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

**Council Meeting Date: 07/30/2015**  
**Agenda Item: 6C4**

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**ACTION:** Hold the second and final 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 Opus Development Company, L.L.C. with respect to the project to be constructed at Forest Avenue and University Drive. (Ordinance No. O2015.32)

**FISCAL IMPACT:** The City will receive \$3,441,746 in payments from developer over a 15-year period. These funds will be deposited into the General Fund.

**RECOMMENDATION:** Adopt Ordinance No. O2015.32.

**BACKGROUND INFORMATION:** Opus Development Company, L.L.C. (“Opus” or “Developer”), a nationally recognized leader in development is moving forward with the development of a mixed-use, high-rise infill project located on a 3.22-acre site bounded by University Drive on the south, 7th Street on the north, Myrtle Avenue on the west and Forest Avenue on the east (the “Site”).

The project includes a 12 story residential tower including 22 city homes for rent, a 20 story residential tower, both totaling approximately 453 units, an approximately 14 story hotel with ±230 hotel rooms, 1,040 parking spaces, and approximately 30,000 square feet of retail space. 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) Prepare and record a Condo plat for the residential portion of the project, (b) provide 227 parking spaces available for use by the general public, (c) contribute \$3,441,746 to the City’s general fund over the course of 15 years, (d) provide public gathering spaces, (e) Donate an aggregate \$100,000.00 to the Tempe Union High School Foundation and the Tempe Impact Education Foundation and (f) allow City to use the amenity space in the top floor of the 20-story residential tower for city meetings or conferences up to 30 hours per year.

The City will provide the Developer with an 8-year GPLET abatement pursuant to Resolution No. 2010.76.

Letters for support of the project have been provided by local stakeholders including DMB, Arizona Distilling Company, Tilted Kilt, Raising Cane’s Chicken Fingers, Macayos Depot, Student Book Center, NCounter, World of Beer, and Arizona Fine Interiors.

**ATTACHMENTS:** Ordinance, 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: Donna Kennedy, Economic Development Director