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**CITY OF TEMPE**  
**HISTORIC PRESERVATION COMMISSION**

Meeting Date: 03/08/2023  
Agenda Item: 4

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**MEMORANDUM**

TO: Historic Preservation Commission  
FROM: Zachary J. Lechner, Historic Preservation Officer  
DATE: March 1, 2023  
SUBJECT: Agenda Item #4: Update on Venue Projects and Sunbelt Holdings' Redevelopment Plans for the Hayden Flour Mill and Silos

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Lorenzo Perez, co-owner of Venue Projects, will provide an update on Venue Projects and Sunbelt Holdings' joint redevelopment plans for the Hayden Flour Mill and Silos, located at 119 South Mill Avenue. Venue and Sunbelt are currently in negotiations with the City on a development agreement (DA) for the project. The Commission should feel free to ask Mr. Perez questions about and make suggestions for historic preservation-related content in the DA. Maria Laughner, City of Tempe Deputy Director of Economic Development, will also be on hand to answer questions.

Attachment:

1. Memo from Maria Laughner, City of Tempe Deputy Economic Development Director

# MEMORANDUM



TO: Historic Preservation Commission  
FROM: Maria Laughner, Deputy Economic Development Director, (ex. 8527)  
DATE: 3/1/2023  
SUBJECT: Hayden Flour Mill Redevelopment Update

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A great deal of progress has been made on negotiations on the development agreement (DA) for the Hayden Flour Mill and Silos complex since the last update to HPC in April 2022. Staff presented these business terms in a January 26 executive session:

The Developer commits to these key strategies for adaptive reuse of the site:

- Respect cultural and historic significance of the site
- Prioritize, preserve, and restore the historic Mill and Silos
- Reflect historic development patterns using a composition of secondary and supportive out-buildings
- Intentionally place structures to define outdoor spaces, site circulation, and frame views
- Concentrate new structures near Mill Avenue and Rio Salado Parkway
- Subordinate new buildings in scale to the Mill, Silos, and Tempe Butte ('Oidbađ Do'ag).
- Consider views from surrounding buildings and Butte
- Orient upper terrace buildings towards the Butte
- Transition between indoor and outdoor spaces
- Activate upper building levels, rooftops, and interconnected outdoor spaces
- Integrate historic building forms and material

Other primary business terms are the following:

- City will seek to designate the entire site a "Public Park." The property is comprised of 221,326 square feet, or 5.08 acres, that include open space, a trailhead, and a public plaza.
- City will retain ownership and Developer would sign a sixty- (60) year long-term ground lease for the entire site with two (2) ten- (10) year extensions.
- City will continue to own the contents of/in the Mill and Silo buildings. Developer will have the first right of refusal on all contents for display and/or incorporation as artwork on the site. Developer will use as much of the contents as possible in the development to further highlight the history of the site.
- Developer will facilitate offsite parking through shared parking agreements at these locations. The drop off/pick up area will accommodate the handicap space requirement. Developer will provide Bike and Scooter parking/storage options on site to manage clutter.
- The project will be subject to both DTA and Streetcar assessments.
- Developer will restore, protect, and honor the history of the Mill, Silos, and Butte.

- Developer will take a sensitive approach to redeveloping the five- (5) acre desert site and its iconic heritage buildings, prioritizing the restoration and preservation of the existing 1918 Mill and 1951 Grain Elevator/Silos structures.
- Developer commits to returning historic building elevations to their original forms as commercially reasonably possible, with minimal intervention to integrate and update the structures into modern-day use as a commercial mixed-use property.
- Developer intends to pursue a formal National Register listing and, if possible, submit a Historic Tax Credit application for the 1918 Mill Structure in close collaboration with Arizona's State Historic Preservation Office and the Tempe Historic Preservation Office.
- New buildings will be intentionally positioned and designed subordinate in scale to maintain the grand presence and cherished views of the historic structures and nearby Tempe Butte ('Oidbaḍ Do'ag).
- Developer will provide façade and airspace conservation easements. All historic preservation and restoration efforts will be subject to the City of Tempe's applicable historic preservation review processes mandated by City Code as well as, in consultation with the Four Southern Tribes, potential archeological remediation per cultural resource management requirements contained in City Code, state law, and federal law.
- Regarding the urban park/trailhead concept, Developer commits to working collaboratively with and including the Four Southern Tribes in plans to enhance the physical connection between the Tempe Butte ('Oidbaḍ Do'ag) and the site. The overall intent is to incorporate and acknowledge the important historical and cultural relationships that represent the full diversity of Tempe's original inhabitants and founding citizens. In addition, Developer commits to working with and accommodating requirements of donors (through the Rio Salado Foundation) relative to the establishment of an urban park and trailhead experience that honors the site's Indigenous heritage and arid desert environment.
- Developer will maintain all of the property to a mutually agreeable standard but not less than those in the downtown Tempe (DTA) or Town Lake Enhanced Services District. The cost for the portions of the premises that are public parks and trailheads (i.e., undeveloped) shall be reimbursed to Developer by the City.
- Developer commits to including lighting, art elements, and interpretive storytelling of Mill and Native history as well as community and cultural activation.
- Developer commits to following through on Tribal involvement in the overall project, and Developer and City staff have met with cultural resource and Tribal historic preservation officers from the Salt River Pima-Maricopa Indian Community (SRPMIC) to discuss various partnering opportunities, including the tenanting of a mill operation to mill ancient grains such as mesquite, which will reinvigorate a historic component of the original Hayden Flour Mill operation. Other ideas revolve around Native art and artists as well as storytelling, particularly on the trailhead. The parties have agreed to execute a Memorandum of Understanding (MOU) that establishes a framework of principles for collaboration and communication. This MOU will be provided as an exhibit to the DA.

The project is expected to take a minimum of five (5) years to complete. The first phase will include the cleanup of the site, the inventory of the contents and equipment, and the rehabilitation of the Butte. A phase 1 environmental investigation was completed on February 24, and staff anticipates a phase 2 investigation will be performed in the spring to include lead and asbestos testing.

The second phase of the project will include the historic preservation and activation of the site. Developer is already working with the State Historic Preservation Office (SHPO) and toured the site with Tempe HPO, SHPO, and a representative of the National Park Service on February 1 to discuss the site's eligibility for the National Register of Historic Places. The third phase will involve the tenanting of the historic elements and the design and development of the out-buildings.

Staff anticipates a DA to be approved by City Council later this spring.