

**Approved by the Board of Directors of the  
Rio Nuevo Multipurpose Facilities District  
on December 8, 2010**

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

---

**Wednesday, November 10, 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, November 10, 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 2:05 pm.

	<b>Appointee</b>	<b>Present</b>	<b>Absent/ Excused</b>
Jodi A. Bain, Chair	Senate	x	
Dan Cavanagh, Member	Governor		x
Jeff DiGregorio, Member	Tucson		x
Carlotta Flores, Member	Governor	x	
Rick Grinnell, Member	Senate	x	
Mark Irvin, Vice Chair	House	x	
David N. Jones, Member	Governor	x	
Alberto Moore, Secretary	Governor	x	
Anne-Marie Russell, Member	Tucson	x	
Victor Soltero, Member	South Tucson	x	

**Item 10 was moved out of order.**

**10. Call to Audience**

The following members of the public addressed the Board:

Ted Hinderaker representing Pueblo Center Partners spoke regarding the Bert Lopez Hotel Arizona upgrade proposal.

Albert Pesqueira spoke regarding a documentary/short film on the Pioneer Hotel Fire in 1970.

Bill DuPont representing Friends of Tucson's Birthplace, spoke regarding Mission Gardens.

**2. Report from City staff.**

**i. Report and potential action/direction related to invoices.**

No report was given.

**3. Tucson Origins Screening Invoice – Mark Irvin and Jeff DiGregorio**

Vice Chair Mark Irvin indicated that Board Member Jeff DiGregorio paid just under \$300.00 for the invoice for the screening of the Tucson Origins film. He indicated that he wanted to discuss the invoice with Mr. DiGregorio, but he was not able to attend the meeting today.

A motion was made by Board Member Victor Soltero, seconded by Board Member Carlotta Flores, that after Vice Chair Mark Irvin has a chance to review the invoice with Board Member Jeff DiGregorio, and if they are both comfortable with it, the amount would be reimbursed to Board Member Jeff DiGregorio. Motion passed 8-0.

**4. Discussion and Q and A related to existing and possible properties and projects.**

No discussion.

**5. Presentation by the Downtown Tucson Partnership on Façade Enhancement Program followed by discussion and possible action – Mark Irvin**

Michael Keith, CEO of Downtown Tucson gave a Powerpoint presentation detailing the Downtown Tucson Façade Improvement Program. Mr. Keith indicated that \$450,000 has been spent in public funds, \$3 million has been spent in private funds, and 4 buildings have been improved. They are: “The Scott” building; the Rialto Block; the Screening Room; and the Beowulf Alley Theatre.

Mr. Keith indicated that applications are being accepted for Phase 2 beginning now through the end of December. Phase 2 consists of Major Restorations and Minor “Paint and Awning” Projects. Projects are selected on a “first-come, first-served” basis, and that currently there is a waiting list of 5 to 6 businesses waiting, and there are also tenants that have requested funds, not just owners.

Fletcher McCusker, CEO of Providence Service Corporation indicated that the City of Tucson is interested in this program. Mr. Keith indicated that \$2 million is needed to get major work done before the Street Car project is started.

Vice Chair Mark Irvin indicated that possibly the Rio Nuevo District could start funding Phase 2 of the program now for approximately \$300,000 per year for three years, and then the City of Tucson could take over for the three years after.

Mr. McCusker indicated that a Deed of Trust Easement will be created to make sure that the businesses stay in place for a certain number of years after the improvement. This way a business could not have their building façade improved, and then sell the business at a higher price than would have been generated before the improvement.

**6. Discussion and possible direction of mission statement concepts – Rick Grinnell and Jodi Bain**

Board Member Rick Grinnell read the following statement:

Dear Board Members, This board is at a crossroads with the need to either advance a plan of action that will provide Tucson and the State an asset in which all can be proud or for us to pack it in and give the State the left over TIF. But before we decide to pack it in, let us realize that we have the greatest opportunity to do something that will long live after we've retired or passed into our next lives. This city is primed for us to be an example of great leadership and to move Rio Nuevo and Downtown Tucson forward.

It's time for advance vision and mission statement and a plan of action to accelerate the opportunities of success for this entity. The board members have diligently dedicated your time and attention too effort, let's not stop now. The reason for this action plan is to be prepared to address the Governor and State Legislature with a plan moving this entity forward and letting them know how important the success of Rio Nuevo is to not only the City of Tucson, but to the State of Arizona. It is my sincere belief that we can utilize the benefit advanced this board to act in the responsible manner to carry out our tasks and turn any perceived or real faults by previous actions and make this an entity all can be proud of. We must be prepared to address this issue before the new Legislature convenes. Further we must stand in acceptance of all actions of Rio Nuevo as to ensure that our appointers believe we are genuine in our aspirations of this district.

The time to find fault with previous efforts is at an end and it is the actions that take responsibility and make steady strides to learn from and change past behaviors. This does not discount the need for accountability, but I do not find any value in criticizing the City of Tucson, the past Rio Nuevo Board Members or even ourselves for mistakes. We must take this challenge and accept ownership of this great opportunity and maximize every situation that arises. We must act with respect, responsibility, discipline and integrity that is commanded by this charge. Thank you, Rick Grinnell, Fellow Rio Nuevo Board Member

Vice Chair Mark Irvin indicated that sample mission statements for the District will be drafted and circulated to the Board, and then an item will be put on the Agenda for future discussion.

**7. The Fox – Jodi Bain**

Chair Jodi Bain indicated that she has spoke to Craig Sumberg, Executive Director for the Fox Theatre Foundation, and was requested if the District Board could be addressed at the end of the year in December regarding what the Fox Theatre Foundation has accomplished this year and what it has planned for the future.

Special Counsel Bob Gugino indicated that the Fox Theatre Foundation has offered the Rio Nuevo Board office space in the Fox Theatre building for their use at no cost.

- 8. Report from Counsel with potential direction/action from the District.**
  - i. Report on Rialto contractual issues and TRE**  
No report was given.
  - ii. Audit**  
Special Counsel Bob Gugino indicated that a Public Hearing will be held after the Rio Nuevo Regular Meeting on November 29, 2010, which Public Hearing will starting at 6:00 pm.
  - iii. Report on presentation to Mayor and Council regarding the 2 Barrio Projects at Mayor and Council on 10.26.10 Study Session.**  
Counsel Bob Gugino indicated that the two invoices would be discussed in Executive Session.

**Item 11 was moved out of order.**

- 11. Future Meeting Dates and Agenda Items. (2 min)**  
November 29, 2010 – 4:00 Board Meeting  
6:00 Public Hearing

At 3:15 pm, a motion to go into Executive Session was made by Board Member David Jones, seconded by Vice Chair Mark Irvin. The motion passed 8-0.

- 9. Executive Session:**
  - Discussion and possible direction as to:**
  - 1. Reliance Lawsuit Matter**
  - 2. Rialto lease contractual issues and TRE.**
  - 3. Status of IGA negotiations**
  - 4. Hotel Project: MDA**
  - 5. Use of TIF Funds and compliance with statutes**
  - 6. Hotel Project: East Entrance punch list/Pay Applications**
  - 7. Potential conflict of interest issues**
  - 8. Legal representation and requirements for a district**

At 6:39 pm, a motion to come out of Executive Session was made by Vice Chair Mark Irvin, seconded by Board Member Victor Soltero. The motion passed 8-0.

- 12. Adjournment.**  
The Rio Nuevo Board formally adjourned the meeting at 6:40 pm.