



Rio Nuevo Advances Three Significant Public/Private Partnerships

At its October 25th meeting, the Rio Nuevo District Board unanimously approved releasing the Request for Qualifications to solicit a Design Team for the new Caterpillar headquarters building located west of downtown. The Board also approved a timeline for soliciting a General Contractor as early as November, with the stated hope to allow Caterpillar to occupy the new building in the spring of 2019. Rio Nuevo's agreement to build and lease this headquarters building was instrumental in recruiting Caterpillar to Tucson from Milwaukee - a move that will create an estimated \$2 billion dollar economic impact over the next ten years.

The Board also unanimously approved four new projects downtown in partnership with Peach Properties and Dabdoub Investments. Rio Nuevo will invest up \$4.4 million dollars in four iconic restorations, the projected value of which upon completion will be in excess of \$19 million dollars. The Chicago Store, the Arizona Hotel, the Brings Chapel on South Scott, and 123 South Stone will each be a mix of retail, food and beverage which the developers estimate will create over \$1.3 million dollars per year of direct tax benefit within the District. Restaurateur Chris Bianco announced (via videotape) that he will partner with the developers to keep his highly rated restaurant in downtown Tucson. A number of known businesses from EXO Coffee to the restaurant operators behind Obon Sushi were announced as tenants. (Much of the developers' presentation has been posted to www.rionuevo.org.)

In addition, the Board advanced its commitment to developer Don Bourn to help launch City Park - a 50,000 square foot entertainment complex at Congress and Scott. Bourn announced that he has obtained financing from Bank of Tucson, has received binding commitments for \$5 million dollars of private equity, and has contractor and tenant agreements signed. In collaboration with the City and the developer, Rio Nuevo will advance \$2.6 million dollars to the \$17 million dollar budget for the new retail project.

The auditors responsible for the Arizona Auditor General's performance and compliance audit of the District also presented the

results of the 2016 audit to the full Board. The auditors informed the Board that for the first time in Rio Nuevo history, the District is in 100% compliance with the statutes. The auditors complemented the Board on its transparency, its "open books" and its recent successful projects, including the continuing renovation of the TCC Arena, the new Greyhound Bus Terminal, the Mercado Annex and the Caterpillar Headquarters, as great examples of public/private investments. In so doing, the auditors acknowledged the Board has leveraged state tax dollars by almost ten to one.

"This is our most productive time," said chairman Fletcher McCusker, "and the results are visible all throughout downtown.

We are a model state agency and have demonstrated, in spades, the value of public/private partnerships where risk is shared."

"Lenders are engaged finally in our downtown, housing projects are filling in vacant lots, developer and equity partners have new skin in the game and the buzz about downtown has been featured recently in The New York Times, USA Today, American Airlines Magazine and The Smithsonian Magazine. This is our time and people around the world are noticing," McCusker concluded.

Organization: Rio Nuevo

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