



Mayor & Council Communication

April 17, 2000

Subject: **Authorization to Lease Property
Northeast Corner of 22nd Street and Interstate 10
(Ward 5)**

page 1 of 3

Mayor and Council authorization is requested to lease a 3.3 acre parcel of land on the northeast corner of 22nd Street and Interstate 10 to facilitate potential development of a shopping center to serve the Greater Santa Rosa Neighborhood.

BACKGROUND:

The HOPE VI Project in Greater Santa Rosa Neighborhood called for a "Community Supermarket" to be located in the vicinity of 22nd Street and South 6th Avenue. Its purpose was to provide a first class supermarket to serve the neighborhood's needs, and potentially to have a community-based non-profit corporation as an equity partner. As the concept matured and additional market realities were further explored, the focus for this project shifted several blocks to the west, to the subject property. There are three main reasons for this shift:

- attractiveness to the market of the subject site
- greater land assembly potential of the subject site
- negative implications of pending 22nd Street widening to the 22nd/6th intersection

The selection of the 22nd and I-10 intersection as the targeted location for this potential shopping center project was also made in concert with our consultant on this project, the Community Marketplace Development Institute.

The concept of involving a community-based non-profit has evolved into the creation of an income stream for a neighborhood-based Equity Fund that is already established and housed at the Community Foundation of Southern Arizona. This Fund will be used to foster incremental neighborhood improvements such as scholarships, additional computer and playground equipment, or other uses as determined by a neighborhood board to have lasting impact in the community. This project will establish a long-term generation of revenue for the non-profit Equity Fund.

The assemblage of property to facilitate this project was moved considerably forward with the acquisition of the South Yard Drill Track property from Union Pacific Railroad Company. Included as part of that acquisition was acreage surrounding the site formerly known as the El Campo Warehouse, located at the immediate corner of 22nd Street and Interstate 10. In the summer of 1999 the El Campo business was sold to Goodyear Tire and Rubber Company, but the subject property was retained in local, private ownership, and the northerly half of the property was leased to Goodyear for

