



City Council Report

Date: November 21, 2022
To: City Council
Through: Natalie Lewis, Deputy City Manager
From: Nana Appiah, Development Services Department Director
Christopher Hassert, Water Resources Department Director
Subject: Development Agreement for City Share Reimbursement
Avalon Crossing Ph. 1 – 10303 E. Williams Field Road
Council District 6

Purpose and Recommendation

The purpose of this report is to provide information on a proposed Development Agreement for City Share Reimbursement between Shea Homes Limited Partnership, a California Limited Partnership hereinafter referred to as “Developer”, and the City of Mesa, hereinafter referred to as “Mesa”, for the reimbursement of \$112,000.00 for regional waterline improvements that are being required by Mesa in conjunction with the proposed residential development known as Avalon Crossing Ph. 1, located at 10303 E. Williams Field Road, hereinafter referred to as “Development”.

Staff recommends Council approve the Development Agreement for Reimbursement of City Share and the Resolution authorizing the City Manager or his designee to sign the Development Agreement and any amendments/modifications.

Background

The Developer is proposing the construction of a residential subdivision known as Avalon Crossing Ph. 1, located at 10303 E. Williams Field Road, as shown on Exhibit A within the attached Development Agreement. The Development is subject to the regulations contained in Title Nine, Chapters Six and Eight of the Mesa City Code, which require the Developer to design and install the offsite improvements adjacent to the proposed development to Mesa standards. Offsite regional improvements are being required to ensure that Mesa’s minimum standards for transportation and infrastructure are maintained.

Discussion

Mesa is requiring the Developer to install regional waterline improvements along S. Crismon Road. Mesa proposes to financially participate in the regional improvement costs and will reimburse the Developer for Mesa's share of the costs as identified within Exhibit B of the attached Development Agreement for City Share reimbursement.

The Developer agreed to install the regional waterline improvements along S. Crismon Road and to follow the terms and conditions of the Development Agreement including the Developer providing Mesa with copies of all contracts, invoices, lien releases and proof of payments that clearly and accurately document the unit costs paid by the Developer for the regional offsite improvements that are the subject of the City Share.

In order for Mesa to reimburse the Developer for Mesa's share of project costs, Mesa must enter into the subject Development Agreement.

Alternatives

The alternative would be for Mesa to not enter into the Development Agreement. This would mean that the Developer would most likely not install any of the regional improvements that are necessary to provide for Mesa's infrastructure that are required to meet the overall regional need of the development of property within the area.

This alternative is not recommended at this time due to the public need to complete the regional improvements.

Fiscal Impact

The total estimated City Share is \$112,000.00. In accordance with Mesa's City Share policy and guidelines, if the estimated City Share exceeds \$112,000.00, the Developer is required to accept public bids for the improvements that qualify for City Share. The Developer has declined to offer all improvements that qualify for City Share through the public bidding, therefore the maximum City Share for this project shall be limited to \$112,000.00 (see Exhibit B within the Development Agreement for details on the costs and cost sharing).

Mesa's share of funding for the improvements is budgeted in the Water Resources Department's FY 2022/2023 budget (Fund 3107PLDG, Major Program CN0075EX05, Phase 120).

Coordinated With

The Development Services and Water Resources Departments concur with this recommendation.