

City Funded Strip Mall Rehab is Downsized

The long delayed, controversial taxpayer-funded strip mall makeover in downtown Peoria has hit another snag.

The \$1.2 million project to rehab the privately owned Wagoner Plaza 1 & 2 has to be downsized because of higher than expected construction costs, according to city staff. Construction bids on the projects near Peoria and 85th Avenues came in 40 to 50 percent higher than originally planned.

As a result, the bulk of taxpayer funds will go toward rehabilitating Wagoner Plaza 1 with any remaining funds used for Plaza 2.

The makeover of the two strip malls was questioned by the Goldwater Institute. See related article: [Goldwater review of Rehab.pdf](#)

Supporters, including Mayor Bob Barrett, Council members Cathy Carlet and Joan Evans claim there is a public benefit to using taxpayer funding to improve the private development.

Opponents claim it is a violation of a recent Arizona Supreme Court ruling that requires tangible benefit that is roughly equal to any government incentive. Staff has admitted that this makeover would be a "gift" anywhere else in the city.

Because the construction project is technically part of a 1990s redevelopment plan, in effect before the gift ban ruling, the city claims it is exempt from the court ruling. Taxpayer gifts to private developers in the Downtown Redevelopment District are "grandfathered" in, they say.

No construction start date has been released by the city.