

RESOLUTION NO. 12425

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA APPROVING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT WITH HADRIAN AUTOMATION, INC. RELATED TO THE DEVELOPMENT OF AN ARTIFICIAL INTELLIGENCE POWERED, LARGE-SCALE MANUFACTURING AND SOFTWARE FACILITY ON REAL PROPERTY LOCATED AT 10101 E. PECOS ROAD, MESA, AZ.

WHEREAS, the City of Mesa (“City”) is authorized by A.R.S. §9-500.05 to enter into a development agreement concerning matters related to the development of property.

WHEREAS, Hadrian Automation, Inc. (“Hadrian”) has leased an existing industrial building that contains approximately 270,000 rentable square feet of industrial space located at 10101 E. Pecos Road, Mesa, AZ 85212, generally located on the southeast corner of South Crismon Road and East Pecos Road in the industrial park known as The Cubes at Mesa Gateway (“Property”).

WHEREAS, Hadrian plans to improve the Property to establish an artificial intelligence-powered, large-scale manufacturing and software facility (“Project”). The Project is expected to create at least 300 new, full-time, permanent positions, excluding jobs created during or as a result of the construction of tenant improvements on the Property. Those new positions may be filled by Hadrian with any job candidate, regardless of whether the candidate is a Mesa resident.

WHEREAS, it is in the best interest of the City to encourage and promote economic development and job creation by attracting high-quality employers that provide high-paying jobs to City residents. Employment of Mesa residents in such skilled jobs raises the economic standing of its residents and provides them with valuable skills and development to aid the residents in their current employment, and helps ensure residents maintain higher-paying jobs in the future, thereby enhancing the economic welfare of the inhabitants of the City of Mesa.

WHEREAS, the City has offered Hadrian the opportunity to participate in the Mesa Resident Job Creation Program by entering into a development agreement. Through this program and the development agreement, if Hadrian employs Mesa residents subject to the terms of the program, it may be eligible for reimbursement payments. In part, to be eligible for a reimbursement payment, Hadrian must employ a Mesa resident in a new, full-time position with an annual salary of no less than \$71,000 and provide the Mesa resident employee a minimum of five hours of professional development training (“Mesa Employee”).

WHEREAS, the median annual wage of an individual in Maricopa County, which includes Mesa, is \$48,630.

WHEREAS, should Hadrian hire 100 Mesa Employees at an annual wage of \$71,000, those jobs are expected to generate about \$30.9 million in direct wages for Mesa residents, which is \$9.7 million more than if the same jobs were compensated at the county median wage of \$48,630. The development agreement is expected to generate additional benefits in the future, including a resident workforce with increased specialized knowledge and skills due to the required professional development training for Mesa Employees, as well as future jobs and opportunities for Mesa residents

because of Hadrian’s significant investment in the Project and its anticipated long-term presence in the City.

WHEREAS, pursuant to the development agreement, Hadrian can request reimbursement payment of \$750 for each Mesa Employee it has employed for a minimum of one year. The number of Mesa residents that Hadrian can employ is unlimited; however, under this program, reimbursement is available for no more than 100 Mesa Employees, with a maximum reimbursement cap of \$75,000.

WHEREAS, as a condition of eligibility, the development agreement also requires Hadrian to complete at least \$6,000,000 in tenant improvements at the Property, invest at least \$125,000,000 in equipment to be used on the Project, and employ no fewer than 300 full-time employees (regardless of residence) with an average annual wage of \$71,000.

WHEREAS, the anticipated \$9.7 million in expected direct wages to Mesa residents is a direct public benefit, the value of which exceeds the maximum \$75,000 reimbursement available to Hadrian under the development agreement.

WHEREAS, the City Council finds and determines it is appropriate to enter into this development agreement related to the development of the Project for the economic benefit of the City, that this development agreement will assist in the creation and retention of high-paying jobs for Mesa residents, and will improve and enhance the economic welfare of the City’s citizens and promote greater economic activity in the City.

Now, therefore, be it resolved by the City Council of the City of Mesa as follows:

Section 1: The City Council approves this development agreement between the City and Hadrian.

Section 2: The City Manager or his designee is authorized to execute this development agreement, together with all other documents necessary to carry out the provisions of this development agreement, on behalf of the City.

Section 3: The City Manager or his designee is authorized to make any modifications or amendments to the terms in this development agreement as necessary to carry out the intent of this development agreement, so long as such modifications or amendments do not materially alter the terms or structure of this development agreement that was presented to the City Council.

Passed and adopted by the City Council of the City of Mesa, Arizona this 20th day of October 2025.

APPROVED:

Mayor

ATTEST:

City Clerk