



City Council Report

Date: May 18, 2026
To: City Council
Through: Scott Butler, City Manager
Marc Heirshberg, Assistant City Manager
From: Nana Appiah, Development Services Director
Ashley Scott, Management Assistant II
Subject: DA26-00012: Sun Devil Auto Development Agreement
Council District 5

Purpose and Recommendation

The purpose of this report is to discuss and consider approving the Development Agreement (“DA”) with WS Holdings I, LLC, an Arizona limited liability company (“Owner”). The Development Agreement includes approximately 5.9 acres of property located approximately 280 feet east of the northeast corner of South Signal Butte Road and East Southern Avenue. The proposed DA would restrict certain land uses on the property to ensure compatibility with surrounding development and the City’s 2050 General Plan.

Staff recommends that the City Council approve the Resolution.

Background

The property is currently zoned Limited Commercial (LC) and was previously planned for commercial development, including a major tenant or grocery store. The Owner has submitted a request under Zoning Case ZON25-00256 to modify the existing development plan to allow a Minor Automotive/Vehicle Service and Repair facility on a portion of the site. To support this request and ensure consistency with the 2050 General Plan, the City and Owner have negotiated a development agreement that establishes restrictions on certain land uses that would otherwise be permitted under the LC zoning district, or on the site in the future.

Discussion

The City and Owner desire to enter into the DA to prohibit and restrict certain uses to ensure development on the property is compatible with the surrounding area and supports the creation of a vibrant commercial area.

The DA includes, among other provisions, the following:

1. Prohibited Uses and Activities: General. The following land uses and activities are prohibited on the Property and are not allowed:
 - a. Boarding Houses.
 - b. Clubs and Lodges.
 - c. Community Centers.
 - d. Plasma Centers, but not including any other types of Clinics.
 - e. Kennels.
 - f. Service Stations, including those with Drive-Thru Facilities and with Pick-Up Window Facilities.
 - g. Funeral Parlors and Mortuaries.
 - h. Crematories, including accessory Crematories.
 - i. Pawn Shops.
 - j. Tattoo and Body Piercing Parlors.
 - k. Recycling Facilities, including all subtypes: (i) Reverse Vending Machine; and (ii) Small Indoor Collection Facility.
 - l. Transportation Passenger Terminals.
 - m. Minor Utilities.
 - n. Heliports.
 - o. Tobacco/Nicotine Use Establishments. "Tobacco/Nicotine Use Establishments" means a business that derives the majority of its revenue or business activity from the sale, display, delivery, distribution, or on-site consumption of tobacco, nicotine, smoking, or vaping products, or similar products, or related devices and accessories. Such products, devices, and accessories include, but are not limited to, cigarettes, cigars, little cigars, pipe tobacco, hookah tobacco, shisha, smokeless tobacco, chewing tobacco, electronic cigarettes, electronic cigars, electronic pipes, electronic hookahs, vape pens, vaporizers, electronic nicotine delivery systems, cartridges, e-liquids, e-juice, oils, waxes, mods, pipes, hookahs, water pipes, rolling papers, and similar items.

- p. Sexually Oriented Businesses. “Sexually Oriented Businesses” means those businesses classified in Mesa City Code Title 6, Chapter 16, or any use, activity, or business that requires a license to operate pursuant to Mesa City Code Title 6, Chapter 16.
 - q. Marijuana Facilities, including all subtypes: (i) Marijuana Cultivation Facilities; (ii) Marijuana: Dual Licensee Facilities; (iii) Marijuana Establishments; (iv) Marijuana Infusion Facilities; and (v) Medical Marijuana Dispensaries.
 - r. Automobile/Vehicle Washing.
 - s. Towing and Impound.
2. Additional Limitations on Uses and Activities. The following land uses are limited on the Property as set forth below:
- a. Minor Automobile/Vehicle Service and Repair use is permitted only in one location on the Property, and only if City Council, in its sole and absolute discretion, concurrently approves Owner’s rezoning request to modify certain conditions of Ordinance No. 3884, including Owner’s major site plan modification request, and such approvals specifically include and permit the Minor Automobile/Vehicle Service and Repair use. This Minor Automobile/Vehicle Service and Repair use restriction does not prohibit nor apply to an automotive General Retail Sales use that offers incidental vehicle services (e.g. windshield wiper installation, battery installation, headlight bulb replacement, etc.) combined with retail sales.
 - b. A maximum of one Bank and Financial Institution is allowed on the Property, and such Bank and Financial Institution may include a Drive-Thru Facility.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE DEVELOPMENT AGREEMENT:

Approval will ensure that the property develops in a manner consistent with the General Plan and surrounding land uses while supporting a high-quality commercial development.

NO ACTION:

If the Council takes no action, the owner may proceed under existing zoning regulations without the additional use restrictions provided by the Development

Agreement.

Staff recommends the City Council approve the development agreement.

Fiscal Impact

The Development Agreement does not require any direct financial investment by the City. The proposed development is expected to generate future revenue through construction activity and ongoing sales tax.

Coordinated Departments

The Development Agreement was coordinated with the Development Services Department and the City Attorney's Office.