



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

May 1, 2019

DEPARTMENT:

City Administration

DIVISION:

Administration

- Motion
- Resolution
- Ordinance - Introduction
- Ordinance - Adoption
- Public Hearing

TITLE:

Development Agreement: Castle Dome

SUMMARY RECOMMENDATION:

Approve the terms of the Castle Dome Development Agreement in substantial form and authorize the City Administrator to negotiate and sign the necessary documents on behalf of the City for the development of a mixed-use project to include a hotel and commercial and residential uses on an approximately 25-acre vacant parcel located north of the intersection of Castle Dome Avenue and 8th Street (City Administration) (Greg Wilkinson).

REPORT:

The Castle Dome Development Agreement, among other things, establishes the framework for the development of the approximate 25 acre property north of the intersection of Castle Dome Avenue and 8th Street (Property). The Property is immediately adjacent to the PAAC and shares a common boundary. The Property is currently zoned General Commercial (B-2) within the Aesthetic Overlay (AO) and has a general plan designation of High Density Residential which will allow residential development through a rezone to the High Density Residential (R-3) District.

The Nelson Family Trust, the Kerry & Gail Schimpt Trust and Kyle P. Nelson (Owners) seek to develop the Property to its full potential. Owners acknowledge the PAAC is a fully operational public regional park and sports complex with numerous weekly, monthly and yearly events open to, and well attended, by the public. Owners recognize the proximity to the PAAC offers unique benefits for the Property and believe a mixed use development is the most appropriate use of the Property. Of these mixed uses, the Owners have obtained a commitment from Medallion Hospitality to construct and operate a dual-concept hotel serving the travel needs of casual, business and extended-stay customers. In addition to the hotel use, the Conceptual Plan in the Development Agreement anticipates future uses for the Property that maximize the synergy created by the PAAC operations and include commercial uses such as restaurants and retail facilities as well as a residential component.

The Development Agreement requires the Owner to, no later than six months from the effective date of the Development Agreement, submit a rezoning application, consistent with the conceptual plan for the two parcels comprising approximately 15 acres on the northern portion of the Property from General Commercial (B-2) District to the High Density Residential (R-3) District.

Additionally, the Development Agreement sets forth the public infrastructure improvement obligations of the Owner which include:

- The payment of a one-time fee to City of Yuma in the amount of \$279,830.00 for Owners share of the costs associated with the street improvements to the intersection of Castle Dome Avenue and Giss Parkway/ 8th Street; and
- The imposition of a 1% development surcharge on all transactions or activities now or hereafter subject to any transaction privilege taxes levied or imposed under the City of Yuma Tax Code that occur within each hotel, motel or temporary lodging developed on the Property for a period of seven years and payable to the City of Yuma for Owner's share of the 8th Street and Pacific Avenue Improvements (this surcharge is similar in operation to the 1% room surcharge imposed on the Home 2 Suites Hilton and the Hilton Garden Inn developments); and
- Owner's obligation to construct and dedicate, at its sole cost and expense, the extension of Castle Dome Avenue north of 8th Street, indicated in the Development Agreement.

The Development Agreement also contains provisions relating to the (i) payment of the full Development Fees and full Water and Sewer Capacity Fees; and (ii) the formation of Maintenance Improvement Districts for the purpose of providing irrigation and maintenance of landscaping, drainage, and storm water retention areas adjacent to and along the public roadways and internal roadways/pathways within the proposed district on the Property; and (iii) Owners obligation to grant to Yuma an easement for police, fire, ambulance, garbage collection, wastewater line installation and repair, and other similar public purposes, over any private streets within the Property.

By adopting this resolution, Mayor and City Council direct the City Administrator to execute the Development Agreement, which provides for the orderly development of the Owners Property. Additionally, adoption of the resolution will require the Owners to submit a rezone application for the residential component which will be presented for City Council consideration in the near future.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	<ol style="list-style-type: none"> 1. 2. 3. 4. 5. 			
<p>IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?</p> <p> <input type="radio"/> Department <input checked="" type="radio"/> City Clerk's Office <input checked="" type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified </p>				
SIGNATURES	CITY ADMINISTRATOR:			DATE:
	Gregory K. Wilkinson			4/22/2019
	REVIEWED BY CITY ATTORNEY:			DATE:
	Richard W. Files			4/22/2019
RECOMMENDED BY (DEPT/DIV HEAD):			DATE:	
K. Scott McCoy			4/12/2019	
WRITTEN/SUBMITTED BY:			DATE:	