



City Council Report

Date: April 5, 2021

To: City Council

Through: Natalie Lewis, Deputy City Manager

From: Christine Zielonka, Development Services Director
Veronica Gonzalez, Development Services Project Manager

Subject: Pre-Annexation Development Agreement with Pacific Proving, LLC and Legacy Cares, Inc. for approximately 337 acres located south of Williams Field Road on the east side of Ellsworth 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 pre-annexation development agreement with Pacific Proving, LLC (Property Owner) and Legacy Cares, Inc. (Developer) for a development known as Legacy Sports Park. The development is a 337-acre recreation facility located east of Ellsworth Road on the south side of Williams Field Road.

Background

The Property Owner has made a request to annex approximately 337 acres into the City limits for the development of a recreation facility. Upon annexation, approximately 295.3 acres will be comparably zoned Light Industrial (LI) and approximately 41.7 acres will be comparably zoned Agricultural (AG). The 41.7 acres will subsequently be rezoned to Leisure and Recreation (LR). The uses for the proposed development include batting cages, softball/baseball fields, pickle ball courts, soccer fields, volleyball courts and three large multi-purpose buildings that will accommodate various indoor sports and events. There is a significant economic benefit to the City associated with the proposed development that includes construction/building permit revenues generated by the proposed development. In addition, the proposed development requires significant investment in public infrastructure by the Developer to serve the subject site, including construction of streets and related water and sewer lines.

Due to these factors, the Property Owner, Developer and the City are proposing to enter into a PADA that addresses construction of public improvements, reimbursement to the Developer for the public improvements and prohibited land uses.

Discussion

The purpose of the development agreement is to facilitate future development of the property as well as provide for reimbursement for certain street improvements. The development agreement includes the following provisions:

Public Improvements:

The Developer will construct and dedicate to the City of Mesa street improvements, which may include pavement, curb, gutter, sidewalk, streetlights, traffic signals, storm drain, water lines and landscaping for:

- a) South side of Williams Field Road adjacent to the property. These improvements will include a water line.
- b) East side of Ellsworth Road adjacent to the property. These improvements will include a traffic signal to serve the development.

The development site is adjacent to the future alignment of Crismon Road along its eastern boundary. The City and the Developer have agreed to temporarily defer street improvements for Crismon Road. The deferral will end upon the earlier of one of the following:

- a) Rezoning of land in the southeast portion of the development site from LR to any other zoning designation.
- b) Construction of one or more buildings totaling 1,000 square feet or more within the area noted as "future site plan" on the proposed site plan along the east side of the property adjacent to the Crismon Road alignment (Exhibit A).
- c) Development on the east side of the Crismon Road alignment.
- d) Written notice from the City Manager.

At the end of the deferral period, the City Manager has the option to collect an in-lieu payment from the Property Owner and/or the Developer for the Crismon Road street improvements instead of constructing the improvements.

Reimbursement for Williams Field Road Improvements:

The City has agreed to reimburse the Property Owner up to \$1.5 million for the Williams Field Road improvements. The improvements to be completed by the developer would have been a part of a future City project that was included in the 2020 Mesa Moves bond election. In addition to expanding Mesa's street network, the Williams Field Road improvements will provide a public benefit by connecting future development planned for Gateway East at Phoenix-Mesa Gateway Airport to the SR24 Freeway.

To be eligible for the reimbursement, the Developer is required to bid and construct the improvements in compliance with Arizona Revised Statutes Title 34 and the City's public bidding procedures. The Developer must complete all street improvements for Williams Field Road and Ellsworth Road and those improvements must also be approved and accepted by the City prior to receiving any reimbursement.

Land Use Restrictions:

The Developer has agreed to certain land use restrictions on the property that are incompatible with the Mixed-Use Community District character designation of the General Plan and the Logistics and Commerce District of the Mesa Gateway Strategic Development Plan. The land use restrictions are as follows:

- a) Towing and impound
- b) Building materials and services

- c) Light fleet-based services
- d) Medical marijuana dispensaries
- e) Medical marijuana cultivation facilities
- f) Recreational marijuana dispensaries
- g) Parking, commercial
- h) Plant nurseries and garden centers
- i) Tattoo and body piercing parlors
- j) Recycling facilities
- k) Contractor's yards
- l) Mini-storage
- m) Outdoor storage
- n) Overnight RV parking and camping, except those participating in a scheduled sporting event on the property, for a period of not more than three consecutive days within any seven-day period

Maricopa County:

The proposed development has an established construction schedule to meet the timeline for an anticipated soft opening in November. Maricopa County has already issued certain building permits to the Developer to allow construction to begin. Close coordination between the two jurisdictions, which includes dual plan review, will continue until the property is annexed. Dual plan review allows Mesa to issue building permits immediately upon annexation to complete construction that was started under the Maricopa County permits as well as facilitate a smooth transition from one jurisdiction to the other.

Alternatives

The following alternatives are presented for consideration:

APPROVAL OF THE PRE-ANNEXATION DEVELOPMENT AGREEMENT.

Approval of the development agreement will facilitate the development of the recreation facility as well as provide street improvements for Williams Field Road and Ellsworth Road.

NO ACTION.

If the Council chooses not to approve the development agreement, the developer may not annex into the City limits and continue developing the proposed project in Maricopa County.

Staff recommends the City Council approve the PADA.

Fiscal Impact

The development agreement proposes a reimbursement of up to \$1.5 million to the Developer for their construction of Williams Field Road improvements. The funds to reimburse the Developer for the street improvements will come from the 2020 Mesa Moves bond program.

In addition, annexation will result in economic benefits to the City that include adding property to the tax rolls of the City and increased revenues derived from construction activities on the property.

Coordinated With

The PADA was coordinated with the Development Services Department, the Transportation Department, Water Resources and the City Attorney's Office.

Attachments: Exhibit A, Site Plan

The site plan illustrates the layout of a proposed multi-purpose sports and recreation facility. Key features include:

- Baseball Fields:** Two circular baseball fields are located in the lower-left quadrant, labeled "SOFTBALL BASEBALL".
- Multi-Purpose Fields:** Two rectangular multi-purpose fields are located in the center, labeled "BUDS 1A MULTI-PURPOSE" and "BUDS 3C MULTI-PURPOSE".
- Parking and Access:** A "BUS PARKING LOT" is situated near the center, and a "RYDER FLOW PARKING" area is located in the lower-right. A "FUTURE FREEMAN DIVISION" is indicated on the left side.
- Future Site Plan Area:** A large rectangular area on the right side is designated as the "FUTURE SITE PLAN AREA", containing numerous small rectangular units.
- Boundaries and Orientation:** The plan is bordered by a "FUTURE FREEMAN DIVISION" to the north and a "FUTURE SITE PLAN AREA" to the south. A north arrow is positioned in the top right corner.