

**RIO SALADO CROSSING MULTI-PURPOSE FACILITIES DISTRICT  
BOARD OF DIRECTORS' MEETING**

The Board of Directors of the Rio Salado Crossing Multi-purpose Facilities District met in a Board Meeting in the City of Mesa Lower Level Council Chambers, 57 East 1st Street, Mesa, Arizona, on December 11, 1998 at 3:13 p.m.

**BOARD PRESENT**

Marty Whalen, Chairman  
Pat Gilbert  
Marjorie Heckman  
Dave Johnston  
Jim Lykins  
Roseann Sweet

**BOARD ABSENT**

None

**MESA COUNCIL PRESENT**

Jim Davidson  
John Giles  
Keno Hawker  
Dennis Kavanaugh  
Pat Pomeroy

**STAFF PRESENT**

Linda Crocker  
Mike Hutchinson  
Barbara Jones  
Wayne Korinek  
Ray Pittman  
Andrea Rasizer  
Larry Woolf  
Others

**OTHERS PRESENT**

Mark Barushko  
Dana Belknap  
Mike Bidwill  
Robert Brinton  
Charlie Deaton  
Michael Dollin  
Bob Ellsworth  
Kurt Freund  
George Pettit  
Randy Pullen  
Robbie Sherwood  
Bill Sims  
John Snider  
Fred Williams  
Others

Chairman Whalen welcomed everyone to the meeting and acknowledged the presence of Vice Mayor John Giles and Councilmembers Keno Hawker and Jim Davidson. Councilmember Kavanaugh also joined the meeting at 3:31 p.m.

1. Approve minutes from the October 28, 1998 meeting.

It was moved by Boardmember Johnston, seconded by Boardmember Lykins, that the minutes of the October 28, 1998 meeting be approved.

Carried unanimously.

2. Hear a presentation on the financing plan for the proposed Rio Salado Crossing Project.

Assistant City Manager Mike Hutchinson advised that representatives of the investment banking firm Dane Rauscher, Inc., representing the Rio Salado Crossings' Association and the Arizona Cardinals, will highlight a brief presentation on this financing plan for the proposed Rio Salado Crossing Project. Mr. Hutchinson added that Randy Pullen, of the Pullen Company, a hospitality/hotel consultant will also address the Boardmembers.

Kurt Freund and John Snider, representing Dane Rauscher, Inc., stated that the proposed financing plan also reflects significant input that has been received from City staff, particularly Assistant City Manager Mike Hutchinson and Finance Director Larry Woolf. Mr. Snider briefly highlighted the contents of a Rio Salado Crossing Financing Plan Overview that was distributed to the members of the Board and commented on development components and phasing, uses of

funds, sources of capital funding, sources of funds for publicly owned improvements and proposed operating revenues and expenses.

Mark Barushko, representing SunCor Development Company, the master developer, informed the Board that discussions are occurring with other subdevelopers regarding possible project partnerships and stated the opinion that his company will be able to announce the name of the company that will participate in the hotel component of the project in the near future. Mr. Barushko also briefly discussed both retail and multi-family components of the proposal and advised that DDR Oliver MacMillan will be participating in the retail development, while SunCor and JPI Investments will participate in the residential development.

Discussion ensued relative to total estimated sources of capital funding at build out, the initial phases of the privately owned investments, recreational amenities, total amount of revenue bonds security by the Citywide sales tax, the Arizona Cardinals' contribution to the project, recapture of project generated taxes and investment earnings, public infrastructure financing/sales tax bonds, and the sales tax growth impact on debt retirement/tax termination.

Mr. Freund, Mr. Barushko, Mr. Pullen and Legal Advisor Bill Sims responded to various questions from the Board regarding scheduling, the various project components, the status of the development agreement, project phasing, anticipated occupancy levels, the scope of a proposed sales and marketing budget, the classification of 'surcharge vs. tax,' placement of the proposal on the ballot of a City election in May 1999 and proposed ballot language.

(Chairman Whalen declared a recess at 4:29 p.m. and the meeting resumed at 5:10 p.m.)

Chairman Whalen thanked the speakers for their input and stated that additional discussion will occur on this subject at the next meeting of the Board.

3. Hear a presentation on the land use plan for the proposed Rio Salado Crossing Project.

Michael Dollin, representing Urban Earth Design, an urban design/landscaping architecture consultants for the project, provided the Board with a brief update on the progress of the project's land use plan as of this date. Mr. Dollin advised that focus has been directed on the public/open space amenities of the Rio Salado Crossing project.

Discussion ensued relative to the master plan concept, coordinating efforts between Urban Earth Design and the project's principal architect of the primary facility, Peter Eisenman, plan refinements, additional coordination efforts that have occurred with SunCor Development, JPI Investments and DDR Oliver MacMillan, parks, golf courses, hiking/nature trails, the Arizona Exposition Center, the expansive public park land area, Exposition Park, the art walk, lake features, 'pocket parks,' the proposed professional soccer field, and relocation of the four softball fields.

In response to questions from the Board, Mr. Dollin outlined the three proposed locations for the skateboard park and added that a fourth alternative is also being considered.

Mr. Dollin emphasized the importance of assuring that the project contains extensive active and passive recreational elements and amenities and encouraged staff and project participants to continue to develop list of proposed recreational amenities for the project.

Chairman Whalen thanked Mr. Dollin for his input.

4. Discuss additional information needs of Boardmembers.

Chairman Whalen commented that should the Committee decide to recommend to their respective Councils to proceed with the project, action to place this on the ballot of a May 1999 election must occur no later than January 18, 1999. Chairman Whalen stressed the importance of preparing a report to submit to the City Council regarding this issue for their review and consideration.

Mr. Sims commented that five use agreement issues remain to be addressed: 1) the annual rent that the team would pay; 2) the amount of capital reserve and determining who would fund same; 3) naming rights; 4) risk of operations and maintenance; and 5) development rights including timing. Mr. Sims also stressed the importance of determining which amenities will be included in Phase I of the project and stated that whether or not developers will require incentives must also be explored. Mr. Sims added that the identity of the developer must also be confirmed and said that Board guidance is required prior to negotiations with the team.

Boardmember Gilbert recommended that Mr. Sims prepare a draft confidential memo regarding the proposed plan and present it to the full Board for review and consideration.

Assistant City Manager Mike Hutchinson advised that he has received some information on the economic impact statement and will present an update to the Board at the next meeting.

5. General information and schedule future meeting.

Following discussion among the members of the Board, Chairman Whalen advised that the next meeting will be held on Friday, December 18, 1998 at 4:00 p.m.

Boardmember Johnston emphasized the importance of soliciting public input regarding the proposed project.

6. Adjournment.

Without objection, the meeting adjourned at 6:02 p.m.

Carried unanimously.

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Board of Directors' Meeting held on the 11th day of December 1998. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_\_ day of December, 1998

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JIM LYKINS, BOARD SECRETARY