

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

---

#### ***SCOPE DOCUMENT***

---

#### **Project Overview**

- The City of Tucson seeks a qualified development team to plan; design; construct; and own, lease, and/or manage components of an integrated mixed-use/transit center on the 4.7-acre project area site, which includes the existing Ronstadt Transit Center (RTC) and two additional parcels currently used for parking. (See project area map attachment.)
- The project will need to be developed per Federal Transit Administration (FTA) guidance on Joint Development. (See FTA guidance attachments.)
- The City of Tucson will need to maintain satisfactory continuing control over the transit center to ensure that it continues to serve a public transportation purpose.

#### **Project Purpose & Goals**

To create a distinctive downtown mixed-use development incorporating a multi-modal transit center that contributes to an active, economically robust downtown for everyone.

##### ***Uses & Character***

1. The project should incorporate a mix of land uses, transit, and public open space to serve a diversity of people working, living, and visiting downtown. Examples of types of land uses that are encouraged include housing, retail, daily services (such as daycare, grocery, pharmacy), business incubator space/employment, educational uses, and entertainment venues (such as a movie theatre or bowling alley).
2. The project should incorporate community open space that is urban in character, well integrated with surrounding uses, highly visible to and actively used by people of all ages, and has a clearly responsible entity in charge of its programming and maintenance.
3. The design of the project should create a distinctive place that integrates the arts, recognizes the community's cultural diversity, includes sustainable design, activates the streetscape, and offers architecture responsive to the urban historic fabric and views. Sensitivity to the needs of downtown neighborhoods, transit users, adjacent properties, and local downtown businesses is important.

##### ***Transportation & Infrastructure***

4. The project should incorporate establishment of the Ronstadt Transit Center as an adaptable hub that can serve multiple modes of transportation over time, including,

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

but not limited to, public buses, shuttles, connection to the modern streetcar, bicycles, and pedestrians, and can accommodate complementary programs and facilities such as bike share, car share, “kiss-and-ride” drop off, and taxis.

5. The project should provide connectivity to surrounding uses, walkways/alleys, roadways, and transportation modes, such as between the bus facilities and the modern streetcar line at the southern boundary of the RTC project area and the Historic Train Depot at the northeastern end of the property.
6. The project should enhance the physical infrastructure and facilities for current bus riders and increase the appeal of transit to new riders. Examples of improvements identified by community members as desirable include incorporation of retail, food, and services; better designed bathrooms; air conditioning; shade; drinking fountains; and a play area.
7. The project should be based on thoughtful site design that considers not only access and egress, but also contributes to improving surrounding multi-modal transportation circulation.

#### ***Financial & Economic Vitality***

8. The project should be delivered in a timely manner providing a sufficient infusion of private investment to economically benefit public transit and the City’s downtown revitalization efforts.

#### ***Communication & Participation***

9. The project team should be committed to regular, collaborative meetings and communication with the City, other agencies, and stakeholders.

### **Planning Guidance**

Plan Tucson, the City’s General and Sustainability Plan approved by voters in November 2013, provides policy direction relevant to this project. For example, the first policy in the Land Use, Transportation, & Urban Design Element is:

*Integrate land use, transportation, and urban design to achieve an urban form that supports more effective use of resources, mobility options, more aesthetically-pleasing and active public spaces, and sensitivity to natural resources and neighborhood character.*

Imagine Greater Tucson, a regional visioning process undertaken in 2011/2012, articulates support for investment in downtown and mixed-use, transit-oriented development. A recently completed Urban Land Institute Advisory Service Panel focusing on downtown Tucson provided additional data and recommendations in support of development in the RTC project area.

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

#### **Tucson Context**

As a continuously inhabited settlement for the last 12,000 years, Tucson's history and culture run deep. Spanish, Mexican, Native and Old West influences are evident in the architecture, lifestyle, traditions and cuisine. Tucson was formally founded in 1775, about the time the nation's forefathers were signing the Declaration of Independence. Locally, the city is still called the Old Pueblo for the adobe fortress or "presidio" that marked its early borders. Over the past three centuries, Tucson has grown from a Native American farming community, to Spanish outpost, to dusty frontier town, to bustling territorial days' railroad hub, to today's Southwestern metropolis of one million people. The city is rich and diverse. with many attractions for the whole family, close proximity to an international border, 350 days of sunshine for outdoor adventures and recreation, an extensive art and cultural scene, world class accommodations and spas, and a burgeoning culinary scene.

#### **Site Context**

Tucson's downtown core is the place to experience the boundless cultural and outdoor festivals of the city, such as the Gem, Mineral and Fossil Show; All Souls Procession; El Dia de San Juan Festival; Festival of Books; Fourth Avenue Street Fair; and Tucson Meet Yourself. Downtown Tucson boasts a vibrant community with numerous museums, including the Tucson Museum of Art, the Children's Museum, and the Museum of Contemporary Art. The Downtown Arts District includes theaters, restaurants and performance spaces. Downtown supports a ballet, a symphony, an opera company and a jam-packed calendar of live music and performing arts choices.

Downtown Tucson has a unique role to play in the 21<sup>st</sup>-century development of the region. In addition to being the administrative, legal, cultural and entertainment center, downtown also offers the most convenient and extensive transit connections supported by higher density housing, compact development, and a pedestrian-oriented environment.

Beginning this summer, a 3.9-mile modern streetcar route will connect downtown's major activity centers: The University of Arizona (UA), Arizona Health Sciences Center, University Main Gate Business District, Fourth Avenue Business District, Congress St. Shopping and Entertainment District, and the Mercado District. More than 100,000 people live and work within a block of the modern streetcar line. The streetcar project has already triggered transit-oriented development, including new retail, office and residential development and redevelopment. To date, more than \$800 million has been invested by the public and private sectors. Fifty (50) new restaurants, bars and cafes; over 1,500 new multi-family housing units (including 68 units at the new MLK Apartments for the disabled and elderly just east of the RTC); and 58 new retail businesses have been constructed along the route over the past two years. Additionally, there has been significant corporate business expansion along the streetcar route, including a new headquarters for UniSource Energy, with more than 400 employees;

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

Providence Service Corporation; and Mister Carwash Headquarters. Also multiple co-working and start-up spaces have been established or are planned in the downtown area.

Along with undertaking the streetcar project, the City has promoted downtown redevelopment through a variety of infrastructure projects and economic development incentives, such as property tax abatements, permit fee waivers, and regulatory relief. Combined with an overall push to enhance business ties south of the international border, downtown Tucson is full of new business opportunities.

#### **Site Specifics**

The project area site is composed of three City-owned parcels located on the northeast corner of the intersection of Congress Street and Sixth Avenue, in the heart of downtown Tucson. The largest of the three parcels serves as the Ronstadt Transit Center (RTC) and is located directly adjacent to the new modern streetcar route, situated in the middle of the City's entertainment district. A second, triangle-shaped parcel (Triangle Lot) sits to the north of the RTC at the southeast corner of the intersection of Sixth and Toole avenues and is currently paved surface parking for a nearby business. The third property (Toole Lot), which is directly north of the Triangle Lot and west of the Historic Train Depot, lies within the Historic Warehouse Arts District. The parcel is currently used as unpaved surface parking. The size of the total project area is 4.7 acres with the RTC 2.3 acres, the Triangle Lot 0.98 acres, and the northern parcel 1.42 acres. The zoning for all three parcels is OCR-2, which allows for a wide number of commercial and residential uses. The maximum building height allowed is 300 feet.

The project area site, with prominent northern views, is located in the section of downtown Tucson that has received the greatest amount of recent private and public investment. It is bordered by multi-story residential and commercial to the east, Congress Street with its new streetcar line and popular restaurant and nightlife destinations to the south, commercial along Sixth Avenue to the west, the Union Pacific Railroad and future Downtown Links project directly to the north, and the Historic Train Depot and heavy rail station to the northeast. The Historic Train Depot, which lies to the east of the Toole Lot, was built in 1907 by the Southern Pacific Railroad. In 1998, the City purchased the entire depot property from the Union Pacific Railroad, which had absorbed the Southern Pacific. Restoration of the main depot building and the three adjacent buildings to their 1941 modernized Spanish Colonial Revival architectural style was completed in 2004. The Depot currently is home to Tucson's Amtrak station, shops, offices, the Southern Arizona Transportation Museum, and a restaurant.

The project area site conditions include:

- *Existing Transit Center:* In 1991, the RTC opened as part of a City-wide network of transit centers. After a substantial community process, the current complex was constructed with its arcade of brick salvaged from the storefronts that were demolished to make room for the center. The RTC serves as a major destination and transfer point

## DRAFT FOR REVIEW & DISCUSSION

### Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I

- to and from other parts of the city. The center includes an information booth, covered waiting area, restrooms, and other amenities. Riders can also pick up a Sun Tran Ride Guide, purchase a bus pass, and receive trip planning guidance. Ronstadt is open 365 days a year, with hours of operation on weekdays from 6:00 a.m. to 6:15 p.m., and weekends, 8:30 a.m. to 4:45 p.m. Holiday operating hours are 10:00 a.m. to 6:00 p.m. Recently, a variety of facility improvements was completed to improve safety, security and comfort for its users.
- *Utilities:* Due to the age of utilities in the downtown area, there are potential unknowns as to the exact location and condition of existing utilities. Any redevelopment needs to consider utility relocations, access to utilities, fire flow and metering capacity in addition to space allocation for metering equipment. There are water lines on the east and west side of the existing RTC. A section of water line in the Toole Avenue area has not been upgraded. Wastewater lines are located within the streets surrounding the site, including 6<sup>th</sup> Avenue, Congress Street, Arizona Avenue, and Toole Avenue. There is a Tucson Electric Power line along Arizona Avenue.
- *Environmental:* As part of the City's due diligence, all three parcels have been assessed environmentally and environmental reports are included as attachments. During any future construction, impacted soil and groundwater may be encountered. Both the RTC and the Triangle Lot, which were historically the location of automotive shops and a gas station, have had underground storage tanks removed. In addition, there is a perched aquifer in the project area where diesel impacted groundwater may be encountered between 30 and 60 feet below ground surface. Handling of potentially contaminated soil and groundwater needs to be considered when developing construction scopes. The adjacent property (MLK Apartments) encountered diesel impacted soil and groundwater at approximately 40-60 feet below ground surface depending on the location. When caissons were drilled, impacted soil and groundwater was removed to enable rebar to be placed and concrete to be poured. This media was then sampled and stored onsite prior to disposal. Environmental monitoring of the site during construction, in addition to the handling and disposal of the impacted soil and groundwater, totaled approximately \$600,000. A soil vapor survey is also recommended to assess the potential for vapor intrusion from volatile compounds into structures.
- *Archaeological:* RTC has been archaeologically cleared for development - no further investigations are needed. The Toole Lot was partially excavated in 2006, but there still remains a strong possibility that significant archaeological remains are present. It is recommended that an archaeological monitor be present during ground disturbing activities. The Triangle Lot has not been cleared archaeologically. It is recommended

## DRAFT FOR REVIEW & DISCUSSION

### Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I

- that an archaeological site records check and excavation plan be prepared before development of this lot proceeds.
- *Historic Resources:* Platted in 1872, sections of Blocks 83 and 92, now housing the current RTC, were annexed as part of the original two-square-mile City of Tucson. They remained largely undeveloped until the arrival of the Southern Pacific Railroad in 1880. Following the arrival of the railroad, Tucson's central business district experienced rapid growth, particularly in areas around and adjacent to the Southern Pacific Railroad Depot. As a result, the surviving architecture within and around the RTC traces the transformation of downtown Tucson in less than a century from a Mexican crossroads town of vernacular adobe row houses to an Anglo-American commercial center of modern concrete and glass towers.
- *Circulation and Transit:* Existing transit service in downtown is provided by Sun Tran, Cat Tran, the Downtown Loop, and very soon by Sun Link. Sun Tran is the regional transit provider and offers a variety of services ranging from fixed local and express bus service to para-transit. Sun Tran's service in downtown is characterized by local bus service operating on the street network and express bus service operating to and from downtown Tucson and the UA. Most service to downtown utilizes the RTC, which has been in operation since 1991. The RTC currently handles over 8,500 boardings weekly, serving over 20 routes from Sun Tran, Sun Van and the Downtown Loop.

Cat Tran service is provided by the UA Department of Parking and Transportation Services, on five routes that circulate to, from, and within the UA campus. Access to some of the Cat Tran routes is restricted to permit holders and UA affiliated area residents with "courtesy" passes. The Downtown Loop is a shuttle circulator that operates in downtown Tucson and provides service Monday to Friday from 6:30 a.m. to 6:30 p.m. Service is free and is funded by the City of Tucson ParkWise program.

Roadway facilities in downtown range from Interstate 10 (I-10) to the ten arterial street grid network made up of Broadway Boulevard; Church, Stone, 6<sup>th</sup>, Main, Granada, and Toole avenues; and Congress, Alameda, and Cushing streets). I-10 is located on the west side of downtown and provides north/south service through the central core until changing to a northwest/southeast direction south of downtown. Access to downtown from I-10 is primarily provided by the Congress Street/Broadway Boulevard one-way couplet. These roadways provide a direct connection between I-10 and the Barraza-Aviation Parkway, which extends southeast from downtown parallel to I-10.

North/south circulation through downtown is provided by Stone and 6th avenues, which in addition to 4th Avenue offer the only grade separated north/south connections underneath the Union Pacific Railroad.

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

#### **City Development Process**

The project site area is located within the Rio Nuevo District Overlay Zone (RND), as well as the Downtown Core Subdistrict of the Infill Incentive District (DCS-IID). Development within the RND is required to comply with the RND standards provided in the Unified Development Code (UDC) Section 5.11. Projects within the DCS-IID may utilize the Modification of Development Regulations (MDR) process to obtain waivers for certain development standards. The City will assign a staff member from the Planning and Development Services Department (PDSD) to shepherd the project through the review and permitting process.

#### **Potential City Incentives**

- *Government Property Lease Excise Tax (GPLET):* The GPLET can provide up to eight (8) years of property tax abatement. This incentive is available for projects located in the Central Business District that result in a property value increase of at least 100%. The amount abated cannot exceed the economic benefit created by the project. To become "government property," the City will take ownership of the property for the duration that the owner wishes to be relieved of tax obligations
- *Primary Jobs Incentive:* The Primary Jobs Incentive assists Tucson in its efforts to bring quality jobs and investment into the region. The incentive provides up to a 100% credit of construction sales tax to qualifying expenses such as job-training, the project's public infrastructure improvements, and/or offsets to impact fees. The City will also waive building permit fees. Eligible projects must invest a minimum of \$5 million in facilities or equipment and create 25 jobs that pay average wages of at least \$60,000, cover at least 75% of employee health insurance premiums.
- *Site Specific Sales Tax Incentive:* The City may apply project-generated tax revenues to qualifying public expenses such as job training or public infrastructure improvements. Projects must create significant and quantifiable economic benefits to be considered. The amount of sales tax revenue applied cannot exceed the economic benefit created by the project.
- *Tucson Community Development Loan Fund:* The City of Tucson has a \$20 million Housing and Urban Development (HUD) 108 loan fund that can be used as gap financing for projects that create jobs for low and moderate income persons, eliminate blight, or meet urgent community needs. Tucson Community Development loans carry highly competitive interest rates with fixed terms up to 20 years. Eligible activities include real property acquisition, rehabilitation of real property, relocation, clearance and demolition, site preparation, public facilities improvements, issuance costs, capitalized interest, and reserves.

## DRAFT FOR REVIEW & DISCUSSION

### Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I

- *Tucson Industrial Development Authority (TIDA) Bonds and Loans:* The TIDA may provide financing of projects whenever appropriate and where traditional sources of funding may not be available. Projects must serve a public purpose and meet eligibility requirements of the TIDA. The TIDA places an emphasis on new and expanding businesses where sources of traditional capital are not available.
- *Downtown Infill Incentive District:* A \$10,000 building permit fee waiver per project and a construction sales tax credit for public right-of-way improvements are available for developments in this district. Flexible development options in the Greater Infill Incentive Subdistrict relieve property owners from parking, loading, and landscaping standards as well as from certain other dimensional requirements and allow height increases up to sixty feet in more restrictive zones if the development supports transit- and pedestrian-oriented development. Developers can also benefit from a streamlined Planned Area Development rezoning process. Developments in the Downtown Core Subdistrict may receive up to 100% reduction in parking requirements as well as loading, setback, and landscaping reductions.

#### **Other Potential Incentives**

- *New Market Tax Credit:* New Market Tax Credits (NMTC) are offered to qualifying projects in distressed and severely distressed areas through Certified Community Development Entities. (“Severely distressed” is when the income is less than 60% of the AMI, poverty above 30%, and unemployment over 1.5 times the national rate.) The RTC project area qualifies as “severely distressed.” Projects can receive tax credits under the NMTC program of 39% of qualifying expenses including acquisition costs. Generally NMTCs are appropriate for projects that are predominantly commercial in scope and for which expenses exceed \$5,000,000. (As defined by the tax code, not exclusively residential housing projects fit under this program, but projects with over 20% of the income derived from commercial sources are acceptable.) “Sin” businesses such as bars are excluded from this tax credit.
- *Low Income Housing Tax Credit:* The Low Income Housing Tax Credit (LIHTC) Program is an indirect Federal subsidy used to finance the development of affordable rental housing for low-income households through HUD. Federal housing tax credits are awarded to developers of qualified projects. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years. The amount of the annual credit is based on the amount invested in the affordable housing.

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

---

## **SUBMITTAL REQUIREMENTS**

---

### **Qualifications and Experience**

- Description of firm(s) and team members (include resumes)
- Demonstration of experience with projects of similar scale and complexity that include such elements as:
  - Transit-oriented, mixed-use development
  - Development in urban setting
  - Interactive public involvement process
  - High quality architecture and design and compatibility with historic elements and surrounding area
  - Property leasing and management
- Evidence of successful execution of related projects
- Evidence of financial capacity to deliver project

### **General Project Approach**

- Description of the team's overall concept for development of the site and the anticipated approach to execution of the joint development.

---

## **EVALUATION CRITERIA**

---

- *Proposer Qualifications:*
  - Has the development team been detailed and described?
  - What is the experience of the team in financing, developing, managing, and operating comparable projects?
  - Does the team have a demonstrated track record of successfully financing, developing, and completing comparable projects?
- *Proposer's General Project Approach:*
  - Has the proposer described how the overall project concept would be consistent with the project mission and goals?

## **DRAFT FOR REVIEW & DISCUSSION**

### **Joint Development of the Ronstadt Transit Center Project Area Request for Proposals/Phase I**

---

#### **ATTACHMENTS & LINKS**

---

*Project Site Map*

*FTA Joint Development Guidelines*

- FTA March 2013 Proposed Circular to Provide Guidance on Joint Development
- FTA Notice of Final Agency Guidance on Eligibility of Joint Development Improvements Under Federal Transit Law (72 FR 5788, Feb. 7, 2007)
- FTA Policy on Transit Joint Development (62 FR 12266, Mar. 14, 1997)
- FTA Circular 5010.1D – Grants Management Requirements
- FTA Circular 9300.1B – Capital Investment Program Guidance and Application Instructions
- FTA Circular 4220.1F – Third Party Contracting Guidance

*Environmental Reports*

*Urban Land Institute Briefing Book and Final Report*

*Community Planning Process, Ronstadt Transit Center Redevelopment, City of Tucson, May 24, 2013, prepared for the City by Poster Frost Mirto.*

*Streetcar Land Use Plan Charette Results*

*Historic Warehouse Arts District Master Plan*

*Ronstadt Transit Center History & Architecture*

*Relevant plans & initiatives (e.g., Plan Tucson, Imagine Greater Tucson, Downtown Links, Modern Streetcar)*