

# DEVELOPMENT SERVICES STAFF REPORT

**Council Meeting Date:** May 21, 2024

## ACTION

### Request to consider:

Adopt Ordinance O24-05-03 to abandon the roadway rights-of-way along Butler Drive from Dysart Road to 127th Avenue Alignment and 129th Avenue from Butler Drive to Northern Parkway.

### Goal/Purpose of Request:

The applicant is requesting the abandonment of the rights-of-way along the new Butler Drive between Dysart Road and 127th Avenue Alignment and along 129th Avenue between Butler Drive and the Northern Parkway. The applicant, on behalf of the owner of Maricopa County Assessor Parcel Nos. 501-45-986 and 501-45-985 (collectively, the "Property"), is proposing to convert the future use of the Property from industrial warehouses to a data center.

### Location

The general location of the proposed roadway abandonment is shown in blue:



## **Owner**

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DPML Copperwing, LLC  
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## **Applicant**

Stephen W. Anderson  
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## **Background**

Maricopa County Department of Transportation (MCDOT) and the cities of Glendale, Peoria and El Mirage entered into an Intergovernmental Agreement dated December 26, 2008, to identify and define the responsibilities of the County and the cities for cost sharing, design, construction, construction management, rights-of-way acquisition, utility relocation, and maintenance of the Northern Parkway Project. As part of the Northern Parkway Project, MCDOT designed and constructed Butler Dr between Dysart Rd and 127th Ave Alignment and 129th Ave between Butler Dr and the Northern Parkway.

## **General Plan, Zoning & Land Use**

The 2020 General Plan Land Use Map identifies the site as being part of the Commerce and Industrial Park Planning Area and is compatible with the plan. The site is zoned Employment/Industry (EI) and the proposed data center use requires a conditional use permit for approval.

## **ARS 28-8481 Land Use Compatibility**

The site is located inside the Luke Air Force Base (LAFB) Noise Contour Zone and is subject to A.R.S 28-8481, land use compatibility regulations.

## **Ownership of Roadways**

As part of the abandonment process, Maricopa County will relinquish its interests and easements located within the subject roadway at a Board of Supervisors' meeting to be held on May 22, 2024, leaving the City as the sole owner of roadways.

## **Public Utilities**

The applicant has also requested the abandonment of the current Public Utility Easements (PUEs) within this area; however, this Council action request may not include the PUEs abandonments at this time as the utility companies currently using the easements will have to agree on the abandonments and to relocate their facilities, if any.

## **Community Involvement**

Businesses along both sides of Butler Drive, between 125<sup>th</sup> Avenue and 127<sup>th</sup> Avenue alignment, were visited by the Economic Development Manager on May 9, 2024, to inform them about the roadway abandonment request.

## **Traffic Impact Analysis**

A Traffic Impact Study was completed on April 8, 2024. The report presented the analyses and results of the proposed land use of the LogistiCenter at Copperwing development and the impacts of removing the Butler Drive extension and 129th Avenue. The proposed development will replace the combined 2,056,550 square feet of buildings planned for industrial park use, with three buildings totaling 750,000 square feet, planned for data center use. The capacity analysis results from the year 2040 future conditions demonstrate the same levels of service with and without the Butler Drive extension and 129th Avenue improvements. The evaluation of projected traffic volumes, capacity, and queueing demonstrate that the additional traffic generated by the proposed development, combined with the removal of the Butler Drive extension and 129th Avenue, is anticipated to result in minimal traffic impacts to the future 2040 roadway network, with minimal impact to neighborhood circulation and Northern Parkway. No mitigations were recommended as the result of the removal of the Butler Drive extension or 129th Avenue. However, if City Council approves abandonment of the roadways at issue, City staff recommends that the City require that the developer construct a public cul-de-sac at the west end of the original Butler Drive (by 127<sup>th</sup> Avenue alignment) within twelve months from the effective date of an abandonment development agreement that will be presented concurrently with the abandonment ordinance.

## **Economic/Valuation Analysis**

As part of the stipulations to this request, the applicant contracted with First Appraisal Services to complete an appraisal report for the valuation of the proposed roadways to be abandoned.

The final appraisal report indicates the value of the proposed abandonment as \$9,664,600; however, the appraisal included a “35% discount for assemblage” (page 59 of the appraisal report) or \$1,100,400. The discount for assemblage does not apply in this case as it is understood the request for the roadway abandonment is to assemble the land to the adjacent parcels (APN 501-45-986 & APN 501-45-985), so the appraised value of the abandonment, not including the discount, is \$10,765,000. In addition, the Dysart Rd project includes certain improvements related to Butler Drive, the cost for these improvements is estimated at \$50,000.

To ensure a fair payment to the Northern Parkway Partners and the City of El Mirage, the owner has agreed to compensate the Partners for the actual cost of design, land acquisition and construction in the amount of \$8,000,000. The owner has also agreed to compensate El Mirage to cover the value of the abandoned roads in the amount of \$3,279,000. The total amount to be paid by the owner is \$11,279,000 which exceeds the appraised value and additional cost related to improvements to Butler Drive included in the Dysart Road project. In addition, Owner will cover the costs of constructing a public cul-de-sac at the east end of Butler Drive.

If the request for abandoning the roadways is approved, then additional cost will be saved as road maintenance and street lighting usage will not be required.

## **Compliance with Arizona Revised Statutes**

Pursuant to A.R.S. § 28-7202 and 28-7208, if the City Council determines that the subject roadways are not necessary for public use, and the City has or will receive consideration that the Council believes is commensurate with the value of the roadways, the City Council may abandon the roadways to abutting property owners. Upon review of the abandonment application and careful consideration of the traffic impact study and valuation analysis, City staff believes this roadway abandonment request meets the statutory requirements and recommends that the City Council proceed with approving the same.