

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT, THAT IS A RETAIL DEVELOPMENT TAX INCENTIVE AGREEMENT PURSUANT TO A.R.S. § 9-500.11 (VERSION 2), WITH SIGNAL BUTTE 24, LLC, FOR THE DEVELOPMENT OF IMPROVEMENTS ON A PROPERTY OF APPROXIMATELY 89+/- ACRES GENERALLY LOCATED AT THE CORNER OF SOUTH SIGNAL BUTTE ROAD AND EAST WILLIAMS FIELD ROAD FOR THE PROJECT KNOWN AS THE “DESTINATION AT GATEWAY.”

WHEREAS, Signal Butte, LLC, an Arizona Limited Liability Company (“Signal Butte”) desires to construct certain improvements related to approximately 89+/- acres of developable land owner by Signal Butte and located at the corner of South Signal Butte Road and East Williams Field Road in Mesa, Arizona as generally depicted in the attached Exhibit A as the “SITE” (the “Property”) for the project known as the “Destination at Gateway” (“Project”).

WHEREAS, the Project is intended to be a high quality, master-planned, mixed-use, commercial and multiple residence development that is intended to include an auto mall consisting of not fewer than three (3) new car dealerships; however, the operation and construction of only one (1) new car dealership is necessary as a part of the conditions precedent for the tax incentives described herein.

WHEREAS, the Project will enhance the economic welfare for the inhabitants of the City of Mesa by, among other things: (i) requiring development of the Property consistent with the City’s adopted general plan, (ii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property, (iii) increasing tax and other revenues to the City based on improvements to be constructed on the Property, (vi) creating employment through the construction of the Property, (v) creating improved housing for Mesa citizens, (vi) increasing the demand for City services during and after the development of the Property, and/or (vii) otherwise advancing the redevelopment goals of the City.

WHEREAS, Arizona Revised Statutes (“A.R.S.”) § 9-500.05 authorizes the City to enter into a development agreement with any person or entity having an interest in real property in the City of Mesa providing for the development of such property and certain development rights thereon.

WHEREAS, to facilitate the development of the Project, the City desires and Developer is willing to, enter into a development agreement (“Development Agreement”) for the Project.

WHEREAS, A.R.S. § 9-500.11 (Version 2) entitled “Expenditures for economic development; requirements; definitions” (“A.R.S. § 9-500.11”), Subsection (A) states that a “governing body of a city or town may appropriate and spend public monies for and in connection with economic development activities.”

WHEREAS, the proposed Development Agreement meets the definition of a “retail development tax incentive agreement” under A.R.S. § 9-500.11(M)(6).

WHEREAS, A.R.S. § 9-500.11, Subsection (K) requires a city or town to “adopt a notice of intent to enter into a retail development tax incentive agreement at least fourteen days before approving a retail development tax incentive agreement” and a Notice of Intent to enter into the Development Agreement was adopted by the City Council on June 15, 2020, a copy of which is on file with the City Clerk’s Office as Resolution No. 11527.

WHEREAS, as required by A.R.S. § 9-500.11, the City Council found, by at least a two-thirds vote, that: (i) the proposed tax incentive in the Development Agreement is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement and that such finding was verified by an independent third-party; and (ii) in the absence of a tax incentive, the Project would not locate in Mesa in the same time, place or manner.

WHEREAS, the prohibition for providing tax incentives to business entities in A.R.S. § 42-6010 does not apply to “[i]ncentives consisting of reimbursement for public infrastructure dedicated to and accepted and controlled upon completion of the project by the city or town” and the incentives set forth in the Development Agreement fall within this exclusion.

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.

WHEREAS, the City Council hereby determines it is appropriate to enter into the Development Agreement and other agreements and amendments 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 between the City and Signal Butte, authorizes the other agreements and amendments as contemplated therein, and authorizes the future actions and execution of future documents and agreements as necessary to carry out the provisions of these agreements (all the foregoing, collectively, the “Project Documents”).

Section 2: The City Manager, or his designee, is authorized to execute the Project Documents and may agree to, and enter into, 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 3: 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 8th day of July, 2020.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A

PROPERTY SITE

