ACTION: Hold the second and final public hearing to adopt an ordinance authorizing the Mayor to execute deeds, leases and other documents pursuant to the Development Disposition Agreement between Farmer Arts LLC and the City of Tempe. (Ordinance No. O2019.17)

FISCAL IMPACT: The City will receive a twenty-five thousand-dollar ($25,000) payment upon the closing of Parcel 2.


BACKGROUND INFORMATION: In January of 2006, the City issued a Request for Proposals ("RFP"), requesting proposals for the redevelopment of certain real property owned by the City ("Property"), which the City purchased from the Union Pacific Railroad (Attachment A). Farmer Arts District, Inc. responded to the RFP with a proposal to redevelop the Property as a mixed-use project, including market-rate and affordable housing, retail and office components. The City selected Farmer Arts District Inc. ("Farmer Arts, LLC") as the prime developer of the Property (Resolution 2006.59). On May 31, 2007, the City approved a Development and Disposition Agreement ("DDA") with Farmer Arts, LLC. The First, Second and Third Amendments are dated November 19, 2009, November 4, 2010 and January 14, 2016, respectively.

The DDA and subsequent amendments were approved via resolution. The DDA provides for an eight-year government property lease and abatement of the Government Property Lease Excise Tax. The attached ordinance authorizes the Mayor to execute one or more deeds, leases and other documents necessary to effectuate the terms of the development agreement as it relates to Development Parcels 1 and 4 of Parcel 1 and Parcel 2 as defined in the DDA.

ATTACHMENTS: Ordinance, Land and Improvements Lease

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