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**CITY OF TEMPE  
REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 02/26/2015  
Agenda Item: 5C4**

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**ACTION:** Adopt a resolution authorizing the Mayor to execute a development agreement with Tempe Campus Lot 8, LLC relating to a project within the Discovery Business Campus. (Resolution No. R2015.19)

**FISCAL IMPACT:** As part of the development agreement, the City will waive up to \$250,000 in permit fees in connection with the project. In addition, the City will enter into a 20 year Government Property Lease Excise Tax (GPLET) Lease, with no abatement. The City will concurrently enter into a Naming Rights Agreement with The Northern Trust Company (“TNTC”) under which the City will be paid approximately \$7.3 million over a 20 year period, with the funds applied to a future endowment fund for The Tempe Center for the Arts.

**RECOMMENDATION:** Adopt Resolution No. R2015.19.

**BACKGROUND INFORMATION:** Tempe Campus Lot 8, LLC has been negotiating a lease with TNTC for construction of a regional operations center on Lot 8 of Discovery Business Campus. The project entails the construction of three buildings containing a total of 450,000 square feet of Class A office space and associated structured parking, in four phases, and will require a capital investment of approximately \$95 million. The project will create approximately 1,000 new jobs, with an average salary of approximately \$82,000. The project will also produce \$1 million dollars in transaction privilege tax revenue. If a lease with TNTC is signed, then the City will concurrently enter into a naming rights agreement with TNTC in which the City will be paid the savings realized under the GPLET lease over a period of 20 years in exchange for the naming rights for Tempe Center for the Arts (“Tempe Center for the Arts, sponsored by Northern Trust”). Discovery Business Campus is not in the Central Business District and therefore does not qualify for the abatement of GPLET in lieu tax.

**ATTACHMENTS:** Resolution, Development Agreement

**STAFF CONTACT(S):** Donna Kennedy, Economic Development Director, (480) 858-2395

Department Director: Donna Kennedy, Economic Development Director  
Legal review by: Cynthia McCoy, Assistant City Attorney  
Prepared by: Shannon Selby, Business Development Officer