

ORDINANCE S-48789

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND ENTER INTO A DEVELOPMENT AGREEMENT AND ANY OTHER AGREEMENTS AS NECESSARY WITH IDM COMPANIES, OR ITS CITY-APPROVED DESIGNEE FOR THE REIMBURSEMENT OF PUBLIC INFRASTRUCTURE IMPROVEMENTS; FURTHER AUTHORIZING THE CITY CONTROLLER TO DISBURSE ALL RELATED FUNDS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX as follows:

SECTION 1. The City Manager, or his designee, is authorized to negotiate and enter into a development agreement and any other agreements as necessary (Agreements), with IDM Companies, or its City-approved designee (Developer), for the reimbursement of public infrastructure improvements located west of Loop 101 Freeway, east of 99th Avenue, south of Thomas Road and north of McDowell Road. The development agreement will terminate 10 years after the Developer's completion and the City's acceptance of public infrastructure improvements.

SECTION 2. The terms of the Agreements shall be as follows:

- A. Developer will privately finance and construct the public infrastructure improvements including the jack and bore of a water line, as approved by the Water Services Department, under the Loop 101 freeway (Project).
- B. Agreements may include other such public infrastructure and related components (and costs thereof) as approved by the City of Phoenix Community and Economic Development Director.
- C. These improvements shall be in conformance with the zoning for the Site.
- D. The Project must be completed within three years of Council authorization.
- E. Developer must comply with Title 34 of the Arizona Revised Statutes in constructing the improvements to qualify for reimbursement, and the specifics and cost of the public infrastructure improvements must be pre-approved by the City in order to qualify for reimbursement.
- F. The City will reimburse the Developer for public infrastructure improvements as listed above in the following manner and will not exceed a total reimbursement of \$1 million.
 - a. Reimbursements shall be paid on an annual basis and shall not exceed the amount of the eligible General Fund share of Transaction Privilege Tax (TPT) generated from construction sales tax and rental residential lease tax collected that year. These taxes shall be comprised of the taxes relating to (i) the construction of the Project, (ii) the construction and installation of the public infrastructure improvements and private infrastructure improvements constructed, and (iii) residential rental lease tax at the Project. In order to track eligible TPT for reimbursement, all contractors and subcontractors must secure an independent TPT license related solely to the Project. Developer has received a preliminary estimate to design, install, construct, and dedicate the public infrastructure improvements which is in excess of the \$1 million reimbursement cap.
 - b. Reimbursement shall not exceed actual verifiable costs for the approved public infrastructure improvements.

c. Reimbursement would not begin until after the Developer completes the public infrastructure improvements at the Site and the City has accepted those improvements. Reimbursements would be made semi-annually, in arrears, with additional details to be specified in the Agreements.

d. Years 1 through 10: City will reimburse 100 percent of the General Fund share of TPT generated from new construction and business activity on the Site.

G. No other sources of funds would be used if the above resources are not adequate to meet the projected construction expenses.

H. Agreements will include other terms and conditions as deemed necessary by the City.

SECTION 3. The City Controller is authorized to disburse all related funds for the purposes of this Ordinance.

PASSED by the Council of the City of Phoenix this 15th day of June, 2022.

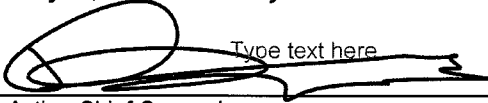


MAYOR

ATTEST:

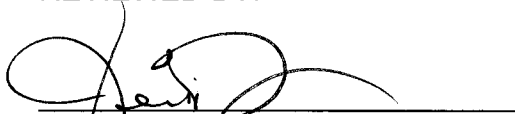

Denise Archibald, City Clerk

APPROVED AS TO FORM:
Cris Meyer, City Attorney

BY:  Type text here
Acting Chief Counsel

DRL

REVIEWED BY:


Jeffrey Barton, City Manager

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