

# **Downtown Tucson Economic Development Update**

Prepared for  
**Rio Nuevo**

**March 12, 2017**

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*AC Marriott*

## **AC Marriott**

The new 8-story, European style hotel will be Downtown's first hotel in over 40 years and will feature 136 rooms, a rooftop pool, a restaurant, a 200-space public parking garage, and nearly 6,000 square feet of retail space. The project is expected to be completed in August.



*McCormick*

## **McCormick**

"Luxury Urban Living." Construction is nearing completion on the 25 new multi-story, market-rate apartment complex across from St. Augustine Cathedral on Stone Avenue. Different floor plans are available and all units come with a garage. The project is expected to be completed in spring 2017.



*Downtown Motor Apartments*

## **Downtown Motor Apartments**

The 44 low-income housing project on Stone Avenue across from the Police station will be completed by the end of February. Portions of the original historic property remain and will be used for the office and lobby areas. A new 4-story addition has been constructed at the rear of the property to allow for covered parking on the ground floor.



*Pima County Courthouse*

## **Historic Pima County Courthouse**

Pima County is currently renovating the building that will become the future home of the Western National Parks Association, Visit Tucson, the UA Mineral Museum, the Arizona Historical Society and space for the January 8 Memorial. Listed on the National Register of Historic Places, the exterior of the courthouse building is being repainted to match the original color.



## **Chicago Store**

Multiple lease inquiries have been received for the 1916 historic structure. Rio Nuevo is currently working with Peach Properties to recruit tenants and with Pima County to lease the adjacent parking lot.



MSA Annex

### MSA Annex

The 18,000 sqft mixed-used, shipping container project west of downtown will feature 15 food and retail outlets, a 500-seat outdoor entertainment and festival venue, and adjacent ground level parking. Construction will soon be underway and completed in October.



City Park

### City Park

Construction will soon be underway for the new 5-story mixed-use building at City Park. Located on Congress Street between Scott and Stone Avenues, the project will include 2 levels of loft office space and 3 levels of retail space including Tucson's first food hall, boutique bowling, entertainment and games, and an indoor/outdoor rooftop with large private event space.



Riverpark Inn

### Riverpark Inn

The 40-year-old hotel on Cushing Street west of I-10 will receive a \$2.2 million renovation that will include new finishes, furniture, fixtures, and bathrooms, plus upgrades to heating and cooling and the addition of sliding glass doors. The project will retain the building's charm while bringing it up to par with name brand hotels, and it will also make the hotel more competitive for conventions in downtown.



La Placita Village

### La Placita Village

HSL Properties was approved for a GPLET in March. Demolition of the 1973 property is scheduled to begin by the end of May, and a 6-story building with 240 apartments and ground-floor retail will be constructed in its place.



7th Ave Commons

### 7<sup>th</sup> Avenue Commons

Located across from Benjamin Plumbing Supply on the north side of 6<sup>th</sup> Street, construction is underway on a project that will include 50 affordable housing units and a community center. Portions of the original 12,000 sqft warehouse/office building remain and a new 3-story structure will be built. Construction is estimated to be completed in early 2018.

# Downtown Tucson Business Trend Report



On average, a new business opens in the Downtown area every two weeks. Since the start of 2016, 30 new businesses have opened, and an additional 14 businesses are scheduled to open before the end of summer 2017, raising the total to 44 new businesses.

## New Downtown Businesses

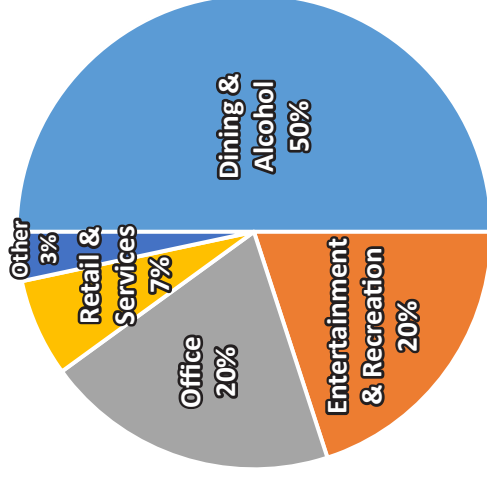
| Date        | Business Name                | Address              | Category      |
|-------------|------------------------------|----------------------|---------------|
| <b>2017</b> |                              |                      |               |
| Mar         | MiAn Sushi & Asian Bistro    | 88 E Broadway Blvd   | Restaurants   |
| Feb         | Martin Drug Co. Bar          | 300 E Congress St    | Bar           |
| Jan         | Better Business Bureau       | 120 N Stone Ave      | Office        |
| Jan         | Crossfit Milo                | 301 W 4th Street     | Fitness       |
| Jan         | Simplicit                    | 330 S Scott Ave      | Restaurants   |
| <b>2016</b> |                              |                      |               |
| Dec         | aka Deli & Bakeshop          | 100 S Ave Convento   | Restaurants   |
| Nov         | Owl's Club                   | 236 S Scott Ave      | Restaurants   |
| Nov         | Ace of Escape                | 236 S Scott Ave      | Entertainment |
| Nov         | Urban Pita                   | 345 E Congress St    | Restaurants   |
| Nov         | One West                     | 1 W Broadway Blvd    | Housing       |
| Nov         | Crooked Tooth Brewery        | 228 E 6th St         | Brewery       |
| Oct         | New Pueblo Tech              | 439 N 6th St         | Services      |
| Oct         | Kaiser Business Interiors    | 20 E Congress St     | Office        |
| Oct         | Wasted Grain                 | 350 E Congress Ave   | Bar           |
| Oct         | Welcome Diner                | 902 E Broadway Blvd  | Restaurants   |
| Aug         | Cirrus Visual                | 602 N Stone Ave      | Office        |
| Jul         | Arizona Roadrunners          | 175 W Broadway Blvd  | Entertainment |
| Jul         | Caterpillar, Inc             | 97 E Congress St     | Office        |
| Jul         | Autobahn Racing Speedway     | 300 S. Toole Ave     | Entertainment |
| Jul         | AZ Daily Star This is Tucson | 1 W Broadway Blvd    | Office        |
| Jul         | Coffee Xchange               | 1 S. Church Ave      | Restaurants   |
| Jul         | Senae Thai Bistro            | 63 E Congress St     | Restaurants   |
| Jul         | Southern Arizona Workspace   | 175 E 7th St         | Event space   |
| Jun         | The Screamery                | 250 E Congress St    | Restaurants   |
| Apr         | Charro Steaks                | 188 E Broadway Blvd  | Restaurants   |
| Apr         | El Rio CHC                   | 450 W Paseo Redondo  | Office        |
| Mar         | Rival Sneakers               | 245 E Congress St    | Retail        |
| Mar         | Elvira's                     | 256 E Congress St    | Restaurants   |
| Feb         | Carriage House               | 125 S. Arizona Ave   | Event space   |
| Feb         | The Littlest Pub             | 657 W. St. Mary's Rd | Brewery       |

**Total number of new businesses: 30**

**Estimated number of full-time jobs created: 650**

## Breakdown by Category 2016 new businesses

| Category      | Qty | %   |
|---------------|-----|-----|
| Restaurants   | 11  | 37% |
| Office        | 6   | 20% |
| Bars/Brewery  | 4   | 13% |
| Entertainment | 3   | 10% |
| Event Space   | 2   | 7%  |
| Retail        | 1   | 3%  |
| Services      | 1   | 3%  |
| Housing       | 1   | 3%  |
| Fitness       | 1   | 3%  |



## Businesses to Open in 2017

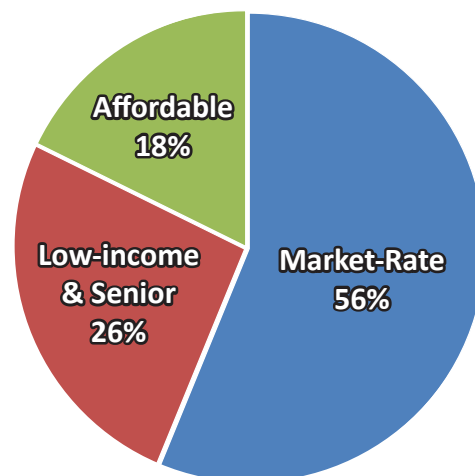
| Projected Opening | Business Name                   | Address         | Category    |
|-------------------|---------------------------------|-----------------|-------------|
| March             | Anello Pizza                    | 222 E 6th St    | Restaurants |
| March             | Downtown Motor Apartments       | 338 S Stone Ave | Housing     |
| March             | Health on Broadway              | 1 W Broadway    | Services    |
| March             | McCormick                       | 201 S Stone Ave | Housing     |
| May               | Even Stevens Sandwiches         | 180 E Broadway  | Restaurants |
| Spring            | Atmosphere Commercial Interiors | 88 E Broadway   | Retail      |
| Spring            | Exo Roast Coffee (2nd location) | 236 S Scott Ave | Restaurants |
| Spring            | English Salon & Spa             | 27 N Scott Ave  | Retail      |
| Spring            | Nestlé Toll House Café          | 17 N Stone Ave  | Restaurants |
| Spring            | Pokezone                        | 58 W Congress   | Restaurants |
| Spring            | UPS Store                       | 31 N 6th Ave    | Services    |
| August            | AC Hotel by Marriott            | 151 E Broadway  | Hotel       |
| August            | Marriott restaurant tenant      | 151 E Broadway  | Restaurants |
| August            | Marriott retail tenant          | 151 E Broadway  | Retail      |

## New Homes 2017 & 2018

| <i>Housing Category</i> | <i># homes</i> |
|-------------------------|----------------|
| Market-rate             | 381            |
| Low-income & Senior     | 177            |
| Affordable              | 120            |
| Student                 | 0              |
| <b>Total</b>            | <b>678</b>     |

**New homes to be completed in 2017: 76**  
**New homes to hit market in 2018: 602**

## Breakdown by Housing Type



## Housing Development Projects

### 2017-2018

| <i>Project Name</i>               | <i>Location</i>    | <i>Type</i>        | <i>Units</i> | <i>Status</i>                                       | <i>Developer</i>             |
|-----------------------------------|--------------------|--------------------|--------------|---|------------------------------|
| 1 Downtown Motor Apartments       | 383 S Stone Ave    | Low income, Senior | 44           | Under construction; Completion April 2017           | Compass Affordable Housing   |
| 2 La Placita Village              | Broadway & Church  | Market rate        | 240          | Awarded GPLET; Demolition of existing site May 2017 | HSL Properties               |
| 3 Mordasini Villas                | 19 W 17th St       | Market rate        | 7            | Construction pending; Completion Nov 2017           | Renee Morton                 |
| 4 Seventh Avenue Commons          | 529 N 7th Ave      | Affordable         | 50           | Under construction through early 2018               | Gardner Capital Development  |
| 5 McCormick                       | 201 S Stone Ave    | Market rate        | 25           | Under construction; Completion April 2017           | Holualoa Cos. & Scotia Group |
| 6 Marist at Cathedral Square, The | Cathedral Square   | Low income, Senior | 75           | LIHTC Awarded; Construction Spring 2017             | Catholic Diocese of Tucson   |
| 7 Marist College                  | Cathedral Square   | Senior             | 8            | Construction spring 2017                            | Catholic Diocese of Tucson   |
| 8 Menlo Park Row Houses           | El Mercado         | Market rate        | 9            | Construction 2017                                   | Gadsden Co. & Pure Build     |
| 9 Rendezvous Urban Flats          | 1 W Congress St    | Market rate        | 100          | Projected start in summer 2017                      | Aerie Development LLC        |
| 10 West End Station               | El Mercado         | Affordable         | 70           | LIHTC Awarded; Construction spring 2017             | Gadsden Company              |
| 11 West Point Apartments          | 10 E Broadway Blvd | Low income, Senior | 50           | LIHTC Awarded; Construction spring 2017             | La Frontera Partners         |

**Total number of homes to be built in 2017 & 2018: 678**

### 2019 and beyond

| <i>Project Name</i>       | <i>Location</i>         | <i>Type</i> | <i>Units</i> | <i>Status</i>  | <i>Developer</i>            |
|---------------------------|-------------------------|-------------|--------------|--|-----------------------------|
| 1 Arena Site              | Congress St & I-10      | Market rate | 96           | Planning/Design  | Nor-Generations             |
| 2 Block 175               | Franklin & Church       | Affordable  | 138          | IDA RFP Award pending; Construction fall 2017                | TBD                         |
| 3 One Forty One South     | 141 S Stone Ave         | Market rate | 87           | Planning/Design  | Holualoa Companies          |
| 4 The Mark                | 931-949 E Braodway Blvd | Student     | 222          | Zoning change requested by interested developer              | Landmark Properties         |
| 5 Monier, The             | El Mercado              | Market rate | 122          | Planning/Design  | Gadsden Co. & Holualoa Cos. |
| 6 Paseo Redondo Lot       | 450 W Paseo Redondo     | Market rate | -            | City of Tucson RFP 1st Qtr 2017                              | TBD                         |
| 7 Platform Site           | Toole & Stone           | Market rate | -            | Planning/Design  | Town West, JL Properties    |
| 8 Powell Lot              | 246 E Broadway Blvd     | Market rate | -            | Under negotiations   | Phoenix developers          |
| 9 Ronstadt Transit Center | 215 E Congress          | Market rate | 274          | COT development agreement negotiations; FTA approval pending | Peach Properties            |
| 10 West Abbey, The        | El Mercado              | Market rate | 128          | Construction Late 2017                                       | Gadsden Company             |

**Total number of homes projected for 2019 and later: 1,067**