value of the property
- Developer unwilling to pay the City's appraised value of \$15,600,000
- Staff received multiple inquiries for City-owned property during negotiations

CITY COUNCIL DIRECTION TO PROCEED

- Staff presentation of land auction process provided at January 7, 2019 City Council Study Session
- City Council gave staff direction to move forward with land auction

MEETINGS WITH STAKEHOLDERS



- February 13, 2019 meeting
- Land auction & development process
- Wanted to ensure 600' buffer at north property line



- April 3, 2019 meeting
- Land auction & development process
- Concern: future noise complaints and wanted an aviation easement
- Clarified helicopters do not fly directly over the property





MARCH 21, 2019 LAND AUCTION

Bidders: Toll Brothers &
Blandford Homes

\$250K Cashier's Check

Bid started at \$15M

Bids increased by \$50K

Highest bid: \$21.1M by
Blandford

5% Escrow = \$1,055,000

Purchase & Sale Agreement

BLANDFORD HOMES AKA DESERT VISTA 101, LLC

- Arizona Home Builder for 40 Years
- Builds resort-style, master-planned communities for families, empty-nesters and active adults



MOUNTAIN
BRIDGE



MULBERRY



LAS SENDAS

FEASIBILITY PERIOD AND CLOSING

- 12-month feasibility period
- Starts when the City signs the Purchase and Sale Agreement and Escrow Instructions
- Blandford's 5% down payment of \$1,055,000 becomes non-refundable after 12-month feasibility period
- Up to 3-months after feasibility period to close on property with up to 3-one month extensions
- Acceptable development plan must be approved by the City Council in order to close

DISTRIBUTED DISTRICT PARK

- Provide park amenities similar to those identified for the District Park in northeast Mesa
- City will work with Blandford Homes to deliver public amenities within the project
- Blandford Homes will work with Red Mountain Ranch residents to provide desired amenities in the existing HOA park and additional improvements as part of the project such as passive trails and/or other amenities
- Active soccer fields and/or pickle ball courts located within northeast Mesa

NEXT STEPS

- Blandford Homes must provide a development plan
- Must file application seeking approval from the Planning and Zoning Board and City Council at public hearings for:
 - Minor general plan amendment
 - Rezoning
 - Subdivision platting process
- Work with adjacent property owners, residents etc. during the citizen participation process
- Up to 18 months to meet the conditions in the agreement to close on the sale
- Final closing requires City Council approval of all land entitlements

STAFF RECOMMENDATION

City Council to approve the \$21.1M bid on the May 20, 2019 City Council agenda and authorize the City Manager to execute the Purchase and Sale Agreement which would allow the feasibility period to begin

Immediately begin discussions to allow staff to come back with a proposal for a Distributed District Park

QUESTIONS?

Google Earth

