



MEDIA ADVISORY

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Since the 2009 City Council race I have been in the fore-front of pointing out the legacy of failure that attaches to Rio Nuevo while also pushing for reforms and progress.

Where we are

The report of the State Auditor General confirmed that there is plenty of blame to spread around. That report made it clear that the City of Tucson was using the Rio Nuevo Board as an arm of the City and as such was the major driver of the loss/mismanagement of roughly \$200 million taxpayer dollars. And yet the audit also made it clear that neither body acted in a unilateral fashion, and that both the City and the Rio Nuevo Board jointly agreed on the many projects that accounted for the lost taxpayer dollars. The audit properly called it "gross mismanagement" of taxpayer dollars. The mandated State audit could not show us where and how the money was spent due to both the limited scope of the audit, and the inability to locate adequate records to pinpoint the spending. Because of these circumstances the TIF funding that comes in every year is virtually all eaten up by debt service for design fees for ill conceived projects, or for projects that have yet to be completed. The Rio Nuevo legacy is best summed up by the giant hole in the ground that was to be the Cultural Plaza. That stands as the metaphorical wound that we never seem to allow to heal.

What I have proposed

Over the past year I have tried to encourage both parties to concede some level of culpability and to find a way to move forward. But a year has gone by since the newly reconstituted Board was appointed and we still have that open wound between us

In the past year I have carefully monitored and brought to the public's attention many items that warranted scrutiny, including:

- The potential loss of over \$200 million in taxpayer dollars related to the Sheraton Hotel
- The lack of transparency in Rio Nuevo projects
- The need for a joint meeting to discuss the future of Tucson
- The ramifications of the State Performance Audit
- The continued use of city general funds to support projects and plans
- The need for a "term sheet" to establish a foundation for a new and productive relationship between Rio Nuevo and the City.
- The need to use funds to rehabilitate the Convention Center

- The requirement that the City staff and officers MUST support and provide any pertinent information in any investigation of Rio Nuevo actions and projects.
- I have asked for the standing item on Rio Nuevo to be placed on the Council agenda so that every meeting these items are discussed.
- Someone from my staff attends every Rio Nuevo meeting.
- I have worked as a conduit between City staff and the new Rio Nuevo Board leadership.

But here we are. No progress has been made in the relationship. And once again the blame cuts both ways. There is a constant friction between City staff and the Rio Nuevo Board. The Rio Nuevo Board has been empowered for a year and has spent tens of thousands of dollars on attorneys and audits. They have also stopped payment on several projects (with votes from the three prior members who voted to fund them in the first place) but have not made any decisions on moving forward. The State has selected four new members and the rhetorical blame game has resumed without any ideas about how to revitalize our downtown. The wounds will not heal and once again the vision of Rio Nuevo will languish as the taxpayer dollars disappear.

What I propose for the future

Because I have worked to bridge the gap between the two bodies and I have advocated looking forward and not in the rear view mirror, my actions and words are being misconstrued to appear as though I am looking to absolve the past mistakes. I am not. Therefore I recommend and will actively promote the following actions:

1. A resolution (hopefully endorsed by both the City and Rio Nuevo Board) to the State Attorney Generals Office requesting a full investigation of the losses associated with the Rio Nuevo projects. The City Council has already voted to support any audit or investigation that comes forward. It is now time to take the next step and request that one be brought forward, and let the chips fall where they may.
2. Identify a conduit to facilitate a joint City/Rio Nuevo visioning session, with citizen input, to seek consensus as to a vision for Downtown redevelopment going forward.
3. Support a continued civil discussion surrounding the “term sheet” per the mutually agreed extension of consideration (approved by City Council on February 23, 2011 and approved by the Rio Nuevo Board). Understanding that until resolution of liability and any other accusations by the Attorney General or any other investigative body, a resolution is difficult.
4. Support and direct a continued effort by the City to encourage private development in Downtown. Continue working with the Downtown Tucson Partnership to move this goal forward.

It is far past the time to move beyond the rhetoric that seems to continue to prevent these two bodies from doing the work of the taxpayers. We must resolve the issues and move forward. The legacy of Rio Nuevo is that little was accomplished, but lots of taxpayer money was spent. The past year has only seen an extension of that legacy. Both the City and the Rio Nuevo Board need to heed that lesson and find an appropriate way to deliver accountability and progress. You as citizens of Tucson deserve nothing less.

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