

#9

SEP 24 2015



Chandler · Arizona
Where Values Make The Difference

MEMORANDUM

Downtown Redevelopment – Council Memo DT16-006

DATE: SEPTEMBER 24, 2015

TO: MAYOR AND CITY COUNCIL

THRU: MARSHA REED, ACTING CITY MANAGER *MR*

FROM: KIM MOYERS, DOWNTOWN REDEVELOPMENT MANAGER *KM*

SUBJECT: RESOLUTION NO. 4892 ADOPTING THE PROVISIONS OF A DEVELOPMENT AGREEMENT WITH DC LAND, LLC, PROVIDING FOR THE POSSIBLE USE OF THE GOVERNMENT PROPERTY LEASE EXCISE TAX (GPLET) AND ABATEMENT

RECOMMENDATION: Staff recommends City Council adopt Resolution No. 4892 authorizing the provisions of a Development Agreement with DC Land, LLC, providing for the possible use of the Government Property Lease Excise Tax (GPLET) and abatement.

BACKGROUND/DISCUSSION: DC Land, LLC, purchased 18 parcels in Downtown Chandler comprising 5.5 acres to develop 200 high-density residential units known as DC Heights. City of Chandler Planning and Zoning Commission approved rezoning on November 19, 2014, with City Council approving rezoning on December 11, 2014.

On July 6, 2015, Council adopted Resolution 4884 approving a Development Agreement between the City of Chandler and DC Land, LLC, relating to the real property located between Commonwealth Avenue to Boston Street, and Essex to California streets.

As part of their development requirements, DC Land, LLC, requested the City provide for a 25-year GPLET rate, which is a provision in Arizona's Tax Code that allows for a specific dollar value per square foot assessment, as opposed to the traditional assessment that is based on the value of the property. The current rate for high-density residential projects is \$2.00 per square foot and is divided among all taxing jurisdictions as dictated by a formula outlined in the State Statute. Further, because the site is located in both the City's existing Central Business District and the City's Redevelopment Area, the site will also be able to take advantage of an 8-year abatement on all Property Tax, as part of the requested 25-year GPLET.

Memo No. DT16-006

September 24, 2015

Page 2

Per State Statute, the City of Chandler must notify other governmental entities about the possible use of GPLET and GPLET abatement for at least 60 days before adoption. Letters of notification were sent to the Chandler Unified School District, Chandler-Gilbert Community College, and Maricopa County over 60 days ago. No objections were expressed.

FINANCIAL IMPLICATIONS: Abatement of Property Tax for an 8-year period due to use of the GPLET program with property being located in both the Central Business District and the Redevelopment Area, and use of the GPLET program for up to 25 years.

PROPOSED MOTION: Move City Council adopt Resolution No. 4892 authorizing the provisions of a Development Agreement with DC Land, LLC, providing for the possible use of the Government Property Lease Excise Tax (GPLET) and abatement.

Attachments: Resolution No. 4892

RESOLUTION NO. 4892

A RESOLUTION OF THE CITY OF CHANDLER, ARIZONA, ADOPTING THE PROVISIONS OF A DEVELOPMENT AGREEMENT WITH DC LAND, LLC, PROVIDING FOR THE POSSIBLE USE OF THE GOVERNMENT PROPERTY LEASE EXCISE TAX (GPLET) AND ABATEMENT

WHEREAS, the Chandler Mayor and Council adopted Resolution 4884 in July 2015 which approved a Development Agreement with DC Land, LLC, except those provisions providing for the possible use of Government Property Lease Excise Tax (GPLET) and GPLET abatement; and

WHEREAS, Chandler had to give notification to other governmental entities about the possible use of GPLET and GPLET abatement as a result of the Development Agreement with DC Land, LLC, for at least 60 days before adoption of such provisions; and

WHEREAS, Chandler gave such notification to Chandler Unified School District, Chandler-Gilbert Community College, and Maricopa County more than 60 days ago; and

WHEREAS, there has not been any objection by the such governmental entities;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council to adopt the GPLET and GPLET abatement provisions within the Development Agreement between the City of Chandler and DC Land, LLC.

PASSED AND ADOPTED by the Mayor and City Council of the City of Chandler, Arizona, this _____ day of September, 2015.

MAYOR

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY(*eb*)

CERTIFICATION

I HEREBY CERTIFY that the above and foregoing Resolution No. 4892 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2015, and that a quorum was present thereat.

CITY CLERK