



City Council Report

Date: April 15, 2024

To: Mayor and Council

Through: Christopher J. Brady, City Manager

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

Subject: Adopting a notice of intent to enter into an amended and restated retail development tax incentive agreement pursuant to A.R.S. § 9-500.11 (Version 2) related to the development of property for the project known as the "Destination at Gateway" generally located at the corner of South Signal Butte Road and East Williams Field Road. (District 6)

Purpose and Recommendation:

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

Destination at Gateway is a mixed-use development project located on the south side of Williams Field Road both east and west of Signal Butte Road, with a mix of commercial and residential development. The site requires significant investment in public infrastructure by the developer, including in or for surrounding streets and related utilities that will serve the project site. Without these improvements, the site would not be suitable for commercial development.

The City previously entered into a retail development tax incentive agreement titled "Development Agreement 'Destination at Gateway'" dated August 10, 2020 (Maricopa County Recorder No. 2020-0649618) related to the project. City staff is recommending that City Council consider the approval of an amendment and restatement of the development agreement that will, in pertinent part, include additional real property related to a rezoning (Zoning Case No. ZON22-00267) that would add additional acreage to the project for a total of 127 +/- acres, increase the amount of the retail development tax incentive, and modify the terms of the agreement to allow for the inclusion of an additional 27 +/- acres of property located in Maricopa County, Arizona if the property is annexed into the jurisdictional limits of the City.

A.R.S. § 9-500.11 (Version 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 the agreement. The adoption of the notice of intent is required for City Council to consider the approval of the amendment and restatement of the development agreement for Destination at Gateway because the agreement meets the definition of a retail development tax incentive agreement under A.R.S. § 9-500.11.

The approval of the Resolution for the notice does not constitute approval of the development agreement; it 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).

Staff intends to place the development agreement on the May 20, 2024 City Council meeting agenda for approval in conjunction with the approval of the rezoning case.

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).

Coordinated With:

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