

**MAYOR AND COUNCIL STRATEGIC FOCUS AREA SUBCOMMITTEE
RIO NUEVO/DOWNTOWN, ARTS, CULTURE AND HISTORY**

ADMINISTRATIVE ACTION REPORT AND SUMMARY

Thursday, September 7, 2006

COUNCIL MEMBERS PRESENT: Council Member Nina Trasoff, Subcommittee Chair, Ward 6
 Council Member Jose Ibarra, Ward 1
 Council Member Steve Leal, Ward 5

STAFF LIAISON: Greg Shelko, Rio Nuevo Director

AGENDA ITEM/MAYOR AND COUNCIL ACTION	STAFF ACTION
<p>1. Call to Order</p> <p>Chair Trasoff called the meeting to order at 5:02 p.m. The meeting was held at the Ward 6 Council Office located at 3202 E. 1st Street, Tucson, Arizona. She also noted that Item No. 4., the update on the Consolidated Justice Courts Complex, was removed from the agenda due to time constraints and a conflict with the meeting room schedule.</p>	
<p>2. 4th Avenue Underpass/Plaza Centro</p> <p>At the subcommittee meeting held on August 24th, Transportation staff was directed to work with TPD and downtown stakeholders on reaching a consensus for the design of the south side of the 4th Avenue underpass. Andrew Singelakis, Deputy Director of Transportation, stated that a compromise had been reached. The design proposed at the last meeting called for a 22-ft. sidewalk on the eastside of tunnel and no sidewalk on the west side. Aleks Istanbulu of Ai Architects showed the revised design plan, which calls for two sidewalks - 10 ft. on the west side and a 20-ft. on the east side. To encourage pedestrian use on the east side, there would be stairway at the end of the 20ft sidewalk, an art project and a meandering “paseo” with retail opportunities on both sides of the walkway and a small open courtyard.</p> <p>Council Member Ibarra complimented Mr. Istanbulu’s design and hopes he continues working on the project. Council Member Trasoff stated that the design being shown today could change. What is being voted on is the structure passing underneath the railroad tracks so staff can start working on the permitting with Southern Pacific and all the other technical things that need to get done.</p> <p>Mr. Singelakis noted that Toole Avenue would remain open with the new design.</p> <p><i>Council Member Leal made a motion to forward the new design plan to the full Mayor and Council with a recommendation for approval from the subcommittee. Council Member Ibarra seconded the motion. The motion passed 3-0.</i></p>	<p><u>DIRECTOR OF TRANSPORTATION</u> Is Responsible</p>

3. Depot Plaza Mixed-Use Redevelopment Project

Mr. Shelko advised that Congress Street Investors, LLC, the private sector partner in the project, will their rights to Williams and Dame Development (WDD) of Portland, Oregon and Ron Schwabe of Tucson. Over the last two months, staff and the developers have been working on a revised site plan for the redevelopment of that block. Staff with consultation from the City Attorney's Office, has been negotiating a development agreement and is recommending approval to reassign the interests in the project to WDD.

Major project points follow:

WDD will:

- rehabilitate the existing 16,000 sq. ft. building (former Martin Luther King Apartments) into 85 market rental units
- add 7,000 sq. ft. of commercial use along the Congress Street frontage
- build a mixed-use building with no less than 56 apartments or condos (11 of which will be affordable units) and 3,000 sq. ft. of ground floor commercial space long 5th Avenue

The City will:

- build a mixed-use building with 68 assisted one- and two-bedroom apartments
- build underground parking garage with 300-325 spaces

Other contributions the City will make include:

- public plazas, right-of-way improvements and infrastructure to serve the site'
- archaeological clearance
- environmental assessments (phase 1 and 2)
- survey, and preliminary commitment and owner's title insurance
- No-cost easements and air rights.

Matt Brown of WDD, Architect Rob Poulos and local partner Ron Schwabe were introduced. Mr. Brown stated that their company has been heavily involved in Portland's downtown redevelopment in what's called the Pearl District. Their focus has been on creating livable and exciting neighborhoods. They have started looking beyond Portland for other opportunities. Three years ago they participated in downtown Los Angeles' first condominium project in 22 years.

Mr. Poulos stated that he is focusing on the MLK building and noted that he recently completed another downtown Tucson project, restoration of the 80-year-old Ice House Lofts. He said the MLK building is strong and structurally sound so it a very viable building for rehabilitation. One of the things he wants do is activate the ground floor with commercial space, keeping the design in scale and proportion to the other

buildings around it. The project may also use passive solar energy, rainwater harvesting and photovoltaic power.

Mr. Shelko reported that the Rio Nuevo Multipurpose Facilities District committed \$950,000 to the project for a public plaza. However, a new funding request for the parking garage and assorted public improvements around the project is being worked on by staff and will be submitted in the near future. It was noted that Emily Nottingham, Director of Community Services is working on getting HUD's approval to sell the MLK building to WDD. This could take up to six months to complete, but hopefully it won't take that long.

As part of a discussion on moving project through as quickly as possible, Council Member Leal asked if Rio Nuevo money could be used to hire a person in Development Services to help shepherd downtown projects through City processes to expedite reviews/permits. Mr. Shelko said it was a good idea and he'll include it as part of the recommendation for the Infill Incentive District discussion when it goes to Mayor & Council.

Mr. Leal moved to direct staff to continue negotiating the development agreement and to forward the request to the full Mayor and Council with a recommendation from the subcommittee for approval. Council Member Ibarra seconded the motion. The motion passed 3-0.

DIRECTORS OF RIO NUEVO & COMMUNITY SERVICES AND THE CITY ATTORNEY
Are responsible.

5. University of Arizona Science Center

Mr. Shelko advised that west side cultural campus site planning is getting very close to being completed. President of the University of Arizona, Dr. Shelton's decision regarding the rainbow bridge was necessary for the continuation of civic and cultural plaza planning, and his is letter in that regard sent a strong indication that they are still very interested in moving downtown.

Chair Trasoff suggested that the City should to send a message to the University that it's very excited and looking forward to having them downtown and the science center on the west side. The City also needs to let them know how much TIF money the City is willing to contribute to their project. However, it was the subcommittee's consensus that the full Mayor and Council needed to participate in the discussion so it will be scheduled for a meeting in the near future.

Council Ibarra invited Dr. Shelton to attend a joint meeting with the subcommittee, Chairs of the Rio Nuevo Citizens Advisory Committee and Rio Nuevo Board, and west side neighborhood residents to hear what they have to say. Council Member Leal also suggested that the UA might want to assign a liaison to attend future subcommittee meetings to stay connected and see how things are progressing and how everything is

<p>connected.</p> <p><i>Council Member Leal made a motion to set-up a meeting with Dr. Shelton to meet with the Mayor & Council Downtown/Rio Nuevo subcommittee, Chairs of the Rio Nuevo Citizens Advisory Committee and Rio Nuevo Board, and west side neighborhood residents before scheduling this item before the full Mayor & Council. Council Member Ibarra seconded the motion. The motion passed unanimously 3-0.</i></p>	<p><u>RIO NUEVO</u> <u>DIRECTOR</u> Is Responsible</p>
<p>6. Strategic Priorities</p> <p>Mr. Shelko advised that all Mayor and Council subcommittees are developing strategic plans with measurable near-term goals and he distributed a draft work plan outline for discussion. The three categories he listed the projects under were: 1) projects that facilitate private sector development and economic growth, 2) investments in public infrastructure improvements and attractions to leverage private investment, and 3) projects that enhance downtown Tucson as the regional center for entertainment, history, and the arts. A copy of the plan is attached and made a part of these minutes.</p> <p>Council Members Leal and Ibarra asked for changes to the list: 1) the projects to be separated into two groups - those that have been approved or funded, and those that have not; and 2) to add completion dates.</p> <p>Council Member Leal added that there's been some discussion regarding the distribution of the TIF funds because some people feel that a collection of projects could use up all the money and there won't be enough money for all the projects. The Warehouse Arts District falls under that category. There needs to be an estimate to bring the warehouses up to code. Mr. Shelko replied that staff is working on that now. He, Andrew Singelakis and Lou Ginsberg from Real Estate are conducting a walkthrough of the district next week. Not every building will be savable. Money is not unlimited so choices will have to be made.</p> <p><i>Staff was directed to reorganize the list, add projects as required, and return to the subcommittee with a revised list for discussion.</i></p>	<p><u>RIO NUEVO</u> <u>DIRECTOR</u> Is Responsible.</p>

7. Call to the Audience

John Segwick of the Fourth Avenue Merchants Association thanked the subcommittee and staff for working together with the stakeholders to find a solution to the 4th Avenue Underpass project. He looks forward to continuing the dialog.

David Johnson from the Tucson-Pima Arts Council brought up the subject of public art enhancements to the I-10 project. Chair Trasoff said she met with ADOT and they are using local artists for the project. She directed Transportation staff to work with ADOT on scheduling a time for them to make a presentation to the subcommittee on the proposed artwork for I-10.

Michael Toney shared his opinions regarding miscellaneous downtown issues and projects.

Chris Stebe, an Armory Park resident and local architect, voiced concerns that the westside of the underpass is still being shortchanged with the new 4th Avenue underpass design. There's a lot of vacant land north of the railroad tracks that may be developed in the future and that wasn't considered.

Don Durband, Tucson Downtown Alliance said the single most important downtown investment, the modern streetcar, was left off of the strategic plan list. He would also like something included for funding special events downtown.

Council Member Leal asked for the moving of the Ronstadt Transit Center north of its current location to be added to the strategic list as well.

David Johnson, Tucson-Pima Arts Council asked for the Regional Visitors Center to be added to the strategic list.

DIRECTOR OF
 TRANSPORTATION
 Is Responsible.

7. Future Agenda Items

No future agenda items were added at this time.

9. Adjournment

The meeting was adjourned at 6:25 p.m.

ATTACHMENT

Downtown Strategic Priority - City Strategic Plan FY 07/08

1. Facilitate Private Sector Development and Economic Growth

- ❑ RFQ/RFP key development opportunities – West Side Acreage; 22nd Street to Cushing/I-10 Frontage; Civic Center; Warehouse and Congress Areas
- ❑ Project implementation or management:
 - ❑ The Post
 - ❑ Presidio Terrace
 - ❑ Rialto Block
 - ❑ Plaza del Centro
 - ❑ Depot Plaza
 - ❑ El Mirador
 - ❑ Santa Rita
 - ❑ Plaza San Agustin
- ❑ Governance efficiency and community accountability
- ❑ Revamp regulatory processes
- ❑ Back to Basics Program

2. Invest in public infrastructure improvements and attractions to leverage private investment

- ❑ 4th Avenue Underpass (TDOT)
- ❑ Avenida del Convento, Clearwater Road and Santa Cruz River Bridge
- ❑ Convention Center Hotel and Parking (Diamond Rock Plaza)
- ❑ Convention Center Renovation
- ❑ Civic and Cultural Plazas
- ❑ Sonoran Desert Park
- ❑ El Paso and Southwestern Greenway
- ❑ Congress Streetscape
- ❑ Barazza Alignment
- ❑ Public parking investments
- ❑ Environmental Evaluation and Assessment Process

3. Enhance Downtown Tucson as the regional center for entertainment, history, and the arts.

- ❑ New Multi-purpose Arena Facility
- ❑ University of Arizona Science Center
- ❑ Tucson Origins Heritage Park - El Presidio San Agustin de Tucson
- ❑ Tucson Origins Heritage Park- Mission San Agustin and Mission Gardens
- ❑ Arizona Historical Society Museum
- ❑ Arizona State Museum
- ❑ Warehouse property stabilization, ArtWalk and infrastructure