

Approved by the Board
June 9, 2004

Minutes of the Rio Nuevo Multipurpose Facilities District Board

March 16, 2004, 6:00 p.m. at the Rio Nuevo Community Meeting Room, 52 West Congress, Tucson, Arizona.

1. Roll Call

The meeting was called to order at 6:05 p.m.

Board Members present: Ruben Suarez, Corky Poster and Arlene Lopez.

Board Member absent: Olivia Hernandez

Rio Nuevo Staff Members present: John Updike, Karen Leone and Virginia Monyak

Attorney for the Board: Tim Pickrell, Snell & Wilmer

Guest: Marty McCune, Historic Preservation Officer, City's Urban Planning & Design Department

Ms. Lopez was welcomed to the Board.

2. Approval of November 5, 2003 meeting minutes

Mr. Poster moved to approve the minutes. Ms. Lopez seconded the motion. The minutes were approved unanimously. Motion passed 11 to 0.

3. Executive Session – Lease of Real Property at 149 N. Stone

Mr. Poster moved to go into Executive Session. Ms. Lopez seconded the motion. Board members passed the motion unanimously and went into Executive Session at 6:10 p.m.

4. Board Direction Regarding Executive Session – Lease of Real Property at 149 N. Stone

Board members returned from Executive Session at 6:40 p.m.

Mr. Poster moved to direct staff to proceed as discussed in Executive Session. Ms. Lopez seconded the motion. Board members approved the motion unanimously. Motion passed 11 to 0.

Board members were asked if the Tucson Origins Heritage Park item could be discussed out of order so that Ms. McCune could make her presentation. The board agreed.

5. Tucson Origins Heritage Park

Ms. McCune started her presentation by referring them to the Fact Sheet and chart developed by the Rio Nuevo CAC, which compares the project elements with Tucson Origins, the 1999 Election and the 2001 Master Plan.

The Tucson Origins Heritage Park Master Plan, which was developed by the WLB Group, has two components. The west side includes an interpretive center, reconstructed buildings from the Mission San Augustin, Mission Gardens, Ancestral Villages, a Festival Area and Plaza. The east side, located at Church and Washington includes reconstruction of a portion of the Presidio wall, display of archaeological remains as well as marking the boundaries of the wall throughout the downtown area.

The construction schedule calls for three phases

Phase I

Estimated cost: \$11.4 million

Description: Phase I will construct the Presidio interpretation at Church and Washington, marking perimeter of the Presidio, constructing Mission Gardens, completing west side archaeological investigations, landfill remediation, installing utilities and constructing streets.

Schedule completion of Phase I: 2006.

Discussion: The Rio Nuevo District will be asked to fund \$7 million.

Phase II

Estimated cost: \$7.8 million

Description: Phase II will reconstruct the San Augustin Mission complete including the Convento, chapel and granary, mission walls, walls around two cemeteries, restrooms, catering pad, ramadas, and landscaping.

Schedule completion of Phase II: 2009.

Phase III

Estimated cost: \$19.3 million

Description: Phase III would complete several of the remaining elements: Festival Area/Plaza, Interpretive Center, Ancestral Villages, Carrillo House/Mexican Era Complex, Cienega Complex, Learning patch, and Site Improvements. Some of these elements could be funded through donations from specific support groups.

Schedule completion of Phase III: Undetermined.

Discussion:

Staff is talking to the State Museum and Arizona Historical Society as well as other possible partners. Ms. McCune mentioned that the RNCAC might be recommending that RN funding be contingent on all parties working together.

Mr. Poster asked where the renderings for the Chapel were derived from. Ms. McCune responded that they were derived from photos, discussions and general architectural for the period.

Ms. McCune stated that the Business Plan estimates attendance as a stand-alone project as being 100,000/year. However, if the project were put together with a museum cluster, not only do the attendance figures go up to 160,000, but also the costs go down. It is anticipated that the City would fund the first two years of operation at a cost of \$400,000/year to get it started. The main source of funding would be TIF. Other sources are the City of Tucson, endowments, grants, corporation donations and individual donations. This item is scheduled to go to Mayor and Council in June.

Mr. Poster asked how the funding works. The Board has been asking for a 2:1 ratio on its projects. How would this principal apply to the project? He's concerned that the money won't be raised and the City will have to take it over. What if other non-profits start approaching the board for funding? Also, he asked if the Presidio site on the eastside would be managed by the same non-profit, since the two sites are located $\frac{3}{4}$ miles apart? Perhaps options should be explored.

Ms. McCune said that this project was always intended to be funded through TIF money and that the 2 to 1 ratio doesn't apply to this project. Marty said that the two sites go together and would be managed together.

The total project cost is estimated at \$38.5 million.

6. **Master Plan Update**

The original Rio Nuevo Master Plan was approved in April 2001. A lot has happened since then. The aquarium was deemed infeasible, there are 13 acres of housing going in, we know more about the Origins project and there's an increased focus on entertainment and a new Arena is being proposed. All these changes require us to update the plan before we proceed any further.

Planners Ink was awarded the contract to conduct the Rio Nuevo Master Plan Update. The focus of the Master Plan amendment will be on the area bounded on the west by Mission Road/Grande Avenue, on the east by Granada Avenue, on the south by the Clearwater alignment, and on the north by Congress Street, in Downtown Tucson. This is approximately 80 acres of the 300 acres of the Rio Nuevo project. The area includes vacant City owned property on the westside of the Santa Cruz River and on the east side of I-10; the Tucson Convention Center's parking facilities. Project elements such as the Origins Heritage Park, Mercado at Menlo Park, UA Science Center, proposed Arena and commercial and mixed-use development opportunity sites. It was the City's desire that a firm with no previous experience

with the project amend the Master Plan to obtain a new perspective with a new “eye” on the project.

Workshops have been held with landowners and stakeholders in the area and the team has met with the Menlo Park Neighborhood. Two open houses are scheduled next week.

Recent changes will be reflected in the plan. Options for the Civic plaza will be rolled out, which will include parking underneath. The City/State parking garage will be expanded. The Greenway project will show how it can fit in with the Civic Plaza. Future development of the Santa Cruz Riverbank will be explored. An additional 20 acres of developable land will likely include housing.

Discussion:

Mr. Poster wanted to know if the State Museum and Historical Society will be consolidated. He also shares the University of Arizona’s concern that not enough attention is being paid to Open Space. He also inquired about the grade separation occurring west of the TCC and south of Congress.

Mr. Updike said they are looking at options. The visitors center might be consolidated. Meetings have been held with the MTCVB and Tucson Indian Center too. Right now the focus needs to be on looking at what’s going on in the area before we start looking at open space. As for the grade separation it is definitely something they are looking at. That’s why they are proposing a parking garage below grade, with the entrance occurring from a depressed Granada Avenue. The plaza would sit on top of the parking garage surrounded by associated buildings.

The Master plan update will be ready for final public and board comment by no later than April 1, 2004.

7. Arena Project

On January 26, 2004 Mayor and Council was requested to authorize staff to issue two requests. The first for an arena developer and the second for a third party to conduct a feasibility study of any proposal(s) that result from the arena developer solicitation. New arenas are being built with partnership with private developers and this process will allow the City to formally engage these developers and would be the first step in evaluating the viability of this concept for our community. Staff also requested that they be allowed to issue an RFP for a feasibility study on a possible new arena in Tucson. The study will analyze the preferred proposal from the arena development solicitation. If the arena is relocated, the current arena site could be used for improvements to the Tucson Convention Center to add 50,000 square feet of new meeting facilities that would make it more attractive to convention groups.

Discussion: As we all know, the City of Tucson is subsidizing the TCC so if we are able to break even with a new arena we are already ahead of the game.

Staff plans to return to Mayor and Council in the Fall..

8. Citizen Auto Stage Exchange & Agreement

Staff has been negotiating to acquire the Citizen Auto Stage bus maintenance and storage facility through an exchange for a number of years. The owners have been extremely cooperative with the City, permitting archaeological investigations to occur on their property in the past two years, and working with staff and consultants on locating a replacement site suitable for their operations.

A replacement site was acquired last fiscal year just southeast of the intersection of Ajo Way and Palo Verde Boulevard. A map was handed out. The 8.4 acre site was acquired before the subdivision, known as Alvernon Corners, was improved. Today, the site is graded, served with all necessary utilities, completed interior roadway (Lincoln Drive) and traffic-light controlled intersection, and lined drainageway. Design of their new facility is underway, and should be completed this month. As the site is located outside the City limits, we are working with Pima County Development Services staff on permitting issues.

A development agreement will be completed soon, and will be forwarded to the Mayor and Council for approval at that time. The construction of a replacement facility, and authorization of an exchange of properties (giving title to the City of the 10 acres of land and improvements held by Citizen Auto Stage), will cost approximately \$1.5 million to \$1.7 million. However, it is dependent upon final development agreement conditions and actual bids for the construction of the replacement buildings.

It was recommended that the Board instruct staff to complete the development agreement with Citizen Auto Stage, secure Mayor and Council approval of said development agreement, and return to the Board for final funding authorization related to the development agreement. The funding commitment by the District would be no greater than \$1.7 million. Funding is also being sought from Brownsfield to mitigate the landfill. We will let you know as soon as we hear from the EPA regarding our funding request.

Mr. Poster moved to approve staff recommendation. Ms. Lopez seconded the motion. Motion passed unanimously. Motion passed 11 to 0.

9. Congress Street Streetscape Master Plan

Mr. Poster excused himself from discussion of this item.

Over the past year, City and Tucson Downtown Alliance staffs have been working closely with a variety of interested parties downtown regarding Congress Street from Toole Avenue west to the Radisson Hotel. The focus of those discussions have been on the look and feel of the street, including the street furniture, location of on-street parking, street trees, surface materials of

sidewalks and pedestrian crossings, street lights, traffic signals, outdoor dining areas, and media/vending box management.

Given the variety and complexities of the issues, and the time taken to date on the project with only some progress made to date, all involved in the project have come to realize that professional consultant services are needed to take this effort to the next level. The work of a planning consultant would be a prelude to implementing changes along Congress Street that make Congress an inviting place to be. The scope of work would be similar to that of the recently completed Scott Avenue Master Plan process (although the Congress Street project area is larger), which has resulted in consensus of guiding principles for the project, a clear plan of action, and prioritized areas for implementation. Creation of design plans for construction are now underway on that project.

It was recommended that the Board authorize staff to engage the services of a professional planning firm to create a streetscape master plan for Congress Street from Toole Avenue west to the Radisson Hotel. This process would be a competitive selection process, in accordance with the City of Tucson Procurement Code and the District's Intergovernmental Agreement with the City. Staff will return with project cost information after the selection process is much further along.

Mr. Suarez made a motion for staff to proceed as recommended. Ms. Lopez seconded the motion. Motion passed 6 to 0.

10. Draft Budget Fiscal Years 2004-2005

A copy of the draft Rio Nuevo Budget for FY 05 and FY 06 was handed out. Mr. Updike explained that the City has gone to a biennial budget process and that's why two years are being projected. It is anticipated that the Board would be asked to approve the budget in June. However, presenting it at this time allows for the Board to discuss it at their next two meetings, as well as hold a public hearing prior to approving it.

Discussion:

Mr. Suarez wanted to know what we have spent so far and where we are going. Mr. Poster mentioned that the TIF monies received to date have been more than estimated. Has the scope changed with the increased revenue and is the City prepared to match that?

Mr. Updike mentioned that the revenues only reflect 6 months of history and that it's too early to speculate. The scope has not changed. The City will not have a problem meeting its obligations. There are a lot of opportunities for the City to meet their match requirements.

Mr. Poster wanted to know when the City was going to pay our partner city (South Tucson) their \$250,000. Why isn't it budgeted?

Mr. Updike responded that the City of South Tucson's payment is dependent on the proceeds from a sale of land through a joint development agreement and we haven't had a project that meets that criterion. When we do, it would simply be a reduction in revenues rather than expenditure.

Corky wanted to know what kind of project would qualify? Would the Presidio Terrace or UA's Science Center projects qualify? Mr. Updike said, no, it needs to be with a development agreement with a private sector party.

Mr. Poster wanted to know when that would happen.

Mr. Updike said that staff would need to do further research, but that the Board could schedule this for a future meeting.

11. Next Board meeting, Wednesday, March 10, 2004

No discussion occurred on this item.

12. Future agenda

Mr. Poster requested staff to return with a Time Schedule for payments to South Tucson.

13. Call to Audience

There was no one in the audience who wished to speak.

14. Adjournment

Motion was made by Mr. Poster to adjourn the meeting. Ms. Lopez seconded the motion. The motion passed unanimously. Motion passed 11 to 1.

Meeting was adjourned at 7:40 p.m.