Disposition of City-Owned Property Located at 1 South 24th Street

(First National Bank of Arizona Building)

Phoenix City Council
Economic Development and Equity Subcommittee
November 16, 2021

Christine Mackay
Community and Economic Development

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Agenda

Background

- The Site
- The Building

RFP Timeline

Redevelopment

- Selected Developer Group
- Site Activation Concept
- Proposed Business Terms

Staff Recommendation

1 South 24th Street
(Formerly, First National Bank of Arizona Building)

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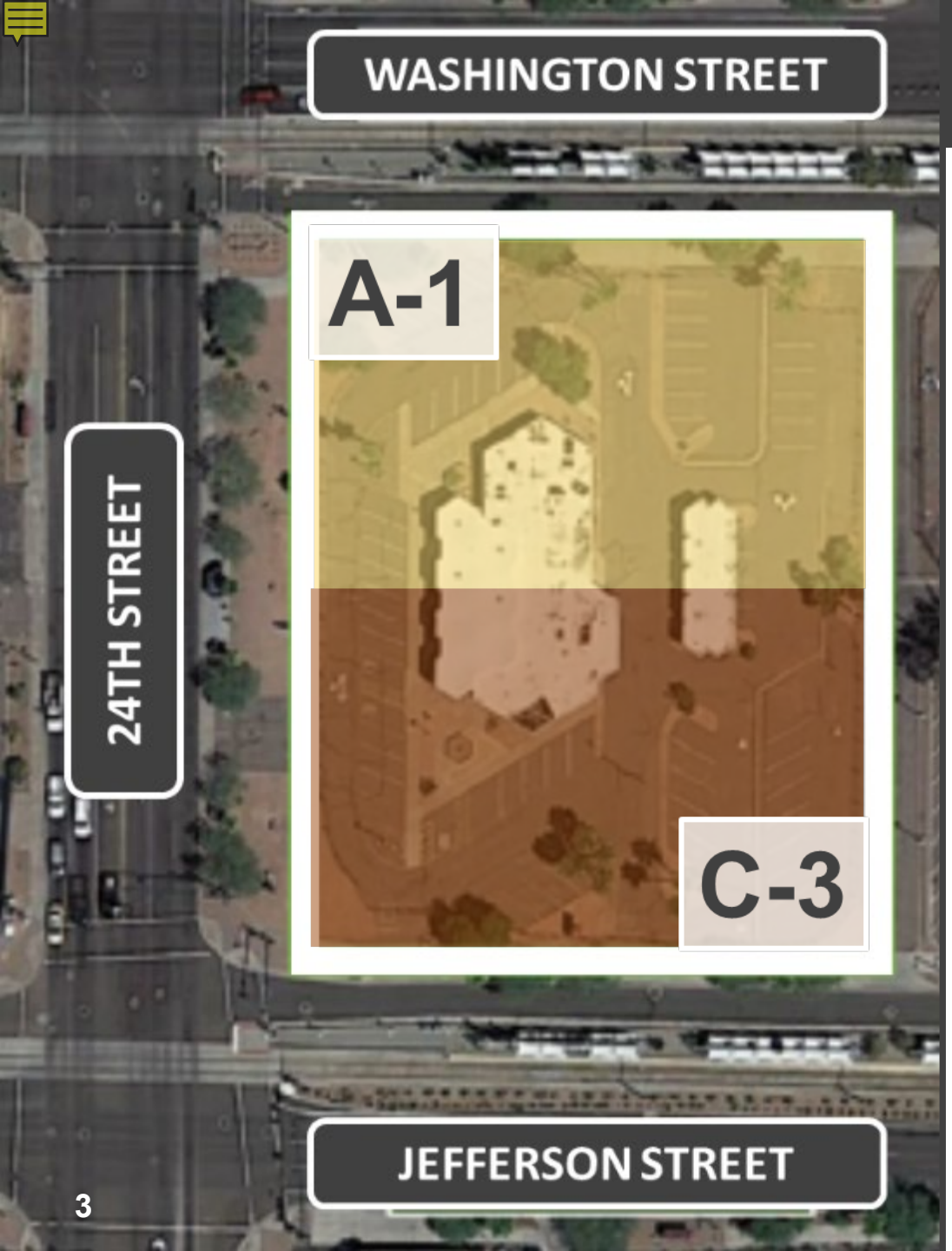
The Site



Appraised at $480,000 (January 2021)

1.55 Acres

Main Building - 5,460 Square Feet

Current Zoning
A-1, northern portion of the site
C-3, southern portion of the site

Subject to Reinvent PHX
Gateway District TOD Policy Plan

Multi-modal site access

The Building

Built in 1966 for First National Bank of Arizona

Designed by Kenneth Oberg

Iconic inter-locking concrete parasols

A Phoenix Midcentury Marvel

30-Year Deed of Restrictive Covenants

RFP Timeline

September 17, 2018	**RFP issued**
December 16, 2018	Loss of a life and extensive fire damage
January 31, 2019	**RFP canceled with intent to reissue**
December 2019	Aviation Department receives final insurance payment, total proceeds received = $440,548.03
May 2020	Building conditions assessment estimates repair and improvement costs at $1,040,227
October 30, 2020	**RFP canceled with no intent to reissue**
February 17, 2021	Council authorizes CEDD to conduct direct negotiations for property
April 30, 2021	Direct negotiations offer period ends, four purchase offers received
June 8, 2021	**Staff recommends negotiations with One South 24th Street Development Group, LLC for the purchase and redevelopment of 1 S. 24th St.**

One South 24th Street Development Group

Leadership

Alan “AP” Powell
Chairman
One South 24th Street Development Group

Aaron Bare
President
One South 24th Street Development Group

Organization

Developer
Mack A. Major III
CEO, House Tur Investment, LLC

Social Equity Advisor
Sherri L. Franklin
CEO, Urban Design Center

Architect
Carlos A. Murrieta
Principal, Merge Architectural Group

General Contractor
Martin Alvarez, Sr.
President & CEO, Sun Eagle Corporation

Site Activation: The Arizona Impact Center (AIC)

The AIC will serve as a collaborative hub for local non-profits to work collectively as they address community solutions.

The AIC will:

- offer participating organizations an administrative home base with a host of administrative services
- include multi-function spaces for community events, meetings, workshops, and more
- develop accelerator programs for local entrepreneurs

Community Partners

Black Chamber of Arizona

NAACP

NAACP Maricopa County Branch

HEROZONA FOUNDATION

100 BLACK MEN of Phoenix

NCBW 100 Phoenix Metropolitan Chapter

National Pan-Hellenic Council Phoenix Metropolitan Area

AACCC African American Christian Clergy Coalition

FORTY EIGHT FOUNDATION

Millionaire Mastermind Academy

national community collective

AZ Common Ground

ARIZONA ACCELERATOR

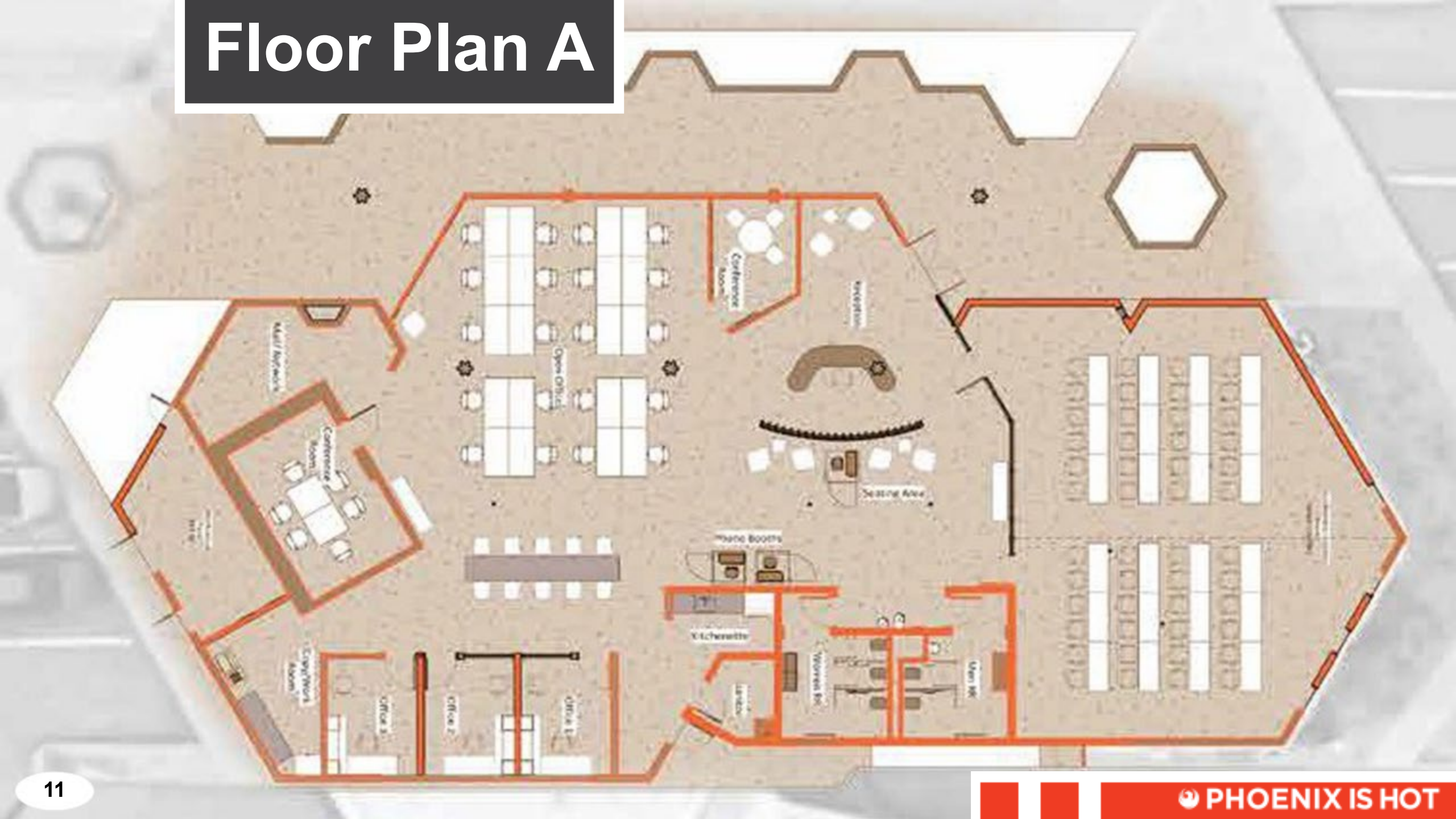
Site Plan

Arizona Impact Center

Main Entrance

Arizona Impact Center

Floor Plan A



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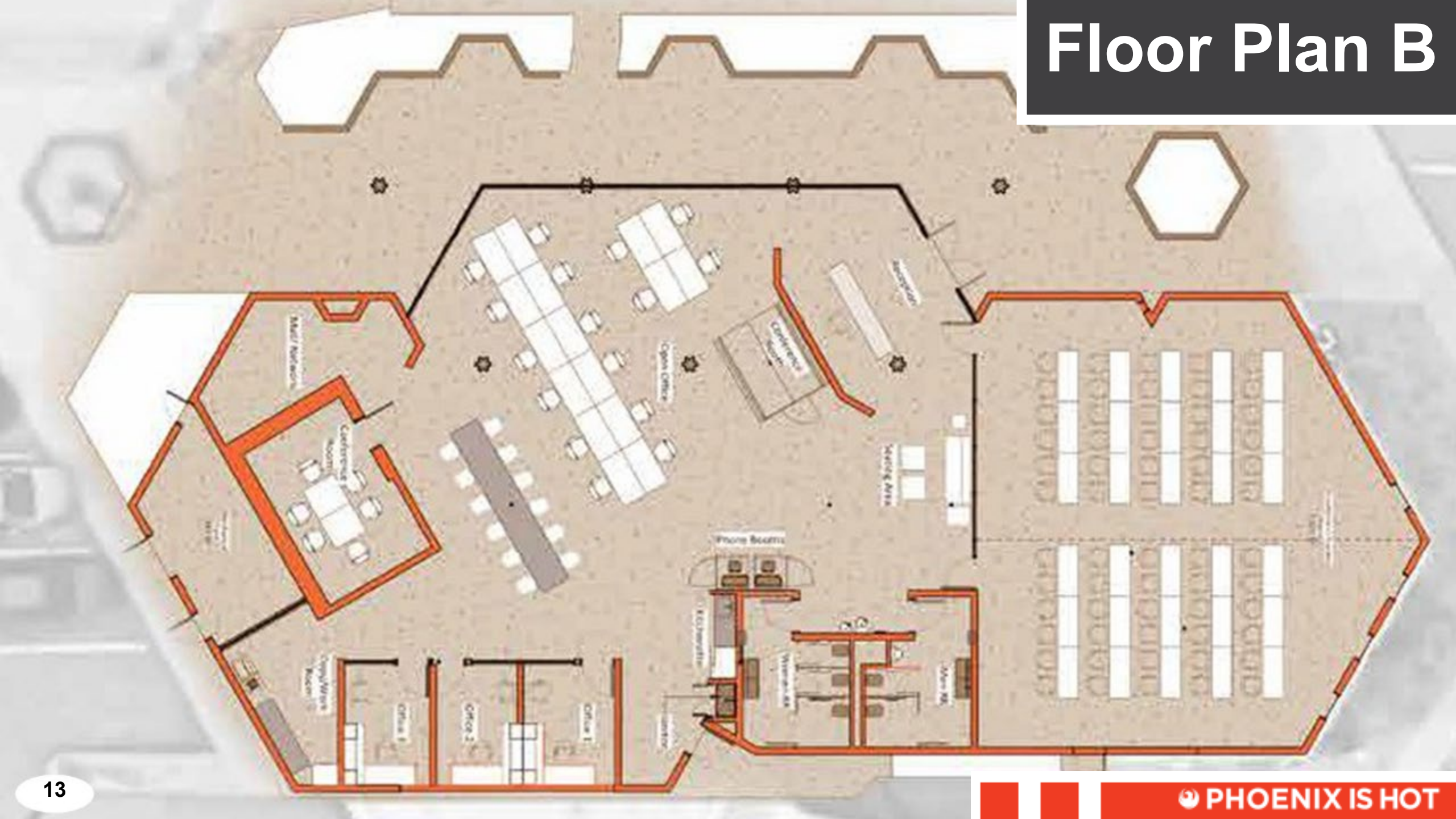
Floor Plan A

Floor Plan B



Floor Plan B

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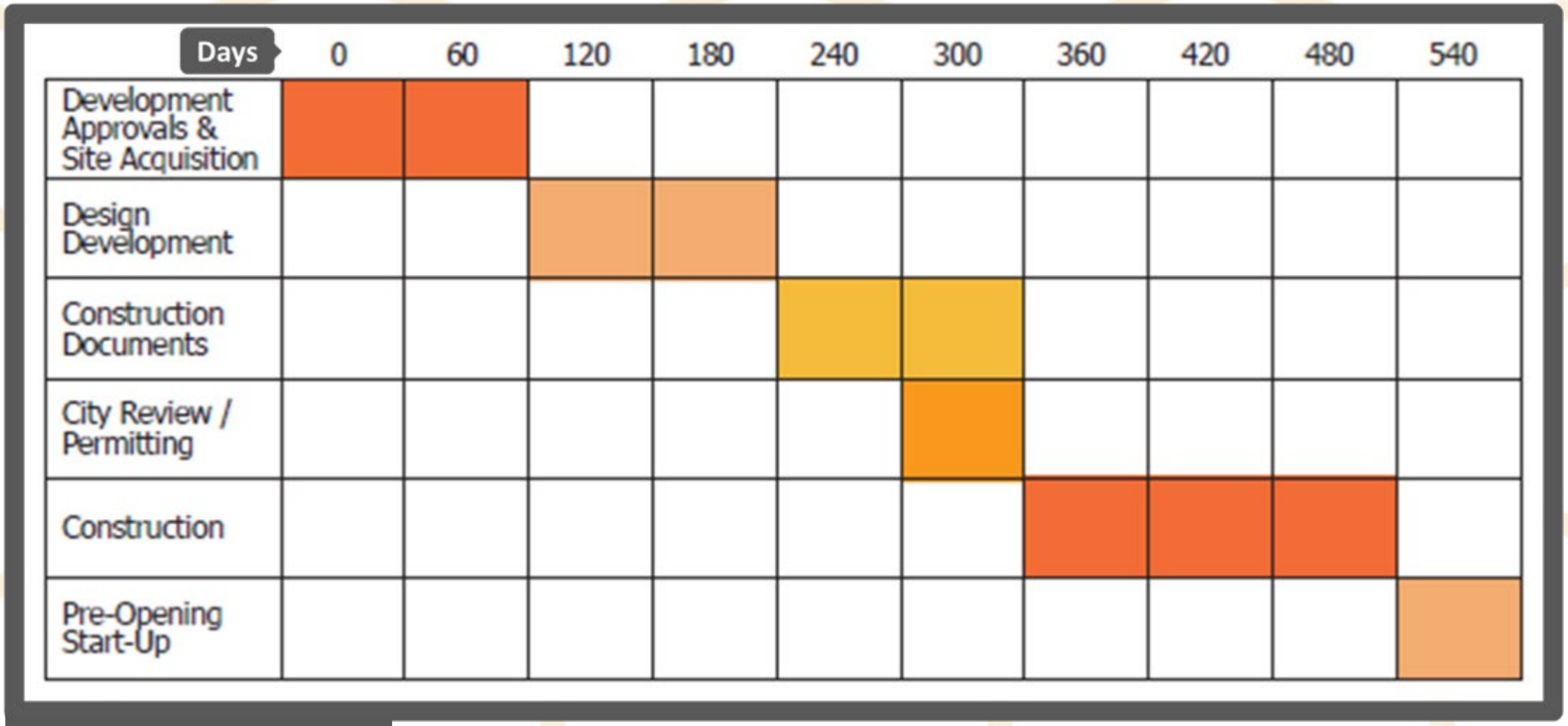
Days
0
60
120
180
240
300
360
420
480
540
Development Approvals & Site Acquisition
Design Development
Construction Documents
City Review / Permitting
Construction
Pre-Opening Start-Up

Timeline

Budget

Demolition	$54,000.00
Site Improvements	$185,000.00
Exterior Building Rehabilitation	$120,000.00
Contingency (10%)	$35,900.00
Contractor / O & P (18%)	$71,000.00
Insurance / Bond (2%)	$9,300.00
Sales Tax (5.6%)	$26,600.00
Interior Improvements and Renovations	$533,000.00
Subtotal	$1,034,800.00

Community Meeting Schedule

1 South 24th Street – Purchase and Redevelopment Agreement		
Meeting	**Schedule**	**Status**
Eastlake Park Neighborhood Association	September 20	✓
24 Sky Harbor Business Alliance	September 28	✓
Central City Village Planning Committee	October 11	✓
Phoenix Historic Preservation Commission	October 18	✓
City Council Economic Development and Equity (EDE) Subcommittee	**November 16**	**Info and Possible Action**
City Council Formal	December 1	Info and Possible Action

Proposed Business Terms

- **$240,000 in cash to the City**
  Proceeds go to the Aviation Department
- **$240,000 in no-cost contractual services**
  Provided to the Aviation Department over 5-year term
- **Disposition and Redevelopment Agreement**
- **30-year Declaration of Restrictive Covenants**
  Historic preservation protections
- **Avigation easement**
  Protects Airport operations from incompatible development heights and noise-sensitive uses

Staff Recommendation

Request Subcommittee recommend City Council authorization to enter into agreements with One South 24th Street Development Group, LLC for the sale and redevelopment of City-owned property located at 1 S. 24th St.

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