

**RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT BOARD
MEETING MINUTES
WEDNESDAY, FEBRUARY 9, 2005 6:00 P.M.
RIO NUEVO COMMUNITY MEETING ROOM
52 WEST CONGRESS, 2ND FLOOR
TUCSON, ARIZONA**

1. Roll Call

The meeting was called to order at 6:03 p.m. After a roll call, a quorum was determined to be present.

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

Board member absent: Olivia Hernandez

Rio Nuevo staff members present: Rio Nuevo Director Greg Shelko, Construction Manager Bill O'Malley, Project Manager Karen Leone and Staff Assistant Virginia Monyak.

Attorney for the Board: Bill Hicks of Snell & Wilmer

Guest Presenters: Scott Douthitt, City of Tucson Finance Director and Chief Financial Officer for the Rio Nuevo Multipurpose Facilities District

2. Introduction of New Construction Manager, Bill O'Malley

Mr. O'Malley was introduced to the Board members. He is a registered architect with years of experience in dealing with major multi-million dollar projects. He will be responsible for overseeing the construction of all major development projects such as the Fox, Civic Plaza, Arena, and downtown parking garages.

3. Call to the Audience

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

4. Approval of December 8, 2005 Meeting Minutes

Ms. Hardy moved to approve the minutes as presented. Ms. Lopez seconded the motion. The motion passed unanimously (11 to 0).

It is the intent of these meeting minutes to get the general meaning of the discussion, summarize what happened and record official actions. The minutes are not intended to be a verbatim transcription of all that was said. Audio tapes of the meeting are available for review at the Rio Nuevo Office, located at 52 W. Congress.

5. Monthly Project Updates

Mr. Shelko presented the Board members with the February update on the Rio Nuevo projects.

- **4th Avenue Underpass** – The City of Tucson Department of Transportation has started working on the bid documents. Greyhound will be moved to its temporary relocation site in April or May.
- **Depot Plaza** – Community Services resubmitted their Hope VI application for the project in January. They should hear back in early spring.
- **Fox Theatre** – This item will return to the Board in March for a request to approve a loan to finish the Fox. Completion of the Fox Theatre is extremely important to the revitalization of downtown.
- **Pennington Street Garage** – The garage is progressing quickly. Real Estate has asked the Transportation Department to start thinking about how to go about leasing the commercial space.
- **Congress Streetscape** – The master plan may be presented to the Board in March. Ms. Hardy asked if the plan was also going to be presented again to the CAC, TDA and the TEAM Commission and Mr. Shelko responded yes.
- **Arizona Historical Society and Arizona State Museum** – Both entities continue to work on plans for relocating their facilities to the Rio Nuevo.
- **GSA** – There has been a change in plans with the GSA building. Funding has not been identified so the project has been put on hold for now.
- **Arena** – The design-build team (Zocalo) is waiting for the feasibility study to be completed by Convention Sports & Leisure. Once it is complete, they can start their work.
- **Civic Plaza** – The consultants received a lot of good feedback at their first public meeting held last week. One area that the public felt wasn't emphasized enough was the cultural and heritage element.
- **Paseo Estrella** – Doucette Homes could have their groundbreaking in about 30-45 days.

Mr. Suarez asked what the relocation plans for the MLK apartment residents were. Mr. Shelko responded that he didn't know the specifics, but would ask Emily Nottingham and get back to him.

Ms. Hardy asked what was going to happen to the Civic Plaza based on Mr. Norville's building proposal he showed at the public meeting last week. Mr. Shelko responded that the item would be returning to the Board for their consideration and action in the near future. Legal Counsel Mr. Hicks briefly outlined how Arizona condemnation laws apply and the time frame associated with such action.

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6. Fox Theatre Conservation Easement

Ms. Leone advised that the preservation and conservation easement was a requirement by the Arizona State Parks Department for a \$88,500 grant that the Fox has been awarded to rebuild the 1929 ticket booth. The easement assures that the architectural, historic, archaeological and/or cultural features of the property will be retained and maintained for the term of public use. The owner (Rio Nuevo) must grant the easement. One of the most important covenants states that “in the event that participant’s leasehold interest in the Property terminates for any reason, Property Owner agrees to assume Participant’s covenants pursuant to the Easement, except that Property Owner shall NOT be responsible, under any circumstances, for the payment of reimbursement of all or any part of the Grant to the Board or Participate or any other party.”

Ms. Lopez moved to approve the conservation easement. Ms. Hardy seconded the motion. The motion passed unanimously (11 to 0).

7. Financial Update – Report from Chief Financial Officer Scott Douthitt

Mr. Douthitt reported that the district was doing well financially. Over the 10-year life of the district it is estimated that the district will receive \$124 million dollars in TIF monies. Another review of the estimates will take place in the spring. The estimate may go up slightly. It was estimated that in 2004 the district would receive \$5.5 million. The actual amount received was \$6.5 million. In 2005 it is anticipated that the district will receive \$7 million. The actual amount received to date is right on target. The City has been working with the State very closely to reconcile the sales tax figures. In fact, there are two large taxpayers that will be submitting amended returns, which will increase the sales tax collected. One is a large car dealer that has sold cars downtown and the other is a large retailer at Park Place.

The financial statement ended December 31, 2004 shows that the District ended the first six months of the year with \$300,000 more in revenues than expenses. One of the most frequently asked questions is what about the loan from the City’s general fund? Currently, the loan is about \$14-\$15 million. Mr. Douthitt reported that there is no demand for repayment from the City at this time. It will probably end up as match somewhere down the road.

Ms. Hardy asked if it would be possible to show the revenues being generated by the District. It would give a clearer picture of the District’s financial status. Staff made a note of her request.

Mr. Suarez asked if the City had audit privileges to look at the State’s records and Mr. Douthitt responded yes, in fact, the City sees the filings before they are sent to the State.

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8. Announcements

Mr. Shelko noted that the following items had been distributed to the Board members.

- February Edition of the Downtown Tucsonan
- February Monthly Update
- New Rio Nuevo Fact Sheet (which has been improved to show an example of actual TIF monies the City received from the State)
- New List Downtown Development Projects – Funded with Rio Nuevo, Public & Private Funds
- Announcement for the Downtown Projects Open House being sponsored by the Transportation Department which is scheduled for next Wednesday, February 16, 2004 from 4:30 p.m. to 7:30 p.m. at the TCC Gallery Room.

9. Future Agenda Items

- Congress Streetscape Master Plan
- Downtown Parking Study
- Fox Theatre Financing

10. Adjournment

Ms. Hardy moved to adjourn the meeting at 6:30 p.m. Ms. Lopez seconded the motion. The motion passed unanimously (11 to 0).