

RESOLUTION NO. 12507

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, ARIZONA, APPROVING AND AUTHORIZING THE PURCHASE AND LEASEBACK OF THE REAL PROPERTY AND IMPROVEMENTS LOCATED AT 1 WEST MAIN STREET, MESA, ARIZONA, AND AUTHORIZING THE EXECUTION OF NECESSARY DEAL DOCUMENTS, INCLUDING A PURCHASE AGREEMENT AND LEASE.

Whereas, 1 WM, LLC (the “Seller” or “Tenant”) is the current owner of the real property located at 1 West Main Street, Mesa, Arizona, as legally described in the attached Exhibit A, and the building and all other improvements on said real property (collectively, the “Property”).

Whereas, the Seller is willing to sell the Property for \$2,650,000.00 but has agreed to sell the Property to the City for \$2,500,000.00 only if the City temporarily leases the Property back to the Seller for a nominal fee as set forth in the lease agreement contemplated by this Resolution (the “Lease”).

Whereas, the Lease is partial consideration for the City’s purchase of the Property and a condition of the Seller’s obligation to close; the Seller would not have agreed to sell the Property to the City at the agreed-upon purchase price but for the City entering into the Lease.

Whereas, the Property is in a high-profile location at the center of the City’s downtown in the City’s Central Business District and Town Center redevelopment area. Following the purchase of the Property, the City intends to redevelop the Property to a use that will benefit the public by activating the Property, attracting visitors to downtown, and increasing tax, parking, and utility revenues to the City.

Whereas, the Lease will be temporary, for a maximum of 18 months, to allow the existing tenant to remain on the Property while the City plans the redevelopment of the Property and will ensure the Property remains occupied and not vacant during the initial investigation and planning phase of the City’s redevelopment, while allowing the City to access the Property.

Whereas, the Lease will be subject to excise tax liability and other restrictions imposed under the Government Property Lease Excise Tax (“GPLET”) provisions of Arizona Revised Statutes §§ 42-6201, *et seq.* The Tenant will be responsible for the payment of all excise and other tax applicable to the Property and Lease under GPLET; the tax will not be abated. The Tenant’s failure to pay such tax will be a default of the Tenant under the Lease, and after notice and an opportunity to cure, could result in the termination of the Lease, divesting the Tenant of any interest in or right of occupancy of the Property.

Whereas, certain documents necessary for the purchase of the Property and the leaseback of the Property, including a purchase agreement and the Lease, (collectively, the “Deal Documents”) will need to be executed.

Whereas, pursuant to the powers of the City to acquire and lease property set forth in Section 101

of the Mesa City Charter, the City Council finds and determines it is appropriate for the City to purchase and thereafter lease the Property back to the Seller/Tenant as set forth in the Deal Documents.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA:

Section 1. The City Council approves the purchase of the Property and the leaseback of the Property as described in this Resolution. The City Manager or his designee is authorized, on behalf of the City of Mesa, to execute the Deal Documents, including a purchase agreement and the Lease, and any amendments, modifications, renewals, or extensions of the Deal Documents provided they do not materially alter the terms or purpose of the transaction as presented to the City Council.

Passed and adopted by the City Council of the City of Mesa on April 20, 2026.

Mark Freeman, Mayor

Attest:

Holly Moseley, City Clerk

EXHIBIT A TO RESOLUTION
Legal Description of the Real Property

For APN/Parcel ID(s): 138-41-023

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

THE EAST 125 FEET OF LOT 6, BLOCK 11, OF MESA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 3 OF MAPS, PAGE 11;

EXCEPT THE SOUTH 10 FEET THEREOF.

ALSO PURPORTED TO BE KNOWN AS:

THE EAST 125 FEET OF LOT 6, BLOCK 11, CITY OF MESA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 23 OF MAPS, PAGE 18;

EXCEPT THE SOUTH 10 FEET THEREOF.