Minutes of the Rio Nuevo Multipurpose Facilities District Board
November 14, 2001 at the Tambo Room of the Radisson Hotel 181 West Broadway, Tucson, Arizona.

1. Roll Call
Chair Suarez called the meeting to order at 6:05 pm. Alice Eckstrom, Corky Poster and Ruben Suarez present, Olivia Hernandez was absent/excused. Staff present: Kay Gray, District Treasurer, 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 September 12, 2001
Alice Eckstrom moved, Mr. Poster seconded, to approve the minutes. Motion approved unanimously, 11-0.

3. Status of RFP for Aquarium
Mr. Jones announced that three responses have been received in reply to the issuance of a request for proposals. Those three responses were:

- US Aquarium Team, Inc.
- Sonoran Sea Aquarium
- Swinerton Builders

Corky Poster moved that staff and the review team be directed to review the proposals and report back to the Board by no later than the January meeting. Ms. Eckstrom seconded the motion. ***Motion approved unanimously, 11-0.***

4. Award of Public Relations Services contract for Rio Nuevo
Following a review of the submitted proposals, a recommendation for two firms to be awarded contracts for public relations services has been tendered for the Board's consideration. Those firms are:

- Kaneen Advertising and Public Relations and Associates
- Michael Bolchalk

Chair Suarez asked why two firms were selected. Mr. Jones replied that certain specific skills regarding neighborhood communications were strong in one firm, and that selection of two firms would best enable the District to utilize those skills, together with other general public relations skills of the other firm. Mr. Poster asked if there was a specific division of responsibilities for the firms. Mr. Jones indicated that yes, separate and distinct responsibilities would be set forth for each of the firms. Mr. Poster asked about the inclusion of South Tucson in promotional brochures, and Mr. Jones responded that future publications will clearly identify South Tucson as a Partner City in this effort. Mr. Poster moved acceptance of both contracts as recommended by staff. Ms. Eckstrom seconded the motion. ***Motion approved unanimously, 11-0.***

5. Presentation of Archeoloogical Inverstiagtions
Mr. Jones introduced the Desert Archaeology staff, in particular Jonathan Mabry, to make a presentation to the Board and public. The presentation focused on the findings to date and plans for future action within the Rio Nuevo/Downtown area.

It is felt that the future location of the rebuilt Convento may be established to within one foot of its precise former location. Excavations within former landfill locations confirmed the suspected degree to which landfill operations were completed. Canals were discovered dating back 2,000 years. These investigations are allowing the team to better understand the history of the Santa Cruz River as well.

Pit houses dating back 4,000 years were discovered in locations west of the Santa Cruz River, south of Congress Street, some of the oldest discovered in Southern Arizona. Discoveries of pottery date back as early as any found in the Southwestern United States. Discoveries of corn date back as early as any found in North America. Investigations within the Mission Gardens area continue, with substantial discoveries to date, and excellent preservation of materials.

Future locations for exploration include areas of the Presidio Wall in the core area of downtown, particularly the corner of Church & Washington and within the Presidio Park area. An open house will be held December 1st at 1pm in the afternoon, on site at Mission Gardens.

6. Downtown Stakeholders Meeting
Mr. Jones outlined the information contained in the package regarding the City's team coordinating downtown activities, as well as background information that has led staff to propose a downtown stakeholder's meeting in January, which recommendation was approved by the Mayor and Council of the City of Tucson. Mr. Jones outlined the draft contract with Brad Segal of PUMA, recommended to be selected to facilitate the January meeting, and Mr. Jones handed out the draft contract to the Board members. The intent of the contract is for services of facilitating the meeting and for some prior reconnaissance. The immediate timeframe associated with the meeting suggests consideration of a sole source contract as recommended. Mr. Poster noted that the Procurement Director has not yet ruled on the issue of a sole source contractor as being appropriate. Mr. Poster questioned why the District is the contracting agent for the contract, and Mr. Jones noted that the District is the likely sponsor of the event as it directly relates to the Rio Nuevo development project and roles and responsibilities of those organizations desiring to play a part in that project. Mr. Poster questioned the role of the Board and the CAC in the stakeholder meeting. Again, Mr. Jones noted the various participants involved in Downtown and the need to clearly define roles and assign some level of accountability. This process should be accomplished in a format as recommended here.

Mr. Poster asked that the information to the Board be provided in a more timely manner. Mr. Jones agreed that information will be provided to the Board as that information is

generated. Mr. Poster moved approval of the draft agreement for services as presented, contingent upon the Procurement Director's acceptance of the process as outlined in the memorandum to him from the Project Director. Ms. Eckstrom seconded the motion. ***Motion approved unanimously, 11-0.***

7. Rio Nuevo Project Review Process

Mr. Frank Cassidy outlined the background to the information contained in his memorandum dated October 4, 2001, entitled "Rio Nuevo Project Procedures". Mr. Cassidy then reviewed the contents of the memorandum. Mr. Poster questioned the assignment of TIF funded government or competitive classification to, for example, the Rancho Chuk-son Project, and how the determination is made as to whether a competitive process is required. Mr. Cassidy responded that the determination would have to be made on a case-by-case basis, but that there may be circumstances wherein a non-competitive selection process may be employed to secure an operator of a public facility. Employing a non-competitive process to secure a developer of such a facility may be more problematic, depending upon the level of property rights to public property proposed to be conveyed to a private party. Mr. Poster questioned the ability of the Board to make a sole source selection such as that made under item 6. Mr. Hicks noted that in an employment scenario, a selection process is not necessarily required to select an employee or contractor to perform a service. But in the case of selecting an entity that is profit-motivated, a competitive selection process may be required. In the case of selecting an entity that is not profit-motivated, there may be other options available, but further consideration may be required by the attorneys advising the Board.

Mr. Poster expressed a concern that interested private citizens desiring to be involved in the project in a non-profit capacity might be "regulated out of the process", in an exclusionary sense, reacting to procurement or competition issues. Mr. Jones noted that one of the purposes of this memorandum is to create an initial template of the available processes to aid not only the Board, but also the CAC and the project proponents, to better understand the process ahead. It is expected that the templates and procedural options will be modified as new issues arise, or enhanced processes become evident. Mr. Poster noted that the memorandum is helpful to all involved.

8. **Rio Nuevo Project Schedule**

Mr. Jones reviewed the memorandum contained in the agenda package that outlined the catalyst projects for Rio Nuevo and Downtown. Mr. Poster inquired as to the process to be employed in selecting the developer/operator of Rancho Chuk-son, and if the District should be asking for additional information at this time from that organization. Mr. Jones noted that the Rancho Chuk-son selection process is unclear at this time. For that reason, a particular proposal has not yet been taken forward to either the Board or the CAC for a recommendation. Mr. Poster expressed his concern that documents provided by that organization may then be available for potential competitors, should a competitive selection process be required to secure a developer/operator. Mr. Jones noted that all acknowledge that issue, but that recommendations are not moving forward to either the Board or to the CAC in any public presentation format until the process is clearly understood. Mr. Poster noted that perhaps information submitted by organizations

desiring to participate in a project be kept confidential until all understand the selection process to be employed. Mr. Hicks noted that if the District receives documents from the public as a public body, then those documents must be made available to the public if requested. Mr. Hicks suggested that if disclosure of information could pose a future problem for a project sponsor, then that issue of public disclosure be fully explained to the sponsor before they submit information to staff for consideration.

Mr. Poster renewed a prior request for information as to a comprehensive flowchart for project activities over the life of the District. Mr. Jones noted that a draft flowchart is under construction, but that further refinement is required to accurately depict expected revenues and expenditures. Mr. Poster noted that the District has recently passed its two year anniversary, and that he has previously requested financial information regarding the District's revenues and has not received that information to date. Ms. Gray noted that a prior response, in a preliminary fashion, of last Spring indicated that prior revenue projections still favor the recommended initiation date of funding of July 1, 2002, and that the overall revenue projections still support the original budget recommendations. Ms. Gray also states that waiting to initiate funding until next calendar year make political sense given the issues facing the state legislature, and make financial sense, given that the incremental increase in revenue continues to grow as time passes.

Ms. Gray noted that the District's projection of financial need will be better defined early next year, lending further support to waiting to initiate funding for the District into mid-year of 2002. Ms. Gray noted that it is likely that at the January meeting the capital needs will be better defined, but that revenue projections will not be available at that time.

9. **Next Meeting**
Wednesday, January 9, 2001 at 6:00 pm at the Radisson Hotel is the next scheduled meeting.

10. Future Agenda Items
As previously noted during the meeting, capital needs analysis, and further project updates will be placed on the agenda.

11. Call to the Audience
Ms. Josephina Cardenas spoke to the Board, noting that the elderly barrio residents desire to have knowledge of the project's status, particularly Rancho Chuk-son.

12. Adjournment
Ms. Eckstrom moved for adjournment at 7:40 pm, seconded by Mr. Poster and unanimously approved.