

RESOLUTION NO. R2025-047

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA,
ARIZONA, AUTHORIZING AND APPROVING AN ECONOMIC AND
HISTORIC DOWNTOWN REDEVELOPMENT AGREEMENT
BETWEEN THE CITY OF YUMA AND HOTEL SAN CARLOS OF
YUMA, LLC**

WHEREAS, the City of Yuma (City) desires to grow its economy and expand employment opportunities for its citizens through the retention/expansion of existing business and the attraction of new businesses and thereby provide new capital investment and quality jobs; and,

WHEREAS, in 1994, the City entered into an agreement for a loan of federal Community Development Block Grant (CDBG) funds for a federal low-income housing project at the historic San Carlos Hotel located at 106 East 1st Street, Yuma, Arizona 85365 (“San Carlos”); and,

WHEREAS, the CDBG loan was secured by a promissory note from the borrower, Achieve Human Services, Inc. (“Achieve”) and a deed of trust on the San Carlos; and,

WHEREAS, Achieve operated the housing project at the San Carlos until 2021 when Achieve began steps to wind up its obligations to the State of Arizona to operate the housing project; and,

WHEREAS, after working with the State of Arizona to close Achieve’s obligations at the San Carlos and to remove the State of Arizona restrictive covenants on the San Carlos, Achieve began marketing the San Carlos for private sale in 2024; and,

WHEREAS, Achieve entered into a sale agreement with Hotel San Carlos of Yuma, LLC to sell the San Carlos; and,

WHEREAS, in exchange for Hotel San Carlos of Yuma, LLC entering into an Economic and Historic Downtown Redevelopment Agreement, City Council will direct the City Administrator to release the City’s second-position mortgage and deed of trust in exchange for Achieve’s compromise payment to the City of \$300,000 upon the close of escrow; and,

WHEREAS, the City has determined that the San Carlos redevelopment project pursuant to a development agreement will result in significant planning, economic, historical, social and other public purpose benefits to the City and City residents by, among other things: (i) providing for the redevelopment and reuse of the San Carlos in historic downtown Yuma; (ii) increasing tax revenues to the City arising from or related to building improvements; and (iii) retaining existing and creating new jobs within the City and otherwise enhancing the economic and social welfare of the residents of the City.

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

SECTION 1: The City Council finds redevelopment and occupancy of the San Carlos is vital to the future prosperity of the historic Yuma Downtown, in the best interests of the City, the health, safety, and welfare of City residents, and is being improved in accordance with the public purposes and provisions of all federal, state, and local laws, codes and regulations, the City of Yuma 2022 General Plan as amended, the zoning ordinance of the City of Yuma (collectively “Applicable Laws”), and the terms of this Economic and Historic Redevelopment Agreement (“Development Agreement”).

SECTION 2: The Development Agreement attached as Exhibit A and by this reference made a part of this Resolution is approved in accordance with the Agreement’s terms.

SECTION 3: The City Administrator is authorized and directed to execute the Development Agreement on behalf of the City of Yuma.

Adopted this ____ day of _____, 2025.

APPROVED:

Douglas J. Nicholls
Mayor

ATTESTED:

Lynda L. Bushong
City Clerk

APPROVED AS TO FORM:

Richard W. Files
City Attorney