

Approved by the Board of Directors of the
Rio Nuevo Multipurpose Facilities District
on November 10, 2011.

**Minutes* for Meeting
Of the Board of Directors of the
Rio Nuevo Multipurpose Facilities District
10:00 am
Tuesday, September 20, 2011**

**Tucson Convention Center-Meeting Room
260 South Church Avenue
Tucson, Arizona**

A meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Tuesday, September 20, 2011, in the Tucson Convention Center, 260 South Church Ave, Tucson, Arizona, commencing at 10:00 a.m.

1. Study Session:

1. Roll Call.

The meeting was called to order at 10:08 a.m.

	Appointee	Present	Absent/Excused
Jodi A. Bain, Chair	Senate	X	
Tim Bathen	Governor	X	
Jannie Cox	Governor	X	
Carlotta Flores,	Governor	X	
Rick Grinnell,	Senate	X	
Jeff Hill, Treasurer	Governor	X	
Mark Irvin, Vice Chair	House	X	(Mark Irvin left and returned for a time telephonically then left again.)
Alberto Moore, Secretary	Governor	X	
Jonathan Paton	House	X	
Larry Lewis, Executive Director		X	
Counsel:			
Special Counsel Mark Collins		X	
Special Counsel John Sundt		X	
Special Counsel Sean Brearcliff		X	

2. Announcements from the Chair.

3. Study Session: Term Sheet Matters.

* These Minutes are a composite summary of the discussion, motions and direction set forth in the transcript taken by the court reporter present at the Meeting.

A binder on the defunct term sheet was passed out to each board member. Counsel discussed each item as taken in order and discussed as to the property/project listed and what the term sheet represented about each item. Some items not listed in the defunct term sheet such as the U of A and Cushing street bridge matters were briefly mentioned.

Counsel stated that executive session would discuss the matters not stated in the defunct term sheet which were subject to legal advice and options for moving forward with the various assets and properties paid for with District funds per legal research.

→ Motion made by Jannie Cox to go into executive session, seconded by Alberto Moore. Motion passed unanimously at 11:20 a.m. with a break for lunch first.

Break 11:15 am to approximately 12:00 p.m. for lunch

- 4. Executive Session:** Upon a public majority vote of members constituting a quorum, the Board of Directors may hold an executive session in accordance with A.R.S. §38-431.03 (A), (3) and (7) for legal advice concerning any of the Study Session: Term Sheet Matters.

Executive Session began at 12:10 p.m.

→ Motion made by Carlotta Flores to come out of Executive Session, seconded by Alberto Moore. Motion passed unanimously 8-0 at 1:27 p.m.; Mark Irvin left toward the end of executive session and had not returned by the time it ended.

3. (resume 3.) Study Session: Term Sheet Matters.

→ Motion made by Jonathan Paton to:

First of all, that the District, the Rio Nuevo District, would officially reject the provisions of the term sheet;

Second, that we would direct our attorneys to come up with a response as directed in executive session including and regarding all platted areas on the west side, items block one through fifteen etc., as well as including the fire station property and the arena parcel;

Three, that we will have a regulatory/legislative strategy that we work into the response;

Four, that we will receive a report on and include in the response all disputed titles that are remaining;

Five, that we file all notice of claims against the City of Tucson on all of the parcels in question beginning the 30th of September; and,

Six, to look into any additional items that are still left over to be included in this response to the City to move forward and that this response to the City is presented to the Board, if possible, on October 13th and sent to the City immediately thereafter for the City to respond within 10 days.

Seconded by Alberto Moore. Motion passed 9-0, unanimously, with Mark Irvin on telephonically.

→ Motion made by Jannie Cox that:

I move that, contingent on funds being available, that the District move forward immediately on some of the highest priority capital projects at the Tucson Convention Center as presented to the group the other day on our tour by Mr. Obermaier. And there is an official list of those.

Seconded by Rick Grinnell.

Discussion ensued regarding the bleachers and the availability of bond funds to cover the costs of the list Mr. Obermaier handed out during the TCC tour from the week prior, the completeness of the list handed out by Mr. Obermaier and the difference between aesthetic issues and structural/capital needs of the TCC. It was also pointed out that the majority of the items on the list would not have been taken care of had the hotel been built and the City is responsible for the management of the TCC through the lease back of it from the District to the City. Further, the lease provides the City is to take care of all repairs and maintenance and limits any activity by the District in doing so.

There were many general comments about cost effectiveness of any repairs and the importance of capital repairs over aesthetics but at the same time keeping the gem show folks in mind.

Rick Grinnell called for the vote after extensive discussion.

→ Motion failed. 5-3 (Mark Irvin was no longer on the telephone to vote).

- Chair Bain handed the gavel to Secretary Alberto Moore who became acting Chair.
- Motion made by Jodi Bain that:

A group of two to four District board members, plus including the current liaison to the TCC for the east entrance, to have a TCC Task Force Initiative, as suggested by ward six council member, that will work with those three folks that are allocated from the executive team of, as well as, Tommy Obermaier and one person from the Mayor and Council whether it's the mayor or a council member, along with the three executive team folks from the City, to tell the District by the 26th who those folks would be and schedule a meeting.

The Task Force to work and bring back to the District, if possible, by October 5th, if not, October 13th, those capital items (Capital) that have to happen and in a separate list those beautification items (Aesthetics) that need to happen more quickly to get in line for the gem show and a cost analysis very quickly on each one.

The board will then make a decision or response (on the 5th if a report is possible) on the 13th of October of how it would choose to allocate bond funds, as well as the fact of how that money would be managed by the District, if and when it was allocated, whatever dollar amount would be determined by the District in conjunction with the City working together.

And in addition, we would move forward to work with the City on the TCC, and it would be conditioned upon an amended and restated IGA lease agreement between the District and the City for management and use of this convention center.

Seconded by Jeff Hill.

Discussion ensued.

A friendly amendment to add to the TCC Initiative Task Force a member of the TCC Commission was requested by Carlotta Flores and accepted by the maker and the second.

After a call for the vote by Jodi Bain the motion passed 8-0; Mark Irvin was not available.

5. Adjournment.

- ➔ Motion made by Tim Bathen to adjourn the study session, take a break and return for regular meeting. Seconded by Carlotta Flores. Passed unanimously 8-0; Mark Irvin was unavailable.

(Recess 2:20 p.m. to 2:40 p.m.)

Resume for Regular Meeting.

B. Regular Meeting:

1. Roll Call.

The regular meeting was called to order at 2:40 p.m.

	Appointee	Present Absent/Excused	
Jodi A. Bain, Chair	Senate	X	
Tim Bathen	Governor	X	
Jannie Cox	Governor	X	
Carlotta Flores,	Governor		X
Rick Grinnell,	Senate	X	
Jeff Hill	Governor	X	
Mark Irvin, Vice Chair	House	X	(arrived late at approx. 3:30 p.m.)
Alberto Moore, Secretary	Governor	X	
Jonathan Paton	House	X	
Larry Lewis, Executive Director		X	
Counsel:			
Special Counsel Mark Collins		X	
Special Counsel John Sundt		X	
Special Counsel Sean Brearcliff			X

2. Discussion and possible approval of the August 18, 2011minutes.

- ➔ Motion by Jeff Hill to approve minutes with a few corrections from meeting conducted on August 18, 2011; seconded by Alberto Moore.

Discussion with direction for correction for final draft:

1. Take off CPA on page 3.
2. Spell Mark Irvin's last name correctly.
3. Spell Fletcher McCusker's name correctly.
4. Tim Bathen also stated to revise that he did not leave the meeting on 8.18.11.

Motion passed 7-0; Mark Irvin unavailable; Carlotta Flores absence excused.

3. Announcements from the Chair.

- (a) Future Meeting Dates 2011.
- (b) Website Update.
- (c) Liaison Outreach Pairings.
- (d) House Keeping Matters.

4. Executive Director Report. Larry Lewis addressed 4, 5 and 6 together.

5. District Office updated and discussion with possible direction/action.

→ Motion by Jonathan Paton to approve the lease at the Arizona State Building; seconded by Jeff Hill.

Discussion ensued with review of a summary sheet on the terms of the lease prepared by Larry Lewis for the Board.

(Note: Mark Irvin walked in after the motion was made but prior to the vote)

Motion passed unanimously; 8-0.

6. Treasurer Report. Jeff Hill Meeting to be had with R & A shortly; we remain attempting to schedule a Wells Fargo conference call.

7. Report from Counsel with potential direction/action from the District:

1. Thrifty Block/Post.

Short update on ledger request by Jeff Hill waiting for production.

- 2. Fox Theater.** None.
- 3. Hotel Project Matters.** None.
- 4. Forensic Audits.** None.

8. Executive Session: Upon a public majority vote of members constituting a quorum, the Board of Directors may hold an executive session in accordance with A.R.S. §38-431.03 (A), (3) and (7) for legal advice concerning the following matters:

- 5. Thrifty Block/Post.**
- 6. Fox Theater.**
- 7. Hotel Project Matters.**

→No executive session was convened.

9. Call to the Audience: (Presentations are limited to 3 minutes per speaker. All those interested in speaking should complete and submit a Speaker's Card that will be made available at the meeting).

No one made a call to the audience.

10. Adjournment.

→Motion by Jonathan Paton to adjourn meeting, seconded by Alberto Moore. Motion passed unanimously at 3:14 p.m.