



City of Maricopa

Legislation Text

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The Mayor and City Council shall discuss and possibly take action on the approval of a Master Planning and Marketing Agreement with J & J Commercial Properties Inc. doing business as CPI (Arizona) for the planning, design, marketing, disposition and future development of Copper Sky Commercial for a mixed-use site to include a hotel user in the first phase. The Agreement is for three years ("Initial Term") with a possibility to extend for three (3) additional one (1) year terms. Discussion and Action.

Copper Sky Commercial Background Information:

On February 13, Economic Development Staff published a Request for Proposals seeking to sell or ground lease for development certain properties strategically to advance development goals and to take advantage of market opportunities. The intent was to select one (1) or more teams with a vision, experience, financial strength and capacity to transform Copper Sky Commercial site into a high-quality mixed-use destination to complement Copper Sky Multigenerational Recreation Complex and delivers significant social and economic impact.

Commercial development has not kept pace with the community's rapid growth and there is a critical need for new space. Maricopa has incredibly low vacancy rates in all commercial disciplines; in the fourth (4th) quarter of 2017, Co-Star reported vacancy rates for office, industrial and retail space as 0.0%, 0.3% and 1.6% respectively. Additionally, there is an estimated retail leakage of more than three hundred sixty eight (\$368) million per year with leakages in most retail categories. Maricopa residents have grown tired of traveling to other cities for the goods and services they need. With a median household income of more than sixty six thousand dollars (\$66,000), Maricopa residents are looking to spend their money close to home.

Copper Sky Commercial Site is a premier eighteen (18) acre development site owned by the City of Maricopa (City). The site offers great visibility and more than one thousand one hundred (1,100) feet of frontage on State Route 347, Maricopa's main retail corridor and north-south connection to I-10 and I-8. The site is adjacent to the City's new one hundred twenty (120) acre Copper Sky Recreation Complex. Comprised of the fifty two thousand (52,000) square foot Copper Sky Multigenerational/Aquatics Center and ninety-acre (98)-acre Copper Sky Regional Park, the complex is a year-round destination for sports, fitness, and recreation and leisure activities. It also hosts regional athletic tournaments and special community events, and is a growing tourism draw. The regional park attracted five hundred thousand (500,000) visitors in its first year, and has become the center of activity in Maricopa.

The ultimate vision of Copper Sky Commercial is a destination at that can provide hospitality amenities, dining options, attract new retailers to the community while creating a sense of place in the City for people to congregate, enjoy and spend disposable income. The RPF was used to identify development firms with a solid track record of mixed-use retail center development, experience working with eateries unique to the region and national brand hoteliers.

Master Planning and Marketing Agreement Summary:

CPI agrees to provide a master plan, building designs, draft Covenants, Conditions and Restrictions and marketing services for Copper Sky Commercial. In exchange for the services provided pursuant to this Agreement, and provided CPI has obtained an executed Letter of Intent for a hotel commitment for the Premises for an extended stay with 100 rentable units (or a lesser amount of rooms as agreed upon

by CPI and the City) will be opened at or around July 1, 2020 during the term of this Agreement. CPI will have the right to in the City's sole discretion, to either purchase the Premises or lease the Premises with an option to purchase the Premises in the Future. Upon receipt of notice from CPI, City and CPI will begin negotiating a Disposition and Development Agreement ("DDA") for the sale or lease and development of the Premises.

Economic Development Strategic Goal:

The Council adopted Economic Development Strategic plans identifies **Goal 2** as Invest in infrastructure, quality of life and other improvements that will assure Maricopa's ability to successfully compete for and retain, recruit, and grow firms and quality jobs in the targeted economic sectors.

Staff recommends the Mayor and Council approve a Master Planning and Marketing Agreement for the Initial Term of three years with CPI, Inc.