



**NOTICE OF PUBLIC MEETING
THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE CITY OF PHOENIX, ARIZONA
BOARD OF DIRECTORS**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS**, and to the general public, that **THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PHOENIX, ARIZONA, BOARD OF DIRECTORS** will hold a meeting open to the public on **Monday, March 28, 2016 at 1:00 PM** located at the **Calvin C. Goode Municipal Building, 251 W. Washington Street, Conference Room 905, Phoenix, Arizona.**

One or more board members may participate via teleconference.

The agenda for the meeting is as follows:

Call to Order

- 1. Works Progress Administration (WPA) Building Rehabilitation.** Presentation, discussion, and possible action regarding the City of Phoenix request to provide financial support to the Arizona Exhibition and State Fair Board for the Works Progress Administration (WPA) Building Rehabilitation.
- 2. Ridgeline Academy, Inc. Loan Request.** Presentation, discussion, and possible action to approve a loan of up to \$600,000 to Ridgeline Academy, Inc., and authorize the Executive Director to approve the final terms and execute all documents necessary to make the loan to Ridgeline Academy, Inc.
- 3. Call to the Public.**

Adjournment

For reasonable accommodations, please call Wendy Gutierrez at Voice/602-534-8679 or TTY/602-534-5500, as early as possible to coordinate needed arrangements.

Date Posted: March 24, 2016



Logo by Jason Hill

Mission/Vision

The Phoenix City Council approved Preserve Historic Phoenix, a preservation plan, in January 2015. The vision statement reads, "Phoenix recognizes the contribution of our archaeological and historic resources toward the prosperity, health and environment of our city. Phoenix will promote partnerships to develop community awareness and explore preservation incentives that will protect our archaeological and historic resources." The mission statement is: "Phoenix identifies, protects, enhances and preserves our archaeological and historic resources." This project truly is a partnership to protect one of the state's most important historic resources for generations to come.

Project Description

Since July of 2014, the preservation community has worked to save the WPA Administration Building (also known as the Civic Building or Floriculture Building) at the Arizona State Fairgrounds. The building was constructed in 1938 by the Works Progress Administration for use as its Arizona headquarters. The federal agency administered the New Deal Program which created employment for millions of Americans during the Depression. After the program ended in 1943 the building was occupied by AiResearch, an innovative technology and manufacturing company, before it was converted to exhibition space for the State Fairgrounds. In 1993 the west half of the building was renovated as office space for the Phoenix Roadrunners, a minor league hockey team which played in the Veterans Memorial Coliseum. Since the Roadrunners left in 2005, the WPA Administration Building has been vacant. Maintenance of building has been deferred for years due to the budget issues. Funds of approximately \$400,000 are needed to stabilize the building.

Need for the Project

If funds are not raised by April 14, 2016 the Arizona Exhibition & State Fair Board plans to move forward with demolition of the building so they can pave the area and use it for vendor space during the State Fair. Loss of this building for vendor space would not only erase an important part of our state's history, but it would be a lost opportunity to utilize the unique 12,000+ square foot building to generate funds from the lease of the space and/or for exhibition space.

Population to Be Served

The population to be served by this project would be residents of the surrounding area, which includes the Campus Vista, Del Norte Place, Encanto-Palmcroft, Encanto Manor, Encanto Vista, F.Q. Story,

Fairview Place, Margarita Place, North Encanto, Oakland, Roosevelt, Villa Verde, and Woodland Historic Districts. Several residents of these historic districts have participated in the working group to save the WPA Administration Building. According to 2010 Census data, the historic districts represent a wide range of household income levels, from over \$82,000 in the Encanto-Palmcroft Historic District to below \$24,000 in the Oakland Historic District. Most historic district residents are older; for example, in Census Tract 1119, where the State Fairgrounds and six of the historic districts are located, 84 percent of the residents are over the age of 18, and 41 percent are over the age of 50. Regarding race and ethnicity, 84 percent of Census Tract 1119 residents identify as White while 16 percent represent other races; 18 percent identify as Hispanic. Sixty-six percent of the housing units in Census Tract 1119 are owner-occupied, with 23 percent rentals, and 11 percent vacant.

Attendees of the Arizona State Fair and other events taking place at the Arizona State Fairgrounds would also be served by this project. The most recent demographics available for the State Fair are from 2014; they show that there were 1,147,182 visitors to the fair, with 63 percent female and 37 percent male, 81 percent White and 17 percent Hispanic, and 84 percent under the age of 45. Forty-nine percent of visitors to the fair had annual household incomes under \$50,000, while 37 percent were between \$50,000 and \$100,000, and 14 percent were over \$100,000. In addition to the State Fair, the Maricopa County Fair attracts over 70,000 visitors each year. The State Fairgrounds also hosts dozens of other events annually that attract thousands of visitors who would be served by a rehabilitated WPA Administration Building.

Goals, Objectives and Strategies

The main goal of this project is to generate funds to stabilize the WPA Administration Building to prevent its demolition for paved vendor space. The objective is to provide funds to the State to stabilize the building and pursue additional partnerships with those interested in a potential lease who might complete the rehabilitation and adaptively reuse the building. The building could also be leased for exhibition space. Strategies employed include development of interest from the development community, fund-raising by the preservation community and historic neighborhoods near the State Fairgrounds, and use of Historic Preservation Bond Funds from the city of Phoenix.

Projected Outcomes and Related Indicators

The intended outcome of this project is to stabilize the WPA Administration Building. This includes repair of the most basic and critical items so that the building is structurally sound and weathertight. The roof is the most critical item. Other items of importance include adobe and stucco repair, window and door repair, termite treatment, and exterior painting. Once the building is stabilized, additional funding would be sought to completely rehabilitate the building. The final phase would consist of tenant improvements to allow the building to be occupied by tenants. The building would likely be used as office and/or exhibition space, as it was historically.

Collaborative Partners

The following entities are partners in the future of the WPA Administration Building at the Arizona State Fairgrounds.

Preserve Phoenix filed with Maricopa County Superior Court to issue temporary restraining order against demolition of the building in July 2014.

The *Phoenix Historic Preservation Commission* initiated Historic Preservation Overlay Zoning to delay demolition of the building.

The *Arizona Exhibition & State Fair Board* delayed demolition of the building to allow the preservation community time to raise funds to rehabilitate it.

The *Arizona Preservation Foundation* led a working group of interested parties to save the building.

The staff at the *Arizona Exhibition & State Fair Office* attended meetings and allowed the preservation community and the city access to the building.

The preservation community and historic neighborhoods surrounding the State Fairgrounds attended monthly meetings/smaller group meetings and contributed funds, in-kind donations and countless hours toward the effort to save the building and look at the long-term viability of the State Fairgrounds.

The city of Phoenix paid for a building condition assessment (approximately \$45,000) by a preservation architect to determine the estimated cost to stabilize the building and rehabilitate it for reuse. The city may also provide funding for the stabilization of the building.

The development community has also expressed interest in the State Fairgrounds and potential use of this building and other buildings with the intent of rehabilitation.

Several State Legislators have participated in meetings and written letters on the importance of saving the building.

The city now seeks a partnership with the Phoenix IDA to save this iconic building.

Implementation Plan

The stabilization would be led by the city of Phoenix, in partnership with the Arizona Exposition & State Fair Office. The State would take the lead on hiring a contractor to perform the work, with the City of Phoenix and Swan Architects, Inc., playing an advisory role. The contractor selected will have expertise working with historic buildings, as will all subcontractors. Expertise in adobe repair is particularly important to maintain the historic and structural integrity of the building. It is anticipated that the stabilization work will take approximately 6 to 12 months to complete.

Sustainability

Stabilization of the building is the first step in securing its long term viability. Although the building is structurally sound, years of deferred maintenance has been detrimental to some elements of the building, especially the roof covering and stucco. Once stabilized, the building can be fully rehabilitated and put into productive use. The overall image of the State Fairgrounds along McDowell Road can be improved with the rehabilitation of this building.

Budget

The Planning and Development Department/Historic Preservation Office requests \$80,000 for the rehabilitation of the WPA Administration Building. We hope the Council will approve \$120,000 of Historic Preservation Bond Funds on April 6th, for a combined total of \$200,000 to provide to the state. Staff is recommending a dollar for dollar match of those funds from the state along with a conservation

easement of 30 years to protect the public's investment. Additional funds of \$40,000 have been raised by the preservation community to date to assist with further rehabilitation.

The budget for the project is based on a Building Condition Assessment Report for the WPA Administration Building, which was prepared by Swan Architects, Inc., at the request of the city of Phoenix in April 2015. The probable costs for stabilization of the WPA Administration Building are as follows:

Division/Task	Probable Costs
Division 2- Sitework	
Exterior Selective Demolition/Abatement	\$20,000.00
Termite Treatment	\$6,060.00
Division 3- Concrete	
Adobe Brick Replacement/Repairs	\$20,000.00
Concrete Slab Replacement	\$5,000.00
Concrete Repair	\$5,000.00
Division 5- Steel	
Metal Fasteners/Anchors	\$2,000.00
Division 6- Carpentry	
Miscellaneous Rough Framing	\$5,000.00
Truss Repair/Board Replacement	\$20,000.00
Plywood Roof Sheathing	\$19,500.00
Division 7- Thermal and Moisture Protection	
Roof Covering/Flashing	\$39,000.00
Scupper/Drain Leader Replacement	\$2,500.00
Stucco Rehabilitation	\$31,500.00
Joint Sealant	\$3,000.00
Division 8- Doors and Windows	
Door Replacement	\$8,000.00
Window Rehabilitation	\$36,000.00
Storefront Entrance	\$10,000.00
Builders Hardware	\$7,500.00
Division 9- Finishes	
Exterior Painting	\$26,250.00
Subtotal Probable Construction Costs	\$266,310.00
Contingency 15%	\$39,947.00
Contractor Fee/General Conditions 18%	\$55,126.00
Bond/ Insurance 4%	\$14,455.00
Taxes 5.5%	\$20,671.00
Total Probable Construction Costs	\$396,509.00

Once the stabilization is completed, additional funds will be needed to complete the entire rehabilitation and the tenant improvements to allow the building to be occupied.

City of Phoenix Council District

The WPA Administration Building at the Arizona State Fairgrounds is located in Council District 4.

City Council Letter of Support

A letter from Councilwoman Laura Pastor is attached.

Other Attachments- Building Condition Assessment and Newspaper Articles



Rendering of a rehabilitated WPA Administration Building- Swan Architects



Rendering of interior space- Swan Architects



City of Phoenix

OFFICE OF THE CITY COUNCIL

LAURA PASTOR
COUNCILWOMAN
DISTRICT 4

602-262-7447
Fax: 602-534-5438
TTY: 602-495-5810
council.district.4@phoenix.gov

March 24, 2016

**Phoenix IDA
ATTN: Lydia Lee, Community Relations Administrator
251 West Washington Street – 9th Floor
Phoenix, AZ 85003**

Dear Ms. Lee:

The WPA Administration Building at the Arizona State Fairgrounds is located in Council District 4, the district I represent. Many of my constituents live in the historic neighborhoods surrounding the State Fairgrounds. The WPA Administration Building is not only important to the City of Phoenix, but the entire state. It was constructed in 1938 by the Works Progress Administration for use as its Arizona headquarters. This federal agency administered the New Deal Program which created employment for millions of Americans during the Great Depression. The structure is a highly significant Art Moderne-style building utilizing cast-in-place concrete and adobe construction.

The building has not been maintained over the years due to budget issues and was slated for demolition in July 2014 in order to pave the area for use by vendors during the State Fair. At the urging of the City of Phoenix and preservation advocates, the Arizona Exposition and State Fair Board approved a stay of demolition to allow the community time to raise funds.

As a member of the Neighborhood, Housing and Development Subcommittee, I made a motion to recommend that the City Council approve the use of Historic Preservation Bond Funds to support the stabilization of the building, which is estimated to cost approximately \$400,000. The full City Council will vote on the bond funds on April 6, 2016 in order to meet a deadline to raise funds by April 14. I support this project and urge the Phoenix IDA to contribute \$80,000 toward the rehabilitation of the building so that generations to come can enjoy the architecture of this unique building, and understand the importance the WPA played in our state during one of the most challenging times in our history.

Sincerely,

**Laura Pastor
Councilwoman – District 4**

**City of Phoenix
Public Information Office
News Clippings**

**Arizona Republic
July 16, 2014**

Historical building demolition on hold

State Fair, city officials to meet before further tear-down continues.

Dustin Gardiner
The Republic | azcentral.com

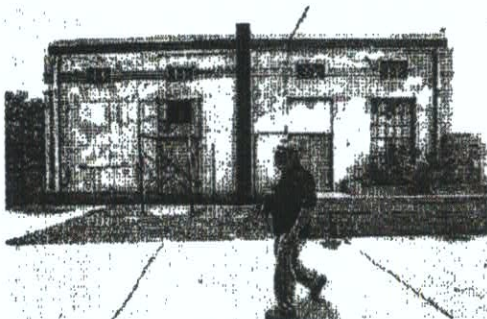
A last-ditch effort by Phoenix leaders to save a historic structure at the Arizona state fairgrounds may lead to a reprieve — at least for now.

Officials had planned to begin demolishing the building early this morning, but decided late Tuesday to hold off the bulldozers until they could meet with Phoenix officials today.

The Arizona Exposition and State Fair had planned to raze the dilapidated building to make room for more paved vendor space. The demolition was scheduled to begin at 6 a.m.



Workers remove an original window Tuesday from an historical Art Deco building on the Arizona state fairgrounds. The structure was built by the Works Progress Administration during the Great Depression. PHOTOS BY ROB SCHUMACHER/THE REPUBLIC



Jack Bell, assistant executive director of the Arizona State Fair, surveys the building on Tuesday. State Fair and city officials will meet today to discuss the building's future.

Known as the State Fair Civic Building, the art deco facility dates to 1938 and was constructed as part of a federal public-works program designed to put people to work during the Great Depression. Over the years, it's been used as offices, a haunted house and a mineral and gem exhibit.

Kristi Walsh, assistant executive director of the State Fair, said the state agency wants to remove the building because it has fallen into disrepair, with a badly leaking roof, termite damage and a cracking foundation. State Fair officials estimate it would cost up to \$1 million to make the building usable to the public again, a figure preservation advocates hotly dispute.

"We totally understand and appreciate the historic value of the building," Walsh said, noting the fair is a self-supporting agency. "Unfortunately, it's a financial viability decision. We have to fund ourselves to stay in business."

She said replacing the building with a paved lot for the Oct. 10-Nov. 2 fair would bring in an additional \$80,000 to \$100,000 in revenue. The agency may eventually use the space near McDowell Road and 19th Avenue to construct a more elaborate, welcoming entrance gate.

But supporters of preserving the building vowed to fight up to the last minute. Late Tuesday afternoon, Phoenix planning officials said they issued a stop work order to the State Fair's contractor, saying they had not received the required demolition permit.

Historic-preservation advocates took to social media and lobbied state and city leaders this week, hoping to delay the demolition until alternative solutions can be explored. They said losing one of the fairgrounds' more historic and architecturally significant buildings would be a travesty for a city that's saved so few of its historic structures.

Among the opponents of demolition is James Garrison, state historic preservation officer. In a letter to State Fair officials, he questioned the accuracy of a building inspection report the fair used to develop its cost estimate and said officials have not fully vetted options. Garrison suggested that a lack of maintenance had accelerated the building's deterioration.

"While not every property worthy of preservation can be preserved, it would be tragic for the people of Arizona and its visitors if this historic building were lost not for real reasons but merely for hypothetical ones," Garrison wrote. "To demolish this building only adds to the fair's image problems." The Civic Building is one of several fairgrounds structures built by the Works Progress Administration, a federal agency that led New Deal-era projects, during the 1930s. Garrison called its construction "an act of faith in the future of the State Fair" when it had been routinely canceled during the depths of the Depression.

Phoenix Mayor Greg Stanton joined the chorus of advocates calling for the building's preservation. At his urging, the city's Historic Preservation Commission is scheduled to meet at 3 p.m. today to consider beginning the process to create a protective zoning overlay for all

or part of the fairgrounds.

"It's a great building that generations of people have enjoyed when they've gone to the state fair," Stanton said, adding that all avenues for preservation should be exhausted before it can be razed. "You've got to at least go through the process."

The building's construction method is unique, consisting of a concrete frame and adobe brick walls. Its fluted columns and chevrons are typical of the art deco style popular during the 1920s and 30s, though it bears a more Southwestern flavor.

Interior work to demolish the building, which hasn't been used for several years, was underway Tuesday afternoon as contractors hacked away at an adobe wall to remove an old window they said would help document its history. The building already had been stripped of its salvageable fixtures and cut off from utility lines.

Walsh said demolition would be delayed pending the outcome of the meeting with Phoenix officials.

Ultimately, a potential dispute over jurisdictional rights — the building is currently owned by a private bank as part of a leaseback arrangement with the state — could wind up in court.

"At this point, the last understanding we have is that it's state land, and the city does not have jurisdiction," Walsh said. "The lender has given us permission to do the demolition."

"We totally understand and appreciate the historic value of the building. Unfortunately, it's a financial viability decision."

KRISTI WALSH

STATE FAIR ASSISTANT EXECUTIVE DIRECTOR



MEMORANDUM

DATE: March 28, 2016
TO: Members, Board of Directors
FROM: Juan Salgado, Executive Director
SUBJECT: Ridgeline Academy, Inc. Loan Request

BACKGROUND

On February 11, 2016 the Phoenix IDA Board approved the issuance of its Education Facility Revenue Bonds (the “Bonds”), in an aggregate principal amount not to exceed \$9,000,000 for Ridgeline Academy, Inc. (“Ridgeline”), an Arizona nonprofit corporation. To facilitate the issuance of the Bonds, Ridgeline has requested a loan from the Phoenix IDA to supplement the amount to be funded by the bank that will purchase the Bonds.

The request is for a loan of up to \$600,000 to assist with financing the acquisition, improvement, equipping, and possible classroom expansion, of existing facilities located at 33625 N. North Valley Parkway in Phoenix, with a term up to 60 months, matching the maturity date of the Bonds. The requested loan is needed to cover the gap above the bank’s 80% loan-to-value limit. The loan would be interest-only at 4% per annum for the term of the loan, and would be in second position behind the Bond loan.

Our underwriter has conducted a review of Ridgeline’s credit and recommends approval of the loan.

REQUEST

I request that the Board of Directors approve (i) the use of Community Impact Investment Funds for a loan of up to \$600,000 to Ridgeline, under the terms outlined above, and (ii) authorizing the Executive Director to approve the final terms of the loan, as well as approve and execute all necessary documents.