Tucson, Arizona
November 17-22, 2013

An Advisory Services Panel
About the Urban Land Institute

- The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.

- ULI is a membership organization with nearly 30,000 members, worldwide representing the spectrum of real estate development, land use planning and financial disciplines, working in private enterprise and public service.

- What the Urban Land Institute does:
  - Conducts Research
  - Provides a forum for sharing of best practices
  - Writes, edits and publishes books and magazines
  - Organizes and conducts meetings
  - Directs outreach programs
  - Conduct Advisory Services Panels
The Advisory Services Program

- Since 1947
- 15 - 20 panels a year on a variety of land use subjects
- Provides independent, objective candid advice on important land use and real estate issues
- Process
  - Review background materials
  - Receive a sponsor presentation & tour
  - Conduct stakeholder interviews
  - Consider data, frame issues and write recommendations
  - Make presentation
  - Produce a final report
The Panel

Chair
- John Walsh

Panelists
- Alan Billingsley
- Michael Berne
- Charlie Johnson
- Ross Tilghman
- Peter Hasselman
- Jan Minami

Staff
- Tom Eitler
- Carrie Dietrich
- Natasha Hilton
- Nick Lalla
Sponsors
Panel Assignment
Economic and Market Assessment

Introduction

- Focus of Panel on economic and Market Conditions Underlying the Possibilities for Revitalizing Downtown Tucson
- Public subsidies are nonetheless encouraged to achieve such objectives as affordable housing, public facilities, transportation and social programs to supplement this Advisory Panel’s recommendations
Economic Overview

- Tucson battered in the 2007 – 2010 downturn far worse than the US average and who also underperformed in recovery to date
- Key economic positives include services, University, defense, aerospace
- Strong upside potential for entrepreneurial and start-up businesses
- 2014 - 2017 recovery forecast to outperform US
Downtown’s Position

- Region’s hub for government, culture and entertainment
- Potential to serve as an exciting activity center for the region
- Potential to serve as region’s center for cutting edge food and beverage and entertainment establishments
- Compared with other downtowns, Tucson supports relatively little private sector office space, approximately 25% of the region’s total
Real Estate Development Potential: Residential

- Multi-family has the greatest near term market potential for downtown
- Downtown should support 200-300 rental units/year, representing a 20% to 25% capture of the regional apartment demand
- Infill single family housing development should be encouraged in surrounding historic neighborhoods
Real Estate Development Potential: Office

- Little near-term demand for new office space
- Focus on leasing currently vacant space
- Potential re-use of older existing office space for new entrepreneurial start-up firms
Real Estate Development Potential: Hotel

- Near-term demand for small to mid-sized business hotel
- 100 – 200 rooms branded
- Support from government, business, events and tourists
Michael Berne
Retail

“Trade Area”

- Based on location of competitors
- Population of just 42,135
  - Students (estimated 40 to 50%)
  - Alternatively minded “hipsters”
  - Lower-income Latinos

<table>
<thead>
<tr>
<th></th>
<th>Trade Area</th>
<th>Tucson Metro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households Earning</td>
<td>11% (1,707)</td>
<td>26%</td>
</tr>
<tr>
<td>$75K or More</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Households Earning</td>
<td>53% (8,152)</td>
<td>29%</td>
</tr>
<tr>
<td>$25K or Less</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homes Valued at</td>
<td>26% (1,186)</td>
<td>38%</td>
</tr>
<tr>
<td>$200K or More</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Retail

Traffic Drivers

- Residential trade area
- Daytime workers (27,000)
- Destination traffic
  - High culture (theatres, museums, restaurants)
  - Draws so-called “yup-sters”
Retail

Tenanting Strategy

• Small-scale (versus “big bang”)
  – Modestly sized anchors
  – Incremental additions of comparison goods mix
  – Wider range of eateries and entertainment
    • Quick-service food and drink
  – Properly scaled “Mercado Central” (West Side)
Retail

Tenanting Strategy (continued)

- Chain-lets
  - Most realistic
  - Distinctiveness and credit
Retail

Location Strategy

- East of Church Street (except for “Mercado”)
  - Congress Street heading East
  - Broadway Boulevard
Retail

Risk Mitigation

• Increasing residential densities
• Adding to destination uses and activities
Branding and Programming

- Brand and theme CBD with community events
- Mixed use including residential, neighborhood services and tourist related uses
- Public space and undeveloped public land on south west landfill sites
  - Historical recreations
  - Equestrian center
  - Historic Recreation and cultural related festivities
Tucson Attracts Meetings, But TCC Does Not

- Area hosted 700,000 group room nights in 2012
- Only 20 conventions used the TCC exhibit hall 2012
- Additional capacity exists
- 455,000 people used the TCC Complex - an important asset to the community

Tucson Convention Center and Arena
2012 Event Demand & Attendance

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Arena Events</th>
<th>Arena Attendance</th>
<th>Exhibit Halls (A, B, C) Events</th>
<th>Exhibit Halls (A, B, C) Attendance</th>
<th>Grand Ballroom Events</th>
<th>Grand Ballroom Attendance</th>
<th>Meeting Rooms (All) Events</th>
<th>Meeting Rooms (All) Attendance</th>
<th>TCC Total Events</th>
<th>TCC Total Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concerts</td>
<td>8</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>11</td>
<td>-</td>
</tr>
<tr>
<td>Entertainment Event</td>
<td>28</td>
<td>-</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51</td>
<td>-</td>
</tr>
<tr>
<td>Convention &amp; Conferences</td>
<td>16</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>19</td>
<td>-</td>
<td>47</td>
<td>-</td>
<td>102</td>
<td>-</td>
</tr>
<tr>
<td>Sporting</td>
<td>208</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>211</td>
<td>-</td>
</tr>
<tr>
<td>Reception/Party</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41</td>
<td>-</td>
</tr>
<tr>
<td>Non-Profit Events</td>
<td>60</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>35</td>
<td>-</td>
<td>146</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>320</strong></td>
<td><strong>282,655</strong></td>
<td><strong>67</strong></td>
<td><strong>133,852</strong></td>
<td><strong>77</strong></td>
<td><strong>25,201</strong></td>
<td><strong>98</strong></td>
<td><strong>4,855</strong></td>
<td><strong>562</strong></td>
<td><strong>455,563</strong></td>
</tr>
</tbody>
</table>

Source: TCC, Johnson Consulting
Calendar Enhancements

- Current Target Users for TCC and Arena:
  - The Gem Show
  - Social, Military, Educational, Religious, Fraternal and Ethnic (SMERFE) events
  - Sports tournaments events
  - Trade and Consumer shows

Potential Additional Uses
- Scheduled court activities
- Indoor soccer
- Tournaments
- Other gym and indoor athletic activities
Facility Enhancements

• Add two locker rooms on arena edge
• Seek manager operator to install courts and operate athletic uses
• Modernize and soften outside to reflect area scale
• Scheduled cosmetic/aesthetic upgrades to meeting and ballrooms
• Improve life safety, lighting and way-finding
• Re-purpose North meeting room and offices for museum and museum education
Demand Improvements Require Enhanced Management

- TCC stewardship must improve
- Professional expert oversight for all venues
- Revamp Rio Nuevo capital model for funding future
Major Development Considerations

- Support demolition and redevelopment of the Hotel Arizona site
- Redevelop La Placita
- Take site elevations to street level
- Improve and expand the Stravenue
Consider Two Bold Campus Additions

- Relocate School of Design, Media, Performing Arts or Visual Arts and School of Architecture to La Placita location
- Consider University of Central Florida (UCF) model
Offsite Venue Improvement: Expo Space

- JV expo space for the American Gem Trade Association venue
  - Multi-purpose “market hall”
    - Flea market days, farmers markets, and various art shows
  - Austin/University of Texas - Palmer Events Center
  - Open air or enclosed
Offsite Venue Improvement: Recreation Center

- Provide a community center for the south and west side neighborhoods
  - Kroc Center, YMCA or Recreation Center
- Fire station adjacency to ensure life safety support
- Such a venue could be used by the U of A, neighborhood residents, visitors and nearby hotels
West Side Improvement: Visitor Center

- Visit Tucson Visitor Center
  - An interpretive center
  - A center to incentivize exploring Tucson
  - Flex space for seasonal display changes
  - Easy access to Interstate 10 and the river front.
  - Encourage street car and bicycle use with ample parking
  - Introduce treated water to invigorate river wildlife, plants and birds
West Side Improvement: Cultural Equestrian Venue

- Land is not commercially viable due to land fills
- Mission District is very interesting and has increased potential
- Proposals for an equestrian and rodeo venue has potential
- These have succeeded in other markets, such as West World
- Native American heritage versus Cowboy heritage
- Tribal casinos may be a funding partner
West Side Equestrian Residential

• Zone a south west residential area for live and ride area
  – Queen Creek, AZ and The Town of Norco, CA
  – Trailhead and neighborhood
Other Considerations

The Panel encourages the following:

- Market Conditions determine the need for incentives
- Preserve and extend an improved Rio Nuevo
- Codify and clarify existing tools and their use
- Continue GP LED
- Consider project-based sales tax TIFs for targeted projects in “downtown area”
Planning & Design

Tucson Character

- Scale
- Streets
- Ample Transportation Capacity
Planning & Design

Area Wide Actions

- Use Existing Parking Strategically
  - For development
  - For events
- Maximize Transit Ridership
  - Match service to demand
- Monitor traffic volumes
  - Slim down oversized streets (Church St)
- Keep streets open
  - Be wary of closing streets
- Add streets back to superblocks, where possible
Planning & Design

Area Wide Actions (continued)

- Improve walkways and bike routes
  - Inventory & analysis
  - Separate bikes & Streetcars
  - Fix the Stravenue!
- Create more walkways
- Give good directions
  - Comprehensive, consistent system
  - Standardize graphics
Planning & Design

Specific Parking Opportunities

- Determine parking needs
- Open El Presidio garage for evening & weekend events
- Evaluate opportunity for new garage at Music Hall
- Increase on-street parking near museums
  - Use West Side for occasional overflow parking
Planning & Design

Walkway/Open Space Opportunities

• Horse-back riding on West Side
• Create new walkway to Museum/Performing Arts Campus
• A new heart for downtown
Peter Hasselman
Eckbo’s Design

- Stay true to design
- Address challenges with maintenance
- Consider upgrades or alterations
- Consider modification of water requirements for cost and conservation
Public Service

Downtown Tucson

- A renewed spirit of public service
- Working together to create a thriving city
Public Service

Urban Land Institute’s Rose Center

- Provides public officials with access to information, best practices, peer networks, and other resources
- Fosters practical and sustainable land use policies
- Through the Rose Fellowship, works with mayors of four large cities every year on a local land use development challenge
- Through workshops and webinars, provides discussion forums for best practices
Advisory Committee

Members representing:

- City of Tucson
- Pima County
- Rio Nuevo
- University of Arizona
- Public transportation
- Neighborhood
- Retail
- Developer
- Non-governmental office occupant
Data collection, storage and analysis
Data & Transparency

City of Tucson Website

- Small tweaks produce big results
Public Space

Garrett Eckbo

“The various terraces provide a perfect setting for outdoor performance and informal gathering.”
Public Space

The Porch in Philadelphia

- Performances and art
- Food and drinks
- Group fitness
- Special events
Programming the Stravenue

- Performances and events
- Food and drinks
- Murals and fountains
- Upgrade facility
Public Space

Programming Events

- Concerts
- Children’s festivals and activities
- Performance art
What’s Next?

WHAT?
Monday Already!

sweetcomments.net
Monday Agenda

Market Analysis

• Immediate demand for market rate multi-family rental
• Encourage business-quality hotel
• Determine office space for new enterprises
• Conduct detailed market analysis
• Devise retail positioning and tenanting strategy
• Augment local retail and economic development expertise
Monday Agenda

Economic Strategies

• Private management of the Tucson Convention Center
• Coordinated effort to extend and focus Rio Nuevo
• Visit incentives policy: G-PLED and site-specific TIFs
• Engage operator for court and ice sporting event upgrades
Monday Agenda

Transportation

- Complete sidewalk and path inventory
- Analyze transit usage
- Assess parking needs for major destinations to determine appropriate solutions
- Create alternate bike routes off of streetcar line
- Increase on-street parking supply where possible
Monday Agenda

Implementation

- Advisory Committee
- Citizen Ombudsman
- Pedestrian counts
- Activate Stravenue
Questions