



City Council Report

Date: June 1, 2020
To: City Council
Through: Karolyn Kent, Assistant City Manager
From: Christine Zielonka, Development Services Director
Veronica Gonzalez, Development Services Project Manager
Subject: Development Agreement associated with the development of land located at the northwest corner of Ellsworth Road and Point Twenty-Two Boulevard (also known as Mesa Ray, rezoning case ZON18-00483). Council District 6

Purpose and Recommendation

The purpose of this report is to recommend to the City Council approval of a resolution authorizing the City Manager to enter into a Development Agreement (DA) with Sunbelt Land Holdings, LP (Developer). The DA has been prepared in conjunction with a request to rezone property located on the west side of Ellsworth north of Ray Road. Staff recommends approval of the DA.

Background

On April 22, 2020, the Developer received a recommendation of approval from the Planning and Zoning Board for a request to rezone approximately 73.7 acres to Light Industrial (LI) Planned Area Development (PAD), Limited Commercial (LC) PAD and Multiple Residence 4 (RM-4) PAD. The purpose of the rezoning request is to accommodate future development of a high-quality, mixed-use project. To ensure high-quality and cohesive built environment, the rezoning case (ZON18-00483) includes design guidelines that apply to all future development within this project site.

The City and Developer have been working together on the terms of the DA for the development of site. This Council report provides a summary of the DA terms that have been negotiated between the City and the Developer. The City Council is being asked to consider this DA in conjunction with the rezoning request.

Discussion

The purpose of the DA is to facilitate future development of the property. The following is a summary of the deal points for the proposed DA:

1. The property will be developed in phases. The first phase of construction will

include a 70,000 square foot industrial building that will be located at the east end of the industrial parcel and offsite improvements for the industrial complex. The offsite improvements include pavement, curb, gutter, sidewalk, street lights, utilities and storm drain for Starfire Avenue, Ellsworth Road, and Point Twenty-Two Boulevard. Building permits for vertical construction on the multi-residence parcel will not be issued until after a Certificate of Completion has been issued for the industrial building and a Letter of Acceptance has been issued for the Starfire Avenue, Ellsworth Road, and Point Twenty-Two Boulevard improvements. The purpose of this phasing plan is that it will ensure future residential users understand the mixed-use nature of the overall development as well as establish industrial uses on the western section of the project.

2. The Developer has agreed to prohibit certain uses within the development due to their intensity and potential impact on surrounding uses. The prohibited uses are as follows:
 - a. Only one drive-thru restaurant that is not a standalone facility
 - b. Car Washes
 - c. Gas Stations
 - d. Convenience Stores
 - e. Assisted Living Facilities
 - f. Tattoo and Body Piercing Parlors
 - g. Pawn Shops
 - h. Mini-Storage

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE DEVELOPMENT AGREEMENT.

The approval of the development agreement will facilitate the development of a mixed-use development in southeast Mesa.

DO NOT APPROVE THE DEVELOPMENT AGREEMENT.

If the development agreement is not approved, the Developer will not proceed with the project and the property will remain vacant.

Staff recommends approval of the development agreement.

Fiscal Impact

This development agreement does not require any additional investment or fiscal impact from the City of Mesa.