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# MEMORANDUM

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Date: February 19, 2014

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: C.H. Huckelberry  
County Administrator

A handwritten signature in black ink, appearing to be "CH", is written over the printed name "C.H. Huckelberry".

Re: **Downtown Infrastructure Investment**

Recent media accounts have highlighted the significant investment in downtown infrastructure that has taken place over recent years, including utility improvements that largely have been accomplished by tapping or leveraging millions of dollars in funding through the private sector and the federal government.

Although Pima County is not commonly associated with downtown, since the area lies within the jurisdiction of the City of Tucson, substantial Pima County resources have been allocated to infrastructure improvements in the City core in an effort to address critical needs, which has helped prepare the area for additional economic development. These improvements have primarily come in the form of wastewater and flood control improvements.

## Wastewater Improvements

The Pima County Regional Wastewater Reclamation Department (RWRD) is responsible for 3,450 miles of sewer lines and associated conveyance and treatment systems serving Eastern Pima County.

The RWRD has invested \$69 million in recent years in upgrading aging infrastructure and has established as one of its priorities the reconstruction of a new Santa Cruz Interceptor system that would relieve the aging systems that traversed the downtown area. The interceptor carries flows from the southern basin of Pima County, as far east as Vail, to both of the major wastewater treatment facilities.

Roughly 10 miles of this system, which begins at the south alignment of Alameda Street and Interstate 10 going north to Walker Road and Interstate 10 and ending at the Tres Ríos Water Reclamation Facility, have been constructed in four phases over the past decade.

- Phase 1, Grant Road to Fort Lowell Road. Design was completed in mid-2001, with construction costing \$2.75 million. The pipe material is inert to the corrosive environment of sewage and is expected to provide a service life in excess of 100 years.

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- **Phase 2.** In addition to the conveyance pipes, “Fort Lowell Road to North of Speedway” also provided 33 new manholes and new access roads, curbing, fencing and landscaping. The project construction cost was \$21.6 million.
- **Phase 3,** “North of Speedway Blvd. to Alameda Street,” included the construction of approximately 8,000 linear feet of new pipe. Importantly, the construction completed the connection between Alameda Street and the Agua Nueva Wastewater Reclamation Facility. Project construction cost was \$11.7 million.
- **Phase 4.** This final phase conveyed flows from the new Agua Nueva Wastewater Reclamation Facility to the Tres Rios facility. The interconnect, designed for a service life of 100 years and consisting of a five-mile alignment crossing the Cañada del Oro Wash and the Rillito River, was constructed for \$33 million.

Completion of these collective projects renders an unseen benefit to most of the Tucson community; but what it translates to is an underground infrastructure that yields an expected 100-year service life, less turbulent flow patterns to reduce gaseous odors being released, and sound infrastructure for the community as a whole to build upon and grow.

#### Flood Control improvements

The US Army Corps of Engineers and the Pima County Regional Flood Control District (RFCD) have worked closely together throughout the design and construction of the Tucson Drainage Area, commonly known as the Arroyo Chico project. To date, the RFCD has contributed \$18.7 million to the project.

Completion of the project will directly benefit the regional transportation infrastructure and the City of Tucson’s downtown central business area. The project will remove 1,315 residential, multifamily, commercial, and industrial structures from the federally-designated 100-year floodplain with a total assessed property value of \$364.7 million, along with the removal of 71 publicly owned parcels. The Modern Streetcar, as well as improvements to Interstate 10 through the Downtown Tucson corridor, are among the properties protected.

Not only does this avoid the flood repair costs to the public infrastructure of more than \$2 million annually, it also benefits our constituents. Residential structures removed from the Federal Emergency Management Agency (FEMA) 100-year floodplain saves individual households \$2,000 to \$3,000 annually in flood insurance costs, for a total annual savings of more than \$2.4 million. Also, removing businesses and industries from the floodplain, which happen to lie within the federally designated empowerment zone, will serve to increase economic development.

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The flood control improvements also guard our history in downtown, all the more important since much of it was lost to the urban renewal programs of the 1960s. The improvements will remove 172 acres of National Registered Historic Districts from the 100-year floodplain and preserve 11 structures designated for historic protection, with the vast majority of these structures on North Main Avenue, North Granada Avenue and West Franklin Street.

Infrastructure is often one of those invisible assets that constituents do not see if you are doing it right. Pima County has made significant contributions in the previous 10 years to invest in downtown infrastructure, which helps set the stage for renewed economic activity.

CHH/mjk

Attachment

c: John Bernal, Deputy County Administrator for Public Works  
Jackson Jenkins, Director, Regional Wastewater Reclamation  
Suzanne Shields, Director, Regional Flood Control District

## Millions in utility investment makes downtown shovel-ready



FEBRUARY 09, 2014 12:00 AM • BY [DAVID WICHNER](#)

Great cities are often defined by their skylines, but the heart of any city is largely unseen, hidden underground in vast tunnels or strung high above the bustle.

Six years ago, the city center's utility and technology infrastructure was hardly ready to form the foundation of a downtown Tucson Renaissance.

But thanks to some foresight by the city, utility providers and developers — and in no small part, the often-maligned modern streetcar project — most of the downtown core is now “development ready.”

As a result, Tucson could see as much as \$100 million in new business development across downtown in 2014 and up to \$1 billion in the downtown corridor over the next 10 years, said **Michael Keith**, CEO of the Downtown Tucson Partnership.

Those estimates were based on a detailed analysis of several vacant parcels, particularly along the streetcar line, and their value if built out for their highest zoning use, Keith said.

“There’s quite an upside at this point, and part of what we’ve said for about 25 years down here is that the infrastructure needed to be upgraded to support the development that we knew was coming,” said Keith, a longtime downtown booster and redeveloper of historic properties.

In 2007, Keith headed a panel to study the infrastructure needs for downtown redevelopment.

In just 100 days, the panel produced a 207-page study that concluded that some \$640 million in public and private infrastructure investment was needed to attract first-class development to downtown, including more than \$100 million in utilities and information-technology improvements.

“It was clear that none of them could serve the capacity we knew would come, and it turned out we were absolutely right — we did see that level of investment,” Keith said, citing the estimated \$240 million in private investment downtown in the last five or six years.

Following the study, the downtown advocates held meetings with city officials and the utilities to spur planning on needed improvements.

“At the table at those meetings were all the utility companies, all the way down to some of the (smaller) fiber-optic companies,” Keith recalled.

When the streetcar project became a go, downtown leaders saw an opportunity to fast-track some infrastructure improvements by piggy-backing utility relocations and upgrades on the extensive trenching work planned for the streetcar.

The downtown partnership put together a list of all the property owners on the streetcar line and urged them to take advantage of a golden opportunity to run new lines in the streetcar trenches.

With the real-estate market already crashing and the Wall Street meltdown to follow, it was a tough time to get companies to make huge investments betting that development would follow.

“Tucson being Tucson, and as moribund as downtown was, it was a hard sell in 2007,” Keith said.

But the utilities stepped up. Tucson Water seized the opportunity to redo its downtown system, and Southwest Gas and Cox Communications used the chance to expand and tie together what in some areas was a patchwork network, Keith said.

Cox was heavily involved in downtown planning and has invested millions of dollars installing 3.25 miles — the length of 57 football fields — of fiber-optic and coaxial cable in a high-capacity network downtown.

The cable telecom provider is working with business owners, developers, architects and the city to guide future expansion, said **Pam Crim**, director of business sales for Cox Business-Southern Arizona.

Crim, a longtime Tucsonan and former owner of a local Internet provider, said she helped sell the downtown Tucson upgrades to her boss, sensing that all the elements were coming together for a downtown boom.

“This was not business as usual for Cox,” said Crim, noting that any network buildout is based on a detailed analysis of its expected return on investment.

“All of the different components were coming together. ... It’s a series of things that all had to happen and line up, and when we saw the transportation coming in with the modern streetcar, we saw the private student housing, as well as the arts and the university’s presence.

“We felt that we had to fill in but also needed to do it from a strategic standpoint, and match the initiatives of what’s going on downtown,” Crim said, noting that the company installed miles of conduit in streetcar trenches to be able to quickly hook up new customers in the future.

Cox has been rewarded by scooping up as customers many of the new businesses downtown, as well as big student housing complexes downtown and nearby, including The Cadence downtown and The District on Fifth.

For its part, CenturyLink already had a robust downtown network, after acquiring legacy Baby Bell phone provider Qwest Communications in 2011, but the company stepped up to upgrade with the latest technology.

Over the last five years, CenturyLink has invested more than \$30 million in the network that serves downtown Tucson, the company said through a spokesman.

“We are rolling out exciting new services for businesses of all sizes, including affordable and scalable managed cloud and application services,” the company said in an email response.

TEP also completed \$20 million in improvements downtown, including new lines and transformers and preparations for a new high-voltage line from a west-side substation to a substation on the north side of downtown, spokesman **Joe Barrios** said.

TEP eventually may have to build another substation downtown, but the upgraded system will meet area needs for a decade or so, he said.

The power company also installed connections to the SunLink modern streetcar line, spending about \$100,000 for improvements including relocating about a dozen power poles to make way for the streetcar, Barrios said.

**Andy Squire**, economic-development specialist for the city, said the much-maligned Rio Nuevo project provided funding for critical early infrastructure work, including work to study historical sites and identify long-forgotten utility lines.

“Right now, we’re pretty confident that we have what we need in the ground,” Squire said.

If the city and the utilities hadn’t stepped up to upgrade during the streetcar work, many significant parcels may have been essentially isolated because future infrastructure costs would have been prohibitive, Keith said.

“It really did set the table for the kind of buildouts that we could be seeing over the next decade.”