

## Staff Summary Report



**Council Meeting Date:** 07/2/09

**Agenda Item Number:** \_\_\_\_\_

**SUBJECT:** Request approval of a resolution authorizing the Mayor to execute a Development Agreement between the City and 101/ 202 Holdings, L.L.C., an Arizona limited liability company, Miravista Holdings, L.L.C., an Arizona limited liability company and NNE, LLC, an Arizona limited liability company

**DOCUMENT NAME:** 20090702cdnr01 **COMMUNITY DEVELOPMENT ADMIN. (0406) RESOLUTION NO. 2009.70**

**SUPPORTING DOCS:** Yes

**COMMENTS:** The property is also known as Tempe Marketplace Phase II.

**PREPARED BY:** Nancy Ryan, Rio Salado Project Manger (x. 8096)

**REVIEWED BY:** Chris Salomone, Community Development Manager (x 8294)

**LEGAL REVIEW BY:** Cynthia McCoy, Assistant City Attorney (x. 2187)

**FISCAL NOTE:** The agreement contains a property tax reduction. The term of the lease that implements the property tax reduction may not exceed 40 years, and includes an abatement of the Government Property Lease Excise Tax for a period of 8 years. Developer is required to make an annual in lieu payment. The agreement also includes a waiver of certain development fees and permits formation of an improvement district to fund construction of certain public infrastructure. These items are needed to overcome the extraordinary costs of developing this site

**RECOMMENDATION:** Request approval of Resolution as presented.

**ADDITIONAL INFO:** In 2003 the Council approved a master development agreement for the Tempe Marketplace development. This agreement outlined the developer's responsibilities for site preparation and the installation of infrastructure, and the City pledged a variety of financial tools to help offset those extraordinary costs. As contemplated by the Master Agreement, this Development Agreement will govern Phase II of the Marketplace Development.

**RESOLUTION NO. 2009.70**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF TEMPE AND 101/202 HOLDINGS, L.L.C., MIRAVISTA HOLDINGS, L.L.C. AND NNE, LLC.**

**WHEREAS**, City and Miravista Holdings, LLC, are parties to that certain City of Tempe Marketplace Redevelopment Agreement (Loop 101 and Loop 202) (c2003-174), dated as of September 25, 2003, as amended and supplemented (the "Master Agreement"), pursuant to which City and Miravista agreed on certain parameters to govern development of land identified therein as the Master Developer Property.

**WHEREAS**, Miravista Holdings, LLC, 101/202 Holdings, L.L.C. and NNE, LLC ("Owners") own certain real property within the City of Tempe which constitutes Phase Two of the Project, as defined in the Master Agreement (the "Property").

**WHEREAS**, the Property is located within the Redevelopment Area established by City pursuant to Resolution No. 2001.44 dated September 13, 2001, as amended by Resolution No. 2002.51 dated January 9, 2003 (the "**Redevelopment Area**").

**WHEREAS**, pursuant to Section 6.3 of the Master Agreement, Owners desire to enter a Development Agreement to provide for certain matters pertaining to the Property.

**WHEREAS**, City and Owners believe that the development and redevelopment contemplated in and required by the Development Agreement will result in improvements to, and new uses of, portions of the Redevelopment Area, and will benefit the City and the public in general, and that the Development Agreement is consistent with, and will further the redevelopment goals of, the Slum Clearance and Redevelopment Act of the State of Arizona, A.R.S. §36-1471, et seq., and the Redevelopment Plan approved by the City in Resolution No. 2002.51 dated January 9, 2003, as amended (the "**Redevelopment Plan**") to provide a guideline for redevelopment and other activities in the Redevelopment Area.

**WHEREAS**, City finds and determines that it will, directly or indirectly, realize substantial tangible and intangible benefits from Owners' performance of their obligations under the Development Agreement, including, but not limited to, the redevelopment of a key

area within the City, increased tax revenues, increased opportunities for employment within the City, creation and retention of jobs in the City, increased tourism, expansion and improvement of available public parking facilities within the City in general and the Redevelopment Area in particular, and will otherwise improve or enhance the economic welfare of the inhabitants of the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, as follows:**

Section 1: That the Mayor is authorized to execute the Development Agreement (No. C07-\_\_\_\_\_), a copy of which is on file with the City Clerk's office and to take such further actions execute such additional documents as are necessary to implement its terms.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF TEMPE, ARIZONA, this \_\_\_\_\_ day of \_\_\_\_\_, 2009.**

\_\_\_\_\_  
Hugh L. Hallman, Mayor

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO FORM:

\_\_\_\_\_  
CITY ATTORNEY