

February 21, 2011

Ms. Elizabeth M. Murphy, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

RE: File Number S7-45-10

Ms. Murphy,

Thank you for the opportunity to comment on the proposed rule governing the registration requirement of municipal advisors.

The Rio Nuevo Multipurpose Facilities District was established in 1999 by the Arizona Legislature, and reorganized in 2009 (the "District"). The District is a Tax Increment Financing District with the ability, pursuant to Arizona State Law, to, among other things, make decisions to approve bond issuances for certain public improvements within the Multipurpose Facility District. Arizona Revised Statutes ("ARS") § 48-4201 et seq. The District's nine board members are appointed by the Governor, President of the Senate and the Speaker of the House at the pleasure of those elected officials<sup>1</sup>. The State laws require that each appointed member have a certain expertise in either "commercial real estate, construction, redevelopment, real estate law, architecture, economic development or commercial or public finance." ARS § 48-4202(D)(1). All of the board members are volunteers and serve at the pleasure of their appointing party. Further, each District board appointment is subject to removal at any time. We receive no pay for our duties and public service.

We are deeply concerned that the proposed rule to require registration with the SEC of appointed board members as municipal advisors is both inappropriate and likely to impact our ability to remain on the board.

We are not municipal advisors. As members of the District's board, and if a bond financing should take place, we hire advisors who are registered with the SEC, ask questions of bond financing applicants and make decisions to approve any bond issuance based on the information we receive from advisors as well as from the borrower and its financing team of professionals. Each board member brings their experience, expertise and wealth of knowledge as required by state law to the discussion with the potential borrower. Under the proposed rules, it appears that our questions of, and discussions with, the applicant and the inclusion of bond term parameters in our approving resolutions may very well be interpreted as "providing advice," and would, in turn, obligate us to register as a "municipal advisor." A mandate for appointed board members to register as municipal advisors misleads the public about individual skill sets which many of us neither claim, promote nor utilize in the course of our District board responsibilities. This may result in a reluctance to participate in discussions or perhaps even vote.

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<sup>1</sup> In 2009, when the District was reconstituted, the legislation permitted previous District board members to serve out their remaining terms. There are currently 3 of those board members who were appointed by the City of Tucson elected officials (2 members), and the City of South Tucson elected officials (1 member.) The City of Tucson terms expire in Spring of 2011 and the City of South Tucson terms expire the Spring of 2012.

The District board, like many others across the country, relies on the voluntary application of our collective expertise. In our case we do this for the noble purpose of assisting in financing of infrastructure and improvement of the downtown area of Tucson, Arizona. The proposed rule places significant burdens on us individually and on the District. Each of us will have to assess if these additional burdens justify our continued participation on the District board. More importantly, we believe few members of the public will willingly submit to this regulation. This will likely hamper the District board's ability to operate with a full complement of members or attract experienced board members as required by the State law. The former curtails Arizona's ability to issue tax-exempt financing for infrastructure and multipurpose facilities projects. The latter significantly diminishes the expertise and knowledge of overall real estate, construction, redevelopment, economic development, and architecture that this board applies to its decisions.

The proposed rule excludes elected officials from registration under the premise that they are uniquely accountable to the public. Although the District board is comprised solely of appointed members, we do not believe we are distinguishable from elected officials serving on similar public financing boards in other states. We are appointed, confirmed, renewed, replaced and potentially removed from our positions by elected officials. As stated above, each District board appointment is subject to removal at any time. We are subject to rules and regulations which assure accountability and transparency to the public. We are at a loss to identify a single board related duty that would distinguish an elected official from an appointed board member.

We respectfully request the amendment of the proposed rule to exclude appointed board members from the requirement to register with the SEC as a municipal advisor.

Sincerely,

The Directors of the Board of the Rio Nuevo Multipurpose Facilities District