RESOLUTION NO. 2003-002

AUTHORIZING AND DIRECTING NOTICE TO THE ARIZONA DEPARTMENT OF REVENUE REGARDING THE DISTRIBUTION OF STATE TRANSACTION PRIVILEGE TAX REVENUES TO THE RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

WHEREAS, the Rio Nuevo Multipurpose Facilities District (the "District") was organized on July 19, 1999, as a tax levying public improvement district and a political taxing subdivision of the State of Arizona for the purpose of acquiring, constructing and developing certain multipurpose facilities (the "Multipurpose Facilities") on real property located in the City of Tucson, Arizona (the "Multipurpose Facility Site"), as more fully described in the publicity pamphlet for the election held in the Cities of Tucson and South Tucson on November 2, 1999 (the "Election"), pursuant to Section 48-4237.F of the Arizona Revised Statutes ("A.R.S."); and

WHEREAS, at the Election, the voters of the Cities of Tucson and South Tucson authorized the District to use certain amounts received by the State from the Multipurpose Facility Site and paid to the District pursuant to A.R.S. Section 42-5031 in the manner allowed by law, including securing the District's bonds and other financial obligations issued or incurred for the construction of the Multipurpose Facilities; and

WHEREAS, pursuant to A.R.S. Section 48-4201, a multipurpose facility means any facility or facilities that includes a primary component located on the Multipurpose Facility Site that is owned or leased by the District and is used to accommodate sporting events and entertainment, cultural, civic, meeting, trade show or convention events or activities, together with parking garages and lots; and

WHEREAS, the Tucson Convention Center (the "TCC") constitutes the primary component of a multipurpose facility within the meaning of A.R.S. Section 48-4201, inasmuch as (i) it is located in the District on the Multipurpose Facility Site, (ii) it is owned or leased by the District, and (iii) it is used to accommodate sporting events, including use as the site for home games of the University of Arizona Icecats hockey team and prospective use as the site for home games of a minor league basketball team, and has otherwise been the site of various entertainment, cultural, civic, meeting, trade show and convention events and activities; and

WHEREAS, the District has previously adopted Resolution 2002-002, authorizing and directing notice to the Arizona Department of Revenue regarding the distribution of state transaction privilege tax revenues to the District, based upon the commencement of construction of improvements and renovations to the TCC in December, 2002; and

WHEREAS, the District has not received any such distributions and now desires to rescind Resolution 2002-02 and adopt this Resolution accordingly; and

WHEREAS, the District has now completed the acquisition and construction of improvements and renovations to the TCC, and in accordance with A.R.S. Section 42-5031, now desires to provide for notice to the Arizona Department of Revenue with respect to the distribution of moneys to the District as provided in A.R.S. Section 42-5031; and

WHEREAS, in accordance with the requirements of A.R.S. Section 42-5031.D., the City of Tucson, Arizona (the "City") has made a financial commitment by Intergovernmental Agreement, dated February 1, 2000, to make direct payments to the District from any lawful source, or to expend moneys for land, infrastructure and other improvements directly related to the TCC or the Multipurpose Facility Site, by the end of the ten year period specified in A.R.S. 42-5031.A in an aggregate amount at least equal to the amount received by the District pursuant to A.R.S. Section 42-5031.A; and

WHEREAS, the District has determined that the cost of the District or other publicly-owned components of the Multipurpose Facility Site is at least two hundred million dollars, as required by A.R.S. Section 42-5031.B and that the District has otherwise satisfied all of the statutory conditions precedent to the payment of amounts to the District pursuant to A.R.S. Section 42-5031,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT, as follows:

Section 1. The District hereby rescinds and revokes Resolution 2002-002.

Section 2. The Acting Director of the District, Karen Thoreson, is hereby authorized and empowered, for and on behalf of the District, to provide to the Arizona Department of Revenue following the adoption of this resolution a certified copy of this resolution and notice of the completion of the acquisition and construction of the improvements to the TCC, constituting the primary component of the Multipurpose Facilities, on May 9, 2002, exercising the District's option, and requesting the Department of Revenue, to commence the payments provided for in A.R.S. Section 42-5031 commencing with revenues received for the month of July, 2003 and to continue such payments thereafter through and including revenues received for the month of June, 2013.

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PASSED, ADOPTED AND APPROVED this 5TH day of November, 2003.

RIO NUEVO MULTIPURPOSE FACILITIES DISTRICT

Ruben D Suarez

By: Ruben Suarez, its Chairman

ATTEST:

By: Corky Poster, its Secretary

APPROVED AS TO FORM:

William A. Hicks III

District Counsel