

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona  
January 14, 2014  
2:00 p.m.

REPORTED BY:

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1 (Meeting commenced at 2:02 p.m.)

2 CHAIRMAN McCUSKER: Okay. We'll call the meeting  
3 together. It is 2:02 by our official clock.

4 And Mr. Ritchie is going to be 20 minutes late.  
5 So we'll go ahead and get started.

6 Mr. Hill, since you're on that end of town, do you  
7 want to lead the pledge?

8 (Pledge of Allegiance recited.)

9 CHAIRMAN McCUSKER: I like that. He gave us a  
10 countdown.

11 MR. HILL: That's right. Like the Boy Scouts.  
12 You betcha.

13 CHAIRMAN McCUSKER: Michele, call the roll.

14 MS. BETTINI: Alberto Moore?

15 MR. MOORE: Present.

16 MS. BETTINI: Jannie Cox?

17 MS. COX: Present.

18 MS. BETTINI: Chris Sheafe?

19 TREASURER SHEAFE: Present.

20 MS. BETTINI: Fletcher McCusker?

21 CHAIRMAN McCUSKER: Here.

22 MS. BETTINI: Mark Irvin?

23 SECRETARY IRVIN: Here.

24 MS. BETTINI: Jeff Hill?

25 MR. HILL: Here.

1 MS. BETTINI: Cody's running late.

2 CHAIRMAN McCUSKER: And Cody's on his way.

3 You have been supplied the transcripts of the  
4 December 16th meeting. They're verbatim. Any comment,  
5 question, concern?

6 TREASURER SHEAFE: Move for approval.

7 CHAIRMAN McCUSKER: I need a second on that.

8 MS. COX: Second.

9 SECRETARY IRVIN: Second.

10 CHAIRMAN McCUSKER: Jannie beat you.

11 So motion by Mr. Sheafe. Second by Ms. Cox. All  
12 in favor, say aye.

13 (Ayes.)

14 CHAIRMAN McCUSKER: Any opposed?

15 Okay. We're scheduled to go on to Executive  
16 Session. Going to need a motion.

17 MR. HILL: Point of personal privilege?

18 CHAIRMAN McCUSKER: Sir?

19 MR. HILL: Mr. Chairman, I wanted to -- I thought  
20 maybe perhaps I would have to make a quorum call the other  
21 night. But fortunately I was the only one in attendance.  
22 But since you were the keynote speaker at my son's  
23 graduation, if you could sign his program.

24 CHAIRMAN McCUSKER: Oh, yeah.

25 MR. HILL: And I want the Board member to know,

1 he's musically talented.

2 MR. HILL: He's been keeping that from us.

3 CHAIRMAN McCUSKER: Alberto didn't go.

4 MS. COX: Oh, we knew.

5 CHAIRMAN McCUSKER: And so we might have had a --

6 MR. HILL: We might have had a quorum.

7 CHAIRMAN McCUSKER: Yeah. I'll be happy to do  
8 that.

9 MR. HILL: All right. Thank you, Mr. Chairman.

10 CHAIRMAN McCUSKER: The Dean did tell me that --  
11 I'm not sure it's cause and effect -- but he said that would  
12 be the last winter graduation his college ever had. In  
13 fact, it is. He said, That's the last time we're doing  
14 winter graduation.

15 MR. HILL: That's funny.

16 CHAIRMAN McCUSKER: I said I thought I did better  
17 than that. But they've done away with the winter  
18 ceremonies. You have to walk late now at the UofA.

19 All right. So we can move to recess.

20 SECRETARY IRVIN: Make a motion.

21 MR. HILL: I make a motion for recess.

22 CHAIRMAN McCUSKER: No. Not recess. What are we  
23 doing?

24 SECRETARY IRVIN: Executive Session.

25 CHAIRMAN McCUSKER: We're adjourning to Executive

1 Session.

2 MR. COLLINS: Adjourning, yes. Recess is right.

3 CHAIRMAN McCUSKER: Well, I was right.

4 I need a second to Mr. Irvin's --

5 MS. COX: Second.

6 CHAIRMAN McCUSKER: All in favor, say aye.

7 (Ayes.)

8 CHAIRMAN McCUSKER: We'll be back in an hour.

9 (The Board adjourned to Executive  
10 Session at 2:05 p.m.)

11

12 (Meeting reconvened at 3:01 p.m.)

13 CHAIRMAN McCUSKER: Okay. We're going to call the  
14 meeting back to order. Need a motion to reconvene.

15 SECRETARY IRVIN: So moved.

16 TREASURER SHEAFE: Second.

17 CHAIRMAN McCUSKER: Motion by Mr. Irvin. Second  
18 by Mr. Sheafe. All in favor, say aye.

19 (Ayes.)

20 CHAIRMAN McCUSKER: Note for the record that  
21 Mr. Ritchie had to leave. He's coaching his daughter's  
22 basketball game. So we still have a quorum.

23 Thank you, everyone.

24 A couple of introductory remarks. It is 2014  
25 which we hope to be a banner year for the District.

1           We have a number of things that we're working on.  
2 I think collectively, on behalf of all of us, we're very  
3 pleased with where we are today. We have actually  
4 accomplished everything the legislature set out for us in  
5 2010. As the Auditor General report indicated, they view us  
6 as on mission. So that's probably the best compliment we  
7 could have in terms of the work that we've done  
8 collectively.

9           We have some challenges going forward in terms of  
10 legislative priorities. We're going to talk about that  
11 under our legislative update, Item No. 13. But just kind of  
12 a preview, we do expect to have some Rio Nuevo legislation  
13 this session that we are involved in helping to draft.

14           A large part of that, from our perspective, is to  
15 create some flexibility for us as we look at downtown  
16 development, specifically around removing the Notice to  
17 Proceed provision for the downtown hotel.

18           For those of you that are familiar with that  
19 history, that was part of the legislation at the time. Of  
20 course, the Convention Center hotel was the most topical  
21 project of the District. And the legislature, in their  
22 infinite wisdom, decided to handcuff us by requiring us to  
23 deal with the Arena and the hotel before we could do  
24 anything else.

25           Times have changed. We continue to talk to hotel

1 operators. But then from our perspective, and particularly  
2 since we're not using TIF funds to build a hotel, it may not  
3 be our secondary component.

4 So we are going to talk to legislative leadership  
5 and members about that in creating some other kinds of  
6 flexibility for the District moving forward. We will not be  
7 asking the State for any additional funds -- just to be  
8 clear that we're not looking for any new money -- but some  
9 increased flexibility.

10 We remain focused on the Arena. We're going to  
11 talk about that with Elaine here today.

12 We are eager to get some of the hotel projects on  
13 the board started, with or without new legislation that  
14 would enable us to focus primarily on the West Side, which  
15 we view as our priority going forward.

16 So with that all said, Dan, do you want to give us  
17 your financial update?

18 MR. MEYERS: Sure. As of December 31st, our  
19 operating account at Alliance Bank, we have 6.96 million.  
20 In another account at Alliance Bank, which we do not touch,  
21 we have \$5 million. In our operating account at the Bank of  
22 Tucson, we have approximately 250,000. The City of Tucson  
23 is holding 4.276 million -- those funds are being used for  
24 the renovation of the TCC Arena -- for a total of  
25 approximately \$16.5 million.

1           We've got approximately 9.65 million committed,  
2     some of which has been spent already on the Tucson Community  
3     Center Arena remodel. I think that number's approximately  
4     \$110,000. I'm working on pulling together a schedule to  
5     specifically identify those expenses.

6           We're currently waiting to receive the October TIF  
7     funds. I was told we should get them some time this week,  
8     for approximately \$555,000.

9           I will be meeting with Elaine on Thursday to do  
10    some work on our budget for the remodel just to make sure we  
11    can keep that on track from our perspective. Elaine is  
12    doing it as well, but I want to make sure those things kind  
13    of fall together.

14           CHAIRMAN McCUSKER: Yeah. TIF funds are October  
15    TIF, right?

16           MR. MEYERS: Yes.

17           CHAIRMAN McCUSKER: Which is about a three-month  
18    lag.

19           MR. MEYERS: Questions?

20           Thank you.

21           CHAIRMAN McCUSKER: All right. Dan, thank you  
22    very much.

23           TCC update. Elaine.

24           MS. WEAVER: Good afternoon. Happy New Year.

25    Elaine Weaver, project manager for the TCC Arena.



1 I have four brief items that I just wanted to  
2 mention to you and give you an update.

3 First, we had our fixed audience seating  
4 solicitation. It was out on the streets in December for a  
5 total of 14 days. We received -- they were both -- we were  
6 due on December 30th and we received two bids and  
7 unfortunately they were both late.

8 And so this --

9 CHAIRMAN McCUSKER: Four minutes late, right?

10 MS. WEAVER: They were officially two minutes late  
11 by the official UPS tracking. And so this is -- this is not  
12 headline news. This happens more than you might think. But  
13 the procurement code for Rio Nuevo does clearly state that  
14 you cannot -- you cannot accept late bids. And  
15 unfortunately, American Seating and Hussey, their bids  
16 arrived on the same UPS truck.

17 And so it was the whole storm right after  
18 Christmas. And there was -- one of the vendors was tracking  
19 that their bid was not arriving due to the storm, so they  
20 sent it again. And unfortunately both of their bids and the  
21 competitor's all arrived at the same time.

22 So Chris Schmaltz was here with me, your  
23 procurement adviser, and we did not open the bids. We had  
24 to send them back. And we had to put the solicitations back  
25 out on the street which is -- wasn't a great way to end the

1 year.

2 But what we were able to do quickly is have a fast  
3 turnaround time. And those -- that solicitation is back out  
4 on the street as we speak. It hits on January 9th and it's  
5 due on the 23rd of January; so it's another 14-day  
6 solicitation. It's basically the same solicitation as  
7 before. The only difference is that we've refined some of  
8 the verbiage in the alternates, and then we've include an  
9 updated TCC event schedule.

10 So the portable seats solicitation -- that's also  
11 out on the street as we speak. And that's a 21-day  
12 solicitation. And that's due January 30th, I believe.

13 The second item is just a brief update on  
14 construction documents. We are 85 percent complete with  
15 construction documents. They'll be complete at the end of  
16 the year. And we're going in for permit in February.

17 The general contractor, Concord, will have a  
18 couple of weeks to work on bid. And then they'll put  
19 together the guaranteed maximum price, the GMP. And then  
20 we'll have our set numbers and schedule values for the  
21 specific items.

22 CHAIRMAN McCUSKER: You said end of the year. I  
23 think you meant end of the month.

24 MS. WEAVER: Thank you. The end of the month,  
25 yes. Thank you.

1           The third item is the TCC event schedule. We had  
2 a very productive meeting last week, two and a half hour  
3 meeting with the TCC director and staff. And we went  
4 through the entire year, all the way through December 2014,  
5 to coordinate construction and events, the location of  
6 staging, where we can put items, where we can't, what  
7 restrooms we need to have open, what concessions stands we  
8 need to keep open, when we can close the breezeway down.

9           So I feel really confident that when the GMP comes  
10 out it will coordinate with the construction schedule, which  
11 I will share with you once I have that, and it will be able  
12 to, you know, have a seamless construction, as best as  
13 construction can be. Things are gonna come up. They will.  
14 But that's just the nature of the process.

15           And then the fourth item is that in February 2014,  
16 we'll come out with the solicitation for the scoreboards.  
17 So similarly to the seats, we will be saving money by going  
18 directly, soliciting directly for scoreboards rather than  
19 going through the general contractor. There won't be the  
20 markup. So the only thing that Concord will be doing is  
21 actually installing them and the coordination. But Rio  
22 Nuevo will be directly purchasing the scoreboards.

23           Any questions?

24           CHAIRMAN McCUSKER: Does the seat snafu affect the  
25 completion schedule at all, or will you be able to recover

1 that time?

2 MS. WEAVER: We weren't able to recover that time.  
3 But what we did, in coordination with the TCC event  
4 schedule, is that the first solicitation we had said that  
5 they needed to have one-third of the seats ready to install  
6 in April 2014. Well, because of the 12-week lead time  
7 that's required to actually manufacture the seats, we  
8 weren't going to hit that. And so we had to push that back.

9 And when we met with the TCC staff last week, we  
10 saw a good opening in -- actually in August. So all of the  
11 Arena seats will come out in August, then we'll have a show  
12 that's a week long, and then we'll start installation in  
13 late August. And they need to be complete by October 1st.  
14 And all of those specific dates are in the solicitation. So  
15 it's -- that's why, you know, the language is very specific  
16 and dates it. And they have to hit those dates.

17 So we picked it up in a way. But we had to  
18 actually push it back.

19 Yes?

20 MR. MOORE: So what kind of penalties are you  
21 going to charge for those people that don't meet those  
22 target dates?

23 MS. WEAVER: In the solicitation we have language  
24 regarding liquidated damages of...

25 SECRETARY IRVIN: 50 bucks a seat.

1 MS. WEAVER: It's \$50 in fees, in addition to, I  
2 think there's a flat liquidated damage of like \$5,000.

3 MR. MOORE: But what event is going to be coming  
4 in that would -- because if you lose that event, it seems to  
5 me all those costs and potential profits should be factored  
6 into the penalty.

7 MS. WEAVER: So in coordination with Chris  
8 Schmaltz, liquidated damages legally cannot be a penalty.  
9 You actually -- there's legal language, that Mark can help  
10 me with, that you can't actually say that it's a penalty.  
11 You have to -- I don't know the language to use.

12 SECRETARY IRVIN: Liquidated --

13 MR. MOORE: Maybe then they should have some kind  
14 of an insurance policy so that if there is -- if we lose  
15 that activity, then we're going to be composited for it. We  
16 shouldn't lose the potential revenue.

17 MS. WEAVER: Right. And we are not going to lose  
18 potential revenue because the date that we put in the  
19 solicitation, there's only one event. And the installation  
20 is going to start after that event.

21 Let's say October 2nd comes around and those seats  
22 are not in -- and I know the event that backs that up --

23 MR. MOORE: What is it?

24 MS. WEAVER: That, I'm not -- I'm not allowed to  
25 say because it's not -- the TCC has actually -- the clients

1 of the TCC, I don't think it's proprietary, but it's not my  
2 place to publicly announce those clients, if that makes  
3 sense. Marketing --

4 CHAIRMAN McCUSKER: It's the Bruce Springsteen  
5 concert.

6 MS. WEAVER: Right. Darn it.

7 On October 2, 2014, if those seats are not  
8 complete, liquidated damages will start and be applied to  
9 the vendor because then you will start losing revenue. But  
10 from the middle of August until October 1st, there are no  
11 events. And so we're clear.

12 SECRETARY IRVIN: So doesn't the actual -- you  
13 know, to turn lemons into lemonade -- doesn't the actual  
14 situation with us not staggering the installation actually  
15 help possibly with our prices and all of that since we  
16 blocked out, here's the time, and we're not piecemealing?  
17 Doesn't that help us somewhat?

18 MS. WEAVER: It does help us in the sense that  
19 previously we were piecemealing it into thirds. And the way  
20 that we were hearing from vendors, that they were actually  
21 going to have to use their more expensive trade labor to  
22 actually remove the seats. And what they wanted to do was  
23 hire their unskilled, cheap labor to remove the seats. And  
24 then those -- that staff would leave, and then they would  
25 bring in their more experienced installation crew.

1           But now that we're able to say that you have a  
2 full two and a half weeks for demolition, they can bring in  
3 their cheaper demo labor, remove all the seats. They'll  
4 leave. And then they'll bring in their skilled tradesmen  
5 for the installation. So it will be a more efficient  
6 approach to the bids.

7           SECRETARY IRVIN: Thank you.

8           CHAIRMAN McCUSKER: Anything else for Elaine?

9           Thank you very much. See you next month.

10          MS. WEAVER: Okay. Thank you.

11          CHAIRMAN McCUSKER: The Arena Site, Mr. Collins?

12          The only gating item remaining on the Arena deed transfer is  
13 to resolve the parking arrangements. We have some proposals  
14 that we've received to do that. Can we make those public?  
15 Can we discuss them without -- I mean, how do we -- how do  
16 we proceed in reviewing those proposals?

17          MR. COLLINS: Mr. Chairman, Members of the Board,  
18 just to refresh everyone's recollection, the Arena Site was  
19 part of the settlement agreement with the City of Tucson.  
20 The District had a period in which to decide whether to take  
21 title or not. It opted to take title subject to all the  
22 warts. One of the warts is the parking provisions that are  
23 on the parking arrangement on the property.

24          The deed to the property is now in escrow. The  
25 City has made a -- made it a condition of closing escrow

1 that there be arrangements made for that parking area.

2 We have received three proposals from three  
3 different entities. I've spoken with the City attorney. He  
4 concurs with my assessment that the District could elect to  
5 manage the parking itself; or it could elect to enter into  
6 an agreement with a third-party vendor, provided that  
7 ParkWise received 60 days notice for termination so it can  
8 move out of the business on Catalina Lot.

9 CHAIRMAN McCUSKER: We did reject the ParkWise  
10 proposal last month.

11 MR. COLLINS: Oh, okay.

12 CHAIRMAN McCUSKER: We officially rejected that.

13 MR. COLLINS: Okay. I didn't recall that. All  
14 right.

15 CHAIRMAN McCUSKER: Is that your recollection as  
16 well?

17 Yeah. So...

18 MR. COLLINS: So you're in a position now to  
19 decide what you want to do. You can elect not to do  
20 anything and the deed will remain in escrow.

21 You can -- if you elect to do something to resolve  
22 the parking, provided that ParkWise has been given formally  
23 60-days notice, whatever you do is going to be consistent  
24 with the settlement agreement, and you'll be allowed to go  
25 ahead and enter into whatever agreement you choose.



1 CHAIRMAN McCUSKER: What's the Board's pleasure?

2 SECRETARY IRVIN: I'd like to make a motion.

3 I think we've been putzing around with the Arena  
4 parcel forever. I think it's time to get our arms around it  
5 and actually do something with it.

6 And I think it's -- you know, we obviously have  
7 the Greyhound situation and we've got the -- you know, the  
8 two-month's thing. And who knows how long we're going to  
9 own it. And I don't think this would preclude us, if we  
10 decided later, to put it out for bid. But I'd like to make  
11 a motion that we take control of this and handle the  
12 management, the day-to-day management of that lot. I  
13 realize we've got to give the two-month's notice. So I'd  
14 like for us to say we're going to manage it ourself; we're  
15 going to give the City the two-month's notice; and off we  
16 go.

17 CHAIRMAN McCUSKER: I think I heard a motion in  
18 there.

19 SECRETARY IRVIN: That's the motion.

20 CHAIRMAN McCUSKER: The motion would be that we  
21 manage the lot internally and provide ParkWise with their  
22 60-day notice.

23 SECRETARY IRVIN: Right.

24 MR. COLLINS: That's what I understood too.

25 CHAIRMAN McCUSKER: Okay. That would need a

1 second.

2 TREASURER SHEAFE: Can I -- so, second, just with  
3 the provision that we recognize the priority of making sure  
4 that we provide parking for the gem and mineral show.

5 SECRETARY IRVIN: Well, I think the gem and  
6 mineral show will be over by the time that we take control  
7 of that lot, given the two months that we would have to give  
8 ParkWise.

9 So that be -- that will have come and gone,  
10 correct, Counsel?

11 MR. COLLINS: That's correct.

12 There is in place a right-of-entry agreement among  
13 the City of Tucson, Nor-Generation, or one of its entities,  
14 and the District. The payment for the use of the Arena Site  
15 during the gem and mineral show is being placed into escrow  
16 and it will follow the deed when the deed gets recorded.

17 So the 60 days will be -- the gem and mineral show  
18 will be gone by the time 60 days runs.

19 So we still need a second.

20 CHAIRMAN McCUSKER: We'll vote for the second. It  
21 was a straight up second, no condition.

22 Any other conversation?

23 All in favor of us managing it ourselves, say aye.

24 (Ayes.)

25 CHAIRMAN McCUSKER: Any opposed, nay.

1 All right. That carries unanimously. So we'll  
2 notify --

3 Mr. Collins, you'll notify the City.

4 MR. COLLINS: I will do that, Mr. Chairman.

5 CHAIRMAN McCUSKER: Okay. Stay up there.

6 The West Side Parcel, while we're talking about  
7 deeds, there are some conditions to us deeding over that  
8 property.

9 In order -- I'll take them kind of together on the  
10 agenda. But in order, there's some wells over there, four I  
11 believe. I think the City's indicated they can abandon  
12 three of them. So we would have to provide them access to  
13 that well through an easement.

14 Would that be the simplest way to do it?

15 MR. COLLINS: Mr. Chairman, yes.

16 TREASURER SHEAFE: The one well that they don't  
17 need.

18 CHAIRMAN McCUSKER: The one well. And that well's  
19 in the northeastern corner of the parcel?

20 MR. COLLINS: Mr. Chairman, I believe there's four  
21 wells. Three of them are environmental monitoring wells,  
22 which is what you're talking about here. And the City has  
23 indicated that it's going to abandon two of those wells that  
24 are on the southern tip. And the third one is the one  
25 you're talking about, Mr. Chairman, which is in the

1 northeastern corner, really close, quite frankly, to  
2 northern boundary that was described in the settlement  
3 agreement.

4 CHAIRMAN McCUSKER: And then the next issue would  
5 be the eastern boundary. You all remember that there's a  
6 linear park, the County linear park that runs along the  
7 western side of the Santa Cruz. We have determined that  
8 that boundary is prescribed at a hundred feet west of the  
9 top of the bank.

10 So we could instruct you to address that in the  
11 legal description, right? That's really just how you  
12 identify the ownership of the parcel.

13 MR. COLLINS: Yes, they -- just briefly,  
14 Mr. Chairman. The settlement agreement, Mr. Rankin and I  
15 decided that it would be the -- the eastern boundary would  
16 be the western edge of the linear park. Subsequently we've  
17 determined -- I've determined that there really is -- it's  
18 ill-defined. And so the question is: Where do you put the  
19 boundary?

20 And based on the meeting yesterday, it is my  
21 understanding that to qualify for Parks' requirements and  
22 the linear park agreement that's being negotiated between  
23 the City and Pima County -- Pima County is going to maintain  
24 the linear park -- it needs be a hundred feet -- a  
25 hundred-foot offset. That will address the Parks'

1 situation.

2 TREASURER SHEAFE: Is the bank defined all the way  
3 down --

4 MR. COLLINS: No.

5 TREASURER SHEAFE: -- to the assayable edge that  
6 is easy to define?

7 MR. COLLINS: According to -- again, speaking with  
8 WLB's Rob Longacre, that's not a problem. He's already got  
9 the mathematics and shoots for that.

10 TREASURER SHEAFE: And that would be set as a line  
11 today. So if the bank were to move --

12 MR. COLLINS: Yeah. The avulsion or accretion,  
13 yeah.

14 TREASURER SHEAFE: -- the line would stay the same  
15 whether it avulses or accretes.

16 MR. COLLINS: Avulsion or accretion, right.  
17 Taking me back a few years.

18 CHAIRMAN McCUSKER: Those are battle words.

19 TREASURER SHEAFE: I'm trying to be very  
20 impressive.

21 SECRETARY IRVIN: You're doing a good job.

22 CHAIRMAN McCUSKER: And then, finally, there are a  
23 couple of sensitive sites there, archeologically. We've  
24 walked those with a number of the stakeholders. Of course,  
25 there's the Carrillo House foundation, which is kind of on

1 the northern section along Mission Lane. And then in the  
2 very southern parcel, they've identified probably --  
3 according to Jonathan Mabry -- the most ancient canals in  
4 North America that date to 3500 B.C.

5 MR. COLLINS: Yeah. There -- I don't recall that  
6 statement. But I do recall layers of canals, that's where  
7 the -- our forefathers, if you will, brought the water off  
8 of the river.

9 CHAIRMAN McCUSKER: Right. Of course, those  
10 archaeological sites would be protected from any developer.

11 The easiest thing probably for us to do is to  
12 carve them out of the parcel to either give the City, again,  
13 a deed restriction or easement or some other.

14 So the action item on this would be to instruct  
15 Mark to proceed with getting this parcel legal description  
16 identified and titled over to us by dealing with the well,  
17 the eastern boundary, and the archeological site.

18 TREASURER SHEAFE: Do you want me to --

19 CHAIRMAN McCUSKER: Do you need anything more  
20 specific?

21 MR. COLLINS: No.

22 CHAIRMAN McCUSKER: Mr. Sheafe?

23 TREASURER SHEAFE: All right. So I move that we  
24 instruct counsel to take the steps necessary to finalize the  
25 legal description, using the benchmark of a hundred foot

1 from top of bank, to establish the eastern property line;  
2 using the benchmark of cutting off the southern end of the  
3 parcel along the alignment of the nondevelopable or  
4 nonusable property; and using the benchmark of allowing the  
5 City to retain one monitoring well, and incorporating into  
6 the legal that well, but providing any easement to allow the  
7 City to do their work and their monitoring work.

8 And I'm not sure if it should be mandated that --

9 CHAIRMAN McCUSKER: Reannounce that. You would  
10 have to --

11 MR. COLLINS: You've done that. I think you  
12 addressed that in the archaeological, the --

13 CHAIRMAN McCUSKER: Is that readable back?

14 (Record read.)

15 CHAIRMAN McCUSKER: And protect the Carrillo  
16 House.

17 TREASURER SHEAFE: Yes. And protect the Carrillo  
18 House site for future demonstration of the Carrillo  
19 property.

20 SECRETARY IRVIN: I second that. But I have a  
21 question before I do. Is that appropriate or --

22 MR. COLLINS: No. You've got to get a second and  
23 then you --

24 CHAIRMAN McCUSKER: -- ladder first.

25 SECRETARY IRVIN: Okay. So I'll second it. But I

1 have a question for you.

2 So in the carve-out pieces that you're talking  
3 about, Chris, are those an easement, or are you talking  
4 about just carving them out and separately platting them?

5 TREASURER SHEAFE: The carve out would be for the  
6 nondevelopable property to the south.

7 SECRETARY IRVIN: Right.

8 TREASURER SHEAFE: So the property line would be  
9 on the north edge of that. The carve out would be the  
10 hundred feet setback from the top of bank all the way along  
11 the eastern edge of the property.

12 Included in the property will be the Carrillo site  
13 and the well, with appropriate easements to allow their use  
14 to be close according to the requirements.

15 MR. COLLINS: Or the restrictions.

16 CHAIRMAN McCUSKER: To be precisely correct,  
17 right, Counsel? That's exactly --

18 MR. COLLINS: That's right.

19 SECRETARY IRVIN: I second.

20 CHAIRMAN McCUSKER: Any further conversation?

21 It's an important item.

22 Michele, let's do a roll call vote. And take me  
23 last.

24 MS. BETTINI: Alberto Moore.

25 MR. MOORE: I'm going to pass and then come back.



1 MS. BETTINI: Jannie Cox?

2 MS. COX: Aye.

3 MS. BETTINI: Chris Sheafe?

4 TREASURER SHEAFE: Aye.

5 MS. BETTINI: Mark Irvin?

6 SECRETARY IRVIN: Aye.

7 MS. BETTINI: Jeffrey Hill?

8 MR. HILL: Aye.

9 MS. BETTINI: Alberto Moore?

10 MR. MOORE: Aye.

11 CHAIRMAN McCUSKER: Aye. I vote aye as well.

12 So that passes unanimously.

13 Mark, you can communicate that back to the City.

14 Legislative update. Mr. Paton --

15 SECRETARY IRVIN: Before he leaves, I'm going to  
16 ask a question.

17 So, Mark, under that situation, with us notifying  
18 the City and all that, when do you expect that we would see  
19 a survey back on that?

20 MR. COLLINS: I don't know. I'd like to think we  
21 could finalize the ALTA by your next meeting.

22 Speaking with -- Mr. Longacre was present at the  
23 site visit yesterday. I've spoken with him today to try to  
24 hasten this process forward because there is some crafting  
25 to do. But they've done a -- they, WLB, has done a very

1 nice job in shooting out there. So we're going to have that  
2 information. I'll be able to advance the ball by the  
3 February meeting. But I'll leave it at that.

4 CHAIRMAN McCUSKER: Okay. Item No. 13, Mr. Paton  
5 called and said he's actually at the legislature today.  
6 They did convene a new session yesterday. So he's actually  
7 working on our behalf, immediately, in Phoenix.

8 The items that we wanted us to cover and possibly  
9 authorize him to pursue are really four specific requests.  
10 And they would be written into a bill sponsored, most  
11 likely, in the senate. And of course, we've engaged Paton  
12 to help us with that process.

13 In no particular order, we would authorize him to  
14 advance legislative language that would allow the Rio Nuevo  
15 Board selection to come from anywhere in Pima County. It  
16 has been an issue, historically, whether you're a City  
17 resident or a County resident. I think we all feel that it  
18 would simplify Board selection if it was anywhere in Pima  
19 County.

20 We can -- let me get through all of these, and we  
21 can decide if we want to take them in order or all together.

22 We talked about it in my preliminary remarks, but  
23 we would ask the legislature to amend the language that  
24 requires us to issue the hotel Notice to Proceed before we  
25 can do anything else.

1           We would also ask the legislature to allow us to  
2 enter into contracts that go beyond the termination of the  
3 TIF date, which is 2025. The District actually survives to  
4 2050. But we're prohibited from entering into any contracts  
5 beyond 2025.

6           And then, finally, to allow the District to be  
7 privy to the Arizona Department of Revenue taxpayer coding  
8 so that we can monitor and track those merchants within the  
9 District that file transaction privilege tax returns.

10           Those are from Mr. Paton. And then certainly  
11 anything else that we may want to advise him to cover on our  
12 behalf, the floor is open.

13           TREASURER SHEAFE: I can put that into a memo --  
14 or I mean, into a motion, if you would like.

15           CHAIRMAN McCUSKER: Let's see if there's -- you  
16 may need to do a memo.

17           SECRETARY IRVIN: You can do either.

18           TREASURER SHEAFE: Do we need to discuss this  
19 individually, or do we want to just put it into one motion?

20           SECRETARY IRVIN: I think I understand it enough.  
21 You can put it into one motion.

22           MS. COX: One motion's good for me.

23           TREASURER SHEAFE: All right. So putting it into  
24 a motion, I move that the Rio Nuevo Board -- oh, you've got  
25 the notes; that will help -- ask that the legislative bill

1 to be proposed for us at the legislative by our consultant  
2 will include a provision that allows selection of Board  
3 members from people who live anywhere within Pima County;  
4 two, that we will amend the time limit for contracts from  
5 2025 to the end or expiration of the Rio Nuevo District,  
6 which would be --

7 CHAIRMAN McCUSKER: 2050.

8 TREASURER SHEAFE: -- 2050; three, that we would  
9 amend the process by which Rio Nuevo District may issue a  
10 Notice to Proceed to eliminate the requirements that are  
11 currently there and substitute a broader based set of  
12 actions that will give the Board flexibility to move ahead  
13 on projects needed now; and, fourth, that we make available  
14 to the District the taxpayer coding information so that we  
15 know who is paying what and we can verify that we are  
16 collecting TIF revenues that need to be collected and are  
17 aware of any businesses that are not contributing so that we  
18 can contact them and make them aware of the opportunity to  
19 be a member of the District in terms of how they file their  
20 tax reports.

21 SECRETARY IRVIN: I'll second that.

22 CHAIRMAN McCUSKER: Okay. He definitely wins the  
23 prize for the longest motions.

24 Mr. Moore?

25 MR. MOORE: Yeah. I thought we also added

1 something where we would make a presentation to the  
2 legislature once a year on the status of Rio Nuevo, both in  
3 a written form and a presentation if required or requested.  
4 Wouldn't that also add it into that?

5 CHAIRMAN McCUSKER: It wasn't in Jonathan's notes  
6 to me. And I haven't really talked --

7 MR. MOORE: I thought we talked about that at one  
8 time.

9 CHAIRMAN McCUSKER: We can authorize him to put  
10 that in there. I mean --

11 MR. MOORE: No. I think we wanted to make sure  
12 that the legislature had the opportunity to hear what we  
13 were --

14 CHAIRMAN McCUSKER: They can certainly request  
15 that.

16 Mr. Hill?

17 MR. HILL: We don't need a bill to do that.

18 CHAIRMAN McCUSKER: Maybe that's the issue.

19 MR. MOORE: Maybe that was it.

20 MR. HILL: I thought the committee chair just  
21 scheduled it and we come up and present.

22 CHAIRMAN McCUSKER: Yeah. That's fine. Right.

23 SECRETARY IRVIN: I think probably most of us --  
24 hopefully most of us have been up and at least visited with  
25 who appointed us. And I know I've made the rounds

1 legislatively.

2 I know you have.

3 I think you have.

4 I know you have.

5 So I think we've all kind of made our -- you know,  
6 our runs up there.

7 CHAIRMAN McCUSKER: Okay. Any further discussion?  
8 Any clarification needed of the motion?

9 All in favor, say aye.

10 (Ayes.)

11 CHAIRMAN McCUSKER: Any opposed, nay.

12 Okay. And we'll pass that on to Mr. Paton.

13 Item 14 we discussed briefly at the last meeting,  
14 the value of bringing on a financial consultant, analyst, or  
15 adviser, to help us look at ways to increase the cash  
16 available to the District for development purposes.

17 In talking to both Mr. Schmaltz and Mr. Collins,  
18 we believe that the appropriate way to do that is to solicit  
19 a request for qualifications, identify those qualified  
20 people that are interested, and then going from there. So  
21 we would need -- the action item would be to authorize Mark  
22 to develop a RFQ.

23 MS. COX: So moved.

24 MR. MOORE: Second.

25 CHAIRMAN McCUSKER: Any further conversation?

1 All in favor, say aye.

2 (Ayes.)

3 CHAIRMAN McCUSKER: Opposed, nay.

4 All right, you guys are -- everything has been  
5 unanimous.

6 Here comes trouble.

7 Nonprofit news source, Nancy, update us on our  
8 contest.

9 MS. MONTOYA: I'm Nancy Montoya, one of the  
10 principals for NonProfit News Source.

11 Mr. Chair, Members of the Board, Happy New Year.

12 CHAIRMAN McCUSKER: Thank you.

13 MS. MONTOYA: So far we have 75 names that have  
14 come in for the new name for Rio Nuevo. Ten additional  
15 names were silly, silly names. So I've removed those from  
16 the list. I've also done an initial trademark and copyright  
17 check on the first 32 names. And they've all come back as  
18 legitimate, good, solid names with no problems. I've only  
19 done Arizona, so I haven't done a national search. But so  
20 far -- and I'll get the other 42 done within the next week  
21 or so.

22 At the last Board meeting, we had talked about  
23 extending the deadline to January 30th. I've been in  
24 communication with Mark Collins, and he saw no legal  
25 problems with doing that, so we did. So we've had another

1 two weeks on the contest.

2 I've also received several media inquiries on the  
3 name change and what's going on. And I certainly am not  
4 authorized to speak on behalf of the board. So I made a  
5 suggestion to Mr. Chairman, Fletcher here, that we send out  
6 a news release and announce the contest.

7 And that is where we stand right now. I'm kind of  
8 awaiting your input on that.

9 CHAIRMAN McCUSKER: So we would announce that  
10 we've just extended the deadline.

11 MS. MONTOYA: We've extended the deadline and  
12 about the particulars of the contest.

13 Some of the -- Lupita Murio, who's on my trail  
14 like this all the time, wants to do a profile on a couple of  
15 the kids and see what kind of names are coming through.

16 And I think you're going to be pleasantly  
17 surprised when you see the amount of thought that's gone  
18 into some of these. Sunnyside is coming through like  
19 gangbusters. Whoever the counselor is there is really on  
20 the kids. We have a lot from University High. So it's a  
21 good representation across all the high schools.

22 MS. COX: I have a question, Nancy. The names  
23 that are submitted, do they just submit a name or do they  
24 submit the reason they chose name -- so it has a narrative  
25 with it, I assume?



1 MS. MONTOYA: Absolutely. If you go online,  
2 you'll see that in the -- in the official entry form,  
3 there's several questions they have to answer, things like:  
4 Are you a high school senior; what's your high school; have  
5 you done research on your own; have you read, you know, the  
6 history of Rio Nuevo on the website? And then give us an  
7 explanation.

8 And some of the explanations are multiple  
9 paragraphs long. They've come up with some things that I  
10 didn't even know about Tucson and the area. So they're  
11 taking it seriously.

12 And I have heard back now from both the UofA and  
13 Pima College, and I have everything in writing now, as to  
14 them matching the scholarship. So we're all good there.

15 CHAIRMAN McCUSKER: We don't need to take any  
16 action, do we?

17 MS. MONTOYA: News release.

18 CHAIRMAN McCUSKER: We can --

19 MR. COLLINS: That's an administrative thing.

20 CHAIRMAN McCUSKER: That's an administrative  
21 thing; we'll give it over to Michele.

22 MS. MONTOYA: Okay. Great.

23 Any questions?

24 SECRETARY IRVIN: Thanks, Nancy.

25 TREASURER SHEAFE: Thank you.

1 MS. MONTOYA: Wonderful. Thank you.

2 CHAIRMAN McCUSKER: You can give the silly names  
3 to Darren.

4 MS. MONTOYA: They're "in private" names.

5 CHAIRMAN McCUSKER: Okay.

6 Call to the audience, Michele do you have any?

7 All right. Thank you, everyone.

8 Can we get a motion to adjourn?

9 SECRETARY IRVIN: So moved.

10 MS. COX: Second.

11 CHAIRMAN McCUSKER: All in favor, say aye.

12 (Ayes.)

13 CHAIRMAN McCUSKER: See you next month.

14 (The meeting concluded at 3:39 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.

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John Fahrenwald

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