

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona
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2:02 p.m.

REPORTED BY:

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1 MS. BETTINI: Mark Irvin?

2 MR. HILL: Here.

3 MS. BETTINI: Jeff Hill?

4 MR. HILL: Here.

5 MS. BETTINI: Fletcher McCusker?

6 CHAIRMAN McCUSKER: Present.

7 MS. BETTINI: Alberto Moore?

8 SECRETARY MOORE: Present.

9 MS. BETTINI: Chris Sheafe?

10 MR. SHEAFE: Present.

11 MS. BETTINI: Jannie Cox?

12 MS. COX: Here.

13 CHAIRMAN McCUSKER: And Cody, we understand, is on
14 his way.

15 MS. BETTINI: Correct.

16 CHAIRMAN McCUSKER: So we are no longer taking
17 minutes. We take the full transcript of the meeting. You
18 had that in advance. So unless you were misquoted or
19 there's something missing in that transcript, we'll
20 entertain a motion to approve.

21 MR. HILL: So moved.

22 SECRETARY MOORE: Second.

23 CHAIRMAN McCUSKER: All in favor, say aye.

24 (The board voted and the motion was passed)

25 CHAIRMAN McCUSKER: All right.

1 waiting for us.

2 A couple of quick remarks from me. And then we
3 want to move to the presentation parts of the agenda.

4 Someone described I think the Rio Nuevo experience
5 as kind of like drinking from a firehose. And I think
6 that's certainly the case. But it's Artesian water because
7 it's -- we're really beginning to make some progress on a
8 lot of fronts.

9 You'll hear some today: Just where we are,
10 overall, financially; the issues we've identified with the
11 merchants; the opportunities we have coming together as an
12 organization to actually create some development activity;
13 and then we'll -- a little further in the agenda -- talk
14 about our executive committee session, which reconfirmed our
15 interest and willingness to settle on terms acceptable to us
16 with the City of Tucson. So I think we've been public about
17 our desire there.

18 First and foremost, for all of us -- and we've
19 reaffirmed that today -- is that the audits must and will
20 continue. And the City has to cooperate with us on these
21 forensic audits. And ultimately we have to find a way to
22 provide restitution to the District in the event there are
23 discrepancies there. So that's the first item on our
24 agenda.

25 And then, as you know, there are a number of other

1 disputed property titles and claims and projects that we
2 believe we can complete into a global settlement. So we're
3 going to try to move that ball forward as quickly as we can.

4 Because most of that, as you know -- I think it's
5 important when we look at projects that we know the whole
6 community is excited about -- we cannot spend dollar one of
7 TIF money until we resolve the Notice to Proceed issues.
8 And that's specific to the language in the '09 legislation
9 as it relates to the Tucson Convention Center and a
10 so-called headquarters hotel. So we're moving on those
11 fronts. We expect that, you know, in as little as maybe 30
12 days, we might be able to resolve those issues.

13 So our commitment to going forward beyond the
14 convention center and hotel has been to the West Side. And
15 that's part of what you see on today's agenda. And our
16 continuing conversation with the Mission Gardens is we
17 believe we bring our resources and expertise to development
18 west of Stone to A-Mountain.

19 There's a number of very exciting things going on
20 on the East Side if you pay attention to those things. I
21 think we sat down the other day and counted a dozen new
22 restaurants that are moving to downtown Tucson. For the
23 first time since I've been involved in downtown, we're
24 seeing a number of out-of-town restaurateurs. Not chains,
25 per se, but very successful restaurants in other parts of

1 the state and other parts of the southwest expressing an
2 interest in the walkable food destination that downtown
3 Tucson has become. So you're going to see that in and
4 around the Rialto block, 6th Avenue, the MLK parking lot.

5 We've seen, for the first time since I've been
6 involved with Rio Nuevo, three or four boutique hotel
7 operators now expressing an interest in developing something
8 in Tucson.

9 So there's just a lot of activity. You probably
10 see it every day. Two new restaurants going into Congress,
11 a jazz club, Caribbean restaurant; a Cajun restaurant --
12 just a lot of neat things happening downtown, and we're
13 prepared to commit our resources to continue to extend this
14 all the way to the West Side.

15 So I will get out of your hair. And we're ready
16 for Item 6 on our agenda, which is Rancho Chuck Shon.

17 And John, do you have a spokesperson?

18 ATTENDEE: Yes, we do.

19 CHAIRMAN McCUSKER: All right.

20 And if you'll introduce yourself and launch away.

21 ATTENDEE: Good afternoon. My name is Anthony
22 Meija. I was raised in the neighborhoods surrounding Chuk
23 Shon. I'm a native to Tucson and graduated from Cholla High
24 School. I'm one of many young citizens who want to see
25 Rancho Chuk Shon come to life.

1 A reading from the original brochure: Rancho Chuk
2 Shon, a 15-acre site immediately south of Mission Gardens,
3 will be recreated to reflect both the natural,
4 environmental, and cultural legacy of Tucson's early
5 inhabitants.

6 Emphasizing the balance between man and
7 environment, Rancho Chuk Shon will use natural materials for
8 construction and provide amenities such as cultural
9 education centers for families, sports facilities and trails
10 along the Santa Cruz, a charro ring and creative play
11 equipment for children, open-air mercados will provide space
12 for native American and other local artisans to display any
13 crafts.

14 Now it is my honor to introduce Diego O'Bolger.
15 Diego was raised in Tucson and became infatuated with the
16 art of bullfighting. Diego became one of six American-born
17 bullfighters enjoying an honored career including many
18 appearances in the big ring in Mexico City and Madrid,
19 Spain.

20 While in Mexico, Diego spent many years on bull
21 ranches working with charros and learning the history of
22 charros, which helped make the Southwest today.

23 Without further ado, Diego O'Bolger.

24 ATTENDEE: Thank you, Anthony. And thank you,
25 gentlemen of the committee. I appreciate the opportunity to

1 speak to you today.

2 The one common element of our rich and diverse
3 Southwestern culture is the horse. Probably no other animal
4 has had more influence on the development of mankind than
5 the horse. This noble animal evolved entirely in the
6 Western United States. And after migrating to Asia and
7 beyond, he totally died out in North and South America.

8 They did not return until a Hernan Cortes arrived
9 in Mexico with 32 horses. Most historians consider these
10 horses one of the reasons so few men could overcome such
11 vast numbers of opponents. The Indians thought the
12 conquistadores were some kind of god, some kind of half man,
13 half animal.

14 After the conquest, fearing an insurrection from
15 mounted warriors, no Indian was allowed to ride a horse; use
16 a saddle or spurs; and much less, a firearm. It was not
17 until 1619 that permits were given to indigenous workers of
18 a large hacienda just north of Mexico City so they could
19 ride horses with saddles and spurs.

20 And in the beginning, they used long lances to
21 move and to guide the cattle the way they wanted. By this
22 time, the original horses that Cortes had arrived with,
23 along with others brought over from Spain, had multiplied.
24 And many had wandered off to run wild and live in the --
25 reproduce in areas that were considered too marginal for

1 farming.

2 Also at this time, there were many small
3 landowners that captured these wild horses and began to
4 breed and to raise the offspring. These people were
5 slightly above the average vaquero and they became known as
6 a Chinaco. There's a good example of the upper right.
7 There. You see the clothing they're wearing. The
8 noteworthy thing of these, the Chinacos, was their superb
9 horsemanship and an ability to handle cattle that were often
10 very wild.

11 It was some time in the 1600s or early 1700s the
12 riata, or lariat came into use. Not only could the riata be
13 used to lasso a steer, it could pull an enemy off the horse
14 and drag him on the ground.

15 With the establishment of new larger and
16 multipurpose haciendas in the late 1600s and early 1700s,
17 many of the foremen -- the mayorales, corporales,
18 capataces -- became charros. The word "charro" comes from
19 the name of the country folk in a Province of Salamanca in
20 West Central Spain; whereas most activities by the charros
21 of Spain were done by men on foot, in Mexico almost
22 everything was done on horseback.

23 With the -- all the activities, or suertas,
24 practiced in the charreada today, came from the normal
25 activities used on a daily basis on the haciendas of Mexico.

1 To celebrate a saint's day or a national holiday, charros
2 from different haciendas in a given area would meet in a
3 common arena with its lienzo to show off their skills and
4 compete with the other charros from the other haciendas;
5 thus, the charreadas were born.

6 Over the years, many hacendados became
7 accomplished charros. The charros were the first rural
8 police force in Mexico after the Army. They played a
9 significant role in the victory at the Battle of Puebla on
10 Cinco de Mayo of 1862. They were used extensively and with
11 great success in the Mexican Revolution of 1910 to 1917.

12 Throughout the 1700s and into the 1800s, with the
13 expansion of the haciendas into Northern Mexico and into the
14 Texas territory, which still belonged to Mexico, the
15 knowledge, abilities, and specialized skills of the charros
16 spread with the haciendas. Their influence directly
17 affected the many Europeans and Americans who were moving
18 into the Texas territory. Whereas previously these new
19 arrivals were drovers that moved their cattle on foot, they
20 became the mounted forerunners of the American cowboys, or
21 vaqueros.

22 Many of the terms, and almost all of the
23 activities of the modern rodeo, came from the charros:
24 rodeo, from the Spanish verb rodear, or to surround; lariat,
25 from the two words la reata; lasso, from the Spanish verb

1 enlazar, or to rope; and mustang from mesteno, to name a
2 few.

3 Rancho Chuk Shon can be the perfect,
4 self-sustaining venue that can showcase the interrelation of
5 the Tohono O'odham, the Yaqui, the Spanish, Mexican, and
6 American cultures in a living, moving embodiment of the
7 origins and development of our unique Southwestern culture.
8 It can not only fulfill the need for a quality, productive
9 anchor point for an overgrowing tourism and convention
10 destination, it can be a focal point of great local pride in
11 our culture, a place where we can all come together.

12 I wish to thank you all. And at this time, it's
13 my pleasure to introduce the wonderful architect that has
14 put so much effort into it. Many of you know him,
15 Mr. Ric Espiriti.

16 ATTENDEE: Good afternoon, Mr. Chairman, members
17 of the board. My name is Ric Espiriti, as it was mentioned
18 so eloquently by Mr. Diego.

19 This area that is depicted on this drawing here,
20 is surrounded by -- on the north side, by the Mission Lane,
21 which immediately after that, to the north, is Cushing
22 Street, which has the new bridge that -- that new bridge is
23 the one that has been completed and is possibly going to be
24 ready pretty quick for at least inspections and other things
25 prior to finishing that up.

1 There's a point right there where everything ends.
2 And then, that street is Cushing Street. Mission Lane is
3 this road that presently serves the Barrio Sin Nombre area,
4 which is just north of Mission Gardens. On the west side,
5 we have the Black Mountain as we call it, or today, known as
6 A-Mountain. On the east side, we have Santa Cruz River. On
7 the south side, we have 22nd Street. And this whole area
8 that is depicted on this drawing is approximately 44 acres.

9 Surrounded by neighborhoods around this area, you
10 would find Kroeger Lane, you would find Barrio Sin Nombre on
11 this side, you would find Barrio Viejo on this side, Menlo
12 Park on the northern -- west northern side.

13 The river has been a vehicle, or a way to get from
14 anywhere from the north to the south by the natives of
15 yesterday, and as well as many horsemen. They use it today
16 to go from this area to the San Xavier Mission. The San
17 Xavier Mission obviously is the key point for us in many
18 ways because a lot of the riders are from this area
19 surrounding here, and there's a lot of horses in this whole
20 area. So they have gathering points and they go on
21 horseback riding down the river up to San Xavier and other
22 places.

23 This project is identified primarily by this one
24 structure that it has this round area here. In the
25 lienzo -- as we call the lienzo is that long area that is

1 200 feet long and terminates on this rodeo, which is the
2 area that is rounded -- and it has bleachers for its
3 spectators to look at and so forth.

4 Typically these lienzos are shaded so that they
5 are a place for people to gather there with their families
6 and look at the charros, and riders do their suertas, or
7 their exhibition of equestrian expertise.

8 The project is surrounded -- the lienzo, as we're
9 going to be referencing this project here -- to the west
10 side of the lienzo, you have a series of shops or buildings
11 depicting commercial areas. Those areas are designated for
12 the local neighborhoods to use to sell their wares or to
13 exhibit some of their cultural history and other exhibitions
14 that they may find. Towards the end of that line of little
15 shops, is an exhibit area for Tohono O'odham.

16 And then, going across this road that is being
17 indicated here for the parking area that we have here is a
18 park. The park is called Tres Mesquites. The Tres Mequites
19 is an area presently we're proposing to have here, where
20 people gather for special meetings and is well-known around
21 the neighborhoods as a place to gather. So that's a point
22 of reference. Right now, being vacant land, when people say
23 Tres Mesquites, they know exactly where to go.

24 Presently there is a monument being prepared for
25 this area here for the first vision of the first -- the

1 natives when they first saw the -- Father Kino and others
2 riding from the south were able to see them coming
3 through -- in this particular mountain, as they call it, the
4 Sentinel Mountain was the area where they would be on the
5 very top looking around for any danger. And it's kind of
6 the vision of -- the first vision, the statue that is being
7 created now, the sculpture, is very significant as a point
8 of reference, that this wasn't an area that was well-cared
9 for.

10 The concept behind these buildings is to create a
11 gathering of people from different cultures and have events
12 associated with horses. There's a room for -- a roping
13 area. There's room for horses and other animals associated
14 with the equestrian, the charro, charreadas, and other
15 events that may be possible here.

16 Right to the north of that lienzo is a building.
17 And that building is depicted as an events center, where
18 gathering for weddings and other functions, quinceaneras and
19 other smaller to large functions, conference rooms and so
20 on, could be there. And this could be part of the
21 exhibit -- part of an event that goes on, or it could be a
22 separate event and using only a small area. So this idea is
23 the one that Bill Smith is going to be talking about as to
24 how something like this functions.

25 The area around this whole -- depicted drawing is

1 a trail. The trail has points. Those points become an
2 exhibit area for plaques and history for people, if they
3 wish to wander through, they can count to and see what
4 events transpired -- happened on the time. And we're not
5 only talking about this specific area. We're talking about
6 throughout. And that's where the Hohokam and the Pima and
7 the other natives came. And we are basically bringing
8 history and archaeology into play with this type of project.

9 The idea here is to create the parking, to allow
10 for safe and secure buildings, and to have a place where
11 gathering that celebrates the horse, the riders, and
12 continue with that beautiful history of the charro.

13 This is the project. And we wish that you have
14 time to study it and give us your responses as to how this
15 can go on. I appreciate your time. Thank you very much.

16 ATTENDEE: Good afternoon. I'm John Hunnicutt.
17 I've been involved with putting this project together for
18 the last several months. I'm going to talk about the
19 enterprise part of it and the marketing and the development
20 side.

21 The market generally is going to be focused on the
22 local equestrian activities. In the area within a half mile
23 radius of Rancho Chuk Shon, there are over 150 horses, just
24 in that immediate vicinity, not to mention the others.

25 It will include a corporate conference and banquet

1 center to handle -- whether it be things from the local
2 resorts or even the Tucson Community Center where the -- as
3 conventions move into town or places for quinceaneras.

4 MR. RITCHIE: John, how big is that conference
5 center?

6 ATTENDEE: Right now it's -- the size is about
7 2500 people, seated.

8 MR. RITCHIE: So pretty big?

9 ATTENDEE: Yeah. It's a pretty good size.

10 And then it's also, in other areas, just
11 year-round tourists looking for a Southwestern environment.
12 We don't have anything in Tucson right now that really -- on
13 an annual basis -- year round, depicts the Southwestern
14 activities.

15 Obviously it will be a community meeting place.
16 And it'll even handle -- it'll have an outdoor concert stage
17 for mariachis and hosting Native American country
18 entertainment as well as powwows. The tribes are very much
19 involved, in favor of this project.

20 Obviously this will be a little short because
21 we're all aware of what tourism means to Tucson. Tourism
22 right now in the United States is growing, creating jobs
23 26 percent faster than any other industry, nationally. And
24 the last 29 consecutive months of growth have been in the
25 tourism industry.

1 And Rancho Chuk Shon will be working closely with
2 the Tucson Convention and Visitors Bureau. We've spoken
3 with them. In fact, you'll find a letter from Brent
4 expressing his interest in supporting the project.

5 The lienzo arena will embody several items of the
6 Mexican charreada, which is basically the Mexican rodeo, as
7 well as be able to handle some traditional rodeo events that
8 also include, you know, "bronc" and bull riding. There were
9 be provisions for tack and riding equipment and Native
10 American crafts. There will be two or three various
11 restaurant facilities.

12 And then the event center, obviously will -- as
13 we've talked about -- will offer destination entertainment
14 for corporate events and, you know, featuring shows with the
15 lienzo, the escaramuzas and the charros. And also, it will
16 handle weddings and quinceaneras and the tribal powwows.
17 And Rich mentioned the park down at the bottom for the --
18 for meditation and just some more quiet.

19 We spent some time looking at what type of revenue
20 could be generated from these facilities. And talking to
21 some people, conservatively, the banquets and shows can
22 generate a million dollars annually; the weddings and
23 quinceaneras, in the neighborhood of 400,000; and the
24 restaurants -- if they're going to stay in business, the
25 restaurants and retail shops would be numbers in that range.

1 We're looking at 10 to 12 retail shops over in that one
2 package, besides what may go under the arena. And then just
3 other activities. So right -- if -- as that happens, that,
4 in itself, will generate almost \$100,000 a year in TIF
5 revenues.

6 And the purpose for this is -- the feasibility
7 study, we still got a lot of work to do. We got a lot of
8 work to do in the detail marketing, market research.

9 Preliminary landfill analysis, there's -- we know
10 that there -- there's remediation that needs to be done.
11 Nobody is really sure how much. One of the reasons that the
12 parking lot ended up where it is, is because that's the
13 deepest part of the former landfill. And by having it be a
14 breathing parking area, is minimum remediation will be
15 required in that. But we still need to look at what needs
16 to be done along the west side of the property, even though
17 that's the shallow part, which we believe -- and the
18 engineering believe will be the minimal requirement. This
19 project is a lot of open space, so we aren't impacted as
20 much by building buildings on it and covering everything up.

21 And then we need to complete the business plan and
22 the organization staffing and work on the investment and
23 fine tune cost estimates with the construction side of it.

24 So -- and then, last but not least, will be in the
25 legal and political dialogue. There's all the land lease

1 and how that might be handled.

2 This is just additional work that needs to be done
3 with it. You know, the more detailed site planning, the
4 remediation, architectural concepts, and all the things,
5 signage, restrictions, cost estimates.

6 And then, lastly, make sure that we stay in
7 compliance with our desired historic perspective to make
8 this focused on the Southwestern culture. We're going to
9 encourage anybody who -- the shop owners, for instance,
10 we're going to encourage them to have related products,
11 whether it be clothing for the Mexican escaramuzas or the
12 charros, to saddle and leather shops, so...

13 And then what we estimate for the Phase 1 of
14 the -- for our feasibility study is the administrative and
15 marketing expenses, completions of the business plan. We
16 know there's going to be consultants needed somewhere. So
17 that's a number that we're looking at. Legal, that's always
18 an exciting number to deal with attorneys, but we feel we
19 can get that -- we feel we can get the done for -- at least
20 the preliminary part. Because we've got to have somebody
21 that -- very, very helpful for, so far, no money.

22 And then the land planners and the soil analysis
23 and the architecture design.

24 So it's -- and we're looking for in Rio Nuevo is a
25 grant of \$50,000 to get started while we seek other local

1 grant resources, whether it be from the Tribe; the City; or,
2 in fact, we've already started some grant applications from
3 outside sources, outside the local areas.

4 And we've identified a team of professionals that
5 are very familiar with the property. We feel that that's
6 going to help us a lot in minimizing the amount of planning
7 and technical work that needs to be done. So -- and we'll
8 certainly look for the board's help in securing long-term
9 leases for the 501(c)(3).

10 And we'll be here. If you don't want us here once
11 a month, we'll be here when you want us to be. But at least
12 once a month, we're willing to come down and give you a
13 report of what's going on.

14 The 501(c)(3), the board is: Josefina Cardenas,
15 who I'm sure everybody is familiar with, who's been the
16 driving force to keep this alive -- thing alive since 1999.
17 Austin Nunez, he's the chairman of the San Xavier
18 district -- offered to serve on it. Diego has agreed to
19 serve on the board to assist particularly in the marketing
20 areas. He's had a longer career as a business man in
21 marketing and sales, particularly in Mexico, than he has as
22 a matador. Then Tamara Jones, who is a designer; she's on
23 the board.

24 Right now, what I'd like to do is introduce Bill
25 Smith. We've talked about -- we were -- when we put

1 together this thing, that we want to be able to do something
2 that would provide jobs and provide a working environment.
3 And I started looking around, and I found this place up in
4 Levine, Arizona, that has actually made a very successful
5 business out of the corporate events and using the lienzo as
6 a major part of the show. I'm going to let -- Bill's going
7 to -- has agreed to come down and talk about their success
8 and his impression of this project.

9 So to you, Bill?

10 ATTENDEE: Thank you, John. Mr. Chairman, members
11 of the board, my name is Bill Smith. My wife and I were
12 fortunate to found Corona Ranch and Rodeo Grounds 22 years
13 ago. Rancho Chuk Shon is exactly what I would do if I had
14 an opportunity to rebuild and start something like Corona
15 Ranch over again.

16 Corona Ranch is 13 acres; this is 26 acres.
17 Corona Ranch is 8 miles from downtown; this is 3 miles from
18 downtown. Throughout our career, we've been very -- oh,
19 here's some pictures of the ranch. Someone asked a question
20 about the size of the banquet facility at Rancho Chuk Shon.
21 And the one that we sketched out is 20,000 square feet; the
22 one at Corona Ranch is 14,000 square feet. So that's one of
23 those items that if I had a chance to redo over, we would
24 make it larger like we can look at here at Corona Ranch.

25 We've been fortunate in our tourism career. I

1 served as the chairman of the board of the Phoenix
2 Convention Bureau for the last four years and the vice
3 chairman for two years before that. So we're deeply
4 embedded in the tourism business, including the Arizona
5 Office of Tourism.

6 Some of the great things you have involved in the
7 project -- besides location, you have a great team that's
8 committed to this already. The main business that I think
9 this event -- I think this location will bring -- will be
10 corporate tourism. I think that will be followed closely by
11 weddings and quinceaneras. And third, and one of the most
12 important aspects, will be community events. Whether that's
13 Cinco de Mayo, rodeo days, history of the cowboy, wine
14 tastings, all of those events, with a location this close to
15 downtown, I think those are all a natural.

16 You have a unique product here, certainly unique
17 to Tucson. One of the reasons the charro is booked so much
18 at Corona Ranch in Phoenix, is it's similar to when you go
19 to Hawaii. You're not going to go to Hawaii and not go to a
20 luau. And you're not going to go to Arizona and not take
21 the opportunity to see a rodeo or a charreada if you have
22 that chance.

23 The community support that this project has
24 generated over the Native American Indian community, the
25 Hispanic community, and the Anglo community I think is

1 unprecedented. I think that's an incredible opportunity
2 here.

3 This product must be great when it comes out of
4 the ground. But to have the chance to start from scratch, I
5 think that's a once-in-a-lifetime opportunity. This is a
6 terrific layout that Ric has started here. You know, it's a
7 small point, but an important point is, there's no real
8 noise ordinance on this location because there's not a lot
9 of existing residential around. There is existing
10 residential, but it's a small point but a wonderful point,
11 that if you point the noise in the right direction or
12 towards A-Mountain, you've really got a great thing there.

13 I love the horseback riding ability to ride down
14 the river, to take a three-hour ride. I think that would be
15 terrific here in town. We've already gotten great support
16 from the Tucson Convention Bureau. All my friends in the
17 hotel business down here at the JW Marriott, at Loews
18 Ventana Canyon, at El Conquistador, they're all incredibly
19 excited for this.

20 That was Taylor Swift playing at Corona Ranch
21 about eight months after her first album came out.

22 So in closing, I just think this is a wonderful
23 opportunity. I think it's very exciting. We're thrilled to
24 potentially be a part of this. If I can answer any
25 questions on tourism or what the thoughts are in this

1 direction...

2 CHAIRMAN McCUSKER: Is your operation -- and to be
3 clear, in case people don't know where Levine is, you're...

4 ATTENDEE: We're really south Phoenix. It's
5 six miles south of --

6 CHAIRMAN McCUSKER: Six miles south of downtown
7 Phoenix?

8 ATTENDEE: Correct. We're ten minutes from
9 Phoenix Sky Harbor Airport. And as I said, it's been a
10 great run for 22 years.

11 CHAIRMAN McCUSKER: And are you open year-round?
12 What's your schedule like?

13 ATTENDEE: Year-round. I mean, I'm really -- in
14 my tourism year, there's 300 days because July and August in
15 Phoenix almost don't count. We certainly don't count on
16 making any money in July and August. Our best year, in
17 2007, we did 107 events in 300 days. So a little more than
18 one every three days, which I think is terrific.

19 One of the big aspects about this is, also it's
20 open to the public. We are not open to the public. So this
21 gives us another leg up by being open to the public, and I
22 think a great restaurant in there, and I think the retail
23 shops. And John and I talked about -- you know, we talked
24 about the potential to bring a saddle maker, a boot maker, a
25 spur maker, and condense many of those businesses in that

1 location I think would be terrific.

2 MS. COX: When you say "we," what is your role in
3 the Tucson...

4 ATTENDEE: I don't have a role yet. I'm helping
5 out.

6 MS. COX: Okay. So you don't have an official
7 role?

8 ATTENDEE: I do not have an official role.

9 MS. COX: You're not officially a part of it?

10 ATTENDEE: I'm here because I think this is a
11 great product. I think people consider that having been in
12 the industry for 22 years and chairman of the board, that
13 I'm smarter than I look as far as tourism goes. So at this
14 point, I'm happy to help out.

15 MS. COX: Okay. Thank you.

16 ATTENDEE: Anything else I can answer?

17 CHAIRMAN McCUSKER: The talent, the charros,
18 the -- these are very specialized events?

19 ATTENDEE: It's an incredibly specialized event.
20 The charros -- the charros are one of the bravest and -- I
21 just -- I love their spirit that they put into the shows.
22 Our escaramuza team of eight, I think, is the greatest
23 escaramuza team I've seen. There is one or two great
24 escaramuza teams down here in Tucson. I don't think we're
25 going to have any problem putting out some great teams.

1 There are roughly 88 Mexican rodeo teams across the United
2 States; one in every major country. So Tucson certainly has
3 some great charros and escaramuzas.

4 CHAIRMAN McCUSKER: And I know you haven't
5 probably officially looked at it, but the revenue estimates,
6 is that...

7 ATTENDEE: I've looked over them about two or
8 three times. I think the estimates are very conservative.
9 I would sure love to tell you what we did in the good times,
10 but that's tough now.

11 I think it's going to be very easy for this
12 location to do 2 to \$3 million in sales. And this is a very
13 high-profit industry. You know, the restaurant business,
14 not a high-profit industry, 10 percent. But catering and
15 banquet food and beverage is an incredibly high profit. And
16 that's easily a 20 to 25 percent profit business.

17 MR. RITCHIE: Two questions.

18 When you said 110 events was your high --

19 ATTENDEE: 107 in 2007.

20 MR. RITCHIE: 107. Of your 107 events, do you
21 have any formulation, a number in your mind, how many people
22 walked through your gates, just guessing?

23 ATTENDEE: You know, our best event was National
24 Association of Nurses. And granted, we have a larger
25 convention center, we have larger hotels up there. National

1 nurses association was 5,400 nurses at \$81 a person. So on
2 a 4-hour dinner, that was a over-\$400,000 dinner.

3 So what -- I hate to say it crassly, but what
4 matters more to me is the dollars than the amount of people.
5 If we were -- if I were to say the amount of banquet people
6 we've had in a year, I would have to guess 10- to 15,000 in
7 banquets through the door. And this will be 10 times that
8 by being open to the public.

9 MR. RITCHIE: Well, I think it's a win-win because
10 our job is to get people downtown to spend dollars. So if
11 they spend dollars there and then elsewhere, that's great.

12 And then how many rodeos did you guys have? What
13 kind of rodeos did you have, high school rodeos or college
14 rodeos or...

15 ATTENDEE: Well, most of our rodeos are a
16 corporate show that we've developed. It'll be -- again,
17 that will be different here because having the western arena
18 and the lienzo arena and we talked about the availability of
19 the U of A to practice there. There's just so many other
20 equestrian opportunities here that aren't available in
21 Phoenix.

22 And the other incredible thing is there's very
23 limited competition for this market down here. There's
24 just -- I'm sure old Tucson or old Tombstone is great, and
25 there's a couple other great places down here. But this is

1 kind of on its own and really limited competition.

2 Anything else?

3 MR. SHEAFE: Yeah. You've been in business now
4 22 years out there. Tell me about the first few years. How
5 did you get it started?

6 ATTENDEE: I can tell you absolutely, exactly. I
7 was dating this young women here, who has now been my wife
8 of 24 years, and I was a waiter at Arizona Biltmore. And I
9 would watch the convention people. And they would come and
10 they would put on a fake cowboy hat and they would put fake
11 cactus and fake hay bales out in the parking lot. And they
12 would go out and do their western night.

13 And her family had a beat-up, old charreada arena.
14 And five years later, we transformed that. And I named it
15 after my wife, Maria Corona, so Corona Ranch became.

16 Our first year we did four groups. Thankfully my
17 sister was a paralegal at Del Webb. And that was our first
18 group of all time. Our first year, we did 4 groups; our
19 second, we did 8; our third, we did 16; our fourth year, we
20 did 32 groups.

21 So we don't -- we don't have those so-called
22 hassles -- we don't have those challenges here because,
23 again, we have the City involved, Rio Nuevo involved, the
24 Tribe involved, the community involved. So that was a
25 startup by my wife and I only, with no help. So this has a

1 lot less challenges opening.

2 MR. SHEAFE: Would it be true to say that when you
3 got this thing going, you didn't really have the ability to
4 carry a lot of overhead, and you were just out there putting
5 this thing together?

6 ATTENDEE: We were lean and mean. I announced
7 every rodeo for my first 11 years, I'll tell you that. And
8 that's the goal for here. And at 26 acres, this is the
9 perfect size. It's not too big and it's not too small.

10 MR. SHEAFE: Okay. That was my question. By the
11 way, congratulations.

12 ATTENDEE: Anything else I can answer?

13 I spent 18 months -- or my hospitality division,
14 Rawhide hired us for 18 months. They were losing
15 \$3.3 million when they hired us. At the end of our
16 contract, they were losing \$800,000 a year. That's an
17 incredibly difficult property to manage. Their overhead is
18 astronomical. But it was a great learning experience and it
19 was good consulting.

20 MR. IRVIN: Thanks for coming down.

21 ATTENDEE: Anything else?

22 CHAIRMAN McCUSKER: Thank you for coming down.
23 Spend a weekend here and spend some of that Phoenix money.

24 John, anything else from your group? Does that
25 conclude the presentation?

1 ATTENDEE: That's all we've gone.

2 CHAIRMAN McCUSKER: Any questions for anyone
3 that's spoken?

4 A couple of things, I think, just in terms of how
5 we might respond to this. We've talked about, you know,
6 the handcuff nature of the District regarding the Notice to
7 Proceed.

8 I think if we could vote today, you guys would
9 probably get 7 votes to move forward on a project like this.
10 What I like about it is it's culturally and historically
11 accurate; it's using ground that otherwise would probably be
12 unused; it does not require huge infrastructure, investments
13 on our part; and it will produce tax revenue, which is, at
14 the end of the day, what we're all about.

15 So I think this is something that we would like to
16 continue to pursue and discuss. I think it ties nicely into
17 the Mission Gardens conversation, the topics that we've
18 discussed with the County and the University regarding
19 Tumamoc Hill, the possible archeological richness of the
20 whole West Side, the Convento, visitors bureau. All these
21 kind of things begin to make sense to tie together.

22 Mr. Collins, if we wanted to give somebody
23 \$50,000, could we?

24 MR. COLLINS: Well, Mr. Chairman, the March 22,
25 2011 amended restated IGA for the District does allow the

1 District to expend up to \$50,000 independent of the City of
2 Tucson.

3 So hopefully that answers your question.

4 CHAIRMAN McCUSKER: And is there a procurement
5 issue or a competitive issue? Do we have to RFP something
6 like this? Or could -- my experience with that is, a
7 project so specialized gives us some latitude in terms of
8 how we could engage with them.

9 MR. COLLINS: We have to comply with Title 34,
10 which deals with construction, architects, and that sort of
11 thing. I think at this stage of the game, you'd be in a
12 position to -- because this is -- what I'm hearing is this
13 is a feasibility study.

14 CHAIRMAN McCUSKER: Rio Nuevo is littered with
15 feasibility studies.

16 MR. COLLINS: Yeah, it is. And that doesn't
17 necessarily address, Mr. Chairman, the Notice to Proceed
18 issue. However, I did want to point out, as we discussed
19 before, that very recently the City of Tucson and Rio Nuevo
20 amended its operating agreement and specifically authorized
21 Rio Nuevo to spend up to \$50,000 independent of the City.

22 CHAIRMAN McCUSKER: I guess I'd ask the board,
23 then, what your pleasure is. We can continue to converse
24 with these entrepreneurs who bring these projects to us. We
25 might be able too give them a little seed money to move it

1 further along.

2 MR. SHEAFE: Mr. Chairman, let me weigh in on this
3 a little bit because we have two duties here. And one of
4 them is to be financially responsible. And the other one is
5 to move Rio Nuevo along and recognize the cultural aspect of
6 the overall Rio Nuevo commitment to the community.

7 And it's very difficult to ask a group to come in
8 and be fully prepared with all the answers, without having a
9 way to get there. Because, frankly, when you take on a
10 project of this nature, there is just a lot of answers that
11 need to be generated and those take hours and hours of
12 rather well-informed organization and opinions. And that
13 doesn't come just by somebody sitting down at the kitchen
14 table with an interest and thinking it through.

15 And these kinds of businesses are businesses of
16 tremendous personal energy. What we have is a very nice
17 potential facility, and we have an excellent group of
18 interested parties.

19 Let me just give you a personal opinion.

20 I watched, in my years of chairing the Citizens
21 Advisory Committee, good projects, in my personal opinion,
22 destroyed when too much money was thrown at people and
23 consultants got going on them without having any personal
24 skin in the game.

25 And I can tell you, I finally concluded that you

1 can pretty much get a consultant to tell you anything if you
2 first tell him how much you're going to pay him or her.
3 Unfortunately, very often, what makes very good sense on
4 paper makes absolutely no sense in the ground.

5 I would actually like to move forward on this.

6 And I would like to make a proposal that would
7 open an opportunity for Rancho Chuk Shon to have a way to
8 get it done but to force bringing in other resources.

9 So my motion would be that we approve \$50,000 as a
10 matching amount which must be committed to and matched. And
11 I'd like to have the Tribes, since this is very important
12 culturally to them, to come up with their 50,000. And then
13 a third element, come up with their 50,000. And once the
14 150,000 is agreed to, then we'll all put our money in, and
15 we'll get the studies going.

16 And hopefully, in that process, the people that
17 will be receiving some of that money will also have a lot of
18 skin in the game. And then maybe we can get one of these
19 projects to actually get through and get built rather than
20 just be another report on the counter without having any
21 real long-term results.

22 And I want to say in making this suggestion, or
23 motion, that I really have to compliment the people that
24 have gotten this far because they've really worked hard to
25 get this far, and a lot of it on volunteer time. And that

1 says an awful lot about the energy. And it gives me the
2 confidence that if the other parties come in and everybody
3 gets bought into this thing, we actually could move forward
4 and become everything that we're thinking it could become.

5 CHAIRMAN McCUSKER: All right. The motion I think
6 I heard in there is that we would be willing to offer them
7 \$50,000 subject to their ability to match it twice.

8 MR. SHEAFE: Twice over.

9 CHAIRMAN McCUSKER: Twice over.

10 MR. RITCHIE: I second that.

11 CHAIRMAN McCUSKER: Any further discussion?
12 Everyone understanding this? We're okay, legally? Any
13 questions, comments?

14 MR. RITCHIE: I would like to echo what Chris
15 said. I think you guys have done a fantastic job. Very
16 thoughtful, very thorough, and personally, I like it a lot.

17 MS. COX: If I could just say, too, Mr. Chair,
18 that I'm impressed by what I've heard today. And I was
19 impressed in the beginning, but even more so when I heard
20 Bill speak to his success in -- without the opportunity that
21 we have and the right-sized property to do it. And it looks
22 very exciting. And I love it and I would love to be part of
23 it.

24 But I wouldn't -- what I wouldn't like to do, is
25 put out \$50,000 and then not know that the rest of the money

1 that's needed to make this go forward is going to be there.

2 CHAIRMAN McCUSKER: I think I heard in his motion
3 that we wouldn't advance any money until they --

4 MS. COX: Well, that's what I'm saying. That's
5 why --

6 CHAIRMAN McCUSKER: -- demonstrated amounts, so...

7 MS. COX: -- as much as I would like to help them
8 immediately, I would also -- I agree with Chris, that if
9 this is going to be successful, others will know that and
10 they will join this effort with us. And let's get it done.

11 CHAIRMAN McCUSKER: John, you're eager to say
12 something.

13 ATTENDEE: Well, I just wanted to -- I just --
14 it's part of my heritage.

15 How about if we match it with the -- if we get the
16 first 50. Because if we get 100, it's going to be a lot
17 easier to get the next 50, or the other 50s. So I just
18 wanted to offer that.

19 And I appreciate your time and your commitment.
20 Thanks.

21 CHAIRMAN McCUSKER: I didn't make the motion.

22 Mr. Sheafe, you made the motion. Do you have any
23 interest in --

24 MR. SHEAFE: Well, I really think -- I think John
25 made the right point. If you got the first guy putting in

1 the 50, the second guy putting in the 50, the third 50 will
2 be pretty quick.

3 And so I think the motion covers the issue. But
4 at the end of the day, they have to know they got 150,000 in
5 order to get their program put together.

6 CHAIRMAN McCUSKER: Okay. Any further
7 conversation?

8 Let's do the roll call vote.

9 Michele, could you do the roll call.

10 MS. BETTINI: Mark Irvin?

11 MR. IRVIN: Yes.

12 MS. BETTINI: Cody Ritchie?

13 MR. RITCHIE: Yes.

14 MS. BETTINI: Jeff Hill.

15 MR. HILL: Aye.

16 MS. BETTINI: Fletcher McCusker?

17 CHAIRMAN McCUSKER: Aye.

18 MS. BETTINI: Alberto Moore?

19 SECRETARY MOORE: Yes.

20 MS. BETTINI: Chris Sheafe?

21 MR. SHEAFE: Yes.

22 MS. BETTINI: Jannie Cox?

23 MS. COX: Yes.

24 MS. BETTINI: Okay. We have seven to nothing in
25 favor.

1 CHAIRMAN McCUSKER: Look at that. We did
2 something. Thank you.

3 Now, we will work with you on how this works. And
4 I think we're very interested in helping you solicit and
5 identify those potential partners.

6 MS. COX: Absolutely.

7 CHAIRMAN McCUSKER: I agree with Jannie. Bill, I
8 think you bring a lot to this. And I hope as part of this,
9 we can find a way to use your expertise and actually run
10 such a venue. So thank you very much.

11 MR. SHEAFE: I would just like to compliment Bill
12 Smith and his choice of girlfriends. Seems to have worked
13 out.

14 CHAIRMAN McCUSKER: Okay. CFO report.

15 Bill? Thank you. And I guess you don't need any
16 introduction. But for those people in the audience, this is
17 Bill Allen, our recently-hired chief financial officer as of
18 September 4th.

19 MR. ALLEN: Hi. This is my first report to the
20 board since my hire. And the two areas that I've been asked
21 to comment on which are of immediate concern is the
22 impending audit, as well as cash.

23 I've been working since hire, September 4th, to
24 collect, organize, evaluate, and record all information
25 related to the maintenance of the financial records of the

1 Rio Nuevo District for the fiscal year 2012 and beyond.

2 My primary objective since hire has been a
3 completion of financial records linked to the current fiscal
4 year ending June 30th, 2012, and related pending audit on
5 same.

6 The outside auditor of these records and related
7 analysis is the firm BeachFleishman. Beach has handled the
8 audit of the Rio Nuevo financial records for the last two
9 fiscal years -- fiscal 2010, 2011 -- and has issued
10 qualified opinions on the published statements. At the
11 heart of the qualified opinions -- ideally you seek to have
12 an unqualified opinion -- it was largely the verification of
13 ownership on stated assets as well as the asset values.

14 This year's audit reflects their third year as
15 outside auditors of financial records. The audit will
16 include careful conversation of resolving the asset issues
17 that led to the qualified opinions issue. The quick
18 resolution of these matters is one of the key challenges in
19 finalizing our records for June 30th, 2012.

20 Fiscal 2012 was a transition year for the
21 preparation of the books, at first held and produced through
22 the firm R&A CPAs and then transferred, roughly, in
23 January 2012 to internal District personnel. Records used
24 to produce the financials are supported by activity related
25 to the District's internal books but also includes activity

1 related to Rio Nuevo's assets and liabilities held at the
2 City of Tucson.

3 Their assets, liabilities and activity on same are
4 separately tracked by the City of Tucson as they link to the
5 obligations guaranteed by the City on related underlying
6 debt. Preparation of the full financial statements for the
7 District thus includes Rio Nuevo activity compiled from both
8 sources. This also presents its own unique challenges.

9 The target for audit completion and the generation
10 of opinion letter from Beach is month-end October 2012, and
11 I'm working hard to meet this goal.

12 Second issue is cash. In August 2011, the Rio
13 Nuevo District recorded cash in of \$10 million, funds
14 transferred to Rio Nuevo from the City of Tucson.

15 This represented, at the time, a substantial
16 portion of the cash available to the District.

17 These Rio Nuevo-held funds have been used to date
18 for expenses of the District. The present cash balance
19 remaining from these funds and other sources of cash
20 received directly by Rio Nuevo as of September 21st, 2012,
21 is \$8,889,000. All fund are presently held in
22 noninterest-bearing accounts.

23 At some point, in the very near future, we may
24 want to consider options for investing a portion of idle
25 funds into safe, FDIC insured interest bearing instruments.

1 The nature of approved investments must be consistent with
2 statutory state requirements. I recently performed a
3 limited review of available rates for investment. Annual
4 rates for qualified instruments presently appear to be at or
5 near 0.3 to 0.6 percent annual percentage yield.

6 The mechanics, timing of investment activity may
7 require the board to assign approval as well as
8 transactional authority outside the monthly board meetings.
9 A summary of activity will still need to be reviewed at each
10 of these meetings, however. The maintenance of the required
11 short- and long-term liquidity will be paramount in any
12 decisions made.

13 Other cash-on-hand is maintained on behalf of Rio
14 Nuevo at the City of Tucson related to activities
15 tracked/recorded on the City's books linked to activity of
16 the District. The City of Tucson is the collection agent of
17 all TIF revenue from the State monthly, and these funds are
18 held for the specific use of the Rio Nuevo District. All
19 COT, City of Tucson, held cash related to the District is
20 presently under review.

21 And that's my report.

22 CHAIRMAN McCUSKER: Any questions for Bill?

23 MR. SHEAFE: At this point, Bill, have you had a
24 chance to satisfy yourself that you know what percentage of
25 the total businesses that should be paying in is actually

1 being monitored and paid-in correctly, and how big of a gap?

2 And I know that there's been a lot of help from
3 the City in getting here, so I guess part of it is thanking
4 them for the work that they did.

5 But where are you on that now, making sure our --

6 CHAIRMAN McCUSKER: Michele's going to update us,
7 Chris. It's next. It's on the agenda next.

8 MR. SHEAFE: Oh, I'm sorry, I should just wait.

9 MR. ALLEN: She's been working hard on it. Any
10 other questions, comments?

11 CHAIRMAN McCUSKER: I think we do need to give
12 Bill some sort of authorization to invest our cash. We
13 would have to give him -- Mark? -- the authority to manage,
14 invest within the parameters that we have.

15 MR. COLLINS: Yeah. You have statutory parameters
16 on how -- how public monies -- because that's what we're
17 talking about -- can be invested. There are statutes that
18 apply to that.

19 But what you're talking about is authorizing
20 someone, Bill or anyone, to do the investment. So I do
21 think authority has to start. And then whoever's authorized
22 has to comply with the applicable statutes.

23 CHAIRMAN McCUSKER: And we could accomplish that
24 with a motion to authorize him to invest available cash
25 within those --

1 MR. COLLINS: Statutory requirements, yes.

2 CHAIRMAN McCUSKER: -- statutory requirements.

3 MR. RITCHIE: What are the statutory requirements?

4 I mean --

5 MR. COLLINS: How long do you have?

6 CHAIRMAN McCUSKER: Certain funds, certain
7 investments, certain investment types, certain lengths.

8 MR. COLLINS: Right.

9 MR. RITCHIE: What about the procurement of who
10 the -- who we choose?

11 MR. COLLINS: There's a bidding process that has
12 to go on. The authorized institutions -- there are certain
13 institutions that qualify. And then if you decide you want
14 to invest a million bucks, let's say, you're going to --
15 you're going to put it out to bid. It's an RFP type of
16 proceeding.

17 MR. RITCHIE: I just want to make sure that --
18 this is tax payer money and it's not going to a buddy or a
19 friend or something like that.

20 MR. COLLINS: Right. Right. It's public monies
21 and it's statutorily -- the statutory scheme deals with how
22 it's invested. Because you can't just pick, as you say, a
23 buddy bank and give it to him.

24 CHAIRMAN McCUSKER: The alternative is that it all
25 comes back to us.

1 SECRETARY MOORE: Split it up?

2 CHAIRMAN McCUSKER: Not the money, the decision.

3 Mr. Irvin?

4 MR. IRVIN: I was going to say that I think I
5 would like to see a plan of kind of what you're thinking,
6 Bill, as far as, you know, what's your strategy. What are
7 the options? I'd like to understand that a little bit more
8 before I just, you know, carte blanche, say, yeah, go do it.

9 CHAIRMAN McCUSKER: Jeff?

10 MR. HILL: Mr. Chairman, we wrestled with this a
11 year or so ago with Alliance Bank and one other, I think,
12 and we finally gave up trying to invest for any interest
13 because of the bondholder requirements and the bond
14 attorneys. We never could get around that, so it's not an
15 easy task. Let me assure you, we certainly tried to get
16 interest on it, but it wasn't doable at that time because of
17 the cloud over the ability to even use that \$10 million.

18 MR. COLLINS: And to that point, Jeff, it -- to
19 the extent that the money is bond money, that's absolutely
20 true. To the extent that the money is just TIF money, then
21 the applicable statutes come into play. And the segregation
22 -- or the distinction of the money is -- adds to the
23 component here.

24 CHAIRMAN McCUSKER: So I think Mark's suggestion
25 is a good one, that you would bring a plan back to us on how

1 to invest that and where and what kind of yield that would
2 produce.

3 Any disagreement with that?

4 All right.

5 Bill, thank you very much.

6 MR. ALLEN: Thank you.

7 MR. IRVIN: Welcome, Bill.

8 MR. ALLEN: Thank you.

9 CHAIRMAN McCUSKER: And a good head start. It's
10 been a, you know, tough couple of weeks.

11 Michele, a quick update from you on that merchant
12 compliant program.

13 MS. BETTINI: We continue to go up and down
14 Broadway and educate merchants. We have contacted the
15 Arizona Department of Revenue to follow up on the letter we
16 sent back in August. And we've been informed that they do
17 not have the means or the personnel to audit the whole
18 District. So they have agreed to audit the people that we
19 sent. We've added an additional two more, so we're up to
20 seven.

21 We don't have a report back on how long it's going
22 to take them to do this audit. We are working with the City
23 to confirm who is not in compliance in the TIF District. We
24 did not get any dollar amount or any type of source of what
25 they should be receiving dollar amount, just if they're in

1 compliance or not. But the City is working with us.

2 So as we continue to find merchants out of
3 compliance, I can continue to send these to the Arizona
4 Department of Revenue, and they will continue to audit who
5 we do not find in compliance.

6 CHAIRMAN McCUSKER: Now, our August TIF revenue --
7 and I think that speaks to Chris' question, Bill, and maybe
8 we can research this -- was 2.3, \$2.4 million. And that's
9 on top of the \$2.7 million July. So I do think there's some
10 catch up activity in there.

11 Part of the challenge to that -- and I spoke to
12 Treasurer Ducey, and I also spoke to Deputy Director
13 Perez -- is they viewed this taxpayer information as
14 confidential. So they can't even share with us the outcome
15 of the audits that we've generated. So I'm trying to work
16 my way through that with the State because I believe as the
17 tax levying district, we're probably entitled to that
18 information.

19 But somehow we're sending merchants to them and
20 money is being recovered and sent to our bank. But we don't
21 know how -- we don't know how to connect that to the
22 merchants. We'll continue to work on educating.

23 And there was a lot of new merchants you found --
24 right, Michele? -- that came to town and were clueless.

25 MS. BETTINI: Correct. There was a big-box store

1 and a small dress store that hadn't been educated yet that
2 are now educated.

3 CHAIRMAN McCUSKER: Thank you.

4 Susan, you're here. An update on our most
5 excellent adventure, the forensic audit.

6 MS. VOS: Good afternoon, Mr. Chairman, members of
7 the board.

8 Quick update. Depot -- that's -- you know, we've
9 been working on a response that the City put together to our
10 original report. It's in final draft. It's been reviewed
11 since final stages of the review. I have gone to the City
12 and given them an opportunity to resolve a couple of
13 outstanding items that I think may help resolve our -- a
14 couple more findings, or at least modify them.

15 And I've also sent it to John Sundt at Rusing
16 Lopez & Lizardi. He responded to me that he probably won't
17 be able to look at it until early next week. But he wanted
18 to just review that report also before we release it. So it
19 should be to you hopefully by the end of next week at the
20 latest.

21 CHAIRMAN McCUSKER: This is the Depot audit, the
22 final, your final --

23 MS. VOS: Right. It's our response to the City's
24 response to the report.

25 And then, now that I've gotten through all of

1 that, I've started working on the West Side. As I've
2 mentioned before, they have sent me a lot, a lot of
3 information. So I'm just sifting through all the documents
4 that they sent me.

5 CHAIRMAN McCUSKER: What's the time, do you think,
6 on the West Side? Weeks? Months?

7 MS. VOS: Not months. Weeks.

8 CHAIRMAN McCUSKER: Okay.

9 MS. VOS: I probably got close to 1500 to 2,000
10 pieces of paper I've got to sift through. Sylvia has been
11 very diligent on sending me information on flash drives.
12 We've printed out documents from the microfiche. We've got
13 a lot of information that they've sent to us.

14 CHAIRMAN McCUSKER: How do you feel about the
15 City's responsiveness?

16 MS. VOS: I believe it's been very cooperative.
17 At times it seems it's been a little slow, but I also have
18 to remember they're running a City at the same time.
19 They're not there to just answer all of my questions. And
20 Sylvia has been very good about -- if even she can't get to
21 it right that minute, she will respond to me and say, I'll
22 look at this in the next day or two.

23 CHAIRMAN McCUSKER: Okay. Good luck. Thanks.

24 MS. VOS: Thank you.

25 CHAIRMAN McCUSKER: Any questions for Susan?

1 You saw an item on our executive committee agenda,
2 a brief item on our public agenda regarding settlement
3 conversations with the City of Tucson. I've asked Sean to
4 stay to help remind us -- we do have authorization in
5 place -- if I stumble into this, Sean will correct me --
6 that allows the executive committee to continue to negotiate
7 toward a settlement, a global settlement with the City of
8 Tucson.

9 So, it's my belief we don't need any further
10 action. I can tell you that we have been meeting
11 extensively to that purpose, and hope to, within the next
12 few weeks, submit something to mayor and council that would
13 be along the lines of a global settlement.

14 And from our perspective, that has to include a
15 number of items, and you've heard us talk about them before:
16 the audits; the audit continuation; the cooperation; the
17 settlement of those; the properties that have been in
18 dispute; the use of certain properties; projects that we are
19 looking at, like Mission Gardens and Rancho Chuk Shon; the
20 condition of the TCC, not only in terms of its short-term
21 issues, but its long-term status.

22 So as you might imagine, these are very complex,
23 comprehensive conversations. It is our objective to do all
24 this at once. And, you know, hopefully we're a few weeks
25 away from being able to discuss that publically.

1 So if I don't need to do anything, my best advice
2 is not to.

3 And we have time to call for the audience. So I
4 think we have a few people that have hung around. Thank you
5 for putting up with us.

6 Roger...

7 ATTENDEE: Pfeuffer.

8 CHAIRMAN McCUSKER: Pfeuffer. It doesn't look
9 like Pfeuffer, but it's pronounced Pfeuffer.

10 ATTENDEE: It's because I'm growing a beard.

11 My name is Roger Pfeuffer. I'm the chairman of
12 Friends of Tucson's Birthplace. We are the party that are
13 recreating Mission Garden.

14 I want to, first, say congratulations to Josefina
15 Cardenas and the Rancho Chuk Shon group for a successful
16 presentation. We are very interested in who our neighbors
17 might be. And it sounds like an intriguing idea. We would
18 definitely like to participate in the -- in the development
19 and planning of that. So we look forward to being involved.

20 I just want to bring you up-to-date with the
21 Mission Garden.

22 Yesterday, we received our bids for the
23 construction of Phase II Mission Garden, which will be the
24 northwest quadrant. It is going to be a Sonoran Desert
25 native plant demonstration garden and a Hohokam and Tohono

1 O'odham timeline garden.

2 The contract that we will award will be for the
3 irrigation and the digging of holes for the planting of
4 those -- of those plants. We have over 500 plants,
5 including trees, cacti, succulents, shrubs, and wildflower
6 seeds. I'm not counting individual seeds, of course.

7 We also are planting trees between the western
8 wall and Mission Garden to provide kind of a buffer zone for
9 the garden and the road. We're also adding ADA-accessible
10 pathways into the garden to extend the pathways that are
11 already there in the orchard.

12 I know several of you have stopped by. But the
13 difference between the planting time in March and the garden
14 now -- the orchard -- is incredible. We actually have a
15 crop of pomegranates. We have -- we have a very unexpected
16 crop of grapes. And the figs are in their second crop of
17 the season. So for first year trees, we're doing very well.

18 I want to also mention some events that the garden
19 has held and are holding. We had our annual breakfast
20 fundraiser at the Mercado, raised close to \$5,000 for that.

21 Coming up September 29th, we will have a water
22 harvesting workshop in the garden, showing people and
23 training people how to -- how to harvest rainwater in
24 natural ways.

25 Tuesday, October 2nd, our construction starts on

1 Phase II. We will have the archeologists out there staking
2 where trees can and can't be planted and the holes go.

3 On October 9th, on Tuesday, we are making a
4 presentation to the vintage gardeners club of Marana and
5 featuring a tour of the garden.

6 On Thursday, October 11, we are part of the Walk
7 to the West Side, the opening of the new Luis Gutierrez
8 Bridge. And there will be garden tours and Mariachis at
9 Mission Garden.

10 And Sunday, October 14th, we are hosting, for
11 lunch, a national convention of the National Gardeners
12 Writers Association of America. And there will be 400
13 people for lunch in the garden.

14 So it is becoming kind of a destination even while
15 it's being constructed. And we're very happy for that.

16 Finally, we've had -- the most recent Tohono
17 O'odham grant process, we were awarded \$39,600 for helping
18 with Phase II. We had a major donation of historic
19 materials from the Arizona State Museum.

20 And finally, we -- we sent you a new request of
21 our budget to complete the garden. The figure we gave you
22 was \$1.3 million. As days go by, that figure is going down
23 because we're raising more money. So we would like to enter
24 into some fruitful discussions on the subject of Rio Nuevo
25 support for the completion of the garden. A \$50,000 request

1 immediately wouldn't be bad to get us going.

2 So we're looking forward to you coming out and
3 enjoying some of the things that are at the garden. We are
4 opening in the middle of October. We will be opening the
5 garden every Saturday morning from 8 o'clock to noon. The
6 volunteers will be out planting some of those 500 plants.
7 But we're also going to be giving tours of the garden to the
8 public who are interested. And we certainly invite you to
9 come out any time.

10 CHAIRMAN McCUSKER: Thank you very much.

11 ATTENDEE: Any questions?

12 CHAIRMAN McCUSKER: We can't. We're not allowed.
13 Diana Hadley, please?

14 ATTENDEE: Hi, everybody. My name is Diana
15 Hadley. And I'm addressing the Rancho Chuk Shon, which
16 Josefina and I have worked on for years together.

17 And congratulations on a great presentation.

18 I just wanted to point out a couple of items from
19 the point of view of the neighborhood. I live in the Menlo
20 Park neighborhood, and I'm a two-time past president of the
21 neighborhood association. And I'm also a retired historian
22 from the University of Arizona, was director of the office
23 of ethnohistorical research and associate curator of
24 ethnohistory at the state museum.

25 One thing that I wanted to point out is that this

1 area, where the plans are designated, is -- has already
2 been, I think, decided as the Sonoran Desert Park. And it's
3 a crucial open space because it is the only place in the
4 Tucson basin where the saguaros actually come down and meet
5 the river. And so it's very important to keep this as open
6 space.

7 For wildlife and for the kind of activity that we
8 have, you can actually get on a horse and equestrian
9 activities are a perfect use for that area. You can
10 actually get on a horse and you can ride from the river all
11 the way across Tumamoc through Starr Pass out the Yetman
12 Trail and get into the Avra Valley.

13 You used to be able to do it without getting down
14 and opening any gates. And so this is really a remarkable
15 feature of any large urban area, to have that kind of
16 connectivity, both for wildlife and for equestrians.

17 I'd also like to point out that this area under
18 the Sonoran Desert Park has 44 million cubic yards of
19 landfill in it. And that in the late 1980s, there was a
20 lawsuit that stopped the compaction of the landfill. And so
21 as far as construction of substantial building on top of
22 the -- of that area, it's great for an open space and great
23 for a park, but it may not be too good for any kind of
24 retail activities.

25 Another item that I wanted to point out is that

1 back in the 1980s, there are maybe -- or maybe it was in the
2 1990s, there was an issue that came up about using the
3 A-Mountain quarry as a concert area. And I believe that
4 either the Rolling Stones or some major group of --
5 entertainment group was involved in talking about that
6 development. And there was very strong objection to it from
7 the neighborhood.

8 So one of the things that really has to be kept in
9 mind with any kind of development in that area is not only
10 light pollution, but noise pollution. And I know that when
11 I was part of the downtown linkage committee, we had some
12 very extensive noise pollution studies done. And I know
13 that also the DeMeester bandstand at Reid Park had a very
14 extensive sound study, noise pollution study done. So these
15 are things that really must be kept in mind when taking into
16 consideration how the equestrian activities at the Park, the
17 neighborhood really needs to be brought into the discussion
18 as well as Friends of Tucson's birthplace.

19 And as I say again, I have three children who are
20 national rodeo champions, state rodeo champions. And I am a
21 ranch owner myself. So I am greatly in favor of equestrian
22 activities. But I think that we have to be very careful
23 about how we proceed with the use of the land.

24 And again, congratulations to Josefina and the
25 Rancho Chuk Shon group.

1 CHAIRMAN McCUSKER: Thank you, Diana.

2 And last, certainly not least, Josefina Cardenas.

3 ATTENDEE: Buenas tardes. Thank you very much,
4 for allowing us to be here and allowing us to speak.

5 I've been asking for everyone to pinch me. Pinch
6 me, not because it's been more than 15 years working
7 constantly in Rancho Chuk Shon, and my family members of
8 five and six generations in the barrio have wanted to see
9 something great come to us. And you're here for a reason.

10 And I'm not envious of you being at the seat
11 you're at. But I'm also very enthusiastic to come and knock
12 on your office door, no? Because if we need to make this
13 project successful, we need to come and work together.

14 And that's the same opportunity and blessing that
15 I have received with the Native American monument. It's
16 being worked on. It was first 27, 37, and imagine, with
17 1,000 is for our families, how much we can do for 1,000.
18 Imagine what it is for our ears to hear thousands and
19 millions.

20 But you're here and you're professionals, and you
21 know what makes it work. And I'm very pleased that finally
22 Tucson community is coming to heal the birthplace of Tucson.
23 And I thank Friends of Tucson as well, as I'm excited to see
24 us all come as voters and citizens with the City of Tucson.

25 And I especially thank the married family, the

1 Smith/Corona that are here. And that proves a lot that
2 Phoenix and Tucson are working together. Hooray, huh? I'm
3 already up to here with so much negative and sad stories.
4 We need to build this city the right way and remove all that
5 negative that's going on.

6 And we're taking that step. And I applaud and I
7 especially -- I didn't hear it if you really want us here
8 once a month. No?

9 So I'm anxious to have Chairman Nunez here. And
10 how excited our First Nation is for supporting Rancho Chuk
11 Shon. And especially on the site. Imagine what we have
12 been going through, but that site has been used as a
13 landfill. And it's going, recuperating, and anxious for us
14 to be there.

15 You were invited for the blessing. And we want to
16 have now a blessing of the animals. Because the other
17 night, I met three coyotes coming downtown at 9 o'clock. So
18 they deserve a blessing too because we can continue
19 constructing. But what about our native animals that are on
20 that site?

21 So I'm anxious and excited. And this is -- as
22 long as Creator permits it, I'm going to be here bothering
23 you. Okay?

24 Gracias.

25 CHAIRMAN McCUSKER: Gracias. That concludes all

1 our public comment cards.

2 Anything else from the peanut gallery?

3 MS. COX: Can we talk about the next meeting date?

4 CHAIRMAN McCUSKER: Jannie wants us to talk about
5 the October date because she has a medical issue on the --

6 Tell me the date, again, Michele, we're scheduled,
7 the 24th?

8 MS. COX: Can we move to the 21st?

9 CHAIRMAN McCUSKER: And Tuesdays and Thursdays,
10 Bill teaches at the University of Arizona. So would -- if
11 we want to stay in that week, we'd have to either go to
12 Friday, which is never a good day, or that Monday, the 21st.

13 MR. SHEAFE: I have no objection to Monday the
14 21st.

15 MR. RITCHIE: 22nd.

16 MS. COX: Monday the 22nd, that's right.

17 CHAIRMAN McCUSKER: We'll double check with
18 everybody, but it sounds like it might work.

19 MS. COX: Thank you, Mr. Chairman.

20 CHAIRMAN McCUSKER: Mr. Hill did move to adjourn;
21 I didn't hear a second.

22 MS. COX: Second.

23 CHAIRMAN McCUSKER: All in favor, say aye.

24 (The board voted and the motion was passed)

25 CHAIRMAN McCUSKER: Thank you very much. See you

1 all in October.

2 (Meeting concluded at 4:25 p.m.)

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C E R T I F I C A T E

I, John Fahrenwald, certify that I took the shorthand notes in the foregoing matter; that the same was transcribed under my direction; that the preceding pages of typewritten matter are a true, accurate, and complete transcript of all the matters adduced to the best of my skill and ability.

John Fahrenwald