

RIO NUEVO MULTIPURPOSE FACILITIES BOARD MEETING

Tucson, Arizona
January 27, 2015
1:00 p.m.

REPORTED BY:

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(Meeting commenced at 1:12 p.m.)

CHAIRMAN McCUSKER: Let's call the meeting to order. It's 1:12.

Let's start with the pledge.

(Pledge of allegiance was recited.)

CHAIRMAN McCUSKER: Michele, call the roll.

MS. BETTINI: Jannie Cox?

MS. COX: Here.

MS. BETTINI: Chris Sheafe?

TREASURER SHEAFE: Here.

MS. BETTINI: Fletcher McCusker?

CHAIRMAN McCUSKER: Here.

MS. BETTINI: Mark Irvin?

SECRETARY IRVIN: Here.

MS. BETTINI: Cody Ritchie?

MR. RITCHIE: Here.

CHAIRMAN McCUSKER: And we understand Jeff's on his way. At least he's confirmed.

So we haven't heard anything to the contrary, huh?

MS. BETTINI: Huh-uh.

MR. COLLINS: We do have a quorum.

CHAIRMAN McCUSKER: We do have a quorum.

You have the transcripts from December 17. They were distributed. Any decisions, changes, or edits?

1 TREASURER SHEAFE: Move to approve.

2 MS. COX: Second.

3 CHAIRMAN McCUSKER: All in favor, say aye.

4 (Ayes.)

5 (The Board voted and the motion
6 carried.)

7 CHAIRMAN McCUSKER: All right. We have an
8 Executive Session scheduled. I would need a motion.

9 SECRETARY IRVIN: So moved.

10 MS. COX: Second.

11 CHAIRMAN McCUSKER: All in favor, say aye.

12 (Ayes.)

13 Okay. So we hope to be back here at two or before
14 two. So standby.

15 (The Board adjourned to Executive
16 Session at 1:13 p.m.)

17 (Meeting reconvened at 2:16 p.m.)

18 CHAIRMAN McCUSKER: Okay. So I need a motion to
19 reconvene.

20 SECRETARY IRVIN: So moved.

21 CHAIRMAN McCUSKER: Second, please?

22 TREASURER SHEAFE: Second.

23 CHAIRMAN McCUSKER: All in favor, say aye.

24 (Ayes.)

25 CHAIRMAN McCUSKER: Okay. We're back in regular

1 session. Good afternoon, everyone.

2 The video running to my left is the -- some of
3 it's time-lapsed. Some of it is just before and after.
4 That was provided to us by Concord on the TCC Arena remodel.
5 So it's really a spectacular representation when you see
6 what we started with versus what it looks like across the
7 hall today. So we'll run that up until maybe your
8 presentation and then shut it off.

9 But it's a historic day for us. We have a lot of
10 very important things do. Let's get after it straight away.

11 Dan, so if you'd go ahead and give us your
12 financial report. There is something for the Board in our
13 packet.

14 MR. MEYERS: Okay. Well, although this is almost
15 the end January, these will be the December 31st numbers.

16 Cash in our operating account at Alliance Bank,
17 about 2.7 million. Cash in our Alliance Bank, the other
18 account, is a little over 5 million. Cash in Bank of Tucson
19 296,000 approximately. Funds that are still sitting in the
20 City of Tucson's pool account is almost \$75,000.

21 The intention of those funds, as they're sitting
22 there, would be used to pay retention as the Concord
23 contract is finalized and completed.

24 As far as commitments go, as we sit here today,
25 Mission Gardens is still at 1.1 million. The Eckbo Fountain

1 project has been completed. The garage at the AC Hotel,
2 which won't be taking place until 2016, 4.29 million.
3 Streetscapes, 750,000. And the remaining estimated cash for
4 the Tucson Community Center remodel is 1.29 million. So
5 total commitments of 7.4 million, approximately.

6 The October TIF, which was collected in January,
7 was 522,000. As a point there, we've now accumulated three
8 months of data from the Arizona Department of Revenue as far
9 as TIF collections. And I think, within the next week or
10 so, Michele and I will start comparing our merchant list to
11 what the three-month schedule looks like from the Department
12 of Revenue and start asking some questions.

13 CHAIRMAN McCUSKER: Dan, this \$75,000 -- I know
14 we've been spending some money. Have all the invoices
15 now -- and, Elaine, you may have to answer -- run through
16 the whole City bond account? Is that just kind of left
17 over, or are there still invoices that will go against that?

18 MR. MEYERS: The 75 sitting in the City?

19 CHAIRMAN McCUSKER: Yeah. It should be all the
20 way down the zero if --

21 MR. MEYERS: Well, they -- we just made an
22 agreement to hold on to because, instead of taking these out
23 in little bits and pieces, we just thought it would be
24 easier to, when we get the final retention billing from
25 Concord, it's --

1 CHAIRMAN McCUSKER: It's -- that's not -- it's
2 unincumbered money, then, that 75 --

3 MR. MEYERS: Yes, yes.

4 CHAIRMAN McCUSKER: Any questions for Dan?

5 Okay. Thank you very much.

6 Okay. Elaine? Your pictures are running up
7 there.

8 MS. BECHERER: It stopped. Dan's trying to start
9 it again, and it's not opening.

10 CHAIRMAN McCUSKER: You have to stop that one.

11 MS. BECHERER: Good afternoon. Elaine Becherer,
12 Rio Nuevo TCC Arena project manager.

13 So I wanted to give the Board an update on two
14 items. And, first, I passed out a preliminary sketch of the
15 handrails. And if the Board's --

16 CHAIRMAN McCUSKER: Let's deal with that last.
17 Let's kind of go through your report and where we are with
18 the contingency.

19 MS. BECHERER: Okay. Okay. So as we discussed in
20 December, I mentioned that there was approximately \$90,000
21 left in the project contingency. And that's a combination
22 of the owner's contingency allowances as well as the general
23 contractor's contingency. Since then, we've used
24 approximately \$8,000. So there is still \$82,000 left.

25 And I have a list of 12 potential items. And they

1 range from additional benches, high tops -- high-top tables
2 and stools for the concourse level, additional trash and
3 recycle stations, new drinking fountains that were -- they
4 were not renovated; they're code compliant, but they are old
5 and outdated -- wainscot along the concrete walls, potential
6 painting of the -- these meeting rooms that we're in as well
7 as the admin suite, replacing the existing lighting in this
8 corridor, some sprinkler escutcheons that I think are
9 needed -- so we should probably do that; that's about
10 \$6,000 -- rubber base throughout the Arena at the masonry
11 walls. So when the custodians come through right now,
12 there's no rubber base at the base of the wall. And so the
13 wet mop flops around. And I think it would give it a nice
14 clean look. And then, there are two roll-up doors that need
15 to be fixed and maintained. And those -- all of those items
16 total 12 items for a total of \$170,000.

17 So in coordination with Mr. Irvin and
18 Mr. McCusker, it would be my recommendation that we sit down
19 and we go through how best to use the remaining \$82,000.

20 In the past two weeks, it's come to the project
21 team's attention that there was a discrepancy in one of the
22 POs with the seats -- with the Hussey seats. And so it's
23 looking as -- as if Rio Nuevo will receive a refund from
24 Hussey Seating for approximately \$20,000. So that will go
25 back as well into this. So we're plus-or-minus a hundred

1 thousand dollars.

2 MS. COX: Good job.

3 CHAIRMAN McCUSKER: So let's talk about the
4 handrail issue first because it goes to how we want to deal
5 with the contingent funds.

6 The Beach Boys concert, by any measure, was a huge
7 success. It was nearly a sellout crowd. It was clearly an
8 older crowd. And there was a very visible issue with
9 navigating the steepness of our arena without handicapped
10 rails. We didn't need to do them. We're grandfathered in.

11 Elaine, we still don't need to do this. We're not
12 required because of the grandfather status.

13 MS. BECHERER: That's correct.

14 CHAIRMAN McCUSKER: But we visited McKale and
15 looked at the system that they installed there. It's
16 actually a quite simple metal-loop rail there's either
17 anchored to the concrete or bolted to the steel steps.

18 We did get one ADA complaint -- official
19 complaint, regarding the lack of handrails, which we could
20 respond by saying we're not required to do them. But it
21 became obvious to a number of us that were there that it's a
22 real issue, particularly with an aging audience. And a lot
23 of people commented on just how -- there's no -- nothing to
24 grab onto on either side. This would be a rail system down
25 there.

1 So we asked the team if they could kind of design
2 and then price something that would accommodate that.

3 So that's the update you were about to get to.

4 MS. BECHERER: Yes.

5 CHAIRMAN McCUSKER: So go ahead.

6 MS. BECHERER: So what I did is I passed out a
7 preliminary sketch. And there's two options that I'm
8 recommending that we consider. One is more expensive, but I
9 wanted to present you with both options.

10 One is -- it would be the fixed metal handrail
11 that's in front of you. It would also include a stair
12 nosing that would either be applied through a paint product
13 that would have some -- you know, a little bit of grip or
14 some type of adhesive tape. And I would recommend that we
15 do a mock-up first to see which one lasts longer and has
16 more durability, which one is easier to maintain for SMG.

17 And then it also includes a contingency, a
18 26 percent contingency because we don't yet know what the
19 actual solution is. That would cost \$150,000. The
20 handrails itself are around 75,000. And then the stair
21 nosing, whether it's tape or adhesive, is around 20,000.
22 That all totals the 150,000.

23 Option 2 is the same type of handrail, a metal
24 fixed handrail per the sketch that you have. But what it
25 would include is an aluminum stair nosing. So it's more

1 durable. There is less maintenance. But it is quite a bit
2 more expensive. That would be \$225,000.

3 So in both scenarios, the metal handrail that you
4 see in front of you is the same price; it's \$75,000. We
5 would have to core drill into the existing concrete, about
6 6 inches down. We don't want a metal baseplate. It's a
7 tripping hazard. Bolts, things, people can stub their toes.
8 We will have to do a little bit of x-raying of the concrete
9 because we cannot hit the rebar. All of that's included in
10 the price.

11 So Option 1, paint or adhesive stair nosing. And
12 that's 150. And then the second option would be the
13 aluminum stair nosing, and that's for 225.

14 TREASURER SHEAFE: This is separate from the other
15 discussion on the 170; is that right?

16 CHAIRMAN McCUSKER: Yeah. And these are
17 discussion only items on the agenda.

18 So we have Phase II -- and that's part of the
19 conversation I think we can have and stay within the
20 agenda -- is, you know, do we want to sit down with our
21 \$102,000 and look at the list the team is recommending? Do
22 you want to use some of those funds toward a project like
23 this, or would we entertain -- we'd have to put it back on
24 the agenda -- an additional amount of money?

25 Because this would exceed the approved budget,

1 right, Mark, that we've set for the project?

2 And, Elaine, can we do that with a change order
3 or -- and how about on the procurement side? Any issue with
4 a project of that magnitude? You're talking about a couple
5 hundred thousand dollars, right?

6 MR. COLLINS: Yeah. I think what you're talking
7 about, Mr. Chairman, is the next agenda item for Phase II,
8 is it not?

9 CHAIRMAN McCUSKER: Well, you know, this is -- I
10 guess that's my question, if we could still somehow include
11 this into Phase I with a change order and amended budget, or
12 are we just skirting procurement issues by doing it?

13 MR. COLLINS: I think I would -- I agree with
14 Elaine. I think you can do that, under the existing
15 contract with the change order. I wouldn't want you to
16 drift into the next agenda item for Phase II that we've
17 agendized for a scope for more expenditure that you've
18 talked about. But to the extent of this, as I've understood
19 it, is essentially winding up of Phase I.

20 CHAIRMAN McCUSKER: All right. So let me see if I
21 can summarize kind of where you are with the project.

22 We're done. We're on time. We're on budget.
23 We've got about a hundred grand left with the contingency
24 that you have a number of recommendations on how we would
25 spend that, which could include the railing if you were to

1 put that in your pile of 12.

2 Obviously there's not enough money to do all that.
3 So you know, part of what we would have to do, Elaine, just
4 sit down and prioritize how best to finish out this phase
5 and whether or not we wanted to apply that contingent money
6 to any of these projects. And then we would put that on the
7 agenda for action in February.

8 MS. BECHERER: We could sit down and look at the
9 12 items, and the handrails and stair nosing could be the
10 13th item. And if there's a couple of Items 1 through 12
11 that -- we have really talked about and looked at the goal
12 of making the VIP area at the south end of the concourse
13 level. If, let's say, you only wanted to do that, we would
14 take a look at the cost for that in addition to the stair --
15 the handrails and the stair nosing, and you'd still probably
16 be a little short. But then the money -- the change order
17 would be less.

18 CHAIRMAN McCUSKER: So let's -- if the Board
19 agrees, let's get your kind of final punch list. We'll sit
20 down with you and identify remaining funds. And to the
21 extent we wanted to do more than what's budgeted, we've got
22 to come back to the full Board.

23 MS. BECHERER: Okay. It is my recommendation that
24 the handrail and the stair nosing, in addition to any
25 contingency items, that we lump that together so that you

1 pay for general conditions once.

2 And I think that, in coordination with Concord,
3 they can do that within a month. And that's an additional
4 \$20,000, which is included in those two handrail prices. So
5 the 150 includes a month of general conditions.

6 CHAIRMAN McCUSKER: Is there some timing issues?
7 I know they're still in the building. You know, at some
8 point they'll be done and exit. Is it problematic, then, to
9 try and get them back? So is there any time constraints on
10 us to finalize this and get it to the contractor?

11 MS. BECHERER: So we actually had our kitchen
12 inspection today from the Health Department, and we passed
13 inspection. So they will be working on punch list items.
14 And they are still working on punch list items for the
15 Arena. But the -- if we can keep them here and not let them
16 demobilize, then we could move right into the handrails and
17 these contingency items, which would be more efficient. It
18 would still be another month of general conditions, but it
19 would still be more efficient.

20 CHAIRMAN McCUSKER: And, Mark, to confirm, if we
21 were to go beyond the original budget now, which would
22 require Board action but not additional competitive
23 procurement?

24 MR. COLLINS: That -- I think what you said, it
25 would require additional Board action, the answer to that is

1 yes. And in my opinion, it does not require additional
2 procurement for that limited amount. If you're going to --
3 the -- you're going to need a -- Phase II, you're going to
4 need an RFP.

5 CHAIRMAN McCUSKER: We're going to move to that
6 next.

7 So any other questions for Elaine on the wrap-up?

8 MS. COX: I would just like to say that I totally
9 concur with what you said about the handrails. Because the
10 experience for me was frightening, and I consider myself
11 pretty capable. But it frightened me to come down those
12 stairs.

13 So I watched people all night. And as Fletcher
14 said, the audience was older. But people were frightened
15 coming down those stairs, and I was frightened watching
16 them. So I hope that stays at the top of the list.

17 MS. BECHERER: Okay. Thank you very much.

18 CHAIRMAN McCUSKER: Okay. Phase II, we had, in a
19 previous meeting, talked about the continued effort on
20 behalf of Rio Nuevo to look at the TCC and adjacent
21 components of the primary component. We obviously need to
22 scope them. Part of that process, of course, is identifying
23 an architect to help us do that.

24 And, Mark, I'm probably going to ask you a couple
25 of questions in this regard. I'll just talk, first, a

1 minute about architects in general, procurement of
2 architect's professional services. If we want to hire an
3 architect, is that something we have to competitively
4 procure?

5 MR. COLLINS: No. You can direct select
6 professional services. Architects are specifically
7 identified. I don't have the code section in front of me.
8 But your procurement code allows direct selection of
9 professional services. And "architect" is one of those
10 professional services specifically mentioned in the code.

11 CHAIRMAN McCUSKER: In that regard, Swaim
12 Associates have presented us with a proposal to stay engaged
13 into Phase II. We obviously don't know exactly what that
14 means today, how much would be involved or what ultimately
15 the Board would approve. But we could, if we desire, engage
16 the firm -- same firm we used in Phase I -- to help us
17 identify the issues, the budget, and the scope of a possible
18 project that we could then bring back to the Board.

19 Or we can start over again and solicit an entirely
20 new firm.

21 MR. COLLINS: Mr. Chairman, Members of the Board,
22 let me just use that as a segue.

23 If you elect to retain Swaim to define the scope,
24 that scope is then going to have to come back to you folks
25 for approval, and then an RFP would have to be issued.

1 Because for -- regardless of the focus of that, both
2 Title 34 and your procurement code is going to require
3 competitive bidding on the actual work. As soon as there
4 are working drawings that have been accepted, the Title 34
5 comes into play.

6 CHAIRMAN McCUSKER: Mr. Irvin?

7 SECRETARY IRVIN: I've really enjoyed working with
8 Phil and Amanda. I think they've just done a super job for
9 us, and I hate for us to start again with somebody new.

10 I'd like to just make a motion that we move
11 forward with Swaim and Associates. I'm not sure what a
12 reasonable cap is to put on their services. It would seem
13 like a not-to-exceed number of maybe \$10,000 -- not that I
14 think we'd get anymore near that, but I'd hate to have to
15 come back a dozen times -- to allow them to start putting
16 together some numbers and ideas of what that would cost.

17 So consider that motion subject to that \$10,000
18 cap.

19 TREASURER SHEAFE: Need a second?

20 MS. COX: Is that enough?

21 CHAIRMAN McCUSKER: I've got Mr. Sheafe seconding
22 that.

23 Their proposal is hourly rates, \$130 an hour for
24 the principal architect. 104 for the project manager, 94 an
25 hour for senior, 80 for a professional level, 68 and 58 for

1 clerical and admin. So we could agree to their rates
2 subject to the \$10,000 cap.

3 Any further discussion?

4 All in favor, say eye.

5 (Ayes.)

6 CHAIRMAN McCUSKER: Any opposed, nay.

7 (The Board voted and the motion
8 carried.)

9 CHAIRMAN McCUSKER: Okay. So, Mr. Collins, you
10 can get that in motion.

11 For the audience, the conversation we've had
12 regarding Phase II, we think it's extremely important to the
13 City and to Rio Nuevo how we spend TIF money. But it's
14 clear we got a lot of mileage out of the roughly \$8 million
15 we spent of the Arena when you look at what McKale spent for
16 their remodel. Only we did it for basically a tenth of what
17 they spent.

18 So there's a lot of interest in continuing those
19 efforts, particularly into the bathrooms. In the Ex Hall,
20 these meeting rooms are really inadequate. The kitchen, you
21 know, that we've remodeled, there's some interest in maybe a
22 junior ballroom. So we're going to be working through those
23 issues with Phil and hopefully make a recommendation back to
24 the Board to continue to improve this facility.

25 And I think we're getting a lot of kudos from the

1 people that use it. Mark and it met with the Gem Show
2 representatives. And they were extremely grateful but also
3 see the need for improvements in the Exhibition Hall space
4 which was never in our original scope. So hopefully by
5 maybe the February meeting, we can come back with some kind
6 of proposal for Phase II.

7 To wrap up on the TCC and opening and a series of
8 thank yous, you know, it was an extraordinary process. The
9 evidence is there. We're going to post all of those
10 before-and-after pictures to our website. But there hasn't
11 been anybody that I've talked to, met, or toured or been
12 involved in our new arena that isn't complimentary to our
13 effort.

14 The credibility that we've received for the focus,
15 for the aesthetics that we've put to this project has been
16 unbelievably positive for the District. This project's been
17 nominated for the Public Works Project of the Year. So stay
18 tuned for that. We certainly believe it's eligible and
19 worthy, but we'll see how the people who judge those kind of
20 things determine that.

21 SECRETARY IRVIN: They're not going to let us vote
22 on that.

23 CHAIRMAN McCUSKER: No, we don't get to vote.

24 But there's some really important people that were
25 involved in this project. Elaine Weaver Becherer -- she

1 actually got married during the term of the project without
2 our permission -- you know, the architects; Concord was
3 extraordinary. You know, I think they knew a little bit
4 about what they were getting into. But none of us could
5 have imagined how challenging this project was going to be
6 because we had to work around the TCC schedule.

7 So normally when you have a contract of this
8 scope, you move in, you shut it down, you fix it up, and you
9 leave once. They had to exit probably 20 or 25 times. And
10 every time they did, they had to leave it in audience prep.
11 So they had to clean it. They had to wipe it down. They
12 had to wash the windows. They had to clean the floors and
13 the concession stands. It was just unbelievable to watch.
14 And we're really grateful to John and his team for the work
15 that was done.

16 But the City staff, everybody we've worked with on
17 this project. It's really been -- it's been difficult but
18 probably one of the most fun things I've been involved with.
19 And I think I speak for Mr. Irvin in that regard too.

20 The grand opening was, in a word, spectacular. We
21 are restricted under our Beach Boys contract to tell you the
22 final ticket count and revenue earned as part of the show
23 biz contract that goes along with the artists. But -- it
24 was not a total sellout but it was nearly a sellout crowd.
25 Rio Nuevo actually made a little money on the concert. We

1 would have made a lot more, obviously, if we could sell it
2 out.

3 But there were a number of people that
4 participated in making this an incredible event, not the
5 least of which was SMG. As you all know, SMG was hired in
6 October, 10 months into this project. They really stepped
7 up once they were engaged to make certain that it was also
8 their coming-out party, their grand opening, as much as it
9 was ours.

10 They contributed a significant amount of cash
11 toward that endeavor. They hosted, for free, the VIP
12 reception the day of the concert, which had about a hundred
13 people in it that included our local dignitaries and elected
14 officials, but also a number of music industry
15 representatives. They paid for the street team marketers
16 that were out handling fliers to our merchants. You know,
17 waived the normal ticket fees and they provided free
18 parking.

19 So, Glenn, you know, I mean, thank you very much.
20 It really was an extraordinary effort. We're really
21 thrilled to be involved with SMG.

22 Likewise, Concord bought a block of tickets,
23 \$10,000 block of tickets. I know a number of other people
24 did. Our company contributed at least that amount.

25 Cody, I think you guys bought a block. I know you

1 were instrumental in creating a lot of blocks.

2 The Jim Click Automotive people bought a block of
3 tickets.

4 So you just had this unbelievable community
5 support toward this project. And I think it's just a real
6 neat example of how we do things today.

7 The one thing we do have to bring back to the
8 Board -- and it's Item 10 -- we did spend \$10,219.50
9 marketing this. That's over the \$10,000 we had authorized.
10 So we're going to ask the Board to ratify that.

11 MS. COX: Move to ratify.

12 SECRETARY IRVIN: Second.

13 MS. COX: Aye.

14 CHAIRMAN McCUSKER: All in favor, say aye.

15 (Ayes.)

16 (The Board voted and the motion
17 carried.)

18 CHAIRMAN McCUSKER: The marketing partners for
19 this also, you know, deserve to be thanked.

20 Journal, which owns MixFM, KQTH, KGUN were
21 extraordinary. We invested \$4400 with them early on. They
22 produced all the television ads. They probably gave us
23 \$20,000 of air time. They ran a ticket promotion contest on
24 KQTH, which is conservative talk radio. And it might be the
25 only time that they weren't bad mouthing the Rio Nuevo.

1 And of course, you know, Bobby Rich was the MC for
2 the event. So I don't see anyone here today from KGUN. But
3 we've thanked them, and publically we're thanking them as
4 well.

5 The Star was unbelievable, the positive press. If
6 you go to our website now, I think we posted -- Michele --
7 pretty much every story, every commercial, every angle. And
8 again, it's just overwhelmingly positive.

9 MR. RITCHIE: Fletcher, I'd like to add something
10 real quick about that. You hit it on a little bit earlier.
11 But I think the community doesn't realize what Mr. Click
12 does in this community. I know several people that he was
13 out championing this event. And I just want to recognize
14 that. I just think he's a wonderful citizen of this town
15 and wants to make sure that we all be successful.

16 CHAIRMAN McCUSKER: Yeah. He was a huge
17 supporter. I don't think he actually attended the concert.
18 But I know hundreds of his staff did. You know, and I think
19 it really helped cement the concert.

20 I met with a lot of the industry reps that were
21 here. Again, thanks to SMG. But Live Nation was here.
22 Danny Zelisko Presents, you know, some of the biggest
23 bookers in the region. And to a person -- they were
24 thrilled with the new Arena.

25 And I think -- I don't know that you could

1 comment, Glenn -- but I think we've seen certainly increased
2 booking activity -- go ahead. You know, the -- from your
3 perspective, you know, what's the impact of this remodel
4 done for this Arena?

5 Introduce yourself.

6 MR. GRABSKI: My name is Glenn Grabski. I'm the
7 assistant general manager here with SMG. Live Nation hasn't
8 been in the TCC in over two years, almost three years.

9 After Terry came down and looked around and
10 everything, we're back on his radar. I'm talking to him
11 almost daily. We haven't quite got a show locked in yet,
12 but we're getting close. We've gone from zero holds for
13 them to about a half dozen or so. So we're hoping we can
14 pick up one or two shows in the spring and everything happen
15 in the fall. So we've got from zero to 60 very fast.

16 CHAIRMAN McCUSKER: Anything else you could share
17 regarding just the prospects, or . . .

18 MR. GRABSKI: Well, I don't have any shows that
19 have quite been announced that can be let go to the public.
20 But we'll also be looking at, in the fall, a national
21 televised sporting event. Hopefully, we'll be able to make
22 an announcement in the next three weeks or so.

23 Like I said, we have at least a half dozen holds
24 out the of Live Nation that we're working on, different
25 shows, country, hip-hop, across the board.

1 Still working with Danny to come up with some
2 ideas for him -- Danny Zelisko -- to get him involved in
3 here as well.

4 CHAIRMAN McCUSKER: Okay.

5 Any questions for Glenn while he's up there?

6 Okay. I think we're done with the Arena other
7 than Phase II. We'll come back to that in the next meeting.

8 Let's move on to the next item, which I believe is
9 the Arena Site. I'm going to take Item 12 first. That's
10 more of a housekeeping kind of thing. And then, of course,
11 the big ticket item is the Arena negotiations with Nor-Gen.

12 But every year, they lease the parking spaces
13 where Greyhound's temporarily located. They did it when the
14 City owned the property. We did it last year. We've
15 obviously offered to do that again.

16 So, Mr. Collins, if you'll just tell us what
17 we've been asked and agreed to, we can get that done and
18 make sure we have the parking for this year's Gem Show.

19 MR. COLLINS: Mr. Chairman, Members of the Board,
20 as chairman just reviewed, for quite some time, GJX, a
21 related -- entity related to Nor-Gen, has leased the Arena
22 Site for parking for the Gem Show.

23 Last year that was signed -- that agreement was
24 signed before title was transferred. But title was
25 transferred. And a signatory of that agreement was the

1 District.

2 GJX provided a draft of an agreement, which is
3 identical, if you will, to the agreement that was signed
4 last year. The terms of the agreement are that GJX will,
5 for two weeks, roughly from January 31st to December -- or
6 February 11th, will pay the Board the same amount that it
7 paid last year.

8 There had been discussion -- and it's subject to
9 you folks -- there's been discussion of allowing the monthly
10 parkers that the District has on that site to remain on the
11 site. GJX has said we can do that, but there would be a
12 reduction in the amount of money that would be paid to the
13 District from roughly \$21,000 -- actually \$20,837 down to
14 \$18,793.93.

15 So the issues for you, do you want to enter the
16 agreement? And if so, do you want to do it so that your
17 monthly parkers can stay there.

18 CHAIRMAN McCUSKER: Mr. Irvin?

19 SECRETARY IRVIN: I think we'd be crazy not to
20 take care of our monthly parkers. I like the idea of a
21 reduced-fee ticket compensation. And I'd like to make a
22 motion that we move forward on that basis.

23 TREASURER SHEAFE: Second.

24 CHAIRMAN McCUSKER: So that would -- that would
25 authorize you to finish the -- it's not a lease but it's

1 a . . .

2 MR. COLLINS: It's a right of entry agreement.

3 CHAIRMAN McCUSKER: Right of entry agreement.

4 And the amount again is 18 . . .

5 MR. COLLINS: 18,000 -- if my math is correct,
6 \$18,897.93.

7 CHAIRMAN McCUSKER: Any further questions,
8 comments?

9 All in favor, say aye.

10 (Ayes.)

11 CHAIRMAN McCUSKER: Any opposed, nay.

12 (The Board voted and the motion
13 carried.)

14 CHAIRMAN McCUSKER: Mr. Collins, you can take care
15 of that.

16 MR. COLLINS: No problem.

17 Actually, GJX has been kind enough to draft the
18 agreement. I can just slot the numbers out based upon my
19 communications with them. And I can have the executive
20 officers, the Chairman and Secretary, sign it. And we'll be
21 done.

22 CHAIRMAN McCUSKER: Okay. Item 11, this has been
23 a longtime coming, a challenging situation for Rio Nuevo and
24 the developer interest in this property. But a little
25 history's probably appropriate.

1 Rio Nuevo was awarded this site as part of our
2 global settlement with the City of Tucson.

3 You're not going anywhere, are you?

4 SECRETARY IRVIN: No. I'm just talking to
5 counsel.

6 CHAIRMAN McCUSKER: We obviously saw the
7 importance of this toward the development of Downtown as a
8 potential gateway project. The Greyhound is temporarily
9 located. That's clearly not the highest and best use in our
10 opinion. But as everyone knows, Rio Nuevo does not have the
11 kind of funds it would take to execute a project of that
12 magnitude.

13 So we began to talk about soliciting private
14 sector partners. As we've visited other TIFs, particularly,
15 San Diego, Oklahoma City, they have a great success of
16 partnering with private sector developers. We've developed
17 a request for proposals some time ago to kind of layout what
18 we hoped could happen there. And we invited people to bid
19 on the project.

20 Nor-Gen was the highest scoring bidder. And we've
21 spent the last five months negotiating with Allan and his
22 team, which has not been easy on any of us.

23 Normally, when the government sells a piece of
24 property, it agrees on a price and exchanges a deed, and
25 everyone goes off. With Rio Nuevo's legacy of incomplete

1 projects, we didn't feel like we could do that.

2 We actually wanted to assure the community, but
3 moreover the legislature -- this is State tax money -- that
4 the property would be developed not just surface parking.
5 So we immediately began to negotiate some very stringent and
6 challenging terms for the development.

7 We wanted him to commit to millions of dollars of
8 additional development. We wanted him to commit to an
9 acceptable period of time in which to do that. We wanted
10 him to commit to damages in the event that those benchmarks
11 were not made. And it was -- as you might imagine, for
12 those of you that are developers -- a hard pill to swallow.

13 We can say, today, that we've come to an agreement
14 that we believe achieves all that. It's still part of our
15 procurement process and, therefore, confidential. So we
16 can't go into details that was presented to us in Executive
17 Session.

18 So, Mr. Collins, if you kind of help us with where
19 we are with Nor-Gen, we'll see if we can move the ball.

20 MR. COLLINS: Well, Mr. Chairman, Members of the
21 Board, I think you, Mr. Chairman, have described where we
22 are. There is an execution ready agreement. But the way
23 the agenda is written, that can't occur. There may be last
24 minute issues to deal with.

25 But at this point, under the procurement code, the

1 process that's been ongoing and the authority that was given
2 to the executive officers quite some time ago, if someone
3 were to move to authorize the execution of the agreement
4 consistent with all of the terms that we discussed in
5 Executive Session, that would allow us to advance the ball.

6 CHAIRMAN McCUSKER: And it -- can we say where the
7 developer is with that . . .

8 MR. COLLINS: It is my understanding, based upon
9 conversation with the developer's able counsel, that the
10 developer is prepared to execute an agreement as we
11 discussed in Executive Session.

12 TREASURER SHEAFE: I would make that motion.

13 MS. COX: I second the motion.

14 CHAIRMAN McCUSKER: You probably ought to make a
15 real motion so we could get something in the record.

16 TREASURER SHEAFE: I make a motion that we . . .
17 Can you help me out?

18 MR. COLLINS: Sure.

19 CHAIRMAN McCUSKER: Help Mr. Sheafe with the
20 motion.

21 MR. COLLINS: How about a motion to authorize the
22 Chair and Secretary to finalize negotiations with Nor-Gen
23 consistent with the deal points discussed in Executive
24 Session and authorize the Chair and Secretary to execute a
25 final agreement incorporating those deal points on behalf of

1 the District.

2 TREASURER SHEAFE: So moved.

3 MS. COX: Second.

4 CHAIRMAN McCUSKER: Any further discussion?

5 MR. RITCHIE: Abstain.

6 CHAIRMAN McCUSKER: That's right. Mr. Cody's
7 actually recused.

8 MR. COLLINS: Yeah.

9 CHAIRMAN McCUSKER: So the only four voting
10 members are the four of us.

11 Michele, call the roll.

12 MS. BETTINI: Mark Irvin?

13 SECRETARY IRVIN: Yes.

14 MS. BETTINI: Chris Sheafe?

15 TREASURER SHEAFE: Yes.

16 MS. BETTINI: Jannie Cox?

17 MS. COX: Yes.

18 MS. BETTINI: Fletcher McCusker?

19 CHAIRMAN McCUSKER: Aye.

20 (The Board voted and the motion
21 carries.)

22 By a vote of four ayes, no noes, we've authorized
23 you to finalize the agreement.

24 MR. COLLINS: And the two of you execute.

25 CHAIRMAN McCUSKER: Two of us to execute it.

1 Any reason we can't do that immediately after this
2 meeting?

3 MR. COLLINS: If that's your desire, you certainly
4 can do it after the meeting.

5 CHAIRMAN McCUSKER: Okay. Here we go. Item
6 No. 14. The memorial.

7 Mark, stay up there.

8 I think it's been three meetings ago that we heard
9 the presentation by the January 8th Memorial Foundation,
10 who's developing a memorial downtown. They had asked if we
11 would be interested in contributing \$75,000 to that project.

12 We voted in favor of that, subject to clarifying
13 some of the legal issues around the gift clause. At the
14 time, the County was under a great deal of scrutiny for its
15 use of taxpayer money for charitable purposes.

16 As counsel has explained to us, investments of
17 tax dollars should include some return on that investment,
18 typically bricks-and-mortar kinds of things that you can
19 see. Mark has indicated to us that we believe -- and, in
20 fact, have litigated -- the fact that the District is exempt
21 from those Constitutional gift clause chapters.

22 So we asked counsel to ask the Attorney General to
23 weigh in on that. We also invited the Goldwater Institute
24 to kibbutz with us on it.

25 So, Mark, what's the result of those

1 conversations.

2 MR. COLLINS: The -- to review, the status is the
3 same. The last time we discussed this, the Goldwater
4 Institute declined to comment on my analysis. And the AG,
5 as you all know, has been under changing of the guard. And
6 I haven't heard a response from them on that.

7 So that's my answer.

8 TREASURER SHEAFE: Does that leave us an inability
9 to make any action?

10 MR. COLLINS: Well, the motion that was passed
11 last time was to provide -- contribute -- the City is
12 contributing to the January 8th Memorial. The Country is
13 contributing, not necessarily money but facilities. This
14 project is within the confines of the District's -- within
15 the confines of the District.

16 And the motion that was passed said, essentially,
17 Subject to third-party confirmation that Collins' view of
18 the gift clause is accurate, that the \$75,000 could be
19 funded.

20 Given where we are, that limitation precludes that
21 funding of the \$75,000.

22 CHAIRMAN McCUSKER: Is that specific to TIF funds?
23 If we have other funds --

24 MR. COLLINS: Yeah, you could --

25 CHAIRMAN McCUSKER: -- that are not tax related,

1 and we chose to contribute that, does that somehow help with
2 the issue?

3 MR. COLLINS: The TIF fund issue has to do with
4 the City match. As you may recall, there's an amendment to
5 the IGA that created the District, a 2011 amendment, that
6 says that anything over \$50,000 that you folks spend that
7 implicates the match -- and that's TIF funds -- has to have
8 City approval. We discussed that last time.

9 And the City has contributed to this particular --
10 this particular project. I don't have that letter in front
11 of us. But we had it back when this was being discussed.

12 To the extent it's non-TIF funds, there's no match
13 implication. The gift clause, which is what is the
14 impediment right now, doesn't -- isn't -- doesn't
15 differentiate between those two sources. Gift clause is a
16 really broad statute -- or constitutional provision.

17 The reason it doesn't apply to this District is
18 because there's a specific constitutional amendment that
19 removed, from the affect of the gift clause, tax-levying
20 improvement districts. The -- Rio Nuevo is a tax-levying
21 improvement District. So it's kind of Tab-A/Slot-B for me
22 that you are not subject to the gift clause. You have other
23 restrictions. We've talked about that. But as far as the
24 gift clause is concerned, I don't have a problem.

25 CHAIRMAN McCUSKER: I would hate to approve this

1 without Mr. Hill being here. He was the one that raised the
2 issue. He was in the legislature when a lot of these things
3 were drafted. And I suppose we could table it till
4 February.

5 Is there some way to expedite the Attorney
6 General? I mean, that's kind of what we're all waiting for.
7 And a lot of times, they don't even opine on something like
8 this, right? They just pass?

9 MR. COLLINS: True. True. Obviously, the
10 Attorney General is a different entity than the Goldwater
11 Institute. But they could elect to pass just like the
12 Goldwater Institute elected to do. They -- you know, and
13 they have -- they have a lot of things on their agenda too.
14 So you know, unfortunately, there's no pressure that I can
15 bring to bear on the Attorney General.

16 As I say, for me --

17 CHAIRMAN McCUSKER: Is there any objection of the
18 Board's to tabling this until February? That will give a
19 chance for Mr. Hill to come back. And maybe we can hear
20 something from the AG's office between now and then.

21 MR. COLLINS: I will reach out to the
22 individual -- the assistant attorney general with whom I was
23 communicating has now left that office. I will follow-up
24 with his supervisor and see where we -- where we are with
25 that.

1 CHAIRMAN McCUSKER: Mr. Irvin?

2 SECRETARY IRVIN: Fletcher, I know we've got some
3 folks in the audience from the January 8th Memorial. And I
4 don't think any of us expected this process to go as long as
5 it has gone in trying to get an opinion.

6 But I guess I'd like to hear from them on -- you
7 know, are we putting you in a bad light by not being able to
8 do this as quickly? Because, if I'm not mistaken, you
9 started -- have started or at the middle of the interview
10 thing. I know you just had a thing at the University. Can
11 you just tell us what -- how this impacts you if we table
12 this for a month?

13 CHAIRMAN McCUSKER: Start with your name.

14 MS. CHRISTENSEN: Thank you. Thank you very much.

15 My name is Karen Christensen. I'm the president
16 of the January 8th Memorial Foundation Board. We are making
17 incredible progress, actually, since we saw you. I think at
18 the time we were -- came before you, we had 60 submissions
19 for the -- for the design teams. We've had those four
20 design teams now visit Tucson two weeks ago.

21 They had an incredible series of meetings with
22 City and County people, a wonderful tour of Downtown led by
23 Michael Keith. All four design teams -- one from Tucson,
24 one from Tempe, another from Los Angeles, and a fourth one
25 from -- globally, but the partner being from Chicago --

1 thanked us for being part of this, such an incredible
2 memorial and such an incredible community spirit. It was --
3 it was really very moving.

4 We have incurred the expenses of bringing them out
5 here. We have just set the date of April 2nd when those
6 four teams will come back again, make a series of
7 presentation of their initial concepts. This is for the
8 renovation of El Presidio Park as well as for the placement
9 of the January 8th Memorial within that. We are incurring
10 their travel expenses. We are paying them, as we noted to
11 you, \$5,000 per team to develop that initial concept. And
12 then there will be additional travel expenses, and then
13 there will be the design fees, of which this -- the Rio
14 Nuevo funds would be a portion of those.

15 The City has awarded us -- which will go to the
16 design team -- \$30,000 to help with that master plan concept
17 for El Presidio Park. And the County has done a very
18 extensive survey of the ownership and other aspects of
19 the -- of the site, which is necessary for the park. In
20 addition, the County is devoting substantial time with
21 County personnel to both the -- to the selection panel
22 process and eventually to the project facilitation.

23 In addition, I think as I told you, we're still
24 under consideration with the bond committee and are asking
25 for construction funds essentially for the memorial.

1 It would be very helpful to have those funds now
2 or at least a portion of those funds and to do it in a way
3 that is convenient for you but at the same time will be
4 reimbursing us for the expenses that we're currently
5 incurring.

6 SECRETARY IRVIN: So -- and I think we're just
7 trying to be really sensitive to Jeff Hill right now. Jeff
8 would have been here. But we had a little goof up on where
9 the meeting was. So I guess I -- it's sort of all of our
10 fault.

11 But I guess my question is: If you don't get a
12 check from us for 30 days, is that going to be the end of
13 the world to you, or can you guys work through that until we
14 meet here next time?

15 MS. CHRISTENSEN: It will not be the end of the
16 world. But obviously, it's a lot easier for us to know.
17 We've been holding off. We talked about Rio Nuevo
18 supporting us. But it would be nice to say, Yes, we have
19 Rio Nuevo's support.

20 I can also tell you there's a very exciting press
21 release coming out this afternoon. And in light of
22 Mr. Ritchie's comments earlier, we are forming a memorial
23 campaign -- I think we mentioned that -- with private
24 fundraising that we're committed to doing. And we are
25 announcing today that Jim Click and Gabrielle Giffords will

1 be the honorary co-chairpersons of the memorial campaign.
2 So incredible community leadership.

3 We are so thankful to Mr. Click for everything
4 he's done and to his involvement and basically his
5 endorsement of this project. And of course, having
6 Ms. Giffords as an honorary co-chairperson also speaks
7 volumes for that. So we're very excited.

8 We're bringing in new Board members, Dr. John
9 Pedicone and Dr. Meredith Hay just joined the Board. And
10 we're forming a steering committee again working on that --
11 on that campaign.

12 So we're moving ahead. It's not that we're
13 stopped in our tracks because of this little question mark
14 with the Rio Nuevo funding. But it would be very helpful
15 and will be part of that whole public-private partnership
16 that we're working for.

17 CHAIRMAN McCUSKER: And, Karen, is the County
18 giving hard dollars too? Are they a cash contributor?

19 MS. CHRISTENSEN: The cash contributor at this
20 point is -- is in the inclusion in the -- in the bond
21 package.

22 CHAIRMAN McCUSKER: You said the City was giving
23 you how much? 30,000?

24 MS. CHRISTENSEN: It's 30 at this point toward
25 the -- that's for the master plan concept.

1 CHAIRMAN McCUSKER: Did the City Attorney or
2 anybody over there raise the gift tax issue?

3 MS. CHRISTENSEN: That question has never come up.

4 CHAIRMAN McCUSKER: Mr. Collins, are they bound by
5 the same Constitution that we are? Are we -- are we
6 overreacting?

7 MR. COLLINS: Those are two very different
8 questions. They are bound by the same Constitution. But
9 they do not fall within the exemption provision. I don't
10 recall them being involved. I haven't really looked at it
11 from the City of Tucson's angle. So I don't know whether
12 they are or not. I suspect that they are bound by gift
13 clause. But I don't know that.

14 And if you're overreacting, I -- my advice has
15 been --

16 CHAIRMAN McCUSKER: This is an interesting dilemma
17 for governmental jurisdictions. The County's reversed their
18 policy recently regarding charitable gifts. The City gives
19 hundreds of thousands of dollars to charities every year.

20 You know, we don't see ourself as a foundation.
21 We talked about that. But this has huge economic impact for
22 Downtown which is our core business. So I think we could
23 make a case that, you know, it's not just a gift; we're
24 investing in something that eventually leads to pedestrian
25 tourism.

1 MS. CHRISTENSEN: That is the way that -- when we
2 did that tour with Michael Keith and he explained all the
3 development and this being in an area that connects up with
4 the Garrett Eckbo landscape, this whole area is just --
5 that's exactly the way that he described it to the design
6 team.

7 So they understand that this is part of a much
8 larger fabric of the Downtown development on a side that has
9 not gotten quite as much attention as the East Side
10 development.

11 MR. RITCHIE: If you recall that -- I think you --
12 when -- your presentation the last time, you said that you
13 thought that this would drum up \$150,000 of TIF revenue in
14 some conservative figures. So when I made the motion or the
15 discussion, I felt like the \$75,000 was just 50 cents on the
16 dollars -- was that -- and I went along with you, Fletcher
17 -- that it was more of an economic development investment
18 rather than just a gift, so . . .

19 MS. CHRISTENSEN: That's certainly the way --

20 MR. RITCHIE: That was my reasoning, anyway.

21 MS. CHRISTENSEN: That's been the way -- when we
22 looked at those other cities -- Oklahoma City; Shanksville,
23 Pennsylvania, out in the middle of literally nowhere -- and
24 looked at the visitors that they had and the economic impact
25 and the return that they were seeing on their investments,

1 that's the way -- we're not -- we didn't go into this as a
2 business proposition. But, in fact, on -- as -- on business
3 terms, it makes sense.

4 CHAIRMAN McCUSKER: Well, if you're okay waiting,
5 I would still suggest we table it. We'll get Mr. Hill back
6 here. And maybe we can try and put a little diplomatic
7 pressure on the Attorney General's office. It would be
8 really nice if they would weigh in on this or not. They
9 could choose not to. It might give us some comfort if their
10 people did that.

11 MS. CHRISTENSEN: Or ^^simply decline and make --
12 so they can allow you to go forward.^^.

13 We very much appreciate you. And we appreciate
14 the chance to give you an update too.

15 And I hope that on April 2nd there will be an
16 opportunity for the public to attend the presentations. We
17 will be displaying those initial concepts. We're in
18 negotiating with the County to put them in the County office
19 building and then leaving it open for 30 days for public
20 input and then go back to the selection panel.

21 So thank you very much. And we hope to have a
22 great slide presentation when we're finished with this.
23 Thank you.

24 CHAIRMAN McCUSKER: Thank you.

25 So we consider Item 14 tabled.

1 Item 15 --

2 MS. BETTINI: You missed 13.

3 SECRETARY IRVIN: Do you want to talk about 13?

4 CHAIRMAN McCUSKER: What did I miss?

5 MS. BETTINI: 13.

6 SECRETARY IRVIN: 13.

7 MR. RITCHIE: No. We tabled it.

8 MS. COX: You tabled 13.

9 MR. COLLINS: West Side deed?

10 CHAIRMAN McCUSKER: No. We didn't table it.

11 Sorry. I did pass it over it.

12 So Item 13, the West Side deed, we have been in --
13 it's literally in the hands of the City Attorney and Mayor
14 to execute. That does not appear to be a problem.

15 Environmental services is concerned about the
16 status of the landfill over there. And to the extent that
17 we might penetrate the cap, they've offered to protect that
18 cap for us.

19 I think we did decide we would table it and allow
20 you some further opportunities to negotiate that with the
21 City. So that was my notes from earlier today.

22 MR. COLLINS: That's fine. I thought we ought to
23 have that in the public session, that you're going to table
24 that. And that I --

25 CHAIRMAN McCUSKER: Do I need a motion? I can

1 table it as Chair.

2 MR. COLLINS: You can.

3 CHAIRMAN McCUSKER: So consider that one tabled.

4 MR. COLLINS: And I'll proceed in accordance with
5 the instructions that I received from your folks.

6 CHAIRMAN McCUSKER: 13's tabled. 14's tabled.

7 15, Mission Garden. This has been another
8 well-intentioned process with complications. We have
9 approved \$300,000 for their infrastructure improvements.
10 This is part and parcel to our \$1 million commitment as part
11 of the settlement. And we've bumped up against procurement
12 issues with that. And we're advised by counsel that we
13 can't just release money to them.

14 In the meantime, we have confirmed that the
15 existing West Side contracts with Lloyd Construction and BWS
16 are still alive and assignable. And that may give us a way
17 to utilize those contracts to allow them to procure these
18 services.

19 So I think the Board's conversation, Mark, is to
20 authorize you to work through that with them, see if we can
21 assign these contractors over, release the District from any
22 obligations associated with those.

23 And then, we would just ask that the Friends of
24 Tucson's Birthplace approve the scope of that work with us,
25 and then they should be able to get after it.

1 And I think you all -- Bill, if you want to
2 comment. You've had some conversation with the contractors,
3 and they appear to be amenable?

4 MR. O'MALLEY: Thank you, Chairman, Board members.
5 Bill O'Malley, Friends of Tucson's Birthplace.

6 Yeah. We have had discussions over the last
7 couple weeks on some of the key issues. We understand the
8 assignment of the contracts.

9 And so, at this point, we are waiting to see the
10 next draft of the agreement. And our understanding is that
11 we've worked through most of the significant issues. And
12 we're just ready to see the agreement so we can move forward
13 with it.

14 CHAIRMAN McCUSKER: What happens to this
15 intergovernmental agreement we've been working on if we
16 assign the contracts? Do we still need that triparty
17 agreement, Mark?

18 MR. COLLINS: Well, the reason that the City is
19 part of that agreement is, in part, because Friends and the
20 County and the City are party to a development agreement for
21 that property.

22 And secondarily, the settlement agreement is
23 between District and the City.

24 That's the way I drafted or had it drafted because
25 the agreement the District has is with the City. I suspect

1 we could revise the agreement and take the City out of that
2 agreement.

3 We have prepared a form of assignment and release
4 for the contractors to sign. That's been drafted. And it
5 does comply, we believe, with Title 34 and your procurement
6 code if we proceed in that fashion.

7 The problem with taking the City out of it is
8 that, again, there's \$1.1 million being expended. And
9 unless the City signs off on it, there's a possibility for
10 disagreement on whether the 1.1 or the 300 has been applied
11 appropriately.

12 CHAIRMAN McCUSKER: Satisfies the --

13 MR. COLLINS: Satisfies. Correct.

14 You don't want to spend that 300 or the total
15 amount twice.

16 CHAIRMAN McCUSKER: What do you need from this
17 Board to go forward? Can we just instruct you to . . .

18 MR. COLLINS: If there's a motion to proceed with
19 the assignment of the contracts, the construction and design
20 contracts, upon release of the District and to revise the
21 agreement consistent with the instructions that you provided
22 to me in E Session, that would be enough.

23 SECRETARY IRVIN: I'll make the motion.

24 MS. COX: Second.

25 CHAIRMAN McCUSKER: Any further conversation,

1 comments?

2 Chris, go ahead.

3 TREASURER SHEAFE: I just want to make sure we get
4 the property line issue wrapped up as well.

5 MR. COLLINS: Do you want -- do you want that in
6 this part of the agreement?

7 CHAIRMAN McCUSKER: Under a separate issue, so
8 maybe --

9 TREASURER SHEAFE: -- it's a separate issue. But
10 we need to put that one to rest too. There's been some
11 confusion as to what we're talking about.

12 MR. COLLINS: Yeah. There has. But that hasn't
13 been part of this agreement so far. I can put that in the
14 agreement.

15 TREASURER SHEAFE: No. I'll stand down on that.

16 MR. COLLINS: Okay.

17 TREASURER SHEAFE: I just want to make sure it's
18 going to get done.

19 CHAIRMAN McCUSKER: So all in favor, say aye.

20 (Ayes.)

21 CHAIRMAN McCUSKER: Opposed, nay.

22 (The Board voted and the motion
23 carried.)

24 CHAIRMAN McCUSKER: Okay. So, Bill, stand by.
25 Hopefully this will start moving on it.

1 MR. O'MALLEY: Thank you.

2 CHAIRMAN McCUSKER: Thank you.

3 Item 16, Fox Theater. I think we can deal with
4 this pretty quickly.

5 We do want to extend the final ratification of
6 these agreements to the February meeting. We have
7 successfully taken out the National Trust for Historic
8 Preservation so we can deal directly with the Fox regarding
9 their nearly \$300 million indebtedness to us. We have a
10 basic understanding of terms in that regard.

11 We have instructed counsel to put some typical
12 lender covenants into those agreements that would provide
13 that they would need our approval for major acts, like
14 additional debt; change of the Board; size; hiring, firing
15 the executive director; the kind of things that a lender
16 would normally ask for with a loan of that magnitude.

17 So we've asked Mark to go finish that up and bring
18 it all back to us in February.

19 TREASURER SHEAFE: Mr. Chairman, could we make
20 sure that we also include a provision that our
21 representative on the Fox Board be a part of the Executive
22 Committee?

23 CHAIRMAN McCUSKER: We can put any kind of
24 covenants we want in there. Now, they have to agree on the
25 other side. So it's a two-party transaction.

1 MR. COLLINS: Mr. Chairman, Members of the Board
2 Treasurer Sheafe, based on my conversations with the Fox
3 counsel, there's no problem with the extension of the
4 clean-up period.

5 CHAIRMAN McCUSKER: Let's do that first. You need
6 a motion to --

7 MR. COLLINS: Right.

8 CHAIRMAN McCUSKER: -- extend the clean-up period
9 to February 24th.

10 TREASURER SHEAFE: So moved.

11 SECRETARY IRVIN: Second.

12 CHAIRMAN McCUSKER: All in favor, say aye.

13 (Ayes.)

14 CHAIRMAN McCUSKER: Opposed, nay.

15 (The Board voted and the motion
16 carried.)

17 CHAIRMAN McCUSKER: And now we can just instruct
18 you to draft this covenant language that would be part of
19 the amended loan agreement.

20 MR. COLLINS: That's correct.

21 CHAIRMAN McCUSKER: So instructed.

22 MR. COLLINS: Thank you.

23 CHAIRMAN McCUSKER: Anything else on the Fox?

24 Item 17, I'll just mention briefly.

25 We'll come back to you.

1 But we are talking about maybe doing a legislative
2 briefing in Tucson. I don't have a budget for that. It
3 would come out of the marketing budget.

4 But we would invite some members to visit the Gem
5 Show, tour Downtown and the Arena. There seems to be some
6 interest from legislative leadership in doing that. So I'll
7 get further some information and then circle back with that.

8 I may spend some money here, Mr. Collins. Should
9 we try and identify --

10 SECRETARY IRVIN: More than 219.50?

11 CHAIRMAN McCUSKER: Yeah. Probably more than
12 \$219. I can't imagine more than 5,000 bucks or . . .

13 MR. COLLINS: Right. You're talking about Agenda
14 Item 18?

15 CHAIRMAN McCUSKER: Let's talk about that for a
16 minute because I know it's been an issue recently.

17 We've covered this a year ago, year and a half
18 ago. The executive officers have \$5,000 of discretionary
19 authority.

20 However, if and when we use that, it still has to
21 come back to the Board to be ratified.

22 MR. COLLINS: True.

23 CHAIRMAN McCUSKER: What happens if it doesn't get
24 ratified?

25 MR. COLLINS: That's a problem.

1 CHAIRMAN McCUSKER: It's a challenge running this
2 organization because in any company organization
3 not-for-profit I've ever been involved with there's a group
4 of people, typically the officers, that can spend some
5 money -- \$500, \$1,000 -- and it's discretionary.

6 But here, we no have discretion basically.
7 Because even if we spend it, the Board has to ratify it.

8 MR. COLLINS: It's because it's all public money.
9 These are all taxpayers dollars that you have. And as a
10 result, there's a great deal more limitation on what you can
11 do. But, yes, it is difficult.

12 CHAIRMAN McCUSKER: Do we want to authorize
13 something for the legislative briefing?

14 TREASURER SHEAFE: What would you recommend?

15 CHAIRMAN McCUSKER: No more than \$5,000.

16 MS. COX: So moved.

17 CHAIRMAN McCUSKER: Jannie moved \$5,000 max.

18 Need a second.

19 TREASURER SHEAFE: Second.

20 CHAIRMAN McCUSKER: All in favor, say aye?

21 (Ayes.)

22 (The Board voted and the motion
23 carried.)

24 CHAIRMAN McCUSKER: Okay. I'll let you know if we
25 need to spend it.

1 Quick item on Michele's insurance. We've been
2 advised that, thanks to the Affordable Care Act, Michele now
3 has to run our insurance through payroll. So we would need
4 Board action to do that.

5 Instead of reimbursing her for the purchase of her
6 own insurance, we would run that through payroll and gross
7 it up enough to cover the taxes. So that would be the
8 motion that I need.

9 TREASURER SHEAFE: So moved.

10 MS. COX: Second.

11 CHAIRMAN McCUSKER: All in favor, say aye.

12 (Ayes.)

13 CHAIRMAN McCUSKER: Okay. Did I miss anything,
14 Michele.

15 MR. COLLINS: Any opposed?

16 (The Board voted and the motion
17 carried.)

18 CHAIRMAN McCUSKER: Call to the audience.

19 Do you have any cards, Michele?

20 Roger Pfeiffer.

21 Thank you, Roger. How are you? Oh, I'm not
22 allowed to interact with you. So don't answer.

23 ATTENDEE: Members of the Board, I'm Roger
24 Pfeiffer with Friends of Tucson's Birthplace.

25 I -- we certainly have been involved with you for

1 quite some time and understand the challenges that you've
2 been facing, even those on the agenda today, and the time
3 that it takes to do that.

4 I also want to thank you, Jannie Cox, for coming
5 out and taking a tour of the -- of the whole area with us
6 the other day. She's a great walker, let me . . .

7 CHAIRMAN McCUSKER: She is, yeah.

8 ATTENDEE: I do want to -- I do want to say -- and
9 I appreciate -- we've made some advances here today. The
10 problem with the garden and seasons is they don't -- they
11 don't know how to table decisions. The seasons just keep
12 coming and the gardens keep coming.

13 A delay by a month might put us off a whole season
14 in terms of our planting and everything else. So whatever
15 we can get worked out -- I know I can't ask you questions
16 from this podium. But I'm hoping that there's a
17 possibility, as you did on a couple items, of signing an
18 agreement without me having to wait for the next Board
19 meeting. But I'm not sure that's possible.

20 I do also want to suggest that when you invite the
21 legislators for the Gem Show and for showing them TCC, you
22 might extend the invitation to Mission Garden. We'd like to
23 have -- to host them. No cost to you. We'll pick up the
24 refreshments.

25 Thank you very much for all your support.

1 Appreciate it.

2 CHAIRMAN McCUSKER: Roger, thank you very much.

3 Diana Rhoades.

4 How are you? Oh, I'm sorry. I can't ask you
5 those questions. You can tell me how you are.

6 ATTENDEE: I am Diana Rhoades. I'm a volunteer
7 with Friends of A-Mountain. And I previously worked for
8 Tucson City Councilor Regina Romero and have been following
9 the actions of Rio Nuevo. And thank you very much for all
10 your hard work.

11 Today I just want to point out that A-Mountain
12 Tumamoc -- or A-Mountain Sentinel Peak Park, it is a
13 wonderful place. I don't know if you've been there
14 recently. But as both a volunteer and working for the City
15 and the coalition, we've done a lot of work to this City
16 park. And we're trying to get more active and more involved
17 and get more partners around the idea of a trail system, an
18 expanded trail system.

19 We have a bond proposal before the Pima County
20 bond committee for \$2.5 million that would incorporate
21 buffalo grass removal, erosion control, revegetating the
22 park and the Sentinel Peak Park and the A-Mountain site.

23 But I just wanted to highlight one small resource
24 that would help us if Rio Nuevo should choose to
25 participate. And that would be a small environmental study,

1 an environmental analysis. We've been talking to City Parks
2 and County Parks. And we'd like to just kind of get started
3 moving forward even before the bond item passes. And that
4 would be a very small, you know, environmental assessment,
5 could cost between 10- and \$20,000. So we're looking for
6 partners in that effort.

7 Kind of the dream of this would be that we have
8 access from the Rio Nuevo site area so that when you're --
9 currently, I've been leading walks and recently started a
10 Facebook page as part of this Friends of A-Mountain Sentinel
11 Peak Park. But similar to what you have with the Meet Me at
12 Maynards, we could have the Meet Me at The Mercado and have
13 a walk that walks from the Mercado over to the Mission
14 Garden over to the future Rio Nuevo site and then some sort
15 of access to a trail system right there.

16 Currently what people -- what I'm doing, when our
17 group is coordinating our walks that walk on the road and go
18 by kind of the -- the rock quarry, that rock quarry area,
19 that there's a blend of public and private ownership of the
20 land there so it's kind of a problem.

21 But if we had this kind of bigger idea and
22 thinking around access from the Rio Nuevo site area, from
23 the Pima County site area, or from a public site area
24 access, like the trail system, it would -- it would be
25 really helpful.

1 So just calling your attention to this amazing
2 place and the work that's already been done and asking you
3 to consider participating in a small pilot project around an
4 environmental analysis of the property so once we get that
5 Pima County bond, we'll be able to move forward with this
6 community process around a new trail system that would have
7 access from that particular section.

8 Thank you very much.

9 CHAIRMAN McCUSKER: Can I clarify a couple issues
10 that came from the -- or ask you a couple of questions?

11 MR. COLLINS: You can always ask me questions. I
12 work for you.

13 CHAIRMAN McCUSKER: Okay. I'm going to ask you
14 some questions. I think what we're trying to do with
15 Mission Garden was to give you and the officers enough
16 authority to --

17 (Mr. Irvin left the proceeding.)

18 CHAIRMAN McCUSKER: -- move without having to come
19 back to the Board. Is that -- or I can't use a quorum or
20 I'm in big trouble.

21 MS. COX: Are --

22 CHAIRMAN McCUSKER: Stand by just a moment.

23 MS. COX: Okay.

24 CHAIRMAN McCUSKER: Is that all we did?

25 MR. COLLINS: I believe you did.

1 CHAIRMAN McCUSKER: So we can move ahead and get
2 the contracts assigned, get some things moving before the
3 seasons change, theoretically.

4 MR. COLLINS: Yes.

5 CHAIRMAN McCUSKER: I believe Sentinel Peak's
6 outside of the TIF district.

7 MR. COLLINS: I believe it is too.

8 CHAIRMAN McCUSKER: So we would be prohibited from
9 spending any TIF money outside the TIF, I think.

10 MR. COLLINS: I'd have to double check. I don't
11 know that. I believe that the TIF --

12 CHAIRMAN McCUSKER: -- Is not an associated
13 area -- an area to that.

14 Okay. We're good. We need a motion to adjourn.

15 TREASURER SHEAFE: So moved.

16 MS. COX: Second.

17 CHAIRMAN McCUSKER: All in favor, say aye.

18 (Ayes.)

19 CHAIRMAN McCUSKER: See you in February.

20 (The meeting concluded at 3:27 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