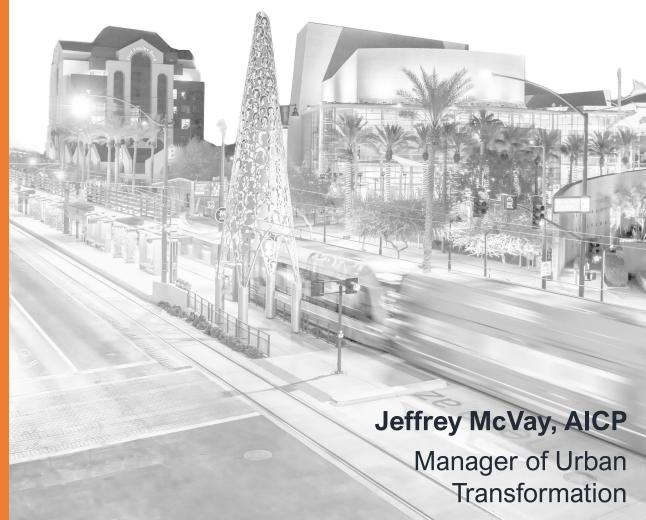
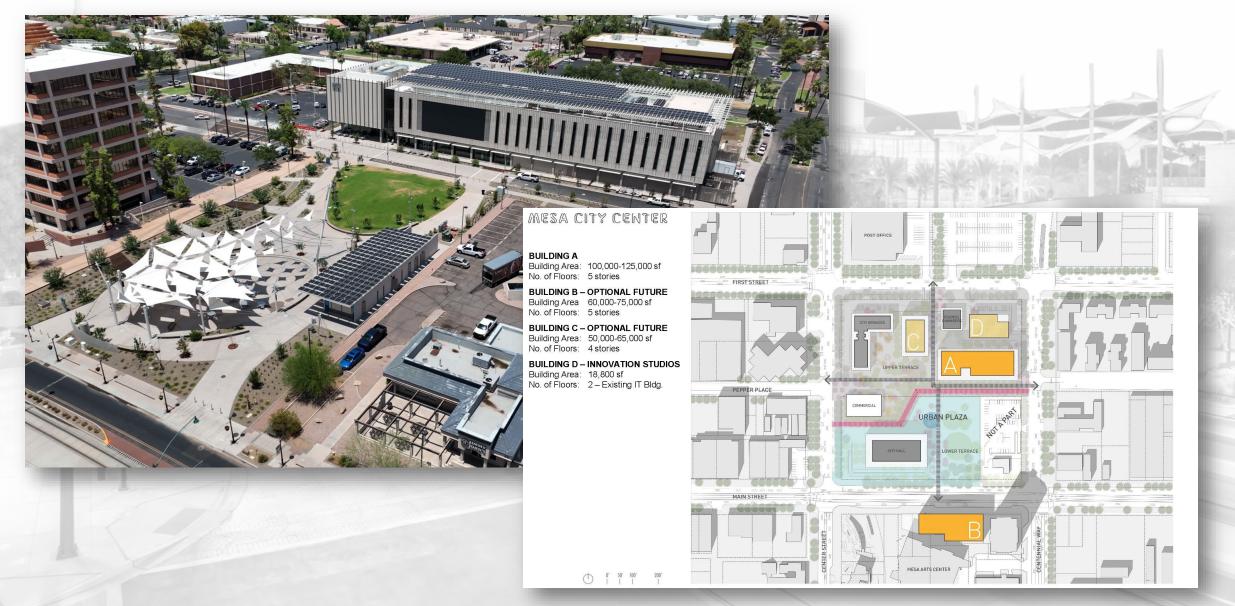


City Council Study Session July 1, 2024



2018 INTER-GOVERNMENTAL AGREEMENT

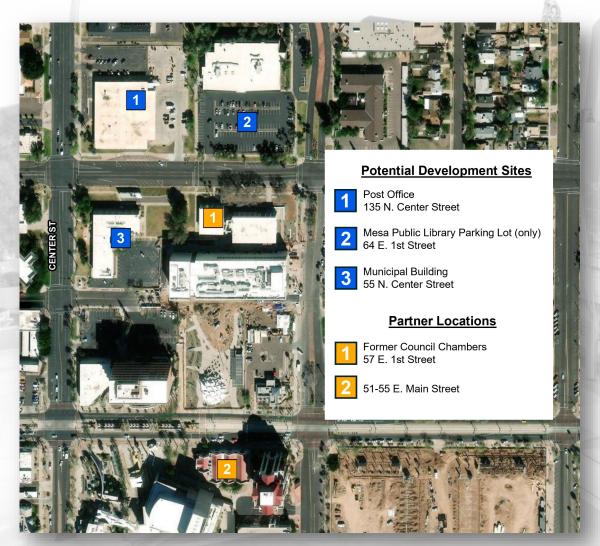


AMENDED AND RESTATED INTER-GOVERNMENTAL AGREEMENT

Primary Business Terms

- Identifies three Potential Development Sites for future ASU projects
 - Site 1: 135 N. Center Street (Post Office)
 - Site 2: 64 E. 1st Street (Mesa Public Library Parking Lot)
 - Site 3: 55 N. Center Street (Municipal Building)
- Identification of two City Center Partner Locations
 - > "Former" Council Chambers
 - > 51-55 E. Main Street
- Renegotiation of MIX Center Lease to ground lease to allow ASU ownership of improvements upon City retiring bond debt
 - Requires continuous operations by ASU consistent with minimum obligations of ASU included in current building lease



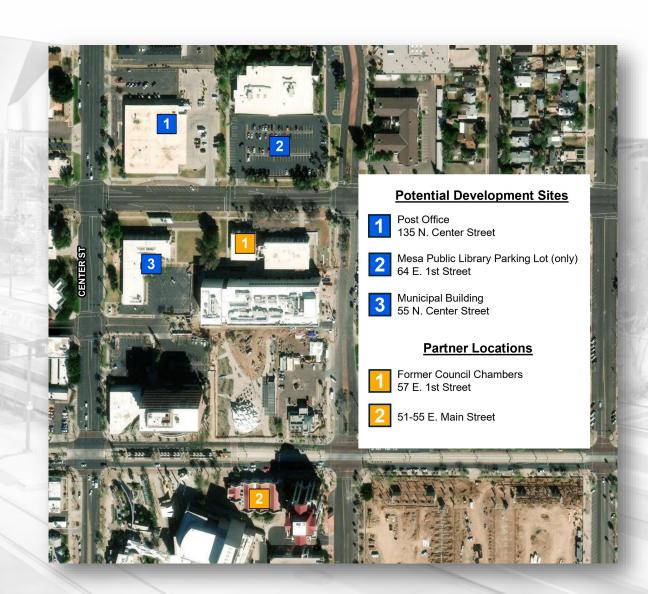


Terms applicable to all Potential Development Sites

- During the Determination Period, City and ASU must mutually agree to develop the site
- Agree if the site is a Joint development or ASU development
- Agree upon a conceptual plan
- If a Joint Development, agree upon an initial project budget, including funding and proportions
- Negotiate and enter into site lease and other necessary documents
 - Minimum ASU requirements (academic, student, faculty, and O&M)
- If agreement is not reached by end of Development Determination Period, ASU's reservation of the Potential Development Site expires

Terms applicable to all Potential Development Sites

- During the Determination Period, City will not encumber site
- ASU owns improvements, the later of 30 years or retirement of municipal bond debt
- Each site lease negotiated separately, with following terms:
 - ➤ Initial term of 99 years
 - After Year 75 of the site lease, significant ASU capital investment will extend lease by useful life of the capital improvement
 - Maximum lease extension is 99 years
 - Rent to be determined case-by-case
 - ASU responsible for commercial subleases
 - > Establishment of a Reserve and Replacement Fund





Site 1: 135 N. Center Street (Post Office)

- Acknowledgement that current ground lease exists until May 31, 2025, and that it is the intent of the City and ASU to retain a retail post office as a component of any future development
- Development Determination Period begins on Effective Date of IGA and ends June 1, 2025
- Construction of ASU project complete within five years of the effective date of the site lease
- While Postal Service has a lease or license, the City shall retain ownership of the portion of the building used by the Post Office

Site 2: 64 E. 1st Street (Mesa Public Library Parking Lot)

- Development Determination Period begins on Effective Date of IGA and expires 10 years later
 - May be extended five years, up to three times, with completion of construction on a Potential Development Site, for maximum term of 25 years
 - Deadline for completion of construction will be negotiated with the Site Lease
- Any ASU development will require a solution for replacement of existing public parking displaced by the project





Site 3: 55 N. Center Street (Municipal Building)

- Development Determination Period begins when City notifies ASU that building will be vacant and expires two years later
- Construction of ASU project complete within four years of the effective date of the site lease

PARTNER LOCATIONS

Former City Council Chambers

- Upon completion of new Council Chambers, provides ASU a non-exclusive right to Joint Use of the Former Council Chambers.
- City will design and construct improvements to Former Council Chambers in coordination with ASU
- ASU's use will directly support academic programming
- If City leases, ASU will have first option to lease



PARTNER LOCATIONS



51-55 E. Main – As a Partner Location

- Development at City's cost and expense
- Provides ASU with designated portions of the property as potential tenant, with lease terms to be negotiated.
 - City will consult with ASU on the design of the improvements

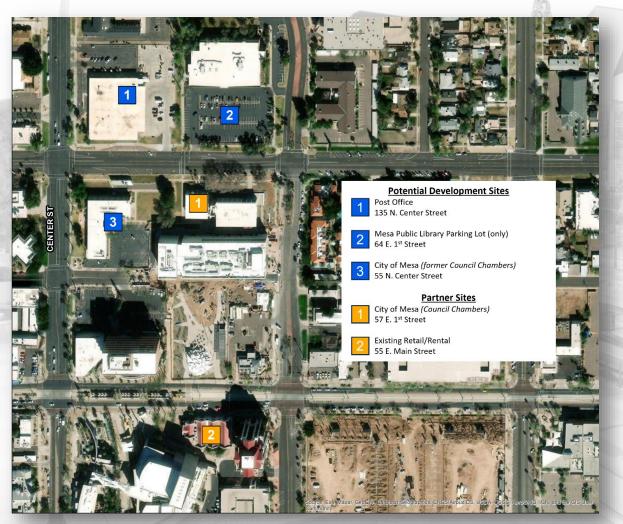
PARTNER LOCATIONS

51-55 E. Main – As a Potential Development Site

- City may elect to convert site to a Potential Development Site
 - Development Determination Period begins on date site is converted to a Potential Development Site and expires five years later
 - As a Joint Development, City may choose to transfer ownership of land to ASU
 - If an ASU Development, City shall transfer ownership of the land to ASU
- Any development must be consistent with City's vision for development of the site



ADDITIONAL TERMS



- Term of IGA is earlier of expiration of all Development Determination Periods or 25 years
- City and ASU will consider additional public open space within Mesa City Center with each Potential Development Site
- > Parking will be considered project-by-project
- > ASU will be responsible for all O&M
 - Cost share may apply if a third party subject to a lease or license with the City occupies the space
- ASU will use all City utilities, including solid waste, unless City solid waste service does not meet ASU sustainability goals
- City and ASU will jointly develop a security plan for each ASU facility

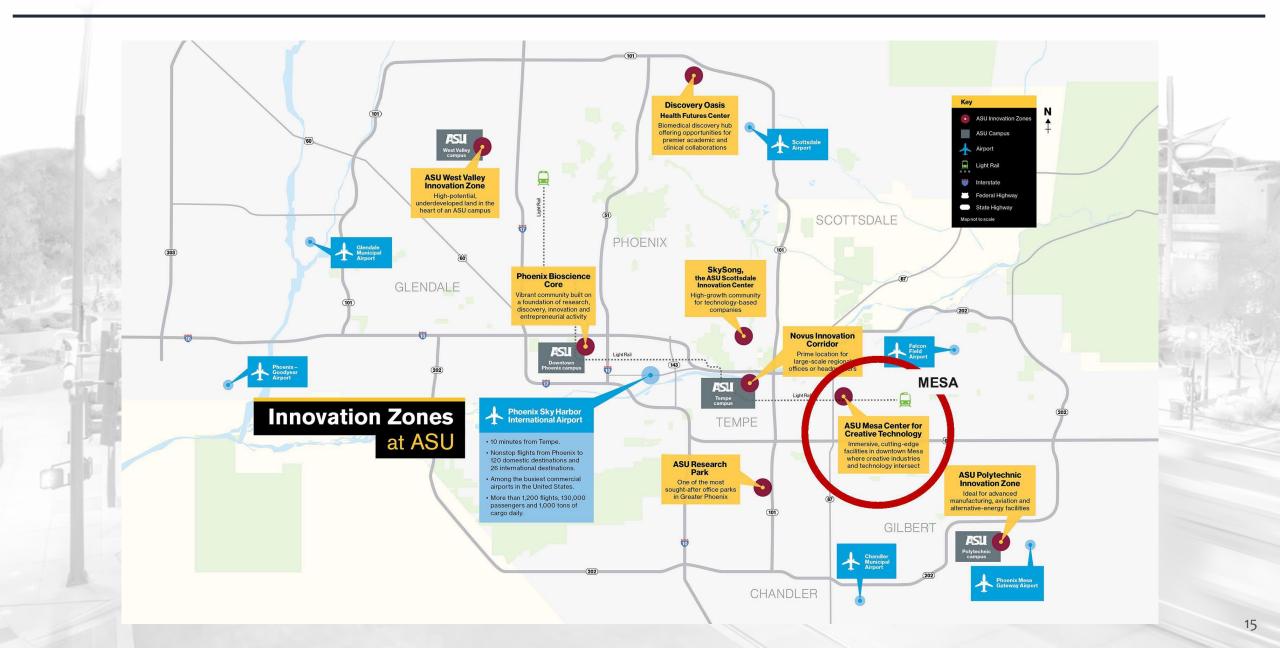
AMENDED AND RESTATED INTER-GOVERNMENTAL AGREEMENT

NEXT STEPS

- Council action on the Amended and Restated Inter-governmental Agreement
- Begin negotiations for ASU development on Potential Development Site 1 (Post Office)
- Preparation of a Request for Proposals to develop 51-55 E. Main Street consistent with the City's vision
 - Architecturally significant mixed-use high-rise
 - First floor retail/restaurant
 - Upper floors designed to accommodate office, academic, hospitality, and residential
- Begin design on Former Council Chambers renovation in coordination with ASU



2024 INTER-GOVERNMENTAL AGREEMENT



2024 INTER-GOVERNMENTAL AGREEMENT

