For Immediate Release: "**IRS makes "No Change" finding on 2002 City of Tucson bonds**

Organization: Rio Nuevo District Board   Contact: Michele Bettini, 520-623-7336

The Rio Nuevo District Board received a letter today from the Internal Revenue Service regarding the Agency's audit by of the bonds issued to the old Rio Nuevo District in 2002 through the City of Tucson. The audit was a routine matter and the District cooperated fully with the Agency

In the letter, the IRS advised the Rio Nuevo District Board that the IRS has "made a determination to close the examination with no-change to the position that interest received by the beneficial owners of the Bonds is excludable from gross income under Section 103 of the Internal Revenue Code." The IRS thanked the District for its cooperation.

The 2002 bonds were issued before the reconstituted board was placed in control by the Legislature. Prior to 2010, the City of Tucson controlled the Rio Nuevo District. In 2010, the Arizona Legislature, due to concerns about waste and mismanagement, placed the District under the State's control.

About Rio Nuevo: In 1999 voters approved the creation of the Rio Nuevo Multipurpose Facilities District (District). The District is both a municipal stadium district and a state taxing district. The voters authorized the District to receive an incremental portion of State-shared funds derived from transaction privilege taxes (i.e. sales tax called TIF Funds) collected from within the District boundaries within the City of Tucson city limits.

Tucson at large is the beneficiary of strategic investments to stimulate the marketplace and support new private sector development. The District's TIF Funds are to be strategically invested in public and public/private projects towards a shared vision for a vibrant Tucson city center by leveraging downtown Tucson's unique competitive advantage as the region's urban and cultural center.