

## COUNCIL MINUTES

August 28, 2025

The City Council of the City of Mesa met in the Study Session room at City Hall, 20 East Main Street, on August 28, 2025, at 7:30 a.m.

### COUNCIL PRESENT

Mark Freeman  
Scott Somers  
Jennifer Duff  
Alicia Goforth  
Francisco Heredia  
Julie Spilsbury

### COUNCIL ABSENT

Rich Adams

### OFFICERS PRESENT

Scott Butler  
Holly Moseley  
Jim Smith

Mayor Freeman conducted a roll call.

Mayor Freeman excused Councilmember Adams from the entire meeting.

- 1-a. Hear a presentation and discuss a proposed ground lease, development agreement, and purchase options between the City of Mesa and RN 1 Real Estate, LLC (AKA, Culdesac) for the approximately 25-acres of City-owned land at the southwest corner of University and Mesa Drives and the next steps for development of the property.

Downtown Transformation Manager Jeff McVay introduced Economic Development Project Manager Jimmy Cerracchio and Ryan Johnson, Co-Founder and CEO of Culdesac, and displayed a PowerPoint presentation. **(See Attachment 1)**

Mr. McVay provided the recent background of the proposed project. He pointed out that the selection process began in October 2023 with a request for proposals, through which Culdesac was selected. He confirmed that in April 2024, Council approved a Memorandum of Understanding (MOU) that authorized the next steps for development of the property, including appraisals by both parties to assist in determining fair value for the land. (See Page 2 of Attachment 1)

Mr. Johnson explained that Culdesac's mission is to build walkable, mixed-use neighborhoods that emphasize belonging, transportation freedom, and create thriving local retail. He highlighted Culdesac's flagship project located in Tempe, and an additional development in Atlanta. (See Page 4 through 6 of Attachment 1)

Mr. Johnson verified that the proposed Mesa project is planned for 1,000 residential units, 25,000–50,000 square feet of retail, and 25,000–50,000 square feet of amenities. He emphasized that the vision includes homeownership opportunities, right-sized parking, support for small

businesses, strong connections to downtown and the light rail. He explained that the development will be constructed in three phases. He stated that the first phase will consist of for-sale two- and three-bedroom townhomes (fee simple) with dedicated parking and flexible commercial spaces. He reported that the later phases will add additional housing types, varying structures, and possible office space depending on market conditions, constructed with emphasis on sustainability and an urban design incorporating desert modern and Spanish architectural influences. He identified the desire to promote vibrant retail spaces from pop-up tables to large anchor stores. He reported that the first phase will be for-sale townhomes, the second phase may involve a potential collaboration with ASU, and the third phase will allow additional time to assess market conditions and could include office space. (See Pages 8 through 18 of Attachment 1)

Mr. Cerracchio reviewed the details of the proposed ground lease. He confirmed that the lease structure is for the 19.14-acre site, with options to purchase through phased development agreements. He stated that the 50-year lease provides flexibility for the project while maintaining City of Mesa (COM) oversight until the sale of each phase. He reported that for the first two years, rent will be \$15,000 annually, with Culdeac responsible for site maintenance; and once construction begins, rent will shift to \$5,000 annually during the construction period. He verified that if the lease terms are not met, rent will revert to a market rate determined by appraisal. He noted the provision allowing City fireworks at the site prior to construction. (See Page 20 of Attachment 1)

City Attorney Jim Smith verified that while the agreement is structured as a 50-year lease, the practical term will be much shorter. He said the long lease is necessary to support financing and allow phased property takedowns, but the true focus is on the purchase options, with the lease serving primarily as a vehicle to facilitate those transactions.

Mr. Cerracchio summarized the ground lease compliance dates for each phase. He stated that each phase requires the start of vertical improvements in order to close, with an additional 24-month window to complete construction once those improvements begin. He confirmed that both public and private improvements each carry their own 24-month deadlines and that the City Manager may grant extensions of up to 4.5 months, if needed. He pointed out that developers may also accelerate progress, including moving on Phases 2 and 3 simultaneously, provided they demonstrate sufficient financial and operational capacity. He provided a timeline of the estimated completion dates for each phase of construction. (See Pages 21 through 23 of Attachment 1)

Responding to a question from Councilmember Spilsbury, Mr. Johnson confirmed that the development in Tempe went vertical in 2021 and had their first resident in 2023, noting construction delays due to the pandemic. He stated that the development has recently entered Phase 3.

Mr. McVay supplied the ground lease purchase options and reviewed the parameters of the purchase options that include zoning entitlements, subdivision plat, and building/construction permits be obtained; development and access/park agreements executed; public improvements accepted by the City; and vertical construction commenced. He added that completed construction must exceed the phase purchase price for minimum improvements, , additionsales of each phase can only occur after completion of public improvements and commencement of private improvements, ensuring land sale proceeds are available for reimbursement and allow Culdesac to advance to the next phase. He reiterated that the lease is structured as the vehicle to achieve these phased property sales. (See Page 24 of Attachment 1)

Mr. Cerracchio explained that Phases 2 and 3 will follow terms similar to Phase 1, but their purchase options expire 24 months after the closing of the previous phase, with the option to proceed simultaneously if financially feasible. He continued by saying that the City obligations under the ground lease include reimbursing 100% of land sale proceeds for public improvements in Phase 1, 50% in Phase 2, and 35% in Phase 3. He reported that the City will support replatting and entitlements, abandon necessary rights-of-way, provide concierge service for zoning entitlements, offer impact fee offsets, and co-sponsor applications supporting multi-mobility goals. He verified that the purchase prices were established through multiple appraisals methods. (See Pages 25 through 28 of Attachment 1)

Additional discussion ensued regarding the ground lease, construction requirements, and purchase prices.

Mr. Smith noted that while this structure may not have been used exactly in past projects, it provides a simpler approach compared to typical construction sales tax rebates often used for infrastructure reimbursement. He stated that by tying reimbursements to land sale proceeds rather than sales tax, the agreement offers greater flexibility, legal clarity, and streamlined documentation. He added that while 100% reimbursement in Phase 1 is unusual, the City has previously used varying percentage levels in other projects.

Mr. Cerracchio reported that each phase will include its own Development Agreement (DA), effective at closing upon land purchase that will establish commitments between the City and the developer, carrying forward minimum improvements, compliance dates, and maintenance provisions from the lease. He explained that Phase 1 requires a minimum of 140 townhomes, 140 off-street parking spaces, public open space, and mobility hubs; and Phase 2 requires a minimum of 250 units, potential live-work units, a possible student housing component, at least 10,000 square feet of commercial space, 250 parking spaces, public space, and a mobility hub. (See Pages 29 through 31 of Attachment 1)

Responding to a question from Councilmember Duff, Mr. Cerracchio confirmed that the mobility hubs are designed to provide convenient connections for pedestrians, cyclists, scooters, and autonomous vehicle pick-up and drop-off, including food deliveries. He mentioned the hubs will be integrated throughout the project and in surrounding areas to enhance overall accessibility and connectivity.

Mr. Cerracchio advised that Phase 3 is the densest portion of the project, featuring 610 market-rate rental units, 40,000 sq. ft. of commercial space for retail and resident amenities, 425 parking spaces, public open space, and a mobility hub. He stated across all phases, the project will total approximately 1,000 residential units in 2–5 story buildings, at least 25,000 sq. ft. each of commercial/retail and residential amenities, 800 parking spaces, and significant green/open spaces. He confirmed that the COM obligations for all three phases will include maintaining standard right-of-way improvements. He motioned in Phases 2 and 3, a portion of land sale proceeds will be reinvested in off-site public improvements, including connections to adjacent neighborhoods, Main Street, and the light rail, as well as shaded pathways and bike trails. He advised these improvements are intended to enhance overall downtown mobility and connectivity, providing benefits beyond just the project site. (See Pages 32 through 34 of Attachment 1)

Mr. Cerracchio reviewed the next steps stating that if Council approval is granted on September 8, the ground lease will be executed, and the planning and zoning entitlements will be initiated. (See Page 35 of Attachment 1)

In response to a question from Vice Mayor Somers, Mr. McVay reported that the development agreement includes an exhibit listing public improvements by priority, such as Hibbert improvements between 2nd Street and Main Street, but cost estimates have not yet been prepared and will require preliminary design work. He confirmed that due to current construction costs, available land sale proceeds are expected to cover only a portion of the listed projects and pointed out that the agreement specifies that the City has no obligation to fund off-site improvements beyond what land sale proceeds can cover. He verified that the agreements are nearly finalized, with attorneys reviewing final language this week and completion anticipated by next week.

Mr. Smith discussed the overarching goal of reinvesting proceeds from the property back into the surrounding neighborhood through City improvements. He pointed out that the project history was reviewed, noting that earlier community engagement showed opposition to multi-story apartments and support for lower-density, for-sale townhomes. He commented that because the City owns the property, it has been able to shape Phase 1 accordingly and will reimburse 100% of public infrastructure costs to incentivize this neighborhood-preferred development. He emphasized that reinvestment also serves to address the property's long history as a condemned site and to improve the area for the community. He stated that the development will include significant publicly accessible open space and active features such as markets and gatherings, ensuring an extension of downtown rather than a closed residential area.

Responding to a question from Vice Mayor Somers, Mr. McVay clarified that while the developer may be estimated to invest \$4.5 million in public infrastructure, the City's obligation is limited to the amount covered by land sale proceeds, adding the City will reimburse up to 100% of eligible costs but has no responsibility beyond that.

In response to a question from Councilmember Heredia, City Manager Scott Butler reiterated that the property has been vacant for over 40 years, serving as an eyesore. He identified the proposed development as an opportunity to activate the site with a mix of uses that will generate economic activity for Mesa, including sales tax revenue and utility sales, while providing needed housing stock. He added that previous attempts and ideas for development had not moved forward, but the Culdesac project represents the type of vibrancy the City seeks for downtown and the broader community.

Responding to a question from Mayor Freeman regarding future on-street parking, Mr. McVay emphasized that since the start of conceptual planning, guiding principles have shaped the project's design. He confirmed that ensuring a smooth transition to the Wilbur Historic Neighborhood, while recognizing its long-standing character, has been a priority during planning for both the COM and Culdesac. He verified that the proposed development reflects the same vision, incorporating green space, mobility hubs, and small park areas along 2<sup>nd</sup> Street.

Mr. Johnson highlighted the importance of a gradual transition of density while addressing neighborhood traffic concerns. He advised that nearby residents want quality amenities without added congestion, and he reported that the proposed development is already seen as a selling point for nearby housing.

In response to a question from Mayor Freeman, Development Services Director Nana Appiah reviewed the COM's balanced housing plan targets, which call for 86 multi-family units and 1,259 single-family units annually and confirmed that as of July 2025, 418 single-family units and 935 multi-family units have been approved which shows that the City is ahead on multi-family but behind on single-family. He recalled that last year, 1,800 single-family units and 251 multi-family



units were added to inventory and stated that the proposed townhomes with Culdesac align with balanced housing plan needs, particularly for single-family, though the 140 units likely will not be counted this year due to timing of entitlements and certificates of occupancy. He reported that planning entitlements represent units that have been approved but may not yet be built, while certificates of occupancy reflect units actually added to the housing stock. He verified that in 2024, 547 single-family units were entitled, below the annual need of 1,359, but 1,800 single-family certificates of occupancy were issued, representing actual inventory additions and stated that the COM tracks both metrics to balance approvals with actual construction and avoid over-entitlement.

Additional discussion ensued regarding the parking agreement for the proposed development.

Responding to a question from Councilmember Heredia, Mr. McVay explained the anticipated broader investment benefits of the development. He reported that the project is expected to support reinvestment in nearby neighborhoods, including the Wilbur Historic District, and provide dedicated off-street parking for townhomes while maintaining ample on-street parking with 2<sup>nd</sup> Street improvements to accommodate on-street parking, protected bike lanes, and mobility enhancements, with angled parking and cross-section designs coordinated with Culdesac's plans. He confirmed that the micro-mobility plan, including street improvements, is anticipated to come before Council in October.

Mayor Freeman thanked staff for the presentation.

1-b. Hear a presentation and discuss an update on the 2024 Bond funded dining, retail and urban farming education improvements at the Historic Sistine House.

Manager of Urban Transformation Jeff McVay introduced Redevelopment Program Administrator Jeffrey Robbins and displayed a PowerPoint presentation. **(See Attachment 2)**

Mr. Robbins pointed out that the Sistine House is listed on the National Historic Register and is the oldest example of Victorian era architecture in the COM and stated that the original building was constructed approximately 130 years ago. He confirmed that the COM took over the site in 1980 and restored the building in 1986. (See Page 2 of Attachment 2)

Mr. Robbins explained that the project goal is to preserve the historic home and to activate the entire site, including the addition of several different activity areas designed to engage visitors in unique ways and appeal to a wide range of residents. He presented an aerial overview and highlighted both the existing structures, the main house and adobe carriage house, and the proposed new additions. He reviewed the new features that will include dining and farm stands, farmland for in-ground agriculture, farm buildings to support agricultural use and education, a gathering area along Center and West 2<sup>nd</sup> Street, an education pavilion, restrooms, and parking spaces for food trucks. He said each element is intended to enhance the site's functionality while creating opportunities for community use. (See Pages 4 through 10 of Attachment 2)

Mr. Robbins pointed out that at the southeast corner, three modified containers will be added to serve as distribution points for fresh food grown on the site, and this area will also include a restaurant, retail options, and shaded seating areas with pavilions. He commented that the promenade had been designed with shade structures that will provide a comfortable walkway, with fans and misters to allow year-round use. He displayed renderings of the promenade, leading into the dining and farm stand area, emphasizing the welcoming and functional design of the site improvements. (See Pages 11 through 15 of Attachment 2)

Mr. Robbins emphasized the importance of not only the site's design but also how it will be operated. He explained that in 2023, the COM released a Request for Qualifications (RFQ) for an urban farmer, issued early in the process to ensure farming expertise guided the design. He confirmed that Steadfast Farm was selected from the five proposals received. He pointed out that Steadfast Farm is currently active in Mesa, operating a two-acre farm, a diner, a coffee product line, and a farm stand with a model of maximizing production in small spaces, which is well-suited to the Sirrine House site. He reported that the Schultz family, who founded Steadfast Farm after beginning at Agritopia in Gilbert more than 10 years ago, will bring unique expertise in small-scale, high-efficiency farming. He verified that the Schultz family will oversee operations at the site, including fresh produce distribution, educational programming, and community events. (See Pages 17 and 18 of Attachment 2)

Mr. Robbins explained that the U.S. Department of Agriculture has identified this area as a food desert, making the on-site production and sale of seasonal, local food a significant community benefit; and the educational component will include free urban agriculture classes for Mesa residents, with additional paid opportunities offered. He reported that the site will also host destination dining led by Chef Derek Christensen, a James Beard Award nominee and Food Network competition winner, and stated that Mr. Christenson will introduce downtown Mesa's first barbecue concept with food prepared and served on-site. (See Page 19 of Attachment 2)

Mr. Robbins confirmed that the agreement with Steadfast Farm is still being finalized but is expected to include a services contract for site management. He added that a significant component of the agreement will be community education to include free urban agriculture classes for Mesa residents and additional paid classes. He pointed out that Steadfast is also expected to make reasonable efforts to engage community partners, including potential collaboration with the Mesa Historic Museum to open the Sirrine House for guided tours allowing limited, curated access to the historic interior under the supervision of museum volunteers, adding cultural and educational value to the site. He identified that the operational responsibilities will be divided between the COM and Steadfast, with the COM maintaining major building systems such as electrical and plumbing, while Steadfast will handle routine upkeep and minor maintenance. (See Page 20 of Attachment 2)

Mr. Robbins reiterated that this project was included as a voter-approved item in the 2024 bond election, with \$5 million authorized. He reported that the current estimates indicate the project can be completed for less funds than originally anticipated. He stated that the final design phase is nearly complete, with construction scheduled to begin later this year and project completion targeted for fall 2026. (See Pages 22 and 23 of Attachment 2)

Responding to a question from Mayor Freeman, Mr. Robbins reviewed the necessary maintenance work that was recently performed.

Discussion ensued regarding other potential uses for the site and the possibility of creating a new name for the active site to include Steadfast Farm.

Mayor Freeman thanked staff for the presentation.

## 2. Acknowledge receipt of minutes of various boards and committees.

2-a. Transportation Advisory Board Meeting held on May 20, 2025.

It was moved by Vice Mayor Somers, seconded by Councilmember Spilsbury, that receipt of the above-listed minutes be acknowledged.

Upon tabulation of votes, it showed:

AYES – Freeman–Somers–Duff–Goforth–Heredia–Spilsbury

NAYS – None

ABSENT – Adams

Mayor Freeman declared the motion carried by majority vote of those present.

3. Current events summary including meetings and conferences attended.

Mayor Freeman and Councilmembers highlighted the events, meetings, and conferences recently attended.

4. Scheduling of meetings.

City Manager Scott Butler stated that the schedule of meetings is as follows:

Thursday, September 4, 2025, 7:30 a.m. – Study Session

5. Adjournment.

Without objection, the Study Session adjourned at 8:59 a.m.

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MARK FREEMAN, MAYOR

ATTEST:

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HOLLY MOSELEY, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 28<sup>th</sup> day of August 2025. I further certify that the meeting was duly called and held and that a quorum was present.

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HOLLY MOSELEY, CITY CLERK



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# CULDESAC

Ground Lease, Purchase, and  
Development Agreement Update

City Council Study Session  
August 28, 2025

**Jeff McVay**

Manager of Urban Transformation

**Jimmy Cerracchio**

Downtown Transformation Project Manager

**Ryan Johnson**

Culdesac CEO & Co-founder



**October 2023:** Culdesac selected through Request for Proposal process

**Goal:** Develop a vibrant and active mixed-use neighborhood with public amenities that complements adjacent neighborhoods and supports downtown

**Appraisals:** Culdesac and City have completed “as-is” land appraisals

Culdesac: \$11.65/SF

Approximately \$9.7M

City: \$13.44/SF

Approximately \$11.2M

**MOU:** Approved April 4, 2024 and in effect until September 15, 2025



# ABOUT CULDESAC





# Culdesac

We build cities for people that prioritize community,  
mobility, and open space



# The Culdesac team is led by Arizona locals and industry veterans



**Ryan Johnson,**  
CEO & Co-founder



**Caroline Lerner  
Perel,**  
Chief Investment Officer



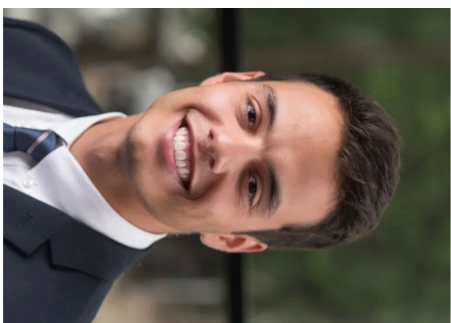
**Erin Boyd,**  
Head of External  
Partnerships



**Sarah Zou,**  
Head of Development  
and Acquisitions



**James Graef,**  
Chief of Staff, Urban  
Design

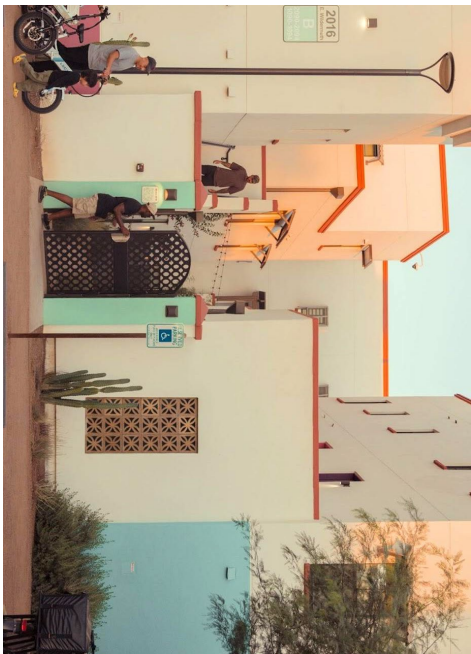


**Zach Schultz,**  
Investments



Partner with cities to develop large and small scale projects that prioritize local community, mobility, and open space

Culdesac Tempe  
Tempe, Arizona



Pocket Neighborhoods  
Atlanta, Georgia



Culdesac Mesa  
Mesa, Arizona



*P1 & P2 stabilized, 760 units + comm<sup>1</sup>*

Market rate **for rent** apartments, **retail**, **micro retail**, night **market**, farmers market, **highly amenitized**, abundant **open space**, art program

*Under const., 41 for-sale units*

**Workforce for-sale** townhomes, **innovative**, **affordable**, **flex live/work** units that can host light retail and other light business uses

*In design, 1000 units + comm*

Market rate **for-sale** townhomes / condominiums, market rate **for rent** apartments in latter phases , **retail**, **micro retail**, and abundant open space

<sup>1</sup> at the completion of phase 5

# CULD ESAC MESA PROPOSAL



# ✧ In Mesa, a new chapter ✧ begins for Cuiledesac





ite 17: a key node of Greater Phoenix along the light rail corridor





# Developing Site 17 hand-in-hand with the city and the community

## Key project details submitted to the city in RFP

- 1,000 residential units across the site
- 25 - 50K retail square footage<sup>1</sup>
- 25 - 50K amenity square footage

<sup>1</sup> All commercial/retail space will be employment space for businesses and retailers. Residential Units will also include live-work units that can be used for employment



## Feedback since RFP

- A bold, energetic vision
- Quality homeownership opportunities
- Right-sized parking
- Small business / entrepreneur support

# Developing Site 17 hand-in-hand with the city and the community

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# Painting the vision: **Site 17**

A key node of Greater Phoenix along the light rail corridor and steps away from Downtown Mesa, Site 17 has an opportunity to transform into a remarkable, car-lite hub with home ownership opportunities that pushes sustainability, grows talent, and sets the standard as a leading neighborhood development in Arizona.



# Culdesac Mesa will offer quality, infill homeownership opportunities adjacent to Downtown on Site 17

Strong ties enabled by  
**homeownership**



Example: Homeownership across price points in the first phase allows for new demographics to put down roots

**Quality urban design**, with attention to detail



Example: Cohesive, human-scale design that evokes a sense of character and belonging

**Sustainable lifestyle** aided by integrated features



Example: Pedestrian oriented, mixed-use development that promotes reductions in air and noise pollution

**Vibrant retail** that will add to Downtown Mesa



Example: New townhome live / work unit layout allows space for services not already offered downtown

# Homeownership opportunities that promote long-lasting community

## First Phase

- ▶ **For-sale 2- and 3-bedroom townhomes**
- ▶ **Fee simple sales**
- ▶ **Dedicated parking spots**
- ▶ **Flexible commercial spaces** that foster a sense of community (e.g. wellness studio and boutique shops)

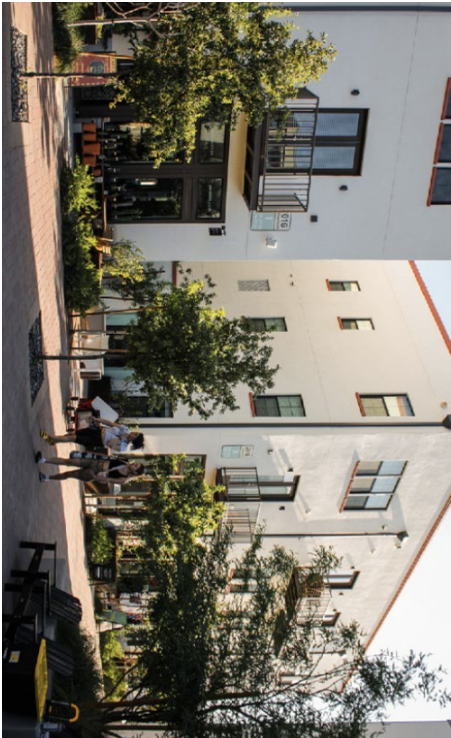
## Future Phases

- ▶ **Additional unit types** (e.g. studio, 1-bed, 2-bed, and 3-bed)
- ▶ **Varying ownership structures** (e.g. for-sale townhomes / condominiums, for-rent apartments)





# Quality urban design inspiration that draws from desert modern and historical Spanish influences



Above precedent developments are showcased as design inspiration only



# Sustainable lifestyle for a more comfortable and healthy neighborhood

**Sustainable amenities available  
for residents**



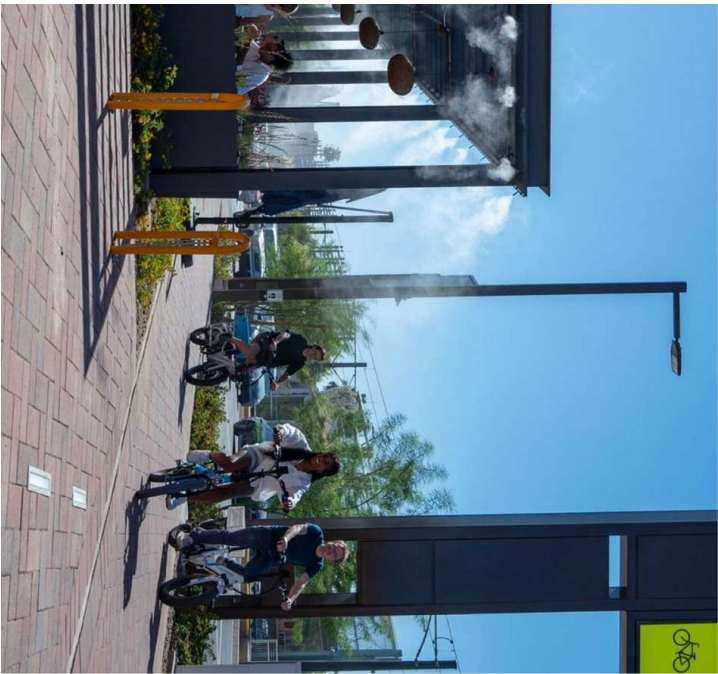
Example: Electric vehicle and solar  
adaptable construction

**Desert adaptive design makes  
indoor / outdoor living reality**



Example: Thoughtful design that  
reduces heat island effect

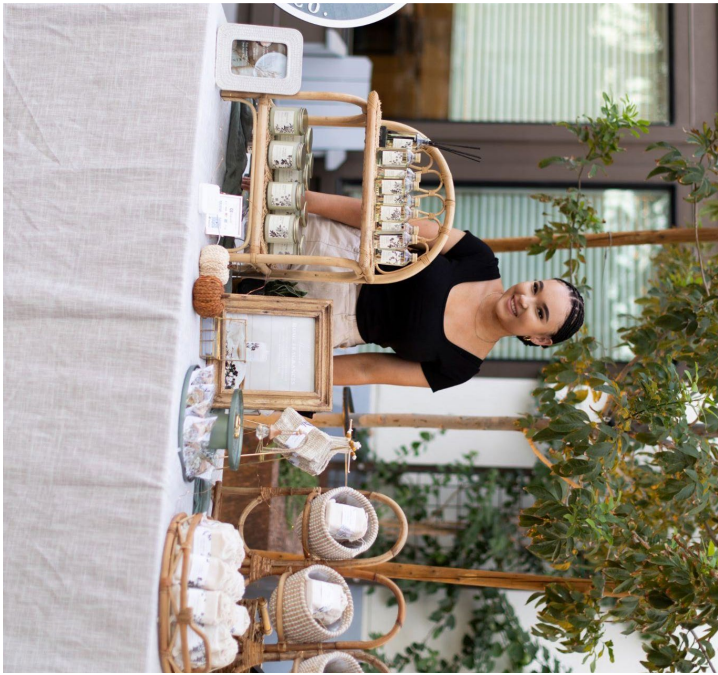
**A better quality of life for  
residents and neighbors**



Example: Pedestrian and bike lanes that  
reduce air and noise pollution



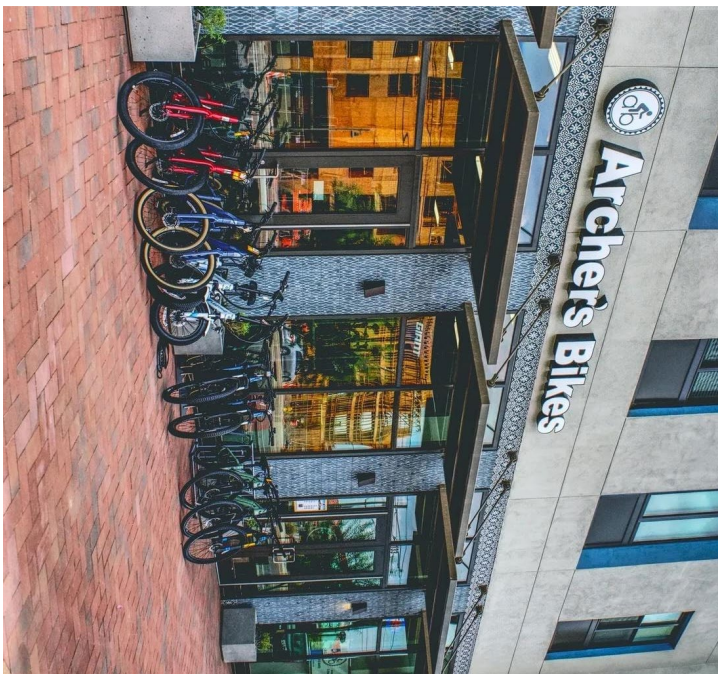
# Vibrant retail in a range of commercial spaces from pop-up tables to live/work, micro-retail, and larger anchor stores



Pop-up spaces, tables, and booths at regular markets



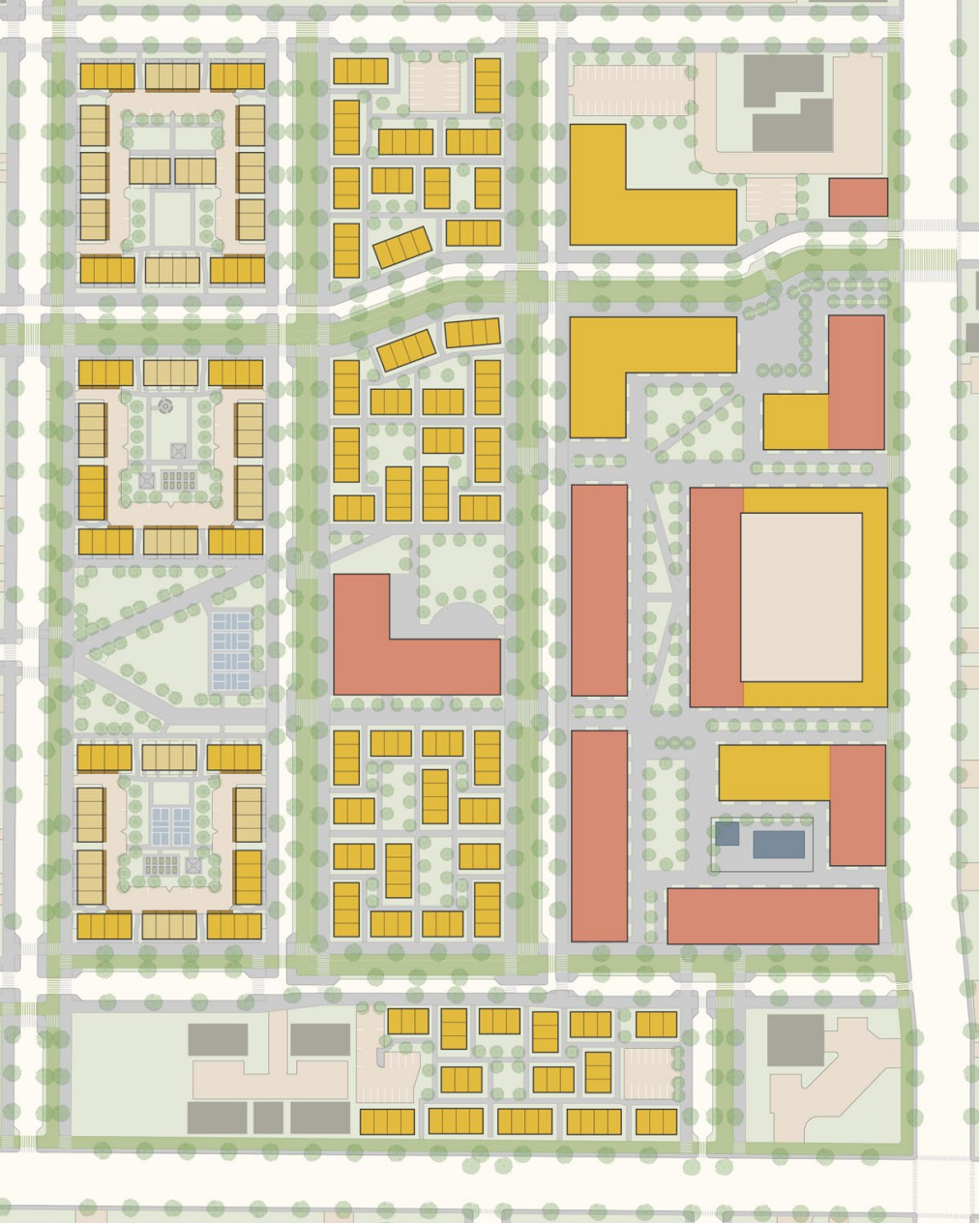
Right-sized, flexible spaces for emerging entrepreneurs



Larger spaces for unique anchor tenants (i.e., dining, entertainment, shopping)



We're excited to develop 1,000 residential units, a strong retail program, and vibrant open space



~1000

Residential Units<sup>1</sup>

800 - 1000

Parking Spaces<sup>2</sup>

25k-50k

Commercial/Retail SF<sup>1</sup>

25k-50k

Residential amenity SF

Ground floor:



Residential



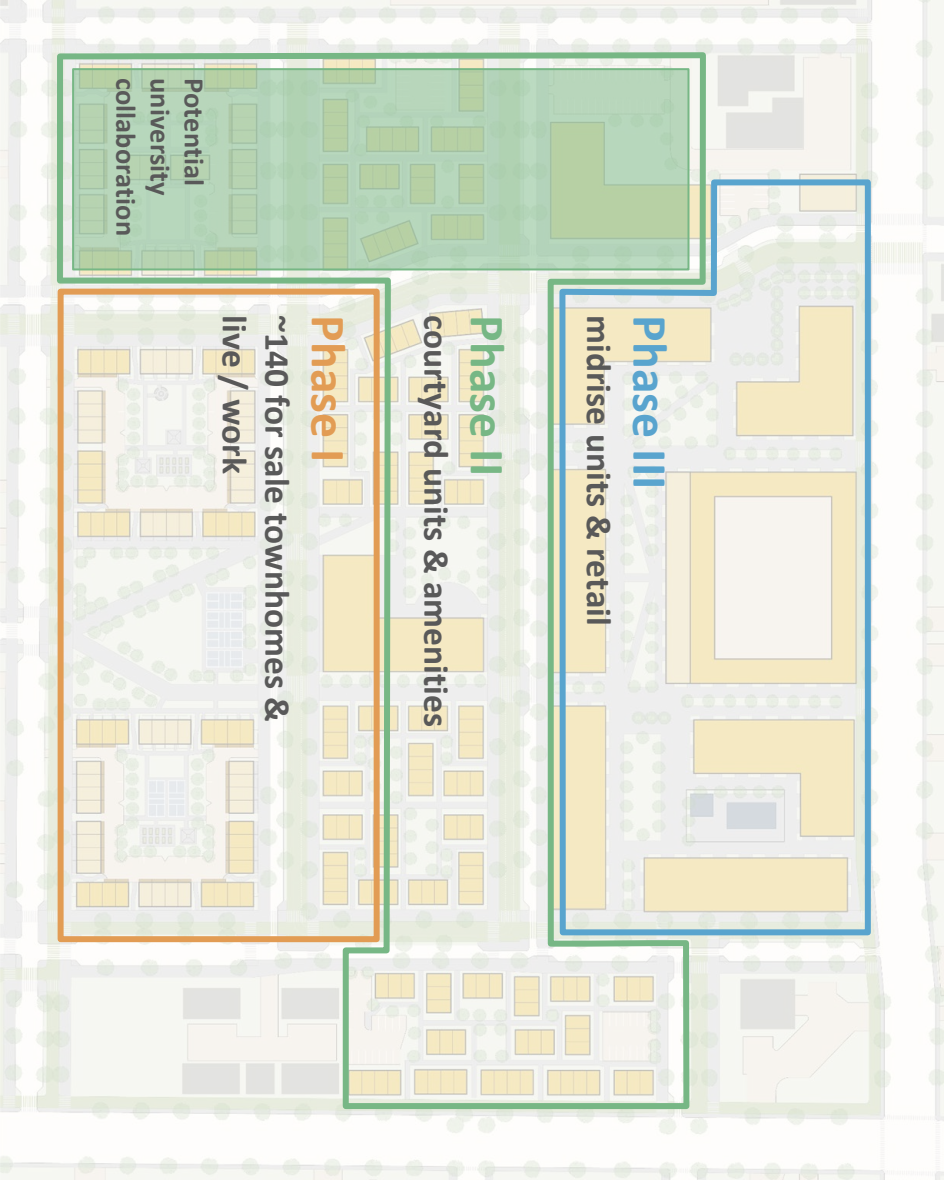
Retail and amenity space

<sup>1</sup> All commercial/retail space will be employment space for businesses and retailers. Residential Units will also include live-work units that can be used for employment

<sup>2</sup> Parking ratio in Phase 1 will be a 1:1, with varying ratios in future phases. Total parking spaces will include both on-street and off-street parking.

Site plan is conceptual and will change

# phases of land acquisition and development



## Phase I - Southern Edge:

- ▶ Immediate activation with cart/food truck program, pop-up plaza, and mobility hub
- ▶ Catalyze via lower density (10-20 du), for-sale townhomes, and flexible commercial spaces, some of Culdesac Tempe's most-wanted rentals

## Phase II - Center:

- ▶ Neighborhood hub may include university collaboration, grocery, coffee, and gym
- ▶ Build momentum via additional townhomes and missing middle, courtyard product (30-50 du)

## Phase III - Northern Edge:

- ▶ Full commercial suite with restaurants, bike shop, and coworking
- ▶ Fulfill increased demand through midrises with ground floor retail and amenities (60-120 du)





Culdesac

[culdesac.com](https://culdesac.com)



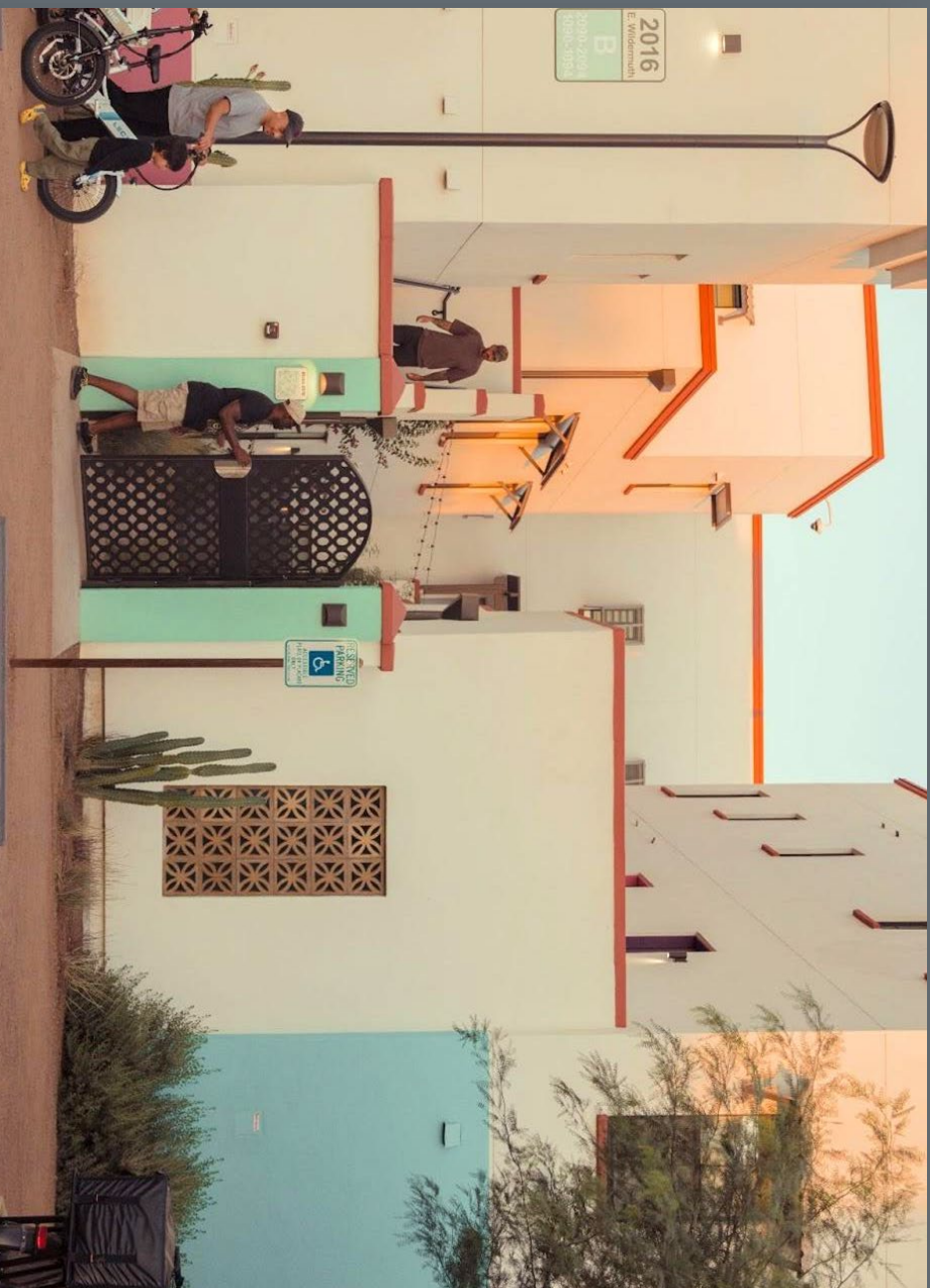
- Lease for entire site
- Term – 50 years
  - During term, tenant must maintain site
- \$15,000 flat rent prior to commencement of construction (\$5,000 per phase)
- \$5,000/year rent for as long as construction is taking place
- If failure to construct as required by lease, rent goes to market rate





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## GROUND LEASE – COMPLIANCE DATES



### **Commencement of construction:**

- Phase 1 – within 24 months of effective date of lease
- Phase 2 – within 48 months of effective date of lease
- Phase 3 – within 72 months of effective date of lease
- Commencement of construction of private improvements before closing of each phase



# Completion of Construction

- Public improvements for each phase within 24 months of commencement of construction
- Private improvements for each phase within 24 months of commencement of construction
- City Manager may extend any compliance date for a period not to exceed 45 days (max 3 extensions)





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# GROUND LEASE – COMPLIANCE DATES







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## GROUND LEASE - PURCHASE OPTION

### Structure of Sale

- Terms applicable to each Phase
  - Sale dependent on:
    - Zoning entitlements and subdivision plat
    - Building permits for construction obtained
    - Development Agreement executed and recorded against property
    - Access and Park Easements executed and recorded against property
- Option Terms: Phase 1
  - \$100,000 option payment to seller at effective date of lease
  - Options expires after 36 months
  - Ability to extend option term by 6 months at discretion of City Manager





# Structure of Sale

- Option Terms: Phase 2 and 3
  - Option term commences upon closing of previous phase
  - \$100,000 option payment per phase
  - Options expires 24 months after closing of previous phase
  - Ability to extend option term by 6 months at discretion of City Manager
  - Pre-requisites to exercise options
  - Purchase price based on an annual CPI adjustment to agreed upon appraised value
  - Ability to purchase Phases 2 & 3 simultaneously with entitlements and evidence of sufficient financial capacity





## **Reimbursement of land sale proceeds for public improvements**

- Phase 1: 100% of land sale proceeds are available to reimburse for public improvements
- Phase 2: 50% of land sale proceeds are available to reimburse for public improvements
- Phase 3: 35% of land sale proceeds are available to reimburse for public improvements



## GROUND LEASE - CITY OBLIGATIONS

- Consent to re-platting and entitlements
- Abandonment of Wilbur Road and portions of other street rights-of-way
- Concierge services for zoning and permit entitlement reviews
- Provision of impact fee offsets for previous development on the project property
- Support or co-sponsor application(s) for state or federal grants that support multi-mobility goals of project







# PURCHASE AND SALE AGREEMENT

## Purchase Price

- Phase 1: \$13.44/SF
  - Total amount based on final platting (approx. \$3,219,955.20)
- Phase 2: \$12.55/SF
  - Total amount based on final platting and annual CPI adjustment (approx. \$3,728,343.96\*)
- Phase 3: \$11.65/SF
  - Total amount based on final platting and annual CPI adjustment (approx. \$3,460,972.68\*)

\*Assumes annual CPI adjustment of 3%



## Separate Development Agreement required for each Phase

- Development Agreements establish Developer and City commitments upon sale of each Phase
- Carrys-forward minimum improvement and compliance date requirements of the Lease
- Includes maintenance provisions





## DEVELOPMENT AGREEMENT – PHASE 1

### Developer Obligations

- Minimum 140 for-sale townhomes
  - Mix of 2 & 3 bedroom units
  - 2 & 3 story buildings
  - Option to include live-work units
- Minimum area of publicly accessible open space as approved through planning and zoning entitlements
- Community and mobility amenities as approved through planning and zoning entitlements
- Minimum of 140 off-street parking spaces





## Developer Obligations

- Minimum of 250 units
  - Variety of unit types (studio, 1, 2, & 3 bedroom)
  - Primarily rental, with option to include ownership and student housing
  - Live-work units
- Minimum of 10,000 SF commercial space
- 250 parking spaces
- Minimum area of publicly accessible open space as approved through planning and zoning entitlements
- Community and mobility amenities as approved through planning and zoning entitlements





## Developer Obligations

- Minimum 610 market-rate rental units
- Minimum of 40,000 sq ft commercial space
- Minimum 425 parking spaces
- Minimum area of publicly accessible open space as approved through planning and zoning entitlements
- Community and mobility amenities as approved through planning and zoning entitlements



## Total Developer Obligations

- Private Improvements
  - 1,000 residential units
  - 2-5 story buildings
  - Minimum of 25k SF commercial/retail
  - Minimum of 25k SF residential amenities
  - Plazas, hardscape, and greenspaces
  - 800 parking spaces
- Public Improvements
  - Parks and open space available to public by grant of easement
  - Streetscape improvements to public rights-of-way
  - Mobility improvements
  - Maintenance of enhanced right-of-way improvements, unless otherwise agreed in a future Maintenance Agreement





# DEVELOPMENT AGREEMENTS

## City Obligations

- Phase 1
  - Maintenance of standard right-of-way improvements
- Phase 2
  - Re-investment of 50% of land sale proceeds into design and construction of off-site public mobility improvements
  - Maintenance of standard right-of-way improvements
- Phase 3
  - Re-investment of 65% of land sale proceeds into design and construction of off-site public mobility improvements
  - Maintenance of standard right-of-way improvements



- City Council action on Culdesac agreements on September 8th
- Upon City Council action, enter into Ground Lease
- Initiate planning and zoning entitlements







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# Discussion





A CITY COUNCIL STUDY SESSION PRESENTATION  
AUGUST 28, 2025

# The Historic Sirrine House A New Chapter

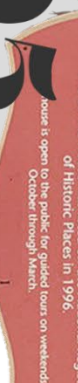
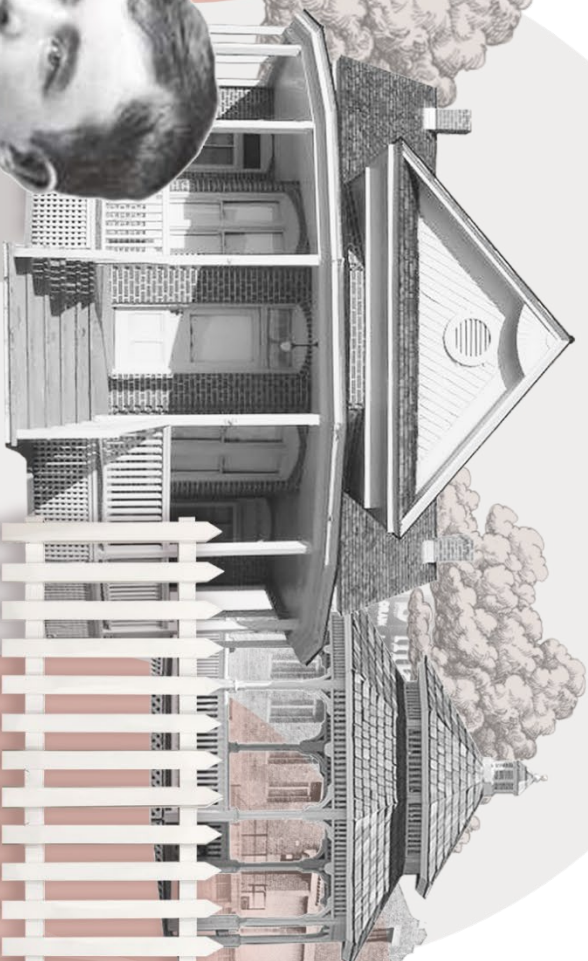
Jeff McVay  
Manager of Urban Transformation  
Jeffrey Robbins  
Redevelopment Program Administrator



# Sirrine House Historical Timeline



*Joel E. Sirrine*



Joel Sirrine arrived in Mesa  
in 1878 as a young boy

Joel Sirrine  
completes the  
Sirrine House

Joel Sirrine and his family  
resided in the Sirrine  
House until around 1905

The City of  
Mesa  
purchased  
and restored  
the Sirrine  
House

The Sirrine House is  
added to the National  
Register of Historic  
Places.

**A new chapter  
for the Historic  
Sirrine House!**



# DESIGN & ACTIVITY AREAS





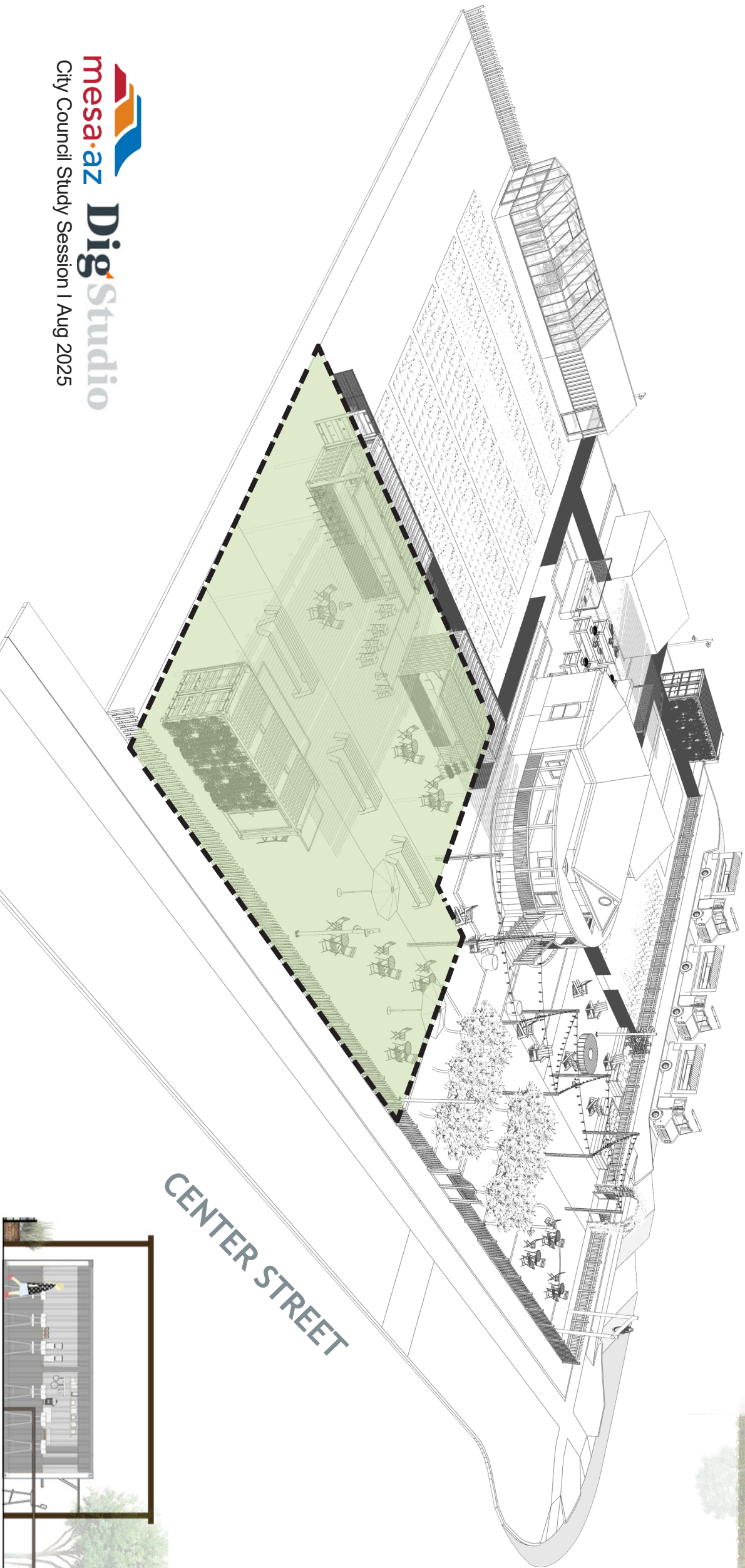
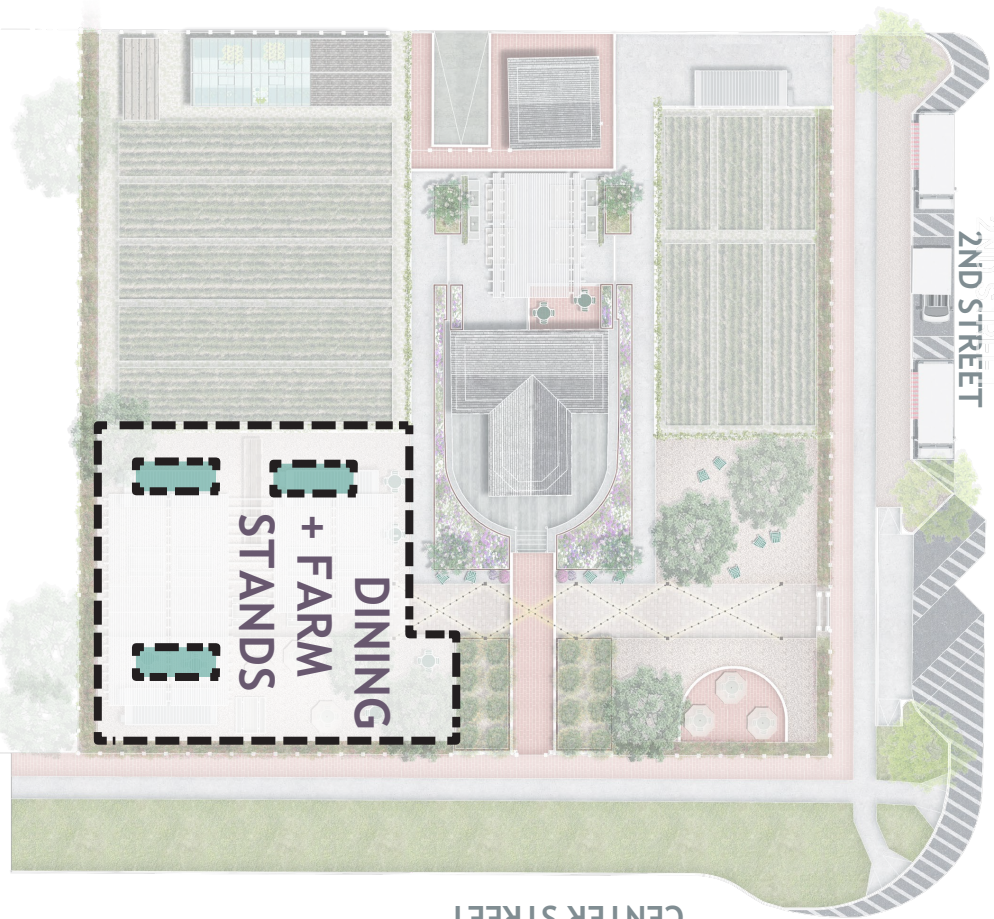
# Sirrine House Activity Areas



## BIRD'S EYE PERSPECTIVE



# Trine House Dining + Farm Stands



CENTER STREET

2ND STREET

CENTER STREET



# rrine House

## ining + Farm Stands





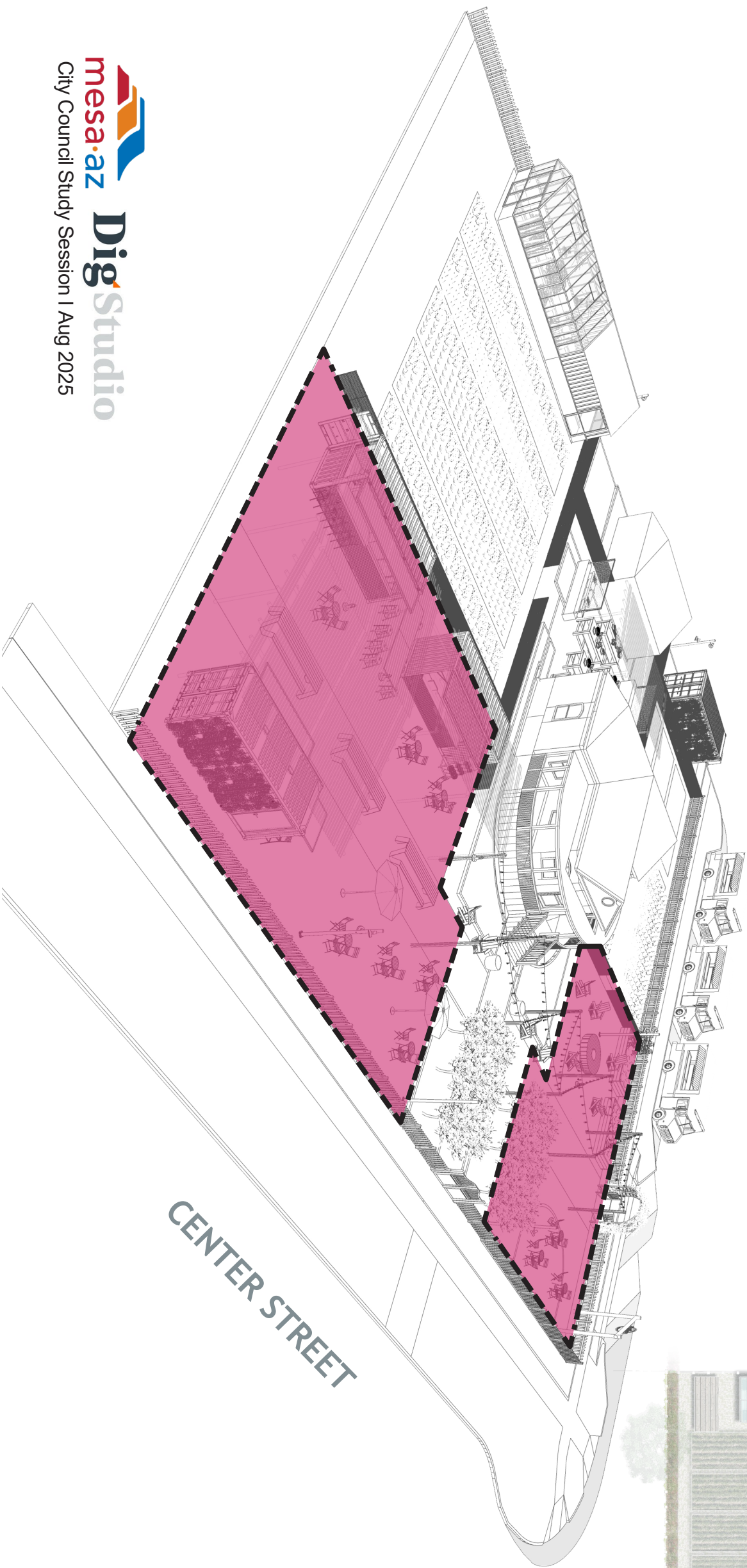
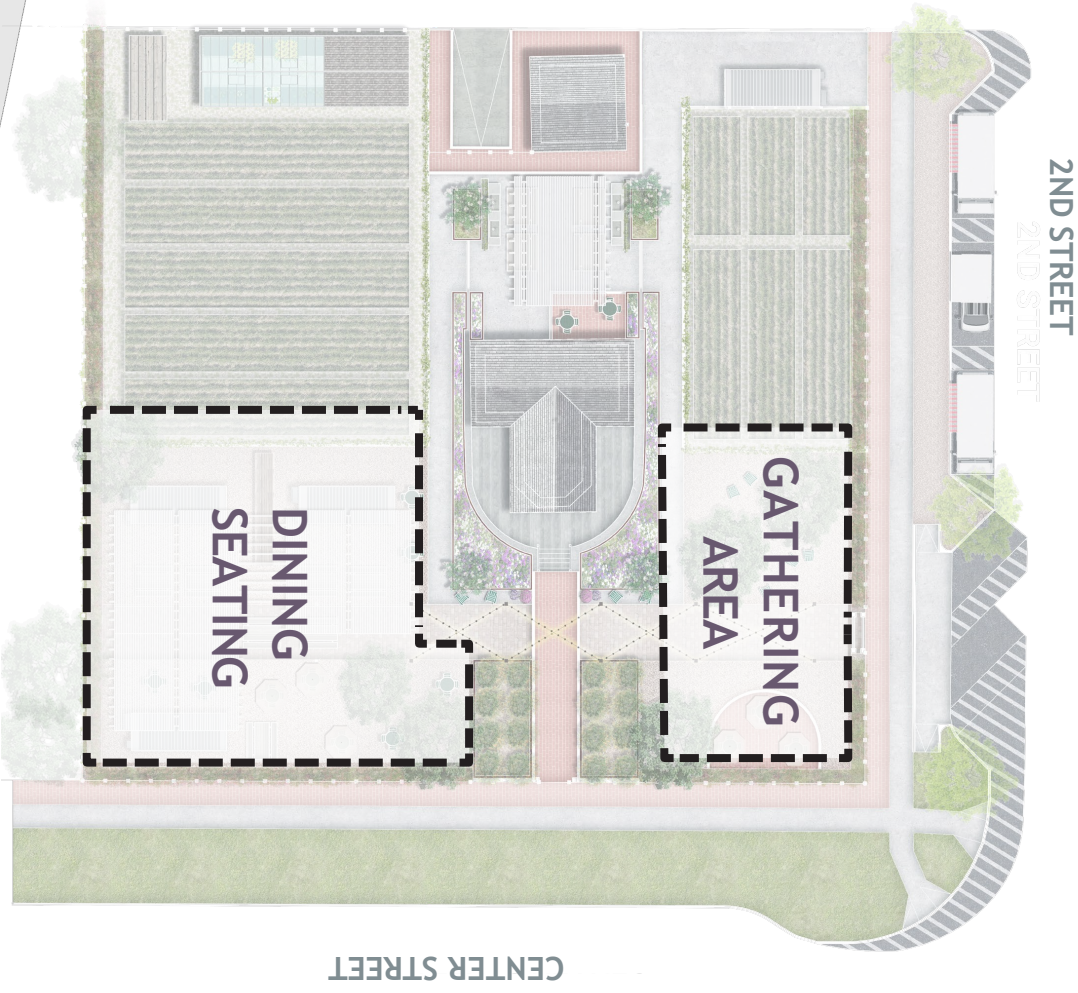
# rrine House

## ining + Farm Stands





# Wine House Gathering Areas





# rrine House Entrance to Gathering Area





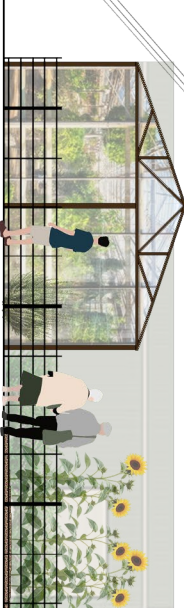
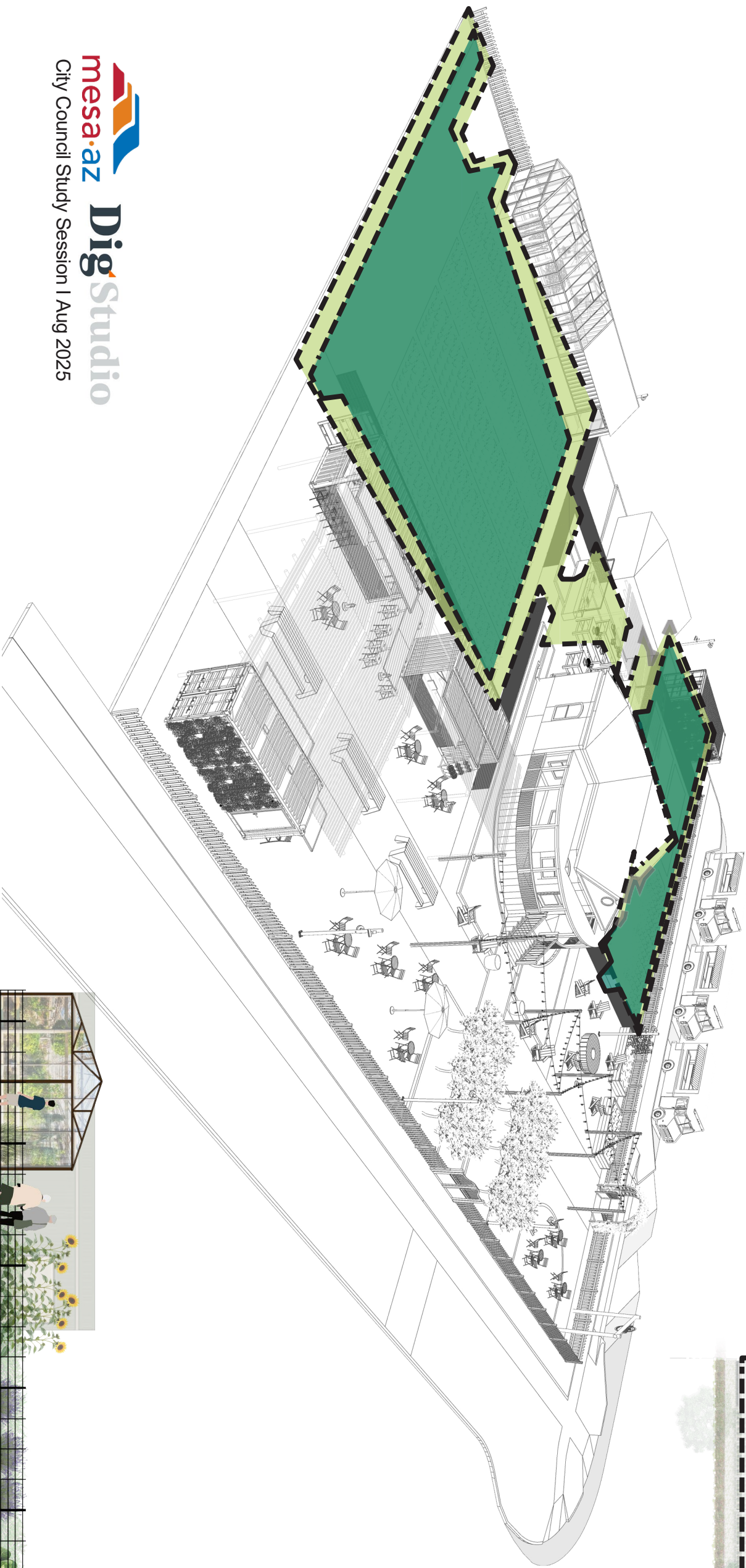
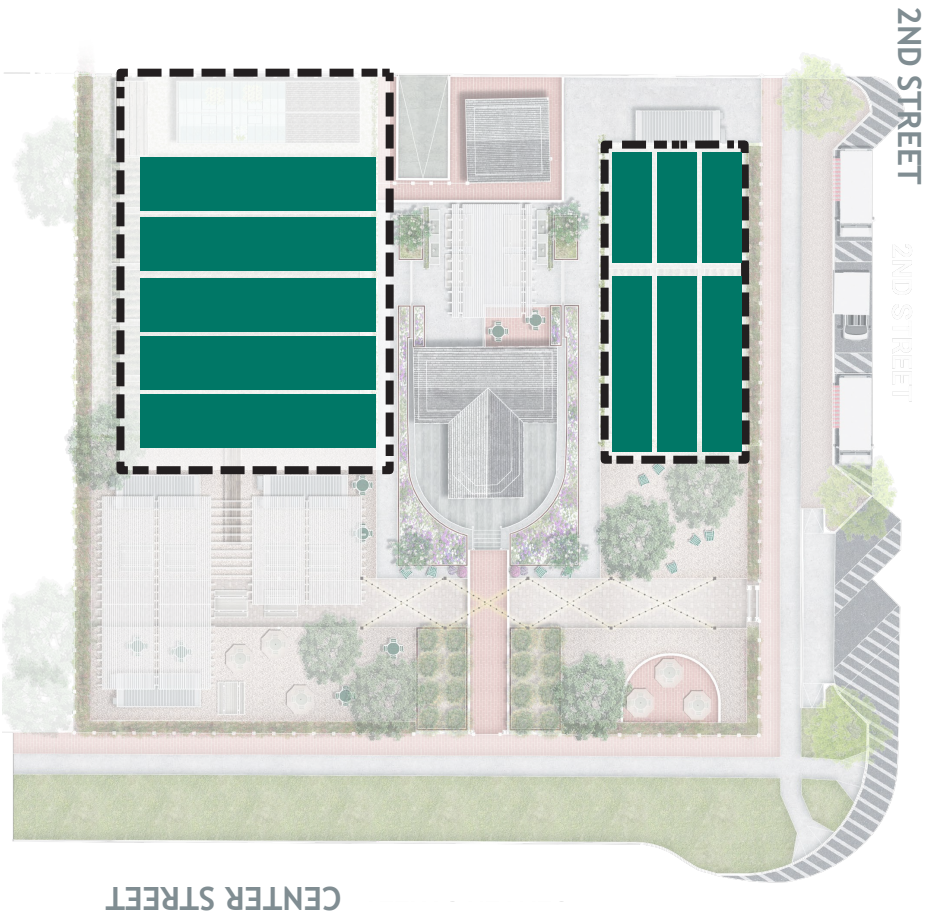
# rrine House athering Area At Night





# vine House

## arm Land





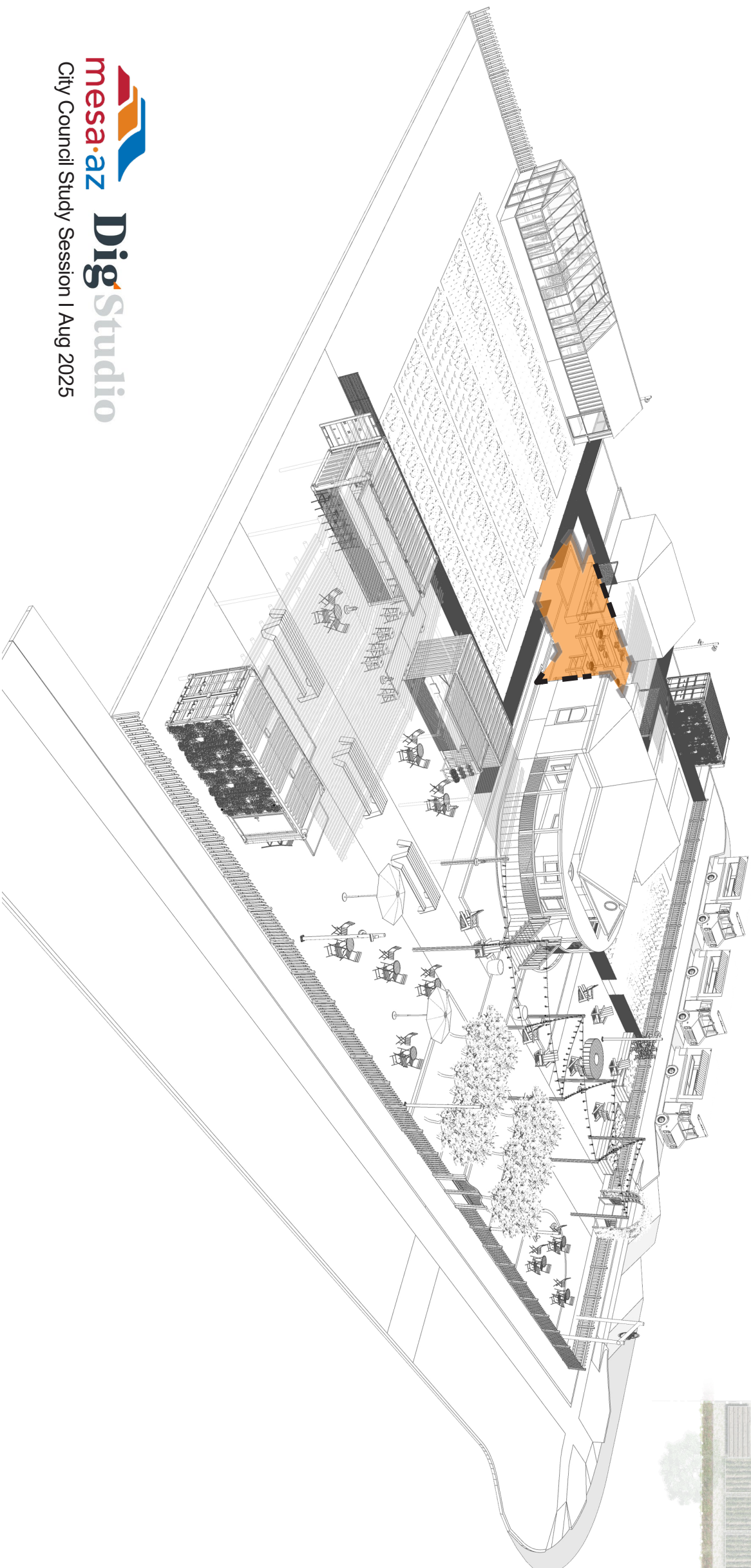
# rrine House arm Land



BIRD'S EYE PERSPECTIVE



# Arboretum House Urban Farming Education





# Arine House Urban Farming Education



BIRD'S EYE PERSPECTIVE



# Urban Farming Education



BIRD'S EYE PERSPECTIVE



# OPERATIONS





# Trine House Facility Operator: Steadfast Farm



**mesa**.az STEADFAST FARM



City Council Study Session | Aug 2025



# rrine House Facility Operator: Steadfast Farm



mesa·az STEADFAST FARM



City Council Study Session | Aug 2025



# Prine House Site Activation

## RETAIL AND FRESH PRODUCE



## EDUCATION

## DESTINATION DINING



## EVENTS



Irvine House

Proposed Deal Points

- ❖ SERVICES CONTRACT TO MANAGE THE SITE
- ❖ PUBLIC ACCESS DURING REGULAR BUSINESS HOURS
- ❖ FREE URBAN AGRICULTURE CLASSES FOR MESA RESIDENTS
- ❖ REASONABLE EFFORTS TO ENGAGE COMMUNITY PARTNERS
- ❖ CITY MAINTAINS MAJOR UTILITIES AND SYSTEMS





# BUDGET AND SCHEDULE





# vine House Budget

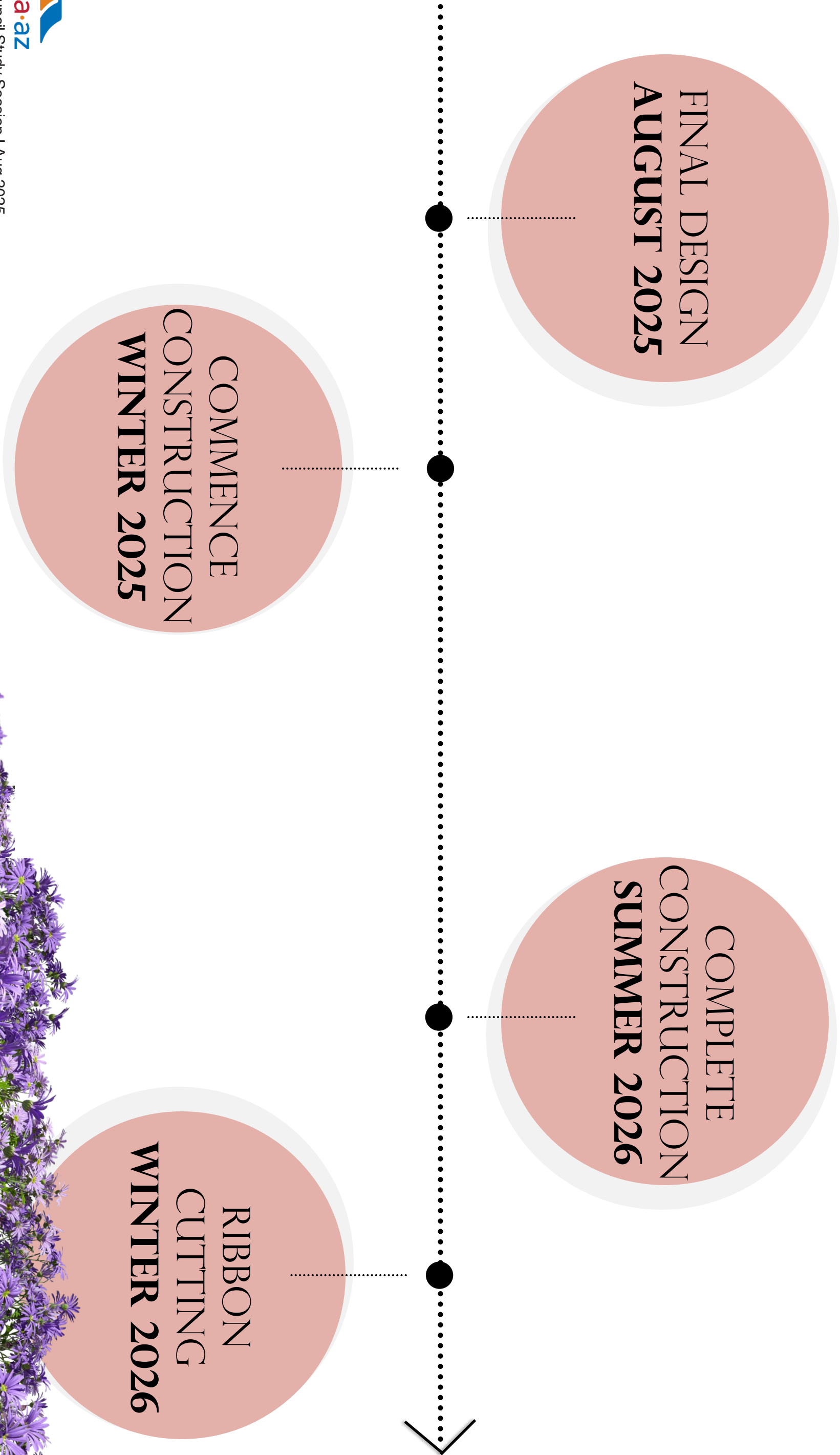
2024 VOTER  
APPROVED BOND- \$5M

ANTICIPATED:  
DESIGN \$310K  
CONSTRUCTION \$4M  
TOTAL: 4.3M





# Sirrine House Construction Schedule





# QUESTIONS?

