

Reconstituted

RÍO NUEVO

Downtown Initiative

FOR IMMEDIATE RELEASE

April 6th, 2012

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Rio Nuevo Multipurpose Facilities District

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DISTRICT BOARD APPROVES \$1 MILLION IN A JOINT TCC SPENDING PROJECT

The District Board approves \$1 million in a joint TCC spending project in an effort to quickly tackle some urgent issues related to the TCC. The District Board voted unanimously yesterday to approve progress and make the agreement public (See attached as approved by the District).

The issues addressed by the Memorandum of Understanding (MOU) were specifically pulled out of the mediation proceedings to jointly move forward swiftly on a TCC project. The very simple MOU approves fixing the TCC bathrooms and bleachers between the District and the City of Tucson government (City). It specifically lays out that the District and the City would each contribute up to \$1 million to this joint project for a total injection of \$2 million into the TCC.

“We have a shared ‘win’ here and we look forward to a joint press conference with the City folks,” said Board member Alberto Moore. The City and the District have been working together on this MOU for weeks. The City Mayor and Council are in the process of approving the MOU as well. When jointly approved, the MOU allows much-needed stabilizing improvements to the aging facility. Both bleachers and bathrooms would get immediate attention.

According to Jodi Bain, District Board Chair, “We are looking to move forward in a positive way with the City as our partner with this injection of \$1 million and are poised to realize as quick a start as possible on this joint project. District representatives have already begun reaching out to the University Of Arizona College Of Architecture and various other local stakeholders in the anticipation of a green light,” said Ms. Bain.

“We’d like the work to be done by local companies if possible. It’s important to keep these jobs local,” said Board member Rick Grinnell. The District shares the community’s concerns about the state of disrepair at the TCC. It is the District’s hope that the renovations will contribute to a more enjoyable experience for the community when attending events at the TCC and that the renovations will aid with the efforts in attracting more shows.

The Board is pleased that despite the continued untangling of the finance, progress in the refurbishment of the TCC will begin. The MOU comes at a time when both parties have also agreed to a temporary freeze in the ongoing litigation. It also lays out the framework for further mediation discussions surrounding the Arena/I-10 Parcel property and other properties adjacent to the TCC.

###END###

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this "MOU") is entered into and dated for reference purposes as of this ____ day of _____, 2012, between RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, a tax levying public improvement district and a political taxing subdivision of the State of Arizona (the "District"), and CITY OF TUCSON, an Arizona municipal corporation (the "COT").

RECITALS

- A. The District and the COT each recognize the Tucson Convention Center (the "TCC") as an important community asset and acknowledge and agree that there is an apparent need to make short term improvements or repairs to the TCC for the benefit of the citizens of the District and the COT;
- B. Those improvements include the replacement of the TCC arena retractable bleachers (the "Bleacher Improvements") and renovation, in whole or in part, of certain TCC bathrooms that will be identified by the District (the "TCC Bathroom Improvements");
- C. That there is a need to develop a longer term plan relating to the TCC and the improvement of properties adjacent to the TCC, including but not limited to the property commonly referred to as the Arena/I-10 property;
- D. That the District and the COT mutually desire to act for the benefit of the citizens residing within the COT and the District and work to develop a model framework through which the COT and the District may work cooperatively with each other for the benefit of such citizens on immediate issues involving the TCC;
- E. That this MOU is executed without waiver of or prejudice to any obligations or position(s) adopted, stated, taken, or to be adopted, stated or taken, by the COT or the District in any pending or future disputes, litigation or mediation;
- F. That this MOU is entered into strictly as part of an overall effort to compromise in a progressive manner an ongoing dispute between the COT and the District and is therefore subject to Rule 408 of the Arizona Rules of Evidence; and
- G. That the COT and the District, subject to and upon the granting of, the full and proper approval of their respective governing bodies do hereby agree to the following:

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants of the parties contained herein, the parties agree as follows:

1. The COT commits to completion of the hydraulic Bleacher Improvements at its own cost using the COT's applicable procedures, including the COT's procurement requirements; and the District agrees to consent, to extent required under the applicable lease and sublease agreement, to the COT's completion of the Bleacher Improvements;

2. The District issues this notice to proceed and commits to fund, from unexpended current bond funds (if any) and/or any other lawful source of current funds the TCC Bathroom Improvements, so long as the COT meets its obligations hereunder in a timely and considerate manner subject to the following:

a. the extent and scope of the TCC Bathroom Improvements will be identified after the District and the District liaison to the TCC, Alberto Moore or his successor as determined by the District Board working with District Operations Administrator, has completed necessary walk-through(s) of the existing facilities, reviewed information and 'as-builts' provided by the COT, consulted with the COT as appropriate and as otherwise reasonably requested by the District to identify the appropriate scope for renovation of bathroom facilities in the components parts of the TCC owned by the District for the TCC Bathroom Improvements;

b. the District will match the level of funding for the TCC Bathroom Improvements the COT's actual costs incurred under item number one above, except the District obligation shall not exceed \$1,000,000 of available funds;

c. the District shall manage or cause to be managed the procurement of design and construction services relating to the improvements, subject to coordination with the COT to mitigate any impact on scheduled events and users;

d. the District will work with the COT to inform and coordinate with the COT for the COT to complete such continuing obligations as the COT may have with regard to the TCC, including ADA matters and others as by-product, provided the COT meets such obligations at its cost.

3. The COT and the District will each cooperate fully with each other and in good faith to secure on an expedited basis any all necessary plan checks, permits, inspections and approvals necessary for completing the Bleacher and TCC Bathroom Improvements from all governmental agencies and public authorities having jurisdiction over the Bleacher and TCC Bathroom Improvements, including all approvals (if any) which may be required from any insurance carrier(s), bond insurer(s), trustee(s), or other interested parties to complete the Bleacher and TCC Bathroom Improvements noting that

the COT is sincerely requested in the nature of cooperation to exempt the District from permit, impact or other fees and assessments that it has the ability to impose;

4. The COT and the District will cooperate fully with each other and in good faith to secure on an expedited basis any all necessary insurance policies and coverage(s), including but not limited to Builder's Risk and Commercial General Liability coverage(s) reasonably necessary for the completion of the Bleacher and TCC Bathroom Improvements;

5. Both the COT and the District recognize the need for jointly determining what additional short-term improvements may be made within the TCC and adjoining properties, agreement upon long-term plans and strategies for the TCC and properties adjoining the TCC; and to that end each agree to as to other projects and properties than set forth herein to collaborate to:

a. jointly review and discuss those plans of practical value previously prepared which relate to the TCC and properties adjacent to the TCC;

b. determine what additional investment in the TCC and adjoining properties may be reasonable, practical and within the power and financial abilities of the COT and the District; and

c. engage in such discussions and meetings with essential third parties, including the owners of properties adjacent to the TCC, as may be necessary to enable the mutually beneficial improvement and development of the TCC, properties adjacent to the TCC, including without limitation the property commonly referred to as the Arena/I-10 property, and their supporting use.

d. continue to engage in discussion and meetings working to come to a settlement agreement on other mediation issues, including without limitation, the ownership of various properties.

WHEREFORE, representatives of the District and the COT have together set their hand to this MOU, in good faith, without prejudice to any of their respective rights, obligations, sovereignty or powers, with their joint request that it be approved and adopted by each of their governing bodies.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown following their respective names below.


"District"

RIO NUEVO MULTIPURPOSE


"COT"

CITY OF TUCSON, an Arizona

FACILITIES DISTRICT, an Arizona

By 
Jodi Bain
Its Chair
Date 4-5-12

By _____
Jonathan Rothschild
Its Mayor
Date _____

Attested 
By _____
Alberto Moore
Its Secretary
Date 4-5-12