

## **FOR IMMEDIATE RELEASE**

October 13, 2011

For more information, Contact:

**Rio Nuevo Multipurpose Facility District (RNMF D)**

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### **Attacks on the new Rio Nuevo District Misdirected!**

This newly appointed Rio Nuevo Multi Facilities District (“District”) Board was developed to address some very serious concerns voiced by the Arizona State Legislature. Over the last 18 months we have reviewed thousands of documents, payouts, financial statement and entertained various proposals to ensure the integrity of the investment by taxpayers. Our current process is intended to eliminate future suspicions and questions of integrity so we can all move forward as fast as possible.

#### **TRUTH OR FICTION:**

1. Fiction: The Notice of Claim served on the City of Tucson (“City”) in September 2011 is a threat and is meant to bankrupt the City.

**Reality: *This is false.*** The Notice of Claim potentially preserves the District’s and taxpayers’ right to various land and other assets. It represents that the land west side of I-10 and the Arena land to the east of I-10 should be owned by the District to begin to develop it effectively so the community can move forward from the malfunctions of the City managed old Rio Nuevo. AND, that no less than \$47 million of District and taxpayer money was spent by the City there according to the City’s own accounting.

2. Fiction: The Notice of Claim is not based on any new data.

**Reality: *This is false.*** Based upon the documents uncovered and made known to the District and its attorneys since 2011, new information was found and pieced together with the term sheet issues demonstrating the basis of the Notice of Claim.

3. Fiction: The City has fully cooperated and worked in good faith with the District.

**Reality: *This is unfortunately not accurate.*** District consultants continue to struggle with City production of information and documents. A notice of claim and other legal options put the City and the District on a timetable and requires timely and accurate production of information and documents.

4. Fiction: The new Board is not interested in improving the TCC.

**Reality: *This is false.*** The District’s new Board inherited the situation in which we find ourselves and is dedicated to making appropriate improvements to the TCC and the revitalization of downtown Tucson. The new Board was not part of the past “gross financial mismanagement” which did not allocate appropriate funds to the TCC.

5. Fiction: The City met its obligations to the TCC.

**Reality: *This is unfortunately not accurate.*** Since the City sold parts of the TCC to Rio Nuevo, the maintenance, upgrades, repairs and improvements are, by the terms of the TCC lease to the City (written by the City), are actually the responsibility of the City as the tenant. Clearly, the TCC needs maintenance, upgrades, repairs and improvements which the City has not properly maintained.

6. Fiction: The District has spent \$0 on the revitalization of the TCC and Downtown.

**Reality: *This is false.*** The District paid out on the east entrance and defunct proposed hotel and convention center no less than \$15,000,000. At least \$2 million was used to update the central plant and other utility matters at the TCC per the City’s own accounting.

***PROGRESS OR NASTY POLITICS?***

## ***PROGRESS OR NASTY POLITICS?***

### **TCC IMPROVEMENTS:**

#### **City Mayor and Council Kill the TCC Joint Taskforce.**

At the October 5, 2011 City Council Meeting, the Mayor and Council unanimously voted to kill the TCC Taskforce and break off all communication with the District except through the City Attorney. The TCC Taskforce should not have been a victim of the Mayor and Council's short-sighted reaction. We remain committed to moving ahead in good faith on all matters of review. This reaction only hurts efforts to provide funding for appropriate investments in the TCC. The District passed its own motion to continue to work with the TCC and its staff to identify priority matters appropriate for potential funding with or without the City's participation. Our efforts to meet with the TCC staff were denied. With or without the City's cooperation, the new Board will work to fulfill its mission. Don't forget any work on the TCC not only requires their cooperation but requires Mayor and Council approval.

### **UNWARRANTED ATTACKS & INTERRUPTION OF TRUTH:**

Councilman Kozachik has offered an angry, sarcastic and unwarranted assault on the District that is both counterproductive and ill-informed. In recent Ward 6 Newsletters, he selectively outlines various contentious open items between the City and the District. He has misinformation and misrepresented that agreements had been made and agreed upon between the City and the District. Councilman Kozachik did not become involved in the City controlled old board until after his election in 2009. When Councilman Kozachik ran for Ward 6 office, he ran on a platform of cleaning up the mess created by the then-City Mayor and Council. Let the District continue to work forward unfettered by political rhetoric.

What is conveniently forgotten by the City Mayor and Council is that from 1999 until 2010 the District was *controlled and managed by the City*. The City entrusted and delegated the District's financial responsibilities to City Staff and comingled District taxpayer funds with City funds. The City staff and Mayor and Council have an obligation to truly cooperate and work hand in hand with the District to clean up the debacle... not stall uncovering the truth. Huge amounts of taxpayer money have been spent and we all have a right to know what happened and collect our assets.

### ***BANK BOND STATEMENTS.***

Wells Fargo Bank still has not provided the District control of its proprietary bond and other accounts. The District did begin to receive some information late last week from Wells Fargo now being reviewed. Please see the attached letter.

### **PROGRESS:**

The new Board continues to work to identify the assets that rightly belong to the District for development and to move forward with the goal of building a better Tucson. We await completion of the forensic audits, preserving the District's right to claims and acting in the interests of the taxpayers.

**The District** Board is a group of dedicated group of volunteers who spend countless hours weekly in an effort to maximize taxpayer resources to shape a vibrant downtown corridor for Tucson and bring *closure and accountability* to the citizens of Tucson and the State of Arizona. Let the District continue to work forward free from political rhetoric.

### END###

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October 3, 2011

\* NOT ADMITTED IN ARIZONA;  
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\*\* ALSO ADMITTED IN CALIFORNIA  
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*Via Electronic and First Class Mail*

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*Re: Rio Nuevo Multi Purpose Facilities District; Wells Fargo Bank accounts*

Dear Ms. Eatros,

This law firm represents the reconstituted Rio Nuevo Multipurpose Facilities District ("District"), a political subdivision of the State of Arizona. A disagreement has apparently arisen between the District and Wells Fargo Bank regarding access to and control of its proprietary accounts.

The District has requested copies of its bank statements, or access to electronic versions of bank statements, and access to its account and other reporting matters for all accounts held by the District or which hold funds held for the benefit of the District at Wells Fargo Bank as trustee, dating back to the inception of its accounts. In correspondence with the District, you have most recently excused the refusal to provide such by claiming the need to perform a "review" of the accounts. Wells Fargo's performing a "review" of the accounts does not limit the ability or right of the District to have ready access to its accounts, account information or statements.

Nancy L. Eatros, CCTS  
October 3, 2011  
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The District has repeatedly reached out to Wells Fargo -- via email, telephone calls, and even by providing Governing Board resolutions on Wells Fargo's request -- to obtain that access to and control of the accounts. The District is committed to working together to build on the relationship between the new District Board and Wells Fargo but has been unable to effectuate this for many months.

Please work with the District representatives as set out in the Resolution provided to you on August 15, 2011. Due the upcoming meetings in which the District will be engaged, it needs the statements and other pertinent reports on or before October 7, 2011.

Sincerely, ...



Sean E. Brearcliffe

SEB\cmr

cc: Mike Jette, AAG

###END###