



BLOCK
175

PRIME 2.015-ACRE MIXED-USE DEVELOPMENT SITE
WITHIN URBAN, THRIVING DOWNTOWN TUCSON

BLOCK 175

BLOCK 175 PROPOSED MIXED-USE DEVELOPMENT ENHANCED BY TUCSON'S THRIVING DOWNTOWN

Block 175 is the future site of an urban Class 'A' mixed-use development nestled in the heart of Tucson's downtown—quickly becoming one of the most desirable destinations in Southern Arizona. One of Tucson's fastest growing areas, downtown has recently seen significant capital investment with more than \$525 million in proposed or planned developments set for the next two years. Serving as the commerce core of Tucson, the district boasts more than 11,000 employees spread across nearly six-million square-feet of office, industrial, and retail space. Downtown Tucson is garnering attention from major employers with significant developments including the Caterpillar Tucson Mining Center, the Hexagon Mining North American Headquarters at City Park, the proposed 75 East Broadway mixed-use office tower, and several new hospitality and retail developments. Future tenants at Block 175 will have the opportunity to appeal to the live, work, and play lifestyle of the modern urbanite leveraging downtown's continually growing list of unique eateries and trendy nightlife options. With over 30 projects currently planned or in development, downtown Tucson is projected to grow its retail, office, and flex space by more than 750,000 square feet to accommodate for the unprecedented demand and future growth of the area.



SITE INFORMATION

Price	\$7,100,000
Price per SF	\$81
Location	Downtown Tucson
Address	SWC West Franklin Street & North Church Avenue
Parcel	117-10-089A
Zoning	C-3, O-3
Parcel Size	2.015 Acres
Square Feet	87,803 SF

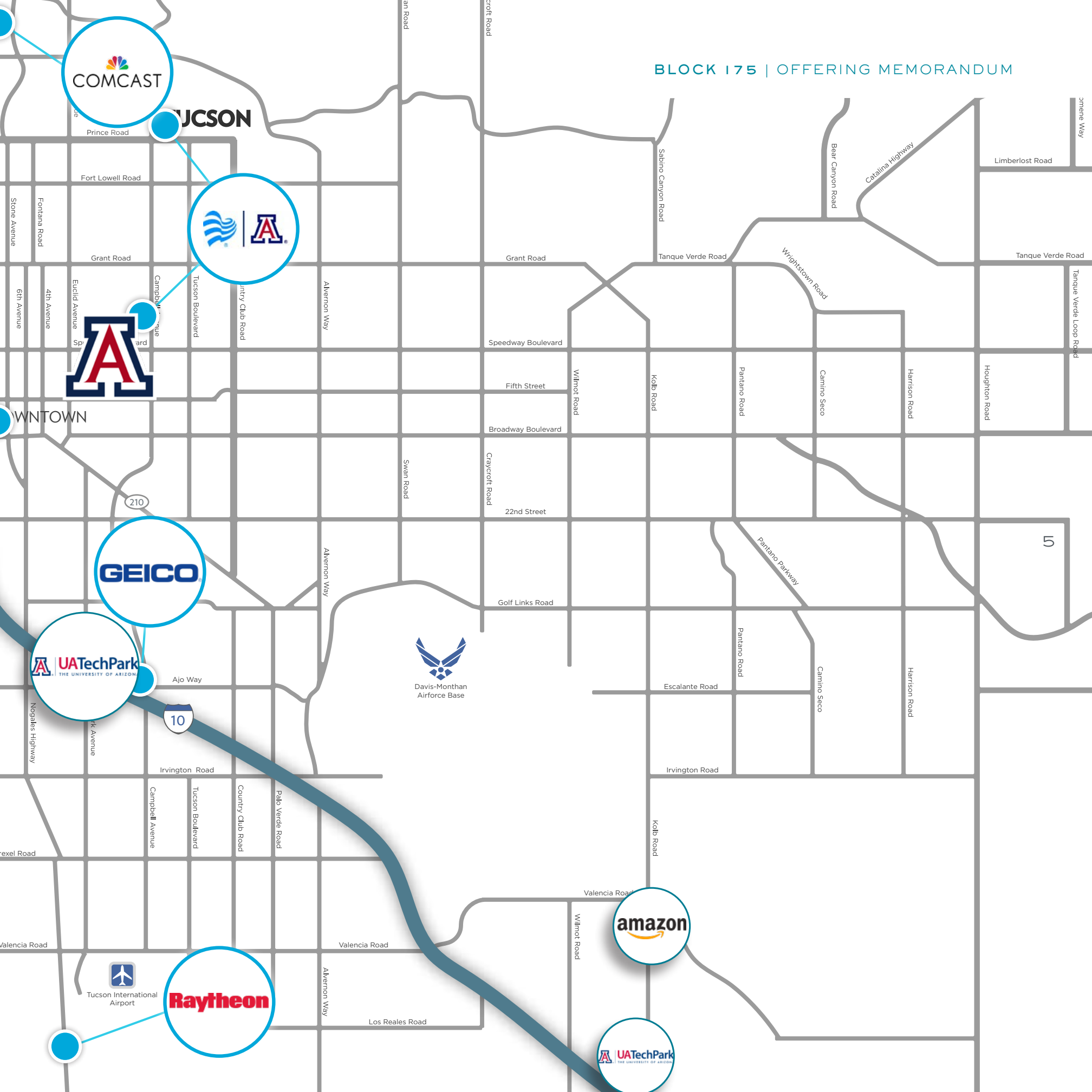


THE OPPORTUNITY

B L O C K
1 7 5



BLOCK 175 | OFFERING MEMORANDUM



TUCSON



DOWNTOWN



Davis-Monthan Airforce Base



Tucson International Airport





CULTIVATING COMMERCE

VIBRANT EMPLOYMENT CONCENTRATION + RAPID CORPORATE EXPANSIONS DRIVE DOWNTOWN TUCSON'S UNPRECEDENTED GROWTH

Quickly becoming the premiere commerce center of Southern Arizona, the attractive mix of favorable demographics, booming development, and an established workforce offered by downtown Tucson have enticed a number of corporate tenants to the growing area. Serving as the hub of government services in the city, the governments and court systems of Pima County and the City of Tucson account for more than 4,000 of the 11,400 employees working downtown. Prompted by this dense employment concentration spread out over 400 active businesses both Caterpillar and Hexagon Mining announced plans to call the area home in 2017, bringing high-wage jobs and nearly 800 additional employees in the coming years. Caterpillar's new 146,000-square-foot Tucson Mining Center, located approximately one mile southeast of Block 175, will provide

an estimated economic impact of \$256 million annually through adding 635 jobs with a projected average salary of \$90,000. Currently under construction, the center has an estimated completion date of March 2019. Additionally, Hexagon Mining is currently in process of relocating to downtown in the under-construction City Park mixed-use development. City Park will serve as Hexagon Mining's 26,000-square-foot North American Headquarters, hosting 260 employees at full build-out. Furthermore, the Interstate 10 (I-10) provides convenient access to Tucson's largest private employer, Raytheon, located less than a 15-minute drive south of Block 175. Raytheon recently announced plans for a major expansion over the next five years, adding nearly 2,000 jobs to its already impressive footprint of more than 11,000 employees.

MAJOR DOWNTOWN EMPLOYERS



± 635
EMPLOYEES

± \$90,000
AVERAGE SALARY

DISTANCE FROM PROPERTY: 1.0 MILES



HEXAGON
MINING



± 260
EMPLOYEES

± \$75,850
AVERAGE SALARY

DISTANCE FROM PROPERTY: 0.4 MILES

Raytheon



± 11,370
EMPLOYEES

± \$85,453
AVERAGE SALARY

DISTANCE FROM PROPERTY: 9.0 MILES



± 15,056
EMPLOYEES

± \$72,511
AVERAGE SALARY

DISTANCE FROM PROPERTY: 1.4 MILES

HDR

► HDR is an engineering firm with a focus on high-performance buildings and smart infrastructure; specializing in architecture, engineering, environmental and construction services.

DISTANCE FROM PROPERTY: 0.3 MILES

VECTOR SPACE SYSTEMS

► Vector is an American space technology company which aims to launch small satellites with its eponymous family of small launch vehicles to dramatically increase access and speed to orbit.

DISTANCE FROM PROPERTY: 1.4 MILES

FENNEMORE CRAIG

► Fennemore Craig is an American Mountain West regional law firm for businesses offering clients many legal services in both litigation and commercial transactions.

DISTANCE FROM PROPERTY: 0.3 MILES

SNELL & WILMER

► Snell & Wilmer law offices are the West's largest full-service business law firm with more than 400 attorneys practicing in nine locations across the western United States and Mexico

DISTANCE FROM PROPERTY: 0.3 MILES

THE OPPORTUNITY

AERIAL OBLIQUE SOUTH

DOWNTOWN TUCSON OVERVIEW

// TOTAL OFFICE SPACE

4,186,428 SF

// TOTAL RETAIL SPACE

953,072 SF

// TOTAL INDUSTRIAL SPACE

687,583 SF

// TOTAL MULTIFAMILY SPACE

1,786 UNITS | 92 PROPERTIES TOTAL

AVG. YEAR BUILT

1948

MARKET RATE

1,485 UNITS | 86 PROPERTIES

AFFORDABLE

301 UNITS | 6 PROPERTIES

100+ UNITS

526 UNITS | 3 PROPERTIES

UNDER 100 UNITS

1,260 UNITS, 89 PROPERTIES

CLASS A

2 PROPERTIES

CLASS B

40 PROPERTIES

CLASS C

50 PROPERTIES

DOWNTOWN TUCSON ENTAILS THE 85701 ZIP CODE
SOURCE: COSTAR.COM, 2018

8



TUCSON
INTERNATIONAL
AIRPORT
±13,003
Employees

Raytheon

±11,370 Employees

TUCSON CONVENTION
CENTER
430K Annual Attendance

CATERPILLAR

±600 Employees

BANK OF
AMERICA
±192K SF



Department of
Veterans Affairs

±2,500 Employees

ONE SOUTH
CHURCH
±241K SF

PIMA COUNTY
GOVERNMENT
AGENCIES

TUCSON
CITY HALL



HOTEL ARIZONA
Redevelopment
Planned



UNITED STATES
DISTRICT COURTS

ARIZONA STATE
GOVERNMENT
AGENCIES

TUCSON
FEDERAL
BUILDING



TRANSAMERICA
BUILDING
±128K SF

GRANADA AVENUE

CHURCH AVENUE



EL PRESIDIO HISTORIC
NEIGHBORHOOD

BLOCK
175



IN THE HEART OF EVERYTHING



10

CULINARY CAPITAL DOWNTOWN LOCALE PROVIDES WALKABLE ACCESS TO RENOWNED CUISINE + UNIQUE NIGHTLIFE

Exemplifying Tucson's designation as a UNESCO Capital of Gastronomy, the area surrounding Block 175 boasts nearly one-million-square feet of conveniently accessible retail and dining space, home to more than 80 of Tucson's most acclaimed eateries and unique bar concepts. Block 175 will add to the live, work, and play lifestyle of downtown Tucson through walkable access to local favorites including the famous El Charro Café, directly adjacent to the property, as well as Café Poca Cosa, the HUB, Cartel Coffee Lab, and Empire Pizza. In addition, downtown Tucson features several trendy nightlife options for the modern professional including Hotel Congress, Playground Bar & Lounge, Tap & Bottle, and

the historic Rialto Theater, all conveniently located within a half-mile of the property. The unique shopping and dining options continue with the Historic Fourth Avenue district, located one-half-mile northeast of the property. Serving as one of Tucson's main commercial districts since 1916, Fourth Avenue is a walkable 260,969-square-foot retail corridor home to more than 125 local retailers, eateries, and entertainment options including Lindy's on 4th, Bison Witches Bar & Deli, and Brooklyn Pizza Company. In addition, the shops on 4th avenue exude Tucson's unique local flair through concepts such as Food Conspiracy Co-Op, Generation Cool, Pop Cycle, and How Sweet It Was Vintage.

DAY



D&D PINBALL



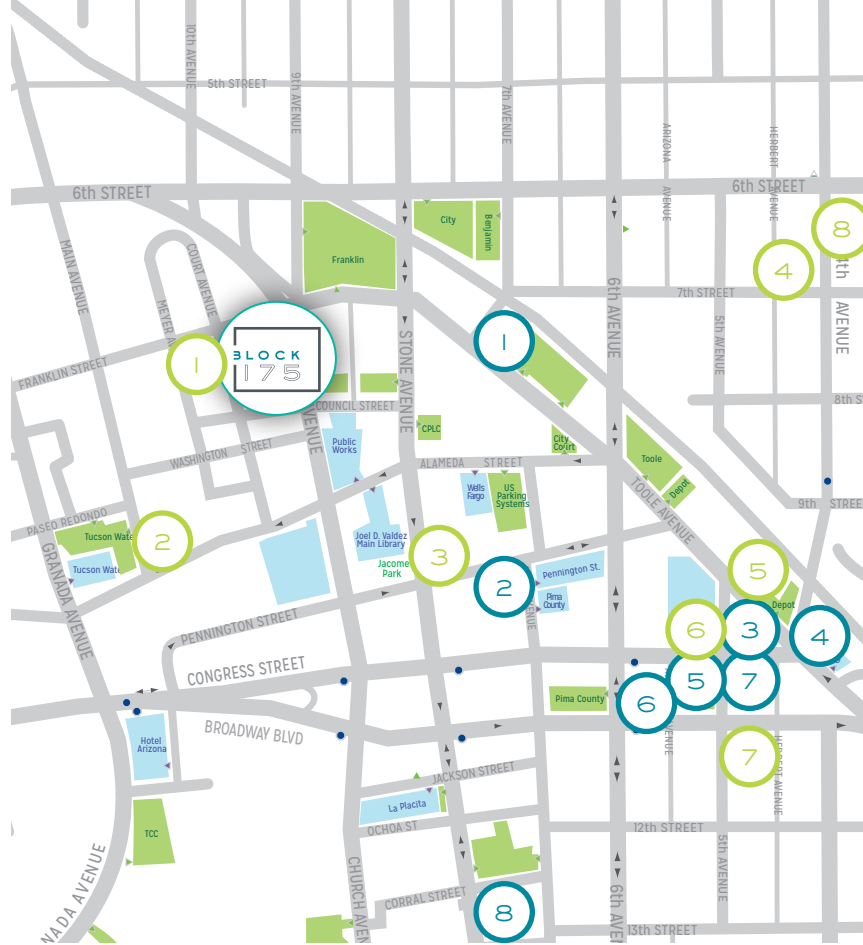
MAYNARD'S KITCHEN



CARTEL COFFEE LAB



FOOD CO-OP



LEGEND

DAY

- 1 EL CHARRO CAFÉ
DISTANCE FROM PROPERTY: 0.1 MILES
- 2 TUCSON MUSEUM OF ART
DISTANCE FROM PROPERTY: 0.2 MILES
- 3 NOOK URBAN KITCHEN
DISTANCE FROM PROPERTY: 0.3 MILES
- 4 D&D PINBALL
DISTANCE FROM PROPERTY: 0.5 MILES
- 5 MAYNARD'S MARKET & KITCHEN
DISTANCE FROM PROPERTY: 0.5 MILES
- 6 HUB ICE CREAM FACTORY
DISTANCE FROM PROPERTY: 0.6 MILES
- 7 CARTEL COFFEE LAB
DISTANCE FROM PROPERTY: 0.7 MILES
- 8 FOOD CONSPIRACY CO-OP
DISTANCE FROM PROPERTY: 0.7 MILES

NIGHT

- 1 BORDERLANDS BREWING COMPANY
DISTANCE FROM PROPERTY: 0.2 MILES
- 2 47 SCOTT
DISTANCE FROM PROPERTY: 0.4 MILES
- 3 HOTEL CONGRESS
DISTANCE FROM PROPERTY: 0.6 MILES
- 4 HI-FI KITCHEN & COCKTAILS
DISTANCE FROM PROPERTY: 0.6 MILES
- 5 PLAYGROUND BAR & LOUNGE
DISTANCE FROM PROPERTY: 0.6 MILES
- 6 PUEBLO VIDA BREWING COMPANY
DISTANCE FROM PROPERTY: 0.6 MILES
- 7 RIALTO THEATER
DISTANCE FROM PROPERTY: 0.6 MILES
- 8 OWLS CLUB
DISTANCE FROM PROPERTY: 0.8 MILES

OFFERING MEMORANDUM

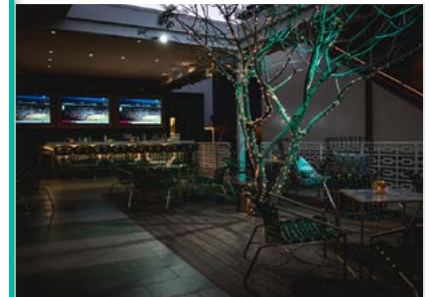
NIGHT



BORDERLANDS BREWING COMPANY



HOTEL CONGRESS



PLAYGROUND BAR & LOUNGE



PUEBLO VIDA BREWING COMPANY

THE OPPORTUNITY

EDUCATIONAL EXCELLENCE

ACCLAIMED ACADEMIC INSTITUTIONS PROMOTE COMMUNITY PROSPERITY

Located approximately one-and one-half-miles northeast of Block 175 is the University of Arizona (UA), a profound research institution known for its business acumen and ground-breaking discoveries. The University of Arizona utilizes its large footprint in Tucson as a catalyst for economic growth and development to the region. The UA boasts a student enrollment of 43,625, comprised of 34,072 undergraduate students, 7,946 graduate students, and 1,607 professional and medical students with an

BY 2025 UA
EXPECTS TO
INCREASE
ENROLLMENT
43,625
TO 64,250

GRADUATION RATES
IMPROVING
61% TO 75%

enrollment goal of 64,250 by 2025. Home to prestigious Eller College of Management, UA was ranked #3 in the nation for Management Information Systems in 2017 by U.S. News and World Report. An integral part of the Tucson community UA promotes interdisciplinary scholarship and entrepreneurial partnerships

responsible for over 11,000 jobs and stimulating an annual economic impact of \$8.3 billion. In addition, as one of the largest multi-campus community college systems in the country, Pima Community College (PCC) provides an outstanding economic alternative for those seeking an undergraduate education in the Tucson MSA. The PCC – Downtown Campus, located approximately one mile north of the property, has an enrollment of over 11,000 students annually and employs nearly 900 faculty and staff members.



UNDERGRADUATE STUDENTS	34,072
GRADUATE STUDENTS	7,946
FACULTY + STAFF	15,056
STATEWIDE ECONOMIC IMPACT	\$8.3 BILLION

Source: University of Arizona



EL PRESIDIO NEIGHBORHOOD

HISTORIC NEIGHBORHOOD HIGHLIGHTED BY ECLECTIC ARCHITECTURAL AND CULTURAL INFLUENCES PROVIDES WALKABILITY AND AMENITIES

Tucson's first neighborhood listed on the National Register of Historic Places, El Presidio is where Tucson began. Structures date from 1860 to 1920 exemplified by Sonoran Row houses, Mission Revival, bungalow style and American Territorial. El Presidio encompasses Hohokam pit houses, the 18th-century Spanish colonial presidio, the subsequent Mexican village, and Anglo homes designed by legendary Tucson architects such as Henry C. Trost and Holmes & Holmes. Celebrated territorial families left their names on historic houses they built: merchants including the Steinfelds and Jacomes, bankers, attorneys and civic leaders including Sam Hughes and J. Knox Corbett. Home to restaurants, offices, shops and the Tucson Museum of Art, this is an eminently walkable neighborhood highlighted by La Cocina, Cafe le C'Art, the Dusty Monk, and the long-standing El Charro Cafe.



**INTERSTATE
10**
374,904 DAILY
COMMUTERS



STREET CAR

- // 19 STOPS
- // OPENED IN 2014
- // 2017 TOTAL RIDERSHIP: ±892,406
- // 2017 AVG. DAILY RIDERSHIP: ±2,445

DOWNTOWN CONNECTION

MAJOR THOROUGHFARE + CONVENIENT TRANSPORTATION
ALTERNATIVES BOOST RESIDENT MOBILITY

Conveniently located less than one mile from both the St. Mary's Road and Congress Street Interstate 10 (I-10) on-ramps, Block 175 provides easy access to many of Tucson's landmark destinations including Davis Motham Air-Force Base, the UA Tech Park, Raytheon, and the Tucson International Airport (TIA), as well as providing an expedient connection to Phoenix, Los Angeles, and Mexico. The property will see even greater connectivity with the completion of the Downtown Links infrastructure project. Decades and \$2.1 billion in the making, the Downtown Links project will create a four-lane road connecting I-10 with Broadway Road by-passing downtown for a more expedient east-west connection. The project will greatly reduce congestion in the downtown area and improve access for pedestrians, bicyclists, and motorists. Future tenants and residents will also benefit from Tucson's targeted transit-oriented development spurred by the construction of the Sun Link Streetcar in 2014. The streetcar is a 19-stop rail line connecting five of Tucson's major activity centers: The University of Arizona, Main Gate Square, Fourth Avenue, Downtown Tucson, and the Mercado District; with a stop located less than one-half mile from the property at Congress Street and Stone Avenue.

DOWNTOWN TUCSON PARKING

- // ±15,000 daily and monthly spaces available
- // ±1,000 surface lot parking spaces
- // ±1,000+ on-street parking spaces
- // Free Parking After 5 PM and on weekends and holidays

Source: Rio Nuevo

REDEFINING DOWNTOWN

Downtown Tucson's remarkable transformation over the past several years has seen the fruition of a bustling arts, entertainment, and dining district. Tucson's renaissance has been largely due to an overhaul of private and public investment from local groups like Peach Properties, Bourn Companies, Caylor Design & Construction, NorGenerations, and the Rio Nuevo Organization. Current projects include a multitude of infill developments as well as the re-purposing of some of Downtown Tucson's historic buildings. The re-establishment of Downtown Tucson as the heartbeat of the city has brought in new employment, new office space, new hotels, multifamily, and a flurry of restaurants, breweries, coffee shops, boutique clothing stores, and fine dining.

CITY PARK

Developer: Bourn Companies

Net Rentable Square Footage: ±62,276

±35,976 sf – Retail Space

±26,300 sf – Office Space

Total Cost: ±\$19.04 million

Total Economic Impact

±\$193.5 million over 8 years

±253 indirect jobs

Estimated Completion: 2018

DISTANCE TO PROPERTY: 0.5 MILES



75 EAST BROADWAY

Developer: JE Dunn

Net Rentable Square Footage: 250,000 SF

±210,000 SF – Office Space

±40,000 SF – Retail Space

Estimated Cost: ±\$110 Million

Estimated Added Jobs: ±1,250 new jobs

Estimated Direct Economic Impact: ±\$2.2 million annually

Estimated Completion: 2020

DISTANCE TO PROPERTY: 0.5 MILES



MERCADO SAN AGUSTIN ANNEX

Developer: Gadsden Company

Net Rentable Square Footage: ±13,000 SF - Retail

500+ seating outdoor venue

±11 new businesses

Estimated Added Jobs: ±72 new jobs

Estimated Cost: ±\$5.2 Million

Completed: Summer 2018

DISTANCE TO PROPERTY: 1.0 MILES



15



THE FLIN

Developer: HSL Properties

±246 Units

±336,305 Net Rentable SF

±6,393 SF of Retail Space

Estimated Cost: ±\$42.2M

Estimated Total Economic Impact: ±\$5.2 Million annually

Estimated Completion: 2019

DISTANCE TO PROPERTY: 0.4 MILES



AC HOTEL

Developer: Scott Stiteler & Rudy Dabdoub

136 Rooms

Square Footage: ±176,000 SF

±6,000 SF - Retail

Estimated Cost: ±\$32 Million

Opened: September 2017

DISTANCE TO PROPERTY: 0.6 MILES

SOURCE: DOWNTOWN TUCSON PARTNERSHIP
RIO NUEVO
ARIZONA DAILY STAR
TUCSON NEWS NOW

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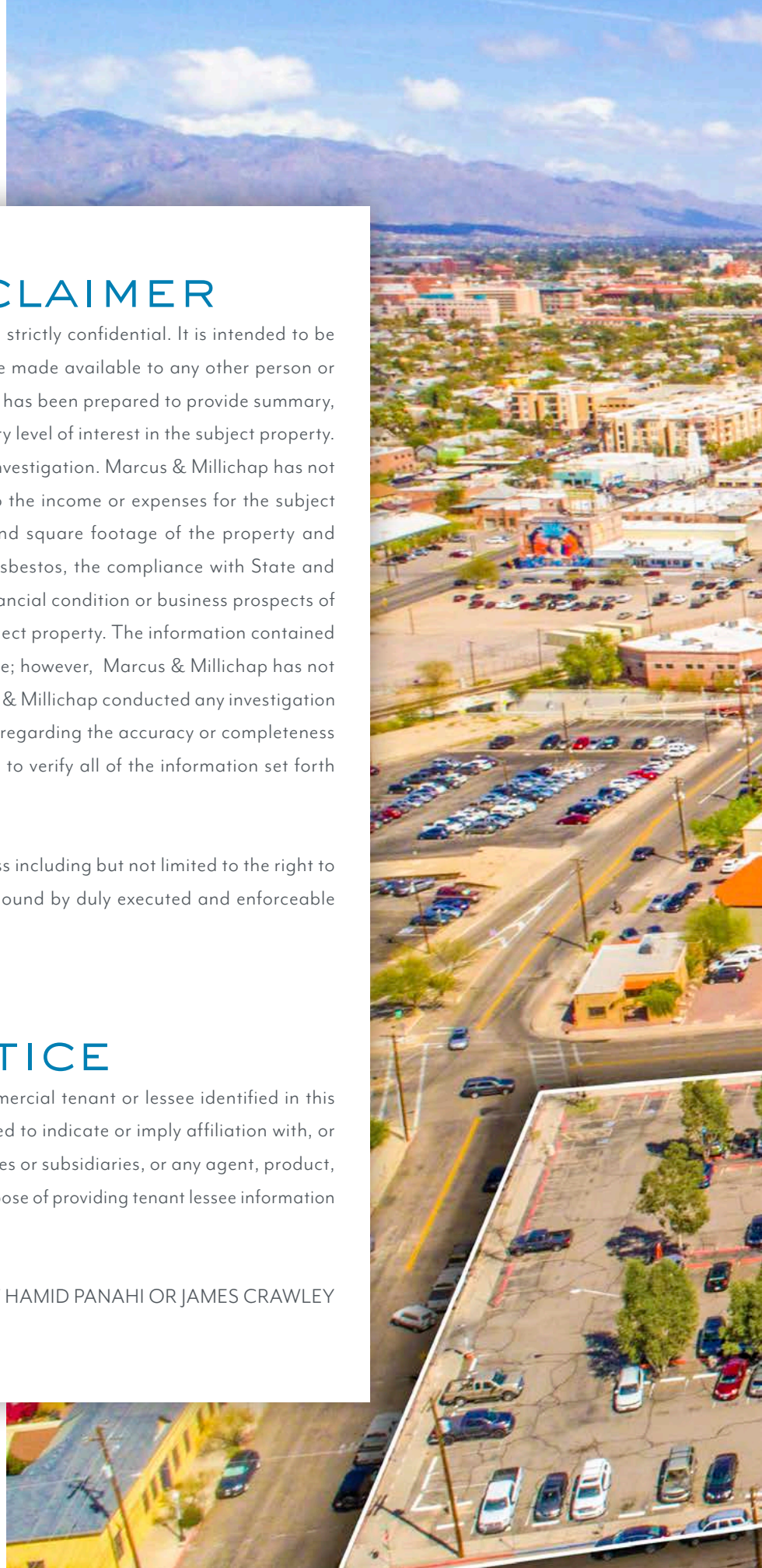
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175

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