
CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**Council Meeting Date: 11/12/2015**
Agenda Item: 6C1

ACTION: Hold the second and final public hearing to adopt an ordinance authorizing the Mayor to execute a subordinate parcel development agreement, a deed, a land and improvements lease, a memorandum of lease and additional documents with Jefferson Town Lake Apartments, L.L.C. with respect to the project to be constructed at 909 East Playa del Norte Drive. (Ordinance No. O2015.45)

FISCAL IMPACT: The Master Development Agreement for Playa del Norte (C2001-206C) (the "DDA"), executed in 2003, provides for an 8-year Government Property Lease with an 8-year abatement of the Government Property Lease Excise Tax. The DDA also provides for the sale of certain City-owned property at a specified price. The proceeds from the sale of Lot 3A will be \$50,686; which will be deposited into the City's General Fund. The subordinate parcel development agreement provides for the relocation of a 30-inch City waterline which Jefferson Town Lake Apartments, LLC will perform. Per the subordinate parcel development agreement, the City will reimburse Jefferson Town Lake Apartments, LLC for the costs of the waterline relocation which are anticipated to not exceed \$1.9 million. Sufficient fiscal year 2015-16 funding for reimbursement of the costs of the waterline relocation is appropriated in CIP project 3299989, Water System-Upgrades, Repairs and Replacement.

RECOMMENDATION: Adopt Ordinance No. O2015.45.

BACKGROUND INFORMATION: The DDA covered development of multiple parcels within Playa del Norte, and authorized an 8-year abatement of the GPLET for eligible properties. The DDA also authorized the sale of certain City-owned property at a specified price. Since the execution of the DDA, the laws governing the GPLET have changed and now require approval of the lease by a simple majority of the City Council on a non-consent agenda. Although the City already is obligated to enter the lease, because the lease was not signed within 10 years of the original DDA, the City must now comply with the new statutes. Pursuant to A.R.S. §42-6209.C, the City has notified the governing bodies and school districts in which the government property improvement will be located.

The subordinate parcel development agreement also provides for the City to reimburse the costs incurred by Jefferson Town Lake Apartments (JTL) related to the relocation of a 30" waterline that currently affects JTL's property.

ATTACHMENTS: Ordinance, Subordinate Parcel Development Agreement

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Department Director: Dave Nakagawara, Community Development Director
Legal review by: Cynthia McCoy, Assistant City Attorney
Prepared by: Alex Smith, Real Estate Development Manager