

# Peach-Dabdoub Downtown Tucson Revitalization Projects Underway



## Peach-Dabdoub Projects in Downtown Tucson

TUCSON, Arizona – The final piece of a public-private partnership between the **Rio Nuevo District**, **Peach Properties** (Ron Schwabe, manager) and **Dabdoub Investments** (Marcel Dabdoub, manager) has been assembled. Schwabe and Dabdoub acquired 123 S Stone Avenue in Tucson for \$1.25 million (\$116 PSF).

As part of the **Public-Private Partnership** (P3) project, Rio Nuevo will invest up to \$4.4 million dollars in restorations of four iconic buildings, the projected value of which upon completion will be in excess of \$19 million dollars. The four downtown properties include **The Chicago Store**, the **Arizona Hotel**, the **Brings Chapel** on South Scott, and **123 South Stone**.

Each of the properties will be a mix of retail, food and beverage which the developers estimate will create over \$1.3 million dollars per year in direct tax benefit within the District.

Restaurateur Chris Bianco has announced that he will also partner with the developers to keep his highly rated restaurant in downtown Tucson, along with a number of known businesses from EXO Coffee to the restaurant operators behind Obon Sushi were announced as tenants.

To learn more, see [RED Comp #4483](#).

Much of the Peach-Dabdoub presentation for the Downtown Tucson

Revitalization of these properties is posted here for viewing.

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## **Three Significant Public/Private Partnerships Advance Downtown Tucson**

✘ TUCSON, AZ – At its October 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 to \$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](http://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.