DEVELOPING IN THE NOVUS INNOVATION CORRIDOR

Background
Novus Innovation Corridor is a 350-acre, mixed-use development planned for approximately 10 million square feet along Tempe Town Lake, including State Farm’s 2.1-million-square-foot Marina Heights regional office. Strategically integrated with Arizona State University (ASU), wholly on university-owned land, Novus is a unique opportunity to develop the 21st century urban community on an infill canvas in the center of one of the nation’s largest and fastest growing metropolitan areas. The development will include a variety of urban neighborhoods that feature office, retail, hospitality and residential activities, creating the potential to bring more than 30,000 new jobs and 5,000 new residents to the thriving Tempe community.

Master Developer
Q. Who is the Master Developer for Novus?
A. ASU has retained Catellus Development Corporation, a national leader in the development of urban mixed-use communities, to be the Master Developer for Novus.

Q. What is Catellus’ role as Master Developer?
A. In consultation and with oversight from ASU, Catellus is responsible for planning and implementing Novus, including obtaining entitlements, planning and installing backbone infrastructure, marketing parcels to developers and users, and negotiating leases on behalf of ASU.

Lease and Ownership Structure
Q. As a developer in Novus, will I purchase or lease my parcel?
A. ASU will retain ownership of all land in Novus. Developers will execute a long-term lease with ASU and will make a one-time land lease payment at close-of-escrow.

Q. Will I own the buildings I construct on my parcel?
A. The state statute governing Novus requires ASU to own all buildings constructed in Novus, but developers will retain beneficial ownership rights to their buildings and parcel.

Q. What is the process for leasing land within Novus?
A. Prospective developers in Novus will negotiate a lease with ASU through Catellus. The process begins with a non-binding letter of intent (LOI) outlining the basic terms, conditions and timelines of the proposed transaction. An Option to Lease, similar to a purchase and sale agreement for a land sale transaction, follows the LOI and governs the time period during which the developer conducts due diligence and obtains site plan and design review approvals. An earnest money deposit is required during the Option period. The Development Lease is executed at close-of-escrow, at which time the developer pays the one-time land lease payment to ASU.
Q. Will I pay property taxes in Novus?
A. During the lease term, the lessee is responsible for paying annual District Assessments in-lieu of property taxes. As required by state statute, the calculation of District Assessments mirrors the property tax methodology.

Development Process in Novus

Q. Will my parcel need rezoning to develop my project?
A. Novus has already been rezoned by the City of Tempe as Mixed Use Educational (MU-Ed), a zoning district unique to ASU-owned property. The MU-Ed district permits all uses desired in Novus.

Q. What approvals are needed to develop a project in Novus?
A. All projects will require site plan and design review approval. Initial approval is provided by ASU’s Novus Architectural Review Committee (ARC), followed by final approval from the Joint Review Committee (JRC), a seven-member body with three appointees each from ASU and the City, respectively, and a jointly-appointed chairperson. Unique to Novus, reviews are not required by the City’s Development Review Commission (DRC) or the Tempe City Council.

Projects will obtain building permits and certificates of completion (C of C) from the City of Tempe. Prior to submission of building plans to and issuance of a C of C by the City, ARC or the Master Developer will review plans for conformance to prior approvals.

Q. Are projects required to meet sustainability requirements in Novus?
A. All projects in Novus are required to achieve, at a minimum, LEED Certified status as certified by the U.S. Green Building Council (USGBC). Developers will be encouraged to seek Silver or higher certifications. Novus is anticipated to be awarded a LEED – Neighborhood Development (ND) designation by the USGBC, allowing developers to take advantage of certain points afforded by a LEED-ND community.

Q. What condition is the site when it is leased?
A. The site will be delivered to the lessee massed-graded with utilities to the edge of the parcel. The developer is then responsible for all off-site and on-site development activities for their project.