



Resolution

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

NO. 2204

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA AUTHORIZING AND DIRECTING THE ENTERING INTO A DEVELOPMENT AGREEMENT DEVELOPMENT BETWEEN THE CITY OF SAN LUIS, ARIZONA AND RIEDEL HOLDINGS, AZ LLC.

WHEREAS, Nieves Riedel, Riedel Holdings, L.L.C.; Owner, desires to enter into a development agreement for Los Mezquites project to be located in San Luis, Arizona; and

WHEREAS, A.R.S. § 9-500.05 grants power to a municipality to enter into development agreements; and

WHEREAS, the parties desire to enter into such agreement; and

WHEREAS, the applicant and the city staff agreed to all matters in the City's proposed development agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of San Luis, State of Arizona, as follows:

SECTION 1. That the development agreement proposed by the staff of the City of San Luis, Arizona attached hereto as Exhibit "A", is hereby approved;

PASSED AND ADOPTED by the Mayor and City Council of the City of San Luis, Arizona, this ____ day of December, 2021.

APPROVED:

Gerardo Sanchez, Mayor

ATTEST:

Sonia Cornello, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil, City Attorney

**Exhibit A
Resolution No. 2204**

LOS MEZQUITES DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of this _____ day of _____ 2021 ("Effective Date") by and between the City of San Luis, an Arizona municipal corporation (the "City") and Riedel Holdings, L.L.C., an Arizona limited liability company (the "Owner"). This Agreement is entered into pursuant to City Resolution Number 2204.

RECITALS

A. WHEREAS, A.R.S. § 9-500.05 authorizes the City to enter into development agreements with landowners and persons having an interest in real property that is located in the City; and

B. WHEREAS, Owner, owns real property located in the municipal limits of the City which is legally described on Exhibit 1 (the "Property") and is currently being proposed for a commercial shopping center ("Shopping Center") and residential housing ("Housing"), and

C. WHEREAS, Owner has applied for a rezoning and lot split in order to develop the aforementioned Shopping Center and Housing Projects;

D. WHEREAS, A.R.S. § 9-500.05 provides, in part, that a development agreement can provide for the permitted uses of land; the density and intensity of uses; reservation or dedication of land for public purposes; conditions, terms, restrictions and requirements for public infrastructure; conditions, terms, restrictions and requirements relating to the governing body's intent to form a special taxing district pursuant to A.R.S. Title 48; and any other matters relating to the development of the property; and

E. WHEREAS, the City and Owner desire to enter into an agreement to provide for the rezoning and the splitting of land and provide for the land's future development; and

F. WHEREAS, the City's governing body has authorized execution of this Agreement by Resolution No. 2204;

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

DEFINITIONS

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise:

Agreement shall mean this development agreement.

City shall mean and refer to the City of San Luis, an Arizona municipal corporation, and any successor public body or entity.

Owner shall mean and refer to Riedel Holdings L.L.C., an Arizona Limited Liability Company and any successor in ownership.

Property, as used in this Agreement, shall mean and refer to all of the real property, which is legally described in Exhibit 1.

ARTICLE 1. DEVELOPMENT PLAN

1.1. Duration of Development Agreement. The term of this Agreement shall be for a period of five (5) years from the date of execution.

1.2. Failure of Timely Performance. In the event that either party hereto fails to perform any of its obligations which are set forth in or contemplated by this Agreement in a timely manner, and should such failure not otherwise be excused by agreement of the parties or by the terms of this Agreement, such failure shall be considered to be a breach of this Agreement and the non-breaching party shall have their respective remedies set forth in Section 4.3 of this Agreement.

1.3. Review Process. The City acknowledges the necessity for expeditious review by the City of all plans and other materials ("**Submitted Materials**") submitted by the Owner to the City hereunder or under any zoning procedure, permit procedure, or other governmental procedure pertaining to the development of the Property and agrees to use its reasonable efforts in order to accomplish such an expeditious review of the Submitted Materials whenever possible.

ARTICLE 2. SPECIAL PROVISIONS FOR DEVELOPMENT

2.1 Dedication of Right of Way. At the present time, Owner shall dedicate appropriate right-of-way to the City along County 23 ½ Street and Avenue D ½ alignments in accordance with the updated standards for right-of-way as provided by the Public Works Department. Dedication of right of way on County 24th Street shall be 75 feet from center of alignment. Dedication of said right-of-way shall occur at such time and in such manner as required by the City in its sole discretion.

2.2 Development of Improvements. At such time that any lot created by City Lot Split Case Number 2021-0387 or any lot within the Rezoning Case No. 2021-0693 is developed, public improvements, including but not limited to streets, roads, retention basins, utility extensions, utility mains, including pumping stations, lift stations, force mains, traffic signalization, and other off-site public improvements will be made pursuant to City standards as may be required by the Public Works Director of the City in his sole discretion. The location of such improvements and/or its

development is not confined to the lot being developed but rather may be located on any portion of the entire Property (Exhibit 1) that is the subject of this Agreement. Owner agrees to make such dedications of property as may be needed or necessary for such development in the discretion of the Public Works Director. Such dedications and the development of such improvements as described above shall be a condition of the issuance of any building permit(s) or other use permit(s) for the development of any such lot or portion of such lot.

2.3 Street Lights. At such time that any lot created by City Lot Split Case Number 2021-0387 or any lot within Rezoning Case No. 2021-0693 is developed, the Public Works Director may require, in his sole discretion, that the development of street lights in the public right-of-way is needed or desired, the development of such street lighting in the manner and at the locations as may be determined by the Public Works Director, in his sole discretion, shall be a condition of the issuance of building permit(s) or other use permit(s) for the development of any such lot.

2.4 Residential Development. Owner is requesting Rezoning Case No. 2021-0693 to change Assessor Parcel Number 227-11-004 and portion of parcel 227-11-005 to Medium Density Residential (R1-6) to allow for single-family development. At such time as any portion of the Property is developed with single-family homes, the development will be of lots no less in size of 6,000 square feet, amending the lot size requirement and removing the minimum home size on Resolution No. 933.

2.5 Traffic Light Contribution. Any development of the Property, or portion thereof, and/or the approval of any subdivision plat, be conditioned upon payment to the City the sum of \$260.00 per acre, or any portion of an acre, as a proportionate contribution for a traffic signal at the intersection of County 24th Street and Avenue E.

2.6 Waste Water Treatment Plant. Owner agrees to execute, record, and deliver such agreements, easements, and/or covenants conditions and restrictions that run with the land which is the Property which is the subject of this agreement ("Property") that will run with the land for the benefit of the City that will allow the Property to be used for or be subject to fumes, vapors, or odors emanating from the City's wastewater treatment operations located at 358 North Avenue D. Further, Owner, on behalf of owner and its successors, shall waive any claims for any damages that might arise from the wastewater treatment operations, whatsoever, and agree to indemnify and hold the City of San Luis and its officers, agents, and employees harmless from any and all claims, whatsoever, known or unknown, emanating from wastewater treatment operations including, but not limited to, claims arising from fumes, vapors, or odors.

2.7 Land Dedication for Park. Owner wishes to donate to the City, and City agrees to accept from Owner certain land within the Property, containing five (5) gross acres of buildable land in addition to the open space requirement. Owner

agrees to convey to the City by executing a Deed, free and clear of all liens and encumbrances.

2.8 Covenants Conditions and Restrictions. For any lot developed or to be developed as other than residential development, Owner shall record a covenant, condition and restriction to run with the land prohibiting the development and use of the Property as a school, public or private, of any kind nature, or description.

2.9 Special Taxing Districts. Owner agrees to agree to the formation of a street lighting improvement district, a community facilities district, and any enhanced municipal district needed.

2.10 Regulations. The terms of this Agreement are in addition to City codes, rules, fees, and regulations that are applicable to this action.

ARTICLE 3. INDEMNIFICATION

3.1. Owner agrees to defend, indemnify and hold harmless City, its officers, officials, and employees ("**Indemnified Group**") for liability from and against claims, damages, losses, and expenses of any nature whatsoever (including but not limited to reasonable attorney fees, court costs, the costs of appellate proceedings, and all claim adjusting and handling expense), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to work or services in the performance of this Agreement by any subcontractor or anyone directly or indirectly employed by or contracting with the Owner or a subcontractor or anyone for whose acts any of them may be liable.

3.2. If any claim, action, or proceeding is brought against the Indemnified Group, by reason of any event that is the subject of this Agreement, Owner (at its sole cost and expense) shall pay, resist or defend such claim or action on behalf of the Indemnified Group by the attorney of the Owner, or if covered by insurance, Owner's insurer, all of which must be approved by City, which approval shall not be unreasonably withheld or delayed. The City shall cooperate with all reasonable efforts in the handling and defense of such claim. Notwithstanding the foregoing, the City may engage its own attorney to defend or assist in its defense, and the Owner shall pay the reasonable costs and expenses thereof.

3.3. Any settlement of claims must fully release and discharge the Indemnified Group from any liability for such claims. The release and discharge shall be in writing and shall be subject to approval by the City, which approval shall not be unreasonably withheld or delayed. If Owner neglects or refuses to defend any of the Indemnified Group as required by this Agreement, any recovery or judgment against

the Indemnified Group for a claim covered by this Agreement shall conclusively establish Owner's liability to the Indemnified Group in connection with such recovery or judgment. If the City desires to settle such dispute, the City shall be entitled to settle such dispute in good faith, and Owner shall be liable for the amount of such settlement and all expenses in connection with such settlement.

3.4. The indemnity provisions of this Agreement shall survive the termination of this Agreement.

ARTICLE 4. MEDIATION AND DEFAULT

4.1. Representatives. To further the cooperation of the parties in implementing this Agreement, the City and Owner each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Owner. The initial representative for the City (the "**City Representative**") shall be the City Manager, and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the "**Owner Representative**"). The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this Agreement and the development of the Property.

4.2. Mediation. In the event that there is a dispute hereunder which the parties cannot resolve between themselves, the parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, either party may request the presiding judge of the Superior Court of Yuma County to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

4.3. Default. Failure or unreasonable delay by any party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any party, the non-defaulting party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance and the right to perform the obligation(s) of which the defaulting party is in default and to immediately seek reimbursement from the defaulting party of all sums expended in order to cure such default, together with interest on all such sums from the date said sums are expended by the non-defaulting party for the purpose of curing the default to the date such sums are paid in full.

ARTICLE 5. CONFLICT OF INTEREST; REPRESENTATIVES NOT INDIVIDUALLY LIABLE

5.1. Conflict of Interest. Pursuant to Arizona law, rules, and regulations, no member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested. This Agreement is subject to the provisions of A.R.S. § 38-511.

5.2. No Personal Liability. No member, official, or employee of the City shall be personally liable to Owner, or any successor or assignee, (a) in the event of any default or breach by the City, (b) for any amount which may become due to the Owner or its successor or assign, or (c) pursuant to any obligation of the City under the terms of this Agreement.

ARTICLE 6. MISCELLANEOUS PROVISIONS

6.1. Notices. All notices and communications provided for herein, or given in connection herewith, shall be validly made if in writing and delivered personally or sent by registered or certified United States Postal Service mail, return receipt requested, postage prepaid to:

If to the City: City Manager
 City of San Luis
 1090 E. Union Street
 P.O. Box 1170
 San Luis, Arizona 85349

If to the Owner: Nieves Riedel, Riedel Holdings, L.L.C.
 1964 E. Cesar Chavez Blvd., Suite 1
 P. O. Box 1649
 San Luis, Arizona 85349

or to such other addresses as either party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices given by mail shall be deemed delivered 72 hours following deposit in the United States Postal Service in the manner set forth above.

6.2. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement.

6.3. Headings. The descriptive headings of the sections and paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions of the Agreement.

6.4. Authority. The undersigned represent to each other that they have full power and authority to enter into this Agreement and that all necessary actions have been taken to give full force and effect to this Agreement. The Owner represents and warrants that it is duly formed and validly existing under the laws of the State of Arizona and that it is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. The Owner and the City warrant to each other that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each individual is signing. The Owner represents to the City that by entering into this Agreement, the Owner has bound the Property and all persons and entities having any legal or equitable interest therein to the terms of the Agreement.

6.5. Amendment of the Agreement. This Agreement may be amended, in whole or in part and with respect to all or any portion of the Property, only with the mutual written consent of the parties to this Agreement or by their successors in interest or assigns. The City shall record the amendment or cancellation in the official records of the Yuma County Recorder.

6.6. Severability. If any other provision of the Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

6.7. Governing Law. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement. The parties agree that venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Yuma County, Arizona, and the parties hereby waive any right to object to such venue.

6.8. Recordation of Agreement and Subsequent Amendment; Cancellation. This Agreement and any amendment or cancellation of it shall be recorded in the official records of the Yuma County Recorder no later than ten (10) days after the City and the Owner execute such agreement, amendment, or cancellation, as required by A.R.S. § 9-500.05.

6.9. Attorneys' Fees and Costs. If either party brings a legal action either because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and court costs.

6.10. Notice of Conveyance or Assignment. The Owner shall give notice to the City of any sale of the entire Property at least ten (10) days prior to the effective date of the sale.

6.11. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.

6.12. No Agency Created. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties.

6.13. Non-Liability of City Officials and Employees. Except for mandamus and other special actions, no member, official, or employee of the City shall be personally liable to Owner, or any successor in interest, in the event of any default or breach by the City or for any amount that may become due to the Owner or successor, or under any obligation under the terms of this Agreement.

6.14. Employment Eligibility, E-Verify

1. The Owner warrants his compliance with all federal immigration laws and regulations that relate to its employees and its compliance with A.R.S. § 23-214, subsection A.
2. A breach of a warranty under paragraph 1 shall be deemed a material breach of the Agreement that is subject to penalties up to and including termination of the Agreement.
3. That the City retains the legal right to inspect the papers of any contractor or subcontractor employee who work on the Agreement to ensure that the contractor or subcontractor is complying with the warranty under paragraph 1.

6.15. Time is of the Essence. Time is of the essence of this Agreement.

6.16. Compliance with All Laws. The Owner shall comply with all laws.

6.17. A.R.S. § 35-393.01. Owner certifies, to the extent permitted by law, that it does not participate in, and agrees not to participate in during the term of this Agreement a boycott of Israel under A.R.S. § 35-393.01.

[Intentionally left blank, signature pages follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

City of San Luis, Arizona

Gerardo Sanchez, Mayor

ATTEST:

Sonia Cornelio, City Clerk

APPROVED AS TO FORM:

Kay Marion Macuil, City Attorney

Riedel Holdings, L.L.C.

Signature

Print Name

Title

STATE OF ARIZONA)
) ss.
County of Yuma)

The foregoing instrument was acknowledged before me this ____ day of _____
2021 by Gerardo Sanchez, Mayor of the City of San Luis, Arizona, a municipal
corporation.

Notary Public

My Commission Expires: _____

STATE OF ARIZONA)
) ss.
County of Yuma)

The foregoing instrument was acknowledged before me this ____ day of _____
2021, by _____, on behalf of Riedel Holding L.L.C., an
Arizona Limited Liability Corporation.

Notary Public

My Commission Expires: _____

Exhibit 1

Los Mezquites Development Agreement

LOS MEZQUITES SUBDIVISION

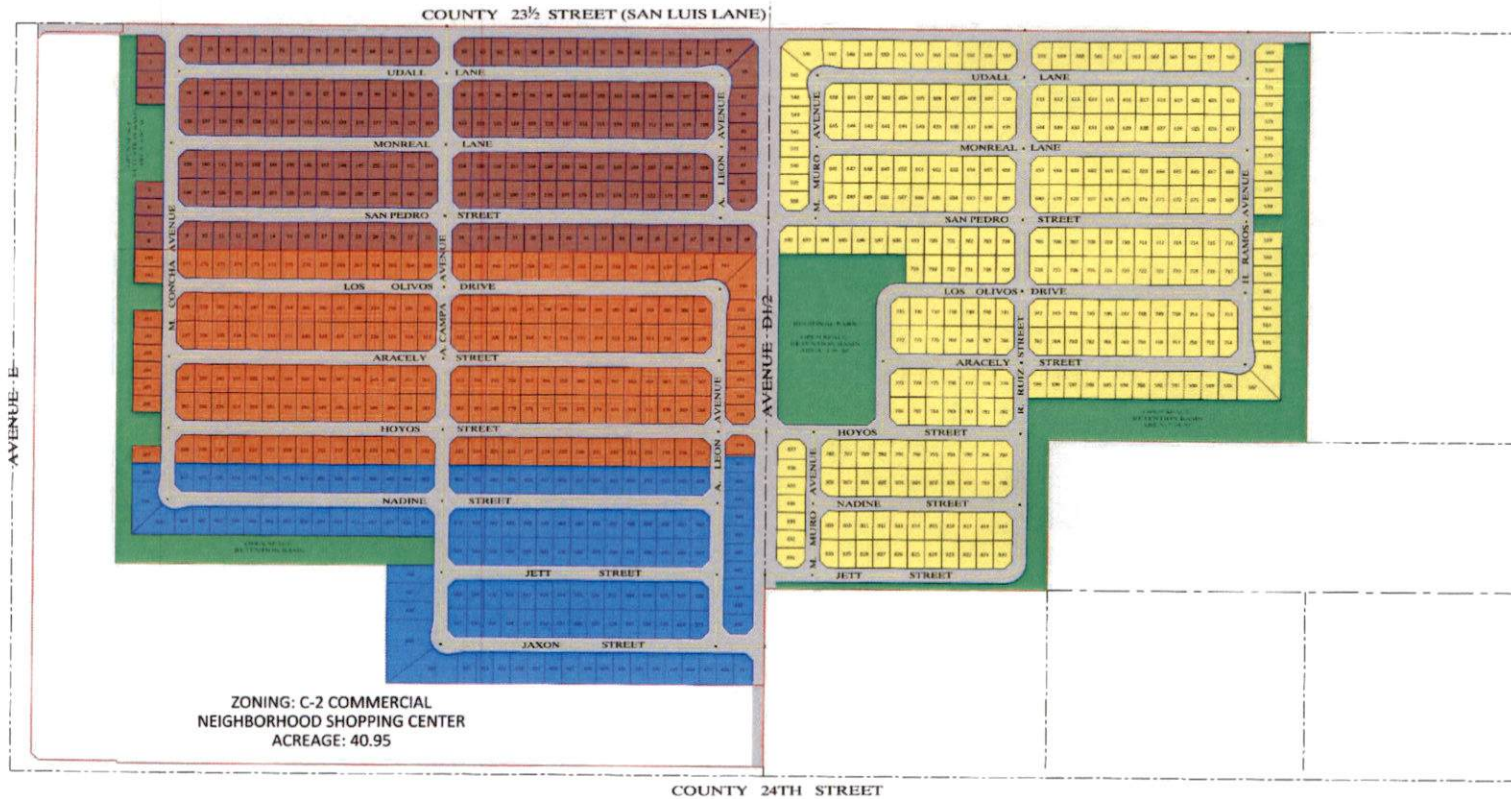
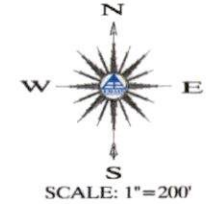
DATE OF PREPARATION: NOVEMBER 2021

NUMBER OF LOTS: 897

MASTER PLAN LAYOUT

Parcel 227-11-005: A portion of the SW¼ of Section 14, Township 11 South Range 24 West. Except road right of way. (108.91 acres)

Parcel 227-11-004: South East ¼ of Section: 11 Township: 11S Range: 24W SE4 EXC THE E 751.25 FT OF N 1449.58 FT & EXC S 660 FT +/- & EXC THE E 1652.78 FT OF THE N 576.11 FT +/- OF S 1185.05 FT +/- (74.64 acres)



PRELIMINARY
NOT FOR
CONSTRUCTION