

Developer Lists \$21 Million Possible Damages From Zoning Delay in Posner's Block Hi-Rise

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Trial Set for Friday, Aug. 20, in the Petitions Case

In advance of a Friday morning trial, on April 20, on the WU petitions case, developers are listing a \$20 million price tag for potential damages associated with the 14-story high-rise they plan for the Posner's art supply block on Park Avenue. A filing in Superior Court by Thomas M. Scott, the CEO of the Chicago-based developer Campus Acquisitions, asked that the court allow him to intervene in the case.

The rejected petitions case is separate from a design proceeding concerning only one block of the Park-to-Euclid zone with historic bungalows near Speedway and Euclid. Those design discussions are unfolding before the Main Gate District Design Review Committee. Conclusions will go before a zoning examiner at a hearing on April 25 who will make recommendations to the mayor and council. Scott's on-line bio says he is a CPA who has coordinated \$3 billion in transactions over 10 years. He is represented by John Hinderaker, of Tucson, and Kimberly Demarchi, of Phoenix, both with Lewis and Roca LLP.

The proposed Campus Acquisitions building will be at 1020 to 1042 N. Tyndall Ave. and 916 E. Speedway Blvd., according to the filing. The 14-story height would be allowed by a rezoning decision on Feb. 28 by the City Council. Scott's filing says the company has not yet started construction because of the petitions circulated to bring the rezoning ordinance before city voters, and because the Superior Court ordered a stay in connection with the petitions case.

A trial on the fate of the WU petitions is set for Friday, 9:15 a.m., before Superior Court Judge Richard Gordon. The city rejected the petitions, with 11,000 signatures of Tucson voters, on the basis of their format. Two signers, David Devine and David Boston, brought the suit against City Clerk Roger Randolph asking that the rejected petitions be forwarded to Pima County officials for evaluation.

The Posner's art supply store block is part of the larger area known as the West University Historic District's Transition Zone, more recently referred to as the Main Gate District. The City Council imposed new zoning to allow increased density in the area on Feb. 28. Scott's filing said his company plans to have student housing on Park Avenue ready by August 2013 at the start of the academic year.

It says potential damages to date are \$1.1 million, while expected revenues from the building are \$17,500 per day; it says developers plan to obtain a loan of \$30 million for the project. The company's analysis suggests potential damages of \$21 million if the new zoning is not in effect by April 25.