



# City Council Report

**Date:** May 21, 2012  
**To:** City Council  
**Through:** Christopher J. Brady, City Manager  
**From:** William Jabjiniak, Economic Development Director *WJ*  
**Subject:** 51 E. Main Street Lease Agreement for Higher Education Re-use District 4

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to present to the Council a Lease Agreement between the City of Mesa and Benedictine University (BenU) for 3,270+/- sq ft at 51 E. Main Street. If approved, these agreements will authorize the City of Mesa to lease a portion of the building known as 51-55 E. Main Street.

Staff recommends that Council approve the lease with Benedictine University.

## Background

In January 2012, the City announced that Benedictine University would come to Mesa and occupy the former Tri-City Community Center (225 E. Main Street), with a goal of starting classes in the fall of 2013. Benedictine University also sought a site to establish a recruiting presence, beginning in July 2012, in advance of the start of classes.

Benedictine University was one of 12 qualified respondents to the City's RFI. The university visited Mesa in early October and in December 2011 signed a Memorandum of Understanding (MOU) with the City of Mesa to develop a campus in Downtown Mesa.

Benedictine University is a private Roman Catholic University in the Benedictine Tradition providing a values-centered liberal arts education enriched by excellence in science. Benedictine is a Doctoral/Research University founded by the monks of St. Procopius Abbey in 1887. The main campus is 108 acres, 21 buildings, located 25 miles west of downtown Chicago, ranked among the top schools in the Midwest by *U.S. News & World Report*.

Benedictine features five colleges including Liberal Arts; Science; Business; Education and Health Services; and Moser College of Adult and Professional Studies, offer undergraduate, graduate and doctorate degrees.

## **Discussion**

Since signing the MOU, Benedictine University has been working with City Staff on options for the recruitment space to house education professionals, advisors and other administrative functions while the larger project – 225 E. Main – is under development.

Proximity to the main building, across from City Plaza and in front of the Mesa Arts Center made 51 E. Main Street a very attractive temporary location for Benedictine's administrative functions. Tenant improvements have been designed and agreed upon. Staff has prepared a contract and negotiated the GMP for the remodel of 51 E. Main Street based on subcontractor bids solicited by D L Withers Construction.

The City of Mesa recognizes Benedictine's need to begin recruiting students and faculty for fall classes. To achieve their goals, they will be hiring 10 full-time positions to work out of 51 E. Main.

BenU will enroll students for classes beginning in the fall 2013 semester. During Year One, BenU will offer eight majors, attracting 100 students and by Year Five, BenU will offer 21 majors, enroll 640 students and employ 70 full-time faculty and staff. Projected enrollment for Year 10 is 1,500 students.

## **Alternatives**

If Council does not approve the lease for 51 E. Main, Benedictine's launch will likely be negatively affected and perhaps significantly delayed. Another site search process with negotiations and improvements will further delay recruiting and potentially delay the fall 2013 opening.

## **Fiscal Impact**

The tenant improvements will be funded through the Economic Investment Fund and cover both the remodel for Benedictine's suite and repairs and upgrades necessary to operate the other parts of the facility.

Benedictine will pay City of Mesa a market rate of \$14 per square foot plus utilities including power, water, sewer and gas. Benedictine will sign a two year lease agreement with three (3) one (1) year options for renewal.

The addition of an institution of higher learning in Downtown Mesa brings new investment to the downtown area and is expected to foster new business growth.

## **Coordinated With**

These agreements have been coordinated with Engineering, Real Estate, Economic Development, Planning, and Budget. Each agency is in support of the agreements and recommendation for their approval.