



City Council Report

Date: October 6, 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, Development Services
Subject: DA23-00014 Gateway Park Development Agreement
Council District 6

Purpose and Recommendation

The purpose of this report is to discuss and consider approving a Development Agreement ("DA") with Mesa Airport Growth Properties LLC, a Delaware limited liability company ("Owner"). The Development Agreement included approximately 33 acres of land located at the northwest and southwest corners of Ray Road and Hawes Road. The proposed development agreement would facilitate the development of a specialized industrial and high-quality commercial and mixed-use development.

Staff recommends that the City Council approve the Resolution.

Background

The approximately 33-acre property at the northwest and southwest corners of Ray Road and Hawes Road was rezoned to Light Industrial (LI) with a Planned Area Development Overlay for the western portion and Limited Commercial (LC) for the eastern portion. The site lies within the Mesa 2040 General Plan's Mixed-Use Activity District/Employment character area and aligns with the Airport Campus District of the Mesa Gateway Strategic Development Plan, in which LI and LC are primary permitted zoning districts. The Owner proposes "Gateway Park," a two-phase project with a specialized industrial component on the LI-PAD portion and a commercial/retail mixed-use component on the LC portion.

Under Mesa City Code 9-8-4(A), the City may defer off-site improvements when special conditions exist, and the developer provides acceptable financial assurances. After reviewing the project, staff determined that both the proposed development and adjacent property are unlikely to create the immediate need for construction of the full build-out of Hawes Road until a future date when such need is warranted. Currently, Hawes Road is a two-lane arterial, and the full build-out will be a six-lane arterial. Phase one of the project, as proposed, will fully improve Ray Road from the west edge of the property through the intersection with Hawes Road to the east. Phase two of the development will require the full build of improvement for Hawes Road, or

with a written notification within 12 months from the City Manager that such improvement is needed. In addition to the timing of the road improvements, the property owner has also agreed to the prohibition of certain land uses.

Discussion

The City and the Owner desire to enter into a Development Agreement to prohibit and restrict certain uses and activities, and to temporarily defer a portion of the Hawes Road improvements. These restrictions are to aid in managing the quality of the development and supporting road network, as certain land uses have the potential to generate high traffic volumes and turning movements that could overburden the intersection between Hawes and Ray Road.

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

2.2. Prohibited Uses on the Property: General. The following land uses are prohibited and are not allowed on any portion of the Property or on or within any Tenant Space:

- A. Single Residence - Attached
- B. Multiple Residence
- C. Assisted Living Home
- D. Assisted Living Center
- E. Boarding House
- F. Family Community Residence
- G. Transitional Community Residence
- H. Correctional Transitional Housing Facility (CTHF)
- I. Community Gardens
- J. Nursing and Convalescent Homes
- K. Skilled Nursing Facility
- L. Social Service Facility
- M. Automobile Rentals
- N. Automobile/Vehicle Repair, Major
- O. Automobile/Vehicle Service and Repair, Minor
- P. Large Vehicle and Equipment Sales, Services, and Rental
- Q. Towing and Impound
- R. Live/Work Unit
- S. Parking, Commercial
- T. Reverse Vending Machines
- U. Small Indoor Collection Facility
- V. Large Collection Facilities
- W. Processing Facilities
- X. Boat and Recreational Vehicle Storage
- Y. Contractor's Yards
- Z. Mini-Storage
- AA. Aircraft Refueling Stations
- BB. Aircraft Light Maintenance
- CC. Airport Transit Station
- DD. Airport Related Long-Term Parking Lots
- EE. Heliports
- FF. Transportation Passenger Terminals
- GG. Utilities, Minor, except as an accessory use to a permitted

land use

2.3. Additional Prohibited Uses: LC Portion of the Property. The following land uses are prohibited and are not allowed on the LC Portion of the Property or within a Tenant Space on the LC Portion of the Property:

A. Eating and Drinking Establishments With Drive-Thru Facilities, With Pick-Up Window Facilities or both*

B. Service Station (including General Market With Drive-Thru Facilities With Pick-Up Window Facilities or both) except as permitted by Section 2.4

C. General Market (including General Market With Drive-Thru Facilities, With Pick-Up Window Facilities, or both)

D. Convenience Market (including Convenience Market With Drive-Thru Facilities, With Pick-Up Window Facilities, or both) except as permitted by Section 2.4

E. Automobile/Vehicle Washing

* Eating and Drinking Establishments that do not contain Drive-Thru Facilities, Pick-Up Window Facilities, or both are not prohibited by this Section 2.3 and are allowable land use on or within any Tenant Space within the LC Portion of the Property.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE DEVELOPMENT AGREEMENT:

Approval of the DA will promote high-quality development in Mesa.

NO ACTION:

If the Council takes no action, the Owner could proceed with developing the proposed project.

Staff recommends the City 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 the construction activities on the subject site as well as future sales tax revenues.

Coordinated With

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