

Multipurpose Facilities District Special Election
Distrito de Instalaciones de Finalidad Múltiple Elección Especial

PROPOSITION/ PROPUESTA 400

Shall the Rio Nuevo Multipurpose Facilities District be authorized to receive and use a portion of the incremental state transaction privilege (sales) tax revenues derived from the Rio Nuevo Site, from time to time, as permitted by law, for the purposes of the Project?

PROPOSITION/ PROPUESTA 400

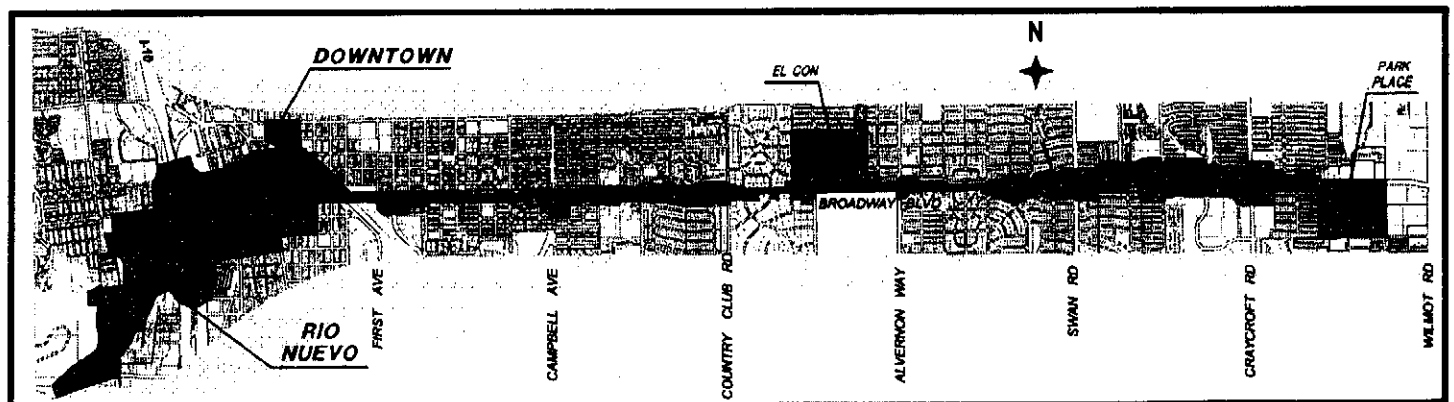
- YES/SI
- NO

Ballot Format

Frequently Asked Questions

- Q:** Why is this issue on the ballot on November 2, 1999?
A: The State Legislature recently passed amendments to existing laws that allow Tucson to keep a portion of increases in State sales tax money generated within a specified area, and use that money to help fund projects within that area. The citizens of Tucson and at least one other partner City must approve of this concept through an election on or before November 2, 1999.
- Q:** How will this affect my taxes?
A: This proposal is NOT a new tax. It does NOT increase sales taxes or property taxes within Pima County. Neither the local sales tax rate nor the state sales tax rate within Pima County would be changed.
- Q:** Who will control the money collected?
A: Expenditure of money collected will be disbursed and managed by the Rio Nuevo Multipurpose Facilities District Board. The Board is legally-bound by administrative rules and intergovernmental agreements with all three participating municipalities.
- Q:** How is the "District" Board comprised?
A: The District Board is comprised of six local officials, two each appointed by the Mayors and Councils of Tucson, South Tucson and Sahuarita. The Board reports to all partner cities but is primarily responsible to the City of Tucson Mayor and Council.
- Q:** What happens if I vote FOR or AGAINST Prop 400?
A: A "YES" vote authorizes the Rio Nuevo Multipurpose Facilities District to receive and dedicate a portion of future State sales tax dollars generated within the Rio Nuevo Site.
A "NO" vote will mean all future State sales tax dollars will continue to go to and stay with the State legislature in Phoenix to be used on any approved State legislative priority.

The Rio Nuevo Multipurpose Facilities District Rio Nuevo Site



PROPOSITION 400: THE RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

The Rio Nuevo Multipurpose Facilities District (the "District") is a special district for multipurpose facilities that has been formed by the Cities of Tucson and South Tucson and the Town of Sahuarita.

Summary

The Rio Nuevo Project is a planned multi-faceted development project, including cultural and recreational amenities and improvements, unique historic re-creations, new and expanded museums, and mixed-use developments. The multi-purpose facilities district Project Site includes the existing Tucson Convention Center arena, a necessary component of the project. The 10-year Project is estimated to cost \$320 million. Approximately \$60 million of this cost will come from a portion of future increases in State sales taxes generated within the Project Site. To qualify for this State funding, the City of Tucson is required to match this \$60 million investment. Tucson City business privilege ("sales") taxes generated within the Rio Nuevo Site and other available funds are expected to be used for the City's match. **This is not a new tax or a tax increase. This will not affect property taxes.** The voters of the City of Tucson will be asked to vote on the following question:

"Shall the Rio Nuevo Multipurpose Facilities District be authorized to receive and use a portion of the incremental state transaction privilege (sales) tax revenues derived from the Rio Nuevo Site, from time to time, as permitted by law, for the purposes of the Project?"

A "YES" vote authorizes the Rio Nuevo Multipurpose Facilities District to receive and dedicate a portion of future State sales tax dollars generated within the Rio Nuevo Site.

A "NO" vote will mean all future State sales tax dollars will continue to go to and stay with the State legislature in Phoenix to be used on any approved State legislative priority.

Should Tucson's voters authorize the District to use certain future state sales tax revenues to support the Project, the actual use of such state sales tax revenues will be dependent upon the District's Board of Directors' future approval of certain contracts associated with the construction, development and operation and maintenance of the Project and the District and the City concluding that the plan for financing the construction and operation of the Project is adequate.

Description of the Rio Nuevo Project

The Rio Nuevo Project is planned to be a multi-faceted development project, including cultural and recreational amenities and improvements, unique historic re-creations, new and expanded museums, and mixed-use developments. The Rio Nuevo Project is located in or near downtown Tucson and includes the area at the base of "A" Mountain known as Rio Nuevo. A master plan has been prepared for the Project and is provided herein. The Project will be developed by both the public and private sectors in multiple phases over a 10-year period. The master plan is subject to modification and further refinement, particularly for those portions of the Project that will be developed during later phases. The primary components of the Project are:

- **Historical:** The Rio Nuevo Project will re-create the Mission San Agustín Cultural Center & Settlement Area. Located at the base of "A" Mountain and first inhabited during the Archaic Period (1000 BCE), this area includes the Convento, a chapel, a granary and the Carrillo House. To the west are Mission Gardens and Solomon Warner's Mill. Calle de la Mision River (sic), the first European road constructed in Tucson, will again be established to connect the two sides of the river. It will also include a historically accurate

acequia, or irrigation canal. Across the Santa Cruz River in downtown, the Tucson Presidio Historic Park, located at the corner of Church and Washington Streets, will display and interpret portions of Tucson's original Presidio wall, which dates from 1775.

- **Cultural / Retail / Mixed-Use:** Plans for Rio Nuevo include a mixture of carefully designed new construction. The area just south of Congress Street and west of the Santa Cruz River will provide opportunities for mixed-use space, a community plaza and natural open space, and a museum complex. For the area east of Interstate 10, plans include an International Visitors & Trade Center, the Sonoran Sea Aquarium, a new hotel, and an IMAX theater. All new development will reflect the historic and cultural foundation established for the project. In addition, several historic buildings in downtown Tucson will be improved, including the Carnegie Library building that now houses the Tucson Children's Museum, the Tucson Museum of Art's La Casa Cordova (Tucson's oldest surviving structure), and the historic C. O. Brown House, now home to El Centro Cultural.
- **Environmental:** Significant enhancements will be made to the Santa Cruz River, including revegetation and improved recreational pathways. Improved parking, pedestrian amenities and bike pathways will be made, including new linkages under I-10 and over the Santa Cruz River. Rancho Chuk-Shon, a 15 acre site immediately south of Mission Gardens, will be re-created to reflect both the natural environment and cultural legacy of Tucson's early inhabitants. Emphasizing the balance between man and environment, Rancho Chuk-Shon will use natural materials for construction and provide amenities such as a cultural education center for families, horse facilities and trails along the Santa Cruz, a charro ring and creative play equipment for children. Open-air mercados will provide space for Native Americans and other local artisans to display their unique crafts.

Cost of the Rio Nuevo Project

The estimated total cost for the public and private portions of the Project is \$320 million. The publicly financed portions of the Project will consist primarily of the Mission San Agustín Cultural Center and area, the International Visitors and Trade Center, and infrastructure and supporting facilities associated with or related to the Project. Of the \$320 million total cost, approximately \$60 million is attributable to the City of Tucson, including \$24 million for the above project elements. Tucson City business privilege ("sales") taxes generated within the Rio Nuevo Site are expected to be used for the City's portion of the Project. Of the \$320 million total cost, \$60 million will be raised from 50% of the incremental growth in state transaction privilege ("sales") tax generated within the Rio Nuevo Site, currently imposed at a rate of 5%, during the project period. "A portion of incremental state transaction privilege (sales) tax revenues" means 50% of the state sales tax collected on the future increase in taxable business activities within the boundaries of the Project Site over the project timeframe. (See the Project Site map herein regarding the Rio Nuevo Site boundaries. A large scale map of the Rio Nuevo Site and its boundaries can be obtained from the office of the Tucson City Clerk, 255 West Alameda Street, Tucson, Arizona.)

Most of the Project's maintenance and operational costs are expected to be paid, either directly or indirectly, by the tenants, owners, and/or operators of the specific Project elements (e.g. museums, retail, etc). Costs for operation and maintenance of publicly owned and/or operated projects, such as the International Visitors and Trade Center, will be born by the City and other tenants. The anticipated operating costs for such facilities are expected to be paid from the future collection of Tucson City "sales" and bed taxes generated within the Rio Nuevo Project and from other funds available to the City. Based upon current estimates, the average annual amount of future City "sales" and bed tax revenues which are expected to be received by the City for the proposed improvements within the Project is \$2 million per year.

Specific Project Elements Included in the Rio Nuevo Master Plan

It is estimated that the revenue stream provided by the \$60 million in future increases in State sales taxes generated within the Project Site, together with the City's \$60 million match, will provide sufficient capacity to fund through bonding at least \$80 million in Project-related activities. Specific Project Elements in the approved Rio Nuevo Master Plan include*:

Specific Project Elements:	Estimated Cost to District
➤ Development of Mission San Agustin Cultural Center <ul style="list-style-type: none"> ▪ Convento Settlement Area & Carrillo House ▪ Granary, Mission Gardens, Warner's Mill, Acequia 	 \$4,000,000 \$5,500,000
➤ Completion of Rio Nuevo preparatory site improvements <ul style="list-style-type: none"> ▪ Floodplain mitigation ▪ Archaeological investigation & resource management ▪ Site prep, impact analysis, standard pre-development costs 	 \$2,000,000 \$2,100,000 \$2,000,000
➤ Enhancements to multi-modal linkages and crossings <ul style="list-style-type: none"> ▪ Mission Lane Crossing under I-10, bridge over Santa Cruz ▪ Clark/Granada bridge over Santa Cruz ▪ Other multi-modal enhancements 	 \$2,400,000 \$2,600,000 \$1,000,000
➤ Construction of Sonoran Sea Aquarium	\$10,000,000 ¹
➤ Construction of the International Visitor's and Trade Center	\$2,500,000
➤ Construction of new convention hotel	\$8,000,000 ²
➤ Construction of mixed-use residential/commercial developments	\$2,000,000
➤ Development of multi-cultural facilities within Rio Nuevo	\$700,000
➤ Enhancements to the Children's Museum	\$300,000
➤ Construction of new museums within Rio Nuevo <ul style="list-style-type: none"> ▪ Arizona Historical Society ▪ Universe of Discovery & Others 	 \$12,000,000 ³ \$10,000,000
➤ Completion of Santa Cruz River restoration project (in collaboration with Pima County)	\$3,000,000
➤ Construction of Presidio Historic Park	\$3,000,000
➤ Restoration of Fox Theatre	\$4,200,000 ⁴
➤ Enhancements to Tucson Museum of Art, El Centro Cultural & others	\$2,000,000 ⁵
TOTAL:	\$79,300,000

* Should Tucson's voters authorize the District to use certain future state sales tax revenues to support the Project, the actual use of such state sales tax revenues will be dependent upon the District's Board of Directors' future approval of certain contracts associated with the construction, development and operation and maintenance of the Project and the District and the City concluding that the plan for financing the construction and operation of the Project is adequate.

¹ Estimated total project cost is \$32,000,000.

² Estimated District costs for possible construction of public areas, parking or other public improvements.

³ An ultimate 2-to-1 match is expected for this project, whose estimated total cost is \$12,000,000.

⁴ An ultimate 2-to-1 match (or better) is expected for this project, whose estimated total cost is \$4,200,000.

⁵ 2-to-1 matches are expected for these ventures, whose estimated total costs are \$2,000,000.