

Minutes of the Rio Nuevo Multipurpose Facilities District Board

February 12, 2003 at the Rio Nuevo Community Meeting Room, 52 West Congress, Tucson, Arizona.

1. Roll Call

Chair Suarez called the meeting to order at 6:05 pm. Alice Eckstrom, Corky Poster and Ruben Suarez present. Olivia Hernandez was absent/excused.

Staff present: John Jones, Project Director; John Updike, Project Manager; Arinda Asper, Staff Assistant; Mike Rankin of the City Attorney's Office; William Hicks, Counsel to the District Board; Kay Gray, District Treasurer and City Finance Director; Marty McCune, Historic Preservation Office; and Fernando Castro, City Manager of South Tucson.

2. Approval of Minutes of December 4, 2002

Mr. Poster moved, Ms. Eckstrom seconded, to approve the minutes. Motion approved unanimously, 3-0.

3. Award of Contract - Tucson Origins

Mr. Jones outlined last year's Board approval of the scope of services for the Tucson Origins interpretive and reconstruction plan for the Mission San Agustin and the Presidio. As a result of that approval, staff solicited consultants to apply to perform those services, developed a short-listing process, interviewed two groups of applicants (the WLB Group and Jones & Jones), and selected the WLB Group.

Marty McCune gave an overview of the process. Staff is meeting with WLB Group to do the final negotiations of scope of work. Completion of work is anticipated by the end 2003. Process is expected to come up with a number of products, including a business plan for the management of this type of attraction. WLB Group has a good economic consultant (ERA Associates out of California) with experience in heritage/tourism projects. Process will also be looking at how much of the 'mission site will be reconstructed, and with the interpretive themes and context for the exhibits that will be used for the mission and presidio sites and linkages between the two sites and other related sites.

Mr. Poster commented that he had some reservations about the procurement process. *Mr. Poster moved, Ms. Eckstrom seconded, to approve the selection. Motion approved unanimously (3-0).*

Mr. Jones introduced Mike Rankin, Assistant City Attorney, of the City Attorney's Office.

4. Award of Contract - Stabilization of 196 North Court Ave.

Mr. Jones outlined the selection process. The City of Tucson purchased a property which consists of three separate buildings (triplex at 196 North Court, duplex at 200 North Court and an additional building on W. Washington). After purchase, staff used existing City contract to investigate the structural stability of the triplex at 196 North Court. A determination was made that the building needed immediate remedial work, City entered into a process to solicit a contractor who would stabilize the building only.

Ms. McCune explained the selection process is labeled "Contractor At Risk," a qualifications-based selection for construction work. This project needed specific qualifications to work on National Registry abode buildings. City put out RFQ, received three qualifications, interviewed all three, and selected Means Design (Eric Means). Means currently negotiating the pre-construction services, and then will take a look at giving us a guaranteed maximum price. He will also provide calculation for any non-visible damage, so it will be equivalent to square foot price for anything that can't be included in the guaranteed maximum price. Means wants to start as soon as possible. Work will include the roof, removal of all exterior and some interior plaster, redoing a front retaining wall, removal of part of back porch. Work will not include electrical, plumbing or mechanical.

Mr. Poster commented that typically, with a Construction Manager At Risk contract, there is an architect continually involved. Ms. McCune verified that Bob Vint was the architect who has been and continues to be involved with the contractor on this project. *Mr. Poster moved, Ms. Eckstrom seconded, to authorize the chairman to sign the contract. Motion approved unanimously (3-0).*

5. Governance RFP

Mr. Jones outlined recent changes in the process for selection of a development entity. Private investors have expressed a desire to see a process that is facilitated and staffed with persons and consultants with expertise who can aid them in the process. Staff looked at what other U. S. cities have done, and found that the best way is to have a non-profit entity manage these projects. A good example is the City of San Diego, who entered into a contract with a non-profit corporation who has the charge and expertise to handle zoning and building code issues, inspections, financing, and recruitment of developers. Staff originally set out to identify a local non-profit, and BDFC came to mind, as they have expertise in developing various projects. RN CAC initially agreed, but then decided to solicit among non-profit development corporations, in a competitive process. Mr. Jones asked Board for direction in undertaking the selection of a consultant that meets the criteria of being a non-profit development corporation, has expertise in construction management, planning and architectural design, time of process, land and building code issues, has established relationships with sub-consultants and experience in contracting with governmental agencies in developing private-public projects. One of the affected projects is the Thrifty block, and possibly the land on West Congress.

Suarez wanted clarification on why CAC did not give a recommendation. Mr. Jones explained that the CAC wanted the process to be as transparent as possible.

Mr. Poster expressed concerns that there has been some awkwardness within the CAC, and there was talk about moving toward a more flexible model. Now a consultant being brought in, still under the title of "Governance," we are still locked into the same procurement process, and we'll be hiring the entity who may well become the successor of the governing body of the RN District. Mr. Poster concerned about turning over the process of the project to an entity that we will have no control over in the future.

Mr. Jones explained City needed help in reaching to private entities; reasoning was to identify non-profit entities that have the expertise in working with government and in managing construction and management projects. BDFC is off the table in terms of simply selecting them. Mr. Jones explained the entity would proceed based on the guidelines and specifications of the projects that they would be involved in, based on the Board's direction and on behalf of the Board. Entity would only work on projects that the City agreed on, in an annual contract. Performance standards would be instituted and if those performance measures were not met, the contract would be terminated. City wants to find out if there are qualified non-profit development corporations who would be interested in entering into that type of contract with the City, and at a later date staff would provide the specifications on the particular projects.

Mr. Poster wants the word "Governance" removed from future discussions.

Mr. Hicks commented that the board does have specific decision-making responsibilities, but can hire an entity to manage.

Mr. Poster (with the caveat that he would like to keep a close eye on the characteristics of the development corporation in terms of the actions of this Board, and within the existing procurement restrictions) moved, Ms. Eckstrom seconded, to authorize a private sector development consultant selection. Motion approved unanimously (3-0).

6. Project Update - Science Center

Mr. Jones gave an update on the Science Center feasibility study. The DofA has contracted with Ralph Applebaum and Associates and had contracted with Lord Consultants (no longer working with DofA), and Tom Martin is also working with DofA. Feasibility study will not be completed until the DofA gives a report to the Board of Regents in August 2003. Karen Thoreson has been meeting with DofA, and we anticipate a meeting within the next two weeks.

Mr. Poster asked if money has been expended; Mr. Jones explained that no invoice has been submitted to the City of Tucson for the \$250,000. Mr. Poster referred to Exhibit A, which specifies that funds be expended by a date which has now passed, and IGA appears to have been entered into with the understanding that the work would be done by now. That, and the DofA's current funding problems and structural plans, causes concern. Mr. Poster urged staff to contact DofA, and ask that a high-level DofA administrator attend the next board meeting to give an a status report.

Ms. Gray offered her understanding of this matter, which is that the DofA has already spent their share of the money and are reluctant to spend more money without entering into an agreement. She further understands that Flandrau is on the DofA budget cuts if it stays at the DofA site, but DofA is more supportive of the Science Center moving to outside the DofA campus. Mr. Poster requested clarification that the work has already been done; Ms. Gray clarified that it was her understanding that the work had been done.

Mr. Hicks also commented that he recalled DofA making a representation that some funds had already expended.

Mr. Poster moved, Ms. Eckstrom seconded, to ask high-level UofA administrators to come to the next Board meeting to explain the expenditures, and suggested that the CAC also make same recommendation. Motion approved unanimously (3-0).

7. Thrifty Block RFP

Mr. Jones explained that the Board's direction undertook a selection process to develop the Thrifty Block. Appraisals indicated that the value of the property was \$0 (due to the demolition costs). Five proposals were received and are being evaluated by committee. The proposers will be short-listed, and those most qualified will be invited to submit a proposal. The qualification process is expected to be completed in the next two weeks, with a final selection made in May or June of this year.

Mr. Poster congratulated staff on writing such a quality proposal.

8. West Congress RFP.

Mr. Jones explained that a selection process being undertaken by the City of Tucson for the development of 19 acres on West Congress, south of the El Rio Clinic. Staff has met with Menlo Park neighborhood representatives, who reviewed the selection criteria. The criteria will also be reviewed by M&C subcommittee. If M&C subcommittee accept the criteria, a request for proposal will be issued at the end of this month.

9. Next Meeting

March 12, 2003 was established as the next meeting date. Ms. Eckstrom asked if it would be possible to meet in South Tucson. Mr. Jones explained that he would need to consult with Mr. Hicks about the legality of changing the venue of the meeting, as there is a requirement that the meetings be held within the City of Tucson. This requirement can be changed by the board, and can be addressed at next meeting.

10. Future Agenda Items

DofA Science

Before going to Call to Audience, Mr. Jones announced that this would be Ms. Gray's last meeting as Treasurer for the Rio Nuevo Multipurpose Facilities District Board, thanked her on her efforts on behalf of the District for the past three years, and wished her well.

11. Call to the Audience (will take the comments from the CAC meeting, which are basically the same and by the same individual)

Dick Basey questioned what efforts are being made to bring grocery store, along with other businesses, to downtown. He spoke about the possible depression of the freeway, and indicated his support for the concept. He commented that lane conversions are not being expanded fully. He said that TICET should be re-routed to the DofA area. He also expressed a concern about renting space for public employees while demolishing or disposing of public assets and leaving the City in a position of having to later spend more money to buy land on which to build government structures.

12. Adjournment

Ms. Eckstrom moved for adjournment at 6:52 pm, seconded by Mr. Suarez and unanimously approved (3-0).

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