

June 18, 2009

I am concerned about the future of the Rialto Theatre.

Tuesday, we had an opportunity to support a Development Agreement [DA] that's been in the works for 6 months. It is important to note this was an Incentives agreement. The Developers already own the entire Rialto block except for the Theatre itself, which is owned by the City of Tucson through the Rio Nuevo Facilities District. This agreement was designed to get redevelopment of this block under way NOW, despite the dismal state of the economy, setting the stage for other developers to want to invest in the area without future incentives.

The Development Agreement included several important 'gives' on behalf of the Rialto:

- The Developers would have given the Rialto Theatre a 1,000 sq. foot bay for new bathrooms;
- The Developers would have given the Rialto Theatre 450 sq. feet at the northeast corner of the building to provide adequate space and a great entrance for the Theatre's own bar, downstairs.
- The Developers would have provided \$400,000 to the Foundation for development of the bathrooms and the bar. [This was NOT a loan! No repayment was required.];
- The Developers would have installed an elevator that would have made the balcony of the Theatre handicap accessible for the first time. In exchange, the Foundation would have provided access so balcony patrons could go to the Developers' bar upstairs before and after shows, with appropriate protections both to assure they've paid to enter the Theatre and that liquor law provisos are met.

There was intense pressure from the Rialto board that the Developers also had to give them the 2,500 square foot Green Room/Office space. The problem is the Developers have other plans for that building. But, I believe that issue was taken care of with this additional concession:

- The Theatre would be given use of the Green Room rent-free guaranteed for 5 years. After that, a series of 5-year leases would be negotiated at market rate. When the Developers were ready to raze the Broadway building for redevelopment, Green Room facilities would always be made available to the Theatre on the Rialto Block at market rate rent.

There were many other elements in the DA, including incentives to move forward NOW with renovating the ground floor of the Rialto Block, bringing in a major art gallery and JANOS, in his important return to Downtown. Several small nonprofits would have received important funding support, including WAMO, Skrappy's youth program and the new artist in residence program called 'Distributor', creating an important upgrade of one of the gateways to Downtown.

My motion to express strong support for the Development Agreement, just working to retool a couple of language points to clarify the deal, failed to gain support. Yes, there were a few changes needed, but I believe the basic framework was in place and felt we needed to confirm it since the deadline to which we agreed was June 17th (the next day). I believe we had a deal that would greatly benefit Downtown's East End, the Rialto Theatre and Downtown revitalization as a whole. The developers would also reap benefits in the form of City property earned in exchange for their risking their cash redeveloping before the economy turned around. Instead, Council voted to delay the decision for three weeks so the parties could continue to talk and work out details.

The problem is, the Developers did not agree to such a delay. In fact, they weren't even asked! So the current deal is likely dead. The biggest loser

is the Rialto Theatre. Others include WAMO, Skrappy's and Distributors. But really, we all lose.

Bottom line: I believe this multi-faceted development agreement was in the best interest of our community as a whole: it protected and strengthened an important City asset, the Rialto Theatre; it provided a necessary 'push' or incentive to getting this project moving quickly, providing a boost to other local restaurants, retail, commercial business, neighborhoods; and it gave the business community the confidence that the City would be a partner in getting our economy moving again.

My commitment to you ... and our community ... is to work hard to bring specific elements of this agreement back to life. I will push to make a deal to bring Janos and other businesses to the Rialto Block a reality. I will push to get at least the 1,000 square feet for expanded restrooms back on the table to strengthen our City- and Facilities District-owned Theatre. I hope we can still find a way to work with the Developers to improve our Sixth Avenue gateway into Downtown ... and the nonprofits that are part of that corner. I don't know how successful I'll be, but those elements are all SO important for our community's future.

I'll keep you posted.

Nina

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