

City Council  
Study Session  
July 8, 2020

# PURCHASE AND DEVELOPMENT AGREEMENTS: ECO MESA

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Transformation

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# PROJECT OVERVIEW





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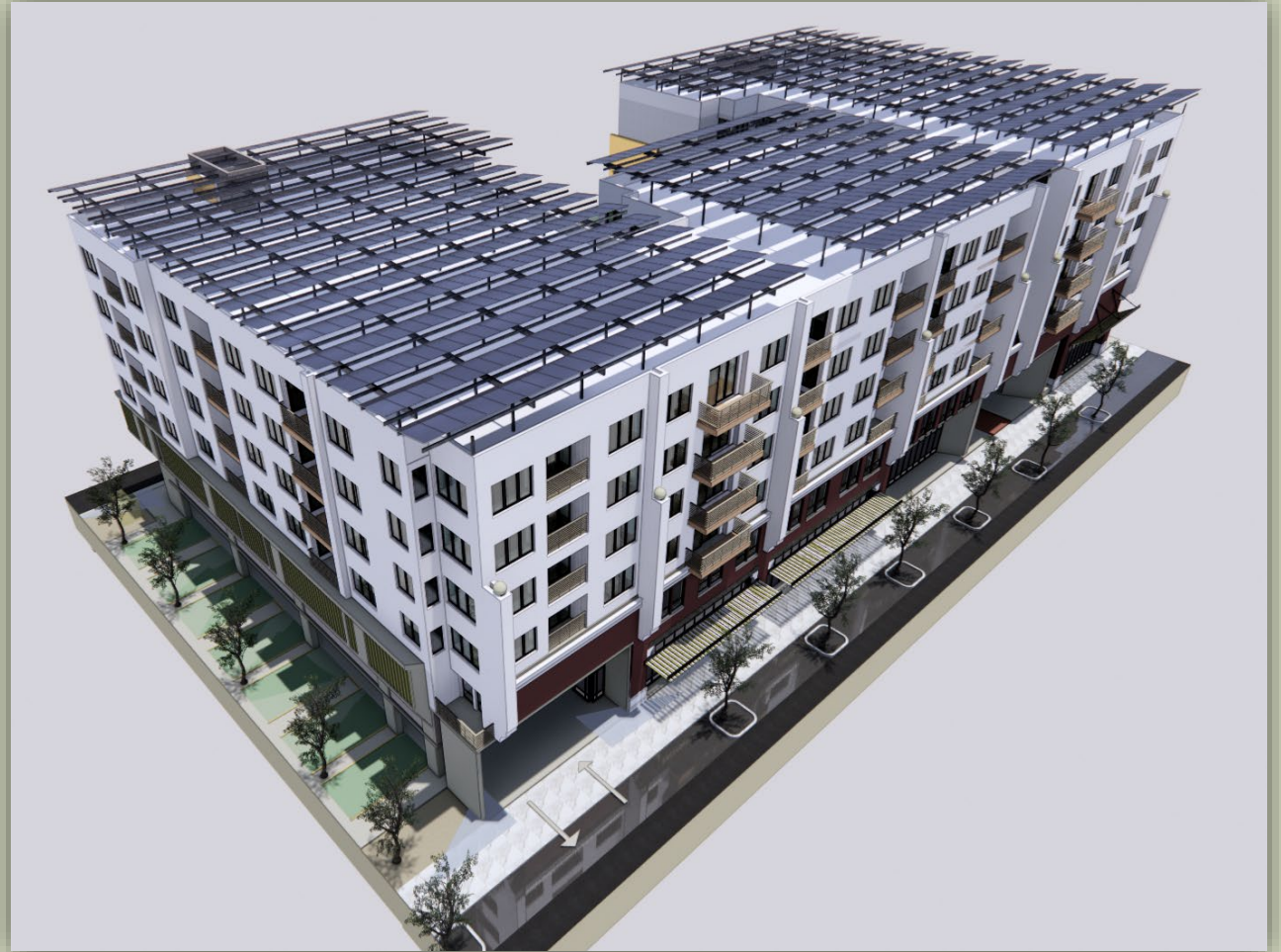
# Major Points To Be Negotiated or Resolved

- **September 15<sup>th</sup> Deadline**
  - Opportunity Zone investor
  - All entitlements due: PA/DA/Zoning Entitlements
- Relocation of electric duct bank
- Relocation of public solid waste
- Government Property Lease Excise Tax



# PRIMARY DEVELOPER COMMITMENTS

- 102 high-end, market-rate apartments
- Minimum 2,000 SF first floor commercial
- Construction of 76 structured parking stalls for public use and ~ 130 private parking stalls
- Estimated project cost of approx. \$30M
- Compliance with site, building, and unit quality standards
- *Provide City with perpetual public parking easement over 76 structured parking stalls*





# PRIMARY CITY COMMITMENTS

## RELOCATION OF ELECTRIC DUCT BANK<sup>1</sup>

- Estimated cost: ≈ \$600,000

- Offsetting revenues to City:
  - Sale of land: \$325,000 (full appraised value)
  - Construction Sales Tax: ≈ \$320,000

<sup>1</sup>Relocation of electric duct bank would be necessary for any project on this site





# PRIMARY CITY COMMITMENTS

## RELOCATION OF NEW PUBLIC SOLID WASTE

- Estimated cost: ≈ \$60,000
- New solid waste location required
- Developer has committed to cover cost of new enclosures





# PRIMARY CITY COMMITMENTS

## GPLET LEASE AGREEMENT (8-YEAR ABATEMENT)

- City Tax Abatement:  $\approx$  \$205,000
  - Current City Tax Revenue: \$0.00
  - Year Nine City Tax Revenue:  $\approx$  \$32K
- Rental and Taxable Sales:  $\approx$  \$642K
- 31 new jobs
- \$20.8M: Estimate total direct and indirect economic benefit to the City over 8-year abatement



# ECO MESA



## DISCUSSION AND QUESTIONS