

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE CITY MANAGER TO ENTER INTO A SALE AND PURCHASE OF REAL PROPERTY AGREEMENT AND A DEVELOPMENT AGREEMENT WITH EV DEVELOPMENT, LLC, FOR THE SALE OF CITY OWNED PROPERTY AND THE DEVELOPMENT AND CONSTRUCTION OF A MIXED-USE COMMERCIAL PROJECT WITH A PARKING GARAGE AND OTHER PUBLIC IMPROVEMENTS ON THE PROPERTY GENERALLY LOCATED AT THE SOUTHEAST CORNER OF PEPPER PLACE AND ROBSON, AND A PARKING EASEMENT TO ALLOW FOR THE CONTINUED USE OF A PORTION OF THE PROPERTY FOR CITY PARKING.

WHEREAS, City owns approximately 38,944 square feet of real property generally located at the southeast corner of Pepper Place and Robson (“Property”) within the City limits of the City of Mesa (“City”), which is legally described in the attached Exhibit A. The Property is used by City for surface parking for City permittees, downtown business and public parking; and

WHEREAS, EV Development, LLC, a Delaware limited liability company (“Developer”), desires to purchase the Property in order to construct a mixed-use commercial redevelopment project (“Project”) consisting of a seven-story building with ground floor commercial, market-rate residential units and a parking garage. Within the parking garage, Developer will provide City not fewer than seventy-six (76) parking spaces, designated solely and exclusively for use by City, to replace the existing surface parking on the Property, as more fully described in the Development Agreement; and

WHEREAS, the Property is located in the planning area of the City’s Central Main Plan, which was adopted by the Mesa City Council in January 2012. The Property is also located in the Town Center redevelopment area within the City’s single Central Business District, which was adopted by the Mesa City Council in 1999, and which designation of slum and blight was renewed by resolution adopted April 6, 2020; and

WHEREAS, the City’s Central Business District including the Town Center redevelopment area has numerous vacant, undeveloped and blighted properties and at least one blight factor exists on the Property (as determined by the blight assessment study conducted and presented to the City Council with the renewal of the City’s Central Business District); and

WHEREAS, other Arizona cities are experiencing growth and redevelopment in their downtown areas, the City of Mesa, despite its revitalization efforts to reduce the number of vacant, underutilized parcels, has found it challenging to redevelop property within the City’s Town Center redevelopment area; and

WHEREAS, the City Council finds it is in the best interest of City and the City’s vision for the redevelopment and revitalization of its Town Center redevelopment area to sell the Property

to Developer and for Developer to construct the redevelopment Project as set forth in the Development Agreement; and

WHEREAS, City obtained and paid for an appraisal of the Property and the City Council is willing to sell the Property to Developer for the appraised value as more fully described in the Agreement to Purchase Real Property and Escrow Instructions (the “Sale and Purchase Agreement”) and the Development Agreement; and

WHEREAS, to ensure City’s continued use of the parking spaces that currently exist on the Property, City conditioned the sale of the Property on Developer granting to City a perpetual parking easement for 76 parking spaces within the parking garage the Developer intends to construct on the Property as depicted on Exhibit B, and such spaces are for the sole and exclusive use by City, and but for the parking easement and Developer’s commitment to construct the Project, City would not have sold the Property to Developer; and

WHEREAS, the City Council finds that the conversion of the City’s surface parking spaces to spaces in the parking garage will generate a higher monthly lease rate for City permit parking; and

WHEREAS, the City Council further 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 Mesa 2040 General Plan, Zoning Ordinance and Central Main 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) increasing parking revenues to City; (v) creating new jobs and otherwise enhancing the economic welfare of the residents of City; (vi) providing a new parking garage consisting of approximately 206 parking spaces of which 76 parking spaces are reserved for City and for City permit parking, downtown businesses and public parking—the remainder of the parking spaces are reserved for the commercial and residential users of the Project; (vii) providing a high-quality sustainable, new multi-residential area in the City’s downtown; (viii) providing a dynamic, new commercial development in the City’s downtown to benefit City’s residents; (ix) reducing the blight on the Property; and (x) otherwise advancing the redevelopment goals of City.

WHEREAS, upon completion of the Project, it is the desire and intention of the Developer to transfer the Property and all the improvements constructed thereon to City, and thereafter to lease the same from City pursuant to A.R.S. §§42-6201 *et seq.* (the “Lease”); and

WHEREAS, it is the intent of City to bring the Lease to City Council for consideration prior to or at the closing of the sale of the Property; and

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 a Sale and Purchase Agreement, Development Agreement and Parking Easement.

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 sale of the City-owned Property to EV Development, LLC, pursuant to the Sale and Purchase Agreement, and approves the Development Agreement, and Parking Easement (all the foregoing, collectively, the “Project Documents”). The City Manager, or his authorized designee, is authorized to execute the Project Documents and the deed conveying the City-owned Property. Provided further, 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: That 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 31st day of August, 2020.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A
LEGAL DESCRIPTION

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

PARCEL NO. 1: (APN NO. 138-35-010A)

Lot 11, of PEPPER DRIVE TRACT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 8 of Maps, page 22;

EXCEPT THE West 14.16 feet thereof.

(NOTE: A plat of Mesa, recorded in Book 23 of Maps, page 18, records of Maricopa County, Arizona, purports to show the within property as Lot 11, Tract A, MESA.)

PARCEL NO. 2: (APN NO. 138-35-011)

Lot 12, of PEPPER DRIVE TRACT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 8 of Maps, page 22.

(NOTE: A plat of Mesa recorded in Book 23 of Maps, Page 18, records of Maricopa County, Arizona, purports to show the within property as Lot 12, Tract A, MESA.)

PARCEL NO. 3: (138-35-012)

Lots 13 and 14, of PEPPER DRIVE TRACT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 8 of Maps, page 22.

PARCEL NO. 4: (138-35-053)

The West 53 feet of the East 321.25 feet of the South 135 feet of Lot 8, Block 5, of MESA CITY, 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.

(NOTE: A plat of Mesa recorded in Book 23 of Maps, Page 18 purports to show said premises as a portion of Lot 8, Blok 5, Tract B, Mesa.)

PARCEL NO. 5: (138-35-054)

The West 10.15 feet of the South 135 feet of Lot 8, of PEPPER DRIVE TRACT, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 8 of Maps, page 22.

(NOTE: A plat of Mesa recorded in Book 23 of Maps, Page 18 purports to show said premises as a portion of Lot 8. of Tract B. Block 5. Mesa.)

EXHIBIT A
(Continued)

PARCEL NO. 6: (138-35-056)

That part of Lot 8, Block 5, of MESA CITY, 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, more particularly described as follows:

BEGINNING at a point in the East line of said Lot 8, Block 5, at the intersection of North McDonald Street and Pepper Drive being 135 feet Northerly from the Southeast corner of said Lot 8;

RUNNING THENCE Westerly along the South line of Pepper Drive 218 ¼ feet to the TRUE POINT OF BEGINNING;

THENCE running Southerly 135 feet parallel to the East line of said Lot 8 to an alley;

THENCE running Westerly along the North line of said alley 50 feet;

THENCE running Northerly 135 feet parallel to the West line of the said Lot 8 to the South line of Pepper Drive;

THENCE Easterly 50 feet along said South line of Pepper Drive to the TRUE POINT OF BEGINNING.

APN: 138-35-011, 13835-010A, 138-35-053, 138-35-054, 138-35-012, 138-35-056

EXHIBIT B DEPICTION OF PARKING



