

**CITY OF BUCKEYE
Regular Council Meeting
COUNCIL ACTION REPORT**

MEETING DATE: 04/21/26	AGENDA ITEM: 4.A. CSD - Agreement between the City of Buckeye and the Church at Sun Valley, Inc. (Long-Term Ground Lease)
DATE PREPARED: 04/20/26	DISTRICT NO.: 4
STAFF LIAISON: Miranda Gomez, Community Services Director, mgomez@buckeyeaz.gov, 623-349-6353	
DEPARTMENT: Community Services	AGENDA ITEM TYPE: Consent Agenda Items / New Business

ACTION/MOTION: (This language identifies the formal motion to be made by the Council)
Council to take action on the Agreement between the City of Buckeye, an Arizona municipal corporation, and the Church at Sun Valley, Inc., an Arizona non-profit corporation, involving a long-term ground lease for approximately 2.5 acres, to locate a separate and free-standing library and community center at the Church's property; approve the appropriation of \$2,700,000 for the lease payment, and \$844,000 for the City's share of shared on-site infrastructure costs; approve the Assignment of Water and Sewer Capacity Rights between Pulte Home Company, LLC, a Michigan limited liability company, and the City of Buckeye, an Arizona municipal corporation; authorize and direct the City Manager to execute and deliver said assignment of capacity agreement and said long-term ground lease together with executable exhibits pertaining to (i) joint use of the parties' facilities, (ii) reimbursement by the City to the Church at Sun Valley for City's share of costs pertaining to on-site infrastructure constructed by the Church; (iii) mutual easements and shared maintenance of common areas; and (iv) City's right of first refusal to purchase the 2.5 acres; and, further, authorize and direct the Mayor, City Manager, City Attorney, and City Clerk to take all steps necessary to cause the execution and delivery, and carry out the purpose and intent, of this action.

GOALS AND OBJECTIVES FOR THE STRATEGIC PLAN FOCUS AREAS:

A Safe and Sustainable Quality of Life

SUMMARY

PROJECT DESCRIPTION:

The Lease Agreement is between the City of Buckeye and The Church at Sun Valley for approximately 2.5 acres within the Church's larger 8.3-acre property, located at the southeast corner of Canyon Springs Boulevard and Beardsley Parkway in the Festival Foothills area. The leased site will provide the location for the future construction and operation of a City library and community center intended to serve the surrounding community.

Under the terms of the Lease Agreement, the lease will begin with an initial 30-year term and automatically renew in successive 5-year increments, for a potential total term of 100 years. In consideration for the Lease Agreement, the City will provide a one-time upfront rent payment of \$2.7 million, which will secure the site for the full lease term, up to 100 years.

Additionally, the City may terminate the Lease Agreement following the initial 30-year term and at each renewal term. Should the City terminate the Lease Agreement -- or at the end of the 100-year term -- whichever occurs first, the Church must elect to either convey all right, title and interest to the 2.5 acre site to the City, or pay the City for the then-appraised fair market value of the public library and community center facility.

The Lease Agreement also establishes a framework for ongoing coordination between the City and the Church regarding parking, access, maintenance responsibilities, reciprocal use opportunities, and on-site infrastructure improvements.

Additionally, through a separate agreement between the City and Pulte Home Company, LLC, Pulte has agreed to assign to the City 3,716 gallons a day of Pulte's sewer capacity rights for use in connection with the library and community center facilities on the Church at Sun Valley property.

BENEFITS:

The Lease Agreement will allow the City to design, construct, and operate a public library in the northern reaches of Buckeye to provide library and recreation services and programs to residents. This project will create a permanent civic amenity in an area that has experienced continued residential growth and increasing demand for public facilities and programs. The future facility is anticipated to support a wide range of community needs, including library services, youth and family programming, educational opportunities, meeting space, and recreation activities. This action is also consistent with the Council adopted 2023 Library Master Plan, which identified the need for a library facility in this area of Buckeye to address current service gaps and support the long-term strategic planning to provide access to library services citywide.

FUTURE ACTION:

Upon approval of the Lease Agreement, the City will process the one-time upfront lease payment to The Church at Sun Valley. Following execution of the Lease Agreement, the Church will be responsible for completing the agreed-upon shared site infrastructure improvements, which are anticipated to include site access from Canyon Springs Boulevard and Beardsley Parkway, utility stub-outs to the future building site, parking improvements, and other associated on-site infrastructure. Once the shared infrastructure work is completed in accordance with the agreement, the City will reimburse the Church for the City's proportionate share of eligible shared infrastructure costs, in a sum not to exceed \$844,000.

In parallel, the City will issue a Request for Qualifications (RFQ) to procure architectural and design services for the future library and community center. Following completion of design and subsequent Council approvals as needed, the project would advance into the construction phase.

FINANCIAL IMPACT STATEMENT:

The Lease Agreement requires a one-time lease payment of \$2.7 million to the Church at Sun Valley for the long-term lease of the future library and community center site for a total potential term of 100 years. In addition, the City will be responsible for reimbursing the Church for the City's proportionate share of certain shared infrastructure improvements, including access improvements, utility extensions, parking, and other related on-site infrastructure, in an amount not to exceed \$844,000. This reimbursement will be made upon completion of the shared infrastructure improvements in accordance with the terms of the agreement.

Funding for both the \$2.7 million lease payment and the \$844,000 shared infrastructure reimbursement will be appropriated in Fiscal Year (FY) 2026 with budget transfers from savings in other Capital Improvement Program (CIP) projects. Any unexpended funds will be carried over into FY2027.

CURRENT FISCAL YEAR TOTAL COST:

A total of \$2.7 million for the ground lease and an additional not to exceed amount of \$844,000 for shared infrastructure costs will be appropriated in the FY26 budget for a total of \$3,544,000 with a budget transfer from savings in other CIP projects.

BUDGETED:

Yes

FISCAL YEAR:

2026

FUND/DEPARTMENT:

50214150-543176 CIP for North Library

Items related to a project or facility location must include an attached vicinity map for Council Review.

ATTACHMENTS:

[Church at Sun Valley - North Library Vicinity Map.pdf](#)

[Assignment of Water and Sewer Capacity Rights.pdf](#)

[!Long Term Lease Agr w-Exs \(revised re legible Exh D 2026-0420\) \(PE\).pdf](#)