



City Council Report

Date: January 26, 2025
To: City Council
Through: Scott Butler, City Manager
Marc Heirshberg, Assistant City Manager
From: Nana Appiah, Development Services Director
Ashley Scott, Management Assistant II
Subject: DA25-00036 Amended and Restated DA
Council District 5

Purpose and Recommendation

The purpose of this report is to discuss and consider approving an Amended and Restated Development Agreement (“DA”) with Germaine RV, LLC, and Arizona limited liability corporation (“Germaine RV”), Monty R. Germaine and Debora L. Germaine Trust (the “Germaine Trust”), and Arizona trust (individually an “Owner” and collectively, “Owners”). The Development Agreement included approximately 16.3 acres of land located on the southwest corner of East Main Street and the Loop 202 Red Mountain Freeway. The proposed Amended and Restated Development Agreement would supersede and replace the original Development Agreement, continue to prohibit certain uses on the property, defer sewer improvements, and update the trigger that requires the property owners to connect to the City’s sewer system.

Staff recommends that the City Council approve the Resolution.

Background

In 2018, the City Council approved a Development Agreement in conjunction with a rezoning from General Commercial (GC) and Single Residential- 43 (RS-43) to GC-Planned Area Development Overlay (PAD) to allow for the development of an RV dealership and storage facility. The Development Agreement limited certain landed uses and deferred the extension of sewer infrastructure based on special conditions associated with the property, including minimal wastewater demand and the distance to the nearest available sewer main, approximately 3,200 feet away. Since the original approval, the property has been subdivided into phases under separate ownership. The RV storage facility in Phase 1 and the office and RV service building in Phase 2 were constructed consistently with original approvals. The property owners have submitted a rezoning application to rezone the Property from GC-PAD to GC with a new Planned Area Development overlay to accommodate a 27,000-square-foot storage building with 11 toilets on the Phase 3 Property, as shown on the 2024 site plan (see Exhibit C), which is consistent with the previously approved 2018 site plan.

Discussion

The purpose of the proposed Amended and Restated Development Agreement is to reaffirm and update the requirements associated with the approved zoning and site plan, reflect the current ownership, and allow the Phase 2 office and the Phase 3 building to be served by septic. It continues to defer sewer improvements and updates the triggers requiring the property owners to connect to the City's sewer system.

The Development Agreement includes, among other provisions, the following:

1.1. Prohibited Uses. The uses listed below (as set forth in the Mesa Zoning Ordinance) shall be prohibited on any portion of the Property that is located six hundred feet or more from the Main Street right-of-way.

- Group Housing
- Automobile Rentals
- Automobile/Vehicle Sales and Leasing
- Automobile/Vehicle Repair, Major
- Automobile/Vehicle Service and Repair, Minor
- Large Vehicle and Equipment Sales, Services, and Rental
- Banquet and Conference Center
- Building Materials and Services
- Commercial Recreation Small-Scale
- Commercial Recreation Large-Scale
- Restaurants with Drive-Thru Facilities
- Restaurants with Live Entertainment
- Maintenance and Repair Services
- Funeral Parlors and Mortuaries (including Accessory Crematorium)
- Hotels and Motels
- Light Fleet-Based Services
- Handicraft/Custom Manufacturing
- Light Assembly/Cabinetry
- Research and Development
- Reverse Vending Machine
- Small Indoor Collection Facility
- Transportation Passenger Terminals
- Utilities, Minor
- Heliports

1.3. On-Site Wastewater Treatment. In lieu of extending lines and connecting to the City system, Owner may install, and their portion of the Property may be served by, a fully contained on-site wastewater treatment system ("Septic") as follows:

- A. Septic to Serve the Office on the Phase 2 Property. Owner of the Phase 2 Property may install Septic on the Phase 2 Property to serve the Office.

B. Septic to Serve the Building on the Phase 3 Property.
Owner of the Phase 3 Property may install Septic on the Phase 3 Property to serve the Building.

1.4 Limited Use of the Property. Each Owner acknowledges and agrees that the deferment of the requirement to extend and connect to the City's sewer system, and the ability to serve the wastewater needs of the Office and the Building via Septic is contingent on the Office having no more than 10,900 square feet of office space with no more than three (3) restrooms and the Building having no more 27,000 square feet with no more than eleven (11) toilets with the remainder of the Property (the Phase 1 Property), being used as RV Storage not generating wastewater, all as shown on the 2024 Site Plan.

Each Owner further acknowledges and agrees that City may completely terminate the deferment and without further notice, require an Owner to extend the sewer line, connect to City's sewer system, and serve the wastewater needs of the Property via City's wastewater service if that Owner causes any of the following to occur:

- The size of the Office or the number of restrooms associated with the Office increases or expands;
- The size of the Building increases or expands and such increase or expansion requires a major site plan modification under the Zoning Ordinance;
- The number of toilets associated with the Building increases or expands;
- The RV Storage expands and substantively increases the wastewater volume;
- Any alternative use of the Property or any portion thereof;
- Any change in use that is a more intense use of the Property or any portion thereof; or
- Any use that creates a substantive increase in wastewater volume.

1.5 Future Availability of Sewer Service to the Property. Each Owner further acknowledges and agrees that upon City providing written notice to Owner that City sewer service is available at the Property, Owner will connect to City's wastewater system and stop using Septic within sixty (60) days from the date Owner receives such notice. If Owner is required to connect their portion of the Property to City's sewer system, Owner further acknowledges and agrees that Owner must comply with Mesa City Code and any other City regulations that apply, including payment of all applicable fees and charges associated with such connection. Thereafter, City will provide wastewater service to the Property.

1.6 Additional Obligation Phase 3 Property – Installation of Dry Service Stub Out. In addition to designing and installing on the Phase 3 Property all onsite plumbing including, without limitation, the Septic and dry sewer building lines, in a manner that facilitates the future connection of the Building with City's sanitary sewer system once sewer service is available, Owner of the Phase 3 Property must install a dry service stub out to Main Street. Additionally, in order for City to locate the service end for future connection of the Building to City's sanitary sewer, Owner of the Phase 3 Property acknowledges and agrees that as part of the permitting process for the Building, Owner will submit to City for City approval the construction

documents for the Building (collectively the “Construction Documents”). Construction Documents include, but are not limited to, the construction callouts describing the end of the service line consistent with City of Mesa Engineering Standards (including, without limitation, the location which must be immediately adjacent to the right-of-way for the street and compatible with the proposed depth of the sewer service connection). In addition, the service end must be installed in accordance with approved Construction Documents and be marked with an electronic marker per MAG Standard Detail 440-1.

2. City's Deferral and Notice of Availability of Sewer Service. City agrees to the deferral of the extension of the wastewater collection system as set forth herein. City will provide written notice to each Owner if City sewer service becomes available at the Property.

3. Term/Termination. This Agreement shall become effective on the date recorded and shall continue in full force and shall automatically terminate upon the earlier of: (i) termination by the mutual written consent of both Owners and City pursuant to this Agreement (ii) the effective date of Council approved re-zoning that is in conflict with this Agreement, or (iii) fifty years from the approval date of this Agreement.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE DEVELOPMENT AGREEMENT:

Approval will allow the proposed development to proceed while maintaining land use limitations and ensuring a clear path for future connection to the City’s sewer system. The agreement provides flexibility, given the current site conditions, while protecting the City’s long-term infrastructure interests.

NO ACTION:

If the agreement is not approved, the proposed development may not proceed as planned, and the property owners would be required to comply with the standard sewer extension requirements.

Staff recommends the City approve the development agreement.

Fiscal Impact

The Development Agreement does not require any additional investment or fiscal impact from the City.

Coordinated With

The Development Agreement was coordinated with the Development Services Department, Water Resources Department, and the City Attorney’s Office.