



# City Council Report

**Date:** April 6, 2026  
**To:** City Council  
**Through:** Marc Heirshberg, Assistant City Manager  
**From:** Lance Webb, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Approving and authorizing the sale of certain City-owned real property located at 8130 East Redberry, Mesa, Arizona, and authorizing the City Manager to enter into necessary deal documents, including a purchase agreement and development agreement.  
Council District 5

## Purpose and Recommendation

The purpose of this report is to seek the following City Council approval related to City-owned property located at 8130 E Redberry, APN: 219-21-006: (1) to sell the property by accepting the highest bid amount received at the April 1, 2026, online land auction in the amount of \$2,090,001.00 from the highest bidder Reserve 100, LLC; and (2) to approve a development agreement with Reserve 100, LLC related to the sale.

## Background

In 2003, the City acquired the 10-acre property located at 8130 E Redberry, APN: 219-21-006 (Property), for \$630,000 for a future park site. The Property was annexed in 2007 (Ordinance 4680) as part of a larger annexation request, and has remained vacant in a natural desert state. Currently, the Property is zoned Single Residence-35 (RS-35), which is a single-family zoning district with a minimum lot size requirement of 35,000 square feet. The Property is surrounded by residentially zoned properties with similar lot sizes.

## Discussion

On January 22, 2026, during a study session, the City Council provided direction to staff to sell the 10-acre Property through an on-line auction with a minimum bid amount of \$1,550,000. The minimum bid is based on the market value determined by the appraisal prepared by a third-party appraiser, dated April 17, 2025, estimating the value of the Property at \$1,550,000.00. Prior to having the Property appraised, City staff established development requirements and provided to the appraiser. The development requirements were considered in this valuation of the Property.

To disseminate the information on the Property and the online auction, staff:

- Created an online auction website, Property information was posted with the online auction information.
- Sent an email to over 2,500 interested parties with online auction information. The interested parties signed up to receive notice of the land auction through the City of Mesa Real Estate webpage.
- Advertised the auction and Property information in the newspaper for a Friday, Saturday, and Sunday period from March 20<sup>th</sup> to March 22<sup>nd</sup> to meet the minimum requirement of 10 days before the auction.
- Mailed letters to property owners within 1,000' of the Property, notifying them of the auction and Property information. City Policy requires letters mailed to property owners within 150' of the Property.
- Posted a sign on the Property providing information on the online auction and webpage address.

The following site conditions and development requirements were included in the online auction information. The development agreement lists all requirements and includes the following:

1. Compliance with the Mesa 2050 General Plan, City of Mesa Development requirements, and Desert Upland Design Standards.
2. Buyer must provide off-site and on-site improvements to support the development meeting City of Mesa Standards.
  - a. Dedication and Improvements adjacent to East Redberry
  - b. Required to dedicate 30 feet of right of way (R/W) along the Redberry frontage.
  - c. Buyer will be required to upgrade Redberry to a Rural Local Road cross section.
  - d. Additional easements are necessary for drainage
3. Water lines must meet City of Mesa Standards and shall be extended to provide adequate domestic and fire flow needs.
4. Buyer may utilize individual Onsite Wastewater (Septic Systems) permitted by Maricopa County Environmental Services Department (MCESD) for this Property.
5. Storm water design/retention/improvements shall address offsite flows and provide centralized retention per City of Mesa Standards.

On April 1, 2026, the online auction was held. There were three qualified registered bidders. Each qualified bidder was required to deposit with the City a check for \$77,500.00 that will be applied to the required earnest money for the Highest Bidder. Checks were immediately returned to bidders that did not win the highest bid. The \$77,500.00 is considered initial earnest money. However, to meet the earnest money requirement of 10% of the highest bid (\$209,000), the Highest Bidder must deposit an additional \$131,500.00 in escrow after executing the Purchase and Sale agreement.

All three registered bidders submitted bid amounts and competed in the online auction. The opening bid amount was the appraised value in the amount of \$1,550,000.00 plus one dollar for a total of \$1,550,001.00. After the online auction started, the bidding increments were not less than \$10,000 dollars. The final bid amount was provided by

Reserve 100, LLC in the amount of \$2,090,001.00 (35% above the appraised value). The second highest bid amount was \$2,080,001.00.

A Purchase and Sale Agreement and Escrow Instructions along with the Redberry Development Agreement are ready for execution. The primary purpose of the Development Agreement is to allow the Property to be served by a septic system, at the owner's sole cost and expense. After all documents are executed, escrow will be opened. The Feasibility Period is sixty (60) days from the opening of escrow, around June 8, 2026 and closing will occur within 90 days of the opening of escrow, approximately July 8, 2026, if no extensions are executed.

### **Alternatives**

An alternative is to reject the bid and not accept the highest bid amount of \$2,090,001.00. Rejecting the bid would also mean rejection of the development agreement.

### **Fiscal Impact**

Accepting the winning bid and approving the sale would show a positive fiscal benefit to the City in the amount of the Highest Bid (sale) price. There is no additional fiscal impact on this request.

### **Coordinated With**

The Engineering, Parks, and Development Services Department and City Management concur with this request.