INTEROFFICE MEMO

OFFICE OF THE CITY ATTORNEY

TO: Honorable Mayor and Members of City Council DATE: June 15, 2021

- FROM: R. Joel Stern City Attorney
- SUBJECT: PROCEDURAL PRE-ANNEXATION AGREEMENT (AUCTION PROPERTY); OUR FILE NO. 21-013

On June 1, 2021 a work session was conducted to discuss Resolution No. 21-25 which authorizes the mayor to execute a procedural pre-annexation agreement ("PPA") relating to the development agreement ("DA") with D.R. Horton, Inc. ("Developer") for the development of approximately 2,800 acres to be annexed into the city for the housing community located roughly north of SR 24 and Meridian Drive (the "Auction Property") called Superstition Vistas.

The PPA gives the Developer and the Arizona State Land Department ("ASLD") certain assurances relating to the approval process for the DA which will likely be scheduled for consideration in July or August of 2021. ASLD and the Developer desire the ability to stop the annexation of the Auction Property if: 1) any person files with the city clerk a referendum petition with the required number of signatures pursuant to A.R.S. Title 19 challenging the DA, the annexation itself or the rezoning of the Auction Property; 2) the city council fails to approve the rezoning at the same council meeting as the annexation; 3) the city council fails to approve the DA at the same council meeting as the rezoning; or 4) the city council fails to approve the community facilities districts at the same council meeting as the rezoning.

All of these entitlements are dependent upon each other and it is reasonable for the Developer and ASLD to be able to rely on the orderly process set forth in the PPA. Staff recommends approval of this structured process and Resolution No. 21-25 authorizing execution of the PPA.

R. Joel Stern City Attorney