



Rio Nuevo

TUCSON, ARIZONA

400 West Congress, Suite 152 ~ Tucson, AZ 85701 ~ 520-623-7336 ~ FAX: 520-882-3699 ~ info@rionuevo.org

REVISED §48-4204(C) NOTICE AND STATEMENTS

Effective July 24, 2014, each member of the Rio Nuevo Multipurpose Facilities District Board of Directors ("Board") will be required to provide certain information to their respective appointing authorities before considering an expenditure of \$500,000 or more of TIF funds. Although not yet specifically required to do so, in the spirit of the revised statute, the Board members wish to provide the following information.

NOTICE OF POTENTIAL EXPENDITURE OF \$500,000 OR MORE OF TIF REVENUE

The Board considered, discussed and voted upon the following action item during the meeting of May 19, 2014.

During its July, 2013 Board Meeting, the District Board voted to pursue the allocation of \$4.3 million to purchase the parking garage component of the AC Hotel (a Marriot brand) being developed by Scott Stiteler's entity, 5 North 5th LLC, on 5th Avenue between Broadway and Congress in downtown Tucson. Pursuant to the Board's direction, a Purchase Agreement and a Lease have been prepared for the Board's consideration.

STATEMENTS OF BOARD MEMBERS FINANCIAL INTEREST IN SUBJECT OF PROPOSED EXPENDITURE

Board Members' Having No Financial Interest

Mark Irvin, Secretary

Jeffrey Hill

Jannie Cox

Cody Ritchie

Alberto Peña Moore



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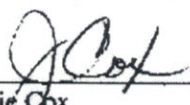
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Board Members' with an A.R.S. §38-501 et seq. Conflict of Interest

Fletcher McCusker – Chairman

Mr. McCusker has no financial interest in the subject of the proposed expenditure by the Board. Nevertheless, because he has had a statutory conflict of interest, he has refrained from participating in any manner in the foregoing proposed expenditure.

For a period of time prior to December of 2011, Mr. McCusker, Scott Stiteler (and others) were co-guarantors of a bank "Line of Credit" to the Congress Street Historic Theatres Foundation ("Foundation"), which operates the Rialto Theater under a lease with the District. Based upon opinion of counsel, this resulted in a disqualifying conflict of interest for Mr. McCusker on any matter involving Mr. Stiteler. By early 2012, Mr. McCusker was removed as a guarantor of the Line of Credit. Counsel for the Board has advised Mr. McCusker that although this removed *the basis* for the statutory conflict of interest, such removal did not immediately result in a resolution of the statutory disqualification, which instead continues for a reasonable period of time.



Fletcher McCusker

Christopher Sheafe - Treasurer

Although Mr. Sheafe has no direct financial interest in the subject of the proposed expenditure by the Board, because of his partnership interests in other properties with Mr. Stiteler, he has a conflict of interest under A.R.S. §38-501 *et seq.* and has not nor will he participate in any manner in the foregoing proposed expenditure.



Christopher Sheafe