

MEMORANDUM OF AGREEMENT

AMONG THE DOWNTOWN MOTOR LODGE, LLC,

THE

CITY OF TUCSON, HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT,

THE

ARIZONA STATE HISTORIC PRESERVATION OFFICER

AND THE

ADVISORY COUNCIL ON HISTORIC PRESERVATION

REGARDING THE DOWNTOWN MOTOR APARTMENTS
383 S STONE AVE, TUCSON, AZ

WHEREAS, the City of Tucson (City) plans to provide funds from the HOME Investment Partnerships Program authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act (1990) (42 U.S.C. 12701 et seq.) to the Downtown Motor Lodge, LLC (developer) for the construction of a four story, 44-unit low-income housing apartment located at 383 S Stone Avenue (project); and,

WHEREAS, the City is the Responsible Entity in accordance with HUD's Environmental Review Regulations at 24 CFR Part 58, and is responsible for ensuring compliance with Section 106 of the National Historic Preservation Act (NHPA), 54 U.S.C. § 306108, and its implementing regulations, 36 CFR Part 800; and,

WHEREAS, the City has a Programmatic Agreement (PA) which addresses its Section 106 responsibilities for its HUD-funded programs; however, due to the scope of the undertaking and the high level of public interest, the City has decided to use utilize 36 CFR Part 800.6 to resolve adverse effects, including consultation with consulting parties and the public; and

WHEREAS, the City has defined the undertaking's area of potential effect (APE) as depicted on the map attached hereto as Exhibit A; and

WHEREAS, the City has determined that the undertaking will adversely affect the property at 383 South Stone Avenue, which is a contributing element to the Armory Park Historic District, and is listed in the National Register of Historic Places, and has obtained the concurrence of the Arizona State Historic Preservation Officer (SHPO) pursuant to 36 CFR Part 800; and

WHEREAS, the City has determined that the undertaking will have no adverse effect on the Barrio Libre Historic District because the project does not result in loss of historic fabric in that district, does not alter the characteristics that make it eligible for listing in the National Register, a view of the project from the district is not a visual adverse effect on the integrity of the district and the City has obtained the concurrence of the SHPO pursuant to 36 CFR Part 800; and

WHEREAS, the Downtown Motor Lodge LLC, which consists of CAH-Downtown Motor Lodge, LLC/member Compass Affordable Housing, Inc. and Tucson Housing AM, LLC/member Bethel MM, LLC has been invited to sign this MOA as invited signatories; and

WHEREAS, the City of Tucson has consulted with the Tucson Historic Preservation Foundation, the Tucson Pima County Historical Commission Plans Review Subcommittee, the Armory Park Historic Zone Advisory Board, the Armory Park Neighborhood Association, and the Barrio Historico Historic Zone Advisory Board regarding the effects of the undertaking on historic properties and has invited them to sign this MOA as concurring parties; and

WHEREAS, as part of the consultative process, the City has engaged the to participate in the review of this undertaking as described in the attached Exhibit B; and

WHEREAS, in accordance with 36 C.F.R. § 800.6(a)(1), the City has notified the Advisory Council on Historic Preservation (ACHP) of its adverse effect determination providing the specific documentation, and the ACHP has chosen to participation in the consultation pursuant to 36 C.F.R. § 800.6(a)(1)(iii); and

WHEREAS, Downtown Motor Lodge, LLC has developed Architectural Documentation of the existing Property in accordance with SHPO Standards; and a copy of this documentation shall be provided to the City Historic Preservation Office, with a second copy to be provided to the Armory Park Historic Zone Advisory Board; and:

WHEREAS, the work contemplated under this MOA shall be the work as shown on the drawings and specifications for the development of the Downtown Motor Apartments at 383 S. Stone Avenue in Tucson, AZ as approved and made subject to the building permits and other approvals as issued by the City of Tucson.

NOW, THEREFORE, the City, the SHPO and the ACHP agree that the undertaking shall be implemented in accordance with the following stipulations in order to take into account the effect of the undertaking on historic properties.

STIPULATIONS

The City, in coordination with the Downtown Motor Lodge LLC, shall ensure that the following measures are carried out:

I. Rehabilitation of Historic Sign and Portion of Hotel

A. Downtown Motor Lodge LLC (Developer) will save and restore the existing project sign. Developer will work with the City Historic Preservation Office to attempt to obtain "Historic Landmark Sign Designation" and will pay for the application. In addition the developer will execute a Conservation Easement on the sign in favor of the City of Tucson. The form of Conservation Easement shall be as agreed to by the City of Tucson's Historic Preservation Officer, City Attorney, and developer.

B. Developer will retain approximately 47' of the westernmost portion of the north building on the property and approximately 36' of the westernmost portion of the south building on the

property as depicted in the drawing attached as Exhibit C. These spaces will be used as offices and community space.

C. Any historic preservation of these portions of the property will meet the Secretary of the Interior's Standards for Archaeology and Historic Preservation (SOI's Standards; http://www.nps.gov/history/local-law/arch_stnds_9.htm), and will be carried out by or under the direct supervision of qualified professionals who meet the Secretary of Interior's Professional Qualifications Standards.

D. Contingent upon lender approval, developer will execute a Conservation Easement in favor of the City of Tucson. The form of Conservation Easement shall be as agreed to by the City of Tucson's Historic Preservation Officer, City Attorney, and developer.

E. Developer will confer with the Armory Park Neighborhood Association, the Armory Park Historic Zone Advisory Board, and the Plans Review Subcommittee of the Tucson-Pima County Historic Preservation Commission on building colors with an emphasis on masses or strong shades and horizontal colorization.

II. Salvage

A. Developer will allow owners of historic properties in Armory Park and contractors that specialize in rehabilitation of historic properties the right to salvage building materials, ornamentation, and architectural remains from the Property prior to demolition and only from the buildings scheduled to be demolished. Liability waivers will be required. To this end, the Developer will advertise and host an open house where Armory Park historic property owners and contractors can tour the building to identify specific removable materials to attempt recovery prior to demolition. Developer will engage in reasonable efforts to provide for salvage of the bricks to be set aside for a limited period of time. All materials requested will be made available first to owners of historic properties in Armory Park and then any remaining materials will be made available to contractors that specialize in rehabilitation of historic properties. The on-site Open House will not exceed the first 40 people. Developer will not permit materials contaminated with hazardous materials such as lead or asbestos to be salvaged

III. Interpretive Exhibit/Signage

A. Developer will provide \$1,000.00 to create an exhibit/display that will interpret the historic building on the property or to create a plaque/memorial to Josias Joesler, Architect, at a location to be determined by those parties and the Developer. The interpretive exhibit/signage will need to approval by the City's Preservation Officer in consultation with the Tucson Pima County Historic Plans Review Subcommittee

IV. Neighborhood Outreach

A. Compass Affordable Housing and the City of Tucson Housing and Community Development Department will meet annually for three years with the Armory Park and Barrio Viejo Neighborhood Associations and instruct on how to apply for the City's Homeowner Rehab Program and other available City funding opportunities for their historic properties.

V. Mitigation Funds

A. Developer will commit \$8,500.00 toward a Historic Preservation Fund, to aid in the repair and maintenance of historic features of historic properties in Armory Park and Barrio Viejo. The Armory Park Neighborhood Association, by separate agreement, will be the sole fiscal and discretionary agent for the fund.

B. Developer will commit \$3,500.00 toward a fund for the repair of historic sidewalks in the Armory Park Historic District. The Armory Park Neighborhood Association will be the sole fiscal and discretionary agent for this fund.

VI. City Training

A. The City's Certifying Officer and Environmental Officer in the Housing and Community Development Department and the City's Historic Preservation Officer will attend the Advisory Council on Historic Preservation's *Section 106 Essentials* and *Advanced Section 106 Seminars* within the first year of the MOA.

X. DURATION

This MOA will expire if its terms are not carried out within five (5) years from the date of its execution. At such time, and prior to work continuing on the undertaking, the City shall either (a) execute a MOA pursuant to 36 C.F.R. § 800.6, or (b) request, take into account, and respond to the comments of ACHP under 36 C.F.R. § 800.7. Prior to such time, the City may consult with the other signatories to reconsider the terms of the MOA and amend it in accordance with Stipulation XIII (Amendments).

XI. MONITORING AND REPORTING

Each quarter following the execution of this MOA until it expires, or until the work contemplated under this MOA is completed, or the MOA is terminated, the City shall provide all signatories to this MOA a summary report detailing work undertaken pursuant to its terms. Such report shall include any scheduling changes proposed, any problems encountered, and any disputes and objections received regarding the implementation of the MOA in the City's efforts to carry out the terms of this MOA. This report will be posted on the City of Tucson Housing and Community Development Department's webpage for the Downtown Motor Apartments project which can be found at <http://www.tucsonaz.gov/hcd/downtown-motor-hotel-section-106-process>.

XII. DISPUTE RESOLUTION

Should any signatory or concurring party to this MOA object at any time to any actions proposed or the manner in which the terms of this MOA are implemented, the City shall consult with such party to resolve the objection. If the City determines that such objection cannot be resolved, the City will:

- A. Forward all documentation relevant to the dispute, including the City's proposed resolution, to the ACHP. The ACHP shall provide the City with its advice on the resolution of the objection within thirty (30) days of receiving adequate documentation. Prior to reaching a final decision on the dispute, the City shall prepare a written response that takes into account any timely

advice or comments regarding the dispute from the ACHP, signatories and concurring parties, and provide them with a copy of this written response. The City will then proceed according to its final decision.

- B. If the ACHP does not provide its advice regarding the dispute within the thirty (30) day time period, the City may make a final decision on the dispute and proceed accordingly. Prior to reaching such a final decision, the City shall prepare a written response that takes into account any timely comments regarding the dispute from the signatories and concurring parties to the MOA, and provide them and the ACHP with a copy of such written response.
- C. The City's responsibility to carry out all other actions subject to the terms of this MOA that are not the subject of the dispute remains unchanged.

XIII. AMENDMENTS

This MOA may be amended when all signatories have consulted regarding the proposed amendment. Upon agreement to the proposed amendment by all signatories in writing, the City will develop the amended MOA and circulate it for signature. The amendment will be effective on the date a copy of the last signature, including that of the ACHP. When all signatories have consulted regarding the proposed amendment,

XIV. TERMINATION

If any signatory to this MOA determines that its terms will not or cannot be carried out, that party shall immediately consult with the other signatories to attempt to develop an amendment per Stipulation XIII, above. If within thirty (30) days an amendment cannot be reached, any signatory may terminate the MOA upon written notification to the other signatories.

Once the MOA is terminated, and prior to work continuing on the undertaking, the City must either (a) execute an MOA pursuant to 36 CFR § 800.6 or (b) request, take into account, and respond to the comments of the ACHP under 36 CFR § 800.7. The City shall notify the signatories as to the course of action it will pursue.

XV. EXECUTION

- A. This MOA may be executed by the signatories in counterpart, with the effective date being the date the ACHP executes it.
- B. Execution of this MOA by the City of Tucson, the SHPO and the ACHP, and implementation of its terms evidence that the City has taken into account the effects of this undertaking on historic properties and afforded the ACHP an opportunity to comment.

SIGNATORIES:

Arizona State Historic Preservation Office

James Garrison
James Garrison, State Historic Preservation Officer

Date: 7/8/15

SIGNATORIES:

City of Tucson
Responsible Entity

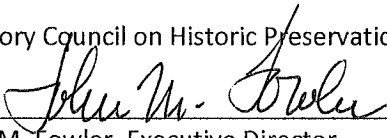


Sally Stang, Certifying Officer for City of Tucson

Date: 7/8/2015

SIGNATORIES:

Advisory Council on Historic Preservation (ACHP)

 Date: 2/15/15

John M. Fowler, Executive Director

INVITED SIGNATORIES:

DOWNTOWN MOTOR LODGE, LLC

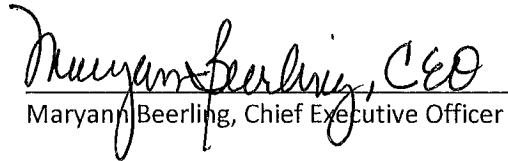
By: CAH-Downtown Motor Lodge, LLC

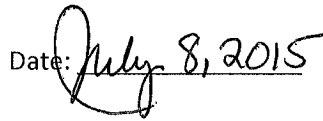
Its Manager

By: Compass Affordable Housing, Inc.

Its Manager

By: Maryann Beerling, CEO


Maryann Beerling, Chief Executive Officer

Date: 

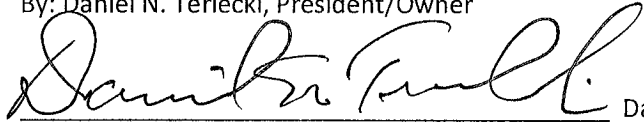
INVITED SIGNATORIES:

By: Tucson Housing AM, LLC
Its Member

By: Bethel MM, LLC
Its Manager

By Bethel Development, Inc.,
Its Member

By: Daniel N. Terlecki, President/Owner

 Date: 7-8-15

Daniel N. Terlecki, Owner/President

CONCURRING PARTIES:

Tucson Historic Preservation Foundation

_____ Date: _____
Demion Clinco, CEO

CONCURRING PARTIES:

Tucson Pima County Historical Commission

_____ Date: _____
Teresita Majewski, Chair

CONCURRING PARTIES:

Armory Park Historic Zone Advisory Board

_____ Date: _____
Jack McLain, Chair

CONCURRING PARTIES:

Armory Park Neighborhood Association

_____ Date: _____
John Burr, Vice-President and Development Chair

CONCURRING PARTIES:

Barrio Historico Historic Zone Advisory Board

_____ Date: _____
Jody Gibbs, Chair

383 S Stone Avenue
 Area of Potential Effect

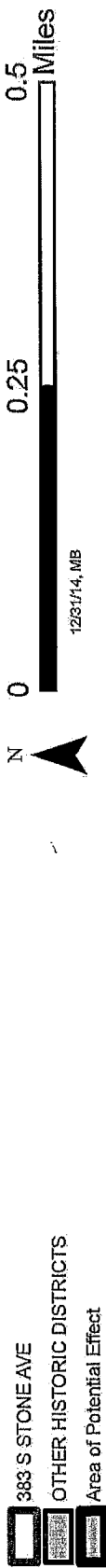
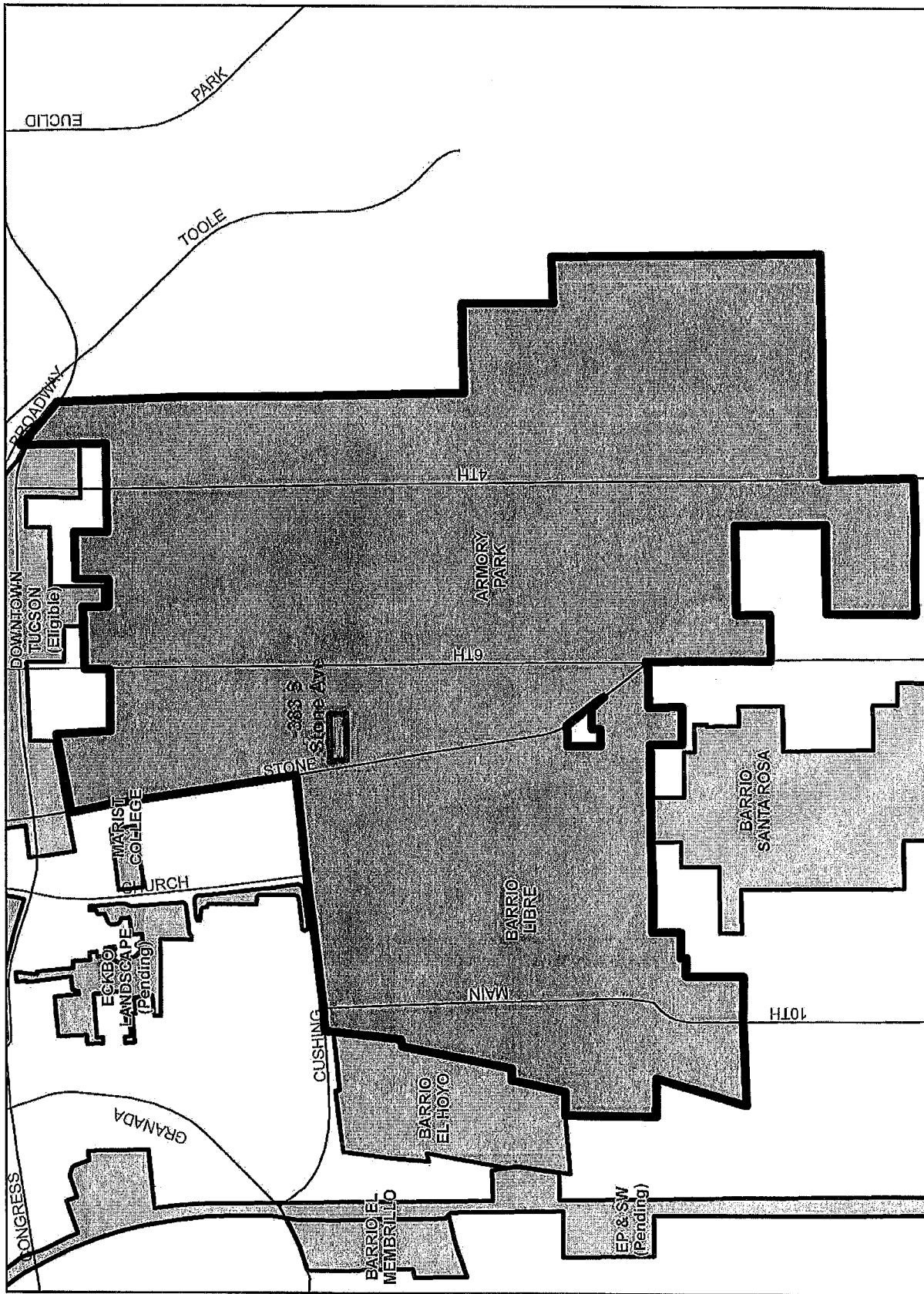


EXHIBIT B

MEMORANDUM OF AGREEMENT
DOWNTOWN MOTOR APARTMENTS

PUBLIC PARTICIPATION RECORD

DURING SECTION 106 PROCESS

- 10/14/14 Section 106 Process initiated upon forwarding of the HOME Investment Partnership Funds application.
- 10/23/14 Public meeting was scheduled for 10/28/14. Meeting notice and agenda was posted in the City Clerk's office and emailed to more than 350 recipients including the list of interested parties from previous meetings/activities, all registered Neighborhood Associations in the City of Tucson, Historic Districts, and Mayor & Council.
- 10/28/14 Public meeting – second meeting scheduled for 11/20/14. Web page developed on the City of Tucson Housing and Community Development (HCD) Department website to post information about the project and Section 106 Process.
- 11/18/14 Emailed reminder of 11/20/14 to 400 recipients including the list of interested parties from previous meetings/activities, all registered Neighborhood Associations in the City of Tucson, Historic Districts, and Mayor & Council.
- 11/19/14 Posted email list and comments to website.
- 11/20/14 Second Public meeting. List of email addresses was provided for attendees to ensure their email address was correct to ensure future emails would be received. Posted newspaper articles, city response to questions/comments, & developer Powerpoint presentation to website.
- 11/21/14 Posted comments to website.
- 12/4/14 Posted comments to website.
- 12/10/14 Consulting parties meeting. Posted comments to website.
- 12/18/14 Consulting parties meeting.
- 12/19/14 Posted comments to website.
- 12/24/14 Posted comments and responses to website.
- 1/9/15 Posted comments and responses to website.

1/13/15 Posted AZ SHPO response to website.

1/20/15 Amended APE and invited Barrio Historico Historic Zone Advisory Board to consult.

1/26/15 At request of consulting parties – posted Section 106 Process summary to website.

1/28/15 Notified ACHP & invited to consult; posted conceptual design, building condition report, archaeological site report, and map of Area of Potential Effect to website.

2/12/15 Consulting parties meeting.

2/23/15 Posted State Historic Property Inventory form, comments, and city responses to website.

3/16/15 Posted comments to website.

3/18/15 Consulting parties meeting. Posted consulting parties meeting handouts and summary to website.

3/23/15 Posted comments to website.

4/8/15 Posted Comments and AZ SHPO concurrence to website.

4/9/15 Social media blast encouraging public comment and directing to HCD website. Consulting parties meeting, posted developer suggested stipulations to website.

4/14/15 Posted documentation standards, comments, meeting summary from the 4/9/15 consulting parties meeting, building photos, and proposed design to website.

4/15/15 Posted adverse effect determination objection and suggested stipulations from the Tucson Historic Preservation Foundation to website.

4/16/15 Consulting parties meeting. At the request of consulting parties, single page project overview created in English and Spanish posted on website and distributed to community. Posted adverse effect determination objection from Barrio Historico Historic Zone Advisory Board to website. Posted revised developer stipulations to website.

4/21/15 Posted letter from Arizona Department of Housing on website.

4/28/15 Posted link to petition created by Gary Patch to website.

5/4/15 Posted opinion letter from the Advisory Council for Historic Preservation and analysis of LIHTC alternatives, and comments to website

5/7/15 Consulting parties meeting. Posted public comments and Partners for Housing Solutions analysis to the website.

5/12/15 Posted public comment with attachments and Arizona Daily Star article to the website.

5/14/15 Posted ACHP letter to the website

5/15/15 Posted ADOH letters to website

5/22/15 Posted consulting party objection to website

5/26/15 Posted consulting party letter and public comment to website

5/29/15 Posted multiple objection letters to website

6/2/15 Posted ACHP letters and draft MOA to website

6/8/15 Posted City response to concerns on website

6/12/15 Consulting parties meeting. Posted three emails from consulting party on website

6/24/15 Posted Public Comment and Consulting Party request to the website

6/26/15 Posted letter from Consulting Part to the website

7/7/15 Posted Public Comment and letter from ACHP to website

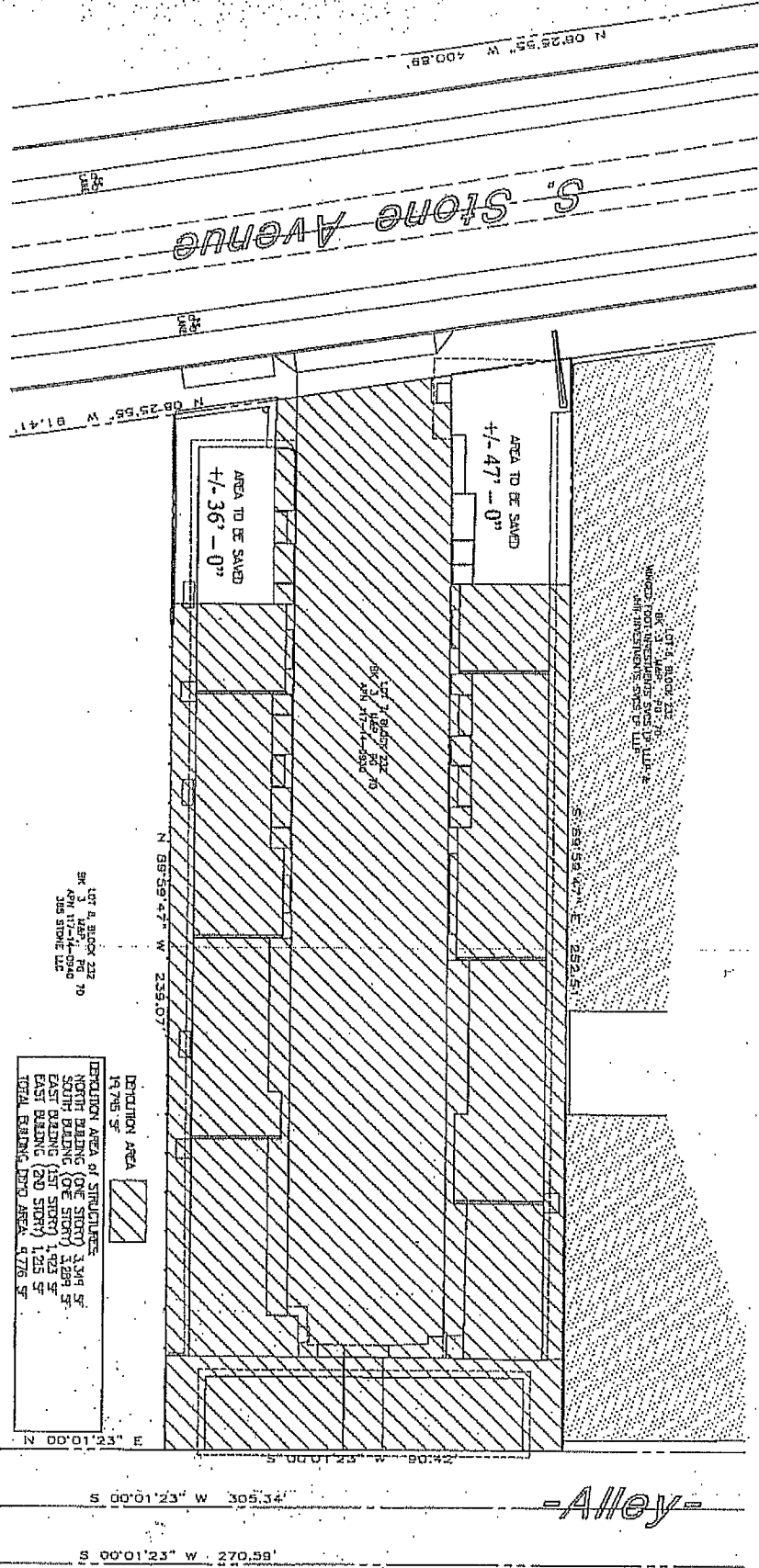
7/8/15 Posted Final draft of MOA to website

PUBLIC PARTICIPATION

PRIOR TO SECTION 106 PROCESS

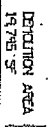
- 12/10/13 Community Design Review Committee meeting.
- 1/17/14 Armory Park Historic Zone Advisory Commission courtesy review.
- 1/23/14 Tucson Pima County Historic Preservation Commission courtesy review.
- 4/11/14 Presentation to the Office of Integrated Planning, Armory Park Neighborhood Association, Ward 6, and interested citizens.
- 8/6/14 Public meeting with Ward 6.
- 8/24/14 Barrio Historico Historic Zone Advisory Board courtesy review with the architectural review committee.
- 10/7/14 Public meeting hosted by the Office of Integrated Planning to present design changes.

Exhibit C
 Memorandum of Agreement
 Downtown Motor Apartments



SITE DEMOLITION PLAN
 SCALE: 1"=10'-0"

DEMOLITION AREA OF STRUCTURES:
 NORTH BUILDING (ONE STORY) 1,316 SF
 SOUTH BUILDING (ONE STORY) 1,288 SF
 EAST BUILDING (ONE STORY) 1,923 SF
 EAST BUILDING (TWO STORY) 1,215 SF
 TOTAL BUILDING DEMO AREA 4,742 SF



NOTE: HAS ARCHITECTURAL DOCUMENTATION OF THE BUILDINGS OR PORTIONS OF BUILDINGS BEING DEMOLISHED HAVE BEEN COMPLETED AND SUBMITTED TO THE HISTORIC PRESERVATION OFFICE. THE REPORT IS DATED SEPTEMBER 02, 2014, AND INCLUDES ALL INFORMATION REQUIRED BY CODE A.029 OF THE REPORT IS INCLUDED IN A 1/2" X 11" REPORT WITH THIS SUBMITTAL.

ALL APPLICANTS TO BE DEMOLISHED ARE REQUIRED TO SUBMIT AN AREA TO BE DEMOLISHED.

NOTE: PER THE APPLICANT'S SECTION SHALL BE AT LEAST 15 DAYS FROM THE DATE OF THE APPLICANT SHALL PROVIDE NOTICE TO THE ADJACENT PROPERTY OWNERS OF THE PROPOSED DEMOLITION.

KEYNOTES

CITY OF TUCSON
 BLOCK 232
 BK 3 M&P; PG 70

Downtown Motor Apts
 383 South Stone Ave, Tucson, AZ
 Downtown Motor Apartments, LLC



ATHENA STUDIO, LLC
 44 W. COMMERCE ST.
 TUCSON, AZ 85701
 TEL: 520.242.9500



SITE DEMOLITION PLAN
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