



City Council Report

Date: December 9, 2024

To: City Council

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

From: Nana Appiah, Development Services Director
Beth Huning, City Engineer
RJ Zeder, Director of Transportation
Beth Hughes-Ornelas, Deputy Director -Development Services
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Subject: DA24-00028
Discuss and consider entering into a Development Agreement with Komatsu America Corp. and Sunbelt Mesa Ellsworth, L.P. for approximately 22+/- acres of property generally located south and west of the intersections of Crismon Road and Pecos Roads.
(Council District 6)

Purpose and Recommendation

The purpose of this report is to discuss and consider approving a Development Agreement (“DA”) with Komatsu America Corp., a Georgia corporation and Sunbelt Mesa Ellsworth, L.P., a Delaware limited partnership (“Developer”). The agreement pertains to a proposed solution for allowing interim offsite improvements and future completion of intersection improvements required with the development of a multi-building industrial development (Proposed Project).

Staff recommend that the City Council approve the Development Agreement.

Background

Komatsu is currently under contract to acquire approximately 22 acres of property located south and west of the intersections of Crismon Road and Pecos Road (the “Intersection”) from Sunbelt (the “Komatsu Property”) to develop as multi-building industrial complex. The applicant is requesting to rezone the parcel from Light Industrial (LI) to Light Industrial with a Planned Area Development overlay (LI-PAD).

The request also includes approval of an Initial Site Plan and a Preliminary Plat. As part of the rezoning request, the Developer is requesting a DA on the subject property to facilitate development of offsite improvements required for the development.

Discussion

The subject Property included a 0.02-acre parcel immediately adjacent to the southwest corner of the Intersection of east Pecos Road and Sossaman that was created as part of a re-plat of the property by the current owner, Sunbelt. The 0.02-acre parcel has an active water well (the "Well") that the current property owner uses for irrigation and intend to continue to operate the well until a future date. The location of the well, however, is within the required right-of-way for offsite improvements. The purpose of the DA is to allow the Well to remain operational and facilitate interim and future development of adjacent public infrastructure improvements until such a future date when the required right-of-way is needed. The development agreement includes the following stipulations:

Public Improvements

The Developer is required to construct and dedicate to the City of Mesa street improvements, which includes pavement, curb, gutter, sidewalk, streetlights, traffic signals, storm drain, water and sewer lines and landscaping, at the following locations that will be dedicated to, accepted and controlled by the City: (1) south side of East Pecos Road adjacent to the Property; (2) west side of South Crismon Road adjacent to the property.

The DA also allows the Developer to operate the Well and construct interim offsite improvements at the southwest corner of the intersection to provide for a safe cross design until a future date when the City requests for completion of the reconfiguration of the offsite improvements and abandonment of the well.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE AMENDED DEVELOPMENT AGREEMENT.

Approval of the DA will facilitate development of multi-building Industrial Project on the Property and promote high-quality development in southeast Mesa.

NO ACTION.

If the Council chooses not to approve the DA, the Komatsu development may not be developed .

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

Coordinated With

The DA was coordinated with the Transportation Department, the Engineering Department, Development Services Department, and the City Attorney's Office.

Attachments: Exhibit A, Property Map
Exhibit B, Development Agreement