

**RESOLUTION NO. 12236**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT AND PRE-ANNEXATION DEVELOPMENT AGREEMENT WITH BCB GROUP INVESTMENT, LLC, THAT IS A RETAIL DEVELOPMENT TAX INCENTIVE AGREEMENT PURSUANT TO A.R.S. § 9-500.11, (VERSION 2) FOR THE DEVELOPMENT OF IMPROVEMENTS ON A PROPERTY GENERALLY LOCATED AT THE CORNER OF SOUTH SIGNAL BUTTE ROAD AND EAST WILLIAMS FIELD ROAD FOR THE PROJECT KNOWN AS THE “DESTINATION AT GATEWAY”.**

WHEREAS, following the required notice and approval by the City Council, the City entered into a retail development tax incentive agreement titled “Development Agreement ‘Destination at Gateway’” dated August 10, 2020, recorded in the official records of Maricopa County, Arizona as Recorder No. 2020-0649618 (“Original Development Agreement”) related to certain real property generally located at the corner of South Signal Butte and East Williams Field Road.

WHEREAS, BCB Group Investment, LLC, an Arizona Limited Liability Company requested the City consider an amendment and restatement of the Original Development Agreement in order to, in pertinent part, include additional real property related to a rezoning, increase the amount of the retail development tax incentive related to the inclusion of additional infrastructure and industry-wide cost increases for construction, and modify the terms of the agreement to allow for the inclusion of certain real property located in Maricopa County, Arizona if such property is annexed into the jurisdictional limits of Mesa, AZ (“Amended and Restated Development Agreement”) for the project known as the “Destination at Gateway” (the “Project”).

WHEREAS, the real property that is the subject of the Amended and Restated Development Agreement is depicted in the attached **Exhibit A** (127 +/- acres of real property within the jurisdictional limits of Mesa, AZ, hereafter the “Project Property”) and **Exhibit B** (27 +/- acres of property located in Maricopa County, AZ outside of the jurisdictional limits of Mesa, AZ, hereafter, the “Additional Property”). Developer intends to deliver a petition for annexation of the Additional Property to the City and, if such annexation meets all the legal requirements for an annexation and the annexation is consented to and approved by the City Council, then Developer desires to develop the Additional Property as a part of the Project.

WHEREAS, the Project is intended to be a high quality, master-planned, mixed-use, commercial and multiple residence development that is intended to include an auto mall consisting of up to six (6) to eight (8) new car dealerships and which may include used car dealerships and motorcycle dealerships ; however, the operation and construction of only one (1) new car dealership is necessary as a part of the conditions precedent for the tax incentives described herein.

WHEREAS, the Project will enhance the economic welfare for the inhabitants of the City of Mesa by, among other things: (i) requiring development of the Project Property and, if annexed,

the Additional Property, consistent with the City’s adopted general plan; (ii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Project; (iii) increasing tax and other revenues to the City based on improvements to be constructed on the Project Property and, if annexed, the Additional Property; (iv) creating employment through the construction of the Project; (v) creating additional housing for Mesa citizens; (vi) increasing the demand for City services during and after the development of the Project; and/or (vii) otherwise advancing the redevelopment goals of the City.

WHEREAS, Arizona Revised Statutes (“A.R.S.”) § 9-500.05 authorizes the City to enter into a development agreement with any person or entity having an interest in real property in the City of Mesa providing for the development of such property and certain development rights thereon.

WHEREAS, to facilitate the development of the Project, the City desires, and Developer is willing to, enter into the Amended and Restated Development Agreement for the Project. The Amended and Restated Development Agreement includes additional restrictions or requirements for the Project as compared to the Original Development Agreement, such as limitations and/or requirements related to certain uses, design, lighting, and public address systems.

WHEREAS, A.R.S. § 9-500.11 (Version 2) entitled “Expenditures for economic development; requirements; definitions” (“A.R.S. § 9-500.11”), Subsection (A) states that a “governing body of a city or town may appropriate and spend public monies for and in connection with economic development activities.”

WHEREAS, the proposed Amended and Restated Development Agreement meets the definition of a “retail development tax incentive agreement” under A.R.S. § 9-500.11(M)(6).

WHEREAS, A.R.S. § 9-500.11, Subsection (K) requires a city or town to “adopt a notice of intent to enter into a retail development tax incentive agreement at least fourteen days before approving a retail development tax incentive agreement” and a Notice of Intent to enter into the Amended and Restated Development Agreement was adopted by the City Council on April 15, 2024, a copy of which is on file with the City Clerk’s Office as Resolution No. 12173.

WHEREAS, as required by A.R.S. § 9-500.11, the City Council found, by at least a two-thirds vote, that: (i) the proposed tax incentive in the Amended and Restated Development Agreement is anticipated to raise more revenue than the amount of the incentive within the duration of the agreement and that such finding was verified by an independent third-party; and (ii) in the absence of a tax incentive, the Project would not locate in Mesa in the same time, place, or manner.

WHEREAS, the prohibition for providing tax incentives to business entities in A.R.S. § 42-6010 does not apply to “[i]ncentives consisting of reimbursement for public infrastructure dedicated to and accepted and controlled upon completion of the project by the city or town” and the incentives set forth in the Amended and Restated Development Agreement fall within this exclusion.

WHEREAS, the City Council hereby determines and finds that the Project will improve and enhance the economic welfare of the inhabitants of the City of Mesa in accordance with A.R.S. § 9-500.11.

WHEREAS, the City Council hereby determines it is appropriate to enter into the Amended and Restated Development Agreement and other agreements and amendments as contemplated therein.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AS FOLLOWS:

Section 1: The City Council approves the Amended and Restated Development Agreement between the City and BCB Group Investment, LLC, authorizes the other agreements and amendments as contemplated therein, and authorizes the future actions and execution of future documents and agreements as necessary to carry out the provisions of these agreements (all the foregoing, collectively, the “Project Documents”).

Section 2: The City Manager, or his designee, is authorized to execute the Project Documents and may agree to, and enter into, amendments and modifications to the Project Documents as necessary to carry out the intent of the Project Documents or are necessary to facilitate the development of the Project, and do not materially alter the terms of the Amended and Restated Development Agreement as presented to the City Council.

Section 3: The City Clerk is authorized and directed to attest to the signature of the City Manager, or his designee, on all Project Documents.

PASSED AND ADOPTED by the Council of the City of Mesa, Maricopa County, Arizona this 17<sup>th</sup> day of June, 2024.

APPROVED:

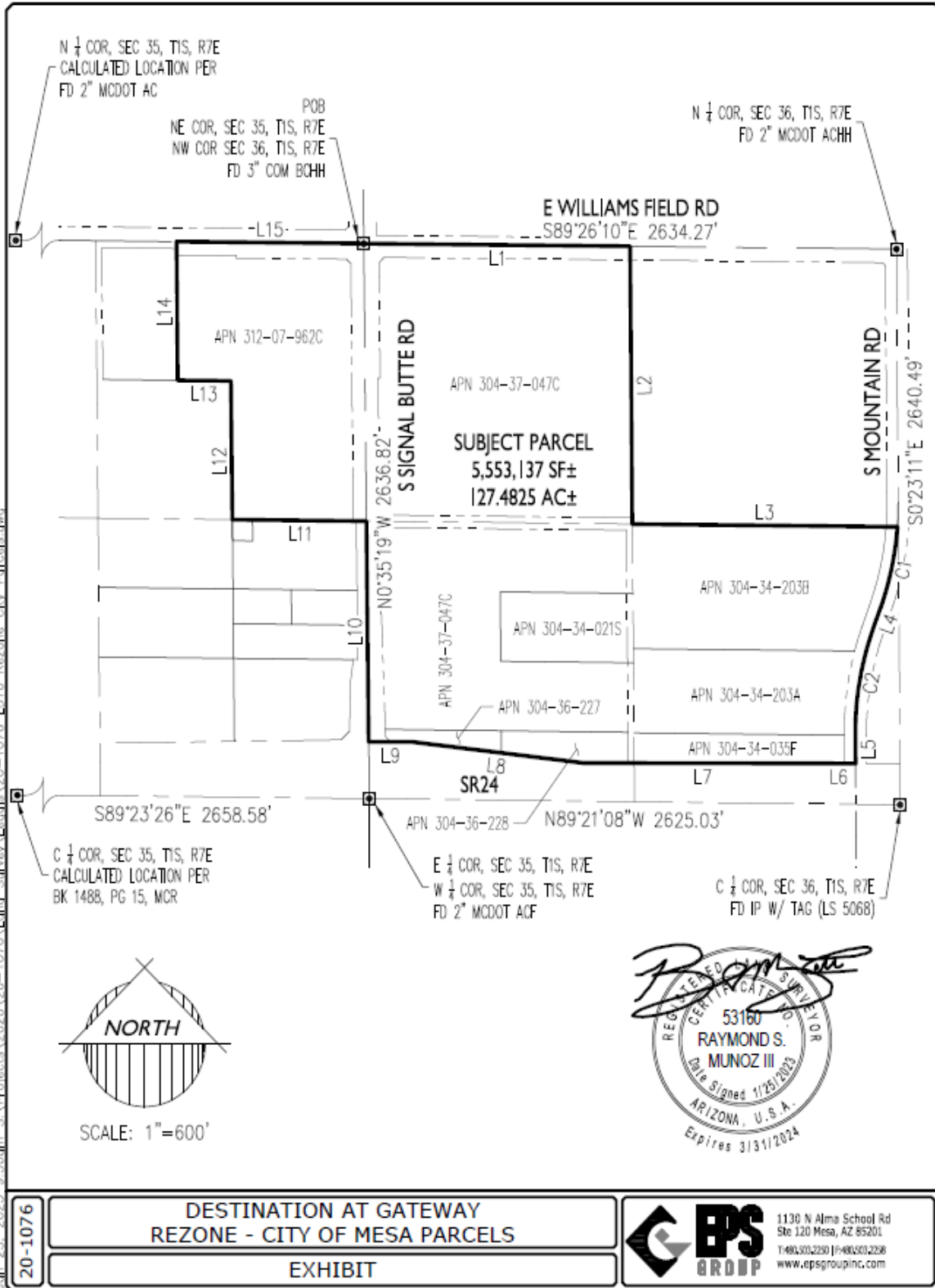
\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

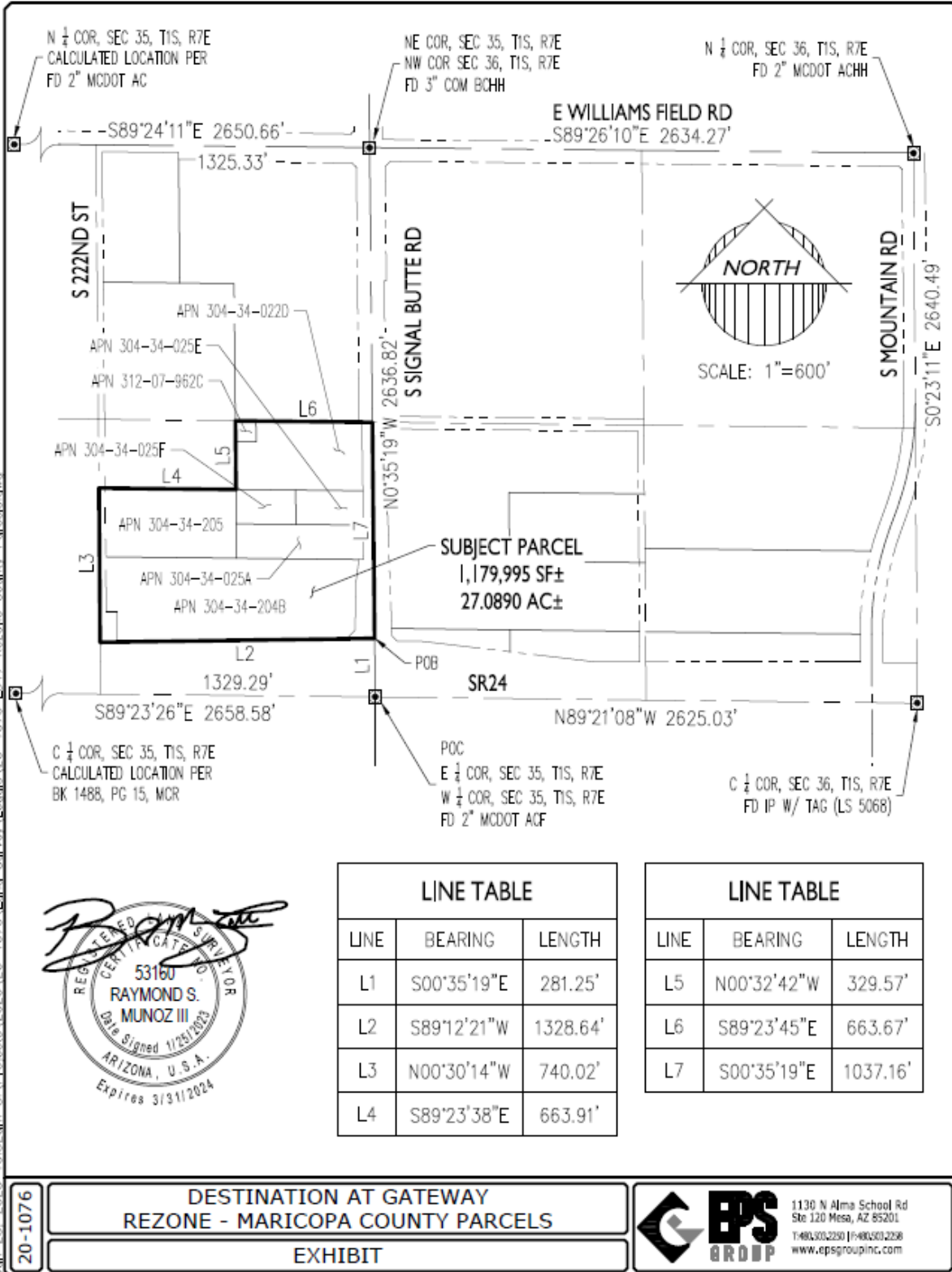
EXHIBIT A

**PROJECT PROPERTY**



# EXHIBIT B

## ADDITIONAL PROPERTY



LINE TABLE		
LINE	BEARING	LENGTH
L1	S00°35'19"E	281.25'
L2	S89°12'21"W	1328.64'
L3	N00°30'14"W	740.02'
L4	S89°23'38"E	663.91'

LINE TABLE		
LINE	BEARING	LENGTH
L5	N00°32'42"W	329.57'
L6	S89°23'45"E	663.67'
L7	S00°35'19"E	1037.16'

20-1076

DESTINATION AT GATEWAY  
 REZONE - MARICOPA COUNTY PARCELS  
 EXHIBIT

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