




City Council

Date: June 3, 2019
To: Mayor and Council
Through: Christopher J. Brady, City Manager
From: William J. Jabjiniak, Economic Development Director 
JD Beatty, Economic Development Project Manager
Subject: Development Agreement between City of Mesa and RagingWire Data Centers relating to 10.25 acres of property located north of Elliot Road and west of Signal Butte Road for the purpose of "opting-in" to the Elliot Road Tech Corridor zoning overlay. (Council District #6)

Purpose and Recommendation:

To consider the proposed Development Agreement (DA) between the City of Mesa and RagingWire Data Centers. The DA allows RagingWire Data Centers to opt-in to the LI PAD (Elliot Road Tech Corridor zoning overlay) that includes a variety of stipulations for future development of the site (outlined below). By allowing the property owner to "opt-in" to the LI PAD Overlay, the zoning of this property will be changed from Agriculture (AG) use to Light Industrial with a Planned Area Development (LI PAD) zoning.

Staff recommends that the City Council approve the following document:

1. Resolution authorizing the City Manager to execute the Development Agreement between the City of Mesa and RagingWire Data Centers.

Background:

The Elliot Road Technology Corridor was approved by Ordinance 5255 (Z14-045). The ordinance approved LI-PAD zoning along the north side of Elliot Road from Hawes Road to Signal Butte Road. The zoning district includes the adoption of design guidelines, use restrictions, and additional building height allowances. The zoning also approved the ability for site plans to be reviewed administratively as part of the Design Review process. The zoning was approved on an "opt-in" basis. The ordinance requires property owners to sign an Opt-In Form and a development agreement.

Property owners along the Elliot Road Technology Corridor are afforded the opportunity to opt-in to the LI PAD (Elliot Road Technology Corridor Overlay zoning) at their discretion and with Council approval. Currently, RagingWire Data Centers is under contract to purchase property from the existing property owner, Whane of Mesa Limited Partnership, who has provided a Letter of Authorization for RagingWire Data Centers to pursue this opt-in. Furthermore, on April 15th, 2019, City Council already approved an Opt-In Development Agreement for RagingWire on approximately 86 net acres of property. Since that time, RagingWire has chosen to purchase an additional 10.25 acres of property from Whane of Mesa Limited Partnership and is therefore requesting to opt-in this additional property as well. They are requesting the opportunity to opt-in this additional property to the zoning overlay as a condition of their closing. It should be noted that a sale of property being

contingent upon zoning approval is not an unusual request for a real estate transaction. Thus, should the sale not transpire for any reason, this development agreement will not be recorded, and the resulting re-zoning of the property will not occur.

The LI PAD request for the Elliot Road Technology Corridor includes the following stipulations:

1. Expedite the entitlement process to attract high technology industries to Mesa
2. Establish site planning design guidelines to ensure compliance with the City of Mesa General Plan and Mesa Gateway Strategic Development Plan
3. Established the maximum height limitations within the corridor as follows:
 - a. The maximum building height shall be 50' for development within 600' of the north line of the SRP transmission line easement.
 - b. The maximum building height shall be 150' in all other areas.

The area included in the Elliot Road Technology Corridor has been planned for employment related uses for over 20 years. The installation of high capacity utilities along Elliot Road, as well as the acquisition of the former First Solar facility by the Apple Corporation, indicates the need and desire for "shovel ready" development. The city's initiation of this rezoning case was a direct effort to rezone the corridor to Light Industrial so that prospective high-tech employers, like RagingWire Data Centers, can move directly into the more abbreviated site planning process and construct their needed facilities. This will bring high quality jobs and substantial capital investment to Mesa and support the goals of the 2040 Mesa General Plan as well as the Mesa Gateway Strategic Development Plan (MGSDP).

The Light Industrial base zoning district conforms to the property's General Plan Land Use designation of Business Park. The proposed Planned Area Development overlay includes the adoption of design principles as well as an additional building height allowance to create the desired technology corridor while protecting the adjacent residential neighborhood.

Discussion:

The Development Agreement to opt-in to the LI PAD (Elliot Road Tech Corridor zoning overlay) is part of the approval process as outlined and approved by Council for the Elliot Road Technology Corridor. The intent is to develop a land use pattern throughout the City that creates orderly municipal growth, achieves compatibility with surrounding communities and is consistent with the General Plan. By allowing RagingWire Data Centers to opt-in, the City is setting them up to create the most advantageous economic and environmental balance of build-out land uses based on community and regional characteristics. By opting-in, they will be committed to high quality development and sustainable urban development patterns.

The purpose of the development agreement is to reaffirm the requirements of the approved zoning. The following is a brief summary of what is in the agreement:

The owner is agreeing to the rezoning of the property to LI-PAD by "opting-in" to the Elliot Road Technology Corridor, the acceptance of the approved Design Guidelines to ensure quality development, and the restriction to not allow the following land uses:

- Correctional Transitional Housing Facility
- Clubs and Lodges
- Cultural Institutions
- Day Care Centers as a stand-alone use, allowed as a component of a service to on-

- site business or industry
- Places of Worship
- Schools, Public or Private
- Animal Sales and Services
 - Kennels
 - Pet Stores
 - Veterinary Services
- Artists' Studios
- Automobile/Vehicle Sales and Service
 - Automobile Rentals
 - Automobile/Vehicle Sales and Leasing
 - Automobile/Vehicle Repair, Major
 - Automobile/Vehicle Repair, Minor
 - Automobile/Vehicle Repair, Washing
 - Large Vehicle and Equipment Sales, Services and Rental
 - Service Station
 - Towing and Impound
- Banks and Financial Institutions
- Building Materials and Services
- Commercial Recreation
 - Small-Scale
 - Large-Scale
- Eating and Drinking Establishments as a stand-alone use, allowed as a component of a service to on-site business or industry
 - Bars/Clubs/Lounges
 - Coffee Shops/Cafes
 - Restaurants, Bar and Grill
 - Restaurants, Full-Service
 - Restaurants, Limited Service
 - With Drive-thru Facilities
 - With Outdoor Seating Areas
 - Off-track Betting
 - With Live Entertainment
- Farmer's Market
- Food and Beverage Sales
 - Convenience Market
- Funeral Parlors and Mortuaries
- Light Fleet-Based Services
- Live-Work Units
- Maintenance and Repair Services
- Medical Marijuana Dispensaries
- Medical Marijuana Cultivation Facilities
- Parking, Commercial
- Personal Services
- Plant Nurseries and Garden Centers
- Retail Sales, General
- Retail Sales, Large Format
- Swap Meets and Flea Markets
- Tattoo and Body Piercing Parlors
- Handicraft/Custom Manufacturing
- Light Assembly/Cabinetry

- Recycling Facilities
 - Reverse Vending Machines
 - Small Indoor Collections
 - Large Collection Facilities
- Warehouse and Storage
 - Contractor's Yards
 - Indoor Warehousing and Storage
 - Mini-Storage
 - Wholesale
- Airport Land Use Classifications
 - Aircraft Refueling Stations
 - Aircraft Light Maintenance
 - Airport Transit Station
 - Airport Related Long-Term Parking Lots
- Transportation Facilities
 - Freight/Truck Terminals and Warehouses
 - Transportation Passenger Terminals
- Specific Accessory Uses and Facilities
 - Outdoor Storage
 - Outdoor Entertainment or Activities as an accessory use
 - Outdoor Display

The City is agreeing to the commitments that were approved with the PAD overlay including, administrative review of site plans through the Design Review process and additional height allowances (max. height of 150' for property 600' south of the north line of the SRP Transmission Line Easement).

Alternatives:

If Council does not approve the DA as drafted and recommended, they may choose one of the alternatives listed below:

Not Approve Development Agreement: The Council could choose to not approve the Development Agreement. If Council chooses not to approve the DA, the site will not have the LI PAD (Elliot Road Tech Corridor zoning overlay) activated.

Direct Staff to Modify the Agreement: Council could direct staff to modify the Agreement. The zoning overlay was adopted by Council and modifications to the zoning overlay language/process would require further Council action.

Take No Action: The Council could choose to take no action or table the item until a future date. The impact of any delay, specifically to the DA, is unknown.

Fiscal Impact:

There is no additional investment required by the City of Mesa.

Coordinated With:

The Office of Economic Development has worked closely with the Development Services Department and the City Attorney's Office.