



City Council Report

Date: July 8, 2025

To: City Council

Through: Marc Heirshberg, Assistant City Manager

From: Lance Webb, City Engineer
Marc Ahlstrom, Assistant City Engineer

Subject: Vacating a portion of public right-of-way located south of Main Street in the 0-30 block of South Morris
Council District 4

Purpose and Recommendation

The purpose of this report is to consider staff's recommendation to vacate a portion of public right-of-way (ROW) located south of Main Street in the 0-30 block of South Morris to the owner of the adjacent property in exchange for consideration in an amount commensurate with the value of the vacated ROW, as explained below.

Background

In Mesa City Code, Chapter 10, Section 9-10-1 Disposition of Roadways, the City Council may dispose of unnecessary public roadways, upon application being made to the Real Estate Services office and upon paying an application fee plus any value of the land.

For a public road right-of-way to be taken out of the City's street system, and the land returned to private use, the City Council must authorize a Resolution that "vacates" the excess right-of-way. The term "vacate" is used in our Council Reports in order to match the wording used in the Arizona Revised Statute (A.R.S.) § 28-7205.

Discussion

Properties on the east and west side of South Morris from Main Street to the 30-block are owned by the same property owner. The owner is requesting the City vacate a 19,336 square feet portion of the Morris ROW from Main Street to the 30-block of Morris (the Morris ROW), between and abutting the two properties currently owned by the owner. The portion of ROW requested to be vacated was dedicated to the City of Mesa in Book 23 of Maps, Page 18, records of Maricopa County, Arizona. Staff have reviewed the request and determined the portion of the ROW requested to be vacated is no longer needed.

The owner is agreeing to enter into a Development Agreement with the City for the development of a mixed-use development on their property, including commercial

space, retail/restaurant uses or offices, and market-rate apartments, Edge on Main. The Development Agreement will be on the same City Council agenda as this request and the Development Agreement and this request may be acted on in one motion. Because the development of the owner's property as currently set forth in the Development Agreement is contingent on approval of this request to abandon the Morris ROW, if this request to vacate the Morris ROW is not approved, the Development Agreement cannot be approved.

If this request to vacate the ROW is approved, as a requirement of the Development Agreement, the owner is agreeing to develop a central plaza area on the Morris ROW, which will be open to the public and will include a pedestrian pathway, open space, seating, lighting, landscaping, and related improvements (the Plaza). The owner is also required to grant to the City, and no cost, (1) a perpetual Public Access Easement on the Morris ROW providing to City and the public free, open, and continuous access to and use of the Plaza, and (2) a Public Utilities Easement on a portion of the Morris ROW providing to the City continued use of and access to both existing and future utilities, including for installation, repair, and maintenance. The owner will be required to maintain the Plaza in perpetuity.

A.R.S. § 28-7208 requires the owner of the abutting property pay consideration to the City in an amount deemed by the City Council to be commensurate with the value of the Morris ROW, and that the City Council shall give due consideration to the degree of fragmentation and marketability and any other public benefit received by the City in return for the Morris ROW. Here, the owner would not be paying the City cash for the Morris ROW, but as explained below, staff has determined the City will receive consideration commensurate with the value of the Morris ROW, if this request is approved.

In analyzing the value of the Morris ROW, staff utilized the appraisal for the City-owned property at Main Street and Pomeroy (The Grid) completed in February of 2025 and the appraisal for the City-owned Property at Mesa Drive and University (Culdesac) completed in February of 2024. For The Grid, the appraisal valued the property next to Main Street, just west of Mesa Drive, at \$55.00 per square foot. The zoning for both the properties adjacent to the Morris ROW and The Grid are T5-Main Street Flex (T5MSF). To evaluate the value of the Morris ROW, staff also reviewed the appraisal completed for the Culdesac development at University and Mesa Drive. The appraisal for the Culdesac development reduced the value of the property by 50% for any portion needed for utility easements or pedestrian access easements to a valuation of \$27.50 per square foot, using the \$55.00 from The Grid.

The Morris ROW requested to be vacated is approximately 19,336 square feet. According to the developer, the Public Access Easement and Public Utility Easement are approximately 11,736 square feet of the Morris ROW. Using the two recent appraisals from Culdesac and The Grid, the value of the Morris ROW at \$55.00 per square foot for 7,600 square feet (less the 11,736 square feet of easement) of right of way is \$418,000. The Market Value of the ROW with the 11,736 square feet of easement area at \$27.50 per square foot is \$322,740. Based only on the recent

appraisals of other similar property, the total value of the Morris ROW would be estimated at \$740,740.

A.R.S. § 28-7208 also states that the City Council shall consider any other public benefit received by the City in return for the Morris ROW. If the Morris ROW is vacated, the owner of the adjacent properties has agreed to enter into a Development Agreement requiring owner to develop a mixed-use project on the property that will benefit the City and the public and promote the City's goals for downtown Mesa by providing a new, vibrant residential and commercial area with a central open space at a prominent entrance to downtown Mesa and adjacent to the Country Club light rail station. At this project, the City and the public will benefit from the Plaza, which per the Public Access Easement, is required to be free and open to the public in perpetuity, and the owner is required to maintain the Plaza improvements in perpetuity. The owner will also be required in the Development Agreement to construct off-site improvements beyond what City Code requires, specifically, a cul-de-sac south of the Plaza, where Morris Street will terminate. Thus, there will be substantial public benefits via the Development Agreement and the proposed project received in exchange for the Morris ROW.

Based on the analysis summarized above, staff has determined that the City will receive consideration commensurate with the value of the Morris ROW.

Alternatives

An alternative is not to vacate the Morris ROW. Choosing this alternative will result in the Development Agreement not being approved and the property owner not being able to include the Morris ROW in the development of its project as planned (the Plaza would not be developed).

Fiscal Impact

The fiscal impact of this request is the \$750.00 processing fee paid by the owner and the value of the Morris ROW, which the City will receive consideration for as explained above.

Coordinated With

The Engineering, Water Resources, Transportation, and Development Services Departments, and City Attorney's Office, along with outside utility companies, concur with this request.