

ORDINANCE NO. O2016-017

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, AUTHORIZING AND APPROVING THE ACCEPTANCE OF TITLE TO CERTAIN REAL PROPERTY AND IMPROVEMENTS, THE EXECUTION OF A GOVERNMENT PROPERTY LAND AND IMPROVEMENTS LEASE FOR A TERM OF EIGHT YEARS WITH SIXTEEN & FOUR, LLC AS THE PRIME LESSEE, THE RECONVEYANCE OF TITLE TO THE REAL PROPERTY AND IMPROVEMENTS AT THE CONCLUSION OF THE DESCRIBED LEASE, AND APPROVING THE ABATEMENT OF THE GOVERNMENT PROPERTY LEASE EXCISE TAX DURING THE TERM OF THE EIGHT YEAR LEASE

WHEREAS, pursuant to the Yuma City Charter, Article III, Section 2, the City of Yuma (City) is authorized to acquire, lease and dispose of real property; and,

WHEREAS, on November 24, 2015 the City and Kenyon's Market Inc. entered into a Real Property Exchange and Development Agreement (Agreement), approved by City Council Resolution R2015-045 and recorded as Yuma County Recorder's Fee #2015-26704; and,

WHEREAS, the Agreement describes the exchange of surplus City property for necessary right-of-way, to be followed by a lot tie and redevelopment of the lot tie parcels at the northwest corner of 16th Street and 4th Avenue (Redevelopment Project); and,

WHEREAS, the Agreement also describes an assignment of rights under the Agreement from Kenyon's Market, Inc. to Sixteen & Four, LLC; and,

WHEREAS, pursuant to Arizona Revised Statutes (A.R.S.) § 42-6209, the Yuma City Council by Resolution R2004-01 and Resolution No. R2013-04 has designated a single Central Business District of the City of Yuma, Arizona; and,

WHEREAS, pursuant to A.R.S. § 36-1471 et seq., the Yuma City Council by Resolution No. R2012-03 has made a finding of necessity, declaring the Yuma North End-16th Street and 4th Avenue Redevelopment Area a slum or blighted area, and directing City staff to prepare a redevelopment plan for the area; and,

WHEREAS, pursuant to A.R.S. § 36-1474, the Yuma City Council by Resolution No. R2013-10 has approved the Yuma North End-16th Street & 4th Avenue Redevelopment Plan of 2013 (Redevelopment Plan); and,

WHEREAS, Sixteen & Four, LLC seeks to improve the Redevelopment Project site in conformance with the Redevelopment Plan and the described Agreement; and,

WHEREAS, the proposed Redevelopment Project is located in the City's statutory redevelopment area and Central Business District and may qualify for favorable tax treatment, including abatement of the government property lease excise tax (GPLET) after deeding title to the property and improvements to the City of Yuma and entering into a government property land and improvements lease (lease) with the City as lessor and Sixteen & Four, LLC as prime lessee; and,

WHEREAS, an analysis of the economic and fiscal benefits to the State of Arizona, Yuma County and the City of Yuma and the benefits to be received by Sixteen & Four, LLC was prepared by Elliot D. Pollack & Company in a report titled, *Economic and Fiscal Impact of the Proposed Sixteen & Four, LLC Redevelopment Project* which shall remain on file with the City Clerk through the term of the proposed lease,

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: The City Council finds that in accordance with the report titled, *Economic and Fiscal Impact of the Proposed Sixteen & Four, LLC Redevelopment Project*, dated April 19, 2016:

- a. The Redevelopment Project will generate more than \$9,500,000 in revenues during construction and operations over a fifteen year period including approximately \$2.1 million for the State of Arizona, \$601,700 for Yuma County, 605,200 for community college and other school districts and \$6.1 million for the City of Yuma.
- b. The Redevelopment Project will have an annual economic impact of approximately \$5,208,879 (\$2,020,000 in direct wages for 73 local jobs).
- c. Abatement of the government property lease excise tax on the Redevelopment Project will total approximately \$868,577 (\$60,800 abatement of City property taxes) over the eight year term of the proposed lease.

SECTION 2: The City Council finds that the report titled, *Economic & Fiscal Impact of the Proposed Sixteen & Four, LLC Redevelopment Project* was prepared using methods and in a manner acceptable to the City Council, and that the economic and fiscal benefit to the State of Arizona, Yuma County and the City of Yuma will exceed the benefits to Sixteen & Four, LLC, as prime lessee under the proposed Sixteen & Four, LLC Land and Improvements Lease.

SECTION 3: The City Council further finds that in accordance with a letter dated April 1, 2016 (on file with the City Clerk), each of the appropriate taxing entities was notified at least 60 days prior to the adoption of this Ordinance of the City's intent to enter into the described government property land and improvements lease and that by letter dated April 29, 2016 (on file with the City Clerk), each of the taxing entities was provided a copy of the *Economic & Fiscal Impact for Sixteen & Four, LLC Redevelopment Project* report at least 30 days prior to the adoption of this Ordinance as required by statute.

SECTION 4: The City Administrator is authorized to accept title to the Redevelopment Project land and improvements at the northwest corner of 16th Street and 4th Avenue in the name of the City of Yuma, and to lease the property and improvements to Sixteen & Four, LLC, as prime lessee for a term of eight years in accordance with the terms described in the *Sixteen & Four, LLC, Land and Improvements Lease* on file with the Yuma City Clerk.

SECTION 5: The City Administrator is authorized to execute the *Sixteen & Four, LLC, Land and Improvements Lease* on behalf of the City.

SECTION 6: Abatement of the government property lease excise tax (GPLET) for the Redevelopment Project is approved for the term of the lease.

SECTION 7: Title to the described land and improvements shall be re-conveyed by the City to the prime lessee at the termination or conclusion of the land and improvements lease.

Adopted this _____ day of _____, 2016.

APPROVED:

Douglas J. Nicholls
Mayor

ATTESTED:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Steven W. Moore
City Attorney