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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 11/13/2014**  
**Agenda Item: 6B6**

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**ACTION:** Introduce and hold the first public hearing to adopt an ordinance authorizing the Mayor to execute a development agreement, a land and improvements lease, a memorandum of lease and additional documents with Hayden House, LLC, with respect to the project to be constructed at Mill Avenue and Rio Salado Parkway. The second and final public hearing is scheduled for December 4, 2014. (Ordinance No. O2014.71)

**FISCAL IMPACT:** The City will be entitled to retain all revenues from night/weekend parking rights for 50 spaces granted in the development agreement over a 20-year term for a value of approximately \$816,900. These funds will be deposited into the General Fund.

**RECOMMENDATION:** Adopt Ordinance No. O2014.71.

**BACKGROUND INFORMATION:** Hayden House, LLC ("Developer") is moving forward with development of the real property at the Southwest corner of Mill Avenue and Rio Salado Parkway. The project includes a 274 room Kimpton Hotel, 281,319 square feet of Class A Office space, retail uses and 1,100 parking stalls (six levels above grade, three levels below grade). The project is projected to be valued at close to \$200 million dollars. As part of the Development Agreement, the Developer will agree to (a) grant the City a conservation easement for the facade of and airspace above, the historic Hayden House, (b) restore the historic Hayden House, (c) grant the City an easement for a pedestrian pathway allowing access through the project to Tempe Beach Park from the light rail station located south of the project, and (d) allow the City to use the ground level (50 spaces) of its parking garage nights/weekends and to retain all income from such use for a period of 20 years. The City will provide the Developer with an 8-year GPLET abatement pursuant to Resolution 2010.76.

**ATTACHMENTS:** Ordinance, Development Agreement

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