



# City Council Report

**Date:** May 16, 2022  
**To:** City Council  
**Through:** Christopher J. Brady, City Manager  
Natalie Lewis, Deputy City Manager  
**From:** Nana Appiah, Development Services Department Director  
Veronica Gonzalez, Development Services Project Manager  
**Subject:** Development Agreement for Proposed Development Located North of  
the Northwest Corner of Signal Butte Road and Elliot Road

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 development agreement with Signal Butte Mesa Holdings, LLC (Owner) for a development located north of the northwest corner of Signal Butte and Elliot Roads. The development is approximately 66 acres and includes four industrial buildings intended for general industrial uses.

Staff recommends the City Council approve the development agreement.

## Background

The Owner has requested to rezone the property from Agriculture (AG) to Light Industrial with a Planned Area Development overlay (LI-PAD) to accommodate a development known as Pursuit Park. The subject site is located within the Elliot Road Technology Corridor (ERTC), which was established to encourage high wage technology and manufacturing jobs to the area. Development of properties within the ERTC are encouraged to opt-in or develop to conform to the goals of the Corridor. Several land uses allowed by right within the LI zoning district are prohibited in ERTC. To ensure compatibility of the proposed development, the City of Mesa and the developer desire to enter into a development agreement to limit certain land uses on the property that would otherwise be permitted within the LI zoning district.

## Discussion

The ERTC was established to attract technology and manufacturing uses that will bring high wage and high-quality employment to the area. When the ERTC was established in 2014, the City determined that land use restrictions were necessary to ensure a mix of commercial and industrial uses to support this goal. The developer intends to construct four large-scale buildings that will accommodate general

industrial uses, including a certain percentage of warehousing and associated office uses. To create a high-quality development that provides opportunities for employment generating uses, this development agreement proposes to prohibit certain land uses on the property. Prohibited uses on the property are as follows:

- Correctional Transitional Housing Facility (CTHF)
- Clubs and Lodges
- Cultural Institutions
- Day Care Centers as a stand-alone use, allowed as a component of a service to on-site business and industry
- Places of Worship
- Schools, Public or Private
- Animal Sales and Services, including Kennels, Pet Stores, and Veterinary Services
- Artists' Studios
- Automobile Rentals
- Automobile/Vehicle Service and Repair, Major as a primary use, but allowed as an accessory use to a permitted use
- Automobile/Vehicle Service and Repair, Minor as a primary use, but allowed as an accessory use to a permitted use
- Automobile/Vehicle Washing: none allowed as a primary use, but allowed as an accessory use to a permitted use
- Large Vehicle and Equipment Sales, Services, and Rental
- Service Station
- Towing and Impound
- Building Materials and Services
- Commercial Recreation, Small-Scale and Large-Scale
- Eating and Drinking Establishments with Drive-Thru Facilities
- Farmer's Market
- Funeral Parlors and Mortuaries
- Live-Work Units
- All Marijuana Uses including, but not limited to, Recreational Dispensaries, Medical Dispensaries, and Cultivation Facilities
- Parking, Commercial
- Personal Services
- Plant Nurseries and Garden Centers
- Swap Meets and Flea Markets
- Tattoo and Body Piercing Parlors
- Recycling Facilities, including Reverse Vending Machines, Small Indoor Collection Facilities, and Large Collection Facilities
- Airport Land Use Classifications, including Aircraft Refueling Stations, Aircraft Light Maintenance, Airport Transit Stations, Airport Related Long-Term Parking Lots, Heliports
- Transportation Facilities
- Outdoor Entertainment or Outdoor Activities
- Outdoor Display
- Indoor Warehousing and Storage: as defined in the Mesa Zoning Ordinance under Section 11-86-5, limited to a maximum of 180,000 gross square feet or 20.1% of the buildings' collective gross interior floor area. If 50% or more of a

tenant's space is used for indoor warehouse and storage, the tenant's space shall be deemed Indoor Warehousing and Storage unless the Zoning Administrator determines the primary use is for research and development or manufacturing is for storing raw materials or completed product and is clearly subordinate to on-site research and development and manufacturing

To ensure compliance with the maximum Indoor Warehousing and Storage limitations, the developer will submit annual reports stating the total square footage for each tenant space to the Economic Development Director.

### **Alternatives**

The following alternatives are presented for consideration:

#### **APPROVE THE DEVELOPMENT AGREEMENT:**

Approval of the development agreement will ensure the proposed development is compatible with the ERTC, as well as the land use goals of the General Plan.

#### **NOT APPROVE THE DEVELOPMENT AGREEMENT:**

If Council chooses not to approve the development agreement, land uses that are undesirable and incompatible with the ERTC would be permitted.

#### **NO ACTION:**

If Council takes no action, the developer may not proceed with developing the proposed industrial project.

Staff recommends approval of 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 property as well as future sales tax revenues.

### **Coordinated With**

The development agreement was coordinated with the Development Services Department, the Office of Economic Development and the City Attorney's Office.