Minutes of the Rio Nuevo Multipurpose Facilities District Board

May 9, 2001 at the Maricopa/Mohave Room of the Tucson Convention Center, 260 South Church Avenue, Tucson, Arizona.

1. Roll Call

Chair Suarez called the meeting to order at 6:00 pm. Alice Eckstrom, Corky Poster and Ruben Suarez present, Olivia Hernandez was absent/excused. Staff of William Hicks, Counsel to the Board, Kay Gray, District Treasurer, John Jones, Project Director, John Updike, Project Manager, Elisabeth Sotelo and Frank Cassidy of the City Attorney's Office and Marty McCune, Historic Program Administrator of the City.

2. Approval of Minutes

This item was deferred to the next meeting, at the request of Mr. Jones.

3. Rio Nuevo Master Plan – Next Steps

Mr. Jones outlined the Mayor and Council communication and reviewed the identified next steps in the process, which were identified in the Administrative Action Report for the Mayor and Council Meeting of April 9, 2001, page 5. Mr. Poster noted the Tucson Convention Center Commission and Housing Commission issues as areas of concern, and wondered when these issues would be addressed. Mr. Jones indicated that the Rio Nuevo Design Studio was already working on some of the housing issues, and that discussions had already begun with interested parties regarding visitor, outreach and Convention Center issues.

4. Presentation by Sonoran Sea Aquarium

Shannon Marty, President of the Board of Directors of the Sonoran Sea Aquarium, provided a brief presentation to the Board. Mr. Poster asked for an explanation as to the reason for a peak of revenues in year four, and a level state of revenues thereafter, although expenses increase after that time. Ms. Marty recognized Ernie Blienberger of Hunter Interests to explain the background to the pro-forma that was provided. Mr. Blienberger reviewed the expected costs and revenues that formed the basis of their assumptions. Chair Suarez asked about free admission programs, and Ms. Marty indicated that special events as well as on-going efforts could have a free admission aspect to them.

Chair Suarez asked whether the State of Sonora would be contributing toward the project? Ms. Marty indicated that conversations with those officials are on-going, that the extent of financial participation is expected to be minimal, although mexican governmental bureaucratic assistance will be of great help to the project.

Ms. Marty's presentation included background information regarding the resource in the Sea of Cortez, comparisons to other facilities in the United States, and a specific review of expense and revenue projections for their project, including construction, operation and maintenance. Also included in the presentation was a review of the financing process involved, and the various options available to the not-for-profit institution for debt financing and fundraising.

Ms. Marty reported that over $400,000 has been raised in cash and in-kind contributions to date, over the past five years, toward the Foundation's programs. Ms. Marty indicated that a development agreement was a key prerequisite to further fundraising. Ms. Marty also indicated a desire to discuss the appropriate process ahead to solicit for and secure the project proposed by the Foundation.

Ms. Eckstrom asked how long the project might take before the doors open. Ms. Marty indicated that within one year, design could be underway, with a minor fish-growing facility on site early on in the process, with an opening in 2004. Mr. Poster asked whether construction might begin prior to fund-raising $10 Million, and Ms. Marty concurred that was likely, with certain contingency plans. Mr. Poster asked if there was a planned public relations effort to further educate the public about the extent of the influence of the Sea of Cortez, and Ms. Marty concurred. Mr. Jones reviewed the CAC motions made and approved on May 2, 2001, and recommended that this item be referred back to staff to prepare an RFP. Mr. Poster so moved, and Ms. Eckstrom seconded the motion. Mr. Poster then noted that any RFP set forth by the District should balance the need for a fair and open process while recognizing the desire to not create any undue burdens to secure the project desired by the community. Motion carried unanimously (11-0).

5. Purchase of Property at 196-200 N. Court Avenue

Mr. Jones reviewed the history regarding this acquisition, and the prior actions of both the Board and the Mayor and Council. Mr. Poster moved that the acquisition proceed and that the Chair be authorized to execute all necessary documents related thereto. Ms. Eckstrom seconded the motion. Motion carried unanimously (11-0). Mr. Hicks asked for a background as to the actual price proposed to be paid, versus the established "fair market value", and Mr. Updike reviewed the settlement negotiations and the extent to which this proposal is a fair resolution to both the public and the Sellers, all issues given fair consideration.

6. Civil Engineering RFQ

Mr. Jones outlined the information regarding the draft RFQ, and Mr. Poster questioned the extent of the project proposed, which Mr. Jones addressed, and the extent of CAC involvement. A request has been tendered to the CAC to solicit members to serve on a reviewing committee. Mr. Poster moved, Ms. Eckstrom seconded, that the draft be

finalized, with a final draft to be provided for final approval before issuance. Motion approved unanimously (11-0).

7. Public Relations RFQ

Mr. Jones outlined the information in the agenda package, and Ms. Eckstrom moved, and Mr. Poster seconded that the RFQ be completed and returned by staff for final approval before issuance. Motion approved unanimously (11-0).

8. Interstate 10 Engineering Estimate

Mr. Jones outlined the information contained in the agenda package, and the prior estimates from February 12, 2001, regarding the cost estimates to depress the interstate through downtown. In the April 2, 2001 estimate, with reduced scale crossings, the cost was reduced to $80,000,000, from $160,000,000 contained in the February 12, 2001 report. Further consultant fees to refine this proposal are estimated to be in the range of $111,000. Mr. Poster asked what the ADOT estimate was to widen I-10 in its existing configuration (elevated an additional 5 feet), and Mr. Jones noted that estimate was $35,000,000 as prepared two years ago. Mr. Poster asked for background regarding the prior estimate of $1.4 Billion, and Mr. Jones noted that was for a fully covered tunnel for a one mile section of Interstate 10. The latest estimates consider reducing significantly the improvements located above the depressed freeway, thus reducing the cost to depress I-10 accordingly.

Mr. Poster asked for the next steps. Mr. Jones noted that the ADOT board received a presentation a few weeks ago, mainly to accelerate the construction project forward in the capital improvement program. Letters are being prepared from the City of Tucson to the ADOT Director's office, to begin discussions with ADOT to clearly and fairly compare the depression concept with the current ADOT mainline expansion proposal, to determine the cost differential between the two concepts.

9. Next Meeting

Tuesday, June 12th at the TCC is the next scheduled meeting.

10. Future Agenda Items

Mr. Jones noted that final drafts of the RFQ's should be expected, along with a budget for consideration for next fiscal year.

11. Call to the Audience

No one in the audience desired to speak.

12. Adjournment

Ms. Eckstrom moved for adjournment at 7:43 pm, seconded by Mr. Poster and unanimously approved.