



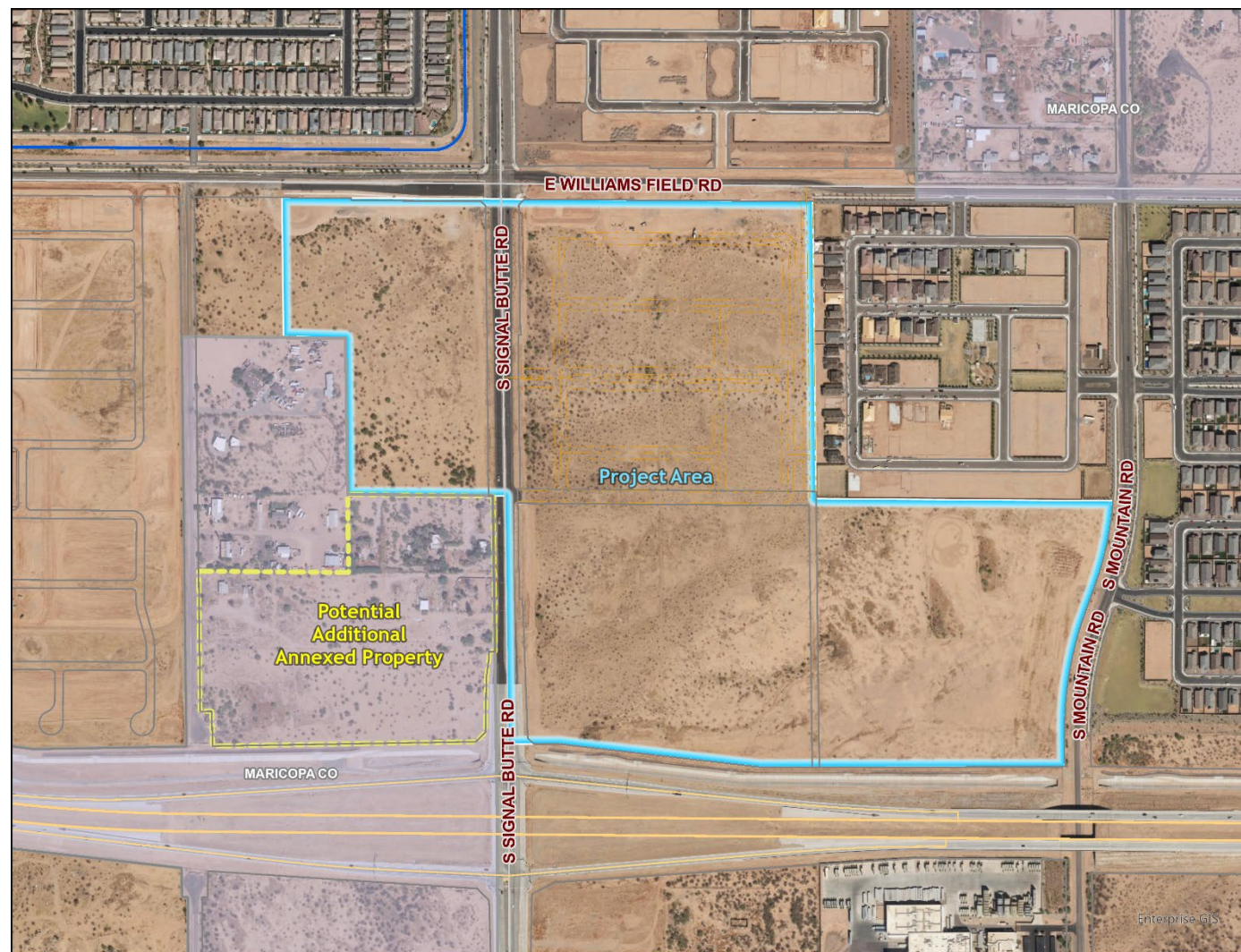
DESTINATION AT GATEWAY

June 6, 2024



Location

South of Williams Field Road on the east and west sides of Signal Butte Road



Development Agreement

Big Picture

The Agreement is structured around two major topics:

- Limited Reimbursement for certain public infrastructure: focused on Signal Butte and Williams Field road improvements
- Use Restrictions and Design Elements: to facilitate quality and compatibility

Limited Reimbursement

Reimbursement for eligible public infrastructure up to \$14.4 million if Developer completes all of the following:

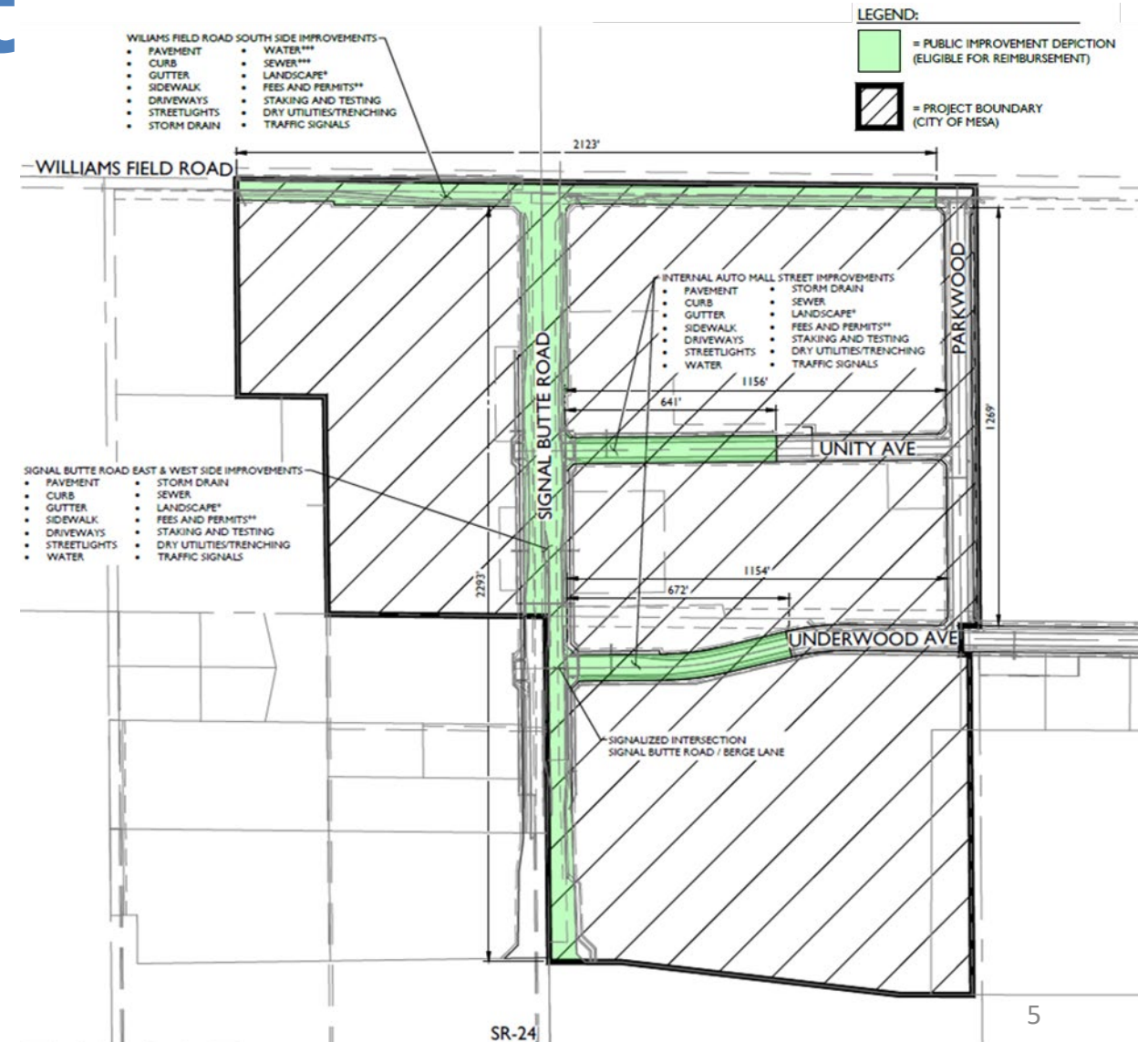
- Public infrastructure improvements completed and dedicated to the City by April 1, 2028
- Required right-of-way dedications by April 1, 2028
- First new car dealership operating and open for business to the public by July 1, 2029

Infrastructure Eligible for Reimbursement

PROPOSED PROPERTY

Requires investment in public infrastructure that includes:

- Pavement
- Curb, gutter, and sidewalks
- Storm Drain
- Streetlights
- Traffic Signals
- Utilities
 - Sewer Line
 - Water Line

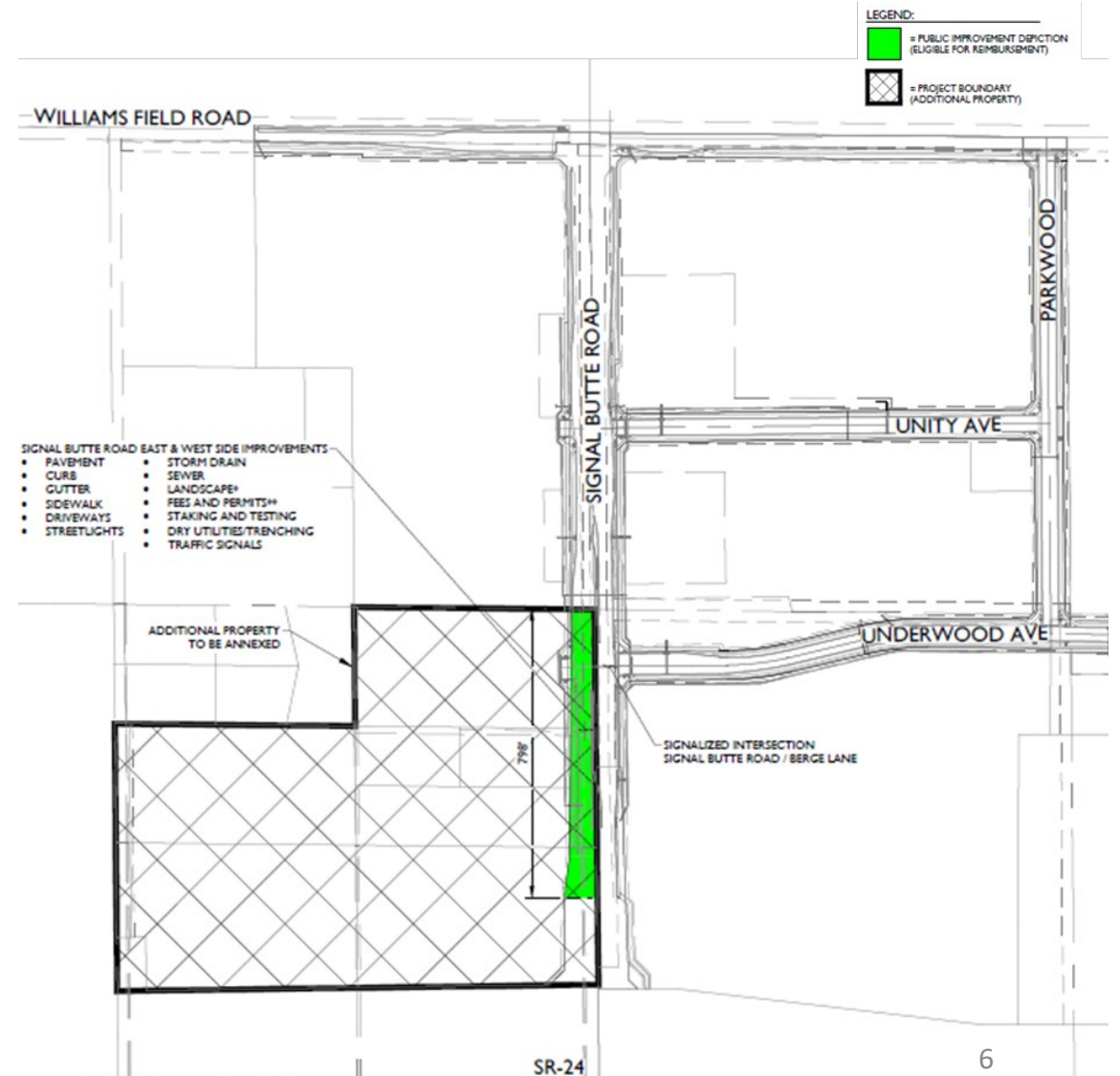


Infrastructure Eligible for Reimbursement

POTENTIAL ANNEXED PROPERTY

Requires investment in public infrastructure that includes:

- Pavement
- Curb, gutter, and sidewalks
- Storm Drain
- Streetlights
- Traffic Signals
- Utilities
 - Sewer Line
 - Water Line



Limitations on Reimbursement

- Sales tax reimbursement equal to 50% of the 1.2% non-dedicated general fund sales taxes received by City that are generated by the operations of the dealership(s), including sales, parts, and taxable portions of service centers
 - City of Mesa total sales tax rate is 2%
 - Reimbursement does not include any tax funds dedicated for Streets and Maintenance (0.3%), Quality of Life (0.25%) and Public Safety (0.25%)
 - Motorcycle dealership tax reimbursed only after two new car dealerships are open for business to public
- Reimbursement capped at \$14.4 million and will only cover the actual cost of public improvements constructed and dedicated to the City that meet DA requirements
- The incentive period is 12 years and begins when the first new car dealership opens
- The incentive period can be extended up to three times for a period of three years per extension for each subsequent new car dealership - maximum of 21 years

Agreement Use Restrictions

- Minimum of 60% commercial
- Maximum of 40% multiple residence and restricted locations on property (DA Exhibit D-1 depicts area multiple residence is prohibited)
- Use Restrictions:
 - auto service/repair shops (allowed with dealership, limitations/prohibitions when principal use)
 - service stations (one allowed as principal use)
 - car washes (not allowed as principal use, allowed with dealership),
 - stand alone food/beverage drive-thrus – maximum of 5
 - mini-storage prohibited

Agreement Design Elements

- Prior to the approval of any site plan, Developer must submit comprehensive design guidelines “demonstrating high-quality architectural design” to the City that are subject to review by DRB and approval by the Planning Director
- Limits on the use of public address systems at vehicle dealerships adjacent to single family residential—a noise study is required to show that the PA system does not increase the existing noise level at the single-family residential property line
- Shielding on lighting that emits at a 150-wattage equivalent (23 LED watts) will be fully shielded at vehicle dealerships to minimize impact to nearby properties



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Project Economic Impact Analysis

- Revenues to the City:

The project would generate a significantly greater amount of sales tax revenues than the total amount of the rebate



ONE DEALERSHIP - Estimated Sales Tax

Reimbursement to Developer by 2034	\$2.9M
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Revenues to City by 2034	\$7.2M
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EIGHT DEALERSHIPS - Estimated Sales Tax

Reimbursement to Developer by 2034	\$14.4M
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Revenues to City by 2034	\$42.9M
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Additional dealerships would increase revenues to the City during the 12-year period in proportion to the year in which they are built.

Destination at Gateway

AMENDED DA & REZONING PROPOSAL

ZONING: GC-PAD-CUP & LI-PAD-CUP

PROPOSAL:

- 127-acre Mixed-Use Development, plus ~27 acres in Maricopa County if property is annexed
- Commercial Uses
 - Auto Dealerships (New, Used, Motorcycle) & Supporting Retail
 - General Commercial
- Multiple Residence
- Reimbursement for public infrastructure improvements

