



City Council Report

Date: November 4, 2024

To: City Council

Through: Christopher J. Brady, City Manager
Marc Heirshberg, Deputy City Manager

From: Nana Appiah, Development Services Director
Beth Hughes-Ornelas, Deputy Director -Development Services
Mary Kopaskie-Brown, Planning Director

Subject: DA23-00024
Discuss and consider entering into a Development Agreement with Evergreen-Greenfield & McKellips Land, L.L.C. for approximately 33+/- acres of property generally located east of Greenfield Road and south of McKellips Road (Council District 6)

Purpose and Recommendation

The purpose of this report is to discuss and consider approving a Development Agreement (“DA”) with Evergreen-Greenfield & McKellips Land, L.L.C. (“Developer”). This development agreement includes approximately 33 acres currently zoned Light Industrial with a Council Use Permit (LI-CUP).

Owner of the subject property has submitted an application to rezone the Property to Light Industrial with a Planned Area Development overlay (LI-PAD), removal of a Council Use Permit, and review of an initial site plan.

Staff recommends that the City Council approve the Development Agreement.

Background

To develop the Project, Owner has applied for a minor general plan amendment to change the General Plan Character Area designation on the Property from Mixed Use Community to Employment with an Industrial Sub-type (Case No. ZON24-00346) to allow development of an Industrial Center consisting of two restaurants with drive-thru facilities and four speculative industrial buildings. known as “The Landing at Falcon Field”.

As part of the subject rezoning request, the Developer is requesting a DA on the property (i.e. the approximately 33+/- acres) to facilitate development of the property and limit certain land uses that may be incompatible to development and goals of the General Plan designation for the area.

Discussion

The purpose of the DA is to specifically limit certain uses and guide future development of the Property and adjacent public infrastructure improvements. The development agreement includes the following stipulations:

Land Use Restrictions

The Developer has agreed to certain land use restrictions on the Property. The primary land use restrictions set forth in the DA are as follows and shall remain in place for 20 years from the effective date of the agreement:

Prohibited Uses on the Property: General. The following land uses in the Zoning Ordinance are prohibited on the Property:

- a) Aircraft Refueling Stations
- b) Airport Transit Station
- c) Airport-related Long Term Parking Lot
- d) Automobile Rentals
- e) Automobile/Vehicle Repair, Major
- f) Automobile/Vehicle Sales and Leasing
- g) Boat and Recreational Vehicle Storage
- h) Correctional Transitional Housing Facility (CTHF)
- i) Cultural Institutions
- j) Day Care Centers
- k) Freight/Truck Terminals and Warehouses
- l) Funeral Parlors and Mortuaries
- m) Heliports
- n) Large Collection Facility
- o) Large Commercial Development
- p) Marijuana Cultivation Facility
- q) Marijuana: Dual Licensee Facility
- r) Marijuana Infusion Facility
- s) Medical Marijuana Dispensary
- t) Mini-Storage
- u) Parking, Commercial
- v) Reverse Vending Machines
- w) Small Collection Facility
- x) Solar Farms
- y) Swap Meets and Flea Markets
- z) Towing and Impound
- aa) Transportation Passenger Terminals
- bb) Utilities, Major
- cc) Utilities, Minor

Prohibited Use: Cross-docking. Cross-docking is prohibited and is not allowed anywhere on the Property. For purposes of this Agreement, “cross-docking” means and includes both: (a) the logistics practice of unloading goods from inbound delivery vehicles and loading them directly onto outbound vehicles; and (b) a building constructed to allow (including a building with bay

doors, docking doors, or other similar loading doors on more than one side of the building) or that does allow the logistics practice of unloading goods from inbound delivery vehicles and loading them directly onto outbound vehicles.

Prohibited Use: Transloading. Transloading is prohibited and is not allowed anywhere on the Property. For purposes of this Agreement, “transloading” means the logistics practice of unloading goods from inbound delivery vehicles and loading them onto outbound vehicles, and may include unpackaging, repackaging, sorting, or palletizing the goods prior to loading the goods onto outbound vehicles.

Prohibited Use: Data Centers. Data centers are prohibited and are not allowed anywhere on the Property. For purposes of this Agreement, “data center” means a building or a Tenant’s Space in which twenty-five percent (25%) or more of the gross floor area of interior building space is used to house computer, network, or telecommunications equipment, systems, servers, appliances, or associated components or infrastructure for the storage, management, processing, or transmission of digital data or other digital data operations.

Restricted Uses: Warehousing; Wholesale. The intent of this Section 3.5 is to encourage Tenants to use their Tenant’s Space principally for a use other than Warehousing or Wholesale, or a combination of Warehousing and Wholesale, by restricting and capping the collective amount of gross floor area of interior building space that may be used for Warehousing and Wholesale in each individual building.

a. Warehouse Cap. The collective total of gross floor area of interior building space used for Warehousing and gross floor area of interior building space used for Wholesale in each individual building shall not exceed (i.e., is capped at) fifty percent (50%) of the total of gross floor area of interior building space of the building (“Warehouse Cap”).

b. Tenant’s Space Excluded from Warehouse Cap Calculation. A Tenant’s Space used for a Project Principal Use shall be excluded from the Warehouse Cap calculation provided that all Warehousing and Wholesale in the Tenant’s Space are: (i) accessory uses to the Project Principal Use; and (ii) located within the same building and Tenant’s Space as the Project Principal Use they serve. Exclusion from the Warehouse Cap calculation pursuant to this subsection shall be determined by City staff based on submissions and other communications to City from Owner and Tenant during the standard development review process, or by the Zoning Administrator through an interpretation of the Zoning Ordinance. For purposes of clarity, if a Tenant’s Space is excluded from the calculation of the Warehouse Cap, any portion of that Tenant’s Space used for Warehousing or Wholesale shall not be counted against the Warehouse Cap.

Restricted Uses: Drive-Thru Facilities; Service Station. No more than two (2) Drive-Thru Facilities and Service Stations, collectively, are permitted concurrently on the Property. Drive-Thru Facilities and Service Stations must be located in the northwest corner of the Property within the approximate three (3) acres nearest the intersection of McKellips Road and 46th Street.

Restricted Uses: Aircraft Light Maintenance; Large Vehicle and Equipment Sales, Services, and Rental. Aircraft Light Maintenance and Large Vehicle and Equipment Sales, Services, and Rental

are prohibited and are not allowed anywhere on the Property unless all activities related to the Aircraft Light Maintenance and Large Vehicle and Equipment Sales, Services, and Rental, including all sales, servicing, maintenance, rental, fueling, washing, and storage of vehicles and equipment, are conducted entirely indoors.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE DEVELOPMENT AGREEMENT.

Approval of the DA will facilitate development of an Industrial Center and promote high-quality development in northeast Mesa.

NO ACTION.

If the Council chooses not to approve the DA, The Landing at Falcon Field development will not move forward.

Staff recommends the City Council approve the development agreement.

Fiscal Impact

While the Development Agreement does not require any additional investment or fiscal impact from the City, the proposed project will result in increased revenues derived from construction activities on the subject site as well as future sales tax revenues.

Coordinated With

The DA was coordinated with the Economic Development Department, the Development Services Department, and the City Attorney's Office.

Attachments: Exhibit A, Property Map
Exhibit B, Development Agreement