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
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
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 Lesher, Chief Deputy County Administrator  
Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Francisco Garcia, 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
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. Complementing 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. Complementing 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.
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

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.
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.

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.
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

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<tr>
<td>Induced Jobs - Created Due to Primary, Direct, Indirect Jobs</td>
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<td><strong>TOTAL JOBS CREATED</strong></td>
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### REGIONAL ECONOMY EARNINGS CHANGE

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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**

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<td>Hotel Spending</td>
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</tbody>
</table>

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**

<table>
<thead>
<tr>
<th></th>
<th>2023-2032</th>
<th>2033-2042</th>
<th>2043-2052</th>
<th>2053-2062</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iceplex Tournament Off-Site Room Nights</td>
<td>69,360</td>
<td>62,400</td>
<td>62,400</td>
<td>62,400</td>
</tr>
<tr>
<td>Field House Tournament Off-Site Room Nights</td>
<td>572,856</td>
<td>492,960</td>
<td>492,960</td>
<td>492,960</td>
</tr>
<tr>
<td><strong>TOTAL OFF-SITE DEMAND</strong></td>
<td>642,216</td>
<td>555,360</td>
<td>555,360</td>
<td>555,360</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th></th>
<th>2023-2032</th>
<th>2033-2042</th>
<th>2043-2052</th>
<th>2053-2062</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KINO DISTRICT TOURNAMENT EMPLOYMENT IMPACTS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Jobs Created from Hotel Spending</td>
<td>2,532</td>
<td>3,329</td>
<td>4,053</td>
<td>4,941</td>
</tr>
<tr>
<td>Regional Earnings Increase from Hotel Spending</td>
<td>$95,536,282</td>
<td>$125,513,672</td>
<td>$155,000,458</td>
<td>$186,506,717</td>
</tr>
<tr>
<td>Regional Jobs Created from Restaurant/Dining Spending</td>
<td>3,947</td>
<td>5,204</td>
<td>6,341</td>
<td>7,738</td>
</tr>
<tr>
<td>Regional Earnings Increase from Restaurant/Dining Spending</td>
<td>$115,226,270</td>
<td>$151,911,328</td>
<td>$185,179,065</td>
<td>$225,732,244</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th><strong>PIMA COUNTY</strong></th>
<th><strong>REGIONAL JOBS CREATION</strong></th>
<th><strong>CITY OF TUCSON</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kino District Cash Flow</td>
<td>Kino District Elements-Generated</td>
<td>Kino District Property Taxes</td>
</tr>
<tr>
<td>$350,705,960</td>
<td>46,594</td>
<td>$38,920,834</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>DOWNTOWN HOTELS</strong></th>
<th><strong>VISIT TUCSON</strong></th>
<th><strong>STADIUM DISTRICT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tournament-Generated Room Nights</td>
<td>Tournament-Generated Hotel Taxes</td>
<td>Tournament-Generated Hotel Taxes</td>
</tr>
<tr>
<td>2,308,296</td>
<td>$29,472,168</td>
<td>$20,041,074</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>TOTAL REGIONAL SPENDING</strong></th>
<th><strong>PIMA COUNTY</strong></th>
<th><strong>REGIONAL TRANSPORTATION AUTH.</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kino District Tournaments</td>
<td>Kino District Property Taxes</td>
<td>Tournament-Generated Hotel Taxes</td>
</tr>
<tr>
<td>$3,260,318,540</td>
<td>$166,767,555</td>
<td>$5,403,231</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>PIMA COUNTY</strong></th>
<th><strong>TUCSON SCHOOL DISTRICT 1</strong></th>
<th><strong>REGIONAL EARNINGS GROWTH</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tournament-Generated Sales Taxes</td>
<td>Kino District Property Taxes</td>
<td>Kino District Elements-Generated</td>
</tr>
<tr>
<td>$8,725,028</td>
<td>$176,244,096</td>
<td>$1,615,586,828</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>COMMUNITY COLLEGE DISTRICT</strong></th>
<th><strong>REGIONAL EARNINGS GROWTH</strong></th>
<th><strong>CITY OF TUCSON</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kino District Property Taxes</td>
<td>Kino District Elements-Generated</td>
<td>Tournament-Generated Hotel Surcharge</td>
</tr>
<tr>
<td>$38,444,310</td>
<td>$1,615,586,828</td>
<td>$25,833,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ATTRACTIONS &amp; TOURISM DEPT.</strong></th>
<th><strong>CITY OF TUCSON</strong></th>
<th><strong>RIO NUEVO</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tournament-Generated Hotel Taxes</td>
<td>Tournament-Generated Sales Taxes</td>
<td>Tournament-Generated Sales Taxes</td>
</tr>
<tr>
<td>$9,431,094</td>
<td>$43,749,660</td>
<td>$34,800,299</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>KINO DISTRICT TOURISM</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Tournament Guests</td>
<td>6,318,570</td>
</tr>
</tbody>
</table>
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 it 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
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.