

Board of Supervisors Memorandum

September 15, 2020

Termination of Old Tucson Lease

Background

In my September 8, 2020 Memorandum (attached), I shared with the Board the pending closure of Old Tucson Studios and indicated that this item would be brought to the Board of Supervisors on the September 15 Addendum Agenda.

As noted in the September 8, Memorandum, Old Tucson Studios has weathered wars, changes in State laws, financial downturns, fires and natural disasters. A decline in overall profitability began with the fire in 1995 that destroyed many of the structures and contents coupled with significant rebuild obligations, changes in how movies were produced and financed. The Great Recession and changes in State Laws that have impacted attractions like Old Tucson have added substantial challenges. The COVID -19 Pandemic and the inability to host crowd-based events like the annual *Nightfall*, have become the final hurdle that Old Tucson Studios could not clear.

Operating under a lease originally entered into in 1973 with the predecessors of the current company, Old Tucson Company (OTC), Old Tucson Studios utilizes up to 180 acres within 360 acres of land leased from Pima County, adjacent to the Tucson Mountains and close to the Saguaro National Park.

Recommendation

While the lease is scheduled to expire December 31, 2023, Pima County recognizes the negative impact that an empty and unused property could have on the nearby natural desert landscape. Therefore, it is in the best interest of Pima County, as the ultimate caretaker of the property, to protect and preserve the land as well as building improvements and infrastructure. I recommend the Board of Supervisors terminate the lease with the Old Tucson Company (Contract 04-00-0-100206-0123), effective September 15, 2020.

Sincerely,

C.H. Huckelberry

County Administrator

CHH/mp - September 9, 2020

Jan Lesher, Chief Deputy County Administrator
Carmine DeBonis, Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services



MEMORANDUM

Date: September 8, 2020

To: The Honorable Chairman and Members

Pima County Board of Supervisors

From: C.H. Huckelberry,

County Administra

Re: Old Tucson

Since 1939, with Universal Studios filming of the movie *Arizona*, Old Tucson has been a landmark in Pima County and the site at which more than 400 movies and commercial videos have been filmed. Known by the slogan, "Old Tucson is just ten miles and more than 100 years from downtown!", several generations of area residents and visitors from around the world have enjoyed touring the movie studio and western theme park and attended special events since it opened to the public 60 years ago.

Over the decades, Old Tucson has weathered wars, changes in State laws, financial downturns, fires and natural disasters. A decline in overall profitability began with the fire in 1995 that destroyed many of the structures and contents coupled with significant rebuild obligations and changes in how movies were produced and financed. The Great Recession and changes in State Laws that have impacted attractions like Old Tucson have added substantial challenges. The COVID-19 Pandemic and the inability to host crowd-based events like the annual *Nightfall*, have become the final hurdle that Old Tucson Studios could not clear.

Operating under a lease originally entered into in 1973 with the predecessors of the current company, Old Tucson Company (OTC), Old Tucson utilizes up to 180 acres within 360 acres of land leased from Pima County, within the Tucson Mountain Park and close to Saguaro National Park. While the lease is scheduled to expire December 31, 2023, Pima County recognizes the negative impact that an empty and unused property could have on the nearby natural desert landscape as well as protection of the fixed assets of Old Tucson that belong to Pima County. Understanding, therefore, that it is in the best interest of Pima County, as the ultimate caretaker of the property, to protect and preserve the land, I propose the termination and release of OTC from the Old Tucson lease and Pima County assumption of control effective Monday, September 14, 2020.

To ensure the safety of the property, the County will provide needed utilities, insurance and staffing to maintain minimal security 24 hours a day, seven days a week and management activities to ensure needed utilities and infrastructure do not deteriorate.

The Honorable Chairman and Members, Pima County Board of Supervisors

Re: Old Tucson September 8, 2020

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Pima County will establish a Task Force to consider how the property might be repurposed with the goal of having an operator in place within the next six to eight months. The Task Force will include representatives of cultural and natural resource agencies and will make recommendations about what kind of a leisure, natural and/or cultural attraction might successfully operate at this location.

I believe that a beneficial public use of the property will be found that respects both the history and natural environment of the property. An agenda item will be placed on the September 15, 2020 Addendum Agenda requesting formal approval by the Board of Supervisors of the lease termination.

It is important to note and respectfully acknowledge the decades of commitment to the unique heritage to the facility and the Tucson Mountain Park made by the Old Tucson Corporation. Their stewardship allowed the world to enjoy a landmark attraction yet maintained the historic and cultural integrity of the land for the people of the Pima County.

CHH/anc

c: Jan Lesher, Chief Deputy County Administrator Diane Frisch, Director, Attractions and Tourism