




MEMORANDUM

DATE: May 3, 2007

TO: The Honorable Mayor
and Council Members


FROM: ~~James W. Glock~~, Director
Department of Transportation

SUBJECT: Steinfeld Warehouse and Downtown Links Update

The Tucson Department of Transportation (TDOT) would like to update the Mayor and Council on issues related to the Downtown Links project and the Steinfeld Warehouse. There are three reports, in various stages of completion that will be released in the near future: 1) Tierra Right-of-Way relocation report; 2) Poster-Frost structural analysis of Steinfeld and Citizen's Warehouses; and 3) HDR report regarding construction requirements for the forthcoming Sixth Street railroad underpass associated with Downtown Links.

Background

Throughout the planning for the Downtown Links project, staff has relied upon policy guidance provided by the Mayor and Council adopted Warehouse Arts Master Plan. Staff has also considered the recommendations of the Downtown Links Citizen's Advisory Committee, which has stated its desire to preserve the Steinfeld and other warehouses within the project area.

The Arizona Department of Transportation (ADOT) ordered eviction notices to the occupants of the Steinfeld Warehouse and Zee's Warehouse in November of 2006. ADOT is concerned about the structural integrity of the buildings. ADOT owns both properties as well as others in the Warehouse District. Those properties were purchased for the original alignment of the Barraza-Aviation Parkway. The original date for eviction was the end of January 2007. ADOT has since extended this eviction date twice for the occupants of the Steinfeld Warehouse. The first extension was until the end of March 2007. Since that time, ADOT has extended the eviction date again, pending the outcome of some of these reports.

TDOT has authorized the release of ADOT properties that are not impacted by the Downtown Links project, primarily those located on Toole Avenue between Stone and Sixth Avenues. Downtown Links may impact other properties, and the full extent will not be known until engineering is completed in early 2008.

The Steinfeld Warehouse and others in the District are not owned or controlled by the City. They are, therefore, exempt from City Codes and are under the jurisdiction of the State Fire Marshal. Ongoing conversations with the Tucson Fire Department and the Development Services Department indicate that these buildings would most likely not meet local standards to allow

them to be occupied. Should the jurisdiction of these properties be transferred to the City, the occupants would most likely be required to vacate.

1. **Tierra Right-Of-Way (ROW) Report**

The Tierra Right-of-Way report will evaluate relocation options for the occupants of Steinfeld Warehouse in the event that ADOT pursues eviction. David Aguirre is the master-lease holder for the occupants of the Steinfeld Warehouse. It is specifically stated in his lease with ADOT that the State will provide no relocation benefits to occupants upon lease termination. TDOT commissioned a report by Tierra Right-of-Way to evaluate relocation alternatives for occupants and associated costs.

TDOT's intent was to provide Standard Relocation Act (SRA) type benefits to the occupants, even though the City is under no legal obligation to do so. However, after a first draft of the report was completed, we were advised by the City Attorney that offering cash payments as a relocation option (a standard SRA benefit) would violate the "gift clause" of the Arizona Constitution since the occupants are not under lease agreement with the City of Tucson. The City Attorney stated that the City could provide "in-kind" moving benefits to the occupants, limited to moving the artists to a new location. In addition to this, we learned from the Regional Transportation Authority (RTA), that it could not fund relocation benefits for the artists as an expense for the Downtown Links project.

The Tierra Right-of-Way report was revised to reflect the City Attorney's opinion, and will be released within the next week. It identifies two spaces that could keep all of the occupants in a new location: Art Fare on Sixth Avenue; and one out-of-downtown location at 18th Street and Park Avenue. The cost for this relocation is \$288,000. Funding has not been identified.

2. **Poster-Frost Report on Steinfeld and Citizen's Warehouses**

Poster-Frost Associates is conducting a study of the condition of the Steinfeld and Citizen's Warehouses through their work with HDR on the Downtown Links project. The report, which has not yet been finalized, will identify structural deficiencies with the Warehouses, and the costs to shore them for the forthcoming railroad underpass construction at Sixth Street. The report will also evaluate other costs associated with the restoration of the building. That report will not address the relative risks to the Steinfeld and Citizen's Warehouses associated with underpass construction. It is TDOT's position that the costs associated with keeping the building in place during underpass construction is a legitimate project expense, provided there is evidence that the building will withstand construction phase impacts. Staff has seen a draft of the report and has requested clarifications. The report will be released within the next two weeks.

3. HDR Study on Underpass

HDR, the consultant for the Downtown Links project, is currently conducting an analysis of the type of structure necessary for the Sixth Street underpass. The study will examine the type of retaining wall reinforcements necessary to ensure that the Steinfeld Warehouse, with the stability improvements recommended in the Poster-Frost report, can withstand construction phase impacts. There are varying degrees of retaining wall construction types that could be implemented in order to accommodate the preservation of the Steinfeld Warehouse. Greater reinforcement will result in a higher chance that the building will withstand construction phase impacts. However, increased reinforcement will result in greater project costs. Increasing the distance of the retaining wall from the Steinfeld Warehouse will also increase the likelihood that the warehouse will withstand project impacts, however, this raises concerns about encroachment upon the Citizen's Warehouse. These are all variables that are currently unknown. That study will not be completed for at least 60 days.

TDOT will distribute the reports to the Mayor and Council as they become available. If you have any questions, do not hesitate to contact Deputy Director Andrew Singelakis or me.

JWG:AS:mc

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