

**RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT
BOARD MEETING MINUTES
WEDNESDAY, MARCH 15, 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 6:00 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:

Bill O'Malley, Construction Manager

Virginia Monyak, Staff Assistant

District Counsel: Absent

Guest presenters:

Bill Ponder and Deborah Shelton, Arizona Historical Society

Hartman Lomawaima and Beth Grindell, Arizona State Museum

Emily Nothingham, Community Services Director

2. Call to the Audience

Michael Toney spoke about Proposition 400, the equestrian trail along the Santa Cruz River, and the need for a coordinated planning effort with Rancho Chuk-Shon and Tumamoc Hill.

Dick Basey spoke about Johnson-Brittain & Associate's January 2002 cost analysis to depress I-10 through Rio Nuevo. He's been talking to quite a few neighborhood associations that weren't aware of the results from the first study that estimated the cost to depress I-10 without a tunnel and deck park considerably less than the most recent estimate. He believes the UA could save 10% by not having to construct such a high bridge if the freeway was depressed and it would address the noise issues that the neighborhoods have expressed concern about. The public wasn't given the opportunity to review and comment on the first report, and they should.

Mr. O'Malley said that the goal of depressing the freeway was to create connectivity. Simply depressing it doesn't create the connection between east and west that was being sought. He said that City Manager and County Administrator want to improve all east-west openings (18th Street, Clark Street, Congress Street, St. Mary's Road and a new opening at Simpson Street) and have sent a letter to ADOT expressing their desire to work together.

3. Approval of the February 8, 2006 Meeting Minutes

Ms. Hardy moved to approve the February 8, 2006 meeting minutes as presented. Ms. Lopez seconded the motion. The motion passed unanimously (7-0).

4. Presentation of the Arizona Historical Society & Arizona State Museum Feasibility Studies

Mr. O'Malley started by reminding the Board that they had authorized funding for ConsultEcon to perform the feasibility studies last fall. The results of the study were presented to the Mayor & Council Rio Nuevo/Downtown Subcommittee last week, Rio Nuevo Citizens Advisory Committee on March 1st, and will be presented to the full Mayor and Council on March 21st.

Mr. Lomawaima and Ms. Grindell from the Arizona State Museum and Mr. Ponder and Ms. Shelton from Arizona Historical Society reviewed the results of the feasibility studies. ConsultEcon considered both the resident and tourist market to come with their recommendations and they looked at other local attractions.

Their findings included recommending their facility size, rotating exhibits, snack bars, audiences, programming schedules, admission prices, rental facilities, membership opportunities, staff needs, preliminary attendance potential and facility sizing parameters. They also evaluated the economic impact both locally and regionally during the construction period and ongoing operations.

Ms. Grindell invited everyone to participate in Archeology and History Conference being held March 24 & 25 at The Hotel Arizona.

Mr. Ponder noted that they were very excited about the Lalo Guerrero collection that was recently donated to the historical society. They will be dedicating one of their galleries to him and his music.

Ms. Hardy asked where the museums were as far as funding? Mr. Ponder responded that they are going through a systematic and logical process and the next step would be the architectural phase and then they could put their numbers together.

Mr. O'Malley added that before the numbers could be looked at, a pre-development process needs to be completed, that includes developing some site development guidelines. The plan is to have those guidelines as part of the design for the Mission Complex. We have a lot of things going in on the west side and the best approach is to have Rio Nuevo develop them and then incorporate them into the development agreements or intergovernmental agreements. It's being added to the scope for the Mission designs team. The process of selecting that team is now in progress. The proposals are due tomorrow, interviews will be scheduled within a month to six

weeks, and in May we will be coming back to you with a recommendation for the design team. Marty added that established guidelines would assist the architects in ensuring compatibility of all the buildings on the westside and secondly looking at ways to share costs. These will all happen on a parallel track.

Ms. Lopez asked about the museums promoting potential? Mr. Ponder responded that they would be increasing their marketing efforts. Museums about the west and southwest are very popular, not only nationally, but also internationally.

5. Department of Community Services Discussion of Affordable Housing Programs

Ms. Nottingham said the Mayor and Council adopted a strategies document for affordable housing downtown two years. The overall goal was to support the low-income residents that have been here all along and make sure that they continue to live here if they choose. Secondly, downtown neighborhoods should offer a mix of housing options and participate in affordable housing to ensure the balance of affordable housing that we have now.

The first strategy was to protect and improve the quality of life for existing low-income residents living downtown. 54 homeowners were assisted with a loan program for home repairs. Of the \$200,000 in CDBG money that was set aside for emergency home repairs, 78 homeowners took advantage of the program. A tax relief program assisted 98 low-income homeowners. The Martin Luther King Jr. apartments are being rebuilt. Neighborhoods are assisting with planning for affordable housing developments in Menlo Park, El Presidio, Barrio Anita and Dunbar Spring.

The second strategy was to increase affordable housing production in downtown. The City continues to review its parcels to determine sites for future affordable housing opportunities. The City has sought out downtown developers and offered participation for affordable housing. Twenty-two affordable apartments are included in a development agreement with Congress Street Redevelopment. The Lalo Guerrero Senior Housing project was a major downtown project that added 62 units. Seven homes were completed and 12 are under development through the use of HOME funds for infill projects. Four units of affordable housing are being developed in the Mercado District project and other possibilities are being explored.

The third strategy called for implementation of affordable housing marketing and technical assistance. Two large development gatherings were hosted to initiate partnership between for profit and non-profit sectors. A housing brochure that included mixed income projects was created. Television ads and print announcements are expanding marketing efforts for rehab programs. Community Services has provided technical assistance to development teams building and repairing affordable housing. One example is the asbestos and lead paint testing for the Rialto apartments.

The fourth strategy was to identify and commit new resources for Affordable Housing in Downtown. Community Services seeks to supplement the \$200,000 CDBG funds set aside in 2003. Currently, there's enough funding through 2006. A new federal program – American Dream Down Payment produced two new homebuyers with rehab. The City hopes to reinvest a portion of the proceeds from downtown land sales into affordable housing projects. Funds from the Mercado District sale were used for the tax relief program and for the Depot Plaza project. Supporting mixed income and balanced housing options have been obtained through \$25 million that was secured for the development of Depot Plaza.

Future goals include maintaining 10% of downtown housing stock as protected affordable and producing at least 10-30 new affordable units each year.

6. Change Order to Contract No. 052119 with Means Design and Building Corp. for the El Presidio de Tucson Reconstruction Project

This item was removed from the agenda to address some questions Board Member Margaret Hardy has. It will be rescheduled for the next Board Meeting.

7. Monthly Update on Projects and Financial Reports

Mr. O'Malley stated that the two projects that have changed since last month are The Post and the 4th Avenue Underpass. The Mayor and Council Rio Nuevo/Downtown Subcommittee took these two items up during their last two meetings.

Mr. Bourn was asked to look at the scale and exterior design (most notably the parking above the retail) of the proposed building. Due to the significant premium on speed and concern about the design that was presented last week, Mr. Bourn decided to revert to the original plan that was approved by the Rio Nuevo selection committee, Rio Nuevo Board and City Council in June 2004. The plan today calls for approximately forty units, 10,000 square feet of ground floor retail and one level of underground parking. They don't intend to demolish the bank annex building. The Indian Trading Post remains part of the deal. The contract speaks to renovating the exterior of the building

Since the City and Bourn Partners have negotiated over 98% of the development agreement it can be completed within the next 30 days. It will come back to the Board next month (April 12th) and Mayor and Council for approval the following week (April 18th).

Mr. Campbell of Oasis was given the first right of refusal for the Greyhound property in exchange for his property on Ft. Lowell. He submitted a development proposal called Plaza Centro. He and Jim Glock were asked to see if they could work things out and they came back with a plan that met both of their needs. Although there may change some street and circulation patterns, it allows for some land massing where

some development could occur. This proposal could utilize the existing historic underpass in its current location and the expanded underpass along the present alignment would meet the access needs of the 4th Avenue shopping district and Congress Street entertainment district, vs. the dual underpass concept proposed. The subcommittee directed them to proceed with the new plan.

8. Discussion of Future Agenda Items

- Congress Streetscape Master Plan (April 12)
- Change Order to Contract No. 052119 with Means Design & Building Corp. for the El Presidio de Tucson Reconstruction Project.

9. Adjournment

The meeting was adjourned at 7:06 p.m.