



MEMORANDUM

Date: May 24, 2023

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

From: Jan Loshert 
County Administrator

Re: **May 2023 Update on Mosaic Quarter Project**

The attached May 2023 Mosaic Quarter (MQ) update provides details on site and building plan preparation for Phase I, including the MQ Iceplex and Fieldhouse. Construction plans for this phase are completed and reviews with County staff have been occurring since prior to their finalization. Along with construction plan preparation, MQ and their design-build contractor have also been making subcontractor selections.

Pima County staff and our third-party consultant, Rider Levett Bucknall (RLB), are currently reviewing submitted financial and use projections, construction budgets and economic impact forecasts. Additional materials are expected to supplement these reviews on our way to a credit rating agency review to ensure the project does not affect the County's existing credit ratings.

It is anticipated the requisite partnership documents and leases will be presented to the Board of Supervisors in Fall 2023, along with details from the County's review. Based on this timing, MQ Iceplex and MQ Fieldhouse opening are expected in November 2025 and May 2026 respectively. Our development agreement allows adjustment of the previous July 2025 timeframe with agreement by the parties. Given the time necessary to complete a thorough review, the County and Knott Development are in agreement on this adjustment.

The May 2023 update also provides a detailed summary of the wide variety of community accessible programming beyond typical sporting events planned for MQ, such as ice bumper cars, dodgeball, broomball, pickleball, cornhole, ultimate Frisbee and movies. Also highlighted, is a collaboration between the philanthropic Mosaic Foundation and local pickleball associations to promote growth in underserved communities by providing equipment, lessons and court time.

JKL/anc

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator
Francisco García, MD, MPH, Deputy County Administrator and Chief Medical Officer
Steve Holmes, Deputy County Administrator
Diane Frisch, Director, Attractions & Tourism
Sheila Holben, Interim Director, Project Design & Construction
Ellen Moulton, Director, Finance and Risk Management
Reenie Ochoa, Director, Stadium District and Kino Sports Complex
Terri Spencer, Director, Procurement Department
Heath Vescovi-Chiordi, Director, Economic Development
Nancy Cole, ERP Executive Project Manager



May 23, 2023

Jan Leshner
County Administrator
115 North Church Street, Suite 231
Tucson, Arizona 85701

Re: Development Report

Ms. Leshner:

This letter serves as our periodic update on Mosaic Quarter. In this update, we initially focus on the progress of Mosaic Quarter's development review by County staff and agencies. In addition, we detail several of the family-friendly entertainment, recreational athletics and affordable programming options Mosaic Quarter offers that differ it from other sites with a singular focus.

Development Review and Update.

Mosaic Quarter Development has completed all building and site construction plans required for Phase I, which includes MQ Iceplex, MQ Field House and the development's site and infrastructure backbone. These materials have been under review by Pima County Development Services starting with earlier iterations and are now under formal permit review. In conjunction with the process of completing construction plans, Mosaic Quarter and its design builder, Hensel Phelps Construction, have been finalizing subcontractor awards. In addition, County administrative staff and relevant agencies have begun their review of supplementary materials required by Mosaic Quarter's Master Development Agreement. These include financial, community impact, Mosaic Quarter usage projections and their associated agreements.

In addition to the County's internal review, County-retained independent consultants and advisors are reviewing all Mosaic Quarter financial performance forecasts, construction budgets and economic development/community impact projections to verify their reasonableness. The County's review process will culminate with an analysis of the Mosaic Quarter public private partnership structure to ensure that it does not affect the County's existing credit ratings. This review will be performed by the independent rating agencies that currently assess the County's credit ratings. The rating agency review is subject to an in-depth analysis of all aspects of Phase I's partnership agreements as well as financial performance projections and other materials associated with the operation of MQ Iceplex and MQ Field House.

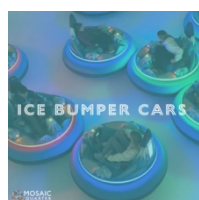
Because of the volume of materials required for credit rating agency review and the schedule required to perform it, Knott Development and County staff have agreed that the timeframe for review with the credit rating agencies will extend until the end of the Summer. As a result, the final Phase I public private partnership documentation will not be submitted to the Board of Supervisors until early Fall, 2023.



This timing will result in MQ Iceplex opening in November, 2025 and MQ Field House opening in May, 2026. Per the development agreement between the County and Knott Development, an adjustment to the contemplated end of July 2025 timeframe is permissible by mutual agreement of the parties when it's in the best interests of the management and operations of the facilities.

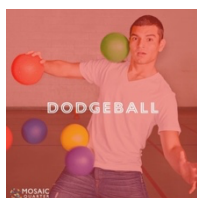
Community | Accessibility | Collaboration

Although Mosaic Quarter offers a home for competitive organized recreational and travel sports, it has been designed from the beginning to be a gathering place for everyone. As we posted recently on our social media outlets, Mosaic Quarter is a sports and entertainment district where careful and focused thought of community-first development rules. This means that there is something for everyone, every day of the week. Although it is a component of our overall operational platform, sports-tourism and high-level competitive youth sports are not the driver of our financial stability. Mosaic Quarter is designed as the home for local teams, clubs, leagues and organizations alongside families, businesses, nonprofits and individuals. The programming outlined below represents a series of expanding recreational and entertainment options that promote the concepts of community, accessibility and collaboration – the hallmarks of Mosaic Quarter that differentiate it from other venues singularly focused on organized sports and travel tourism.



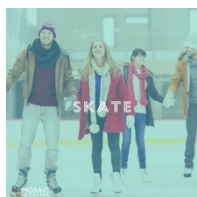
MQ ICE BUMPER CARS

One joystick to control direction, one to control speed. 24v battery pack to provide thrust. An industrial innertube to give that satisfying elastic collision. Your brother, sister, mother, father, uncle, aunt, friend or colleague in your sights. It's the ultimate activity – driving on the ice, intentionally bumping into others and enjoying MQ Iceplex without the need for athletic skill. Public sessions will take place throughout weekends on a year-round basis with additional, weekday time slots available during the spring and summer months. For those who haven't experienced ice bumper cars elsewhere, it's something for the entire family to try...and see. While a unique experience for individuals and families, what about an entire group? MQ Iceplex will offer private ice bumper car rentals where a single group takes to the ice for an exclusive period. Combined with MQ Iceplex's private event facilities, it's something large family groups, co-workers, and clients will appreciate.



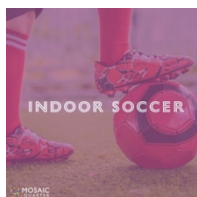
MQ DODGEBALL

Remember dodgeball in gym class? The fun, the competition, the strategy? Now think about it in a league concept with friends, family or co-workers as teammates! MQ Field House will be the home of MQ Dodgeball. Offered throughout the year, with expanded availability during the summer months, MQ Dodgeball is that satisfying combination of workout, fun and competition. During the winter months, MQ Dodgeball will be held on our primary wood flooring system while summertime leagues play on the turf surface. Each surface provides a different level of game complexity and strategy. And, like MQ Broomball, MQ Ice Cornhole and MQ Pickleball, teams are sponsored (with included logo-embellished jerseys) by local establishments offering post-match celebratory discounts. Gather a team, pick a name and sponsor, play 6 weeks of match league MQ Dodgeball.



MQ POD SKATES

Renting an entire rink isn't always economically feasible. Creating small group pond hockey sessions for a collective of families doesn't work during general skating sessions. Gathering a sufficient number of friends, family and neighbors to hold a full-rink private general skate might not be an easy task. Pod skates are the solution. Consisting of a reserved one-third of a rink, pod skates allow groups of less than 20 to exclusively enjoy MQ Iceplex in their own way and in their own space. Play hockey. Figure skate. Gather with friends or family for a special occasion in combination with MQ Iceplex's party rooms. Hold a private curling competition. Play ice cornhole instead of skating. Avoid crowded general skating sessions. It's your ice, your way. At a fraction of the full rink rental cost, pod skates open MQ Iceplex to a broader segment of the community.



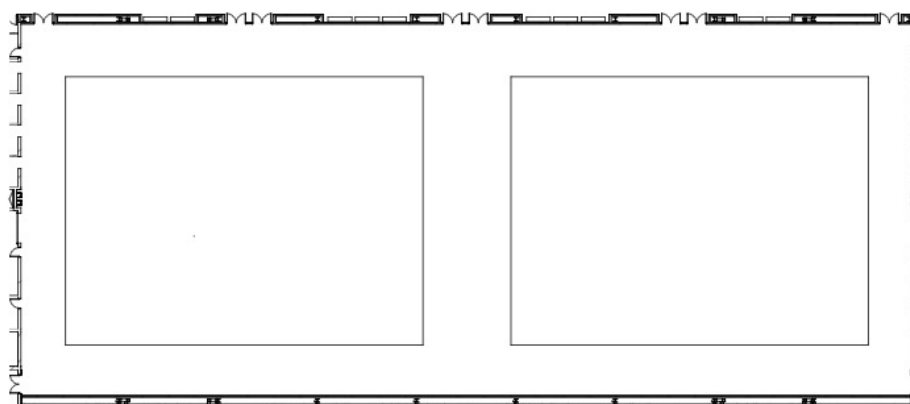
MQ SMALL FIELD SOCCER

With its available turf surface, MQ Field House will offer youth and adult small field indoor soccer leagues. With an expansive facility, MQ Field House can offer 4 simultaneous fields of play for 3v3 and 5v5 soccer.



3-on-3 Youth Soccer Leagues – Mosaic Quarter 3-on-3 leagues enhance the player experience and provide skill-development opportunities. It's a much faster paced game than traditional field soccer where every player matters as 3-on-3 soccer blends individual skills with teamwork. Organized based on age and skill brackets, 3-on-3 youth soccer leagues will be offered throughout the offseason to provide a training option for local players.

3-on-3 Adult Soccer Leagues – Wildly popular as an adult recreation sport in its traditional, outdoor field format, MQ Field House offers the alternative of 3-on-3 indoor soccer for adults. Because 3-on-3 soccer requires multiple substitutions per game, an entire team receives equal playing time. Because there are no formal positions, every touch is important to the match's outcome. Organized based on skill level, each team within a division will compete at least twice per week. With the broad appeal of soccer within the adult community, MQ Small Field Soccer is sure to become a hit.



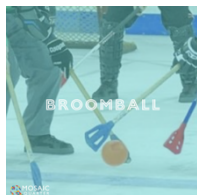
MQ FIELD HOUSE
3v3/5v5 SOCCER LAYOUT
03/21/23 | A/G 20057/01 | © 2023 JLC ARCHITECTS



(small field soccer floor plan within MQ Field House – identical on lower/upper levels)

5-on-5 Youth Soccer Leagues – As a variant of small-field soccer, MQ Field House will also offer a 5-on-5 leagues for youth players. With similar attributes to Mosaic Quarter's 3-on-3 league option, 5-on-5 play provides an opportunity for groups to form slightly larger teams and offer a comparable skill-developing experience to 3-on-3 play that benefits athletes in the outdoor season. Organized by age and skill brackets, 5-on-5 soccer will provide local youth players with an exciting offseason and development tool.

5-on-5 Adult Soccer Leagues – 5-on-5 soccer provides an alternate version of the small-field game for adults. MQ Field House will offer adult league play within skill-based divisions. With multiple games per week, adult players will find MQ Field House their go-to for local league play.



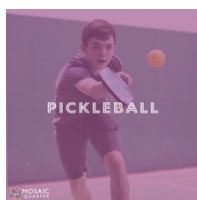
MQ BROOMBALL

Requiring no personal equipment and zero experience, broomball is an exciting, affordable, ice-based recreation activity (no slipping, MQ Iceplex roughs the ice to make it walkable!). It's the perfect alternative to traditional sports activities for family and neighborhood gatherings, team bonding sessions, community groups and client outings. Due to its ease of play and application to adults and children, alike, MQ Broomball offers excitement, friendly competition and a new activity.

Adult Broomball Leagues – Available for men's, women's, coed and corporate teams during the summer months, MQ Broomball adds a unique sponsor twist to enmesh Mosaic Quarter programming with the small business community. Mosaic Quarter will prearrange a slate of available bar and restaurant establishment sponsors. Each team picks its own name and selects its sponsor – proudly donning their logo-emblazed jersey. During the 6-week game schedule, teams receive a discount on purchases for post-game gatherings at the sponsor business.

Youth Broomball Leagues – Not to be outdone, children take the ice for their own version of MQ Broomball. Children's leagues are co-ed and grouped by 10U, 12U and 14U, 16U and 18U age categories to account for physical and skill differences. Youth MQ Broomball is sponsored in a similar manner to adult MQ Broomball, with kid-friendly desert and restaurant sponsors. During each 4-week season, families are provided a discount for post-game celebrations.

Pick-Up Broomball – For families loaded with time commitments, but where an alternate activity is needed sporadically throughout the year, MQ Broomball is still an option. Weekend pick-up broomball sessions are available as a drop-in activity. With separate sessions for children and adults, MQ Broomball offers the perfect solution to the time-constrained family seeking a different bonding experience.



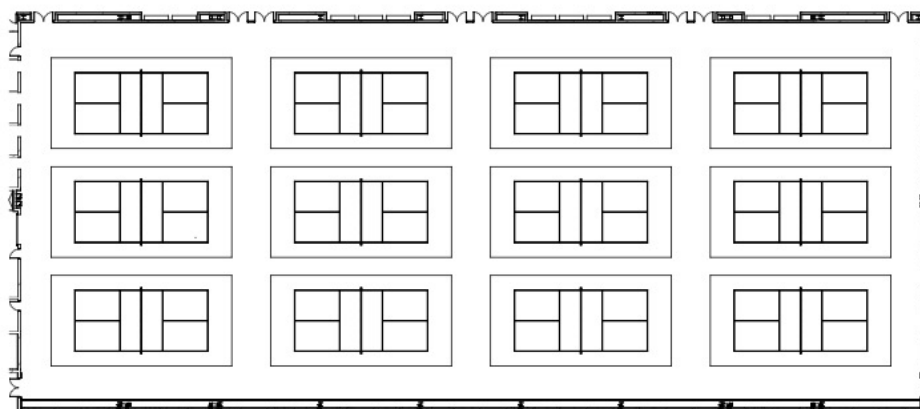
MQ PICKLEBALL

Instead of focusing on year-round daily availability for the pickleball community, Mosaic Quarter concentrates on event-driven pickleball combined with seasonal daily use. By doing so, MQ Field House creates unique experiences for the novice player to the advanced enthusiast without competing with existing community-based resources. Using a specialized surface, Pickleroll, MQ Field House is transformed into a pickleball hub with all the feel of outdoor courts, but absent wind, heat and glare. MQ Field House will host an array of pickleball options for the community with up to 24 available courts.



MQ Pickleball League – Bringing the social aspects of pickleball to team play, MQ Field House will offer pickleball leagues throughout the year. Each league season culminates with a Mosaic Quarter championship bracket. Organized based on skill level, with some leagues blending skill levels on each team, MQ Pickleball League promises convenient, expanded playing hours for the local pickleball community. And just like MQ Broomball, MQ Dodgeball and MQ Ice Cornhole, teams are sponsored by local establishments to further connect Mosaic Quarter with the community.

MQ Round Robin Pickleball – Whether the format is sign up with a partner, pick a number or a traditional version, round robin play brings fun and excitement to any pickleball community. In addition to its regional and national tournaments, MQ Field House will host a variety of round robin pickleball events throughout the year. From eight to 32-player formats, there's a wide array of options and opportunities for players to expand their game and pickleball network.



MQ FIELD HOUSE
PICKLEBALL LAYOUT
03/21/23 | JLG 2025/01 | © 2023 JLG ARCHITECTS



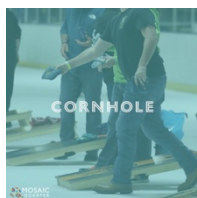
(pickleball floor plan within MQ Field House – identical on lower/upper levels)

Glow in the Dark Pickleball – While our pickleball courts are accessible during the day, even MQ Field House is susceptible to darkness...by choice! As part of its series of round robin events, MQ Field House will offer glow-in-the-dark pickleball. No different than a traditional round robin event, play is accomplished with glow-in-the-dark balls and specialty lighting. Taking over when public courts close for the evening, Mosaic Quarter pickleball shines even without lights.

Summer Open Play – In order to beat the heat while affording players the opportunity to further develop and maintain skills, MQ Field House will offer a seasonal open play membership, MQ Open Play. MQ Open Play will include unlimited hours of pickleball throughout the hot months of the year. And with consistent days and hours

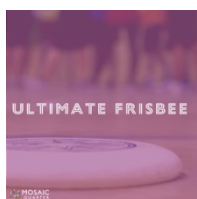


solely devoted to pickleball, members have predictable access to MQ Field House pickleball courts in the same manner as public courts operate.



MQ ICE CORNHOLE

The backyard classic comes to MQ Iceplex! In a unique twist, however, MQ Iceplex offers cornhole on a roughed ice surface (no slipping!). Each session is split into three categories of play – Individual Cornhole, Round Robin Cornhole and Team Cornhole. Individual cornhole takes place on 1/3 of the ice sheet, with advance signup as well as drop-in availability and adding the social benefits of playing against other community members you might never have the chance to meet. Round Robin Cornhole takes another 1/3 of the ice sheet, offering an event-like setting with double elimination brackets for player pairs. Team Cornhole involves 4-player groups pitted against other teams in an elimination competition. With sessions timed for 3-hour increments including intermissions, participants can move between categories of play, sign up for multiple categories, enjoy food and beverages offered by the Arena Rink Restaurant and socialize with friends new and old. Best of all, Ice Cornhole is available for children and adults as the complete family experience!



MQ ULTIMATE FRISBEE

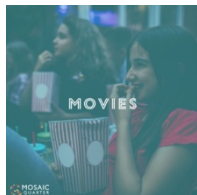
Perhaps you played in college intramurals, adult recreation leagues or during a weekend gathering of family or friends. MQ Ultimate Frisbee incorporates all the fun into league play for adults and children in weekly summer activity at MQ Field House.

Children in the 8U-12U age brackets will compete in league play utilizing MQ Field House's small field soccer format. This variant of ultimate frisbee offers competitive play coupled with an age-suitable sized field for developing frisbee skills and better matching their conditioning level. Youth within 14U-18U age brackets will vie for league titles on a full-sized 7-on-7 football field version of the game. Leagues will be comprised of one to two age brackets to promote level competition.

For adults, MQ Field Offers full-field play using the scale of our 7-on-7 football fields. Women's and men's leagues will compete nightly and on weekends for the ultimate crown – MQ Field House champion!



For families with scheduling challenges prohibiting a league commitment, MQ Field House will offer pick-up ultimate frisbee games consisting of weekly rotating brackets of 8U-10U, 12U-14U and 16U-18U. For adults just seeking a different recreational experience, MQ Ultimate Frisbee will be offered on a weekly and weekend rotation of pick-up play opportunities.



MQ ICE MOVIES

Movies are a cool way to spend time with family, friends and loved ones. To extend the cool factor, Mosaic Quarter will offer MQ Ice Movies. Offered on weekends throughout the summer months, the MQ Iceplex Arena Rink becomes the ultimate alternate movie venue – 2,000+ seats for movie nights, high-definition video boards and full-service concessions from the Arena Rink Restaurant. It's a great way to simultaneously beat the heat and enjoy classic, culturally focused, recent run and themed productions – all at an affordable price with food and beverage specials for family and budget-friendly entertainment.



DINK WITH US!

Combining the community, accessibility and collaboration hallmarks of Mosaic Quarter, we're excited to announce an additional community partnership that focuses on pickleball. Dink With Us! is a collaboration between Mosaic Quarter, Mosaic Foundation, Tucson Area Pickleball and All In Youth Pickleball. The campaign is designed to foster the growth of pickleball, and expand its accessibility, among underserved communities within Pima County. Dink With Us! will provide equipment, lessons, clinics and court time support for underserved youth, bringing not only opportunities to play, but the health benefits associated with pickleball as an active sport as well as the well-known social benefits inherent to the pickleball community.

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