

RESOLUTION NO. 12408

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A GROUND LEASE, DEVELOPMENT AGREEMENT, AND OPTION TO PURCHASE AGREEMENT; AN ADDENDUM THERETO; THREE PHASE-SPECIFIC DEVELOPMENT AGREEMENTS; THREE PHASE-SPECIFIC PURCHASE AND SALE AGREEMENTS; AND RELATED TRANSACTION DOCUMENTS WITH RN 1 REAL ESTATE, LLC AND ITS PERMITTED ASSIGNEES FOR THE LEASING, SALE, AND DEVELOPMENT OF APPROXIMATELY 25 ACRES OF CITY-OWNED PROPERTY GENERALLY LOCATED IN DOWNTOWN MESA AT THE SOUTHWEST CORNER OF MESA DRIVE AND UNIVERSITY DRIVE.

WHEREAS, the City of Mesa (“City”) owns approximately twenty-five (25) acres of real property located in downtown Mesa at the southwest corner of Mesa Drive and University Drive commonly referred to as the “Transform 17 Site” representing Maricopa County Assessor Parcel Numbers 138-61-053 thru 138-61-073, 138-61-074A, 138-61-076 thru 138-61-080, 138-61-096A, 138-62-002, 138-62-005A, 138-62-006 thru 138-62-009, 138-62-010A, 138-62-012 thru 138-62-038, 138-62-039C, 138-62-040 thru 138-62-069, 138-62-070A, 138-62-070B, 138-62-071 thru 138-62-073, 138-62-074A, 138-62-075 thru 138-62-082, 138-62-090A, 138-62-091, and 138-62-116 thru 138-62-123, and as legally described in the attached Exhibit A (the “Property”).

WHEREAS, the City previously issued Notice of Solicitation No. 2024017 requesting proposals related to the development of the Property, and thereafter selected and entered into a Memorandum of Understanding with RN1 Real Estate, LLC (“Developer”) to set forth the intentions of the City and Developer (collectively “the Parties”) to negotiate and draft a series of transaction documents related to the transfer and development of the Property.

WHEREAS, Developer desired to purchase the Property immediately, the City instead insisted on a long-term ground lease for the Property that allows the Developer to purchase the Property in phases as and when certain development prerequisites have been met, all as more fully described in the Ground Lease, Development Agreement, and Option to Purchase Agreement (the “Ground Lease”). The City believes that structuring the transaction in this manner will ensure timely and quality development consistent with its vision and goals for the Property.

WHEREAS, Developer desires to develop a phased mixed-use neighborhood that prioritizes mobility, community, and open space. The Parties have agreed to the construction of three developments on the Property that will form a community of residential units, integrated with local retail, commercial uses, public plaza, and open space, prioritizing biking, walking, and “transit over cars and parking”, as well as certain public improvements (collectively, the “Project”), all in accordance with the terms of the Ground Lease and three phase-specific Development Agreements.

WHEREAS, City desires that the Project be developed in a manner that will transition smoothly from the existing residential uses south of the Premises, Developer has conceded to construct for-sale residential units adjacent to the existing residential areas in the first phase of development. Additionally, Developer will dedicate easements to the public to allow access through the Project and use of park space, further integrating mobility and flow with the surrounding neighborhoods.

WHEREAS, the Ground Lease grants to Developer the ability to purchase the Property in three phases through the exercise of three option to purchase (each an “Option”), subject to the terms and conditions as provided therein. If Developer exercises an Option, the City and Developer will execute a phase-specific Purchase and Sale Agreement and a phase-specific Development Agreement for the applicable portion of the Property.

WHEREAS, City believes that the development of the Project in conformity with the Ground Lease and its three attached phase-specific Development Agreements will generate substantial monetary and non-monetary benefits for City including, without limitation, by, among other things: (i) providing for the planned and orderly development of the Project consistent with the City’s General Plan and the Zoning Ordinance of the City (as the same may be amended from time-to-time); (ii) increasing tax revenues to City arising from or relating to the improvements to be constructed on the Project; (iii) creating new jobs and otherwise enhancing the economic welfare of the residents of City; and (iv) otherwise advancing the development goals of City.

WHEREAS, the City Council hereby determines and finds that the Project will assist in the creation of jobs and will otherwise 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 Ground Lease, and, provided that Developer satisfies the prerequisites of the Options set forth in the Ground Lease, also the Phase One Development Agreement, the Phase Two Development Agreement, the Phase Three Development Agreement, the Phase One Purchase and Sale Agreement, the Phase Two Purchase and Sale Agreement, and the Phase Three Purchase and Sale Agreement attached to the Ground Lease, 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: i) the Ground Lease, Development Agreement, and Option to Purchase Agreement; ii) the Addendum to the Ground Lease, Development Agreement, and Option to Purchase Agreement; iii) the Phase One Development Agreement; iv) the Phase Two Development Agreement; v) the Phase Three Development Agreement; vi) the Phase One Purchase and Sale Agreement; vii) the Phase Two Purchase and Sale Agreement; viii) the Phase Three Purchase and Sale Agreement (collectively, the “Project Documents”), and all other agreements and amendments as contemplated therein. The City Manager, or his designee, is authorized to execute the Project Documents. Additionally, the City Manager may agree to and enter into, and make, amendments and modifications to the Project Documents as necessary to

carry out the intent of the Project Documents or that are necessary to facilitate the development of the Project and do not materially alter the terms of the Project Documents.

Section 2: The City Council approves and authorizes the conveyance of the Property in three phases consistent with the Project Documents, as may be amended.

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

PASSED AND ADOPTED by the Council of the City of Mesa, Maricopa County, Arizona this 8th day of September 2025.

APPROVED:

Mayor

ATTEST:

City Clerk

Exhibit A

COMPOSITE DESCRIPTION OF PROPOSED
PARCEL AT UNIVERSITY DRIVE AND
MESA DRIVE MESA, AZ 85201

That portion of the Northeast quarter of Section 22, Township 1 North, 5 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

COMMENCING at a 3" Brass Cap in Handhole at the intersection of University Drive and Mesa Drive marking the Northeast corner of said Section 22 from which a 3" Brass Cap in Handhole at the intersection of University Drive and Center Street marking the North quarter corner of said Section 22 bears North 89 degrees 52 minutes 36 seconds West 2618.16 feet; THENCE South 00 degrees 24 minutes 11 seconds West 213.50 feet along the East line of said Northeast quarter to the Easterly extension of the North line of the South 150.00 feet of Block 58, MESA CITY, recorded in Book 3 of Maps, Page 11, records of Maricopa County, Arizona;

THENCE North 89 degrees 56 minutes 06 seconds West 67.75 feet along said Easterly extension to the Northeast corner of said South 150.00 feet and the POINT OF BEGINNING;

THENCE South 00 Degrees 18 Minutes 28 Seconds West 478.57 feet along the East line of said Block 58 and Block 59 to the Easterly extension of the South line of Lot 7 of W.R.

STEWART SUBDIVISION OF BLOCK 59, TOWN OF MESA CITY, recorded in Book 11 of Maps, Page 17, records of Maricopa County, Arizona;

THENCE North 89 Degrees 45 Minutes 08 Seconds West 128.86 feet to the Southwest corner of said Lot 59;

THENCE South 00 Degrees 16 Minutes 40 Seconds West 310.12 feet to the North line of 2nd Street as shown on W.R. STEWART SUBDIVISION, recorded in Book 8 of Maps, Page 11, records of Maricopa County, Arizona;

THENCE North 89 Degrees 43 Minutes 16 Seconds West 1155.68 feet along said North line to the Southwest corner of Block 31, CITY OF MESA, recorded in Book 23 of Maps, Page 18, records of Maricopa County, Arizona;

THENCE North 00 Degrees 19 Minutes 31 Seconds East 757.53 feet along the East line of Pasadena Street to the Southwest corner of Tract C, CENTENNIAL WAY PLAT AMENDED, recorded in Book 283 of Maps, Page 19, records of Maricopa County, Arizona;

THENCE South 89 Degrees 48 Minutes 25 Seconds East 130.85 feet along the South line of said Tract C to the West line of the East half of said Tract C;

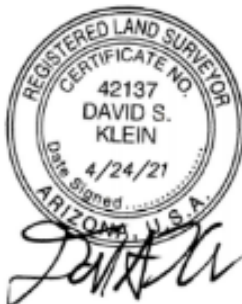
THENCE North 00 Degrees 18 Minutes 45 Seconds East 176.73 feet along said West line to the North line of said Tract C;

THENCE South 89 Degrees 56 Minutes 06 Seconds East 974.59 feet along said North line of said Tract C and the South line of University Drive to the monument line of Pomeroy Street

THENCE South 00 Degrees 16 Minutes 40 Seconds West 150.00 feet along said Monument line to the Westerly extension of the North line of the South 150.00 feet of said Block 58;

THENCE South 89 Degrees 56 Minutes 06 Seconds East 178.62 feet along said North line to the POINT OF BEGINNING.

Comprising 1,112,672 square feet or 25.54 acres more or less.




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DATE: 4/24/21

JOB NO.: 202005008