

May 1, 2018

(Section 16 updated June 23, 2018 in red)
(Section 5 updated June 27, 2018 in red)

At the Request of the City of Tucson
Invitation to Offer to Purchase
The former Broadway Volvo Facility
930-948 E Broadway Boulevard & 935 E 12th Street
Tucson, Arizona 85719

DEADLINE - 4:00 p.m. local time, Thursday, June 28, 2018

OFFERING MEMORANDUM ("OM")

With Offer Procedures & Submission Instructions

Note: this offering is made in digital format only. It is the responsibility of recipients to make hard copies as they may wish and as required to submit any offer.

1. Notice

The City of Tucson ("City") hereby invites offers to both purchase and re-develop the property described below, currently owned by the City. Written sealed Offers to Purchase ("OTP") will be accepted at the offices of CBRE, Inc., 3719 N Campbell Ave., Tucson, Arizona 85719 up until **4:00 p.m. local time, Thursday, June 28, 2018**. Any and all sales are subject to approval of the Mayor and Council, and the City reserves the right to reject any and all offers.

2. Property Description

The Property is an assemblage of land parcels, essentially flat, in the City of Tucson totaling +/- 1.86 acres (per Assessor) at the southwest corner of Broadway Boulevard and Park Avenue (collectively, the "Property"). There are 9 legal parcels as described in the Legal Descriptions to be found in the Due Diligence section of the website at www.cot-930broadway.com. Over time, through splits and combinations, the Assessor has reduced the tax parcels to 7. These parcels are all within Pima County Assessor Block 124-07, specifically:

001A
0020
2060
2070
211B
218A
2170

The information provided by CBRE, Inc. herein has been obtained from sources believed reliable. We have not verified it and make no guarantee, warranty or representation above it. Any projections, opinions, assumptions or estimates used are for example only and do not represent the potential uses of the land parcels. Offerors and their advisors should conduct a careful, independent investigation of the land parcels to determine to their satisfaction the suitability of the land for their needs.

At the current time, McKey Street separates 218A and 2170 from the other parcels. However, the winning bidder may request a vacation and sale of the right of way to create a single contiguous parcel of +/- 2.0 acres at close of escrow. The City will deliver the Property with vacant possession at close of escrow.

Improvements consist of a former single-story car dealership with showroom, sales office, repair facilities and ancillary storage areas totaling +/- 19,000 sf. The buildings are of varying age, the oldest (948 E Broadway) was built in 1945 and the rest were constructed in the 1960's, '70's and 80's. The City expects the Property to be redeveloped.

The primary USPS address is 930 E Broadway Boulevard, Tucson, AZ 85719.

Arroyo Chico runs through a concrete culvert system beneath the front portion of the Property, identified on the Survey to be found under the Due Diligence tab at the website.

The 5 assessor parcels that constitute the main parcel fronting Broadway are in the Rio Nuevo Tax Increment Financing District. The entire Property is within the City of Tucson Government Property Lease Excise Tax (GPLET) Incentive Area. At this time, none of the Property is expected to be needed or taken for the proposed Broadway Improvement project.

The website at www.cot-930broadway.com provides general information together with an appraisal, legal description and survey, preliminary title report, development guidelines, and environmental information for the Property. The links tab provides a list of links that may also be of interest to offerors including the Broadway Improvement Project website.

3. Zoning

The current zoning is to be replaced by a Planned Area Development ("PAD") to be established jointly by the winning bidder and the City. The City has developed proposed PAD rezoning standards, held multiple stakeholder and public meetings, and undergone initial pre-PAD reviews by Planning & Development Services staff. The City will join with the winning bidder to jointly submit the PAD through the remaining steps of the rezoning application process. **The application fee for the PAD ("PAD Fee") shall be the responsibility of the winning bidder and will be non-refundable.** The status of the PAD at this juncture may be reviewed at the below website:

<https://www.tucsonaz.gov/business/broadway-volvo-site>

Contact personnel in City of Tucson Department of Transportation for the PAD rezoning are:

Jenn Toothaker 520.837.6648 jennifer.toothaker@tucsonaz.gov &/or
Tom Fisher 520.837.6752 tom.fisher@tucsonaz.gov

4. Prohibited Uses

- high density student housing/group dwelling
- convenience store with gasoline sales
- large retail establishments (defined as larger than 100,000 square feet)

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- billboards
- automotive

5. Selection

Submissions will be evaluated by a real estate committee of the City who will make recommendations to the City Manager and to Mayor and Council. Those responses that offer the greatest overall benefit to the City will be favored. Factors the committee will consider are:

- Price – the minimum offer price for consideration shall be the appraised value of the Property.
- Qualifications of bidder, including relevant experience and financial wherewithal to undertake the re-development of the Property.
- Preference will be given for transit oriented or mixed-use development.
- Aesthetically compatible design is desired, in scale with the surrounding development and neighborhoods.
- Willingness of bidder to coordinate with Neighborhood Liaisons of the adjacent registered neighborhoods, Barrio San Antonio and Miles.
- Demonstration of willingness to address neighborhood concerns regarding property maintenance, excessive noise, construction activity and other potential public nuisances.
- Demonstration of commitment to ongoing, active coordination with Neighborhood Liaisons, including Barrio San Antonio and Miles neighborhoods, throughout the rezoning process and subsequent redevelopment of the Property.
- Inclusion of street-level amenities and encouragement of pedestrian activity; and
- Use of parking strategies that encourage shared parking in existing and new parking lots or structures at or near the Property.

At its sole discretion, the Real Estate Committee may invite “highest and best offers” from all or some of the Offerors following review of the initial submittals prior to making its recommendations.

6. Offer Price

The City will consider all qualifying offers that offer, at a minimum, the appraised value of the Property. All offers submitted shall be cash only. Terms are not available.

7. Offer Security Deposit

Each completed Offer to Purchase form must be accompanied by security in the amount shown on the OTP for the Property (the “Security Deposit”), made payable to “STEWART TITLE & TRUST”, cashier’s check or money order only. No personal checks or wire transfers may be used for the Security Deposit.

8. Offer Forms

Templates for the Offer Documents may be found at www.cot-930broadway.com. Only offers submitted on these forms will be considered. Procedures & Submission Instructions may be found in paragraph 16. below.

9. CBRE Contact

Ian Stuart 520.323.5180 ian.stuart@cbre.com

10. City Rights Reserved

Notwithstanding any provision of this Offering Memorandum, the City reserves the right to:

- a. Waive any immaterial defect or informality;
- b. Reject any or all submissions, or portions thereof;
- c. Reissue a new or revised OM to Offer to Purchase;
- d. Request Offeror to submit a more detailed submission with or without proof of funds; and to
- e. Consider and accept backup offers in the event the Offeror fails to close escrow.

This Offering Memorandum does not commit the City to enter into a contract or development agreement, to pay any cost incurred in the preparation of an offer in response to this OM or in subsequent exclusive negotiations. Further, this Offering does not convey to any bidder any contractual or property rights.

11. Property Rights/Disclosure of Information

All materials submitted in response to this OM and submissions subsequent thereto, shall become the property of the City upon delivery. By tendering an Offer to Purchase, Offerors agree that the content of every other submission is confidential and proprietary and waives any right of access to those submissions during the review period. The foregoing waiver shall not apply to the submission selected under this OM, if any, or to the submission of any Offeror contesting, protesting or otherwise challenging an award or recommendation, once made. Any Offeror tendering a submission in response to this OM further acknowledges and understands that the City is a public entity required to abide by public records laws and shall not be liable for disclosures required by law.

12. Submission Rejection/Right to Disqualify

Submission of alternate terms, conditions and/or agreements may result in rejection if such terms, conditions or agreements are deemed unacceptable by the City in its sole discretion. The City reserves the right to disqualify any Offeror who fails to provide information or data specifically requested herein or who provides materially inaccurate or misleading information or data, or who does not submit their offer on the Offer Forms provided at www.cot-930broadway.com. The City reserves the right to disqualify any Offeror on the basis of any real or apparent conflict of interest. This disqualification is at the sole discretion of the City.

13. Special Terms and Conditions

A. Reservation of Rights by City of Tucson

The issuance of this OM and the acceptance of submissions do not constitute an agreement by the City that any contract will actually be entered into by the City.

B. Form and Terms of Purchase Agreement

By submitting a response to this OM, each Offeror agrees that the Offer to Purchase and fully executed Acceptance shall be the purchase agreement and that any other contract resulting from this OM may be drafted under the supervision of the Tucson City Attorney. Offerors may not insist on the use of standard contract agreements, documents or forms, and waive any demand for the use of standard agreement forms. Selection of an Offeror does not obligate the City to accept all of the terms of the successful Offeror's submission.

C. Copyright and Patent Indemnification

By responding with a submission to this OM, each Offeror agrees to hold the City of Tucson, and its officers, agents, employees, and consultants, including CBRE, Inc. free and harmless against any and all liability, including costs of claims, suits and attorneys' fees, arising from, growing out of, or incidental to the actual or alleged use of any copyrighted composition, secret or proprietary process, patented or unpatented invention, article or appliance.

D. Applicable Law

Any and all disputes arising under this OM and any contract negotiated as a result of this OM shall be governed by the laws of the State of Arizona. The venue for any action brought to enforce provisions of the contract shall be in Pima County, Arizona.

E. No Partnership/Business Organization

Nothing in this OM or in any subsequent development agreement, lease, or any other contract entered into as a result of this OM shall constitute, create, give rise to or otherwise be recognized as a partnership or formal business organization of any kind between or among the City or the Offeror.

F. Employment Restrictions and Indemnity

No person who is an officer, employee, contractor or consultant of an Offeror shall be an officer or employee of the City of Tucson. No rights of the City of Tucson's civil service, retirement or personnel rules accrue to bidder, its officers, employees, contractors, or consultants. The successful Offeror shall have the sole responsibility for all salaries, wages, bonuses, retirement withholdings, worker's compensation and occupational disease compensation, insurance, unemployment compensation, other benefits and taxes and premiums appurtenant thereto concerning its officers, employees, contractors, and

consultants. Offerors shall save and hold the City of Tucson harmless with respect to any and all claims for payment, compensation, salary, wages, bonuses, retirement, withholdings, worker's compensation and occupational disease compensation, insurance, unemployment compensation, other benefits and taxes and premiums in any way related to Offeror's officers, employees, contractors and consultants.

G. Immigration and Naturalization

All Offerors shall be required to be in compliance with the Naturalization Reform Act of 1986 and all rules and regulations promulgated thereunder.

H. Non-Discrimination Requirements

In its employment policies and practices, public accommodations and provision of services, bidder shall comply with all relevant and applicable federal, state, and local laws, regulations and standards relating to discrimination, bias, and/or limitations, such as, but not limited to, Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Arizona Civil Rights Act, the Arizonans with Disabilities Act, the Human Relations provisions of the Tucson Code, and the Mayor and Council policy adopted on September 25, 2000, prohibiting the direct or indirect grant of discretionary City of Tucson funds to organizations that have a policy of discrimination on the basis of race, color, religion, ancestry, sex, age, disability, national origin, sexual orientation, gender identity, familial status or marital status.

14. Conflicts of Interest

This OM and any award, purchase agreement, lease, or other relationship resulting from this OM are subject to the Arizona conflict of interest laws, A.R.S. § 38-501 et seq., including A.R.S. § 38-511, which provides for cancellation of contracts in certain circumstances involving conflicts of interest.

15. Brokerage Fee

OTP's that include representation by an Arizona licensed real estate broker, unaffiliated with the Offeror, will not be disadvantaged by the cost of the broker commission. The City of Tucson has listed the Property that is the subject of this OM with CBRE, Inc. CBRE, Inc. will share 50% (fifty percent) of its commission, once earned and paid, with third party, current, Arizona licensed brokers who are named by the Offeror as the exclusive representative of the Offeror on the Notice of Exclusive Representation Form to be returned with each Offer to Purchase. Payment shall be at and through close of escrow. Please Note: The City of Tucson does not permit CBRE, Inc. to share the commission with the Offeror, principals of the Offeror, or with brokers affiliated with Offeror or any assigns.

16. OFFER PROCEDURES & SUBMISSION INSTRUCTIONS

- A. Submissions **need be only one hard copy but** must be on the forms provided at www.cot-930broadway.com and must comprise, at a minimum:

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- a. Offer Acknowledgement and Receipt (“Acknowledgement”)
 - b. Offer To Purchase (“OTP”) together with:
 - i. Exhibit A – Legal Description
 - ii. Exhibit B – Sample Special Warranty Deed
 - iii. Exhibit C - Notification of Exclusive Representation (“NER”) (if applicable)
 - c. Offer Security Deposit (“Security Deposit”)
 - d. Narrative, with or without illustration(s), addressing the list of factors real estate committee will evaluate listed under section 5. Selection, including qualifications of Offeror.
- The Offer Acknowledgement and Receipt must be signed, dated and returned with each OTP submitted.
 - Offer To Purchase - All Offerors are required to present their offer on the OTP template provided at www.cot-930broadway.com which must be signed and dated by the principal or authorized corporate officer. Any offer not properly signed may be rejected.
 - Exhibit A – Legal Description – must be attached to the OTP.
 - Exhibit B. Sample Special Warranty Deed – must be attached to the OTP.
 - Exhibit C - Notification of Exclusive Representation, if applicable, must be completed, signed, dated and returned with each OTP.
 - Offer Security (“Security Deposit”) – each completed OTP form must be accompanied by the appropriate Security Deposit which should be in the form of a cashier’s check or money order made payable to **“STEWART TITLE & TRUST”** and the amount should be as stated in the Offer.
 - Narrative – may be in such form as Offeror prefers.
- B. The completed Acknowledgement for each parcel, together with the Offer to Purchase, all applicable Exhibits, Security Deposit and Narrative are to be submitted in a sealed envelope with the statement “Offer to Purchase – SWC Broadway and Park Ave.” and the Offeror’s name, address and phone number clearly indicated on the outside. Offers received after the deadline of 4:00 p.m. local time, Thursday, June 28, 2018 will not be considered. **Offeror should be prepared to follow up with a digital copy (PDF format) of the full submittal at a later date if requested by the real estate committee of the City.**
- C. The Security Deposit submitted by any unsuccessful Offeror will be returned, uncashed, within five (5) business days following rejection. In the event a successful

Offeror fails to close escrow, after removal of contingencies, then the Offer Security Deposit will be forfeited to the City of Tucson.

- D. Recommendation of Acceptance of the OTP by the Real Estate Committee will be subject to City Manager and Mayor and Council approval. The City reserves the right to reject any and all offers and to request proof of funds.

For further information, please contact: Ian Stuart 520.323.5180 ian.stuart@cbre.com

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CBRE, Inc. operates within a global family of companies with many subsidiaries and related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates, including CBRE Global Investors, Inc. or Trammell Crow Company, may have or represent clients who have competing interests in the same transaction. For example, Affiliates or their clients may have or express an interest in

The property described in this Memorandum (the “Property”), and may be the successful bidder for the Property. Your receipt of this Memorandum constitutes your acknowledgement of that possibility and your agreement that neither CBRE, Inc. nor any Affiliate has an obligation to disclose to you such Affiliates’ interest or involvement in the sale or purchase of the Property. In all instances, however, CBRE, Inc. and its Affiliates will act in the best interest of their respective client(s), at arms’ length, not in concert, or in a manner detrimental to any third party. CBRE, Inc. and its

Affiliates will conduct their respective businesses in a manner consistent with the law and all fiduciary duties owed to their respective client(s).

Your receipt of this Memorandum constitutes your acknowledgement that (i) it is a confidential Memorandum solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property, (ii) you will hold it in the strictest confidence, (iii) you will not disclose it or its contents to any third party without the prior written authorization of the owner of the Property (“Owner”) or CBRE, Inc., and (iv) you will not use any part of this Memorandum in any manner detrimental to the Owner or CBRE, Inc. If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return it to CBRE, Inc.

This Memorandum contains select information pertaining to the Property and the Owner, and does not purport to be all - inclusive or contain all or part of the information which prospective investors may require to evaluate a purchase of the Property. The information contained in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. All information is presented “as is” without representation or warranty of any kind. Such information includes estimates based on forward -looking assumptions relating to the general economy, market conditions, competition and other factors which are subject to uncertainty and may not represent the current or future performance of the Property. All references to acreages, square footages, and other measurements are approximations. This Memorandum describes certain documents, including leases and other materials, in summary form. These summaries may not be complete nor accurate descriptions of the full agreements referenced. Additional information and an opportunity to inspect the Property may be made available to qualified prospective purchasers. You are advised to independently verify the accuracy and completeness of all summaries and information contained herein, to consult with independent legal and financial advisors, and carefully investigate the economics of this transaction and Property’s suitability for your needs.

ANY RELIANCE ON THE CONTENT OF THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions at any time with or without notice to you. All offers, counteroffers, and negotiations shall be non-binding and neither CBRE, Inc. nor the Owner shall have any legal commitment or obligation except as set forth in a fully executed, definitive purchase and sale agreement delivered by the Owner.

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