



# City Council Report

**Date:** July 8, 2021  
**To:** City Council  
**Through:** Christopher J. Brady, City Manager  
Natalie Lewis, Deputy City Manager  
**From:** Christine Zielonka, Development Services Department Director  
Veronica Gonzalez, Development Services Project Manager  
**Subject:** Development Agreement Proposed Development Known as Elliot Gateway  
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 El Dorado Elliot 128, LLC (property owner) for a development known as Elliot Gateway. The development is approximately 40.5 acres and is located near the northwest corner of Elliot Road and Ellsworth Road.

Staff recommends the City Council approve the development agreement.

## Background

The property is located within the Elliot Road Technology Corridor (ERTC), but the property owner has chosen not to opt in to the ERTC overlay zoning. Instead, the property will be rezoned from Limited Commercial with a Planned Area Development Overlay (LC-PAD) and Planned Employment Park with a Planned Area Development Overlay (PEP-PAD) to Light Industrial with a Planned Area Development Overlay (LI-PAD). The purpose of the rezoning request is to accommodate future industrial and commercial development. Several land uses allowed in the proposed LI-PAD zoning district do not align with the goals of the ERTC or the property owner's intent to develop a high-quality development that integrates employment and retail services. To ensure compatibility with the ERTC, the City of Mesa and the property owner desire to enter into a development agreement to limit certain land uses on the property that are permitted within the LI zoning district.

## Discussion

The ERTC was established to attract high quality employment and technology related developments to the area. To support this goal, land use restrictions are subsequently imposed on properties upon opting in to the ERTC overlay zoning. In order to attract and retain a wide variety of high-quality industrial tenants, the property owner desires the flexibility to include uses such as light manufacturing,

warehousing and retail sales, which are prohibited if opting in to the ERTC overlay zone, in the development. Therefore, in an effort to create a high-quality development that will provide opportunities for employment generating uses with supporting commercial, the property owner has agreed to enter into a development agreement to limit 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
  - Kennels
  - Pet Stores
  - Veterinary Services
- Artists' Studios
- Automobile Rentals
- Automobile/Vehicle Repair, Major: none allowed as a primary use, but allowed as an accessory use to a permitted use
- Automobile/Vehicle Service and Repair, Minor: none allowed 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, limited to a maximum of one (1) facility
- Towing and Impound
- Building Materials and Services
- Commercial Recreation, Small-Scale and Large-Scale
- Eating and Drinking Establishments with Drive-Thru Facilities: limited to a maximum of two (2) 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
  - Reverse Vending Machines
  - Small Indoor Collection Facilities
  - Large Collection Facilities
- Airport Land Use Classifications
  - Aircraft Refueling Stations
  - Aircraft Light Maintenance

- Airport Transit Station
- Airport Related Long-term Parking Lots
- Heliports
- Transportation Facilities
- Outdoor Entertainment or Outdoor Activities
- Outdoor Display

## **Alternatives**

The following alternatives are presented for consideration:

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

Approval of the development agreement will ensure future uses on the property are compatible with the area, 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, undesirable and incompatible land uses such as marijuana dispensaries and cultivation facilities, swap meets and flea markets and tattoo and body piercing parlors would be permitted.

### **NO ACTION:**

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