

**Minutes for the Meeting
Of the Board of Directors of the
Rio Nuevo Multipurpose Facilities District
2:30pm
Thursday, March 8, 2012
at
400 W. Congress Street, Room #158, Tucson, Arizona, 85701**

A meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Thursday, March 8, 2012, at 400 W. Congress Street, Room #158, Tucson, Arizona, commencing at 2:30pm.

1. Roll Call.

The meeting was called to order at 2:30 p.m.

	Appointee	Present	Absent/Excused
Jodi A. Bain, Chair	Senate	X	
Tim Bathen	Governor	X	
Jannie Cox	Governor	X	
Rick Grinnell	Senate	X	
Jeff Hill, Treasurer	Governor	X	
Mark Irvin	House	X	
Alberto Moore	Governor	X	
Jonathan Paton	House		X Excused

Others Present: Sarah Perkins, University of Arizona graduate student intern

Board Member Carlotta Flores has resigned as of March 1, 2012.

2. Discussion and possible approval of the January 31, 2012 and February 9, 2012 minutes.

- ▶ Motion by Alberto Moore to accept and approve the January 31, 2012 and February 9, 2012 meeting minutes; seconded by Mark Irvin. Passed unanimously, 6-0.

3. Announcements from the Chair.

The mediator Tom Zlaket plans to come to the board meeting on Tuesday, March 13th, 2012, to talk to the Board about the importance of the structure and procedure of the mediation. The financial audit has been released and is available on the website, and hard copies were available during the meeting at the back of the room. The presentation of the Depot Plaza Block forensic audit for release is scheduled for Tuesday, March 13th, but there needs to be a concurring partner that reads and approves the final audit so it may be postponed. Also, at 1:00 p.m. today, excess materials including boxes of documents and blueprints were dropped off at the Rio Nuevo office by the F.B.I. Release of the audit could be postponed depending on if the dropped off materials should be reviewed to see if they pertain to the Depot Plaza Block. It appears that the other materials acquired by the F.B.I. will potentially come back to the District at a later date when they are done with them.

4. Administrative Job Offer.

Chair Bain stated that the posting of the Administrator position had been extended a few days through midnight on March 4, 2012. Four applicants were interviewed, with six applicants being offered interviews. One applicant already had a job, and one applicant did not respond. Out of the four interviews, three applicants wanted more money and one would be okay with the higher end of the proposed pay scale. It was then suggested to go into executive session after a few other agenda items were discussed and the board could come back to the employment issue after completing those. Chair Bain agreed and moved on to Item 5.

5. Opening of application period to the District for selection of representatives to community boards of the Rialto and Fox Theatres.

Chair Bain stated that there are board positions open, two at the Fox Theater and two at the Rialto. Former Rio Nuevo board member Dan Cavanaugh had expressed interest in one of the board positions at the Fox, and Lisa Bayless, had expressed interest in one of the board positions at the Rialto. Chair Bain asked if the Board should make known to the community that these two people were being considered as appointees to the Fox and Rialto boards with a decision being made at the next Board meeting, and/or if the Board should open up the process to fill the other two positions (one each at the Fox and the Rialto) at a later date.

Discussion by Mark Irvin that he thought is was ok to go ahead and approve Dan and Lisa while opening up the other two positions for applicants as Dan and Lisa had shown interest months ago. Tim Bathen let his concerns be known of who the appointed people would be reporting to: the district or the Rialto or the Fox. Are the appointments made for the District to have to give direction to the appointments or to act without board direction. Some discussion ensued. Chair Bain thought the appointments would better allow the District to be aware of the works of each theater and of potential issues moving forward and that the appointments could give brief reports to the District but generally act independently.

- ▶ Motion by Alberto Moore to place Dan Cavanaugh and Lisa Bayless on the Boards of the Fox and Rialto respectively; seconded by Jannie Cox for the purpose of discussion.

Discussion:

Tim Bathen asked for clarification of the spots functioning as liaisons between the Rio Nuevo Board and the Boards of the Fox and Rialto. Chair Bain explained that these appointments would report to the Board from time to time, but would function differently from the Board's liaison program. Jannie Cox expressed concern about the need to appoint people who can make decisions that benefit the Fox and Rialto, not decisions that the Board approves of, as well as the need for the appointees to have fundraising expertise. Chair Bain reminded that the Board could unappoint anyone if the Board was unhappy with them. Alberto Moore suggested that appointees receive guidelines so they know what issues the Board is concerned about so if issues arrive, they would approach the Board for opinions on the matter. Appointees would have a responsibility to talk to the Board when something comes up. Jannie Cox stated her belief in the importance of getting the right people and letting them do their job. Chair Bain asked if the Board was comfortable with letting Dan Cavanaugh and Lisa Bayless know that the Board wanted to appoint them to the Fox and Rialto respectively and asked for an amendment to post the openings on the website in next month of the other two positions being open. Mark Irvin suggested a two part announcement on the website; first, welcoming Jim and Lisa, then an announcement of the other two open positions for applicants to apply for. Tim Bathen stated he was not comfortable voting for people when he wasn't sure of the definition of the job description, or what their role was in relation to the Board. Additionally, Tim Bathen stated he would want clarification of

the appointee's responsibilities Chair Bain clarified that due to ongoing financial relationships with the Fox and Rialto, these two positions were not filled when the discussion had been brought up before, but Dan and Lisa had remained interested over a period of months. Tim Bathen clarified that the Rio Nuevo Board was putting people on the theater boards that would be beneficial to the theater boards because the Board wants the theaters to succeed. Chair Bain added that the Board would also want to receive information about anything unusual happening or problems that come up.

Chair Bain clarified that these theater boards are the operating boards, not advisory boards, and that the appointees/nominees could still decline, and asked if Tim Bathen would be interested in calling or talking to the nominees. Tim Bathen stated that he had just wanted to make sure he had a clear understanding of why these people were being appointed, and what the purpose and goal was of having them on the boards. Chair Bain stated that there was a delay in making the appointments in case of a dispute about money or contracts with the theaters, and the Board wanted those issues resolved before the Board insinuated themselves onto the boards of the theaters. Chair Bain added that in conversation with Fletcher McCusker, they discussed that board appointments could make the reporting process go smoother than it has previously.

- ▶ Motion for an amendment to the original motion by Tim Bathen asking Alberto Moore for an amendment that would go beyond the original motion adding: a posting on the District website announcing the open of a board position to the Fox and on to the Rialto next month and that these positions would be filled at a Board meeting in April if possible; seconded by Jeff Hill. Motion accepted by Alberto Moore and Jannie Cox; passed unanimously 6-0.

Jannie Cox mentioned that she knew someone who she thought would be great for the Rialto, but would rather not say the person's name out loud and asked if it was something that could be discussed in executive session.

- ▶ Call for a vote on the passage of the full motion; passed 6-0.

Rick Grinnell arrived at 2:54 p.m.

6. Report from Counsel

i. Tucson Convention Center. One issue regarding the TCC had been pulled out of mediation; the idea of finding something to work on together with the TCC that is a capital component. The City would obtain new retractable bleachers while the District would find some item of similar value to address that is a capital item.

ii. Mediation. Mediation is moving ahead on-track. Zlaket will be attending the Tuesday, March 13th special meeting to discuss the importance of confidentiality and the ongoing mediation. The City has filed responsive pleadings. Garfield-Traub has filed a reply to the District's motion to dismiss, and a response is being prepared which Special Counsel Brearcliffe is currently working on. It was confirmed that the only matters for executive session discussion would be items regarding the administrative job offer and the TCC lease component.

8. Call to the Audience. (Offered to be taken out of order prior to Executive Session to accommodate Councilmember Cunningham's and audience member's request to address the Board).

City Councilman Paul Cunningham, representing himself, stated he thought that there was positive movement happening between the District and City. Councilman Cunningham stated his door was always open and that the District and City are on their way to coming up with a package that the taxpayers and all stakeholders will be proud of and that will spur development.

Mark Krum, representing himself, stated he came to the meeting to see firsthand what was going on, and likes what he is hearing.

- ▶ Motion to go into Executive Session made by Alberto Moore at 3:09 p.m.; seconded by Tim Bathen. Passed unanimously 7-0.

7. Executive Session

- ▶ Motion to come out of Executive Session made by Alberto Moore at 4:07 p.m.; seconded by Jannie Cox. Passed unanimously 7-0.

4. Administrative Job Offer

- ▶ Motion by Alberto Moore that the person selected as directed in executive session will be contacted by the Chair and offered \$45,000 annual salary, two weeks' vacation, and up to \$400/month for health care/other benefits to be discussed with the person; seconded by Jannie Cox.

Discussion: Rick Grinnell asked if selectee's current employer would be excluded from doing business with the District. It was determined it would not be an issue in a bid contest because the company does not do current business with the District

Motion passed unanimously 7-0.

6. iii TCC and TCC Lease Matters

Chair Bain summarized that the concept is that the District would match the dollars the City would spend. Meaning each party would fund between \$700,000-\$1,000,000. The City to replace the bleachers and the District would do a capital improvement which is bathroom renovation in the parts of the TCC the District owns that are most in need. This can allocate of up to \$2,000,000 for use on the TCC. In return for potentially adding additional funds it was suggested that the District would request the immediate return of the Arena parcel to the District.

9. Adjournment.

- ▶ Motion to adjourn made at 4:20 p.m. by Jeff Hill; seconded by Alberto Moore. Passed unanimously 7-0.