



BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS

☐ Award ☒ Contract ☐ Grant

Requested Board Meeting Date: 04/20/21

* = Mandatory, information must be provided

or Procurement Director Award ☐

***Contractor/Vendor Name/Grantor (DBA):**

Knott Development Inc (Headquarters: Bethesda, Maryland)

***Project Title/Description:**

Predevelopment Services Agreement, Kino South Sports and Entertainment Complex

***Purpose:**

Award: Contract No. CT-PW-21-364. This award of contract is recommended to the highest qualified respondent in the amount of \$1,825,000.00 for a contract term from 04/20/21 to 09/16/21 to provide predevelopment services for the Kino South Sports and Entertainment Complex.

***Procurement Method:**

SFQ-PO-2000017 was conducted in accordance with A.R.S. §§ 11-254.04, 11-932, and 48-4203. Two (2) responsive statements of qualifications (SOQs) were received and evaluated by a seven (7) member committee using qualifications and experience-based selection criteria. Based upon the evaluation of the respondents' written representations of their qualifications and necessary due diligence, both respondents were invited to interviews. As a result of the combined scoring of the written SOQs and interviews, both respondents were invited to Step 2 Request for Proposal, RFP-PO-2100005. Award is to the responsive and responsible respondent submitting the highest scoring proposal.

Attachments: Notice of Recommendation for Award, County Administrator Memos to Board of Supervisors regarding Kino South Sports and Entertainment Complex dated October 27, 2020 and March 25, 2021, and Predevelopment Services Agreement.

***Program Goals/Predicted Outcomes:**

The goal for this Agreement is to develop and operate a new sports and entertainment center and support elements such as hotels, restaurants, retail shops, outdoor public plazas.

***Public Benefit:**

The benefits will include the integration of healthy community principles that support active recreation, pedestrian and bicycle enhancements, opportunities for low income youth sport recreation and skills training, creation of the premier sports and entertainment complex, ability to attract regional and national sporting events, sustainability goals, as well as spurring redevelopment, stimulate economic development and expand employment opportunities.

***Metrics Available to Measure Performance:**

The performance will be measured using the procurement evaluation forms pursuant to BOS Policy D.29.1.

***Retroactive:**

No.

To: COB 4-7-21 (1)
vers.: 1
pgs.: 23
Revised 5/2020

Contract / Award Information

Document Type: CT Department Code: PW Contract Number (i.e., 15-123): 21-364
Commencement Date: 04/20/21 Termination Date: 09/16/21 Prior Contract Number (Synergen/CMS): _____
☒ Expense Amount: \$* 1,825,000.00 ☒ Revenue Amount: \$ 1,825,000.00
*Funding Source(s) required: General Fund

Funding from General Fund? ☒ Yes ☐ No If Yes \$ 1,825,000.00 % 100.00
Contract is fully or partially funded with Federal Funds? ☐ Yes ☒ No
If Yes, is the Contract to a vendor or subrecipient? _____
Were insurance or indemnity clauses modified? ☒ Yes ☐ No
If Yes, attach Risk's approval.
Vendor is using a Social Security Number? ☐ Yes ☒ No
If Yes, attach the required form per Administrative Procedure 22-10.

Amendment / Revised Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____
Amendment No.: _____ AMS Version No.: _____
Commencement Date: _____ New Termination Date: _____
Prior Contract No. (Synergen/CMS): _____
☐ Expense or ☐ Revenue ☐ Increase ☐ Decrease Amount This Amendment: \$ _____
Is there revenue included? ☐ Yes ☐ No If Yes \$ _____
*Funding Source(s) required: _____

Funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) ☐ Award ☐ Amendment

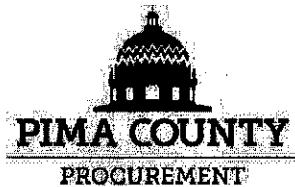
Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____
Commencement Date: _____ Termination Date: _____ Amendment Number: _____
☐ Match Amount: \$ _____ ☐ Revenue Amount: \$ _____

***All Funding Source(s) required:**

*Match funding from General Fund? ☐ Yes ☐ No If Yes \$ _____ % _____
*Match funding from other sources? ☐ Yes ☐ No If Yes \$ _____ % _____
*Funding Source: _____

*If Federal funds are received, is funding coming directly from the
Federal government or passed through other organization(s)? _____

Contact: Matt Sage, CPPB Matthew Sage Digitally signed by Matthew Sage
Date: 2021.04.07 12:21:07
Department: Procurement Terri Spencer Digitally signed by Terri Spencer
Date: 2021.04.07 12:09:46 -07'00' Telephone: 724-8586
Department Director Signature/Date: _____ Nancy Cole, 4/4/21
Deputy County Administrator Signature/Date: _____ 4/7/2021
County Administrator Signature/Date: _____ 4/7/21
(Required for Board Agenda/Addendum Items)



NOTICE OF RECOMMENDATION FOR AWARD

Date of Issue: February 8, 2021

The Pima County Procurement Department hereby issues formal notice to respondents to Solicitation No. SFQ-PO-2000017 for Master Developer Partnership, Kino South Sports & Entertainment Complex, that the following listed respondent will be recommended for award as indicated below. The award action is scheduled to be performed by the Board of Supervisors on or after April 20, 2021.

Award is recommended to the most qualified Respondent:

Knott Development, Inc.

Other Responding Firms (Alphabetical Order):

Provident Resources Group, Inc.

Issued by: Matthew Sage, CPPB; Procurement Officer

Telephone Number: (520) 724-8586

This notice is in compliance with Pima County Procurement Code §11.12.010(C) and §11.20.010(C).


Copy to: Pima County SBE via e-mail at SBE@pima.gov.



MEMORANDUM

Date: October 27, 2020

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Kino South Sports & Entertainment Complex - Update on Solicitations for a Master Developer Partner**

Background

The Kino South Sports Complex opening occurred on January 15, 2020 with the addition of 12 new rectangular sports fields, 20 pickleball courts and associated amenities on 85 acres of County-owned land south of Interstate 10. As work on these improvements were being completed, a process was initiated with the Procurement Department Design & Construction Division to conduct a two-step procurement solicitation for the selection of a Master Developer Partner for a Kino South Sports and Entertainment Complex on 87 undeveloped acres south of Interstate 10.

The County's vision, based on a 2016 concept plan (Attachment 1), was to pursue development and operation of a new premier integrated sports and entertainment complex that provides opportunities complimentary to the existing 257-acre Kino Sports Complex facilities north of Interstate 10 and Ajo Way for sports tournaments, sports league play and practice, entertainment, concerts, and other events, alongside of supporting mixed commercial components including hospitality, retail, restaurant and parking. Proposals involving some type of Public-Private Partnership ("PPP") for the innovative planning, design, financing, construction, operation and maintenance of various components were desired.

Step One – Solicitation for Qualifications

On February 7, 2020, a Solicitation for Qualifications (SFQ) was published seeking qualified firms to provide the best innovative solution in accordance with requirements of the SFQ (Attachment 2). Respondents were required to submit Statements of Qualifications proposing specific uses and layouts, phasing of development, detailed schedule, financing methodologies, partnership arrangement(s), legal structure, revenue sharing potential and operational business plans for the sports, recreational and entertainment components. The experience, previous success, and financial capability of the potential master developer partner and its sub-partners was of paramount importance to the County, as well as the quality and feasibility of the proposed development.

The Honorable Chairman and Members, Pima County Board of Supervisors
Re: **Kino South Sports & Entertainment Complex - Update on Solicitations
for a Master Developer Partner**

October 27, 2020

Page 2

Statements of Qualifications were originally due March 11, 2020, but due to the onset of the COVID-19 pandemic, the submittal date was ultimately extended to July 14, 2020. Two responsive submittals were received and evaluated by a seven-member Selection Committee, a three-member Finance subcommittee, and County Attorney review. Virtual interviews were conducted with both firms on August 20, 2020 and evaluated by the Selection Committee who determined that both firms would advance to the Step Two of the qualifications process.

Step Two – Request for Proposal

The Request for Proposal (RFP) was issued to both firms on September 2, 2020 (Attachment 3) with responses due September 25, 2020. Respondents were to expound upon their qualifications and ability to meet the County's needs for the Kino South Sports and Entertainment Complex. Responses included a detailed Business Plan and the framework for a Master Developer Agreement.

The Selection Committee again evaluated and scored the responses of both firms and clarification questions were submitted to the highest ranked firm on October 9, 2020, with a response due October 16, 2020.

Intent to Negotiate Best and Final Offer & Master Developer Agreement

Based on the evaluation scoring by the Selection Committee, Knott Development, Inc. was deemed the highest ranked firm. A Notice of Intent was published on October 23, 2020 of the County's desire to negotiate a Best and Final Offer and a Master Developer Agreement to be considered for award by the Board of Supervisors on or after December 1, 2020. As these negotiations occur, the process remains subject to confidentiality of the Procurement procedures. Upon conclusion of negotiations and subject to reaching agreement with Knott Development, Inc., a final Business Plan and proposed Master Developer Agreement will be provided to the Board of Supervisors in advance of the meeting where approval to award is being sought.

CHH/anc

Attachments (3)

c: Jan Leshner, Chief Deputy County Administrator
Carmine DeBonis Jr., Deputy County Administrator for Public Works
Michelle Campagne, Director, Finance Department
Mary Jo Furphy, Director, Procurement Department
Reenie Ochoa, Director, Stadium District and Kino Sports Complex

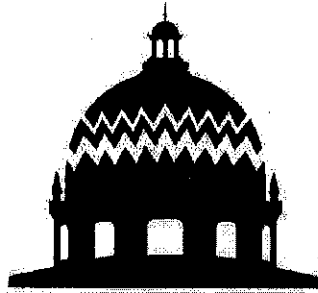
ATTACHMENT 1

CONCEPTUAL SITE PLAN



KINO SOUTH

ATTACHMENT 2



PIMA COUNTY

PROCUREMENT

SOLICITATION FOR QUALIFICATIONS

MASTER DEVELOPER – PARTNERSHIP

KINO SOUTH SPORTS & ENTERTAINMENT COMPLEX

TUCSON, ARIZONA

February 7, 2020

**Pima County Procurement Department
Design & Construction Division
130 West Congress Street, Third Floor
Tucson, Arizona 85701
(520) 724-3727 / Fax (520) 724-4434**

SFQ-PO-2000017

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NOTICE OF SOLICITATION FOR QUALIFICATIONS

SFQ-PO-2000017

MASTER DEVELOPER - PARTNERSHIP

KINO SOUTH SPORTS & ENTERTAINMENT COMPLEX

The Pima County Stadium District (the "District"), together with Pima County, hereinafter ("County"), is seeking Statements of Qualifications ("SOQ") for a Master Developer Partner for development of the Kino South Sports & Entertainment Complex (the "South Complex"). The South Complex is part of the overall Kino Sports Complex facility spanning an area from north of Ajo Way to south of Interstate 10. County is looking for an experienced developer to expedite design and construction of the South Complex in a manner consistent with the County's vision and that takes advantage of the Commercial Development, Architectural, Engineering, and Construction industries' ability to utilize innovative planning, design, financing and construction methods.

Scope of Services: The South Complex consists of 172 acres south of Interstate 10 which includes an already developed 85-acre rectangular sports field and courts facility, and an 87-acre undeveloped area that is available for master development. The South Complex is complimentary to the existing 257 acre Kino Sports Complex facilities north of Interstate 10 and Ajo Way. County's vision is to incentivize, through a development partnership, the development and operation of a new sports and entertainment center that includes, at a minimum, a 10,000-seat stadium and an indoor multi-purpose court and event facility, as well as additional complimentary recreational facilities such as an exterior amphitheater or an ice rink; essentially a premier integrated entertainment and sports development that provides coordinated entertainment opportunities similar to the existing Kino Stadium for sports tournaments, sports league play/practice, concerts, local fundraisers, gem and mineral show space, and other events, alongside of complementary mixed commercial components.

County's vision for the complementary mixed commercial components includes private hotels, restaurants, retail and entertainment venues, and a parking facility, which can be incorporated within and around any of the South Complex areas. County is interested in facilities that have flexible uses, are compatible with existing District facilities in the area, and will expand event space and increase year-round bookings to promote unique economic development outcomes—a sports-tourism Mecca, a vacation destination that will attract families and companies from outside the community, and an entertainment and recreational destination providing refreshing new opportunities for local residents. County intends that the South Complex provide certain public-recreational components that will be operated in a manner, and with use fees, that retain their availability for use by the general public along with similarly operated existing District facilities.

Qualified master developers must propose specific uses and layouts, phasing of development with a detailed schedule, financing methodologies, partnership arrangement(s), legal structure for the various components of the development (ground lease(s), land conveyances, etc.), revenue sharing potential and operational business plans for the sports, recreational and entertainment components of the Complex. The experience, previous success, and financial capability of the Master Developer Partner and its sub-partners will be of paramount importance, as well as the quality and feasibility of the proposed development. County is open to proposals involving some type of Public-Private Partnership ("PPP") for the public-recreational and other various components of the Complex.

County reserves the right to reject any and all qualification statements or withhold the award for any reason.

SOLICITATION DOWNLOAD: <https://vendors.pima.gov/>

REFERENCE DOCUMENT WEBSITE: <http://www.pima.gov/KinoSFQ>

SOQ DUE DATE/TIME: **March 11, 2020, at or before 4:00 PM Local Tucson Time**
LOCATION: Procurement Department, 130 W. Congress Street, 3rd Floor, Tucson, AZ

PRE-SUBMITTAL MEETING: **February 27, 2020, 10:00 AM Local Tucson Time**
LOCATION: Veteran's Memorial Stadium, 2500 East Ajo Way, Tucson, AZ 85713
(Enter through Gate B)
A Site Visit to the South Complex will follow the Pre-Submittal Meeting.

DIRECT QUESTIONS IN WRITING TO: Matthew Sage, CPPB; Procurement Officer
Fax: 520-724-4434 / E-mail: Matthew.Sage@pima.gov

PUBLISH: **The Daily Territorial: February 7, 10, 11, and 12, 2020**

Pima County One Stop often has design professional and administrative staff, managers, and experienced construction supervisors and workers available for immediate hire. Call (520) 243-6700 or contact One Stop at <http://webcms.pima.gov/cms/one.aspx?portalId=169&pageId=28947>

SECTION 1 – INTRODUCTION

1.1 Contracting Overview

The Pima County Stadium District (the "District"), together with Pima County, hereinafter ("County"), is seeking Statements of Qualifications ("SOQ") for a Master Developer Partner for development of the Kino South Sports & Entertainment Complex (the "South Complex"). The South Complex is part of the overall Kino Sports Complex facility spanning an area from north of Ajo Way to south of Interstate 10. County is looking for an experienced developer to expedite design and construction of the South Complex in a manner consistent with the County vision and that takes advantage of the Commercial Development, Architectural, Engineering, and Construction industries' ability to utilize innovative planning, design, financing and construction methods.

Scope of Services: The South Complex consists of 172 acres south of Interstate 10 which includes an already developed 85-acre rectangular sports field and courts facility, and an 87-acre undeveloped area that is available for master development. The South Complex is complimentary to the existing 257-acre Kino Sports Complex facilities north of Interstate 10 and Ajo Way. County's vision is to incentivize, through a development partnership, the development and operation of a new sports and entertainment center that includes, at a minimum, a 10,000-seat stadium and an indoor multi-purpose court and event facility, as well as additional complimentary recreational facilities such as an exterior amphitheater or an ice rink; essentially a premier integrated entertainment and sports development that provides coordinated entertainment opportunities similar to the existing Kino Stadium for sports tournaments, sports league play/practice, concerts, local fundraisers, gem and mineral show space, and other events, alongside of complementary mixed commercial components.

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Qualified master developers must propose specific uses and layouts, phasing of development with a detail schedule, financing methodologies, partnership arrangement(s), legal structure for the various components of the development (ground lease(s), land conveyances, etc.), revenue sharing potential, and operational business plans for the sports, recreational and entertainment components of the Complex. The experience, previous success, and financial capability of the Master Developer Partner and its sub-partners will be of paramount importance, as well as the quality and feasibility of the proposed development. County is open to proposals involving some type of Public-Private Partnership ("PPP") as defined below, for the public-recreational and other various components of the Complex.

County will utilize a two-step procurement for selection of a Master Developer Partner. In the event of a tie or ties, committee consensus may be used to determine final award.

This Solicitation for Qualifications (SFQ) invites Respondents to submit SOQs describing in detail their technical and financial qualifications to perform the requested Services. The issuance of this SFQ is the first step in a two-step procurement process being conducted pursuant to A.R.S. §§ 11-254.04, 11-932, and 48-4203 (Enabling Law). **ONLY THOSE FIRMS THAT RESPOND TO THIS SFQ AND ARE SHORT-LISTED BY THE EVALUATION COMMITTEE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SFQ AND THE ENABLING LAW (STEP 1), WILL BE ISSUED A REQUEST FOR PROPOSAL (RFP) AND INVITED TO SUBMIT A PROPOSAL IN RESPONSE TO THE RFP (STEP 2).**

PURSUANT TO THE ENABLING LAW, THREE (3) FIRMS WILL BE SHORT-LISTED AS ELIGIBLE TO PARTICIPATE IN THE RFP STAGE OF THIS PROCUREMENT.

By utilizing a Master Development Partnership approach, County expects to secure substantial benefits for its taxpayers and customers. These benefits include aggressive project design and construction scheduling, optimal risk allocation, competitive design selection, clear assignment of performance responsibilities with Master Developer Partner, long-term facility operations and maintenance efficiencies, optimal revenue sharing and cost savings. Other expected benefits include the full integration of key design, construction, operations, maintenance and quality assurance personnel in all aspects of the Complex development. County's intent in developing this SFQ and the subsequent RFP is to encourage qualified firms to provide the best innovative solution for the Complex in accordance with the requirements of this SFQ and the subsequent RFP. The technical requirements for the Complex will be presented in the RFP. The presentation of technical requirements in this SFQ is for general understanding only, and is not necessarily indicative of RFP requirements.

1.2 Glossary.

Unless otherwise defined in this SFQ, all capitalized words, abbreviations, and terms used herein shall have the meanings set forth in this SFQ.

1.2.1 Abbreviations

The following abbreviations are used in this document:

DB	Design-Build
DBFOM	Design-Build-Finance-Operate and Maintain
RFP	Request for Proposals
SBE	Small Business Enterprises
SFQ	Solicitation for Qualifications
SOQ	Statement of Qualifications

1.2.2 Definition of Terms

The following terms are used in this document:

Acceptance	The Contractual Agreement will establish the criteria for Acceptance by County, which shall include, but not be limited to, successful completion of the Complex.
Clarification	Limited exchange with a Respondent to resolve minor or clerical errors in an SOQ or to clarify certain aspects of the SOQ such as the relevance of past performance information or adverse past performance information regarding which the Respondent has not had the opportunity to respond.
Communications Protocol	The communications protocol for this competitive procurement process, as discussed in Section 3.3 and set forth in Attachment 1.
Company	The Selected Proposer with whom County enters into a Contractual Agreement. The term "Company" is used to refer to the Selected Proposer after approval and execution of the Contractual Agreement.
County	Pima County, Arizona.

District	Pima County Stadium District
Enabling Law	A.R.S. §§ 11-254.04, 11-932, and 48-4203
Evaluation Committee	The committee established pursuant to the Enabling Law by County and responsible for evaluating the SOQs, short-listing Respondents and subsequently evaluating Proposals and determining the Selected Proposer.
Final Technical Proposal	The Proposer's response to the technical and other non-price elements of the RFP, which shall include the Proposer's technical design details and management approach for the performance of the Contractual Agreement. The Final Technical Proposal will be submitted separately from the Price Proposal in a separate envelope or box so marked.
Guaranty Agreement	The contract between County and the Project Guarantor in which the Project Guarantor irrevocably and unconditionally guarantees to County the Company's payment and performance obligations under the Contractual Agreement. A form of the Guaranty Agreement will be included in the RFP.
Master Developer Partner	Through a Development Agreement, the Master Developer Partner is responsible for the planned development of the land. This would include, but is not limited to, infrastructure and utilities planning, site preparation, environmental engineering and remediation, the identification of uses and users, and the potential building of product for tenants. The Master Developer Partner is responsible for managing the development and disposition of sites from planning to final buildout, overseeing site preparation and infrastructure development, financing, marketing, and asset management. The Master Developer Partner and Pima will delineate their roles, relationship, and responsibilities in an appropriate written partnership agreement.
Preliminary Technical Proposal	The Proposer's preliminary response to the technical and other non-price elements of the RFP, including comments on the draft Contractual Agreement, which will be the subject of discussions between the Proposer and County.
Procurement Officer	The individual designated in Section 3.3 who will serve as County's point of contact for all communications concerning this SFQ.
Project	Kino South Sports & Entertainment Complex (the "South Complex").

Project Guarantor	The entity that will irrevocably and unconditionally guarantee to County the Company's payment and performance obligations under the Contractual Agreement. The Project Guarantor may be either the Company or the entity that will execute the Guaranty Agreement.
Proposal	The documents submitted by a Proposer in response to the RFP, which consists of the Final Technical Proposal and Price Proposal.
Proposers	Short-listed Respondents who submit a Proposal in response to the RFP.
Public Private Partnership	A contractual agreement between one or more governments/public agencies and one or more private sector or nonprofit partners for the purpose of supporting the delivery of public services or financing, designing, building, operating and/or maintaining a certain Project. This may include revenue sharing, public infrastructure investment and/or operating agreements.
Respondent	The individual firm(s), partnership(s), corporation(s), joint venture or combination thereof, submitting an SOQ for the Complex.
RFP Evaluation Criteria	Criteria and standards, which constitute the basis for evaluating and scoring Proposals. RFP Evaluation Criteria will be defined in the RFP.
SFQ Evaluation Criteria	Criteria and standards set forth in Section 4 of this SFQ, which constitute the basis for the Evaluation Committee's evaluation of the SOQs and determination of the Short-listed Respondents.
Selected Proposer	The Proposer receiving the highest score under the RFP Evaluation Criteria and which is recommended by County.
Short-listed Respondents	Those Respondents deemed to be the most qualified by the Evaluation Committee based on the SFQ Evaluation Criteria.
Significant Subcontractors	The following members of the Respondent's proposed team: the lead design professional engineering firm, the firm primarily responsible for construction, and the operator for the site.

1.3 Procurement Process Overview

County will conduct the following steps for this procurement:

- SFQ process
 - The SFQ process is detailed in Section 3 – Procurement General Information, 3.9 SFQ Consultant Shortlist Process
- RFP Process issued to Short-listed Respondents
 - In response to the RFP, Proposers will first submit Preliminary Technical Proposals. Following the submittal of Preliminary Technical Proposals, the Evaluation Committee may conduct discussions with each Proposer concerning the Preliminary Technical Proposals.
 - RFP Proposal Evaluation
 - Final Technical Proposals and Price Proposals received in response to the RFP will be evaluated and scored using the RFP Evaluation Criteria and scoring method that will be included in the RFP.
 - In applying the scoring method, the Evaluation Committee will first evaluate the Final Technical Proposals, and only after evaluating and scoring the Final Technical Proposals will the Price Proposals be opened, evaluated and scored. With respect to the assessment of the Proposer's financial capacity during the proposal evaluation phase of the procurement, this assessment will focus on whether the Proposer has experienced a material decline in financial strength during the period after short-listing of Respondents and the submittal of proposals. The Selected Proposer will be the Proposer receiving the highest score under the RFP Evaluation Criteria and the scoring method defined in the RFP.
- Selection Schedule
 - The following represents anticipated milestone dates for the selection. Any known conflicts with the dates such as observed holidays, scheduled vacations, trade seminars, etc. that could interfere with your participation in the selection should be made known to the Procurement Officer immediately.

Pre-Submittal Meeting:	February 27, 2020 at 10:00 a.m.
Comments/Question Deadline:	March 4, 2020
Due Date Statements of Qualifications:	March 11, 2020 at 4:00 p.m.
Interview Notification:	Tentatively, week of April 13, 2020
Interviews:	Tentatively, week of April 27, 2020
Shortlist Notification:	Tentatively, week of April 27, 2020
RFP issue with Contractual Agreement:	Tentatively, week of June 1, 2020
Contractual Agreement Execution:	Tentatively July/August 2020
Notice to Proceed:	Tentatively August/September 2020

End of Section 1 – Introduction

SECTION 2 – PROJECT SPECIFIC INFORMATION

2.1 Project Background

In 1991, the Pima County Board of Supervisors adopted a resolution to create the Pima County Stadium District ("District") to manage Kino Sports Complex, originally built to serve two-team Major League Baseball Spring Training. The District is a tax-levying, public improvement district and political taxing subdivision of the state of Arizona. District, in conjunction with Pima County government, maintains the fiscal resources of the entire Kino Sports Complex including facilities, grounds, personnel and the various services provided at the venue.

The entire Kino Sports Complex including the north, main, and south campuses is the largest venue in Pima County for youth, amateur and professional sports, concerts, and community events. The fields of this natural grass complex can be adjusted for various sports and uses including baseball, soccer, football, rugby, lacrosse and others. The main baseball complex includes the 11,000-seat Kino Veterans Memorial Stadium, seven (7) full-size baseball fields, three (3) clubhouses and parking. The north soccer complex includes the 2,900-seat North Stadium, which is home to the FC Tucson soccer club, a 1,000-seat North Grandstand field, four (4) additional multi-use long turf fields, and a clubhouse with parking. The South Complex includes twelve (12) multi-use long turf fields, 20 Pickleball courts, concessions, locker rooms and supporting facilities with expansion room for up to six (6) more fields. (Refer to Attachment 2(h)).

2.2 Community Profile and Background Information

In 2014, Pima County ("County") purchased 167 acres of vacant land. The total cost was \$8.75 million. An additional 5 acres of land previously set aside as a drainage easement has also been allocated for this new development, for a total of 172 acres at the South Complex. The site is adjacent to the existing Kino Sports Complex across Interstate 10 and lies between the Benson Highway on the south and Kino Parkway on the west. County acquired the site for the expansion of the Kino Sports Complex and development of a regional sports tournament facility. In January 2020, the new rectangular fields and courts at South Complex opened, leaving the remaining 87 acres of land for development of complimentary mixed commercial and entertainment uses.

Today, the Kino Sports Complex attracts dozens of large-scale events and tournaments. The complex is home to FC Tucson, a minor league soccer team, and provides spring training facilities for several international baseball teams including the KT Wiz, SK Wyverns, Kiwoom Heroes, and the Tijuano Toros. Mexican Baseball, including Obregon and Mexicali and the NC Dinos come for fall training as well as the Tucson Invitational Games that host Division 2, Division 3 and Junior College teams for a month long spring training event. In addition, the complex hosts the annual Gem & Mineral Show, the World of Lights holiday light theme park, KFMA spring and fall concerts, and the Mexican Baseball Fiesta. The site is versatile and can easily transition from event space to baseball and softball diamonds to long fields to accommodate these varied users. Kino Sports Complex's revenues have fully recovered following the departure of Major League Baseball in 2008 and now exceed those of the spring training era. Kino Sport Complex utilization continues to grow and currently boast bookings 340 out of 365 days of the year, including 48 weekends of activities throughout the year.

Based on high utilization, it was recognized that adding additional fields would enhance the complex's ability to host regional long-field tournaments. The Board of Supervisors purchased the South Complex site to develop these facilities. The County worked with Sports Facilities Advisors (SFA) to collect data from the region's sports teams, managers, owners, and promoters. The information was used to develop a pro forma and economic impact analysis of the viability of a future facility and determine the mix of uses with the greatest potential to produce revenues. That information informed the concept development of the site completed by a local land planning consultant, The Planning Center, which is included in Attachment 2 (a. Pima County Memo, dated 5/30/17). These planning efforts concluded that centralization of long-field sports in the South Complex would provide expansion opportunities for additional baseball and softball activities in the central complex.

The Kino Sports Complex is located within the City of Tucson and owned by Pima County. This site is incorporated into a City-approved Planned Area Development (PAD) that provides a flexible design and implementation tool

for phased mixed-use development based on market conditions and the conceptual land use plan prepared for the South Campus. This PAD is available at this link:

<https://www.tucsonaz.gov/files/pdsd/pdfs/PlannedAreaDevelopmentAndOverlay/KinoPAD.pdf>

Site development is permissible in a manner consistent with the site goals as defined in this PAD, and provides the necessary flexibility for the wide range and variety of potential development proposals with generally similar concepts.

2.3 Tucson Demographics related to Kino Development

The District is the public entity responsible for the development, operation and management of the entire Kino Sports Complex. The District is a tax-levying, public improvement district and political taxing subdivision of the State of Arizona, funded primarily from car rental and hotel/motel taxes. The South Complex is an important component of the regional sports and tourism infrastructure within Pima County. Diversification and expansion of sports attractions in Pima County has been an important goal of the County adopted economic development plans since 2012. Development of the Kino South Project represents a significant advancement of this goal.

Development of the Kino South Project has been coordinated with planned improvements along the Interstate 10 corridor. The Arizona Department of Transportation (ADOT) has several interchange improvements that will improve access to this site, including a new interchange planned for Country Club Road, improvements to the current Kino Parkway interchange, and the ability to connect the existing Kino North Sports Complex with the new Kino South Project via a tunnel under Interstate 10. Easy access to both Interstate 10 and Interstate 19, and proximity to the Tucson International Airport, make the location highly attractive for drawing regional and national sports tournaments. There is a significant amount of average daily traffic (ADT) adjacent to the site including along I-10 adjacent to the site ADT of 102,000. Kino Parkway's ADT is 29,000 while Benson Highway has 19,000. The Kino South Project also ties in well with other development projects in this area creating a synergy of economic development activity. The University of Arizona Tech Park at the Bridges and Tucson Marketplace at the Bridges developments northwest of the Kino site are complementary economic drivers in the area, included in Attachment 2 (c, Bridges-Kino Redevelopment Map). The Project is located in a federally designated Opportunity Zone, see Section 2.8 below.

The Kino South Project provides an ideal setting not duplicated in any other location in Pima County or Southern Arizona. This site reaches 442,827 residents of Pima County within a twenty-minute drive based on 2016 census data. Within reach of this twenty-minute buffer zone (or less) is Downtown Tucson, the Tucson International Airport, Davis-Monthan Air Force Base (DMAFB), El Con Mall, Park Mall and many regional tourist attractions such as the Pima Air and Space Museum and Tucson Mountain Park. With over 286 days of sunshine on average Pima County and Tucson's Kino Stadium enjoy activity 52 weeks each year. In 2017-2018 key performance indicators show the area hosted over 60 events, 46,882 room nights and over \$23.7 million in economic impact. Expanding opportunities include rugby, baseball, senior games, pickleball, soccer and other long field sports.

To find other relevant tourism or economic development information pertinent to the local Pima County Region, please consider the following link to Visit Tucson at <https://www.visittucson.org/> or Sun Corridor at <https://www.suncorridorinc.com>. Please find the most recent STR (star) report included in Attachment 2(g).

2.4 Project Overview / Development Goals / Scope of Services

The goals for development of the Complex are divided into two categories: Community Goals and Economic Goals. These are identified below.

Community Goals

- Integrate Healthy Community principles and support active recreation
- Pedestrian and bicycle friendly
- Meet County sports goals, including creation of the premier sports and entertainment Complex in Southern Arizona
- Attract regional and national sporting events
- Provide opportunities for low income youth sport recreation and skills training
- Sustainability goals, including LEED-level silver (non-certified) construction preferred
- Expand partnership opportunities with others, such as
 - Special, Senior, and Para Olympics
 - University of Arizona—soccer, rugby, and hockey
 - Banner/TMC VA Hospital
 - City of Tucson, City of South Tucson and other regional jurisdictions
 - Visit Tucson and Sun Corridor Inc.

Economic Goals

- Spur redevelopment
- Stimulate economic development and expand employment opportunities
- Recruit youth sports tournaments
- Create a sustainable mixed use commercial/hospitality site that supports the sport and event functions (i.e. increases ability to have complimentary services conveniently located)
- Compliment other nearby retail, academic, residential, and professional office development with a major recreation and hospitality Complex.
- Generate new tax revenues (i.e. increase tourism-related revenues both for the Stadium District and the region, including revenue sharing and bed/sales/property taxes)
- Expand entertainment options by providing more variety, as well as providing amenities desirable to attract and retain the knowledge employees sought by new/major employers in our region.
- Cooperate/collaborate with regional partners and stakeholders (e.g. City of Tucson, City of South Tucson, University of Arizona, Visit Tucson, Sun Corridor Inc., key non-profits, and property owners/developers with business interests in the area on both sides of I-10 from the I-19 Interchange extending east to Country Club and beyond) where the most rapid growth of residential and industrial use is projected for the community.
- Leverage Master Developer Partnership to advance the goals enumerated

2.5 Project Deliverables

The Complex is intended to attract a variety of tournament-level sports and provide Tucson with a venue for entertainment. The facilities must tie-in to the existing Kino Sports facility and have connectivity to The Chuck Huckelberry Loop. The new South Complex site will become part of and compliment the larger Kino Sports Complex with connectivity to the existing facilities. An economic analysis was prepared using the SFA pro forma list of facilities and can be found in Attachment 2(a). Below is the minimum list of desired improvements and amenities for the site. Other opportunities integral to successfully developing the Master Development Concept vision should be included in submitted responses as needed.

- Multi-use Stadium and associated amenities (8,000 – 10,000 seats)
- Indoor Multi-Purpose Sports and Event facility
- Parking Facility
- Mixed Commercial Support including (but not limited to):
 - Hotels
 - Restaurants
 - Related Retail
 - Entertainment Facilities

2.6 Project Site

The Project Site is owned by County and is located south of Interstate 10 in Tucson. The Project may use all or a portion of the site. Site Maps are included in Attachment 2. Any locations labeled as future can be considered for use by the Master Developer in their response.

County owns the land for the Project and is willing to consider sale or lease to the Selected Proposer. The Selected Proposer may own the Project equipment, supplies and materials associated with the Project in accordance with the Contractual Agreement. Upon termination of the Project, any improvements will be handled in accordance with the Contractual Agreement requirements.

County's preference is that day-to-day operations be coordinated through the Kino Stadium District to ensure the entire Complex operates cohesively. The Master Developer Partner should propose how they would achieve and maintain this coordination in a sustainable fashion. The Master Developer's operation plan should detail how this project will provide a public use benefit component. The County will consider the ability to support low income and youth sports development, particularly within the neighboring communities, positively.

2.7 Project Budget

The SFA pro forma determined the cost of the entire Kino Tournament facility at \$55 million in 2016. The pro forma prepared by SFA shows a 1.85:1 return on investment based on the recommended combination of uses. The economic impact from their pro forma is \$26.2 million from direct spending annually based on a \$109 average daily expenditure rate. Visitor days are estimated at more than 239,000 annually and hotel rooms at more than 52,000. County is open to a phased approach to develop the South Complex site.

Responses should detail how the Master Developer Partner will utilize an innovative and creative approach to achieve the vision for the Complex. In a partnership, each party brings something to the table. County has elements of significance to offer: the land and the proximity and availability of the existing Kino Sports Complex, public infrastructure investments, as well as the tax revenues of the District. These valuable assets reflect only a fraction of the likely total cost of the site's development and ongoing operations and maintenance. Respondents are expected to provide additional financial support, which if combined with County and District resources or incentives, will enable full development and operation of the South Complex and may include recreational components and revenue sharing.

2.8 Opportunity Zone

This Site located within an established Federal Opportunity Zone. A map of the Opportunity Zones identified by the Arizona Commerce Authority can be found in Attachment 2(f). The Opportunity Zones program is designed to incentivize capital investments in low-income communities nationwide. County urges Respondents to consult with knowledgeable tax and legal resources to clearly identify the Opportunity Zone requirements and benefits that would apply to this project.

2.9 Reference Documents Available

Attachment 2 contains a listing of available reference documents for this Project. Respondents may access these documents at <http://www.pima.gov/KinoSFQ>.

County makes no representation as to the accuracy or completeness of any of the information set forth in the reference documents. Respondents should recognize that County, through the solicitation process, seeks private-sector expertise in the development of the Project. To the extent that any reference documents include design solutions or related information, such information does not necessarily represent the optimal or specific Project features that may be included and cannot be relied upon for compliance with the requirements of the this project.

2.10 Enabling Law

Master Developer Partner shall comply with A.R.S. A.R.S. §§ 11-254.04, 11-932, and 48-4203.

2.11 Small Business Enterprise and Equal Opportunity Requirements

County, as a matter of policy, encourages the participation of qualified Small Business Enterprises (SBE) in response to this SFQ.

End of Section 2 – Project Specific Information

SECTION 3 – PROCUREMENT GENERAL INFORMATION

- 3.1 CONFIDENTIALITY AND DISCLOSURE:** Responses to this SFQ shall be considered privileged communications as to technical, financial, and institutional Content until award of the Contract. Until that time, pursuant to the Enabling Law, only the names of the firms on the short list may be disclosed. In accordance with that section, limited material may be disclosed after award of the contract; after contract execution, all material is publicly available. **Any material that you consider to be trade secret or proprietary must be clearly identified and marked. Under the Enabling Law, the County must agree with your claim of confidentiality before any material may be withheld from disclosure.**
- 3.2 INTENT TO RESPOND:** Firms that intend to submit SOQs should notify COUNTY as soon as possible of their intent by email to Matthew.Sage@pima.gov.
- 3.3 COMMUNICATIONS PROTOCOL:** County is committed to a fair and open process for interested parties to receive information about the Project and this competitive procurement. Due to the significant potential market interest in this Project, County has established the Communications Protocol set forth as Attachment 1. All Respondents shall comply with the Communications Protocol with respect to all communications relating to the Project and this competitive procurement process. Failure to comply with the Communications Protocol may result in disqualification from participation in this competitive procurement process in the sole discretion of County.

As set forth in the Communications Protocol, all questions, requests for information and clarifications from interested parties, Respondents and their representatives shall be made in writing to the Procurement Officer at the following address:

Matthew Sage, CPPB – Procurement Officer
Pima County Procurement Department, Design & Construction Division
130 W. Congress, 3rd Floor
Mail Stop DT-AB3-126
Tucson, AZ 85701-1317
Matthew.Sage@pima.gov or Fax (520) 724-4434

- 3.4 CLARIFICATIONS / AMENDMENTS:** Any clarifications or interpretations of this SFQ that materially affect or change the scope or intent will be issued via amendment <https://vendors.pima.gov/>. Oral statements or clarifications shall be non-binding and without legal effect. The County will make an effort to notify Respondents of the posting of amendment(s); however, it cannot guarantee that every potential Respondent will be notified each time. Therefore, **it is the responsibility of all Respondents to check the website periodically for amendment(s) and to obtain this information in a timely manner.** Failure to include acknowledgment of all amendment(s) may be cause for rejection of the SOQ. **No oral interpretations shall be made to any Respondent as to the meaning of any of the solicitation documents, or be effective to modify any of the provisions of the solicitation documents. Oral interpretations of the solicitation documents are not binding on the County.**
- 3.5 ACCEPTANCE OF EVALUATION METHODOLOGY:** By submitting its SOQ in response to this SFQ, Respondent acknowledges and accepts the evaluation process, the established criteria and associated point values, and that determination of the “most qualified” firm will require subjective judgments by County.

- 3.6 PRE-SUBMITAL MEETING:** The date and time of a pre-submittal meeting, if applicable, is indicated on the Notice of Solicitation for Qualifications page of this document. The purpose of this meeting will be to clarify the contents of this SFQ in order to prevent any misunderstandings of County's position. Any questions regarding this SFQ should be presented to County at this meeting. This facility is wheelchair accessible. Upon request, ten (10) working days prior to bid opening, a signer will be provided for the hearing impaired.
- 3.7 SUBMISSION OF QUALIFICATIONS:** County will receive and timestamp SOQs at the date, time and location described as follows, late submittals will NOT be accepted:

March 11, 2020
4:00 PM Tucson Local Time
Pima County Procurement Department, Design & Construction Division
130 W. Congress Street, 3rd Floor
Tucson, Arizona 85701

- 3.8 SUBMITTAL:** Respondents shall submit one (1) hardcopy original, seven (7) hardcopies, and one (1) identical electronic copy on a CD or Flash Drive in a single document .pdf format of their SOQs as further described in the Required Submittal Information and Evaluation Criteria Section of this document. The submittal shall be delivered in a sealed envelope and clearly marked with the Firm Name, Name and Number of the SFQ, Due Date, and Time addressed to: Pima County Procurement Department, Design & Construction Division, Attn: Matthew Sage, CPPB, Procurement Officer, 130 W. Congress Street, 3rd Floor, Tucson, AZ 85701.

SOQs received after the due date and time as noted on the Notice of Solicitation for Qualifications page of this document will be returned to the Respondent unopened. No late submittals of SOQs will be accepted. County will not acknowledge or receive SOQs that are delivered by facsimile (fax), or electronic mail (e-mail). Properly submitted SOQs will not be returned to Respondents. Failure to follow SFQ submittal guidelines and instructions shall result in SOQ rejection.

3.9 SFQ CONSULTANT SHORTLIST PROCESS:

- A. This SFQ is the first step in the procurement process for the selection of a Master Developer Partner. To be eligible to submit a Proposal in response to the forthcoming RFP, a response must be received to this SFQ and the Respondent must be short-listed by County's Evaluation Committee and an RFP issued to the Short-listed Respondent. Only those Respondents that have been short-listed by the Evaluation Committee will be eligible to submit Proposals in response to the RFP. Submission of a SOQ responsive to the SFQ will require, among other things that the Respondent affirmatively declare its intention to participate in the RFP and Proposal process as outlined in Section 4. In addition, SOQs are required to comply with Section 5 of this SFQ.
- B. The evaluation of the SOQs shall be based on the requirements described in this SFQ and pursuant to the Enabling Law. All properly submitted responsive SOQs will be evaluated and ranked according to the stated selection criteria and relative weight of the selection criteria by the selection committee. SOQs shall not include any information regarding Respondent's fees, pricing, person-hours or other cost information.
- C. A "Selection Committee" will be comprised of Representatives from: The Kino Stadium District, Pima County Public Works Administration, Pima County Real Property, Pima County Economic Development, Pima County Attractions and Tourism, and an outside agency. A Procurement Officer from the Pima County Procurement Department, Design & Construction Division will act as the non-scoring Chair of the selection committee. Master Developers are cautioned that the 'point-of-contact' (listed in item 3.3 of this SFQ) is the only person that shall be contacted regarding this SFQ and SOQs. Any contact by the Master Developer team members with any other individuals, including those from the Selection Committee and their organizations, may result in the Team's SOQ being declared non-responsive and not eligible for further consideration.

- E. This committee will evaluate initial SOQs based upon evaluation of the selection criteria and relative weight of the selection criteria published in this SFQ, conduct interviews with at least three (3) but no more than five (5) short-listed firms for which the interview selection criteria and weighting of the selection criteria which is found in Section 4 and will be communicated to interviewing firms in the interview notice. Based on the combined results of both the interview process and the evaluation of statements of qualifications submitted in response to the SFQ, the selection committee will recommend the three (3) most qualified firms to continue to the RFP phase. The selection committee may not consider fees, price, man-hours or any other cost information in the selection or order of preference.

- 3.10 SFQ SELECTION SCHEDULE:** The following represents anticipated milestone dates for the selection. Any known conflicts with the dates such as observed holidays, scheduled vacations, trade seminars, etc. that could interfere with participation in the selection should be made known to the Procurement Officer immediately.

Pre-Submittal Meeting:	February 27, 2020 at 10:00 a.m.
Comments/Question Deadline:	March 4, 2020
Due Date Statements of Qualifications:	March 11, 2020 at 4:00 p.m.
Interview Notification:	Tentatively, week of April 13, 2020
Interviews:	Tentatively, week of April 27, 2020
Shortlist Notification:	Tentatively, week of April 27, 2020

- 3.11 EXPENSES OF THE RESPONDENTS.** County accepts no liability for the costs and expenses incurred by the Respondents in responding to this SFQ, the forthcoming RFP, responses to clarification requests and discussion meetings, and resubmittals, and any other activities included as part of this procurement process. Each Respondent that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that they cannot make any claims whatsoever for reimbursement from County or from any of its employees, advisors or representatives for the costs and expenses associated with the process, including, but not limited to, costs of preparation of the SOQ or Proposal, loss of anticipated profits, loss of opportunity or for any other loss, cost or expense.
- 3.12 COUNTY'S RESERVATION OF RIGHTS:** County may evaluate the SOQs based on the anticipated completion of all or any portion of the Project. County reserves the right to divide the Project into multiple parts, to reject any and all SOQs and re-solicit for new SOQs, or to reject any and all proposals and temporarily or permanently abandon the SFQ. County makes no representations, written or oral, that it will enter into any form of agreement with any Respondent to this SFQ for any project and no such representation is intended or should be construed by the issuance of this SFQ.
- 3.13 WAIVER OF CLAIMS:** Each Respondent in submitting an SOQ is deemed to have waived any claims for damage by reason of the selection of another submission and/or the rejection of said Respondent's submission.
- 3.14 ELIGIBLE RESPONDENTS:** Only individual firms or lawfully formed business organizations may apply. (This does not preclude a Respondent from using consultants.) County will contract only with the individual firm or formal organization that submits an SOQ.
- 3.15 JOINT VENTURES:** Respondents that submit a SOQ as a Joint Venture must include a copy of any Joint Venture Agreement at the time of submittal naming Pima County as a third party beneficiary of the Joint Venture Agreement. The Joint Venture must be validly formed as an Arizona corporation, partnership, or other separate legal entity (a "Joint Venture Entity") with the Joint Venture Entity registered as a Vendor with Pima County at the time of submittal. The SOQ must be executed by all of the Joint Venture participants or by one Joint Venture participant with a letter of authorization from the other Joint Venture participants. In the event the Joint Venture is the highest qualified proposal and is awarded the project,

but the Joint Venture has failed to validly form a Joint Venture Entity with the Joint Venture Entity registered as a Vendor with Pima County at the time of submittal, the Joint Venture participants will execute a single Contract with Pima County with each Joint Venture participant as a separate Consultant under the Contract. Each such Consultant will be jointly and severally liable for performance under the Contract.

- 3.16 SUSPENSION / DEBARMENT:** By submitting its SOQ in response to this SFQ, Respondent is certifying that neither it nor any of its principals are debarred or suspended or under consideration for suspension or debarment by any federal, state or local government or agency. If a Respondent is not able to so certify, the Respondent must submit a letter that identifies the agency involved and a contact and explains why Respondent is suspended or debarred or being considered for suspension or debarment.

The County Board of Supervisors or Procurement Director reserves the right to reject the SOQ of any persons or corporations who have previously defaulted on any Contract with Pima County or who have engaged in conduct that constitutes a cause for debarment or suspension as set forth in Pima County Code Chapter 11.28 and 11.32.

- 3.17 PROTESTS:** An interested party may file a protest regarding any aspect of a solicitation, evaluation, or recommendation for award. Protests must be in accordance with the Pima County Procurement Code, Section 11.20.010.

- 3.18 PIMA COUNTY ONESTOP SYSTEM:** Pima County One Stop often has professional and administrative staff, managers, and experienced construction supervisors and workers available for immediate hire. They also assist in hiring workforce for the hospitality and entertainment entities that we hope to attract to the Project. Call (520) 243-6700 or contact One Stop at <http://webcms.pima.gov/cms/one.aspx?portalId=169&pageId=18397>

- 3.19 VENDOR REGISTRATION:** County's internet-based vendor registration system is VSS (Vendor Self Service Portal). This system allows Vendors to create and maintain their own Vendor record online using a standard internet browser. The internet link for County's Vendor Registration is located on the Procurement Department website at www.pima.gov/procure. The selected Respondent must register in VSS.

- 3.20 NON-COLLUSION:** Each Respondent, by submitting an SOQ, is certifying that the Respondent has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action, in restraint of free and open competition in connection with this SFQ.

End of Section 3 – Procurement General Information

SECTION 4 – STATEMENT OF QUALIFICATIONS EVALUATION CRITERIA

Respondents shall carefully read the information contained in the following criteria and submit a complete SOQ to all questions in Section 4 formatted as directed in Section 5. The following evaluation criteria will be used in the evaluation of firms. The response should address each item in the order presented below. Incomplete Qualifications will be considered non-responsive and subject to rejection. The evaluation of the qualifications will be based on the submissions received as required by Section 4 of this SFQ, correspondence with Respondent teams and personnel references and analysis of other publicly available information and information otherwise made available to County. Respondents shall submit all information in accordance with Section 4 and Section 5 of this SFQ. County, at its sole discretion, shall have the right to seek clarifications from each of the Respondents. County intends to review the SOQs for responsiveness to the requirements of this SFQ and to evaluate all responsive SOQs according to the following criteria and weighting:

SECTION	TOTAL POINTS
Transmittal Letter	No Points
Respondent Team Qualifications	50 Points
Relevant Project Team Experience	75 Points
Team Project Delivery Approach	225 Points
Team Financial Qualifications	150 Points
Small Business Enterprise Utilization	N/A
Professionalism of SOQ	(up to negative 10 Points)
TOTAL AVAILABLE POINTS – SOQ	500 POINTS
Interviews	500 POINTS

Transmittal Letter

Each SOQ must include one (1) fully executed SOQ and notarized Transmittal Letter (Attachment 3) from the Respondent acknowledging, among other things, that the Respondent has completely reviewed and understands and agrees to be bound by the requirements of this SFQ. The SOQ Transmittal Letter commits the Respondent, if short-listed, to submit a Proposal, in response to the RFP (Step 2), and shall further state that (a) all information and statements contained in the SOQ are current, correct and complete; (b) the SOQ is provided fairly, without collusion or fraud. Finally, the SOQ Transmittal Letter must contain a listing of all firms which are part of the Respondent's Project team and designate a contact person for all communications to and from County with respect to this procurement. The SOQ Transmittal Letter must also identify the Respondent's Project Guarantor.

The SOQ Transmittal Letter must be signed by a representative of the Respondent who is empowered to sign such material and to commit the Respondent to the obligations contained in the SOQ (the "Designated Signatory"). The Certificate of Authorization (Attachment 4 to the SOQ Transmittal Letter) attesting to such authorization must also be submitted with the SOQ Transmittal Letter. If the Respondent is a partnership, one or more of the general partners shall sign the SOQ. If the Respondent is a corporation, an authorized officer shall sign his or her name and indicate his or her title beneath the full corporate name. If the Respondent is a joint venture, each firm in the joint venture shall sign the SOQ Transmittal Letter and include a copy of the Joint Venture Agreement. Anyone signing the SOQ as agent must file with it legal evidence of his or her authority to execute such SOQ. The Designated Signatory shall sign all forms that require the signature of the Respondent.

Pursuant to the Enabling Law, those members of the Respondent's team responsible for leading the design and construction services for the Project must be appropriately registered and licensed pursuant to Arizona Revised Statute Title 32, Chapter 1 and Title 32, Chapter 10, respectively.

Respondent Team Qualifications (50 Points)

1. Include a description of the Respondent, i.e., the form of business structure (corporation, partnership, joint venture, etc.) that will serve as the contracting party (Master Developer Partner). **(5 Points)**
2. Provide the name and business address of each partner (including limited partners), officer, and stockholder (where applicable) who own five percent (5%) or more of the shares. Include a description of the type of entities that will develop and operate the Project (e.g. corporation, LLC, joint venture, non-profit, etc.) and a list of other owners of interest that may provide equity to the ownership entities and the estimated percentage of ownership of each. **(5 Points)**
3. Describe, in graphic form (organization chart), the proposed Project Team assignments, lines of authority and communication for all firms included in the Respondent's team. **(10 Points)**
4. Provide a brief description, background, and responsibility of each of the key team members that will be directly involved in the Project. At a minimum, the SOQ shall identify the parties that will undertake the roles for Master Developer Partner, planning, significant partnerships including development partners, obtaining financing, and may include key team members relating to permits, design, construction, operation and maintenance (including all repair and replacement). For each key team member, include: **(20 Points)**
 - a. Unique qualifications
 - b. Industry certifications and experience
 - c. Length of time practicing in profession
 - d. Licenses and certifications
 - e. Familiarity with sports entertainment facilities
 - f. Specific vendors, hospitality chains or other key team members

5. Provide full resumes of key personnel in Appendix 1 (including the following types of roles: Master Developer Partner, Financial Partner(s), Program Manager, Planner, Design Manager, Construction Manager, Operations Manager, etc.). Resumes should not exceed two (2) pages. **(5 Points)**

(Note: the County intends to contractually obligate the Respondent to assign those named in the SOQ to the Project for its duration. Changes may not be made without the County's written permission.)

6. Applicant's capacity and intent to proceed without delay if selected for this work. **(5 Points)**

Relevant Project Team Experience (75 Points)

1. Respondent must demonstrate successful experience with projects similar to that being undertaken and described in this SFQ, i.e. Master Planning/Development of public sports and entertainment centers, and/or commercial centers. Respondents should list all similar projects completed in the last ten (10) years and provide a current reference for each project that includes a brief project description, and contact information for the client for whom the Respondent performed the work. Failure to provide references or failure to list comparable projects may be grounds for disqualification, at County's sole discretion. County reserves the right to contact provided references. **(10 Points)**
2. Select two (2) representative projects from those listed above and provide the following project information:
 - a. Project name, description including final land use definition, parcel size, delivery method, and financing method
 - b. Public Partner or Client Contact Information
 - c. Original project budget/final costs; planned completion date, actual completion date, planning / design duration; construction duration (phasing information if applicable).
 - d. Narrative regarding scope/schedule/budget variances between original concept and final product
 - e. Narrative of project highlighting utilization of individual strengths of project team, any innovative efforts, phasing, incorporation of value engineering or any other facets of the project which highlights the qualifications of individuals proposed by the team.

Although these projects may be located in the United States or abroad, emphasis shall be on experience in the United States. **(40 Points / 20 Points per Project)**

3. Demonstrate how the Project Return on Investment (ROI) and benefits to the local community were achieved in projects identified in #2 above; discuss business decisions behind concepts and uses within the development and discuss outcomes. **(25 Points)**

Team Project Delivery Approach (225 Points)

1. Master Planning / Development Planning (25 Points)
Referring to Section 2.4, please incorporate the Community and Economic Goals when discussing your approach to the following:
 - a. Describe how your team's experience with financing and building large PPP developments that has lead to successful, fiscally viable, vibrant built environments. This should discuss balance of commercial facilities as well as how hospitality and site balance will be developed with public recreational activities. **(10 Points)**
 - b. Describe experience in developing Master Plans related to Sports and Entertainment Facilities. Include team member expertise in planning, and discuss other similar facilities that have been successfully planned by the team. Demonstrate planned centers that successfully hosted local, regional, and national events. **(5 Points)**
 - c. It is critically important to understand not only this site at Kino South, but also the remainder of the Kino Stadium District (including the north and main campus), and nearby development sites. Please describe how this master plan will be planned to fit within the context of Kino Stadium, the immediate surrounding neighborhoods, and the desert southwest. Discuss both opportunities and challenges that you would choose to incorporate into your approach. **(10 Points)**

2. Design Experience (50 Points)

Provide engineering and design experience for the development and implementation of sports entertainment facilities serving the public and incorporating similar features based on Section 2 – Project Specific Information.

- a. Identify the team members responsible for key aspects of the design (i.e., architectural, structural, mechanical, process, instrumentation, QA/QC, etc.). For each key design team member identified, provide the following: **(25 Points)**
 - i. Length of time with the firm
 - ii. Indicate current licenses and registrations.
 - iii. Design experience in PPP projects, including Master Developments
 - iv. Experience with innovative design solutions for sports entertainment facilities, particularly in desert environments.
- b. Demonstrate how the Design Professional will achieve a teamwork atmosphere while working on this project. Include any information on past history of collaboration between the project manager, Contractor, other relevant subconsultants and owners. Show how the team will communicate with emphasis on sharing of files/drawings, accountability and responsibilities. Describe in detail the firm's approach to potential management issues with the Contractor. **(25 Points)**

3. Construction Experience (70 Points)

Provide experience with construction management, construction and maintaining quality control of construction, of large-scale sports and entertainment facilities based on Section 2 – Project Specific Information.

- a. For each key construction team member identified, provide the following: **(25 Points)**
 - i. Length of time with the firm
 - ii. Indicate current licenses and registrations.
 - iii. Construction-related experience in PPP projects, including Master Developments with innovative solutions for sports entertainment facilities, particularly in desert environments.
- b. Who will be responsible for developing and maintaining the Cost Model and estimating throughout the Project? What methods and resources are used to develop the Cost Model? How will areas of work be estimated where the intent has been defined but the scope of work has not been documented? **(25 Points)**
- c. How will you support the integration of buildability (i.e. elimination of waste and inefficiency in labor and materials) into the design? How will key subcontractors and suppliers be integrated into buildability of the design? **(20 Points)**

4. Project Approach (80 Points)

- a. Describe your team's project management approach and team organization during planning, design and construction phase services. Describe systems used for planning, scheduling, estimating, and managing construction, including phasing of the overall site development. Briefly describe the firm's experience on quality control, dispute resolution, and safety management. **(10 Points)**
- b. Describe in detail your team's strategy for working with project stakeholders. For example, what specific strategies will be applied to coordinate/facilitate/encourage interagency involvement, utility coordination, drainage, access, etc. for the project? What methodology will be used to evaluate the success and/or need to modify this strategy as necessary to assure the interaction is effective? **(10 Points)**
- c. Discuss how your firm will interact with the proposed team, stakeholders, County, District, and other interested parties as the Master Developer Partner. Include how your firm will ensure sub-leasees or partners are responsive and stay on the track in terms of time, quality and cost. This development may include multiple contract approaches which is designed to be the most flexible

- for Respondents as possible. Please define how you will approach contracting (ground lease, land conveyance, development agreement, sub leasing, DBFO(M), etc.). **(25 Points)**
- d. Describe how your firm will partner on this project to meet the challenges presented. Provide specific areas within the planning and financial process where you see opportunities and benefits of a PPP for this project. **(20 Points)**
 - e. What impact will your project approach have on the tourism economy? If lodging is proposed, how many overnight stays will it generate in Pima County during the next ten (10) years? How did you arrive at that estimate? **(5 Points)**
 - f. Describe your approach specifically to the Operations and Maintenance of the facilities being proposed. Describe ability to support low income and youth sports development, particularly within the neighboring communities within your organization's operating plan. **(10 Points)**

Team Financial Questions (150 Points)

Preliminary Project Business Plan (90 Points)

Respondents shall submit with their SOQ a Preliminary Project Business Plan ("Plan"). This Plan should demonstrate the Respondent's business and financial resources to meet the community and economic goals as stated in Section 2 County will evaluate the Plan and economic benefits that will accrue to County.

The Selection Committee will evaluate the Preliminary Project Plan of the submittal based on the following criteria:

- 1. Business Plan (60 points)
 - a. How clear and comprehensive is the Plan? (12 points)
 - b. Are all the project financial participants identified along with their role in the project? (12 points)
 - c. Clearly define all areas of financial responsibility? (12 points)
 - d. Demonstrate a balanced business plan that identifies potential Project Revenues and Expenses in order to meet County community and economic development initiatives. (12 points)
 - e. Does the Responder's proposed strategy demonstrate how to maximize return on investment for the best Project value? (12 points)
- 2. Business Revenue Risk (30 points)
 - a. Have the business partners planned for long-term success? (20 points)
 - b. Is the Project sustainable over the long term? (10 points)

Team Financial Qualifications (60 Points)

Each Respondent shall furnish the financial information requested below. If a consortium, a joint venture, or a partnership submits an SOQ, the SOQ shall identify the parties and relationships and each participating firm of such consortium, joint venture, or partnership and shall provide full disclosure information regarding their financial strength as specified in this subsection. If the Respondent is not a public company, it shall provide independently audited financial statements and may request that the County treat the information confidentially. If any such party has been in existence less than three (3) years, the information shall be provided for the period of its existence.

Please furnish the following financial information for the Respondent as listed below. If any of this information is not provided, the reason for its omission shall be described.

- Provide annual audited financial reports for the last four (4) years (most recent year plus the previous year), prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), and all relevant notes to the financial statements. If the Proposer is a newly formed entity and does not have independent financial statements, financial statements for the equity owners shall be provided (and the Proposer shall expressly state that the Proposer is a newly formed entity and does not have independent financial statements).
- The Proposer shall identify any information, which it believes is entitled to confidentiality, by placing the word "confidential" on each page.
- Demonstrate ability to obtain and maintain the insurance required of the Lessee/Developer for the Project, as evidenced by insurance coverage maintained by the Respondent for comparable projects.
- Demonstrate ability to obtain the necessary financing to develop the Project as proposed. County will be interested in knowing how Respondent plans to obtain Project financing and what representations the SOQ has made, or is planning to make, in its financial pro forma for the Project to obtain such financing.
- Provide the most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission ("SEC"). If one or more of the parties are not regulated by the SEC, then the most recent audited financial report for each such party.
- Completion of the "Financial Resources Data" (Attachment 5). The data presented within this form will be compared to the audited financial statements and used to assess the financial strength and stability of each Respondent, focusing on profitability and growth, solvency, efficiency, market strength and ratings from credit agencies. The analysis will include an evaluation of specific financial indices and ratios in an effort to maximize objectivity and provide measures that are directly comparable among Respondents.
- Provide any credit reports, credit bulletins, or other published statements by recognized rating agencies (Standard & Poor's Rating Services, Moody's Investor Services, Fitch Ratings, Dun and Bradstreet and Value Line) that have been issued or published within the past three (3) years.
- Completion of two (2) "Bank Credit Reference" forms (Attachment 6) by banks providing services to the Respondent.
- Any additional information of the Respondent that is believed to be appropriate in fully reflecting the financial strength of the Respondent. For example, the prospectus or offering statement for the Respondent's latest security or equity offering can be provided.
- Respond to the Direct Financial Questions provided in "Financial Inquiry" (Attachment 7) and include it with their SOQ. Particular attention will be paid to responses to those questions that speak to the Respondent's ability to meet the financial obligations of a long-term Contract, including history of bankruptcies, material adverse changes in the Respondent's financial position, criminal conduct and any bars to bidding in Arizona, or any other state. To the extent that any of these questions are answered in a manner that indicates that any of these unfavorable factors or events are present or have occurred, it is the Respondent's sole responsibility to: 1) describe in detail the unfavorable factor or event; and 2) provide sufficient information to demonstrate that the unfavorable factor or event will not adversely impact the Respondent's ability to honor its contractual commitments.

Failure to provide any of the above information without adequate explanation is cause for rejection of the Respondent at the sole discretion of the County.

If any of the financial information is not in the English language, then a certified English translation shall be provided, including numeric conversion of amounts into U.S. dollars.

The Selection Committee will evaluate the Financial Strength of the submittal based on the following criteria:

1. Financial Resources (15 points)
 - a. Did the Respondent provide all requested documentation or provide adequate explanation if something was omitted? (2 point)
 - b. Did the Respondent's audited financial statements receive an unqualified opinion for the past four (4) years? (1 point)
 - c. Did the Respondent's audited financial statements mention any going concern issues? (3 points)
 - d. Did Respondent demonstrate the ability to obtain adequate insurance? (3 points)
 - e. Did Respondent demonstrate ability to obtain adequate financing? (3 points)
 - f. Does the Respondent have pending Claims, which may undermine their ability to perform? (3 points)
2. Credit Ratings (15 points)
 - a. Did Respondent submit two (2) Bank Credit Reference Forms? (6 points total/ 3 points per form)
 - b. Did Respondent receive positive responses to all questions asked on the Bank Credit Reference Forms? (3 points)
 - c. Where does the Respondent and Project Guarantor credit rating fall? (3 points)
 - i. Prime
 - ii. High Medium Grade
 - iii. Upper Medium Grade
 - iv. Low Medium Grade
 - d. Overall, what was the ranking of the financial stability or credit worthiness of the Respondent and Project Guarantor? (3 points)
 - i. Excellent
 - ii. Good
 - iii. Satisfactory
 - iv. Poor
3. Financial Resources (15 points)
 - a. Profitability and Growth (Return on Revenue, Return on Assets, Return on Net Worth, etc.)? (3 points)
 - b. Solvency (Total Net Worth, Current Liability Coverage, Leverage Ratio, etc.)? (3 points)
 - c. Efficiency (Total Assets to Revenues, Revenue to Net Working Capital, etc.)? (3 points)
 - d. Market Strength (Market to Book Ratio, Price to Earning Ratio, etc.)? (3 points)
 - e. Evidence of the ability to meet the funding needs of this Project? (3 points)
4. Direct Financial Questions (15 points)
 - a. Material Adverse Changes in Financial Position – Has the Respondent listed and described any material historical, existing or anticipated changes in financial position of the Respondent including (3 points):
 - i. An event of default or bankruptcy involving the affected entity, a related business unit within the same corporation, or the parent corporation of the affected entity;
 - ii. A change in tangible net worth of 10% of shareholder equity;
 - iii. A sale, merger or acquisition exceeding 10% of the value of shareholder equity prior to the sale, merger or acquisition which in any way involves the affected entity, a related business unit, or parent corporation of the affected entity;
 - iv. A change in credit rating for the affected entity, a related business unit, or parent corporation of the affected entity;
 - v. Inability to meet conditions of loan or debt covenants by the affected entity, a related business unit or parent corporation of the affected entity which has required or will require a waiver or modification of agreed financial ratios, coverage factors or other loan stipulations, or additional credit support from shareholders or other third parties;

- vi. In the current and three most recent completed fiscal years, the affected entity, a related business unit in the same corporation, or the parent corporation of the affected entity either: (i) incurs a net operating loss; (ii) sustains charges exceeding 5% of the then shareholder equity due to claims, changes in accounting, write-offs or business restructuring; or (iii) implements a restructuring/reduction in labor force exceeding 200 positions or involves the disposition of assets exceeding 10% of the then shareholder equity;
- vii. Other events known to the affected entity, a related business unit or parent corporation of the affected entity which represents a material change in financial condition over the past three years or may be pending for the next reporting period.
- b. Completion of Contracts – Has the Respondent or any Significant Subcontractor failed to complete any contract, or has any contract been terminated due to alleged poor performance, default, or litigation. If so, describe the circumstances. (3 points)
- c. Violation of Laws – Has the Respondent or any Significant Subcontractor been convicted of any criminal conduct or been found in violation of any federal, state, or local statute, regulation, or court order concerning antitrust, public contracting, employment discrimination, or prevailing wages? If so, describe the circumstances. (3 points)
- d. Debarred from Bidding – Has the Respondent or any Significant Subcontractor been debarred, or are under consideration for debarment, on public contracts by the federal government or by any governmental entity in Arizona or any other state? If so, describe the circumstances. Is the decision under review or was it upheld by formal legal or administrative process? (3 points)
- e. Conflicts of Interest – Has the Respondent listed and described any engagements between the Respondent, or any of its affiliates with any of the persons and firms listed in this SFQ within the last 5 years. (3 points)

Interviews/Discussions

Interviews/Discussions will be held pursuant to the Enabling Law. County shall establish a short-list of at least three (3) but no more than five (5) firms, to advance to interviews. Before interviews/discussions are held, firms selected will be provided with the selection criteria and relative weights of the selection criteria to be used in selection. The Respondent with the highest average of the interview and written score

Firm's selected for interviews should be prepared to present to the Evaluation Committee. The Procurement Department will provide additional details to the invited firms including date and time of the interview on or about fourteen (14) calendar days prior to interviews.

County will provide an agenda or outline in advance of the interview covering any additional requirements to be addressed by the invited firms.

SECTION 5 – STATEMENT OF QUALIFICATIONS FORMAT

5.1 GENERAL INSTRUCTIONS

- 5.1.1 Qualifications shall be prepared **SIMPLY AND ECONOMICALLY**, providing a straightforward, **CONCISE** description of the Respondent's ability to meet the requirements of this SFQ. Emphasis shall be on the **QUALITY**, completeness, clarity of content, responsiveness to the requirements, and an understanding of County's needs.
- 5.1.2 Suggested page count for the Statements of Qualifications shall be **FORTY (40) PRINTED PAGES**.
 - 5.1.2.1 The following do not count toward the suggested 40 page count: cover, Transmittal Letter, Certificate of Authorization, Financial Resource Data Form, Bank Credit References, Financial Inquiry Form, introductory letter, table of contents, divider sheets, and Joint Venture Agreement (if any) and any information requested in the Appendices listed below.
 - 5.1.2.2 **Appendix '1'** may contain Resumes (preferably not more than two (2) page plus copies of Professional Registration(s) of key personnel, and any subconsultants who will perform these services.
- 5.1.3 All pages shall be printed on one side only. For typewritten pages, the minimum font size is 10 point. Black ink is preferred, but color may be used for specific emphasis.
- 5.1.4 Respondents shall carefully read the information contained in this SFQ and submit a complete response to all requirements and questions as directed. Incomplete Qualifications will be considered non-responsive and subject to rejection.
- 5.1.5 Qualifications and any other information submitted by Respondents in response to this SFQ shall become the property of the County.
- 5.1.6 Qualifications that are qualified with conditional clauses, alterations, items not called for in the SFQ documents, or irregularities of any kind are subject to rejection by the County, at its option.
- 5.1.7 County makes no representations of any kind that an award will be made as a result of this SFQ. County reserves the right to accept or reject any or all Qualifications, waive any informalities or minor technical inconsistencies, or delete any item/requirements from this SFQ when deemed to be in County's best interest.
- 5.1.8 Qualifications shall consist of answers to questions identified in Section 4 of the SFQ. It is not necessary to repeat the question in the Qualifications; however, it is essential to reference the question number with the corresponding answer.
- 5.1.9 Failure to comply with all requirements contained in this Request for Qualifications may result in the rejection of the Qualifications.

5.2 PAGE SIZE, BINDING, DIVIDERS, AND INDEX TABS:

- 5.2.1 Qualifications shall be printed on letter-size (8-1/2" x 11") paper and assembled with comb or spiral-type bindings.
- 5.2.2 Additional attachments (**except for those placed in Appendix '1' and as requested by this SFQ**) shall NOT be included with the Qualifications. Only the responses provided by the Respondent to the questions identified in Section 4 of this SFQ will be used by the County for evaluation. **Additional pamphlets, brochures or other marketing material not labeled as answering a portion of the SFQ will not be considered for evaluation.**

- 5.2.3 Separate and identify each criteria response to Section 4 of this SFQ by use of a divider sheet with an integral tab for ready reference.

5.3. TABLE OF CONTENTS:

- 5.3.1 Submittals should include a "Table of Contents" and give page numbers for each part the Qualifications.

5.4 PAGINATION:

- 5.4.1 Number all pages of the submittal sequentially using Arabic numerals (1, 2, 3, etc).

End of Section 5 – Format for Statement of Qualifications

ATTACHMENT 1 – COMMUNICATIONS PROTOCOL

INTRODUCTION

This procurement is being conducted in accordance with A.R.S. §§ 11-254.04, 11-932, and 48-4203 and relevant provisions of the County Code. This Communications Protocol is intended to maintain the integrity of the procurement process and maximize the benefits of a fair and open competitive process by establishing guidelines for permitted communications related to the procurement. This Communications Protocol applies for the duration of the procurement process, including both the SFQ phase and the RFP phase that will be followed to establish a Master Developer Partner. This Communications Protocol includes three components:

- A statement of Communication Objectives;
- An identification of Key Project Contacts;
- Guidelines on Project Information Accessibility.

COMMUNICATION OBJECTIVES

County is committed to a fair and open competitive process that allows all interested parties reasonable and fair access to information about the procurement for the Project. In this context, County will work to:

- Achieve fair distribution and access to relevant information for interested parties;
- Avoid unfair "insider" information going to any firm, or the appearance of such;
- Provide regular information updates regarding the status of the Project; and
- Provide thorough, prompt responses, if warranted, to parties with questions or concerns related to the Project.

All interested parties, including the Respondents to the SFQ (Respondents) and the short-listed Respondents (Proposers) and any of their representatives, will be required to manage their communications in a manner consistent with this Communications Protocol. Failure to comply with this Communications Protocol may result in the disqualification of a Respondent or Proposer from the procurement process.

KEY PROJECT CONTACT

County requires that all questions, requests for information and clarifications from interested parties, Respondents and Proposers and any of their representatives be made in writing directly to the Procurement Officer at the following address:

Matthew Sage, CPPB – Procurement Officer
Pima County Procurement Department, Design & Construction Division
130 West Congress, 3d Floor
Mail Stop DT-AB3-126
Tucson, Arizona 85701-1317

Comments, questions and requests for information may also be submitted via email or fax to:

Matthew.Sage@pima.gov
cc: Terri.Spencer@pima.gov
Fax: (520) 724-4434

Email is the preferred medium for these communications.

After publication of the SFQ, no interested party, Respondent or Proposer, including any of their representatives, may contact any County official, employee, or representative, or any consultant or other agent involved with this procurement other than the Procurement Officer concerning in any way this procurement.

Respondents and Proposers are advised that only those communications directed through the Procurement Officer may be subject to the confidentiality provisions set forth in A.R.S. §§ 11-254.04, 11-932, and 48-4203.

PROJECT INFORMATION ACCESSIBILITY

In order to ensure equal access to information and foster a professional competitive environment for the Project, County will develop and issue solicitation documents through the Vendor Self Service (VSS) portal:

Vendor Self Service Portal – <https://vendors.pima.gov/>

These documents will provide interested parties with the information necessary to prepare responsive SOQs. County provides the following guide for firms wishing to acquire information on the Project:

Written Documentation

Procurement and reference documents relating to the Project will be made available on the Procurement and Reference Document websites respectively for access and download by any interested party. An initial listing of available background materials is provided in this SFQ. An updated list of available reference documents will be maintained on Pima County Procurement Design and Construction website.

Reference Documents – <http://www.pima.gov/KinoSFQ>

Solicitation Related Materials

This SFQ and all amendments will be published on County's Vendor Self Service Portal listed above. Reference Documents will be available at the site listed above.

It is the responsibility of each Respondent to ensure that they have obtained and incorporated all Amendments into their response. County assumes no responsibility or liability whatsoever for the distribution of Amendments to Respondents.

Only those firms asked to submit a proposal will receive the RFPs. State legislation limits the number of firms short-listed to three (3) firms.

Additional Presubmittal Meetings

Due to the Complex nature of these SFQ documents, County may host one (1) or more additional presubmittal meetings during the SFQ and RFP procurement phases. Formal announcements and meeting notes about these sessions and conferences during the SFQ and RFP procurement phases will be posted and updated in the Vendor Self Service Portal.

End of Attachment 1 – Communications Protocol

ATTACHMENT 2 – REFERENCE DOCUMENTS

DISCLAIMER

The following is the list of reference documents on the Kino South Sports & Entertainment Complex project which are available to Respondents. These documents are being provided to Respondents solely for their informational purposes only, and this list shall not be considered an appropriate or exhaustive list of all the information necessary for a Respondent to meet the obligations of this SFQ. Not all the recommendations, conclusions, findings, analyses, results or views expressed in the background documents have been approved or endorsed by the County, and accordingly, should not be construed as representing the policy of the County.

County neither makes any representation or warranty with respect to, nor assumes any responsibility for the completeness or the accuracy of, the reference documents. Respondents are solely responsible for conducting their own independent research and due diligence for the preparation of their statements of qualifications and the subsequent delivery of services. No information derived from any part of the reference documents, the SFQ or from the County or any of its agents, employees, contractors, advisors or consultants, shall relieve the Company from any risk or from fulfilling all terms of the SFQ.

- a. Pima County Memo, Dated 05/30/17 including SFQ Pro Forma and Economic Analysis
- b. Preliminary Estimated Budget Projection Range
- c. The Bridges-Kino Redevelopment Map
- d. Commercial Parcel Listing
- e. Conceptual Site Plan
- f. Arizona Commerce Authority Opportunity Zone Census Tracts – May 2018
- g. STR Trend Report, Report #1092684_SADIM, created June 13, 2019
- h. Kino Sports Complex South Brochure

End of Attachment 2 – Referenced Documents

ATTACHMENT 3 – STATEMENT OF QUALIFICATIONS TRANSMITTAL LETTER

(To be typed on Respondent's Letterhead)

[Date]
Title
Pima County Department
Street
City, State, Zip

Re: Statement of Qualifications for Pima County Kino South Sports & Entertainment Complex

_____ (the "Respondent") hereby submits its Statement of Qualifications ("SOQ") in response to the Solicitation for Qualifications ("SFQ") for the Pima County Kino South Sports & Entertainment Complex ("SFQ") issued by Pima County (the "County") on as amended.

As a duly authorized representative of the Respondent, I hereby certify, represent, and warrant, on behalf of the Respondent team, as follows in connection with the SOQ:

1. The Respondent acknowledges receipt of the RFQ and the following amendment:

Amendment No.

Date

2. The submittal of the SOQ has been duly authorized by, and in all respects is binding upon, the Respondent.
3. The Respondent has completely reviewed and understands and agrees to be bound by the requirements of the SFQ, including all amendments thereto.
4. By signing this Transmittal Letter, Signator represents that the firm and assembled team have the financial resources and staff availability to complete this project. The Certificate of Authorization submitted as an attachment to this Transmittal Letter evidences the individual's authority to bind the Guarantor.
5. All information and statements contained in the SOQ are current, correct and complete, and are made with full knowledge that the County will rely on such information and statements in determining whether to pre-qualify the Respondent in accordance with this SFQ.
6. The SOQ has been prepared and is submitted without collusion, fraud or any other action taken in restraint of free and open competition for the services contemplated by the SFQ.
7. Neither the Respondent, the Guarantor, a Participating Entity nor any Project team member is currently suspended or debarred from doing business with any governmental entity.
8. The Respondent has reviewed all of the engagements and pending engagements of the Respondent and the Guarantor, and no potential exists for any conflict of interest or unfair advantage.
9. No person or selling agency has been employed or retained to solicit the award of the Contractual Agreement under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Respondent or the Guarantor.

10. The principal contact person who will serve as the interface between County and the Respondent for all communications is:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
E-MAIL: _____

11. The key technical and legal representatives available to provide timely response to written inquiries submitted, and to attend meetings requested by County are:

Technical Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
E-MAIL: _____

Legal Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
E-MAIL: _____

Name of Respondent

Name of Designated Signatory

Signature

Title

End of Attachment 3 – Statement of Qualifications Transmittal Letter

ATTACHMENT 4 – CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of _____ in the State of _____,
DO HEREBY CERTIFY that I am the Clerk/Secretary of _____, a corporation
duly organized and existing under and by virtue of the laws of _____; that I have custody
of the records of the corporation; and that as of the date of this certification, _____ holds the title
of _____ of the corporation, and is authorized to execute and deliver in the name and on behalf
of the corporation the Statement of Qualifications ("SOQ") submitted by the corporation in response to the SFQ-
PO-2000017 for the **Pima County Kino South Sports & Entertainment Complex** issued by Pima County,
Arizona on <Date>, as amended; and all documents, letters, certificates and other instruments which have been
executed by such officer on behalf of the corporation in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the corporation this
_____ day of _____ 2020.

(Affix Seal Here)

Clerk/Secretary

** Note: Separate certifications shall be submitted if more than one corporate officer has executed documents as part of the SOQ. Respondents shall make appropriate conforming modifications to this Certificate in the event that the signatory's address is outside of the United States.*

End of Attachment 4 – Certificate of Authorization

ATTACHMENT 5 – FINANCIAL RESOURCES DATA

Company Name: _____

Item	Data	2016	2017	2018	2019
A	Operating Revenues				
B	Operating Expense (not including Depreciation and Amortization)				
C	Depreciation and Amortization				
D	Operating Income (A-B-C)				
E	Net Income				
F	Total Assets				
G	Current Assets				
H	Total Liabilities				
I	Current Liabilities				
J	Net Worth (Equity) (F-H)				
K	Market Price per Share (as of 12/31)				
L	No. of Outstanding Shares (as of 12/31)				
M	Unrestricted Cash Balance				

The Respondent shall complete SFQ Submittal Form Financial Resources Data.

End of Attachment 5 – Financial Resources Data

ATTACHMENT 6 – BANK CREDIT REFERENCE

Please provide the following information for the Respondent. Also, sign and date the form.

Bank Reference for _____ ("Company")

Name of banking organization: _____

Address: _____

Contact Individual: _____

Phone: _____ Fax: _____

Please answer the following questions:

1. Has your organization extended credit to the Company in the past five years?
2. Has the Company ever defaulted on a loan with your institution?
3. Has the Company's credit history included any instances of delinquent payments?
4. To your knowledge, has the Company ever filed for bankruptcy or been involved in any bankruptcy proceedings?
5. To your knowledge, have any of the corporate officers of the Company ever been in default on a loan?
6. To your knowledge, has any creditor ever filed any criminal charges against the Company?
7. Please discuss any other questions or issues that may have come out in any financial due diligence evaluation or credit check performed by your institution.
8. Overall, how would you rank the financial stability or credit worthiness of the Company (e.g. excellent, good, satisfactory, poor)?

Signature

Date

End of Attachment 6 – Bank Credit Reference

ATTACHMENT 7 – FINANCIAL INQUIRY

Respondent please provide the following information, additional pages maybe attached if necessary. Please sign and date the form.

Material Adverse Changes in Financial Position

List and describe any material historical, existing or anticipated changes in financial position of the Respondent including any material changes in the mode of conducting business, mergers, acquisitions, takeovers, joint ventures, and/or divestitures.

Completion of Contracts

Has the Respondent or any Significant Subcontractor failed to complete any contract, or has any contract been terminated due to alleged poor performance, default, or litigation? If so, describe the circumstances.

☐ Yes ☐ No

If Yes, Please describe the circumstances.

Violation of Laws

Has the Respondent or any Significant Subcontractor been convicted of any criminal conduct or been found in violation of any federal, state, or local statute, regulation, or court order concerning antitrust, public contracting, employment discrimination, or prevailing wages? If so, describe the circumstances.

☐ Yes ☐ No

If Yes, Please describe the circumstances.

Debarred from Bidding

Has the Respondent or any Significant Subcontractor been debarred, or are under consideration for debarment, on public contracts by the federal government or by any governmental entity in Arizona or any other state? If so, describe the circumstances. Is the decision under review or was it upheld by formal legal or administrative process?

☐ Yes ☐ No

If Yes, Please describe the circumstances.

Conflicts of Interest

List and describe any engagements between the Respondent, or any of their affiliates with any of the persons and firms listed in this SFQ within the last 5 years?

Signature

Date

End of Attachment 7 – Direct Financial Questions

ATTACHMENT 3



REQUEST FOR PROPOSAL

MASTER DEVELOPER – PARTNERSHIP

KINO SOUTH SPORTS & ENTERTAINMENT COMPLEX

TUCSON, ARIZONA

RFP DUE DATE/TIME:
LOCATION:

September 25, 2020, at or before 4:00 PM Local Tucson Time
Procurement Department, 150 W. Congress Street, 5th Floor, Tucson, AZ
Late submittals will NOT be accepted

DIRECT QUESTIONS IN
WRITING BY:
TO:

September 15, 2020, at or before 4:00 PM Local Tucson Time
Matthew Sage, CPPB, Procurement Officer
Fax: 520-724-4434 / E-mail: Matthew.Sage@pima.gov

REFERENCE DOCUMENT
WEBSITE:

<http://www.pima.gov/KinoSFQ>

September 2nd, 2020

Pima County Procurement Department
Design & Construction Division
150 West Congress Street, Fifth Floor
Tucson, Arizona 85701
(520) 724-3727

RFP-PO-2100005

SECTION 1 – REQUEST FOR PROPOSAL GENERAL INFORMATION

- 1.1 STEP 2 – REQUEST FOR PROPOSAL (RFP) OVERVIEW:** Step 2 – RFP, is intended to build upon the qualifications and ability to meet the County's needs for the Kino South Sports and Entertainment District. **As such, the response to this RFP should go beyond information provided in the qualifications stage by refining and/or adding to specific details, not just simply restating already provided information.** This RFP will include a detailed business plan for the District development which will serve as the required Technical Proposal, referred to as the "Business Plan". The goal of the County is to enter into a Master Developer Agreement, referred to as the "Agreement", and use the Business Plan to drive the Agreement components. This Agreement will be structured as an overarching umbrella, setting the financing, expense/revenue pro forma, schedule, goals, terms, and metrics of the entire development including guidance on items such as how sub-agreements will be developed over time. The successful proposer will have an opportunity to adjust the Business Plan proposal during the discussions/clarifications period outlined in Section 1.7 to respond to Pima County's comments and reach a Best and Final Offer. The Business Plan will become a part of the Agreement, and be used to set the majority of elements within the Agreement. Information provided in Step 1 – Solicitation for Qualifications (SFQ) is incorporated herein by reference.
- RFP is two components:
1. Business Plan - Master Developer shall include all of the elements requested in Section 3. These elements are all critical, but can be organized by the Master Developer (MD) as needed to create the plan.
 2. Master Developer Partnership Agreement.
- 1.2 Enabling Law**
Master Developer Partner shall comply with A.R.S. §§ 11-254.04, 11-932, and 48-4203.
- 1.3 Small Business Enterprise and Equal Opportunity Requirements**
County, as a matter of policy, encourages the participation of qualified Small Business Enterprises (SBE) in response to this RFP.
- 1.4 CLARIFICATIONS / AMENDMENTS:** Any clarifications or interpretations of this RFP that materially affect or change the scope or intent will be issued via Amendment <https://vendors.pima.gov/>. Oral statements or clarifications shall be non-binding and without legal effect. The County will make an effort to notify Respondents of the posting of amendment(s); however, it cannot guarantee that every potential Respondent will be notified each time. Therefore, **it is the responsibility of all Respondents to check the website periodically for amendment(s) and to obtain this information in a timely manner.** Failure to include acknowledgment of all Amendment(s) may be cause for rejection of the Proposal. **No oral interpretations shall be made to any Respondent as to the meaning of any of the solicitation documents, or be effective to modify any of the provisions of the solicitation documents. Oral interpretations of the solicitation documents are not binding on the County.**
- 1.5 ACCEPTANCE OF EVALUATION METHODOLOGY:** By submitting its Proposal in response to this RFP, Respondent acknowledges and accepts the evaluation process, the established criteria and associated point values, and that determination of the "most qualified" firm will require subjective judgments by County.
- 1.6 SUBMITTAL REQUIREMENTS:** Respondents shall submit **one (1) hardcopy original, seven (7) hardcopies, and one (1) identical electronic copy on a Flash Drive** in a single document .pdf format of their Proposal as further described in the Required Submittal Information and Evaluation Criteria Section of this document. The submittal shall be delivered in a sealed envelope and clearly marked with the Firm Name, Name and Number of the RFP, Due Date, and Time addressed to: Pima County

Procurement Department, Design & Construction Division, Attn: Matthew Sage, CPPB; Procurement Officer, 150 W. Congress Street, 5th Floor, Tucson, AZ 85701.

The County's "time-stamp" will be the official time used to determine the timeliness of the submittal. Proposals received after the due date and time as noted on the Notice of Request for Proposal page of this document will be returned to the Respondent unopened. No late submittals of Proposals will be accepted. County will not acknowledge or receive Proposals that are delivered by facsimile (fax), or electronic mail (e-mail). Properly submitted Proposals will not be returned to Respondents. Failure to follow RFP submittal guidelines and instructions shall result in Proposal rejection.

Mandatory Wellness Screenings:

Pima County has implemented Wellness Checks in accordance with Administrative Procedure 23-54. In order to reduce the spread of COVID-19 and protect County employees and the public, mandatory body temperature testing is required of all persons who enter Pima County buildings. Anyone who has a temperature of 100.4 or higher will not be admitted to the building. Everyone who does not have a temperature above the allowable limit will be given a dated sticker to wear to show they have been screened. **Anyone found in the building without that day's sticker will be asked to return to the screening station for screening.**

Mandatory Face Mask:

Pima County requires the use of face masks in accordance with Administrative Procedure 3-35. This Administrative Procedure is designed to improve public and employee safety during the COVID-19 pandemic. Everyone is required to wear a mask in all County facilities including common areas, lobbies, and elevators; in areas where proper physical distancing is not possible (less than six (6) feet); in areas where there is not a protective barrier; masks are not required in parking garages if the appropriate physical distancing is maintained. **Anyone accessing County facilities may request a mask and the County will provide one.**

1.7 RFP SHORTLIST PROCESS:

- A. This RFP is the second step in the procurement process for the selection of a Master Developer Partner. County will evaluate the Business Plan and Agreement to determine which is the most advantageous to County considering conformity to the specifications, evaluation criteria stated in the Section 3 of the RFP, and other factors. In addition, Proposals are required to comply with Section 3 of this RFP.
- B. County will evaluate Business Plans that are **Responsive and Responsible** as defined by the RFP. The evaluation of the Business Plan shall be based on the requirements described in Section 3 of this RFP and pursuant to the Enabling Law. All properly submitted responsive Business Plans will be evaluated and ranked according to the stated selection criteria and relative weight of the selection criteria by the selection committee.
- C. The "Selection Committee" will be comprised of Representatives from: The Kino Stadium District, Pima County Public Works, Pima County Project Management Office, Pima County Real Property, Pima County Economic Development, Pima County Attractions and Tourism, Pima County Finance and Risk Management, and an outside agency. A Procurement Officer from the Pima County Procurement Department, Design & Construction Division will act as the non-scoring Chair of the selection committee. Master Developers are cautioned that the Procurement Officer is the only person that shall be contacted regarding this RFP and Business Plan. Any contact by the Master Developer team members with any other individuals, including those from the Selection Committee and their organizations, may result in the Team's Proposal being declared non-responsive and not eligible for further consideration.

- D. Evaluation Discussions/Clarifications of Business Plan and Agreement: The County may conduct discussions/clarifications with responsible Offerors who submit a Business Plan and Agreement determined to be reasonably susceptible of being selected for award for the purpose of clarification to assure full understanding of, and conformance to, the Solicitation requirements and to clarify the Business Plan and Agreement details provided that they do not substantially change the intent of the solicitation.

County reserves the right to request additional information and/or clarification. Any clarification of a Proposal shall be in writing.

- E. Best and Final Offer: In the event that County holds discussions and requests clarifications, County will issue a written request for Best and Final Business Plan and Agreement Proposal setting forth the date, time, and place for submission. If Offerors fail to respond to the request for Best and Final Proposal or fail to submit a notice of withdrawal, County will consider their immediate previous Business Plan and Agreement as their Best and Final Proposal.
- F. Award Criteria: If County makes an award, County will enter into a Master Developer Partnership Agreement that incorporates the Business Plan by reference. The award will be based on the combined results of Step 1 – SFQ and Step 2 – RFP and which the County determines to be responsible and responsive to perform.

County, at its sole discretion, reserves the following rights: 1) to waive informalities in the RFP or RFP procedure; 2) to reject the response of any persons or corporations that have previously defaulted on any contract with County or who have engaged in conduct that constitutes a cause for debarment or suspension as set forth in County Code Section 11.32; 3) to reject any and all responses; and 4) to re-advertise for SOQs/Proposals previously rejected.

- G. Recommendation for Award: If County makes an award, it will be to the Responsible and Responsive Offeror whose combined results of Step 1 – SFQ and Step 2 – RFP including the Business Plan and Agreement County determines to be the most advantageous taking into consideration the evaluation criteria, discussions, and Best and Final Offers in this RFP.

1.8 AWARD AUTHORITY:

The Board of Supervisors will make the contract award in accordance with the Pima County Procurement Code.

1.9 AWARD NOTICE:

County will post a *Notice of Recommendation for Award (NORFA)* for RFP on the Procurement website available for review by interested parties. The Procurement Department will maintain a tabulation of the ranking of proposals. County will not provide results of this procurement in response to telephone inquiries.

1.10 RFP SELECTION SCHEDULE: The following represents anticipated milestone dates for the selection. Any known conflicts with the dates such as observed holidays, scheduled vacations, trade seminars, etc. that could interfere with participation in the selection should be made known to the Procurement Officer immediately.

Comments/Question Deadline:	September 15, 2020 at 4:00 p.m.
Due Date Request for Proposal:	September 25, 2020 at 4:00 p.m.
Discussions/Clarifications:	Tentatively, week of October 5, 2020
Best and Final Deadline:	November 2, 2020
Contract Award :	Tentatively, December 1, 2020

- 1.11 EXPENSES OF THE RESPONDENTS.** County accepts no liability for the costs and expenses incurred by the Respondents in responding to this RFP, responses to clarification requests and discussion meetings, and resubmittals, and any other activities included as part of this procurement process. Each Respondent that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that they cannot make any claims whatsoever for reimbursement from County or from any of its employees, advisors or representatives for the costs and expenses associated with the process, including, but not limited to, costs of preparation of the Proposal, loss of anticipated profits, loss of opportunity or for any other loss, cost or expense.

End of Section 1 – Request for Proposal General Information

SECTION 2 – PROPOSAL FORMAT

2.1 GENERAL INSTRUCTIONS

- 2.1.1 Business Plans and Agreements shall be prepared SIMPLY AND ECONOMICALLY, providing a straightforward, CONCISE description of the Respondent's ability to meet the requirements of this RFP. Emphasis shall be on the QUALITY, completeness, clarity of content, responsiveness to the requirements, and an understanding of County's needs.
- 2.1.2 Suggested page count for the Proposals shall be **Eighty-Five (85) PRINTED PAGES**.
 - 2.1.2.1 The following do not count toward the suggested 85-page count: Master Developer Partnership Agreement sample, introductory letter, table of contents, divider sheets, and any information requested in the Appendices listed below.
- 2.1.3 All pages shall be printed on one side only. For typewritten pages, the minimum font size is 10 point. Black ink is preferred, but color may be used for specific emphasis.
- 2.1.4 Respondents shall carefully read the information contained in this RFP and submit a complete response to all requirements and questions as directed. Incomplete Business Plans and Agreements will be considered non-responsive and subject to rejection.
- 2.1.5 Qualifications and any other information submitted by Respondents in response to this RFP shall become the property of the County.
- 2.1.6 Qualifications that are qualified with conditional clauses, alterations, items not called for in the RFP documents, or irregularities of any kind are subject to rejection by the County, at its option.
- 2.1.7 County makes no representations of any kind that an award will be made as a result of this RFP. County reserves the right to accept or reject any or all Business Plans and Agreements, waive any informalities or minor technical inconsistencies, or delete any item/requirements from this RFP when deemed to be in County's best interest.
- 2.1.8 Qualifications shall consist of answers to questions identified in Section 3 of the RFP. It is not necessary to repeat the question; however, it is essential to reference the question number with the corresponding answer.
- 2.1.9 Failure to comply with all requirements contained in this RFP may result in the rejection of the Proposal.

2.2 PAGE SIZE, BINDING, DIVIDERS, AND INDEX TABS:

- 2.2.1 Qualifications shall be printed on letter-size (8-1/2" x 11") paper and assembled with comb or spiral-type bindings.
- 2.2.2 Additional attachments (**except for those placed in Appendix '1' and as requested by this RFP**) shall NOT be included with the Proposal. Only the responses provided by the Respondent to the questions identified in Section 3 of this RFP will be used by the County for evaluation. **Additional pamphlets, brochures or other marketing material not labeled as answering a portion of the RFP will not be considered for evaluation.**
- 2.2.3 Separate and identify each criteria response to Section 3 of this RFP by use of a divider sheet with an integral tab for ready reference.

2.3. TABLE OF CONTENTS:

- 2.3.1 Submittals should include a "Table of Contents" and give page numbers for each part the Proposal.

2.4 PAGINATION:

- 2.4.1 Number all pages of the submittal sequentially using Arabic numerals (1, 2, 3, etc).

End of Section 2 – Proposal Format

SECTION 3 – REQUEST FOR PROPOSAL EVALUATION CRITERIA

Respondents shall carefully read the information contained in the following criteria and submit a complete response to all questions in Section 3 formatted as directed in Section 2. The following evaluation criteria will be used in the evaluation of firms. The response should address each item in the order presented below. Incomplete responses may be considered non-responsive and subject to rejection. The evaluation of the Business Plan and Agreement will be based on the submissions received as required by Section 3 of this RFP, correspondence with Respondent teams and personnel references and analysis of other publicly available information and information otherwise made available to County. County, at its sole discretion, shall have the right to seek clarifications from each of the Respondents. County intends to review the Business Plans and Agreements for responsiveness to the requirements of this RFP and to evaluate all responsive Business Plans and Agreements according to the following criteria and weighting:

SECTION	TOTAL POINTS
Business Plan	630 Points
Project Governance	100 Points
Project Description	130 Points
Project Schedule	80 Points
Operations and Maintenance Plan	140 Points
Financial Plan	180 Points
Master Developer Agreement	120 Points
TOTAL AVAILABLE POINTS – RFP	750 POINTS

BUSINESS PLAN (630 Points)

1. Project Governance (100 Points)

This section will provide information regarding the proposed team members, key stakeholders, Pima County, regional partners and how roles and responsibilities will be determined. The Proposer should provide information regarding leadership and governance of the proposed Public-Private Partnership (PPP). This must include key elements as listed below. Any other items not listed that the Proposer considers critical to governance success shall be included.

- a. **Master Developer Leadership and Key Team Members (10 points)**. This section will outline roles and responsibilities of the leadership team. Define how Pima County will be part of the Leadership team.
- b. **Definition of an Escalation Ladder for decision making (10 points)**. To ensure timely decision making and to resolve potential concerns, this section will provide a suggested escalation ladder. The development team should have all roles and personnel defined. Pima County roles can be defined but not have specific staff yet applied to the levels.
- c. **Stakeholder Management (10 points)**. Identify all stakeholders including their roles and areas of influence as expected for this Project. If there has already been coordination or discussion with these stakeholders, please include this information. This section should also include any marketing, public information coordination, or other potential public forum outreach that the development team expects to coordinate. This shall include, but is not limited to:
 1. Key stakeholders, and roles
 2. Process for obtaining public input
 3. Process for variation from the approved City of Tucson PAD 18: Kino Health Campus plus Minor Amendments. <https://www.tucsonaz.gov/pdsd/planned-area-development-similar-plans>
- d. **Proposed Design Guidelines or CC&R's (15 points)**. Please provide how the development team will create and enforce guidelines or standards that will be used to create a unified approach to the South Complex project. This should address items previously discussed during Step 1 – Solicitation for Qualifications, such as response to the local community, Sonoran Desert, the existing Kino Stadium District, or other elements identified. Elements such as sustainability goals, or other site wide standards should be included within this section. Describe how the County will be involved with setting these guidelines, and participate if there are disputes relating to these standards.
- e. **Economic and Community Goals (20 points)**. Select the key goals as originally defined and specify how these will be met. Outline how this approach will support the community and provide access to the site for underserved youth and families. Discuss how this project will be supportive of the immediate environs and regional existing development to determine overall community benefits and impacts.
- f. **Economic Benefit (15 points)**. Provide the estimated regional economic benefit and return on investment to demonstrate how the development will be directly supporting regional economic success. Be specific, and outline sources included that measure economic benefit, such as regional bed tax, property tax, or other financial revenue sources expected within your proposed plan.
- g. **Develop Metrics for Success (20 points)**. Provide proposed metrics for success relating to your business proposal. Metrics may be based on meeting schedules, cost / financial return targets, operational targets (usage), balance of site user activity, and whether economic and community goals have been met. Identify any existing risks to these success targets and suggest mitigation strategies that may be considered to reduce risk.

2. Project Description (130 Points)

This section will describe the concept for the site development and identify the major elements necessary to achieve the development goals. This section is intended to provide the reader with an overall view of the entire development, even though some elements will be expanded upon in further sections of the RFP. This should include all planned development, although final size and placement may change during design. This section should consider the need to develop a transportation system,

extend utilities, provide parking, and incorporate walkability and the Loop through the site. This section will set targets regarding the planned use types, and define which elements will be considered public use versus private use. Designate in this area how these public and private areas will be operated, understanding the operation plan will be further discussed later in the plan (Item #4). Provide backup studies or analyses that have been used to help support the proposed development plan.

- a. **Proposed major scope elements (15 points)**. Clearly identify anchor properties. Briefly detail any discussion and coordination that has already occurred with potential occupants and users. Additional information on this topic will be requested section 4.
- b. **Proposed Support elements (15 points)**. Clearly designate support elements proposed such as retail, commercial, hospitality or other support elements per the proposed plan. Include key nodes or activity areas that are external landscape spaces (not buildings). Briefly detail any discussion and coordination that has already occurred with potential occupants and users. Additional information on this topic will be requested section 4.
- c. **Infrastructure (10 points)**. Infrastructure should include utilities, site access/egress, transportation spines, and connections to Kino Main & North Complexes or any other supporting elements necessary to have the site function. This may be phased to meet demands during construction.
- d. **Parking Plan (10 points)**. Define a parking plan and include types and location of parking, ability to meet daily demands versus event demands. Outline how parking will be balanced, and anticipated change in demand based on daily, weekend or event usage. Discuss how parking challenges will be met across these sites, and how prioritization will occur given the following:
 1. Daily, Weekend, Event usage
 2. Cost or Revenue impacts
 3. Coordination of parking across sites
- e. **Categorize elements by type of uses (15 points)**. Describe the conceptual mix of uses onsite, including how commercial retail, restaurant, hospitality or other uses will be balanced amongst themselves as well as with the sports and entertainment venues. Provide breakdown by square footage and percentage of total buildable area. Discuss mix of elements such as retail/restaurant usage by local or national chain, and how that is determined.
- f. **Identify Public Use components (10 points)**. Discuss which elements would be considered public use, and detail the proposed approach for ownership and operations. Briefly discuss how public use will be scheduled; this will also be further detailed under Section 4 below - Operations & Maintenance Plan.
- g. **Categorize elements by ownership and operations responsibilities (15 points)**. Indicate which of the uses above will be privately owned, publically owned, privately operated, and publically operated or a mix of both. If an outside agent or operator will be proposed, please indicate.
- h. **Regional Impacts (20 points)**. This section will look at the above noted mix of uses. The developer shall review how these fit within the immediate location in the Kino Stadium District as well as how this development will support and/or compete with planned adjacent developments (including the Benson Highway corridor from Kino Parkway to Irvington Road, and the Kino Parkway corridor from Irvington to 36th Street). Please address how major anchor elements fit within the region – particularly elements that may already exist downtown or be serviced by other venues locally. This section should concentrate on how to work cooperatively to serve regionally, and how potential perceived competing interests can be managed to the benefit of the entire community. This must be addressed to ensure that the market can bear the new planned elements.
- i. **Contingency Planning (20 points)**. Discuss how the development may be adjusted if an anchor use proposed in the plan was not approved by Pima County due to risk, potential regional conflicts, or negative impacts to the region. How would this discussion be undertaken with Pima County and other affected stakeholders to resolve this issue? Are there any elements within the plan upon which the entire development hinges, that could not be removed?

3. Project Schedule (80 Points)

- a. Design and Construction timeline for Major Anchor Elements (20 points). Include a separate timeline for each anchor as well as the overall development. Include specific details and time frames for those steps deemed critical to initiate immediately following contract award, if selected as the Master Development Partner. These anchor elements should include, at minimum, the required elements from the Step 1 – SFQ, as well as any additional proposed items that act as an anchor to the overall development.
- b. Support Scope elements (20 points). Include all remaining elements critical to the overall integrated approach to the development, but that may not be listed as an anchor development.
 1. Any specific non-anchor elements, such as hotel, retail, or other element should be clearly indicated along with planned schedule.
 2. Indicate phasing of these elements based on the level of support to the anchor elements and location within the conceptual site plan.
- c. Infrastructure timeline (20 points). Include all support infrastructure as required such as utilities, roads, bridges etc.
 1. If offsite improvements are anticipated, identify items and proposed timeframe of development.
- d. Operational Dates (10 points). Clearly note when elements will begin operation.
- e. Additional Information (10 points). Other relevant information critical to the development schedule (approvals, permits, risks, etc.,) not specifically addressed in this list.

4. Operations & Maintenance Plan (140 Points)

- a. Anchor Space Operations Plan (20 points). Provide a detailed plan for operating/scheduling use of main anchor elements. Provide information on the operator(s) and/or management team(s) proposed. Describe how this operation plan provides the best opportunities for the South Complex site, the entire Kino Sports Complex and the region as a whole. Include discussion regarding identified user groups, marketing partners and other outreach goals for maximizing scheduling the site over the long term.
- b. Relationship between Anchor and Support Elements (15 points). Detail any planned or expected interdependencies between the anchor and support elements such as hospitality, retail and restaurant. Describe the financing, timing and operational relationship between the anchor and support elements in achieving the successful opening and long-term operation of both components.
- c. Incorporation of Technology (10 points). Outline how technology will be incorporated into the anchor elements and other support spaces to improve the user experience at the site.
- d. Kino Stadium Coordination (40 points). Specify how the Kino Stadium District and the New South Complex will interact and coordinate event planning for the entire District, specifically:
 1. Outline preferred roles and responsibilities, and approach for coordination between the Master Developer and the existing Kino Stadium District. This should be specified for each anchor space, both new and existing.
 2. Describe all operational entities and partnerships, if specific management entities will be used. Discuss any particular technology or scheduling software that may be used to facilitate and coordinate scheduling of new and existing facilities. Highlight how this approach benefits operations of both new and existing facilities and affects revenues.
 3. Outline how large event booking coordination will occur. Discuss from perspectives of the new South Complex, the overall Kino Sports Complex and the existing Kino Stadium. Describe the approach for re-occurring users or special events/tournaments to reserve space for future bookings over a multi-year period.
 4. Address how anchor elements will be made available for community use or scheduling by the Stadium District when otherwise not in use. Discuss how the origination of the event booking will impact the revenue split between the Master Developer Partner and/or the operating entities and Pima County.
 5. How will disputes be avoided or resolved regarding scheduling conflicts?

6. Discuss how operation of the new South Complex and the existing Kino Sports Complex will achieve maximum 365-day scheduling, not just during league play cycles or seasonal weather periods.
 7. Provide specific details on programming and funding proposed by the Master Developer Partner and operating partners for increasing participation of underserved youth and families.
 - e. **Coordination with Leagues (10 points).** Outline specific leagues, at all levels, that you anticipate working with for this new development. Indicate any agreements or commitments already established with league users. Include anticipated levels of use and how various leagues would operate and/or coordinate during large events especially those scheduled to take place at the same time. Discuss the specific pricing plans for each league user. Discuss availability of open or community play periods and any offered discounted rates for such plans.
 - f. **Operations Contingency (10 points).** Discuss contingency plans for operating to ensure flexibility in scheduling for the main anchors to balance potential conflicting usage at the new and existing facilities. Explain how operations will be agile over time to continue to provide availability of venue space for various types of uses given fluctuations or seasonality factors that could result in reduction of demand of the site. Highlight strategies to ensure anchor elements will be capable of serving multiple uses without conflict.
 - g. **Regional Job Impacts (15 points).** Outline staffing expectations and potential jobs impact to the region. This should include discussion regarding both the main anchor spaces as well as the supporting retail, commercial and hospitality elements. Include both construction and operations related job creation.
 - h. **Maintenance Cost (10 points).** Discuss expected maintenance costs such as utilities, daily and yearly maintenance expenses, costs associated with events, etc. Indicate how these costs are incorporated into the operating expense and revenue pro forma and cash flow assessment. Explain how these costs have been factored into determining that the operations are financially viable.
 - i. **Capital Maintenance Cost (10 points).** Discuss expected capital costs – relating to longer term maintenance, upkeep and future rehabilitation of the structures and site infrastructure. Describe how the Master Developer Partner and/or operating entities will account for, and fund, the needed preventative maintenance or future replacement costs over time in the operational plan.
- 5. Financial Plan (180 Points)**
- The proposer should respond to this section from two perspectives, both the overall new South Complex as well as each of the key anchor elements individually as identified above in the business plan.
- a. **Assumptions (25 points).** Detail key assumptions used to develop this Financial Plan. These should include assumptions with potentially positive or negative impacts to the financial health of the project.
 - b. **Funding (20 points).** List all funding participants including all sources of financing, as originally provided within the financials in Step 1 – SFQ. This should provide information clearly outlining all parties funding obligations and to be assured of the viability of the funding for this project. If funding sources are phased, please include this information as well. This should include the applicable debt schedules, highlighting anchor elements separately as well as the overall new south complex.
 - c. **Public Fund Use (20 points).** Define any and all specific proposed obligation of public funds, including any up-front and/or on-going costs that may be expected of Pima County. This must be clearly defined and outlined. Public fund use in Arizona is governed by stringent Arizona State Statutes. Please describe how any and all proposed use of public funds specifically fit within, and comply with, the state legislative requirements.
 - d. **Profit & Loss Schedule (30 points).** Provide detailed projected Profit and Loss for the first 10 years of operation, including detailed revenue and expense forecasts, and other related elements such as property, sales, excise or special assessment taxes. Indicate any planned or expected

- split of expenses and revenues between the Master Developer Partner, Pima County and other operating entities.
- e. **Cash Flow (30 points).** Provide projected Cash Flow for first 10 years of operation, including detailed revenue and expense forecasts, and other related elements such as property, sales, excise or special assessment taxes. Indicate any planned or expected split of expenses and revenues between the Master Developer Partner, operating entities and Pima County.
 - f. **Break Even Analysis (30 points).** Provide information on anchor elements costs and payback schedules within this analysis.
 - g. **Risk Analysis (25 points)**
 1. Contingencies – Identify any and all contingency funding sources and when they would be necessary.
 2. Specify strategies for continuing operations despite potential revenue fluctuations.
 3. Discuss key market condition considerations that could have a positive or negative effect on the project success and possible mitigation strategies. Address impacts to timing, operations, and ultimately revenue.

MASTER DEVELOPER PARTNERSHIP AGREEMENT (120 Points)

1. Agreement Timeline (10 points)

Pima County has an aggressive timeline proposed for the RFP to include discussions and clarifications resulting in a written Master Developer Partnership Agreement ("MDPA"). Describe how your team will work to meet these deadlines, and provide adequate backup information regarding the structure and viability of the proposed development.

2. Project Structuring Experience (25 points)

Describe previous experience with PPP / Development Agreements, structuring multi-use development projects and the development of MDPAs. ***Provide a sample master agreement and any related sub-agreements in Appendix 1.***

3. Management and Ownership Strategies (40 points)

Describe preferred operation/management and ownership strategies for *each component* of the project, including any associated infrastructure. This should address at a minimum:

- a. How ownership, operation, maintenance and use will be structured for each proposed anchor and support elements and what the rights and responsibilities of the various parties would be.
- b. Describe preferred land management / ownership arrangement including lease, purchase, sub-lease, ground lease or other. Specify areas that will be proposed with each type of ownership.
- c. Indicate how costs and revenues will be handled and allocated.
- d. Define estimated costs and revenues.
- e. Outline risk allocation and mitigation.

4. Assets (10 points)

Identify the final disposition of assets at the completion of the MDPA.

5. Master Developer Partnership Agreement Outline (35 points)

- a. Provide the preferred organization of the MDPA including:
 1. What sub-agreements (such as property conveyance, contracting, leasing, operating, etc.) would be needed, and their basic structure.
 2. Anticipated basic terms included in the MDPA with the understanding that much of the Business Plan will be incorporated into the MDPA.
- b. Required County contractual clauses to be incorporated into the MDPA are as follows:

Americans with Disabilities Act. CONTRACTOR will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under the Act, including 28 CFR Parts 35 and 36. If CONTRACTOR

is carrying out government programs or services on behalf of COUNTY, then CONTRACTOR will maintain accessibility to the program to the same extent and degree that would be required of the COUNTY under 28 CFR Sections 35.130, 35.133, 35.149 through 35.151, 35.160, 35.161 and 35.163. Failure to do so could result in the termination of this Contract.

Non-Discrimination. Contractor will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this contract, including flow-down of all provisions and requirements to any subcontractors. During the performance of this Contract, Contractor will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

Cancellation for Conflict of Interest. This Contract is subject to cancellation for conflict of interest pursuant to A.R.S. § 38-511, the pertinent provisions of which are incorporated into this Contract by reference.

Ethics. During the course of pursuing contracts with COUNTY and while performing contract work in accordance with this agreement, CONTRACTOR agrees to maintain business ethics standards aimed at avoiding any impropriety or conflict of interest which could be construed to have an adverse impact on the COUNTY's best interests.

- CONTRACTOR will take reasonable steps to prevent any actions or conditions which could result in a conflict with COUNTY's best interests. These obligations apply to the activities of CONTRACTOR employees, agents, subcontractors, subcontractor employees and consultants to CONTRACTOR.
- CONTRACTOR employees, agents, subcontractors, material suppliers (or their representatives) should not make or cause to be made any cash payments, commissions, employment, gifts, entertainment, free travel, loans, free work, substantially discounted work, or any other considerations to COUNTY's representatives, employees or their relatives.
- CONTRACTOR employees, agents or subcontractors (or their relatives) should not receive any payments, commissions, employment, gifts, entertainment, free travel, loans, free work, or substantially discounted work or any other considerations from representatives of subcontractors, or material suppliers or any other individuals, organizations, or businesses receiving funds in connection with the project.
- CONTRACTOR will notify a designated COUNTY representative within forty-eight (48) hours of any instance where the CONTRACTOR becomes aware of a failure to comply or possible failure to comply with the provisions of this Article.
- Upon request by COUNTY, CONTRACTOR agrees to provide a certified Management Representation Letter executed by selected CONTRACTOR representatives in a form agreeable to COUNTY stating that they are not aware of any situations violating the business ethics expectations outlined in this contract or any similar potential conflict of interest situations.
- CONTRACTOR will include this clause in all contracts with subcontractors and material suppliers receiving more than twenty-five thousand dollars (\$25,000.00) in funds in connection with COUNTY's project.
- CONTRACTOR will permit interviews of employees, reviews and audits of accounting or other records by COUNTY representative(s) to evaluate compliance with the business ethics standards. Such reviews and audits will encompass all dealings and activities of CONTRACTOR's employees, agents, representatives, vendors, subcontractors, and other third parties paid by CONTRACTOR in their relations with COUNTY's current or former employees or employee relatives.
- CONTRACTOR will implement a program requiring its employees to sign acknowledgements that they have read and understand COUNTY's Business Ethics Expectations and the related obligations outlined in this Contract.

Non-Appropriation. Notwithstanding any other provision in this Contract, County may terminate this Contract if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining County or other public entity obligations under this Contract. In the event of such termination, County will have no further obligation to Contractor, other than to pay for services rendered prior to termination.

Books and Records. Contractor will keep and maintain proper and complete books, records and accounts, which will be open at all reasonable times for inspection and audit by duly authorized representatives of County. In addition, Contractor will retain all records relating to this Contract for at least five (5) years after its expiration or termination or, if later, until any related pending proceeding or litigation has concluded.

Public Records.

- **Disclosure.** Pursuant to A.R.S. § 39-121 et seq., and A.R.S. § 34-603(H) in the case of construction or Architectural and Engineering services procured under A.R.S. Title 34, Chapter 6, all documents submitted in response to the solicitation resulting in award of this Contract, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, those documents are subject to release and/or review by the general public upon request, including competitors.
- **Records Marked Confidential; Notice and Protective Order.** If Contractor reasonably believes that some of those records contain proprietary, trade-secret or otherwise-confidential information, Contractor must prominently mark those records "CONFIDENTIAL." In the event a public-records request is submitted to County for records marked CONFIDENTIAL, County will notify Contractor of the request as soon as reasonably possible. County will release the records 10 business days after the date of that notice, unless Contractor has, within that period, secured an appropriate order from a court of competent jurisdiction, enjoining the release of the records. County will not, under any circumstances, be responsible for securing such an order, nor will County be in any way financially responsible for any costs associated with securing such an order.

Legal Arizona Workers Act Compliance.

- **Compliance with Immigration Laws.** Contractor hereby warrants that it will at all times during the term of this Contract comply with all federal immigration laws applicable to its employment of its employees, and with the requirements of A.R.S. § 23-214 (A) (together the "State and Federal Immigration Laws"). Contractor will further ensure that each subcontractor who performs any work for Contractor under this Contract likewise complies with the State and Federal Immigration Laws.
- **Books & Records.** County has the right at any time to inspect the books and records of Contractor and any subcontractor in order to verify such party's compliance with the State and Federal Immigration Laws.
- **Remedies for Breach of Warranty.** Any breach of Contractor's or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Contract subjecting Contractor to penalties up to and including suspension or termination of this Contract. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, Contractor will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of Contractor.
- **Subcontractors.** Contractor will advise each subcontractor of County's rights, and the subcontractor's obligations, under this Section XX by including a provision in each subcontract substantially in the following form:

"Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. § 23-214 (A). Subcontractor further agrees that County may inspect the Subcontractor's books and records to insure that Subcontractor is in compliance with these requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."


Israel Boycott Certification. Pursuant to A.R.S. § 35-393.01, if Contractor engages in for-profit activity and has 10 or more employees, and if this Contract has a value of \$100,000.00 or more, Contractor certifies it is not currently engaged in, and agrees for the duration of this Contract to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. § 4842 or a regulation issued pursuant to 50 U.S.C. § 4842.



MEMORANDUM

Date: March 25, 2021

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry 
County Administrator

Re: **Kino South Sports & Entertainment Complex – Project Update**

Kino Sport Complex Background

Pima County has been an active sponsor of sports recreation opportunities throughout the region. Over the last two decades, our support has included in excess of \$100 million, excluding the cost of original land acquisitions north and south of Ajo Way, to construct facilities at the Kino Sports Complex serving a full range of community and sports-related activities from youth to adult and amateur to professional levels. Highlights of this investment to support community-wide sports and recreation include:

- 1996 – Community center construction \$4.9 million
- 1997 – Stadium complex construction \$38 million
- 2001 – Kino Environmental Restoration Project (KERP) construction \$11 million
- 2011 – North grandstand and soccer field conversion \$3.3 million
- 2014 – South complex land acquisition (166 acres) \$10.1 million
- 2020 – South complex construction \$31.9 million
- 2020 – South complex reclaimed waterline construction \$3 million

These efforts have ideally positioned the County to further enhance sporting and economic opportunities in the region by introducing additional integrated sports and entertainment facilities on the remaining approximately 90 acres of undeveloped County-owned land south of Interstate 10.

Procurement Solicitation & Negotiations with Knott Development

In October 2020, I provided the Board of Supervisors information on the procurement process initiated in February 2020 for selection of a master developer partner to assist with planning, design, financing, construction and operation of the remainder of Kino South Sports & Entertainment Complex. In 2016, the County completed the Kino South Master Concept Plan (Attachment 1) that established the vision for a premier multi-use complex bringing together sports and entertainment facilities, hotels, restaurants and retail in one location to support youth, adult, amateur and professional athletics in the community and promote growth in sports-related tourism from the region and beyond. Following the County's January 2020 completion of Phase I of the South Complex, which included 12 new lighted rectangular fields, 20 pickleball courts and associated amenities, the 2016 concept plan was used to

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Kino South Sports & Entertainment Complex – Project Update**
March 25, 2021
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formulate the scope of potential project elements for the Solicitation for Qualifications (SFQ)/Request for Proposals (RFP) seeking a master developer partner.

The SFQ portion of the procurement was published on February 7, 2020. Respondents were required to submit a Public-Private Partnership (PPP) proposal outlining possible uses, layout, financing, phasing and operating components. Submittals were originally due on March, 11, 2020, and the deadline was extended to July 14, 2020 due to the pandemic. Evaluation and virtual interviews were conducted to score the two submitted SFQ proposals. An RFP was then issued to both firms on September 2020 requesting submittal of a detailed business plan and framework for a PPP master developer agreement. Through additional evaluation and scoring of the submitted proposals, Knott Development, Inc. was selected as the highest qualified firm and the County issued a Notice of Intent to negotiate a Best and Final Offer and a Master Developer Partnership Agreement on October 23, 2020.

Over the last five months, staff from Procurement, Project Management, Finance and the County Attorney, along with Deputy County Administrator Carmine DeBonis Jr., have been working with Knott Development to refine the project business plan and master development agreement. Provided in this memorandum is a general summary to familiarize the Board of Supervisors with the key aspects of the proposal in anticipation of submitting a Predevelopment Services Agreement to the Board of Supervisors for consideration in April, and the subsequent submittal of the Master Developer Partnership Agreement and its business plan in July.

The following provides a high-level overview of the currently proposed project elements, scope of the anticipated Predevelopment Services Agreement, elements of the Master Developer Partnership Agreement, potential development timeline, and the anticipated community and economic benefits.

Proposed Project Elements

In the SFQ/RFP, the County indicated the four following elements were mandatory to include in a proposal:

- Indoor court facility;
- Outdoor stadium;
- Commercial services including hotel, entertainment, restaurant and retail; and
- Parking garage

The proposal from Knott Development includes all of the required elements plus these additional ones:

- Iceplex facility with multiple sheets of ice;
- Multi-purpose entertainment venues;
- Various outdoor plazas and public spaces;
- Loop enhancements to integrate existing infrastructure within the development;
- Medical office building;
- Multi-family housing; and

- All site work including utilities, access, Julian Wash-traversing bridges and a future Interstate 10 underpass connecting to the existing Kino Sports Complex.

Provided with this memorandum is Knott Development's Executive Summary of key economic development aspects of the project proposal and a description of its initial anchor facilities, the Iceplex and Field House (Attachment 2). These facilities will drive a substantial portion of the project's economic development and are the subject of the Predevelopment Services Agreement.

Predevelopment Work & Agreement

Under the proposal, Knott Development is required to perform predevelopment work to refine design and financial aspects of the project. This work is split into two stages: 1) a Predevelopment Services Agreement (PDSA); and 2) the Master Developer Partnership Agreement (MDPA) Predevelopment Phase. The purpose of the PDSA is to facilitate refinement of the project's Iceplex and Field House components by completing certain architectural, engineering, geotechnical and financial analyses and plan preparations prior to execution of the MDPA. Doing so allows for a demonstration of viability of the facilities that will have the greatest economic development impact to the County and that can achieve full utilization upon opening. The aggregate sum of the PDSA is \$1,825,000. Currently the PDSA is being finalized and will be scheduled for consideration by the Board of Supervisors on April 20, 2020. Prior to this date a comprehensive summary of the terms will be provided to the Board along with the PDSA itself.

Master Developer Partnership Agreement - Predevelopment Phase

The intended arrangement between Pima County and Knott Development utilizes an MDPA that outlines the respective responsibilities of both parties regarding the planning, design, financing, construction, operation and maintenance of the new complex. A detailed business plan covering all aspects of the project will be incorporated as an exhibit to the MDPA. Within the MDPA there exists a Predevelopment Phase (separate from the PDSA) that requires Knott Development to conduct a substantial amount of additional predevelopment work following Board approval of the MDPA. While MDPA consideration by the Board is not planned until July, below is a summary of the MDPA's Predevelopment Phase.

The MDPA Predevelopment Phase causes Knott Development to further refine all aspects of the development not previously covered by the PDSA, including, among other items, completing all architectural designs, site development and civil design plans; obtaining jurisdictional approvals for the initial civil construction phase; obtaining guaranteed maximum price construction commitments; adjusting and finalizing its previously committed \$418 million financing to reflect the final development costs determined during the Predevelopment Phase; finalizing the facility management and anchor programming contracts; demonstrating that the cash flows from Knott Development's proposed anchor facilities are sufficient to satisfy its financing and provide direct economic benefit to the County; preparing revised full development cycle economic development impact forecasts, including tax projections (property, sales, hotel, etc.), jobs creation, tourism estimates; and jointly, with the County, engage in discussions with local and regional community stakeholders.

At conclusion of the Predevelopment Phase, Knott Development will deliver to the County a full package of development overview documents. The MDPA currently contemplates that upon the County's receipt of the Predevelopment Phase documents the County will have the opportunity to decide how to proceed with the project based on options that will be available under the MDPA.

Potential Development Phasing Timeline

The MDPA, as currently structured, includes the following staggered construction completion schedule for Knott Development's proposed anchor elements:

- Initial Phase - Iceplex, Fieldhouse, associated support element (August 2023);
- Second Phase – Multipurpose entertainment venues, associated support elements (May 2025 - June 2026); and
- Third Phase – Stadium, Parking Garage, associated support elements (TBD by County and Knott Development)

Community and Projected Economic Benefits

Beginning with the creation of the 2016 master concept plan, an emphasis was placed on achieving substantial community and economic benefits through the development of the Kino Sports & Entertainment Complex. With this in mind, the SFQ/RFP incorporated numerous community and economic goals categorized here as:

- Create a premier sports and entertainment complex
- Integrate healthy principles and support active recreation
- Attract regional and national sporting events
- Promote sustainability practices
- Spur development
- Create a sustainable, mixed-use community-friendly site
- Cooperate and coordinate with regional partners and stakeholders

The Knott Development proposal and business plan addresses all of the County's goals and sets the stage for an influx of construction investment, increased job creation and earnings, sales tax and property tax generation and substantial growth in consumer spending in the region. As shown in the attached Executive Summary, the project is preliminarily forecasted have a \$7 billion regional economic impact, including the creation of over 46,000 jobs and an influx of over 6 million athletic tournament guests over the term of the PPP. While still subject to verification, the potential benefit to the region and its jurisdictions is exciting. In effect, the project will act as a catalyst for tourism stimulus and economic recovery by capitalizing on the post-pandemic resumption of local and out-of-region sports tournaments, leagues and team activities. According to pre-pandemic information from the private research firm WinterGreen Research, Inc., youth and recreational sports in the United States has more than a \$17 billion market value; with \$15 billion spent on the youth themselves for registration, fields of play, equipment, travel, food, coaching, analytics and video.

In addition to the regional economic benefits, Knott Development has proposed, and is actively engaged in the development of, an athletics inclusion foundation that will produce

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Re: **Kino South Sports & Entertainment Complex – Project Update**
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philanthropic funding from Knott Development and other donors. The foundation will support youth sports development and participation within local communities by providing financial support for economically disadvantaged children, visually impaired children, indigenous and minority youth, displaced teenagers, and children within the foster care system to participate in athletic programs operated at its proposed anchor facilities.

Given this regional context, it is important for Knott Development and the County to engage community partners and stakeholders in more detailed discussion around the community and economic benefits associated with the project. This engagement will occur after the business plan and MDPA drafts are released from the confidential procurement process, and following an opportunity for individual Board members and their staff to be briefed on the proposal's details. Community stakeholder discussions will also continue following execution of the MDPA and during the MDPA Predevelopment Phase described above.

Next Steps / Actions

To facilitate future Board of Supervisors' review and consideration of the PDSA, MDPA and Knott Development's business plan, I authorized Procurement staff to issue a Notice of Recommendation for Award (NORFA) to contract with Knott Development, dated February 8, 2021 (Attachment 3). The NORFA simply gave notice that award of a contract (PDSA and MDPA) is being recommended. Since issuance of the NORFA, the multi-department County team has continued working with Knott Development to prepare the PDSA for Board consideration and to finalize drafts of the business plan and MDPA.

It is anticipated that the PDSA will be placed on the agenda for the April 20, 2020 Board of Supervisors meeting. It's further planned that final versions of the MDPA and Knott Development's business plan will be placed on the agenda for the Board of Supervisors meeting on July 6, 2021 where approval of the MDPA will be requested.

Written updates will be provided to the Board of Supervisors leading up to these dates. If you have any questions or would like to discuss details of this project, you may contact Carmine DeBonis Jr., Deputy County Administrator for Public Works.

CHH/mp

Attachments

c: Jan Leshner, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer,
Health and Community Services
Michelle Campagne, Director, Finance Department
Reenie Ochoa, Director, Stadium Director and Kino Sports Complex
Terri Spencer, Director, Procurement Department
Nancy Cole, Manager, Project Management Office
Scott Loomis, Design & Construction Division Manager, Procurement Department

ATTACHMENT 1

CONCEPTUAL SITE PLAN



KINO SOUTH

ATTACHMENT 2

KINO DISTRICT

A developer's job is to create a vision, provide the financial mechanism required to complete it and, most importantly, select the right people to refine and execute not only the vision's overall concept, but its discrete parts. I'm proud to lead an immensely qualified team comprised of a unique mix of national, regional and Tucson-based firms. Our team is long on skill and experience, including significant familiarity with the South portion of the Kino Sports and Entertainment Complex and its recently completed Phase I expansion (the "Kino South Complex"). Combining design expertise, multifaceted construction experience, financial structuring acumen, local project experience, athletic facilities management, local and travel youth sports programming and a comprehensive understanding of sports and entertainment-related facilities development, Knott Development's plan to complete development of the Kino South Complex provides an opportunity to exceed Pima County's (the "County") community engagement and economic development aspirations. I am most grateful for the skill, creativity, professionalism, dedication and cooperation our team has demonstrated in crafting the Kino District development and operations plan.

OUR GOVERNING APPROACH TO DEVELOPMENT

Based on the founding principles of the construction and development business my family began in 1908, Knott Development operates from an "outside-in" perspective. This methodology represents a deliberate approach that avoids inward-focus bias and the presentation of preordained development concepts. Our focus, instead, becomes a systematic and immersive analysis of what facility uses and needs are relevant to both our client partners and the customers they serve. The crucial step is making a creative leap to discover a unique combination of facilities that meets a client's existing and projected demands, but that simultaneously provides a direct line of sight to end-user needs. This process, which avoids the pitfall of a siloed emphasis on products versus services, can be summed up with one simple question - What does your development plan need to accomplish?

APPLYING OUR APPROACH

In applying our development approach, we first analyzed the existing programming managed by the County at the Kino South Complex as well that maintained at the North portion of the Kino Sports and Entertainment Complex (the "Kino North Complex"). In extending our examination of the Kino South Complex and Kino North Complex uses and demonstrated needs, in-depth discussions with local youth and adult recreational sports programs, local business leaders and developers as well as non-profit service organizations formed the basis of our customer-focused analysis. Within our evaluations, we then layered site-wide design and operational considerations intended to meet the County's economic and community goals. Enveloping these development facets, however, was the concept of serving the entire Southern Arizona region - creating a mix of uses tailored to meet site-specific development goals, but that would likewise generate off-site opportunities as an economic development catalyst to supplement, not replace, existing successes and continuing efforts.

CREATING A PREMIER SPORTS & ENTERTAINMENT COMPLEX

The combination of the Kino South Complex's and Kino North Complex's existing facilities, County-desired minimum enhancements and Knott Development's community and end-user analysis made clear the pertinent facility design and operations concepts required of a successful site expansion and operations plan. Kino District will become, from inception, the premier sports and entertainment complex in Southern Arizona, simultaneously providing economic development and community enhancement opportunities for the County, the City of Tucson (the "City") and the entire Southern Arizona region.

Among its various elements, Kino District will include an multi-sheet iceplex, an indoor sports and recreation facility, multipurpose entertainment venues, an open-air stadium and a parking garage to service both Kino District and the Kino South Complex. In support of these anchor elements, Kino District will include amenities such as hotels, restaurants, retail shops, outdoor public plazas as well as enhancements to the Loop to integrate existing County infrastructure within the development. To complete its lifestyle development focus and link the Kino South Complex and the Kino North Complex, Kino District will include a medical office building, multifamily housing and an Interstate 10 underpass connecting Kino District and the Kino South Complex with the Kino North Complex.

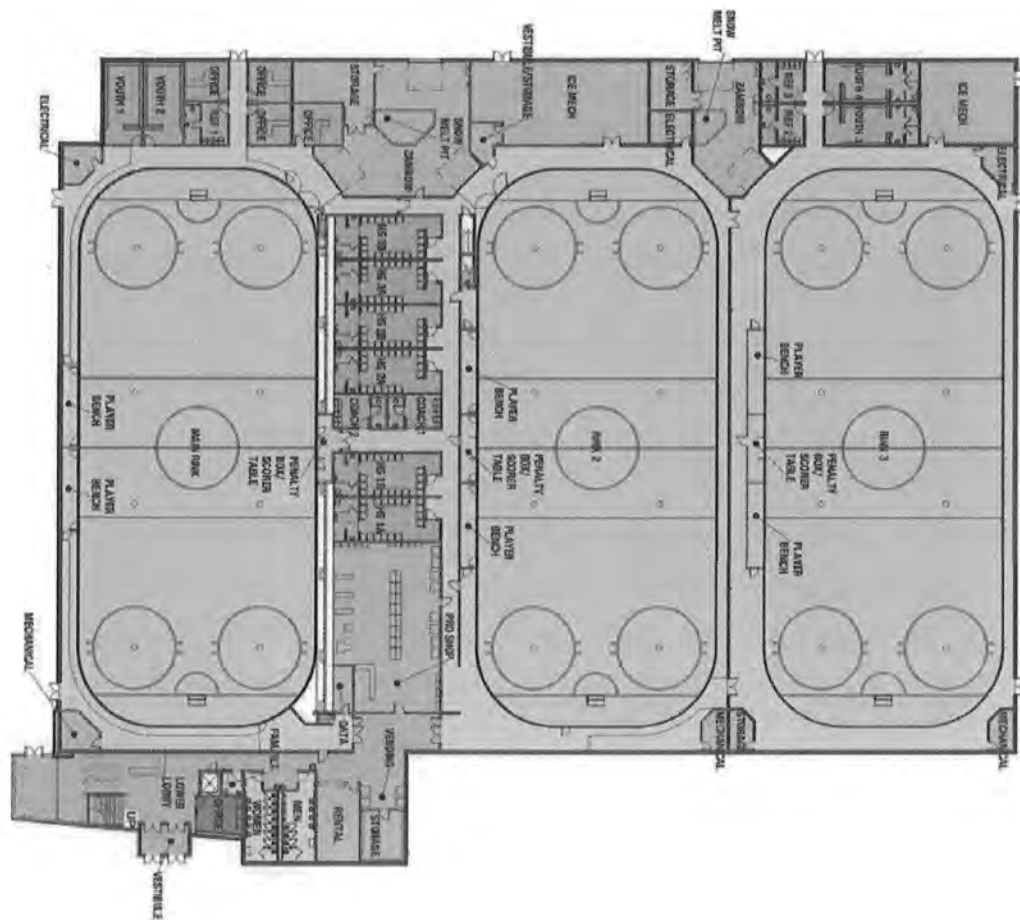
This executive summary, however, is focused on the Kino District Iceplex and the Kino District Field House. These seminal Kino District facilities are the primary drivers of the economic development benefits projected for the County, City and Southern Arizona region. Scheduled for delivery in late Summer, 2023 and already subject to significant local youth and adult recreational league and travel tournament commitments, the Iceplex and Field House will have a dramatic impact on current regional economic development efforts and supporting elements.

KINO DISTRICT ICEPLEX

Kino District Iceplex (the “Iceplex”) will be the epicenter of ice-based sports in Southern Arizona. Consisting of three sheets of ice and a full slate of related amenities comprising approximately 86,000 square feet, the Iceplex is a comprehensive hockey, figure skating and ice sports recreational facility. The Iceplex will permit the further expansion of the local ice sports market, meet the need for additional community-wide access to recreational athletics programming and satisfy the County’s desire to attract youth travel sports tournaments for economic development purposes.



Serving as the future home of the Tucson Junior Roadrunners youth hockey association, the Kachinas girls' hockey program, the Little Howlers' introductory hockey program and the Tucson Adult Hockey League, the Iceplex frees these organizations from existing facility constraints, while enabling the efficient expansion of their respective programming to a rapidly-developing hockey community. Supplementing local programming while simultaneously aiding its economic development function, the Iceplex will host nationally marketed youth hockey tournaments as well as self-sponsored regional multi-state invitational hockey tournaments, generating significant business for both Kino District's and Tucson's hotels, retailers, restaurants and entertainment venues. Finally, from a community-oriented programming perspective, the Iceplex will feature multiple low cost, open skating sessions each week as well as skills sessions for any adult or child to learn, enhance and enjoy the recreational benefits afforded by ice-based sports. Complimenting its active spaces, the Iceplex contains a general concession stand as well as a gastro pub that will partner on a rotating basis with Tucson-based food trucks and local restaurants. From a services standpoint, the Iceplex will also house Tucson's most comprehensive, locally-based, full service pro shop, providing all hockey and figure skating equipment in addition to team uniform and individual ice sports-focused apparel.



NATIONAL HOCKEY TOURNAMENT PROGRAMMING

While the Iceplex will have a significant impact on youth and adult hockey as well as recreational opportunities for the community at large, its three rink design provides sufficient capacity for national youth hockey tournaments. This capability will materially benefit hotels, retail stores, restaurants, and entertainment venues not just within Kino District, but throughout Tucson's downtown area and the Southern Arizona region.

To realize the benefits of the Iceplex's design, Knott Development has partnered with MyHockey Tournaments from Chicago, the premier USA Hockey Tier II youth hockey tournament organizer. In addition to its 70 tournaments in 16 cities across 12 states, MyHockey Tournaments created and maintains the preeminent youth hockey national ranking service. MyHockey Rankings is used by USA Hockey to determine at-large bids and seedings for national championship events, and ranks all North American Tier II hockey teams.

From its opening, the Iceplex will host up to eight nationally marketed tournaments organized by MyHockey Tournaments. Nationally marketed tournaments held at facilities composed in a similar manner to the Iceplex are attended by, on average, 42 teams, generating an impressive local economy direct spending profile.



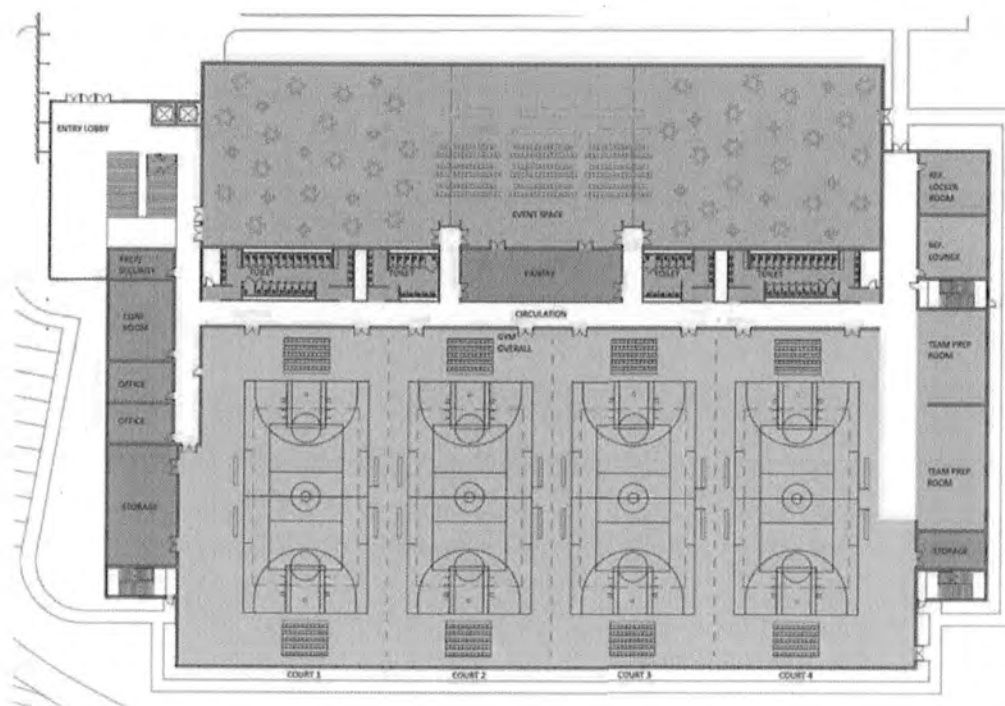
The Iceplex promotes a sense of place and is unified with the central portion of Kino District via its Julian Wash-traversing pedestrian/bicycle bridge and pathways along an expanded Tournament Way. Moreover, the Iceplex pedestrian/bicycle bridge connects directly with the Loop, providing both a unified functionality and aesthetic with preexisting County amenities. Because of Kino District's layout, Iceplex patrons will enjoy a "park and walk" experience to enjoy retail and dining opportunities, either directly across Tournament Way or those that are more centrally located adjacent to Kino District's event plazas.

KINO DISTRICT FIELD HOUSE

Kino District Field House (the "Field House"), in a similar fashion to the Iceplex's focus of centralizing ice-based sports, will serve as the epicenter of indoor sports in Southern Arizona. Consisting of eight full-sized basketball gymnasiums comprising approximately 130,000 square feet, designed in a unique 4-over-4 stacked arrangement that permits conversion into up to 16 volleyball courts, eight indoor lacrosse surfaces and a myriad of other youth and adult sports programming layouts, the Field House represents a consolidation of indoor recreational sports activities within a convenient campus setting.



The Field House will be home to Zona Volleyball, a respected Tucson-based travel youth volleyball program. With freedom from current facility capacity constraints, Zona Volleyball will add adult leagues, year-round clinics and summer camps. Knott Development and its facility management partner, Edge Sports Group will additionally cultivate relationships with other local sports programs to consolidate their activities within the Field House. From a community-oriented programming perspective, the Field House will feature multiple low cost, open athletic programming in a variety of indoor sports each week, providing all adults, children and families the opportunity to enjoy an indoor athletic experience without the financial and time burden associated with more formalized leagues and sports programming. Complimenting its active spaces, the Field House contains 20,000 square foot event space suitable for a variety of functions as well as use during tournaments.



While the Field House will have a significant impact on local volleyball and basketball programming as well as indoor sports recreational programming for the community at large, its design and capacity provides a robust environment for nationally marketed tournaments, including basketball, volleyball and indoor lacrosse. This capability and the size of tournaments brought to bear by Knott Development and its partners will, similarly to the Iceplex's tournaments, benefit restaurants, retail stores, hotels and entertainment venues within not only Kino District, but more particularly Tucson's downtown area.

To realize the benefits of the Field House design, Knott Development and Edge Sports Group have partnered with 3Step Sports, the largest youth sports event operator in the United States. 3Step Sports manages over 800 events across 35 states in seven sports. With an annual plan of 44 weekends of nationally marketed basketball, volleyball and indoor lacrosse tournament activity, the Field House will draw 2,400 to 3,600 guests per tournament.



Within Kino District's overall site plan, the Field House maintains a physical and emotional connection with other portions of Kino District through its multimodal bridge leading to the core of Kino District and its event plazas as well as pedestrian and bicycle access to the Iceplex. The Field House's sense of place is enhanced through the unified Kino District hardscape and softscape designed by Knott Development's local partner, The Planning Center, that promotes walkability for Field House patrons and, likewise, easy access to and from the Loop.

INTEGRATING HEALTHY PRINCIPLES & SUPPORTING ACTIVE RECREATION

Throughout Kino District and in combination with the existing Kino South Complex, residents and tourists, alike, will find an abundance of site design, facility and activity composition, as well as conscious development choices made to promote the healthy living ethos of the Southern Arizona region. Active lifestyles will find exciting options within Kino District: ice skating and

hockey at the Iceplex; basketball, volleyball, indoor lacrosse and other indoor programming options at the Field House; cycling, walking and running on the Loop with Kino District becoming a hub of activity commencement or a destination; local cuisine offered by healthy living and local resource-focused restaurants, including a food truck court located at one of the Kino District event plazas; public gathering and recreational spaces, including splash pads, playgrounds and open green space; and site design promoting walkability and exploration. Each element reflects and serves a unique cross-section of Pima County residents and the year-round activity and lifestyles that drive recreation and tourism in Southern Arizona.

ASSISTING & INDUCING ADJACENT DEVELOPMENT

Through a development coordination agreement with 4D Properties, an adjacent, local commercial developer, Knott Development ensures that Kino District and the key, adjoining, privately-held properties are developed under a complimentary design aesthetic to neighboring Kino District assets. Moreover, Knott Development and 4D Properties have jointly committed to the complimentary development of the commercial, retail and restaurant components of Kino District and 4D Properties' Campbell Benson Development, promoting a unified development vision across multiple properties within the Benson Highway corridor.



The economic development impact of Knott Development's coordination agreement with 4D Properties, however, extends beyond the Campbell Benson Development to Benson Highway's south side. With 4D Properties' and its affiliates' ownership of the majority of the commercial properties within the Irvington Road, Benson Highway and Kino Parkway triangle corridor, the Campbell Benson Development initiates a domino-like effect of economic development south of Kino District. The widespread impact of Knott Development's relationship with 4D Properties is evident in the accompanying site plan inset, showing 4D Properties' and its affiliates' parcel control (marked in purple) within the Benson Highway corridor.

COORDINATING WITH COMMUNITY PARTNERS

Knott Development's community outreach initiatives are designed to immerse Kino District's facilities and programming opportunities across an extended spectrum of the Southern Arizona community. Through its relationship with Chicanos Por La Causa ("CPLC"), Knott Development's ties to local business and non-profit leaders and organizations and its partnerships with local youth and adult sports organizations, we have embarked on a community-wide effort to provide equal access to the resources, benefits and opportunities associated with Kino District to members of the community who might otherwise be excluded or marginalized. Whether an athlete, local restaurant or retailer, Kino District's site composition, facilities and operations have been designed to be community inclusive.

With CPLC as a primary community stakeholder partner, we will work to extend Kino District's benefits beyond the site's economic potential. Knott Development will coordinate with CPLC to provide extensive and impactful outreach to the Latino community, both surrounding Kino District and throughout the Southern Arizona region. Our goal is to create a trusting relationship with the communities served by CPLC and respond to their needs in the development and expansion of Kino District's programming.



ATHLETICS INCLUSION FOUNDATION
Enhancing Diversity Within Southern Arizona Youth Sports

As representative of this underlying concept, Knott Development has created the Athletics Inclusion Foundation from which it will support youth sport development, access and programming within neighboring communities as well as the entire Southern Arizona region. The Athletics Inclusion Foundation's mandate is to provide financial support for economically disadvantaged, visually-impaired, indigenous and minority youth as well as displaced teenagers and children within the foster care system to participate in Kino District programming. Support recipients will receive grants covering the costs associated with program fees, team fees, uniforms, practice sessions and equipment. The Athletics Inclusion Foundation's community engagement and support will also extend to children with disabilities and those with developmental disorders who could benefit from the creation of customized programming within the Iceplex and the Field House.

To enhance the Athletic Inclusion Foundation's connection to the local community, Knott Development has initially constituted the foundation's board of directors with several members of the Tucson community. The board will be supplemented by members of my philanthropic network, consisting of out-of-market charitable organizations and leaders. Together, the Athletic Inclusion Foundation's leadership will not only become representative of the Southern Arizona community, but will demonstrate a deep understanding of non-profit organization operations.

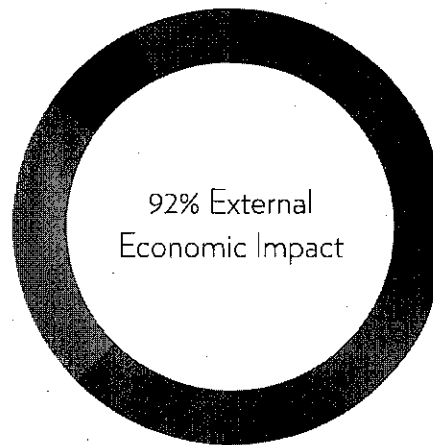
Indicative of Knott Development's inclusionary and philanthropic goals for Kino District, the Athletics Inclusion Foundation has already commenced programming outreach through the Junior Roadrunners youth hockey organization. In cooperation and while providing guidance, the Athletics Inclusion Foundation has enabled the Junior Roadrunners to initiate program planning and enter various stages of discussions with area service organizations. Under this and other burgeoning partnerships, in conjunction with its organizational and individual commitments to diversity, the Athletics Inclusion Foundation aims to be a leading facilitator in Southern Arizona of access, representation and protections for marginalized and under-represented communities in sports.

ECONOMIC DEVELOPMENT IMPACT

Knott Development's goal from the outset of facilities design, local and travel sports programming, community inclusion planning, entertainment venue modeling and site composition planning, was to create a mix of site uses to generate off-site opportunities that would supplement existing economic development initiatives and successes. Rather than replacing existing efforts and assets, Kino District is designed to serve as an additional catalyst of economic development for the benefit of the entire Southern Arizona region.

Representative of Knott Development's intent and execution is not just the myriad of economic development benefits created by Kino District, but the focus of economic opportunity delivery. Over 90% of the economic impact generated by Kino District will be realized outside of Kino District's physical boundaries.

- External Benefits from Tournament-Generated Spending
- External Earnings Benefits from Tournament-Generated Spending
- External Benefits Generated by New Property Taxes
- Earnings Benefits from Kino District Facility Operations



The commencement of Kino District's economic development benefits lies within its regional jobs creation impact. Due to the concentration of local firms within its development team, Knott Development's addition of construction jobs to the regional economy will be pronounced.

KINO DISTRICT ECONOMIC DEVELOPMENT

CONSTRUCTION JOBS CREATION

CIVIL CONSTRUCTION JOBS CREATION

Primary Jobs - Construction Activity	2,450
Direct Jobs - Created Due to Primary Jobs	416
Indirect Jobs - Created Due to Primary, Direct Jobs	158
Induced Jobs - Created Due to Primary, Direct, Indirect Jobs	1,341
TOTAL JOBS CREATED	4,365

REGIONAL ECONOMY EARNINGS CHANGE

Primary Jobs	\$166,316,097
Direct Jobs	\$20,898,206
Indirect Jobs	\$6,719,397
Induced Jobs	\$57,552,383
TOTAL CHANGE IN EARNINGS	\$251,486,083

Pursuant to current construction logistics modeling, Knott Development and its design builder, Hensel Phelps Construction, project the creation of 2,450 on-site construction jobs through the development of Kino District's anchor and support elements. This level of jobs creation, aside from having a direct effect on the lives of those directly employed, causes a ripple effect similar in nature to that experience from tournament spending impacts. The adjacent chart demonstrated the widespread effects associated with these construction job levels, adding 1,951 additional jobs to the regional market and increasing market are earnings (outside of the actual construction jobs) by approximately \$85.17 million.

The economic development benefits stemming from Kino District's construction expand as its anchor elements commence operations. Representative of Knott Development's intent for, and execution of, community-wide benefits emanating from Kino District is the regional spending associated with Iceplex and Field House tournaments which will foster a significant increase in region-wide spending. As demonstrated in the following table, Kino District is expected to generate in excess of \$3.2 billion in local economy spending over a 40-year period.

KINO DISTRICT ECONOMIC DEVELOPMENT

REGIONAL SPENDING IMPACT SUMMARY

	2023-2032	2033-2042	2043-2052	2053-2062
KINO DISTRICT TOURNAMENT SPENDING IMPACTS				
Hotel Spending	\$167,432,310	\$219,969,252	\$268,141,291	\$326,862,738
Restaurant/Dining Spending	\$195,409,458	\$256,217,195	\$312,327,331	\$380,725,274
Retail Spending	\$91,842,564	\$120,422,247	\$146,794,047	\$178,941,125
Attractions Spending	\$15,632,599	\$20,497,157	\$24,985,920	\$30,457,697
Transportation Spending	\$33,219,726	\$43,557,089	\$53,095,848	\$64,723,542
Miscellaneous Spending	\$52,760,672	\$69,178,808	\$84,328,581	\$102,796,070
TOTAL TOURNAMENT SPENDING	\$556,297,329	\$729,841,748	\$889,673,018	\$1,084,506,445

Both the timing of Kino District tournaments and the composition of its hotel properties are intended to benefit the regional hospitality industry. First, during the two year period preceding Kino District hotel operations, Iceplex and Field House tournaments will generate a significant number of annual room nights from which hotel venues within the City's downtown area benefit. Even when fully developed, Kino District's hospitality assets are comprised of materially less than the minimum room counts required by Kino District tournaments. While specifically designed to promote Kino District's internal economic viability, Knott Development likewise intended these self-imposed room count limitations in order to partner with, and benefit other, hotel properties within the region. Moreover, the Iceplex and the Field House were designed to accommodate tournament volumes that eclipse the on-site hospitality infrastructure. The combination of limited on-site hotel development and expansive tournament volumes ensures that Kino District's benefits are widely felt within the metropolitan Tucson area and, specifically, the City's revitalized downtown area.

KINO DISTRICT ECONOMIC DEVELOPMENT

OFF-SITE HOTEL DEMAND

	2023-2032	2033-2042	2043-2052	2053-2062
Iceplex Tournament Off-Site Room Nights	69,360	62,400	62,400	62,400
Field House Tournament Off-Site Room Nights	572,856	492,960	492,960	492,960
TOTAL OFF-SITE DEMAND	642,216	555,360	555,360	555,360

In addition to the hospitality booking benefits associated with Kino District's tournament infrastructure, jobs and earnings growth within the Southern Arizona region will benefit from Kino District tournament spending. The effects will be felt far beyond Kino District's boundaries. Even when isolated to the hospitality and restaurant industries, Kino District's impact on the regional economy is substantial.

KINO DISTRICT ECONOMIC DEVELOPMENT

EMPLOYMENT-RELATED IMPACTS

	2023-2032	2033-2042	2043-2052	2053-2062
KINO DISTRICT TOURNAMENT EMPLOYMENT IMPACTS				
Regional Jobs Created from Hotel Spending	2,532	3,329	4,053	4,941
Regional Earnings Increase from Hotel Spending	\$95,536,282	\$125,513,672	\$153,000,458	\$186,506,717
Regional Jobs Created from Restaurant/Dining Spending	3,947	5,204	6,341	7,738
Regional Earnings Increase from Restaurant/Dining Spending	\$115,226,270	\$151,911,328	\$185,179,065	\$225,732,244

In addition to the foregoing specific benefits, Kino District fosters a myriad of economic development opportunities. As evidenced by the graphic below, Kino District provides multifaceted benefits to the County, City and the entire Southern Arizona region.

KINO DISTRICT ECONOMIC DEVELOPMENT

PUBLIC PRIVATE PARTNERSHIP REGIONAL IMPACT SUMMARY

PIMA COUNTY Kino District Cash Flow \$350,705,960	REGIONAL JOBS CREATION Kino District Elements-Generated 46,594	CITY OF TUCSON Kino District Property Taxes \$38,920,834
DOWNTOWN HOTELS Tournament-Generated Room Nights 2,308,296	VISIT TUCSON Tournament-Generated Hotel Taxes \$29,472,168	STADIUM DISTRICT Tournament-Generated Hotel Taxes \$20,041,074
TOTAL REGIONAL SPENDING Kino District Tournaments \$3,260,318,540	PIMA COUNTY Kino District Property Taxes \$166,767,555	REGIONAL TRANSPORTATION AUTH. Tournament-Generated Hotel Taxes \$5,403,231
PIMA COUNTY Tournament-Generated Sales Taxes \$8,723,028	TUCSON SCHOOL DISTRICT 1 Kino District Property Taxes \$176,244,096	REGIONAL EARNINGS GROWTH Off-Site Tournament-Generated \$1,238,606,036
COMMUNITY COLLEGE DISTRICT Kino District Property Taxes \$38,444,310	REGIONAL EARNINGS GROWTH Kino District Elements-Generated \$1,615,586,828	CITY OF TUCSON Tournament-Generated Hotel Surcharge \$25,853,600
ATTRACTIONS & TOURISM DEPT. Tournament-Generated Hotel Taxes \$9,431,094	CITY OF TUCSON Tournament-Generated Sales Taxes \$43,749,660	RIO NUEVO Tournament-Generated Sales Taxes \$34,800,299
	KINO DISTRICT TOURISM Total Tournament Guests 6,318,570	

Driving Kino District's accomplishments is a refined approach to site development. Foregoing a more traditional, limited focus on site-specific metrics such as property taxes and employment figures, Knott Development approached Kino District's physical and operational composition with a dual emphasis on self-sufficiency and pushing economic development outward. To do so, Kino District is formulated to provide opportunities stemming from its anchor and support element composition, regional-oriented tournament spending, Kino District event-related regional jobs creation and enhanced earnings, and fostering the development of adjacent properties. This methodology simultaneously generates significant community employment and earnings augmentation benefits from site-direct operations. The multifaceted approach results in Kino District achieving financial self-sufficiency while spurring economic development activity across multiple regionally-impacting facets. In turn, Kino District-stimulated economic development benefits create further anchor element programming and Kino District commercial opportunities from increased tourism activity and a more activated local customer base. More simply put, Kino District works because it focuses on those within and outside its boundaries.

We are grateful for the opportunity to partner with the County as well as other municipal and private stakeholders and organizations. Likewise, we are pleased to create a destination point for the residents of Southern Arizona and one that will likewise entice more travel to the Tucson area.

Welcome to our vision for Kino District!

Frank Knott
Knott Development

ATTACHMENT 3



NOTICE OF RECOMMENDATION FOR AWARD

Date of Issue: February 8, 2021

The Pima County Procurement Department hereby issues formal notice to respondents to Solicitation No. SFQ-PO-2000017 for Master Developer Partnership, Kino South Sports & Entertainment Complex, that the following listed respondent will be recommended for award as indicated below. The award action is scheduled to be performed by the Board of Supervisors on or after April 20, 2021.

Award is recommended to the most qualified Respondent:

Knott Development, Inc.

Other Responding Firms (Alphabetical Order):

Provident Resources Group, Inc.

Issued by: Matthew Sage, CPPB; Procurement Officer

Telephone Number: (520) 724-8586

This notice is in compliance with Pima County Procurement Code §11.12.010(C) and §11.20.010(C).

Copy to: Pima County SBE via e-mail at SBE@pima.gov.

Contract No: CT-PW-21-364 Amendment No: _____

This number must appear on all correspondence and documents pertaining to this contract



PREDEVELOPMENT SERVICES AGREEMENT

BY AND BETWEEN

KNOTT DEVELOPMENT INC

AND

PIMA COUNTY, ARIZONA

REGARDING

KINO SOUTH SPORTS AND ENTERTAINMENT COMPLEX
PIMA COUNTY, ARIZONA

CT-PW-21-364

April 20, 2021

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PREDEVELOPMENT SERVICES AGREEMENT

THIS PREDEVELOPMENT SERVICES AGREEMENT (this "Agreement") is made as of April 20, 2021 (the "Effective Date") by and between PIMA COUNTY, ARIZONA, a political subdivision of the State of Arizona (the "Owner") and KNOTT DEVELOPMENT INC, a Maryland corporation (the "Development Services Company"). All terms used in this Agreement having an initial capital letter shall have the meanings ascribed to such terms in Article VIII.

RECITALS

- A. The Owner is the owner of certain unimproved real property consisting of ninety (90) acres, more or less, known as the Kino South Sports and Entertainment Complex (the "Premises").
- B. The Owner has selected the Development Services Company as the master development partner to develop the Premises subject to a Master Developer Partnership and Development Agreement (the "MDPA") to be submitted to the Pima County Board of Supervisors (the "Board of Supervisors") for award on July 6, 2021.
- C. In order for the Development Services Company to meet the facility delivery schedule associated with its site development plan for the Premises, the Development Services Company and the Owner have agreed that it is necessary for the Development Services Company to commence certain predevelopment activities as set forth in Article I of this Agreement (the "Predevelopment Work") prior to the submission of the MDPA to the Board of Supervisors.
- D. Subject to the payment and reimbursement provisions set forth in Article II of this Agreement, the Owner has agreed that it will pay for the costs of the Predevelopment Work.
- E. The Development Services Company and the Owner have agreed to enter into this Agreement evidence their agreement with respect to the provision and management of the Predevelopment Work.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Owner and the Development Services Company hereby agree as follows:

ARTICLE I. PREDEVELOPMENT WORK

The Development Services Company shall perform and manage the Predevelopment Work, consisting of the predevelopment services activities and services set forth below:

Section 1.01 Architectural Services.

The Development Services Company shall engage its athletic facilities architect, JLG Architects (the "Architect"), to perform, in coordination with the Development Services Company, architectural services related to the schematic design and design development phases of overall architectural design for the ice sports and multi-sport facilities (the "Subject Facilities") that are a part of the Development Services Company's development plan for the Premises (the "Architectural Services").

Section 1.02 Civil Engineering Services.

The Development Services Company shall engage its civil engineering firm, Dibble Corp. (the "Civil Engineer"), to perform, in coordination with the Development Services Company, civil engineering and design services in support of the Architectural Services and related to the site-focused civil engineering required for the development and construction of the Subject Facilities (the "Civil Engineering Services").

Section 1.03 Geotechnical Services.

The Development Services Company shall engage its geotechnical and environmental sciences consultant, Ninyo & Moore (the "Geotechnical Consultant"), to perform, in coordination with the Development Services Company, a geotechnical exploration study and prepare a geotechnical design report in support of the Architectural Services and the Civil Engineering Services required for the development and construction of the Subject Facilities (the "Geotechnical Services").

Section 1.04 Preconstruction Services.

The Development Services Company shall engage its design build construction firm, Hensel Phelps Construction Co. (the "Design Builder" and together with the Architect, the Civil Engineer and the Geotechnical Consultant, the "Predevelopment Service Firms"), to perform, in coordination with the Development Services Company, preconstruction services related to the Architectural Services, the Civil Engineering Services, the Geotechnical Services as well as coordinating site development services with the Development Services Company related to the development and construction of the Subject Facilities (the "Preconstruction Services").

Section 1.05 Financial Planning Services.

The Development Services Company, in coordination with the Design Builder and based on the Predevelopment Work being performed by the Architect, the Civil Engineer and the Geotechnical Consultant, and utilizing the results of the Architectural Services, the Civil Engineering Services, the Geotechnical Services and the Preconstruction Services, shall prepare and evaluate development budgets and perform development cost analyses incorporating basic cost assumptions and other relevant considerations associated with the development and construction of the Subject Facilities required to achieve the completion and delivery schedule for the Premises development plan.

Section 1.06 Right of Entry.

The Owner hereby agrees with and consents to the Development Services Company and its Predevelopment Service Firms, under the direction and supervision of the Development Services Company, entering the Premises to perform any portion of the Predevelopment Work. The Development Services Company shall provide the Owner with a schedule of site visits to be made by Predevelopment Service Firms. Predevelopment Work site visits shall be on weekdays during the hours of 7:30AM and 5:30PM and if any site visit by Predevelopment Firms is reasonably expected to consist of activities involving (i) equipment other than commercial service vehicles used by Predevelopment Service Firms, (ii) noise that would exceed normal noise levels at or immediately adjacent to the Premises if the Predevelopment Work was not being conducted, or (iii) disrupting pedestrian or vehicular traffic to, from or surrounding the Premises, the Development Services Company shall coordinate with the Owner to manage any such activities to avoid material disruption to the Owner and its normal operational activities in the immediate vicinity of the Premises. Site visits to the Premises outside of the day and time parameters set forth in this Section 1.06 shall be disclosed to the Owner by the Development Services Company prior to such a site visit and shall be subject to the review and approval by the Owner.

Section 1.07 Easements.

The Owner hereby grants the Development Services Company and its Predevelopment Service Firms (as well as their employees, subcontractors and agents) easements pursuant to which the Development Services Company and its Predevelopment Service Firms, under the direction of the Development Services Company, shall have the non-exclusive right of vehicular and pedestrian ingress and egress over the roads and walkways leading to and from the

Premises. During the provision of Predevelopment Work, the Owner shall maintain and repair (or cause to be maintained and repaired) the roads and walkways so that at all times the roads and walkways shall be in a safe and operable condition adequate for the purpose of vehicular and pedestrian ingress and egress to and from the Premises.

Section 1.08 Predevelopment Service Firm Insurance.

Upon the commencement of Predevelopment Work and continuing until the earlier of (a) the termination or expiration of this Agreement or (b) the Development Services Company's provision of Notice to the Owner that all Predevelopment Work site visits to the Premises have been completed and that no further Predevelopment Service Firms will be entering the Premises, the Development Services Company shall cause each Predevelopment Service Firm that will enter the Premises to carry and maintain (i) commercial general liability insurance (including, without limitation, contractor's liability coverage) written on an occurrences basis with a limits of liability of at least One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate, an additional policy of excess liability insurance of at least Three Million Dollars (\$3,000,000) to be excess over such commercial general liability insurance, naming the Owner and the Development Services Company as additional named insureds on a primary and non-contributory basis, (ii) workers' compensation insurance and employee liability insurance as required by the jurisdiction in which the Premises is located, as well as (iii) professional liability, errors and omissions insurance covering professional misconduct or negligent acts with policy limits of not less than One Million Dollars (\$1,000,000) per claim and Two Million Dollars (\$2,000,000) in annual aggregate claims and if written on a claims-made basis, the Development Services Company warrants that any retroactive date under such policies will precede the effective date of this Agreement and, either continuous coverage will be maintained by such Predevelopment Service Firms or an extended discovery period will be exercised, for a period of three (3) years beginning at the time the Predevelopment Work under this Agreement is completed. Development Services Company shall cause any such Predevelopment Services firm to provide proof of all such insurance to the Development Services Company and the Owner prior to making its initial site visit to the Premises.

ARTICLE II. PAYMENT FOR PREDEVELOPMENT WORK

Section 2.01 Payment by the Owner.

In consideration for the provision and management of the Predevelopment Work, the Owner agrees to pay the Development Services Company the aggregate sum of One Million Eight Hundred Twenty-Five Thousand Dollars (\$1,825,000) (the "Predevelopment Work Payment") in accordance with the following schedule:

- (a) Five Hundred Thousand Dollars (\$500,000) upon execution of this Agreement;
- (b) Five Hundred Thousand Dollars (\$500,000) on May 15, 2021;
- (c) Five Hundred Thousand Dollars (\$500,000) on June 15, 2021; and
- (d) Three Hundred Twenty-Five Thousand Dollars (\$325,000) on July 1, 2021.

Section 2.02 Reimbursement of Predevelopment Work Payment.

The Predevelopment Work Payment shall be reimbursed in full by the Development Services Company within thirty (30) Business Days of the occurrence of all of the following:

- (a) The MDPA is presented to the Board of Supervisors for award at its July 6, 2021 meeting (the "July Meeting");

- (b) The MDPA is awarded by the Board of Supervisors at its July Meeting; and
- (c) The MDPA is executed by all applicable and authorized representatives of the Owner within five (5) calendar days of the July Meeting.

Section 2.03 Reimbursement Following the Initial Reimbursement Date.

If all of the conditions set forth in Section 2.02 of this Agreement are not satisfied then the Predevelopment Work Payment shall be reimbursed in full by the Development Services Company no later than thirty (30) Business Days following the occurrence of all of the following:

- (a) The Owner and the Development Services Company agree to the amendments to the MDPA required to satisfy the modifications requested by the Board of Supervisors by no later than August 1, 2021 (the "Revised MDPA");
- (b) The Revised MDPA is submitted to the Board of Supervisors at its August 16, 2021 meeting (the "August Meeting");
- (c) The Revised MDPA is awarded by the Board of Supervisors at the August Meeting; and
- (d) The Revised MDPA is executed by all applicable and authorized representatives of the Owner within five (5) calendar days of the August Meeting.

Section 2.04 Approval Delay Beyond the August Meeting.

To the extent that all of the conditions set forth in Section 2.03 of this Agreement are not satisfied, then the Predevelopment Work Payment shall be reimbursed in full by the Development Services Company no later than thirty (30) Business Days following the occurrence of all of the following:

- (a) The Owner and the Development Services Company agree to the amendments to the Revised MDPA required to satisfy the modifications requested by the Board of Supervisors (the "Further Revised MDPA");
- (b) The Further Revised MDPA is submitted to the Board of Supervisors at its meeting immediately following the date upon which the Owner and the Development Services Company complete the Further Revised MDPA (the "Subsequent Meeting");
- (c) The Further Revised MDPA is awarded by the Board of Supervisors at the Subsequent Meeting; and
- (d) The Further Revised MDPA is executed by all applicable and authorized representatives of the Owner within five (5) calendar days of the Subsequent Meeting.

Section 2.05 Failure to Approve the MDPA.

To the extent that the Predevelopment Payment has been made in its entirety, if the Board of Supervisors, at a regularly scheduled meeting, makes the express determination that the MDPA, the Revised MDPA or the Further Revised MDPA (as applicable) (a) will not be subject to modifications requested by the Board of Supervisors, (b) will not be awarded by the Board of Supervisors in any form, and (c) will not be considered for subsequent award, and that the Board of Supervisors will not approve the development of the Premises in accordance with the development plan as described in the MDPA, the Revised MDPA or the Further Revised MDPA (as applicable) (a "Development Termination Action"), then the Development Services Company shall have no obligation to reimburse the Owner for the Predevelopment Work Payment, provided, however, that in such case the Development

Services Company shall deliver to the Owner, within thirty (30) Business Days of such Development Termination Action, copies of all plans and reports generated by the Predevelopment Services Company and the Predevelopment Services Firms as a part of the Predevelopment Work.

ARTICLE III. PROJECT PERSONNEL

Section 3.01 Authorized Representative of Owner.

The Owner hereby designates the Project Management Office (PMO) Manager to be its designated representative for purposes of contact between the Owner and the Development Services Company in connection with the Predevelopment Work ("Owner's Authorized Representative"). The Owner shall have the right, by timely written notice given to the Development Services Company, to remove the existing Owner's Authorized Representative and to appoint another individual to act as Owner's Authorized Representative. However, no more than one (1) individual shall act as Owner's Authorized Representative at any time. The Owner agrees that the Owner's Authorized Representative shall have the authority to bind the Owner with respect to all matters for which the consent or approval of the Owner is required or permitted pursuant to this Agreement and that all consents, approvals and waivers given in writing by Owner's Authorized Representative shall bind owner and may be relied upon by the Development Services Company.

Section 3.02 Authorized Representative of Development Services Company.

The Development Services Company hereby designates Francis J. Knott, Jr., to be its designated representative for purposes of contact between the Development Services Company and the Owner in connection with the Predevelopment Work ("Development Services Company's Authorized Representative"). The Development Services Company shall have the right, by timely written notice given to the Owner, to remove the existing Development Services Company's Authorized Representative and to appoint another individual to act as Development Services Company's Authorized Representative. However, no more than one (1) individual shall act as Development Services Company's Authorized Representative at any time. The Development Services Company agrees that the Development Services Company's Authorized Representative shall have the authority to bind the Development Services Company with respect to all matters for which the consent or approval of the Development Services Company is required or permitted pursuant to this Agreement and that all consents, approvals and waivers given in writing by Development Services Company's Authorized Representative shall bind the Development Services Company and may be relied upon by the Owner.

ARTICLE IV. OWNER'S REPRESENTATIONS AND WARRANTIES

Section 4.01 Organization.

The Owner is a political subdivision of the State of Arizona. The Owner has all requisite legal power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted. The Owner has the legal power and authority to execute, deliver and perform its obligations under this Agreement and each other exhibit, agreement or instrument contemplated hereby or thereby.

Section 4.02 Authorization.

The execution and delivery by the Owner of this Agreement and all other exhibits, agreements and instruments provided for or contemplated by this Agreement, and the consummation by the Owner of all transactions contemplated hereunder and thereunder have been duly authorized by all requisite legal and political action. This Agreement has been duly executed by the Owner. This Agreement and all other agreements and obligations entered into and undertaken in connection with the transactions contemplated hereby constitute the valid and legally binding obligations of the Owner, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or

affecting creditors' rights generally from time-to-time in effect and to general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law and the availability of the remedy of specific performance. The execution, delivery and performance by the Owner of this Agreement and all other exhibits, agreements and instruments provided for herein, and the consummation by the Owner of the transactions contemplated hereby and thereby, will not, with or without the giving of notice or the passage of time or both, (a) violate the provisions of any applicable Legal Requirements applicable to the Owner, (b) violate the provisions of the authorizing resolutions of Pima County, Arizona, (c) violate any judgment, decree, order or award of any court, Governmental Authority or arbitrator, or (d) conflict with or result in the breach or termination of any term or provision of, or constitute a default under, or cause any acceleration under, or cause the creation of any lien, charge or encumbrance upon the properties or assets of the Owner pursuant to any indenture, mortgage, deed of trust, bond or other instrument or agreement to which the Owner or its Affiliates are a party or by which the Owner, its Affiliates or any of their properties and assets may be bound.

Section 4.03 Governmental Approvals.

The Owner has all material government authorizations, approvals, consents, permits, licenses, certifications and qualifications, and has complied in all material respects with all applicable Legal Requirements of Pima County and the State of Arizona, to conduct its business as is presently conducted and to own, except to the extent such failure to obtain any such approval or to take any such action is not reasonably expected, either individually or in the aggregate, to have a material adverse effect. No action, consent or approval or registration or filing with or any other action by any Governmental Authority is required in connection with this Agreement, except for such as have been made or obtained and are in full force and effect and, except to the extent that failure to obtain any such approval or take any such action would not be reasonably expected, either individually or in the aggregate, to have a material adverse effect.

Section 4.04 Title to the Premises.

The Owner is the owner in fee simple of the Premises, free of any encumbrance that would impair or interfere with the Development Services Company's ability to engage in the Predevelopment Work on the Premises, and that the Owner has full right and authority to extend the Development Services Company the right to engage in the Predevelopment Work on the Premises. There are no options to purchase or lease, rights of first refusal to purchase or lease, or any other agreements applicable to the Premises that would prohibit, limit or otherwise interfere with the Development Services Company's rights to engage in the Predevelopment Work on the Premises. There are no agreements that the Owner has entered into that relate to its ownership, financing or operations that prohibit, limit or otherwise interfere with the Owner's right to extend the Development Services Company the right to engage in the Predevelopment Work on the Premises.

ARTICLE V. DEVELOPMENT SERVICES COMPANY REPRESENTATIONS AND WARRANTIES

Section 5.01 Organization.

The Development Services Company is a corporation duly organized and validly existing and in good standing under the laws of the jurisdiction of its organization. The Development Services Company has all requisite corporate power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted. The Development Services Company has the corporate power and authority to execute, deliver and perform its obligations under this Agreement and each other exhibit, agreement or instrument contemplated hereby or thereby.

Section 5.02 Authorization.

The execution and delivery by the Development Services Company of this Agreement and all other exhibits, agreements and instruments provided for or contemplated by this Agreement, and the consummation by the

Development Services Company of all transactions contemplated hereunder and thereunder have been duly authorized by all requisite corporate action. This Agreement has been duly executed by the Development Services Company. This Agreement and all other agreements and obligations entered into and undertaken in connection with the transactions contemplated hereby constitute the valid and legally binding obligations of the Development Services Company, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and other similar laws relating to or affecting creditors' rights generally from time-to-time in effect and to general principles of equity (including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law and the availability of the remedy of specific performance. The execution, delivery and performance by the Development Services Company of this Agreement and all other exhibits, agreements and instruments provided for herein, and the consummation by the Development Services Company of the transactions contemplated hereby and thereby, will not, with or without the giving of notice or the passage of time or both, (a) violate the provisions of any applicable Legal Requirements applicable to the Development Services Company, (b) violate the provisions of the Development Services Company's organizational documents, (c) violate any judgment, decree, order or award of any court, Governmental Authority or arbitrator, or (d) conflict with or result in the breach or termination of any term or provision of, or constitute a default under, or cause any acceleration under, or cause the creation of any lien, charge or encumbrance upon the properties or assets of the Development Services Company pursuant to any indenture, mortgage, deed of trust, bond or other instrument or agreement to which the Development Services Company or its Affiliates are a party or by which the Development Services Company, its Affiliates or any of their properties and assets may be bound.

Section 5.03 Governmental Approvals.

The Development Services Company has all material government authorizations, approvals, consents, permits, licenses, certifications and qualifications, and has complied in all material respects with all applicable Legal Requirements of the jurisdiction in which the Development Services Company conducts business or owns property, to conduct its business as is presently conducted and to own, except to the extent such failure to obtain any such approval or to take any such action is not reasonably expected, either individually or in the aggregate, to have a material adverse effect. No action, consent or approval or registration or filing with or any other action by any Governmental Authority is required in connection with this Agreement, except for such as have been made or obtained and are in full force and effect and, except to the extent that failure to obtain any such approval or take any such action would not be reasonably expected, either individually or in the aggregate, to have a material adverse effect.

ARTICLE VI. TERMINATION AND REMEDIES

Section 6.01 Termination.

Following the reimbursement of the Predevelopment Work Payment pursuant to either Section 2.02, Section 2.03 or Section 2.04 of this Agreement, as applicable, this Agreement shall automatically terminate without any further action required of the Owner or the Development Services Company. If the Predevelopment Work Payment is not reimbursed due to the application of Section 2.05 of this Agreement, upon the Development Services Company's compliance with its delivery obligations set forth in Section 2.05 of this Agreement, this Agreement shall automatically terminate without any further action required of the Owner or the Development Services Company.

Section 6.02 Default.

- (a) *Owner Default.* An "Owner Default" shall occur if the Owner shall default in performing any duty or obligation to be performed by the Owner under this Agreement and such default shall not be remedied within (a) ten (10) calendar days after written notice of such default shall have been given by the Development Services Company to the Owner describing the default in reasonable detail, or (b) in the case of any such default which is capable of being cured, but which cannot with due diligence and in good faith

be cured within ten (10) calendar days, within such additional period as may be reasonably required to cure such default with due diligence and in good faith, but not in excess of sixty (60) calendar days from the date of such notice provided that the Owner has commenced the cure at the beginning of the ten (10) calendar day cure period.

- (b) *Development Services Company Default.* A "Development Services Company Default" shall occur if the Development Services Company shall default in performing any duty or obligation to be performed by the Development Services Company under this Agreement and such default shall not be remedied within (a) thirty (30) calendar days after written notice of such default shall have been given by the Owner to the Development Services Company describing the default in reasonable detail, or (b) in the case of any such default which is capable of being cured, but which cannot with due diligence and in good faith be cured within thirty (30) calendar days, within such additional period as may be reasonably required to cure such default with due diligence and in good faith, provided that the Development Services Company has commenced such cure within such thirty (30) calendar day cure period.

Section 6.03 Remedies.

In the event of an Owner Default or a Development Services Company Default, either party may pursue all of its remedies at law or in equity, subject to the limitations set forth in this Agreement.

Section 6.04 Waiver of Consequential Damages.

Notwithstanding anything to the contrary in this Agreement:

- (a) The Owner hereby waives and releases all rights of recovery against the Development Services Company and the Development Services Company's affiliates', members, managers, managing members, officers, directors, employees and agents for consequential, indirect, special or punitive damages, including loss of income or profits and damage to goodwill or going concern value, arising out of loss or damage to property or business of the Owner relating to this agreement, except to the extent that such loss or damage is caused by the willful misconduct or grossly negligent acts or omissions of the Development Services Company, or its agents or employees.
- (b) The Development Services Company hereby waives and releases all rights of recovery against the Owner and the Owner's affiliates', members, managers, managing members, officers, directors, employees and agents for consequential, indirect, special or punitive damages, including loss of income or profits and damage to goodwill or going concern value, arising out of loss or damage to property or business of the Development Services Company relating to this agreement, except to the extent that such loss or damage is caused by the willful misconduct or grossly negligent acts or omissions of the Owner, or its agents or employees.

Section 6.05 Prevailing Party's Expenses.

In the event that litigation or other legal action is instituted between the Development Services Company and the Owner to enforce this Agreement, the prevailing party in such litigation or other legal action by final judgment or settlement shall be entitled to reimbursement from the non-prevailing party in such litigation or other legal action by final judgment or settlement of all reasonable fees, costs and expenses (including, without limitation, court costs and reasonable attorneys' fees and expenses) incurred by the prevailing party in connection therewith.

ARTICLE VII. GENERAL PROVISIONS

Section 7.01 Governing Law.

Owner and Development Services Company hereby agree that this agreement and all matters, suits (whether in equity or at law), causes of action, claims, cross-claims, counterclaims, demands, obligations, actions, survival claims, rights to damages, costs, attorneys' fees or expenses of any kind or in any way relating to the subject matter of this agreement shall be governed, interpreted, construed and enforced in all respects by the internal laws, and not the law of conflicts, of the State of Arizona.

Section 7.02 Jurisdiction, Venue and Process.

Each of the parties hereby irrevocably and unconditionally submits to the jurisdiction of the federal and state courts located in the State of Arizona (and any appellate court from any such court) in any suit, action or proceeding arising out of or relating to this agreement, or for recognition or enforcement of any judgment, and each hereby irrevocably and unconditionally agrees that all claims in respect of any such suit, action or proceeding shall be brought in and may be heard and determined in such federal or state courts located in the State of Arizona. Each of the parties hereby agrees that a final judgment in any suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so (a) any objection that it may not or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this agreement in any state or federal court located in the State of Arizona and (b) the defense of an inconvenient forum to the maintenance of such suit, action or proceeding in any such court.

Section 7.03 Waiver of Trial by Jury.

Each of the parties hereby waives, to the fullest extent permitted by law, the right to trial by jury in any action, proceeding or counterclaim filed by the other party, whether in contract, tort or otherwise, which right or claim relates directly or indirectly to this agreement, any documentation related thereto, or any acts or omissions in connection with this agreement. This waiver has been agreed to after consultation with legal counsel selected independently by the Owner and the Development Services Company.

Section 7.04 Entire Agreement.

This Agreement and any exhibits attached to this Agreement constitute the sole, entire and only agreement between the Owner and the Development Services Company with regard to the subject matter hereof. This Agreement supersedes all prior discussions and agreements (whether written or oral) between the Owner and the Development Services Company with respect to the subject matter hereof.

Section 7.05 Non-Waiver.

No waiver of any covenant, condition or provision of this Agreement shall be deemed, or construed, to have been made unless expressed in writing and signed by the party against whom such waiver has been charged. The failure of any party to insist in any one or more cases upon the performance of any of the provisions, covenants or conditions of this Agreement or to exercise any option or right set forth in this Agreement shall not be deemed, or construed, as a waiver or relinquishment for the future of any such provisions, covenants or conditions. The acceptance of performance of anything required by this Agreement to be performed with knowledge of the breach or failure of a covenant, condition or provision hereof shall not be deemed or construed to be a waiver of such breach or failure. No waiver by any party of one breach by another party shall be construed or deemed to be a waiver with respect to any other subsequent breach. Failure of a party to declare any default immediately upon its occurrence, or delay in taking any action in connection with a default shall not constitute a waiver of such default, nor shall it constitute an estoppel against such party, but such party shall have the right to declare the default at any time and take such action as is lawful or authorized under this Agreement.

Section 7.06 Notices.

Any notices, demands, requests or other communications required or permitted to be given hereunder shall be given in writing and shall be delivered in person, by a commercial overnight air or ground courier that guarantees next day delivery and provides a receipt or by e-mail transmission, followed by hard copy delivered in accordance with the immediately preceding provisions (each a "Notice"), and such Notices shall be addressed as noted below. Either party may, at any time, change its Notice address by giving the other party Notice stating the change and setting forth the new address. Any of the aforementioned Parties may change its address for the receipt of Notices, demands, consents, requests and other communications by giving written Notice to the others in the manner provided for above. Any Notice shall be effective only upon receipt unless such Notice is refused by the Party to which it is to be delivered or because such Notice cannot be delivered because of failure to provide written Notice to the other Party of a change of address, in which event Notice shall be deemed to be given on the date of such refusal in the case of a refusal to accept delivery of Notice or the date of the attempted delivery in the case of a change of address, provided, however, Notices sent by e-mail after 5PM local time at the location to which the same is sent shall be deemed received on the next succeeding Business Day. Notices given by an attorney named below on behalf of its client and sent to the other Party in the manner set forth in this Section 7.06 shall have the same effect as if given by a Party.

- (a) Notice to Owner: Project Management Office Manager, Pima County Arizona, 201 North Stone Avenue, 5th Floor, Tucson, Arizona 85701, Email nancy.cole@pima.gov.
- (b) Notice to Development Services Company: Francis J. Knott, Jr., President, Knott Development Inc., MacArthur Building, 6106 MacArthur Boulevard, Bethesda, Maryland 20816, Email fjk@knottdevelopment.com.

With a copy to: Goulston & Storrs PC, 1999 K Street, NW, Suite 500, Washington, D.C. 20006, Attn. Paul A. Tummonds, Jr., Email ptummonds@goulstonstorrs.com.

Section 7.07 No Third Party Beneficiary.

This Agreement is entered into solely for the benefit of the Parties to this Agreement and their assigns permitted under Section 7.16 of this Agreement. No Party (other than assigns permitted under Section 7.16 of this Agreement) shall be deemed a third party beneficiary of this Agreement.

Section 7.08 Cooperation and Additional Instruments.

Each Party to this Agreement agrees to promptly sign or join in the signing of all applications, requisitions, certifications and other documents reasonably necessary and proper to give effect and enable the purposes of this Agreement to be performed. Each Party agrees to render such assistance as the other Party may reasonably request in connection with the foregoing.

Section 7.09 Severability.

If any provision of this Agreement would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 7.10 Time is of the Essence.

Time is of the essence of this Agreement, and of each provision thereof of which time is an element, except as otherwise expressly provided in this Agreement.

Section 7.11 No Partnership or Joint Venture.

Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture of or between the Owner and the Development Services Company.

Section 7.12 Captions.

The headings and titles to the paragraphs of this Agreement are for convenience only and shall have no effect upon the construction or interpretation of any part of this Agreement.

Section 7.13 Language Construction.

This Agreement represents the result negotiations between the Owner and the Development Services Company, each of which has been (or has had opportunity to be) represented by counsel of its own selection, and neither of which has acted under duress or compulsion, whether legal, economic or otherwise. Consequently, the Owner and the Development Services Company agree that the language in all parts of the Agreement shall in all cases be construed as a whole according to its fair meaning and neither strictly for nor against the Owner or the Development Services Company.

Section 7.14 Effective Date.

This Agreement shall commence and be effective on the Effective Date.

Section 7.15 Approvals and Consents.

Wherever this Agreement requires any Party to approve or consent to any document or other matter, such approval or consent shall not be unreasonably withheld, delayed or conditioned, except as otherwise expressly provided in this Agreement.

Section 7.16 Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the Parties to this Agreement, their successors and permitted assigns. The Owner shall not have the right to assign this Agreement without the prior written consent of the Development Services Company. The Development Services Company shall not have the right to assign its obligations under this Agreement without the prior written consent of Owner, provided, however, that the Development Services Company may assign this Agreement to KDEV Kino District Development LLC for the purpose of complying with the reimbursement requirements of either Section 2.02, Section 2.03 or Section 2.04 of this Agreement, as applicable, and to develop the Premises under the MDPA.

Section 7.17 Owner's Brokers.

The Owner represents and warrants to the Development Services Company that it has not dealt with any broker in this transaction and each agrees to defend, indemnify, save and hold the Development Services Company harmless from and against any and all fees, commissions, other liabilities, damages, costs or expenses (including, without limitation, reasonable attorneys' fees and disbursements) suffered by the Development Services Company as a result of acts of the Owner or any of its agents that would constitute a breach of its representation and warranty in this Section 7.17. The provisions of this Section 17.17 shall survive the termination or expiration of this Agreement.

Section 7.18 Counterparts.

This Agreement may be executed and delivered in one or more counterparts (and by different Parties on different counterparts), each of which shall constitute an original and together which shall constitute one and the same instrument. To facilitate execution of this agreement, the Parties may execute and exchange by electronic (e-mail) delivery different counterparts of the signature pages, which shall be as effective as originals for all purposes.

Section 7.19 Exhibits.

It is understood and agreed that any documents or exhibits referred to in this Agreement and/or attached hereto form an integral part of this Agreement and are hereby incorporated by reference.

Section 7.20 Incorporation of Recitals.

The recitals set forth in the forepart of this Agreement are incorporated into this Agreement as if fully set forth in this Agreement.

Section 7.21 Americans With Disabilities Act.

The Development Services Company will comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101-12213) and all applicable federal regulations under such Act, including 28 CFR Parts 35 and 36. If the Development Services Company is carrying out government programs or services on behalf of Owner, then the Development Services Company will maintain accessibility to the program to the same extent and degree that would be required of the Owner under 28 CFR Sections 35.130, 35.133, 35.149 through 35.151, 35.160, 35.161 and 35.163. Failure to do so could result in the termination of this Agreement.

Section 7.22 Non-Discrimination.

The Development Services Company will comply with all provisions and requirements of Arizona Executive Order 2009-09, which is hereby incorporated into this Agreement, including flow-down of all provisions and requirements to any subcontractors. During performance of this Agreement, the Development Services Company will not discriminate against any employee, client or any other individual in any way because of that person's age, race, creed, color, religion, sex, disability or national origin.

Section 7.23 Cancellation for Conflict of Interest.

Notwithstanding anything to the contrary set forth in this Agreement, this Agreement is subject to cancellation for conflict of interest pursuant to A.R.S. Section 38-511, the pertinent provisions of which are incorporated into this Agreement by reference.

Section 7.24 Ethics.

During the course of pursuing contracts with Owner and while performing contract work in accordance with this Agreement, the Development Services Company agrees to maintain business ethics standards aimed at avoiding any impropriety or conflict of interest which could be construed to have an adverse impact on Owner's best interests.

- (a) The Development Services Company will take reasonable steps to prevent any actions or conditions which could result in a conflict with Owner's best interests. These obligations apply to the activities of the Development Services Company's employees, agents, subcontractors, subcontractor employees and consultants.
- (b) The Development Services Company's employees, agents, subcontractors, material suppliers (or their representatives) should not make or cause to be made any cash payments, commissions, employment gifts, entertainment, free travel, loans, free work, substantially discounted work, or any other considerations to Owner's representatives, employees or their relatives.
- (c) The Development Services Company's employees, agents or subcontractors (or their relatives) should not receive any payments, commissions, employment gifts, entertainment, free travel, loans, free work, or substantially discounted work or any other considerations from representatives of subcontractors, or material suppliers or any other individuals, organizations, or businesses receiving funds in connection with the Predevelopment Work.

- (d) The Development Services Company will notify the Owner's Designated Representative within forty-eight (48) hours of any instance where the Development Services Company becomes aware of a failure to comply or possible failure to comply with the provisions of this Article.
- (e) Upon request by Owner, the Development Services Company agrees to provide a certified Management Representation Letter executed by the Development Services Company's Authorized Representative in a form agreeable to Owner stating that they are not aware of any situations violating the business ethics expectations outlined in this Agreement or any similar potential conflict of interest situations.
- (f) The Development Services Company will include this clause in all contracts with subcontractors and material suppliers receiving more than Twenty-Five Thousand Dollars (\$25,000) in funds in connection with the Predevelopment Work.
- (g) The Development Services Company will permit interviews of employees, reviews and audits of accounting or other records by Owner representatives to evaluate compliance with the business ethics standards. Such reviews and audits will encompass all dealings and activities of the Development Services Company's employees, agents, representatives, vendors, subcontractors, and other third parties paid by the Development Services Company in their relations with Owner's current or former employees or employee relatives.
- (h) The Development Services Company will implement a program requiring its employees to sign acknowledgements that they have read and understand Owner's Business Ethics Expectations and the related obligations outlined in this Agreement.

Section 7.25 Non-Appropriation.

Notwithstanding any other provision in this Agreement, Owner may terminate this Agreement if for any reason there are not sufficient appropriated and available monies for the purpose of maintaining Owner or other public entity obligations under this Agreement. In the event of such termination, Owner will have no further obligation to the Development Services Company, other than to pay for services rendered prior to termination.

Section 7.26 Public Records - Disclosure.

Pursuant to A.R.S. Section 39-121 et seq., and A.R.S. Section 34-603(H) in the case of construction or Architectural and Engineering services procured under A.R.S. Title 34, Chapter 6, all documents submitted in response to the solicitation resulting in this award of this Agreement, including, but not limited to, pricing schedules, product specifications, work plans, and any supporting documents, are public records. As such, these documents are subject to release and/or review the general public upon request, including competitors.

Section 7.27 Public Records – Records marked Confidential; Notice and Protective Order.

If the Development Services Company reasonably believes that some of the records subject to disclosure pursuant to Section 7.26 of this Agreement contain proprietary, trade secret or otherwise confidential information, the Development Services Company must prominently mark those records "CONFIDENTIAL." In the event a public records request is submitted to Owner for records marked CONFIDENTIAL, Owner will notify the Development Services Company of the request as soon as reasonably possible. Owner will release the records ten (10) business days after the date of that notice, unless the Development Services Company has, within that period, secured an appropriate order from a court of competent jurisdiction, enjoining the release of the records. Owner will not, under any circumstances, be responsible for securing such an order, nor will Owner be in any way financially responsible for any costs associated with securing such an order.

Section 7.28 Compliance with Immigration Laws.

The Development Services Company hereby warrants that it will at all times during the term of this Agreement comply with all federal immigration laws applicable to its employment of its employees, and with the requirements of A.R.S. Section 23-214(A) (together the "State and Federal Immigration Laws"). Development Services Company will further ensure that each subcontractor who performs any work for the Development Services Company under this Agreement likewise complies with the State and Federal Immigration Laws. Owner has the right at any time to inspect the books and records of the Development Services Company and any subcontractor to verify such party's compliance with the State and Federal Immigration Laws. Any breach of the Development Services Company's warranty or any subcontractor's warranty of compliance with the State and Federal Immigration Laws, or of any other provision of this section, is a material breach of this Agreement subjecting the Development Services Company to penalties up to and including suspension or termination of this Agreement. If the breach is by a subcontractor, and the subcontract is suspended or terminated as a result, the Development Services Company will be required to take such steps as may be necessary to either self-perform the services that would have been provided under the subcontract or retain a replacement subcontractor, as soon as possible so as not to delay project completion. Any additional costs attributable directly or indirectly to such remedial action are the responsibility of the Development Services Company. The Development Services Company will advise each such subcontractor of Owner's rights, and the subcontractor's obligations, under this Section 7.28 by including in each subcontract substantially the following form: "Subcontractor hereby warrants that it will at all times during the term of this contract comply with all federal immigration laws applicable to Subcontractor's employees, and with the requirements of A.R.S. Section 23-214(a). Subcontractor further agrees that Owner may inspect the Subcontractor's books and records to ensure that Subcontractor is in compliance with the requirements. Any breach of this paragraph by Subcontractor is a material breach of this contract subjecting Subcontractor to penalties up to and including suspension or termination of this contract."

Section 7.29 Israel Boycott Certification.

Pursuant to A.R.S. Section 35-393.01, if contractor engages in for-profit activity and has 10 or more employees, and if this contract has a value of One Hundred Thousand Dollars (\$100,000) or more, the Development Services Company certifies that it is not currently engaged in, and agrees for the duration of the Contract to not engage in, a boycott of goods or services from Israel. This certification does not apply to a boycott prohibited by 50 U.S.C. Section 4842 or a regulation issued pursuant to 50 U.S.C. Section 4842.

ARTICLE VIII. DEFINITIONS**Section 8.01 Affiliate.**

The term "Affiliate" shall mean as to any Person, any other Person that directly or indirectly:

- (a) has an ownership interest in the specified Person;
- (b) Controls, is Controlled by or is under common Control with such Person;
- (c) Is a director or officer of such Person;
- (d) Is the spouse, issue or parent of such Person; or
- (e) Is any Person that would constitute an Affiliate of the Development Services Company or the Owner.

Section 8.02 Agreement.

The term "Agreement" shall have the meaning ascribed to it in the forepart of this Agreement.

Section 8.03 Architect.

The term "Architect" shall have the meaning ascribed to it in Section 1.01 of this Agreement.

Section 8.04 Architectural Services.

The term "Architectural Services" shall have the meaning ascribed to it in Section 1.01 of this Agreement.

Section 8.05 Board of Supervisors.

The term "Board of Supervisors" shall have the meaning ascribed to it in Recital B to this Agreement.

Section 8.06 Business Day.

The term "Business Day" means any a calendar day other than a Saturday, Sunday or legal holiday observed by the State of Arizona.

Section 8.07 Civil Engineer.

The term "Civil Engineer" shall have the meaning ascribed to it in Section 1.02 of this Agreement.

Section 8.08 Civil Engineering Services.

The term "Civil Engineering Services" shall have the meaning ascribed to it in Section 1.02 of this Agreement.

Section 8.09 Control.

The term "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the day-to-day management or operation of an entity, whether through the ownership of voting securities, by contract, or by virtue of being, inter alia, the officer, director, manager, managing member, general partner, managing partner, managing joint venturer or trustee. For purposes of this Agreement, the term "Control" (including the terms "Controlling", "Controlled by" and "under Common Control with") of a Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting interests, by contract or otherwise.

Section 8.10 Design Builder.

The term "Design Builder" shall have the meaning ascribed to it in Section 1.04 of this Agreement.

Section 8.11 Development Services Company.

The term "Development Services Company" shall have the meaning ascribed to it in the forepart to this Agreement.

Section 8.12 Development Services Company's Authorized Representative.

The term "Development Services Company's Authorized Representative" shall have the meaning ascribed to it in Section 3.02 of this Agreement.

Section 8.13 Development Services Company Default.

The term "Development Services Company Default" shall have the meaning ascribed to it in Section 6.02(b) of this Agreement.

Section 8.14 Development Termination Action.

The term "Development Termination Action" shall have the meaning ascribed to it in Section 2.05 of this Agreement.

Section 8.15 Effective Date.

The term "Effective Date" shall have the meaning ascribed to it in the forepart of this Agreement.

Section 8.16 Further Revised MDPA.

The term "Further Revised MDPA" shall have the meaning ascribed to it in Section 2.04(a) of this Agreement.

Section 8.17 Geotechnical Consultant.

The term "Geotechnical Consultant" shall have the meaning ascribed to it in Section 1.03 of this Agreement.

Section 8.18 Geotechnical Services.

The term "Geotechnical Services" shall have the meaning ascribed to it in Section 1.03 of this Agreement.

Section 8.19 Governmental Authority.

The term "Governmental Authority" means any governmental agency, authority or board or other party having jurisdiction over the development of the Project, including pursuant to any intergovernmental agreement or otherwise, relative to the issuance and granting of any Governmental Approvals required for the Project.

Section 8.20 July Meeting.

The term "July Meeting" shall have the meaning ascribed to it in Section 2.02 of this Agreement.

Section 8.21 Legal Requirements.

The term "Legal Requirements" means any and all laws, ordinances, rules, regulations, statutes, by-laws, building codes, court decisions, orders and requirements of all public authorities, including the Governmental Approvals.

Section 8.22 MDPA.

The term "MDPA" shall have the meaning ascribed to it in Recital B to this Agreement.

Section 8.23 Notice.

The term "Notice" shall have the meaning ascribed to it in Section 7.06 of this Agreement.

Section 8.24 Owner.

The term "Owner" shall have the meaning ascribed to it in Recital F of this Agreement.

Section 8.25 Owner's Authorized Representative.

The term "Owner's Authorized Representative" shall have the meaning ascribed to it in Section 3.01 of this Agreement.

Section 8.26 Owner Default.

The term "Owner Default" shall have the meaning ascribed to it in Section 6.02(a) of this Agreement.

Section 8.27 Person.

The term "Person" means a natural person, an estate, a trust, a partnership, a limited liability company, a corporation and any other form of business or legal association or entity.

Section 8.28 Preconstruction Services.

The term "Preconstruction Services" shall have the meaning ascribed to it in Section 1.04 of this Agreement.

Section 8.29 Predevelopment Service Firms.

The term "Predevelopment Service Firms" shall have the meaning ascribed to it in Section 1.04 of this Agreement.

Section 8.30 Predevelopment Work.

The term "Predevelopment Work" shall have the meaning ascribed to it in Recital C of this Agreement.

Section 8.31 Predevelopment Work Payment.

The term "Predevelopment Work Payment" shall have the meaning ascribed to it in Section 2.01 of this Agreement.

Section 8.32 Premises.

The term "Premises" shall have the meaning ascribed to it in Recital A of this Agreement.

Section 8.33 Revised MDPA.

The term "Revised MDPA" shall have the meaning ascribed to it in Section 2.03(a) of this Agreement.

Section 8.34 State and Federal Immigration Laws.

The term "State and Federal Immigration Laws" shall have the meaning ascribed to it in Section 7.28 of this Agreement.

Section 8.35 Subject Facilities.

The term "Subject Facilities" shall have the meaning ascribed to it in Section 1.01 of this Agreement.

Section 8.36 Subsequent Meeting.

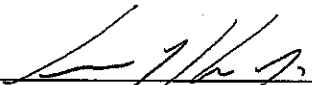
The term "Subsequent Meeting" shall have the meaning ascribed to it in Section 2.04(b) of this Agreement.

IN WITNESS WHEREOF, Owner and the Development Services Company have executed this Agreement under seal as of the Effective Date.

[HERE ENDS THIS PAGE – SIGNATURES APPEAR ON FOLLOWING PAGES]

[Development Services Company Signature Page of Predevelopment Services Agreement]

KNOTT DEVELOPMENT INC

By: 
Name: Francis J. Knott, Jr.
Title: President
Date: April 6, 2021

[Owner Signature Page of Predevelopment Services Agreement]

PIMA COUNTY, ARIZONA


APPROVED:

By: _____
Name: _____
Chair, Board of Supervisors
Date: _____

ATTEST:

By: _____
Name: _____
Clerk of the Board of Supervisors

APPROVED AS TO FORM:

By: 
Name: Kell Olson
Deputy County Attorney
Date: 04/05/2021