



**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 11/03/2016
Agenda Item: 6C4**

ACTION: Hold the second and final public hearing to adopt an ordinance authorizing the leasing and conveyance of the real property located within Lot 1 of Hanover Mill Avenue, 101 W. 5th Street, and the execution of related lease documents, including a land and improvements lease and a memorandum of lease. (Ordinance No. O2016.58)

FISCAL IMPACT: The Amended and Restated Development Agreement for Lots 2 and 3 of Centerpoint Plaza Three (C2004-1281), executed in 2013, provides for a combination of economic incentives, including a Government Property Lease option with the abatement of the Government Property Lease Excise Tax.

RECOMMENDATION: Adopt Ordinance No. O2016.58.

BACKGROUND INFORMATION: Pursuant to the economic incentives provided in the Restated Development Agreement (DA), Mill Avenue Apartments Limited Partnership, successor in interest to the Tempe Land Co., is seeking a (2) two year government property lease for the subject property. Since the execution of the original DA in 2004, the laws governing the government property leases 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 is already obligated to enter the lease, because it was not signed within 10 years of the original DDA, the City must now comply with the new statute requirement. Pursuant to A.R.S. §42-6209.C, the City has notified other governing bodies and school districts in which the government property improvements will be located at least sixty days prior to the adoption of the ordinance.

ATTACHMENTS: Ordinance, Lease

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Department Director: Jeff Tamulevich, Interim Community Development Director
Legal review by: Sonia Blain, Deputy City Attorney
Prepared by: Heidi Bradshaw, Senior Planner