

**Minutes of Special Meeting
Of Board of Directors of
Rio Nuevo Multipurpose Facilities District**

**Friday, April 10, 2009
Tucson Convention Center – Apache Meeting Room
260 South Church Avenue
Tucson, Arizona**

1. Roll Call

Chair Russell called the meeting to order at 2:00 p.m.

Present were: Anne-Marie Russell, Rio Nuevo Board Member, Chair
Jeff DiGregorio, Rio Nuevo Board Member
Dan Eckstrom, Rio Nuevo Board Member
Bill Hicks, Ballard Sparhr Andrews & Ingersoll, LLP, District
Counsel

Absent was: Roman Soltero, Rio Nuevo Board Member

2. Call to the Audience

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

3. Consideration (and Possible Approval) of Minutes of December 2, 2008

Jeff DiGregorio moved to approve the minutes of December 2, 2008. Dan Eckstrom seconded the motion. Motion to approve the minutes of December 2, 2008 passed unanimously (11-0).

4. Consideration (and Possible Action with respect to):

- a. Pending Legislative Action**
- b. District Management and Procurement Issues**
- c. Control of District Revenues**

Chair Anne-Marie announced that this reiteration of the Multipurpose Facilities Board was reconvened last summer. They have done their due diligence, researching and analyzing the state of Rio Nuevo and the projects with the idea that they plan to deliver the projects to the community. At this juncture it's important that the Rio Nuevo Board move from a more passive form of governance structure to a more active governance structure. In order to figure out the shape of that, they need to consult with their legal Counsel to understand the opportunities and limitations of their jurisdictions.

Jeff DiGregorio moved to go into Executive Session at 2:05 p.m. Dan Eckstrom seconded the motion. Motion to go into Executive Session at 2:05 p.m. passed unanimously (11-0).

The meeting was called back to order at 2:43 p.m.

Chair Anne-Marie Russell said they want respond to and discuss some of the issues that have been taken up by the legislature and to take some action to help restore the confidence of both the community and legislature that the project is moving forward on a good path. Some of the things the Board needs to discuss are financial management of the District, operational and functional relationships to Council, and mechanical procurement management issues.

Jeff DiGregorio said it's critically important to take a more active management approach and shift control of the District's finances into a more independent mode separate from the City of Tucson. The taxpayers expect that of the Board and as a tax paying citizen himself he thinks it's important to have better transparency and accountability.

Dan Eckstrom said this was his first meeting; however, as somebody who has viewed it from afar and now is here and having had some experience with multipurpose facilities districts as a member of the Board of Supervisors. They had a stadium district, which was essentially the legislation that actually created this. He was amazed that out of all the financial accounting was done there are no independently audited financial statements for the District. A lot of the questions being asked about the District itself would require them as a District Board, a Board that he would want to be involved in, to have that level of independence. He realizes that it's a departure because there was an Intergovernmental Agreement that says it's going to be done this way, but it will allow them to have the accountability and transparency that people are asking for. If they are going to be a Facilities District Board, then they need to act like it and they need to have tools available to them. In essence, they are an entity themselves and they have a responsibility to the people that created the entity. He strongly suggests that in the various areas, they look to see where they can improve. The Board Members are ordinary citizens and people are looking to them to not just rubber stamp what somebody else has decided, but for them to provide their opinions and set policy that's going to bring this whole thing into fruition. It's going to be a process to get things done and it may take some time, but he's up to the task.

Chair Anne-Marie Russell said the Board understands that in this economic climate a re-calibration of expectations and prioritizing of the projects are in order. The Board will be doing that over the next few weeks to figure out where to put their resources at right now in order to deliver things as soon as possible. They will examine outsourcing financial management to take responsibility over accounting and investigate how they can ensure more transparency. They also need more discussions with their partners and potential partners to figure out how they might work together

and have some clarity about some relationships. If that means revisiting the IGA to strengthen their partnership with the legislature, the City of Tucson and potential outside management companies then they will investigate some of those possibilities and will be doing some research there.

Jeff DiGregorio said they need to do anything they can to strengthen their partnership with the State Legislature, because they are the ones that gives us this opportunity to do what it is they want to do here in downtown Tucson. They are a very important partner and they need to acknowledge, respect and grow that relationship and take it very seriously.

Chair Anne-Marie Russell said there is a lot of tasks at hand and staffing needed to accomplish these goals that they have laid out and its going to take some time to figure out what their capacity is in that area. That's another thing they will be looking at over the next few weeks. She suggests meeting early and often over the next few weeks given this shift to a more active governance position.

5. Project Updates and Financial Reports

Chair Anne-Marie said they are not prepared to deal with this item at this time, so there was no discussion on this matter.

6. Future Agenda Items

Chair Anne-Marie said some of the things they will be investigating are laid out in Item No. 4.

Jeff DiGregorio said once the meeting date has been set, they will get back to the community on that.

Dan Eckstrom agreed that they should be meeting very soon. The comment that was made about exploring current partnerships, associations and affiliations and collaborations is something the board should become more involved with. They need to see what's out there to make this thing happen. It's not an us and them situation. There needs to be as much collaboration as possible. They are citizens that are trying to make this thing happen. They are also awaiting another member for the Board. They need better-stated goals and they are going to be planning and working at the same time. That will allow them to do the job they have to do.

7. Adjournment

Dan Eckstrom moved to adjourn the meeting at 2:50 p.m. Jeff DiGregorio seconded the motion. The motion to adjourned the meeting at 2:50 p.m. passed unanimously (11-0).