

April 2013

Mission Statement

To facilitate and participate in the development of a vibrant downtown Tucson.

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Rio Nuevo

TUCSON, ARIZONA

Note from Rio Nuevo Chair McCusker

Rio Nuevo remains active in a variety of downtown projects that will soon result in a remodeled TCC arena, the launch of one or more downtown area hotels, the development of the 8.5 acres at Congress and the freeway and eventually the development of the Westside parcels just over the new Cushing Street bridge.

This month, *Second Saturday* saw nearly 10,000 people come downtown for live music, food, crafts and dancing in the street in Tucson's most popular urban street festival. With the announcement that Chris Bianco, award winning chef with restaurants in Phoenix and London, will fill out the block at Fifth and Congress, there are five new restaurants opening downtown this summer that will rival any food venue in America.

In our most recent meeting the Rio Nuevo Board authorized a RFP to solicit a survey and plat plan for the 85 vacant acres west of the freeway. The Board also voted to inform the City that the District will take ownership of the area known as the Arena lot, between Cushing and Congress along the freeway. These properties were part of the global settlement reached recently with the City that exchanged these properties and awarded Rio Nuevo tens of millions of dollars in an agreement that dismissed the Rio Nuevo lawsuits against the City.

With the new stores opening in the District like Hobby Lobby, Stein Mart and Conn's along with the new WalMart and the tax producing restaurants downtown the Rio Nuevo District has never been more financially healthy.

All Rio Nuevo expenses can now be tracked on our website without any mystery about how money is being spent or where TIF funds are allocated. Our bank accounts and cash are posted for any observer to follow and we remain committed to that kind of transparency.

As always your comments and feedback about how we are doing are welcome.

See you downtown,
Fletcher McCusker
Rio Nuevo Board Chair

Rio Nuevo advances proposals, releases clean audit

The newly reconstructed Rio Nuevo District Board has released a "clean" audit for fiscal year 2012. According to auditors, the FY 2012 profits totaled \$2.7 million dollars. At Monday's meeting of the District Board, Jim Lovelace, of Beach Fleishman, presented the final FY 2012 audit for board approval.

The Arizona Legislature took control of the Rio Nuevo District from the City of Tucson and created an independent volunteer board tasked with accounting for TIF monies and facilitating downtown development in a transparent manner. This is the first "unqualified" or clean audit issued by Rio Nuevo.

Auditors worked with Rio Nuevo CFO, Bill Allen, to clear the books of construction projects that had long been abandoned and had no actual value. Construction in Progress accounts are used during the period large projects are being built. Once completed the projects are then moved to a capital asset account and depreciated. If a project is abandoned the project costs should be immediately expensed.

Rio Nuevo had several large projects that remained treated as an asset, including the never realized convention center hotel, with a value of nearly \$10,000,000. Other terminated projects included an expansion of the Tucson Convention Center and TCC parking garage that were never completed.

The audit reserved almost \$4 million of Fox Theatre debt as highly risky, and unlikely to be repaid. The TCC's east entrance project also remained in the Construction in Progress account despite having been completed some time ago. These assets combined for \$19,200,000 which over stated the assets of the District.

Consequently the District's asset base has been reduced by a little over \$19 million.

However, Rio Nuevo won several valuable properties in the settlement agreement with the City of Tucson and as a result the District's assets will improve in 2013.

The Auditor General's staff will be visiting Rio Nuevo Board and staff this summer at which time the Rio Nuevo Board will hand over the results of the forensic audit work that led to the global settlement. The Auditor General along with the FBI, and Attorney General have the authority to prosecute anyone previously associated with the questionable expenditures that are part of Rio Nuevo's legacy. The Rio Nuevo Board believes that the audit work done by RCM may prove to be a valuable asset to those authorities.

New Pueblo features long time downtown merchants and newcomers

The New Pueblo radio show, hosted by Dave Sitton has featured great downtown merchants this month, including Richard Oseran of the Hotel Congress and Steve Tracy of Thunder Canyon Brewery.



Hotel Congress

Richard Oseran and his wife Shana are credited with keeping downtown alive and relevant over the years, as others have come and gone. The Hotel Congress has been in operation since it first opened in 1919.

The Oserans have played that key role in Tucson's downtown ever since they purchased the Hotel Congress in 1985. They added Club Congress and the Cup Café over time making it an attractive stop for all ages.



Hotel Congress is the longest continuously operating alternative music club west of the Mississippi. The Oserans also own Maynards.

Next month, Tucson's best bartenders will go head to head to be named the winner of the 5th Annual Agave Fest, kicking off Cinco de Mayo weekend on Friday, May 3 at 7 p.m.

The 5th Annual Agave Fest will take place on the Hotel Congress plaza. Cup Café will serve up Chipotle Beef and Potato & Roasted Poblano Tacos, along with a salsa bar that boasts unique combinations like Pineapple, Strawberry-Chipotle, Cucumber-Pickled Onion, Mezcal-Spiked Guacamole, and more. Dos Equis, Pacifico, and Negro Modelo beers will be on sale in the beer garden.

Thunder Canyon Brewery

Thunder Canyon's objective is simple: They serve the finest, hand-crafted beers produced from a working, on-site brewery; they offer healthy, contemporary bistro-style cuisine; and they serve it all up in a fun, clean and friendly environment.

Steve Tracy, owner of Thunder Canyon Brewery, recently opened a new location downtown at 220 East Broadway, at the corner of 5th and Broadway.

The award-winning brewery usually offers eight beers on tap plus three “guest” brews from other suppliers.

Thunder Canyon has a full bar including frozen/blended drinks, shooters and more.

Guests can even book a private party complete with Sampler Packs of every beer they have on tap. Thunder Canyon also offers a secluded "upstairs" area for big parties.

Thunder Canyon offers growlers and kegs available to go.

Thunder Canyon also offers Daily Specials, throughout the week.

Thunder Canyon's food is prepared fresh using only the best ingredients. They use only their homemade, spent-grain pizza dough, which is fired per-order in their brick oven pizza. Their salad dressings are homemade and the burgers are ground in-house.

Thunder Canyon has offerings for vegetarians, people with dietary restrictions, low-carbers and more. They are not a chain, so they can easily alter their fresh made food to fit diners' personal needs.



The Rio Nuevo District Board wants to hear from you. Please contact us at:

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