

**Approved by the Board of Directors of the
Rio Nuevo Multipurpose Facilities District
on September 2, 2010**

**Minutes for Meeting
of the Board of Directors of the
Rio Nuevo Multipurpose Facilities District**

Wednesday, August 11, 2010

**Tucson Convention Center, Greenlee Room
260 South Church Avenue
Tucson, Arizona**

A meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Wednesday, August 11, 2010 in the Tucson Convention Center, Greenlee Room, 260 South Church Avenue, Tucson, Arizona commencing at 2:00 pm.

1. Roll Call

The meeting was called to order at 2:07 pm.

	Appointee	Present	Absent/ Excused
Jodi A. Bain, Chair	Senate	x	
Dan Cavanagh, Member	Governor		x
Jeff DiGregorio, Member	Tucson	x	
Scott Egan, Member	House	x (via phone at 2:10 pm)	
Carlotta Flores, Member	Governor	x (left at 5:35 pm)	
Rick Grinnell, Member	Senate	x	
Mark Irvin, Vice Chair	House	x	
David N. Jones, Member	Governor	x (left at 6:30 pm)	
Alberto Moore, Secretary	Governor	x	
Anne-Marie Russell, Member	Tucson		x
Victor Soltero, Member	South Tucson	x	
Alan F. Willenbrock, Treasurer	Governor		x (resigned)

A plaque and presentation was given by Chair Jodi Bain and Vice-Chair Mark Irvin to Board Member Jeff DiGregorio to offer the Board's appreciation for his amazing effort during an incredible period of transition in leading the Rio Nuevo Multipurpose Facilities District Board Directors into a new era. The plaque was signed by the "Calvary". It was noted no Rio Nuevo funds were used to purchase the plaque.

Chair Jodi Bain indicated that she had received a letter from Board Member Allen Willenbrock dated August 10, 2010 to the Rio Nuevo Multipurpose Facilities District. Ms. Bain read the letter into the record: "Dear Jodi, It has been an honor to serve on the Rio Nuevo Multipurpose Facilities District Board and effective immediately I resign as a

Board Member and Treasurer. Thank you for the opportunity to the serve the citizens of Tucson, Allen Willenbrock.”

Ms. Bain indicated that this is unfortunate, as Mr. Willenbrock gave a tremendous amount and a special set of skills to the District, and the Board will miss him and his knowledge base and what he brought to the Board. We thank him for his many hours of work. Vice-Chair Mark Irvin indicated that he was sorry that Mr. Willenbrock he will no longer be a Board Member as he had a skill set that the Board needs.

2. Review and possible action with regard to the Minutes of June 9, 2010 and July 15, 2010.

Chair Jodi Bain indicated that the Minutes for June 9, 2010 were not ready for approval as they were being prepared only as to the action items which took place and the tape was very difficult to decipher.

A motion to approve the minutes as presented for June 15, 2010 was made by Board Member David Jones, seconded by Board Member Jeff DiGregorio. The motion passed 7-0, with Board Member Rick Grinnell abstaining.

3. Executive Session

At 2:10 pm, a motion to go into Executive Session was made by Vice-Chair Mark Irvin, seconded by Board Member Carlotta Flores. The motion passed 8-0.

- i. Negotiations with City of Tucson on IGA.**
- ii. Public records request and copyright agreement negotiations related to Night & Day Studios for Tucson Origins Park.**
- iii. Rialto Lease contractual issues and TRE.**
- iv. Ownership and lease issues related to Church and Council/Stone and Council properties.**
- v. Conflict of Interest legal issues.**
- vi. GMP Negotiations.**

At 5:34 pm a motion to come out of Executive Session was made by Board Member Jeff DiGregorio, seconded by Board Member Victor Soltero. The motion passed 9-0, with Board Member Scott Egan voting yes via phone.

Let the minutes show that Board Member Carlotta Flores left the meeting at 5:35 pm.

4. Report from Legal Counsel. – Keri Silvyn, Bob Gugino, John Sundt.

i. Report and possible action on Rialto TRE.
Board Counsel Bob Gugino indicated that the Mayor and Council granted the TRE on August 3, 2010 to the District.

ii. Report and possible action on Church and Council/Stone and Council properties.

Board Counsel Bob Gugino indicated that there were two parking lots acquired from ADOT with the use of Rio Nuevo funds, and through an oversight, the lot at Church

and Council was deeded to the City of Tucson rather than the District. There is currently a lease with US Parking Systems, Inc. The money from that lease has always gone into the Rio Nuevo account under Miscellaneous Rents. There should be a request to the City to have that property deeded to the Rio Nuevo District. Mr. Gugino indicated that the District is bound by the current lease.

A motion to request the City to transfer the title of the lot at Church and Council to the District after due diligence was made by Vice-Chair Mark Irvin, seconded by Board Member David Jones. The motion passed 8-0, with Board Member Scott Egan voting yes via phone.

iii. Report and possible direction/action on the Administrative Rules.

Board Counsel Keri Silvyn indicated that she had sent a draft revision to the Administrative Rules to the Board members prior to the meeting. She asked the Board members to review them and send any comments to her by Wednesday, August 18, 2010 and she will incorporate them into the draft. A discussion will be held at the meeting of August 25, 2010 to review and finalize. This will allow the Board to be compliant with the recent amendments to the State Statutes.

iv. Report and possible action or direction on GMP Negotiations.

John Sundt indicated that he met with representatives of Turner/Sundt and reviewed the pre-construction and design schedule, the projected construction schedule, and specific items for cost. Turner/Sundt is gathering information relating to concrete, general conditions, mechanical, electrical and plumbing costs, and on-line access to their drawings. John Sundt noted he planned to attend a meeting with Shawn Dralle on August 13 in Phoenix at no cost to the District. Also, there is a meeting on August 26, 2010 in Phoenix that John Sundt will attend with Turner/Sundt.

5. Update, discussion and possible action regarding proposed hotel, garage, TCC project matters and meetings with negotiation team on hotel. - Jodi Bain, Mark Irvin and John Sundt.

No update.

6. Status report and possible direction regarding convention center/hotel based activities. – Greg Shelko.

Greg Shelko indicated that the Certificate of Occupancy was issued for the project. There are a couple of punch list items that are still in the process of correction; they are waiting on a shipment of carpeting to carpet some stairs. During the next 30 days, the District will be receiving a retention and release request from the design build team in the amount of about \$275,000 to \$280,000, and the final billing is for remaining subcontractor invoice(s) for construction in a nominal amount.

Chair Jodi Bain asked how the money passes from the City to Garfield Traub to Turner/Sundt. Mr. Shelko indicated that Garfield Traub submits the payment request, whether it is for the construction of the entrance or for the design development work to

the City. All of the back up documentation comes from Turner/Sundt. The City then wires the payment to Garfield Traub and they disburse the funds to Turner/Sundt, who in turn issues the funds to the subcontractors.

Chair Jodi Bain asked for a list of the payments that have been made to date. She asked that all of Mr. Shelko's electronic and paper records to be turned over to John Sundt since he has been retained by the Board and reviewing the proposed project process.

Items 7 and 8 were discussed as one.

7. Report from City staff.

8. Discussion and possible action related to properties and projects within the District.

Stacie Bird addressed the Board on a number of outstanding invoices. A motion will be made separately on each invoice.

Ballard Spahr LLP. Chair Jodi Bain indicated that no decision has been made and Vice Chair Irvin will be speaking with Mr. Hicks.

Tucson District Energy - A motion to pay the two invoices in the amounts of \$12,252.02 and \$20,441.30 from 2009 COPs was made by Vice-Chair Mark Irvin, seconded by Board Member Victor Soltero. Board Counsel Bob Gugino indicated that he reviewed the documentation and the accounting to verify that the 2/3 payment by the City was in order, he reviewed the language in the 2009 COPs and this project was listed as a line item. Motion passed 7-0, with Board Member Scott Egan voting yes via phone, and Chair Jodi Bain abstaining.

Lewis & Roca – Chair Jodi Bain indicated that this is an invoice that can be approved by the Chair pursuant to previous action made by the Board but may also be approved by both the Chair and the Vice-Chair both approving such matter, it does not require a motion by the Board to be paid, and approval will be email to Stacie Bird.

Gugino & Mortimer – Chair Jodi Bain indicated that payment of this invoice will not require a new motion by the Board because is it covered by a previous motion just like for Lewis Roca.

Business Improvement District (BID) invoices in the amount of \$4,690.55 for the Fox Theatre, Rialto Theatre, and the Presidio Duplex. Board Counsel Bob Gugino indicated that these invoices are part of the triple net leases on these properties. He has followed up with the Directors of both the Fox Theatre and the Rialto Theatre and is expecting that they will pay the invoices shortly. Mr. Gugino suggested that the Board request that the tenants pay these assessments directly to Pima County. Mr. Gugino recommends that the Board hold off on paying the invoice for the Presidio Duplex until the following meeting.

Groundskeeper – The invoice is in the amount of \$785.00 for Scott Avenue landscape maintenance. Board Counsel requested that he receive backup for the invoice and he will make a recommendation to the Board at the next meeting.

HVS – A motion to pay the invoice in the amount of \$2,588.27 was made by Vice-Chair Mark Irvin, seconded by Rick Grinnell. Motion passed 7-0, with Board Member Scott Egan voting yes via phone and Board Member David Jones Abstaining.

Heidi McLaughlin – A motion was made by Vice-Chair Mark Irvin, seconded by Victor Soltero to pay the invoice in the amount of \$39.00 for the transcription of the Chair Report from the meeting of June 15, 2010. Motion passed 7-0, with Board Member Scott Egan voting yes via phone and Chair Jodi Bain Abstaining.

Kittelson & Associates, Inc. – The payment of this invoice for \$8,975.13 is suspended until further notice.

Western Technologies, Inc. – The payment of this invoice for \$765.00 is suspended until further notice.

Structural Concepts – The payment of this invoice for \$1,508.14 is suspended until further notice.

Garfield Traub Development – The payment request for this invoice for \$253,232.52 will be emailed to Chair Jodi Bain for review.

A motion to receive a monthly report with a running fund balance of what resources are available was made by Board Member Rick Grinnell, seconded by Board Member David Jones. Stacie Bird indicated that this information is posted monthly to the website, which includes the balances of the Bonds and COPs, but not the TIF, and also includes the revenues and expenditures.

A friendly amendment to the motion to include Rick Grinnell as the liaison between the City and the Board for purposes of obtaining current financial statements and making them available to the Board was suggested by Board Member David Jones, and accepted by Board Member Rick Grinnell. Motion passed 8-0, with Board Member Scott Egan voting yes via phone.

9. Discussion and possible action related to reserve funds with Bond Trustee.

Chair Jodi Bain asked the Board members to submit names to her before the next meeting of those they believe could fill the role of Investment Advisor.

Shawn Dralle Financial Advisor to the District indicated to the Board that they already have access to these services through RBC Capital Markets and through Wells Fargo as the Trustee for the bonds.

Vice-Chair Mark Irvin asked Ms. Dralle to look into the avenues of where the Board can invest the money to get better interest rates and make to a recommendation to the Board.

10. Update and discussion regarding insurance broker services and general liability policy. Mark Irvin

Vice-Chair Mark Irvin indicated that he spoke with David Lovitt. Mr. Lovitt indicated that the insurance broker services pool potential is very small, the key reason is that the District does not have the IGA in place with the City of Tucson. Vice-Chair Irvin indicated that the policy numbers have been retooled; Mr. Lovitt has gone back into the insurance market and will report back to the Board with the results at the next meeting.

11. Discussion and possible action on the Executive Director Job Description. - Alberto Moore and Jodi Bain

Chair Jodi Bain indicated that a final job description has been developed. Board Counsel Keri Silvyn indicated that the description has not been reviewed for legal compliance, but will get back to the Board at the next meeting. Board Member Alberto Moore believes it is time to begin the process of hiring an Executive Director.

Let the minutes show that Board Member David Jones left at 6:30 pm.

12. Report/update on status of Tucson Origins Film and showing of same. - Jodi Bain and Keri Silvyn

Board Counsel Keri Silvyn distributed a copy of the invitation to the Board from the Friends of Tucson Birthplace Birthday Celebration for August 21st.

Board Member Jeff DiGregorio indicated that it is cost prohibitive to rent the high-tech equipment that the Film was meant to be shown on. He indicated that the film will be shown on Saturday, August 21, 2010 on a Blue Ray player, in simple stereo, at the Fox Theatre.

Jonathan Mabry indicated that there will be a reception with concessions for the Board and guests from 4:30 pm to 5:00 pm, with the film to show from 5:00 pm to 6:00 pm on August 21, 2010.

Mr. DiGregorio indicated that the Fox Theatre is willing to cover the costs for opening the theatre and the hiring of the staff. He asks that one of the Board Members be willing to say a few words of introduction before the showing of the film. Vice-Chair Mark Irvin indicated that he would be willing to speak if Board Member DiGregorio cannot attend.

A motion to approve the showing of the Film at the Fox Theatre on August 21, 2010 at 5:00 pm was made by Vice-Chair Mark Irvin, seconded by Board Member Scott Egan via phone. Motion passed 7-0.

Jonathan Mabry indicated that the film will be captioned in English, Spanish, and in the Tohono O'odham language.

Board Member Victor Soltero requested that an invitation be sent to the Tohono O'odham Nation, the Pascua Yaqui Tribe and the San Xavier District.

13. Call to the Audience:

No Response.

14. Future Meeting Dates and Agenda Items

The next meeting was not determined.

15. Adjournment.

The Rio Nuevo Board formally adjourned the meeting after the executive session at 6:47 p.m.

NOTE: It is the intent of these meeting minutes to get the general meaning of the discussion, summarize what happened, and record official actions. The minutes are not intended to be a verbatim transcription of all that was said. Audio files of the meetings are available for review at City Hall, Finance Department, 255 West Alameda, 5th Floor West.