



November 14, 2016

Honorable Steve Kozachik  
Tucson City Council  
Ward One  
3202 East First Street  
Tucson, Arizona 85716

RE: Rio Nuevo Sunshine Mile Proposal (subject to full board approval)

Dear Councilman Kozachik:

Tucson's "Sunshine Mile" is the gateway to a revitalized downtown. It spans Broadway Boulevard from the eastern edge of downtown at the Euclid intersection to Country Club Road. It was so named by the area merchants in 1953 during a time when both sides of Broadway evolved into an automobile transported shopping destination. "Streamline Modern" architects designed and built automobile friendly shopping centers, shoe stores, drug stores, gas stations and diners. In fact, iconic architect Josias Joesler designed Tucson's aptly named "Broadway Village" which lies at the eastern edge of the Sunshine Mile.

Because Broadway is a major east/west thoroughfare, with inbound and outbound access to I-10, the City is in the process of significantly widening Broadway to accommodate auto and bus traffic into and out of downtown and to connect with the new Downtown Links, a bypass parkway being built around the downtown core. This widening project affects about 150 properties within the Sunshine Mile.

While many of the targeted properties will be split by this widening process, many others will be starved of their frontage and storefront parking. Because many of these buildings have immense historical value, the National Trust for Historic Preservation has listed the Sunshine Mile as one of the 11 most endangered places in America.

Rather than simply lose this historically significant part of Tucson, Rio Nuevo's executive officers suggest that the District and the City work jointly to salvage much of the historical value of Sunshine Mile buildings while energizing the businesses there, even as Broadway is widened. Such collaborations have worked before in similar situations, and the District's executive officers believe it can work here as well.

Many abandoned streets in the US have been reactivated to create a sense of place, where history has been re-worked to create wonderful attractions for food, beverage and retail boutiques consistent with mid-century shopping destinations. Striking examples of this include the Uptown Plaza in Phoenix, the 710 Reclaim in Pasadena, Santa Ana Renaissance and Willoughby Plaza Brooklyn. Others can be found in Lemon Grove, California, Oklahoma City, Arlington (VA), Palm Springs, and Portland (Maine). To varying degrees, each is a wonderful example of abandoned malls and streets rising from the ashes to become thriving shopping destinations and walkable retail promenades all supported by smartphone apps, trolleys and creative parking arrangements. Indeed, Tucson's own Congress Street is a great example of organic revitalization that has created must see food, music and entertainment areas, much in repurposed turn of the century buildings.

As you are aware, the Rio Nuevo District is supported by State sales tax dollars and has become quite successful in partnering with the City, private sector developers and private lenders to finance many of the downtown projects. New construction, such as the AC Marriott Hotel, along with the restoration of such buildings as the Chicago Store, the Arizona Hotel, Brings, the Fox Theatre and the Rialto Theatre, all have been reactivated by these Rio Nuevo public/private partnerships.

The Rio Nuevo executive officers are proposing a similar approach for the Sunshine Mile. Rio Nuevo could acquire some or all of the buildings along Broadway that are purchased by the City to make room for a wider Broadway. This would require the City council to work with the District on creating an overlay zone with revised parking and setback requirements so the properties can be renovated and repurposed as retail.

To accomplish this, Rio Nuevo intends to partner with the New York City based Project for Public Spaces and has contacted renown architects Moule and Polyzoides to help create the "sense-of-place" required to create a destination brand and desirable locations for parking starved shopping. This team will partner with the Tucson Historic Preservation Foundation, now located in the historic Hirsh's Shoe building in the Sunshine Mile, to help maintain the historic authenticity of this portion of the Broadway corridor.

There are already signs of organic mid-century themed growth along the corridor with the addition of the Bisbee Breakfast Club on the east end and the Welcome Diner on the west end. Each have restored historical properties and created real buzz about new food even with the unknown impact of the widening. Other private sector developments like Natural Grocers, Sushi Garden, Falora wood-fired pizza in the historic Broadway Village have already established

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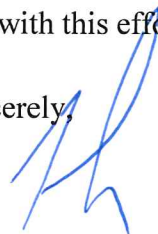
destination anchors at the eastern end of the Sunshine Mile, and adjacent neighbors are walking to these retailers - yes walking!

The sales tax implications for the project are dramatic. Instead of losing all retail TPT tax, which is shared by the State, Rio Nuevo and the City could generate millions of dollars of taxable revenue within the boundaries of the Broadway widening project. There are 548,000 square feet of indoor space within the Sunshine Mile. Using existing retail models of \$109 per square foot, the revenue potential is as high as \$58,000,000 annually! This would generate \$4.7M dollars a year of sales tax from a retail street that otherwise will be abandoned and demolished. Even at half of those projections, the economic impact, jobs created and tourism value is huge.

Parking loss can be mitigated by negotiating joint parking agreements with land owners that have parking. Creating park-and-walk or park-and-trolley stops will enhance the appeal. Parking starved destinations like Laguna Beach, Dana Point, Chicago, Nashville and Palm Springs effectively utilize rubber wheeled trolleys to move pedestrians along retail corridors. The trolley charm becomes part of the attraction, especially for restaurant getaways. There are new smartphone apps that promote walking, measure steps and calories along such streets, between stores and landmarks, and encourage people to walk. The Portland based America Walks has great data on the value of walking and case studies of cities that have created walking movements. In addition, there will be several city bus stops along the Sunshine Mile and connecting to downtown.

There is no reason all this, and more, can't be accomplished along the famous Sunshine Mile. Downtown will be enhanced, tax revenue increased, and Tucson's reputation improved. This project will require significant collaboration among a variety of constituents: transportation, engineering, preservation, neighborhoods, the City Council, legal, the City Manager, development services, zoning, and, of course, the Rio Nuevo District. A few short years ago this would not have been possible. Now, however, these government entities are partnering on the TCC Arena renovation, Caterpillar relocation, the Mercado Annex, City Park, and the AC Marriott. Rio Nuevo would be honored to help the City with this effort.

Sincerely,



Fletcher J. McCusker  
Chairman