



City Council Report

Date: December 8, 2022
To: City Council
Through: Natalie Lewis, Deputy City Manager
From: Nana Appiah, PhD, AICP, Development Services Director
Beth Hughes-Ornelas, Deputy Development Services Director
Kellie Rorex, Senior Planner

Subject: DMB Mesa Proving Grounds Fifth Amendment to the Pre-annexation and Development Agreement, and related Easement Agreements (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 Fifth Amendment to the Pre-Annexation and Development Agreement (PADA) with DMB Mesa Proving Grounds, LLC and related Easement Agreements with the Eastmark Community Alliance, Inc, for property within the Eastmark development.

Background

DMB Associates, Inc., a Scottsdale-based real estate company, began redeveloping the former Mesa Proving Grounds in 2008. The project encompasses approximately 3,800 acres of land and is located south and east of Ellsworth and Elliot Roads. Since 2008, there have been modifications to the anticipated development of the property to accommodate changes in development trends and market conditions. The modifications to accommodate development trends, including timing and responding to market conditions prompted adjustments to certain conceptual location of land uses on the property including open space and park areas.

In 2008, the City Council approved the Eastmark Community Plan (Case No. Z08-56 and Ordinance No. 4893) and the Pre-Annexation and Development Agreement (PADA) (2008-0974930) for the DMB property, today known as Eastmark. Included with the 2008 development agreement (DA) was the requirement that 106 acres of the community should be developed as a "Great Park". Specifically, the agreement required the Great Park to consist of 106 acres of land with the developer responsible for constructing 90 acres of the Park and the City of Mesa purchasing 16-acres of the 106 acres to develop as City Recreational Facility and Park. Also, the Community Plan

required approval of a Master Plan through and with coordination with the City's Parks and Recreation and Commercial Facilities Department.

On May 22, 2012, the City's Parks and Recreational and Commercial Facilities (PRCF) approved the Great Park Master Plan. This plan was approved as a fluid design document intended to be evaluated as development occur on the property. However, the total acreage of the Great Park (i.e., 106 acres) is to be maintained with no changes to the size of the Great Park. The Great Park Master Plan was also allowed to be developed in phases with the City to review any development of the Park to ensure compliance with the Community Plan and associated elements of the Master Plan. Subsequently, there has been amendments to the Pre-annexation and Development Agreement (i.e., second, third, and fourth, amendments). However, these amendments did not change the requirement for the required acreage for the Great Park (i.e., 106 acres).

Discussion

Currently, there is a significant level of economic development activity within Eastmark, particularly along Elliot Road. Meta received approval to expand their facility further east within the Planned Community District (PCD) and is currently under construction. Amazon and Apple, as well as several other industrial developments have built or have begun the development process along Elliot Road, mirroring development within the "Elliot Road Technology Corridor", the area located just north of the PCD. This type of non-residential development is consistent with the vision established in the Mesa Gateway Strategic Development Plan which anticipated that this area would, over time, become a job center for the City.

The subject changes to the PADA will ensure that the Great Park is developed with the required acreage, including the City's 16-acre Recreational Facility site. Per the proposed amendment, the required 16-acre City Recreational Facility will be designed and constructed by the Developer. The Developer offering to develop the 16-acre will expedite the timing of the City's Recreation Facility. As proposed in the amendment, the Developer is also required to construct the 16-acre facility within three years of the approval of the amendment.

The Developer shall also provide an 8.76-acre additional Park to be designed and constructed by the Developer, connecting the City's 16-acre park to the existing Disc Golf Course. An Enhanced Pedestrian Path that connects the Disc Golf Course to Phase 4 of the Great Park will also be developed by the Developer, therefore complying with the intent of the original PADA for the 106-acre connected Great Park. The amendment includes Easement agreements (Exhibit 1- Amendment) to grant public access to the Skate Park and Disc Golf Course.

Citizen Participation

From submitted documents, the Developer held a neighborhood meeting on May 24, 2022, to discuss the proposed amendment with residents. The Developer also sent a

follow-up correspondence to all the residents who signed up to attend the May 24, 2022, neighborhood meeting, as well as those that attended the meeting. The purpose of the correspondence was to provide a summary of the May 24 meeting, including answered questions (Exhibit 2 - Neighborhood Participation Report).

The following is a summary of the proposed Fifth Amendment to the Pre-annexation and Development Agreement.

Mesa Proving Grounds Development Agreement (Exhibit 1- Amendment): The City and DMB recommend the following amendments to the Mesa Proving Grounds Development Agreement:

1. The Developer will design and construct the amenities on the City's 16-acre Recreational Facility Site. After completion of construction by the Developer, the Developer will convey the Recreational Facility Site to the City who will have the sole responsibility for the operations and maintenance of the site. The 16-acres will be included into the Great Park Acreage.
2. The existing 3.4-acre skate park will be included into the Great Park acreage. The Developer and Alliance will own and maintain the skate park.
3. The 21.52-acre Disc Golf Course will be included into the Great Park acreage. The Developer and Alliance will own and maintain the Disc Golf Course.
4. Enhanced Connection to the Great Park. To demonstrate the walkability of the Property and establish that the Great Park is part of the overall network of interconnected parks, Developer shall design and construct an Enhanced Multi-Use Path connecting the Disc Golf Course to phase four of the Great Park. The enhanced Path shall be developed with park-like amenities that include, but are not limited to, workout stations and enhanced landscaping.
5. The Developer will design and construct, an 8.76-acre Additional Park that will connect the City's 16-acre Recreational Facility Site to the existing Disc Golf Course. After completion of construction by the Developer, the Developer will convey the 8.76-acre Additional Park to the City who will have the sole responsibility for the operations and maintenance of the site. The acreage of the Additional Park will be included into the Great Park Acreage.
6. No other provisions of the original DA, as amended by the first, second, third or fourth amendments, are being recommended for revision.

Alternatives

The following alternatives are presented for consideration:

- 1) Take no action which would have the effect of requiring redesign of already approved plans with the community and impeding potential development conforming to the vision of the Community Plan,

Fiscal Impact

Approval of the Fifth Amendment will not have a significant fiscal impact. The Disc Golf Course and the Skate Park are existing within the PCD.

Coordinated With

The Fifth Amendment has been coordinated with the City Attorney; The Mesa Parks, Recreation & Community Facilities Department; City of Mesa Development Services Department and DMB.