

**Rio Nuevo Multipurpose Facilities District Board
Meeting Minutes
Wednesday, October 1, 2008
Tucson Convention Center, Apache Room, 260 S. Church Avenue
Tucson, Arizona**

1. Roll Call

Chair Russell called the meeting to order at 4:07 p.m.

Board members present: Anne-Marie Russell, Jeff DiGregorio and Roman Soltero

Board member absent: Dan Eckstrom

District counsel absent: Bill Hicks, Ballard Sparhr Andrews & Ingersoll, LLP

City of Tucson liaison absent: Greg Shelko, Downtown Development Director

2. Call to the Audience

A call to the audience was made. There was no response.

3. Approval of Minutes

Roman Soltero made a motion to approve the minutes as presented. Jeff DiGregorio seconded the motion. The motion passed unanimously (11 to 0).

4. Approval of Amendment to Depot Plaza Development Agreement

Ann Vargas from the City of Tucson's Community Services Department presented an amendment to the development agreement with Depot Plaza Investors (a private sector group made up of Peach Properties and Williams & Dames Development out of Portland). The development agreement that calls for renovation of the former Martin Luther King apartments and a new building that will be built along 5th Avenue is being revised to reflect the relationship between the parties concerned. No monetary changes are involved. It reflects accomplishments to date and an adjustment to the project schedule. The project was delayed due to the 280 parking spaces that will underneath Depot Plaza being value engineered and resulted in the agreement being out of compliance. The amended agreement will adjust the timeline, to acknowledge that they have negotiated with ParkWise for temporary parking on the site east of the Rialto and make an adjustment to when the private sector partners are to start the new building in recognition of the marketplace. It basically says that once the parking garage is complete and the public housing building starts its new building, the investors have nine months to get started on their new building, or have an option to extend the timeline based on market conditions.

Jeff DiGregorio asked whether the two new buildings would be rentals and ownership? Ann Vargas responded that at this point they are both rental buildings. The public housing building replaces the Martin Luther King apartments and the private sector's building will be mixed income rentals (55-80 market rate units and

the City's is subletting 11 units). They also did that in the renovated Martin Luther King building.

Chair Russell asked what the extension period would be following the nine months and asked if there was room for adjustment on the rental/ownership issue? Ms. Vargas responded that the City's commitment to rental units was fixed because federal funds are being used, but adjustments could be made if other funds become available. Ms. Vargas added that the garage is scheduled to be complete in June and that the public housing building needs to be completed by September 2010. There's also a public plaza component, so the project is at least a couple of years out.

Jeff DiGregorio asked if Jim Campbell owns or still has an option to buy triangle property being leased for parking? Chris Leighton responded that the City owns the property and even if Mr. Campbell bought it tomorrow he couldn't get things in place very quickly. In the long term, the investors will pay the City market rate for the parking spaces in the new garage (\$85/space/month) and \$25/space/month for temporary parking in the Rialto parking lot.

Chair Russell made a motion to approve the amendment. Roman Soltero seconded the motion. The motion passed unanimously (11 to 0).

5. Approval of Design Expenditures for Neighborhood Infrastructure Improvements

Jesse Soto from the City's Transportation Department provided an update on the infrastructure improvements to Barrio Viejo and Barrio Sin Nombre. Staff met with the neighborhoods and developed an action plan that included improvements to deal with drainage issues, street lighting, sidewalks, paving, and traffic mitigation. Burns Wald-Hopkins is under contract for \$80,000 to design the improvements for Barrio Sin Nombre and Kittelson & Associates is under contract for \$60,000 to design the improvements in Barrio Viejo. The Board already approved \$2 million for each project as part of their bond package.

Mr. DiGregorio asked if the projects were being included as part of the Downtown Infrastructure Project? Mr. Soto responded yes, the Transportation Department has been working with Fran LaSala from the City Manager's Office.

6. Project Updates

Item was continued due to Greg Shelko not being at the meeting.

7. Future Agenda Items

Future agenda items were not discussed.

Chair Russell introduced Stacie Bird, Rio Nuevo Finance Manager and Frank Abeyta, Interim Finance Director.

8. Adjournment

Meeting adjourned at 4:25 p.m.