

## Attachment A



### STAFF REPORT

To: City of Phoenix Historic Preservation Commission

From: Kevin Weight, Principal Planner

Subject: Warehouse & Threatened Building Grant Application for Western Wholesale Drug Company Warehouse, 101 East Jackson Street

---

This report recommends approval of a Warehouse & Threatened Building grant of up to \$100,000 to assist with rehabilitation of the historic Western Wholesale Drug Company Warehouse at 101 East Jackson Street.

#### BACKGROUND

The Western Wholesale Drug Company Warehouse was constructed in 1925. The reinforced concrete and red brick building was constructed by contractor T.B. Stewart, who specialized in "fireproof construction." The building is one story in height with a full basement. It served as a regional distribution point for drugs, medicine and liquors, first as part of a California-based corporation and then as a subsidiary of the national McKesson Corporation. In 1966 the building was remodeled and turned into Crown Lace and Notion Company, later organized as the Klanco Investment Corporation. In 1998 it was remodeled and turned into a music and sports-themed restaurant and bar known as "Alice Cooper'sTown." The restaurant/bar closed in 2017.

Klanco LLC, which still owns the property, recently rehabilitated the warehouse for office use. The building is now occupied by HealthBI, who moved into building in late 2018. HealthBI is a division of Equality Health, an Arizona-based company focused on improving health care delivery for underserved populations; their main office is also in the Warehouse District, at the historic Graham Paper Company Warehouse at 521 South 3<sup>rd</sup> Street.

## GRANT REQUEST

Klanco LLC is now seeking funding assistance for work already completed as part of the rehabilitation. The grant request is to provide reimbursement for the following items: replacement of doors, windows and broken glass; roof repairs; stairway replacement; demolition of non-original ramp and addition of ADA lift; removal of non-historic signage; additional structural reinforcement; water remediation in courtyard; and injections to waterproof cracks at basement walls. The total cost of these items is \$177,278.24. The owner's match would be \$1.84 million, with a total project budget of nearly \$2.02 million.

Because Historic Preservation bond funds are not available, staff is recommending that Community & Economic Development Department (CEDD) funds be used instead. CEDD funds are appropriate for this project as it has resulted in job creation and the property is located in the Downtown Redevelopment Area. However, only \$100,000 in CEDD funds are currently available. The \$100,000 in grant funds will be disbursed to the applicant as evidence is provided of work completed. The applicant will be required to provide a dollar-for-dollar match, which may include exterior work items as well as items not typically eligible for Warehouse & Threatened Building grant funds, such as plumbing, electrical, mechanical, interior or site work.

In exchange for the grant funds, the city will receive a 25-year conservation easement on the property. The easement will require preservation of the property and that it be insured and maintained in good repair.

## RECOMMENDATION

Staff recommends approval of a Warehouse & Threatened Building grant of up to \$100,000 to assist with rehabilitation of the historic Western Wholesale Drug Company Warehouse at 101 East Jackson Street.

Attachments:     Photos, Inventory Form and Grant Application