

RESOLUTION NO. 12567

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A DEVELOPMENT AGREEMENT AND GOVERNMENT PROPERTY IMPROVEMENTS LEASE AGREEMENT WITH PRIDE VENTURES LLC II, TO FACILITATE THE DEVELOPMENT AND CONSTRUCTION OF A MIXED-USE COMMERCIAL AND RESIDENTIAL PROJECT AND OTHER PUBLIC IMPROVEMENTS ON THE PROPERTY GENERALLY LOCATED IN DOWNTOWN MESA AT THE NORTHEAST CORNER OF WEST MAIN STREET AND NORTH DOBSON ROAD, AND EASEMENT AGREEMENTS TO ALLOW FOR THE PUBLIC'S USE OF A SIDEWALK AND DRIVE AISLE IN THE PROJECT.

WHEREAS, Pride Ventures LLC II ("Developer") has fee ownership of approximately 4.05 acres of certain real property (Assessor Parcel Number: 135-48-042) located at 1830 West Main Street within the city limits of the City of Mesa ("City") which is legally described in the attached Exhibit A ("Property").

WHEREAS, Developer intends to facilitate the development of the Property into a high-quality, mixed-use development consisting of one multi-story building with ground floor commercial space, market-rate residential units, pedestrian and vehicular thoroughfares, and other public benefit improvements (the "Project").

WHEREAS, the Property is located in the West Redevelopment Area within City's single Central Business District initially adopted by City Council in 1999 and expanded to include the Property on August 21, 2017, and was renewed by City Council on April 6, 2020, at which time the Council found a substantial number of blight factors still existed within the Central Business District by Resolution No. 11471.

WHEREAS, the City's Central Business District, including the West Redevelopment Area, has numerous vacant, undeveloped and blighted properties and at least two blight factors exist on each parcel within the Property (as determined by the blight assessment study conducted and presented to the City Council at the time of the renewal of the City's Central Business District): deterioration of site or other improvements, and the existence of conditions that endanger life or property by fire and other causes.

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, the City Council finds it is in the best interest of the City and the City's vision for the redevelopment and revitalization of its West Redevelopment Area for the Project to be constructed on the Property and for the City to enter into a Development Agreement for the Project ("Development Agreement"), the terms of which would include the construction of certain public

benefit improvements, with certain dedicated easement areas to be maintained perpetually by the Property owner, consisting of two (2) thoroughfares through the Project with motor vehicle access, pedestrian pathways, and improved landscaping (“Sidewalk and Drive Aisle”).

WHEREAS, upon completion of the Project, it is the desire and intention of Developer and the City that the owner of the Property transfers the Property and all the improvements constructed thereon to the City, and thereafter to lease the same from the City as a Government Property Improvements Lease pursuant to A.R.S. §§ 42-6201 *et seq.* (the “Lease”) on the terms and conditions as set forth in the Lease.

WHEREAS, the governing bodies of Mesa Community College, Mesa Public Schools, and the East Valley Institute of Technology (collectively, the “School Districts”) and Maricopa County were notified and received all documentation required by A.R.S. §§ 42-6201 *et seq.*

WHEREAS, the City Council hereby determines, as required by A.R.S. § 42-6209(C)(2), that, within the term of the Lease, the economic and fiscal benefit to the State of Arizona, Maricopa County, and the City will exceed the benefits received by the prime lessee as a result of the Lease on the basis of an estimate of those benefits prepared by an independent third party in a manner and method acceptable to the City Council, and that the City has provided that analysis to Maricopa County and the School Districts.

WHEREAS, the City Council further finds that the Property is located in the West Redevelopment Area within the City’s single Central Business District, and the improvements that will be constructed on the Property for the Project will result in an increase in property value of at least one hundred percent; therefore, subject to compliance with, and limitations of, A.R.S. §§ 42-6201 *et seq.*, the Development Agreement and the Lease, the Property and improvements will be eligible for the tax abatement under A.R.S. § 42-6209.

WHEREAS, in compliance with A.R.S. § 42-6209(G), the term of the Lease will not exceed eight years, and upon the expiration (or earlier termination) of the Lease, the City will reconvey the Property and improvements back to the owner.

WHEREAS, as a condition precedent to the City entering into the Lease and as an element of the consideration for the Development Agreement, the owner of the Property will give to City, at no cost to City, perpetual easements over the Sidewalk and Drive Aisle in the forms attached to the Development Agreement (the “Perpetual Easements”), that will ensure the public benefits from the use of the space by providing pedestrian pathways and vehicular access the public the City-owned transit center adjacent to the Property.

WHEREAS, the City Council finds that the Project will enhance the economic welfare of the inhabitants of the City of Mesa by, but not limited to, (i) providing for planned and orderly development of the Property consistent with the City’s General Plan, Zoning Ordinance and West Main Street Area Plan; (ii) increasing tax revenues to City arising from or relating to the improvements to be constructed on the Property; (iii) increasing utility revenues to City; (iv) creating new jobs and otherwise enhancing the economic welfare of the residents of City; (v) providing the Sidewalk and Drive Aisle for use by the public as outlined in the Perpetual

Easements; (vi) providing a high-quality, new multi-residential area in the City’s downtown; (vii) providing a dynamic, new commercial development in the City’s downtown to benefit City residents; (viii) reducing the blight on the Property; (ix) the collection of permit fees and transaction privilege tax in the construction of the Project; and (x) otherwise advancing the redevelopment goals of the 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 (Version 2) entitled “Expenditures for economic development; requirements; definitions”.

WHEREAS, the City Council hereby determines it is appropriate to enter into the Development Agreement, the Lease, the Perpetual Easement, and other agreements and amendments as contemplated in those documents.

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 Development Agreement, Lease, and Perpetual Easements for the development and construction of the Project, authorizes the other agreements and amendments as contemplated in the Development Agreement, Lease, and Perpetual Easement, and authorizes the future actions and execution of documents and agreements necessary to carry out the provisions of all 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 that are necessary to facilitate the development of the Project, and that do not materially alter the terms of the Project Documents.

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 17th day of August, 2026.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

That part of the Northwest Quarter of Section 20, Township 1 North, Range 5 East of the Gila and Salt River Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the calculated position of the West Quarter Corner of said Section 20, as depicted in Book 1101 of Maps, Page 48, Records of Maricopa County, Arizona, from which the Brass Cap in hand hole marking the Northwest Comer of said Section 20 bears North 00°00'02" East, a distance of 2,652.39 feet;

Thence North 89°06'00" East, along the South line of the Northwest Quarter of said Section 20, a distance of 485.29 feet;

Thence North 00°54'00" West, a distance of 398.00 feet to a point on a line which is parallel with and 398.00 feet Northerly, as measured at right angles, from the South line of the Northwest Quarter of said Section 20;

Thence North 89°06'00" East, along Said parallel line, a distance of 204.34 feet; Thence North 00°01'50" East, a distance of 169.50 feet;

Thence North 89°23'04" East, a distance of 111.12 feet to the True Point of Beginning;

Thence continuing North 89°23'04" East, a distance of 79.88 feet to the beginning of a tangent curve of 500.00 foot radius, concave Northwesterly;

Thence Northeasterly, along said curve, through a central angle of 21°35'37", a distance of 188.44 feet;

Thence North 67°47'27" East, a distance of 67.41 feet to the beginning of a tangent curve of 500.00 foot radius, concave Southeasterly;

Thence Northeasterly, along said curve, through a central angle of 05°04'46", a distance of 44.33 feet;

Thence South 00°36'56" East, a distance of 414.32 feet; Thence South 55°05'24" West, a distance of 64.15 feet;

Thence South 00°36'56" East, a distance of 112.48 feet to a point on the Northerly right-of-way line of Main Street, as depicted in Book 1101 of Maps, Page 48, Records of Maricopa County, Arizona;

Thence along said Northerly right-of-way line the following courses:

Thence North $86^{\circ}18'33''$ West, a distance of 118.19 feet;
Thence South $89^{\circ}06'54''$ West, a distance of 111.34 feet;
Thence North $00^{\circ}36'56''$ West, a distance of 2.00 feet;
Thence South $89^{\circ}06'54''$ West, a distance of 17.61 feet;
Thence North $47^{\circ}53'45''$ West, a distance of 32.67 feet;
Thence South $76^{\circ}12'48''$ West, a distance of 44.31 feet;

Thence North $00^{\circ}01'53''$ East, departing said Northerly right-of-way line, a distance of 235.50 feet;

Thence North $02^{\circ}11'58''$ West, a distance of 67.52 feet;
Thence North $01^{\circ}39'14''$ West, a distance of 126.90 feet;

Thence North $00^{\circ}36'56''$ West, a distance of 36.39 feet to the True Point of Beginning.