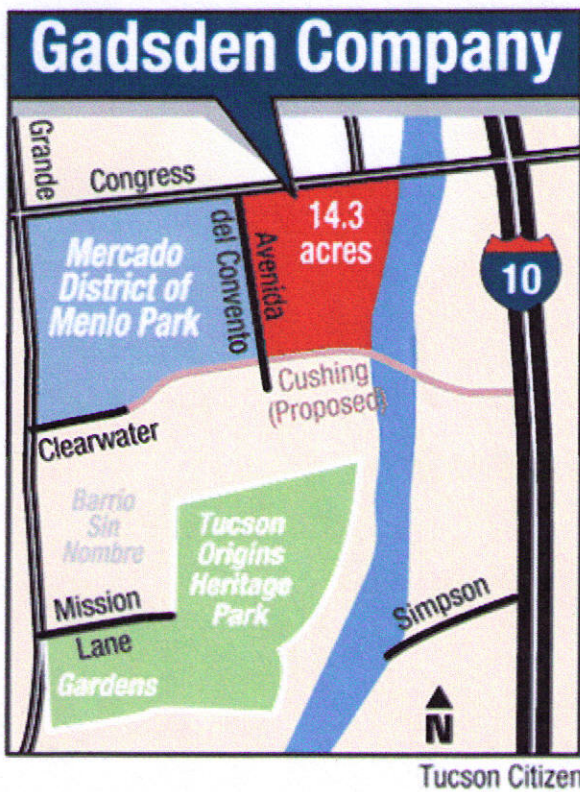


Downtown land sale OK'd for hotel, offices, 400 homes

[TEYA VITU](#) Published: 08.07.2008

The City Council on Wednesday agreed to sell 14.3 acres of prime vacant West Side land to The Gadsden Co. for \$3.3 million to build a \$300 million eight-block community with 400 homes, a hotel, retail and offices.



The plot is the final city-owned property on a 62-acre rough landscape just south of Congress Street and west of Interstate 10. The area includes the proposed Tucson Origins museum complex and the 99-home Mercado District of Menlo Park, which is being developed by the same Tucson-area family behind The Gadsden Co.

The development agreement between Gadsden and the city calls for the developer to build about 400 homes with 70 priced as affordable housing (for people earning less than 80 percent of median income) and 70 priced as work force housing (for people earning between 80 and 125 percent of median income).

Gadsden, headed by Jerry Dixon, may acquire the land in four phases over about five years with a March 31, 2009, deadline to buy the first of eight

parcels. Each phase also comes with required progress with construction.

Gadsden is required to pay for a \$250,000 performance bond when buying the first phase of the 14.3 acres and an additional \$250,000 bond for the second phase purchase, which must close by March 31, 2011. "This bond will be at risk until the last block of real estate is conveyed," Hein wrote in his memo to the City Council. "These deposits are to ensure the project is built out in conformance with the approved plans . . . and that it is done in a timely manner."

Along with the 400 homes, Gadsden plans to build a 125-room boutique hotel, a specialty grocery store and a public market that would include a six-screen theater.