

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT AND GOVERNMENT PROPERTY IMPROVEMENT LEASE WITH W.M. GRACE DEVELOPMENT CO.; GRACE CAPITAL INVESTMENT CORPORATION; AND FIESTA VILLAGE LUXURY APARTMENTS, LLC CONCERNING THE DEMOLITION, REDEVELOPMENT, AND CONSTRUCTION OF MARKET-RATE RESIDENTIAL APARTMENTS AT THE NORTHWEST CORNER OF ALMA SCHOOL ROAD AND SOUTHERN AVENUE.

WHEREAS, W.M. Grace Development Co. and Grace Capital Investment Corporation (collectively, the “Landowner”) own approximately 15 acres (the “Existing Shopping Center Property”) located generally at the northwest corner of Alma School Road and Southern Avenue within the City limits of the City of Mesa (the “City”); and

WHEREAS, the Existing Shopping Center Property is an empty shopping center parcel originally developed in 1979, but which has been vacant for years; and

WHEREAS, Landowner wishes to redevelop the Existing Shopping Center Property by demolishing the existing improvements thereon and, among other things, transferring approximately 10.2 acres thereof (the “Apartment Property”) to Fiesta Village Luxury Apartments, LLC (“Apartment Developer”), which plans to develop the Apartment Property as an urban multi-family use residential community with not fewer than 220 market-rate residential units, all pursuant to the terms of the Development Agreement; and

WHEREAS, upon the completion of the development on the Apartment Property, it is the desire and intention of the Apartment Developer to transfer the Apartment Property and all the improvements constructed thereon to the City, and thereafter to lease the same from the City pursuant to A.R.S. §§42-6201 *et seq.* (the “Lease”); and

WHEREAS, the governing bodies of Mesa Community College, Mesa Public Schools, and the East Valley Institute of Technology (collectively, the “School Districts”) have been notified and received all documentation required by A.R.S. §§42-6201 *et seq.*; and

WHEREAS, the City Council hereby determines, as required by A.R.S. §42-6209(C)(2), that, within the term of the Lease, the economic and fiscal benefit to the State of Arizona, Maricopa County, and City will exceed the benefits received by the prime lessee as a result of the Lease on the basis of an estimate of those benefits prepared by an independent third party in a manner and method acceptable to the City Council, and that City has provided that analysis to the School Districts; and

WHEREAS, the City Council further finds that the Apartment Property and improvements thereon are located in a single central business district, are located in a redevelopment area, and the improvements will result in an increase in property value of at least one hundred percent; and, thus, subject to compliance with, and limitations of, A.R.S. §§42-6201

et seq., the Development Agreement and Lease, the Apartment Property and improvements will be eligible for the tax abatement under A.R.S. § 42-6209; and

WHEREAS, in compliance with A.R.S. § 42-6209(G), the term of the Lease shall not exceed eight years, and upon the expiration (or earlier termination) of the Lease, City will reconvey the Apartment Property and improvements back to Apartment Developer; and.

WHEREAS, the City Council hereby determines and finds that the Project will improve and enhance the economic welfare of the inhabitants of the City of Mesa in accordance with A.R.S. § 9-500.11; and

WHEREAS, the City Council hereby determines it is appropriate to enter into a Development Agreement, Lease, and other agreements and documents as contemplated therein.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

Section 1: The City Council approves the Development Agreement and Lease, authorizes the other agreements, documents, and amendments as contemplated therein, and authorizes the execution of future documents and agreements as necessary to carry out the provisions of these agreements (all the foregoing, collectively, the “Project Documents”). The City Manager, or his designee, is authorized to execute the Project Documents. Additionally, the City Manager is authorized to approve the conveyance and reconveyance of the Apartment Property and improvements consistent with the Project Documents and may agree to and enter into, and make, amendments and modifications to the Project Documents as necessary to carry out the intent of the Project Documents or that are necessary to facilitate the development of the project and do not materially alter the terms of the Project Documents.

Section 2: That the City Clerk is authorized and directed to attest to the signature of the City Manager, or his designee, on all such documents.

PASSED AND ADOPTED by the Council of the City of Mesa, Maricopa County, Arizona this 26th day of August, 2019.

APPROVED:

Mayor

ATTEST:

City Clerk