

**RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT  
BOARD MEETING MINUTES  
WEDNESDAY, FEBRUARY 8, 2006 6:00 P.M.  
RIO NUEVO COMMUNITY MEETING ROOM  
52 WEST CONGRESS, 2<sup>ND</sup> FLOOR  
TUCSON, ARIZONA**

The meeting was called to order at 6:10pm by Chair Ruben Suarez.

**1. Roll Call**

Ruben Suarez; Margaret Hardy, Arlene Lopez present. Olivia Hernandez absent

**Guest:** Mike Hein, City Manager

**RN Staff present:** Greg Shelko, Bill O'Malley, Karen Leone, Ann Vargas, Larry Cummings

**District Counsel present:** Bill Hicks, Snell & Wilmer

**2. Call to Audience**

No one requested to speak

**3. Approval of minutes**

*Ms. Hardy moved to approve the January 11, 2006 meeting minutes as presented.*

*Ms. Lopez seconded the motion. The motion passed unanimously (11-0)*

**4. Status of HB2702 – TIF Extension**

Mr. Shelko reported that House Bill 2702 had been passed by the Ways and Means Committee of the House of Representatives and invited Mr. Hein to comment on the Bill. Mr. Hein emphasized the importance of having strong, cohesive neighborhood and community support communicated to the legislature. He expressed appreciation to the Senate President, Jim Wiers, who has been supportive in expediting consideration of the Bill. Ms. Hardy requested legislator contact info. Mr. Shelko offered to email contact information, particularly the names of the sponsoring legislators, to each of the Board members and staff.

**5. Monthly Update on Projects and Financial Report**

Mr. Shelko invited the Board members to discuss organizational changes that Mr. Hein had implemented. Mr. Suarez stated he hopes there will be more "dirt flying". Mr. Hein replied that he wanted to slow down expectations, while bringing closure to long-standing issues such as development of the Thrifty block and one-way/two-way conversions on congress and Broadway. Ms. Hardy reported that members of the Menlo Park neighborhood were concerned the City was moving too fast on the

twelve-acre parcel southwest of Congress and I-10. Mr. Hein is confident that the west side community will be pleased with the planning and implementation outcomes, and that the west side would “pop” sooner than anything else. He also recognized that many neighborhood residents do not support the rainbow bridge architecture currently under consideration by the University of Arizona. He has discussed this issue with the UA management. While the UA team is firmly committed to an iconic concept bridge, direction should be forthcoming from the Board of Regents which is meeting at the Fox Tucson Theatre in March. Mr. Hein concluded by saying he wants to separate the UA decision from the TIF extension issues.

Mr. Shelko informed the District Board that the Mayor and Council Subcommittee on Downtown, Rio Nuevo, Arts, Culture and History has requested the following items be placed on the February 23 agenda: Bourn Partners and The Post development status; Rialto Theatre; Rialto block development status. Jim Glock, Director of the City’s Department of Transportation, will present options for the Ronstadt Transit Center to the subcommittee in approximately 30 days.

Mr. Shelko provided the following updates: Presidio Park’s brick-making venture is causing concern with the Risk Management department. The issue is inviting the public onto an active construction site. Mr. O’Malley said one option under consideration is that a sponsoring nonprofit could purchase insurance under the City’s civic event policies. Ms. Hardy observed that prior community events on the site had established a precedent for allowing the public to enter and engage in activities onsite.

Mr. Shelko reported that the developer of Presidio Terrace (Peggy Noonan) has made concessions to the neighborhood on the height and massing of the project. While she does not have unanimous neighborhood support, she will proceed with the PAD amendment. She will also pursue a zoning change, and if unsuccessful, will have to revert to the original size and scope of project.

Mr. Shelko gave the following short updates: The 44 Broadway project is purchasing vacated right-of-way. Academy Lofts will be open in mid-to-late March. Due diligence on the Nimbus Brewery project should be completed and submitted to the Mayor and Council Subcommittee in March. Rio Nuevo District Counsel will be providing an opinion on exact boundaries of the District and how they impact eligibility of adjoining, overlapping projects.

Ms. Hardy inquired about Jim Campbell’s project, Plaza Centro. Mr. Shelko responded that Jim Glock will provide transportation implications for the 4<sup>th</sup> Avenue underpass, Toole Avenue and Congress Street.

Mr. Shelko informed the Board that staff would provide extensive information on TIF expenditures-to-date at the March meeting.

Mr. Shelko concluded this item with an update on Plaza San Agustin. Albert Elias, Director of Dept of Urban Planning and Design, and Mr. Shelko are pursuing purchase of a portion of the adjacent surface parking lot in order to proceed with development of the Plaza San Agustin project.

**8. Update on Arizona Historical Society and Arizona State Museum Relocation Plans (Item 8 taken out of order)**

The final feasibility studies from both entities will be submitted this week. The conclusions are expected to be favorable. The CAC and the Board and Mayor and Council should be reviewing the recommendations in March. Mr. O'Malley notified the Board that the museums will be seeking a commitment of land during the March review process. Mr. Shelko anticipates a request for additional funding for the projects to succeed. There is an underlying assumption that the museums will be making a significant capital request in the future. Both facilities are aware that site planning and architectural context need to be coordinated with the UA science center project.

**6. Approval to Terminate Lease at 52 W Congress**

The District's lease has an "out" clause if the Board determines not to provide funding in the annual budget. The Rio Nuevo office may move into the McArthur Building, which the City currently owns. Both sublessees (TDA and the UA School of Architecture) have been informed of the pending changes. Mr. Suarez asked for the amount of bottom-line savings? Mr. Updike responded there would be a net savings of approximately \$130-140,000 per year.

*Ms. Hardy moved to direct the staff not to provide funding for the lease in the 2006-07 budget; Ms Lopez seconded. Motion passed unanimously (11-0).*

**7. Approval to Sublease Portion of Property Located at 52 W. Congress to the Tucson Downtown Alliance**

Mr. Updike explained that TDA requires an interim lease since their prior lease had expired. TDA Executive Director, Don Durband, stated that TDA would like to stay in the space. The large conference room is considered a tremendous amenity.

*Ms. Lopez moved to approve the sublease. Ms. Hardy seconded. The motion passed unanimously (11-0).*

**9. Discussion of Future Agenda Items**

Congress Street Master Plan -- at March meeting  
Affordable Housing -- Emily Nottingham will make a presentation

Repayment of City Loan -- Scott Douthitt will discuss the District's loan repayment installments over the next 5 years. Ms. Hardy asked if the loan wasn't going to be used as part of the legislative matching requirement? Mr. Hein replied that there are pros and cons to the match. The City must identify funding for a Public Safety facility downtown .

Ms. Hardy inquired about the status of the Advisory Committee and whether or not it was functioning effectively? She's concerned that the current configuration is not adequate for the demands of the District's project.

**9. Adjournment**

*Ms. Hardy moved to adjourn the meeting at 7:15pm. Ms. Lopez seconded. Motion was unanimously approved (11-0).*