

Meeting Minutes
Rio Nuevo Multipurpose Facilities District Board of Directors

Tuesday, June 30, 2009

Tucson Convention Center
Tucson, Arizona

A Meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Tues, June 30, 2009 in the Apache Meeting Room of the Tucson Convention Center, 260 South Church Avenue, Tucson, Arizona commencing at 1:12 p.m.

1. Call to Order / Roll Call

Meeting was called to order at 1:12 p.m.

	Appointee	Present	Absent/Excused
Anne-Marie Russel, Chair	Tucson		x
Jeff DiGregorio, Acting Secretary	Tucson	x	
Victor Soltero, Member	South Tucson	x	
Dan Eckstrom, Member	South Tucson	x (Electronic Attendance)	

5. Public Hearing with Respect to Proposed District Budget for Fiscal Year 2009-2010

Acting Secretary Jeff DiGregorio opened the Public Hearing. Speakers were asked to limit their comments to 5 minutes. No one spoke. The Public Hearing was closed.

6. Consider (and, if appropriate, Adopt) District Budget for Fiscal Year 2009-2010

For the record, Dan Eckstrom stated that he had the agenda and was reviewing the budget material online. Jeff DiGregorio summarized that the Board was approving a general budget relating to the construction of the downtown hotel and expansion of the Tucson Convention Center, as well as any contracts that were already in place as of June 30, 2009. If there are major changes in the future, another public hearing could be held.

Motion to approve Rio Nuevo Multipurpose Facilities District Resolution No. 2009-02 adopting a budget for fiscal year 2009-2010, and related matters was made by Board Member Victor Soltero, seconded by Board Member Dan Eckstrom, and passed unanimously 7-0.

3. Consent Agenda:

Acting Secretary Jeff DiGregorio stated that the two items under the Consent Agenda were to approve the minutes of the May 15, 2009 meeting of the Board and to establish bank accounts with Wells Fargo Bank and designate signatories for the Rio Nuevo District monies.

(a) Approval of Minutes of May 15, 2009

Motion to approve minutes of May 15, 2009 was made by Board Member Victor Soltero, seconded by Board Member Dan Eckstrom, and passed unanimously 7-0.

(b) Authorization to Establish Bank Accounts and Designation of Signatories

Motion to approve Rio Nuevo Multipurpose Facilities District Resolution No. 2009-01 authorizing the district to establish one or more Banking accounts with Wells Fargo Bank, N.A., authorizing directors of the District to act on behalf of the District with respect to such accounts, authorizing the district to execute and deliver a contract with Wells Fargo bank, N.A., and authorizing all other actions necessary for the consummation of the transaction contemplated by this resolution; and related matters was made by Board Member Victor Soltero, seconded by Board Member Dan Eckstrom, and passed unanimously 7-0.

7. Consider (and, if appropriate, Approve) Reimbursement Resolution for Project Expenses

The District's legal counsel, Bill Hicks, explained that under the tax code there are certain restrictive provisions by which a public body can reimburse itself for expenses it incurs in advance of financing for a project. For example, if a public body lays out \$100,000 to finance a project, and a year later does a bond issue, they would not be allowed to reimburse themselves except if they have adopted a reimbursement resolution. It's a prophylaxis effort to protect the district so that it can reimburse itself from bond proceeds for any expenses it incurs in connection with the hotel project, convention center expansion and related parking garage.

Motion to approve Rio Nuevo Multipurpose Facilities District Resolution No. 2009-03 expressing its intent to reimburse qualified expenditures for renovations and the construction of improvements to the Tucson convention Center and the Construction and Equipping of an adjacent Convention Center Hotel from the proceeds of one or more issues of excise tax revenue bonds and/or certificates of participation in an aggregate principal amount not to exceed \$250,000,000, and authorizing all other actions necessary for the consummation of the transaction contemplated by this resolution; and related matters was made by Board Member Victor Soltero, seconded by Board Member Dan Eckstrom, and passed unanimously 7-0.

4. Update on Hotel Development/Convention Center Expansion Project (no action required)

Downtown Development Director, Greg Shelko stated that since the Board approved the master development agreement on May 15th, the development team including Garfield Traub, Truner, Sundt, DLR and their sub-consultants have moved into the design phase of the project particularly on the eastside of the convention center. He then introduced Steve Moffett, Principal with Garfield Traub Dev LLC.

Project Updates: Steve Moffett said they would provide an on-going series of updates to the Rio Nuevo Multipurpose Facilities District Board, Mayor and Council and Tucson Convention Center Commission. Team members are in town virtually every week, so whenever the Board wants an update all they have to do ask. Regular updates will also be scheduled. He stated that not only is it important that the Board and City are updated, but the public was well. On August 4th, they'll be updating at the Council at the regular study session meeting.

Additional Agreements: Steve Moffett indicated that there are several agreements that have to be signed and a lot of legal work still needs to be done prior to the start of construction. They've already executed some agreements between themselves and the contractor, development and general contractor/design build team, and the design build team has signed contracts with the design team/architect. There's a whole core of sub-consultants (structural engineers, civil engineers, mechanical engineering plumbing contractor) and they will all be brought on board immediately because design work has started on the convention center and expansion of the parking garage.

Project Schedule: Steve Moffett said the hotel will start the first part of March just after the Gem Show. Two eastside entrances to the TCC have been developed. Originally, it was scheduled to be temporary entrance by enclosing the stairwell and putting in an escalator and maybe an elevator, but it became apparent that the convention center would need a primary entrance. Estimates are being worked on for final approval.

Subcontractors: Turner Construction is the largest general builder and has the most aggressive MWBE hiring of any general contractor in America. They are locally working with the City of Tucson right now to not only meet the goals of the City, but to exceed them. They have a process of going through the subcontractors (whether it be a \$5,000 or \$250,000 subcontractor). They have to get between 3-5 bids, and for every subcontractor over \$100,000 the City has the right to reject the firm for any reason. They've hired Kay Lang and Associates because they are on Starwood's approved list for interior designers and have extensive experience doing Sheraton Hotels. The structural firm is MKA headquartered out of Seattle and is one of the top structural firms for high-rise buildings. The hotel will be 27 stories high. MEP is the company of Lumac out of Seattle another one of the top firms in the nation.

Sustainability: Steve Moffett said the coordination for this project is massive. They recently held a Eco charrett on June 16th because they've set a standard for sustainability of LEED Silver. That's a high standard because there's not a single Silver convention center headquarters hotel in American. Currently, there's only 18 LEED certified hotels in the world, and only one of those is Platinum. Three are Gold, but they are Boutique Hotels. They think they can achieve Gold at a dollar amount that doesn't increase the budget. When Starwood markets the hotel, because it's 525 keys, it becomes a part of the Convention Center collection for Starwood and it will be marketed in competition with Phoenix. He doesn't think Phoenix is even certified. If it is, it will be the lowest level. If Tucson could be Gold it would be for meeting planners who are very sensitive to sustainability when booking meetings.

Coordination with the City: Steve Moffett said they are meeting with Development Services on a regular basis and their PAD amendment update is suppose to be complete by January. They're also meeting with Procurement, the Office of Equal Employment Opportunity, and General Services to tie in the standards for the convention center and power plant for chilled and hot water and power. Overall, they are in schematic design right now and they've already had survey work and test borings done so the structural engineers can start their work. They are open book developers and he reminded the Board that they work for the District.

Comments from the Board:

Acting Secretary Jeff DiGregorio said he assumes that they will want to hear back on something at each of the monthly meetings. He is pleased with the MWBE work and the LEED work is exciting.

Victor Soltero mentioned that where ever possible, local individuals should be hired.

Steve Moffett responded that's a major emphasis for Turner, and they are working on an outreach program to recruit more local companies to register with the City's procurement system.

The quorum was lost at 1:35 p.m. when Dan Eckstrom had to excuse himself from the meeting.

8. Adjournment

Meeting adjourned at 1:35 p.m.

NOTE: There was no time for Item Nos. 2 (Call to the Audience) and 8. (Future Agenda Items).