

Print

Back to Calendar

Return

Previous

Next

I.4

**City Council Regular Meeting**

**Meeting Date:** 05/01/2017

**Recommended by:** Larry Rains                      **Prepared by:** Larry Rains, City Manager

**Finance Director Review:** Celina Morris

**City Attorney Review:** Brett Wallace

**Approved by:** Larry Rains                      **Date Submitted:** 04/25/2017

**Type of Action Requested:** Resolution

**SUBJECT:**

Adopt a Resolution approving the Development Agreement between the City of Casa Grande and Nelson Commercial Properties for the proposed LKQ Corp. project site.

**RECOMMENDATION:**

Staff recommends the Mayor and City Council adopt the resolution approving the development agreement for the property encompassing the proposed LKQ project, and authorize the City Manager to execute the agreement.

**DISCUSSION:**

LKQ Corporation is an S&P 500 company and a leading provider of alternative and specialty parts to repair and accessorize automobiles and other vehicles. They are the leading distributor and marketer of specialty aftermarket equipment, accessories, mechanical and collision alternative parts. LKQ was initially formed in 1998 through the combination of a number of wholesale recycled products businesses located in Florida, Michigan, Ohio and Wisconsin. They subsequently expanded through internal development and over 220 acquisitions of aftermarket, recycled, refurbished, and remanufactured product suppliers and manufacturers; self service retail businesses; and specialty vehicle aftermarket equipment and accessories suppliers. They have now selected Casa Grande as one of their key southwestern locations.

Nelson Commercial Properties will acquire approximately 140 acres on the northwest side of Thornton and Peters Roads and will construct a 100,000 square foot building, with an approximate capital investment of \$25 million, for LKQ Corp. LKQ will hire approximately 55 full-time employees at start-up with an average wage of at least \$45,455 each, with the intent to expand to 80 full time employees with estimated annual wages of nearly \$3.6 million.

The development agreement establishes a construction commencement date within 12 months from the closing of the land deal. Nelson shall complete the project within 28 months after the commencement date. However, they are estimating a completion date on September 1, 2018. The development agreement also requires Nelson to construct, at its own expense, the offsite improvements necessary to serve the development with the exception of the future expansion of Thornton and Peters Roads. The expansion of these roads in this industrial corridor will be borne by the City when traffic warrants or various triggers in other development agreements require such. There is a provision within the agreement that specially discusses the abandonment or relocation of the SCIDD canal. Nelson has agreed to fund an escrow with \$200,000 should the City be required to relocate the canal as part of the expansion of Thornton Road. If the funds are not utilized, they will be refunded by the City.

The Planning and Zoning Commission voted unanimously to approve the major site plan and conditional use permit for this project at its April, 2017 meeting.

**FISCAL IMPACT:**

There is no immediate fiscal impact on the City as the Nelson Corp is responsible for the costs associated with planning, permitting, and infrastructure costs to serve the development. The City will be responsible for cost associated with expanding Thornton and Peters Roads in future fiscal years.

**ALTERNATIVES:**

Deny agreement