*Pursuant to A.R.S. §38-431.02, notice is hereby given that the Board of Directors of the Rio Nuevo Multipurpose Facilities District will hold the following meeting, which will be open to the public.*

**NOTICE AND AGENDA
FOR REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT**

**Monday October, 22, 2012
2:00 p.m. MST Special Meeting At**

**400 W. Congress Street, Room 222**

 **Tucson, Arizona 85701**

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**AGENDA**

1**. Pledge of Allegiance**

2. **Roll Call**. (2 min)

3**. Board Meeting Minutes** - Discussion and approval of September 26, 2012 Meeting Transcripts

4. **Executive Session-** (Approximately 90 Minutes) 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. To comply with §38-431.03(B), all electronic devices, including cell and smart phones,

I pads, notebooks, tablets and laptops should be turned off and stored during Executive Session.

1. Litigation Claims and Mediation

i. Kromko Matters

ii. Garfield Turner/Sundt Matters

iii. City and Related Matters

 2. COT Settlement

 3. 2008 Bond Proceeds

4. Personnel

 5. Contracts

Reconvene Approximately 3:45PM

5. **Chairman’s Update**

The focus of this meeting will be an update on conversations with the city of Tucson, bond proceeds, administrative rules, an audit update and preparing for the annual audit.  All of these steps are important in order to advance any development project and are more than just housekeeping.

**6. Annual Audit- (Jim Lovelace) Possible Action-** (20 Minutes)

The last two years the District has had a qualified audit, meaning the independent auditors were not comfortable with the accounting and procedures in place in order to issue an unqualified opinion.  One of the reasons for the past qualified opinion is the treatment of construction in process assets, where the District has claimed a value in properties it has invested in but does not own.  Under Generally Accepted Accounting Rules an organization cannot attribute a value to assets that it does not own.  While this is the basis of some of the litigation between the COT and the District it may not be properly presented.  An alternative to consider is what is called Emphasis of a Matter, where the opinion letter directs the reader to a section of the audit that describes the disputed assets but value is not recognized.  This could allow the District to issue an unqualified audit which is very important to its credit rating.

7. **CFO Report (Bill Allen)** (20 Minutes)

Bill Allen, will update the board and public on the financial condition of the District and the work being done in preparation of the audit.

8**. Forensic Audits (Susan Vos)** (10 minutes)

 Susan Vos will update the board and public on the status of the two pending audits

9. **Eastside Development-**Possible Action(Scott Stiteler)(20 Minutes)

 A number of very exciting things have been approved by the city council for the area around 5th and Congress; a new hotel, several new restaurants, and a new office building. The District may participate in the hotel.

10. **2008 Bond Proceeds**-Possible Action – (15 minutes)

In 2008 the District issued $80 million dollars of tax exempt bonds for a variety of downtown projects.  Some of the resulting proceeds remain unexpended. Counsel will update the board on the expenditure of the remaining funds on the 2008 Bond projects.

11. **TCC Appraisal**-Possible Action-(10 minutes)

The Board will be asked to ratify a commercial appraisal of the TCC in preparation for the audit in order to assess if the assets have been impaired.  This is expected to cost approximately $5,000.00.

12. **Media Relations Contract-** Possible Action **(**10 minutes)

13. **COT Settlement Agreement**- Possible Action (30 minutes)

If the District board concludes that the negotiations with the city led by the Chairman and counsel are near complete the board may opt to release the terms and take public comment.

14**. Call to the Audience** – Presentations are limited to 3 minutes per speaker, for 15 minutes in sum. All those interested in speaking should submit a Speaker’s Card that will be made available at the meeting.

15. **Adjournmen**t