

Approved by the
Board June 9, 2004

**RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT BOARD
MEETING MINUTES
MAY 12, 2004, 6:00 P.M.
RIO NUEVO COMMUNITY MEETING ROOM, 52 WEST CONGRESS,
TUCSON, ARIZONA.**

1. Roll Call

The meeting was called to order at 6:10 p.m.

Board members present: Ruben Suarez, Arlene Lopez, and Margaret Hardy

Board member absent: Olivia Hernandez

Rio Nuevo staff members present: Randy Emerson, Lucy Amparano, Karen Leone
and Virginia Monyak

Attorney for the Board: Tim Pickrell, Snell & Wilmer

Other City of Tucson staff members present: Assistant City Manager Karen
Thoreson, Real Estate Administrator John Updike, Historic Preservation Officer
Marty McCune, and Transportation Project Manager Kim McKay

TDA representative: Executive Director Don Durband

2. Appreciation Presentation to Corky Poster & Alice Eckstrom

Mr. Suarez read the appreciation plaques for Mr. Poster and Ms. Eckstrom. Mr. Suarez presented the plaque to Mr. Poster and thanked him for serving on the board. Ms. Eckstrom was not present. Ms. Lopez volunteered to deliver the plaque to Ms. Eckstrom.

3. Origins Report – Marty McCune

Ms. McCune summarized the information distributed to the Board members which included the following documents.

- April 29th memorandum to the Rio Nuevo Citizens Advisory Committee (RNCAC) summarizing the RNCAC Origins Subcommittee discussions and recommendations.
- April 29th motion taken by the Rio Nuevo Citizens Advisory Committee on the Origins project
- Proposed schedule for the Tucson Origins project milestones.
- List of five benchmarks to be incorporated in the initial operating agreement for Tucson Origins

Also distributed, but not discussed in detail was the following information:

- Fact Sheet on the Tucson Origins Heritage Park
- Board of Directors Composition

Please refer to the attachments to these minutes for a complete package of information.

Ms. McCune advised that the full RNCAC voted (12-0) to recommend to the Board that they approve the Tucson Origins project which includes \$11.4 million for Phase I and \$400,000 for operations. The subcommittee's major concern was long-term financial viability of the attraction and its ability to be self-supporting. The benchmarks that they developed will be included in the development agreement and will help meet that goal. Ms. McCune will continue to monitor the project and ensure that reporting requirements are met.

Ms. Hardy thanked Ms. McCune for all of her hard work. She believes that all of the RNCAC Origins Subcommittee's concerns were addressed.

Margaret Hardy made a motion to approve staff's request for the Tucson Origins project, including \$11.4 million for Phase I and \$400,000 for operations for two years. Ms. Lopez seconded the motion. Motion passed (11-0).

4. 2005 Budget Presentation – Karen Thoreson

Mr. Thoreson referred the Board members to Rio Nuevo's portion of the City of Tucson's biennial budget. The document includes an overview of the project, the project's highlights, and goals for 2005. Page G-3 lists the proposed budgets for 2005 and 2006 which total \$6,610,000 and \$7,170,000 respectively. The Board is only required to approve the 2005 budget. In addition, the Board is required to hold a public hearing prior to approving the project. The Board can expect this to occur at their next meeting.

Ms. Thoreson reminded the Board that this was the first year that Rio Nuevo had received TIF money. To date payments for period July 03 through December 03 have been received for a total of \$3,069,174.26. Although the City had originally estimated that \$60 million in TIF money would be received over the life of the project, current estimates now show the amount to be closer to \$120 million. The project will be fully able to cover costs with TIF revenue in FY 04 and 05; and it will not have to borrow money from the City. The \$20 million payment to the UA for the Science Center will be due in the future and at that time the District will have to issue bonds. Although Ms. McCune's project shows an aggressive schedule, it is not anticipated that the project will proceed as quickly thereby delaying payment for Tucson Origins.

Mr. Suarez inquired about the City's payment to the State. Ms. Thoreson responded that the City doesn't have to show its match until the end of the 10 years. The City is confident it will meet the match requirement. There should be plenty of projects that qualify as match including the parking lots that the City is undertaking.

Ms. Hardy wanted to know how the infrastructure on the westside was going to be overseen. Ms. Thoreson responded that there is one Rio Nuevo staff person dedicated to ensuring that the infrastructure on the westside is being taken care of. Rio Nuevo is working with Transportation to ensure that this is accomplished.

5. Congress Streetscape – Kim McKay

Ms. McKay is the project manager for this project. Ms. McKay, Lucy Amparano, John Updike and Don Durband have been working on this project and recommend an outside planning team further develop the project. The goal is to connect the East end on Congress with Civic Plaza in keeping with the historical pedestrian context of the area. Staff is negotiating with Wheat-Scharf and is asking for \$300,000. The scope includes the development of public, staff and stakeholder consensus.

Mr. Suarez recounted a story that someone had told him about a premier party that was held on Congress Street for the movie "The Furies". Will the City have the ability to rope off the street to have dancing and other events?

Ms. McKay said that festivals would be included in the plan.

Ms. Hardy moved to approve the Congress Streetscape project which includes \$300,000 in funding from Rio Nuevo. Ms. Lopez seconded the motion. The motion passed (12-0).

6. Project Updates – Randy Emerson

Mr. Emerson, the new Director of Development for Rio Nuevo announced that he would be providing monthly updates to the Board using the same format being presented today. Although projects may not change some months, others will have significant progress. Briefly, he highlighted the following projects.

- Fox Theatre – investigating partial occupancy to allow entry in to a part of the lobby to hold fund raising events. They will be submitting a revised fundraising plan in about six weeks.
- GSA/Thrifty Block – Will be holding interviews with the two developers on May 26. They hope to award by June.
- Pennington Street Garage – Construction contract awarded to D.L. Withers. Two hundred parking spaces have been added to the garage for a total of 750 spaces. Expected completion date is Summer of 2005.

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- Rialto Block – Expect funding request from the developer this month.
- Mercado at Menlo Park – PAD submitted. Plat process running concurrently with PAD. Groundbreaking scheduled for October 2004 and models available March 2005.
- Presidio Terrace – Responses to RFP due May 26. There's a lot of interest. Should have recommendation for developer by June 2004.
- Arena – 60-65 people attended yesterday's pre-submittal meeting. May have 3-4 teams submitting proposals. Developer selection by Summer of 2004
- Civic Plaza – has to be developed concurrently with the UA Science Center. Hope to release the RFQ in 30 days. Selection of design firm scheduled for July 2004 and construction by 2006.
- University of Arizona Science Center – Architect Rafael Vinoly selected. There was stiff competition, but believe that their design will be as recognizable as the San Xavier Mission in 20 years.
- Ice House Lofts – toured their facility today. 40 reservations out of 51 units already received.
- Armory Park del Sol – 45 of 98 units already sold.

Ms. Hardy said that she would like to hear directly from the people managing the projects. For example, she wants regular updates on projects like Origins, the Fox Theatre and the University of Arizona Science Center.

7. Future Agenda

- June 5, 2004
- 2005 Budget – Public Hearing and Adoption
- Possibly the Rialto Application
- University of Arizona or Fox Theatre (as requested by Ms. Hardy)

Ms. Lopez asked about the City of South Tucson's payments. Ms. Thoreson said she was in contact with their City Manager, Fernando Castro. They hope to make payment by the end of July. However, Mr. Castro is talking to their Council Members to see how they want it handled.

8. Next Board Meeting, Wednesday, June 9, 2004

No discussion

9. Call to Audience

Ms. Sarah Harris addressed the Board. She wanted to hear about the Historical Commission's meeting on Thrifty Block – Talk of the Town.

Ms. Thoreson asked the chair if it was okay to respond. He responded yes. Ms.

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Thoreson advised that the Historical Commission voted 11-2 to agree with City officials that the front wall had been remodeled so many times it has lost its historical integrity. It was okay to proceed with demolishing the building at 26 E. Congress St. for a mixed commercial and retail development. They also asked City staff to work with the Tucson Downtown Alliance in updating the historic inventory.

10. Adjournment

Meeting was adjourned at 6:58 p.m.