

Staff Report

**REQUEST TO AMEND THE DEVELOPMENT PROPOSAL FOR THE INDUSTRIAL
SMALL-LOT TIF SUBDIVISION LOCATED AT 2105 & 2421 DAYTON AVENUE.**

August 23, 2022

BACKGROUND:

At the April 12th City Council meeting, the City Council directed staff to prepare a Development Agreement with Dayton Avenue Development, LLC for a new small-lot industrial development subdivision based upon described development terms and an incentive to use Tax Increment Financing (TIF) to support the infrastructure construction. Staff was directed to finalize a development agreement concurrent with the platting of the site and for the developer to obtain construction cost estimates prior to finalizing the agreement.

The developer's proposal was in response to a Request for Proposals (RFP) issued by City in 2021. One component of the RFP was to have a minimum of 6 "small lots" as part of the subdivision proposal and for the construction of speculative buildings on the small lots. Small lots were defined as lots between 1-3 acres in the RFP. Additionally, the RFP had a maximum lot size of 10 acres. **The proposal that City Council accepted in April consisted of a subdivision of 13 lots with 7 lots being 1-3 acres in size and 6 lots being between 3 and 10 acres in size. Speculative buildings were to be constructed on the small lots consistent with the proposed terms of the development agreement.**

Since April, the developer has moved forward in preparing subdivision plans. The subdivision will be located on 72.99 acres at 2105 & 2421 Dayton Avenue (Location Map-Attachment A). The proposed subdivision now includes 10 total lots. **At the previous City Council meeting, the City Council reviewed a letter from Chuck Winkleblack with Dayton Avenue Development, LLC requesting that the accepted development proposal from April be amended to 5 small lots between 1 and 3 acres and 5 large lots between 3 acres and 11 acres in size (Letter and Layout-Attachment B).**

The developer has indicated that in order to make required stormwater improvements and to accommodate businesses wanting to locate in the subdivision that the amended lot layout is most economically feasible. The changes results in three fewer total lots, two fewer small lots and one less large lot. Additionally, two of the lots slightly exceed the ten-acre maximum threshold of the RFP.

OPTIONS:

The applicant is requesting that the City Council accept an amended subdivision layout for

a small lot industrial subdivision at 2105 & 2421 Dayton Avenue of 5 small lots and 5 larger lot. Since only the City Council is authorized to accept this type of proposal and approve any subsequent Development Agreement with a TIF incentive, **the City Council must determine whether it is willing to accept an amendment to the April proposal.**

OPTION 1: Accept the amended Development Proposal of 5 small lots and 5 large lots with an allowance to enlarge the maximum lot size to 11 acres.

The City Council can choose to accept an amended proposal that changes the number of lots in the entire subdivision to 10 lots with 5 of those lots being between 1 and 3 acres in size and 5 of the lots being between 3 and 11 acres in size. The layout would be generally consistent with Attachment B.

This proposal maintains half of the proposed lots as small sized lots. If the Council believes that reducing the number of small lots from 7 to 5 as well as allowing a slight increase in maximum lot size for two lots still meet the intent of the RFP and justifies the use of a TIF incentive, then this option should be chosen. With this option the developer would proceed with review of the preliminary plat and return to the City Council for approval of the project and review of cost estimates this fall.

No other draft terms from April will be changed other than the subdivision layout exhibit.

OPTION 2: Decline to take any action and require the subdivision design from the original April proposal.

The City Council can decline to take any action and have the developer conform to the April proposal in order to proceed with a development agreement. With this option, the developer will need to provide staff with a subdivision plat that shows 7 small lots and ensure no lot exceeds 10 acres in size if they wish to pursue the development agreement described in April.

STAFF COMMENTS:

According to the developer, in order to meet stormwater requirements and to accommodate business that is already interested in located in the subdivision the proposed amendment is most viable. The basis for considering a Development Proposal for TIF was the inclusion of “small lots” and a set of guidelines that restricted the size that all lots could be in the subdivision.

Staff believes that with the new proposal having half of the lots as small lots still meets the original intent of the RFP for qualifying for TIF. While the number of small lots is reduced and the corresponding potential for speculative buildings, staff still believes that the five small-lot proposal achieves the goal of providing additional real estate for small business expansion. Staff also believes that allowing an increase in maximum lot size from 10 acres to 11 acres substantially conforms to the intent of the RFP.

Attachment A- Location Map



2105 & 2421 Dayton Avenue
Location Map



Attachment B- Amended Development Proposal

To: Honorable Mayor and City Council

From: Chuck Winkleblack

Date: Aug 4, 2022

RE: Dayton Ave Development

We have been working on our small lot industrial development on North Dayton Ave since we were last in front of council back in April. Since then, a few things have changed regarding the subdivision design and we wanted to make sure we had your approval to continue forward with the platting process.

The changes have been a result of working with end users that want to invest in our community. The preliminary layout that was in front of you in April had thirteen lots. Our present layout has ten lots.

The RFP indicated that we were not to have lots larger than 10 acres. We have two lots that are 10.64 and 10.67 acres. We are working with an end user to build on both lots and have crafted the layout to accommodate their design as well as for efficient development.

Our original design on the South side of the South entrance road had two lots approximately 2.5 acres in size. We are now working with an end user that desires to build a 35,000 to 40,000 SF building. The circulation for trucks and customer parking resulted in combining those two lots into one.

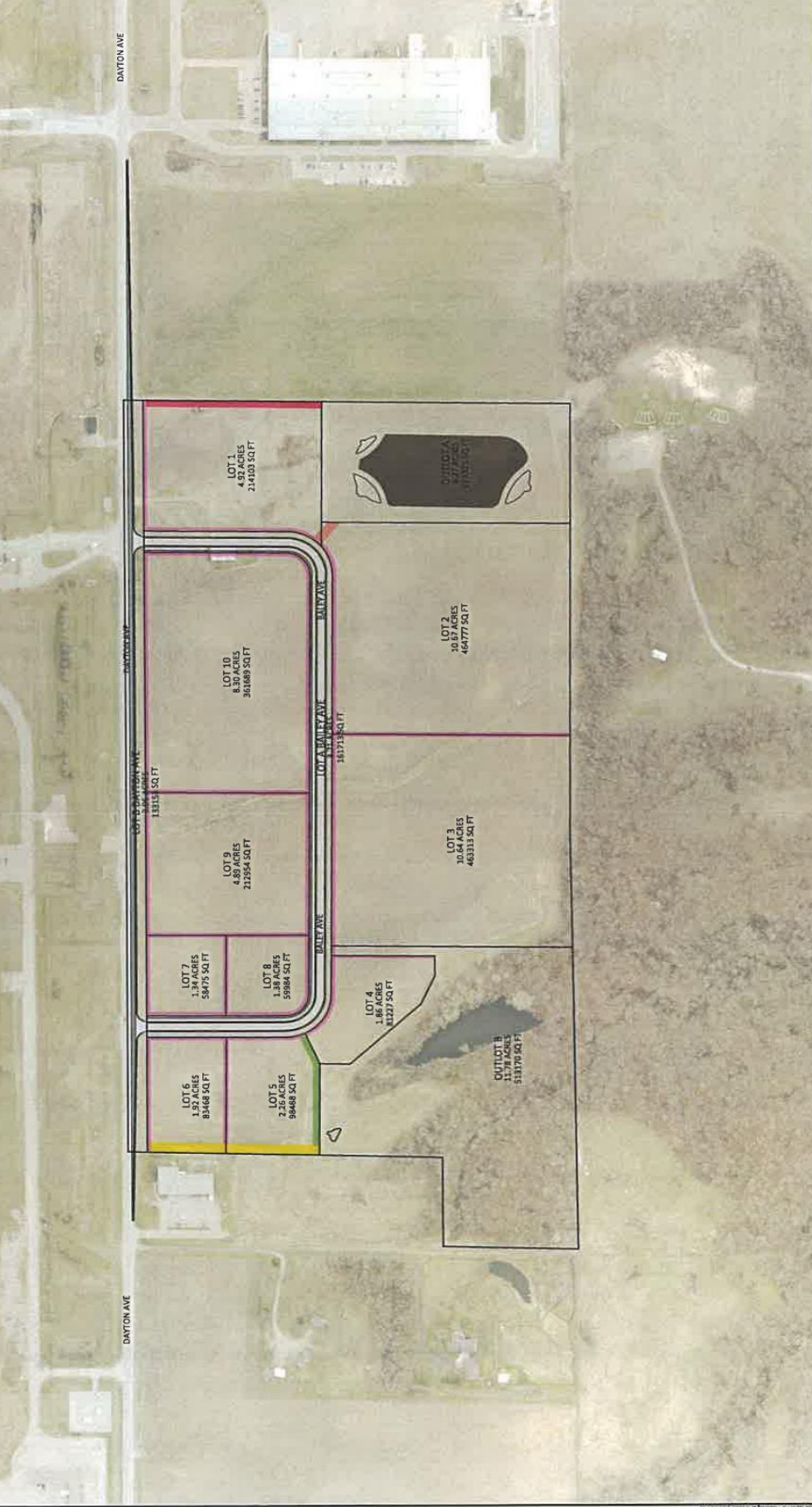
The surgical center lot (lot 10 on the attached plat) has grown as the design of the facility has evolved.

Originally, we had 3.8 acres in an outlet in the SW corner of the subdivision for storm water detention. In order to meet the code requirements for storm water detention the size of our outlet grew to 6.27 acres.

We still have five lots on the North end of the subdivision that are 2.5 acres or less in size were spec buildings could be built on.



- EASEMENT LEGEND
- PUBLIC UTILITY EASEMENT (P.U.E.)
 - ACCESS EASEMENT
 - STORM WATER FLOWAGE EASEMENT
 - STORM SEWER EASEMENT
 - STORM SEWER & ACCESS EASEMENT



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SCALE
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 FEET

HUNZIKER DEVELOPMENT
 2105 DAYTON AVE
 OVERALL LAYOUT

SHEET
PP.03