



City Council

Date: June 16, 2025

To: Mayor and Council

Through: Scott Butler, City Manager

From: Jaye O'Donnell, Economic Development Director
Nick Juszcak, Economic Development Sr. Project Manager

Subject: Adopting a notice of intent to enter into a retail development tax incentive agreement pursuant to A.R.S. § 9-500.11 (version 2) related to the development of certain improvements for the project known as "Medina Station" generally located at the corner of South Signal Butte Road and East Southern Road. (District 5)

Purpose and Recommendation

To consider adopting a notice of intent to enter into a retail development tax incentive agreement pursuant to A.R.S. § 9-500.11 (V.2) related to the development of certain improvements for the project known as "Medina Station" generally located at the corner of South Signal Butte Road and East Southern Road.

Background

Medina Station is a 64 +/- acre mixed-use development project located on the east side of South Signal Butte Road and south of East Southern Road, with a mix of commercial and residential development. The recommendation and development agreement that are the basis of this Council Report only pertains to the 40 +/- acre commercial portion of Medina Station (the commercial portion is referenced as the "Project"). The commercial site requires significant investment in public infrastructure by the developer, including in or for surrounding streets and related utilities and drainage required for the Project site. Without these improvements, the Project site would not be suitable for commercial development.

City staff is recommending that City Council consider the approval of a development agreement to reimburse the developer a portion of the construction sales tax and retail sales tax generated by the Project for certain, identified public infrastructure.

Discussion

A.R.S. § 9-500.11 (V.2) requires a city or town to adopt a notice of intent to enter into a retail development tax incentive agreement at least fourteen days before approving such an agreement. The adoption of the notice of intent is required for City Council to consider the approval of the development agreement for the Project because the agreement meets the definition of a "retail development tax incentive agreement" under A.R.S. § 9-500.11 (V.2).

The approval of the Resolution for the notice does not constitute approval of the development agreement by City Council; it only allows the development agreement to be placed on a City Council agenda for consideration in accordance with the requirements of A.R.S. § 9-500.11 (V.2).

If the notice of intent is approved, Staff intends to place the development agreement on the July 1, 2025, City Council meeting agenda for approval.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE RESOLUTION

Staff recommends that the City Council approve the Resolution adopting a notice of intent to enter into a retail development tax incentive agreement pursuant to A.R.S. § 9-500.11 (V.2).

NO ACTION OR NOT APPROVING OF THE RESOLUTION

If the Council chooses not to approve the resolution or take no action, the City will not be able to consider entering into the development agreement for the Project as proposed.

Fiscal Impact

There is no fiscal impact to the City in the adoption of the notice.

Coordinated With

The Office of Economic Development has worked closely with the City Attorney's Office, Development Services, Engineering, and Transportation on this project.