Minutes of the Rio Nuevo Multipurpose Facilities District Board

June 12, 2001 at the Apache/Cochise 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, Frank Cassidy of the City Attorney's Office and Marty McCune, Historic Program Administrator of the City.

2. Approval of Minutes of May 9, 2001 and March 14, 2001

Corky Poster moved, Alice Eckstrom seconded, to approve both sets of minutes. Motion approved unanimously, 11-0

3. Fiscal Year 2001-2002 Budget – PUBLIC HEARING

Mr. Jones outlined the budget proposal contained in the agenda materials. Ms. Olivia Hernandez arrived at 6:10 pm. The total amount of the proposed budget for next fiscal year is $8,758,090. Mr. Poster inquired as to the expected timeframe and amount of funds to be available to the District, and Ms. Gray indicated that the analysis is on-going, and that the City of Tucson would continue to provide the funds as an advance to the District, pursuant to the operating Intergovernmental Agreement. The Public Hearing was then opened to the public for comment.

Robin West addressed the Board regarding the level of funds allocated toward Engineering and questioned the ability of the District to expend the funds so indicated.

Mr. Poster asked for clarification as to the Engineering costs. Mr. Jones indicated that amount is related to a request for services and other various infrastructure related improvements. Mr. Poster moved that the public hearing be closed. Alice Eckstrom seconded the motion. Motion approved unanimously, 11-0. Alice Eckstrom moved that the budget be approved as presented by staff. Mr. Poster seconded. Motion approved unanimously, 12-0.

4. Presentation by Fox Theatre Foundation

Herb Stratford, Executive Director of the Fox Tucson Theatre Foundation, provided a brief presentation to the Board, based on the information provided previously by mail to the Board and Citizen's Advisory Committee. Ben Buehler-Garcia also addressed the Board regarding the project at the Fox, as a Board member of the Foundation. Mr. Garcia noted the extensive media coverage, the high level of volunteer assistance lended to date, and the readiness of the project, as the Foundation has ownership of the asset. Mr. Stratford also addressed the financial issues contained in their submittal. The current

estimated cost to rehabilitate the building is nearly $7,000,000. The project could be completed during the year 2003.

Mr. Poster noted his personal support for the project as a key ingredient to downtown revitalization. Mr. Poster noted some adjustments from earlier estimates in the cost figures presented today, and asked for clarification. The Fox capital campaign goal is $5,000,000 to be raised from the private sector. The request for funds includes contingency funds, as precise construction costs are difficult to obtain for such a historic structure. Mr. Poster noted that the master plan allocation is closer to $1,500,000, far less than the requested amount from the Foundation. Mr. Poster questioned the level of precision of the estimated costs, and thus the degree of confidence in those numbers. Additional, more detailed estimates will be forthcoming, according to Mr. Stratford.

Mr. Suarez questioned the degree of reliance on funds from the Rio Nuevo Project, in terms of whether an interruption in funding from the District could thus jeopardize the project's construction activities. Mr. Stratford indicated that the project's institutional funding should address any potential interruptions in the proposed income stream. Ms. Eckstrom asked what type of events could occur at the Fox. Mr. Stratford indicated that that live cultural events, live performances, some specialized or niche cinema presentations, and corporate & meeting events as well would book the facility at a rate of approximately 200 to 300 bookings per year. Audience targets would cross racial and socio-economic boundaries. Mr. Stratford indicated that first run movies would likely not fare well in this venue. Mr. Suarez noted that a CAC presentation is forthcoming from the Foundation. Mr. Stratford also noted that the Foundation has secured evening parking rights in the underground garage at the site of the Unisource Tower, and that efforts are underway to secure a tenant in the second floor space adjoining the Fox.

Mr. Poster asked that additional information regarding the debt issues be provided, and also a revised budget that assumes $1,500,000 from the District. Mr. Jones noted that the information should be submitted to the CAC and to staff so that a recommendation and request for direction can be provided to the Board at that point.

5. Approval of Civil Engineering RFQ

Mr. Jones reviewed the information contained in the package, and the proposed timeline for the project. Mr. John Alexander of the City's Transportation Department also is in attendance should the Board have specific design questions at this time. Mr. Poster moved that the RFQ be approved as presented. Ms. Eckstrom seconded the motion. Motion approved unanimously, 12-0.

6. Approval of Public Relations RFP

Mr. Jones reviewed the information provided in the agenda package regarding the draft RFP. Mr. Poster asked about the selection process. Mr. Jones noted that the selection committee would be City staff and representatives from the CAC. Mr. Poster asked whether the amount would be fixed at the time of selection, or task by task. The amount would be established in the contract on an hourly basis, with each discreet task

determined as the tasks are identified. Mr. Poster moved approval of the RFP as presented, Ms. Eckstrom seconded the motion. Motion approved unanimously (12-0).

7. Notice of Interest: 26-72 East Congress Street / 20 N. Scott Avenue

Mr. Jones outlined the information in the agenda package and reviewed the property's history. Ms. Eckstrom moved, and Mr. Poster seconded that the District Board respond with a letter of interest to the General Services Administration issuance of a public body screening notice, expected to be issued later this month. Motion approved unanimously (12-0).

8. **Approval of RFP for Large Attraction**

Mr. Jones reviewed the history of the RFP discussion, and asked Mr. Cassidy to outline the issues to be considered at this time by the Board. Considerations include a legally defensible position in terms of the process employed in securing an operator/developer through a clearly competitive process. Another consideration is the question of whether the particular nature of an aquarium, versus some other attraction, is a mandated initial key attraction. This issue must be balanced with the expectations of the community with regard to the features included in the Rio Nuevo Project as noted for illustrative purposes in Proposition 400 and in the Rio Nuevo Master Plan. Mr. Suarez asked for an explanation as to what was considered a key attraction. Mr. Cassidy reviewed some of the prior analysis completed by Hunter Interests both prior to the master planning process (as a contractor for the Sonoran Sea Aquarium), and during the process.

Ms. Shannon Marty addressed the Board regarding this issue. Ms. Marty noted that the Aquarium project was a recommended project in the plan, and questioned the meaning of that process and recommendation. Ms. Marty noted that several possible attractions may qualify as responsive to the proposed RFP, including a shopping mall. A subsequent feasibility review period may substantially delay the construction process. An RFP may undermine Ms. Marty's non-profit group's ability to fundraise. Ms. Marty indicated that there are several examples of non-competitive, direct award processes utilized by public agencies across the country for venues similar to the aquarium proposal. Ms. Marty noted that a partnership must be formed in order for the project to be successful.

Mr. Poster noted the long term nature of the process ahead. Mr. Poster expressed concern that the proposed RFP process may not enhance the partnership-building effort that is an important step in the project. Mr. Poster moved that an RFP for an Aquarium be issued in this matter. Ms. Gray noted the importance that the first project not be seen as limited in scope nor as non-competitive in nature. Mr. Hicks noted that the procurement process is designed to assist the Board in gaining the best possible use of the public funds to be made available. Thus the recommendation that a broad possible range of activities and/or facilities be considered.

Ms. Eckstrom asked whether there has been interest shown by any other group or major attraction in Rio Nuevo to date. Ms. Eckstrom seconded the motion. Mr. Jones was

asked by Mr. Poster what the timeline would be for an RFP. Mr. Jones indicated that the RFP would be open for approximately 30 days, followed by a review and selection process, followed by construction of a development agreement for consideration by the Board and Mayor and Council. Motion approved 7-5 (Chair Suarez against, Mr. Poster, Ms. Eckstrom, Ms. Hernandez in favor).

9. Position on Proposed Arizona-Mexico Transmission Line

Mr. Jones outlined the Dept. of Energy request for comment regarding the subject proposed line, and probable negative impact on the District and the Rio Nuevo Project. Mr. Suarez also noted the potential health hazard of the transmission lines themselves. Mr. Poster moved that the Board reject the Tucson route in the strongest possible terms, and that it be made clear that said rejection notice not be construed to support any other potential routes. Ms. Eckstrom seconded the motion. Motion approved unanimously (12-0).

10. Next Meeting

Wednesday July 24, 2001 at 6:00 pm at the TCC is the next scheduled meeting.

11. Future Agenda Items

An RFP for an aquarium would be placed on that agenda, according to Mr. Jones.

12. Call to the Audience

Mr. Francis Gilbert suggested that in light of this evening's discussion, an amended solicitation process may be in order, and if developed, be clearly communicated to the community.

Ms. Robin West asked that the Board direct staff to address her prior correspondence with a follow-up. Ms. West wondered whether additional traffic analysis was going to be undertaken by Hunter Interests or others prior to, in conjunction with, or following, issuance of the engineering RFQ. Additionally, Ms. West asked that the acequia along the Santa Cruz River be rebuilt and repaired, and that the parking lot at Congress and I-10 be appropriately screened pursuant to the Land Use Code, and that the Major Streets and Routes plan be reviewed prior to planning any major transportation corridors through Rio Nuevo.

13. Adjournment

Ms. Eckstrom moved for adjournment at 7:45 pm, seconded by Mr. Poster and unanimously approved.