



City Council Report

Date: April 20, 2026
To: City Council
Through: Scott Butler, City Manager
From: Jeffrey McVay, Manager of Downtown Transformation
Subject: Purchase of 1 W. Main Street
Council District: 4

Purpose and Recommendation

The purpose of this report is to provide information to the City Council regarding the proposed purchase of real property located at 1 W. Main Street in Downtown Mesa. The acquisition of this property represents a strategic opportunity for the City to secure a high-visibility site in the downtown core that supports ongoing redevelopment efforts, enhances economic vitality, and advances the City's long-term vision for Main Street.

It is recommended that the City Council approve the purchase of 1 W. Main Street, consisting of approximately 19,376 square feet of land and an existing approximately 6,500 square foot building, for a total purchase price of \$2,500,000, and authorize the City Manager to execute the proposed Purchase Agreement and Sale Agreement, Lease Agreement, and all related documents necessary to complete the transaction.

Background

The property located at 1 W. Main Street (Property) is currently owned by 1 WM, LLC (Seller) and is improved with an existing commercial building in good condition that is occupied as a law office. The property is located on the southwest corner of the key downtown intersection of Center and Main Streets, adjacent to important civic, cultural, and entertainment destinations, including the Mesa Arts Center.

With an understanding of the City's vision for this strategic Property, in late 2025 the Seller approached the City with the opportunity to acquire the Property prior to commercially listing for sale at \$2,650,000. As a basis for negotiations, and in collaboration with the Seller, the City commissioned Sell and Associates to prepare a fee-simple, as-is appraisal of the Property. Completed in December 2025, the appraised value of the property is \$2,500,000. If acquired, the City will pursue the near- and long-term redevelopment opportunities to activate the property, support downtown vibrancy, and align with the City's vision for downtown through an RFP for a development partner to adaptively re-use the Property in the near-term and redevelop the Property in the long-term.

Discussion

Through negotiation, and conditioned upon City Council approval, the Seller has

agreed to sell the property to the City for \$2,500,000, contingent upon the City entering into an 18-month Lease Agreement back to the Seller. As material consideration for the Seller's acceptance of the City's purchase offer, the City and Seller will enter into a Lease Agreement with the Seller for a period of up to eighteen (18) months at a nominal rental rate. The proposed lease is structured with the tenant responsible for all maintenance, utilities, operating costs, and taxes associated with the Property. This lease structure ensures the property remains occupied and maintained during the City's due diligence and planning phase for future use, while eliminating any financial obligations of the City, which are typical for commercial landlords. The lease also provides the City access to the Property during the lease term for evaluation and future redevelopment planning.

The acquisition of this Property presents both near- and long-term opportunities. In the near-term, the property provides an opportunity for increased economic activity of a key downtown Property adjacent to the Mesa Arts Center through adaptive reuse of the existing structure into active restaurant/retail use. In the long-term, the Property provides a redevelopment opportunity in alignment with the City's vision for downtown Mesa.

Acquisition of the Property provides the City with strategic control of the near-term activation of a key downtown site, while ensuring future redevelopment aligns with the City's vision for downtown while supporting economic vitality, increased visitation, and a balanced mix of uses in the downtown core

Alternatives

The Council may choose not to authorize the purchase of real property located at 1 W. Main Street.

Fiscal Impact

The purchase of the Property will have a one-time cost of \$2,500,000.

Coordinated With

The Real Estate Services Office, City Attorney's Office, and City Manager's Office.