

Approved by the Board of Directors of the
Rio Nuevo Multipurpose Facilities District
on 8/18, 2011

**Minutes for Meeting
Of the Board of Directors of the
Rio Nuevo Multipurpose Facilities District
2:00 pm
Thursday, July 21, 2011**

**Tucson Convention Center, Copper Ball Room
260 South Church Avenue
Tucson, Arizona**

A meeting of the Board of Directors of the Rio Nuevo Multipurpose Facilities District was held on Thursday, July 21, 2011, in the Tucson Convention Center, Copper Ball Room, 260 South Church Ave, Tucson, Arizona, commencing at 2:00 pm.

1. Roll Call

The meeting was called to order at 2:05 pm.

	Appointee	Present	Absent/Excused
Jodi A. Bain, Chair	Senate	X	
Tim Bathen	Governor	X	
Jannie Cox	Governor	X (via telephone as of executive session)	
Carlotta Flores,	Governor		X
Rick Grinnell,	Senate	X	
Jeff Hill	Governor	X	
Mark Irvin, Vice Chair	House		X
Alberto Moore, Secretary	Governor	X	
Jonathan Paton	House	X	

Counsel:

General Counsel Keri Silvyn	X
Special Counsel Mark Collins	X
Special Counsel John Sundt	X
Special Counsel Sean Brearcliff	X

Consultants:

Susan Vos, CPA	X
Phil Darylmpo, CPA	X

2. Discussion and possible approval of the May 19, May 25, 2011 and June 23, 2011 minutes.

→ Motion made by Alberto Moore to accept and approve the minutes of 5/19, 5/25, and 6/23 minutes. Tim Bathen seconded. Passed 7-0; unanimously.

Chair Bain explained there is an error on the tape for April 13, 2011 and the tape is extremely illegible which General Counsel Silvyn then reported to the Board and concurred. The tape will be provided to an outside entity to try and obtain a more clear set of minutes.

3. Announcements from the Chair. Good day, in the nature of time and consideration to a few board members who have alternative meetings and matters they need to attend to, the board will be working the agenda out of order today. We appreciate your patience.

9. (out of order) Executive Session. 2:12 p.m. Motion made by Alberto Moore to move to Executive Session. Rick Grinnell seconded. Passed 7-0; unanimously.

Executive Session held as separate meeting.

4:12 p.m. Motion made by Tim Bathen to come out of executive session. Alberto Moore seconded. Passed 7-0; unanimously.

5. (out of order) District Website with discussion and possible direction/action. Jodi Bain, Alberto Moore and Mark Irvin District Website As instructed by the Board at the last meeting, Alberto Moore, Mark Irvin and Jodi Bain interviewed the short list of candidates for the Website Project. One website group that purportedly declined to participate in the initial presentations reached out to a board member and notified them that they had not in fact been asked as reported. This website company was interviewed as well. Alberto Moore discussed that out of the two days of interviews the group jointly agreed TagLine to be contracted. Tagline was the most cost effective and also has content, PR and data base search issue know-how and capacity.

→ Motion made by Alberto Moore to engage TagLine as the Website Project Company and for content management and data base and compliance purposes. Jonathan Patton seconded. Passed 7-0; unanimously.

6. District Financial Update addressed by R & A CPA Firm with discussion and possible direction/action. Mostly skipped due to time constraints after statement the cash position of the District is not yet finalized and remains in progress.

7. Self-Storage Unit matter with discussion and possible direction/action. Jodi Bain, Alberto Moore and Counsel. Chair Bain discussed that the by a letter dated 4/26/11 (which letter has been discussed various times in District meetings since receipt) the City notified the District in writing of its document destruction and retention policy as it relates to the District with a calendaring of what has been destroyed, kept and/or scheduled for destruction. The documents which are yet with the City should be picked up and stored in a climate controlled space.

→ Motion made by Alberto Moore to obtain a climate controlled storage room for between \$75.00 and \$150.00 per month depending on how much is needed to be stored and if the room is used as a library for records. Seconded by Rick Grinnell. Passed 7-0; unanimously.

8. Report from Counsel with potential direction/action from the District.

- Special Counsel Mark Collins (8.v. term sheet)
 - Mission Gardens/Convento/West Side Origins Project: Presentation on Project. Discussion regarding how in excess of \$13,500,000 minimally was spent on this project(s) after the IGA for the expenditure of funds was termed out.

→ Motion made by Jonathan Paton for the District to enter into a forensic audit on the Mission Gardens/Convento/West Side Origins projects to be coordinated and managed by Rusing & Lopez with the appropriate accounting firm as designated by the Chair depending on work-loads and legal advice. Seconded by Alberto Moore. Passed 7-0; unanimously.

- Depot Plaza Block: Update briefing on where and how it appears the money was spent versus remaining funds requested to defunct term sheet.

→ Motion made by Rick Grinnell to have the executive officers present work with legal counsel and approve by majority decision legal matters and actions as may be advised or required based upon the particular matter and timing between board meetings. Seconded by Jonathan Paton. Passed 7-0; unanimously.

→ Motion made by Jonathan Paton for the District to enter into a forensic audit on the Depot Plaza Block projects to be coordinated and managed by Rusing & Lopez with the appropriate accounting firm as designated by the Chair depending on work-loads and legal advice. Seconded by Alberto Moore. A friendly amendment was requested by Rick Grinnell and then withdrawn. Passed 7-0; unanimously.

- Special Counsel Sean Brearcliff (8.vii.): Close-out of Proposed Hotel Project & Forensic Audit.

Counsel Brearcliff of Rusing & Lopez –was questioned by Chair Bain for an update on the status of the forensic audit. Jonathan Patton spoke about and confirmed approved budgets and dissimilar expenses. Chair Bain questioned Philip Dalrymple on the appropriateness of the documents, the pay applications and the back-up materials and provided per the forensic Audit requests asking if what was received or submitted to the City for review, processing and approval was standard based upon his experience with construction audits. Phil responded no. Then Jonathan Paton asked Counsel Brearcliff and Phil “we are owed semi-trailers worth or documents per the contracts that have been removed out of state to Nevada when the documents are supposed to be at the job site in Tucson. Counsel Brearcliff replied “correct the documents per the contract are supposed to remain at the jobsite in Tucson and the Audit was in the process of retrieving them either by truck, electronically or otherwise as discussed in executive session”.

→ Motion made by Rick Grinnell to cancel the Pre-Development Agreement dated July 2008 with Garfield Traub, etc. pursuant to ARS §38-511 and for Rusing & Lopez to proceed pursuant to this motion and as discussed in executive session. Seconded by Jeff Hill. Passed 7-0; unanimously.

→ Motion made by Rick Grinnell to cancel the Master Development Agreement dated May 2009 with Garfield Traub, et al pursuant to ARS §38-511 and for Rusing & Lopez to proceed pursuant to this motion and as discussed in executive session. Seconded by Tim Bathen. Passed 7-0; unanimously.

8.i. Legal representation, administrative and other requirements for a district. Motion made by Jeff Hill to authorize the executive officers present from executive session to review and change the legal general counsel position as directed in executive session by majority decision. Seconded by Tim Bathen. Passed 7-0; unanimously.

10. Executive Director update with possible direction/action.

→ Motion made by Rick Grinnell to authorize and approve the District to contract with Larry Lewis as executive director for a period of six (6) months pursuant to the terms and direction given in executive session as soon as possible with Tim Bathen Jodi Bain and Mark Collins as direct contacts for this. Seconded by Alberto Moore. Passed 6-1: Jannie Cox voted No.

→ Board took a 5 minute break – resumed at 5:30 p.m. Rick Grinnell left the meeting at this time.

4. (out of order) Nor-Generations, LLC presentation with discussion and possible direction/action
David Greusel of Nor Generations LLC presentation on a mixed use development concept including an arena, a hotel, retail, office and parking. The area proposed would be an assemblage of the I-10 parcel owned by the city/district known as the ‘area land’ and his client’s land just on the East side of I-10.

Jeff Hill left meeting at 5:50 p.m.

Jodi Bain called "lost quorum" and that per previous general counsel direction, the District could take no actions but could finish listening to the presentation only and then adjourn.

12. (out of order) 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).

Per General Counsel previous instructions, not possible due to loss of quorum.

14. Future meeting dates and possible planning retreat

Next meeting is August 18, 2011 at 2:00 pm

15. Adjournment

Chair Bain called "lost quorum" and that the District could take no actions but could finish listening to the presentation only and then adjourn.

Meeting closed 6:08 p.m.