



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 3/20/2014
Agenda Item: 5C2

ACTION: Adopt a resolution authorizing the Mayor to execute an Assumption and Modification Agreement with Tellurian Development Company relating to real property within Phase II of Tempe Marketplace, located at 2060 East Rio Salado Parkway. (Resolution No. R2014.24)

FISCAL IMPACT: The proposed amendments to the Development Parcel Agreement will result in no fiscal impact to the City. The proposed amendment to remove the waiver of certain development fees may result in additional General Fund revenues depending on the type of development completed. The remaining financial terms of the Development Parcel Agreement remain the same.

RECOMMENDATION: Adopt Resolution No. R2014.24.

BACKGROUND INFORMATION: On July 2, 2009, City entered a Development Parcel Agreement (Business Park Parcel) [C2003-174C], relating to development of Phase II of Tempe Marketplace (the "Original DPA"). Since then, Tellurian Development Company has acquired title to certain property covered by the Original DDA and desires to assume the burdens and benefits of the Original DDA with respect to the property it owns, in accordance with Section 7.15 of the Development Agreement, and to amend the Original DDA in certain respects as it relates to the Tellurian Properties. The proposed amendments include:

- deleting the section of the Original DDA that would have allowed for an Improvement District;
- providing a new schedule of performance that would require start of construction by July of 2018;
- delete the section pertaining to the existing conceptual site plan;
- delete the section that contemplated the City accepting part of the land as a public park;
- delete the section that would have required waiving processing fees for multi-family development;
- delete the section that required a PAD to be submitted for the entire site. A PAD may or may not be required depending on what is submitted and Tellurian does not own all of the property identified in the original DDA.

ATTACHMENTS: Resolution, Assumption and Modification Agreement

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Department Director: David Nakagawara, Community Development Director

Legal review by: Cynthia McCoy, Assistant City Attorney

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