



For Immediate Release
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Rio Nuevo Board Approves 2018-19 Budget, Advances Leases for 75 E. Broadway Project

The Rio Nuevo Board on Thursday approved a nearly \$16 million budget for fiscal year 2018-19 and advanced the execution of leases for the 75 E. Broadway retail/office/parking project.

Revenue in the fiscal year, which began July 1, is expected to exceed expenses by \$2.9 million, which Board Chairman Fletcher McCusker said would be invested in economic development projects.

Board Treasurer Chris Sheafe said, “We’ve got a long way to go to turn this community into the community it was meant to be.”

Revenue includes sales tax that the state collects from businesses in the Rio Nuevo Multipurpose Facilities District and returns to Rio Nuevo for investment in economic development projects in the district (an anticipated \$13.2 million). It also includes rent from the Tucson Convention Center (\$1.28 million) and Greyhound (\$76,000).

Expenses include principal and interest payments on bonds issued by Rio Nuevo for its projects as well as those issued by the City of Tucson-run Rio Nuevo board before 2010. Expenses also include \$1.29 million in rebates of Rio Nuevo’s share of sales tax from the businesses at 5 North Fifth, the TCC and Mercado Annex to the owners or developers of those projects.

Expenses include salaries for Rio Nuevo’s Chief Financial Officer and Administrative Director along with payments for legal services and other operating expenses.

To accomplish what it has with only two employees, Sheafe said, means board members have put in many hours of volunteer time, resulting in “enormous value for the community.”

Expenses also include \$146,000 for Project for Public Spaces (PPS) to assist with the revitalization of 39 parcels that the City of Tucson is acquiring for its Broadway widening project and that will be developed and reactivated by Rio Nuevo as part of the Sunshine Mile. PPS’s engagement will be to work with stakeholders and the public during this process.

The Board voted unanimously to authorize counsel and executive officers to finalize and execute a ground lease with Pima County for 75 E. Broadway and a sublease with J.E. Dunn, which will be constructing the retail/office/parking project there. Architect Phil Swaim told the board that J.E. Dunn expected to begin construction at the end of 2018.

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The creation of the Rio Nuevo Multipurpose Facilities District was approved by Tucson voters in 1999, along with an appointed Board, to invest state tax dollars in public and public/private projects to create a vibrant Tucson core. For every dollar the Board invests, the community reaps \$10 of construction activity with projects like the AC Hotel Tucson by Marriott, the Arena, Greyhound, the Mercado Annex, City Park, the Marist project and Caterpillar. For more information, visit <http://rionuevo.org>.