

**RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, JANUARY 11, 2006 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 6:07 p.m. A quorum was present.

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

Board member absent: Olivia Hernandez

Rio Nuevo staff members present:

Greg Shelko, Rio Nuevo Director

Randy Emerson, Rio Nuevo Director of Development

Bill O'Malley, Construction Manager

Virginia Monyak, Staff Assistant

District Counsel: Bill Hicks, Snell & Wilmer

2. Call to the Audience

Michael Toney expressed his continuing concerns regarding the proposed University of Arizona Science Center.

Natasha Winnik wanted to know how Rio Nuevo spent the \$31.8 million. She was given a copy of Rio Nuevo's Expenses and Commitments to Date sheet.

3. Approval of the November 9, 2005 Meeting Minutes

Ms. Hardy moved to approve the November 9, 2005 meeting minutes as presented. Ms. Lopez seconded the motion. The motion passed unanimously (7-0).

4. Monthly Update on Projects and Financial Reports

Monthly Project Report

Mr. Shelko highlighted the projects that changed from the last meeting.

- 4th Avenue Underpass – Preliminary site work will start in March. The project is currently being re-bid.

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- Fox Theatre – Celebrated its re-grand opening New Year’s Eve. The two movies that were shown as part of the community block party, Wizard of Oz and Casa Blanca, were sold out.
- The Post at Kolbe Square – The City Manager is meeting with the developer. Hope to see some progress in the next two weeks.
- 63 E. Congress (former McClellans) – Building was purchased by John Wesley Miller. He’s moving his office there and is looking for other tenants.
- Pennington Street Garage – Café Poca Cosa scheduled to open third week in February.
- Mercado District of Menlo Park – getting ready to start construction.
- Arizona Historical Society (AHS) and Arizona State Museum (ASM) – Received AHS’s feasibility analysis. Still waiting for ASM’s feasibility analysis.
- Origins Heritage Park – Adobe making events will take place January through February at the El Presidio de Tucson site. Archaeology is ongoing. Construction work is occurring at the triplex site.
- Presidio Terrace – El Presidio neighborhood approved the revised design with a reduced height of 20 ft.

Monthly Financial Update

The Board received a copy of the fund balance sheet ending November 30, 2005. Ms. Hardy asked if Scott Douthitt, the District’s Financial Officer, could provide a reconciliation of the \$14 million dollars the City is asking Rio Nuevo to pay back to them. According to the November 30th report, Rio Nuevo only owes them \$6,556,418.

5. Ballot and Master Plan Review

Mr. Shelko asked them to refer the original ballot and Hunter master plan map. The perception is that Rio Nuevo is swaying from the original plan. A comparison shows that we are actually doing what the voters approved. One exception would be the replacement of the aquarium project with the University of Arizona’s Science Center.

6. Housing Opportunity Study

The results of the downtown housing opportunity study were shared with the Board. Ms. Hardy expressed concerns about downtown housing costs. There appears to be an increase in market rate and high ending housing downtown, but she would like to see more affordable and family housing offered. She wants Rio Nuevo to take a role in moving in that direction.

7. Approval of Professional Services Contract Relative to Mission Gardens – Resolution No. 2006-01

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Mr. Shelko, Mr. O'Malley and Ms. McCune provided the Board with a project overview. They are pleased with the progress on the west side and are happy to report that they are planning on accelerating the project. Staff is asking the Board's permission to:

- 1) issue a Request for Qualifications (RFQ) for an interdisciplinary design team to provide design and planning services;
- 2) issue a RFQ for a Construction Manager at Risk to provide pre-construction and construction services; and
- 3) engage ConsultEcon to provide an assessment of project feasibility and assist with recommending operating strategies for this element of Tucson Origins.

Ms. Hardy made a motion to approve Resolution No. 2006-01 for funding in the amount of \$49,000 with ConsultEcon to perform a market analysis and management-operating plan for the Tucson Origins Heritage Park. Ms. Lopez seconded the motion. The motion passed unanimously 7-0.

8. Approval of Professional Services Contract Relative to the I-10 Deck Parking Feasibility Study – Resolution No. 2006-02

In response to the business sector and downtown community, the City Manager is seeking to extend the TIF district by 30 years. Although the district has proven successful, the 10-year district is insufficient to enable the investments needed to create the robust, sustainable business and residential activity envisioned by the Legislature and the voters. One possible project that could be funded by the extension of TIF would be the lowering of I-10 to reclaim as much as 35 acres of commercially developable land. Rio Nuevo is being asked to fund the feasibility study for lowering I-10 in the vicinity of Rio Nuevo.

Ms. Hardy made a motion to approve Resolution No. 2006-02 for funding in the amount of \$199,746 with HDR to study the cost and feasibility of lowering I-10 in the vicinity of Rio Nuevo. Ms. Lopez seconded the motion. The motion passed unanimously 7-0.

9. Discussion of Future Agenda Items

Future agenda items include:

- Congress Streetscape Master Plan
- Arizona Historical Society & Arizona State Museum Feasibility Studies
- Affordable Housing Downtown
- TIF Extension
- Reconciliation of the \$14+ owed to the City of Tucson by Rio Nuevo

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10. Adjournment

Ms. Hardy moved to adjourn the meeting at 7:25 p.m. Ms. Lopez seconded the motion. The motion passed unanimously 7-0.

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