MEMORANDUM

Date: March 9, 2022

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

From: Jan Lesher
Acting County Administrator

Re: Update from Knott Development on the Mosaic Quarter Project

Attached is the March update on the Mosaic Quarter project in accordance with the Master Developer Partnership Agreement. The update summarizes the status of work on construction and operational plans for the Mosaic Quarter Iceplex and Field House, and design considerations for the Mosaic Quarter Stadium.

Details are provided on additional community engagement and outreach activities with a variety of organizations including Tucson Unified School District (TUSD) Educational Enrichment Foundation, Pima JTED, Pima Community College, Visit Tucson, the Mexican Consulate, Tucson Medical Center, Banner University Medical Center, CREW Commercial Real Estate Women, Southern Arizona Attractions Alliance, the Town of Sahuarita Mayor and staff, and area resorts.

Also included is an informative Frequently Asked Questions segment on the philanthropic Mosaic Foundation.

As noted with the previous update, Knott Development owner, Frank Knott, is available for individualized meetings with Board Members and staff.

The next update from Knott Development is due May 6, 2022.

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Yves Khawam, PhD, Assistant County Administrator for Public Works
Michelle Campagne, Director, Finance and Risk Management
Nancy Cole, Director, Capital Program Office
Diane Frisch, Director, Attractions & Tourism
Heath Vescovi-Chiordi, Director, Economic Development
Reenie Ochoa, Director, Stadium District and Kino Sports Complex
March 9, 2022

Jan Lesher
Acting County Administrator
130 West Congress Street, 10th Floor
Tucson, Arizona 85701

Re: Development Report

Ms. Lesher:

This letter serves as our periodic update on Mosaic Quarter. In this update, we focus on pending changes to Mosaic Quarter Stadium ("MQ Stadium"), responding to frequently asked questions about Mosaic Foundation, substantive community engagement meetings and developments, and a Mosaic Quarter-funded campaign to expand the community impact of Mosaic Foundation.

**Phase I Predevelopment Work.**

Our development and management teams continue to make progress on construction and operational plans towards a scheduled July completion of predevelopment work with respect to MQ Iceplex and MQ Field House. Although pandemic-related pricing and supply chain matters have created pricing and planning challenges, our team has turned these into target value engineering and design opportunities by squeezing design and material efficiencies out of each square foot of space. From the operations perspective, the management team has delivered a solid contractual user base and developed what will prove to be successful la carte community programming. As a result, we remain on track for a late August 2024 delivery of both buildings and, equally important, will open our doors generating operating profit.

*MQ Iceplex - UArizona Hockey rink from in-progress construction plans*
MQ Stadium Redesign
Although pleased with MQ Stadium’s original layout and design, we have been engaged in a recalibration of its programming capabilities. This is due, primarily, towards our view that the existing design limited opportunities with potential regional partners as well as not being a significant participant in Mosaic Quarter’s economic development function. Therefore, we are working on a modified design for MQ Stadium to address these concerns.

We anticipate releasing the results of our design and operations teams’ work in early June, 2022. Among the changes we’re excited to announce in detail are the capability to serve a wide-ranging group of local youth and adult athletic organizations, partnerships with local groups focused on physical fitness, the ability to better serve Pima County school districts, and a vastly expanded youth and adult athletic tournament capacity.

Local Volunteer Efforts
Separate from our Mosaic Quarter-oriented community outreach activities, I have been engaged in discussions with several philanthropic and volunteer-based organizations within the Tucson area. My interest was based on my upbringing as further developed by life events – maintaining a strong belief in the need to provide time and experience as well as financial resources to the community I call my home. In each case, I believed I could provide personal service to the community that was additive to our Mosaic Quarter efforts.
I’m both humbled and grateful to have been appointed to the board of directors of the Educational Enrichment Foundation. Although Mosaic Quarter and Mosaic Foundation will provide benefits to the TUSD community, I’m excited for the opportunity to directly serve TUSD students and their families. I’m looking forward to starting work with my fellow board colleagues and the foundation’s executive team with the goal of using my nonprofit experience and individual efforts to help the foundation expand its impact on the TUSD community.

**Mosaic Quarter Campaign for Mosaic Foundation.**
Knott Development’s design for Mosaic Quarter contemplated facilities and amenities that would be inclusive for the entire Pima County community. To further that goal, the Mosaic Foundation was formed to erase all barriers to youth sports participation for, and to provide sports-related opportunities to, underserved children. Although a solid philanthropic framework had been created, I believed Mosaic Quarter must do its part to solidify and further the reach of the Mosaic Foundation. After contemplating several mechanisms, our team arrived at a campaign theme epitomizing the concept of one athlete helping another.

**PLAY WITH US!**

Under the Play with Us! campaign, Mosaic Quarter will donate $0.50 to Mosaic Foundation every time a youth or adult athlete comes to practice or plays a game/match at MQ Iceplex, MQ Field House, MQ Sportsplex or MQ Stadium. Play With Us! blends two concepts – a community of athletes helping one another and Mosaic Quarter giving back to the community in a way that reflects gratitude for its success.
Mosaic Foundation Frequently Asked Questions.
Since announcing the Mosaic Foundation, several questions are frequently asked about the foundation and its scope. Most address the foundation’s mission, operations, and grant structure. We thought it would be helpful to address several of these queries in a public format since they highlight the interplay between Mosaic Foundation and Mosaic Quarter.

Q: Why did you form Mosaic Foundation?
A: Since my arrival to the region in 2018, Tucson area youth sports programs have emphasized the need for additional support mechanisms to advance the inclusion of underserved communities. Based on my personal experience in utilizing nonprofit platforms to enhance the diversity of educational opportunities for children, I saw a unique opportunity to use Mosaic Quarter’s facilities to apply those experiences to athletics.

Q: Are grant-supported children part of separate Mosaic Foundation athletic programs?
A: No. Foundation-supported children will be part of Mosaic Quarter youth sports activities, leagues or organizations that are available to all children. We do not believe whatsoever in separating children based on the receipt of Mosaic Foundation support.

Q: Are grant-supported children limited to certain sports at Mosaic Quarter?
A: No. Mosaic Foundation grants apply to every athletic activity and sports organization that calls Mosaic Quarter home. Ice hockey, soccer, lacrosse, yoga, basketball, football, futsal, volleyball…...the choice of sports and programs is left to the child and their family. If it’s a sport offered at Mosaic Quarter, every child can participate.

Q: Do Mosaic Foundation grants cover equipment required for a sport?
A: Yes, plus more! Mosaic Foundation grants cover team fees, league fees, travel team costs, practice uniforms, game/match uniforms, specialized equipment, shoes/skates/cleats....whatever is required of the chosen sport.

Q: May a grant-supported child tryout for travel or elite teams that operate out of Mosaic Quarter?
A: Yes. Team eligibility is determined by the skill set of a child, not by their grant status.
Q: Do Mosaic Foundation grants apply to internal, “house league” sports managed by Mosaic Quarter?
A: Yes.
Grant-supported children may participate in any athletic activity within Mosaic Quarter.

Q: Can a child switch sports at the end of a season or are they locked into their chosen sport?
A: Yes.
If at the conclusion of a season a child and their family want to change sports, their Mosaic Foundation grant applies to the newly chosen sport. We want children to be active, comfortable and thriving, not bound to a sport in which they languish.

Q: How long is a Mosaic Foundation grant?
A: Each Mosaic Foundation grant lasts for 3 years. At the end of the grant’s term, the supported family decides if the child will continue in their Mosaic Quarter sport. It is our firm belief that families are the best arbiter of a child’s athletic participation. Our job is to encourage and assist participation.

Q: Where does Mosaic Foundation get its money?
A: Mosaic Foundation’s initial funding will be personally contributed by Knott Development management. Subsequent contributions will come from my philanthropic relationships as well as several Tucson area families that share my passion for youth sports inclusion. Eventually, Mosaic Foundation will accept contributions from the general public, including micro donations available on various mobile platforms.

Q: Who runs Mosaic Foundation?
A: The Executive Director of Mosaic Foundation is Jeremy Bow, a local Tucson resident who currently serves as the President of the Junior Roadrunners’ Youth Hockey Association. I serve as the chair of the board of directors, supported by a highly motivated group of local, regional and non-resident directors.

Q: Why is Mosaic Foundation supporting Science of Sport?
A: We believe that sports-related organizations such as Science of Sport foster an excitement for athletics that draws children towards recreational sports programming. Our contribution to Science of Sport will likely generate additional opportunities for Mosaic Foundation to reach families from underserved communities. In combination with supporting a valuable, local, sports-related educational program, we view the opportunity as one that should not be missed.

Q: Why is Mosaic Foundation supporting Higher Ground?
A: Our relationship with Higher Ground represents a hybrid of Mosaic Foundation’s direct and indirect support mechanisms. By contributing athletic space, and relocating Higher Ground’s Judo program to Mosaic Quarter, the organization will benefit from Mosaic Foundation’s provision of direct funding of underserved children. In addition, supporting the athletic portion of Higher Ground’s program permits financial resources to be reallocated to the equally valuable non-athletic aspects of Higher Ground’s mission to close opportunity gaps.

Community Engagement
As in previous reporting periods, we continue to actively engage with, and support, community groups, school districts, nonprofit organizations and local businesses and developers to emmesh Mosaic Quarter within all aspects of the Pima County community. Since our last update, we have met with the following groups in an effort to provide information about Mosaic Quarter’s facilities and programs, foster partnerships with local organizations and institutions and create synergies for Mosaic Foundation with local nonprofit organizations:
In our continuing dialogue with Pima JTED, we presented the Mosaic Quarter development to its governing board during its January meeting. In addition to providing a detailed review of the Mosaic Quarter facilities, we highlighted the ongoing discussions with JTED staff to incorporate Mosaic Quarter into workforce development planning, facilities and hospitality internship opportunities as well as other JTED initiatives. We will continue our work with JTED’s leadership to execute on all collaborative opportunities that support JTED’s programs and mission.

In a related manner, we likewise met with the leadership of Pima Community College. After providing a detailed review of Mosaic Quarter and its updated site and operations plan, our discussion centered on three aspects of collaboration – workforce development, facilities collaboration and program expansion opportunities. As with our earlier meeting with the College, workforce development was focused on hospitality, restaurant and facilities management internships and recruiting. From the facilities collaboration perspective, the College identified opportunities for it to partner with Mosaic Quarter to host junior college athletic tournaments and championships. This effort would enhance the nationwide vision of the College while simultaneously promoting the economic development opportunities available via Mosaic Quarter. Finally, and of extreme interest from our perspective, we agreed to explore using a portion Mosaic Quarter’s restaurant space to incorporate a student-managed restaurant.

From the economic development perspective, we reconvened with Visit Tucson to provide its executive leadership with the updated Mosaic Quarter site, facilities and sports tourism operations plan. Our discussion focused on specific aspects of collaboration between the organizations to tightly knit our travel sports marketing and operations functions with Visit Tucson’s staff and resources to achieve the best possible economic development results for the County. During the current reporting period, we will be providing Visit Tucson with updated, tournament-specific information regarding our originally planned and presently expanding tournament capabilities and efforts.

In a continuing dialogue, we met with the Mexican Consulate to expand our collaboration within their Sports Activation Initiative. As the first part of this effort, Mosaic Quarter and Mosaic Foundation will participate in several community events sponsored by the Consulate to provide the Hispanic community with information regarding the programming and resources available within Mosaic Quarter. These community events are designed to lead to joint Consulate, Mosaic Quarter and Mosaic Foundation interaction with the Hispanic community in order to provide resources to children who wish to participate in Mosaic Quarter activities, but where families may be either unaware of the available programming or require participation assistance. We have also initiated a long-term planning discussion to create a student hockey exchange program with ice sports facilities in Monterrey, Mexico. Having witnessed the cultural and educational benefits of exchange programs through the experience of my own children, we hope to foster a unique international collaboration that results in an incredible life experience for children from both Monterrey and the County. In addition, we view the exchange program as an opportunity to collaborate with Monterrey’s hockey community to foster participation in MQ Iceplex tournaments and will be closely working with Visit Tucson as we develop this multifaceted plan with the Consulate.

In an effort to identify opportunities within the health and wellness sector, we have engaged with Tucson Medical Center and Banner-University Medical Center. Our discussions have focused on supportive and complimentary ways in which Mosaic Quarter could work with each organization for the benefit of the development and the surrounding community.

In February, we presented Mosaic Quarter to CREW, Commercial Real Estate Women, a leading organization for women within the field of commercial real estate. In addition to providing a detailed review of Mosaic Quarter’s facilities and operations, we explained the public private partnership between Knott Development and the County. Lastly, we focused on the community-wide impact that Mosaic Quarter will generate within the local commercial real estate market.

As a complement to our efforts with Visit Tucson, we met with the Southern Arizona Attractions Alliance to provide a briefing on the Mosaic Quarter development plan as well as the sports tourism component of our business model. We then
engaged in a discussion regarding Mosaic Quarter’s ability to support attractions represented by SAAA. We look forward to working with SAAA in the same manner that we have engaged with chambers of commerce and Visit Tucson to promote all Southern Arizona has to offer as we execute on our sports tourism platform.

To further collaborate with local nonprofit organizations, Mosaic Quarter and Mosaic Foundation met with the leadership of the United Way of Tucson and Southern Arizona. While providing an overview of the recent updates to Mosaic Quarter and an in-depth review of Mosaic Foundation’s focus, goals and structure, the conversation revealed mutually beneficial, yet organizationally-distinct, areas of community focus ripe for collaboration. With these focal points in mind, Mosaic Foundation and the United Way will continue to develop a working relationship to provide enhanced benefits to the local community.

From the municipal perspective, we enjoyed meeting with the Mayor and senior staff of the Town of Sahuarita to discuss the beneficial impacts of Mosaic Quarter for its residents. As a part of this meeting, and in addition to reviewing the Mosaic Quarter facilities and operations plans, we engaged in a discussion regarding a long-term vision for bringing Mosaic Quarter-type and complementary facilities to Sahuarita. We plan to keep the Town updated on our progress and continue with operational updates to assist it in any way possible to help the Mayor bring additional amenities to Sahuarita.

Finally, we met with the leadership of the Westward Look, Wyndham Grand Resort and Spa to provide an overview of Mosaic Quarter and to delve into the hospitality aspect of our sports tourism plans.

Thank you for the opportunity to detail Mosaic Quarter’s continued progress. As always, I welcome the occasion to discuss these efforts in more detail with you, County staff or the Board of Supervisors.

Regards,

Frank Knott