Minutes of the Rio Nuevo Multipurpose Facilities District Board

February 19, 2002 at the Apache Room of the Tucson Convention Center, 260 South Church Avenue, Tucson, Arizona.

1. Roll Call

Chair Suarez called the meeting to order at 6:05 pm. Olivia Hernandez, Corky Poster and Ruben Suarez present, Alice Eckstrom was absent/excused. Staff present: Scott Douthitt, Assistant Finance Director, City of Tucson, John Jones, Project Director, John Updike, Project Manager, Frank Cassidy of the City Attorney's Office, William Hicks, Counsel to the Board, and Marty McCune, Historic Program Administrator of the City.

2. Approval of Minutes of November 14, 2001

Mr. Poster moved, Ms. Hernandez seconded, to approve the minutes. Motion approved unanimously, 11-0.

3. University of Arizona Design Studio Service Agreement

Mr. Poster excused himself from discussions of this item, as a University of Arizona employee. Mr. Jones outlined the Memorandum of Understanding between the City, District and University relative to provision of design services, and reviewed the information in the agenda package. This semester, the focus of student activity will be the area west of the Santa Cruz River, south of Congress Street, which should aid in marketing efforts of this land in the Fall of 2002.

Ms. Hernandez moved approval of the agreement, Mr. Suarez seconded the motion, motion approved, 6-0.

4. Cost of Stabilization of 196 North Court Avenue

Mr. Jones announced that the District has now acquired 196-200 North Court Avenue from the Tucson Heritage Foundation, in conformance with the underlying Jose V. Lee Last Will and Testament and other matters of record. The District engaged the services of Bob Vint & Associates to analyze the buildings, in order to provide a scope of work for stabilization and begin to determine the expected costs. Ms. McCune provided background related to the Vint report. The majority of the costs are related to the repair of the deteriorating adobe structure. Total estimated stabilization costs are over $350,000.

Mr. Poster asked for clarification as to the area of the porch identified in the report. Mr. Poster asked who the owner of the property is now – it is the District. The contract used for the Vint investigation is an open contract with the City of Tucson. Future contracts would be completed pursuant to a procurement selection process

Mr. Poster moved that staff be directed to follow a procurement process to secure a construction contract for stabilization at an amount not to exceed $358,000. Staff would return with a contract for Board consideration at the earliest possible time. Ms. Hernandez seconded the motion. Motion approved unanimously, 11-0.

5. Update on Aquarium RFP Process

Mr. Jones provided a brief review of the on-going selection process. Staff is hopeful that recommendations could be tendered within the next week or so, available for Board consideration at the March meeting. Mr. Poster asked for clarification as to the process between now and the March meeting, and the composition of the review team. Mr. Jones noted the review team is composed of City staff, aquarium experts, and financial consultants. The recommendation will be made to the Board in March, and the recommendation will not be made public until that time. Possible Board actions are to accept the recommendation or reject the recommendation and not proceed with award of the RFP. Chair Suarez asked that background be provided justifying the recommendation at the time of discussion in March.

6. Downtown Stakeholders Meeting

Mr. Jones reviewed the downtown stakeholders meeting on January 16th and 17th of this year. Channel 12 has replayed the event of the 16th nearly one dozen times to provide an opportunity for those not in attendance on the 16th to view the proceedings. Increased private sector involvement was a key issue that leads to successful downtown revitalization, according to the speakers. Sixty downtown stakeholders participated in the workshop on the 17th, which led to a series of recommendations contained in the report issued by the consultant team, which is included in the agenda package. Mr. Jones reviewed the contents of that report.

Mr. Poster asked what the next steps would be. There will be a meeting next week with the engaged agencies downtown regarding a possible office co-location opportunity. Private sector groups are taking the lead in securing increased private sector interest in downtown revitalization, and in analyzing possible development corporation scenarios.

7. Mayor and Council Downtown Strategic Planning

Mr. Jones provided some background as to the Mayor and Council's strategic planning meeting regarding downtown as a focus area for the City for the next 18 months, held on February 4, 2002. There was a transition from the discussions of the downtown summit during January to the recommendations contained in the report to Mayor and Council on February 4, 2002. Mr. Jones reviewed the priority projects as listed in the Mayor and Council communication. Mr. Jones noted the importance of insuring that private sector investment is facilitated whenever and wherever possible. Mr. Poster asked about the sale of land for residential development. That area is located west of the Santa Cruz River, opposite the El Rio Clinic, south of Congress, and is composed of approximately 14 acres.

Mr. Poster asked as to the status of the TCC box office project. It is in design now, with a construction contract expected to be awarded on or around July 1, 2002. It is an important project in that it displays the District's adherence to the terms and conditions of the District enabling legislation. Mr. Poster asked for a presentation to the Board on the Plaza San Agustin Project, at the next meeting if possible.

8. **Acquisition of TCC from the Business Development Finance Corporation – Adoption of Resolution**

Mr. Jones asked Mr. Hicks to review the background on this matter. Mr. Hicks provided background as to the financial documents before the Board today. The documents effectively restructure the ownership of the Tucson Convention Center so that the asset is in conformance with the applicable District enabling legislation, and in doing so, restructure the debt accordingly. The debt amounts will not significantly vary from present day conditions as a result of this restructuring. Mr. Poster asked how Wells Fargo was selected to be Trustee. Wells Fargo is the current Trustee, therefore it was prudent to retain the same Trustee. Mr. Hicks assured Mr. Poster that the instruments recommended today are in conformance with the District enabling legislation requirements. Mr. Hicks noted, in reply to Mr. Poster, that at the end of the payment term, the District would own the facility, and potential could become the owner if it so desired, even though the revenues to the District would have terminated by that date.

Mr. Poster moved adoption of Resolution 2002-001. Ms. Hernandez seconded the motion. Motion approved unanimously, 11-0.

9. **Future Agendas**

Mr. Jones noted that at the March meeting, the Aquarium and Plaza San Agustin would likely be agenda items. The next meeting would be March 13, 2002 at the Tucson Convention Center. Mr. Poster noted that Mr. Cassidy previously provided a presentation as to the processes available for project review and approval, and requested an update. Mr. Poster also asked for an update on the Interstate 10 project.

10. Call to the Audience

Ms. Velia asked about the status of the Rancho Chukson project.

11. Adjournment

Ms. Hernandez moved for adjournment at 6:55 pm, seconded by Mr. Poster and unanimously approved.

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