



# City Council Report

**Date:** January 26, 2026  
**To:** City Council  
**Through:** Marc Heirshberg, Assistant City Manager  
**From:** Lance Webb, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Authorizing the sale of certain City-owned real property located at 159 North Phyllis and authorizing the City Manager to enter into a Purchase and Sale Agreement for the sale of the property  
Council District 3

## Purpose and Recommendation

The purpose of this report is to recommend the sale of the City-owned vacant property located at 159 North Phyllis, Mesa, AZ (APN: 135-45-050), to the adjacent property owner.

## Background

In 1985, the City acquired the property located at the 159 North Phyllis, APN: 135-45-050, ("City Property") for \$65,900 because rainfall in the area would cause flooding of the home constructed in the 1960's on the property. Following the purchase in February 1985, the City demolished the home. Since then, the parcel has remained vacant and maintained by the City.

Bastion Investments, LLC (Bastion Investments), owns the property located south of the City Property, and approached the City about purchasing the City Property. Bastion Investments wants to assemble the City Property with the parcels they currently own, APN's 135-45-043; -042A; -042B; -041B; -041A; -040A; and -038A to design and redevelop the site. Purchasing the City Property provides additional access to their design for future improvements.

To determine if there was interest from other adjacent property owners in the area, City staff called and sent letters to owners of adjacent parcels. No responses, input, or interest was received by staff from the other adjacent owners. The City hired a third-party appraiser to have the City Property appraised. The vacant City Property appraised for \$165,000.

**Discussion**

The City commissioned an appraisal of the City Property from KS Appraisal completed on February 26, 2025. The appraised value of the City Property is \$165,000. Bastion Investments LLC agrees with this amount and is willing to compensate the City for the purchase of the City Property.

**Alternatives**

An alternative is not to sell the City Property. Choosing this alternative will result in Bastion Investments not purchasing the City Property that could be included in their future redevelopment plans, and the vacant City Property continuing to be maintained by the City at its expense.

**Fiscal Impact**

There is no additional fiscal impact on this request.

**Coordinated With**

The Engineering Department and City Management concur with this request.