



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE: December 21, 2016

DEPARTMENT: City Administration

DIVISION:

- Motion
- Resolution
- Ordinance - Introduction
- Ordinance - Adoption
- Public Hearing

TITLE:

Real Property Sale and Economic Development Agreement: ST Partners, LLC

SUMMARY RECOMMENDATION:

Approve the terms for the sale of 17 acres of City-owned, surplus real property located at the northwest corner of Avenue 4-1/2 E and 36th Street (adjacent to and east of the Public Safety Training Facility) through an Economic Development Agreement with ST Partners, LLC. (City Administration) (Ricky Rinehart)

REPORT:

In October 2016 the City of Yuma issued a competitive Request for Proposals/Request for Offers for 17 acres of City-owned surplus real property located at the northwest corner of Avenue 4-1/2 E and 36th Street located adjacent to the City of Yuma Public Safety Training Facility. ST Partners, LLC, a Georgia limited liability company (ST Partners) was the only respondent.

ST Partners seeks to purchase the property for a total purchase price of \$1,411,043 or approximately \$1.90 per square foot (742,670.436 square feet total parcel size). ST Partners will construct a 120,000 square foot food processing plant at a capital investment cost of \$27.5 million dollars for land purchase, construction of the building and installation of equipment. Operation of the plant will create 100 full time, non-seasonal jobs, with at least 16 of the jobs paying more than the median Yuma County wages. In addition to the purchase price, direct benefits to the City of Yuma in the first five years of operation include more than \$528,000 in sales and property taxes according to the economic analysis conducted by Applied Economics and on file with the Yuma City Clerk's Office.

The economic analysis also shows that in the first five years of plant operation, the 100 jobs will generate a \$2.8 million dollar payroll each year with direct sales and property taxes to the state, county and school districts projected at \$3,683,557 during the first five years.

Under the terms of the Economic Development Agreement, ST Partners is committed to installation of a sewer line extension, paved and gated secondary access for fire and emergency vehicles, and the cost of design and construction of the plant and equipment. The City is obligated to extend the north half-width of 36th Street from its present terminus at the east boundary of the Public Safety Facility to a cul-de-sac terminus at Avenue 4-1/2 E.