

22ND STREET CO-OP

Exhibit B

Development Proposal | June 2014

Eons Expos LLLP



INTRODUCTION

Eons Expos LLLP is extremely pleased to present the following proposal for the 6.45 acre land parcel defined as Parcel A. Our vision is to create a distinctive, year-round use building that reflects the unique character of the site and surrounding community while contributing to the dynamic redevelopment of downtown Tucson.

We are committed to a high quality development. Eons Expos LLLP has been operating a highly successful seasonal show on the site since 2010. Their Gem Show grew from an initial 27,000 sq. ft. tent to a 60,000 sq. ft. hard wall structure during those four years, while adding \$183,000 to the city's General Fund via Right of Entry revenue. This new development will provide exposition use on a year-round basis while expanding the options available for event space for the entire region.

We have a vision. We recognize the importance of good design and the impact this has on a community. We have the opportunity to further define the positive economic future for downtown Tucson while creating a powerful architectural statement that embodies sustainable design. Central to this approach is to build upon the success of the current Tucson Gem, Mineral & Fossil Showcase and Eons Expos show to establish a year round facility that builds a better community with robust economic opportunities.

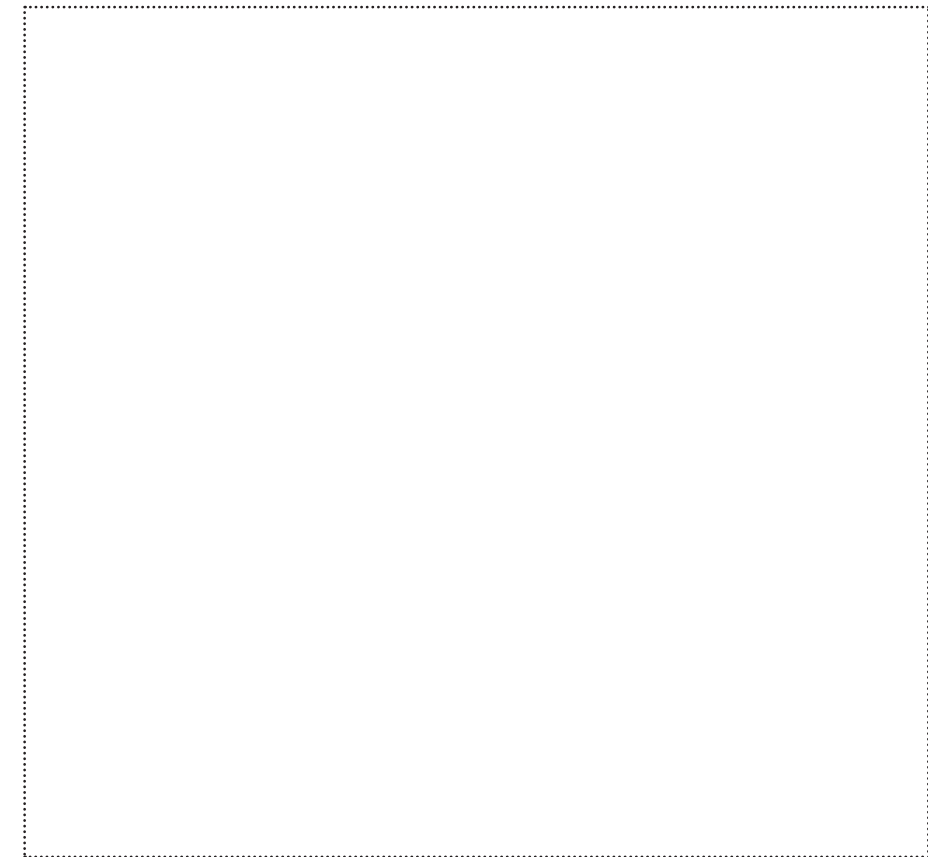
We are ready to move forward and complete this signature project. Our capable and talented team has taken the time to study the potential of the site and has created a unique and prominent design approach that is poised to become the front door to Downtown Tucson along Interstate 10. It is exciting to combine this parcel of property with two smaller adjacent parcels that we already own. We are ready to implement the 22nd Street Co-Op concept and look forward to building the project and the improvements to the adjacent El Paso & Southwestern Greenway.

In summary, Eons Expos LLLP and the entire team offer the expertise and commitment to implement a successful project that will greatly benefit Tucson's economy and community while establishing a year round Event Center with the first large scale, permanent home for the Tucson Gem, Mineral & Fossil Showcase.

Sincerely,



Lowell Carhart
Eons Expos LLLP
lowellcarhart@yahoo.com



Electronic Version (PDF) of Exhibit B

For additional hard copies of Exhibit B (i.e. for Mayor and Council use) please notify Kenneth Lowe at 520.624.9805 or kenneth@robpaulus.com and we will be happy to make copies so that we can control the quality of printing.



OPPORTUNITY


The 22nd Street Co-Op has the potential to be a key component of the redevelopment of downtown Tucson and build upon the international success of the Tucson Gem, Mineral & Fossil Showcase.

THERE IS THE OPPORTUNITY TO ACCOMPLISH THE FOLLOWING:

- Create a permanent Tucson Gem, Mineral & Fossil Showcase along Interstate 10 at the front door to the City of Tucson that provides a venue for a variety of year-round events.
- Develop an iconic project and structure that will be truly distinctive for Tucson that contributes to the revitalization of the neighborhood, community and downtown.
- Capitalize on the adjacency to the El Paso & Southwestern Greenway to develop and build public green space within the urban core.
- Develop a viable and successful venture that provides substantial tax revenue for the City of Tucson by attracting not only the local community, but our neighbors from Mexico, Phoenix and throughout the world.
- Design a project that incorporates sustainable strategies, both passive and active, to create an environmentally-sensitive development that is energy efficient and water resourceful.

This project represents a great opportunity to create a project that enhances the built environment along the freeway and begins to stitch together the urban fabric within and around downtown Tucson.



 **Location Map**
not to scale

DESIGN

PROJECT DESCRIPTION

Positioned just east of the I-10 freeway between 22nd street and Green Street, the 22nd Street Co-Op has the opportunity to become a place-defining project that provides state of the art exhibition and event space and enhances the surrounding neighborhoods, the community and the city at large throughout the entire year.

The Tucson Gem, Mineral & Fossil Showcase annually injects \$75 million of direct spending into the Tucson economy, resulting in \$122 million in economic benefit to the city. Held since 1955, this event currently encompasses 2,500+ dealer booths at 30 venues, with upwards of 55,000 people in attendance. This project builds upon the intriguing history of the Showcase and provides a permanent and identifiable landmark for this significant Tucson event.

The site's proximity to the Tucson Convention Center, a current hub of gem show activity, the new modern streetcar line, and the freeway provide an ideal location to establish a permanent facility for the 22nd Street Co-Op. These same proximities make the site a great location to provide year-round event space that will be part of the facility.



Site Plan
not to scale

SITE ORIENTATION AND PLANNING

The 22nd Street Co-Op building is strategically positioned between the future El Paso & Southwestern Greenway to the East and the I-10 freeway to the West. This location creates an ideal mix of high visibility with easy access from the freeway that is tempered with a lush desert greenway to the East. This 80' wide linear park will provide a green refuge and overflow space for the building while linking the project to the greater Tucson Community for pedestrians, bicyclists and families.

ACCESS

Vehicle access to the site will be from three sides; 22nd Street to the South, 1-10 frontage road at the West and Green Street to the North, allowing generous flow and circulation for both vehicle and pedestrian.

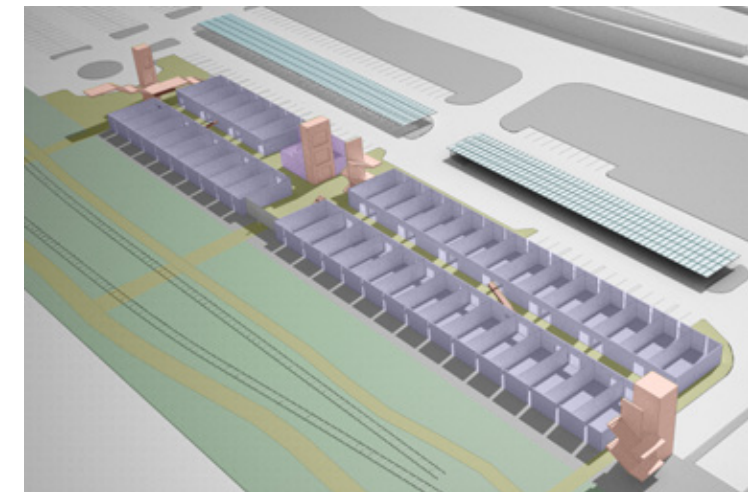
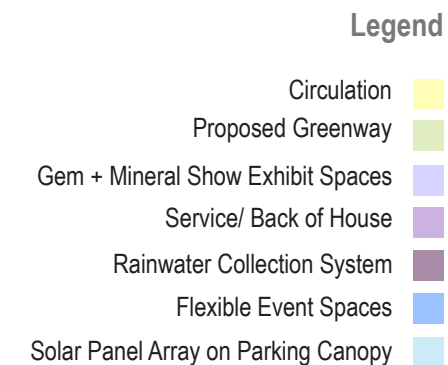
SUSTAINABLE SITE

Green infrastructure will be employed to allow on-site rainfall to enter depressed planting areas as well as the use of porous paving to allow even hard surfaces to accept this precious desert resource.

BUILDING CONCEPT

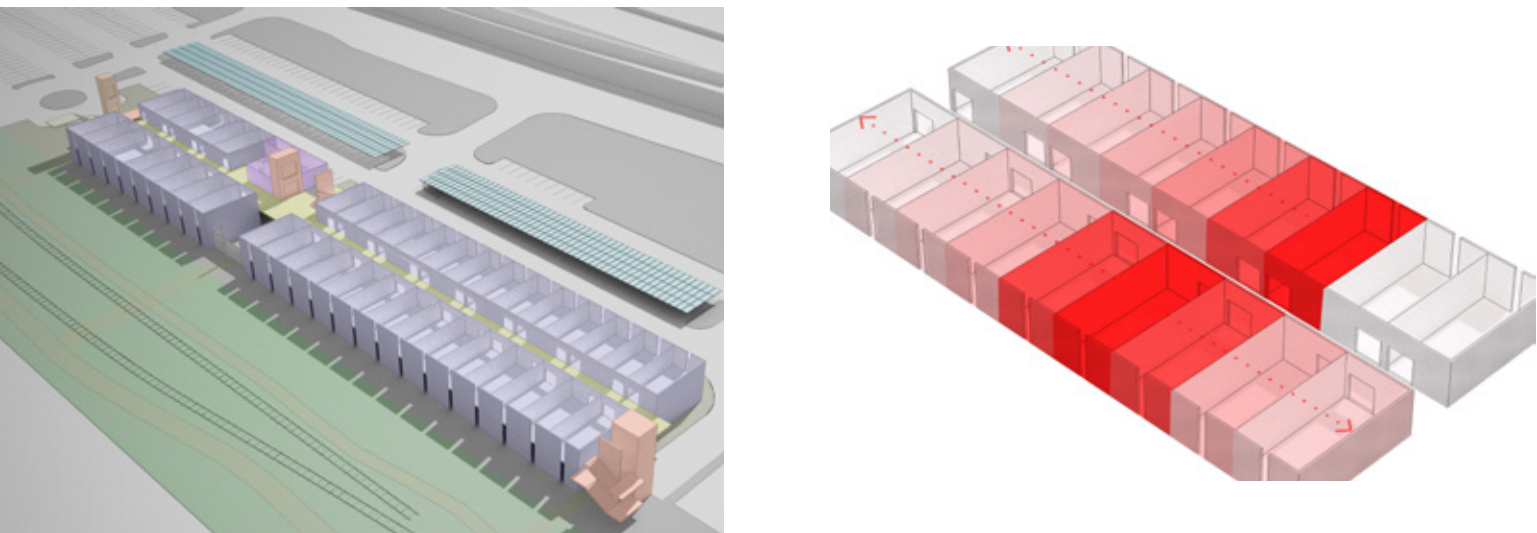
The project forms a long bar parallel to the two prominent transportation features adjacent to the site, the freeway and the Greenway. A counter-axis breaks the bar at the center to facilitate access from one side to the other with additional prominent entrances at both the East and West sides with five stairs and elevators for easy access to upper floors.

The proposed ground floor and second level is comprised of 20' x 40' modules. Solar panels in the parking area will shade cars while water harvesting tanks will store rainwater for reuse in irrigation and non-potable applications.



EXPANDABLE SPACE

Permanent exhibition spaces are offered in a 20'x 40' module with a 12' clear height. This offers great flexibility to expand and combine multiple spaces along each row of exhibit space. Each module will have a secure steel double door entrance off the main circulation, air conditioning, power, efficient and adjustable lighting along with natural light from a secure window system.

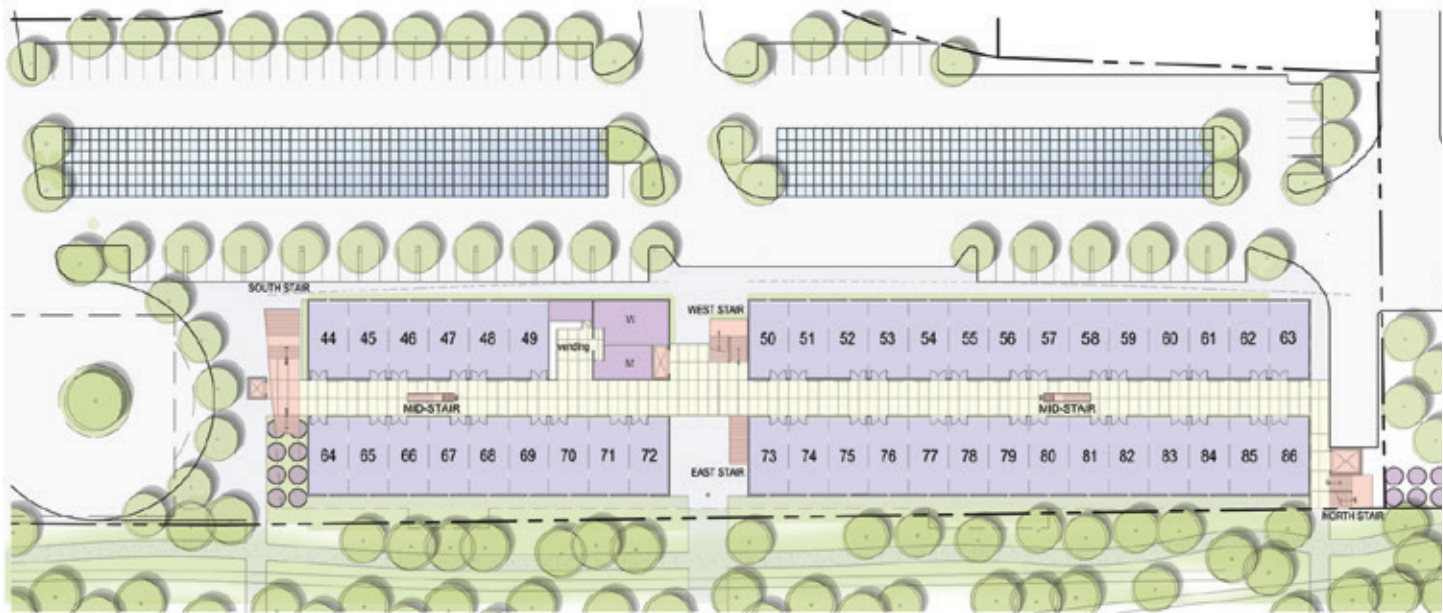
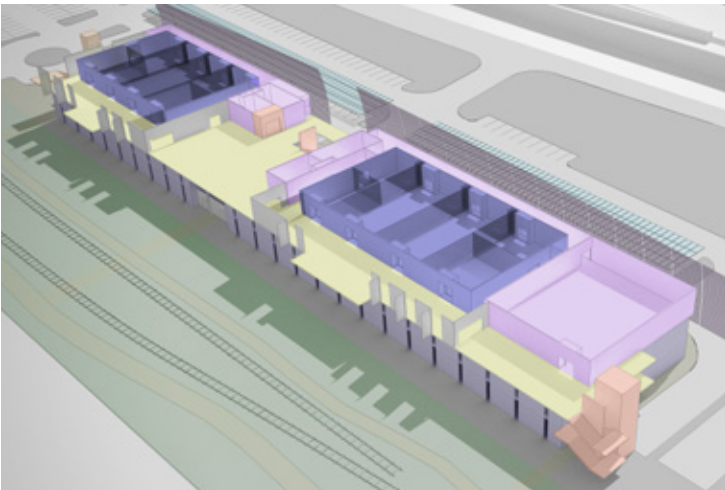


EVENT SPACE

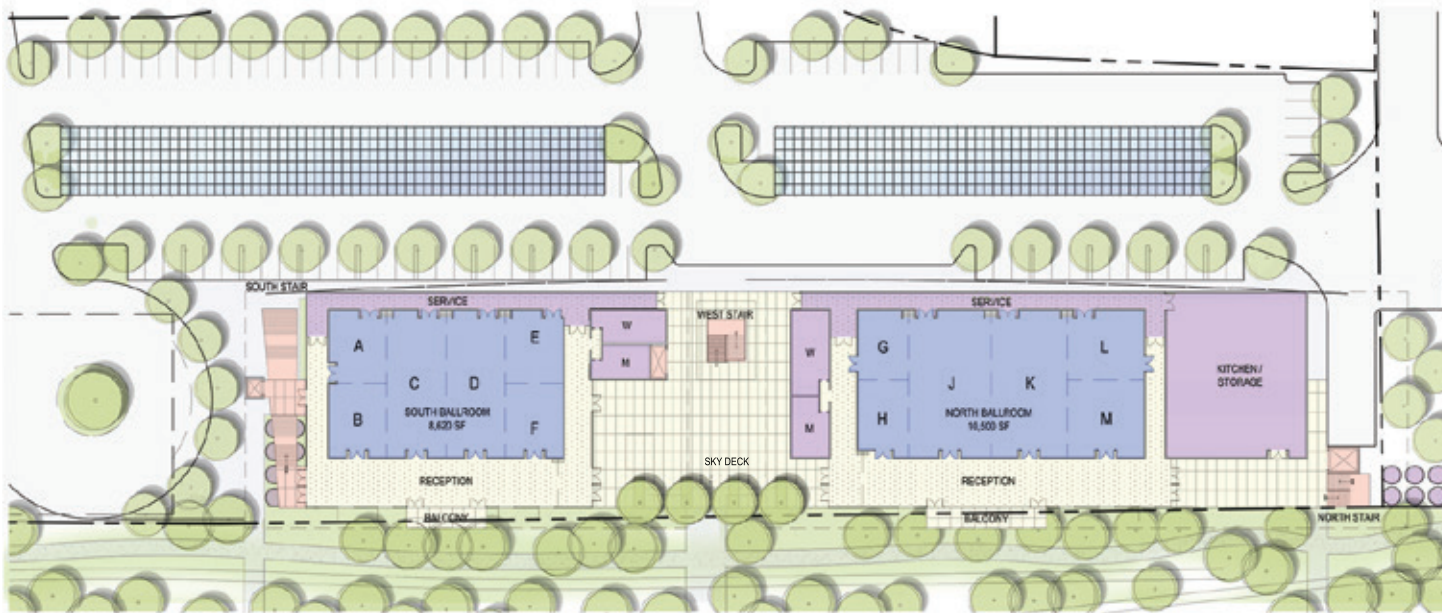
On the third floor of the building a clear span truss roof system encloses a series of flexible, re-configurable event halls with access to a commercial kitchen space. The upper exterior Sky Deck will provide space for a wide variety of activities from break out area for large convention and expo's to high profile musical and performance events. These outside deck areas provide views out to the Greenway, Downtown and the Catalina and Rincon Mountains to the East and to "A" Mountain and Sunset views to the West to visually link the occupants with the larger context of the city.

Legend

- Circulation
- Proposed Greenway
- Gem + Mineral Show Exhibit Spaces
- Service/ Back of House
- Rainwater Collection System
- Flexible Event Spaces
- Solar Panel Array on Parking Canopy



Level Two



Level Three



DESIGN FORM

Given the proximity to the historic rail lines, the design approach takes its cue from the wide open, long-span train shed to give the project form and metaphorically tie into the history of the site and the nearby 1905 Train Roundhouse.

The first and second floor is dedicated space for year-round Gem, Mineral & Fossil Showcase use, while the third floor provides flexible interior and exterior area for a wide variety of events and conferences from large to small. The entire building and site will tie directly into the El Paso and Southwestern Greenway to integrate and flow into the adjacent neighborhood and downtown while also promoting transportation by foot and pedal.

Large roofs cantilever out from the building to shade and protect outside areas and a generous loading area. This loading area, complete with an extra-large elevator, allows direct access into the event space for ease of event load in. Two other elevators that are complemented with stairs, one in the center entry gap and the third at the South entry, further ease access between floors.

The upper Sky Deck will allow a variety of uses from music concerts to events, conventions and overflow exposition space. Complete with shade, trees, vistas, full access to professional kitchen and amenities, the upper deck will offer one of kind outdoor venue space in Downtown Tucson.

ICONIC FACADE

The gently sweeping curve of the West façade will become an ever changing canvas of colored light and projected image allowing each event to customize the entire façade to suit the mood and flavor of the desired experience.

The perforated metal of the wing shape will allow the building to be backlit as well as front projected to visually suit the desires and needs of the building users. This will not only create a dynamic visual for events happening at the project but will allow the 500 foot long building to become a welcoming icon for the entire city that is visible from the busy Interstate 10.



view from I-10



Galleria Centercity



Ziggo Dome Concert Hall



Rockheim Museum



Max Center



Eons Expo LLLP - Nanotyrannus at Mineral and Fossil Show



Farmers Markets



Weddings & Special Events

POTENTIAL USES

The 22nd Street Co-Op development will provide unique, year-round event space for a wide variety of local, regional and national users including:

- Year-round Gem and Mineral Show display and sales areas
- Expositions and Trade Shows
- Musical Concerts both large and small
- Corporate Events and Seminars
- Weddings, Graduations, and Special Events and parties
- Quinceaneras
- Farmers Markets
- Conferences and Conventions
- Cooking Demonstrations and Tasting Events
- September Tucson Gem Show
- Car Shows
- Tucson Film Festival
- Tucson Fine Art Show
- Square Dance Tucson!
- Holiday Gift Show
- Solar and Wind Power Show
- Xeriscape and Gardening Show
- Southwest Fair (a new event featuring southwest food, art, music, exhibits, science, lectures, architecture, history, etc.)



Event Expositions



Music Venue



Solar Panels will provide energy for the building and shade for automobiles



Rainwater Harvesting tanks collect precipitation for re-use in landscape irrigation and non-potable uses such as bathrooms

SUSTAINABILITY

An important feature of this project is to create a responsible and sustainable approach to the site and building. This scheme re-purposes an underused site with uses that are appropriate next to the busy I-10 freeway. The intelligent use of energy and resources is of high concern for the development and design team; therefore the solution will include the implementation of numerous green technologies and approaches. The design and development team assembled for this project are deeply committed to downtown Tucson and to projects that enhance neighborhood and community.

RAINWATER HARVESTING

The design will incorporate the largest and best rainwater catchment system possible for the 22nd Street Show project. Rainwater falling on the roofed area of this project during an average year represents approximately 600,000 gallons of water. This water will be directed into planting areas and collected into storage tanks for re-use in the landscape and non potable uses throughout the project.

SOLAR POWER

The project has the ability to incorporate a sizable photovoltaic solar array at the parking area while providing shade for over 100 vehicles. Our initial calculations indicate the potential for a photovoltaic array of over 600-230 watt panels. This has the potential to have a substantial reduction on utility costs and will greatly reduce the carbon footprint of the project.

SHADING ELEMENTS

The building will incorporate substantial shading elements at glazing and exterior walls to control solar heat gain while creating micro climate areas within the project.

LEED CERTIFICATION

The project will be LEED certified per the United States Green Building Council and incorporate materials, systems and assemblies to provide an efficient and smart green building and site.



Customized shading elements



Natural shading elements



Eons Expo LLLP - 1,000 Pound Crystal
at Mineral and Fossil Show

ECONOMIC IMPACT

Submitted by 22nd Street Land, LLC

PROJECT DESCRIPTION: This project will secure a permanent home for the 22nd Street Show and erect a 150,000 square foot building to be named the **22nd Street Co-Op**. Intended for year-round mixed use, the new building will be a landmark structure welcoming travelers arriving in Tucson from all directions. The top level of the 3-story structure will encompass a 50,000 sf event space that will provide attractive, state of the art exposition and event space for public and private events. The lower two levels will be comprised of 85 owner-occupied stores dedicated to the mineral, fossil, gem, and jewelry industry that will also be used throughout the year.

PROJECT ESTIMATED TIMELINE:

September 2014	Closing on property
September 2014	Continue infrastructure improvements
January 2015	Annual Gem Show exhibition
February 2015	Begin Cooperative formation
February 2017	Building Construction

TUCSON GEM SHOWCASE IMPACT: A 2014 study produced by the Metropolitan Tucson Convention and Visitors Bureau estimated that direct spending by show owners, exhibitors, and attendees of the 2014 Tucson Gem Showcase totaled \$76.5 million. Spending includes lodging, food/beverage, entertainment, transportation, shopping, equipment rentals, security, temporary employment and promotions. However, recipients of that money spent it on more goods and services, whose recipients spend it on still more goods and services, and so on. The tendency of money to spread in this way further increases the economic impact of the initial spending. Using the IMPLAN input-output model and data for Pima County, the initial \$76.5 million will produce additional indirect and induced output of \$45.5 million for a total economic impact of \$122 million.

ECONOMIC IMPACT OF THIS PROJECT: This project will redefine the paradigm of the Gem Show and align the interests of a major show with those of the citizens of Tucson by creating a permanent venue for the gem show and other uses. Few major gem show operators own their own venue; therefore there has been little inducement for show promoters to invest in their venues. After the showcase ends each year, profits are removed from Tucson and the one-time benefit of the Gem Showcase slowly dissipates until the following year.

22nd Street Show Management has already invested \$250,000 for utility services, site prep, and paving, as well as purchasing two adjacent parcels to Parcel A. 22nd Street Show management will continue to expand and develop the site, directly and indirectly invest in the city's infrastructure, and add to the City's tax revenue stream. With about 150 dealers now at the 22nd Street Show, the goal state is 1,000 dealers when full development of the project is complete. This growth will come at the expense of perimeter shows outside the city limits but the overall economic impact to the metropolitan area will be greater than is currently the case.

CAPITAL INVESTMENT:

\$ 1,600,000 +/- land
\$12,000,000 +/- building

SALES TAX REVENUE: The use of this venue during the gem and mineral show will provide additional sales tax revenues to the City based on retail sales. We expect the gem and mineral show to continue to attract retail business and hope to continue to capitalize on that growth. In addition, the top floor event space is projected to be available for rental on a year-round basis. Any group/individual who rents the space will also need to contract with local catering, equipment rental, and related services that will provide additional sales tax revenues to the City.

IMPACT FEE REVENUE: Upon construction of a permanent structure, Impact Fees will be assessed and collected based on the uses within the structure. While an estimate is not possible at this time, Impact Fee Revenue will be a significant additional benefit to the City.

PROPERTY TAX REVENUE:

\$ 24,000 +/- land
\$298,000 +/- building

EMPLOYMENT:

Construction - 98 direct jobs + 69 indirect jobs + \$7.14 million additional output
(Source: IMPLAN input-output model, Pima County data)

Operations - 5 new permanent jobs at an average salary of \$35,000 + 10 part time jobs at an average salary of \$15 / hour


CONSTRUCTION SALES TAX: Estimated at \$156,000 assuming \$12,000,000 cost x 65% materials x 2% tax.

OTHER ECONOMIC BENEFITS: The immediate effect of the acquisition of the parcel will be further investments in infrastructure to include site preparation, dust mitigation, litter control, and beautification. Other tangible benefits:

- 22nd Street Land, LLC will endeavor to work with the city to fund the construction of the 1,800' section of the El Paso and Southwestern Greenway section adjacent to the parcel. Ideally, the work could be completed with no investment by the city.
- Infrastructure improvements to include bringing the entire area up to 100-year flood standards by improving the adjacent Airport Wash and/or the culverts under the 18th Street Airport Wash bridge and /or bringing in dirt from other projects.
- Increased property values in the immediate vicinity.
- An iconic building as anchor of the 22nd Street Corridor Improvement project.

THE TEAM



 Lowell is a resident of Hawaii and is seen here with the Shaka sign for "Aloha" which takes the meaning of: thanks, joy, gratitude and a number of other positive meanings

EONS EXPOS LLLP LOWELL, RUSSELL & CHRISTINE CARHART

The entity submitting the proposal is 22nd Street Land, LLC whose executive member is Lowell Carhart. It is this LLC that will own, manage, and develop the parcel. However, the primary tenant will be Eons Expos, LLLP which runs the 22nd Street Mineral & Fossil Showcase on the site. Eons Expos is comprised of three siblings: Lowell Carhart, sister Christine Perner, and little brother Russell.

Starting in 2009, this team moved from conception to running the two largest mineral, fossil, and gem shows in the USA in just four years. The Denver Coliseum Show and the NYNJ Show are now "destination shows" known throughout the industry. Tucson was their second show but its growth has been constrained because the land on which the show is sited was subject to sale. After winning the bid for the Tucson parcel the team intends to create on the site the single largest gem show in the world.

Lowell graduated from Business School in 1995 and after a five-year stint in the corporate world he left to start his own mineral & fossil business. Another five years later he decided that he could do a better job running gem shows and embarked on that endeavor with sister Christine. Their first time signing the contract to rent the Denver Coliseum for a week in 2009 was very intimidating, but they successfully attracted enough exhibitors (and their customers) to continue the show. It is five years later and the Coliseum Show is now not only the largest in the USA; but it is still growing 40% a year.

Russell joined the team two years later and brought a finance background, more MBA credentials, and a common-sense approach to solving problems. He's taken on the logistics component of running the shows and is usually in the midst of negotiating contracts for tents, electricity, insurance, labor, security, and other infrastructure required to erect and operate a major show. He makes it all look easy.

Formerly an elementary school teacher, Christine is the face and voice of Eons Expos. She is solely responsible for recruiting the 600+ dealers who ultimately joined one or more of our three shows. Christine is ferociously loyal to "her" dealers and treats them like family. It is her special brand of mixing personal and business that dealers respond to and trust. Without Christine there would be no Eons Expos.

OWNER / DEVELOPER EONS EXPOS LLLP

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May 27, 2014

Rob Paulus Architects Ltd
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SUBJECT: SHC Review of COT Phase I Environmental Site Assessment

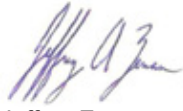
Mr. Paulus:

Southwest HAZARD CONTROL, INC. (SHC) provides this letter as documentation of **SHC's** review of the Phase I Environmental Site Assessment for Parcel #'s 116-23-154C, 116-23-154D, 116-23-155B, and 116-23-155D. The Phase I assessment was authored by SCS Engineers on January 29, 2013. The purpose of **SHC's** review is to provide an outside opinion on whether or not any additional environmental investigation is required of these parcels prior to the beginning of construction work.

After reviewing the Phase I Environmental Site Assessment for the above mentioned four parcels, **SHC's** recommendation is consistent with that of SCS Engineers. Based on the assessment, which **SHC** found to be sufficiently thorough, only two potential areas of concern were noted. One was residual contamination from the former Asphalt Products Transport Facility. More recent analytical data has shown that site contamination, which may have degraded overtime, is below residential soil remediation levels (SRLs) and since there are no SRLs for total petroleum hydrocarbons, there is nothing dictating that remediation work should be done if the soil is disturbed. In addition it was observed that there may be contamination from the former Circle K #1838 that had been located on the neighboring property that may have spread onto the parcels studied in the assessment. This contamination was sampled and found only to be present at depths of 50 feet or greater below ground surface (bgs). Although one of the samples yielded an exceedence of the residential SRLs for benzene, there is nothing dictating that this contamination should be remediated unless the proposed construction activities disturb the soil at a depth of 50 feet bgs.

Therefore, unless the proposed construction work on these parcels will required the disturbance of soil at depths greater than 50 feet bgs, **SHC** recommends that no further additional environmental investigation be completed. Note that this does not ensure that anomalies will not be uncovered during the course of soil excavation; however, **SHC** feels that these should be investigated only as they are discovered if applicable. Thank you for choosing **SHC** to handle this environmental assessment review. If you have any questions, please feel free to contact me at 622-3607, extension 132.

Sincerely,
Southwest HAZARD CONTROL, INC.


Jeffrey Zenan
Hazmat Division Manager

PERRY ENGINEERING

Opportunities for development of the site include access to I-10, the Greenway and its drainage conveyance, and available utilities.

We have met with ADOT to discuss the ability to access the I-10 frontage. From those discussions, it appears most of the frontage along the desired parcel is accessible, and existing access points can be relocated if necessary. Though the planned access points are aligned with existing ones, it is good to know the access is adjustable.

Not only is the Greenway one of the amenities the project can incorporate and build upon, it also provides significant drainage conveyance capacity alongside the property. We intend to explore possibilities to harvest this adjacent source of water for the storage of water so we can decrease excess runoff, thereby lessening the floodplain effects on this and other adjacent properties, while providing water storage for irrigation days past the storm event.

Utilities appear to be in sufficient supply on or in the vicinity of the site, making the proposed development possible. Easements will need to be considered and planned around such as the Southwest Gas that crosses the property and we have multiple options on how this can be incorporated.





SUMMARY

DOWNTOWN

Eons Expos and the entire team are committed to improving the downtown area to assist in the revitalization effort.

PROMOTE

The project will help promote and grow the Tucson Gem, Mineral & Fossil Showcase as an important Tucson tradition.

SUSTAINABILITY

We are committed to sustainable development that benefits both the surrounding neighborhoods and the city at large.

COMMUNITY

We are excited to create a viable and intriguing facility that is used year-round and integrates with the community and neighborhoods of downtown Tucson.