



**NOTICE OF EXPENDITURES OF \$500,000 OR MORE OF TIF REVENUE
PURSUANT TO A.R.S. §48-4204
(BRINGS)**

For many years the real property and improvements located at 236 South Scott Avenue in Tucson served as the Bring's Funeral Home ("Property"). The Property was recently acquired by 236 South Scott LLC ("LLC") and appraised at \$1.4 M in its "as is" condition. The LLC developed plans to renovate and repurpose the 13,262 square foot (+/-) building into retail, restaurant/bar and office use ("Project").

The Project is within the District's multipurpose facilities site, and the District's Board of Directors has determined that the Project is beneficial to the District's primary component, the Tucson Convention Center. The Project is conveniently located and easily accessible to the Modern Street Car and, when completed, will generate substantial sales tax revenues that will benefit the District and the City of Tucson ("City"). It will also create employment opportunities and attract customers to the area and provide retail and food service amenities to the surrounding neighborhoods and businesses.

The construction of the Project's improvements will or has created construction jobs and construction sales tax that will further benefit the City and the District. The LLC projects \$3.9 million of 15-year sales tax revenue on the completed project and an additional \$90,280 of construction sales tax revenue. For these reasons, the District believes that the properties it owns or likely will own in the area of the Project will benefit from the Project and that the District will benefit from the tax revenues to be generated by the Project.

The District agreed to purchase the Property from LLC for \$800,000 and immediately lease the Property back to the LLC (the "Lease"). The Lease includes an option to extend the Lease term and to repurchase the Property at any time during or before the expiration of the Lease. To incentivize the completion of the Project and expedite the resulting benefits described above, the Lease includes the District's agreement to share a portion of the incremental sales tax revenue with the LLC during the Lease term.

This expenditure exceeds the \$500,000 threshold set forth in A.R.S. §48-4204.

If you have any questions or concerns, please contact your appointee or the Chairman of the Board.

[SIGNATURES ON SEPARATE PAGE]

**STATEMENTS OF BOARD MEMBERS' FINANCIAL INTERESTS IN SUBJECT
OF PROPOSED EXPENDITURE**

Board Members Having No Financial Interest:



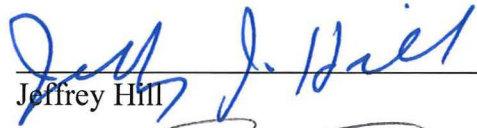
Fletcher McCusker – Chairman

Christopher Sheafe - Treasurer

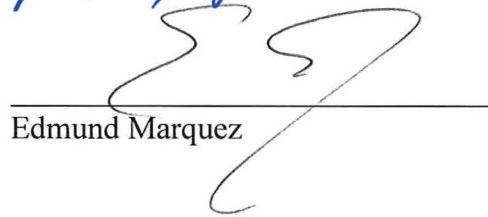
Jannie Cox



Mark Irvin, Secretary



Jeffrey Hill



Edmund Marquez

Board Members Having Financial Interest:

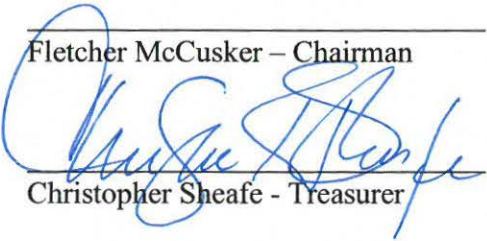
None.

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Board Members Having No Financial Interest:

Fletcher McCusker – Chairman

Mark Irvin, Secretary



Christopher Sheafe - Treasurer

Jeffrey Hill

Jannie Cox

Edmund Marquez

Board Members Having Financial Interest:

None.

STATEMENTS OF BOARD MEMBERS' FINANCIAL INTERESTS IN SUBJECT
OF PROPOSED EXPENDITURE

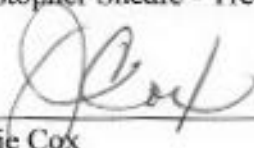
Board Members Having No Financial Interest:

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Mark Irvin, Secretary

Christopher Sheafe - Treasurer

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Board Members Having Financial Interest:

None.