



MEMORANDUM

DATE: June 26, 2014

TO: Honorable Mayor and Council

FROM: Richard Miranda
City Manager

A handwritten signature in black ink, appearing to read 'Richard Miranda'.

Subject: Downtown Hotel Archaeological Clearance

An article in the Arizona Daily Star on Saturday June 21st included some incorrect information regarding the archaeological work for the proposed AC Marriott Hotel.

The article states that the Mayor and Council approved an \$8 million HUD 108 loan earlier this month. The Mayor and Council approved allowing the developer to *apply* for the loan. The loan process includes submission of an application, review of the application by the Housing and Community Development Department and the Tucson Industrial Developer Authority, underwriting analysis by the Business Development Finance Corporation, a Mayor and Council public hearing, and approval of the application by the Mayor and Council for submission to HUD for their approval. The developer is at the very beginning of the loan process, and has not yet submitted a complete application.

The City's Historic Preservation Officer did not make the decision that archaeological clearance work is required for this project. Archeological clearance is a federal requirement and compliance of the requirement is the responsibility of the developer. City staff's charge is to assist developers in navigating through issues to assure the success of their projects. It is always our intent to provide communication and information to meet this goal. This was the thought in communicating to the developer the archaeological requirements for this project.

The \$260,000 figure cited in the article is an estimate based on the two most recent archaeological clearances completed in the downtown area. The developer may hire any consultant of his choosing and the actual negotiated amount for the work may be different. The plan for the archaeological work must meet federal standards, as approved by the Arizona State Historic Preservation Office. The City is a designated Certified Local Government and therefore responsible for reviewing the archaeological clearance plan and submitting the plan to the State Historic Preservation Office.

City staff has worked diligently on this project. This is a large, complex project that involves incentives (GPLET, Site Specific Sales Tax, Downtown Financial Incentive, HUD 108 loan) and many other legal and administrative issues. We will continue to work closely with the developer to help navigate through the processes and make this important project a reality.

Staff has communicated these points to the reporter who wrote this story.

If there are any questions regarding this communication please feel free to contact me.