



City Council Report

Date: May 20, 2024

To: City Council

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

From: Nana Appiah, Development Services Department Director
Beth Hughes-Ornelas, Deputy Director Development Services

Subject: DA23-00013 (SWC Ellsworth Rd and Peterson Ave)- Development Agreement for the proposed development located within the 3400 Block of South Ellsworth Road (west side), and within the 9000 to 9100 blocks of East Peterson Avenue (south side). Located north of Elliot Road on the west side of Ellsworth Road.
Council District 6

PURPOSE AND RECOMMENDATION:

The purpose of this report is to recommend that the City Council approve a resolution authorizing the City Manager to enter into a Development Agreement with Ellsworth Land LP, a Limited Partnership for the development of a hotel, retail and two (2) drive thru restaurants on approximately 7.5± acres of land. The site is generally located west of Ellsworth Road and north of Elliott Road.

Staff recommends the City Council approve the Development Agreement.

BACKGROUND:

The property is currently zoned Planned Employment Park (PEP) with two Planned Area Development overlays (PEP-PAD-PAD) and Limited Commercial with two Planned Area Development overlays (LC-PAD-PAD). The owner has submitted an application to rezone the property to a Limited Commercial (LC) zoning district to allow a large commercial development. The request also includes approval of an initial site plan review to allow for the commercial development.

DISCUSSION:

The City and Owner desire to enter into a Development Agreement to limit certain land uses and activities permitted within the LC zoning that may be incompatible with the proposed zoning designation. Prohibiting and/or limiting these land uses as set forth in the Development Agreement will support a high-quality development that provides opportunities for employment- generating uses.

Specifically, the Development Agreement limits home occupation and all residential uses identified in Table 11-5-2 (Residential Districts) of the Mesa Zoning Ordinance, such as single residence, multiple residence, and manufactured home parks, as shown on the Development Agreement.

ALTERNATIVES:

The following alternatives are presented to City Council for consideration:

- **APPROVE THE DEVELOPMENT AGREEMENT:**

Approval of the Development Agreement will ensure the proposed development is compatible with the land use goals of the General Plan.

- **NOT APPROVE THE DEVELOPMENT AGREEMENT:**

If Council chooses not to approve the Development Agreement, land uses that are undesirable and incompatible with the land use goals of the General Plan would be permitted.

- **NO ACTION:**

If Council takes no action, Owner may not proceed with developing the proposed industrial project.

Staff recommends approval of 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.

COORDINATION:

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